

TOWN OF ORDWAY, COLORADO

FINANCIAL STATEMENTS

December 31, 2017



Logan and Associates, LLC
CERTIFIED PUBLIC ACCOUNTANTS

TABLE OF CONTENTS

Independent Auditor's Report	a - b
Basic Financial Statements	
Statement of Net Position	1
Statement of Activities	2
Balance Sheet – Governmental Funds	3
Reconciliation of the Balance Sheet – Governmental Funds to the Statement of Net Position	4
Statement of Revenue, Expenditures and Changes in Fund Balances – Governmental Funds	5
Reconciliation of the Statement of Revenue, Expenditures and Changes in Fund Balances – Governmental Funds to the Statement of Activities	6
Statement of Net Position – Proprietary Funds	7
Statement of Revenues, Expenses and Changes in Net Position – Proprietary Funds	8
Statement of Cash Flows – Proprietary Funds	9
Notes to Financial Statements	10 - 27
Required Supplementary Information	
Schedules of Changes in the Town's Net Pension Liability(Asset) and Related Ratios - Volunteer Firefighter's Pension Plan	28
Schedules of Town Contributions - Volunteer Firefighter's Pension Plan	29
Budgetary Comparison Schedule – General Fund	30 – 31
Budgetary Comparison Schedule – Street Fund	32
Budgetary Comparison Schedule – Conservation Trust Fund	33
Notes to Required Supplementary Information	34

TABLE OF CONTENTS
(Continued)

Supplementary Information

Budgetary Comparison Schedule – Library Fund	35
----------------------------------------------	----

Enterprise Funds

Budgetary Comparison Schedule – Water Fund	36
--------------------------------------------	----

Budgetary Comparison Schedule – Sewer Fund	37
--------------------------------------------	----

Budgetary Comparison Schedule – Sanitation Fund	38
-------------------------------------------------	----

State Compliance

Local Highway Finance Report	39 - 40
------------------------------	---------



INDEPENDENT AUDITOR'S REPORT

Honorable Mayor and Members of Town Council
Town of Ordway
Ordway, Colorado

Report on the Financial Statements

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

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

Our responsibility is to express opinions on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free 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 auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the Town's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Town'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 reasonable basis for our audit opinions.

Opinions

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

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the budgetary comparison schedules – General, Street and Conservation Trust Funds, schedule of changes in the Town’s net pension liability(assets) and related ratios, schedules of Town contributions and the notes to required supplementary information on pages 28 – 34 be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the GASB 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.

Management has omitted the management’s discussion and analysis that GASB requires to be presented to supplement the basic financial statements. Such missing information, although not a part of the basic financial statements, is required by GASB 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. Our opinion on the basic financial statements is not affected by this missing information.

Supplementary Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Town’s basic financial statements. The budgetary comparison schedules and local highway finance report are presented for purposes of additional analysis and are not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated, in all material respects, in relation to the basic financial statements taken as a whole.

Logan and Associates, LLC

Aurora, Colorado
November 20, 2020

BASIC FINANCIAL STATEMENTS

TOWN OF ORDWAY, COLORADO

STATEMENT OF NET POSITION
December 31, 2017

	PRIMARY GOVERNMENT		
	GOVERNMENTAL ACTIVITIES	BUSINESS TYPE ACTIVITIES	TOTAL
ASSETS			
Cash and Investments	\$ 260,768	\$ 488,164	\$ 748,932
Restricted Cash and Investments	167,663	136,004	303,667
Internal Balances	(89,000)	89,000	-
Receivables			
Other Governments	38,786	-	38,786
Accounts	41,889	105,940	147,829
Property Taxes	84,174	-	84,174
Grants	-	6,842	6,842
Prepaid Items	2,381	-	2,381
Net Pension Asset	69,364	-	69,364
Capital Assets, Not Depreciated	50,493	87,596	138,089
Capital Assets, Net of Accumulated Depreciation	1,005,822	2,355,919	3,361,741
TOTAL ASSETS	1,632,340	3,269,465	4,901,805
DEFERRED OUTFLOWS OF RESOURCES			
Related to Defined Benefit Pension Plans	16,489	-	16,489
LIABILITIES			
Accounts Payable	27,839	5,753	33,592
Accrued Liabilities	4,613	2,856	7,469
Meter Deposits Payable	-	24,520	24,520
Accrued Interest	-	2,613	2,613
Noncurrent Liabilities			
Due within One Year	12,833	200,689	213,522
Due in More Than One Year	3,517	450,297	453,814
TOTAL LIABILITIES	48,802	686,728	735,530
DEFERRED INFLOW OF RESOURCES			
Deferred Property Tax Revenue	84,174	-	84,174
NET POSITION			
Net Investment in Capital Assets	1,041,143	1,795,985	2,837,128
Restricted for Emergencies	12,300	-	12,300
Restricted for Culture and Recreation	78,663	-	78,663
Unrestricted	383,747	786,752	1,170,499
TOTAL NET POSITION	\$ 1,515,853	\$ 2,582,737	\$ 4,098,590

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

THIS PAGE INTENTIONALLY LEFT BLANK

TOWN OF ORDWAY, COLORADO

STATEMENT OF ACTIVITIES Year Ended December 31, 2017

<u>FUNCTIONS/PROGRAMS</u>	<u>EXPENSES</u>	PROGRAM REVENUES		
		CHARGES FOR SERVICES	OPERATING GRANTS AND CONTRIBUTIONS	CAPITAL GRANTS AND CONTRIBUTIONS
PRIMARY GOVERNMENT				
Governmental Activities				
General Government	\$ 95,785	\$ 23,710	\$ 1,247	\$ -
Public Safety	125,777	1,748	-	-
Highways and Streets	149,501	-	42,009	-
Culture and Recreation	67,343	-	5,000	10,019
Health and Welfare	30,300	8,780	-	-
Interest on Long-Term Debt	745	-	-	-
Total Governmental Activities	469,451	34,238	48,256	10,019
Business-Type Activities				
Water	299,673	307,841	-	458
Sewer	117,908	131,406	-	-
Sanitation	178,371	185,078	-	-
Interest on Long-Term Debt	11,184	-	-	-
Total Business-Type Activities	607,136	624,325	-	458
TOTAL PRIMARY GOVERNMENT	\$ 1,076,587	\$ 658,563	\$ 48,256	\$ 10,477

GENERAL REVENUES
 Sales and Use Taxes
 Property Taxes
 Franchise Taxes
 Other Taxes
 Lease of Water Shares
 Investment Income
 Miscellaneous
 TOTAL GENERAL REVENUES

CHANGE IN NET POSITION

NET POSITION, Beginning

NET POSITION, Ending

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

NET (EXPENSE) REVENUE AND
CHANGE IN NET POSITION

PRIMARY GOVERNMENT

GOVERNMENTAL ACTIVITIES	BUSINESS-TYPE ACTIVITIES	TOTALS
\$ (70,828)	\$ -	\$ (70,828)
(124,029)	-	(124,029)
(107,492)	-	(107,492)
(52,324)	-	(52,324)
(21,520)	-	(21,520)
(745)	-	(745)
<u>(376,938)</u>	<u>-</u>	<u>(376,938)</u>
-	8,626	8,626
-	13,498	13,498
-	6,707	6,707
<u>-</u>	<u>(11,184)</u>	<u>(11,184)</u>
<u>-</u>	<u>17,647</u>	<u>17,647</u>
<u>(376,938)</u>	<u>17,647</u>	<u>(359,291)</u>
165,445	-	165,445
97,424	-	97,424
36,275	-	36,275
9,568	-	9,568
-	89,000	89,000
2,104	1,708	3,812
14,027	225	14,252
<u>324,843</u>	<u>90,933</u>	<u>415,776</u>
(52,095)	108,580	56,485
<u>1,567,948</u>	<u>2,474,157</u>	<u>4,042,105</u>
<u>\$ 1,515,853</u>	<u>\$ 2,582,737</u>	<u>\$ 4,098,590</u>

TOWN OF ORDWAY, COLORADO

BALANCE SHEET
GOVERNMENTAL FUNDS
December 31, 2017

	GENERAL FUND	STREET FUND	CONSERVATION TRUST FUND	NONMAJOR LIBRARY FUND	TOTALS
ASSETS					
Cash and Investments	\$ -	\$ 256,429	\$ -	\$ 4,339	\$ 260,768
Restricted Cash and Investments	-	-	167,663	-	167,663
Due From Other Funds	-	65,745	-	-	65,745
Due From Other Governments	14,190	24,060	-	536	38,786
Property Taxes Receivable	35,774	35,774	-	12,626	84,174
Accounts Receivable	41,889	-	-	-	41,889
Prepaid Items	1,156	-	-	1,225	2,381
TOTAL ASSETS	\$ 93,009	\$ 382,008	\$ 167,663	\$ 18,726	\$ 661,406
LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND EQUITY					
LIABILITIES					
Accounts Payable	\$ 21,879	\$ 3,094	\$ -	\$ 2,866	\$ 27,839
Accrued Liabilities	2,910	1,503	-	200	4,613
Due to Other Funds	65,745	-	89,000	-	154,745
TOTAL LIABILITIES	90,534	4,597	89,000	3,066	187,197
DEFERRED INFLOWS OF RESOURCES					
Deferred Property Tax Revenue	35,774	35,774	-	12,626	84,174
FUND EQUITY					
Fund Balance (Deficit)					
Nonspendable	1,156	-	-	1,225	2,381
Restricted for Parks and Recreation	-	-	78,663	-	78,663
Restricted for Emergencies	12,300	-	-	-	12,300
Assigned to Streets	-	341,637	-	-	341,637
Assigned to Library	-	-	-	3,034	3,034
Assigned to Capital Improvements	19,795	-	-	-	19,795
Unassigned	(66,550)	-	-	(1,225)	(67,775)
TOTAL FUND EQUITY	(33,299)	341,637	78,663	3,034	390,035
TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND EQUITY	\$ 93,009	\$ 382,008	\$ 167,663	\$ 18,726	\$ 661,406

