

TOWN OF LYONS
BASIC FINANCIAL STATEMENTS
December 31, 2016

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INDEPENDENT AUDITORS' REPORT

To the Board of Trustees
Town of Lyons, Colorado

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund, and aggregate remaining fund information of the Town of Lyons, Colorado (Town) as of and for the year ended December 31, 2016, and the related notes to the financial statements, which collectively comprise the Town's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

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

Auditors' Responsibility

Our responsibility is to express opinions on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement.

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

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

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Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund and the aggregate remaining fund information of the Town of Lyons, Colorado as of December 31, 2016, 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.

Emphasis of Matters

Significant estimates

As described in Note 1 to the financial statements, The Town has recorded a receivable for approximately \$5,969,802 from the State of Colorado for the Federal and State share of costs related to flood restoration grants. Due to the nature of the grants and the fact that these grants are new both to the Town and the State of Colorado, the amounts which will ultimately be reimbursed by the State of Colorado is an estimate which may have a significant effect on future year's financial results. The Town believes that all costs which have been accrued are allowable.

Ineligible costs

As described in Note 11 to the financial statements, The Town has determined, or been notified by grantor agencies, that certain costs related to the flood cannot be submitted for reimbursement. As a result, the Town may have to use Town resources including revenues and fund balance to pay for these costs. At December 31, 2016, the amount of costs not eligible for reimbursement is approximately \$250,000. This amount may increase as additional information is received from the grantor agencies.

Other-Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis and budgetary comparison information and on pages iv through xi, and 24 through 26, be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Other Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Town of Lyons' basic financial statements. The individual fund financial statements and the Local Highway Finance Report, are presented for purposes of additional analysis and legal compliance and are not a required part of the basic financial statements.

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

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated September 29, 2017, on our consideration of the Town of Lyons Colorado's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Town of Lyons Colorado's internal control over financial reporting and compliance.

Payette & Adams, LLC

September 29, 2017
Denver, Colorado

**TOWN OF LYONS
MANAGEMENT'S DISCUSSION & ANALYSIS**

The management of the Town of Lyons offers this narrative overview and analysis of the financial activities for the fiscal year ended December 31, 2016.

Financial Highlights

- The assets of the Town of Lyons exceeded its liabilities at the close of 2016 by \$52,102,926 (*net position*). Of this amount, (\$1,060,368) (*unrestricted net position*) may be used to meet the government's ongoing obligations to citizens and creditors.
- The government's total net position increased by \$8,095,112.
- As of the close of the current fiscal year, the Town of Lyons governmental funds reported combined ending fund balances of \$8,013,140.
- At the end of the current year, unrestricted, undesignated fund balance for the general fund was \$600,867, or about 14% of total general fund expenditures.

Overview of the Financial Statements

This overview is an introduction to the Town's financial statements. The Town of Lyons basic financial statements consist of three components: (1) government-wide financial statements, (2) fund financial statements, and (3) notes to the financial statements. This report also contains other supplementary information in addition to the basic financial statements themselves.

Government-wide financial statements - Government-wide financial statements are designed to provide readers with a broad overview of the Town of Lyons' finances, in a manner similar to private-sector business.

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

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

Both of the government-wide financial statements distinguish functions of the town that are principally supported by taxes and intergovernmental revenues (government activities) from other functions that are intended to cover 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, administrative services, public safety, public works (streets), planning and zoning, judicial and legislative, parks, recreation and cultural activities, and grant funds that include temporary rebuilding and recovery from the 2013 Flood disaster. The business-type activities of the town include electric utility, water utility, waste water utility.

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

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

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

The Town of Lyons maintains four individual governmental funds. Information is presented separately in the governmental fund balance sheet and in the governmental fund statement of revenues, expenditures, and changes in fund balances for the general fund, grants fund, and the parks, recreation and cultural fund, all of which are considered major funds. Individual fund data for the conservation trust fund, a non-major governmental fund, is also provided.

Proprietary funds are generally used to account for services for which the town charges customers. Proprietary funds provide the same type of information as shown in the government-wide financial statements, only in more detail. The proprietary fund financial statements provide separate information for the electric fund and water and sanitation fund which are considered to be major funds of the Town of Lyons.

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

Other information - in addition to the basic financial statements and accompanying notes, this report also presents certain required supplementary information concerning the Town of Lyons governmental funds budgetary comparisons. This comparison demonstrates actual results (using the basis of budgeting) with the original budget and the final budget of each individual major fund in the governmental funds.

Budgetary comparisons for the proprietary funds and other non-major governmental funds are also provided as supplemental information, although not required by GAAP.

Government-wide Financial Analysis

As noted earlier, net position may serve over time as a useful indicator of the town's financial position. In the case of the Town of Lyons, assets exceeded liabilities by \$52,102,926 at the close of 2016.

Town of Lyons Net Position

	Governmental Activities		Business-type Activities		Total Primary Government	
	2016	2015	2016	2015	2016	2015
Current and other assets	\$ 14,309,961	\$ 14,528,377	\$ 4,013,352	\$ 4,814,297	\$ 18,323,313	\$ 19,342,674
Capital Assets	<u>34,375,291</u>	<u>26,793,865</u>	<u>19,456,285</u>	<u>17,669,700</u>	<u>53,831,576</u>	<u>44,463,565</u>
Total Assets	48,685,252	41,322,242	23,469,637	22,483,997	72,154,889	63,806,239
Long-term Liabilities Outstanding	9,531,091	6,695,982	7,855,464	8,426,233	17,386,555	15,122,215
Other Liabilities	<u>1,351,664</u>	<u>3,056,465</u>	<u>806,920</u>	<u>1,120,023</u>	<u>2,158,584</u>	<u>4,176,488</u>
Total Liabilities	10,882,755	9,752,447	8,662,384	9,546,256	19,545,139	19,298,703
Deferred Inflows of Resources-						
Unavailable resources of property taxes	506,824	499,722	-	-	506,824	499,722
Net Investment in Capital Assets	34,375,291	26,629,255	11,622,678	9,372,561	45,997,969	36,001,816
Restricted						
Debt Service	-	-	387,541	387,541	387,541	387,541
Parks and Open Space	156,343	197,217	-	-	156,343	197,217
Capital outlay	-	-	-	103,611	-	103,611
Grant Expenditures	6,621,441	3,501,015	-	-	6,621,441	3,501,015
Unrestricted	<u>(3,857,402)</u>	<u>742,586</u>	<u>2,797,034</u>	<u>3,074,028</u>	<u>(1,060,368)</u>	<u>3,816,614</u>
Total Net Position	<u>\$ 37,295,673</u>	<u>\$ 31,070,073</u>	<u>\$ 14,807,253</u>	<u>\$ 12,937,741</u>	<u>\$ 52,102,926</u>	<u>\$ 44,007,814</u>

By far the largest portion of the town's net position (88%) reflects its investment of \$46 million in capital assets (e.g., land, buildings, machinery and equipment, utility plants and infrastructure), less any related debt used to acquire those assets that are still outstanding. The town uses these capital assets to provide services to the public; consequently, these assets are *not* available for future spending. Although the town's investment in its capital assets is reported net of related debt, it should be noted that the resources needed to repay this debt must be provided from other sources, since the capital assets themselves cannot be used to liquidate these liabilities.

An additional portion of the town's net position, \$7,165,325 (14%), represents resources that are subject to restrictions as to how they may be used. The remaining balance of unrestricted assets, (\$1,060,368) (-2.0%), is generally available to be used to meet the town's on-going obligations to the public and creditors. Due to flood related issues, the Town has limited sources for non-flood related expenditures. It is important to note that the unrestricted net position of the town's business-type activities may not be used to fund governmental activities, or vice versa.

At the end of the current fiscal year, the Town of Lyons is able to report positive balances in most categories of net position, both for the government as a whole as well as for its separate governmental and business-type activities. Net position invested in capital assets, net of related debt, increased by \$9,996,153, or just over 27.7%, compared to 2015. This increase is discussed below in "Capital Assets."

Governmental activities – Governmental activities increased the Town of Lyons net position by \$6,225,600. Other key elements of governmental activities are as follows:

- The grants fund created to assist with the 2013 Flood rebuilding and recovery contributed \$11.1 million in assets and \$.8 million in liabilities. The majority of expenditures were associated with disaster recovery. Most of those costs will be reimbursed through State, local, and federal grants (i.e., FEMA Public Assistance, FEMA HMGP, CDBG-DR, CDPHE).

- Sales tax collection increased \$244,392 in 2016 over 2015.
- Grant revenues increased by \$10,215,328 in 2016 over 2015. This is largely attributed to collection of FEMA eligible expense reimbursement as well as state and local grant reimbursements.
- Contributions and Donations decreased \$27,588, which is mainly attributed to the grant funds.

Town of Lyons Changes in Net Position

	Governmental Activities		Business-type Activities		Total Primary Government	
	2016	2015	2016	2015	2016	2015
Revenues:						
Program Revenues:						
Charges for services	\$ 461,588	\$ 458,547	\$ 2,891,819	\$ 2,645,906	\$ 3,353,407	\$ 3,104,453
Operating Grants and Contributions	4,006,094	1,273,402	-	-	4,006,094	1,273,402
Capital Grants and Contributions	11,155,494	6,465,933	252,129	571,773	11,407,623	7,037,706
General Revenues:						
Property Taxes	500,612	424,089	-	-	500,612	424,089
Other Taxes	1,342,626	1,137,055	-	-	1,342,626	1,137,055
Unrestricted investment earnings	10,159	1,769	21,987	6,208	32,146	7,977
Intergovernmental	76,902	78,361	-	-	76,902	78,361
Other	415,146	583,262	-	-	415,146	583,262
Total Revenues	17,968,621	10,422,418	3,165,935	3,223,887	21,134,556	13,646,305
Expenses:						
General Government	2,432,701	2,683,677	-	-	2,432,701	2,683,677
Public Safety	2,743,868	534,330	-	-	2,743,868	534,330
Public Works & Streets	3,937,578	807,109	-	-	3,937,578	807,109
Parks, Recreation & Culture	1,012,528	588,295	-	-	1,012,528	588,295
Interest on Long-term Debt	1,578	7,214	-	-	1,578	7,214
Electric	-	-	1,466,625	1,425,242	1,466,625	1,425,242
Water and Sanitation	-	-	1,676,763	1,513,984	1,676,763	1,513,984
Sewer	-	-	-	-	-	-
Property	-	-	-	-	-	-
Total Expenses	10,128,253	4,620,625	3,143,388	2,939,226	13,271,641	7,559,851
Excess (Deficiency) Before Extraordinary						
Gains and Transfers	7,840,368	5,801,793	22,547	284,661	7,862,915	6,086,454
Transfers	(1,846,965)	-	1,846,965	-	-	-
Extraordinary gain	232,197	772,995	-	-	232,197	772,995
Increase or Decrease in Net Position	6,225,600	6,574,788	1,869,512	284,661	8,095,112	6,859,449
Net Position, Beginning	31,070,073	24,495,285	12,937,741	12,653,080	44,007,814	37,148,365
Net Position, Ending	\$ 37,295,673	\$ 31,070,073	\$ 14,807,253	\$ 12,937,741	\$ 52,102,926	\$ 44,007,814

Proprietary (Business-type) activities - Business-type activities increased the Town of Lyons net position by \$1,869,512 in 2016. The flat rate schedule adopted by the Municipal Energy Association of Nebraska (M.E.A.N.) in 2014 reduced the volatility of electric purchases in 2015 and 2016. This, along with a rate increase, helped the Electric Fund improve their financial position. The town is getting more interest in customer generated electricity and is working on policies and procedures to make this cost effective for both parties.