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

TOWN OF ORDWAY, COLORADO

RECONCILIATION OF THE BALANCE SHEET - GOVERNMENTAL FUNDS TO THE STATEMENT OF NET POSITION December 31, 2017

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

Total Fund Balances of Governmental Funds	\$ 390,035
Capital assets used in governmental activities are not financial resources and therefore, are not reported in the funds.	1,056,315
Net Pension Asset is a long-term asset and therefore is not available to pay for current-period expenditures and is not reported in the governmental funds.	69,364
Deferred outflows and inflows of resources related to pensions are applicable to future periods and, therefore, are not reported in the funds:	
Deferred outflows of resources - difference in projected vs actual investment earnings	11,307
Deferred outflows of resources - difference in expected vs actual experience	2,217
Deferred outflows of resources - changes of assumptions	2,465
Deferred outflows of resources - contributions subsequent to measurement date	500
Long-term liabilities and related items are not due and payable in the current period and are not reported in the funds. These include Loans Payable of (\$15,172), and Accrued Compensated Absences (\$1,178).	<u>(16,350)</u>
Net position of governmental activities	<u><u>\$ 1,515,853</u></u>

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

TOWN OF ORDWAY, COLORADO

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

	GENERAL FUND	STREET FUND	CONSERVATION TRUST FUND	NONMAJOR LIBRARY FUND	TOTALS
REVENUES					
Taxes	\$ 165,112	\$ 129,968	\$ -	\$ 13,632	\$ 308,712
Licenses and Permits	8,501	-	-	-	8,501
Charges for Services	23,990	-	-	-	23,990
Intergovernmental	1,247	42,009	10,019	5,000	58,275
Fines and Forfeitures	1,443	304	-	-	1,747
Contributions/Donations	-	-	-	-	-
Investment Income	1,334	592	11	167	2,104
Insurance Proceeds	-	-	-	-	-
Miscellaneous	6,290	5,082	-	2,655	14,027
TOTAL REVENUES	207,917	177,955	10,030	21,454	417,356
EXPENDITURES					
General Government	68,170	-	-	-	68,170
Public Safety	80,419	-	-	-	80,419
Highways and Streets	-	142,942	-	-	142,942
Culture and Recreation	29,651	-	-	30,239	59,890
Health and Welfare	30,300	-	-	-	30,300
Debt Service					
Principal	-	11,255	-	-	11,255
Interest	-	745	-	-	745
TOTAL EXPENDITURES	208,540	154,942	-	30,239	393,721
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	(623)	23,013	10,030	(8,785)	23,635
OTHER FINANCING SOURCES (USES)					
Transfers In	388	-	-	-	388
Transfers Out	-	-	(388)	-	(388)
NET CHANGE IN FUND BALANCES	(235)	23,013	9,642	(8,785)	23,635
FUND BALANCES (DEFICIT), Beginning	(33,064)	318,624	69,021	11,819	366,400
FUND BALANCES (DEFICIT), Ending	\$ (33,299)	\$ 341,637	\$ 78,663	\$ 3,034	\$ 390,035

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

TOWN OF ORDWAY, COLORADO

RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES - GOVERNMENTAL FUNDS TO THE STATEMENT OF ACTIVITIES Year Ended December 31, 2017

Amounts Reported for Governmental Activities in the Statement of Activities
are Different Because:

Net Changes in Fund Balances - Total Governmental Funds	\$ 23,635
Governmental funds report capital outlays as expenditures. However, in the statement of activities, the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense. This is the amount of depreciation expense \$(44,604), in the current year.	(44,604)
Repayment of long-term debt principal is an expenditure in the governmental funds, but the repayment reduces long-term liabilities in the statement of net position. This includes loan payments in the current year.	11,255
In the statement of activities, certain operating expenses, pension expense, are measured by the amounts earned during the year. In the governmental funds, however, expenditures for these items are measured by the amount of financial resources used or due (the amounts actually paid). This amount represent the net effect of pension related amounts, including amortization of deferred outflows and deferred inflows of resources related to pensions, in the statement of activities.	(44,315)
Some expenses reported in the statement of activities do not require the use of current financial resources and, therefore, are not reported as expenditures in the governmental funds. This includes the change in accrued compensated absences of \$1,934 in the current year.	<u>1,934</u>
Change in Net Position of Governmental Activities	<u>\$ (52,095)</u>

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

TOWN OF ORDWAY, COLORADO

STATEMENT OF NET POSITION PROPRIETARY FUNDS December 31, 2017

	WATER FUND	SEWER FUND	SANITATION FUND	TOTALS
ASSETS				
Current Assets				
Cash and Investments	\$ 405,064	\$ 69,434	\$ 13,666	\$ 488,164
Restricted Cash and Investments	69,730	66,274	-	136,004
Due from Other Funds	89,000	-	-	89,000
Accounts Receivable	46,687	24,923	34,330	105,940
Inventory	6,842	-	-	6,842
	617,323	160,631	47,996	825,950
Noncurrent Assets				
Capital Assets, Not Depreciated	82,465	4,676	455	87,596
Capital Assets, Net of Accumulated Depreciation	1,003,196	1,351,569	1,154	2,355,919
	1,085,661	1,356,245	1,609	2,443,515
TOTAL ASSETS	1,702,984	1,516,876	49,605	3,269,465
LIABILITIES				
Current Liabilities				
Accounts Payable	4,082	953	718	5,753
Accrued Liabilities	1,557	717	582	2,856
Meter Deposits Payable	24,520	-	-	24,520
Accrued Interest Payable	2,613	-	-	2,613
Accrued Compensated Absences	1,888	794	774	3,456
Loans Payable, Current Portion	167,283	29,950	-	197,233
	201,943	32,414	2,074	236,431
Noncurrent Liabilities				
Loans Payable	195,722	254,575	-	450,297
	195,722	254,575	-	450,297
TOTAL LIABILITIES	397,665	286,989	2,074	686,728
NET POSITION				
Net Investment in Capital Assets	722,656	1,071,720	1,609	1,795,985
Unrestricted	582,663	158,167	45,922	786,752
TOTAL NET POSITION	\$ 1,305,319	\$ 1,229,887	\$ 47,531	\$ 2,582,737

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

TOWN OF ORDWAY, COLORADO

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

	WATER FUND	SEWER FUND	SANITATION FUND	TOTALS
OPERATING REVENUES				
Charges for Services	\$ 307,841	\$ 131,406	\$ 185,078	\$ 624,325
Miscellaneous	-	225	-	225
TOTAL OPERATING REVENUES	<u>307,841</u>	<u>131,631</u>	<u>185,078</u>	<u>624,550</u>
OPERATING EXPENSES				
Operations and Maintenance	253,159	63,768	178,228	495,155
Depreciation	46,514	54,140	143	100,797
TOTAL OPERATING EXPENSES	<u>299,673</u>	<u>117,908</u>	<u>178,371</u>	<u>595,952</u>
OPERATING INCOME (LOSS)	<u>8,168</u>	<u>13,723</u>	<u>6,707</u>	<u>28,598</u>
NON-OPERATING REVENUES (EXPENSES)				
Investment Income	881	827	-	1,708
Lease of Water Shares	89,000	-	-	89,000
Interest Expenses	(11,184)	-	-	(11,184)
TOTAL NON-OPERATING REVENUES (EXPENSES)	<u>78,697</u>	<u>827</u>	<u>-</u>	<u>79,524</u>
INCOME (LOSS) BEFORE CAPITAL CONTRIBUTIONS AND TRANSFERS	<u>86,865</u>	<u>14,550</u>	<u>6,707</u>	<u>108,122</u>
CAPITAL CONTRIBUTIONS AND TRANSFERS				
Capital Contributions				
Tap Fees	458	-	-	458
TOTAL CAPITAL CONTRIBUTIONS AND TRANSFERS	<u>458</u>	<u>-</u>	<u>-</u>	<u>458</u>
CHANGE IN NET POSITION	87,323	14,550	6,707	108,580
NET POSITION, Beginning, As Restated	<u>1,217,996</u>	<u>1,215,337</u>	<u>40,824</u>	<u>2,474,157</u>
NET POSITION, Ending	<u>\$ 1,305,319</u>	<u>\$ 1,229,887</u>	<u>\$ 47,531</u>	<u>\$ 2,582,737</u>

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

TOWN OF ORDWAY, COLORADO

STATEMENT OF CASH FLOWS
 PROPRIETARY FUNDS
 Year Ended December 31, 2017
 Increase (Decrease) in Cash and Cash Equivalents