The Town completed the construction of a new Waste Water Treatment Plant (WWTP) at its current location. The new system will be a sequence batch reactor with ultraviolet disinfection. Honeywell and Filanc/Frchetti were contracted to design and build the plant under an energy performance contract. It was anticipated to be complete in October 2015, but was accepted as complete in July 2016. There was still an outstanding sum of \$537,000 at December 31, 2016.

This was considered a cost of delay expense due to Davis Bacon regulations regarding labor costs and American Iron and Steel requirements.

Financial Analysis of the Town's Funds

As noted earlier, the Town uses fund accounting to ensure and demonstrate compliance with finance-related requirements.

Governmental funds – The focus of the Town of Lyons governmental funds is to provide information on near-term inflows, outflows and balances of resources that are available for spending. Such information is useful in assessing the town's financing requirements. In particular, unreserved fund balance may serve as a useful measure of the town's net resources available for spending at the end of the fiscal year. Types of governmental funds reported by the town include the General Fund; Grants Fund; Parks, Recreation and Cultural Fund; and a Special Revenue Fund.

As of December 31, 2016 the town's governmental funds reported combined ending fund balances of \$8,013,140 an increase of \$3,215,381 over the previous year. This increase primarily reflects revenues and other financing sources in the grant funds. The deferred inflows of resources – the unavailability of grant resources (mainly flood cost reimbursement but some property taxes) decreased by \$1,443,443.

The general fund is the chief operating fund of the Town of Lyons. At the end of the fiscal year, unassigned fund balance of the general fund was \$600,867, while total fund balance reached \$607,067. As a measure of the general fund's liquidity, it may be useful to compare both unreserved fund balance and total fund balance to total fund expenditures. Unassigned fund balance represents 14% of total general fund expenditures, while total fund balance represents 14% percent of that same amount.

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

As of December 31, 2016 the unrestricted net position of the Electric Fund was \$269,817. The Water Fund was \$2,527,217. The total increase in net position for all proprietary funds was \$1,869,512 due mainly to intergovernmental income in the Water and Sanitation Fund. Other factors concerning the finances of the proprietary funds have already been discussed in the Town of Lyons' business-type activities.

General Fund Budgetary Highlights

Actual revenue compared to the budget was \$2,501 higher than budgeted (100.06%). Almost all revenue categories were higher than expected. The revenues that came in over budget include property tax, specific ownership tax, use tax, licenses and permits, intergovernmental, investment earnings, rental income and other income. Expenditures were under final budget at approximately 99.9% of budget (\$4,236,984 actual to \$4,263,994 final budget).

The year of 2016 was highlighted by flood recovery work, temporary and permanent improvements to infrastructure and navigating the federal and state regulations regarding flood-related documentation and reimbursements. Staffing needs were greatly increased and the State initially funded 14 positions for a two-year period to assist with the recovery. This resulted in the need to add additional space and equipment for staff. Since the initial grant agreement, most positions have been extended through 2017, 2018 or 2019. The Town leased a building on Main Street (Town Hall Annex) to house the additional staff. In addition, with the Depot Library

being totally damaged by the flood, another space on Main Street was also leased for a temporary library.

Following the restoration of the historic Depot in 2016, the annex lease was discontinued and the building became occupied by grant and finance staff. The Lyons Regional Library District assumed the town's lease on Main Street. Throughout 2016, much time and energy was spent on preparing for and being involved with site monitoring, desk audits, and capacity audits by HUD, DOLA, and DHSEM.

Most of 2016 was spent on of grant funded projects and the start of design work on many capital projects, as well as planning and resiliency grant projects. As design is completed and accepted, actual construction on numerous capital projects has started.

Most of the revenue streams for flood recovery are based on reimbursement models, requiring the Town to pay for services when rendered and being reimbursed by the state; several months after the submittal. The significant needs of the town following the flood resulted in the approval of a FEMA Community Disaster Loan totaling \$994,322, as well as \$6.5 million in advances from the State Disaster Emergency Fund to assist with cash flow during flood recovery. The town was authorized for an additional \$3 million in 2016 bringing the balance of the advance to \$9.5 million. Town staff continues to conduct bi-weekly meetings with state personnel to keep projects moving forward and quarterly to discuss cash flow, obstacles, staffing, etc.

The following is a list of some of the contracts, services and actions taken in 2016:

- DOLA Flood Recovery Staffing Assistance Grant
- Lyons Depot Historic Restoration completed
- Town Hall Annex occupied until Depot was completed
- Submitted and received Lyons Community Foundation grants
- ICON completed the Storm Drainage Master Plan
- Upgraded SCADA Software for Water and Sewer operations
- Completed Design of Bohn Park
- Installation of Electric Vehicle Charging Station
- Accepted public improvements in Sierra Rojo Subdivision
- Continued Bank Recovery Work on the Creek
- Phase II Meadow Park and River Corridor completed and renamed LaVern M. Johnson Park
- Continued Buyouts / Acquisitions of Deed Restricted Properties
- Replacement of water and wastewater infrastructure
- Completed Public Improvements in Confluence Neighborhood Including Water, Waste Water, Roads, Curb, Gutter
- Work Continued on EDA Grant to Install Sewer Infrastructure to Eastern Corridor
- Hired a Sustainability Coordinator
- Numerous Computers Purchased and Server Upgrade
- Purchased and Used Inventory Software and Hardware
- Main Street Enhancements and Traffic Signal Completed, Sewer And Electric – Hwy 36

Capital Asset and Debt Administration

Capital assets – The Town of Lyons investment in capital assets for its governmental and business-type activities as of December 31, 2016 amounts to \$45,997,969 (net of accumulated

depreciation). This investment in capital assets includes land, water rights, buildings, streets, utility systems, improvements, machinery and equipment, park facilities and structures.

Major capital asset events during the 2016 fiscal year included the following:

- Water transmission main installed
- Permanent creek work and stream bank improvements were completed
- Waste water treatment plant completed
- Roads, water and sewer lines installed in confluence neighborhood
- Hwy 36 Streetscape and new electric completed

Town of Lyons Capital Assets (net of depreciation)

	Governmental Activities		Business-type Activities		Total Primary Government	
	2016	2015	2016	2015	2016	2015
Land, Water and Construction in Progress	\$ 21,545,581	\$ 23,185,629	\$ 1,655,910	\$ 8,239,391	\$ 23,201,491	\$ 31,425,020
Building and Improvements	12,710,649	3,273,659	-	-	12,710,649	3,273,659
Plant and systems	-	-	17,667,526	9,238,684	17,667,526	9,238,684
Machinery and Equipment	119,061	334,577	132,849	191,625	251,910	526,202
	<u>\$ 34,375,291</u>	<u>\$ 26,793,865</u>	<u>\$ 19,456,285</u>	<u>\$ 17,669,700</u>	<u>\$ 53,831,576</u>	<u>\$ 44,463,565</u>

Long-Term Debt – At the end of the current fiscal year, the Town of Lyons had debt outstanding of \$17,386,555. Debt represented by bonds and loans secured solely by specified revenue sources (i.e., revenue bonds) are within the proprietary funds. The Town of Lyons does not hold any general obligation within the governmental funds. Capital Leases represent two loans on equipment held by the Governmental Funds. Both leases were terminated in 2016 and the equipment was returned. Compensated Absences represent the total employee benefit dollar amount (at current rate of pay) regarding vacation, sick and compensated time, earned but not taken. In addition to the summary below, see the notes to the Financial Statements section for more information.

Town of Lyons Outstanding Debt Revenue Bonds and Loans

	Governmental Activities		Business-type Activities		Total	
	2016	2015	2016	2015	2016	2015
Capital Lease	\$ -	\$ 164,610	\$ -	\$ -	\$ -	\$ 164,610
Advance from State	9,500,000	6,500,000	-	-	9,500,000	6,500,000
Compensated Absences	31,091	31,372	21,857	25,483	52,948	56,855
Revenue Bonds	-	-	665,000	745,000	665,000	745,000
Revenue Loans	-	-	7,168,607	7,655,750	7,168,607	7,655,750
Total	<u>\$ 9,531,091</u>	<u>\$ 6,695,982</u>	<u>\$ 7,855,464</u>	<u>\$ 8,426,233</u>	<u>\$ 17,386,555</u>	<u>\$ 15,122,215</u>

All issues of the Town of Lyons are unrated.

Economic Factors and Next Year's Budgets and Rates

In preparing the 2017 budget, the Town had to estimate the fiscal impact on all revenues for the town and its government recovering from the devastating flood disaster that caused over \$50

million in damages to the Town's infrastructure in 2013. The regional impact of the flood disaster and the sale of recreational marijuana improved local economic factors. Business activity is strong with the increase in wedding venues, closure of Hwy 34 and traffic routed through Lyons, as well as high numbers of people visiting Rocky Mountain National Park.

However, the Town remains cautious of the steadily growing economy. The property values in Boulder County continue to increase causing less stratification in the market. The town continues to struggle with finding available land for replacement housing outside of the floodplain. Workforce housing is almost nonexistent in Lyons at this time, rendering a shortage in workforce for local businesses. The town passed an Accessory Dwelling Unit ordinance in the hopes of adding small living units to the community's inventory.

Electric rates remained consistent, and will be reviewed again in 2017. A Capital Improvement Plan is needed in this area and planned for in the coming year. Plans continue for exploring opportunities for annexation in the Commercial Eastern Corridor with the assistance of an EDA grant that will fund installation of sewer lines to this area. The town continues discussions with the City of Longmont on options for this area. The town was awarded a planning grant for conducting a Lyons Primary Planning Area study of this area, as well as Apple Valley and the South St. Vrain in 2017.

Contacting the Town's Financial Management

This financial report is designed to provide the public, taxpayers, customers, investors and creditors with a general overview of the town's finances and to show the town's accountability for the funds and assets it receives. If you have questions about this report, or need additional financial information contact the Finance Director of the Town of Lyons at PO Box 49, 432 5th Ave, Lyons, Colorado 80540.