	WATER FUND	SEWER FUND	SANITATION FUND	TOTALS
CASH FLOWS FROM OPERATING ACTIVITIES				
Cash Received from Customers	\$ 288,647	\$ 121,073	\$ 171,472	\$ 581,192
Cash Received from Others	-	225	-	225
Cash Paid to Suppliers	(167,149)	(24,331)	(140,312)	(331,792)
Cash Paid to Employees	(92,025)	(39,618)	(37,956)	(169,599)
Net Cash Provided by Operating Activities	<u>29,473</u>	<u>57,349</u>	<u>(6,796)</u>	<u>80,026</u>
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES				
Lease of Water Shares	89,000	-	-	89,000
Payments from (to) Other Funds	(89,000)	-	-	(89,000)
Long-term Debt Principal Paid	(32,433)	(29,950)	-	(62,383)
Interest Paid	(11,550)	-	-	(11,550)
Tap Fees Received	458	-	-	458
Net Cash Provided (Used) by Capital and Related Financing Activities	<u>(43,525)</u>	<u>(29,950)</u>	<u>-</u>	<u>(73,475)</u>
CASH FLOWS FROM INVESTING ACTIVITIES				
Interest Received	881	827	-	1,708
Net (Decrease) in Cash and Cash Equivalents	(13,171)	28,226	(6,796)	8,259
CASH AND CASH EQUIVALENTS, Beginning	487,965	107,482	20,462	615,909
CASH AND CASH EQUIVALENTS, Ending	<u>\$ 474,794</u>	<u>\$ 135,708</u>	<u>\$ 13,666</u>	<u>\$ 624,168</u>
RECONCILIATION OF OPERATING INCOME TO NET CASH PROVIDED BY OPERATING ACTIVITIES				
Operating Income	\$ 8,168	\$ 13,723	\$ 6,707	\$ 28,598
Adjustments to Reconcile Operating Income to Net Cash Provided by Operating Activities				
Depreciation	46,514	54,140	143	100,797
Changes in Assets and Liabilities				
Accounts Receivable	(22,897)	(10,333)	(13,606)	(46,836)
Inventory	-	-	-	-
Accounts Payable	(4,350)	635	536	(3,179)
Accrued Liabilities	(1,595)	(784)	(547)	(2,926)
Meter Deposits Payable	3,703	-	-	3,703
Accrued Compensated Absences	(70)	(32)	(29)	(131)
Total Adjustments	<u>21,305</u>	<u>43,626</u>	<u>(13,503)</u>	<u>51,428</u>
Net Cash Provided by Operating Activities	<u>\$ 29,473</u>	<u>\$ 57,349</u>	<u>\$ (6,796)</u>	<u>\$ 80,026</u>

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

TOWN OF ORDWAY, COLORADO

NOTES TO FINANCIAL STATEMENTS

December 31, 2017

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Nature of Operations

The Town of Ordway (the "Town") was incorporated in 1900 and is governed by a Mayor and six-member Town Council elected by the residents. The Town provides public safety, public works, parks, library, recreation, and general government services as well as water, sewer and sanitation services. The sanitation services are contracted by the Town to an outside provider.

The accounting policies of the Town conform to generally accepted accounting principles as applicable to governmental entities. The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting and financial reporting principles. Following is a summary of the Town's more significant accounting 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 to 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 the criteria, the Town does not include additional organizations in its reporting entity.

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 nonfiduciary activities of the Town and its component units. For the most part, the effect of interfund activity has been removed from these statements. Exceptions to this general rule are charges for interfund services that are reasonably equivalent to the services provided. Governmental activities, which normally are supported by taxes and intergovernmental revenues, are reported separately from business-type activities, which rely to a significant extent on fees and charges for support.

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

The statement of activities demonstrates the degree to which the direct expenses and allocated indirect expenses of a given function or segment are offset by program revenues. Direct expenses are those that are clearly identifiable with a specific function or segment. Program revenues include 1) charges to customers

TOWN OF ORDWAY, COLORADO

NOTES TO FINANCIAL STATEMENTS

December 31, 2017

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Government-Wide and Fund Financial Statements

or applicants who purchase, use, or directly benefit from goods, services, or privileges provided by a given function or segment and 2) grants and contributions that are restricted to meeting the operational or capital requirements of a particular function or segment. Taxes and other items not properly included among program revenues are reported instead as general revenues.

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

Measurement Focus, Basis of Accounting and Financial Statement Presentation

The government-wide financial statements are reported using the economic resources measurement focus and the accrual basis of accounting, as are the proprietary fund financial statements. Revenues are recorded when earned and expenses are recorded when the liability is incurred, regardless of the timing of related cash flows. Property taxes are recognized as revenues in the year for which they are levied. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the granting agency 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 year or soon enough thereafter to pay liabilities of the current year. For this purpose, the Town considers revenues to be available if they are collected within 60 days of the end of the current year.

Taxes, intergovernmental revenue and interest associated with the current fiscal year are considered to be susceptible to accrual and so have been recognized as revenues of the current fiscal year. Grants and similar items are recorded as revenues when all eligibility requirements are met, including any time requirements. Expenditure driven grants are recognized as revenue when the qualifying expenditures have been incurred and all other eligibility requirements have been met. All other revenues are considered to be measurable and available only when cash is received by the Town.

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

TOWN OF ORDWAY, COLORADO

NOTES TO FINANCIAL STATEMENTS

December 31, 2017

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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

Proprietary funds distinguish operating revenues and expenses from nonoperating items. Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with a proprietary fund's principal ongoing operations. 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 nonoperating revenues and expenses or capital contributions.

When both restricted and unrestricted resources are available for use, it is the Town's practice to use restricted resources first, then unrestricted resources as they are needed.

The Town reports the following major governmental funds in the fund financial statements:

General Fund – The General Fund is used to account for the general operations and specific programs of the Town.

Street Fund – The Street Fund accounts for 42.5% of the property tax revenues and 50% of the sales tax revenues, in addition, to other revenues for Town street projects and maintenance.

Conservation Trust Fund – The Conservation Trust Fund is used to account for the receipt of lottery monies from the State of Colorado for the use of allowed park and recreation related expenses.

The Town reports the following major proprietary funds:

Water Fund – The Water Fund accounts for the financial activities associated with the provision of water services.

Sewer Fund – The Sewer Fund accounts for the financial activities associated with the provision of sewer services.

Sanitation Fund – The Sanitation Fund accounts for the financial activities related to the Town's services for collection and disposal of trash.

Cash – For purposes of reporting in the statement of cash flows, cash equivalents include certificates of deposits and investments with original maturities of three months or less. The Town pools cash from several funds for the purpose of increasing interest income.

TOWN OF ORDWAY, COLORADO

NOTES TO FINANCIAL STATEMENTS

December 31, 2017

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Assets, Liabilities, Net Position/Fund Balance

Internal Balances and Due to/from Other Funds – During the course of operations, certain transactions occur between individual funds. The resulting receivables and payables are classified in the fund financial statements as due to/from other funds. Any residual balances outstanding between governmental and business-type activities are reported in the government-wide financial statements as internal balances.

Grants, Other Governments and Accounts Receivable – Grants, other governments and accounts receivable are reported at their gross value, and where appropriate, are reduced by the estimated portion that is expected to be uncollectible. Accounts receivable are reported in the statement of net position, net of allowance for uncollectible accounts.

Capital Assets – Capital assets, which include property, plant, buildings and related improvements, equipment, vehicles, and all infrastructure owned by the Town, are reported in the applicable government-wide or business-type activities columns of the government-wide financial statements and the proprietary funds in the fund financial statements. Capital assets are defined by the Town as assets with an initial, individual cost of more than \$5,000 and an estimated useful life in excess of 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 donation.

The costs of normal maintenance and repairs that do not add to the value of the asset or materially extend asset lives are not capitalized.

Capital assets of the Town are depreciated using the straight-line method over the following estimated useful lives.

Land Improvements	15 – 25 years
Buildings and Improvements	20 – 40 years
Infrastructure	25 – 55 years
Collection and Distribution Systems	5 – 40 years
Equipment and Vehicles	3 – 10 years

Unearned Revenue – Unearned revenue includes receipts from customers for water services that will be provided in the following year. In addition, grants that have been collected but the corresponding expenditures have not been incurred are also reported as unearned revenue.

Deferred Outflows/Inflows of Resources – In addition to assets, the statement of financial position reports a separate section for *deferred outflows of resources*.

TOWN OF ORDWAY, COLORADO

NOTES TO FINANCIAL STATEMENTS

December 31, 2017

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Assets, Liabilities, Net Position/Fund Balance (Continued)

This separate financial statement classification represents a consumption of net position that applies to a future period(s) and therefore will not be recognized as an outflow of resources (expenses) until then. The Town has items related to pension actuarial activity and the change in proportion of pension participation in relation to the pension plans as a whole at December 31, 2017.

In addition to assets, the balance sheet – governmental funds and statement of financial position reports a separate section for *deferred inflows of resources*. This separate financial statement classification represents an acquisition of fund balance or net position that applies to a future period and therefore will not be recognized as an inflow of resources (revenue) until then. The Town has an item related to property taxes levied in the current year to be collected in the following year and items related to pension actuarial activity and the change in proportion of pension participation in relation to the pension plans as a whole at December 31, 2017.

Compensated Absences - Employees of the Town are allowed to accumulate unused vacation and sick time. Employees will be paid for all accrued vacation time, but not accumulated sick time, upon separation of employment. Therefore, no liability for accumulated sick time is reported in the financial statements. Accrued vacation time is recognized as current salary costs when earned in the proprietary funds and when due in the governmental funds. A long-term liability is reported in the government-wide financial statements for the accrued vacation time.

Long-Term Debt - In the government-wide financial statements, and the proprietary funds 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.

In the governmental fund financial statements, the face amount of debt issued is reported as other financing sources. Debt premiums and discounts are reported as other financing sources and uses, respectively. Issuance costs, whether or not withheld from the actual debt proceeds received, are reported as debt service expenditures. In the government-wide and proprietary funds, debt premiums and discounts are deferred and amortized over the life of the bonds using the straight-line method.

Net Position – In the government-wide and proprietary fund financial statements, net position is restricted when constraints placed on the net position are externally imposed.

- Net Investment in Capital Assets – this classification is intended to report the portion of net position which is associated with non-liquid, capital assets less outstanding debt related to those capital assets.

TOWN OF ORDWAY, COLORADO

NOTES TO FINANCIAL STATEMENTS

December 31, 2017

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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

- Restricted Net Position – this classification includes liquid assets which have third party limitations on their use.
- Unrestricted Net Position – this classification includes assets that do not have any third party limitation on their use.

Fund Balance Classification – The governmental fund financial statements present fund balances based on classifications that comprise a hierarchy that is based primarily on the extent to which the Town is bound to honor constraints on the specific purposes for which amounts in the respective governmental funds can be spent. The classifications used in the governmental fund financial statements are as follows:

- Nonspendable – This classification includes amounts that cannot be spent because they are either (a) not in spendable form (such as prepaid items) or (b) are legally or contractually required to be maintained intact. The Town report an amount related to prepaid items for nonspendable resources at December 31, 2017.
- Restricted – This classification includes amounts for which constraints have been placed on the use of the resources either (a) externally imposed by creditors (such as through a debt covenant), grantors, contributors or laws or regulations of other governments, or (b) imposed by law through constitutional provisions or enabling legislation. The Town had classified emergency reserves as being restricted because State statute requires this restriction. In addition, the Town had restricted amounts for parks and recreation because of lottery funds received from the State for this purpose.
- Committed – This classification includes amounts that can be used only for specific purposes pursuant to constraints imposed by formal action of the Town’s highest level of decision-making authority, the Town Council. The constraint may be removed or changed only through formal action of the Town Council. The Town had no committed resources at December 31, 2017.
- Assigned – This classification includes amounts that are constrained by the Town’s intent to be used for specific purposes, but is neither restricted nor committed. Intent is expressed by the Town Council to be used for a specific purpose. Constraints imposed on the use of assigned amounts are more easily removed or changed than those imposed on committed amounts. The Town had assigned resources at December 31, 2017 for future capital improvements related to hail damage claims, street maintenance and improvements; and library services.

TOWN OF ORDWAY, COLORADO

NOTES TO FINANCIAL STATEMENTS

December 31, 2017

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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

- Unassigned – This classification includes the residual fund balance for the General Fund. The unassigned classification also includes negative residual fund balance of any other governmental fund that cannot be eliminated by offsetting of assigned fund balance amounts.

The Town has not established a formal policy for its use of restricted and unrestricted fund balance. However, if both the restricted and unrestricted fund balances are available the Town uses restricted fund balance first, followed by committed, assigned and unassigned.

Use of Estimates

The preparation of the basic financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results could differ from those estimates.

Property Taxes

Property taxes attach as an enforceable lien on property on January 1, are levied the following December, and are collected in the subsequent calendar year. Taxes are payable in full on April 30 or in two installments on February 28 and June 15. The County Treasurer's Office collects property taxes and remits to the Town on a monthly basis. Since property tax revenues are collected in arrears during the succeeding year, a receivable and corresponding deferred inflow of resources are reported at December 31.

Stewardship, Compliance and Accountability

At December 31, 2017, the General Fund has an ending deficit fund balance of \$33,299 as a result of expenditures being greater than revenues in prior years. Management expects this deficit balance to be eliminated as expenses are reduced in future years.

Pensions

The Town has the Volunteer Firefighter's Pension Plan, which is an agent multiple-employer plan affiliated with the Colorado Fire and Police Pension Authority (FPPA). The net pension liability(asset), deferred outflows of resources and deferred inflows of resources related to pensions, pension expense, information about the fiduciary net position and additions to/deductions from the fiduciary net position of the Plan have been determined using the economic resources measurement focus and the accrual basis of accounting. For this purpose, benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with the benefit terms. Investments are reported at fair value.

TOWN OF ORDWAY, COLORADO

NOTES TO FINANCIAL STATEMENTS

December 31, 2017

NOTE 2: CASH

A summary of cash and investments at December 31, 2017, follows:

Petty Cash	\$ 400
Cash Deposits	<u>1,052,199</u>
Total	<u>\$ 1,052,599</u>

Cash is reported in the financial statements as follows:

Cash Deposits	\$ 748,932
Restricted Cash	<u>303,667</u>
Total	<u>\$ 1,052,599</u>

Cash Deposits

The Colorado Public Deposit Protection Act (PDPA) requires that all local government entities deposit cash in eligible public depositories. Eligibility is determined by State regulations. Amounts on deposit in excess of Federal Deposit Insurance Corporation (FDIC) levels must be collateralized by eligible collateral as determined by the PDPA. The FDIC insures depositors up to \$250,000 for each financial institution. The PDPA allows the financial institution to create a single collateral pool for all public funds held. The pool is to be maintained by another institution, or held in trust for all uninsured public deposits as a group. The market value of the collateral must be at least equal to 102% of the uninsured deposits. At December 31, 2017, the Town had bank deposits totaling \$1,055,521 of which \$805,521 were collateralized with securities held by the financial institutions' agents but not in the Town's name.

Restricted Cash

Restricted cash consists of \$167,663 in the Conservation Trust Fund, which \$78,663 is for future parks and recreation projects and \$89,000 is to be paid to the Water Fund. In addition, the loans require amounts be restricted for debt service requirements. The Town has restricted \$69,730, and \$66,274 in the Water and Sewer Funds, respectively, to satisfy this requirement.

NOTE 3: INTERFUND BALANCES AND TRANSFERS

During the year ended December 31, 2017, Conservation Trust Fund transferred \$388 to the General Fund to reimburse the General Fund for 2016 allowed park and recreation costs expenditures.

Interfund balances - At December 31, 2017, the Street Fund temporarily subsidized the negative cash balances of the General Fund by \$65,745.

TOWN OF ORDWAY, COLORADO

NOTES TO FINANCIAL STATEMENTS
December 31, 2017

NOTE 4: CAPITAL ASSETS

Capital asset activity for the year ended December 31, 2017, is summarized below:

	Balances 12/31/2016	Additions	Deletions	Balances 12/31/2017
Governmental Activities:				
Capital Assets, not being depreciated				
Land	\$ 50,493	\$ -	\$ -	\$ 50,493
Capital Assets, being depreciated				
Buildings and Improvements	837,138	-	-	837,138
Infrastructure	99,649	-	-	99,649
Equipment and Other	599,499	-	-	599,499
Total Capital Assets, being depreciated	<u>1,536,286</u>	<u>-</u>	<u>-</u>	<u>1,536,286</u>
Less accumulated depreciation				
Buildings and Improvements	(153,512)	(4,590)	-	(158,102)
Infrastructure	(32,840)	(19,926)	-	(52,766)
Equipment and Other	(299,508)	(20,088)	-	(319,596)
Total accumulated depreciation	<u>(485,860)</u>	<u>(44,604)</u>	<u>-</u>	<u>(530,464)</u>
Total Capital Assets, being depreciated, net	<u>1,050,426</u>	<u>(44,604)</u>	<u>-</u>	<u>1,005,822</u>
Governmental Activities Capital Assets, net	<u>\$ 1,100,919</u>	<u>\$ (44,604)</u>	<u>\$ -</u>	<u>\$ 1,056,315</u>

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

General Government	\$ 27,615
Public Safety	1,043
Public Works	8,493
Culture and Recreation	<u>7,453</u>
Total	<u>\$ 44,604</u>

TOWN OF ORDWAY, COLORADO

NOTES TO FINANCIAL STATEMENTS
December 31, 2017

NOTE 4: CAPITAL ASSETS (Continued)

	Balances 12/31/2016	Additions	Deletions	Balances 12/31/2017
Business-type Activities:				
Capital Assets, not being depreciated				
Land	\$ 87,596	\$ -	\$ -	\$ 87,596
Total Capital Assets, not being depreciated	<u>87,596</u>	<u>-</u>	<u>-</u>	<u>87,596</u>
Capital Assets, being depreciated				
Buildings and Improvements	12,937	-	-	12,937
Equipment	128,934	-	-	128,934
Systems	3,979,122	-	-	3,979,122
Total Capital Assets, being depreciated	<u>4,120,993</u>	<u>-</u>	<u>-</u>	<u>4,120,993</u>
Less accumulated depreciation				
Buildings and Improvements	(8,113)	(459)	-	(8,572)
Equipment	(110,472)	(4,643)	-	(115,115)
Systems	(1,545,692)	(95,695)	-	(1,641,387)
Total accumulated depreciation	<u>(1,664,277)</u>	<u>(100,797)</u>	<u>-</u>	<u>(1,765,074)</u>
Total Capital Assets, being depreciated, net	<u>2,456,716</u>	<u>(100,797)</u>	<u>-</u>	<u>2,355,919</u>
Business-type Activities Capital Assets, net	<u>\$ 2,544,312</u>	<u>\$ (100,797)</u>	<u>\$ -</u>	<u>\$ 2,443,515</u>

Depreciation expense was charged to the Water, Sewer and Sanitation Funds as follows:

Water Fund	\$ 46,514
Sewer Fund	54,140
Sanitation Fund	<u>143</u>
Total	<u>\$ 100,797</u>

NOTE 5: LONG-TERM DEBT

Governmental Activities

Following is a summary of long-term debt transactions for the governmental activities for the year ended December 31, 2017.

	Balance 12/31/2016	Additions	Deletions	Balance 12/31/2017	Due Within One Year
Governmental Activities					
Street Light Loan	\$ 26,427	\$ -	\$ 11,255	\$ 15,172	\$ 11,255
Accrued Compensated Absences	3,112	-	1,934	1,178	1,178
	<u>\$ 29,539</u>	<u>\$ -</u>	<u>\$ 13,189</u>	<u>\$ 16,350</u>	<u>\$ 12,433</u>

TOWN OF ORDWAY, COLORADO

NOTES TO FINANCIAL STATEMENTS

December 31, 2017

NOTE 5: LONG-TERM DEBT (Continued)

Governmental Activities (Continued)

Compensated absences are expected to be liquidated primarily with revenues of the General Fund.

Street Light Loan

During 2013, the Town received a loan from First National Bank of Las Animas to finance the installation of street lights. Monthly payments of principal and interest are due through April 2019. Interest accrues at 3.5% per annum.