BASIC FINANCIAL STATEMENTS

TOWN OF LYONS, COLORADO
STATEMENT OF NET POSITION
DECEMBER 31, 2016

	Governmental Activities	Business-type Activities	Total
<u>Assets</u>			
Cash and cash equivalents	\$ 5,585,488	\$ 4,758,216	\$ 10,343,704
Restricted cash and cash equivalents	-	152,828	152,828
Receivables	771,008	380,749	1,151,757
Due from other governments	5,969,802	-	5,969,802
Property tax receivable	506,824	-	506,824
Internal balances	1,373,036	(1,373,036)	-
Inventories	-	94,595	94,595
Revolving loan funds receivable	103,803	-	103,803
Capital assets not being depreciated			
Land, water rights and construction in progress	21,545,581	1,655,910	23,201,491
Capital assets, net of accumulated depreciation			
Buildings	1,023,289	-	1,023,289
Improvements	11,687,360	-	11,687,360
Plant and systems	-	17,667,526	17,667,526
Equipment	119,061	132,849	251,910
 Total Assets	 <u>48,685,252</u>	 <u>23,469,637</u>	 <u>72,154,889</u>
<u>Liabilities</u>			
Current liabilities			
Accounts payable and other current liabilities	1,211,108	738,731	1,949,839
Other current liabilities	140,556	54,664	195,220
Deposits	-	13,525	13,525
Due within one year	10,500	583,814	594,314
Due in more than one year	9,520,591	7,271,650	16,792,241
 Total Liabilities	 <u>10,882,755</u>	 <u>8,662,384</u>	 <u>19,545,139</u>
<u>Deferred Inflows of Resources</u>			
Unavailable resources property taxes	506,824	-	506,824
 Total Deferred Inflows of Resources	 <u>506,824</u>	 <u>-</u>	 <u>506,824</u>
<u>Net Position</u>			
Net investment in capital assets	34,375,291	11,622,678	45,997,969
Restricted			
Debt service	-	387,541	387,541
Parks and open space	156,343	-	156,343
Grant expenditures	6,621,441	-	6,621,441
Unrestricted	(3,857,402)	2,797,034	(1,060,368)
 Total Net Position	 <u>\$ 37,295,673</u>	 <u>\$ 14,807,253</u>	 <u>\$ 52,102,926</u>

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

TOWN OF LYONS, COLORADO
STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED DECEMBER 31, 2016

Function/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
Governmental activities							
General government	\$ 2,432,701	\$ 83,461	\$ 3,041,758	\$ 136,124	\$ 828,642	\$ -	\$ 828,642
Public safety	2,743,868	124,103	59,613	961,638	(1,598,514)	-	(1,598,514)
Public works and streets	3,937,578	-	758,026	6,051,190	2,871,638	-	2,871,638
Parks, recreation and cultural	1,012,528	254,024	146,697	4,006,542	3,394,735	-	3,394,735
Interest	1,578	-	-	-	(1,578)	-	(1,578)
Total governmental activities	10,128,253	461,588	4,006,094	11,155,494	5,494,923	-	5,494,923
Business-type activities							
Electric	1,466,625	1,538,685	-	27,159	-	99,219	99,219
Water and Sanitation	1,676,763	1,353,134	-	224,970	-	(98,659)	(98,659)
Total business-type activities	3,143,388	2,891,819	-	252,129	-	560	560
Total primary government	\$ 13,271,641	\$ 3,353,407	\$ 4,006,094	\$ 11,407,623	5,494,923	560	5,495,483
General revenues							
Property taxes				500,612	-	500,612	
Sales and use taxes				1,262,092	-	1,262,092	
Ownership taxes				24,163	-	24,163	
Other taxes and fees				56,371	-	56,371	
Unrestricted investment earnings				10,159	21,987	32,146	
Intergovernmental				76,902	-	76,902	
Other income				415,146	-	415,146	
Transfers				(1,846,965)	1,846,965	-	
Total general revenues				498,480	1,868,952	2,367,432	
Extraordinary gain				232,197	-	232,197	
Total general revenues, transfers extraordinary gains				730,677	1,868,952	2,599,629	
Change in net position				6,225,600	1,869,512	8,095,112	
Net position, beginning				31,070,073	12,937,741	44,007,814	
Net position, ending				\$ 37,295,673	\$ 14,807,253	\$ 52,102,926	

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

TOWN OF LYONS, COLORADO
BALANCE SHEET
GOVERNMENTAL FUNDS
DECEMBER 31, 2016

	Major Funds				
	General	Grants	Parks, Recreation, and Cultural	Other Governmental	Total Governmental
Assets					
Cash and cash equivalents	\$ 512,252	\$ 4,227,554	\$ 691,553	\$ 154,129	\$ 5,585,488
Accounts receivable	476,737	232,196	40,144	-	749,077
Accounts receivable - land use permits	21,931	-	-	-	21,931
Revolving loan funds receivable	-	103,803	-	-	103,803
Due from other governments	596,817	5,372,985	-	-	5,969,802
Property taxes receivable	506,824	-	-	-	506,824
Due from other funds	289,623	1,168,090	-	2,214	1,459,927
Total Assets	\$ 2,404,184	\$ 11,104,628	\$ 731,697	\$ 156,343	\$ 14,396,852
Liabilities					
Accounts payable	\$ 507,378	\$ 696,416	\$ 7,314	\$ -	\$ 1,211,108
Accrued liabilities	24,889	112,664	3,003	-	140,556
Due to other funds	-	-	86,891	-	86,891
Total Liabilities	532,267	809,080	97,208	-	1,438,555
Deferred Inflows of Resources					
Unavailable resources property taxes	506,824	-	-	-	506,824
Unavailable resources grants	758,026	3,680,307	-	-	4,438,333
Total Deferred Inflows of Resources	1,264,850	3,680,307	-	-	4,945,157
Fund Balance					
Restricted for					
Grant expenditures	6,200	6,615,241	-	-	6,621,441
Parks, recreation and cultural	-	-	-	156,343	156,343
Assigned to					
Parks, recreation and cultural	-	-	634,489	-	634,489
Unassigned	600,867	-	-	-	600,867
Total Fund Balance	607,067	6,615,241	634,489	156,343	8,013,140
Total Liabilities, Deferred Inflows of Resources and Fund Balance	\$ 2,404,184	\$ 11,104,628	\$ 731,697	\$ 156,343	\$ 14,396,852

Reconciliation of total fund balance to net assets of governmental activities:

Total fund balance shown above	8,013,140
Amounts reported for governmental activities in the statement of net assets are different because:	
long-term liabilities are not due and payable in the current period and, therefore, not reported in the funds.	(9,531,091)
Other long-term assets are not available to pay for current period expenditures and, therefore, are reported as unavailable revenues in the funds.	4,438,333
Capital assets used in governmental activities are not financial resources and, therefore, not reported in the funds.	34,375,291
Net Position of Governmental Activities	\$ 37,295,673

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

TOWN OF LYONS, COLORADO
STATEMENT OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCES
GOVERNMENTAL FUNDS
DECEMBER 31, 2016

	General Fund	Grants	Parks, Recreation and Cultural	Other Governmental	Total Governmental Funds
<u>Revenues</u>					
Taxes					
General property tax	\$ 500,612	\$ -	\$ -	\$ -	\$ 500,612
Specific ownership tax	24,163	-	-	-	24,163
Sales tax	778,014	-	243,282	-	1,021,296
Use tax	158,742	-	82,054	-	240,796
Other taxes and fees	24,270	-	32,101	-	56,371
Licenses and permits	88,406	-	-	-	88,406
Intergovernmental	1,861,626	14,820,231	-	21,697	16,703,554
Charges for services	-	-	254,024	-	254,024
Fines and forfeitures	124,103	-	-	-	124,103
Investment earnings	4,723	2,326	2,015	1,095	10,159
Rental income	111,598	-	-	-	111,598
Contributions and donations	2,967	74,375	10	-	77,352
Other income	198,959	886	112	-	199,957
Total Revenues	3,878,183	14,897,818	613,598	22,792	19,412,391
<u>Expenditures</u>					
Current					
General government	991,744	1,253,279	-	-	2,245,023
Public safety	497,188	2,246,680	-	-	2,743,868
Economic development	131,313	13,500	-	-	144,813
Public works	2,606,288	783,341	-	-	3,389,629
Library	2,903	-	-	-	2,903
Parks, recreation and cultural	-	161,307	531,172	63,666	756,145
Capital outlay	-	10,438,385	-	-	10,438,385
Debt service					
Principal	7,548	6,162	-	-	13,710
Interest	-	1,578	-	-	1,578
Total Expenditures	4,236,984	14,904,232	531,172	63,666	19,736,054
Excess of revenues over (under) expenditures	(358,801)	(6,414)	82,426	(40,874)	(323,663)
<u>Other financing sources (uses)</u>					
Transfers in	28,128	-	-	-	28,128
Transfers out	-	(28,128)	-	-	(28,128)
Loan proceeds	-	3,000,000	-	-	3,000,000
Insurance recoveries	26,239	512,805	-	-	539,044
Total other financing sources (uses)	54,367	3,484,677	-	-	3,539,044
Change in fund balances	(304,434)	3,478,263	82,426	(40,874)	3,215,381
Fund balance, beginning	911,501	3,136,978	552,063	197,217	4,797,759
Fund balance, ending	\$ 607,067	\$ 6,615,241	\$ 634,489	\$ 156,343	\$ 8,013,140

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

TOWN OF LYONS, COLORADO
RECONCILIATION OF THE STATEMENT OF REVENUES,
EXPENDITURES AND CHANGES IN FUND BALANCES OF
GOVERNMENTAL FUNDS TO THE STATEMENT OF ACTIVITIES
YEAR ENDED DECEMBER 31, 2016

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

Net change in fund balances, total governmental funds	\$ 3,215,381
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Issuances of debt are treated as revenues in the governmental funds, but are recorded as liabilities on the statement of net position. Repayments of this debt are recorded as expenses in the governmental funds and reduce liabilities on the statements of net position.

Principal payments on capital lease	\$ 13,710	
Loan proceeds	<u>(3,000,000)</u>	

Net amount by which debt proceeds exceeded principal payments	(2,986,290)
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Capital outlays to purchase or build capital assets are reported in governmental funds as expenditures. However, for governmental activities those costs are capitalized in the statement of net position and are allocated over their estimated useful lives as annual depreciation expense in the statement of activities.

Total governmental funds capital outlay - capitalized	\$ 8,591,420	
Donated capital assets are not reported as revenues at the fund level	6,270	
Loss on disposal of assets	(20,518)	
Less current period depreciation	<u>(844,846)</u>	

Net amount by which capital outlay exceeded depreciation and loss on disposal of asset in the current period	7,732,326
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Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the funds	(1,736,098)
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Accrued compensated absences are not reported as an expenditure at the fund level.	<u>281</u>
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Change in Net Assets of Governmental Activities	<u><u>\$ 6,225,600</u></u>
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The accompanying notes are an integral part of these financial statements.