Future Debt Service Requirements

<u>Year Ended December 31</u>	<u>Principial</u>	<u>Interest</u>	<u>Total</u>
2018	\$ 11,655	\$ 345	\$ 12,000
2019	3,517	24	3,541
Total	<u>\$ 15,172</u>	<u>\$ 369</u>	<u>\$ 15,541</u>

Business-type Activities

Following is a summary of long-term debt transactions for the business-type activities for the year ended December 31, 2017.

	Balance 12/31/2016	Additions	Deletions	Balance 12/31/2017	Due Within One Year
Business-type Activities					
2003 Water Energy/Mineral Impact Assistance Loan	\$ 178,761	\$ -	\$ 21,955	\$ 156,806	\$ 156,806
2006 Drinking Water Revolving Loan	136,665	-	6,666	129,999	6,667
2008 Drinking Water Revolving Loan	80,010	-	3,810	76,200	3,810
2006 Water Pollution Control Revolving Loan	314,477	-	29,952	284,525	29,950
	709,913	-	62,383	647,530	197,233
Accrued Compensated Absences	3,587	-	131	3,456	3,456
Total Business-type Activities	<u>\$ 713,500</u>	<u>\$ -</u>	<u>\$ 62,514</u>	<u>\$ 650,986</u>	<u>\$ 200,689</u>

Water Loans

During 2003, the Town entered into a \$385,000 Water Energy/Mineral Impact Assistance Loan with the State of Colorado. The loan, along with grant proceeds, was used to replace approximately 8.7 miles of water transmission lines from the Town's well field. Payments of principal and interest are due annually by September 1, through 2023. Interest accrues at 5% per annum. Subsequent to year ended December 31, 2017, the Town paid this loan in full.

TOWN OF ORDWAY, COLORADO

NOTES TO FINANCIAL STATEMENTS

December 31, 2017

NOTE 5: LONG-TERM DEBT (Continued)

Business-type Activities (Continued)

Water Loans

During 2006, the Town entered into a \$200,000 Drinking Water Revolving Fund loan with the Colorado Water Resources and Power Development Authority (CWRPDA) for improvements to the Town's water system. Principal payments of \$3,333 are due semi-annually on May 1 and November 1, through May 1, 2037. The loan is non-interest bearing.

During 2008, the Town entered into a \$114,000 Drinking Water Revolving Fund loan with the Colorado Water Resources and Power Development Authority (CWRPDA) for completion of improvements to the Town's water system. Principal payments of \$1,905 are due semi-annually on May 1 and November 1, through November 1, 2037. The loan is non-interest bearing.

The three water loans are payable solely from revenues of the Town's water utility system, after deducting operation and maintenance costs. During the year ended December 31, 2017, net revenues of \$54,682 were available to pay annual debt service of \$32,431. Remaining debt service at December 31, 2017 was \$165,618.

Sewer Loans

During 2006, the Town entered into a \$599,000 Water Pollution Control Revolving Fund loan with the Colorado Water Resources and Power Development Authority (CWRPDA) for improvements to the Town's sewer system. Principal payments of \$14,975 are due semi-annually on May 1 and November 1, through May 1, 2027. The loan is non-interest bearing.

The sewer loans are payable solely from revenues of the Town's sewer utility system, after deducting operation and maintenance costs. During the year ended December 31, 2017, net revenues of \$67,863 were available to pay annual debt service of \$29,952. Remaining debt service at December 31, 2017 was \$284,525.

CWRPDA Loan Covenants

The Town is required to maintain an operations and maintenance reserve in the Water and Sewer Funds equal to three months of operating and maintenance expenses, excluding depreciation, based on the current year annual budget. For the year ended December 31, 2017, the Water and Sewer Funds met this requirement. However, the Town didn't meet the CWRPDA filing requirements for the year ended December 31, 2017.

TOWN OF ORDWAY, COLORADO

NOTES TO FINANCIAL STATEMENTS

December 31, 2017

NOTE 5: LONG-TERM DEBT (Continued)

Business-type Activities (Continued)

Future Debt Service Requirements

<u>Year Ended December 31</u>	<u>Prinicpal</u>	<u>Interest</u>	<u>Total</u>
2018	\$ 197,233	\$ 2,613	\$ 199,846
2019	40,427	-	40,427
2020	40,427	-	40,427
2021	40,427	-	40,427
2022	40,427	-	40,427
2023 – 2027	187,160	-	187,160
2028 – 2032	52,385	-	52,385
2033 – 2037	49,044	-	49,044
Total	<u>\$ 647,530</u>	<u>\$ 2,613</u>	<u>\$ 650,143</u>

Subsequent to December 31, 2017, the Town entered into lease agreement in the amount of \$120,000 for the purchase of a firetruck.

Subsequent to December 31, 2018, the Town received two (2) loans from the Colorado Water Resources and Power Development Authority for water and wastewater system improvements in the principal amounts of \$713,180 and \$446,400, respectively. These loans have a 0% interest rate and mature in 2048.

NOTE 6: PUBLIC ENTITY RISK POOL

The Town is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; injuries to employees; and natural disasters. For these risks of loss, the Town is involved with 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).

The purposes of CIRSA are to provide members defined liability, and property coverages and to assist members in preventing and reducing losses and injuries to municipal property and to persons or property which might result in claims being made against members of CIRSA, their employees and 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.

TOWN OF ORDWAY, COLORADO

NOTES TO FINANCIAL STATEMENTS

December 31, 2017

NOTE 6: PUBLIC ENTITY RISK POOL (Continued)

It is also the intent of the members to have CIRSA provide continuing stability and availability of needed coverages at reasonable costs. All income and assets of CIRSA shall be at all times dedicated to the exclusive benefit of its members. CIRSA is a separate legal entity and the Town does not approve budgets nor does it have the ability to significantly affect the operations of entity.

The Town has workers' compensation insurance coverage through a private insurance company.

NOTE 7: PENSION PLANS

Volunteer Firefighter's Pension Plan

Plan Description. The Volunteer Firefighter's Pension Plan is a defined benefit, agent multiple-employer plan affiliated with the Colorado Fire and Police Pension Association (FPPA). Assets of the Plan are commingled for investment purposes in the Fire and Police Member's Benefit Fund, an agent multiple-employer defined benefit pension plan administered by FPPA. The Plan is administered by a Board of Trustees composed of Town Council members and firefighters. Town Council establishes the Plan benefits. The Plan is affiliated with and administered by the Fire and Police Pension Association of Colorado (FPPA). FPPA issues publicly available financial statements and required supplementary information. That report may be obtained by writing to FPPA, 5290 DTC Parkway, Suite 190, Englewood, CO 80111 or by calling 1-800-332-3772.

Benefits Provided. Any firefighter who has attained both the age of fifty and completed twenty years of active service shall be eligible for a monthly pension from the Town and the State of Colorado, currently at \$225 and \$300, respectively. A firefighter who is disabled in the line of duty and whose disability is of such character and magnitude as to deprive the firefighter of earning capacity and extends beyond one year, shall be compensated in an amount determined by Town Council.

Contributions. The Plan receives contributions from the Town and the State of Colorado based on an actuarially determined amount, as required by State statute. The actuarial study as of January 1, 2015, indicated that the current level of contributions to the Plan are adequate to support on an actuarially sound basis the prospective benefits, including administrative costs, of the present Plan. The Town contribution amount for the Plan has been historically determine by biennial actuarial studies.

Administrative costs of the plan are paid from the pension fund. There are no investments in, loans to or leases with parties related to the Plan.

TOWN OF ORDWAY, COLORADO

NOTES TO FINANCIAL STATEMENTS

December 31, 2017

NOTE 7: PENSION PLANS (Continued)

Volunteer Firefighter's Pension Plan (Continued)

Pension Asset, Pension Expense, and Deferred Outflows of Resources Related to Pensions. At December 31, 2017, the Town reported a net pension asset of \$69,364. The net pension asset was measured as of December 31, 2016, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of January 1, 2015.

For the year ended December 31, 2017, the Town recognized pension expense of \$44,315. At December 31, 2017, the Town reported deferred outflows of resources from the following sources:

	<u>Deferred Outflows of Resources</u>
Net difference between expected and actual experience of the total pension liability	\$ 2,217
Changes of assumptions	2,465
Net difference between projected and actual earnings on pension plan investments	11,307
Contributions subsequent to the measurement date	<u>500</u>
 Total deferred outflows of resources related to pensions	 <u>\$ 16,489</u>

Amounts reported as deferred outflows of resources related to pensions will be recognized in pension expense as follows:

Year Ended December 31:

2018	\$ 6,044
2019	5,760
2020	3,299
2021	<u>886</u>
 Total	 <u>\$ 15,989</u>

Actuarial assumptions. The January 1, 2015 actuarial valuation was used to determine the actuarially determined contribution for the fiscal year ending December 31, 2017. The valuation used the following actuarial assumption and other inputs:

Long-term investment rate of return	7.50%
Municipal bond rate	3.57%

Long-term expected rate of return on pension plan investments was determined using a building-block method in which best-estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expenses

TOWN OF ORDWAY, COLORADO

NOTES TO FINANCIAL STATEMENTS

December 31, 2017

NOTE 7: PENSION PLANS (Continued)

Volunteer Firefighter's Pension Plan (Continued)

and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighing the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. Best estimates of arithmetic real rates of return for each major asset class included in the Fund's target asset allocation as of December 31, 2015 are summarized in the following table:

<u>Asset Class</u>	<u>Target Allocation</u>	<u>Long-term Expected Rate of Return</u>
Global equity	36.0%	6.75%
Equity Long/Short	10.0%	4.85%
Illiquid Alternatives	23.0%	8.25%
Fixed Income	15.0%	0.5%
Absolute Return	10.0%	4.05%
Managed Futures	4.0%	3.0%
Cash	<u>2.0%</u>	0.0%
Total	<u>100.0%</u>	

Single Discount Rate. The discount rate used to measure the total pension liability(asset) was 7.5%. The projection of cash flows used to determine the discount rate assumed that contributions from participating employers will be made based on the actuarially determined rates based on the Board's funding policy, which establishes the contractually required rates under Colorado statutes. Based on those assumptions, the plan fiduciary net pension was projected to be available to make all the projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

Sensitivity of the Town's Net Pension Liability(Asset) to Changes in the Single Discount Rate.