TOWN OF LYONS, COLORADO
STATEMENT OF NET POSITION
PROPRIETARY FUNDS
DECEMBER 31, 2016

	Electric Fund	Water and Sanitation Fund	Totals
<u>Assets</u>			
Current assets			
Cash and cash equivalents	\$ 27,032	\$ 4,731,184	\$ 4,758,216
Restricted cash, cash equivalents	152,828	-	152,828
Accounts receivable	162,222	218,527	380,749
Due from other funds	172,322	-	172,322
Inventory, at cost	28,192	66,403	94,595
Total current assets	<u>542,596</u>	<u>5,016,114</u>	<u>5,558,710</u>
Noncurrent assets			
Capital assets not being depreciated			
Land, construction in progress and water rights	49,215	1,606,695	1,655,910
Capital assets being depreciated			
Plant and systems	3,618,111	19,522,991	23,141,102
Equipment	<u>92,815</u>	<u>273,630</u>	<u>366,445</u>
Plant, systems and equipment	3,760,141	21,403,316	25,163,457
Less accumulated depreciation	<u>(1,139,411)</u>	<u>(4,567,761)</u>	<u>(5,707,172)</u>
Capital assets, net of accumulated depreciation	<u>2,620,730</u>	<u>16,835,555</u>	<u>19,456,285</u>
Total Assets	<u>3,163,326</u>	<u>21,851,669</u>	<u>25,014,995</u>
<u>Liabilities</u>			
Current liabilities			
Accounts payable	\$ 87,421	\$ 651,310	\$ 738,731
Due to other funds	-	1,545,358	1,545,358
Accrued liabilities	14,988	39,676	54,664
Customer deposits	10,640	2,885	13,525
Compensated absences-current	2,300	5,000	7,300
Revenue notes payable - current	20,207	476,307	496,514
Revenue bonds payable - current	<u>80,000</u>	<u>-</u>	<u>80,000</u>
Total current liabilities	<u>215,556</u>	<u>2,720,536</u>	<u>2,936,092</u>
Noncurrent liabilities			
Compensated absences	4,602	9,955	14,557
Notes payable	238,748	6,433,345	6,672,093
Bonds payable	<u>585,000</u>	<u>-</u>	<u>585,000</u>
Total noncurrent liabilities	<u>828,350</u>	<u>6,443,300</u>	<u>7,271,650</u>
Total Liabilities	<u>1,043,906</u>	<u>9,163,836</u>	<u>10,207,742</u>
<u>Net position</u>			
Net investment in capital assets	1,696,775	9,925,903	11,622,678
Restricted for debt service	152,828	234,713	387,541
Unrestricted	<u>269,817</u>	<u>2,527,217</u>	<u>2,797,034</u>
Total Net Position	<u>\$ 2,119,420</u>	<u>\$ 12,687,833</u>	<u>\$ 14,807,253</u>

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

TOWN OF LYONS, COLORADO
STATEMENT OF REVENUES, EXPENSES
AND CHANGE IN NET POSITION
PROPRIETARY FUNDS
DECEMBER 31, 2016

	Electric Fund	Water and Sanitation Fund	Totals
<u>Operating revenues</u>			
Charges for services	\$ 1,507,971	\$ 1,331,319	\$ 2,839,290
Other	30,714	21,815	52,529
Total operating revenues	<u>1,538,685</u>	<u>1,353,134</u>	<u>2,891,819</u>
<u>Operating expenses</u>			
Operations and maintenance	1,079,698	698,571	1,778,269
Administrative	224,499	329,346	553,845
Depreciation and amortization	110,078	557,166	667,244
Total operating expenses	<u>1,414,275</u>	<u>1,585,083</u>	<u>2,999,358</u>
Operating income (loss)	<u>124,410</u>	<u>(231,949)</u>	<u>(107,539)</u>
<u>Non-operating revenues (expenses)</u>			
Investment earnings	3,344	18,643	21,987
Loss on disposal of equipment	-	(22,486)	(22,486)
Interest on indebtedness	<u>(52,350)</u>	<u>(69,194)</u>	<u>(121,544)</u>
Total Non-Operating Revenues (Expenses)	<u>(49,006)</u>	<u>(73,037)</u>	<u>(122,043)</u>
Income (loss) before capital contributions, and transfers	75,404	(304,986)	(229,582)
Capital contributions	<u>383,257</u>	<u>1,715,837</u>	<u>2,099,094</u>
Change in net position	458,661	1,410,851	1,869,512
Net position, beginning of year	<u>1,660,759</u>	<u>11,276,982</u>	<u>12,937,741</u>
Net position, end of year	<u>\$ 2,119,420</u>	<u>\$ 12,687,833</u>	<u>\$ 14,807,253</u>

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

TOWN OF LYONS, COLORADO
STATEMENT OF CASH FLOWS
PROPRIETARY FUNDS
DECEMBER 31, 2016

	Electric	Water and Sanitation Fund	Total
<u>Cash flows from operating activities</u>			
Receipts from customers and users	\$ 1,483,520	\$ 1,319,785	\$ 2,803,305
Other services	30,714	21,815	52,529
Payments to suppliers and employees	(1,321,973)	(1,042,452)	(2,364,425)
Net cash provided by operating activities	<u>192,261</u>	<u>299,148</u>	<u>491,409</u>
<u>Cash Flows from Noncapital Financing Activities</u>			
Interfund borrowings	(1,437,925)	239,075	(1,198,850)
Net cash provided by (used for) noncapital financing activities	<u>(1,437,925)</u>	<u>239,075</u>	<u>(1,198,850)</u>
<u>Cash flows from capital and related financing activities</u>			
Principal repayments	(99,172)	(467,971)	(567,143)
Contributions from customers	27,160	224,970	252,130
Interest paid	(53,206)	(76,669)	(129,875)
Intergovernmental capital grants	-	312,419	312,419
Purchase of fixed assets	(51,788)	(854,149)	(905,937)
Net cash used for capital and related financing	<u>(177,006)</u>	<u>(861,400)</u>	<u>(1,038,406)</u>
<u>Cash flows from investing activities</u>			
Interest earned	3,344	18,643	21,987
Net cash provided by investing activities	<u>3,344</u>	<u>18,643</u>	<u>21,987</u>
Net change in cash and equivalents	(1,419,326)	(304,534)	(1,723,860)
Cash and equivalents, beginning of year	<u>1,599,186</u>	<u>5,035,718</u>	<u>6,634,904</u>
Cash and equivalents, end of year	<u>\$ 179,860</u>	<u>\$ 4,731,184</u>	<u>\$ 4,911,044</u>
Operating income (loss)	\$ 124,410	\$ (231,949)	\$ (107,539)
Adjustments to reconcile operating income to net cash provided by operating activities			
Depreciation	110,078	557,166	667,244
Decrease (increase) in accounts receivable	(24,950)	(11,534)	(36,484)
Decrease (increase) in accounts payable	(17,277)	(14,535)	(31,812)
Total adjustments	<u>67,851</u>	<u>531,097</u>	<u>598,948</u>
Net cash provided by operating activities	<u>\$ 192,261</u>	<u>\$ 299,148</u>	<u>\$ 491,409</u>

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

TOWN OF LYONS, COLORADO
NOTES TO FINANCIAL STATEMENTS

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Organization

The Town of Lyons (the “Town”) was organized on April 6, 1891 as an incorporated municipality as defined by Colorado Revised Statutes. The Town is governed by an elected Mayor and a six member Board of Trustees (Board). The Town provides the following services to the residents and businesses: public safety (police and building inspections), economic development, streets and storm drainage, sewer treatment, water, electric, cultural activities, parks and recreation, public improvements, planning and zoning, judicial, and general administrative services. Police protection is provided by an intergovernmental agreement with the Boulder County Sheriff's Office.

The accounting policies of the Town conform to generally accepted accounting principles (GAAP) as applicable to government units. The following is a summary of the more significant policies.

Reporting Entity

The definition of the reporting entity is based primarily on financial accountability. The Town is financially accountable for organizations that make up its legal entity. It is also financially accountable for legally separate organizations if the Town officials appoint a voting majority of the organization's governing body and either it is able to impose its will on that organization or there is a potential for the organization to provide specific financial benefits to, or impose specific financial burdens on, the Town. The Town may also be financially accountable for organizations that are fiscally dependent upon it.

Based on the application of these criteria, the financial statements include only the funds of the Town of Lyons for which the Mayor and Board of Trustees have oversight responsibility. During June, 2015, The Town Board of Trustees created the Lyons Urban Renewal Authority (LURA) and appointed several members of the Town's management as management of the LURA. Although the LURA existed in legal form in 2016, the only transactions were the levy of approximately \$9,600 of property taxes which are expected to be collected and available in 2017. The future transactions will be reported as a blended component unit.

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. Fiduciary activity is not reported in the government-wide financial statements.

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

TOWN OF LYONS, COLORADO
NOTES TO FINANCIAL STATEMENTS

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Government-Wide and Fund Financial Statements

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

Measurement Focus, Basis of Accounting, and Financial Statement Presentation

The government-wide and proprietary fund 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 related cash flows. Property taxes are recognized as revenues in the year for which they are levied. There are no legal restrictions concerning the use of property taxes. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met.

Governmental fund financial statements are reported using the *current financial resources measurement focus* and the *modified accrual basis of accounting*. Revenues are recognized as soon as they are both measurable and available. Revenues are considered to be *available* when they are collected 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 60 days of the end of the current fiscal period.

Property taxes, specific ownership taxes, sales taxes, public improvement fees, grants and interest associated with the current fiscal period are considered to be susceptible to accrual and so have been recognized as revenues of the current fiscal period. All other revenues are considered measurable and available only when cash is received.

Expenditures generally are recorded when a liability is incurred, as under accrual accounting. However, debt service expenditures and compensated absences are recorded only when payment is due.

Major Funds – In the fund financial statements, the Town reports the following major governmental funds:

- The *General Fund* is the Town's primary operating fund. It accounts for all financial resources of the Town, except those required to be accounted for in another fund.
- The *Grants Fund* is a special revenue fund created as a result of the flood that occurred September 12, 2013. This fund primarily captures grants, insurance proceeds, donations and expenses related to flood restoration.
- The *Parks, Recreation, and Cultural Fund* is a special revenue fund that accounts for the acquisition and maintenance of parkland and related facilities including the visitor center, as well as organizing and promoting special events and other community programs. Financing is provided by sales and use taxes, impact fees on new construction, activity fees, grants, donations, and other park use fees.

TOWN OF LYONS, COLORADO
NOTES TO FINANCIAL STATEMENTS

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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

The Town reports the following major proprietary funds:

- *Electric Fund* - This enterprise fund was established to finance and account for the activities of the municipally owned electric utility. It is predominately self-supported by customer user charges but also receives revenue from investment fees for new connections.
- *Water and Sanitation Fund* - This enterprise fund was established to finance and account for the acquisition, operation and maintenance of water facilities and wastewater facilities and distribution. It is predominately self-supported by customer user charges but also receives revenue from plant investment fees (tap fees).

The Town reports one governmental fund as non-major:

- The *Conservation Trust Fund* is used to account for monies received from the Colorado Lottery, on a per capita basis. By statute, funds can be used for the acquisition, development, and maintenance of new conservation sites or for capital improvements or maintenance for recreational purposes on any public site.

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

Budgets

Budgets are adopted on a basis consistent with Colorado Revised Statutes and Local Government Budget Law. The budgets for the Town are adopted for all funds and presented on a basis consistent with GAAP except as follows. In the budgets for the enterprise funds: 1) bond and other debt proceeds are treated as other financing sources, and bond and other debt principal payments are treated as budget expenditures, 2) tap fees for the Electric Fund, Water and Sanitation Fund are treated as budgeted revenues, 3) no depreciation or amortization is budgeted 4) capital acquisitions are treated as budget expenditures and 5) losses on disposals of equipment are not recognized as revenues for budget purposes.