The following presents the Town's net pension liability/(asset) calculated using the single discount rate of 7.5%, as well as what the Town's net pension liability/(asset) would be if it were calculated using a single discount rate that is 1% lower or 1% higher than the current rate:

	1% Decrease <u>6.5%</u>	Current Single Discount Rate 7.5%	1% Increase <u>8.5%</u>
Town's Net Pension Asset	<u>\$ (54,140)</u>	<u>\$ (69,364)</u>	<u>\$ (82,150)</u>

TOWN OF ORDWAY, COLORADO

NOTES TO FINANCIAL STATEMENTS

December 31, 2017

NOTE 7: PENSION PLANS (Continued)

Volunteer Firefighter's Pension Plan (Continued)

Pension Plan Fiduciary Net Position. Detailed information about the pension plan's fiduciary net position is available in FPPA's comprehensive annual financial report at www.fppaco.org/PDF/annual-reports/14.annual.report.pdf.

Simple IRA Plan

The Town maintains a Simple IRA plan with VOYA for its employees who meet the eligibility requirements. Eligibility is limited to employees who have received at least \$5,000 in compensation during any two calendar years. The Town will match up to 3% of eligible employee contributions. In 2017, the Town made eligible contributions in the amount of \$4,258 to the Plan.

NOTE 8: COMMITMENTS AND CONTINGENCIES

Tabor Amendment

Colorado voters passed an amendment to the State Constitution, Article X, Section 20 (the "Amendment"), which has several limitations, including revenue raising, spending abilities, and other specific requirements of state and local government. The Amendment requires, with certain exceptions, advance voter approval for any new tax, tax rate increase, mill levy above that for the prior year, extension of an expiring tax, or tax policy change directly causing a net tax revenue gain to the Town. Revenue in excess of the fiscal spending limit must be refunded in the next fiscal year unless voters approve retention of such revenue.

In 1994, voters within the Town authorized the Town to collect, retain and expend all revenues and other funds in excess of the revenue limitations of the Amendment.

The Town's management believes it is in compliance with the provisions of the Amendment. However, the Amendment is complex and subject to interpretation. Many of its provisions may require judicial interpretation.

The Town has established an emergency reserve, representing 3% of qualifying expenditures, as required by the Amendment. At December 31, 2017, the emergency reserve of \$12,300 was reported as restricted net position and fund balance in the Governmental Activities and General Fund, respectively.

TOWN OF ORDWAY, COLORADO

NOTES TO FINANCIAL STATEMENTS

December 31, 2017

NOTE 8: COMMITMENTS AND CONTINGENCIES (Continued)

Claims and Judgments

The Town participates in a number of federal, state, and local programs that are fully or partially funded by grants received from other governmental entities. Expenses financed by grants are subject to audit by the appropriate grantor government. If expenses are disallowed due to noncompliance with grant program regulations, the Town may be required to reimburse the grantor government. At December 31, 2017, significant amounts of grant expenses have not been audited but management believes that subsequent audits will not have a material effect on the overall financial position of the Town.

REQUIRED SUPPLEMENTARY INFORMATION

TOWN OF ORDWAY, COLORADO

REQUIRED SUPPLEMENTARY INFORMATION

SCHEDULE OF CHANGES IN THE TOWN'S NET PENSION LIABILITY (ASSET)
AND RELATED RATIOS - VOLUNTEER FIREFIGHTER'S PENSION PLAN
 Last Ten Fiscal Years*

	2016	2015	2014
Total Pension Liability			
Interest on the Total Pension Liability	\$ 6,692	\$ 6,766	\$ 6,632
Service Cost	585	585	548
Benefit Changes	46,639	-	-
Difference Between Expected and Actual Experience	3,393	-	1,248
Changes of Assumptions	3,773	-	-
Benefit Payments	(9,938)	(6,800)	(6,521)
Net Change in Total Pension Liability	51,144	551	1,907
Total Pension Liability - Beginning	93,815	93,264	91,357
Total Pension Liability - Ending	<u>\$ 144,959</u>	<u>\$ 93,815</u>	<u>\$ 93,264</u>
Plan Fiduciary Net Position			
Employer Contributions	500	500	500
Pension Plan Net Investment Income	11,189	3,945	14,224
Benefit Payments	(9,938)	(6,800)	(6,521)
Pension Plan Administrative Expense	(610)	(2,659)	(710)
State of Colorado Discretionary Payment	-	450	-
Net Change in Plan Fiduciary Net Position	1,141	(4,564)	7,493
Plan Fiduciary Net Position - Beginning	213,182	217,746	210,253
Plan Fiduciary Net Position - Ending	<u>\$ 214,323</u>	<u>\$ 213,182</u>	<u>\$ 217,746</u>
Net Pension Liability (Asset)			
Total Pension Liability - Ending	144,959	93,815	93,264
Plan Fiduciary Net Position - Ending	214,323	213,182	217,746
Net Pension Liability (Asset)	<u>\$ (69,364)</u>	<u>\$ (119,367)</u>	<u>\$ (124,482)</u>
Plan Fiduciary Net Position as a Percentage of Total Pension Liability	147.9%	227.2%	233.5%
Covered Employee Payroll	N/A	N/A	N/A
Net Pension Liability (Asset) as a Percentage of Covered Employee Payroll	N/A	N/A	N/A

* - The amounts presented for each fiscal year were determined as of the Plan measurement date, 12/31.

NOTE: Information for the prior seven years was not available to report.

See the accompanying Independent Auditor's Report.

TOWN OF ORDWAY, COLORADO

REQUIRED SUPPLEMENTARY INFORMATION

SCHEDULE OF TOWN CONTRIBUTIONS

Last Ten Fiscal Years

Fiscal Year Ending December 31,	Actuarially Determined Contribution*	Actual Contribution*	Contribution Deficiency (Excess)	Covered Payroll	Actual Contribution as a Percentage of Covered Payroll
	(a)	(b)	(a) - (b)		
2014	\$ -	\$ 500	\$ (500)	NA	NA
2015	\$ -	\$ 950	\$ (950)	NA	NA
2016	\$ -	\$ 500	\$ (500)	NA	NA

* - Actuarially Determined Contribution is net of employee contributions. Actual contribution is from the employer only and does not include employee amounts.

NOTES:

Actuarial Valuation Date: 1/1/2015
 Actuarially determined contribution rates are calculated as of January 1 of even numbered years.

Actuarial Cost Method: Entry Age Normal

Amortization Method: Level Dollar, Open *

Remaining Amortization Period: 20 years *

Asset Valuation Method: 5-Year Smoothed Fair Value

Inflation: 3%

Salary Increases: N/A

Investment Rate of Return: 7.5%

Retirement Age: 50% per year of eligibility until 100% at age 65

Mortality: Pre-retirement: RP-2000 Combined Mortality Table, with Blue Collar Adjustment, 40% multiplier for off-duty mortality.
 Post-retirement: RP-2000 Combined Mortality Table, with Blue Collar Adjustment
 Disabled: RP-2000 Disabled Mortality Table
 All tables projected with Scale AA.

* - Plans that are heavily weighted with retiree liabilities use an amortization period based on the expected remaining lifetime of the participants.

NOTE: Information for the prior seven years was not available to report.

See the accompanying Independent Auditor's Report.

TOWN OF ORDWAY, COLORADO

BUDGETARY COMPARISON SCHEDULE
GENERAL FUND

Year Ended December 31, 2017

(With Comparative Actual Totals for the Year Ended December 31, 2016)

	2017		VARIANCE Positive (Negative)	2016
	ORIGINAL AND FINAL BUDGET	ACTUAL		ACTUAL
REVENUES				
Taxes				
Sales and Use	\$ 81,389	\$ 85,419	\$ 4,030	\$ 87,698
Property	38,049	38,644	595	37,716
Franchise	30,000	36,275	6,275	48,576
Other	-	4,774	4,774	193
Total Taxes	<u>149,438</u>	<u>165,112</u>	<u>15,674</u>	<u>174,183</u>
Licenses and Permits	7,005	8,501	1,496	13,565
Charges for Services				
Organic Waste Removal	15,652	15,209	(443)	16,886
Cemetery	4,665	8,780	4,115	5,735
Other	5,040	1	(5,039)	1,680
Total Charges for Services	<u>25,357</u>	<u>23,990</u>	<u>(1,367)</u>	<u>24,301</u>
Intergovernmental				
Cigarette Taxes	1,163	1,247	84	1,296
GOCO Grant	-	-	-	144,326
CWRPDA Grant	-	-	-	10,799
Total Intergovernmental	<u>1,163</u>	<u>1,247</u>	<u>84</u>	<u>156,421</u>
Fines and Forfeitures	-	1,443	1,443	510
Contributions/Donations	-	-	-	3,462
Interest	362	1,334	972	743
Insurance Proceeds	-	-	-	61,487
Miscellaneous	15,775	6,290	(9,485)	37,057
TOTAL REVENUES	<u>199,100</u>	<u>207,917</u>	<u>8,817</u>	<u>471,729</u>
EXPENDITURES				
General Government				
General	29,148	43,575	(14,427)	57,313
Town Council	2,960	3,681	(721)	4,145
Mayor	679	669	10	1,656
Town Clerk	6,101	7,247	(1,146)	3,982
Town Treasurer	10,296	9,396	900	8,738
Grant Writer	8,054	3,602	4,452	3,116
Total General Governments	<u>57,238</u>	<u>68,170</u>	<u>(10,932)</u>	<u>78,950</u>
Public Safety				
Law Enforcement	36,733	43,572	(6,839)	32,316
Fire	5,154	5,915	(761)	7,300
Animal Control	4,250	11,818	(7,568)	2,260
Building Inspection	3,000	4,821	(1,821)	10,029
Mosquito Spraying	7,962	6,143	1,819	7,295
Municipal Court	7,264	8,150	(886)	7,465
Total Public Safety	<u>64,363</u>	<u>80,419</u>	<u>(16,056)</u>	<u>66,665</u>

(Continued)

See the accompanying Independent Auditor's Report.