Expenditures may not legally exceed budgeted appropriations at the fund level for all funds. Appropriations for all funds lapse at fiscal year-end. The budget of the Town is a detailed operating plan, which identifies estimated costs and results in relation to estimated revenues and represents a process through which policy decisions are made, implemented and controlled. The Town approved supplemental appropriations of \$2,625,000 for the General Fund, \$70,000 for the Conservation Trust Fund and \$475,000 for the Water and Sanitation Fund.

TOWN OF LYONS, COLORADO
NOTES TO FINANCIAL STATEMENTS

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Legal Compliance – TABOR Amendment

Colorado voters passed an amendment to the Colorado Constitution (Article X, Section 20 or "TABOR") at the general election held on November 3, 1992. The language of TABOR applies to the State and all local governments, including the Town. TABOR has several limitations, including revenue increases, spending abilities, and other specific requirements of state and local government.

TABOR generally requires that the voters of the town approve any new tax, increase of existing tax, or property tax mill levy increase. TABOR also limits increases in the Town's property tax revenue over the prior year to the rate of inflation plus the net percentage change in the actual value of all real property in the Town from construction of taxable real property improvements, minus destruction of similar improvements, and additions to, minus deletions from taxable real property, unless otherwise approved by the voters. Any revenues collected in excess of these limits are required to be refunded during the next fiscal year.

On November 8, 1994 the voters within the Town approved a ballot question which authorizes the Town to collect, retain and expend the full amount of revenues generated by the Town of Lyons without any increase in any tax rate. All remaining restrictions of TABOR remain in full force and effect.

Prior to 2013, the Town has established an emergency reserve, representing 3% of qualifying expenditures, as required by TABOR. As a result of the 2013 flood, the Town's emergency declaration resolution authorized the use of its TABOR reserves. The emergency declaration was still in effect at the end of the fiscal year. As a result, the Town does not have a TABOR emergency reserve at December 31, 2016.

The Town believes it is in compliance with the requirements of the amendment. In order to determine its compliance, the Town has made certain interpretations of the amendments language.

Restricted Revenue

Restrictions are placed upon certain revenue received by the Town when legally mandated to be used for specific purposes. Currently the voters have approved a restriction for 1% of the 3.5% sales and use tax to be used for parks and recreation. The exception to this allocation is the amount of recreational marijuana sales tax which remains in the General Fund.

Under this formula, sales and use tax was recorded in the funds as follows:

	<u>Percentage</u>	<u>Sales Tax</u>	<u>Use Tax</u>	<u>Total</u>
General Fund	71.50%	\$ 778,014	\$ 158,742	\$ 936,756
Parks, Recreation and Cultural Fund	28.50%	243,282	82,054	325,336
	<u>100%</u>	<u>\$ 1,021,296</u>	<u>\$ 240,796</u>	<u>\$ 1,262,092</u>

Assets, Liabilities and Net Position/Fund Balances

Cash and Investments – For purpose of the statement of cash flows, cash equivalents are defined as investments with original maturities of three months or less, which are available for unrestricted purposes. Investments are stated at fair value.

TOWN OF LYONS, COLORADO
NOTES TO FINANCIAL STATEMENTS

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Assets, Liabilities and Net Position/Fund Balances (Continued)

Receivables – All receivables are reported at their gross values and, where appropriate, are reduced by the estimated portion that is expected to be uncollectible. At December 31, 2016, management believes all receivables are collectible.

Accounts receivables in the enterprise funds represent the utility billings for customer accounts. Unpaid amounts represent an enforceable lien on the property; therefore no allowance for uncollectible amounts is made.

Interfund Receivables and Payables – During the course of operations, numerous transactions occur between individual funds. The resulting receivables and payables are classified on the balance sheet as *due from other funds* and *due to other funds* because they are short-term in nature.

Any residual balances outstanding between the governmental activities and business-type activities are reported in the government-wide financial statements as *internal balances*.

Inventories - Inventories are valued at cost, using the first-in, first-out (FIFO) method.

Capital Assets - Capital assets, including "public domain" infrastructure capital assets such as streets, bridges, curbs and gutters, are reported in the applicable governmental or business-type activities columns in the government-wide financial statements. Capital assets are defined by the Town as assets with an initial, individual cost of more than \$10,000 for infrastructure assets and \$2,500 for all other capital assets, with an estimated useful life of more than one year. Such assets are recorded at historical cost or estimated historical cost if purchased or constructed. Donated capital assets are recorded at estimated fair market value at the date of the donation.

Costs incurred for the purchase or construction of capital assets for governmental activities are recorded as capital outlay expenditures in the governmental funds. Only those infrastructure assets associated with governmental activities that were completed beginning in 2004 have been capitalized as additions.

The cost of normal maintenance and repairs that do not add to the value of the asset or materially extend asset lives are not capitalized. Accumulated depreciation is reported on the government-wide financial statements.

Capital assets of the Town are depreciated using the straight-line method over the following estimated useful lives. Capital assets not being depreciated include land, water rights, and construction in progress.

Building and improvements	10 - 30 years
Plant and systems	20 - 40 years
Infrastructure	20 - 50 years

TOWN OF LYONS, COLORADO
NOTES TO FINANCIAL STATEMENTS

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Assets, Liabilities and Net Position/Fund Balances (Continued)

Deferred Outflows/Inflows of Resources – In addition to assets, the statement of financial position will sometimes report a separate section for deferred outflows of resources. This separate financial statement element, *deferred outflows of resources*, represents a consumption of net position that applies to a future period(s) and so will *not* be recognized as an outflow of resources (expense/ expenditure) until then. At December 31, 2016, the Town had no deferred outflows of resources. In addition to liabilities, the statement of financial position will sometimes report a separate section for deferred inflows of resources. This separate financial statement element, *deferred inflows of resources*, represents an acquisition of net position that applies to a future period(s) and so will *not* be recognized as an inflow of resources (revenue) until that time. Deferred inflows of resources include property taxes earned but levied for a subsequent period and reimbursable grant revenues which were earned, but were not available at December 31, 2016.

Unearned Revenues – Unearned revenues generally would include insurance proceeds which were not available at year end.

Compensated Absences – It is the policy of the Town to permit employees to accumulate a limited amount of earned but unused vacation, overtime, and sick leave benefit. Upon separation from Town service, earned but unused vacation and overtime is paid to the employee. Earned but unused sick leave is paid at one half (50%) value. Accumulated unpaid vacation pay is accrued when earned in the government-wide and proprietary fund type financial statements. A liability is reported in the governmental funds financial statements when payment is due. At December 31, 2016, \$31,091 of earned but unused vacation, overtime and sick leave percentage is recorded as an accrued liability.

Long-Term Debt – In the government-wide financial statements, and proprietary fund types in the fund financial statements, long-term debt and other long-term obligations are reported as liabilities in the applicable governmental activities, business-type activities, or proprietary fund statement of net position. Debt premiums and discounts, are deferred and amortized over the life of the bonds using the straight-line method.

In the fund financial statements, governmental fund types recognize bond premiums and discounts 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.

Net Position/Fund Balances – In the government-wide financial statements, net position is restricted when constraints placed on the net position are externally imposed. Fund balances of the governmental funds are classified as follows:

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.

TOWN OF LYONS, COLORADO
NOTES TO FINANCIAL STATEMENTS

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Assets, Liabilities and Net Position/Fund Balances (Continued)

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.

Committed – Amounts that can be used only for specific purposes determined by a formal action of the Board. The Board 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 Board. The Town has no committed fund balance.

Assigned – Amounts that do not meet the criteria to be classified as restricted or committed, but that are intended to be used for specific purposes. Only the Board may assign fund balances for specific purposes.

Unassigned – All other spendable amounts.

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 Board has provided otherwise in its commitment or assignment actions.

Property Taxes - Property taxes are levied by the Board and certified to Boulder County for collection by December 15 of each year. These taxes attach an enforceable lien on property as of January 1 of the succeeding year and are payable in full by May 2 or in two installments by February 28 and June 15 in the year of collection. The County Treasurer collects the property taxes and remits the collections to the Town on a monthly basis.

Retirement Commitments - Effective January 1, 1998, a Savings Incentive Match Plan for Employees (SIMPLE) IRA Plan was established by the Board of Trustees. Capital Guardian Trust Company administers the defined contribution plan with investments made within the American Funds Group chosen by the employee. Under this plan, participation by the employee is voluntary. If the employee chooses to participate, the Town will contribute a match of up to 3% of the employee's gross salary. A new employee is eligible to participate following successful completion of a six-month period during one of the semi-annual election periods. All amounts are 100% vested at the time of contribution. During the year ended December 31, 2016, the Town contributed \$18,767.

Risk Management

The Town is exposed to various risks of loss relating to torts; theft of, damage to, and destruction of assets; errors and omissions; injuries to employees; and natural disasters. For these risks of loss, the Town is a member of the Colorado Intergovernmental Risk Sharing Agency (CIRSA), a separate and independent governmental and legal entity formed by intergovernmental agreement by member municipalities pursuant to the provision of 24-10-115.5, Colorado Revised Statutes (1982 Replacement Volume) and Colorado Constitution, Article XIV, section 18(2).

TOWN OF LYONS, COLORADO
NOTES TO FINANCIAL STATEMENTS

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)
Risk Management (Continued)

The purposes of CIRSA are to provide members defined liability and property coverage and to assist members to prevent and reduce losses and injuries to municipal property and to persons or property which might result in claims being made against members of CIRSA, their employees or officers. It is the intent of the members of CIRSA to create an entity in perpetuity which will administer and use funds contributed by the members to defend and indemnify, in accordance with the bylaws, any member of CIRSA against stated liability of loss, to the limit of the financial resources of CIRSA. It is also the intent of the members to have CIRSA provide continuing stability and availability of needed coverage at reasonable costs. All income and assets of CIRSA shall be at all times dedicated to the exclusive benefit of its members. CIRSA is a separate legal entity and the Town does not approve budgets nor does it have ability to significantly affect the operations of the unit.

Use of Estimates

The preparation of financial statements in conformity with generally accepted accounting principles requires estimates and assumptions that affect certain reported amounts and disclosures. The Town has recorded a receivable for approximately \$5,970,000 from the State of Colorado for the Federal and State share of costs related to the flood restoration grants. Due to the nature of the grants and the fact that these grants are new both to the Town and the State of Colorado, the amounts which will ultimately be reimbursed by the State of Colorado is an estimate which may have a significant effect on future year's financial results. The Town believes that all costs which have been accrued are allowable. The estimate of allowable costs from prior years has been reduced by approximately \$517,000 in the current year.

NOTE 2 - CASH AND INVESTMENTS

A summary of deposits and investments as of December 31, 2016, follows:

Petty cash	\$ 1,750
Deposits	5,825,157
Investments	4,669,625
Total Cash and Investments	<u>\$ 10,496,532</u>

The above amounts are classified in the financial statements as follows:

Cash and investments	\$ 10,343,704
Restricted cash and investments	152,828
Total Cash and Investments	<u>\$ 10,496,532</u>

Deposits

Custodial Credit Risk – Deposits - In the case of deposits, this is the risk that in the event of bank failure, the government's deposits may not be returned to it. The Town's deposit policy is in accordance with CRS 11-10.5-101 et. seq., The Colorado Public Deposit Protection Act (PDPA), which governs the investment of public funds. PDPA requires that 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. The financial institution is allowed 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.