TOWN OF ORDWAY, COLORADO

BUDGETARY COMPARISON SCHEDULE
GENERAL FUND

Year Ended December 31, 2017

(With Comparative Actual Totals for the Year Ended December 31, 2016)

	2017		VARIANCE Positive (Negative)	2016
	ORIGINAL AND FINAL BUDGET	ACTUAL		ACTUAL
Culture and Recreation				
Culture and Recreation	\$ 29,830	\$ 29,651	\$ 179	\$ 167,552
Health and Welfare				
Cemetery	25,273	30,300	(5,027)	19,497
TOTAL EXPENDITURES	176,704	208,540	(31,836)	332,664
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	22,396	(623)	(23,019)	139,065
OTHER FINANCING SOURCES (USES)				
Transfers In	-	388	388	-
NET CHANGE IN FUND BALANCE	22,396	(235)	(22,631)	139,065
FUND BALANCE (DEFICIT), Beginning, As Restated	-	(33,064)	(33,064)	(172,129)
FUND BALANCE (DEFICIT), Ending	\$ 22,396	\$ (33,299)	\$ (55,695)	\$ (33,064)

See the accompanying Independent Auditor's Report.

TOWN OF ORDWAY, COLORADO

BUDGETARY COMPARISON SCHEDULE
STREET FUND

Year Ended December 31, 2017

(With Comparative Actual Totals for the Year Ended December 31, 2016)

	2017		VARIANCE Positive (Negative)	2016
	ORIGINAL AND FINAL BUDGET	ACTUAL		ACTUAL
REVENUES				
Taxes				
Property	\$ 38,049	\$ 38,644	\$ 595	\$ 37,909
Sales	79,389	80,026	637	83,247
Specific Ownership	5,444	6,504	1,060	5,803
Other	6,591	4,794	(1,797)	5,505
Total Taxes	<u>129,473</u>	<u>129,968</u>	<u>495</u>	<u>132,464</u>
Intergovernmental				
Motor Vehicle Registration	4,095	3,989	(106)	4,088
Highway Users Tax Fund	34,040	38,020	3,980	39,857
Total Intergovernmental	<u>38,135</u>	<u>42,009</u>	<u>3,874</u>	<u>43,945</u>
Fines and Forfeitures	750	304	(446)	289
Interest	316	592	276	200
Miscellaneous	7,677	5,082	(2,595)	4,480
TOTAL REVENUES	<u>176,351</u>	<u>177,955</u>	<u>1,604</u>	<u>181,378</u>
EXPENDITURES				
Highways and Streets				
Highways and Streets	111,369	119,348	(7,979)	70,181
Construction	7,347	659	6,688	173
Maintenance of Condition	47,401	11,539	35,862	45,513
Snow and Ice Removal	836	837	(1)	2,612
Law Enforcement	7,151	887	6,264	7,357
Traffic Services	8,103	9,672	(1,569)	9,616
Total Highways and Streets	<u>182,207</u>	<u>142,942</u>	<u>39,265</u>	<u>135,452</u>
Debt Service				
Principal	-	11,255	(11,255)	8,897
Interest and Fiscal Charges	-	745	(745)	1,103
Contingency	10,864	-	10,864	-
TOTAL EXPENDITURES	<u>193,071</u>	<u>154,942</u>	<u>38,129</u>	<u>145,452</u>
NET CHANGE IN FUND BALANCE	(16,720)	23,013	39,733	35,926
FUND BALANCE, Beginning, As Restated	-	318,624	318,624	282,698
FUND BALANCE (DEFICIT), Ending	<u>\$ (16,720)</u>	<u>\$ 341,637</u>	<u>\$ 358,357</u>	<u>\$ 318,624</u>

See the accompanying Independent Auditor's Report.

TOWN OF ORDWAY, COLORADO

BUDGETARY COMPARISON SCHEDULE
 CONSERVATION TRUST FUND
 Year Ended December 31, 2017

(With Comparative Actual Totals for the Year Ended December 31, 2016)

	2017		VARIANCE Positive (Negative)	2016
	ORIGINAL AND FINAL BUDGET	ACTUAL		ACTUAL
REVENUES				
Lottery Revenues	\$ 11,757	\$ 10,019	\$ (1,738)	\$ 11,607
Interest	6	11	5	12
TOTAL REVENUES	<u>11,763</u>	<u>10,030</u>	<u>(1,733)</u>	<u>11,619</u>
EXPENDITURES				
Culture and Recreation	<u>8,360</u>	<u>-</u>	<u>8,360</u>	<u>4,991</u>
TOTAL EXPENDITURES	<u>8,360</u>	<u>-</u>	<u>8,360</u>	<u>4,991</u>
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	3,403	10,030	6,627	139,065
OTHER FINANCING SOURCES (USES)				
Transfers Out	<u>-</u>	<u>(388)</u>	<u>(388)</u>	<u>-</u>
NET CHANGE IN FUND BALANCE	3,403	9,642	6,627	6,628
FUND BALANCE, Beginning	<u>-</u>	<u>69,021</u>	<u>69,021</u>	<u>62,393</u>
FUND BALANCE, Ending	<u>\$ 3,403</u>	<u>\$ 78,663</u>	<u>\$ 75,648</u>	<u>\$ 69,021</u>

See the accompanying Independent Auditor's Report.

TOWN OF ORDWAY, COLORADO

NOTES TO REQUIRED SUPPLEMENTARY INFORMATION
December 31, 2017

NOTE 1: STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY

Budgets

Budgets are legally adopted for all funds of the Town. Budgets for governmental funds are adopted on a basis consistent with generally accepted accounting principles (GAAP). Budgetary comparisons for the enterprise funds are presented on a non-GAAP budgetary basis. Capital outlay and long-term debt principal are budgeted as expenditures and depreciation is not budgeted.

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

- In September, Management submits to the Town Council a proposed operating budget for the fiscal year commencing the following January 1. The operating budget includes proposed expenditures and the means of financing them.
- Public hearings are conducted to obtain taxpayer and public comments.
- Prior to December 31, the budget is legally enacted through passage of an ordinance.
- Budgets amended by the Town Council during the year have been presented in the budgetary comparison schedules for the each fund amended.
- Management is authorized to transfer budgeted amounts between departments within any fund. However, any revisions that alter the total expenditures must be approved by the Town Council.
- All budget appropriations lapse at year end. Colorado governments may not exceed budgeted appropriations at the fund level.

Legal Compliance

For the year ended December 31, 2017, the General, Library, Water, Sewer and Sanitation Funds actual expenditures and transfers out exceeded budgeted expenditures and transfers out by \$31,836, \$9,109, \$26,776, \$28,718 and \$26,652, respectively.

In addition, the Street and Sanitation Funds budgeted expenditures exceeded budgeted available funds and revenues by \$16,720 and \$9,833, respectively.

These may be violations of State statutes.

SUPPLEMENTARY INFORMATION

TOWN OF ORDWAY, COLORADO

BUDGETARY COMPARISON SCHEDULE
LIBRARY FUND

Year Ended December 31, 2017

(With Comparative Actual Totals for the Year Ended December 31, 2016)

	2017			VARIANCE Positive (Negative)	2016
	ORIGINAL AND FINAL BUDGET	ORIGINAL AND FINAL BUDGET	ACTUAL		ACTUAL
REVENUES					
Property Taxes	\$ 13,429	\$ 13,429	\$ 13,632	\$ 203	\$ 13,379
Grants	4,500	4,500	5,000	500	5,550
Interest	45	45	167	122	5,550
Miscellaneous	1,050	6,309	2,655	(3,654)	49
TOTAL REVENUES	19,024	24,283	21,454	(2,829)	18,978
EXPENDITURES					
Culture and Recreation					
Salaries and Benefits	10,441	10,441	10,752	(311)	9,511
Contracted Services	-	-	-	-	-
Books	4,459	6,189	12,389	(6,200)	5,796
Maintenance and Supplies	4,500	4,500	7,098	(2,598)	4,852
TOTAL EXPENDITURES	19,400	21,130	30,239	(9,109)	20,159
NET CHANGE IN FUND BALANCE	(376)	3,153	(8,785)	(11,938)	(1,181)
FUND BALANCE, Beginning	-	-	11,819	11,819	13,000
FUND BALANCE, Ending	\$ (376)	\$ 3,153	\$ 3,034	\$ (119)	\$ 11,819

See the accompanying Independent Auditor's Report.

TOWN OF ORDWAY, COLORADO

BUDGETARY COMPARISON SCHEDULE WATER FUND

Year Ended December 31, 2017

(With Comparative Actual Totals for the Year Ended December 31, 2016)

	2017			VARIANCE Positive (Negative)	2016
	ORIGINAL BUDGET	FINAL BUDGET	ACTUAL		ACTUAL
REVENUES					
Charges for Services					
Charges for Services	\$ 268,170	\$ 268,170	\$ 296,156	\$ 27,986	\$ 261,206
Tank Sales	8,753	8,753	79	(8,674)	7,294
Connection Fees	-	-	-	-	6,175
Late Fees and Penalties	16,850	16,850	11,606	(5,244)	10,624
Total Charges for Services	293,773	293,773	307,841	14,068	285,299
Tap Fees	50	50	458	408	48
Lease of Water Shares	89,000	89,000	89,000	-	89,000
Investment Income	-	-	881	881	863
Miscellaneous	-	-	-	-	19,048
TOTAL REVENUES	382,823	382,823	398,180	15,357	394,258
EXPENDITURES					
Salaries and Benefits	78,344	109,049	90,360	18,689	92,595
Operations and Maintenance	75,627	75,627	83,786	(8,159)	95,423
Water Stock Assessment	27,493	27,493	22,960	4,533	20,620
Water Purchased and Storage	48,893	48,893	56,053	(7,160)	47,733
Debt Service				-	
Principal	-	-	32,433	(32,433)	31,386
Interest	8,938	8,938	11,184	(2,246)	6,468
TOTAL EXPENDITURES	239,295	270,000	296,776	(26,776)	294,225
NET INCOME, Budget Basis	\$ 143,528	\$ 112,823	101,404	\$ (11,419)	100,033
GAAP BASIS ADJUSTMENTS					
Depreciation			(46,514)		(46,578)
Principal Paid on Long-Term Debt			32,433		31,386
NET INCOME, GAAP Basis			87,323		84,841
NET POSITION, Beginning, As Restated			1,217,996		1,133,155
NET POSITION, Ending			\$ 1,305,319		\$ 1,217,996

See the accompanying Independent Auditor's Report.

TOWN OF ORDWAY, COLORADO

BUDGETARY COMPARISON SCHEDULE
SEWER FUND

Year Ended December 31, 2017

(With Comparative Actual Totals for the Year Ended December 31, 2016)

	ORIGINAL AND FINAL BUDGET	ORIGINAL AND FINAL BUDGET	ACTUAL	VARIANCE Positive (Negative)	ACTUAL
REVENUES					
Charges for Services	\$ 108,000	\$ 108,000	\$ 131,406	\$ 23,406	\$ 125,795
Investment Income	-	-	827	827	1,037
Miscellaneous Income	-	-	225	225	
TOTAL REVENUES	108,000	108,000	132,458	24,233	126,832
EXPENDITURES					
Salaries and Benefits	35,781	38,832	38,802	30	42,988
Operations and Maintenance	25,868	25,868	24,966	902	20,820
Debt Service					
Principal	-	-	29,950	(29,950)	56,070
Interest	300	300	-	300	297
Transfers Out	-	-	-	-	40,000
TOTAL EXPENDITURES	61,949	65,000	93,718	(28,718)	160,175
NET INCOME (LOSS), Budget Basis	\$ 46,051	\$ 43,000	38,740	\$ (4,485)	(33,343)
GAAP BASIS ADJUSTMENTS					
Depreciation			(54,140)		(54,140)
Principal Paid on Long-Term Debt			29,950		56,070
NET INCOME (LOSS), GAAP Basis			14,550		(31,413)
NET POSITION, Beginning			1,215,337		1,246,750
NET POSITION, Ending			\$ 1,229,887		\$ 1,215,337

See the accompanying Independent Auditor's Report.

TOWN OF ORDWAY, COLORADO

BUDGETARY COMPARISON SCHEDULE
SANITATION FUND

Year Ended December 31, 2017

(With Comparative Actual Totals for the Year Ended December 31, 2016)

	2017			VARIANCE Positive (Negative)	2016
	ORIGINAL AND FINAL BUDGET	ORIGINAL AND FINAL BUDGET	ACTUAL		ACTUAL
REVENUES					
Charges for Services					
Sanitation Charges	\$ 188,117	\$ 188,117	\$ 182,981	\$ (5,136)	\$ 189,049
Trash Load Dumping	1,700	1,700	1,901	201	1,632
Trash Tags	350	350	196	(154)	311
Total Charges for Services	<u>190,167</u>	<u>190,167</u>	<u>185,078</u>	<u>(5,089)</u>	<u>190,992</u>
Grants - Landfill	-	-	-	-	29,677
Transfers In	-	-	-	-	40,000
TOTAL REVENUES	<u>190,167</u>	<u>190,167</u>	<u>185,078</u>	<u>(5,089)</u>	<u>260,669</u>
EXPENDITURES					
Salaries and Benefits	33,845	33,845	37,380	(3,535)	35,972
Contract Services	105,081	153,505	130,362	(25,281)	131,194
Operations and Maintenance	12,650	12,650	10,176	2,474	8,326
Landfill Closure Costs	-	-	310	(310)	55,457
TOTAL EXPENDITURES	<u>151,576</u>	<u>200,000</u>	<u>178,228</u>	<u>(26,652)</u>	<u>230,949</u>
NET INCOME, Budget Basis	<u>\$ 38,591</u>	<u>\$ (9,833)</u>	6,850	<u>\$ (31,741)</u>	29,720
GAAP BASIS ADJUSTMENTS					
Depreciation			(143)		(287)
NET INCOME, GAAP Basis			6,707		29,433
NET POSITION, Beginning, As Restated			40,824		11,391
NET POSITION, Ending			<u>\$ 47,531</u>		<u>\$ 40,824</u>

See the accompanying Independent Auditor's Report.

STATE COMPLIANCE

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

LOCAL HIGHWAY FINANCE REPORT		City or County:	Ordway
		YEAR ENDING :	December 2017
This Information From The Records Of (example - City of _ or County of Town of Ordway, Colorado)		Prepared By:	Yolanda Avalos, Town Treasurer
		Phone:	719-267-3134

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

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

II. RECEIPTS FOR ROAD AND STREET PURPOSES		III. DISBURSEMENTS FOR ROAD AND STREET PURPOSES	
ITEM	AMOUNT	ITEM	AMOUNT
A. Receipts from local sources:		A. Local highway disbursements:	
1. Local highway-user taxes		1. Capital outlay (from page 2)	0
a. Motor Fuel (from Item I.A.5.)		2. Maintenance:	11,939
b. Motor Vehicle (from Item I.B.5.)		3. Road and street services:	
c. Total (a.+b.)		a. Traffic control operations	9,349
2. General fund appropriations	0	b. Snow and ice removal	628
3. Other local imposts (from page 2)	130,753	c. Other	0
4. Miscellaneous local receipts (from page 2)	5,748	d. Total (a. through c.)	9,977
5. Transfers from toll facilities		4. General administration & miscellaneous	96,404
6. Proceeds of sale of bonds and notes:		5. Highway law enforcement and safety	23,657
a. Bonds - Original Issues		6. Total (1 through 5)	141,977
b. Bonds - Refunding Issues		B. Debt service on local obligations:	
c. Notes		1. Bonds:	
d. Total (a. + b. + c.)	0	a. Interest	0
7. Total (1 through 6)	136,501	b. Redemption	0
B. Private Contributions		c. Total (a. + b.)	0
C. Receipts from State government (from page 2)	41,702	2. Notes:	
D. Receipts from Federal Government (from page 2)	0	a. Interest	0
E. Total receipts (A.7 + B + C + D)	178,203	b. Redemption	0
		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)	
			141,977

IV. LOCAL HIGHWAY DEBT STATUS
(Show all entries at par)

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

V. LOCAL ROAD AND STREET FUND BALANCE

	A. Beginning Balance	B. Total Receipts	C. Total Disbursements	D. Ending Balance	E. Reconciliation
		178,203	141,977	36,226	0

Notes and Comments:

See the accompanying Independent Auditor's Report.

LOCAL HIGHWAY FINANCE REPORT		STATE: Colorado	
		YEAR ENDING (mm/yy): December 2017	
II. RECEIPTS FOR ROAD AND STREET PURPOSES - DETAIL			
ITEM	AMOUNT	ITEM	AMOUNT
A.3. Other local imposts:		A.4. Miscellaneous local receipts:	
a. Property Taxes and Assessments	32,783	a. Interest on investments	156
b. Other local imposts:		b. Traffic Fines & Penalties	302
1. Sales Taxes	87,540	c. Parking Garage Fees	0
2. Infrastructure & Impact Fees		d. Parking Meter Fees	0
3. Liens		e. Sale of Surplus Property	0
4. Licenses		f. Charges for Services	0
5. Specific Ownership &/or Other	10,430	g. Other Misc. Receipts	5,040
6. Total (1. through 5.)	97,970	h. Other	250
c. Total (a. + b.)	130,753	i. Total (a. through h.)	5,748
	(Carry forward to page 1)		(Carry forward to page 1)
III. DISBURSEMENTS FOR ROAD AND STREET PURPOSES - DETAIL			
ITEM	AMOUNT	ITEM	AMOUNT
C. Receipts from State Government		D. Receipts from Federal Government	
1. Highway-user taxes	38,020	1. FHWA (from Item I.D.5.)	
2. State general funds		2. Other Federal agencies:	
3. Other State funds:		a. Forest Service	0
a. State bond proceeds		b. FEMA	0
b. Project Match		c. HUD	0
c. Motor Vehicle Registrations	3,682	d. Federal Transit Admin	0
d. Other (Specify) - DOLA Grant	0	e. U.S. Corps of Engineers	0
e. Other (Specify)	0	f. Other Federal	0
f. Total (a. through e.)	3,682	g. Total (a. through f.)	0
4. Total (1. + 2. + 3.f)	41,702	3. Total (1. + 2.g)	
			(Carry forward to page 1)
		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			0
c. Construction:			
(1). New Facilities			0
(2). Capacity Improvements			0
(3). System Preservation		0	0
(4). System Enhancement & Operation		0	0
(5). Total Construction (1) + (2) + (3) + (4)		0	0
d. Total Capital Outlay (Lines 1.a. + 1.b. + 1.c.5)		0	0
			(Carry forward to page 1)
Notes and Comments:			