TOWN OF LYONS, COLORADO
NOTES TO FINANCIAL STATEMENTS

NOTE 2 - CASH AND INVESTMENTS (CONTINUED)
Deposits (Continued)

The market value of the collateral must be at least equal to 102% of the uninsured deposits. The institution's internal records identify collateral by depositor and as such, these deposits are considered uninsured but collateralized. The State Regulatory Commissions for banks and financial services are required by statute to monitor the naming of eligible depositories and reporting of the uninsured deposits and assets maintained in the collateral pools. At December 31, 2016, the carrying amount of the Town's deposits was \$5,866,316 and the bank balance was \$5,896,253. Of this amount \$250,000 was covered by FDIC insurance. The remaining \$5,646,253 was included in the PDPA funds. The Town has \$41,160 of funds held by a credit card processor which is uninsured.

Credit Risk – Investments - Colorado statutes specify which instruments units of local government may invest, which include:

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

The Town does not have an investment policy that would further limit its investment choices. The Town invests excess funds under the prudent investor rule. Criteria for selection of investments and their order of priority are:

- Safety
- Liquidity
- Yield

Investments

The Town invests funds in the Colorado Local Government Liquid Asset Trust (COLOTRUST), an investment vehicle established for local government entities in Colorado to pool surplus funds (pool). The Trust was organized in 1985 in accordance with the Investment Funds - Local Government Pooling Act, (Part 7, Article 75, Title 24, Colorado Revised Statutes), to allow Colorado governmental entities to pool their funds to take advantage of short-term investments and maximize net interest earnings. The State Securities Commissioner administers and enforces all State statutes governing the pool. The pool operates similar to a money market fund and each share is equal in value to \$1.00. The pool offers shares in two portfolios, COLOTRUST PRIME and COLOTRUST PLUS+. 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 the U.S. agencies, highest rated commercial paper and repurchase agreements collateralized by certain obligations of the U.S. government agencies. A designated custodial bank serves as custodian for the pool's portfolios pursuant to a custodial agreement. The custodian acts as safekeeping agent for the pool's investment portfolios and provides services as the depository in connection with direct investments and withdrawals.

TOWN OF LYONS, COLORADO
NOTES TO FINANCIAL STATEMENTS

NOTE 2 - CASH AND INVESTMENTS (CONTINUED)
Investments (Continued)

The custodian's internal records segregate investments owned by the Trust. COLOTRUST places no restrictions or limitations on withdrawals. The fund is rated AAAm by the Standard and Poor's Corporation. At December 31, 2016, the Town and had invested \$4,669,625 in COLOTRUST PLUS+. COLOTRUST funds are valued at NAV rather than by level.

Interest Rate Risk - The Town has no formal investment policy that limits investment maturities as a means of managing its exposure to fair value losses arising from increasing interest rates. At December 31, 2016, the Town has interest rate risk related only to its investments in COLOTRUST. At December 31, 2016, COLOTRUST PLUS+ had a weighted average to final maturity of 73.

Custodial Credit Risk – Investments - 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. As of December 31, 2016, the Town's investments consisted of the investment pool.

NOTE 3 - CASH - RESTRICTED

The Electric Fund revenue bond agreement contains a covenant provision requiring the Town to deposit restricted cash in the amount of \$118,638 as a bond reserve account. In addition, \$34,190 was contained in a bond sub-account restricted for debt service as of December 31, 2016.

NOTE 4 - INTERNAL BALANCES

During the year ended December 31, 2016 the following amounts were transferred to the grant fund to cover the Town's share of flood related costs by each fund.

	<u>Transfer From</u> <u>Other Funds</u>	<u>Transfer To</u> <u>Other Funds</u>
General Fund	\$ 28,128	\$ -
Grants Fund	-	28,128
Totals	<u>\$ 28,128</u>	<u>\$ 28,128</u>

The following are the balances owed between funds as of December 31, 2016. All balances are expected to be repaid within one year.

	<u>Due From</u> <u>Other Funds</u>	<u>Due To</u> <u>Other Funds</u>
Major funds		
General Fund	\$ 289,623	\$ -
Grants Fund	1,168,090	-
Parks, Recreation, and Cultural Fund	-	86,891
Electric Fund	172,322	-
Water and Sanitation Fund	-	1,545,358
Non-Major Funds		
Conservation Trust Fund	2,214	-
Totals	<u>\$ 1,632,249</u>	<u>\$ 1,632,249</u>

TOWN OF LYONS, COLORADO
NOTES TO FINANCIAL STATEMENTS

NOTE 5 - CAPITAL ASSETS

Capital asset activity for the governmental activities for the year ended December 31, 2016 was as follows:

	Balance 1/1/16	Additions	Deletions	Balance 12/31/16
<u>Governmental Activities</u>				
Capital assets, not being depreciated				
Land	\$ 13,870,198	\$ 5,836,845	\$ -	\$ 19,707,043
Construction in progress	<u>9,315,431</u>	<u>10,223,953</u>	<u>(17,700,846)</u>	<u>1,838,538</u>
Total capital assets, not depreciated	<u>23,185,629</u>	<u>16,060,798</u>	<u>(17,700,846)</u>	<u>21,545,581</u>
Capital assets being depreciated				
Buildings	826,825	795,265	-	1,622,090
Improvements	4,259,575	9,427,941	-	13,687,516
Equipment	<u>669,123</u>	<u>14,531</u>	<u>(257,128)</u>	<u>426,526</u>
Total capital assets, depreciated	<u>5,755,523</u>	<u>10,237,737</u>	<u>(257,128)</u>	<u>15,736,132</u>
Less accumulated depreciation for				
Buildings	(476,697)	(122,104)	-	(598,801)
Improvements	(1,336,044)	(664,112)	-	(2,000,156)
Equipment	<u>(334,546)</u>	<u>(58,630)</u>	<u>85,711</u>	<u>(307,465)</u>
Total accumulated depreciation	<u>(2,147,287)</u>	<u>(844,846)</u>	<u>85,711</u>	<u>(2,906,422)</u>
Total capital assets being depreciated, net	<u>3,608,236</u>	<u>9,392,891</u>	<u>(171,417)</u>	<u>12,829,710</u>
Governmental activities				
Capital assets, net	<u>\$ 26,793,865</u>	<u>\$ 25,453,689</u>	<u>\$ (17,872,263)</u>	<u>\$ 34,375,291</u>

The amount of depreciation charged to each governmental function on the government-wide Statement of Activities is as follows:

General government	\$ 68,909
Public works and streets	527,431
Parks, culture and recreation	<u>248,506</u>
Total current year depreciation	<u>\$ 844,846</u>

The Town transferred \$1,846,965 of capital assets constructed in the Grant Fund to the various Enterprise Funds for the year ended December 31, 2016.

TOWN OF LYONS, COLORADO
NOTES TO FINANCIAL STATEMENTS

NOTE 5 - CAPITAL ASSETS (CONTINUED)

Capital asset activity for the business-type activities for the year ended December 31, 2016 was as follows:

	Balance 1/1/16	Additions	Deletions	Balance 12/31/16
<u>Business-type Activities</u>				
Capital assets, not being depreciated				
Land and water rights	\$ 1,547,588	\$ -	\$ -	\$ 1,547,588
Construction in progress	<u>6,691,803</u>	<u>518,178</u>	<u>(7,101,659)</u>	<u>108,322</u>
Total capital assets, not depreciated	<u>8,239,391</u>	<u>518,178</u>	<u>(7,101,659)</u>	<u>1,655,910</u>
Capital assets being depreciated				
Plant and systems	14,171,220	9,059,796	(89,914)	23,141,102
Equipment	<u>366,445</u>	<u>-</u>	<u>-</u>	<u>366,445</u>
Total capital assets, depreciated	<u>14,537,665</u>	<u>9,059,796</u>	<u>(89,914)</u>	<u>23,507,547</u>
Less accumulated depreciation for				
Plant and systems	(4,932,536)	(608,468)	67,428	(5,473,576)
Equipment	<u>(174,820)</u>	<u>(58,776)</u>	<u>-</u>	<u>(233,596)</u>
Total accumulated depreciation	<u>(5,107,356)</u>	<u>(667,244)</u>	<u>67,428</u>	<u>(5,707,172)</u>
Total capital assets being depreciated, net	<u>9,430,309</u>	<u>8,392,552</u>	<u>(22,486)</u>	<u>17,800,375</u>
Business-type activities				
Capital assets, net	<u>\$ 17,669,700</u>	<u>\$ 8,910,730</u>	<u>\$ (7,124,145)</u>	<u>\$ 19,456,285</u>

Depreciation expense for the business-type activities totaled \$667,244 for the year ended December 31, 2016.

NOTE 6 - LONG TERM DEBT

	Balance 1/1/16	Advances	Payments	Balance 12/31/16	Due Within One Year
<u>Governmental activities</u>					
Capital leases	\$ 164,610	\$ -	\$ 164,610	\$ -	\$ -
Advance from State	6,500,000	3,000,000	-	9,500,000	-
Compensated absences	<u>31,372</u>	<u>43,438</u>	<u>43,719</u>	<u>31,091</u>	<u>10,500</u>
	<u>\$ 6,695,982</u>	<u>\$ 3,043,438</u>	<u>\$ 208,329</u>	<u>\$ 9,531,091</u>	<u>\$ 10,500</u>

Compensated absences from the governmental activities are generally liquidated by the General Fund.

During 2014, the Town received an advance from the State of Colorado to assist with cashflow issues in the amount of \$3,500,000. During 2015, the Town received an additional \$3,000,000 and an additional \$3,000,000 in 2016. The loan is to be paid with the final FEMA reimbursements. At this time, the date of those reimbursements is not known. The loan has no interest component. Also, during 2014, the Town entered into a Community Disaster Loan (CDL) with FEMA in the amount of \$994,322. The loan bears interest at a rate of 1.75%. The loan is due on December 28, 2019, unless amounts are forgiven under Section 417 of the Stafford Disaster and Relief and Emergency Assistance Act. At December 31, 2016, no amounts have been drawn on this loan.

TOWN OF LYONS, COLORADO
NOTES TO FINANCIAL STATEMENTS

NOTE 6 - LONG TERM DEBT (CONTINUED)

	Balance 1/1/16	Advances	Payments	Balance 12/31/16	Due Within One Year
<u>Business-type activities</u>					
2003 Elec. Rev. Bonds	\$ 745,000	\$ -	\$ 80,000	\$ 665,000	\$ 80,000
2006 Elec. Rev. Note	278,127	-	19,172	258,955	20,207
2003 CWRPDA Loan	2,315,197	-	229,283	2,085,914	234,875
2013 CWRPDA Loan	5,062,426	-	238,687	4,823,738	241,432
Compensated absences	<u>25,483</u>	<u>30,537</u>	<u>34,163</u>	<u>21,857</u>	<u>7,300</u>
	<u>\$ 8,426,233</u>	<u>\$ 30,537</u>	<u>\$ 601,305</u>	<u>\$ 7,855,464</u>	<u>\$ 583,814</u>

- *Electric Fund – Revenue Bonds Payable*

Revenue bonds in the amount of \$1,480,000 were issued October 15, 2003 for the purpose of constructing an electrical substation. The average coupon rate is 4.76% over twenty years with final payment on December 1, 2023. These bonds are payable from the revenues of the Electric Fund and do not represent a general obligation of the town. The balance on this bond at fiscal year-end is \$665,000.

In 2006, a revenue note was issued in the amount of \$412,000 in support of the same project. The rate on this note is 5.4% with a twenty-year term. The balance as of December 31, 2016 is \$258,955.

- *Water fund - loans payable*

A loan agreement was approved June 1, 2003 with the Colorado Water Resources and Power Development Authority through the Drinking Water Revolving Fund in the principal amount of \$4,915,599 at 3.03% interest. Payments were due on February 1 and August 1 of each year, payable from the revenues of the Water and Sanitation Fund. Final payment was originally due on August 1, 2024.

This note was refinanced by the Colorado Water Resources and Power Authority in February 2013. The refinancing provided a present value savings of approximately 4.1% as a percentage of current outstanding loan principal. These anticipated refunding credits will be reduced against the Town's principal at the time the credit is issued. The balance remaining on December 31, 2016 is \$2,085,914.

The Town entered into a loan agreement with the Colorado Water Resources and Power Development Authority through the Drinking Water Revolving Fund, dated April 18, 2014, in the principal amount of \$5,200,000. \$3,200,000 of the loan balance bears interest at 2.00% interest while the balance or "green" portion is at 0%. Payments were due on May 1 and November 1 of each year, payable from the revenues of the Water and Sanitation Fund. Final payment is due on November 1, 2034. The balance remaining on December 31, 2016 is \$4,823,738.

The Water fund loan agreements with the Colorado Water Resources and Power Development Authority require three months operations and maintenance expenses be restricted for debt service. There is not a requirement under the agreement to hold these funds in separate cash accounts and amounts can be unrestricted equity. For purposes of the bond issue, the Water and Sanitation funds are combined. The required amount of restricted equity totals \$234,713 as of December 31, 2016.

TOWN OF LYONS, COLORADO
NOTES TO FINANCIAL STATEMENTS

NOTE 6 - LONG TERM DEBT (CONTINUED)

Principal and interest payments on long term debt are due as follows:

<u>Year</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2017	\$ 576,514	\$ 136,504	\$ 713,018
2018	590,997	126,562	717,559
2019	605,596	115,767	721,363
2020	620,314	100,041	720,355
2021	635,156	84,302	719,458
2022-2026	2,528,603	272,318	2,800,921
2027-2031	1,395,374	106,849	1,502,223
2032-2034	<u>881,053</u>	<u>20,279</u>	<u>901,332</u>
	<u>\$ 7,833,607</u>	<u>\$ 962,622</u>	<u>\$ 8,796,229</u>

Interest expense for the year ended December 31, 2016 totaled \$182,731 of which \$61,187 was capitalized as part of the Wastewater Treatment Plant Facility.

NOTE 7 - EQUITY

Net Position

As described in Note 1, net position in the Government-Wide Statement of Net Position is reported as restricted when there are limitations imposed on their use either through enabling legislation or through external restrictions imposed by creditors, grantors or laws or regulators of other governments. At December 31, 2016 restrictions on the governmental activities net position totaled \$6,777,784. Restrictions on the net position of the business type activities totaled \$387,541.

NOTE 8 - CASH FLOWS

The Town contributed \$356,098 of assets to the Electric Fund as well as \$1,490,867 of assets to the Water and Sanitation Fund from the Grant Fund. The \$1,846,965 is treated as a non-cash addition of capital assets to the utility funds for cash flow purposes.

NOTE 9 - COMMITMENTS AND CONTINGENCIES

The Town has received federal and state grants for specific purposes that are subject to review and audit by the grantor agencies, as well as matching obligations from the Town. Such audits could lead to requests for reimbursements to the grantor agency for expenditures disallowed under terms of the grants. The Town is unable to make an estimate of costs which might be disallowed at this time but does not believe it will have a material effect on the financial statements.

Commitments

During 2016, the Town entered into a number of agreements related to the flood reconstruction. The total remaining balances of these agreements at December 31, 2016 is approximately \$1.8 million. The Town anticipates that the majority of these costs will be paid by loan proceeds or grant reimbursements.

TOWN OF LYONS, COLORADO
NOTES TO FINANCIAL STATEMENTS

NOTE 10 -FLOOD DISASTER

During September, 2013, after historic rainfall, the Town of Lyons suffered significant damage from flash flooding of tributaries of the St. Vrain River. On September 24, 2013, a Presidential Disaster Declaration was issued. The Town estimates infrastructure damage at \$60 million and damage to the parks to be \$9 million. The Town is in the process of being award or has been awarded a number of different grants from different state and federal agencies that will assist in rebuilding of the Town and meeting the match requirements for the Federal Emergency Management Agency (FEMA) grants. These grants will also provide for the hiring of additional temporary personnel to implement and account for the awarded projects. The Town anticipates that these grants will exceed \$69 million.

The Town recognized additional insurance proceeds of \$232,197 as an extraordinary gain for 2016. As of December 31, 2016, the Town has recognized \$4,803,477 in insurance proceeds related to the flood.

NOTE 11 -CASH FLOW CONCERNS

As more fully described in Note 10, in order to restore the Town to pre-flood levels, the Town is dependent on federal, state and local grants. The Town has experienced significant delays in the grant reimbursement process. As of August 2017, the latest information available the Town has approved grants totaling approximately \$50.4 million. Of these funds, the Town has estimates it has expended approximately \$40.0 million and has received reimbursements totaling approximately \$31.4 million. To lessen these issues, at December 31, 2016, the Town has received \$9,500,000 from the State of Colorado. Based on cash flow projections, the Town anticipates that this advance will only fund costs through December of 2018. After that period the Town believes it will have to delay restoration projects until reimbursements are received.

In addition, the Town has incurred costs since the flood of approximately \$250,000 which have been deemed ineligible by grantors or the Town anticipates will be denied in the future. It will be necessary for the Town to use future revenues to offset any ineligible costs.

NOTE 12-SUBSEQUENT EVENT

In April of 2017, the Town agreed to purchase property from the City of Longmont to serve as a public works building. The property was acquired for \$925,000 of which \$315,000 was due at closing and \$305,000 due each of the following two year.

REQUIRED SUPPLEMENTARY INFORMATION

TOWN OF LYONS, COLORADO
GENERAL FUND
SCHEDULE OF REVENUES, EXPENDITURES,
AND CHANGES IN FUND BALANCES - BUDGET TO ACTUAL
DECEMBER 31, 2016

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance</u>
	<u>Original</u>	<u>Final</u>	<u>Amounts</u>	<u>with Final</u>
<u>Revenues</u>				
Taxes				
General property tax	\$ 499,722	\$ 499,722	\$ 500,612	\$ 890
Specific ownership tax	15,000	15,000	24,163	9,163
Sales tax	670,000	788,000	778,014	(9,986)
Use tax	125,000	158,000	158,742	742
Franchise tax	30,000	30,000	24,270	(5,730)
Licenses and permits	86,800	86,800	88,406	1,606
Intergovernmental	73,650	1,855,650	1,861,626	5,976
Fines and forfeitures	130,000	130,000	124,103	(5,897)
Investment earnings	750	750	4,723	3,973
Rental income	110,000	110,000	111,598	1,598
Contributions and donations	3,000	3,000	2,967	(33)
Other income	198,760	198,760	198,959	199
Total revenues	<u>1,942,682</u>	<u>3,875,682</u>	<u>3,878,183</u>	<u>2,501</u>
<u>Expenditures</u>				
Current				
General government				
Legislative council	19,000	19,000	17,235	1,765
Judicial	41,500	41,500	41,169	331
Administrative	225,744	375,744	265,798	109,946
Police	483,662	483,662	497,188	(13,526)
Economic development	184,870	184,870	131,313	53,557
Building inspections	48,000	48,000	44,410	3,590
Public works - streets	162,670	2,637,670	2,606,288	31,382
Planning	44,198	44,198	63,762	(19,564)
Health, welfare and community	70,195	70,195	51,535	18,660
Other general government	336,155	336,155	507,835	(171,680)
Library	-	-	2,903	(2,903)
Capital outlay	12,000	12,000	-	12,000
Debt service				
Principal	11,000	11,000	7,548	3,452
Total expenditures	<u>1,638,994</u>	<u>4,263,994</u>	<u>4,236,984</u>	<u>27,010</u>
Excess of revenues over (under) expenditures	<u>303,688</u>	<u>(388,312)</u>	<u>(358,801)</u>	<u>29,511</u>
<u>Other financing sources (uses)</u>				
Transfers in	-	-	28,128	28,128
Insurance recoveries	-	26,000	26,239	239
Total other financing sources (uses)	<u>-</u>	<u>26,000</u>	<u>54,367</u>	<u>28,367</u>
Net change in fund balances	<u>\$ 303,688</u>	<u>\$ (362,312)</u>	<u>(304,434)</u>	<u>\$ 57,878</u>
Fund balances - beginning			<u>911,501</u>	
Fund balances - ending			<u>\$ 607,067</u>	

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

TOWN OF LYONS, COLORADO
GRANTS FUND
SCHEDULE OF REVENUES, EXPENDITURES,
AND CHANGES IN FUND BALANCES - BUDGET TO ACTUAL
DECEMBER 31, 2016

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance</u>
	<u>Original</u>	<u>Final</u>	<u>Amounts</u>	<u>with Final</u>
<u>Revenues</u>				
Intergovernmental	\$ 21,305,000	\$ 21,305,000	\$ 14,820,231	\$ (6,484,769)
Contributions and donations	95,000	95,000	74,375	(20,625)
Investment interest	-	-	2,326	2,326
Other income	-	-	886	886
Total revenues	<u>21,400,000</u>	<u>21,400,000</u>	<u>14,897,818</u>	<u>(6,502,182)</u>
<u>Expenditures</u>				
Current				
General government	1,500,000	1,500,000	1,253,279	246,721
Public safety	75,000	75,000	2,246,680	(2,171,680)
Economic development	35,000	35,000	13,500	21,500
Public works	65,000	65,000	783,341	(718,341)
Parks, recreation and cultural	30,000	30,000	161,307	(131,307)
Capital outlay	23,203,175	23,203,175	10,438,385	12,764,790
Debt service				
Principal	84,611	84,611	6,162	78,449
Interest	7,214	7,214	1,578	5,636
Total expenditures	<u>25,000,000</u>	<u>25,000,000</u>	<u>14,904,232</u>	<u>10,095,768</u>
Excess of revenues over (under) expenditures	<u>(3,600,000)</u>	<u>(3,600,000)</u>	<u>(6,414)</u>	<u>3,593,586</u>
<u>Other financing sources (uses)</u>				
Debt proceeds	3,000,000	3,000,000	3,000,000	-
Insurance recoveries	600,000	600,000	512,805	(87,195)
Transfers (out)	-	-	(28,128)	(28,128)
Total other financing sources (uses)	<u>3,600,000</u>	<u>3,600,000</u>	<u>3,484,677</u>	<u>(115,323)</u>
Net change in fund balances	<u>\$ -</u>	<u>\$ -</u>	3,478,263	<u>\$ 3,478,263</u>
Fund balances - beginning			<u>3,136,978</u>	
Fund balances - ending			<u>\$ 6,615,241</u>	

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

TOWN OF LYONS, COLORADO
PARKS, RECREATION, AND CULTURAL FUND
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN
FUND BALANCES - BUDGET TO ACTUAL
DECEMBER 31, 2016

	Budgeted Amounts		Actual	Variance With
	Original	Final	Amounts	Final Budget
<u>Revenues</u>				
Sales tax	\$ 210,000	\$ 210,000	\$ 243,282	\$ 33,282
Use tax	62,500	62,500	82,054	19,554
Home additions fees	24,500	24,500	32,101	7,601
Interest income	500	500	2,015	1,515
Grants, contributions and donations	4,500	4,500	10	(4,490)
Charges for services				
Camping	89,500	89,500	110,872	21,372
Other park division charges	35,000	35,000	16,984	(18,016)
Recreation	14,000	14,000	9,481	(4,519)
Cultural and special events	103,500	103,500	116,687	13,187
Other income	100	100	112	12
Total revenues	<u>544,100</u>	<u>544,100</u>	<u>613,598</u>	<u>69,498</u>
<u>Expenditures</u>				
Administrative	47,735	47,735	48,731	(996)
Allocated expenses	21,120	21,120	21,328	(208)
Cultural and recreation				
Special event expenditures	94,000	94,000	105,596	(11,596)
Other culture and recreation expenditures	2,000	2,000	1,320	680
Parks				
Personnel	280,580	280,580	297,317	(16,737)
Operations and maintenance	79,950	79,950	53,306	26,644
Recreation	26,000	26,000	3,574	22,426
Capital improvements	700	700	-	700
Total expenditures	<u>552,085</u>	<u>552,085</u>	<u>531,172</u>	<u>20,913</u>
Excess (deficiency) of revenues over (under) expenditures	(7,985)	(7,985)	82,426	90,411
<u>Other financing sources (uses)</u>				
Transfers in (out)	<u>15,000</u>	<u>15,000</u>	<u>-</u>	<u>(15,000)</u>
Net change in fund balances	<u>\$ 7,015</u>	<u>\$ 7,015</u>	82,426	<u>\$ 75,411</u>
Fund balance, beginning			<u>552,063</u>	
Fund balance, end			<u>\$ 634,489</u>	

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

**OTHER SUPPLEMENTARY INFORMATION
COMBINING AND INDIVIDUAL FUND STATEMENTS AND SCHEDULES**

TOWN OF LYONS, COLORADO
NON-MAJOR GOVERNMENTAL FUNDS
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN
FUND BALANCES - BUDGET TO ACTUAL
DECEMBER 31, 2016

	Conservation Trust Fund			Variance
	Original Budget	Final Budget	Actual	With Final Budget
<u>Revenues</u>				
Intergovernmental revenue	\$ 20,000	\$ 20,000	\$ 21,697	\$ 1,697
Investment earnings	200	200	1,095	895
Total revenues	20,200	20,200	22,792	2,592
<u>Expenditures</u>				
Cultural and recreation	-	70,000	63,666	6,334
Excess (deficiency) of revenues over (under) expenditures	20,200	(49,800)	(40,874)	8,926
<u>Other financing sources (uses)</u>				
Transfers out	(15,000)	(15,000)	-	15,000
Net change in fund balance	<u>\$ 5,200</u>	<u>\$ (64,800)</u>	(40,874)	<u>\$ 23,926</u>
Fund balance, beginning of year			197,217	
Fund balance, end of year			<u>\$ 156,343</u>	

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

TOWN OF LYONS, COLORADO
ENTERPRISE FUNDS - SCHEDULE OF REVENUE, EXPENDITURES,
AND CHANGES IN FUND BALANCES - BUDGET TO ACTUAL
DECEMBER 31, 2016

	Electric Fund			Variance
	Original Budget	Final Budget	Actual	With Final Budget
<u>Revenues</u>				
Sales	\$ 1,620,355	\$ 1,620,355	\$ 1,507,971	\$ (112,384)
Investment / tap fees	31,500	31,500	27,159	(4,341)
Investment earnings	500	500	3,344	2,844
Other income	3,000	3,000	30,714	27,714
Total revenues	<u>1,655,355</u>	<u>1,655,355</u>	<u>1,569,188</u>	<u>(86,167)</u>
<u>Operating expenses</u>				
Electric wholesale purchases	988,007	988,007	953,214	34,793
Administrative	101,216	101,216	93,737	7,479
Allocated expenses	73,682	73,682	75,584	(1,902)
Personnel	44,000	44,000	55,178	(11,178)
Distribution and maintenance	154,200	154,200	126,484	27,716
Debt service				
Bond principal	99,172	99,172	99,172	-
Bond interest	53,056	53,056	52,350	706
Capital outlay	107,475	107,475	51,787	55,688
Total expenses	<u>1,620,808</u>	<u>1,620,808</u>	<u>1,507,506</u>	<u>113,302</u>
Net income (loss)	<u>\$ 34,547</u>	<u>\$ 34,547</u>	61,682	<u>\$ 27,135</u>
<u>Reconciliation to change in net position</u>				
Add bond principal paid			99,172	
Donated assets			356,098	
Add Capital outlay			51,787	
Less depreciation expense			(110,078)	
Change in net position			<u>\$ 458,661</u>	

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

TOWN OF LYONS, COLORADO
ENTERPRISE FUNDS - SCHEDULE OF REVENUES, EXPENDITURES,
AND CHANGES IN FUND BALANCES - BUDGET TO ACTUAL
DECEMBER 31, 2016

	Water and Sanitation Fund			Variance
	Original Budget	Final Budget	Actual	With Final Budget
<u>Revenues</u>				
Water sales	\$ 1,374,492	\$ 1,374,492	\$ 1,313,796	\$ (60,696)
Water tap fees	182,000	182,000	161,805	(20,195)
Pipe water sales	15,000	15,000	17,523	2,523
Investment earnings	1,500	1,500	18,643	17,143
Miscellaneous	8,500	174,500	21,815	(152,685)
Total revenues	<u>1,581,492</u>	<u>1,747,492</u>	<u>1,533,582</u>	<u>(213,910)</u>
<u>Expenses</u>				
Administration	283,504	283,504	217,068	66,436
Allocated expenses	98,136	98,136	112,278	(14,142)
Treatment services	216,783	216,783	300,450	(83,667)
Distribution salaries	170,098	170,098	140,189	29,909
Distribution maintenance	319,660	319,660	257,932	61,728
Loss on disposal of assets	-	-	22,486	(22,486)
Capital outlay	11,575	486,575	577,564	(90,989)
Debt service				
Principal	467,970	467,970	467,970	-
Interest	137,855	137,855	69,194	68,661
Total expenses	<u>1,705,581</u>	<u>2,180,581</u>	<u>2,165,131</u>	<u>15,450</u>
Net income (loss)	<u>\$ (124,089)</u>	<u>\$ (433,089)</u>	(631,549)	<u>\$ (198,460)</u>
<u>Reconciliation to change in net position</u>				
Donated assets			1,554,032	
Add bond principal paid			467,970	
Add Capital outlay			577,564	
Less depreciation expense			(557,166)	
Change in net position			<u>\$ 1,410,851</u>	

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

**OTHER SUPPLEMENTARY INFORMATION
STATE COMPLIANCE**

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

LOCAL HIGHWAY FINANCE REPORTCity or County:
Town of Lyons
YEAR ENDING :
December 2016This Information From The Records Of (example - City of _ or County of _
Town of LyonsPrepared By: Tony Cavalier
Phone:303-823-6622 ext 17**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	(46,534)
3. Other local imposts (from page 2)	24,163
4. Miscellaneous local receipts (from page 2)	1,066,306
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)	1,043,935
B. Private Contributions	
C. Receipts from State government (from page 2)	1,903,635
D. Receipts from Federal Government (from page 2)	1,210,624
E. Total receipts (A.7 + B + C + D)	4,158,194

III. DISBURSEMENTS FOR ROAD AND STREET PURPOSES

ITEM	AMOUNT
A. Local highway disbursements:	
1. Capital outlay (from page 2)	3,811,573
2. Maintenance:	102,908
3. Road and street services:	
a. Traffic control operations	3,919
b. Snow and ice removal	11,487
c. Other	11,309
d. Total (a. through c.)	26,715
4. General administration & miscellaneous	80,747
5. Highway law enforcement and safety	136,251
6. Total (1 through 5)	4,158,194
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)	4,158,194

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
		4,158,194	4,158,194		0

Notes and Comments:

The negative General Fund appropriation results from collection of amounts deferred in prior year in excess of current year expenditures related to the FEMA projects. The Town defers amounts not collected within 60 days of year end related to FEMA projects.

LOCAL HIGHWAY FINANCE REPORT		STATE: Colorado	
		YEAR ENDING (mm/yy): December 2016	

II. RECEIPTS FOR ROAD AND STREET PURPOSES - DETAIL			
ITEM	AMOUNT	ITEM	AMOUNT
A.3. Other local imposts:		A.4. Miscellaneous local receipts:	
a. Property Taxes and Assessments		a. Interest on investments	
b. Other local imposts:		b. Traffic Fines & Penalties	
1. Sales Taxes		c. Parking Garage Fees	
2. Infrastructure & Impact Fees		d. Parking Meter Fees	
3. Liens		e. Sale of Surplus Property	
4. Licenses		f. Charges for Services	
5. Specific Ownership &/or Other	24,163	g. Other Misc. Receipts - Boulder County	1,055,349
6. Total (1. through 5.)	24,163	h. Other County road and bridge	10,957
c. Total (a. + b.)	24,163	i. Total (a. through h.)	1,066,306
(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	64,813	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	1,171,572
b. Project Match		c. HUD CDBG-DR	39,052
c. Motor Vehicle Registrations		d. Federal Transit Admin	
d. Other (Specify) - PA Match	351,472	e. U.S. Corps of Engineers	
e. Other (CDOT)	1,487,350	f. Other Federal	
f. Total (a. through e.)	1,838,822	g. Total (a. through f.)	1,210,624
4. Total (1. + 2. + 3.f)	1,903,635	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	8,188	84,007	92,195
c. Construction:			
(1). New Facilities			0
(2). Capacity Improvements			0
(3). System Preservation	2,457,551	1,261,827	3,719,378
(4). System Enhancement & Operation			0
(5). Total Construction (1) + (2) + (3) + (4)	2,457,551	1,261,827	3,719,378
d. Total Capital Outlay (Lines 1.a. + 1.b. + 1.c.5)	2,465,739	1,345,834	3,811,573
			(Carry forward to page 1)

Notes and Comments: