



**TOWN COUNCIL WORK SESSION & MEETING**  
Zoom Webinar and/or Town Council Chamber  
3 S. Timber Ridge Parkway, Severance, CO 80550

---

**AGENDA**

**Tuesday, July 28, 2026, at 6:00 PM**

**A. CALL TO ORDER WORK SESSION (5:00 PM)**

*The Goal of the Work Session is to have the Town Council receive information on topics of Town business from the Town Manager, Town Attorney and Town Staff in order to exchange ideas and opinions regarding these topics.*

**1. Pg. 4 - Adpot a Trail and/or Street**

- Discussion
- Staff Presentation: David Bruen, Council Member

**B. CALL TO ORDER REGULAR MEETING (6:00 PM)**

**1. Roll Call**

**2. Pledge of Allegiance**

**3. Agenda Review by Town Manager**

**4. Consent Calendar**

*The Consent Calendar is intended to allow the Town Council to spend time and energy on the important items and not routine actions. A Council Member may request an item on this calendar to be "pulled" off the Consent Calendar and considered separately as a regular agenda item. Items remaining on the Consent Calendar will be approved by Town Council with one vote.*

**a. Pg. 14 - June 2026 Financial Statements**

**b. Pg. 56 - June 2026 Payables**

**c. Pg. 59 - Town Council Minutes 7.14.26**

**d. Pg. 63 - Resolution 2026-19R: A Resolution for the Town Council of the Town of Severance, Colorado, Appropriating Funds from the Fund Balance**

**e. Pg. 65 - Resolution 2026-20R: A Resolution for the Town Council of the Town of Severance, Colorado, Providing for Additional Appropriations in Fiscal Year 2026 for the Reappropriation of the Budget of 2025 Capital Projects Still in Progress and Amendments to the 2026 Adopted Budget**

**f. Pg. 67 - Resolution 2026-21R: A Resolution of the Town Council of the Town of Severance, Colorado, Approving and Accepting the Town's 2025 Audited Financial Statements**

**5. Approval of Agenda**

**6. Public Comment**

*The purpose of the Public Comment is for members of the public to speak to the Town Council on any subject not scheduled on the agenda. To accomplish scheduled agenda items, comments should be limited to three minutes for those attending in person or an appropriate time as deemed by the Mayor. The Town Council is not obligated to make decisions or take action on comments but may choose to schedule the matter for a later discussion. Those addressing the Town Council, please state your name and address and sign-in.*

**7. Council Member Comments**

**8. Reports**

*Council approval may be sought for administrative actions in association with staff reports.*

- a. Town Attorney
- b. Town Staff
- c. Town Management
- d. Council Members Liaisons
- e. Mayor

**C. TOWN COUNCIL**

- 1. Pg. 160 - Resolution 2026-22R: A Resolution of the Town Council of the Town of Severance, Colorado, Approving the Intergovernmental Agreement for Conduct of Community Development Block Grant Program in Weld County for the Fiscal Years 2027 Through 2029, and Authorizing the Execution Thereof**
  - Legislative
  - Staff Presentation: Nicholas Wharton, Town Manager
- 2. Pg. 187 - Resolution 2026-23R: A Resolution of the Town Council of Severance, Colorado, Declaring a Vacancy on the Town Council for a Council Member Seat**
  - Legislative
  - Staff Presentation: Andrew Rogers, Town Attorney
- 3. Pg. 192 - Town Council Liaison Appointments**
  - Discussion
  - Staff Presentation: Nicholas Wharton, Town Manager
- 4. Pg. 193 - Council Member Appointment or Special Election**
  - Legislative
  - Staff Presentation: Andrew Rogers, Town Attorney
- 5. Pg. 194 - Ordinance 2026-06: An Ordinance of the Town Council of the Town of Severance, Colorado, Enacting Article 7 of Chapter 6 of the Severance Municipal Code to Regulate Mobile Food Vendors**
  - Legislative, Public Comment
  - Staff Presentation: Andrew Rogers, Town Attorney
- 6. Pg. 211 - Electric Vehicle Ordinance Discussion**
  - Discussion
  - Staff Presentation: Andrew Rogers, Town Attorney

#### **D. COUNCIL MEMBER PETITIONS**

*Council Members may ask for items to be added to future agendas.*

#### **E. ADJOURN**

#### **F. EXECUTIVE SESSION**

1. Considering the purchase, acquisition, lease, transfer, or sale of any real, personal, or other property interest, pursuant to §24-6-402(4)(a), C.R.S., with regard to certain property in downtown Severance
2. Concerning determining positions relative to matters that may be subject to negotiation or litigation, developing a strategy for negotiation or litigation, or instructing negotiators pursuant to §24-6-402(4)(e)(I), C.R.S., and concerning conferences with the Town Attorney for the purpose of receiving legal advice on specific legal questions, pursuant to §24-6-402(4)(b), C.R.S., regarding (1) the Town's legal authority to require property owners to permit Town staff access to private property for the inspection, maintenance, and repair of Town-owned water infrastructure, (2) legal strategies and options for compelling access when property owners or residents refuse to allow such entry, including potential enforcement actions, service suspension procedures, and judicial remedies, (3) reviewing the Town's water service ordinances, access-right provisions, and enforcement authority under Colorado law, (4) developing legal positions and strategies for anticipated administrative proceedings or litigation against specific property owners who refuse to grant access to Town water infrastructure located on or serving their properties, and (5) determining the Town's exposure to liability and evaluating potential defenses in connection with enforcement actions related to water line access and inspection.
3. Concerning the discussion of personnel matters regarding the Town Municipal Judge, including the Judge's annual performance evaluation, contract renewal, compensation, and other personnel matters related to the Judge's employment with the Town of Severance, pursuant to §24-6-402(4)(f)(I), C.R.S.

#### **Town Council Meeting**

*Tuesday, July 28, 2026, 6:00 PM (MDT)*

*The Town Council reserves the right to adjourn to a virtual-only meeting at its discretion should the need arise.*

*Registration URL*

<https://us02web.zoom.us/j/89354721574?pwd=2TJORo1yOgUN5NB28octprdXWugaLI.1>

*The Town of Severance does not discriminate on the basis of race, color, national origin, sex, religion, age or disability in the provision of services. For disabled persons needing reasonable accommodation to attend or participate in a town service, program, public meeting, or activity, call 970-686-1218 at least 72 hours in advance. Disabled access is available from the front entrance of the Town Hall.*



## AGENDA ITEM SUMMARY

| AGENDA ITEM                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                  | SUBMITTED BY                | PRESENTED BY              |
|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-----------------------------|---------------------------|
| Pg. 4 - Adopt a Trail and/or Street                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                          | David Bruen, Council Member | Council Member Dave Bruen |
| <b>ACTION REQUESTED</b>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                      |                             |                           |
| The Town Council's opinion and/or recommendations for implementation.                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                        |                             | <b><u>Discussion</u></b>  |
| <b>BRIEF HISTORY OF ITEM</b>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                 |                             |                           |
|                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                              |                             |                           |
| <b>BRIEF SUMMARY</b>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                         |                             |                           |
| <p>Adopt a Street program key benefits include: reduced litter, enhanced community appearance, and promotion civic pride through volunteer litter removal. These programs can boost safety and environmental health while allowing cities to reallocate limited resources toward other maintenance needs and offer public recognition to participating businesses and community groups.</p> <p>Key benefits details:</p> <ul style="list-style-type: none"> <li>• Cost Savings &amp; Resource Reallocation: Municipalities save on labor costs by relying on volunteers for clean-up. These savings enable staff to focus on other crucial projects, such as parks, maintenance, and other improvements.</li> <li>• Enhanced Environmental Health: By collecting litter, volunteers prevent debris from entering storm drains, which improves water quality and protects the ecosystem.</li> <li>• Community Pride and Engagement: These programs empower residents, local businesses, and community organizations (such as churches, schools, and non-profits) to take ownership of their surroundings, fostering a sense of pride in beautifying the community.</li> <li>• Public Recognition for Participants: Program would offer/provide signage recognizing the civic participation of the individuals or groups who adopt a stretch of road.</li> <li>• Improved Safety and Safety Promotion: The Town would provide necessary safety equipment—such as vests and bags—and often include safety training, creating safer, cleaner streets.</li> </ul> |                             |                           |
| <b>PUBLIC SUPPORT/CONCERN</b>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                |                             |                           |
| None.                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                        |                             |                           |
| <b>ANALYSIS AND RECOMMENDATION</b>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                           |                             |                           |
| This program went to the Citizen Advisory Board, and they are in support of implementing the program.                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                        |                             |                           |
| <b>MATERIALS SUBMITTED</b>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                   |                             |                           |
| <p>The following materials were submitted and included in this packet:</p> <ol style="list-style-type: none"> <li>1. Adopt-A-Street_Presentation</li> </ol>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                  |                             |                           |



# ADOPT-A-STREET / TRAIL PROGRAM

*A community proposal to help keep Severance's streets and trails clean, safe, and beautiful*

---

**Agenda Item:** Adopt A Street/Trail

**Submitted By:** Dave Bruen

# Agenda Item Summary



## Action Requested

Implementation of an Adopt-a-Street/Trail Program.

---

## Brief History

The importance of this issue is multi-faceted and described throughout the materials submitted to CAB (summarized in this presentation).

## Materials Submitted

- **Program Overview**  
How the program works, who can join, and what it takes to adopt a street or trail.
- **Safety Guidelines**  
Rules every volunteer follows before, during, and after a clean-up.
- **Sample Liability Release**  
Release-of-liability forms for volunteers 18+ and under 18 (Timnath template).

# Program Overview

The Adopt-a-Street/Trail Program invites individuals, families, businesses, and community groups to help maintain the cleanliness and beauty of public spaces in the Town of Severance. Participants “adopt” a designated street or trail and commit to keeping it free of litter throughout the year (minimum 1-year commitment – quarterly cleanup)— promoting community pride, environmental stewardship, and active civic engagement.

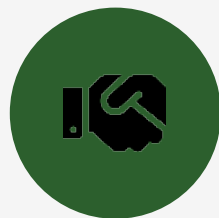
## WHO CAN PARTICIPATE



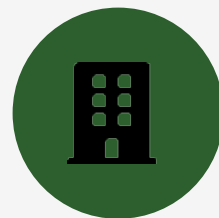
Individuals



Families



Community Groups  
& Organizations



Businesses

# Program Key Benefits

*Reduced litter, enhanced community appearance, and civic pride through volunteer litter removal.*



## Cost Savings & Resource Reallocation

Volunteer clean-up reduces labor costs, freeing staff for parks, maintenance, and other priorities.



## Enhanced Environmental Health

Less litter means less debris entering storm drains — protecting water quality and the ecosystem.



## Community Pride & Engagement

Residents, businesses, and organizations take ownership of their surroundings and beautify the community.



## Public Recognition for Participants

Signage recognizes the civic participation of individuals and groups who adopt a stretch of road.



## Improved Safety & Safety Promotion

The Town provides safety vests, bags, and training — creating safer, cleaner streets.

# Volunteer Responsibilities

*Participants agree to:*



Sign liability releases (samples attached)



Adopt a specific street or trail for at least one (1) year



Conduct clean-ups a minimum of 4 times per year (once per quarter)



Position litter/trash collected to be picked up by Public Works



Report hazardous or unusual materials to the Town rather than handling them

# Safety Guidelines For Volunteers

*Please review these safety tips before beginning work.*



## DO

- Park legally; scan the area for hazards before you start
- Use crosswalks or cross at corners
- Face oncoming traffic while working
- Work during non-peak hours, in full daylight
- Wear the safety vest, gloves & use trash grabbers provided
- Work in groups and stay alert



## DON'T

- Work in rain, fog, or on icy/wet roads
- Walk on the roadway or work in a median
- Enter private property
- Touch hazardous items — flag them & notify the Town
- Enter flooded areas or drainage facilities
- Wear earbuds while working

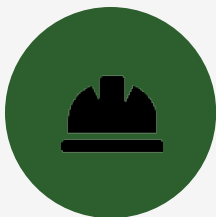
# Materials & Support Provided

*The Town of Severance will provide:*



## Trash Bags

For collecting litter along the adopted route.



## Safety Vests

High-visibility gear for every volunteer.



## Guidance

Instructions and support for planning clean-ups.



## Route Maps

A detailed map of suggested streets and trails.

*Litter and trash collected by volunteers will be picked up by the Public Works Department.*

# Program Goals



**Maintain Clean & Safe Public Spaces**



**Foster Community Engagement**



**Promote Long-Term  
“Engaged” Stewardship**

# Just One More Way That People With a Tie to Severance Can Engage & Help Make a Difference in The Community

By committing to periodic clean-ups and following safety guidelines, volunteers play a vital role in preserving the beauty and health of Severance's public spaces.

---

*CAB Supported the Petition.*



Friday, July 17th, 2026

Attn: Town Council and Stakeholders

**Re: Financial Statement Review**

The Interim Financial Statements for **June 2026** for the Town of Severance have been reviewed and can be published as part of the **July 28th, 2026**, Town Council Consent Agenda.

All the best,

Jacquelyn Grossnickle  
Finance Director, Severance, CO  
970-652-3130 | [jgrossnickle@townofseverance.org](mailto:jgrossnickle@townofseverance.org)

TOWN OF SEVERANCE  
COMBINED CASH INVESTMENT  
JUNE 30, 2026

COMBINED CASH ACCOUNTS

|                     |                                |               |
|---------------------|--------------------------------|---------------|
| 01-100700           | CASH ON HAND                   | 2,438         |
| 01-101000           | BANK OF CO- CHECKING ***1469   | 63,915        |
| 01-101500           | BANK OF CO CREDIT CARD ***1481 | 8,167         |
| 01-101600           | BANK OF CO CASH OUTLAY ***8205 | ( 14,763)     |
| 01-102100           | COLOTRUST - 8001               | 17,325,280    |
| 01-102110           | COLOTRUST - 4001               | 1,100         |
| 01-102180           | UMB SAFEKEEPING                | 48,981,616    |
| 01-106000           | XPRESS DEPOSIT ACCOUNT         | 44,246        |
| 01-107700           | CASH CLEARING - WSFR           | ( 6,140)      |
| 01-107800           | CASH CLEARING - SD RE-4        | ( 11,664)     |
| TOTAL COMBINED CASH |                                | 66,394,195    |
| 01-100000           | CASH ALLOCATED TO OTHER FUNDS  | ( 66,394,195) |

TOTAL UNALLOCATED CASH

CASH ALLOCATION RECONCILIATION

|                                                |                                       |               |
|------------------------------------------------|---------------------------------------|---------------|
| 10                                             | ALLOCATION TO GENERAL FUND            | 24,546,781    |
| 11                                             | ALLOCATION TO CONSERVATION TRUST FUND | 562,589       |
| 12                                             | ALLOCATION TO TRANSPORTATION FUND     | 4,793,630     |
| 13                                             | ALLOCATION TO PARKS FUND              | 656,494       |
| 14                                             | ALLOCATION TO PUBLIC FACILITIES FUND  | 739,957       |
| 15                                             | ALLOCATION TO PUBLIC SAFETY FUND      | 443,720       |
| 20                                             | ALLOCATION TO GRANTS FUND             | 230,830       |
| 41                                             | ALLOCATION TO FLEET FUND              | 221,935       |
| 51                                             | ALLOCATION TO WATER FUND              | 18,850,337    |
| 52                                             | ALLOCATION TO WASTEWATER FUND         | 17,372,798    |
| 53                                             | ALLOCATION TO STORMWATER FUND         | 2,218,394     |
| 75                                             | ALLOCATION TO CAPITAL PROJECTS        | ( 4,278,878)  |
| TOTAL ALLOCATIONS TO OTHER FUNDS               |                                       | 66,358,587    |
| ALLOCATION FROM COMBINED CASH FUND - 01-100000 |                                       | ( 66,358,587) |

ZERO PROOF IF ALLOCATIONS BALANCE

## TOWN OF SEVERANCE

## BALANCE SHEET

JUNE 30, 2026

## GENERAL FUND

ASSETS

|           |                               |            |            |
|-----------|-------------------------------|------------|------------|
| 10-100000 | CASH - COMBINED FUND          | 24,546,781 |            |
| 10-105000 | TAXES RECEIVABLE              | 35,311     |            |
| 10-105300 | CASH W/ WELD COUNTY TREASURER | 737,306    |            |
| 10-105400 | PREPAID EXPENSES              | 18,641     |            |
| 10-115000 | ACCOUNTS RECEIVABLE           | 229        |            |
| 10-115010 | FUEL INVENTORY                | 9,255      |            |
| 10-115011 | DIESEL INVENTORY              | 5,481      |            |
| 10-115100 | OTHER ACCOUNTS RECEIVABLE     | 1,224      |            |
| 10-120000 | DEVELOPER RECEIVABLES         | 51,315     |            |
| 10-131000 | DUE FROM OTHER GOVERNMENTS    | 207,770    |            |
|           |                               |            |            |
|           | TOTAL ASSETS                  |            | 25,613,313 |

LIABILITIES AND EQUITYLIABILITIES

|           |                               |          |         |
|-----------|-------------------------------|----------|---------|
| 10-202000 | ACCOUNTS PAYABLE              | 408,384  |         |
| 10-203000 | CUSTOMER DEPOSITS-DEVELOPERS  | 52,124   |         |
| 10-203500 | CUSTOMER DEPOSITS-RENTALS     | 1,900    |         |
| 10-204000 | OTHER ACCRUED EXPENSES        | 27,820   |         |
| 10-211650 | AFLAC PAYABLE                 | 1,456    |         |
| 10-211700 | HEALTH INSURANCE PAYABLE      | ( 1,815) |         |
| 10-211710 | DISABILITY INSURANCE PAYABLE  | ( 5,216) |         |
| 10-211755 | FSA PAYABLE                   | 3,621    |         |
| 10-211800 | DEFERRED PROPERTY TAXES       | 35,311   |         |
| 10-223000 | DEFERRED INFLOWS OF RESOURCES | 1,224    |         |
|           |                               |          |         |
|           | TOTAL LIABILITIES             |          | 524,808 |

FUND EQUITY

|           |                                 |            |            |
|-----------|---------------------------------|------------|------------|
|           | UNAPPROPRIATED FUND BALANCE:    |            |            |
| 10-290000 | FUND BALANCE                    | 24,563,006 |            |
|           | REVENUE OVER EXPENDITURES - YTD | 525,499    |            |
|           |                                 |            |            |
|           | BALANCE - CURRENT DATE          | 25,088,506 |            |
|           |                                 |            |            |
|           | TOTAL FUND EQUITY               |            | 25,088,506 |
|           |                                 |            |            |
|           | TOTAL LIABILITIES AND EQUITY    |            | 25,613,313 |

TOWN OF SEVERANCE  
REVENUES AND EXPENDITURES WITH COMPARISON TO BUDGET  
FOR THE 6 MONTHS ENDING JUNE 30, 2026

GENERAL FUND

|            |                                | PERIOD ACTUAL | YTD ACTUAL | BUDGET    | UNEARNED   | PCNT  |
|------------|--------------------------------|---------------|------------|-----------|------------|-------|
| <hr/>      |                                |               |            |           |            |       |
| REVENUE    |                                |               |            |           |            |       |
|            | <u>TAXES</u>                   |               |            |           |            |       |
| 10-31-1000 | PROPERTY TAX                   | 725,931       | 2,101,653  | 2,140,000 | 38,347     | 98.2  |
| 10-31-3000 | SALES TAX                      | 207,770       | 1,052,572  | 2,152,500 | 1,099,928  | 48.9  |
| 10-31-4000 | USE TAX                        | 84,957        | 250,816    |           | ( 250,816) | .0    |
| 10-31-8100 | SEVERANCE TAX (OIL & GAS)      |               |            | 10,000    | 10,000     | .0    |
| 10-31-8200 | FRANCHISE                      | 23,551        | 127,431    | 200,000   | 72,569     | 63.7  |
| 10-31-9000 | INTEREST / DELINQUENT TAX      | 37            | 120        | 1,100     | 980        | 10.9  |
|            |                                | <hr/>         | <hr/>      | <hr/>     | <hr/>      | <hr/> |
|            | TOTAL TAXES                    | 1,042,247     | 3,532,592  | 4,503,600 | 971,008    | 78.4  |
|            |                                | <hr/>         | <hr/>      | <hr/>     | <hr/>      | <hr/> |
|            | <u>LICENSES &amp; PERMITS</u>  |               |            |           |            |       |
| 10-32-1000 | BUSINESS LICENSE               | 175           | 2,400      | 2,500     | 100        | 96.0  |
| 10-32-1100 | LIQUOR LICENSE                 |               | 275        | 500       | 225        | 55.0  |
| 10-32-2000 | HOME BASED BUSINESS FEES       |               | 125        | 300       | 175        | 41.7  |
| 10-32-2100 | BUILDING PERMIT & LICENSE      | 51,384        | 179,041    | 200,000   | 20,959     | 89.5  |
| 10-32-2600 | ANIMAL LICENSES                | 60            | 300        | 100       | ( 200)     | 300.0 |
| 10-32-3100 | PLANNING ADMINISTRATION FEE    | 5,008         | 11,839     | 29,000    | 17,161     | 40.8  |
| 10-32-3400 | OFFICE ADMINISTRATION FEE      | 14,950        | 50,514     | 100,000   | 49,486     | 50.5  |
| 10-32-4100 | ROW/HUNT/SIGN/DEVELOP. PERMITS | 2,000         | 15,950     | 25,000    | 9,050      | 63.8  |
| 10-32-4150 | SOLICITOR LICENSES             | 640           | 2,800      | 3,000     | 200        | 93.3  |
|            |                                | <hr/>         | <hr/>      | <hr/>     | <hr/>      | <hr/> |
|            | TOTAL LICENSES & PERMITS       | 74,218        | 263,243    | 360,400   | 97,157     | 73.0  |
|            |                                | <hr/>         | <hr/>      | <hr/>     | <hr/>      | <hr/> |
|            | <u>INTERGOVERNMENTAL</u>       |               |            |           |            |       |
| 10-33-4000 | STATE GRANTS                   |               | 478        |           | ( 478)     | .0    |
| 10-33-5000 | HIGHWAY USERS                  | 35,887        | 166,116    | 419,000   | 252,884    | 39.7  |
| 10-33-5050 | MINERAL LEASE                  |               |            | 50,000    | 50,000     | .0    |
| 10-33-5100 | MOTOR VEHICLE FEES             | 3,384         | 29,528     | 53,500    | 23,972     | 55.2  |
| 10-33-5200 | COUNTY ROAD & BRIDGE           | 5,362         | 32,171     | 32,100    | ( 71)      | 100.2 |
| 10-33-5300 | SPECIFIC OWNERSHIP TAX         | 7,705         | 44,175     | 42,800    | ( 1,375)   | 103.2 |
| 10-33-5600 | CIGARETTE TAX                  | 365           | 1,552      | 3,000     | 1,448      | 51.7  |
| 10-33-6000 | SHARED REVENUE WINDSOR         |               | 68,039     | 286,000   | 217,961    | 23.8  |
|            |                                | <hr/>         | <hr/>      | <hr/>     | <hr/>      | <hr/> |
|            | TOTAL INTERGOVERNMENTAL        | 52,704        | 342,060    | 886,400   | 544,340    | 38.6  |
|            |                                | <hr/>         | <hr/>      | <hr/>     | <hr/>      | <hr/> |
|            | <u>CHARGES FOR SERVICES</u>    |               |            |           |            |       |
| 10-34-1100 | COURT COSTS                    | 330           | 3,445      | 3,000     | ( 445)     | 114.8 |
| 10-34-1200 | POLICE REVENUE                 |               | 18,236     | 66,000    | 47,764     | 27.6  |
| 10-34-1400 | COPIES & REPORTS               | 70            | 1,087      | 2,000     | 914        | 54.3  |
|            |                                | <hr/>         | <hr/>      | <hr/>     | <hr/>      | <hr/> |
|            | TOTAL CHARGES FOR SERVICES     | 400           | 22,767     | 71,000    | 48,233     | 32.1  |
|            |                                | <hr/>         | <hr/>      | <hr/>     | <hr/>      | <hr/> |

TOWN OF SEVERANCE  
REVENUES AND EXPENDITURES WITH COMPARISON TO BUDGET  
FOR THE 6 MONTHS ENDING JUNE 30, 2026

GENERAL FUND

|                                        | PERIOD ACTUAL | YTD ACTUAL   | BUDGET    | UNEARNED  | PCNT    |
|----------------------------------------|---------------|--------------|-----------|-----------|---------|
| <u>FINES &amp; FORFEITS</u>            |               |              |           |           |         |
| 10-35-1000 MUNICIPAL COURT FINES       | 9,255         | 72,498       | 64,000    | ( 8,498)  | 113.3   |
| 10-35-1100 SURCHARGE                   | 300           | 3,366        | 4,000     | 634       | 84.2    |
|                                        |               |              |           |           |         |
| TOTAL FINES & FORFEITS                 | 9,555         | 75,864       | 68,000    | ( 7,864)  | 111.6   |
| <u>MISCELLANEOUS</u>                   |               |              |           |           |         |
| 10-36-1000 RETURN CHECK CHARGES        | 540           | 2,630        | 3,000     | 370       | 87.7    |
| 10-36-1500 INSURANCE CLAIM PAYMENTS    |               | 9,392        |           | ( 9,392)  | .0      |
| 10-36-2000 OTHER MISCELLANEOUS REVENUE | 1,195         | 3,841        | 12,000    | 8,159     | 32.0    |
| 10-36-3000 RENT                        | 7,264         | 44,378       | 52,800    | 8,422     | 84.1    |
| 10-36-3500 INTEREST AND DIVIDENDS      | 107,656       | 436,486      | 802,000   | 365,514   | 54.4    |
| 10-36-3550 CHANGE IN MARKET VALUE      | ( 198,872)    | ( 1,088,662) |           | 1,088,662 | .0      |
| 10-36-4500 MATERIALS AND LABOR         |               | 4,173        | 2,000     | ( 2,173)  | 208.7   |
| 10-36-5000 SPECIAL EVENT REVENUE       | 200           | 23,488       | 50,000    | 26,513    | 47.0    |
| 10-36-6500 REIMBURSEMENTS/REFUNDS      | 2,167         | 4,337        |           | ( 4,337)  | .0      |
| 10-36-8050 OIL AND GAS ROYALTIES       | 3,369         | 18,787       |           | ( 18,787) | .0      |
| 10-36-9900 OTHER REVENUES              |               | 22,750       |           | ( 22,750) | .0      |
|                                        |               |              |           |           |         |
| TOTAL MISCELLANEOUS                    | ( 76,480)     | ( 518,399)   | 921,800   | 1,440,199 | ( 56.2) |
|                                        |               |              |           |           |         |
| TOTAL FUND REVENUE                     | 1,102,643     | 3,718,127    | 6,811,200 | 3,093,073 | 54.6    |

TOWN OF SEVERANCE  
EXPENDITURES WITH COMPARISON TO BUDGET  
FOR THE 6 MONTHS ENDING JUNE 30, 2026

GENERAL FUND

|                    |                                | PERIOD ACTUAL | YTD ACTUAL | BUDGET  | UNEXPENDED | PCNT |
|--------------------|--------------------------------|---------------|------------|---------|------------|------|
| EXPENDITURES       |                                |               |            |         |            |      |
| <u>LEGISLATIVE</u> |                                |               |            |         |            |      |
| 10-41-1100         | REGULAR STAFF WAGES            | 2,553         | 14,924     | 37,829  | 22,905     | 39.5 |
| 10-41-1102         | OVERTIME                       |               |            | 100     | 100        | .0   |
| 10-41-1104         | RETIREMENT 457                 | 77            | 444        | 1,135   | 691        | 39.1 |
| 10-41-1105         | TOWN COUNCIL FEES              | 1,800         | 14,543     | 36,000  | 21,457     | 40.4 |
| 10-41-1130         | FICA/MEDICARE                  | 333           | 2,252      | 5,647   | 3,395      | 39.9 |
| 10-41-1150         | UNEMPLOYMENT                   | 5             | 30         | 76      | 46         | 38.9 |
| 10-41-1160         | HEALTH INSURANCE               | 179           | 1,075      | 2,661   | 1,586      | 40.4 |
| 10-41-1161         | DISABILITY INSURANCE           | 45            | 225        | 567     | 342        | 39.7 |
| 10-41-2100         | LEGAL FEES                     |               | 184        | 15,000  | 14,816     | 1.2  |
| 10-41-3180         | MILEAGE                        |               |            | 300     | 300        | .0   |
| 10-41-3320         | PRINTING                       | 1,141         | 18,185     | 25,200  | 7,015      | 72.2 |
| 10-41-3330         | PUBLISHING/RECORDING           |               |            | 1,000   | 1,000      | .0   |
| 10-41-3350         | ORDINANCE CODIFICATION         |               |            | 12,000  | 12,000     | .0   |
| 10-41-3810         | DUES/MEMBERSHIPS/SUBSCRIPTIONS | 282           | 6,467      | 11,000  | 4,533      | 58.8 |
| 10-41-3820         | CONTINUING EDUCATION           | 823           | 9,336      | 24,000  | 14,664     | 38.9 |
| 10-41-3825         | MEETING/MEALS                  | 272           | 5,483      | 12,100  | 6,617      | 45.3 |
| 10-41-3990         | MISCELLANEOUS                  |               | 65         | 600     | 535        | 10.8 |
| 10-41-3992         | COUNCIL SPECIAL EVENTS         |               |            | 5,000   | 5,000      | .0   |
| 10-41-4530         | VEHICLE & EQUIP AMORTIZATION   | 165           | 990        | 2,000   | 1,010      | 49.5 |
| 10-41-4810         | UNIFORMS                       |               | 695        | 6,000   | 5,305      | 11.6 |
| 10-41-4990         | SUPPLIES                       |               | 81         | 1,300   | 1,219      | 6.2  |
| 10-41-5560         | CITIZEN ADVISORY BOARD         | 85            | 346        | 2,000   | 1,654      | 17.3 |
| 10-41-5570         | PLANNING COMMISSION            |               |            | 2,000   | 2,000      | .0   |
| 10-41-5580         | YOUTH COUNCIL                  |               | 569        | 2,000   | 1,431      | 28.5 |
| TOTAL LEGISLATIVE  |                                | 7,760         | 75,891     | 205,515 | 129,624    | 36.9 |
| <u>ELECTIONS</u>   |                                |               |            |         |            |      |
| 10-42-3310         | WELD CO COORDINATED ELECTION   |               |            | 15,200  | 15,200     | .0   |
| TOTAL ELECTIONS    |                                |               |            | 15,200  | 15,200     | .0   |

TOWN OF SEVERANCE  
EXPENDITURES WITH COMPARISON TO BUDGET  
FOR THE 6 MONTHS ENDING JUNE 30, 2026

GENERAL FUND

|                                  | PERIOD ACTUAL | YTD ACTUAL | BUDGET | UNEXPENDED | PCNT |
|----------------------------------|---------------|------------|--------|------------|------|
| <u>JUDICIAL</u>                  |               |            |        |            |      |
| 10-43-1100 REGULAR STAFF WAGES   | 2,146         | 12,438     | 29,287 | 16,849     | 42.5 |
| 10-43-1102 OVERTIME              |               |            | 100    | 100        | .0   |
| 10-43-1104 RETIREMENT 457        | 64            | 373        | 879    | 506        | 42.5 |
| 10-43-1130 FICA/MEDICARE         | 160           | 925        | 2,240  | 1,315      | 41.3 |
| 10-43-1150 UNEMPLOYMENT          | 4             | 25         | 59     | 34         | 42.3 |
| 10-43-1160 HEALTH INSURANCE      | 448           | 2,687      | 5,375  | 2,688      | 50.0 |
| 10-43-1161 DISABILITY INSURANCE  | 43            | 170        | 439    | 269        | 38.8 |
| 10-43-2100 LEGAL FEES            | 850           | 5,100      | 15,000 | 9,900      | 34.0 |
| 10-43-2110 MUNICIPAL JUDGE       | 800           | 4,800      | 10,500 | 5,700      | 45.7 |
| 10-43-3820 EDUCATION             |               |            | 1,500  | 1,500      | .0   |
| 10-43-3830 TRANSLATOR/JUROR FEES |               | 312        | 400    | 88         | 78.0 |
| 10-43-4310 COURT SUPPLIES        |               | 138        | 200    | 62         | 69.1 |
| 10-43-4810 UNIFORMS              |               |            | 1,400  | 1,400      | .0   |
| TOTAL JUDICIAL                   | 4,514         | 26,969     | 67,379 | 40,410     | 40.0 |

TOWN OF SEVERANCE  
EXPENDITURES WITH COMPARISON TO BUDGET  
FOR THE 6 MONTHS ENDING JUNE 30, 2026

GENERAL FUND

|                                           | PERIOD ACTUAL | YTD ACTUAL | BUDGET    | UNEXPENDED | PCNT  |
|-------------------------------------------|---------------|------------|-----------|------------|-------|
| <u>MANAGEMENT</u>                         |               |            |           |            |       |
| 10-44-1100 REGULAR STAFF WAGES            | 15,438        | 89,294     | 194,199   | 104,905    | 46.0  |
| 10-44-1101 PART-TIME STAFF WAGES          |               | 2,138      | 28,776    | 26,638     | 7.4   |
| 10-44-1102 OVERTIME                       |               | 38         | 400       | 362        | 9.4   |
| 10-44-1104 RETIREMENT                     | 763           | 4,413      | 9,719     | 5,306      | 45.4  |
| 10-44-1130 FICA/MEDICARE                  | 1,174         | 7,044      | 17,057    | 10,013     | 41.3  |
| 10-44-1140 WORKERS COMPENSATION           |               | 36,062     | 75,600    | 39,538     | 47.7  |
| 10-44-1150 UNEMPLOYMENT                   | 32            | 190        | 445       | 255        | 42.7  |
| 10-44-1160 HEALTH & LIFE INSURANCE        | 2,113         | 12,677     | 25,332    | 12,655     | 50.1  |
| 10-44-1161 DISABILITY INSURANCE           | 263           | 1,028      | 3,252     | 2,224      | 31.6  |
| 10-44-1164 FSA FUNDING                    |               | 1,780      | 2,000     | 220        | 89.0  |
| 10-44-2150 HR SERVICES                    |               | 4,917      | 50,000    | 45,083     | 9.8   |
| 10-44-2990 OTHER PROFESSIONAL FEES        |               |            | 7,000     | 7,000      | .0    |
| 10-44-3110 UTILITIES                      | 23,210        | 113,555    | 262,200   | 148,645    | 43.3  |
| 10-44-3150 TELEPHONE                      | 3,421         | 20,850     | 40,000    | 19,150     | 52.1  |
| 10-44-3175 BUILDING REPAIRS & MAINTENANCE | 520           | 7,677      | 17,000    | 9,323      | 45.2  |
| 10-44-3177 VEHICLE REPAIRS & MAINTENANCE  |               | 12         | 2,500     | 2,488      | .5    |
| 10-44-3210 INSURANCE AND BONDS            | 30            | 144,941    | 274,200   | 129,259    | 52.9  |
| 10-44-3220 CIRSA DEDUCTIBLES              |               | 28,628     | 15,000    | ( 13,628)  | 190.9 |
| 10-44-3810 DUES/MEMBERSHIPS/SUBSCRIPTIONS |               | 2,390      | 3,500     | 1,110      | 68.3  |
| 10-44-3820 CONTINUING EDUCATION           | 3,227         | 5,034      | 12,000    | 6,966      | 42.0  |
| 10-44-3825 MEALS/MISCELLANEOUS            | 87            | 1,511      | 5,000     | 3,489      | 30.2  |
| 10-44-3990 MISCELLANEOUS SERVICES/COPIER  | 58            | 58         |           | ( 58)      | .0    |
| 10-44-3992 SPECIAL EVENT EXPENDITURE      | 10,811        | 61,165     | 175,000   | 113,835    | 35.0  |
| 10-44-4000 ADVERTISING                    |               | 51         | 2,000     | 1,949      | 2.6   |
| 10-44-4320 COMPUTER REPLACE./AUDIO VISUAL |               | 18,753     | 40,000    | 21,247     | 46.9  |
| 10-44-4330 COMPUTER SUPPORT AND MAINT     | 34,756        | 234,781    | 356,630   | 121,849    | 65.8  |
| 10-44-4350 SAFETY                         |               | 4,484      | 10,000    | 5,516      | 44.8  |
| 10-44-4360 WELLNESS                       | 450           | 3,708      | 15,000    | 11,292     | 24.7  |
| 10-44-4520 VEHICLE FUEL                   | 156           | 625        | 1,000     | 375        | 62.5  |
| 10-44-4530 VEHICLE & EQUIP AMORTIZATION   | 295           | 1,770      | 3,600     | 1,830      | 49.2  |
| 10-44-4810 UNIFORMS                       | 209           | 684        | 1,500     | 816        | 45.6  |
| 10-44-4850 UNANTICIPATED EXP/CONTINGENCY  |               | 4,294      | 25,000    | 20,706     | 17.2  |
| 10-44-4990 MISCELLANEOUS SUPPLIES         |               | 688        | 3,000     | 2,312      | 22.9  |
| 10-44-8000 LEASE PAYMENT                  |               | 256        | 1,100     | 844        | 23.3  |
| TOTAL MANAGEMENT                          | 97,014        | 815,496    | 1,679,010 | 863,514    | 48.6  |

TOWN OF SEVERANCE  
EXPENDITURES WITH COMPARISON TO BUDGET  
FOR THE 6 MONTHS ENDING JUNE 30, 2026

GENERAL FUND

|                                           | PERIOD ACTUAL | YTD ACTUAL | BUDGET  | UNEXPENDED | PCNT |
|-------------------------------------------|---------------|------------|---------|------------|------|
| <u>FINANCE</u>                            |               |            |         |            |      |
| 10-45-1100 REGULAR STAFF WAGES            | 6,718         | 36,137     | 95,475  | 59,338     | 37.9 |
| 10-45-1102 OVERTIME                       |               |            | 100     | 100        | .0   |
| 10-45-1104 RETIREMENT 457                 | 202           | 1,064      | 2,865   | 1,801      | 37.1 |
| 10-45-1130 FICA/MEDICARE                  | 486           | 2,614      | 7,304   | 4,690      | 35.8 |
| 10-45-1150 UNEMPLOYMENT                   | 13            | 72         | 192     | 120        | 37.7 |
| 10-45-1160 HEALTH & LIFE INSURANCE        | 889           | 4,973      | 11,205  | 6,232      | 44.4 |
| 10-45-1161 DISABILITY INSURANCE           | 127           | 718        | 1,432   | 714        | 50.2 |
| 10-45-2200 AUDIT & ACCOUNTING FEES        | 10,050        | 30,050     | 35,000  | 4,950      | 85.9 |
| 10-45-3315 WELD COUNTY TREASURER FEE      | 7,281         | 21,061     | 21,900  | 839        | 96.2 |
| 10-45-3340 BANK CHARGES                   | 10            | 120        | 1,500   | 1,380      | 8.0  |
| 10-45-3810 DUES/MEMBERSHIPS/SUBSCRIPTIONS | 250           | 716        | 1,000   | 284        | 71.6 |
| 10-45-3820 CONTINUING EDUCATION           |               | 549        | 7,000   | 6,451      | 7.8  |
| 10-45-3825 MEALS/MISCELLANEOUS            | 274           | 473        | 1,000   | 527        | 47.3 |
| 10-45-4810 UNIFORMS                       |               | 547        | 2,100   | 1,553      | 26.1 |
| TOTAL FINANCE                             | 26,300        | 99,095     | 188,073 | 88,978     | 52.7 |

ADMINISTRATIVE SERVICES

|                                           |        |         |         |         |      |
|-------------------------------------------|--------|---------|---------|---------|------|
| 10-46-1100 REGULAR STAFF WAGES            | 13,222 | 76,784  | 169,314 | 92,530  | 45.4 |
| 10-46-1102 OVERTIME                       |        |         | 100     | 100     | .0   |
| 10-46-1104 RETIREMENT 457                 | 397    | 2,299   | 5,176   | 2,877   | 44.4 |
| 10-46-1130 FICA/MEDICARE                  | 972    | 5,664   | 12,952  | 7,288   | 43.7 |
| 10-46-1150 UNEMPLOYMENT                   | 26     | 154     | 339     | 185     | 45.3 |
| 10-46-1160 HEALTH INSURANCE               | 1,971  | 11,824  | 23,651  | 11,827  | 50.0 |
| 10-46-1161 DISABILITY INSURANCE           | 250    | 1,208   | 2,540   | 1,332   | 47.6 |
| 10-46-1170 RETENTION                      |        | 2,488   | 10,000  | 7,512   | 24.9 |
| 10-46-3810 DUES/MEMBERSHIPS/SUBSCRIPTIONS |        | 180     | 500     | 320     | 36.0 |
| 10-46-3820 CONTINUING EDUCATION           |        | 669     | 4,500   | 3,831   | 14.9 |
| 10-46-3825 MEETING/MEALS                  |        | 24      | 1,000   | 976     | 2.4  |
| 10-46-3990 MISCELLANEOUS                  | 325    | 2,660   | 7,200   | 4,540   | 37.0 |
| 10-46-4310 OFFICE SUPPLIES                | 38     | 2,507   | 8,000   | 5,493   | 31.3 |
| 10-46-4340 POSTAGE                        | 256    | 660     | 6,000   | 5,340   | 11.0 |
| 10-46-4810 UNIFORMS                       |        |         | 1,800   | 1,800   | .0   |
| TOTAL ADMINISTRATIVE SERVICES             | 17,457 | 107,121 | 253,072 | 145,951 | 42.3 |

TOWN OF SEVERANCE  
EXPENDITURES WITH COMPARISON TO BUDGET  
FOR THE 6 MONTHS ENDING JUNE 30, 2026

GENERAL FUND

|                                           | PERIOD ACTUAL | YTD ACTUAL | BUDGET    | UNEXPENDED | PCNT  |
|-------------------------------------------|---------------|------------|-----------|------------|-------|
| <u>PUBLIC SAFETY</u>                      |               |            |           |            |       |
| 10-51-1100 REGULAR STAFF WAGES            | 118,734       | 682,769    | 1,510,195 | 827,426    | 45.2  |
| 10-51-1102 OVERTIME                       | 4,185         | 20,741     | 30,000    | 9,259      | 69.1  |
| 10-51-1104 RETIREMENT                     | 441           | 2,556      | 5,750     | 3,194      | 44.5  |
| 10-51-1107 CONTRACTED SECURITY SERVICES   | 410           | 779        | 10,000    | 9,221      | 7.8   |
| 10-51-1130 FICA/MEDICARE                  | 2,594         | 14,993     | 33,781    | 18,788     | 44.4  |
| 10-51-1150 UNEMPLOYMENT                   | 247           | 1,409      | 3,020     | 1,611      | 46.7  |
| 10-51-1155 POLICE PENSION                 | 10,371        | 60,395     | 197,783   | 137,388    | 30.5  |
| 10-51-1160 HEALTH INSURANCE               | 14,184        | 85,103     | 166,548   | 81,445     | 51.1  |
| 10-51-1161 DISABILITY INSURANCE           | 5,618         | 30,943     | 22,652 (  | 8,291)     | 136.6 |
| 10-51-2300 MEDICAL                        |               |            | 1,000     | 1,000      | .0    |
| 10-51-2310 PSYCHOLOGICAL                  |               | 565        | 2,500     | 1,935      | 22.6  |
| 10-51-2900 CONTRACT POLICE SERVICES       |               | 40,515     | 40,215 (  | 300)       | 100.8 |
| 10-51-2990 OTHER PROFESSIONAL FEES        | 1,947         | 2,558      | 15,000    | 12,442     | 17.1  |
| 10-51-3173 REPAIRS & MAINTENANCE - EQUIPM |               |            | 500       | 500        | .0    |
| 10-51-3175 BUILDING REPAIRS & MAINTENANCE | 640           | 9,831      | 15,000    | 5,169      | 65.5  |
| 10-51-3177 VEHICLE REPAIRS & MAINTENANCE  | 4,032         | 25,422     | 70,000    | 44,578     | 36.3  |
| 10-51-3320 PRINTING/FORMS                 | 70            | 506        | 2,500     | 1,994      | 20.2  |
| 10-51-3610 DISPATCH COMMUNICATIONS        | 79,508        | 79,508     | 94,000    | 14,492     | 84.6  |
| 10-51-3630 MENTAL HEALTH CO-RESP. PROGRAM | 3,522         | 3,522      | 12,000    | 8,478      | 29.4  |
| 10-51-3640 DRUG TASK FORCE                |               |            | 1,000     | 1,000      | .0    |
| 10-51-3650 DOG TAGS/IMPOUND FEES          |               | 700        | 1,000     | 300        | 70.0  |
| 10-51-3740 RADIO MAINTENANCE              |               |            | 1,000     | 1,000      | .0    |
| 10-51-3810 DUES/MEMBERSHIPS/SUBSCRIPTIONS |               | 2,110      | 2,300     | 190        | 91.7  |
| 10-51-3820 CONTINUING EDUCATION & TRAIN   | 1,166         | 13,350     | 15,000    | 1,650      | 89.0  |
| 10-51-3825 MEALS/MISCELLANEOUS            | 83            | 1,099      | 4,000     | 2,901      | 27.5  |
| 10-51-3850 LAB TESTING FEES               |               |            | 1,200     | 1,200      | .0    |
| 10-51-3950 TOWING                         |               | 950        | 2,000     | 1,050      | 47.5  |
| 10-51-3990 MISCELLANEOUS SERVICES         | 48            | 125        | 500       | 375        | 25.0  |
| 10-51-3992 PD SPECIAL EVENTS              |               |            | 2,000     | 2,000      | .0    |
| 10-51-4300 OFFICE FURNITURE               |               | 360        | 500       | 140        | 72.0  |
| 10-51-4310 OFFICE SUPPLIES                | 268           | 1,677      | 2,000     | 323        | 83.8  |
| 10-51-4520 VEHICLE FUEL                   | 3,762         | 17,078     | 29,000    | 11,922     | 58.9  |
| 10-51-4530 VEHICLE & EQUIP AMORTIZATION   | 8,768         | 52,607     | 105,300   | 52,693     | 50.0  |
| 10-51-4720 EQUIPMENT FOR PATROL           | 1,331         | 3,449      | 4,000     | 551        | 86.2  |
| 10-51-4730 EQUIPMENT FOR TRAINING         |               | 588        | 4,000     | 3,412      | 14.7  |
| 10-51-4740 EQUIPMENT FOR INVEST./EVIDENCE | 791           | 1,937      | 1,500 (   | 437)       | 129.2 |
| 10-51-4750 AMMUNITION                     | 291           | 523        | 7,000     | 6,477      | 7.5   |
| 10-51-4810 UNIFORMS                       | 239           | 5,757      | 16,000    | 10,243     | 36.0  |
| 10-51-4990 MISCELLANEOUS SUPPLIES         |               | 187        | 1,000     | 813        | 18.8  |
| TOTAL PUBLIC SAFETY                       | 263,247       | 1,164,611  | 2,432,744 | 1,268,133  | 47.9  |

TOWN OF SEVERANCE  
EXPENDITURES WITH COMPARISON TO BUDGET  
FOR THE 6 MONTHS ENDING JUNE 30, 2026

GENERAL FUND

|                                           | PERIOD ACTUAL | YTD ACTUAL | BUDGET  | UNEXPENDED | PCNT  |
|-------------------------------------------|---------------|------------|---------|------------|-------|
| <u>STREETS / MAINTENANCE</u>              |               |            |         |            |       |
| 10-61-1100 REGULAR STAFF WAGES            | 18,205        | 106,209    | 300,930 | 194,721    | 35.3  |
| 10-61-1101 PART-TIME STAFF WAGES          |               |            | 9,674   | 9,674      | .0    |
| 10-61-1102 OVERTIME                       | 196           | 2,618      | 2,700   | 82         | 97.0  |
| 10-61-1104 RETIREMENT                     | 546           | 3,245      | 9,029   | 5,784      | 35.9  |
| 10-61-1130 FICA/MEDICARE                  | 1,222         | 7,610      | 23,021  | 15,411     | 33.1  |
| 10-61-1150 UNEMPLOYMENT                   | 37            | 225        | 603     | 378        | 37.3  |
| 10-61-1160 HEALTH & LIFE INSURANCE        | 3,508         | 21,927     | 49,971  | 28,044     | 43.9  |
| 10-61-1161 DISABILITY INSURANCE           | 360           | 1,848      | 4,515   | 2,667      | 40.9  |
| 10-61-3162 TRAFFIC LIGHTS                 | 315           | 1,320      | 20,000  | 18,680     | 6.6   |
| 10-61-3172 REPAIRS & MAINTENANCE - STREET | 82,444        | 115,702    | 163,000 | 47,298     | 71.0  |
| 10-61-3820 CONTINUING EDUCATION           |               | 616        | 2,800   | 2,184      | 22.0  |
| 10-61-4311 STREET SUPPLIES                |               | 2,564      | 4,500   | 1,936      | 57.0  |
| 10-61-4530 VEHICLE & EQUIP AMORTIZATION   | 1,868         | 11,208     | 22,500  | 11,292     | 49.8  |
| 10-61-4810 UNIFORMS                       | 140           | 331        | 1,500   | 1,169      | 22.0  |
| 10-61-4990 MISCELLANEOUS SUPPLIES         | 49            | 892        | 2,500   | 1,608      | 35.7  |
| 10-61-5000 STREET SIGNS                   |               | 7,577      | 15,000  | 7,423      | 50.5  |
| TOTAL STREETS / MAINTENANCE               | 108,889       | 283,893    | 632,243 | 348,350    | 44.9  |
| <u>SNOW</u>                               |               |            |         |            |       |
| 10-63-1100 REGULAR STAFF WAGES            |               | 5,040      | 12,000  | 6,960      | 42.0  |
| 10-63-1102 OVERTIME                       |               | 3,639      | 12,000  | 8,361      | 30.3  |
| 10-63-4110 SUPPLIES                       |               | 24,519     | 68,000  | 43,481     | 36.1  |
| 10-63-4520 VEHICLE FUEL                   |               | 634        | 1,500   | 866        | 42.3  |
| 10-63-4530 VEHICLE & EQUIP AMORTIZATION   | 2,083         | 12,500     | 25,000  | 12,500     | 50.0  |
| TOTAL SNOW                                | 2,083         | 46,332     | 118,500 | 72,168     | 39.1  |
| <u>PUBLIC WORKS OVERHEAD</u>              |               |            |         |            |       |
| 10-64-1102 OVERTIME                       |               |            | 3,500   | 3,500      | .0    |
| 10-64-2990 OTHER PROFESSIONAL FEES        | 302           | 1,847      | 2,500   | 653        | 73.9  |
| 10-64-3173 REPAIRS & MAINTENANCE - EQUIPM | 495           | 38,072     | 53,000  | 14,928     | 71.8  |
| 10-64-3175 BUILDING REPAIRS & MAINTENANCE | 3,340         | 14,905     | 21,000  | 6,095      | 71.0  |
| 10-64-3177 VEHICLE REPAIRS & MAINTENANCE  | 877           | 10,286     | 25,000  | 14,714     | 41.1  |
| 10-64-3690 MOSQUITO CONTROL               | 6,579         | 19,737     | 40,000  | 20,263     | 49.3  |
| 10-64-3825 MEALS, MEETINGS AND TRAVEL     | 141           | 939        | 3,000   | 2,061      | 31.3  |
| 10-64-3990 MISCELLANEOUS SERVICES         |               | 1,205      | 2,000   | 795        | 60.3  |
| 10-64-4310 OFFICE SUPPLIES                | ( 50)         |            |         |            | .0    |
| 10-64-4320 COMPUTER REPLACE./AUDIO VISUAL |               |            | 2,500   | 2,500      | .0    |
| 10-64-4520 VEHICLE FUEL                   | 2,917         | 10,274     | 22,000  | 11,726     | 46.7  |
| 10-64-4810 UNIFORMS                       |               | 339        | 500     | 161        | 67.8  |
| 10-64-4990 MISC SUPPLIES                  | 221           | 3,433      | 5,000   | 1,567      | 68.7  |
| 10-64-5001 SMALL TOOLS                    | 738           | 2,210      | 2,000   | ( 210)     | 110.5 |
| TOTAL PUBLIC WORKS OVERHEAD               | 15,561        | 103,247    | 182,000 | 78,753     | 56.7  |

TOWN OF SEVERANCE  
EXPENDITURES WITH COMPARISON TO BUDGET  
FOR THE 6 MONTHS ENDING JUNE 30, 2026

GENERAL FUND

|                                           | PERIOD ACTUAL | YTD ACTUAL | BUDGET  | UNEXPENDED | PCNT  |
|-------------------------------------------|---------------|------------|---------|------------|-------|
| <u>PARKS / GREEN SPACE</u>                |               |            |         |            |       |
| 10-65-1100 REGULAR STAFF WAGES            | 21,413        | 113,571    | 223,454 | 109,883    | 50.8  |
| 10-65-1101 PART-TIME STAFF WAGES          | 6,964         | 7,636      | 58,044  | 50,408     | 13.2  |
| 10-65-1102 OVERTIME                       | 265           | 629        | 2,800   | 2,171      | 22.5  |
| 10-65-1104 RETIREMENT                     | 546           | 3,352      | 6,703   | 3,351      | 50.0  |
| 10-65-1130 FICA/MEDICARE                  | 2,075         | 8,780      | 21,534  | 12,754     | 40.8  |
| 10-65-1150 UNEMPLOYMENT                   | 57            | 250        | 561     | 311        | 44.6  |
| 10-65-1160 HEALTH & LIFE INSURANCE        | 2,893         | 19,181     | 35,228  | 16,047     | 54.5  |
| 10-65-1161 DISABILITY INSURANCE           | 415           | 1,904      | 4,222   | 2,318      | 45.1  |
| 10-65-3171 VANDALISM                      |               | 220        | 3,500   | 3,280      | 6.3   |
| 10-65-3176 GROUNDS MAINTENANCE            | 2,397         | 3,620      | 21,000  | 17,380     | 17.2  |
| 10-65-3185 RECREATION                     |               |            | 10,000  | 10,000     | .0    |
| 10-65-3186 COMMUNITY GARDEN               |               |            | 3,000   | 3,000      | .0    |
| 10-65-3810 DUES/MEMBERSHIPS/SUBSCRIPTIONS |               | 2,019      | 1,000   | ( 1,019)   | 201.9 |
| 10-65-3820 CONTINUING EDUCATION           | 85            | 167        | 3,000   | 2,833      | 5.6   |
| 10-65-3990 SERVICES                       |               | 1,260      | 5,000   | 3,740      | 25.2  |
| 10-65-4530 VEHICLE & EQUIP AMORTIZATION   | 826           | 4,958      | 10,000  | 5,042      | 49.6  |
| 10-65-4810 UNIFORMS                       | 120           | 275        | 1,100   | 825        | 25.0  |
| 10-65-4990 SUPPLIES                       | 309           | 5,618      | 10,000  | 4,382      | 56.2  |
| 10-65-6000 TREE CITY USA                  | 352           | 930        | 23,000  | 22,070     | 4.0   |
| 10-65-7990 OTHER SMALL EQUIPMENT          |               |            | 2,000   | 2,000      | .0    |
| TOTAL PARKS / GREEN SPACE                 | 38,717        | 174,370    | 445,146 | 270,776    | 39.2  |
| <u>PLANNING</u>                           |               |            |         |            |       |
| 10-70-1100 REGULAR STAFF WAGES            | 14,551        | 80,012     | 177,402 | 97,390     | 45.1  |
| 10-70-1101 INTERN STAFF WAGES             |               |            | 6,147   | 6,147      | .0    |
| 10-70-1102 OVERTIME                       |               |            | 100     | 100        | .0    |
| 10-70-1104 RETIREMENT                     | 409           | 2,373      | 5,322   | 2,949      | 44.6  |
| 10-70-1130 FICA/MEDICARE                  | 1,097         | 6,026      | 14,041  | 8,015      | 42.9  |
| 10-70-1150 UNEMPLOYMENT                   | 29            | 160        | 367     | 207        | 43.6  |
| 10-70-1160 HEALTH & LIFE INSURANCE        | 1,793         | 10,759     | 21,524  | 10,765     | 50.0  |
| 10-70-1161 DISABILITY INSURANCE           | 258           | 1,289      | 2,661   | 1,372      | 48.5  |
| 10-70-2400 ENGINEERING                    | 6,748         | 25,977     | 75,000  | 49,023     | 34.6  |
| 10-70-2600 PLANNING SERVICES              | 2,361         | 14,448     | 50,000  | 35,552     | 28.9  |
| 10-70-2980 BUILDING INSPECTIONS & LICENSE | 33,779        | 118,527    | 200,000 | 81,473     | 59.3  |
| 10-70-3810 DUES & MEMBERSHIPS             | 280           | 280        | 3,000   | 2,720      | 9.3   |
| 10-70-3820 CONTINUING EDUCATION           |               | 35         | 5,500   | 5,465      | .6    |
| 10-70-3825 MEALS/MISCELLANEOUS/TRAVEL     |               | 120        | 1,000   | 880        | 12.0  |
| 10-70-4095 PENDING DEVELOPMENT PROJECTS   | 722           | 4,600      | (       | 4,600)     | .0    |
| 10-70-4099 DEVELOPER EXP.TO BE REIMBURSED | ( 5,837)      | 14,910     | (       | 14,910)    | .0    |
| 10-70-4530 VEHICLE & EQUIP AMORTIZATION   | 165           | 990        | 2,000   | 1,010      | 49.5  |
| 10-70-4810 UNIFORMS                       | 97            | 97         | 500     | 403        | 19.4  |
| 10-70-4989 TRAIL DEVELOPMENT              |               | 15,000     | 15,000  |            | 100.0 |
| TOTAL PLANNING                            | 56,451        | 295,603    | 579,564 | 283,961    | 51.0  |

TOWN OF SEVERANCE  
EXPENDITURES WITH COMPARISON TO BUDGET  
FOR THE 6 MONTHS ENDING JUNE 30, 2026

|                               | GENERAL FUND  |            |           |            |        |
|-------------------------------|---------------|------------|-----------|------------|--------|
|                               | PERIOD ACTUAL | YTD ACTUAL | BUDGET    | UNEXPENDED | PCNT   |
| TOTAL FUND EXPENDITURES       | 637,994       | 3,192,627  | 6,798,446 | 3,605,819  | 47.0   |
| NET REVENUE OVER EXPENDITURES | 464,649       | 525,499    | 12,754    | ( 512,745) | 4120.3 |

TOWN OF SEVERANCE  
BALANCE SHEET  
JUNE 30, 2026

CONSERVATION TRUST FUND

| <u>ASSETS</u>                 |                                 |         |         |
|-------------------------------|---------------------------------|---------|---------|
| 11-100000                     | CASH - COMBINED FUND            | 562,589 |         |
|                               | TOTAL ASSETS                    |         | 562,589 |
| <u>LIABILITIES AND EQUITY</u> |                                 |         |         |
| <u>FUND EQUITY</u>            |                                 |         |         |
| UNAPPROPRIATED FUND BALANCE:  |                                 |         |         |
| 11-290000                     | FUND BALANCE                    | 477,453 |         |
|                               | REVENUE OVER EXPENDITURES - YTD | 85,136  |         |
|                               | BALANCE - CURRENT DATE          | 562,589 |         |
|                               | TOTAL FUND EQUITY               |         | 562,589 |
|                               | TOTAL LIABILITIES AND EQUITY    |         | 562,589 |

TOWN OF SEVERANCE  
REVENUES AND EXPENDITURES WITH COMPARISON TO BUDGET  
FOR THE 6 MONTHS ENDING JUNE 30, 2026

CONSERVATION TRUST FUND

|            |                               | PERIOD ACTUAL | YTD ACTUAL | BUDGET | UNEARNED  | PCNT  |
|------------|-------------------------------|---------------|------------|--------|-----------|-------|
| <hr/>      |                               |               |            |        |           |       |
| REVENUE    |                               |               |            |        |           |       |
|            | <u>INTERGOVERNMENTAL</u>      |               |            |        |           |       |
| 11-33-5900 | COLORADO LOTTERY              | 26,852        | 69,691     |        | ( 69,691) | .0    |
|            |                               | <hr/>         | <hr/>      | <hr/>  | <hr/>     | <hr/> |
|            | TOTAL INTERGOVERNMENTAL       | 26,852        | 69,691     |        | ( 69,691) | .0    |
|            |                               | <hr/>         | <hr/>      | <hr/>  | <hr/>     | <hr/> |
|            | <u>MISCELLANEOUS</u>          |               |            |        |           |       |
| 11-36-3500 | INTEREST AND DIVIDENDS        | 2,409         | 9,670      | 12,000 | 2,330     | 80.6  |
| 11-36-3550 | CHANGE IN MARKET VALUE        | 899           | 5,775      |        | ( 5,775)  | .0    |
|            |                               | <hr/>         | <hr/>      | <hr/>  | <hr/>     | <hr/> |
|            | TOTAL MISCELLANEOUS           | 3,307         | 15,445     | 12,000 | ( 3,445)  | 128.7 |
|            |                               | <hr/>         | <hr/>      | <hr/>  | <hr/>     | <hr/> |
|            | TOTAL FUND REVENUE            | 30,159        | 85,136     | 12,000 | ( 73,136) | 709.5 |
|            |                               | <hr/>         | <hr/>      | <hr/>  | <hr/>     | <hr/> |
|            | NET REVENUE OVER EXPENDITURES | 30,159        | 85,136     | 12,000 | ( 73,136) | 709.5 |
|            |                               | <hr/>         | <hr/>      | <hr/>  | <hr/>     | <hr/> |

TOWN OF SEVERANCE  
BALANCE SHEET  
JUNE 30, 2026

TRANSPORTATION FUND

ASSETS

|           |                      |           |           |
|-----------|----------------------|-----------|-----------|
| 12-100000 | CASH - COMBINED FUND | 4,793,630 |           |
| 12-115000 | ACCOUNTS RECEIVABLE  | 68,949    |           |
| 12-115300 | CONTRACT RECEIVABLE  | 15        |           |
|           |                      |           |           |
|           | TOTAL ASSETS         |           | 4,862,594 |

LIABILITIES AND EQUITY

FUND EQUITY

|           |                                 |           |           |
|-----------|---------------------------------|-----------|-----------|
|           | UNAPPROPRIATED FUND BALANCE:    |           |           |
| 12-290000 | FUND BALANCE                    | 4,167,595 |           |
|           | REVENUE OVER EXPENDITURES - YTD | 694,999   |           |
|           |                                 |           |           |
|           | BALANCE - CURRENT DATE          | 4,862,594 |           |
|           |                                 |           |           |
|           | TOTAL FUND EQUITY               |           | 4,862,594 |
|           |                                 |           |           |
|           | TOTAL LIABILITIES AND EQUITY    |           | 4,862,594 |

TOWN OF SEVERANCE  
REVENUES AND EXPENDITURES WITH COMPARISON TO BUDGET  
FOR THE 6 MONTHS ENDING JUNE 30, 2026

TRANSPORTATION FUND

|            |                               | PERIOD ACTUAL | YTD ACTUAL | BUDGET  | UNEARNED   | PCNT  |
|------------|-------------------------------|---------------|------------|---------|------------|-------|
| <hr/>      |                               |               |            |         |            |       |
| REVENUE    |                               |               |            |         |            |       |
|            | <u>IMPACT FEES</u>            |               |            |         |            |       |
| 12-34-1000 | TRANSPORTATION UTILITY FEE    | 64,608        | 386,495    | 766,300 | 379,805    | 50.4  |
| 12-34-3000 | TRANSPORTATION IMPACT FEE     | 72,900        | 176,175    |         | ( 176,175) | .0    |
|            |                               | <hr/>         | <hr/>      | <hr/>   | <hr/>      | <hr/> |
|            | TOTAL IMPACT FEES             | 137,508       | 562,670    | 766,300 | 203,630    | 73.4  |
|            |                               | <hr/>         | <hr/>      | <hr/>   | <hr/>      | <hr/> |
|            | <u>MISCELLANEOUS</u>          |               |            |         |            |       |
| 12-36-3500 | INTEREST AND DIVIDENDS        | 20,370        | 82,697     | 137,000 | 54,303     | 60.4  |
| 12-36-3550 | CHANGE IN MARKET VALUE        | 7,757         | 49,631     |         | ( 49,631)  | .0    |
|            |                               | <hr/>         | <hr/>      | <hr/>   | <hr/>      | <hr/> |
|            | TOTAL MISCELLANEOUS           | 28,127        | 132,328    | 137,000 | 4,672      | 96.6  |
|            |                               | <hr/>         | <hr/>      | <hr/>   | <hr/>      | <hr/> |
|            | TOTAL FUND REVENUE            | 165,635       | 694,999    | 903,300 | 208,301    | 76.9  |
|            |                               | <hr/>         | <hr/>      | <hr/>   | <hr/>      | <hr/> |
|            | NET REVENUE OVER EXPENDITURES | 165,635       | 694,999    | 903,300 | 208,301    | 76.9  |
|            |                               | <hr/>         | <hr/>      | <hr/>   | <hr/>      | <hr/> |

TOWN OF SEVERANCE  
BALANCE SHEET  
JUNE 30, 2026

PARKS FUND

ASSETS

|           |                      |  |         |         |
|-----------|----------------------|--|---------|---------|
| 13-100000 | CASH - COMBINED FUND |  | 656,494 |         |
|           |                      |  |         |         |
|           | TOTAL ASSETS         |  |         | 656,494 |

LIABILITIES AND EQUITY

FUND EQUITY

|           |                                 |         |         |         |
|-----------|---------------------------------|---------|---------|---------|
|           | UNAPPROPRIATED FUND BALANCE:    |         |         |         |
| 13-290000 | FUND BALANCE                    | 599,408 |         |         |
|           | REVENUE OVER EXPENDITURES - YTD | 57,086  |         |         |
|           |                                 |         |         |         |
|           | BALANCE - CURRENT DATE          |         | 656,494 |         |
|           |                                 |         |         |         |
|           | TOTAL FUND EQUITY               |         |         | 656,494 |
|           |                                 |         |         |         |
|           | TOTAL LIABILITIES AND EQUITY    |         |         | 656,494 |

TOWN OF SEVERANCE  
REVENUES AND EXPENDITURES WITH COMPARISON TO BUDGET  
FOR THE 6 MONTHS ENDING JUNE 30, 2026

|                      |                               | PARKS FUND    |            |        |           |       |
|----------------------|-------------------------------|---------------|------------|--------|-----------|-------|
|                      |                               | PERIOD ACTUAL | YTD ACTUAL | BUDGET | UNEARNED  | PCNT  |
| REVENUE              |                               |               |            |        |           |       |
| <u>IMPACT FEES</u>   |                               |               |            |        |           |       |
| 13-34-7400           | PARK IMPACT FEE               | 14,805        | 38,329     |        | ( 38,329) | .0    |
|                      | TOTAL IMPACT FEES             | 14,805        | 38,329     |        | ( 38,329) | .0    |
| <u>MISCELLANEOUS</u> |                               |               |            |        |           |       |
| 13-36-3500           | INTEREST AND DIVIDENDS        | 2,843         | 11,680     | 17,000 | 5,320     | 68.7  |
| 13-36-3550           | CHANGE IN MARKET VALUE        | 1,106         | 7,077      |        | ( 7,077)  | .0    |
|                      | TOTAL MISCELLANEOUS           | 3,950         | 18,758     | 17,000 | ( 1,758)  | 110.3 |
|                      | TOTAL FUND REVENUE            | 18,755        | 57,086     | 17,000 | ( 40,086) | 335.8 |
|                      | NET REVENUE OVER EXPENDITURES | 18,755        | 57,086     | 17,000 | ( 40,086) | 335.8 |

TOWN OF SEVERANCE  
BALANCE SHEET  
JUNE 30, 2026

PUBLIC FACILITIES FUND

ASSETS

|           |                      |  |         |         |
|-----------|----------------------|--|---------|---------|
| 14-100000 | CASH – COMBINED FUND |  | 739,957 |         |
|           |                      |  |         |         |
|           | TOTAL ASSETS         |  |         | 739,957 |

LIABILITIES AND EQUITY

FUND EQUITY

|           |                                 |         |         |         |
|-----------|---------------------------------|---------|---------|---------|
|           | UNAPPROPRIATED FUND BALANCE:    |         |         |         |
| 14-290000 | FUND BALANCE                    | 644,039 |         |         |
|           | REVENUE OVER EXPENDITURES - YTD | 95,918  |         |         |
|           |                                 |         |         |         |
|           | BALANCE - CURRENT DATE          |         | 739,957 |         |
|           |                                 |         |         |         |
|           | TOTAL FUND EQUITY               |         |         | 739,957 |
|           |                                 |         |         |         |
|           | TOTAL LIABILITIES AND EQUITY    |         |         | 739,957 |

TOWN OF SEVERANCE  
REVENUES AND EXPENDITURES WITH COMPARISON TO BUDGET  
FOR THE 6 MONTHS ENDING JUNE 30, 2026

PUBLIC FACILITIES FUND

|                |                               | PERIOD ACTUAL | YTD ACTUAL | BUDGET | UNEARNED  | PCNT  |
|----------------|-------------------------------|---------------|------------|--------|-----------|-------|
| <u>REVENUE</u> |                               |               |            |        |           |       |
|                | <u>IMPACT FEES</u>            |               |            |        |           |       |
| 14-32-3000     | GENERAL GOVERNMENT IMPACT FEE | 31,332        | 75,719     |        | ( 75,719) | .0    |
|                | TOTAL IMPACT FEES             | 31,332        | 75,719     |        | ( 75,719) | .0    |
|                | <u>MISCELLANEOUS</u>          |               |            |        |           |       |
| 14-36-3500     | INTEREST AND DIVIDENDS        | 3,164         | 12,668     | 18,000 | 5,332     | 70.4  |
| 14-36-3550     | CHANGE IN MARKET VALUE        | 1,174         | 7,530      |        | ( 7,530)  | .0    |
|                | TOTAL MISCELLANEOUS           | 4,338         | 20,199     | 18,000 | ( 2,199)  | 112.2 |
|                | TOTAL FUND REVENUE            | 35,670        | 95,918     | 18,000 | ( 77,918) | 532.9 |
|                | NET REVENUE OVER EXPENDITURES | 35,670        | 95,918     | 18,000 | ( 77,918) | 532.9 |

TOWN OF SEVERANCE  
BALANCE SHEET  
JUNE 30, 2026

PUBLIC SAFETY FUND

ASSETS

|           |                      |  |         |         |
|-----------|----------------------|--|---------|---------|
| 15-100000 | CASH – COMBINED FUND |  | 443,720 |         |
|           |                      |  |         |         |
|           | TOTAL ASSETS         |  |         | 443,720 |

LIABILITIES AND EQUITY

FUND EQUITY

|           |                                 |         |         |         |
|-----------|---------------------------------|---------|---------|---------|
|           | UNAPPROPRIATED FUND BALANCE:    |         |         |         |
| 15-290000 | FUND BALANCE                    | 409,302 |         |         |
|           | REVENUE OVER EXPENDITURES - YTD | 34,418  |         |         |
|           |                                 |         |         |         |
|           | BALANCE - CURRENT DATE          |         | 443,720 |         |
|           |                                 |         |         |         |
|           | TOTAL FUND EQUITY               |         |         | 443,720 |
|           |                                 |         |         |         |
|           | TOTAL LIABILITIES AND EQUITY    |         |         | 443,720 |

TOWN OF SEVERANCE  
REVENUES AND EXPENDITURES WITH COMPARISON TO BUDGET  
FOR THE 6 MONTHS ENDING JUNE 30, 2026

PUBLIC SAFETY FUND

|            |                               | PERIOD ACTUAL | YTD ACTUAL | BUDGET | UNEARNED  | PCNT  |
|------------|-------------------------------|---------------|------------|--------|-----------|-------|
| <hr/>      |                               |               |            |        |           |       |
| REVENUE    |                               |               |            |        |           |       |
|            | <u>IMPACT FEES</u>            |               |            |        |           |       |
| 15-32-3000 | POLICE IMPACT FEE             | 8,988         | 21,721     |        | ( 21,721) | .0    |
|            |                               | <hr/>         | <hr/>      | <hr/>  | <hr/>     | <hr/> |
|            | TOTAL IMPACT FEES             | 8,988         | 21,721     |        | ( 21,721) | .0    |
|            |                               | <hr/>         | <hr/>      | <hr/>  | <hr/>     | <hr/> |
|            | <u>MISCELLANEOUS</u>          |               |            |        |           |       |
| 15-36-3500 | INTEREST AND DIVIDENDS        | 1,923         | 7,906      | 12,000 | 4,094     | 65.9  |
| 15-36-3550 | CHANGE IN MARKET VALUE        | 750           | 4,791      |        | ( 4,791)  | .0    |
|            |                               | <hr/>         | <hr/>      | <hr/>  | <hr/>     | <hr/> |
|            | TOTAL MISCELLANEOUS           | 2,672         | 12,697     | 12,000 | ( 697)    | 105.8 |
|            |                               | <hr/>         | <hr/>      | <hr/>  | <hr/>     | <hr/> |
|            | TOTAL FUND REVENUE            | 11,660        | 34,418     | 12,000 | ( 22,418) | 286.8 |
|            |                               | <hr/>         | <hr/>      | <hr/>  | <hr/>     | <hr/> |
|            | NET REVENUE OVER EXPENDITURES | 11,660        | 34,418     | 12,000 | ( 22,418) | 286.8 |
|            |                               | <hr/>         | <hr/>      | <hr/>  | <hr/>     | <hr/> |

TOWN OF SEVERANCE  
BALANCE SHEET  
JUNE 30, 2026

GRANTS FUND

ASSETS

|           |                      |         |         |
|-----------|----------------------|---------|---------|
| 20-100000 | CASH - COMBINED FUND | 230,830 |         |
|           | TOTAL ASSETS         |         | 230,830 |

LIABILITIES AND EQUITY

FUND EQUITY

|  |                                                                 |         |         |
|--|-----------------------------------------------------------------|---------|---------|
|  | UNAPPROPRIATED FUND BALANCE:<br>REVENUE OVER EXPENDITURES - YTD | 230,830 |         |
|  | BALANCE - CURRENT DATE                                          | 230,830 |         |
|  | TOTAL FUND EQUITY                                               |         | 230,830 |
|  | TOTAL LIABILITIES AND EQUITY                                    |         | 230,830 |

TOWN OF SEVERANCE  
REVENUES AND EXPENDITURES WITH COMPARISON TO BUDGET  
FOR THE 6 MONTHS ENDING JUNE 30, 2026

|            |                               | GRANTS FUND   |            |        |            |      |
|------------|-------------------------------|---------------|------------|--------|------------|------|
|            |                               | PERIOD ACTUAL | YTD ACTUAL | BUDGET | UNEARNED   | PCNT |
| REVENUE    |                               |               |            |        |            |      |
|            | <u>AWARDS</u>                 |               |            |        |            |      |
| 20-33-4500 | FEDERAL AWARDS                | 31,078        | 223,813    |        | ( 223,813) | .0   |
| 20-33-4600 | STATE AWARDS                  | 2,800         | 7,017      |        | ( 7,017)   | .0   |
|            | TOTAL AWARDS                  | 33,878        | 230,830    |        | ( 230,830) | .0   |
|            | TOTAL FUND REVENUE            | 33,878        | 230,830    |        | ( 230,830) | .0   |
|            | NET REVENUE OVER EXPENDITURES | 33,878        | 230,830    |        | ( 230,830) | .0   |

TOWN OF SEVERANCE  
BALANCE SHEET  
JUNE 30, 2026

FLEET FUND

ASSETS

|           |                      |         |         |
|-----------|----------------------|---------|---------|
| 41-100000 | CASH - COMBINED FUND | 221,935 |         |
|           |                      |         |         |
|           | TOTAL ASSETS         |         | 221,935 |
|           |                      |         |         |

LIABILITIES AND EQUITY

LIABILITIES

|           |                   |           |           |
|-----------|-------------------|-----------|-----------|
| 41-202000 | ACCOUNTS PAYABLE  | ( 36,896) |           |
|           |                   |           |           |
|           | TOTAL LIABILITIES |           | ( 36,896) |

FUND EQUITY

|           |                                 |            |         |
|-----------|---------------------------------|------------|---------|
|           | UNAPPROPRIATED FUND BALANCE:    |            |         |
| 41-290000 | FUND BALANCE                    | 677,206    |         |
|           | REVENUE OVER EXPENDITURES - YTD | ( 418,375) |         |
|           |                                 |            |         |
|           | BALANCE - CURRENT DATE          | 258,831    |         |
|           |                                 |            |         |
|           | TOTAL FUND EQUITY               |            | 258,831 |
|           |                                 |            |         |
|           | TOTAL LIABILITIES AND EQUITY    |            | 221,935 |
|           |                                 |            |         |

TOWN OF SEVERANCE  
REVENUES AND EXPENDITURES WITH COMPARISON TO BUDGET  
FOR THE 6 MONTHS ENDING JUNE 30, 2026

|                             |                            | FLEET FUND    |            |         |          |      |
|-----------------------------|----------------------------|---------------|------------|---------|----------|------|
|                             |                            | PERIOD ACTUAL | YTD ACTUAL | BUDGET  | UNEARNED | PCNT |
| REVENUE                     |                            |               |            |         |          |      |
| <u>CHARGES FOR SERVICES</u> |                            |               |            |         |          |      |
| 41-34-2000                  | FLEET REPLACEMENT REVENUE  | 15,632        | 93,790     | 188,000 | 94,210   | 49.9 |
|                             | TOTAL CHARGES FOR SERVICES | 15,632        | 93,790     | 188,000 | 94,210   | 49.9 |
| <u>MISCELLANEOUS</u>        |                            |               |            |         |          |      |
| 41-36-3500                  | INTEREST AND DIVIDENDS     | 1,184         | 6,650      | 18,000  | 11,350   | 36.9 |
| 41-36-3550                  | CHANGE IN MARKET VALUE     | 770           | 4,719      |         | ( 4,719) | .0   |
|                             | TOTAL MISCELLANEOUS        | 1,953         | 11,369     | 18,000  | 6,631    | 63.2 |
|                             | TOTAL FUND REVENUE         | 17,585        | 105,159    | 206,000 | 100,841  | 51.1 |

TOWN OF SEVERANCE  
EXPENDITURES WITH COMPARISON TO BUDGET  
FOR THE 6 MONTHS ENDING JUNE 30, 2026

FLEET FUND

|                               |           | PERIOD ACTUAL | YTD ACTUAL | BUDGET     | UNEXPENDED | PCNT    |
|-------------------------------|-----------|---------------|------------|------------|------------|---------|
|                               |           |               |            |            |            |         |
| EXPENDITURES                  |           |               |            |            |            |         |
| <u>OPERATIONS</u>             |           |               |            |            |            |         |
| 41-60-7550                    | VEHICLES  | 216,052       | 451,081    | 683,000    | 231,919    | 66.0    |
| 41-60-7580                    | EQUIPMENT | 2,300         | 72,452     | 86,500     | 14,048     | 83.8    |
| TOTAL OPERATIONS              |           | 218,352       | 523,533    | 769,500    | 245,967    | 68.0    |
| TOTAL FUND EXPENDITURES       |           | 218,352       | 523,533    | 769,500    | 245,967    | 68.0    |
| NET REVENUE OVER EXPENDITURES |           | ( 200,767)    | ( 418,375) | ( 563,500) | ( 145,125) | ( 74.3) |

## TOWN OF SEVERANCE

## BALANCE SHEET

JUNE 30, 2026

## WATER FUND

ASSETS

|              |                          |              |            |
|--------------|--------------------------|--------------|------------|
| 51-100000    | CASH - COMBINED FUND     | 18,850,337   |            |
| 51-115000    | ACCOUNTS RECEIVABLE      | 369,549      |            |
| 51-115005    | PARTS INVENTORY          | 42,284       |            |
| 51-115300    | CONTRACT RECEIVABLE      | 51           |            |
| 51-161000    | LAND                     | 294,759      |            |
| 51-162100    | ACCUMULATED DEPRECIATION | ( 2,393,272) |            |
| 51-163000    | WATER SYSTEM             | 16,548,939   |            |
| 51-164000    | EQUIPMENT                | 195,883      |            |
| 51-165000    | CONSTRUCTION IN PROGRESS | 225,031      |            |
| 51-166000    | WATER RIGHTS             | 35,151,374   |            |
| 51-167000    | WATER CAPACITY           | 4,880,334    |            |
| 51-168000    | BUILDINGS                | 1,010,077    |            |
| 51-168500    | NISP PROJECT             | 2,448,677    |            |
| TOTAL ASSETS |                          |              | 77,624,023 |

LIABILITIES AND EQUITYLIABILITIES

|                   |                              |         |         |
|-------------------|------------------------------|---------|---------|
| 51-202000         | ACCOUNTS PAYABLE             | 108,052 |         |
| 51-212000         | ACCRUED COMPENSATED ABSENCES | 30,086  |         |
| 51-222000         | HYDRANT METER DEPOSITS       | 10,500  |         |
| TOTAL LIABILITIES |                              |         | 148,637 |

FUND EQUITY

|                              |                                 |            |            |
|------------------------------|---------------------------------|------------|------------|
| 51-273000                    | CONTRIBUTED CAPITAL - DEVELOPM  | 6,848,000  |            |
| UNAPPROPRIATED FUND BALANCE: |                                 |            |            |
| 51-290000                    | RETAINED EARNINGS               | 71,177,749 |            |
|                              | REVENUE OVER EXPENDITURES - YTD | ( 550,363) |            |
| BALANCE - CURRENT DATE       |                                 | 70,627,386 |            |
| TOTAL FUND EQUITY            |                                 |            | 77,475,386 |
| TOTAL LIABILITIES AND EQUITY |                                 |            | 77,624,023 |

TOWN OF SEVERANCE  
REVENUES AND EXPENDITURES WITH COMPARISON TO BUDGET  
FOR THE 6 MONTHS ENDING JUNE 30, 2026

|                             |                            | WATER FUND    |            |           |            |       |
|-----------------------------|----------------------------|---------------|------------|-----------|------------|-------|
|                             |                            | PERIOD ACTUAL | YTD ACTUAL | BUDGET    | UNEARNED   | PCNT  |
| REVENUE                     |                            |               |            |           |            |       |
| <u>CHARGES FOR SERVICES</u> |                            |               |            |           |            |       |
| 51-34-1000                  | WATER UTILITY              | 353,546       | 1,525,438  | 2,895,200 | 1,369,762  | 52.7  |
|                             | TOTAL CHARGES FOR SERVICES | 353,546       | 1,525,438  | 2,895,200 | 1,369,762  | 52.7  |
| <u>RESTRICTED</u>           |                            |               |            |           |            |       |
| 51-35-6500                  | RAW WATER ACQUISITION FEE  | 102,000       | 257,300    |           | ( 257,300) | .0    |
| 51-35-7150                  | WATER UTILITY IMPACT FEE   | 169,750       | 339,500    |           | ( 339,500) | .0    |
|                             | TOTAL RESTRICTED           | 271,750       | 596,800    |           | ( 596,800) | .0    |
| <u>MISCELLANEOUS</u>        |                            |               |            |           |            |       |
| 51-36-2000                  | WATER PIT/METER SET FEE    | 3,889         | 7,778      | 10,000    | 2,222      | 77.8  |
| 51-36-3500                  | INTEREST AND DIVIDENDS     | 81,348        | 341,637    | 549,000   | 207,363    | 62.2  |
| 51-36-3550                  | CHANGE IN MARKET VALUE     | 32,946        | 211,303    |           | ( 211,303) | .0    |
|                             | TOTAL MISCELLANEOUS        | 118,184       | 560,719    | 559,000   | ( 1,719)   | 100.3 |
|                             | TOTAL FUND REVENUE         | 743,480       | 2,682,957  | 3,454,200 | 771,243    | 77.7  |

TOWN OF SEVERANCE  
EXPENDITURES WITH COMPARISON TO BUDGET  
FOR THE 6 MONTHS ENDING JUNE 30, 2026

WATER FUND

| EXPENDITURES            |                                | PERIOD ACTUAL | YTD ACTUAL | BUDGET    | UNEXPENDED | PCNT  |
|-------------------------|--------------------------------|---------------|------------|-----------|------------|-------|
| <u>ADMINISTRATION</u>   |                                |               |            |           |            |       |
| 51-81-1100              | REGULAR STAFF WAGES            | 40,257        | 233,597    | 598,805   | 365,208    | 39.0  |
| 51-81-1102              | OVERTIME                       | 221           | 991        | 5,100     | 4,109      | 19.4  |
| 51-81-1104              | RETIREMENT                     | 1,807         | 10,344     | 25,752    | 15,408     | 40.2  |
| 51-81-1130              | FICA/MEDICARE                  | 2,974         | 17,329     | 45,808    | 28,479     | 37.8  |
| 51-81-1150              | UNEMPLOYMENT                   | 81            | 471        | 902       | 431        | 52.3  |
| 51-81-1160              | HEALTH & LIFE INSURANCE        | 5,052         | 30,684     | 73,110    | 42,426     | 42.0  |
| 51-81-1161              | DISABILITY INSURANCE           | 704           | 3,353      | 9,278     | 5,925      | 36.1  |
| 51-81-2100              | LEGAL FEES                     |               |            | 15,000    | 15,000     | .0    |
| 51-81-2990              | OTHER PROFESSIONAL FEES        | 6,091         | 54,657     | 110,000   | 55,343     | 49.7  |
| 51-81-3110              | UTILITIES                      | 1,256         | 7,567      | 40,800    | 33,233     | 18.6  |
| 51-81-3162              | CC FEES                        | 3,433         | 17,864     | 27,000    | 9,136      | 66.2  |
| 51-81-3810              | DUES/MEMBERSHIPS/SUBSCRIPTIONS |               | 2,203      | 2,500     | 298        | 88.1  |
| 51-81-3820              | CONTINUING EDUCATION           |               |            | 7,500     | 7,500      | .0    |
| 51-81-3990              | MISCELLANEOUS SERVICES         | 3,226         | 9,077      | 6,000     | ( 3,077)   | 151.3 |
| 51-81-4345              | MAILING SERVICE                | 394           | 7,579      | 15,000    | 7,421      | 50.5  |
| 51-81-4810              | UNIFORMS                       |               | 406        | 1,500     | 1,094      | 27.1  |
| 51-81-4990              | MISCELLANEOUS SUPPLIES         | 2,250         | 6,878      | 8,500     | 1,622      | 80.9  |
| TOTAL ADMINISTRATION    |                                | 67,746        | 402,999    | 992,555   | 589,556    | 40.6  |
| <u>WATER OPERATIONS</u> |                                |               |            |           |            |       |
| 51-82-2400              | ENGINEERING                    | 2,085         | 11,096     | 35,000    | 23,904     | 31.7  |
| 51-82-2410              | WATER SYSTEM IMPROVE. PERMIT   |               |            | 1,000     | 1,000      | .0    |
| 51-82-3173              | REPAIRS & MAINTENANCE - EQUIPM |               |            | 6,000     | 6,000      | .0    |
| 51-82-3177              | VEHICLE REPAIRS & MAINTENANCE  |               | 77         | 5,000     | 4,923      | 1.5   |
| 51-82-3178              | SYSTEM REPAIR & MAINTENANCE    |               | 273        | 40,000    | 39,727     | .7    |
| 51-82-3200              | SAMPLING/TESTING               | 935           | 3,186      | 500       | ( 2,686)   | 637.2 |
| 51-82-4120              | WATER SYSTEM SUPPLIES          | 96            | 1,146      | 3,000     | 1,854      | 38.2  |
| 51-82-4130              | METER SET SUPPLIES             | 1,115         | 8,224      | 35,000    | 26,776     | 23.5  |
| 51-82-4520              | VEHICLE FUEL                   | 307           | 2,130      | 10,000    | 7,870      | 21.3  |
| 51-82-4530              | VEHICLE & EQUIP AMORTIZATION   | 731           | 4,383      | 8,800     | 4,417      | 49.8  |
| 51-82-4850              | UNANTICIPATED EXP/CONTINGENCY  | 10,833        | 10,833     | 20,000    | 9,168      | 54.2  |
| 51-82-4995              | WATER TREATMENT & DISTRIBUTION | 97,258        | 373,515    | 1,212,800 | 839,285    | 30.8  |
| 51-82-4997              | WATER SHARE ASSESSMENTS        |               | 16,450     | 125,000   | 108,550    | 13.2  |
| TOTAL WATER OPERATIONS  |                                | 113,358       | 431,314    | 1,502,100 | 1,070,786  | 28.7  |
| <u>WATER CAPITAL</u>    |                                |               |            |           |            |       |
| 51-83-2400              | ENGINEERING                    | 4,647         | 20,286     | 205,000   | 184,714    | 9.9   |
| 51-83-7000              | CAPITAL OUTLAY                 |               |            | 300,000   | 300,000    | .0    |
| 51-83-7500              | CONSTRUCTION                   |               | 92,722     | 6,142,914 | 6,050,193  | 1.5   |
| 51-83-7565              | SYSTEM IMPROVEMENTS            |               |            | 2,225,000 | 2,225,000  | .0    |
| TOTAL WATER CAPITAL     |                                | 4,647         | 113,007    | 8,872,914 | 8,759,907  | 1.3   |

TOWN OF SEVERANCE  
EXPENDITURES WITH COMPARISON TO BUDGET  
FOR THE 6 MONTHS ENDING JUNE 30, 2026

WATER FUND

|                                       | PERIOD ACTUAL | YTD ACTUAL | BUDGET        | UNEXPENDED   | PCNT   |
|---------------------------------------|---------------|------------|---------------|--------------|--------|
| <u>LOCAL PLANT INVESTMENT EXPENSE</u> |               |            |               |              |        |
| 51-84-7550 SYSTEM IMPROVEMENTS        |               | 2,286,000  | 2,286,000     |              | 100.0  |
| TOTAL LOCAL PLANT INVESTMENT EXPENS   |               | 2,286,000  | 2,286,000     |              | 100.0  |
| TOTAL FUND EXPENDITURES               | 185,750       | 3,233,320  | 13,653,569    | 10,420,249   | 23.7   |
| NET REVENUE OVER EXPENDITURES         | 557,729       | ( 550,363) | ( 10,199,369) | ( 9,649,006) | ( 5.4) |

TOWN OF SEVERANCE  
BALANCE SHEET  
JUNE 30, 2026

WASTEWATER FUND

ASSETS

|           |                          |              |            |
|-----------|--------------------------|--------------|------------|
| 52-100000 | CASH - COMBINED FUND     | 17,372,798   |            |
| 52-115000 | ACCOUNTS RECEIVABLE      | 153,764      |            |
| 52-115002 | MISCELLANEOUS RECEIVABLE | 111,517      |            |
| 52-115300 | CONTRACT RECEIVABLE      | 19           |            |
| 52-162100 | ACCUMULATED DEPRECIATION | ( 5,079,195) |            |
| 52-163000 | SEWER SYSTEM             | 20,483,958   |            |
| 52-164000 | EQUIPMENT                | 202,289      |            |
| 52-168000 | BUILDINGS                | 653,477      |            |
|           |                          |              |            |
|           | TOTAL ASSETS             |              | 33,898,626 |

LIABILITIES AND EQUITY

LIABILITIES

|           |                              |        |        |
|-----------|------------------------------|--------|--------|
| 52-202000 | ACCOUNTS PAYABLE             | 19,902 |        |
| 52-205000 | RETAINAGE PAYABLE            | 2,793  |        |
| 52-212000 | ACCRUED COMPENSATED ABSENCES | 26,824 |        |
|           |                              |        |        |
|           | TOTAL LIABILITIES            |        | 49,518 |

FUND EQUITY

|           |                                 |            |            |
|-----------|---------------------------------|------------|------------|
|           | UNAPPROPRIATED FUND BALANCE:    |            |            |
| 52-290000 | RETAINED EARNINGS               | 32,682,944 |            |
|           | REVENUE OVER EXPENDITURES - YTD | 1,166,164  |            |
|           |                                 |            |            |
|           | BALANCE - CURRENT DATE          | 33,849,108 |            |
|           |                                 |            |            |
|           | TOTAL FUND EQUITY               |            | 33,849,108 |
|           |                                 |            |            |
|           | TOTAL LIABILITIES AND EQUITY    |            | 33,898,626 |

TOWN OF SEVERANCE  
REVENUES AND EXPENDITURES WITH COMPARISON TO BUDGET  
FOR THE 6 MONTHS ENDING JUNE 30, 2026

|                             |                               | WASTEWATER FUND |            |           |            |       |
|-----------------------------|-------------------------------|-----------------|------------|-----------|------------|-------|
|                             |                               | PERIOD ACTUAL   | YTD ACTUAL | BUDGET    | UNEARNED   | PCNT  |
| REVENUE                     |                               |                 |            |           |            |       |
| <u>CHARGES FOR SERVICES</u> |                               |                 |            |           |            |       |
| 52-34-1000                  | WASTEWATER UTILITY            | 147,624         | 879,470    | 1,596,700 | 717,230    | 55.1  |
|                             | TOTAL CHARGES FOR SERVICES    | 147,624         | 879,470    | 1,596,700 | 717,230    | 55.1  |
| <u>RESTRICTED</u>           |                               |                 |            |           |            |       |
| 52-35-7100                  | WASTEWATER UTILITY IMPACT FEE | 177,552         | 429,084    |           | ( 429,084) | .0    |
|                             | TOTAL RESTRICTED              | 177,552         | 429,084    |           | ( 429,084) | .0    |
| <u>MISCELLANEOUS</u>        |                               |                 |            |           |            |       |
| 52-36-3500                  | INTEREST AND DIVIDENDS        | 75,060          | 312,096    | 455,000   | 142,904    | 68.6  |
| 52-36-3550                  | CHANGE IN MARKET VALUE        | 29,858          | 190,777    |           | ( 190,777) | .0    |
|                             | TOTAL MISCELLANEOUS           | 104,918         | 502,873    | 455,000   | ( 47,873)  | 110.5 |
|                             | TOTAL FUND REVENUE            | 430,094         | 1,811,427  | 2,051,700 | 240,273    | 88.3  |

TOWN OF SEVERANCE  
EXPENDITURES WITH COMPARISON TO BUDGET  
FOR THE 6 MONTHS ENDING JUNE 30, 2026

WASTEWATER FUND

|                                 |                                | PERIOD ACTUAL | YTD ACTUAL | BUDGET    | UNEXPENDED | PCNT  |
|---------------------------------|--------------------------------|---------------|------------|-----------|------------|-------|
| EXPENDITURES                    |                                |               |            |           |            |       |
| WASTEWATER ADMINISTRATION       |                                |               |            |           |            |       |
| 52-81-1100                      | REGULAR STAFF WAGES            | 39,514        | 228,112    | 593,599   | 365,487    | 38.4  |
| 52-81-1102                      | OVERTIME                       | 109           | 830        | 4,800     | 3,970      | 17.3  |
| 52-81-1104                      | RETIREMENT                     | 1,784         | 10,180     | 25,596    | 15,416     | 39.8  |
| 52-81-1130                      | FICA/MEDICARE                  | 2,918         | 16,913     | 45,409    | 28,496     | 37.3  |
| 52-81-1150                      | UNEMPLOYMENT                   | 79            | 460        | 2,026     | 1,566      | 22.7  |
| 52-81-1160                      | HEALTH & LIFE INSURANCE        | 4,962         | 29,831     | 72,033    | 42,202     | 41.4  |
| 52-81-1161                      | DISABILITY INSURANCE           | 696           | 3,311      | 8,065     | 4,754      | 41.1  |
| 52-81-2100                      | LEGAL FEES                     |               |            | 15,000    | 15,000     | .0    |
| 52-81-2990                      | OTHER PROFESSIONAL FEES        | 8,194         | 32,195     | 100,000   | 67,805     | 32.2  |
| 52-81-3110                      | UTILITIES                      | 7,458         | 38,348     | 35,300    | ( 3,048)   | 108.6 |
| 52-81-3162                      | CC FEES                        | 3,433         | 17,864     | 27,000    | 9,136      | 66.2  |
| 52-81-3820                      | CONTINUING EDUCATION           |               |            | 5,000     | 5,000      | .0    |
| 52-81-3990                      | MISCELLANEOUS SERVICES         | 3,226         | 9,077      | 6,000     | ( 3,077)   | 151.3 |
| 52-81-4345                      | MAILING SERVICE                | 394           | 7,579      | 15,000    | 7,421      | 50.5  |
| TOTAL WASTEWATER ADMINISTRATION |                                | 72,768        | 394,701    | 954,828   | 560,127    | 41.3  |
| WASTEWATER OPERATIONS           |                                |               |            |           |            |       |
| 52-82-2400                      | ENGINEERING                    | 539           | 4,870      | 25,000    | 20,130     | 19.5  |
| 52-82-2410                      | DISCHARGE PERMIT FEES          |               |            | 1,000     | 1,000      | .0    |
| 52-82-3173                      | REPAIRS & MAINTENANCE - EQUIPM |               |            | 6,000     | 6,000      | .0    |
| 52-82-3177                      | VEHICLE REPAIRS & MAINTENANCE  |               |            | 5,000     | 5,000      | .0    |
| 52-82-3178                      | SYSTEM REPAIR & MAINTENANCE    | 4,143         | 4,143      | 24,000    | 19,857     | 17.3  |
| 52-82-3200                      | SAMPLING/TESTING               | 935           | 3,186      | 500       | ( 2,686)   | 637.2 |
| 52-82-3290                      | OTHER TREATMENT COSTS          | 18,156        | 92,765     | 269,000   | 176,235    | 34.5  |
| 52-82-4120                      | SYSTEM SUPPLIES                | 2,492         | 11,623     | 30,000    | 18,377     | 38.7  |
| 52-82-4520                      | VEHICLE FUEL                   | 307           | 1,354      | 7,000     | 5,646      | 19.4  |
| 52-82-4530                      | VEHICLE & EQUIP AMORTIZATION   | 731           | 4,383      | 8,800     | 4,417      | 49.8  |
| 52-82-4850                      | UNANTICIPATED EXP/CONTINGENCY  |               |            | 10,000    | 10,000     | .0    |
| 52-82-4990                      | MISCELLANEOUS SUPPLIES         |               | 444        | 2,000     | 1,556      | 22.2  |
| TOTAL WASTEWATER OPERATIONS     |                                | 27,303        | 122,768    | 388,300   | 265,532    | 31.6  |
| WASTEWATER CAPITAL              |                                |               |            |           |            |       |
| 52-83-7500                      | CONSTRUCTION                   | 865           | 127,794    | 263,000   | 135,206    | 48.6  |
| TOTAL WASTEWATER CAPITAL        |                                | 865           | 127,794    | 263,000   | 135,206    | 48.6  |
| TOTAL FUND EXPENDITURES         |                                | 100,935       | 645,264    | 1,606,128 | 960,864    | 40.2  |
| NET REVENUE OVER EXPENDITURES   |                                | 329,159       | 1,166,164  | 445,572   | ( 720,592) | 261.7 |

TOWN OF SEVERANCE  
BALANCE SHEET  
JUNE 30, 2026

STORMWATER FUND

ASSETS

|           |                          |              |            |
|-----------|--------------------------|--------------|------------|
| 53-100000 | CASH - COMBINED FUND     | 2,218,394    |            |
| 53-115000 | ACCOUNTS RECEIVABLE      | 27,187       |            |
| 53-115300 | CONTRACT RECEIVABLE      | 6            |            |
| 53-162100 | ACCUMULATED DEPRECIATION | ( 1,717,010) |            |
| 53-163000 | STORM DRAINAGE SYSTEM    | 10,333,147   |            |
| 53-164000 | VEHICLES & EQUIPMENT     | 86,490       |            |
|           |                          |              |            |
|           | TOTAL ASSETS             |              | 10,948,214 |

LIABILITIES AND EQUITY

LIABILITIES

|           |                              |       |       |
|-----------|------------------------------|-------|-------|
| 53-212000 | ACCRUED COMPENSATED ABSENCES | 2,537 |       |
|           |                              |       |       |
|           | TOTAL LIABILITIES            |       | 2,537 |

FUND EQUITY

|           |                                 |           |            |
|-----------|---------------------------------|-----------|------------|
| 53-273000 | CONTRIBUTED CAPITAL             | 4,113,680 |            |
|           | UNAPPROPRIATED FUND BALANCE:    |           |            |
| 53-290000 | RETAINED EARNINGS               | 6,612,694 |            |
|           | REVENUE OVER EXPENDITURES - YTD | 219,303   |            |
|           |                                 |           |            |
|           | BALANCE - CURRENT DATE          | 6,831,997 |            |
|           |                                 |           |            |
|           | TOTAL FUND EQUITY               |           | 10,945,676 |
|           |                                 |           |            |
|           | TOTAL LIABILITIES AND EQUITY    |           | 10,948,214 |

TOWN OF SEVERANCE  
REVENUES AND EXPENDITURES WITH COMPARISON TO BUDGET  
FOR THE 6 MONTHS ENDING JUNE 30, 2026

STORMWATER FUND

|            |                             | PERIOD ACTUAL | YTD ACTUAL | BUDGET  | UNEARNED  | PCNT  |
|------------|-----------------------------|---------------|------------|---------|-----------|-------|
| <hr/>      |                             |               |            |         |           |       |
| REVENUE    |                             |               |            |         |           |       |
|            | <u>CHARGES FOR SERVICES</u> |               |            |         |           |       |
| 53-34-1000 | STORMWATER UTILITY FEE      | 26,151        | 156,407    | 267,400 | 110,993   | 58.5  |
|            |                             | <hr/>         | <hr/>      | <hr/>   | <hr/>     | <hr/> |
|            | TOTAL CHARGES FOR SERVICES  | 26,151        | 156,407    | 267,400 | 110,993   | 58.5  |
|            |                             | <hr/>         | <hr/>      | <hr/>   | <hr/>     | <hr/> |
|            | <u>MISCELLANEOUS</u>        |               |            |         |           |       |
| 53-36-3500 | INTEREST AND DIVIDENDS      | 9,515         | 39,224     | 55,000  | 15,776    | 71.3  |
| 53-36-3550 | CHANGE IN MARKET VALUE      | 3,726         | 23,768     |         | ( 23,768) | .0    |
|            |                             | <hr/>         | <hr/>      | <hr/>   | <hr/>     | <hr/> |
|            | TOTAL MISCELLANEOUS         | 13,241        | 62,992     | 55,000  | ( 7,992)  | 114.5 |
|            |                             | <hr/>         | <hr/>      | <hr/>   | <hr/>     | <hr/> |
|            | TOTAL FUND REVENUE          | 39,393        | 219,399    | 322,400 | 103,001   | 68.1  |
|            |                             | <hr/>         | <hr/>      | <hr/>   | <hr/>     | <hr/> |

TOWN OF SEVERANCE  
EXPENDITURES WITH COMPARISON TO BUDGET  
FOR THE 6 MONTHS ENDING JUNE 30, 2026

|                               |              | STORMWATER FUND |            |         |            |      |
|-------------------------------|--------------|-----------------|------------|---------|------------|------|
|                               |              | PERIOD ACTUAL   | YTD ACTUAL | BUDGET  | UNEXPENDED | PCNT |
| EXPENDITURES                  |              |                 |            |         |            |      |
| STORMWATER OPERATIONS         |              |                 |            |         |            |      |
| 53-82-3110                    | UTILITIES    |                 |            | 4,600   | 4,600      | .0   |
| 53-82-3150                    | TELEPHONE    |                 |            | 1,000   | 1,000      | .0   |
| 53-82-4520                    | VEHICLE FUEL | 26              | 96         | 1,000   | 904        | 9.6  |
| TOTAL STORMWATER OPERATIONS   |              | 26              | 96         | 6,600   | 6,504      | 1.5  |
| TOTAL FUND EXPENDITURES       |              | 26              | 96         | 6,600   | 6,504      | 1.5  |
| NET REVENUE OVER EXPENDITURES |              | 39,366          | 219,303    | 315,800 | 96,497     | 69.4 |

TOWN OF SEVERANCE  
BALANCE SHEET  
JUNE 30, 2026

CAPITAL PROJECTS

ASSETS

|           |                      |              |              |
|-----------|----------------------|--------------|--------------|
| 75-100000 | CASH – COMBINED FUND | ( 4,278,878) |              |
|           | TOTAL ASSETS         |              | ( 4,278,878) |

LIABILITIES AND EQUITY

LIABILITIES

|           |                   |         |         |
|-----------|-------------------|---------|---------|
| 75-202000 | ACCOUNTS PAYABLE  | 566,182 |         |
| 75-205000 | RETAINAGE PAYABLE | 132,439 |         |
|           | TOTAL LIABILITIES |         | 698,621 |

FUND EQUITY

|           |                                 |              |              |
|-----------|---------------------------------|--------------|--------------|
|           | UNAPPROPRIATED FUND BALANCE:    |              |              |
| 75-290000 | FUND BALANCE                    |              |              |
|           | REVENUE OVER EXPENDITURES - YTD | ( 4,977,499) |              |
|           | BALANCE - CURRENT DATE          | ( 4,977,499) |              |
|           | TOTAL FUND EQUITY               |              | ( 4,977,499) |
|           | TOTAL LIABILITIES AND EQUITY    |              | ( 4,278,878) |

TOWN OF SEVERANCE  
EXPENDITURES WITH COMPARISON TO BUDGET  
FOR THE 6 MONTHS ENDING JUNE 30, 2026

CAPITAL PROJECTS

|                               |                | PERIOD ACTUAL | YTD ACTUAL   | BUDGET        | UNEXPENDED    | PCNT    |
|-------------------------------|----------------|---------------|--------------|---------------|---------------|---------|
| EXPENDITURES                  |                |               |              |               |               |         |
| GENERAL FUND                  |                |               |              |               |               |         |
| 75-75-2400                    | ENGINEERING    |               | 83,622       | 260,000       | 176,378       | 32.2    |
| 75-75-5570                    | CONSERVATION   |               | 1,150        | 200,000       | 198,850       | .6      |
| 75-75-7000                    | CAPITAL OUTLAY | 39,254        | 486,785      | 2,207,430     | 1,720,645     | 22.1    |
| 75-75-7500                    | CONSTRUCTION   | 452,077       | 3,694,459    | 15,388,206    | 11,693,747    | 24.0    |
| TOTAL GENERAL FUND            |                | 491,331       | 4,266,017    | 18,055,636    | 13,789,619    | 23.6    |
| TRANSPORTATION FUND           |                |               |              |               |               |         |
| 75-77-7000                    | CAPITAL OUTLAY | ( 117,184)    |              |               |               | .0      |
| 75-77-7500                    | CONSTRUCTION   | 660,225       | 711,482      | 767,950       | 56,468        | 92.7    |
| TOTAL TRANSPORTATION FUND     |                | 543,042       | 711,482      | 767,950       | 56,468        | 92.7    |
| PUBLIC FACILITIES FUND        |                |               |              |               |               |         |
| 75-79-5570                    | CONSERVATION   |               |              | 750           | 750           | .0      |
| 75-79-7000                    | CAPITAL OUTLAY |               |              | 15,000        | 15,000        | .0      |
| TOTAL PUBLIC FACILITIES FUND  |                |               |              | 15,750        | 15,750        | .0      |
| TOTAL FUND EXPENDITURES       |                | 1,034,373     | 4,977,499    | 18,839,336    | 13,861,837    | 26.4    |
| NET REVENUE OVER EXPENDITURES |                | ( 1,034,373)  | ( 4,977,499) | ( 18,839,336) | ( 13,861,837) | ( 26.4) |

TOWN OF SEVERANCE  
BALANCE SHEET  
JUNE 30, 2026

GENERAL FIXED ASSET GROUP

ASSETS

|              |                                |               |            |
|--------------|--------------------------------|---------------|------------|
| 80-160000    | CONSTRUCTION IN PROGRESS       | 838,386       |            |
| 80-161000    | LAND                           | 1,063,771     |            |
| 80-162000    | BUILDINGS                      | 8,253,426     |            |
| 80-163000    | IMPROVEMENTS OTHER THAN BUILDI | 50,251,803    |            |
| 80-164000    | MACHINERY AND EQUIPMENT        | 1,992,993     |            |
| 80-165000    | VEHICLES                       | 2,113,785     |            |
| 80-169999    | ACCUMULATED DEPRECIATION       | ( 14,040,777) |            |
| TOTAL ASSETS |                                |               | 50,473,386 |

LIABILITIES AND EQUITY

FUND EQUITY

|                              |                             |            |            |
|------------------------------|-----------------------------|------------|------------|
| 80-280000                    | INVESTMENTS IN FIXED ASSETS | 50,473,386 |            |
| TOTAL FUND EQUITY            |                             |            | 50,473,386 |
| TOTAL LIABILITIES AND EQUITY |                             |            | 50,473,386 |

TOWN OF SEVERANCE  
BALANCE SHEET  
JUNE 30, 2026

GENERAL LONG-TERM DEBT GROUP

ASSETS

|           |                       |         |         |
|-----------|-----------------------|---------|---------|
| 90-170000 | AMOUNT TO BE PROVIDED | 245,036 |         |
|           | TOTAL ASSETS          |         | 245,036 |

LIABILITIES AND EQUITY

LIABILITIES

|           |                              |         |         |
|-----------|------------------------------|---------|---------|
| 90-250000 | ACCRUED LEAVE                | 245,036 |         |
|           | TOTAL LIABILITIES            |         | 245,036 |
|           | TOTAL LIABILITIES AND EQUITY |         | 245,036 |

**TOWN OF SEVERANCE**  
**PAYABLES**  
**06/01/2026-06/30/2026**

| Check Issue Date | Check Number | Payee                                    | Amount Paid   |
|------------------|--------------|------------------------------------------|---------------|
| 6/1/2026         | 601202601    | UNUM Life Insurance Co America           | \$ 5,302.42   |
| 6/3/2026         | 12151        | GLH Construction, LLC                    | \$ 231,237.40 |
| 6/3/2026         | 12158        | North Weld County Water District         | \$ 70,607.41  |
| 6/3/2026         | 12169        | Wickham Tractor Co.                      | \$ 56,398.54  |
| 6/3/2026         | 12163        | Tischler Bise, Inc.                      | \$ 21,376.50  |
| 6/3/2026         | 12161        | Ramey Environmental Compliance, Inc.,    | \$ 20,857.30  |
| 6/3/2026         | 12162        | The Adams Group, LLC                     | \$ 20,000.00  |
| 6/3/2026         | 12159        | OJ Watson Company Inc                    | \$ 15,917.00  |
| 6/3/2026         | 12165        | Utility Notification Center              | \$ 7,038.20   |
| 6/3/2026         | 12167        | Vector Disease Control International, LL | \$ 6,578.88   |
| 6/3/2026         | 12153        | InVision GIS LLC                         | \$ 3,680.00   |
| 6/3/2026         | 12154        | La Salle Oil Co.                         | \$ 3,034.50   |
| 6/3/2026         | 12164        | Treatment Technology, LLC                | \$ 1,124.80   |
| 6/3/2026         | 12166        | Van Scoyoc Associates                    | \$ 1,000.00   |
| 6/3/2026         | 12145        | Amazon Capital Services                  | \$ 561.75     |
| 6/3/2026         | 12168        | Weld County Health Department            | \$ 507.00     |
| 6/3/2026         | 12150        | Frontier Business Products               | \$ 496.93     |
| 6/3/2026         | 12155        | Lands End Business Outfitters            | \$ 448.96     |
| 6/3/2026         | 12157        | Next Step Communications, LLC            | \$ 250.00     |
| 6/3/2026         | 12152        | Hospitality Supply, Inc.                 | \$ 178.74     |
| 6/3/2026         | 12160        | Quench USA, Inc.                         | \$ 164.88     |
| 6/3/2026         | 12146        | Ascent Broadband, LLC                    | \$ 150.00     |
| 6/3/2026         | 12156        | LightGig Communications, LLC             | \$ 120.00     |
| 6/3/2026         | 12147        | E-470 Public Highway Authority           | \$ 101.25     |
| 6/3/2026         | 12149        | Front Range Compliance Services, LLC     | \$ 74.06      |
| 6/3/2026         | 12148        | EAS Tire & Auto LLC                      | \$ 70.00      |
| 6/9/2026         | 609202602    | CEBT                                     | \$ 51,409.14  |
| 6/10/2026        | 610202611    | Ayres Associates Inc.                    | \$ 158,843.42 |
| 6/10/2026        | 12193        | North Weld County Water District         | \$ 65,908.29  |
| 6/10/2026        | 12175        | Goltz Asphalt Company                    | \$ 56,561.00  |
| 6/10/2026        | 610202612    | Caselle, Inc.                            | \$ 37,282.80  |
| 6/10/2026        | 12181        | SAFEbuilt Colorado, Inc.                 | \$ 28,924.69  |
| 6/10/2026        | 12190        | Weld RE 4 School District                | \$ 20,412.00  |
| 6/10/2026        | 12183        | Site Pieces LLC                          | \$ 12,191.15  |
| 6/10/2026        | 12192        | Windsor-Severance Fire Dist.             | \$ 9,903.00   |
| 6/10/2026        | 601202602    | Verizon Wireless                         | \$ 3,335.45   |
| 6/10/2026        | 12176        | La Salle Oil Co.                         | \$ 2,703.84   |
| 6/10/2026        | 12174        | Freedom Mailing Services Inc             | \$ 1,860.50   |
| 6/10/2026        | 12173        | Civitas Resources, Inc.                  | \$ 1,571.17   |
| 6/10/2026        | 12185        | Treatment Technology, LLC                | \$ 1,442.25   |
| 6/10/2026        | 12178        | Prestige Window Tinting                  | \$ 1,107.00   |
| 6/10/2026        | 12182        | Scott's Electric & Bucket Truck, Inc     | \$ 920.14     |
| 6/10/2026        | 12172        | Ausmus Law Firm PC                       | \$ 850.00     |
| 6/10/2026        | 610202610    | Adam B Stephens                          | \$ 800.00     |

**TOWN OF SEVERANCE**  
**PAYABLES**  
**06/01/2026-06/30/2026**

| Check Issue Date | Check Number | Payee                                   | Amount Paid   |
|------------------|--------------|-----------------------------------------|---------------|
| 6/10/2026        | 12188        | Upper Case Printing Ink                 | \$ 788.34     |
| 6/10/2026        | 12170        | Agfinity, Inc                           | \$ 580.75     |
| 6/10/2026        | 12171        | Amazon Capital Services                 | \$ 569.84     |
| 6/10/2026        | 12179        | Ramey Environmental Compliance, Inc.,   | \$ 420.40     |
| 6/10/2026        | 12180        | RELX Inc. DBA LexisNexis                | \$ 282.00     |
| 6/10/2026        | 12189        | Weld County Health Department           | \$ 250.00     |
| 6/10/2026        | 12186        | Tri-Tech Security, Inc.                 | \$ 87.00      |
| 6/10/2026        | 12184        | Top Shelf Printing                      | \$ 86.80      |
| 6/10/2026        | 12191        | Windsor Ace Hardware                    | \$ 38.22      |
| 6/10/2026        | 12177        | Poulsen Ace Hardware, Inc.              | \$ 17.26      |
| 6/10/2026        | 12187        | University Auto Parts, Inc.             | \$ 16.88      |
| 6/17/2026        | 6172610      | Colorado Civil Group Inc.               | \$ 12,199.34  |
| 6/17/2026        | 12197        | JR Engineering, LLC                     | \$ 337.50     |
| 6/17/2026        | 12198        | Lumin8 Transportation Technologies, LLC | \$ 315.00     |
| 6/17/2026        | 12195        | EPS Group Inc.                          | \$ 260.00     |
| 6/17/2026        | 12196        | ESS Inc.                                | \$ 202.00     |
| 6/19/2026        | 619202601    | Poudre Valley REA                       | \$ 5,272.30   |
| 6/19/2026        | 619202602    | Waste Management of Colorado, Inc       | \$ 1,273.37   |
| 6/19/2026        | 620202603    | Republic Services, Inc                  | \$ 52.43      |
| 6/22/2026        | 622202601    | Town of Windsor                         | \$ 18,156.32  |
| 6/22/2026        | 622202603    | Xcel Energy                             | \$ 8,164.94   |
| 6/22/2026        | 622202602    | Xcel Energy                             | \$ 3,930.88   |
| 6/22/2026        | 622202604    | Xcel Energy                             | \$ 2,831.66   |
| 6/23/2026        | 623202601    | Xcel Energy                             | \$ 44.68      |
| 6/24/2026        | 6242611      | ECI Site Construction Manageme, Inc.    | \$ 335,099.97 |
| 6/24/2026        | 12223        | Weld County                             | \$ 79,508.00  |
| 6/24/2026        | 6242613      | Ken Garff Ford Greeley                  | \$ 46,882.00  |
| 6/24/2026        | 6242610      | Colorado Civil Group Inc.               | \$ 26,129.33  |
| 6/24/2026        | 12207        | GLH Construction, LLC                   | \$ 10,832.50  |
| 6/24/2026        | 12205        | EAS Tire & Auto LLC                     | \$ 3,650.48   |
| 6/24/2026        | 12214        | North Range Behavioral Health           | \$ 3,521.65   |
| 6/24/2026        | 12209        | La Salle Oil Co.                        | \$ 3,180.53   |
| 6/24/2026        | 12204        | DaVinci Signs Systems, Inc.             | \$ 2,606.74   |
| 6/24/2026        | 12203        | D&D Concrete, LLC                       | \$ 2,250.00   |
| 6/24/2026        | 12208        | JR Engineering, LLC                     | \$ 1,740.00   |
| 6/24/2026        | 12212        | Mission Communications LLC              | \$ 1,418.00   |
| 6/24/2026        | 6242612      | Eco Counter                             | \$ 1,330.00   |
| 6/24/2026        | 12224        | Wickham Tractor Co.                     | \$ 653.75     |
| 6/24/2026        | 12220        | Treatment Technology, LLC               | \$ 524.90     |
| 6/24/2026        | 12199        | A Squared Instruments and Controls      | \$ 495.00     |
| 6/24/2026        | 12218        | Recreational Electrical, LLC            | \$ 400.00     |
| 6/24/2026        | 12219        | Timber Line Electric & Control Corp     | \$ 265.00     |
| 6/24/2026        | 624202601    | Comcast                                 | \$ 264.97     |
| 6/24/2026        | 12215        | Nu*Crisp Image Apparel                  | \$ 238.59     |

**TOWN OF SEVERANCE**  
**PAYABLES**  
**06/01/2026-06/30/2026**

| Check Issue Date | Check Number | Payee                              | Amount Paid            |
|------------------|--------------|------------------------------------|------------------------|
| 6/24/2026        | 12210        | Lands End Business Outfitters      | \$ 208.79              |
| 6/24/2026        | 12221        | Tri-Tech Security, Inc.            | \$ 177.00              |
| 6/24/2026        | 12217        | Ram Waste Systems, Inc             | \$ 171.20              |
| 6/24/2026        | 12206        | Frontier Business Products         | \$ 142.87              |
| 6/24/2026        | 12200        | Amazon Capital Services            | \$ 126.32              |
| 6/24/2026        | 12216        | Purcell Tire & Service             | \$ 96.00               |
| 6/24/2026        | 12222        | University Auto Parts, Inc.        | \$ 92.44               |
| 6/24/2026        | 12202        | Banner Occupational Health Clinics | \$ 70.00               |
| 6/24/2026        | 12211        | Language Line Services, Inc.       | \$ 26.89               |
| 6/24/2026        | 12201        | Axon Enterprise, Inc.              | \$ 20.00               |
| 6/25/2026        | 625202604    | ELAN Corporate Payment Systems     | \$ 25,554.22           |
| 6/25/2026        | 625202602    | Connecting Point Greeley           | \$ 11,146.15           |
| 6/25/2026        | 625202601    | Comcast                            | \$ 1,710.58            |
| 6/25/2026        | 6252601      | Mountain High Disposal             | \$ 45.00               |
| <b>Total:</b>    |              |                                    | <b>\$ 1,540,059.14</b> |



**TOWN COUNCIL WORK SESSION & MEETING**  
Zoom Webinar and/or Town Council Chamber  
3 S. Timber Ridge Parkway, Severance, CO 80550

---

**WORK SESSION & MEETING MINUTES**  
**Tuesday, July 14, 2026, at 6:00 PM**

**Mayor:** Matthew Fries  
**Mayor Pro-tem:** Brittany Vandermark  
**Council Members:** David Bruen  
Craig Joseph  
Stephen Gagliardi  
Karen Hessler  
Josh Ochs

**Audience:**  
**Staff:** Nicholas Wharton, Town Manager  
Lindsay Radcliff-Coombes, Deputy Town Manager  
Sarah Jacobsen, Town Clerk  
Jacquelyn Grossnickle, Finance Director  
Ken Chavez, Police Chief  
Andrew Rogers, Town Attorney

**A. CALL TO ORDER WORK SESSION**

*The Goal of the Work Session is to have the Town Council receive information on topics of Town business from the Town Manager, Town Attorney and Town Staff in order to exchange ideas and opinions regarding these topics.*

**1. Pg. 3- Red Flag WSFR Burn Restrictions**

- Discussion
- Staff Presentation: Chris Angermuller

Mayor Fries called the Work Session to order at 5:00 p.m. and took a brief recess until 5:12 p.m. for the Windor Severance Fire Rescue staff to arrive.

Fire Chief Angermuller, Assistant Fire Marshal Ryan Buderus, and Board President Andrew Rosen presented the item and asked the Town Council for their feedback and if this is something the Town would support. Chief Angermuller also discussed a proposed mill levy that the WSFR Board is considering in mid-August.

**B. CALL TO ORDER REGULAR MEETING**

**1. Roll Call**

Present:  
Mayor Matthew Fries, Mayor Pro Tem Brittany Vandermark, Council Member David Bruen,

Council Member Stephen Gagliardi, Council Member Craig Joseph, Council Member Josh Ochs  
Absent:  
Council Member Karen Hessler

**2. Pledge of Allegiance**

**3. Agenda Review by Town Manager**

**4. Consent Calendar**

*The Consent Calendar is intended to allow the Town Council to spend time and energy on the important items and not routine actions. A Council Member may request an item on this calendar to be "pulled" off the Consent Calendar and considered separately as a regular agenda item. Items remaining on the Consent Calendar will be approved by Town Council with one vote.*

**MOTION WAS MADE BY Mayor Pro-tem Vandermark**, seconded by Council Member Bruen to Approve the Consent Calendar. All Council Members present voting Yes.

**MOTION PASSED**

- a. **Pg. 14 - Meeting Minutes 6.9.26**
- b. **Pg. 18 - May 2026 Financial Statements**
- c. **Pg. 60 - May 2026 Payables**
- d. **Pg. 63 - Resolution 2026-17R: A Resolution of the Town Council of the Town of Severance, Colorado, amending the Fiscal Year 2025 Budget to Appropriate Funds**

**5. Approval of Agenda**

**MOTION WAS MADE BY Mayor Pro-tem Vandermark**, seconded by Council Member Bruen to Approve the Agenda as is. All Council Members present voting Yes.

**MOTION PASSED**

**6. Public Comment**

*The purpose of the Public Comment is for members of the public to speak to the Town Council on any subject not scheduled on the agenda. To accomplish scheduled agenda items, comments should be limited to three minutes for those attending in person or an appropriate time as deemed by the Mayor. The Town Council is not obligated to make decisions or take action on comments but may choose to schedule the matter for a later discussion. Those addressing the Town Council, please state your name and address and sign-in.*

Gary Martin with the Windsor Severance Historical Society, spoke about a monumental project, bronze shovel and time capsule asking the public to make donations to help support the project.

## 7. Council Member Comments

Council Member Bruen expressed interest in establishing a neighborhood watch program and asked Town management to reach out to the subdivision HOA/Metro Districts to inquire whether they are interested in the program.

## 8. Reports

*Council approval may be sought for administrative actions in association with staff reports.*

a. Town Attorney

b. Town Staff

Finance Director Jacquelyn Grossnickle reported that the Government Finance Officers Association (GFOA) has awarded the Town of Severance with the Distinguished Budget Presentation Award.

c. Town Management

d. Council Members Liaisons

e. Mayor

## C. TOWN COUNCIL

### 1. Pg. 68 - Ordinance 2026-05: Ordinance Amending the Severance Municipal Code to Clarify that the State of Colorado Collects the Town's Sales Tax, that no Separate Town Sales Tax License is Required, and to Require the Disclosure of the Colorado Department of Revenue Account Number on Town Business License Applications

- Legislative, Public Comment
- Staff Presentation: Andrew Rogers, Town Attorney

Finance Director Jacquelyn Grossnickle and Town Attorney Andrew Rogers presented the item.

Public comment opened at 6:25 p.m. and no one wished to speak.

**MOTION WAS MADE BY Mayor Pro-tem Vandermark**, seconded by Council Member Gagliardi to Adopt Ordinance 2026-05: Ordinance Amending the Severance Municipal Code to Clarify that the State of Colorado Collects the Town's Sales Tax, that no Separate Town Sales Tax License is Required, and to Require the Disclosure of the Colorado Department of Revenue Account Number on Town Business License Applications. All Council Members present voting Yes.

**MOTION PASSED**

### 2. Pg. 76 - Resolution 2026-18R: Resolution to Approve the Lease of Real Property Located at 312 1st Street in Severance, Colorado, and Approving the Lease Agreement Pertaining Thereto

- Legislative
- Staff Presentation: Nicholas Wharton, Town Manager

**MOTION WAS MADE BY Mayor Pro-tem Vandermark**, seconded by Council Member Ochs to Approve Resolution 2026-18R: Resolution to Approve the Lease of Real Property Located at 312 1st Street in Severance, Colorado, and Approving the Lease Agreement Pertaining Thereto. All Council Members present voting Yes.

**MOTION PASSED**

**D. COUNCIL MEMBER PETITIONS**

*Council Members may ask for items to be added to future agendas.*

**E. ADJOURN**

The meeting adjourned at 6:31 p.m.

TOWN OF SEVERANCE

\_\_\_\_\_  
Matthew Fries, Mayor

ATTEST

\_\_\_\_\_  
Sarah Jacobsen, Town Clerk

**TOWN OF SEVERANCE  
RESOLUTION NO. 2026-19R**

**A RESOLUTION FOR THE TOWN COUNCIL OF THE TOWN OF SEVERANCE,  
COLORADO, APPROPRIATING FUNDS FROM THE FUND BALANCE**

**WHEREAS**, the Town has identified expenditures that will occur in the 2026 fiscal year; and

**WHEREAS**, the Town would like to appropriate the funds for these expenditures; and

**WHEREAS**, in accordance with §8.10 of the Town of Severance Home Rule Charter, the Town Council may modify appropriations by resolution during the fiscal year for unanticipated budgetary issues so long as such modified appropriations do not cause total expenditures within a fund to exceed the beginning fund balance or the funds available plus anticipated revenues and other sources of funds within the fund as estimated in the budget; and

**WHEREAS**, the Town Council desires to modify appropriations and authorize the appropriation of certain funds by enacting an amendment to the 2026 Town Budget.

**NOW THEREFORE, BE IT RESOLVED BY THE TOWN COUNCIL OF THE TOWN OF SEVERANCE, COLORADO:**

Section 1. The following modifications to unencumbered appropriation balances for Fiscal Year 2026, as set forth below, are hereby approved:

| <b>APPROPRIATIONS FROM FUND BALANCE</b> |          |
|-----------------------------------------|----------|
| GENERAL FUND                            | \$ 4,722 |
| STORMWATER FUND                         | \$5,000  |

**TOTAL FUNDS TO BE APPROPRIATED: \$ 9,722**

Section 2. The following modifications to budget expenditures for Fiscal Year 2026, as set forth below, are hereby approved:

Expenditures by Account and Fund:

| <b>FUND</b> | <b>ACCOUNT TITLE</b>       | <b>GL ACCOUNT</b> | <b>AMOUNT</b> |
|-------------|----------------------------|-------------------|---------------|
| GENERAL     | CONTRACT SECURITY SERVICES | 10-51-1107        | \$284         |
| GENERAL     | VEHICLE REPAIRS & MAINT    | 10-51-3177        | \$145         |
| GENERAL     | CONTINUING EDUCATION       | 10-51-3820        | \$4,293       |
| STORMWATER  | REPAIRS & MAINT – EQUIP    | 53-82-3173        | \$5,000       |

**TOTAL EXPENDITURES:**

**\$ 9,722**

Section 3. The Town Manager is directed to affect the necessary transfers to comply with this resolution and to update beginning balances to actual balances for a more accurate statement of budget status.

**RESOLVED AND APPROVED THIS 28<sup>TH</sup> DAY OF JULY 2026.**

TOWN OF SEVERANCE, COLORADO

\_\_\_\_\_  
Matthew Fries, Mayor

ATTEST

\_\_\_\_\_  
Sarah Jacobsen, Town Clerk

**TOWN OF SEVERANCE  
RESOLUTION NO. 2026-20R**

**A RESOLUTION OF THE TOWN COUNCIL OF THE TOWN OF SEVERANCE,  
COLORADO, PROVIDING FOR ADDITIONAL APPROPRIATIONS IN FISCAL YEAR  
2026 FOR THE REAPPROPRIATION OF THE BUDGET OF 2025 CAPITAL  
PROJECTS STILL IN PROGRESS AND AMENDMENTS TO THE 2026 ADOPTED  
BUDGET**

**WHEREAS**, the 2025 budget appropriations lapsed on December 31<sup>st</sup>, 2025; and

**WHEREAS**, the Town had appropriations for projects and equipment purchases to be continued in 2026; and

**WHEREAS**, the Town has the money available in fund balances; and

**WHEREAS**, the Town would like to reappropriate funding that was appropriated in the 2025 Amended Budget for these ongoing projects; and

**WHEREAS**, the Town had identified revenues received in 2025 that are for projects to begin or continue in 2026; and

**WHEREAS**, the Town would like to appropriate the identified revenues into the fund balance; and

**WHEREAS**, in accordance with Section 8.10 of the Town of Severance Home Rule Charter, the Town Council may modify appropriations by resolution during the fiscal year for unanticipated budgetary issues, so long as such modified appropriations do not cause total expenditures within a fund to exceed the beginning fund balance or the funds available plus anticipated revenues and other sources of funds within the fund as estimated in the budget; and

**WHEREAS**, the Town Council desires to modify appropriations and to authorize the expenditure of certain funds by enacting a supplemental budget appropriation to the 2025 Town budget.

**NOW THEREFORE, BE IT RESOLVED BY THE TOWN COUNCIL OF THE TOWN OF SEVERANCE, COLORADO:**

**Section 1.** The following modifications to unencumbered appropriation balances for Fiscal Year 2026, as set forth below, are hereby approved:

A. Appropriations of Additional Fund Balance:



**TOWN OF SEVERANCE  
RESOLUTION NO. 2026-21R**

**A RESOLUTION OF THE TOWN COUNCIL OF THE TOWN OF SEVERANCE,  
COLORADO, APPROVING AND ACCEPTING THE TOWN'S 2025 AUDITED  
FINANCIAL STATEMENTS**

**WHEREAS**, in accordance with Section 29-1-603 of the Colorado Revised Statutes, the Town of Severance is required to conduct an annual audit of the financial statements of the Town for each fiscal year; and

**WHEREAS**, in January 2026, the Town Council engaged The Adams Group, LLC, certified public accountants, for an audit of the Town's financial statements for fiscal year 2025; and

**WHEREAS**, The Adams Group, LLC has successfully completed the 2025 Audit; and  
**WHEREAS**, the 2025 Audited Financial Statements have been prepared and submitted to Town staff for review and for approval and acceptance by the Town Council; and

**WHEREAS**, the Town's staff recommends the approval and acceptance of the Town's 2025 Audited Financial Statements.

**NOW, THEREFORE, BE IT RESOLVED BY THE TOWN COUNCIL OF THE TOWN OF SEVERANCE, COLORADO, AS FOLLOWS:**

The Town Council of the Town of Severance approves and accepts the Town's 2025 Audited Financial Statements prepared by The Adams Group, LLC.

**RESOLVED AND APPROVED THIS 28<sup>TH</sup> DAY OF JULY 2026.**

TOWN OF SEVERANCE, COLORADO

\_\_\_\_\_  
Matthew Fries, Mayor

ATTEST

\_\_\_\_\_  
Sarah Jacobsen, Town Clerk

TOWN OF SEVERANCE, COLORADO  
FEDERAL AWARDS REPORT IN ACCORDANCE  
WITH THE UNIFORM GRANT GUIDANCE  
YEAR ENDED DECEMBER 31, 2025

## TABLE OF CONTENTS

|                                                                                                                                                                                                                                     |         |
|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|---------|
| Independent Auditors' Report on Internal Control over Financial Reporting<br>and on Compliance and Other Matters Based on an Audit of Financial<br>Statements Performed in Accordance with <i>Government Auditing<br/>Standards</i> | i - ii  |
| Independent Auditors' Report on Compliance for the Major Federal Program,<br>Report on Internal Control Over Compliance and Report on the Schedule<br>Of Expenditures of Federal Awards Required by the Uniform Guidance            | iii - v |
| Schedule of Expenditures of Federal Awards                                                                                                                                                                                          | 1       |
| Notes to the Schedule of Expenditures of Federal Awards                                                                                                                                                                             | 2       |
| Schedule of Findings and Questioned Costs                                                                                                                                                                                           | 3 - 5   |
| Summary Schedule of Prior Audit Findings                                                                                                                                                                                            | 5       |



INDEPENDENT AUDITOR'S REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH *GOVERNMENT AUDITING STANDARDS*

Honorable Mayor and Town Council  
Town of Severance, Colorado

We have audited, in accordance with the 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, the financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the Town, as of and for the year ended December 31, 2025, and the related notes to the financial statements, which collectively comprise the Town's basic financial statements, and have issued our report thereon dated July 21, 2026.

**Report on Internal Control over Financial Reporting**

In planning and performing our audit of the financial statements, we considered the Town's internal control over financial reporting (internal control) as a basis for designing audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Town's internal control. Accordingly, we do not express an opinion on the effectiveness of the Town's internal control.

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements, on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected, on a timely basis. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or, significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses or significant deficiencies may exist that were not identified.

## **Report on Compliance and Other Matters**

As part of obtaining reasonable assurance about whether the Town's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the financial statements. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

## **Purpose of This Report**

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the entity's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

*The Adams Group, LLC*

Greenwood, Village, Colorado  
July 21, 2026



INDEPENDENT AUDITORS' REPORT ON COMPLIANCE FOR EACH MAJOR PROGRAM  
AND ON INTERNAL CONTROL OVER COMPLIANCE REQUIRED BY THE UNIFORM GUIDANCE

Honorable Mayor and Town Council  
Town of Severance, Colorado

**Report on Compliance for the Major Federal Program**

***Opinion on the Major Federal Program***

We have audited the Town of Severance, Colorado's (the Town) compliance with the types of compliance requirements identified as subject to audit in the OMB *Compliance Supplement* that could have a direct and material effect on the Town's major federal programs for the year ended December 31, 2025. The Town's major federal program is identified in the summary of auditors' results section of the accompanying schedule of findings and questioned costs.

In our opinion, the Town of Severance, Colorado complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on the major federal program for the year ended December 31, 2025.

***Basis for Opinion on Each Major Federal Program***

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States; and the audit requirements of Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Our responsibilities under those standards and the Uniform Guidance are further described in the Auditors' Responsibilities for the Audit of Compliance section of our report.

We are required to be independent of the Town and to meet our other ethical responsibilities, in accordance with relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion on compliance for the major federal program. Our audit does not provide a legal determination of the Town's compliance with the compliance requirements referred to above.

***Responsibilities of Management for Compliance***

Management is responsible for compliance with the requirements referred to above and for the design, implementation, and maintenance of effective internal control over compliance with the requirements of laws, statutes, regulations, rules, and provisions of contracts or grant agreements applicable to the Town's federal program.

### ***Auditors' Responsibilities for the Audit of Compliance***

Our objectives are to obtain reasonable assurance about whether material noncompliance with the compliance requirements referred to above occurred, whether due to fraud or error, and express an opinion on the Town's compliance based on our audit. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with generally accepted auditing standards, *Government Auditing Standards*, and the Uniform Guidance will always detect material noncompliance when it exists. The risk of not detecting material noncompliance resulting from fraud is higher than for that resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Noncompliance with the compliance requirements referred to above is considered material if there is a substantial likelihood that, individually or in the aggregate, it would influence the judgment made by a reasonable user of the report on compliance about the Town's compliance with the requirements of the major federal program as a whole.

In performing an audit in accordance with generally accepted auditing standards, *Government Auditing Standards*, and the Uniform Guidance, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material noncompliance, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the Town's compliance with the compliance requirements referred to above and performing such other procedures as we considered necessary in the circumstances.
- Obtain an understanding of the Town's internal control over compliance relevant to the audit in order to design audit procedures that are appropriate in the circumstances and to test and report on internal control over compliance in accordance with the Uniform Guidance, but not for the purpose of expressing an opinion on the effectiveness of the Town's internal control over compliance. Accordingly, no such opinion is expressed.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and any significant deficiencies and material weaknesses in internal control over compliance that we identified during the audit.

### **Report on Internal Control over Compliance**

*A deficiency in internal control over compliance* exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a type of compliance requirement of a federal program on a timely basis. *A material weakness in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of a federal program will not be prevented, or detected and corrected, on a timely basis. *A significant deficiency in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance with a type of compliance requirement of a federal program that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance.

Our consideration of internal control over compliance was for the limited purpose described in the Auditors' Responsibilities for the Audit of Compliance section above and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies in internal control over compliance. Given these limitations, during our audit we did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses, as defined above. However, material weaknesses or significant deficiencies in internal control over compliance may exist that were not identified.

Our audit was not designed for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, no such opinion is expressed.

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of the Uniform Guidance. Accordingly, this report is not suitable for any other purpose.

*The Adams Group, LLC*

Town of Severance, Colorado  
July 21, 2026

TOWN OF SEVERANCE, COLORADO  
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS  
FOR THE YEAR ENDED DECEMBER 31, 2025

| <u>Program Description</u>                                  | <u>CDFA #</u> | <u>Pass-through<br/>Entity<br/>Identifying<br/>Number</u> | <u>2025<br/>TOTAL<br/>EXPENDITURES</u> | <u>EXPENDITURES<br/>TO<br/>SUBRECIPIENTS</u> |
|-------------------------------------------------------------|---------------|-----------------------------------------------------------|----------------------------------------|----------------------------------------------|
| U.S. DEPARTMENT OF TRANSPORTATION                           |               |                                                           |                                        |                                              |
| Passed through the Colorado Department<br>of Transportation |               |                                                           |                                        |                                              |
| Highway Planning and Construction                           | 20.205        | 24-HA4-XC-00238                                           | \$ 1,090,353                           | \$ -                                         |
| Total U.S. Department of Transportation                     |               |                                                           | <u>1,090,353</u>                       | <u>-</u>                                     |
| Total Federal Financial Assistance                          |               |                                                           | <u>\$ 1,090,353</u>                    | <u>\$ -</u>                                  |

TOWN OF SEVERANCE, COLORADO  
NOTES TO THE SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS  
FOR THE YEAR ENDED DECEMBER 31, 2025

NOTE 1 – GENERAL

The accompany Schedule of Expenditures of Federal Awards presents the activity of all federal financial assistance programs of the Town of Severance, Colorado (the Town) for the year ended December 31, 2025. The Town's reporting entity is defined in Note 1 to the Town's basic financial statements. All federal assistance received by the primary government directly from federal agencies, as well as federal financial assistance passed through other government agencies and the State of Colorado.

NOTE 2 – BASIS OF PRESENTATION

The information in this schedule is presented in accordance with the requirements of Title 2 U.S. Code of Federal Regulations, Part 200, *Uniform Administrative Requirements, Cost Principles and Audit Requirements for Federal Awards (Uniform Guidance)*. Because the schedule presents only a selected portion of the operations of the Town it is not intended to and does not present the financial position of the operations of the Town and it is not intended to and does not present the financial position, changes in net position, or cash flows of the Town.

NOTE 3 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Expenditures reported on the schedule are reported on the modified accrual basis of accounting. Such expenditures are recognized following the cost principles contained in the Uniform Guidance, wherein, certain types of expenditures are not allowable or are limited as to reimbursement.

NOTE 4 – INDIRECT COSTS

The Town has elected to use the 10 percent de minimis indirect cost rate as allowed under the Uniform Guidance.

TOWN OF SEVERANCE, COLORADO  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
FOR THE YEAR ENDED DECEMBER 31, 2025

Section I - Summary of Auditors' Results

*Financial Statements*

Type of auditors' report issued: *unmodified opinion*

Internal control over financial reporting:

- Material weakness(es) identified? \_\_\_\_\_ Yes            X       No
- Significant deficiency(ies) identified? \_\_\_\_\_ Yes            X       No

Noncompliance material to financial statements noted? \_\_\_\_\_ Yes            X       No

*Federal Awards*

Internal control over major programs:

- Material weakness(es) identified? \_\_\_\_\_ Yes            X       No
- Significant deficiency(ies) identified? \_\_\_\_\_ Yes            X       No

Type of auditors' report issued on compliance for major programs: *unmodified opinion*

Any audit findings disclosed that are required to be reported in accordance with 2 CFR 200.516(a)? \_\_\_\_\_ Yes            X       No

TOWN OF SEVERANCE, COLORADO  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
FOR THE YEAR ENDED DECEMBER 31, 2025

Identification of major programs:

CFDA Number(s)

Name of Federal Program or Cluster

20.205

Highway Planning and Construction Grant

Dollar threshold used to distinguish between  
type A and type B programs:

\$ 1,000,000

Auditee qualified as low-risk auditee?

\_\_\_\_\_ Yes        X   No

TOWN OF SEVERANCE, COLORADO  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
FOR THE YEAR ENDED DECEMBER 31, 2025

Section II – Financial Statement Findings

Our audit did not disclose any matters required to be reported in accordance with *Government Auditing Standards*.

Section III Findings – Findings and Questioned Costs – Major Federal Program

Our audit did not close any matters required to be reported in accordance with *Government Auditing Standards* or the *OMB Uniform Grant Guidance*.

Section IV Findings – Prior Year Findings

There are no prior year findings or questioned costs that are required to be reported.



July 21, 2026

Honorable Mayor and Town Council  
Town of Severance  
3 South Timber Ridge Parkway  
PO Box 339  
Severance, Colorado 80546

We have audited the financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the Town of Severance, Colorado (the Town) for the year ended December 31, 2025. Professional standards require that we provide you with information about our responsibilities under generally accepted auditing standards as well as certain information related to the planned scope and timing of our audit. We have communicated such information in our letter to you dated November 14, 2025. Professional standards also require that we communicate to you the following information related to our audit.

#### Significant Audit Matters

##### *Qualitative Aspects of Accounting Practices*

Management is responsible for the selection and use of appropriate accounting policies. The significant accounting policies used by the Town are described in Note 1 to the financial statements. No new accounting policies were adopted by the Town and the application of existing policies did not change during 2025. We noted no transactions entered into by the Town during the year for which there is a lack of authoritative guidance or consensus. All significant transactions have been recognized in the financial statements in the proper period.

Accounting estimates are an integral part of the financial statements prepared by management and are based on management's knowledge and experience about past and current events and assumptions about future events. Certain accounting estimates are particularly sensitive because of their significance to the financial statements and because of the possibility that future events affecting them may differ significantly from those expected. The most sensitive estimates affecting the Town's financial statements were:

- Management's estimate of depreciation expense is based on the straight-line method of depreciation from the date the asset is placed into service.
- Management's estimate of the compensated absence liability is based on hours accrued by employees as of December 31, 2025 and their rate of pay at December 31, 2025.
- Management's estimate of the net pension liability (asset), deferred outflows and deferred inflows of resources and pension expense (income) is based on an actuarial report performed by the Colorado Fire and Police Pension Association (FPPA).

- Management's estimate of contributed capital assets are based on engineers cost estimates at the time of contribution to the Town.
- The Town has agency bonds which are measured under GASB Statement No. 72 as Level 2 investments.

We evaluated management's estimates as of December 31, 2025 in determining they are reasonable.

Certain financial statement disclosures are particularly sensitive because of their significance to financial statement users. There are no sensitive disclosures as of December 31, 2025.

The financial statement disclosures are neutral, consistent, and clear.

#### *Difficulties Encountered in Performing the Audit*

We encountered no significant difficulties in dealing with management in performing and completing our audit.

#### *Corrected and Uncorrected Misstatements*

Professional standards require us to accumulate all known and likely misstatements identified during the audit, other than those that are clearly trivial, and communicate them to the appropriate level of management. All adjusting journal entries were client posted entries after receipt of the initial trial balance.

#### *Disagreements with Management*

For purposes of this letter, a disagreement with management is a financial accounting, reporting, or auditing matter, whether or not resolved to our satisfaction, that could be significant to the financial statements or the auditor's report. We are pleased to report that no such disagreements arose during the course of our audit.

#### *Management Representations*

We have requested certain representations from management that are included in the management representation letter dated July 21, 2026.

#### *Management Consultations with Other Independent Accountants*

In some cases, management may decide to consult with other accountants about auditing and accounting matters, similar to obtaining a "second opinion" on certain situations. If a consultation involves application of an accounting principle to the Town's financial statements or a determination of the type of auditor's opinion that may be expressed on those statements, our professional standards require the consulting accountant to check with us to determine that the consultant has all the relevant facts. To our knowledge, there were no such consultations with other accountants.

#### *Other Audit Findings or Issues*

We generally discuss a variety of matters, including the application of accounting principles and auditing standards, with management each year prior to retention as the Town's auditors. However, these discussions occurred in the normal course of our professional relationship and our responses were not a condition to our retention.

Other Matters

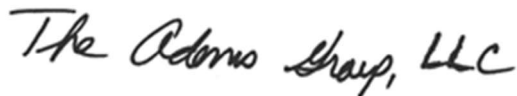
We applied certain limited procedures to the required supplementary, which are required supplementary information (RSI) that supplements the basic financial statements. Our procedures consisted of inquiries of management regarding the methods of preparing the information and comparing the information 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 did not audit the RSI and do not express an opinion or provide any assurance on the RSI.

We were engaged to report on the supplementary information which accompanies the financial statements but is not RSI. With respect to this supplementary information, we made certain inquiries of management and evaluated the form, content, and methods of preparing the information to determine that the information complies with accounting principles generally accepted in the United States of America, the method of preparing it has not changed from the prior period, and the information is appropriate and complete in relation to our audit of the financial statements. We compared and reconciled the supplementary information to the underlying accounting records used to prepare the financial statements or to the financial statements themselves.

Restriction on Use

This information is intended solely for the information and use of the Town Council and management of the Town and is not intended to be, and should not be, used by anyone other than these specified parties.

Very truly yours,

A handwritten signature in black ink that reads "The Adams Group, LLC". The script is cursive and fluid.

The Adams Group, LLC.

Certified Public Accountants

TOWN OF SEVERANCE, COLORADO  
FINANCIAL STATEMENTS  
DECEMBER 31, 2025

## TABLE OF CONTENTS

|                                                                                                                                                      |         |
|------------------------------------------------------------------------------------------------------------------------------------------------------|---------|
| Independent Auditors' Report                                                                                                                         | i-iii   |
| Management's Discussion and Analysis                                                                                                                 | iv-x    |
| BASIC FINANCIAL STATEMENTS                                                                                                                           |         |
| <u>Government-Wide Financial Statements</u>                                                                                                          |         |
| Statement of Net Position                                                                                                                            | 1       |
| Statement of Activities                                                                                                                              | 2       |
| <u>Fund Financial Statements</u>                                                                                                                     |         |
| Balance Sheet - Governmental Funds                                                                                                                   | 3       |
| Reconciliation of the Governmental Funds Balance Sheet<br>to the Statement of Net Position                                                           | 4       |
| Statement of Revenues, Expenditures, and Changes in<br>Fund Balances – Governmental Funds                                                            | 5       |
| Reconciliation of the Statement of Revenues, Expenditures,<br>And Changes in Fund Balance of the Governmental<br>Fund to the Statement of Activities | 6       |
| Statement of Net Position – Proprietary Funds                                                                                                        | 7       |
| Statement of Revenues, Expenses and Changes in Net<br>Position – Proprietary Funds                                                                   | 8       |
| Statement of Cash Flows – Proprietary Funds                                                                                                          | 9       |
| NOTES TO THE FINANCIAL STATEMENTS                                                                                                                    | 10 - 40 |
| REQUIRED SUPPLEMENTARY INFORMATION                                                                                                                   |         |
| Schedule of Revenues, Expenditures, and Changes in Fund Balance –<br>Budget and Actual – General Fund                                                | 41 - 43 |
| Schedule of Revenues, Expenditures, and Changes in Fund Balance –<br>Budget and Actual – Transportation Fund                                         | 44      |
| Schedule of the Town's Proportionate Share of the<br>Net Pension Liability (Asset)                                                                   | 45      |
| Schedule of the Town's Contributions and Related Ratios                                                                                              | 46      |

## TABLE OF CONTENTS (CONTINUED)

### SUPPLEMENTARY INFORMATION

|                                                                                                                                |    |
|--------------------------------------------------------------------------------------------------------------------------------|----|
| Combining Balance Sheet – Governmental Non-Major Funds                                                                         | 47 |
| Combining Statement of Revenues, Expenditures and Changes<br>in Fund Balances – Governmental Non-Major Funds                   | 48 |
| Schedule of Revenues, Expenditures and Changes in Fund Balance –<br>Budget and Actual – Conservation Trust Fund                | 49 |
| Schedule of Revenues, Expenditures and Changes in Fund Balance –<br>Budget and Actual – Parks Fund                             | 50 |
| Schedule of Revenues, Expenditures and Changes in Fund Balance –<br>Budget and Actual – Public Facilities Fund                 | 51 |
| Schedule of Revenues, Expenditures and Changes in Fund Balance –<br>Budget and Actual – Public Safety Fund                     | 52 |
| Schedule of Revenues, Expenditures and Changes in Fund Net Position –<br>Budget and Actual (Budgetary Basis) – Water Fund      | 53 |
| Schedule of Revenues, Expenditures and Changes in Fund Net Position –<br>Budget and Actual (Budgetary Basis) – Wastewater Fund | 54 |
| Schedule of Revenues, Expenditures and Changes in Fund Net Position –<br>Budget and Actual (Budgetary Basis) – Stormwater Fund | 55 |
| Statement of Net Position – Fleet Fund                                                                                         | 56 |
| Schedule of Revenues, Expenditures and Changes in Fund Net Position –<br>Budget and Actual (Budgetary Basis) – Fleet Fund      | 57 |
| Statement of Cash Flows – Fleet Fund                                                                                           | 58 |

### SPECIAL REPORTS

|                              |    |
|------------------------------|----|
| Local Highway Finance Report | 59 |
|------------------------------|----|



## INDEPENDENT AUDITORS' REPORT

Honorable Mayor and Town Council  
Town of Severance, Colorado

### **Report on the Audit of the Financial Statements**

#### ***Opinions***

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the Town of Severance, Colorado (the Town) as of and for the year ended December 31, 2025, and the related notes to the financial statements, which collectively comprise the Town's basic financial statements as listed in the table of contents.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the Town of Severance, Colorado as of December 31, 2025, and the respective changes in financial position, and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

#### ***Basis for Opinions***

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

#### ***Responsibilities of Management for the Financial Statements***

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

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

### ***Auditors' Responsibilities for the Audit of the Financial Statements***

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

In performing an audit in accordance with generally accepted auditing standards and *Government Auditing Standards*, we:

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

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

### ***Required Supplementary Information***

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis, budgetary comparison schedules, and GASB required pension schedules as listed in the table of contents be presented to supplement the basic financial statements.

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

### ***Supplementary Information***

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Town's basic financial statements. The accompanying combining and individual nonmajor fund financial statements and schedules and the Local Highway Finance Report are presented for purposes of additional analysis and are not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the combining and individual nonmajor fund financial statements and the schedule of expenditures of federal awards 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 July 21, 2026, on our consideration of the Town'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 solely 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 the effectiveness of the Town's 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's internal control over financial reporting and compliance.

*The Adams Group, LLC*

Greenwood Village, Colorado  
July 21, 2026

TOWN OF SEVERANCE  
MANAGEMENT'S DISCUSSION AND ANALYSIS

The discussion and analysis of the Town of Severance's (the Town) financial performance provides an overall review of the Town's financial activities for the year ended December 31, 2025. The intent of this discussion and analysis is to look at the Town's financial performance as a whole. Readers should also review the financial statements and the notes to the financial statements to broaden their understanding of the Town's financial performance.

Financial Highlights

The Town of Severance's governmental net position increased by \$5,744,413 and business-type net position increased by \$5,220,373 for the year. The assets and deferred outflows of resources of the Town exceeded their liabilities and deferred inflows of resources at the close of fiscal year 2025 by \$203,554,835 (net position). Of this amount, \$40,031,583 (unrestricted net position) may be used to meet the Town's ongoing obligations or unforeseen expenses. \$29,777,889 is restricted for future capital projects and emergencies.

As of the close of fiscal year 2025, the Town's General Fund reported an ending fund balance of \$24,563,003 compared to the fiscal year 2024 balance of \$23,009,283. General Fund revenues decrease by \$2,656,630 when compacted to the prior year (not including proceeds from sale of assets and transfers in) This decrease was a result of decreases in intergovernmental revenues from federal grant award and a decrease in licenses and permit revenue. General Fund expenditures decreased in 2025 by \$1,183,619 to \$11,580,437. The decrease in expenditures was primarily due to a decrease in capital outlay expenditures of \$1,942,567 when compared to the prior year.

Using the Basic Financial Statements

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

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

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

TOWN OF SEVERANCE  
MANAGEMENT'S DISCUSSION AND ANALYSIS

three proprietary funds which are the Water Fund, Wastewater Fund, and Stormwater Fund. The financial statements also include notes that explain some of the information in the financial statements and provide more detailed data.

Financial Analysis of the Town as a Whole

The Town's total net position (total assets plus deferred outflows of resources minus total liabilities plus deferred inflows of resources) was \$203,554,835 as of December 31, 2025. This represents an increase of \$10,964,786.

Government-Wide Financial Statements

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

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

The government-wide financial statements distinguish functions of the Town that are principally supported by taxes and intergovernmental revenues (Governmental Activities) from other functions that are intended to recover all or a significant portion of their costs through user fees and charges (Business-type Activities). The Governmental Activities of the Town include general government, community development, public safety (code and law enforcement), public works, and parks and recreation. The Business-type Activities of the Town of Severance consist of water, wastewater, and stormwater services.

**TOWN OF SEVERANCE**  
**MANAGEMENT'S DISCUSSION AND ANALYSIS**

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

**Condensed Statement of Net Position**

|                                    | Governmental<br>Activities |               | Business-Type<br>Activities |                | Total          |                |
|------------------------------------|----------------------------|---------------|-----------------------------|----------------|----------------|----------------|
|                                    | 2025                       | 2024          | 2025                        | 2024           | 2025           | 2024           |
| <b>Assets</b>                      |                            |               |                             |                |                |                |
| Current and other assets           | \$ 34,646,602              | \$ 31,931,853 | \$ 38,239,146               | \$ 33,800,388  | \$ 72,885,748  | \$ 65,732,241  |
| Capital assets                     | 50,474,332                 | 47,253,813    | 83,324,958                  | 82,900,113     | 133,799,290    | 130,153,926    |
| Total assets                       | 85,120,934                 | 79,185,666    | 121,564,104                 | 116,700,501    | 206,685,038    | 195,886,167    |
| <br>Deferred outflows of resources | <br>353,826                | <br>381,091   | <br>-                       | <br>-          | <br>353,826    | <br>381,091    |
| <b>Liabilities</b>                 |                            |               |                             |                |                |                |
| Current liabilities                | 1,109,131                  | 985,366       | 129,034                     | 485,804        | 1,238,165      | 1,471,170      |
| Total liabilities                  | 1,109,131                  | 985,366       | 129,034                     | 485,804        | 1,238,165      | 1,471,170      |
| <br>Deferred inflows of resources  | <br>2,245,864              | <br>2,206,039 | <br>-                       | <br>-          | <br>2,245,864  | <br>2,206,039  |
| <br><b>Net position:</b>           |                            |               |                             |                |                |                |
| Net investment in capital assets   | 50,420,405                 | 47,253,813    | 83,324,958                  | 82,640,445     | 133,745,363    | 129,894,258    |
| Restricted                         | 7,693,213                  | 6,972,050     | 22,084,676                  | 18,299,393     | 29,777,889     | 25,271,443     |
| Unrestricted                       | 24,006,147                 | 22,149,489    | 16,025,436                  | 15,274,859     | 40,031,583     | 37,424,348     |
| Total net position                 | \$ 82,119,765              | \$ 76,375,352 | \$ 121,435,070              | \$ 116,214,697 | \$ 203,554,835 | \$ 192,590,049 |

The statement of net position reflects a cash and investments position totaling \$69,133,321 or 33% of total assets. The majority of the Town's resources, \$133,799,290 or 65% of total assets, are invested in capital assets. These assets consist of land and improvements, water rights, construction in process, buildings, equipment, infrastructure, and utility system assets.

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

**Changes in Net Position**

Governmental activities increased the Town of Severance's net position by \$5,744,413. Business-type activities increased the Town's net position by \$5,220,373. A summary of the changes in net position is as follows:

**TOWN OF SEVERANCE**  
**MANAGEMENT'S DISCUSSION AND ANALYSIS**

**Condensed Statement of Activities**

|                                       | Governmental<br>Activities |               | Business-Type<br>Activities |                | Total          |                |
|---------------------------------------|----------------------------|---------------|-----------------------------|----------------|----------------|----------------|
|                                       | 2025                       | 2024          | 2025                        | 2024           | 2025           | 2024           |
| Revenues:                             |                            |               |                             |                |                |                |
| Program revenues:                     |                            |               |                             |                |                |                |
| Charges for services                  | \$ 872,127                 | \$ 1,365,971  | \$ 5,002,015                | \$ 4,752,118   | \$ 5,874,142   | \$ 6,118,089   |
| Operating grants and contributions    | 851,044                    | 3,432,216     | -                           | -              | 851,044        | 3,432,216      |
| Capital grants and contributions      | 4,275,606                  | 5,718,172     | 3,136,124                   | 4,029,523      | 7,411,730      | 9,747,695      |
| General revenues:                     |                            |               |                             |                |                |                |
| Property taxes and SOT                | 2,162,027                  | 2,384,915     | -                           | -              | 2,162,027      | 2,384,915      |
| Sales & use taxes                     | 4,962,536                  | 5,233,398     | -                           | -              | 4,962,536      | 5,233,398      |
| Other taxes                           | 229,573                    | 231,356       | -                           | -              | 229,573        | 231,356        |
| Investment earnings (loss)            | 1,581,625                  | 1,319,347     | 1,695,140                   | 1,235,152      | 3,276,765      | 2,554,499      |
| Other revenues                        | 882,483                    | 834,805       | -                           | -              | 882,483        | 834,805        |
| Internal balances                     | 145,953                    | 118,669       | (145,953)                   | (118,669)      | -              | -              |
| Total revenues                        | 15,962,974                 | 20,638,849    | 9,687,326                   | 9,898,124      | 25,650,300     | 30,536,973     |
| Expenses:                             |                            |               |                             |                |                |                |
| General government                    | 1,988,288                  | 1,595,237     | -                           | -              | 1,988,288      | 1,595,237      |
| Community development                 | 603,154                    | 848,690       | -                           | -              | 603,154        | 848,690        |
| Public safety                         | 2,896,692                  | 2,168,666     | -                           | -              | 2,896,692      | 2,168,666      |
| Public works                          | 3,107,234                  | 2,420,134     | -                           | -              | 3,107,234      | 2,420,134      |
| Parks and recreation                  | 1,622,926                  | 1,146,071     | -                           | -              | 1,622,926      | 1,146,071      |
| Water                                 | -                          | -             | 2,428,410                   | 2,361,491      | 2,428,410      | 2,361,491      |
| Wastewater                            | -                          | -             | 1,634,731                   | 1,633,940      | 1,634,731      | 1,633,940      |
| Stormwater                            | -                          | -             | 400,062                     | 443,653        | 400,062        | 443,653        |
| Loss (gain) on disposal and transfers | 267                        | 162,387       | 3,750                       | 123,690        | 4,017          | 286,077        |
| Total expenses                        | 10,218,561                 | 8,341,185     | 4,466,953                   | 4,562,774      | 14,685,514     | 12,903,959     |
| Change in net position                | 5,744,413                  | 12,297,664    | 5,220,373                   | 5,335,350      | 10,964,786     | 17,633,014     |
| Net position, January 1,              | 76,375,352                 | 64,077,688    | 116,214,697                 | 110,879,347    | 192,590,049    | 174,957,035    |
| Net position, December 31,            | \$ 82,119,765              | \$ 76,375,352 | \$ 121,435,070              | \$ 116,214,697 | \$ 203,554,835 | \$ 192,590,049 |

**Financial Analysis of the Town's Funds**

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

*Governmental Funds* – The focus of the Town's governmental funds is to provide information on near-term inflows, outflows, and balance of spendable resources. Such information is useful in assessing the Town's financing requirements. In particular, unrestricted fund balance may serve as a useful measure of a government's net resources available for spending at the end of the year.

*General Fund* – The General Fund balance increased by \$1,553,720 for an ending balance of \$24,563,003 as of December 31, 2025. Total revenues decreased \$2,656,630, which was due to a decrease in federal funding and a significant decrease in building permits and related fees. Total expenditures decreased by \$1,183,619 which was primarily driven by a decrease in capital outlay costs and was offset by an increase in personnel costs and public safety costs. During the year

TOWN OF SEVERANCE  
MANAGEMENT'S DISCUSSION AND ANALYSIS

ended December 31, 2025, the General Fund had net transfers of \$579,832 and proceeds on sale of capital assets in the amount of \$725,000.

*Transportation Fund* – The Transportation Fund balance increased by \$206,266 for an ending balance of \$4,167,596 as of December 31, 2025. Total revenues decreased by \$85,353, which was due to a decrease in impact fees when compared to the prior year.

Total expenditures increased by \$549,359, which is a result of a significant increase in capital outlay when compared to the prior year. During the year ended December 31, 2025, the Transportation Fund had transfers out of \$391,523.

For the year ending December 31, 2025, the General and Transportation Funds are the only major governmental funds. See the combining schedules on pages 47 and 48 for a breakout of the non-major governmental funds.

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

*Water Fund* – The Water Fund net position increased by \$2,965,083 for an ending balance of \$78,025,746. This increase is primarily due to an increase in plant investment fees of \$888,897 and water utility charges. Net position is made up of a combination of restricted cash and investments and capital assets.

*Wastewater Fund* – The Wastewater Fund net position increased by \$2,032,699 for an ending balance of \$32,682,948. This increase is primarily due to plant investment fees and wastewater impact fees. Net position is made up of a combination of restricted cash and investments and capital assets.

*Stormwater Fund* – Net position increased by \$222,591 for an ending balance of \$10,726,376. This increase is a result of a decrease in transfers to other funds and a decrease in overhead expenses when compared to the prior year. Net position is made up of a combination of restricted cash and investments and capital assets.

Capital Assets

Approximately 38% of the Town's capital assets support governmental activities. The majority of the value is invested in land and infrastructure at December 31, 2025. The Town's business-type activities capital assets consist of its investments in water rights, utility systems and related equipment. During 2024, the Town continued its participation in the NISP project.

TOWN OF SEVERANCE  
MANAGEMENT'S DISCUSSION AND ANALYSIS

See below for a breakout of the Town's capital assets as of December 31, 2025 when compared to the prior year. See Note 4 for additional information.

|                            | Governmental<br>Activities |                      | Business-Type<br>Activities |                      | Total                 |                       |
|----------------------------|----------------------------|----------------------|-----------------------------|----------------------|-----------------------|-----------------------|
|                            | 2025                       | 2024                 | 2025                        | 2024                 | 2025                  | 2024                  |
| Land and improvements      | \$ 1,063,771               | \$ 1,645,622         | \$ 294,759                  | \$ 294,759           | \$ 1,358,530          | \$ 1,940,381          |
| Construction in progress   | 838,385                    | 3,851,392            | 225,032                     | 6,123,705            | 1,063,417             | 9,975,097             |
| Infrastructure             | 39,131,467                 | 36,631,508           | -                           | -                    | 39,131,467            | 36,631,508            |
| Buildings                  | 7,241,741                  | 3,245,238            | 1,340,404                   | 1,404,606            | 8,582,145             | 4,649,844             |
| Vehicles                   | 1,164,258                  | 1,237,457            | -                           | -                    | 1,164,258             | 1,237,457             |
| Equipment                  | 1,034,710                  | 642,596              | 120,235                     | 153,919              | 1,154,945             | 796,515               |
| Water rights               | -                          | -                    | 35,151,374                  | 35,151,374           | 35,151,374            | 35,151,374            |
| NISP CIP                   | -                          | -                    | 2,448,677                   | 2,031,177            | 2,448,677             | 2,031,177             |
| North Weld County capacity | -                          | -                    | 4,880,333                   | 4,880,333            | 4,880,333             | 4,880,333             |
| Water system               | -                          | -                    | 14,525,589                  | 8,803,019            | 14,525,589            | 8,803,019             |
| Wastewater System          | -                          | -                    | 15,693,398                  | 15,308,154           | 15,693,398            | 15,308,154            |
| Stormwater system          | -                          | -                    | 8,645,157                   | 8,749,067            | 8,645,157             | 8,749,067             |
|                            | <u>\$ 50,474,332</u>       | <u>\$ 47,253,813</u> | <u>\$ 83,324,958</u>        | <u>\$ 82,900,113</u> | <u>\$ 133,799,290</u> | <u>\$ 130,153,926</u> |

Long-Term Liabilities

The Town's governmental and business-type activities long-term liabilities consist of accrued compensated absences payable. See below for a breakout of the Town's long-term debt as of December 31, 2025 when compared to the prior year. See Note 5 for additional information.

|                      | Governmental<br>Activities |                   | Business-Type<br>Activities |                  | Total             |                   |
|----------------------|----------------------------|-------------------|-----------------------------|------------------|-------------------|-------------------|
|                      | 2025                       | 2024              | 2025                        | 2024             | 2025              | 2024              |
| Compensated absences | \$ 245,037                 | \$ 129,905        | \$ 59,446                   | \$ 32,972        | \$ 304,483        | \$ 162,877        |
|                      | <u>\$ 245,037</u>          | <u>\$ 129,905</u> | <u>\$ 59,446</u>            | <u>\$ 32,972</u> | <u>\$ 304,483</u> | <u>\$ 162,877</u> |

Fiscal Outlook

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

TOWN OF SEVERANCE  
MANAGEMENT'S DISCUSSION AND ANALYSIS

Request for Information

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

## BASIC FINANCIAL STATEMENTS

**TOWN OF SEVERANCE**  
**STATEMENT OF NET POSITION**  
**DECEMBER 31, 2025**

|                                              | Governmental<br>Activities | Business-Type<br>Activities | Total                 |
|----------------------------------------------|----------------------------|-----------------------------|-----------------------|
| <b><u>Assets</u></b>                         |                            |                             |                       |
| Cash and cash equivalents                    | \$ 24,126,223              | \$ 15,598,034               | \$ 39,724,257         |
| Cash and cash equivalents - restricted       | 7,317,388                  | 22,091,676                  | 29,409,064            |
| Property tax receivable                      | 2,136,542                  | -                           | 2,136,542             |
| Accounts receivable                          | 277,481                    | -                           | 277,481               |
| Utility receivable                           | -                          | 387,179                     | 387,179               |
| Due from other governments                   | 728,428                    | -                           | 728,428               |
| Other receivables                            | -                          | 111,749                     | 111,749               |
| Inventory                                    | 10,168                     | 50,508                      | 60,676                |
| Prepaid items                                | 50,372                     | -                           | 50,372                |
| Capital assets, not depreciated              | 1,902,156                  | 43,000,175                  | 44,902,331            |
| Capital assets, net of depreciation          | 48,572,176                 | 40,324,783                  | 88,896,959            |
| Total assets                                 | <u>85,120,934</u>          | <u>121,564,104</u>          | <u>206,685,038</u>    |
| <b><u>Deferred Outflows of Resources</u></b> |                            |                             |                       |
| Related to pension                           | 353,826                    | -                           | 353,826               |
| Total deferred outflows of resources         | <u>353,826</u>             | <u>-</u>                    | <u>353,826</u>        |
| <b><u>Liabilities</u></b>                    |                            |                             |                       |
| Accounts payable                             | 488,968                    | 62,588                      | 551,556               |
| Retainage payable                            | 53,927                     | -                           | 53,927                |
| Accrued liabilities                          | 254,263                    | -                           | 254,263               |
| Deposits                                     | 66,936                     | 7,000                       | 73,936                |
| Due within one year                          | 245,037                    | 59,446                      | 304,483               |
| Total liabilities                            | <u>1,109,131</u>           | <u>129,034</u>              | <u>1,238,165</u>      |
| <b><u>Deferred Inflows of Resources</u></b>  |                            |                             |                       |
| Unavailable property taxes                   | 2,136,542                  | -                           | 2,136,542             |
| Related to pension                           | 109,322                    | -                           | 109,322               |
| Total deferred inflows of resources          | <u>2,245,864</u>           | <u>-</u>                    | <u>2,245,864</u>      |
| <b><u>Net Position</u></b>                   |                            |                             |                       |
| Net investment in capital assets             | 50,420,405                 | 83,324,958                  | 133,745,363           |
| Restricted                                   |                            |                             |                       |
| Emergency reserves                           | 340,000                    | -                           | 340,000               |
| Capital projects                             | 1,055,415                  | -                           | 1,055,415             |
| Street projects                              | 4,167,596                  | -                           | 4,167,596             |
| Park projects                                | 599,408                    | -                           | 599,408               |
| Public facilities                            | 644,039                    | -                           | 644,039               |
| Public safety                                | 409,302                    | -                           | 409,302               |
| Conservation trust                           | 477,453                    | -                           | 477,453               |
| System capacity and improvements             | -                          | 22,084,676                  | 22,084,676            |
| Unrestricted                                 | 24,006,147                 | 16,025,436                  | 40,031,583            |
| Total net position                           | <u>\$ 82,119,765</u>       | <u>\$ 121,435,070</u>       | <u>\$ 203,554,835</u> |

See accompanying Note to Financial Statements

**TOWN OF SEVERANCE**  
**STATEMENT OF ACTIVITIES**  
**YEAR ENDED DECEMBER 31, 2025**

| Functions/Programs                      | Program Revenues |                         |                                       |                                     | Net (Expense) Revenue and<br>Changes in Net Position |                             |                |
|-----------------------------------------|------------------|-------------------------|---------------------------------------|-------------------------------------|------------------------------------------------------|-----------------------------|----------------|
|                                         | Expenses         | Charges for<br>Services | Operating Grants<br>and Contributions | Capital Grants and<br>Contributions | Governmental<br>Activities                           | Business-Type<br>Activities | Total          |
| Primary government:                     |                  |                         |                                       |                                     |                                                      |                             |                |
| Governmental Activities:                |                  |                         |                                       |                                     |                                                      |                             |                |
| General government                      | \$ 1,988,288     | \$ 353,042              | \$ 161,881                            | \$ -                                | \$ (1,473,365)                                       | \$ -                        | \$ (1,473,365) |
| Community development                   | 603,154          | 421,335                 | -                                     | -                                   | (181,819)                                            | -                           | (181,819)      |
| Public safety                           | 2,896,692        | 97,750                  | -                                     | 138,816                             | (2,660,126)                                          | -                           | (2,660,126)    |
| Public works                            | 3,107,234        | -                       | 477,439                               | 2,576,543                           | (53,252)                                             | -                           | (53,252)       |
| Parks and recreation                    | 1,622,926        | -                       | 211,724                               | 73,854                              | (1,337,348)                                          | -                           | (1,337,348)    |
| Loss on disposal and transfer of assets | 267              | -                       | -                                     | -                                   | (267)                                                | (3,750)                     | (4,017)        |
| Acceptance of assets                    | -                | -                       | -                                     | 1,486,393                           | 1,486,393                                            | -                           | 1,486,393      |
| Total governmental activities           | 10,218,561       | 872,127                 | 851,044                               | 4,275,606                           | (4,219,784)                                          | (3,750)                     | (4,223,534)    |
| Business-Type Activities:               |                  |                         |                                       |                                     |                                                      |                             |                |
| Water                                   | 2,428,410        | 3,026,110               | -                                     | 1,609,709                           | -                                                    | 2,207,409                   | 2,207,409      |
| Wastewater                              | 1,634,731        | 1,668,892               | -                                     | 1,293,709                           | -                                                    | 1,327,870                   | 1,327,870      |
| Stormwater                              | 400,062          | 307,013                 | -                                     | 232,706                             | -                                                    | 139,657                     | 139,657        |
| Total business-type activities          | 4,463,203        | 5,002,015               | -                                     | 3,136,124                           | -                                                    | 3,674,936                   | 3,674,936      |
| Total primary government                | 14,681,764       | 5,874,142               | 851,044                               | 7,411,730                           | (4,219,784)                                          | 3,671,186                   | (548,598)      |
| GENERAL REVENUES:                       |                  |                         |                                       |                                     |                                                      |                             |                |
| Taxes                                   |                  |                         |                                       |                                     |                                                      |                             |                |
| General property                        |                  |                         |                                       |                                     | 2,077,860                                            | -                           | 2,077,860      |
| Specific ownership taxes                |                  |                         |                                       |                                     | 84,167                                               | -                           | 84,167         |
| Sales                                   |                  |                         |                                       |                                     | 2,515,646                                            | -                           | 2,515,646      |
| Use                                     |                  |                         |                                       |                                     | 2,446,890                                            | -                           | 2,446,890      |
| Franchise                               |                  |                         |                                       |                                     | 229,573                                              | -                           | 229,573        |
| Investment earnings                     |                  |                         |                                       |                                     | 1,581,625                                            | 1,695,140                   | 3,276,765      |
| Other revenues                          |                  |                         |                                       |                                     | 739,334                                              | -                           | 739,334        |
| Gain on sale of asset                   |                  |                         |                                       |                                     | 143,149                                              | -                           | 143,149        |
| Internal balances                       |                  |                         |                                       |                                     | 145,953                                              | (145,953)                   | -              |
| Total general revenues                  |                  |                         |                                       |                                     | 9,964,197                                            | 1,549,187                   | 11,513,384     |
| Changes in net position                 |                  |                         |                                       |                                     | 5,744,413                                            | 5,220,373                   | 10,964,786     |
| Net position - beginning                |                  |                         |                                       |                                     | 76,375,352                                           | 116,214,697                 | 192,590,049    |
| Net position - ending                   |                  |                         |                                       |                                     | \$ 82,119,765                                        | \$ 121,435,070              | \$ 203,554,835 |

See accompanying Note to Financial Statements

TOWN OF SEVERANCE  
BALANCE SHEET – GOVERNMENTAL FUNDS  
DECEMBER 31, 2025

|                                                                        | General<br>Fund      | Transportation<br>Fund | Other<br>Governmental<br>Funds | Total<br>Governmental<br>Funds |
|------------------------------------------------------------------------|----------------------|------------------------|--------------------------------|--------------------------------|
| <u>Assets</u>                                                          |                      |                        |                                |                                |
| Cash and investments                                                   | \$ 24,126,223        | \$ -                   | \$ -                           | \$ 24,126,223                  |
| Cash and investments - restricted                                      | 378,209              | 4,131,771              | 2,130,202                      | 6,640,182                      |
| Property taxes receivable                                              | 2,136,542            | -                      | -                              | 2,136,542                      |
| Accounts receivable                                                    | 209,849              | 67,632                 | -                              | 277,481                        |
| Inventory                                                              | 10,168               | -                      | -                              | 10,168                         |
| Prepaid items                                                          | 50,372               | -                      | -                              | 50,372                         |
| Due from other governments                                             | 728,428              | -                      | -                              | 728,428                        |
| Total assets                                                           | <u>\$ 27,639,791</u> | <u>\$ 4,199,403</u>    | <u>\$ 2,130,202</u>            | <u>\$ 33,969,396</u>           |
| <u>Liabilities, deferred inflows of resources<br/>and fund balance</u> |                      |                        |                                |                                |
| <u>Liabilities:</u>                                                    |                      |                        |                                |                                |
| Accounts payable                                                       | \$ 457,161           | \$ 31,807              | \$ -                           | \$ 488,968                     |
| Retainage payable                                                      | 53,927               | -                      | -                              | 53,927                         |
| Accrued liabilities                                                    | 254,263              | -                      | -                              | 254,263                        |
| Deposits                                                               | 66,936               | -                      | -                              | 66,936                         |
| Total liabilities                                                      | <u>832,287</u>       | <u>31,807</u>          | <u>-</u>                       | <u>864,094</u>                 |
| <u>Deferred inflows of resources</u>                                   |                      |                        |                                |                                |
| Unavailable property taxes                                             | 2,136,542            | -                      | -                              | 2,136,542                      |
| Other unavailable revenues                                             | 107,959              | -                      | -                              | 107,959                        |
| Total deferred inflows of resources                                    | <u>2,244,501</u>     | <u>-</u>               | <u>-</u>                       | <u>2,244,501</u>               |
| <u>Fund balance:</u>                                                   |                      |                        |                                |                                |
| Nonspendable                                                           |                      |                        |                                |                                |
| Prepaid items                                                          | 50,372               | -                      | -                              | 50,372                         |
| Inventory                                                              | 10,168               | -                      | -                              | 10,168                         |
| Restricted                                                             |                      |                        |                                |                                |
| Emergencies                                                            | 340,000              | -                      | -                              | 340,000                        |
| Capital projects                                                       | 378,209              | -                      | -                              | 378,209                        |
| Street projects                                                        | -                    | 4,167,596              | -                              | 4,167,596                      |
| Park projects                                                          | -                    | -                      | 599,408                        | 599,408                        |
| Public facilities                                                      | -                    | -                      | 644,039                        | 644,039                        |
| Public safety                                                          | -                    | -                      | 409,302                        | 409,302                        |
| Conservation trust                                                     | -                    | -                      | 477,453                        | 477,453                        |
| Assigned                                                               |                      |                        |                                |                                |
| Subsequent year budget                                                 | 10,857,290           | -                      | -                              | 10,857,290                     |
| Unassigned                                                             |                      |                        |                                |                                |
|                                                                        | <u>12,926,964</u>    | <u>-</u>               | <u>-</u>                       | <u>12,926,964</u>              |
| Total fund balances                                                    | <u>24,563,003</u>    | <u>4,167,596</u>       | <u>2,130,202</u>               | <u>30,860,801</u>              |
| Total liabilities, deferred inflows of<br>resources and fund balances  | <u>\$ 27,639,791</u> | <u>\$ 4,199,403</u>    | <u>\$ 2,130,202</u>            | <u>\$ 33,969,396</u>           |

See accompanying Note to Financial Statements

TOWN OF SEVERANCE  
RECONCILIATION OF THE GOVERNMENTAL FUNDS BALANCE  
SHEET TO THE STATEMENT OF NET POSITION  
DECEMBER 31, 2025

|                                        |    |            |
|----------------------------------------|----|------------|
| Total fund balance, governmental funds | \$ | 30,860,801 |
|----------------------------------------|----|------------|

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

|                                                                                                                                        |  |            |
|----------------------------------------------------------------------------------------------------------------------------------------|--|------------|
| Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the governmental funds. |  | 50,474,332 |
|----------------------------------------------------------------------------------------------------------------------------------------|--|------------|

Deferred outflows and inflows of resources represent an acquisition or consumption of net position that applies to future periods and, therefore, are not reported in the funds.

|                                      |  |           |
|--------------------------------------|--|-----------|
| Deferred outflows related to pension |  | 353,826   |
| Deferred inflows related to pension  |  | (109,322) |
| Unavailable revenues                 |  | 107,959   |

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

|                      |  |           |
|----------------------|--|-----------|
| Compensated absences |  | (245,037) |
|----------------------|--|-----------|

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

|  |  |         |
|--|--|---------|
|  |  | 677,206 |
|--|--|---------|

|                                               |    |                                                                                                                                      |
|-----------------------------------------------|----|--------------------------------------------------------------------------------------------------------------------------------------|
| Total net position of governmental activities | \$ | <div style="border-top: 1px solid black; border-bottom: 3px double black; display: inline-block; padding: 2px 5px;">82,119,765</div> |
|-----------------------------------------------|----|--------------------------------------------------------------------------------------------------------------------------------------|

*See accompanying Note to Financial Statements*

TOWN OF SEVERANCE  
STATEMENT OF REVENUES, EXPENDITURES, AND  
CHANGES IN FUND BALANCES – GOVERNMENTAL FUNDS  
YEAR ENDED DECEMBER 31, 2025

|                                                              | General<br>Fund      | Transportation<br>Fund | Other<br>Governmental<br>Funds | Total<br>Governmental<br>Funds |
|--------------------------------------------------------------|----------------------|------------------------|--------------------------------|--------------------------------|
| <u>Revenues</u>                                              |                      |                        |                                |                                |
| Taxes                                                        | \$ 7,354,136         | \$ -                   | \$ -                           | \$ 7,354,136                   |
| Intergovernmental                                            | 2,102,809            | -                      | 133,642                        | 2,236,451                      |
| Licenses and permits                                         | 530,987              | -                      | -                              | 530,987                        |
| Fines and forfeitures                                        | 97,750               | -                      | -                              | 97,750                         |
| Charges for services                                         | 243,390              | -                      | -                              | 243,390                        |
| Impact fees                                                  | -                    | 1,224,205              | 465,543                        | 1,689,748                      |
| Investment earnings                                          | 1,256,760            | 203,981                | 91,431                         | 1,552,172                      |
| Other revenue                                                | 243,493              | 156                    | -                              | 243,649                        |
| Total revenues                                               | <u>11,829,325</u>    | <u>1,428,342</u>       | <u>690,616</u>                 | <u>13,948,283</u>              |
| <u>Expenditures</u>                                          |                      |                        |                                |                                |
| Current:                                                     |                      |                        |                                |                                |
| General government                                           | 1,800,790            | -                      | -                              | 1,800,790                      |
| Community development                                        | 595,954              | -                      | -                              | 595,954                        |
| Public safety                                                | 2,536,418            | -                      | -                              | 2,536,418                      |
| Public works                                                 | 945,942              | -                      | -                              | 945,942                        |
| Parks, recreation and other                                  | 495,901              | -                      | -                              | 495,901                        |
| Capital outlay                                               | 5,205,432            | 830,823                | -                              | 6,036,255                      |
| Total expenditures                                           | <u>11,580,437</u>    | <u>830,823</u>         | <u>-</u>                       | <u>12,411,260</u>              |
| Excess (deficiency) of revenues<br>over (under) expenditures | 248,888              | 597,519                | 690,616                        | 1,537,023                      |
| <u>Other financing sources (uses)</u>                        |                      |                        |                                |                                |
| Proceeds from sale of capital assets                         | 725,000              | -                      | -                              | 725,000                        |
| Transfers in                                                 | 579,832              | -                      | -                              | 579,832                        |
| Transfers out                                                | -                    | (391,253)              | (42,626)                       | (433,879)                      |
| Total other financing sources (uses)                         | <u>1,304,832</u>     | <u>(391,253)</u>       | <u>(42,626)</u>                | <u>870,953</u>                 |
| Net changes in fund balances                                 | 1,553,720            | 206,266                | 647,990                        | 2,407,976                      |
| Fund balances - beginning of year                            | <u>23,009,283</u>    | <u>3,961,330</u>       | <u>1,482,212</u>               | <u>28,452,825</u>              |
| Fund balances - end of year                                  | <u>\$ 24,563,003</u> | <u>\$ 4,167,596</u>    | <u>\$ 2,130,202</u>            | <u>\$ 30,860,801</u>           |

See accompanying Note to Financial Statements

TOWN OF SEVERANCE  
RECONCILIATION OF THE GOVERNMENTAL FUNDS STATEMENT  
OF REVENUE, EXPENDITURES, AND CHANGES IN FUND BALANCE  
TO THE STATEMENT OF ACTIVITIES  
YEAR ENDED DECEMBER 31, 2025

Net changes in fund balance - total governmental funds: \$ 2,407,976

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

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

|                                         |             |
|-----------------------------------------|-------------|
| Capital outlay                          | 5,468,580   |
| Acceptance of assets                    | 1,486,393   |
| Sale of assets                          | (581,851)   |
| Depreciation expense                    | (3,152,336) |
| Loss on disposal and transfer of assets | (267)       |

Revenues in the statement of activities that do not provide current  
financial resources are not reported as revenues in governmental funds

|                               |         |
|-------------------------------|---------|
| Change in unavailable revenue | 104,718 |
|-------------------------------|---------|

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

|                                        |           |
|----------------------------------------|-----------|
| Change in accrued compensated absences | (115,132) |
| Pension expense                        | (8,146)   |

The Town's internal service fund is used by management to charge costs  
related to fleet acquisition to individual funds. The net revenue of the  
internal service fund is reported in governmental activities

|         |
|---------|
| 134,478 |
|---------|

|                                                   |              |
|---------------------------------------------------|--------------|
| Change in net position of governmental activities | \$ 5,744,413 |
|---------------------------------------------------|--------------|

*See accompanying Note to Financial Statements*

**TOWN OF SEVERANCE**  
**STATEMENT OF NET POSITION**  
**PROPRIETARY FUNDS**  
**DECEMBER 31, 2025**

|                                       | Business-Type Activities |                 |                 |                | Governmental Activities   |
|---------------------------------------|--------------------------|-----------------|-----------------|----------------|---------------------------|
|                                       | Water Fund               | Wastewater Fund | Stormwater Fund | Total          | Internal Service Fund (1) |
| <b>Assets</b>                         |                          |                 |                 |                |                           |
| Current assets:                       |                          |                 |                 |                |                           |
| Cash and investments                  | \$ 10,870,346            | \$ 4,067,369    | \$ 660,319      | \$ 15,598,034  | \$ -                      |
| Cash and investments - restricted     | 8,593,504                | 12,159,198      | 1,338,974       | 22,091,676     | 677,206                   |
| Utility receivable                    | 217,456                  | 142,723         | 27,000          | 387,179        | -                         |
| Other receivable                      | 150                      | 111,585         | 14              | 111,749        | -                         |
| Inventory                             | 50,508                   | -               | -               | 50,508         | -                         |
| Total current assets                  | 19,731,964               | 16,480,875      | 2,026,307       | 38,239,146     | 677,206                   |
| Noncurrent assets:                    |                          |                 |                 |                |                           |
| Capital assets, not being depreciated | 43,000,175               | -               | -               | 43,000,175     | -                         |
| Capital assets, net of depreciation   | 15,361,627               | 16,260,529      | 8,702,627       | 40,324,783     | -                         |
| Total noncurrent assets               | 58,361,802               | 16,260,529      | 8,702,627       | 83,324,958     | -                         |
| Total assets                          | 78,093,766               | 32,741,404      | 10,728,934      | 121,564,104    | 677,206                   |
| <b>Liabilities</b>                    |                          |                 |                 |                |                           |
| Current liabilities:                  |                          |                 |                 |                |                           |
| Accounts payable                      | 30,934                   | 31,633          | 21              | 62,588         | -                         |
| Customer deposits                     | 7,000                    | -               | -               | 7,000          | -                         |
| Compensated absences, current         | 30,086                   | 26,823          | 2,537           | 59,446         | -                         |
| Total liabilities                     | 68,020                   | 58,456          | 2,558           | 129,034        | -                         |
| <b>Net Position</b>                   |                          |                 |                 |                |                           |
| Net investment in capital assets      | 58,361,802               | 16,260,529      | 8,702,627       | 83,324,958     | -                         |
| Restricted                            | 8,586,504                | 12,159,198      | 1,338,974       | 22,084,676     | 677,206                   |
| Unrestricted                          | 11,077,440               | 4,263,221       | 684,775         | 16,025,436     | -                         |
| Total net position                    | \$ 78,025,746            | \$ 32,682,948   | \$ 10,726,376   | \$ 121,435,070 | \$ 677,206                |

(1) Fleet Fund

See accompanying Note to Financial Statements

**TOWN OF SEVERANCE**  
**STATEMENT OF REVENUES, EXPENSES, AND**  
**CHANGES IN NET POSITION**  
**PROPRIETARY FUNDS**  
**YEAR ENDED DECEMBER 31, 2025**

|                                                            | Business-Type Activities |                      |                      |                       | Governmental<br>Activities   |
|------------------------------------------------------------|--------------------------|----------------------|----------------------|-----------------------|------------------------------|
|                                                            | Water<br>Fund            | Wastewater<br>Fund   | Stormwater<br>Fund   | Total                 | Internal<br>Service Fund (1) |
| Operating revenues                                         |                          |                      |                      |                       |                              |
| Utility charges                                            | \$ 2,995,116             | \$ 1,667,700         | \$ 306,879           | \$ 4,969,695          | \$ -                         |
| Other charges for services                                 | 30,994                   | 1,192                | 134                  | 32,320                | -                            |
| Fleet replacement revenue                                  | -                        | -                    | -                    | -                     | 105,025                      |
| Total operating revenues                                   | <u>3,026,110</u>         | <u>1,668,892</u>     | <u>307,013</u>       | <u>5,002,015</u>      | <u>105,025</u>               |
| Operating expenses                                         |                          |                      |                      |                       |                              |
| Personnel services                                         | 481,004                  | 426,584              | 46,849               | 954,437               | -                            |
| Operating supplies                                         | 57,347                   | 38,309               | 812                  | 96,468                | -                            |
| Professional fees                                          | 67,492                   | 35,552               | -                    | 103,044               | -                            |
| Repairs and maintenance                                    | 54,129                   | 49,615               | 4,414                | 108,158               | -                            |
| Treatment                                                  | 1,092,924                | 322,803              | -                    | 1,415,727             | -                            |
| Telephone and utilities                                    | 26,657                   | 56,812               | 782                  | 84,251                | -                            |
| Other operating expenses                                   | 211,873                  | 88,131               | 2,543                | 302,547               | -                            |
| Depreciation                                               | 436,984                  | 616,925              | 344,662              | 1,398,571             | -                            |
| Total operating expenses                                   | <u>2,428,410</u>         | <u>1,634,731</u>     | <u>400,062</u>       | <u>4,463,203</u>      | <u>-</u>                     |
| Operating income (loss)                                    | 597,700                  | 34,161               | (93,049)             | 538,812               | 105,025                      |
| Nonoperating revenues                                      |                          |                      |                      |                       |                              |
| Investment earnings                                        | 876,964                  | 729,708              | 88,468               | 1,695,140             | 29,453                       |
| Loss on disposal of capital assets                         | (1,875)                  | (1,875)              | -                    | (3,750)               | -                            |
| Total non-operating revenues                               | <u>875,089</u>           | <u>727,833</u>       | <u>88,468</u>        | <u>1,691,390</u>      | <u>29,453</u>                |
| Income (loss) before interfund transfers and contributions | 1,472,789                | 761,994              | (4,581)              | 2,230,202             | 134,478                      |
| Capital contributions                                      |                          |                      |                      |                       |                              |
| Plant investment fees                                      | 1,214,962                | 842,918              | -                    | 2,057,880             | -                            |
| Dedicated assets                                           | 394,747                  | 450,791              | 232,706              | 1,078,244             | -                            |
| Transfers out                                              | (117,415)                | (23,004)             | (5,534)              | (145,953)             | -                            |
| Total capital contributions and transfers                  | <u>1,492,294</u>         | <u>1,270,705</u>     | <u>227,172</u>       | <u>2,990,171</u>      | <u>-</u>                     |
| Change in net position                                     | 2,965,083                | 2,032,699            | 222,591              | 5,220,373             | 134,478                      |
| Net position, beginning of year                            | <u>75,060,663</u>        | <u>30,650,249</u>    | <u>10,503,785</u>    | <u>116,214,697</u>    | <u>542,728</u>               |
| Net position, end of year                                  | <u>\$ 78,025,746</u>     | <u>\$ 32,682,948</u> | <u>\$ 10,726,376</u> | <u>\$ 121,435,070</u> | <u>\$ 677,206</u>            |

(1) Fleet Fund

See accompanying Note to Financial Statements

**TOWN OF SEVERANCE**  
**STATEMENT OF CASH FLOWS**  
**PROPRIETARY FUNDS**  
**YEAR ENDED DECEMBER 31, 2025**

|                                                                                        | Business-Type Activities |               |              |               | Governmental<br>Activities |
|----------------------------------------------------------------------------------------|--------------------------|---------------|--------------|---------------|----------------------------|
|                                                                                        | Water                    | Wastewater    | Stormwater   |               | Internal                   |
|                                                                                        | Fund                     | Fund          | Fund         | Total         | Service Fund (1)           |
| Cash Flows From Operating Activities                                                   |                          |               |              |               |                            |
| Cash received from customers                                                           | \$ 2,969,251             | \$ 1,650,644  | \$ 303,788   | \$ 4,923,683  | \$ -                       |
| Cash paid to suppliers                                                                 | (1,613,775)              | (599,082)     | (8,558)      | (2,221,415)   | -                          |
| Cash paid to employees                                                                 | (467,007)                | (413,665)     | (47,291)     | (927,963)     | -                          |
| Other operating receipts                                                               | 31,837                   | 1,147         | 124          | 33,108        | -                          |
| Net cash provided by operating activities                                              | 920,306                  | 639,044       | 248,063      | 1,807,413     | -                          |
| Cash Flows From Capital and Related Financing Activities                               |                          |               |              |               |                            |
| Acquisition of capital assets                                                          | (843,337)                | (165,254)     | -            | (1,008,591)   | -                          |
| Tap fees received                                                                      | 1,214,962                | 842,918       | -            | 2,057,880     | -                          |
| Fleet replacement revenue                                                              | -                        | -             | -            | -             | 105,025                    |
| Net cash provided (used) by capital and related financing activities                   | 371,625                  | 677,664       | -            | 1,049,289     | 105,025                    |
| Cash Flows From Noncapital Financing Activities                                        |                          |               |              |               |                            |
| Transfers to/from other funds                                                          | (117,415)                | (23,004)      | (5,534)      | (145,953)     | -                          |
| Net cash provided (used) by noncapital financing activities                            | (117,415)                | (23,004)      | (5,534)      | (145,953)     | -                          |
| Cash Flows From Investing Activities                                                   |                          |               |              |               |                            |
| Investment earnings                                                                    | 876,964                  | 729,708       | 88,470       | 1,695,142     | 29,453                     |
| Net cash provided by investing activities                                              | 876,964                  | 729,708       | 88,470       | 1,695,142     | 29,453                     |
| Net change in cash and cash equivalents                                                | 2,051,480                | 2,023,412     | 330,999      | 4,405,891     | 134,478                    |
| Cash and cash equivalents and restricted cash, beginning of year                       | 17,412,370               | 14,203,155    | 1,668,294    | 33,283,819    | 542,728                    |
| Cash and cash equivalents and restricted cash, end of year                             | \$ 19,463,850            | \$ 16,226,567 | \$ 1,999,293 | \$ 37,689,710 | \$ 677,206                 |
| Reconciliation of Net Operating Income to Net Cash Provided by Operating Activities    |                          |               |              |               |                            |
| Net operating income                                                                   | \$ 597,700               | \$ 34,161     | \$ (93,049)  | \$ 538,812    | \$ -                       |
| Adjustments to reconcile net operating income to cash provided by operating activities |                          |               |              |               |                            |
| Depreciation expense                                                                   | 436,984                  | 616,925       | 344,662      | 1,398,571     | -                          |
| Changes in assets and liabilities related to operations                                |                          |               |              |               |                            |
| (Increase) Decrease in:                                                                |                          |               |              |               |                            |
| Accounts receivable                                                                    | (28,522)                 | (17,101)      | (3,101)      | (48,724)      | -                          |
| Inventory                                                                              | 15,857                   | -             | -            | 15,857        | -                          |
| Increase (Decrease) in:                                                                |                          |               |              |               |                            |
| Accounts payable                                                                       | (119,210)                | (7,860)       | (7)          | (127,077)     | -                          |
| Deposits                                                                               | 3,500                    | -             | -            | 3,500         | -                          |
| Compensated absences payable                                                           | 13,997                   | 12,919        | (442)        | 26,474        | -                          |
| Net cash provided by operating activities                                              | \$ 920,306               | \$ 639,044    | \$ 248,063   | \$ 1,807,413  | \$ -                       |

See accompanying Note to Financial Statements

TOWN OF SEVERANCE  
NOTES TO THE FINANCIAL STATEMENTS  
DECEMBER 31, 2025

NOTE 1 – DEFINITION OF THE REPORTING ENTITY

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

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

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

Joint Ventures

The Town may participate in joint ventures created for special purposes which are not part of the Town's reporting entity. The following is a description of the only joint venture in which the Town participated in during the year ended December 31, 2025.

The E911 Emergency Telephone Service Authority Board (E911 Authority) was created by intergovernmental agreements pursuant to Article 11 of Title 29, C.R.S., as amended, and it authorizes the county, municipalities with the county, and special districts within the county to enter into an agreement for the purpose of providing 911 emergency telephone services. Per the state statute cited above, the agreement creates a separate legal entity which is responsible for administering the operations of the 911 emergency telephone service program in Weld County. The authority board consists of seven members with four selected by the Weld County Commissioners, and one member each is selected by the City of Greeley, City of Fort Lupton, and Weld County Sheriff. Under the bylaws of the E911 Authority, Weld County is required to pay all operating costs. State statute requires that all funds be maintained by the Weld County Treasurer. The operation of the E911 Authority is done contractually by the Weld County Communication Regional Center.

TOWN OF SEVERANCE  
NOTES TO THE FINANCIAL STATEMENTS  
DECEMBER 31, 2025

NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The financial statements are prepared for the E911 Authority by Weld County in conformity with generally accepted accounting principles (GAAP) as applied to a government unit. The E911 Authority's financial reports are a component unit in the Weld County Comprehensive Annual Financial Report (CAFR). Financial statements of this joint venture are available at [www.weldgov.com/departments/accounting/cafr](http://www.weldgov.com/departments/accounting/cafr).

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

Government-Wide and Fund Financial Statements

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

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

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

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

Measurement Focus, Basis of Accounting and Financial Statement Presentation

The government-wide financial statements are reported using the economic resources measurement focus and the accrual basis of accounting.

TOWN OF SEVERANCE  
NOTES TO THE FINANCIAL STATEMENTS  
DECEMBER 31, 2025

NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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

Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of the related cash flows. Grants and similar items are recognized as revenues as soon as all eligibility requirements imposed by the provider have been met. Depreciation is computed and recorded as an operating expense. Expenditures for property, equipment and infrastructure are shown as increases in assets, and redemption of bonds are recorded as a reduction in liabilities.

Governmental fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Revenues are recognized as soon as they are both measurable and available. Revenues are considered to be available when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the Town considers revenues to be available if they are collected within 90 days of the end of the current fiscal period. The major sources of revenue susceptible to accrual are property taxes, sales taxes, and franchise fees. All other revenue items are considered to be measurable and available only when cash is received by the Town.

The Town reports the following major governmental funds:

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

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

The Town reports the following non-major governmental funds:

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

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

TOWN OF SEVERANCE  
NOTES TO THE FINANCIAL STATEMENTS  
DECEMBER 31, 2025

NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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

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

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

The Town reports the following major proprietary funds:

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

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

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

Additionally, the Town reports the following fund types:

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

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

TOWN OF SEVERANCE  
NOTES TO THE FINANCIAL STATEMENTS  
DECEMBER 31, 2025

NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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

Pooled cash and investments

The Town follows the practice of pooling cash and investments of all funds to maximize investment earnings.

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

Cash and cash equivalents

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

Receivables

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

Prepaid Items

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

Capital Assets

Capital assets are reported in the applicable governmental or business-type activities columns in the government-wide financial statements.

TOWN OF SEVERANCE  
NOTES TO THE FINANCIAL STATEMENTS  
DECEMBER 31, 2025

NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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

Capital Assets (continued)

Capitalized assets are defined by the Town as assets with an initial, individual cost of more than \$5,000. Such assets are recorded at acquisition cost or estimated acquisition cost if purchased or constructed. Donated capital assets are recorded at the acquisition value at the date of donation.

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

Improvements are capitalized and depreciated over the remaining useful lives of the related capital assets, as applicable. Depreciation expense has been computed using the straight-line method over the estimated economic useful lives:

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

Compensated Absences

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

Long-Term Obligations

In the government-wide financial statements and proprietary fund statements, long-term obligations are reported as liabilities in the applicable governmental activities and business-type activities statement of net position.

TOWN OF SEVERANCE  
NOTES TO THE FINANCIAL STATEMENTS  
DECEMBER 31, 2025

NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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

Long-Term Obligations (continued)

In the governmental fund financial statements, governmental fund types recognize bond premiums and discounts, as well as bond issuance costs, during the current period. The face amount of debt issued is reported as other financing sources. Premiums received on debt issuances are reported as other financing sources while discounts on debt issuances are reported as other financing uses. Issuance costs, whether or not withheld from the actual debt proceeds received, are reported as current expenditures.

Deferred Outflows and Deferred Inflows of Resources

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

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

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

TOWN OF SEVERANCE  
NOTES TO THE FINANCIAL STATEMENTS  
DECEMBER 31, 2025

NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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

Pensions

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

Contributed Capital

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

Fund Balances

The Town reports fund balances in the governmental fund in accordance with Governmental Accounting Standards Board (GASB) Statement No. 54, *Fund Balance Reporting and Governmental Fund Type Definitions*. This Statement defined the different types of fund balances that a governmental entity must use for financial reporting. As of December 31, 2025, fund balance of the governmental funds is 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. At December 31, 2025, the Town had \$60,540 in nonspendable resources.

*Restricted* - Amounts that can be spent only for specific purposes because of constitutional provisions, enabling legislation, constraints that are externally imposed by creditors, grantors, contributors, or the laws or regulations of other governments. At December 31, 2025, the Town had \$7,016,007 in restricted fund balance.

TOWN OF SEVERANCE  
NOTES TO THE FINANCIAL STATEMENTS  
DECEMBER 31, 2025

NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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

Fund Balance (continued)

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

*Assigned* - Amounts that are subject to a purpose constraint that represents an intended use established by the Town in its budget process. The purpose of the assignment must be narrower than the purpose of the general fund. At December 31, 2025, the Town had \$10,857,290 in assigned fund balance.

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

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

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

Net Position

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

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

TOWN OF SEVERANCE  
NOTES TO THE FINANCIAL STATEMENTS  
DECEMBER 31, 2025

NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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

Net Position (continued)

*Restricted net position* - net position is considered restricted if their use is constrained to a particular purpose.

Restrictions are imposed by external organizations such as federal or state laws. Restricted net position is reduced by liabilities and deferred inflows of resources related to those assets.

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

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

Property taxes

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

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

TOWN OF SEVERANCE  
NOTES TO THE FINANCIAL STATEMENTS  
DECEMBER 31, 2025

NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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

Estimates

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

Budgets

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

NOTE 3 – CASH AND INVESTMENTS

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

|                                   |                             |
|-----------------------------------|-----------------------------|
| Cash and investments              | \$ 39,724,257               |
| Cash and investments - restricted | <u>29,409,064</u>           |
| Total cash and investments        | <u><u>\$ 69,133,321</u></u> |

Cash and investments at December 31, 2025 consist of the following:

|               |                             |
|---------------|-----------------------------|
| Cash on hand  | \$ 405                      |
| Cash deposits | 202,345                     |
| Investments   | <u>68,930,571</u>           |
| Total         | <u><u>\$ 69,133,321</u></u> |

TOWN OF SEVERANCE  
NOTES TO THE FINANCIAL STATEMENTS  
DECEMBER 31, 2025

NOTE 3 – CASH AND INVESTMENTS (CONTINUED)

Cash Deposits

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

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

At December 31, 2025, the bank balance and carrying amount of the Town's deposits were \$460,815 and \$202,750, respectively. All cash deposits were covered by either the FDIC or PDPA.

Investments

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

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

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

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

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

TOWN OF SEVERANCE  
NOTES TO THE FINANCIAL STATEMENTS  
DECEMBER 31, 2025

NOTE 3 – CASH AND INVESTMENTS (CONTINUED)

Investments (continued)

- Certain money market funds
- Guaranteed investment contracts
- Local government investment pools

Interest Rate Risk

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

Credit Risk

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

Concentration of Credit Risk

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

Custodial Credit Risk

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

Below is a breakdown of the Town's investments as of December 31, 2025:

TOWN OF SEVERANCE  
NOTES TO THE FINANCIAL STATEMENTS  
DECEMBER 31, 2025

NOTE 3 – CASH AND INVESTMENTS (CONTINUED)

Investments (continued)

| Investment Type                                          | Rating - S&P | Maturity             |                      | Total                |
|----------------------------------------------------------|--------------|----------------------|----------------------|----------------------|
|                                                          |              | Less than 1 Year     | 1 to 5 years         |                      |
| Colorado Local Government Liquid Asset Trust (Colotrust) | AAAm         | \$ 21,484,584        | \$ -                 | \$ 21,484,584        |
| Morgan Stanley Institutional Liquidity Fund              | AAAm         | 1,189,957            | -                    | 1,189,957            |
| U.S. Agency Bonds                                        | Aaa          | 16,035,750           | 30,220,280           | 46,256,030           |
| Total                                                    |              | <u>\$ 38,710,291</u> | <u>\$ 30,220,280</u> | <u>\$ 68,930,571</u> |

COLOTRUST

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

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

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

TOWN OF SEVERANCE  
NOTES TO THE FINANCIAL STATEMENTS  
DECEMBER 31, 2025

NOTE 3 – CASH AND INVESTMENTS (CONTINUED)

Morgan Stanley Institutional Liquidity Fund

The Morgan Stanley Institutional Liquidity Fund (“MSILF”) is rated AAAM by Standard & Poor’s and the maturity is weighted average under 20 days. MSILF records its investments at fair value and the Town records its investment in MSILF using the net asset value method. The fund is a money market fund with each share maintaining a value of \$1.00. The money market fund invests in high quality debt securities issued by the U.S. Government. At December 31, 2025, the Town had \$1,189,957 invested in the MSILF.

Investment Valuation

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

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

The Town’s investments in ColoTrust PRIME and ColoTrust Plus+ are measured at net asset value, equal to \$1.00 per share. There are no unfunded commitments, the redemption frequency is daily, and there is no redemption notice period. The Town’s investment in the Morgan Stanley Institutional Liquidity Fund is valued at amortized cost. All other Town investments are valued using Level 1 (Treasury Notes) or Level 2 (Agency Bonds).

TOWN OF SEVERANCE  
NOTES TO THE FINANCIAL STATEMENTS  
DECEMBER 31, 2025

**NOTE 4 – CAPITAL ASSETS**

Capital asset activity for the year ended December 31, 2025 was as follows:

|                                             | Balances<br>December, 31<br>2024 | Additions    | Deletions    | Transfer    | Balances<br>December, 31<br>2025 |
|---------------------------------------------|----------------------------------|--------------|--------------|-------------|----------------------------------|
| <i>Governmental Activities:</i>             |                                  |              |              |             |                                  |
| Capital Assets, not being depreciated       |                                  |              |              |             |                                  |
| Land and improvements                       | \$ 1,645,622                     | \$ -         | \$ (581,851) | \$ -        | \$ 1,063,771                     |
| Construction in process                     | 3,851,392                        | 2,599,704    | -            | (5,612,711) | 838,385                          |
| Total capital assets, not depreciated       | 5,497,014                        | 2,599,704    | (581,851)    | (5,612,711) | 1,902,156                        |
| Capital Assets, being depreciated           |                                  |              |              |             |                                  |
| Infrastructure                              | 45,411,451                       | 2,826,245    | -            | 2,014,107   | 50,251,803                       |
| Buildings                                   | 3,977,268                        | 850,835      | (17,321)     | 3,442,644   | 8,253,426                        |
| Vehicles                                    | 1,943,783                        | 180,252      | (10,250)     | -           | 2,113,785                        |
| Equipment                                   | 1,469,306                        | 497,937      | (130,209)    | 155,960     | 1,992,994                        |
| Total capital assets, depreciated           | 52,801,808                       | 4,355,269    | (157,780)    | 5,612,711   | 62,612,008                       |
| Accumulated depreciation                    |                                  |              |              |             |                                  |
| Infrastructure                              | 8,779,943                        | 2,340,393    | -            | -           | 11,120,336                       |
| Buildings                                   | 732,030                          | 296,709      | (17,054)     | -           | 1,011,685                        |
| Vehicles                                    | 706,326                          | 253,451      | (10,250)     | -           | 949,527                          |
| Equipment                                   | 826,710                          | 261,783      | (130,209)    | -           | 958,284                          |
| Total accumulated depreciation              | 11,045,009                       | 3,152,336    | (157,513)    | -           | 14,039,832                       |
| Net capital assets, depreciated             | 41,756,799                       | 1,202,933    | (267)        | 5,612,711   | 48,572,176                       |
| Governmental Activities Capital Assets, net | \$ 47,253,813                    | \$ 3,802,637 | \$ (582,118) | \$ -        | \$ 50,474,332                    |

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

|                         |                     |
|-------------------------|---------------------|
| Governmental activities |                     |
| General government      | \$ 158,166          |
| Public works            | 2,146,292           |
| Public safety           | 298,128             |
| Park and recreation     | 549,750             |
| Total                   | <u>\$ 3,152,336</u> |

TOWN OF SEVERANCE  
NOTES TO THE FINANCIAL STATEMENTS  
DECEMBER 31, 2025

**NOTE 4 – CAPITAL ASSETS (CONTINUED)**

|                                              | Balances<br>December, 31<br>2024 | Additions  | Deletions  | Transfer    | Balances<br>December, 31<br>2025 |
|----------------------------------------------|----------------------------------|------------|------------|-------------|----------------------------------|
| <i>Business-Type Activities:</i>             |                                  |            |            |             |                                  |
| Capital Assets, not being depreciated        |                                  |            |            |             |                                  |
| Land                                         | \$ 294,759                       | \$ -       | \$ -       | \$ -        | \$ 294,759                       |
| Water rights                                 | 35,151,374                       | -          | -          | -           | 35,151,374                       |
| NISP, CIP                                    | 2,031,177                        | 417,500    | -          | -           | 2,448,677                        |
| North Weld County Capacity                   | 4,880,333                        | -          | -          | -           | 4,880,333                        |
| Construction in progress                     | 6,123,705                        | 331,422    | -          | (6,230,095) | 225,032                          |
| Total capital assets, not depreciated        | 48,481,348                       | 748,922    | -          | (6,230,095) | 43,000,175                       |
| Capital Assets, being depreciated            |                                  |            |            |             |                                  |
| Water system                                 | 10,441,730                       | 394,747    | -          | 5,712,464   | 16,548,941                       |
| Wastewater system                            | 19,515,537                       | 450,791    | -          | 517,631     | 20,483,959                       |
| Stormwater system                            | 10,100,440                       | 232,706    | -          | -           | 10,333,146                       |
| Buildings                                    | 1,663,553                        | -          | -          | -           | 1,663,553                        |
| Equipment                                    | 488,413                          | -          | (3,750)    | -           | 484,663                          |
| Total capital assets, depreciated            | 42,209,673                       | 1,078,244  | (3,750)    | 6,230,095   | 49,514,262                       |
| Accumulated depreciation                     |                                  |            |            |             |                                  |
| Water system                                 | 1,638,711                        | 384,641    | -          | -           | 2,023,352                        |
| Wastewater system                            | 4,207,383                        | 583,178    | -          | -           | 4,790,561                        |
| Stormwater system                            | 1,351,373                        | 336,616    | -          | -           | 1,687,989                        |
| Buildings                                    | 258,947                          | 64,202     | -          | -           | 323,149                          |
| Equipment                                    | 334,494                          | 29,934     | -          | -           | 364,428                          |
| Total accumulated depreciation               | 7,790,908                        | 1,398,571  | -          | -           | 9,189,479                        |
| Net capital assets, depreciated              | 34,418,765                       | (320,327)  | (3,750)    | 6,230,095   | 40,324,783                       |
| Business-Type Activities Capital Assets, net | \$ 82,900,113                    | \$ 428,595 | \$ (3,750) | \$ -        | \$ 83,324,958                    |

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

Business-type activities:

|            |                     |
|------------|---------------------|
| Water      | \$ 436,984          |
| Wastewater | 616,925             |
| Stormwater | 344,662             |
| Total      | <u>\$ 1,398,571</u> |

TOWN OF SEVERANCE  
NOTES TO THE FINANCIAL STATEMENTS  
DECEMBER 31, 2025

**NOTE 5 – LONG-TERM OBLIGATIONS**

The following is a summary of the changes in long-term liabilities of the Town for the year ended December 31, 2025:

|                                  | Balances<br>December 31,<br>2024 | Additions         | Deletions   | Balances<br>December 31,<br>2025 | Due In<br>One Year |
|----------------------------------|----------------------------------|-------------------|-------------|----------------------------------|--------------------|
| <i>Governmental Activities:</i>  |                                  |                   |             |                                  |                    |
| Compensated absences*            | \$ 129,905                       | \$ 115,132        | \$ -        | \$ 245,037                       | \$ 245,037         |
| Total                            | <u>\$ 129,905</u>                | <u>\$ 115,132</u> | <u>\$ -</u> | <u>\$ 245,037</u>                | <u>\$ 245,037</u>  |
| <i>Business-Type Activities:</i> |                                  |                   |             |                                  |                    |
| Compensated absences*            | \$ 32,972                        | \$ 26,474         | \$ -        | \$ 59,446                        | \$ 59,446          |
| Total                            | <u>\$ 32,972</u>                 | <u>\$ 26,474</u>  | <u>\$ -</u> | <u>\$ 59,446</u>                 | <u>\$ 59,446</u>   |

\*Current year activity is shown net for additions and deletions

**NOTE 6 – INTERGOVERNMENTAL AGREEMENTS**

2013 Land Use and Utility Agreement

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

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

TOWN OF SEVERANCE  
NOTES TO THE FINANCIAL STATEMENTS  
DECEMBER 31, 2025

NOTE 6 – INTERGOVERNMENTAL AGREEMENTS (CONTINUED)

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

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

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

Wastewater Treatment Service Agreement

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

TOWN OF SEVERANCE  
NOTES TO THE FINANCIAL STATEMENTS  
DECEMBER 31, 2025

NOTE 6 – INTERGOVERNMENTAL AGREEMENTS (CONTINUED)

Water Service Agreement

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

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

Northern Integrated Supply Project (NISP)

On January 21, 2020, the Town entered into the NISP Phase 1 Agreement, whereby the Town is a participant in a regional water supply, water storage, and related benefits projects, to be developed by the Northern Integrated Supply Project Water Activity Enterprise (the Enterprise). Per the NISP Phase 1 agreement, the Town, along with other participants to the NISP agreement, will receive an allotment from the project in return for the Town's funding participation. The Town paid \$417,500 in 2025 under the NISP Phase 1 agreement.

NOTE 7 – RISK MANAGEMENT

The Town is a member of the Colorado Intergovernmental Risk Sharing Agency (CIRSA), a joint self-insurance pool created by intergovernmental agreement of over 200 municipalities to provide property, general and automobile liability, and public officials' coverage to its members. CIRSA is governed by a seven-member board elected by and from among its members.

TOWN OF SEVERANCE  
NOTES TO THE FINANCIAL STATEMENTS  
DECEMBER 31, 2025

NOTE 7 – RISK MANAGEMENT (CONTINUED)

Coverage is provided through pooling of self-insured losses and the purchase of excess insurance coverage. CIRSA has a legal obligation for claims against its members to the extent that funds are available in its annually established loss fund and those amounts available from insurance providers under excess specific and aggregate insurance contracts.

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

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

NOTE 8 – STATEWIDE RETIREMENT PLAN

Plan Description

The Town contributes to the Statewide Retirement Plan. The Statewide Retirement Plan is a cost-sharing multiple-employer defined benefit pension plan. The Plan consists of four components: Defined Benefit Component, Hybrid Defined Benefit Component, Social Security Component and Money Purchase Component. The Plan currently has 229 participating employer fire and police departments. The Defined Benefit Component and Social Security Component cover substantially all full-time employees of participating fire or police departments in Colorado hired on or after April 8, 1978, provided that they are not already covered by a statutorily exempt plan.

Employers once had the option to withdraw from the Plan, but a change in state statutes eliminated this option effective January 1, 1988, unless the employer elects and is determined to be eligible to participate in the Statewide Money Purchase Plan. In 2003, legislation was enacted that allows departments who cover their firefighters and police officers in money purchase plans to elect coverage under the Plan. As of August 5, 2003, clerical and other personnel from fire districts whose services are auxiliary to fire protection may also participate in the Plan. As of January 1, 2020, Colorado police and sheriff departments who participate in Social Security have the option of affiliating for coverage under the Plan. The Plan assets are in the Fire & Police Members' Benefit Investment Fund Long-Term Pool and the Fire & Police Members' Self-Directed Investment Fund (for Deferred Retirement Option Plan (DROP) assets and Money Purchase Component assets).

TOWN OF SEVERANCE  
NOTES TO THE FINANCIAL STATEMENTS  
DECEMBER 31, 2025

NOTE 8 – STATEWIDE RETIREMENT PLAN (CONTINUED)

Plan Description (continued)

The Long-Term Pool is designed primarily for open plans with a longer time horizon, appropriate risk tolerance, and lower liquidity needs. The investment return assumption is 7.00 percent. Members participating in DROP or in the Money Purchase Component choose among various investment options offered by an outside investment manager. The Plan is administered by the Fire & Police Pension Association of Colorado (FPPA) FPPA issues a publicly available annual comprehensive financial report that can be obtained on FPPA's website at <http://www.FPPAco.org>.

Description of Benefits

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

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

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

Beginning January 1, 2007, the annual normal retirement benefit for the Social Security Component is 1.0 percent of the average of the member's highest three years base salary for each year of credited service up to then years plus 1.25 percent of the average of the member's highest three years' base salary for each year thereafter. Prior to 2007, the benefit for members of the Social Security Component will be reduced by the amount of social security income the member receives annually, calculated as if the social security benefit started as of age 62.

TOWN OF SEVERANCE  
NOTES TO THE FINANCIAL STATEMENTS  
DECEMBER 31, 2025

NOTE 8 – STATEWIDE RETIREMENT PLAN (CONTINUED)

Description of Benefits (continued)

The annual retirement benefit of the Hybrid Defined Benefit Component is 1.9 percent of the average of the member's highest three years' base salary for each year of credited service through December 31, 2022 and 1.5 percent of the average of the member's highest three years' base salary for each year of credited service after January 1, 2023.

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

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

Contributions

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

Members of the defined benefit component contributed 12.0 percent of base salary. In 2020, legislation was enacted to increase the employer contributions rate to the plan beginning in 2021. Employer contribution rates will increase 0.5 percent annually through 2030 to a total of 13.0 percent of base salary. These increases result in a combined contribution rate of 25.0 percent of base salary in 2030. In 2025, the members of the defined benefit component and their employers contributed at a rate of 12.0 percent and 10.5 percent, respectively, of base salary for a total contribution rate of 22.5 percent. The Town's contributions to the plan for the year ended December 31, 2025 were \$95,956, equal to the required contributions.

TOWN OF SEVERANCE  
NOTES TO THE FINANCIAL STATEMENTS  
DECEMBER 31, 2025

NOTE 8 – STATEWIDE RETIREMENT PLAN (CONTINUED)

Contributions (continued)

Contributions from Defined Benefit Component members and employers of plans reentering the Defined Benefit Component are established by resolution and approved by the FPPA Board of Directors. The continuing rate of contribution for reentry groups is determined for each reentry group. The additional contribution amount is determined locally and may be paid by the member, the employer or split 50/50. Per the 2020 legislation, the required employer contribution rate for reentry departments also increases 0.5 percent annually. These increases result in a minimum combined contribution rate of 25.2 percent in 2030.

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

At December 31, 2025, the Town reported a net pension liability of \$0, representing its proportionate share of the net pension liability of the plan. The net pension liability was measured at December 31, 2024, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of January 1, 2025. The Town's proportion of the net pension liability was based on the Town's share of contributions to the pension plan relative to the contributions of all participating entities. At December 31, 2024, the Town's proportion was 0.0678% which was an increase of 0.0012% from its proportion measured at December 31, 2023.

For the year ended December 31, 2025, the Town recognized pension expense of \$30,148. At December 31, 2025, the Town reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

|                                                   | <u>Deferred Outflows<br/>of Resources</u> | <u>Deferred Inflows<br/>of Resources</u> |
|---------------------------------------------------|-------------------------------------------|------------------------------------------|
| Difference between Expected and Actual Experience | \$ 162,983                                | \$ 5,098                                 |
| Changes of Assumptions or other Inputs            | 58,330                                    | -                                        |
| Net Difference between Projected and Actual       |                                           |                                          |
| Earnings on Pension Plan Investments              | 23,153                                    | -                                        |
| Changes in Proportion and Differences between     |                                           |                                          |
| Contributions Recognized and Proportionate Share  |                                           |                                          |
| of Contributions                                  | 13,404                                    | 104,224                                  |
| Contributions Subsequent to the Measurement Date  | 95,956                                    | -                                        |
| Total                                             | <u>\$ 353,826</u>                         | <u>\$ 109,322</u>                        |

TOWN OF SEVERANCE  
NOTES TO THE FINANCIAL STATEMENTS  
DECEMBER 31, 2025

NOTE 8 – STATEWIDE RETIREMENT PLAN (CONTINUED)

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

\$95,956 reported as deferred outflows of resources related to pension resulting from Town contributions subsequent to the measurement date will be recognized as an increase in the net pension asset in the year ended December 31, 2026. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized as pension expense as follows:

| <u>Year Ended December 31,</u> | <u>Amount</u>     |
|--------------------------------|-------------------|
| 2026                           | \$ 45,557         |
| 2027                           | 77,393            |
| 2028                           | (12,021)          |
| 2029                           | (2,896)           |
| 2030                           | 13,539            |
| Thereafter                     | 26,976            |
|                                | <u>\$ 148,548</u> |

Actuarial Assumptions

The actuarial valuations as of January 1, 2025, determined the total pension liability using the following actuarial assumptions and other inputs:

|                                      | <u>Total Pension Liability</u> | <u>Actuarial Determined Contributions</u> |
|--------------------------------------|--------------------------------|-------------------------------------------|
| Actuarial Valuation Date             | January 1, 2025                | January 1, 2024                           |
| Actuarial Method                     | Entry Age Normal               | Entry Age Normal                          |
| Amortization Method                  | N/A                            | Level % of Payroll, Open                  |
| Amortization Period                  | N/A                            | 30 years                                  |
| Long-term Investment Rate of Return* | 7.0%                           | 7.0%                                      |
| Projected Salary Increases           | 4.25% - 11.25%                 | 4.25% - 11.25%                            |
| Cost of Living Adjustments (COLA)    | 0%                             | 0%                                        |
| *Includes Inflation at               | 2.5%                           | 2.5%                                      |

For determining the total pension liability, the post-retirement mortality tables for non-disabled retirees uses the Pub-2010 Safety Healthy Annuitant Mortality Tables for males and females, amount-weighted, and then projected using the ultimate values of the MP-2020 projection scale for all years. The pre-retirement mortality assumption uses Pub-2010 Safety Healthy Employee Mortality Tables for males and females, amount-weighted, and then projected with the MP-2020 Ultimate projection scale.

TOWN OF SEVERANCE  
NOTES TO THE FINANCIAL STATEMENTS  
DECEMBER 31, 2025

NOTE 8 – STATEWIDE RETIREMENT PLAN (CONTINUED)

Actuarial Assumptions (continued)

The pre-retirement non-duty mortality tables are adjusted to 60% multiplier. The on-duty mortality rate is 0.00015.

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

At least every five years the FPPA's Board of Directors, in accordance with best practices, reviews its economic and demographic actuarial assumptions. At its July 2023 meeting, the Board of Directors reviewed and approved recommended changes to the actuarial assumptions. The recommendations were made by the FPPA's actuaries, Gabriel, Roeder, Smith & Company, based upon their analysis of past experience and expectations of the future. The assumption changes were effective for actuarial valuations beginning January 1, 2024. The actuarial assumptions impact actuarial factors for benefit purposes such as purchases of service credit and other benefits where actuarial factors are used.

The long-term expected rate of return on pension plan investments was determined using a building-block method in which best-estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighing the expected future real rates of return by the target asset allocation percentage and by adding expected inflation (assumed at 2.5 percent). Best estimates of arithmetic real rates of return for each major asset class included in the Fund's target asset allocation as of December 31, 2024 are summarized in the following table:

TOWN OF SEVERANCE  
NOTES TO THE FINANCIAL STATEMENTS  
DECEMBER 31, 2025

NOTE 8 – STATEWIDE RETIREMENT PLAN (CONTINUED)

Actuarial Assumptions (continued)

| <u>Asset Class</u>    | <u>Target<br/>Allocation</u> | <u>Long-Term Expected<br/>Real Rate of Return</u> |
|-----------------------|------------------------------|---------------------------------------------------|
| Global Equity         | 33 %                         | 7.00 %                                            |
| Equity Long/Short     | 6 %                          | 6.20                                              |
| Private Markets       | 34 %                         | 8.80                                              |
| Fixed Income - Rates  | 7 %                          | 5.00                                              |
| Fixed Income - Credit | 7 %                          | 6.50                                              |
| Absolute Return       | 9 %                          | 5.70                                              |
| Cash                  | 4 %                          | 4.20                                              |
| Total                 | 100 %                        |                                                   |

Discount Rate

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

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

TOWN OF SEVERANCE  
NOTES TO THE FINANCIAL STATEMENTS  
DECEMBER 31, 2025

NOTE 8 – STATEWIDE RETIREMENT PLAN (CONTINUED)

Discount Rate (continued)

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

For purpose of this valuation, the expected rate of return on pension plan investments is 7.00 percent; the municipal bond rate is 4.08 percent (based on weekly rate closest to but not later than the measurement date of the “state & local bonds” rate from Federal Reserve statistical release (H.15)); and the resulting single discount rate is 7.00 percent.

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

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

|                                                          | 1% Decrease<br>(6.00%) | Current Discount Rate<br>(7.00%) | 1% Increase<br>(8.00%) |
|----------------------------------------------------------|------------------------|----------------------------------|------------------------|
| Proportionate share of the Net Pension Liability (Asset) | \$ 330,981             | \$ -                             | \$ -                   |

Pension Plan Fiduciary Net Position

Detailed information about the plan’s fiduciary net position is available in FPPA’s separately issued financial report, which may be obtained at [www.fppaco.org](http://www.fppaco.org).

TOWN OF SEVERANCE  
NOTES TO THE FINANCIAL STATEMENTS  
DECEMBER 31, 2025

NOTE 9 – RETIREMENT COMMITMENTS

Defined Contribution 457 Plan

The Town provides pension benefits for its employees through a defined contribution money purchase plan.

All full-time employees, with the exception of the police department may participate in the plan from the date of employment and are immediately fully vested. The plan provisions can be modified by the Town Council. The Town contributes an amount equal to 5% or 3% of the covered employees' salaries each month, depending upon the employees' negotiated compensation with the Town. Contributions totaled \$78,693 in 2025. The Town has no liability for this plan beyond its current annual contribution.

NOTE 10 – COMMITMENTS AND CONTINGENCIES

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

Any disallowed claims resulting from such audits could become a liability of the General Fund or other applicable funds. However, in the opinion of the Town, any such disallowed claims will not have a material effect on any of the financial statements of the individual fund types included herein or on the overall financial position of the Town at December 31, 2025.

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

At December 31, 2025, the Town had construction commitments of \$53,927 related to on-going capital projects.

TOWN OF SEVERANCE  
NOTES TO THE FINANCIAL STATEMENTS  
DECEMBER 31, 2025

NOTE 11 – INTERNAL TRANSFERS

Interfund transfers for the year ending December 31, 2025 were comprised of the following:

| <u>Fund</u>            | <u>Transfers In</u> | <u>Transfers Out</u> |
|------------------------|---------------------|----------------------|
| General Fund           | \$ 579,832          | \$ -                 |
| Transportation Fund    | -                   | 391,253              |
| Public Facilities Fund | -                   | 35,423               |
| Public Safety Fund     | -                   | 7,203                |
| Water Fund             | -                   | 117,415              |
| Wastewater Fund        | -                   | 23,004               |
| Stormwater Fund        | -                   | 5,534                |
| Total                  | <u>\$ 579,832</u>   | <u>\$ 579,832</u>    |

NOTE 12 – TAX, SPENDING, AND DEBT LIMITATIONS

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

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

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

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

TOWN OF SEVERANCE  
NOTES TO THE FINANCIAL STATEMENTS  
DECEMBER 31, 2025

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

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

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

## REQUIRED SUPPLEMENTARY INFORMATION

**TOWN OF SEVERANCE**  
**SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES**  
**IN FUND BALANCE – BUDGET AND ACTUAL – GENERAL FUND**  
**YEAR ENDED DECEMBER 31, 2025**

|                                   | Original<br>Budget | Final<br>Budget   | Actual            | Variance<br>Positive<br>(Negative) |
|-----------------------------------|--------------------|-------------------|-------------------|------------------------------------|
| <b><u>Revenues</u></b>            |                    |                   |                   |                                    |
| <b>Taxes</b>                      |                    |                   |                   |                                    |
| Property taxes                    | \$ 2,076,921       | \$ 2,076,921      | \$ 2,077,860      | \$ 939                             |
| Specific ownership taxes          | 91,357             | 91,357            | 84,167            | (7,190)                            |
| Sales and use taxes               | 2,650,000          | 4,650,000         | 4,962,536         | 312,536                            |
| Franchise taxes                   | 200,000            | 200,000           | 229,573           | 29,573                             |
| Total tax revenues                | 5,018,278          | 7,018,278         | 7,354,136         | 335,858                            |
| <b>Intergovernmental</b>          |                    |                   |                   |                                    |
| Federal grant revenue             | -                  | 1,621,348         | 987,955           | (633,393)                          |
| State grant revenue               | 280,000            | 280,000           | 6,792             | (273,208)                          |
| Cigarette tax                     | 3,000              | 3,000             | 4,528             | 1,528                              |
| Highway users                     | 216,634            | 216,634           | 413,311           | 196,677                            |
| Road and bridge                   | 91,357             | 91,357            | 64,128            | (27,229)                           |
| Clerk/Motor vehicle fees          | 60,213             | 60,213            | 87,620            | 27,407                             |
| Mineral lease                     | 50,000             | 50,000            | 78,082            | 28,082                             |
| Severance tax                     | 100,000            | 100,000           | 14,415            | (85,585)                           |
| Shared revenue                    | 200,000            | 200,000           | 390,660           | 190,660                            |
| Other intergovernmental           | -                  | -                 | 55,318            | 55,318                             |
| Total intergovernmental revenues  | 1,001,204          | 2,622,552         | 2,102,809         | (519,743)                          |
| <b>Licenses and permits</b>       |                    |                   |                   |                                    |
| Liquor licenses                   | 500                | 500               | 2,048             | 1,548                              |
| Building permits                  | 675,500            | 675,500           | 331,823           | (343,677)                          |
| Animal licenses                   | 540                | 540               | 976               | 436                                |
| Business licenses and fees        | 250                | 250               | 5,650             | 5,400                              |
| Other licenses and fees           | 232,000            | 232,000           | 190,490           | (41,510)                           |
| Total license and permit revenues | 908,790            | 908,790           | 530,987           | (377,803)                          |
| <b>Fines and forfeitures</b>      | 45,000             | 45,000            | 97,750            | 52,750                             |
| <b>Charges for services</b>       |                    |                   |                   |                                    |
| Special events and charges        | 70,000             | 70,000            | 56,671            | (13,329)                           |
| Rents                             | 75,270             | 75,270            | 97,207            | 21,937                             |
| Impact fees and other charges     | 67,311             | 67,311            | 89,512            | 22,201                             |
| Total charges for services        | 212,581            | 212,581           | 243,390           | 30,809                             |
| <b>Other</b>                      |                    |                   |                   |                                    |
| Investment earnings               | 517,170            | 517,170           | 1,256,760         | 739,590                            |
| Miscellaneous revenues            | 9,420              | 9,420             | 243,493           | 234,073                            |
| Total miscellaneous               | 526,590            | 526,590           | 1,500,253         | 973,663                            |
| <b>Total revenues</b>             | <b>7,712,443</b>   | <b>11,333,791</b> | <b>11,829,325</b> | <b>495,534</b>                     |

See accompanying Independent Auditors Report

**TOWN OF SEVERANCE**  
**SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES**  
**IN FUND BALANCE – BUDGET AND ACTUAL – GENERAL FUND (CONTINUED)**  
**YEAR ENDED DECEMBER 31, 2025**

|                             | Original<br>Budget | Final<br>Budget  | Actual           | Variance<br>Positive<br>(Negative) |
|-----------------------------|--------------------|------------------|------------------|------------------------------------|
| <b><u>Expenditures</u></b>  |                    |                  |                  |                                    |
| General government          |                    |                  |                  |                                    |
| Personnel services          | 1,003,818          | 1,029,318        | 910,943          | 118,375                            |
| Insurance                   | 39,446             | 39,446           | 24,783           | 14,663                             |
| Professional fees           | 231,763            | 231,763          | 244,249          | (12,486)                           |
| Election                    | 15,200             | 15,200           | -                | 15,200                             |
| Repairs and maintenance     | 140,577            | 140,577          | 116,266          | 24,311                             |
| Supplies                    | 40,950             | 40,950           | 27,951           | 12,999                             |
| Telephone and utilities     | 24,016             | 24,016           | 29,566           | (5,550)                            |
| Traveling and training      | 71,150             | 71,150           | 58,029           | 13,121                             |
| Other expenses              | 616,507            | 616,507          | 389,003          | 227,504                            |
| Total general government    | <u>2,183,427</u>   | <u>2,208,927</u> | <u>1,800,790</u> | <u>408,137</u>                     |
| Community development       |                    |                  |                  |                                    |
| Personnel services          | 213,247            | 213,247          | 217,944          | (4,697)                            |
| Professional fees           | 106,000            | 106,000          | 119,226          | (13,226)                           |
| Building inspections        | 657,500            | 657,500          | 218,308          | 439,192                            |
| Supplies                    | 6,870              | 6,870            | 2,284            | 4,586                              |
| Telephone and utilities     | 1,944              | 1,944            | 2,035            | (91)                               |
| Traveling and training      | 4,000              | 4,000            | 2,796            | 1,204                              |
| Other expenses              | 53,870             | 53,870           | 33,361           | 20,509                             |
| Total community development | <u>1,043,431</u>   | <u>1,043,431</u> | <u>595,954</u>   | <u>447,477</u>                     |
| Public safety               |                    |                  |                  |                                    |
| Personnel services          | 1,985,186          | 1,985,186        | 1,946,857        | 38,329                             |
| Contract labor              | 56,910             | 56,910           | 16,985           | 39,925                             |
| Fuel and automotive         | 57,250             | 57,250           | 29,580           | 27,670                             |
| Insurance                   | 76,037             | 76,037           | 85,852           | (9,815)                            |
| Professional fees           | 96,050             | 96,050           | 9,188            | 86,862                             |
| Repairs and maintenance     | 106,320            | 106,320          | 155,509          | (49,189)                           |
| Supplies                    | 52,270             | 52,270           | 48,539           | 3,731                              |
| Telephone and utilities     | 26,877             | 26,877           | 41,131           | (14,254)                           |
| Traveling and training      | 24,000             | 24,000           | 13,262           | 10,738                             |
| Other expenses              | 34,680             | 34,680           | 189,515          | (154,835)                          |
| Total public safety         | <u>2,515,580</u>   | <u>2,515,580</u> | <u>2,536,418</u> | <u>(20,838)</u>                    |

*See accompanying Independent Auditors Report*

**TOWN OF SEVERANCE**  
**SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES**  
**IN FUND BALANCE – BUDGET AND ACTUAL – GENERAL FUND (CONTINUED)**  
**YEAR ENDED DECEMBER 31, 2025**

|                                                              | Original<br>Budget | Final<br>Budget | Actual        | Variance<br>Positive<br>(Negative) |
|--------------------------------------------------------------|--------------------|-----------------|---------------|------------------------------------|
| Public works                                                 |                    |                 |               |                                    |
| Personnel services                                           | 393,035            | 393,035         | 348,167       | 44,868                             |
| Fuel and automotive                                          | 28,269             | 28,269          | 53,190        | (24,921)                           |
| Insurance                                                    | 20,435             | 20,435          | -             | 20,435                             |
| Professional fees                                            | 1,155              | 1,155           | 4,217         | (3,062)                            |
| Repairs and maintenance                                      | 392,766            | 392,766         | 367,448       | 25,318                             |
| Supplies                                                     | 72,255             | 72,255          | 69,422        | 2,833                              |
| Telephone and utilities                                      | 28,587             | 28,587          | 23,981        | 4,606                              |
| Traveling and training                                       | 6,300              | 6,300           | 3,095         | 3,205                              |
| Other expenses                                               | 53,532             | 53,532          | 76,422        | (22,890)                           |
| Total public works                                           | 996,334            | 996,334         | 945,942       | 50,392                             |
| Parks, recreation and other                                  |                    |                 |               |                                    |
| Personnel services                                           | 264,955            | 264,955         | 286,358       | (21,403)                           |
| Professional fees                                            | -                  | -               | 164           | (164)                              |
| Repairs and maintenance                                      | 100,779            | 100,779         | 88,729        | 12,050                             |
| Supplies                                                     | 28,394             | 28,394          | 18,829        | 9,565                              |
| Telephone and utilities                                      | 22,654             | 22,654          | 33,583        | (10,929)                           |
| Traveling and training                                       | 4,250              | 4,250           | 754           | 3,496                              |
| Other expenses                                               | 69,510             | 69,510          | 67,484        | 2,026                              |
| Total health and welfare                                     | 490,542            | 490,542         | 495,901       | (5,359)                            |
| Capital outlay                                               |                    |                 |               |                                    |
| Capital outlay                                               | 6,503,556          | 12,558,124      | 5,205,432     | 7,352,692                          |
| Total capital outlay                                         | 6,503,556          | 12,558,124      | 5,205,432     | 7,352,692                          |
| Total expenditures                                           | 13,732,870         | 19,812,938      | 11,580,437    | 8,232,501                          |
| Excess (deficiency) of revenues over<br>(under) expenditures | (6,020,427)        | (8,479,147)     | 248,888       | 8,728,035                          |
| Other financing sources (uses)                               |                    |                 |               |                                    |
| Proceeds from sale of assets                                 | -                  | -               | 725,000       | 725,000                            |
| Transfers in                                                 | -                  | -               | 579,832       | 579,832                            |
| Total other financing<br>sources (uses)                      | -                  | -               | 1,304,832     | 1,304,832                          |
| Net changes in fund balance                                  | \$ (6,020,427)     | \$ (8,479,147)  | 1,553,720     | \$ 10,032,867                      |
| Fund balance - beginning of year                             |                    |                 | 23,009,283    |                                    |
| Fund balance - end of year                                   |                    |                 | \$ 24,563,003 |                                    |

See accompanying Independent Auditors Report

TOWN OF SEVERANCE  
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES  
IN FUND BALANCE – BUDGET AND ACTUAL – TRANSPORTATION FUND  
YEAR ENDED DECEMBER 31, 2025

|                                                              | Original<br>Budget | Final<br>Budget     | Actual              | Variance<br>Positive<br>(Negative) |
|--------------------------------------------------------------|--------------------|---------------------|---------------------|------------------------------------|
| <u>Revenues</u>                                              |                    |                     |                     |                                    |
| Road infrastructure fee                                      | \$ 800,000         | \$ 800,000          | \$ 1,224,205        | \$ 424,205                         |
| Investment earnings                                          | 87,990             | 87,990              | 203,981             | 115,991                            |
| Other revenue                                                | -                  | -                   | 156                 | 156                                |
| Total revenues                                               | <u>887,990</u>     | <u>887,990</u>      | <u>1,428,342</u>    | <u>540,352</u>                     |
| <u>Expenditures</u>                                          |                    |                     |                     |                                    |
| Public Works                                                 |                    |                     |                     |                                    |
| Other expenditures                                           | -                  | -                   | 86                  | (86)                               |
| Capital outlay                                               |                    |                     |                     |                                    |
| Transportation projects                                      | <u>800,000</u>     | <u>818,000</u>      | <u>830,737</u>      | <u>(12,737)</u>                    |
| Total expenditures                                           | <u>800,000</u>     | <u>818,000</u>      | <u>830,823</u>      | <u>(12,823)</u>                    |
| Excess (deficiency) of revenues over<br>(under) expenditures | 87,990             | 69,990              | 597,519             | 527,529                            |
| Other financing sources (uses)                               |                    |                     |                     |                                    |
| Transfers out                                                | -                  | (404,620)           | (391,253)           | 13,367                             |
| Total other financing sources (uses)                         | <u>-</u>           | <u>(404,620)</u>    | <u>(391,253)</u>    | <u>13,367</u>                      |
| Net changes in fund balance                                  | <u>\$ 87,990</u>   | <u>\$ (334,630)</u> | 206,266             | <u>\$ 540,896</u>                  |
| Fund balance - beginning of year                             |                    |                     | <u>3,961,330</u>    |                                    |
| Fund balance - end of year                                   |                    |                     | <u>\$ 4,167,596</u> |                                    |

See accompanying Independent Auditors Report

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

| Fiscal Year                                                                                            | 2025              | 2024              | 2023              | 2022              | 2021              | 2020              | 2019              |
|--------------------------------------------------------------------------------------------------------|-------------------|-------------------|-------------------|-------------------|-------------------|-------------------|-------------------|
| Plan Measurement Date                                                                                  | December 31, 2024 | December 31, 2023 | December 31, 2022 | December 31, 2021 | December 31, 2020 | December 31, 2019 | December 31, 2018 |
| Town's Proportion of the Net Pension Liability (Asset)                                                 | 0.0678%           | 0.0666%           | 0.0701%           | 0.0468%           | 0.0486%           | 0.0457%           | 0.0241%           |
| Town's Proportionate Share of the Net Pension Liability (Asset)                                        | \$ -              | \$ -              | \$ 62,207         | \$ (253,603)      | \$ (105,420)      | \$ (25,861)       | \$ 30,524         |
| Town's Covered Payroll                                                                                 | 740,569           | 655,584           | 609,732           | 376,712           | 390,022           | 337,015           | 40,402            |
| Town's Proportionate Share of the Net Pension Liability (Asset) as a Percentage of its Covered payroll | 0.0%              | 0.0%              | 10.2%             | (67.3%)           | (27.0%)           | (7.7%)            | 75.6%             |
| Plan Fiduciary Net Position as a Percentage of the Total Pension Liability                             | 100.0%            | 100.0%            | 97.6%             | 116.2%            | 106.7%            | 101.9%            | 95.2%             |

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

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

| Fiscal Year                                                        | 2025       | 2024       | 2023       | 2022       | 2021       | 2020       | 2019       | 2018      |
|--------------------------------------------------------------------|------------|------------|------------|------------|------------|------------|------------|-----------|
| Statutorily Required Contributions                                 | \$ 95,956  | \$ 73,955  | \$ 62,173  | \$ 54,876  | \$ 32,021  | \$ 31,202  | \$ 26,961  | \$ 3,232  |
| Contributions in Relation to the Statutorily Required Contribution | 95,956     | 73,955     | 62,173     | 54,876     | 32,021     | 31,202     | 26,961     | 3,232     |
| Contribution Deficiency (Excess)                                   | \$ -       | \$ -       | \$ -       | \$ -       | \$ -       | \$ -       | \$ -       | \$ -      |
| Covered Payroll                                                    | \$ 915,394 | \$ 740,569 | \$ 655,584 | \$ 609,732 | \$ 376,712 | \$ 390,022 | \$ 337,015 | \$ 40,402 |
| Contributions as a Percentage of Covered Payroll                   | 10.5%      | 10.0%      | 9.5%       | 9.0%       | 8.5%       | 8.0%       | 8.0%       | 8.0%      |

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

## SUPPLEMENTARY INFORMATION

TOWN OF SEVERANCE  
COMBINING BALANCE SHEET –  
GOVERNMENTAL NON-MAJOR FUNDS  
DECEMBER 31, 2025

| <u>Assets</u>                                                         | <u>Conservation<br/>Trust Fund</u> | <u>Park<br/>Fund</u> | <u>Public Facilities<br/>Fund</u> | <u>Public Safety<br/>Fund</u> | <u>Total Non-Major<br/>Governmental<br/>Funds</u> |
|-----------------------------------------------------------------------|------------------------------------|----------------------|-----------------------------------|-------------------------------|---------------------------------------------------|
| Cash and investments - restricted                                     | \$ 477,453                         | \$ 599,408           | \$ 644,039                        | \$ 409,302                    | \$ 2,130,202                                      |
| Total assets                                                          | <u>\$ 477,453</u>                  | <u>\$ 599,408</u>    | <u>\$ 644,039</u>                 | <u>\$ 409,302</u>             | <u>\$ 2,130,202</u>                               |
| <br>Fund balance:                                                     |                                    |                      |                                   |                               |                                                   |
| Restricted                                                            |                                    |                      |                                   |                               |                                                   |
| Park projects                                                         | \$ -                               | \$ 599,408           | \$ -                              | \$ -                          | \$ 599,408                                        |
| Public facilities                                                     | -                                  | -                    | 644,039                           | -                             | 644,039                                           |
| Public safety                                                         | -                                  | -                    | -                                 | 409,302                       | 409,302                                           |
| Conservation trust                                                    | 477,453                            | -                    | -                                 | -                             | 477,453                                           |
| Total fund balances                                                   | <u>477,453</u>                     | <u>599,408</u>       | <u>644,039</u>                    | <u>409,302</u>                | <u>2,130,202</u>                                  |
| Total liabilities, deferred inflows of<br>resources and fund balances | <u>\$ 477,453</u>                  | <u>\$ 599,408</u>    | <u>\$ 644,039</u>                 | <u>\$ 409,302</u>             | <u>\$ 2,130,202</u>                               |

See the accompanying Independent Auditors Report

TOWN OF SEVERANCE  
COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND  
CHANGES IN FUND BALANCES – GOVERNMENTAL NON-MAJOR FUNDS  
YEAR ENDED DECEMBER 31, 2025

|                                       | Conservation<br>Trust Fund | Park<br>Fund | Public Facilities<br>Fund | Public Safety<br>Fund | Total Non-Major<br>Governmental<br>Funds |
|---------------------------------------|----------------------------|--------------|---------------------------|-----------------------|------------------------------------------|
| <u>Revenues</u>                       |                            |              |                           |                       |                                          |
| Intergovernmental                     | \$ 133,642                 | \$ -         | \$ -                      | \$ -                  | \$ 133,642                               |
| Impact fees                           | -                          | 73,854       | 252,873                   | 138,816               | 465,543                                  |
| Investment earnings (loss)            | 19,027                     | 26,556       | 28,781                    | 17,067                | 91,431                                   |
| Total revenues                        | 152,669                    | 100,410      | 281,654                   | 155,883               | 690,616                                  |
| <u>Other financing sources (uses)</u> |                            |              |                           |                       |                                          |
| Transfers out                         | -                          | -            | (35,423)                  | (7,203)               | (42,626)                                 |
| Total other financing sources (uses)  | -                          | -            | (35,423)                  | (7,203)               | (42,626)                                 |
| Net changes in fund balances          | 152,669                    | 100,410      | 246,231                   | 148,680               | 647,990                                  |
| Fund balances - beginning of year     | 324,784                    | 498,998      | 397,808                   | 260,622               | 1,482,212                                |
| Fund balances - end of year           | \$ 477,453                 | \$ 599,408   | \$ 644,039                | \$ 409,302            | \$ 2,130,202                             |

See the accompanying Independent Auditors Report

TOWN OF SEVERANCE  
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGE IN  
FUND BALANCE – BUDGET AND ACTUAL – CONSERVATION TRUST FUND  
YEAR ENDED DECEMBER 31, 2025

|                                      | <u>Original and<br/>Final Budget</u> | <u>Actual</u>         | <u>Variance<br/>Positive<br/>(Negative)</u> |
|--------------------------------------|--------------------------------------|-----------------------|---------------------------------------------|
| <u>Revenues</u>                      |                                      |                       |                                             |
| Intergovernmental revenues           | \$ -                                 | \$ 133,642            | \$ 133,642                                  |
| Investment earnings                  | <u>4,810</u>                         | <u>19,027</u>         | <u>14,217</u>                               |
| Total revenues                       | <u>4,810</u>                         | <u>152,669</u>        | <u>147,859</u>                              |
| <br>Net changes in fund balance      | <br><u>\$ 4,810</u>                  | <br>152,669           | <br><u>\$ 147,859</u>                       |
| <br>Fund balance - beginning of year |                                      | <br><u>324,784</u>    |                                             |
| <br>Fund balance - end of year       |                                      | <br><u>\$ 477,453</u> |                                             |

*See the accompanying Independent Auditors Report*

TOWN OF SEVERANCE  
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGE IN  
FUND BALANCE – BUDGET AND ACTUAL – PARKS FUND  
YEAR ENDED DECEMBER 31, 2025

|                                      | <u>Original and<br/>Final Budget</u> | <u>Actual</u>         | <u>Variance<br/>Positive<br/>(Negative)</u> |
|--------------------------------------|--------------------------------------|-----------------------|---------------------------------------------|
| <u>Revenues</u>                      |                                      |                       |                                             |
| Impact fees                          | \$ -                                 | \$ 73,854             | \$ 73,854                                   |
| Investment earnings                  | <u>8,490</u>                         | <u>26,556</u>         | <u>18,066</u>                               |
| Total revenues                       | <u>8,490</u>                         | <u>100,410</u>        | <u>91,920</u>                               |
| <br>Net changes in fund balance      | <br><u>\$ 8,490</u>                  | <br>100,410           | <br><u>\$ 91,920</u>                        |
| <br>Fund balance - beginning of year |                                      | <br><u>498,998</u>    |                                             |
| <br>Fund balance - end of year       |                                      | <br><u>\$ 599,408</u> |                                             |

*See the accompanying Independent Auditors Report*

TOWN OF SEVERANCE  
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGE IN  
FUND BALANCE – BUDGET AND ACTUAL – PUBLIC FACILITIES FUND  
YEAR ENDED DECEMBER 31, 2025

|                                      | <u>Original<br/>Budget</u> | <u>Final<br/>Budget</u> | <u>Actual</u>     | <u>Variance<br/>Positive<br/>(Negative)</u> |
|--------------------------------------|----------------------------|-------------------------|-------------------|---------------------------------------------|
| <u>Revenues</u>                      |                            |                         |                   |                                             |
| Impact fees                          | \$ -                       | \$ -                    | \$ 252,873        | \$ 252,873                                  |
| Investment earnings                  | <u>30,640</u>              | <u>30,640</u>           | <u>28,781</u>     | <u>(1,859)</u>                              |
| Total revenues                       | <u>30,640</u>              | <u>30,640</u>           | <u>281,654</u>    | <u>251,014</u>                              |
| Other financing sources (uses)       |                            |                         |                   |                                             |
| Transfer out                         | <u>-</u>                   | <u>(66,427)</u>         | <u>(35,423)</u>   | <u>31,004</u>                               |
| Total other financing sources (uses) | <u>-</u>                   | <u>(66,427)</u>         | <u>(35,423)</u>   | <u>31,004</u>                               |
| Net changes in fund balance          | <u>\$ 30,640</u>           | <u>\$ (35,787)</u>      | 246,231           | <u>\$ 282,018</u>                           |
| Fund balance - beginning of year     |                            |                         | <u>397,808</u>    |                                             |
| Fund balance - end of year           |                            |                         | <u>\$ 644,039</u> |                                             |

*See the accompanying Independent Auditors Report*

TOWN OF SEVERANCE  
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGE IN  
FUND BALANCE – BUDGET AND ACTUAL – PUBLIC SAFETY FUND  
YEAR ENDED DECEMBER 31, 2025

|                                      | Original<br>Budget | Final<br>Budget   | Actual            | Variance<br>Positive<br>(Negative) |
|--------------------------------------|--------------------|-------------------|-------------------|------------------------------------|
| <u>Revenues</u>                      |                    |                   |                   |                                    |
| Impact fees                          | \$ -               | \$ -              | \$ 138,816        | \$ 138,816                         |
| Investment earnings                  | 7,660              | 7,660             | 17,067            | 9,407                              |
| Total revenues                       | <u>7,660</u>       | <u>7,660</u>      | <u>155,883</u>    | <u>148,223</u>                     |
| Other financing sources (uses)       |                    |                   |                   |                                    |
| Transfer out                         | -                  | (13,507)          | (7,203)           | 6,304                              |
| Total other financing sources (uses) | <u>-</u>           | <u>(13,507)</u>   | <u>(7,203)</u>    | <u>6,304</u>                       |
| Net changes in fund balance          | <u>\$ 7,660</u>    | <u>\$ (5,847)</u> | 148,680           | <u>\$ 154,527</u>                  |
| Fund balance - beginning of year     |                    |                   | <u>260,622</u>    |                                    |
| Fund balance - end of year           |                    |                   | <u>\$ 409,302</u> |                                    |

*See the accompanying Independent Auditors Report*

TOWN OF SEVERANCE  
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGE IN  
FUND NET POSITION – BUDGET AND ACTUAL (BUDGETARY BASIS) –  
WATER FUND  
YEAR ENDED DECEMBER 31, 2025

|                                          | Original<br>Budget | Final<br>Budget     | Actual               | Variance<br>Positive<br>(Negative) |
|------------------------------------------|--------------------|---------------------|----------------------|------------------------------------|
| <u>Operating revenues</u>                |                    |                     |                      |                                    |
| Utility charges                          | \$ 2,783,921       | \$ 2,783,921        | \$ 2,995,116         | \$ 211,195                         |
| Other charges for services               | 10,000             | 10,000              | 30,994               | 20,994                             |
| Total revenues                           | <u>2,793,921</u>   | <u>2,793,921</u>    | <u>3,026,110</u>     | <u>232,189</u>                     |
| <u>Operating expenses</u>                |                    |                     |                      |                                    |
| Personnel services                       | 514,208            | 514,208             | 481,004              | 33,204                             |
| Operating supplies                       | 68,220             | 68,220              | 57,347               | 10,873                             |
| Professional fees                        | 40,000             | 40,000              | 67,492               | (27,492)                           |
| Repairs and maintenance                  | 116,004            | 116,004             | 54,129               | 61,875                             |
| Treatment                                | 1,269,900          | 1,269,900           | 1,092,924            | 176,976                            |
| Telephone and utilities                  | 39,628             | 39,628              | 26,657               | 12,971                             |
| Other operating expenses                 | 79,290             | 79,290              | 211,873              | (132,583)                          |
| Capital outlay                           | 2,125,000          | 2,974,170           | 556,534              | 2,417,636                          |
| Total operating expenses                 | <u>4,252,250</u>   | <u>5,101,420</u>    | <u>2,547,960</u>     | <u>2,553,460</u>                   |
| <u>Other income</u>                      |                    |                     |                      |                                    |
| Investment earnings                      | 336,860            | 336,860             | 876,964              | 540,104                            |
| Total other income                       | <u>336,860</u>     | <u>336,860</u>      | <u>876,964</u>       | <u>540,104</u>                     |
| <u>Contributed capital and transfers</u> |                    |                     |                      |                                    |
| Plant investment fees                    | 1,800,000          | 1,800,000           | 1,214,962            | (585,038)                          |
| Transfers out                            | -                  | (141,386)           | (117,415)            | 23,971                             |
| Total contributed capital and transfers  | <u>1,800,000</u>   | <u>1,658,614</u>    | <u>1,097,547</u>     | <u>(561,067)</u>                   |
| Change in net position, budgetary basis  | <u>\$ 678,531</u>  | <u>\$ (312,025)</u> | 2,452,661            | <u>\$ 2,764,686</u>                |
| Reconciliation to GAAP basis             |                    |                     |                      |                                    |
| Dedicated assets                         |                    |                     | 394,747              |                                    |
| Capital outlay                           |                    |                     | 556,534              |                                    |
| Depreciation                             |                    |                     | (436,984)            |                                    |
| Loss on disposal of capital assets       |                    |                     | <u>(1,875)</u>       |                                    |
| Change in net position, GAAP basis       |                    |                     | 2,965,083            |                                    |
| Net position, beginning of year          |                    |                     | <u>75,060,663</u>    |                                    |
| Net position, end of year                |                    |                     | <u>\$ 78,025,746</u> |                                    |

See the accompanying Independent Auditors Report

TOWN OF SEVERANCE  
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGE IN  
FUND NET POSITION – BUDGET AND ACTUAL (BUDGETARY BASIS) –  
WASTEWATER FUND  
YEAR ENDED DECEMBER 31, 2025

|                                            | Original<br>Budget | Final<br>Budget   | Actual               | Variance<br>Positive<br>(Negative) |
|--------------------------------------------|--------------------|-------------------|----------------------|------------------------------------|
| <u>Operating revenues</u>                  |                    |                   |                      |                                    |
| Utility charges                            | \$ 1,535,341       | \$ 1,535,341      | 1,667,700            | \$ 132,359                         |
| Other charges for services                 | -                  | -                 | 1,192                | 1,192                              |
| Total revenues                             | <u>1,535,341</u>   | <u>1,535,341</u>  | <u>1,668,892</u>     | <u>133,551</u>                     |
| <u>Operating expenses</u>                  |                    |                   |                      |                                    |
| Personnel services                         | 458,566            | 458,566           | 426,584              | 31,982                             |
| Operating supplies                         | 30,770             | 30,770            | 38,309               | (7,539)                            |
| Professional fees                          | 32,000             | 32,000            | 35,552               | (3,552)                            |
| Repairs and maintenance                    | 70,658             | 70,658            | 49,615               | 21,043                             |
| Treatment                                  | 230,200            | 230,200           | 322,803              | (92,603)                           |
| Telephone and utilities                    | 64,830             | 64,830            | 56,812               | 8,018                              |
| Other operating expenses                   | 71,703             | 71,703            | 88,131               | (16,428)                           |
| Capital outlay                             | 1,810,000          | 2,360,000         | 165,254              | 2,194,746                          |
| Total operating expenses                   | <u>2,768,727</u>   | <u>3,318,727</u>  | <u>1,183,060</u>     | <u>2,135,667</u>                   |
| <u>Other income</u>                        |                    |                   |                      |                                    |
| Investment earnings                        | 303,560            | 303,560           | 729,708              | 426,148                            |
| Total other income                         | <u>303,560</u>     | <u>303,560</u>    | <u>729,708</u>       | <u>426,148</u>                     |
| <u>Capital contributions and transfers</u> |                    |                   |                      |                                    |
| Plant investment fees                      | 1,750,000          | 1,750,000         | 842,918              | (907,082)                          |
| Transfers out                              | -                  | (11,386)          | (23,004)             | (11,618)                           |
| Total contributed capital                  | <u>1,750,000</u>   | <u>1,738,614</u>  | <u>819,914</u>       | <u>(918,700)</u>                   |
| Change in net position, budgetary basis    | <u>\$ 820,174</u>  | <u>\$ 258,788</u> | 2,035,454            | <u>\$ 1,776,666</u>                |
| Reconciliation to GAAP basis               |                    |                   |                      |                                    |
| Dedicated assets                           |                    |                   | 450,791              |                                    |
| Capital outlay                             |                    |                   | 165,254              |                                    |
| Depreciation                               |                    |                   | (616,925)            |                                    |
| Loss on disposal of capital assets         |                    |                   | (1,875)              |                                    |
| Change in net position, GAAP basis         |                    |                   | 2,032,699            |                                    |
| Net position, beginning of year            |                    |                   | <u>30,650,249</u>    |                                    |
| Net position, end of year                  |                    |                   | <u>\$ 32,682,948</u> |                                    |

See the accompanying Independent Auditors Report

TOWN OF SEVERANCE  
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGE IN  
FUND NET POSITION – BUDGET AND ACTUAL (BUDGETARY BASIS) –  
STORMWATER FUND  
YEAR ENDED DECEMBER 31, 2025

|                                            | Original<br>Budget | Final<br>Budget   | Actual               | Variance<br>Positive<br>(Negative) |
|--------------------------------------------|--------------------|-------------------|----------------------|------------------------------------|
| <u>Operating revenues</u>                  |                    |                   |                      |                                    |
| Utility charges                            | \$ 254,575         | \$ 254,575        | \$ 306,879           | \$ 52,304                          |
| Other charges for services                 | -                  | -                 | 134                  | 134                                |
| Total revenues                             | <u>254,575</u>     | <u>254,575</u>    | <u>307,013</u>       | <u>52,438</u>                      |
| <u>Operating expenses</u>                  |                    |                   |                      |                                    |
| Personnel services                         | 57,070             | 57,070            | 46,849               | 10,221                             |
| Operating supplies                         | 870                | 870               | 812                  | 58                                 |
| Repairs and maintenance                    | 3,600              | 3,600             | 4,414                | (814)                              |
| Telephone and utilities                    | 1,611              | 1,611             | 782                  | 829                                |
| Other operating expenses                   | <u>1,864</u>       | <u>1,864</u>      | <u>2,543</u>         | <u>(679)</u>                       |
| Total operating expenses                   | <u>65,015</u>      | <u>65,015</u>     | <u>55,400</u>        | <u>9,615</u>                       |
| <u>Other income</u>                        |                    |                   |                      |                                    |
| Investment earnings                        | <u>37,670</u>      | <u>37,670</u>     | <u>88,468</u>        | <u>50,798</u>                      |
| Total other income                         | <u>37,670</u>      | <u>37,670</u>     | <u>88,468</u>        | <u>50,798</u>                      |
| <u>Capital contributions and transfers</u> |                    |                   |                      |                                    |
| Transfers out                              | -                  | (11,711)          | (5,534)              | 6,177                              |
| Total contributed capital                  | <u>-</u>           | <u>(11,711)</u>   | <u>(5,534)</u>       | <u>6,177</u>                       |
| Change in net position, budgetary basis    | <u>\$ 227,230</u>  | <u>\$ 215,519</u> | 334,547              | <u>\$ 119,028</u>                  |
| Reconciliation to GAAP basis               |                    |                   |                      |                                    |
| Dedicated assets                           |                    |                   | 232,706              |                                    |
| Depreciation                               |                    |                   | <u>(344,662)</u>     |                                    |
| Change in net position, GAAP basis         |                    |                   | 222,591              |                                    |
| Net position, beginning of year            |                    |                   | <u>10,503,785</u>    |                                    |
| Net position, end of year                  |                    |                   | <u>\$ 10,726,376</u> |                                    |

See the accompanying Independent Auditors Report

TOWN OF SEVERANCE  
STATEMENT OF NET POSITION  
FLEET FUND  
DECEMBER 31, 2025

Assets

Current assets:

|                                   |                   |
|-----------------------------------|-------------------|
| Cash and investments - restricted | <u>\$ 677,206</u> |
| Total assets                      | <u>677,206</u>    |

Net Position

|                    |                   |
|--------------------|-------------------|
| Restricted         | <u>677,206</u>    |
| Total net position | <u>\$ 677,206</u> |

*See the accompanying Independent Auditors Report*

TOWN OF SEVERANCE  
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGE IN  
FUND NET POSITION – BUDGET AND ACTUAL (BUDGETARY BASIS) –  
FLEET FUND  
YEAR ENDED DECEMBER 31, 2025

|                                         | Original and<br>Final Budget | Actual            | Variance<br>Positive<br>(Negative) |
|-----------------------------------------|------------------------------|-------------------|------------------------------------|
| <u>Operating revenues</u>               |                              |                   |                                    |
| Fleet replacement revenue               | \$ 82,275                    | \$ 105,025        | \$ 22,750                          |
| Total revenues                          | <u>82,275</u>                | <u>105,025</u>    | <u>22,750</u>                      |
| <u>Other income</u>                     |                              |                   |                                    |
| Investment earnings                     | <u>10,510</u>                | <u>29,453</u>     | <u>18,943</u>                      |
| Total other income                      | <u>10,510</u>                | <u>29,453</u>     | <u>18,943</u>                      |
| Change in net position, budgetary basis | <u>\$ 92,785</u>             | 134,478           | <u>\$ 41,693</u>                   |
| Change in net position, GAAP basis      |                              | 134,478           |                                    |
| Net position, beginning of year         |                              | <u>542,728</u>    |                                    |
| Net position, end of year               |                              | <u>\$ 677,206</u> |                                    |

*See the accompanying Independent Auditors Report*

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

|                                                                     |                   |
|---------------------------------------------------------------------|-------------------|
| Cash Flows From Capital and Related Financing Activities            |                   |
| Fleet replacement revenue                                           | \$ 105,025        |
| Net cash provided by capital and related<br>financing activities    | <u>105,025</u>    |
| Cash Flows From Investing Activities                                |                   |
| Investment earnings                                                 | <u>29,453</u>     |
| Net cash provided by investing activities                           | <u>29,453</u>     |
| Net change in cash and cash equivalents                             | 134,478           |
| Cash and cash equivalents and restricted cash,<br>beginning of year | <u>542,728</u>    |
| Cash and cash equivalents and restricted cash,<br>end of year       | <u>\$ 677,206</u> |

*See the accompanying Independent Auditors Report*

## SPECIAL REPORTS

| LOCAL HIGHWAY FINANCE REPORT                                                              |                           | STATE:<br>COLORADO                                     |                                           |
|-------------------------------------------------------------------------------------------|---------------------------|--------------------------------------------------------|-------------------------------------------|
| THIS INFORMATION FROM THE RECORDS OF:                                                     |                           | PREPARED BY:                                           |                                           |
| TOWN OF SEVERANCE                                                                         |                           | JACQUELYN GROSSNICKLE igrossnickle@townofseverance.org |                                           |
|                                                                                           |                           | REPORT YEAR ENDING DATE(mm/yyyy):<br>12/2025           |                                           |
| <b>I. DISPOSITION OF HIGHWAY-USER REVENUES AVAILABLE FOR LOCAL GOVERNMENT EXPENDITURE</b> |                           |                                                        |                                           |
| ITEM                                                                                      | A. Local Motor-Fuel Taxes | B. Local Motor-Vehicle Taxes                           | C. Receipts from State Highway-User Taxes |
| 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. Total (1 - (2 through 4))                                                              |                           |                                                        |                                           |
| <b>II. RECEIPTS FOR ROAD AND STREET PURPOSES - DETAIL</b>                                 |                           |                                                        |                                           |
| ITEM                                                                                      | AMOUNT                    | ITEM                                                   | AMOUNT                                    |
| <b>A.3. Other Local Imposts:</b>                                                          |                           | <b>A.4. Miscellaneous Local Receipts:</b>              |                                           |
| a. Property Taxes and Assessments                                                         | 0.00                      | a. Interest on investments                             | 203,981.45                                |
| b. Non-property Taxes and Assessments Imposts                                             | 1,308,372.52              | b. Other Misc. Local Receipts                          | 94,545.50                                 |
| <b>c. Total (a + b)</b>                                                                   | \$ 1,308,372.52           | <b>c. Total (a + b)</b>                                | \$ 298,526.95                             |
| ITEM                                                                                      | AMOUNT                    | ITEM                                                   | AMOUNT                                    |
| <b>C. Receipts from State Government</b>                                                  |                           | <b>D. Receipts from Federal Government</b>             |                                           |
| 1. Highway-user Taxes (from Item I.C.5.)                                                  | 413,310.64                | 1. FHWA (from Item I.D.5.)                             |                                           |
| 2. State General Funds                                                                    |                           | 2. Other Federal Agencies:                             |                                           |
| 3. Other State funds:                                                                     |                           |                                                        |                                           |
| a. State Bond Proceeds                                                                    |                           |                                                        |                                           |
| b. Non-State Bond Proceeds                                                                | 87,620.34                 |                                                        |                                           |
| <b>c. Total (a + b)</b>                                                                   | \$ 87,620.34              |                                                        |                                           |
| <b>4. Total (1 + 2 + 3c)</b>                                                              | \$ 500,930.98             | <b>3. Total (1 + 2)</b>                                | \$ -                                      |
| <b>III. EXPENDITURES FOR ROAD AND STREET PURPOSES - DETAIL</b>                            |                           |                                                        |                                           |
| ITEM                                                                                      | AMOUNT                    |                                                        |                                           |
| <b>A.1. Capital outlay:</b>                                                               |                           |                                                        |                                           |
| a. Right-Of-Way Costs                                                                     | 0.00                      |                                                        |                                           |
| b. Engineering Costs                                                                      | 245,280.65                |                                                        |                                           |
| c. Construction Costs                                                                     | 1,896,291.31              |                                                        |                                           |
| <b>d. Total Capital Outlay (a+ b + c)</b>                                                 | \$ 2,141,571.96           |                                                        |                                           |
| Form FHWA-536 (Rev. 02-2025) Page2                                                        |                           |                                                        |                                           |

| LOCAL HIGHWAY FINANCE REPORT                                                              |                           | STATE:<br>COLORADO                                    |                                           |
|-------------------------------------------------------------------------------------------|---------------------------|-------------------------------------------------------|-------------------------------------------|
|                                                                                           |                           | REPORT YEAR ENDING DATE(mm/yyyy):<br>12/2025          |                                           |
| <b>I. DISPOSITION OF HIGHWAY-USER REVENUES AVAILABLE FOR LOCAL GOVERNMENT EXPENDITURE</b> |                           |                                                       |                                           |
| 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. Amount used for highway purposes                                                       |                           |                                                       |                                           |
| <b>II. RECEIPTS FOR ROAD AND STREET PURPOSES</b>                                          |                           | <b>III. EXPENDITURES FOR ROAD AND STREET PURPOSES</b> |                                           |
| ITEM                                                                                      | AMOUNT                    | ITEM                                                  | AMOUNT                                    |
| <b>A. Receipts from Local Sources:</b>                                                    |                           | <b>A. Local highway expenditures:</b>                 |                                           |
| 1. Local Highway-user Taxes                                                               |                           | 1. Capital Outlay (from page 1, Item III.A1.d)        | \$ 2,141,571.96                           |
| a. Motor Fuel (from Item I.A.1)                                                           |                           | 2. Maintenance:                                       | 253,118.02                                |
| b. Motor Vehicle (from Item I.B.1)                                                        |                           | 3. Road and Street Services:                          |                                           |
| c. Total (a + b)                                                                          |                           | a. Snow and Ice Removal                               | 90,426.23                                 |
| 2. General Fund Appropriations                                                            | 2,828,698.72              | b. Other & Traffic Control Operations                 | 101,834.68                                |
| 3. Other Local Imposts (from page 1, Item II.A3.c)                                        | \$ 1,308,372.52           | c. Total (a + b)                                      | \$ 192,260.91                             |
| 4. Miscellaneous Local Receipts (from page 1, Item II.A4.c)                               | \$ 298,526.95             | 4. General Administration & Miscellaneous             | 355,667.11                                |
| 5. Transfers from Toll Facilities                                                         |                           | 5. Highway Law Enforcement and Safety                 | 1,790,973.80                              |
| 6. Proceeds of Sale of Bonds and Notes:                                                   |                           | 6. Total (1 through 5)                                | \$ 4,733,591.80                           |
| a. Bonds - Original Issues                                                                |                           | <b>B. Debt Service on Local Obligations:</b>          |                                           |
| b. Bonds - Refunding Issues                                                               |                           | 1. Bonds:                                             |                                           |
| c. Notes                                                                                  |                           | a. Interest                                           |                                           |
| d. Total (a + b + c)                                                                      | \$ -                      | b. Redemption                                         |                                           |
| 7. Total (1 through 6)                                                                    | \$ 4,435,598.19           | c. Total (a + b)                                      |                                           |
| B. Private Contributions                                                                  |                           | 2. Notes:                                             |                                           |
| C. Receipts from State government (from page 1, Item II.C.4)                              | \$ 500,930.98             | a. Interest                                           |                                           |
| D. Receipts from Federal government (from page 1, Item II.D.3)                            | \$ -                      | b. Redemption                                         |                                           |
| E. Total receipts (A.7 + B + C + D)                                                       | \$ 4,936,529.17           | c. Total (a + b)                                      |                                           |
|                                                                                           |                           | 3. Total (1c + 2c)                                    |                                           |
|                                                                                           |                           | C. Payments to State for Highways                     |                                           |
|                                                                                           |                           | D. Payments to Toll Facilities                        |                                           |
|                                                                                           |                           | E. Total Expenditures (A6 + B3 + C + D)               |                                           |
|                                                                                           |                           | \$ 4,733,591.80                                       |                                           |
| <b>IV. LOCAL HIGHWAY DEBT STATUS</b>                                                      |                           |                                                       |                                           |
| (Show all entries at par)                                                                 |                           |                                                       |                                           |
| ITEM                                                                                      | OPENING DEBT              | AMOUNT ISSUED                                         | REDEMPTIONS                               |
| CLOSING DEBT                                                                              |                           |                                                       |                                           |
| A. Bonds (Total)                                                                          |                           | \$ -                                                  | \$ -                                      |
| 1. Bonds (Refunding Portion)                                                              |                           | \$ -                                                  | \$ -                                      |
| B. Notes (Total)                                                                          |                           | \$ -                                                  | \$ -                                      |



## AGENDA ITEM SUMMARY

| AGENDA ITEM                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                | SUBMITTED BY                   | PRESENTED BY                                                                                           |
|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|--------------------------------|--------------------------------------------------------------------------------------------------------|
| Pg. 160 - Resolution 2026-22R:<br>A Resolution of the Town Council of the Town of Severance, Colorado, Approving the Intergovernmental Agreement for Conduct of Community Development Block Grant Program in Weld County for the Fiscal Years 2027 Through 2029, and Authorizing the Execution Thereof                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                     | Nicholas Wharton, Town Manager | Town Manager Nicholas Wharton                                                                          |
| <b>ACTION REQUESTED</b>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                    |                                |                                                                                                        |
| <p>Management asks that the Town Council review and discuss the Intergovernmental Agreement (IGA) amendment for the Community Development Block Grant (CDBG) program in Weld County.</p> <p>Action that may be taken:</p> <ul style="list-style-type: none"> <li>• Move to approve Resolution 2026-21R for the CDBG IGA amendment with Weld County</li> <li>• Take no action</li> </ul>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                    |                                | <p><b><u>Resolution</u></b><br/><b><u>Attorney Approved</u></b><br/><b><u>Action Requested</u></b></p> |
| <b>BRIEF HISTORY OF ITEM</b>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                               |                                |                                                                                                        |
| <b>BRIEF SUMMARY</b>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                       |                                |                                                                                                        |
| <p>Management is requesting action for the amendment to the Intergovernmental Agreement for Community Development Block Grant program in Weld County with the Town.</p> <p>As a reminder, the Town would be asked to cooperate and work with Weld County in the preparation of detailed projects and other activities to be conducted or performed within the Town during the Federal fiscal years during which this agreement is in effect. The term of this agreement shall be for the Federal fiscal years 2027 through 2029. Funding for this agreement is based on Federal fiscal years, which begin October 1st and end September 20th of the following year. This agreement shall automatically be renewed for participation for one, three-year period (Federal Fiscal Years 2030, 2031, 2032), unless either party provides written notice that it elects not to participate.</p> |                                |                                                                                                        |
| <b>PUBLIC SUPPORT/CONCERN</b>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                              |                                |                                                                                                        |
| None at this time.                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                         |                                |                                                                                                        |
| <b>ANALYSIS AND RECOMMENDATION</b>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                         |                                |                                                                                                        |
| Management recommends the Town Council take action and move to approve Resolution 2026-21R an Intergovernmental Agreement for the Community Development Block Grant program.                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                               |                                |                                                                                                        |

## **MATERIALS SUBMITTED**

The following materials were submitted and included in this packet:

1. Res 2026-22R - Resolution to Adopt CDBG IGA
2. 2026 Severance CDBG IGA
3. 2026 Legal Opinion Letter - Exhibit A - with signature from Byron Howell
4. 2020 Severance CDBG IGA

**TOWN OF SEVERANCE  
RESOLUTION NO. 2026-22R**

**A RESOLUTION OF THE TOWN COUNCIL OF THE TOWN OF SEVERANCE,  
COLORADO, APPROVING THE INTERGOVERNMENTAL AGREEMENT FOR  
CONDUCT OF COMMUNITY DEVELOPMENT BLOCK GRANT PROGRAM IN  
WELD COUNTY FOR THE FEDERAL FISCAL YEARS 2027 THROUGH 2029, AND  
AUTHORIZING THE EXECUTION THEREOF**

**WHEREAS**, the Town of Severance, Colorado (the “Town”) is a home rule municipality organized pursuant to Article XX of the Colorado Constitution and the Town Home Rule Charter (the “Charter”), and is authorized to enter into intergovernmental agreements; and

**WHEREAS**, in 1974 the United States Congress enacted the Housing and Community Development Act of 1974 (the “Act”), which authorizes federal participation in a broad range of local housing and community development activities administered by the U.S. Department of Housing and Urban Development (“HUD”), including through the Community Development Block Grant (“CDBG”) program; and

**WHEREAS**, HUD regulations governing the CDBG program, published at 24 C.F.R. Part 570, provide that a county may qualify as an “Urban County” and that municipalities and other units of general local government within the Urban County may be included in the county’s CDBG program by intergovernmental or cooperation agreement; and

**WHEREAS**, the County of Weld (the “County”) seeks to qualify as an Urban County for Federal Fiscal Years 2027 through 2029, and for future qualification periods, in accordance with HUD Notice CPD-26-08; and

**WHEREAS**, the Town desires to be included within the County’s Urban County CDBG program as a “Participating Jurisdiction” and thereby to be eligible to participate in the County’s CDBG programs during the County’s qualification period(s); and

**WHEREAS**, Colo. Const. art. XIV, § 18 and § 29-1-203, C.R.S., authorize the County and the Town to cooperate and to contract with one another for any function, service, or facility lawfully authorized to each; and

**WHEREAS**, the County has provided an Intergovernmental Agreement for Conduct of Community Development Block Grant Program in Weld County (the “Agreement”), a copy of which is attached hereto and incorporated herein as **Exhibit A**; and

**WHEREAS**, the Town Council acknowledges that, by entering into the Agreement and participating in the County’s Urban County CDBG program, the Town may not apply for grants under the State CDBG program during the period of participation, and may receive HOME Program and Emergency Solutions Grant (“ESG”) formula allocations only through the Urban County; and

**WHEREAS**, the initial term of the Agreement covers Federal Fiscal Years 2027 through 2029, the Agreement automatically renews for one successive three-year qualification period (Federal Fiscal Years 2030 through 2032) unless a party elects not to participate, and the Agreement remains in effect until CDBG funds and program income received with respect to the qualification period(s) are expended and the funded activities completed; and

**WHEREAS**, the Town Council finds it appropriate and intends to authorize the Mayor to execute the Agreement, in substantially the same form as **Exhibit A**, on behalf of the Town; and

**WHEREAS**, the Town Council finds and determines that entering into the Agreement is in the best interests of the Town and its residents and serves a valid public purpose.

**NOW, THEREFORE, BE IT RESOLVED BY THE TOWN COUNCIL OF THE TOWN OF SEVERANCE, COLORADO, AS FOLLOWS:**

**Section 1.**     **Recitals.** The above recitals and findings of the Town Council are incorporated herein and made a part of this resolution.

**Section 2.**     **Approval of Agreement.** The Town Council for the Town of Severance approves the Intergovernmental Agreement for Conduct of Community Development Block Grant Program in Weld County, by and between Weld County and the Town of Severance, in substantially the same form as the copy attached hereto and incorporated herein as **Exhibit A**.

**Section 3.**     **Authorization to Execute Agreement.** The Mayor is hereby authorized to execute the Intergovernmental Agreement for Conduct of Community Development Block Grant Program in Weld County on behalf of the Town of Severance in substantially the same form as **Exhibit A**. The Town Manager and Town staff are further authorized to take all actions reasonably necessary to carry out and effectuate the purpose of the Agreement and this resolution.

**Section 4.**     **Effective Date.** This resolution shall take effect immediately upon its adoption.

**RESOLVED AND APPROVED THIS 28<sup>TH</sup> DAY OF JULY, 2026.**

TOWN OF SEVERANCE, COLORADO

\_\_\_\_\_  
Matthew Fries, Mayor

ATTEST

\_\_\_\_\_  
Sarah Jacobsen, Town Clerk

**INTERGOVERNMENTAL AGREEMENT FOR CONDUCT OF  
COMMUNITY DEVELOPMENT BLOCK GRANT PROGRAM IN WELD COUNTY**

THIS INTERGOVERNMENTAL AGREEMENT (“Agreement”) is made this \_\_\_\_ day of \_\_\_\_\_, 2026, by and between County of Weld, by and through the Board of County Commissioners of the County of Weld, whose address is P.O. Box 758, 1150 O Street, Greeley, CO 80632, a body corporate and politic of the State of Colorado, hereinafter referred to as “County,” and the Town of Severance, whose address is 3 S. Timber Ridge Parkway, Severance, CO, 80546, a municipality located in Weld County, State of Colorado, hereinafter referred to as “Municipality.” County and Municipality may be referred to collectively as “Parties,” and individually as “Party.”

WITNESSETH:

WHEREAS, in 1974 the U.S. Congress enacted the Housing and Community Development Act of 1974 (“the Act”) thereby permitting and providing for the participation of the Federal government in a wide range of local housing and community development activities and programs, which activities and programs are administered by the U.S. Department of Housing and Urban Development (“HUD”); and

WHEREAS, the primary objective of Title I of the Act is the development of viable urban communities by providing decent housing and a suitable living environment and the expansion of economic opportunities, mainly for persons of low and moderate-income. This objective is to be accomplished by providing financial assistance in the form of block grant funds to state and local governments for the conduct and administration of housing and community development activities and programs as contemplated under the Act via the Community Development Block Grant (“CDBG”) program; and

WHEREAS, HUD rules and regulations governing the CDBG Program, as published in 24 C.F.R., Subtitle B, Chapter V, Part 570 (“CDBG Regulations”), provide that a county must qualify as an “Urban County,” as defined therein, and submit to HUD an annual request for funding in the form of a Three (3) year Consolidated Plan (“Consolidated Plan”) and an Annual Action Plan (“AAP”) or a Three (3) year Consolidated Plan with an Annual Action Plan component (“CPAAP”). The municipalities and other units of local government within an Urban County may be included in the Urban County by intergovernmental or cooperative agreement and may thereby be included in the Urban County’s CDBG Program; and

WHEREAS, Weld County wishes to obtain Urban County classification for the next three successive fiscal years 2027-2029 and future years; and

WHEREAS, rules and regulation to qualify or re-qualify as an Urban County are published annually and the notice for the Federal fiscal years 2027-2029 are published in HUD Notice CPD-26-08, “Instructions for Urban County Qualification for Participation in the Community Development Block Grant (CDBG) Program; and

WHEREAS, HUD has determined that County is authorized to undertake essential community development activities in its unincorporated areas that are necessary to qualify as an Urban County to receive funds from HUD by annual grant agreement. This determination is based on the authority granted County pursuant to §§ 29-3-101 to 123, §§ 30-11-101 to 107; §§ 30-20-301 to 310; and §§ 30-20-401 to 422, Colorado Revised Statutes (C.R.S.), as amended; and

WHEREAS, it is recognized that County does not have independent legal authority to conduct some kinds of community development and housing assistance activities within the boundaries of Municipality and, therefore, its ability to conduct the CDBG Program in Municipality is limited. Accordingly, in order for Municipality to be considered a part of the Urban County and be included in County's annual requests to HUD for CDBG Program funds, CDBG regulations require that Municipality and County enter into a cooperation agreement wherein Municipality authorizes and agrees to cooperate with County to undertake or to assist in the undertaking of essential community development and housing assistance activities within the boundaries of Municipality, as may be approved and authorized between the Parties in the CDBG Agreements, including the Consolidated Plan, and in County's annual grant agreements with HUD; and

WHEREAS, pursuant to Colo. Const. art. XIV, § 18 and § 29-1-203, C.R.S., as amended, County and Municipality are expressly authorized to cooperate and contract with each other for any function, service, or facility lawfully authorized to each; and

WHEREAS, County and Municipality have determined that it would be mutually beneficial and in the public interest to enter into this Agreement. Municipality that has entered into an intergovernmental agreement with the County shall be considered a "Participating Jurisdiction" and shall be eligible to participate in the County's CDBG programs for the County's qualification period; and

WHEREAS, the Mayor of the Municipality is authorized to execute this Agreement on the Municipality's behalf; and

WHEREAS, the County Executive is authorized to execute this Agreement on the County's behalf.

NOW, THEREFORE, in consideration of the mutual covenants and promises herein set forth, the sufficiency of which is hereby acknowledged, County and Municipality agree as follows:

#### **I. TERM OF AGREEMENT:**

This Agreement covers the CDBG Entitlement program. Urban County does 'not' receive HOME or ESG funding. The initial term of this Agreement shall be for three (3) years covered by the Urban County qualification period of Federal Fiscal Years **2027**, through **2029**. Funding

for this Agreement is based on Federal fiscal years, which begin October 1<sup>st</sup> and end September 30<sup>th</sup> of the following year.

This Agreement shall automatically be renewed for participation for one successive three (3) year Urban County qualification period (Federal Fiscal Years 2030, 2031, 2032), unless either Party provides written notice that it elects not to participate in a new qualification period. The terminating Party shall send a copy of the notice of termination to the HUD field office by the date specified on the HUD Exchange Urban Counties website. The County will notify the Municipality in writing of the Municipality's right to make this election. A copy of the County's notification must be sent to the HUD field office by the date specified on the HUD Exchange Urban Counties website.

The Parties agree to adopt amendment(s) to this Agreement as may be required by HUD to meet any new Urban County Qualification requirement(s), when applicable. Failure by either Party to adopt any such amendment, and to submit such amendment to HUD, will void the agreement for such qualification period.

This Agreement shall remain in effect until the CDBG funds and Program Income ("PI") received with respect to activities carried out during the three-year qualification period and any applicable successive qualification periods pursuant to renewals of the Agreement are expended and the funded activities completed, and County and Municipality cannot terminate or withdraw from the Agreement while it remains in effect.

## **II. RESPONSIBILITIES OF MUNICIPALITY:**

- A. Municipality and County Cooperation.** The County and the Municipality agree to cooperate to undertake, or assist in undertaking, essential community development and housing assistance activities.

Municipality will cooperate and work with County in the preparation of detailed projects and other activities to be conducted or performed within Municipality during the Federal fiscal years during which this Agreement is in effect. Municipality will also cooperate with County, and County will cooperate with Municipality, to undertake or assist in undertaking community renewal and lower income housing assistance activities, specifically urban renewal and publicly assisted housing. The finalized projects and activities will be included in County's AAP when required, annually. Municipality understands and agrees, however, that County shall have final responsibility for the selection of all projects and activities to be included in the grant requests and the submission of requests. Municipality shall cooperate fully with County in all CDBG Program efforts planned and performed hereunder and does hereby allow and permit County to undertake or assist in undertaking essential community development and housing assistance activities within Municipality as may be approved and authorized in County's CDBG Plans, Agreements and/or Contracts, including the AAP, when required.

- B. Delegation of Administrative and Supervisory Control.** Municipality acknowledges that County is ultimately responsible to HUD for the supervision and administration of any funds received by the Urban County or Municipality under the CDBG Program.
- C. Subrecipient Agreements.** Pursuant to CDBG Regulations, as published in 24 C.F.R. Volume 3, Subtitle B, Chapter V, Part 570.501(b), Municipality is subject to the same requirements applicable to “subrecipients,” including the requirement of a written agreement as set forth in 24 C.F.R. Volume 3, Subtitle B, Chapter V, Part 570.503. Additionally, County shall use Sub-recipient Agreements for all projects administered on behalf of Municipality and shall notify Municipality of individual project and/or Activity County approvals. The Agreements may contain the Project Name, Project Purpose, Scope of Service, Project Description, Performance Measures, Staffing and Description of System Delivery, Project Budget, Time of Performance, Reporting Requirements, Labor Standards requirements (if any), Environmental Review Requirements and other Financial Information. This Agreement shall govern such elements as PI, Reversion of Assets, Records, Reports and Asset Management.
- D. Project Timelines.** The timeline for a project or activity shall commence when County provides written notification to Municipality of proposal/project/activity approval and authorization by County and/or HUD and a fully executed Subrecipient Agreement. Municipality shall submit to County, no less frequent than annually, formal Municipality proposals, including a timeline and budget for each project or activity. The timeline shall specify the length of time needed for each phase through the completion of the project or activity. Municipality shall comply and/or require its contractors and/or sub-contractors to comply with the timelines submitted and Municipality shall allocate the funds received hereunder accordingly. Municipality understands that failure to comply with the timelines may result in cancellation of a project or activity and/or the loss of CDBG funding, unless County determines that extenuating circumstances beyond Municipality control exist, permitting the project to proceed and be completed in a reasonable time. Unobligated or unexpended funds not used by Municipality shall be transferred to the allocation formula for redistribution. County will review all CDBG projects and activities to determine whether they are being carried out in a timely manner as required by CDBG Regulations, 24 C.F.R. Volume 3, Subtitle B, Chapter V, Part 570.902.
- E. Payment Process.**
- 1. Applications for Funding.** Before County distributes any funds to Municipality under this Agreement, Municipality shall submit to County an application for funding, which shall be in the form and format specified by County and in compliance with HUD regulations.
- F. Non-Appropriation Clauses.** Municipality agrees that every contract to which it is a party involving the use of CDBG funds allocated here under shall include a non-appropriation clause. Such clause shall state that the funding therefore is contingent upon the continuing allocation and availability of CDBG funding and not upon the availability of County General Funds.

1. **Accounting Standards.** Municipality's financial management system shall be in compliance with the standards specified in OMB Circular A-87, now superseded by regulations codified at 2 C.F.R. Part 200, Subpart E. In addition, Municipality shall comply with OMB Circular A-110, now superseded by regulations codified at 2 C.F.R. Part 200, Subpart D, and agrees to adhere to the accounting principles and procedures required therein, utilize adequate internal controls, and maintain necessary source documentation for all costs incurred.

G. **Expenditure Restrictions.** All CDBG funds approved by HUD for expenditure under County's Grant Agreement, including those that are identified for Municipality projects and activities, shall be allocated to the specific projects and activities described and listed in Municipality's proposal for funding, Agreements, and Contracts; such funds shall be used for no other purposes. No project, activity, or the amount allocated to a given project or activity may be changed without the written concurrence of County and/or HUD, as required.

H. **Additional Spending Limitations.** By executing the CDBG cooperation agreement, the included Municipality understands that it:

- a. May not apply for grants under the State CDBG Program for fiscal years during the period in which it participates in the Urban county's CDBG program.
- b. May receive a formula allocation under the HOME Program only through the urban county. Thus, even if the Urban County does not receive a HOME formula allocation, the participating unit of local government cannot form a HOME consortium with other local governments.
- c. May receive a formula allocation under the ESG Program only through the Urban county.
- d. This does not preclude the Urban County or the Municipality from applying for HOME or ESG funds from the State, if the State allows.

I. **Municipality as Independent Contractor.** Municipality shall be responsible for the direct day-to-day supervision and administration of the projects and activities for which it receives funding under this Agreement. As such, Municipality shall be deemed to be acting as an independent contractor and not as an employee of County. Municipality shall be solely and entirely responsible for its acts and omissions, and the acts and omissions of its elected officials, employees, servants, contractors, and subcontractors during the term and performance of this Agreement. No elected official, employee, servant, contractor, or subcontractor of Municipality shall be deemed to be an employee, servant, contractor, or subcontractor of County because of the performance of any services or work under this Agreement. Municipality, at its expense, shall procure and maintain workers' compensation insurance and unemployment compensation insurance as applicable and/or required by law. **Pursuant to the Workers' Compensation Act, § 8-40-202(2)(b)(IV), C.R.S., as amended, Municipality understands that it and its elected officials, employees, and agents are not entitled to workers' compensation benefits from County. Municipality further understands that it is solely obligated**

**for the payment of Federal and State income tax on any moneys earned pursuant to this Agreement, as applicable. Unemployment insurance benefits will not be available to Municipality unless unemployment coverage is provided by the Municipality or some other entity.**

**J. Excessive Force.** Municipality has adopted and is enforcing:

1. A policy prohibiting the use of excessive force by law enforcement agencies within its jurisdiction against any individuals engaged in non-violent civil rights demonstrations; and;
2. A policy enforcing applicable state and local laws against physically barring entrance to or exit from a facility or location that is the subject of such non-violent civil rights demonstrations within its jurisdiction.

**K. Record Retention.** Municipality shall maintain records and accounts of the funds it receives hereunder in accordance with accepted accounting procedures and any applicable Federal and State laws and regulations. Municipality will provide full access to these records to County, the Secretary of HUD or the Secretary's designee, the Office of Inspector General, and/or the U.S. Government Accountability Office, so that compliance may be confirmed regarding the expenditure of funds pursuant to this Agreement. Municipality further agrees to provide County, upon request, a copy of any audit records pertaining to Municipality's CDBG Program operations during the term of this Agreement. Municipality shall retain all records pertaining to this Agreement for a period of ten (10) Federal fiscal years following the termination of this Agreement.

**L. Termination Asset Management.** If Municipality terminates its participation in the Urban County CDBG Program, any assets acquired under this Agreement or from CDBG Program funding shall be managed or disposed of in accordance with 2 CFR Part 200 and any other applicable HUD and/or Federal regulations.

**M. Compliance With Local Laws.** All responsibilities of Municipality enumerated herein shall be subject to applicable State statutes and regulations and Municipality ordinances, resolutions, and rules and regulations insofar as they apply to projects or activities located within Municipality.

### **III. RESPONSIBILITIES OF COUNTY:**

**A. Administrative Oversight.** County, as a designated Urban County and Municipality, is ultimately responsible for the administrative oversight and supervision of all funds. As such, it is responsible for ensuring that all funds allocated to Municipality are expended in accordance with the AAP, all Agreements and/or Contracts, and all applicable Federal, State, and local laws, ordinances, resolutions, regulations, and laws pertaining to this Agreement. It is the intent of County to exercise only that degree of administrative and supervisory control concerning Municipality projects and activities as necessary to

comply with such requirements and in accordance with the provisions of this Agreement and any Subrecipient Agreement.

**B. Distribution of Funds.** The distribution of CDBG funds between County and Municipality shall be determined as follows:

1. **Administrative Allocation.** County shall retain up to twenty percent (20%) of the total CDBG Program funds allocated to County for the purpose of general oversight, management, coordination and related costs. The expenditure of these funds shall be within the sole discretion of County for the aforementioned purposes.
2. **Allocations to Participating Jurisdictions.** The funds remaining after the subtraction of the administrative allowance outlined above shall be made available to the County and Municipality.
3. **Application Compliance.** All applications for funds must comply with all applicable Federal laws and regulations before any funds may be distributed.
4. **Benefit to Low- and Moderate-Income Residents.** CDBG National Objectives require that at least seventy (70%) of CDBG funds utilized must principally benefit low-to-moderate-income residents. County and Municipality agree to utilize their CDBG Program allocations each year in accordance with CDBG Program National Objective requirements by allocating at least seventy (70%) percent of their funds toward projects or activities that principally benefit low-to-moderate income residents. In preparing applications for funding, Municipality shall also take into consideration provisions for the elimination of slums or blight and provisions to meet urgent community development needs that are a threat to public health and safety and have become known or serious within the last eighteen (18) months, which are also part of the CDBG Program National Objectives.

**IV. MUTUAL RESPONSIBILITIES AND MISCELLANEOUS PROVISIONS:**

- A. Compliance With Federal Laws and Regulations.** The Parties shall take all actions to do all things that are appropriate and required to comply with the applicable provisions of the grant agreements received from HUD by County in which Municipality is included. The county and the cooperating unit of general local government agree to cooperate to undertake, or assist in undertaking, community renewal and lower-income housing assistance activities.

Parties agree that no actions shall be taken that prohibit Urban County from funding activities in, or in support of, any Participating UGLG that impedes County's actions to comply with its fair housing certification.

Parties agree that Urban County and the Participating UGLG are obligated to comply with Urban County's certification (under section 104(b) of Title I of the Housing and

Community Development Act of 1974), that grants will be conducted and administered in conformity with:

- Title VI of the Civil Rights Act of 1964 (and the implementing regulations at 24 CFR Part 1);
- the Fair Housing Act (Title VIII of the Civil Rights Act of 1968), and the implementing regulations at 24 CFR Part 100, and the duty to affirmatively further fair housing (AFFH); and
- Section 109 of Title I of the Housing and Community Development Act of 1974, and the implementing regulations at 24 CFR Part 6, which incorporates:
  - Section 504 of the Rehabilitation Act of 1973, and the implementing regulations at 24 CFR Part 8;
  - Title II of the Americans with Disabilities Act, and the implementing regulations at 28 CFR Part 35;
  - the Age Discrimination Act of 1975, and the implementing regulation at 24 CFR Part 146;
  - Section 3 of the Housing and Urban Development Act of 1968;
  - Uniform Relocation Assistance and Real Property Acquisition Policies Act of 1970, and the implementing regulations at 49 CFR Part 24;
  - Section 104(d) of Housing and Community Development Act of 1974, and the implementing regulations at 24 CFR Part 42; and
- Other applicable laws

**B. Governmental Immunity.** County and Municipality are “Public Entities” as defined under the Colorado Governmental Immunity Act, § 24-10-101, *et seq.*, C.R.S., as amended. Nothing in this Agreement shall be construed to waive or in any manner limit any of the protections or immunities afforded thereunder.

**C. Fair Housing.**

County is prohibited from funding activities that do not comply with HUD’s policies and regulations concerning fair housing. Municipality agrees to affirmatively further fair housing. Municipality agrees not to take any actions pursuant to funding it receives under this Agreement that would result in County being in noncompliance with its Fair Housing Certification. Municipality acknowledges that noncompliance by Municipality may constitute noncompliance by County, which may provide cause for funding sanctions or other remedial actions by HUD. Urban County funding shall not be used for activities in, or in support of, any locality that does not affirmatively further fair housing within its own jurisdiction or that impedes County’s actions to comply with County’s Fair Housing Certification.

**D. Reporting.** Municipality will file all reports and other information necessary to comply with applicable Federal laws and regulations as required by County and HUD. This includes providing to County information necessary to complete the Consolidated Annual Performance and Evaluation Report (CAPER) in a timely fashion. Requirements will be specified in individual Agreements and/or Contracts. County shall be responsible for

confirming the compliance of Municipality projects with applicable Federal laws and regulations. County shall further be responsible for maintaining proper documentation of County's administrative expenses and for determining that all necessary reports and information are filed with HUD and other applicable Federal agencies in a timely fashion.

1. **Support of Nonprofit Organizations.** County recognizes nonprofit organizations as being valuable partners in addressing the needs of low and moderate-income citizens. Municipality is encouraged to provide financial support utilizing its General funds, CDBG funds, and other available funds to support nonprofit organizations that serve low-income residents within the Urban County and/or Municipality. CDBG funds should supplement activities above and beyond what local Municipality funds normally support; they are not meant to displace use of local support.

2. **Termination.** This Agreement may only be terminated as provided herein or as otherwise provided by Federal, State, or local law, ordinance, resolution, regulation, or rule.

E. **Entire Agreement.** This writing constitutes the entire Agreement between the Parties with respect to the subject matter herein, and shall be binding upon the Parties, their officers, employees, agents and assigns and shall inure to the benefit of the respective survivors, heirs, personal representatives, successors and assigns of the Parties.

F. **No Third-Party Beneficiary Enforcement.** It is expressly understood and agreed that the enforcement of the terms and conditions of this Agreement, and all rights of action relating to such enforcement, shall be strictly reserved to the Parties and nothing in this Agreement shall give or allow any claim or right of action whatsoever by any other person not included in the Agreement. It is the express intention of the Parties that any entity other than the Parties receiving services or benefits under this Agreement shall be incidental beneficiary only.

G. **Severability.** If any term or condition of this Agreement shall be held to be invalid, illegal, or unenforceable, this Agreement shall be construed and enforced without such provision to the extent that this Agreement is then capable of execution within the original intent of the Parties.

H. **Modification and Breach.** This Agreement contains the entire Agreement and understanding between the Parties and supersedes any other Agreements concerning the subject matter of this transaction, whether oral or written. No modification, amendment, notation, renewal, or other alteration of or to this Agreement shall be deemed valid or of any force or effect whatsoever, unless mutually agreed upon in writing by the Parties. No breach of any term, provision, or clause of this Agreement shall be deemed waived or excused, unless such waiver or consent shall be in writing and signed by the Party claimed to have waived or consented. Any consent by any Party, or waiver of, a breach by any other Party, whether express or implied, shall not constitute a consent to, waiver of, or excuse for any other different or subsequent breach.

- I. Prohibition of Fund Use.** Parties to this Agreement understand and agree that they may not sell, trade, or otherwise transfer all or any portion of CDBG funds to a Metropolitan City, Urban County, unit of general local government, or insular area that directly or indirectly receives CDBG funds in exchange for any funds, credits, or non-Federal considerations but must use such funds for activities eligible under Title I of the Housing and Community Development Act of 1974, as amended.
- J. Legal Opinion.** The terms and provisions of this agreement are fully authorized under state and local law and that the agreement provides the legal authority for the County to undertake, or assist in undertaking, essential community development and housing assistance activities within the Participating UGLG's jurisdiction. Attached and incorporated into this Agreement is **Exhibit A**, County Counsel's Legal Opinion letter regarding this issue.
- K. Notices.** All notices required herein shall be mailed via First Class Mail to the Parties' representatives at the addresses set forth below:

**MUNICIPALITY:**

**COUNTY:**

Cynthia Martin, Weld County  
1301 N 17<sup>th</sup> Ave., PO Box 758,  
Greeley, CO 80632

IN WITNESS WHEREOF, County Executive and Municipality Mayor are authorized to execute this Agreement on their respective behalf's and have duly executed this Agreement, which shall become effective as of the latest date written below.

**ATTEST:**

**TOWN OF SEVERANCE, COLORADO**

By: \_\_\_\_\_  
Sarah Jacobsen, Town Clerk

By: \_\_\_\_\_  
Matthew Fries, Mayor

**ATTEST:**

**WELD COUNTY Clerk to the Board**

**COUNTY OF WELD, STATE OF  
COLORADO, by and through the BOARD  
OF COUNTY COMMISSIONERS OF THE  
COUNTY OF WELD**

By: \_\_\_\_\_  
Deputy Clerk to the Board

By: \_\_\_\_\_  
Scott K. James, Chair

## EXHIBIT A



WELD COUNTY ATTORNEY'S OFFICE  
1150 O STREET  
P.O. BOX 758  
GREELEY, CO 80632-0758  
WEBSITE: [www.co.weld.co.us](http://www.co.weld.co.us)  
PHONE: (970) 336-7235  
FAX: (970) 352-0242

July 2, 2026

ATTN: Benjamin Alamprese  
U.S. Department of Housing and Urban Development  
Office of Community Planning & Development  
Region VIII  
1670 Broadway, 24<sup>th</sup> Floor  
Denver, CO 80202

Dear Mr. Alamprese:

In my professional opinion, the terms and provisions of the intergovernmental agreements between Weld County and our municipalities participating in the Community Development Block Grant program continue to be authorized by state and local law. Said agreements also provide full legal authority for the county. Please feel free to forward this opinion as necessary. Also please feel free to reach out to me if there are any questions.

Sincerely,

*Byron J. Howell*

Byron Howell, Colorado Atty. Reg. No. 24604  
Assistant Weld County Attorney  
[bhowell@weld.gov](mailto:bhowell@weld.gov)

**INTERGOVERNMENTAL AGREEMENT FOR CONDUCT OF  
COMMUNITY DEVELOPMENT BLOCK GRANT PROGRAM IN WELD COUNTY**

THIS INTERGOVERNMENTAL AGREEMENT ("Agreement") is made this 29<sup>TH</sup> day of June, 2020, by and between County of Weld, by and through the Board of County Commissioners of County of Weld, whose address is P.O. Box 758, 1150 O Street, Greeley, CO 80632, a body corporate and politic of the State of Colorado, hereinafter referred to as "County," and Town of Severance, whose address is 3 S. Timber Ridge Pkwy, P.O. Box 339, Severance, CO 80546, a municipality located in Weld County, State of Colorado, hereinafter referred to as "Municipality." County and Municipality may be referred to collectively as "Parties," and individually as "Party."

WITNESSETH:

WHEREAS, in 1974 the U.S. Congress enacted the Housing and Community Development Act of 1974 ("the Act") thereby permitting and providing for the participation of the Federal government in a wide range of local housing and community development activities and programs, which activities and programs are administered by the U.S. Department of Housing and Urban Development ("HUD"); and

WHEREAS, the primary objective of Title I of the Act is the development of viable urban communities by providing decent housing and a suitable living environment and the expansion of economic opportunities, mainly for persons of low and moderate-income. This objective is to be accomplished by providing financial assistance in the form of block grant funds to state and local governments for the conduct and administration of housing and community development activities and programs as contemplated under the Act via the Community Development Block Grant ("CDBG") program; and

WHEREAS, HUD rules and regulations governing the CDBG Program, as published in 24 C.F.R., Volume 3, Subtitle B, Chapter V, Part 570 ("CDBG Regulations"), provide that a county must qualify as an "Urban County," as defined therein, and submit to HUD an annual request for funding in the form of a Three (3) year Consolidated Plan ("Consolidated Plan") and an Annual Action Plan ("AAP") or a Three (3) year Consolidated Plan with an Annual Action Plan component ("CPAAP"). The municipalities and other units of local government within an Urban County may be included in the Urban County by intergovernmental or cooperative agreement and may thereby be included in the Urban County's CDBG Program; and

WHEREAS, Weld County wishes to obtain Urban County classification for the next three successive fiscal years 2021 -2023 and future years; and

WHEREAS, rules and regulation to qualify or re-qualify as an Urban County are published annually and the notice for the Federal fiscal years 2020-2022 are published in HUD Notice CPD-19-04, "Instructions for Urban County Qualification for Participation in the

Community Development Block Grant (CDBG) Program for Fiscal Years (FYs) 2020-2022;"  
and

WHEREAS, HUD has determined that County is authorized to undertake essential community development activities in its unincorporated areas that are necessary to qualify as an Urban County to receive funds from HUD by annual grant agreement. This determination is based on the authority granted County pursuant to §§ 29-3-101 to 123, §§ 30-11-101 to 107; §§ 30-20-301 to 310; and §§ 30-20-401 to 422, Colorado Revised Statutes (C.R.S.), as amended; and

WHEREAS, it is recognized that County does not have independent legal authority to conduct some kinds of community development and housing assistance activities within the boundaries of Municipality and, therefore, its ability to conduct the CDBG Program in Municipality is limited. Accordingly, in order for Municipality to be considered a part of the Urban County and be included in County's annual requests to HUD for CDBG Program funds, CDBG regulations require that Municipality and County enter into a cooperation agreement wherein Municipality authorizes and agrees to cooperate with County to undertake or to assist in the undertaking of essential community development and housing assistance activities within the boundaries of Municipality, as may be approved and authorized in County's annual grant agreements with HUD; and

WHEREAS, pursuant to Colo. Const. art. XIV, § 18 and § 29-1-203, C.R.S., as amended, County and Municipality are expressly authorized to cooperate and contract with each other for any function, service, or facility lawfully authorized to each; and

WHEREAS, County and Municipality have determined that it would be mutually beneficial and in the public interest to enter into this Agreement. Municipality that has entered into an intergovernmental agreement with the County shall be considered a "Participating Jurisdiction" and shall be eligible to participate in the County's CDBG programs for the County's qualification period.

NOW, THEREFORE, in consideration of the mutual covenants and promises herein set forth, the sufficiency of which is hereby acknowledged, County and Municipality agree as follows:

**I. TERM OF AGREEMENT:**

This Agreement covers the CDBG Entitlement program. The initial term of this Agreement shall be for three (3) program years, beginning **July 1, 2020**, ending **June 30, 2023**. Funding for this Agreement is based on Federal fiscal years, which begin October 1<sup>st</sup> and end September 30<sup>th</sup> of the following year.

This Agreement shall automatically be renewed for an additional three (3) year term unless either party provides written notice that it elects not to participate in a new qualification period. By the date specified in HUD's Urban County qualification notice for the next qualification period, County shall provide notice to Municipality of its right not to participate in the additional

term, pursuant to applicable HUD regulations. Any changes to this Agreement required pursuant to HUD's Urban County Qualification Notice shall be made by written amendment to this Agreement, which shall be mutually agreed upon and executed by both Parties hereto and submitted to HUD.

This Agreement shall remain in effect until the CDBG funds and Program Income ("PI") received with respect to activities carried out during the three-year qualification period and any applicable successive qualification periods pursuant to renewals of the Agreement are expended and the funded activities completed, and County and Municipality cannot terminate or withdraw from the Agreement while it remains in effect.

## **II. RESPONSIBILITIES OF MUNICIPALITY:**

- A. Municipality and County Cooperation.** Municipality will cooperate and work with County in the preparation of detailed projects and other activities to be conducted or performed within Municipality during the Federal fiscal years during which this Agreement is in effect. Municipality will also cooperate with County, and County will cooperate with Municipality, to undertake or assist in undertaking community renewal and lower income housing assistance activities, specifically urban renewal and publicly assisted housing. The finalized projects and activities will be included in County's AAP when required, annually. Municipality understands and agrees, however, that County shall have final responsibility for the selection of all projects and activities to be included in the grant requests and the submission of requests. Municipality shall cooperate fully with County in all CDBG Program efforts planned and performed hereunder and does hereby allow and permit County to undertake or assist in undertaking essential community development and housing assistance activities within Municipality as may be approved and authorized in County's CDBG Plans, Agreements and/or Contracts, including the AAP, when required.
- B. Delegation of Administrative and Supervisory Control.** Municipality acknowledges that County is ultimately responsible to HUD for the supervision and administration of any funds received by the Urban County or Participating Jurisdiction under the CDBG Program.
- C. Subrecipient Agreements.** Pursuant to CDBG Regulations, as published in 24 C.F.R. Volume 3, Subtitle B, Chapter V, Part 570.501(b), Municipality is subject to the same requirements applicable to "subrecipients," including the requirement of a written agreement as set forth in 24 C.F.R. Volume 3, Subtitle B, Chapter V, Part 570.503. Additionally, County shall use Sub-recipient Agreements for all projects administered on behalf of Municipality and shall notify Municipality of individual project and/or Activity County approvals. The Agreements may contain the Project Name, Project Purpose, Scope of Service, Project Description, Performance Measures, Staffing and Description of System Delivery, Project Budget, Time of Performance, Reporting Requirements, Labor Standards requirements (if any), Environmental Review Requirements and other Financial Information. This Agreement shall govern such elements as PI, Reversion of Assets, Records, Reports and Asset Management.

D. **Project Timelines.** The timeline for a project or activity shall commence when County provides written notification to Municipality of proposal/project/activity approval and authorization by County and/or HUD and a fully executed Subrecipient Agreement. Municipality shall submit to County, no less frequent than annually, formal Municipality proposals, including a timeline and budget for each project or activity. The timeline shall specify the length of time needed for each phase through the completion of the project or activity. Municipality shall comply and/or require its contractors and/or sub-contractors to comply with the timelines submitted and Municipality shall allocate the funds received hereunder accordingly. Municipality understands that failure to comply with the timelines may result in cancellation of a project or activity and/or the loss of CDBG funding, unless County determines that extenuating circumstances beyond Municipality control exist, permitting the project to proceed and be completed in a reasonable time. Unobligated or unexpended funds not used by Municipality shall be transferred to the allocation formula for redistribution. County will review all CDBG projects and activities to determine whether they are being carried out in a timely manner as required by CDBG Regulations, 24 C.F.R. Volume 3, Subtitle B, Chapter V, Part 570.902.

E. **Payment Process.**

1. **Applications for Funding.** Before County distributes any funds to Municipality under this Agreement, Municipality shall submit to County an application for funding, which shall be in the form and format specified by County and in compliance with HUD regulations.

F. **Non-Appropriation Clauses.** Municipality agrees that every contract to which it is a party involving the use of CDBG funds allocated hereunder shall include a non-appropriation clause. Such clause shall state that the funding therefore is contingent upon the continuing allocation and availability of CDBG funding and not upon the availability of County General Funds.

1. **Accounting Standards.** Municipality's financial management system shall be in compliance with the standards specified in OMB Circular A-87. In addition, Municipality shall comply with OMB Circular A-110, Attachment F, and agrees to adhere to the accounting principles and procedures required therein, utilize adequate internal controls, and maintain necessary source documentation for all costs incurred.

G. **Expenditure Restrictions.** All CDBG funds approved by HUD for expenditure under County's Grant Agreement, including those that are identified for Municipality projects and activities, shall be allocated to the specific projects and activities described and listed in Municipality's proposal for funding, Agreements, and Contracts; such funds shall be used for no other purposes. No project, activity, or the amount allocated to a given project or activity may be changed without the written concurrence of County and/or HUD, as required.

H. **Additional Spending Limitations.** Municipality understands that, while this Agreement is in effect, it may not apply for grants under the "Small Cities" or State CDBG Programs and HOME consortium with other local governments, except through the County regardless whether the County receives a HOME allocation for the Federal fiscal years during which it is participating in the Urban County's CDBG Program.

I. **Municipality as Independent Contractor.** Municipality shall be responsible for the direct day-to-day supervision and administration of the projects and activities for which it receives funding under this Agreement. As such, Municipality shall be deemed to be acting as an independent contractor and not as an employee of County. Municipality shall be solely and entirely responsible for its acts and omissions, and the acts and omissions of its elected officials, employees, servants, contractors, and subcontractors during the term and performance of this Agreement. No elected official, employee, servant, contractor, or subcontractor of Municipality shall be deemed to be an employee, servant, contractor, or subcontractor of County because of the performance of any services or work under this Agreement. Municipality, at its expense, shall procure and maintain workers' compensation insurance and unemployment compensation insurance as applicable and/or required by law. **Pursuant to the Workers' Compensation Act, § 8-40-202(2)(b)(IV), C.R.S., as amended, Municipality understands that it and its elected officials, employees, and agents are not entitled to workers' compensation benefits from County. Municipality further understands that it is solely obligated for the payment of Federal and State income tax on any moneys earned pursuant to this Agreement, as applicable. Unemployment insurance benefits will not be available to Municipality unless unemployment coverage is provided by the Municipality or some other entity.**

J. **Excessive Force.** Municipality has adopted and is enforcing:

1. A policy prohibiting the use of excessive force by law enforcement agencies within its jurisdiction against any individuals engaged in non-violent civil rights demonstrations; and;
2. A policy enforcing applicable state and local laws against physically barring entrance to or exit from a facility or location that is the subject of such non-violent civil rights demonstrations within its jurisdiction.

K. **Record Retention.** Municipality shall maintain records and accounts of the funds it receives hereunder in accordance with accepted accounting procedures and any applicable Federal and State laws and regulations. Municipality will provide full access to these records to County, the Secretary of HUD or the Secretary's designee, the Office of Inspector General, and/or the General Accounting Office, so that compliance may be confirmed regarding the expenditure of funds pursuant to this Agreement. Municipality further agrees to provide County, upon request, a copy of any audit records pertaining to Municipality's CDBG Program operations during the term of this Agreement.

Municipality shall retain all records pertaining to this Agreement for a period of ten (10) Federal fiscal years following the termination of this Agreement.

- L. **Termination Asset Management.** If Municipality terminates its participation in the Urban County CDBG Program, any assets acquired under this Agreement or from CDBG Program funding shall be managed or disposed of in accordance with 24 C.F.R. Volume I, Subtitle A, Part 85 and any other applicable HUD and/or Federal regulations.
- M. **Compliance With Local Laws.** All responsibilities of Municipality enumerated herein shall be subject to applicable State statutes and regulations and Municipality ordinances, resolutions, and rules and regulations insofar as they apply to projects or activities located within Municipality.

### III. **RESPONSIBILITIES OF COUNTY:**

- A. **Administrative Oversight.** County, as a designated Urban County and Participating Jurisdiction, is ultimately responsible for the administrative oversight and supervision of all funds. As such, it is responsible for ensuring that all funds allocated to Municipality are expended in accordance with the AAP, all Agreements and/or Contracts, and all applicable Federal, State, and local laws, ordinances, resolutions, regulations, and laws pertaining to this Agreement. It is the intent of County to exercise only that degree of administrative and supervisory control concerning Municipality projects and activities as necessary to comply with such requirements and in accordance with the provisions of this Agreement and any Subrecipient Agreement.
- B. **Distribution of Funds.** The distribution of CDBG funds between County and Municipality shall be determined as follows:
  - 1. **Administrative Allocation.** County shall retain up to twenty percent (20%) of the total CDBG Program funds allocated to County for the purpose of general oversight, management, coordination and related costs. The expenditure of these funds shall be within the sole discretion of County for the aforementioned purposes.
  - 2. **Allocations to Participating Jurisdictions.** The funds remaining after the subtraction of the administrative allowance outlined above shall be made available to the County and Participating Jurisdictions.
  - 3. **Application Compliance.** All applications for funds must comply with all applicable Federal laws and regulations before any funds may be distributed.
  - 4. **Benefit to Low and Moderate Income Residents.** CDBG National Objectives require that at least seventy (70%) of CDBG funds utilized must principally benefit low-to-moderate-income residents. County and Municipality agree to utilize their CDBG Program allocations each year in accordance with CDBG Program National Objective requirements by allocating at least seventy (70%) percent of their funds

toward projects or activities that principally benefit low-to-moderate income residents. In preparing applications for funding, Municipality shall also take into consideration provisions for the elimination of slums or blight and provisions to meet urgent community development needs that are a threat to public health and safety and have become known or serious within the last eighteen (18) months, which are also part of the CDBG Program National Objectives.

#### **IV. MUTUAL RESPONSIBILITIES AND MISCELLANEOUS PROVISIONS:**

- A. **Compliance With Federal Laws and Regulations.** The Parties shall take all actions to do all things that are appropriate and required to comply with the applicable provisions of the grant agreements received from HUD by County in which Municipality is included. These include but are not limited to: the Act, as most recently amended, including all associated regulations, rules, guidelines, and circulars promulgated by the Federal departments, agencies, and commissions relating to the CDBG Program; the Davis-Bacon Act, as applicable; Section 3, as applicable; Minority-Owned Businesses/Women-Owned Businesses, as applicable; the Contract Work Hours and Safety Standards Act; Title VI of the Civil Rights Act of 1964; Title VIII of the Civil Rights Act of 1968; the Housing and Community Development Act of 1974; The Fair Housing Act; the Uniform Federal Accessibility Standards (UFAS); the Americans With Disabilities Act (ADA); and the Residential Lead-Based Paint Hazard Reduction Act of 1992, as amended, and any associated regulations and rules. Additionally, in accordance with 24 C.F.R. Volume 3, Subtitle B, Chapter V, Part 570, no employee, official, agent or consultant of the Municipality shall exercise any function or responsibility in which a conflict of interest, real or apparent, would arise. The Parties shall take all actions necessary to assure compliance with County's Urban County certification required by section 104(b) of Title I of the Housing and Community Development Act of 1974, as amended, including Title VI of the Civil Rights Act of 1964, the Fair Housing Act, section 109 of Title I of the Housing and Community Development Act of 1974, and other applicable laws.
- B. **Governmental Immunity.** County and Municipality are "Public Entities" as defined under the Colorado Governmental Immunity Act, § 24-10-101, *et seq.*, C.R.S., as amended. Nothing in this Agreement shall be construed to waive or in any manner limit any of the protections or immunities afforded thereunder.
- C. **Fair Housing.** County is prohibited from funding activities that do not comply with HUD's policies and regulations concerning fair housing. Municipality agrees to affirmatively further fair housing. Municipality agrees not to take any actions pursuant to funding it receives under this Agreement that would result in County being in noncompliance with its Fair Housing Certification. Municipality acknowledges that noncompliance by Municipality may constitute noncompliance by County, which may provide cause for funding sanctions or other remedial actions by HUD. Urban County funding shall not be used for activities in, or in support of, any locality that does not affirmatively further fair housing within its own jurisdiction or that impedes County's actions to comply with County's Fair Housing Certification.

- D. **Reporting.** Municipality will file all reports and other information necessary to comply with applicable Federal laws and regulations as required by County and HUD. This includes providing to County information necessary to complete the Consolidated Annual Performance and Evaluation Report (CAPER) in a timely fashion. Requirements will be specified in individual Agreements and/or Contracts. County shall be responsible for confirming the compliance of Municipality projects with applicable Federal laws and regulations. County shall further be responsible for maintaining proper documentation of County's administrative expenses and for determining that all necessary reports and information are filed with HUD and other applicable Federal agencies in a timely fashion.
1. **Support of Nonprofit Organizations.** County recognizes nonprofit organizations as being valuable partners in addressing the needs of low and moderate-income citizens. Municipality is encouraged to provide financial support utilizing its General funds, CDBG funds, and other available funds to support nonprofit organizations that serve low-income residents within the Urban County and/or Municipality. CDBG funds should supplement activities above and beyond what local Municipality funds normally support; they are not meant to displace use of local support.
2. **Termination.** This Agreement may only be terminated as provided herein or as otherwise provided by Federal, State, or local law, ordinance, resolution, regulation, or rule.
- E. **Entire Agreement.** This writing constitutes the entire Agreement between the Parties with respect to the subject matter herein, and shall be binding upon the Parties, their officers, employees, agents and assigns and shall inure to the benefit of the respective survivors, heirs, personal representatives, successors and assigns of the Parties.
- F. **No Third-Party Beneficiary Enforcement.** It is expressly understood and agreed that the enforcement of the terms and conditions of this Agreement, and all rights of action relating to such enforcement, shall be strictly reserved to the Parties and nothing in this Agreement shall give or allow any claim or right of action whatsoever by any other person not included in the Agreement. It is the express intention of the Parties that any entity other than the Parties receiving services or benefits under this Agreement shall be incidental beneficiary only.
- G. **Severability.** If any term or condition of this Agreement shall be held to be invalid, illegal, or unenforceable, this Agreement shall be construed and enforced without such provision to the extent that this Agreement is then capable of execution within the original intent of the Parties.
- H. **Modification and Breach.** This Agreement contains the entire Agreement and understanding between the Parties and supersedes any other Agreements concerning the subject matter of this transaction, whether oral or written. No modification, amendment, notation, renewal, or other alteration of or to this Agreement shall be deemed valid or of any force or effect whatsoever, unless mutually agreed upon in writing by the Parties. No

breach of any term, provision, or clause of this Agreement shall be deemed waived or excused, unless such waiver or consent shall be in writing and signed by the Party claimed to have waived or consented. Any consent by any Party, or waiver of, a breach by any other Party, whether express or implied, shall not constitute a consent to, waiver of, or excuse for any other different or subsequent breach.

- I. **Prohibition of Fund Use.** The Parties may not sell, trade, or otherwise transfer all or any portion of such funds to another such metropolitan city, urban county, unit of general local government, or Indian tribe, or insular area that directly or indirectly receives CDBG funds in exchange for any other funds, credits or non-Federal considerations, but must use such funds for activities eligible under title I of the Act. This requirement is contained in the Transportation, Housing and Urban Development, and Related Agencies Appropriations Act.
- J. **Legal Opinion.** The terms and provisions of this agreement are fully authorized under State and local law and the agreement provides full legal authority for the county.
- K. **Notices.** All notices required herein shall be mailed via First Class Mail to the Parties' representatives at the addresses set forth below:

**MUNICIPALITY:**

Don McLeod  
3 S. Timber Ridge Pkwy  
P.O. Box 339  
Severance, CO 80546

**COUNTY:**

Don Sandoval  
Weld County  
1150 "O" Street  
P.O. Box 758  
Greeley, CO 80632

IN WITNESS WHEREOF, County and Municipality have duly executed this Agreement, which shall become effective as of the latest date written below.

ATTEST:

TOWN OF SEVERANCE, COLORADO

By: Michael Jenner, Clerk

By: Don McLeod, Mayor

ATTEST: Gather G. Mesick  
WELD COUNTY Clerk to the Board

COUNTY OF WELD, STATE OF  
COLORADO, by and through the BOARD  
OF COUNTY COMMISSIONERS OF THE  
COUNTY OF WELD

By: Cheryl H. Freeman  
(Deputy) Clerk to the Board

By: Mike Freeman  
Mike Freeman, Chair



JUN 29 2020

2020-1935(1)





AMENDMENT to  
Intergovernmental Agreement for Conduct of  
Community Development Block Grant Program in Weld County  
Between the County of Weld  
And  
Town of Severance

This Amendment to Intergovernmental Agreement for Conduct of Community Development Block Grant Program in Weld County (the "Amendment") is made and entered into 9<sup>th</sup> day of September, ~~2020~~, by and between the County of Weld, by and through the Board of County Commissioners of County of Weld (the "County"), and [Town of Severance] (the "Municipality").

WITNESSETH:

WHEREAS, the parties entered into an Intergovernmental Agreement for Conduct of Community Development Block Grant Program in Weld County (the "Agreement") dated June 29, 2020, identified by the Weld County Clerk to the Board of County Commissioners as document No. [2020-1935], and approved on [June 29, 2020]; and

WHEREAS the parties hereby agree to amend the Agreement to incorporate the CDBG Program requirements described in Notice CPD-20-03, Instructions for Urban County Qualification for Participation in the Community Development Block Grant (CDBG) Program for Fiscal Years (FYs) 2021-2023 (the "Notice").

NOW THEREFORE, in consideration of the premises, the parties hereto covenant and agree as follows:

1. The reference to Notice CPD-19-04 is amended to reflect Notice CPD-20-03, the current rules and regulations to qualify as an Urban County for Fiscal Years 2021-2023.
2. The first paragraph of Section I of the Agreement is hereby replaced with the following:

This Agreement covers the CDBG Entitlement program. The initial term of this Agreement shall be three years covered by the urban county qualification period of Federal Fiscal Year 2021 through 2023. Funding for this Agreement is based on the Federal fiscal year which begins October 1<sup>st</sup> and ends September 30<sup>th</sup> of the following year.

3. The second paragraph of Section I of the Agreement is hereby replaced with the following:

This Agreement shall automatically be renewed for additional three (3) year qualification periods unless either party provides written notice that it elects not to participate in a new qualification period. Each party must adopt any amendment to the agreement incorporating changes necessary to meet the requirements for cooperation agreements set forth in an Urban County Qualification Notice applicable for a subsequent three-year urban county qualification period; the amendment must be submitted to HUD as provided in the urban county qualification notice; and failure to comply will void the automatic renewal for such qualification period.

4. Section II.A. of the Agreement is hereby amended to include the following statement:

The County and the municipality agree to cooperate to undertake, or assist in undertaking, community renewal and lower-income housing assistance activities.

2020-1935(1)

5. Section II.H. of the Agreement is hereby replaced with the following:

By executing the CDBG cooperation agreement, the included municipality understands that it:

- a. May not apply for grants from appropriations under the State CDBG Program for fiscal years during the period in which it participates in the urban county's CDBG program;
- b. May receive a formula allocation under the HOME Program only through the urban county. Thus, even if the urban county does not receive a HOME formula allocation, the participating unit of local government cannot form a HOME consortium with other local governments; and
- c. May receive a formula allocation under the ESG Program only through the urban county.

6. Section II.L. of the Agreement is hereby replaced by the following:

If Municipality terminates its participation in the urban county CDBG Program, any assets acquired under this Agreement or from CDBG Program funding shall be managed or disposed of in accordance with 2 CFR Part 200 and any other applicable HUD and/or Federal regulations.

7. All other terms and conditions of the Original Agreement are unchanged and remain in full force and effect.

IN WITNESS WHEREOF, the parties hereto have duly executed this Amendment as of the 25th day of

August 2020

ATTEST: Cathryn E. Mesick  
Weld County Clerk to the Board

By: Cheryl L. Hyslop  
Deputy Clerk to the Board



COUNTY:

BOARD OF COUNTY COMMISSIONERS  
WELD COUNTY, COLORADO

Mike Freeman  
Mike Freeman, Chair

SEP 09 2020

Town of Severance:

By: Donald M. McLeod  
Donald M. McLeod, Mayor

Date: 9/2/2020

2020-1935(1)



## AGENDA ITEM SUMMARY

| AGENDA ITEM                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                  | SUBMITTED BY                 | PRESENTED BY                |
|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|------------------------------|-----------------------------|
| Pg. 187 - Resolution 2026-23R:<br>A Resolution of the Town Council of Severance, Colorado, Declaring a Vacancy on the Town Council for a Council Member Seat                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                 | Andrew Rogers, Town Attorney | Town Attorney Andrew Rogers |
| <b>ACTION REQUESTED</b>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                      |                              |                             |
| <p>Legal asks that the Town Council review and discuss Resolution 2026-23R: A Resolution of the Town Council of the Town of Severance, Colorado, Declaring a Vacancy on the Town Council for a Council Member Seat with a Term Expiring at the first regular Council meeting in January 2028. Actions that may be taken:</p> <ul style="list-style-type: none"> <li>• Move to approve Resolution 2025-23R</li> <li>• Take No Action</li> </ul>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                               |                              | <b><u>Resolution</u></b>    |
| <b>BRIEF HISTORY OF ITEM</b>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                 |                              |                             |
| None.                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                        |                              |                             |
| <b>BRIEF SUMMARY</b>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                         |                              |                             |
| <p>Town Council member Karen Hessler has voluntarily resigned from his Council seat and provided a letter on July 9, 2026, stating her resignation is effective on that date. Per the Town's Home Rule Charter and applicable state law, the following procedure is recommended to formally declare the vacancy and to fill the Council seat vacated by Mrs. Hessler:</p> <ol style="list-style-type: none"> <li>1. Per Charter Section 3.02(4), the Town Council must "declare a vacancy." The Town Attorney recommends this be done by resolution to clearly establish the date the vacancy is declared, which triggers important deadlines to fill the vacant seat under C.R.S. § 31-4-303. Upon approval by Council, Resolution No. 2026-22R will declare a vacancy on Council effective July 28, 2026.</li> <li>2. Next, the Council must discuss and decide whether to fill the vacant seat by appointment or by special election. Council may make this decision by motion and a majority vote. This is the next item on the Town Council's agenda this evening.</li> <li>3. Finally, Council will have 60 days from today to either fill the vacant seat by appointment or to order a special election to occur within 60 days or as soon as possible thereafter. If Council approves Resolution No. 2026-23R at tonight's meeting, 60 days later is Saturday, September 26, 2026. Because this falls on a weekend, the Town Attorney recommends that Council strive to fill the seat by the last business day before the deadline, i.e., Friday, September 25, 2026.</li> </ol> <p>Per the Charter, the person appointed or elected to fill Mrs. Hessler's vacant seat will serve until the first regular Town Council meeting in January 2028.</p> |                              |                             |

The Town Attorney has prepared a memo outlining the process to declare and fill a vacancy on the Town Council in more detail, which is included with this agenda item.

#### **PUBLIC SUPPORT/CONCERN**

None.

#### **ANALYSIS AND RECOMMENDATION**

The Town Attorney recommends that the Town Council take action and move to approve Resolution 2026-23R: A Resolution of the Town Council of Severance, Colorado, Declaring a Vacancy on the Town Council for a Council Member Seat

#### **MATERIALS SUBMITTED**

The following materials were submitted and included in this packet:

1. 2026-23R - Resolution to Declare Town Council Vacancy
2. Council Member Hessler Resignation

**TOWN OF SEVERANCE  
RESOLUTION NO. 2026-23R**

**A RESOLUTION OF THE TOWN COUNCIL OF THE TOWN OF SEVERANCE,  
COLORADO, DECLARING A VACANCY ON THE TOWN COUNCIL FOR A  
COUNCIL MEMBER SEAT**

**WHEREAS**, the Town of Severance, Colorado (the “Town”) is a home rule municipality organized pursuant to Article XX of the Colorado Constitution and the Town Home Rule Charter (the “Charter”); and

**WHEREAS**, Town Council Member Karen Hessler, a duly elected member of the Town of Severance Town Council (the “Council”), voluntarily resigned from her seat on the Council on July 9, 2026; and

**WHEREAS**, Section 3.02(4) of the Charter provides that if a vacancy occurs on the Council, the Council “shall declare a vacancy according to standards set forth by ordinance or by C.R.S. § 31-4-303, as amended”; and

**WHEREAS**, Section 3.02(4) of the Charter and §31-4-303(1), C.R.S., authorize the Council to fill such vacancy by appointment or by special election; and

**WHEREAS**, pursuant to Sections 2.02(2) and 3.01(3) of the Charter, Council Member Hessler’s term would naturally expire at the first regular Council meeting in January 2030, but, pursuant to Section 3.02(4) of the Charter and §31-4-303(1), C.R.S., an individual appointed or elected by special election to fill a vacancy shall hold office only until the next regular election and until their successor takes office; and

**WHEREAS**, pursuant to Section 2.02 of the Charter, the Town’s next regular election is scheduled for November 2027, with the elected successors to take office at the first regular Council Meeting in January 2028; and

**WHEREAS**, pursuant to Sections 3.01(2) and 3.01(3) of the Charter, since the individual appointed or elected by special election will only serve a portion of Council Member Hessler’s original 4-year term, one of the Council Member terms to be filled at the November 2027 regular election shall be a 2-year term to restore staggered positions to the Council; and

**WHEREAS**, Sections 3.01(4)-(5) and 3.03 of the Charter identify the qualifications for persons eligible to serve on the Council.

**NOW, THEREFORE, BE IT RESOLVED BY THE TOWN COUNCIL OF THE TOWN OF SEVERANCE, COLORADO, AS FOLLOWS:**

**Section 1.**     **Recitals.** The above recitals and findings of the Town Council are incorporated herein and made a part of this resolution.

**Section 2.**     **Declaration of Vacancy.** As a result of Council Member Hessler resigning

from her seat as elected Council Member for the Town Council, and pursuant to Section 3.02(4) of the Charter and §31-4-303, C.R.S., the Town Council formally declares a vacancy in the office of Council Member. Such vacancy is declared effective upon the approval of this resolution.

**Section 3.**     **Reservation of Authority.** The Town Council expressly reserves all authority and discretion afforded to it under the Charter and Colorado law, including the right to determine the appropriate method to fill the vacancy. The Town Council shall determine whether to: (a) appoint a qualified individual to fill the vacancy pursuant to §3.02(4) of the Charter and §31-4-303(1), C.R.S.; or (b) call a special election to fill the vacancy pursuant to the same authority.

**Section 4.**     **Term.** Pursuant to Section 3.02(4) of the Charter, the individual appointed or elected by special election shall hold office until the next regular election, which is scheduled for November 2027, and until the successor takes office at the first regular Council Meeting in January 2028.

**Section 5.**     **Interim Quorum.** The Town Council continues to function with six (6) remaining members. The remaining members of the Town Council shall continue to conduct Town business, provided a quorum of four (4) members is maintained in accordance with §3.04(2) of the Charter.

**RESOLVED AND APPROVED THIS 28<sup>TH</sup> DAY OF JULY, 2026**

TOWN OF SEVERANCE, COLORADO

\_\_\_\_\_  
Matthew Fries, Mayor

ATTEST

\_\_\_\_\_  
Sarah Jacobsen, Town Clerk

---

## Hessler Resignation

---

**From** Karen Hessler <Karen.Hessler@townofseverance.org>

**Date** Thu 7/9/2026 1:22 PM

**To** Nicholas Wharton <nwharton@townofseverance.org>; Matthew Fries <matthew.fries@townofseverance.org>

Dear Mayor Fries and Nick -

Please accept this email as my official resignation from the Town of Severance Town Council effective 07-09-2026.

It has been a pleasure getting to know you and serve with you,

Karen Hessler



## AGENDA ITEM SUMMARY

| AGENDA ITEM                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                       | SUBMITTED BY                   | PRESENTED BY                   |
|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|--------------------------------|--------------------------------|
| Pg. 192 - Town Council Liaison Appointments                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                       | Nicholas Wharton, Town Manager | Town Manager Nicholas Wharton  |
| <b>ACTION REQUESTED</b>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                           |                                |                                |
| <p>Management asks that the Town Council discuss the appointment of liaisons to the boards and commissions below and take action.</p> <p>Action that may be taken</p> <ul style="list-style-type: none"> <li>• Move to appoint a liaison to all or some of the listed boards and commissions until the Town Council reviews the liaison appointments in January 2027.</li> <li>• Keep appointments as is</li> </ul>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                               |                                | <b><u>Action Requested</u></b> |
| <b>BRIEF HISTORY OF ITEM</b>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                      |                                |                                |
| <b>BRIEF SUMMARY</b>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                              |                                |                                |
| <p>With the recent Council Member vacancy, there is a liaison vacancy, and management is asking the Town Council to review the liaison appointments.</p> <p>Chamber of Commerce (2nd Tuesday of Each Month at 9:00 am)<br/> Citizen Advisory Board (1st Wednesday of Each Month at 6:00 pm)<br/> Clearview Library District (Last Thursday of Each Month at 5:30 pm)<br/> Colorado Municipal League Policy Committee (Once a month, Oct-March from 9-11 a.m.)<br/> Great Western Trail Authority (1st Thursday of Each Month at 5:30 pm)<br/> National League of Cities Representative (as needed)<br/> North Front Range MPO &amp; Alternate (1st Thursday of Each Month at 6:00 pm)<br/> North Weld County Water District (2nd Monday of Each Month at 8:30 am)<br/> Weld RE-4 School District (3rd Monday of Each Month at 7:00 pm)<br/> Windsor-Severance Fire District (2nd Wednesday of Each Month at 6:00 pm)<br/> Youth Council (1st Monday of Each Month at 5:00 pp)</p> |                                |                                |
| <b>PUBLIC SUPPORT/CONCERN</b>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                     |                                |                                |
| None at this time.                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                |                                |                                |
| <b>ANALYSIS AND RECOMMENDATION</b>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                |                                |                                |
| Management recommends that the Town Council take action and move to appoint liaisons to all or some of the above commissions and boards.                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                          |                                |                                |
| <b>MATERIALS SUBMITTED</b>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                        |                                |                                |
| <p>The following materials were submitted and included in this packet:</p> <p>None</p>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                            |                                |                                |



## AGENDA ITEM SUMMARY

| AGENDA ITEM                                                                                                                                                                                                                                                                                                                                                                           | SUBMITTED BY                 | PRESENTED BY                                                              |
|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|------------------------------|---------------------------------------------------------------------------|
| Pg. 193 - Council Member Appointment or Special Election                                                                                                                                                                                                                                                                                                                              | Andrew Rogers, Town Attorney | Town Attorney Andrew Rogers                                               |
| <b>ACTION REQUESTED</b>                                                                                                                                                                                                                                                                                                                                                               |                              |                                                                           |
| <p>The town attorney asks that the Town Council review and discuss whether to start the appointment process or to hold a special election for the vacant council member seat:</p> <p>Actions that may be taken:</p> <ul style="list-style-type: none"><li>• Move to start the appointment process to appoint a Council Member; or</li><li>• Move to hold a Special Election</li></ul> |                              | <p><b><u>Attorney Approved</u></b><br/><b><u>Action Requested</u></b></p> |
| <b>BRIEF HISTORY OF ITEM</b>                                                                                                                                                                                                                                                                                                                                                          |                              |                                                                           |
|                                                                                                                                                                                                                                                                                                                                                                                       |                              |                                                                           |
| <b>BRIEF SUMMARY</b>                                                                                                                                                                                                                                                                                                                                                                  |                              |                                                                           |
| <p>The Town Council must discuss and decide whether to appoint an individual to the vacant seat by appointment or by special election. The Council may make this decision by motion with a majority vote.</p>                                                                                                                                                                         |                              |                                                                           |
| <b>PUBLIC SUPPORT/CONCERN</b>                                                                                                                                                                                                                                                                                                                                                         |                              |                                                                           |
| <p>None at this time.</p>                                                                                                                                                                                                                                                                                                                                                             |                              |                                                                           |
| <b>ANALYSIS AND RECOMMENDATION</b>                                                                                                                                                                                                                                                                                                                                                    |                              |                                                                           |
| <p>Legal recommends that the Town Council take action and move to either start the appointment process or hold a special election for the vacant seat.</p>                                                                                                                                                                                                                            |                              |                                                                           |
| <b>MATERIALS SUBMITTED</b>                                                                                                                                                                                                                                                                                                                                                            |                              |                                                                           |
| <p>The following materials were submitted and included in this packet:</p> <p>None</p>                                                                                                                                                                                                                                                                                                |                              |                                                                           |



## AGENDA ITEM SUMMARY

| AGENDA ITEM                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                       | SUBMITTED BY                 | PRESENTED BY                                                            |
|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|------------------------------|-------------------------------------------------------------------------|
| Pg. 194 - Ordinance 2026-06: An Ordinance of the Town Council of the Town of Severance, Colorado, Enacting Article 7 of Chapter 6 of the Severance Municipal Code to Regulate Mobile Food Vendors                                                                                                                                                                                                                                                                                                                                                                                 | Andrew Rogers, Town Attorney | Town Attorney Andrew Rogers                                             |
| <b>ACTION REQUESTED</b>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                           |                              |                                                                         |
| The Council can approve the Ordinance as written, reject the Ordinance, or approve with modification.                                                                                                                                                                                                                                                                                                                                                                                                                                                                             |                              | <u>Ordinance</u><br><u>Action Requested</u><br><u>Attorney Approved</u> |
| <b>BRIEF HISTORY OF ITEM</b>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                      |                              |                                                                         |
| Council previously discussed mobile food vendor licensing at a work session. The idea was also presented to the Citizen Advisory Board for further comment.                                                                                                                                                                                                                                                                                                                                                                                                                       |                              |                                                                         |
| <b>BRIEF SUMMARY</b>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                              |                              |                                                                         |
| This Ordinance establishes a comprehensive framework for regulating and licensing mobile food vendors within the Town of Severance. The Ordinance allows both "hot" and "cold" vendors who serve food from food trucks, trailers, and pushcarts. Vendors are generally allowed to operate on private property and on Town parking spaces, and pushcart vendors are allowed to operate within Town parks. This Ordinance includes an exception to allow vendors at certain school functions, and it includes an exception for "minor businesses" such as a child's lemonade stand. |                              |                                                                         |
| <b>PUBLIC SUPPORT/CONCERN</b>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                     |                              |                                                                         |
| None.                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                             |                              |                                                                         |
| <b>ANALYSIS AND RECOMMENDATION</b>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                |                              |                                                                         |
| This version of the Mobile Food Vendor Ordinance considers feedback from the Council and the Citizen Advisory Board. This is a straightforward ordinance that imposes minimal regulation to encourage mobile food vendors while protecting the health, safety, and welfare of Town residents.                                                                                                                                                                                                                                                                                     |                              |                                                                         |
| <b>MATERIALS SUBMITTED</b>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                        |                              |                                                                         |
| The following materials were submitted and included in this packet:<br>1. 2026-06 - Mobile Food Vendor Ordinance                                                                                                                                                                                                                                                                                                                                                                                                                                                                  |                              |                                                                         |

**TOWN OF SEVERANCE, COLORADO**  
**ORDINANCE NO. 2026-06**

**AN ORDINANCE OF THE TOWN COUNCIL OF THE TOWN OF SEVERANCE,  
COLORADO, ENACTING ARTICLE 7 OF CHAPTER 6 OF THE SEVERANCE  
MUNICIPAL CODE TO REGULATE MOBILE FOOD VENDORS**

**WHEREAS**, the Town of Severance, Colorado (the “Town”) is duly organized and validly exists as a Home Rule Town under Article XX, Section 6 of the Colorado Constitution and the Town’s Home Rule Charter; and

**WHEREAS**, the Town of Severance Municipal Code (the “Code”) does not currently provide a comprehensive framework for the licensing and operation of mobile food vendors, and the Town Council has reviewed the treatment of mobile food vending under applicable state law and in comparable Colorado municipalities in developing this Article; and

**WHEREAS**, the Town possesses authority over matters of local and mixed state and local concern, including the licensing and regulation of businesses and the regulation of its streets, sidewalks, and other public rights-of-way; and

**WHEREAS**, in 2025, the Colorado General Assembly enacted House Bill 25-1295, which established a statewide “mobile food establishment” licensing and reciprocity framework, including reciprocity of the state and Denver retail food licenses and of qualifying local fire safety permits among jurisdictions; and

**WHEREAS**, the Town Council (the “Council”) intends that this Article operate consistently with article 11.6 of title 29, C.R.S., while preserving the Town’s authority, as recognized by state law, to inspect and to enforce its own fire safety, health, noise, nuisance, traffic-safety, and business-licensing requirements; and

**WHEREAS**, the Colorado Cottage Foods Act, § 25-4-1614, C.R.S., exempts qualifying home-based food producers from state retail food establishment licensing, and House Bill 26-1033 (2026) amended that Act to require, effective January 1, 2027, that such producers register with the Colorado Department of Public Health and Environment; and

**WHEREAS**, the Council finds and determines that the licensing and operation of mobile food vendors is a matter of Town-wide concern and is appropriately regulated uniformly across all zone districts through the Town’s business-licensing authority, rather than through the use classifications of the Land Use Code (Chapter 16 of the Code), to encourage mobile food vending as a lawful business activity while protecting the public health, safety, and welfare; and

**WHEREAS**, the Council finds it appropriate to authorize licensed Mobile Food Vendors to conduct vending from lawful on-street parking spaces subject to the conditions of this Article, and to conform Sec. 8-1-30 of the Code accordingly; and

**WHEREAS**, the Mobile Food Vendor License established by this Article is combined with the Town’s existing business license and imposes no new or increased tax or fee, and this ordinance therefore does not require voter approval under Article X, Section 20 of the Colorado Constitution; and

**WHEREAS**, the Council desires to enact this Article to establish a clear and streamlined framework for the licensing and operation of mobile food vendors within the Town, and to protect the public health, safety, and welfare.

**WHEREAS**, the Town Council finds that creating regulations for mobile food vendors promotes the public health, safety, and welfare.

**NOW, THEREFORE, BE IT ORDAINED BY THE TOWN COUNCIL OF THE TOWN OF SEVERANCE, COLORADO:**

**Section 1.**     **Recitals.** The foregoing recitals are affirmed and incorporated herein.

**Section 2.**     Chapter 6 of the Severance Municipal Code, titled “Business Licenses and Regulations”, is amended to include a new Article 7, titled “Mobile Food Vendors”. The new Article 7 shall read as follows:

**Article 7 – Mobile Food Vendors**

**Sec. 6-7-10 – Purpose.** The purpose of this Article is to establish a clear and streamlined framework for the licensing and operation of Mobile Food Vendors within the Town, to encourage mobile food vending as a lawful business activity, and to protect the public health, safety, and welfare through reasonable standards governing the location, operation, and conduct of Mobile Food Vendors. The Town Council finds that the licensing and operation of Mobile Food Vendors is a matter of Town-wide concern relating to public health, safety, and business licensing, properly addressed uniformly across all zone districts, and that this Article shall be construed to carry out these purposes consistent with applicable state law.

**Sec. 6-7-20 – Definitions.**

- (a) **Active Construction Site** means a location with a current, valid, active Town building permit where construction is actively underway and at least one inspection has been passed.
- (b) **Approved Vendor Roster** means the list of Mobile Food Vendors authorized by the Event Organizer in connection with a permitted special event.
- (c) **Commissary** means a fixed food establishment, licensed and inspected under applicable state or local food safety law, that a motorized or towed Mobile Food Unit uses on an

ongoing basis for cleaning, servicing, restocking, and maintenance. A pushcart vendor or Cottage Food Vendor is not required to operate from a Commissary under this Article.

- (d) **Cottage Food Vendor** means a Mobile Food Vendor operating under the Colorado Cottage Foods Act, §25-4-1614, C.R.S. A Cottage Food Vendor is exempt from the state food safety license requirement but is subject to all other requirements of this Article, including the fire safety requirements of Sec. 6-7-40. A Cottage Food Vendor's exemption from state food safety licensing does not exempt the vendor from obtaining any fire safety permit or inspection otherwise required for the vendor's Mobile Food Unit, if the unit includes cooking equipment, heating elements, fuel sources, or other features that require a fire safety permit or inspection under applicable law.
- (e) **Event Organizer** means the holder of a Special Events Permit issued under Chapter 6, Article 4 of this Code.
- (f) **Mobile Food Unit** means any motorized vehicle, towed vehicle, pushcart, or portable structure designed and equipped to prepare or serve food or beverages, commonly known as a food truck, food trailer, or food cart. A pushcart is a Mobile Food Unit that is designed to be moved by hand and is operated without the use of a motor or a tow vehicle, and that does not exceed six (6) feet in length, three (3) feet in width, or six (6) feet in height, with height measured to the top of the cart body and excluding any movable shade structure such as an umbrella, canopy, or awning. A Mobile Food Unit that is towed to its operating location, or that is not reasonably capable of being moved by hand, is not a pushcart, regardless of its dimensions. All Mobile Food Units are regulated identically under this Article except as provided in Sec. 6-7-50(b) regarding park access.
- (g) **Mobile Food Vendor** means any Person who sells food or non-alcoholic beverages to the public from a Mobile Food Unit outdoors within the Town.
- (h) **Mobile Food Vendor License** means the license issued under this Article, combined with the Town's standard business license, authorizing the operation of one (1) Mobile Food Unit at all permitted locations within the Town. A separate Mobile Food Vendor License is required for each Mobile Food Unit a Person or business entity operates; a single Mobile Food Vendor License does not authorize the simultaneous operation of more than one (1) Mobile Food Unit, regardless of whether the units are operated by the same Person or business entity. Suspension or revocation of the Mobile Food Vendor License under this

Article affects only the authorization described in this subsection, and does not, by itself, suspend or revoke the Town's standard business license with which it is combined, except as this Article expressly provides otherwise.

- (i) **Open Food Establishment** means any restaurant, café, or other fixed-location food service business open and serving customers at the time of vending.

#### **Sec. 6-7-30 – Mobile Food Vendor License Required.**

- (a) No Person shall operate as a Mobile Food Vendor in the Town without a current Mobile Food Vendor License.
- (b) The Mobile Food Vendor License is combined with and issued as part of the Town's standard business license. No additional Mobile Food Vendor License fee applies. One Mobile Food Vendor License authorizes one (1) Mobile Food Unit to operate at all permitted locations within the Town and expires December 31 of each year. Notwithstanding Sec. 6-1-30(a) of this Code, a separate Mobile Food Vendor License for each location at which a single Mobile Food Unit operates is not required. However, a separate Mobile Food Vendor License is required for each Mobile Food Unit.
- (c) The application shall be submitted to the Town Manager's designee and must include:
  - (1) Applicant's name, business name, address, telephone number, and email;
  - (2) Description and photograph of each Mobile Food Unit, including vehicle type, make, model, and license plate number;
  - (3) For a Mobile Food Vendor subject to the Town's sales tax, the Colorado Department of Revenue Account Number (Colorado Account Number), as required by Sec. 6-1-40(a)(e) of this Code;
  - (4) Current proof of one of the following state food safety credentials: a Colorado Department of Public Health and Environment ("CDPHE") State Health Department License (§25-4-1606, C.R.S.), a Denver Retail Food License (§29-11.6-102(1), C.R.S.), a Weld County food establishment license, or, for Cottage Food Vendors: (i) if the application is submitted before January 1, 2027, a signed declaration, on a form provided by the Town, attesting to the vendor's eligibility to operate as a Cottage Food Vendor exempt from state food safety licensing under

- §25-4-1614, C.R.S.; or (ii) if the application is submitted on or after January 1, 2027, proof of the vendor's registration with CDPHE under §25-4-1614, C.R.S.;
- (5) Proof of a current qualifying fire safety permit under §29-11.6-103, C.R.S., or an inspection certificate from the Windsor Severance Fire Protection District (doing business as Windsor Severance Fire Rescue). This requirement does not apply to a Mobile Food Unit that has no cooking equipment, heating element, fuel source, or other feature requiring a fire safety permit or inspection under applicable law;
  - (6) Proof of insurance as required by Sec. 6-7-60;
  - (7) Vehicle registration for any motorized or tow vehicle; and
  - (8) For a motorized or towed Mobile Food Unit only, the name and address of the vendor's Commissary, and a statement of the vendor's ongoing right to use it. A pushcart vendor or Cottage Food Vendor is not required to disclose, maintain, or operate from a Commissary under this Article. A vendor required to disclose a Commissary under this subsection shall notify the Town Manager's designee, in writing and within fourteen (14) calendar days, if the vendor changes its Commissary, or if the vendor's right to use the disclosed Commissary is revoked, terminated, or otherwise ends. The notice shall identify the replacement Commissary, if any, and state the vendor's ongoing right to use it.

***Plain-language note on state license reciprocity.*** *A motorized or towed Mobile Food Unit's ability to rely on an out-of-jurisdiction State Health Department License or Denver Retail Food License to satisfy subsection (c)(4) of this Section, under §29-11.6-104, C.R.S., depends on the vendor's ongoing use of a Commissary under §29-11.6-102(6)(c), C.R.S. A vendor who does not operate from a Commissary cannot rely on that reciprocity and must instead hold a current Weld County food establishment license under subsection (c)(4) of this Section. Ceasing to operate from the disclosed Commissary without notifying the Town Manager's designee of a replacement is grounds for Mobile Food Vendor License suspension or revocation under Sec. 6-7-100(c) of this Article. This note does not affect a pushcart vendor's or Cottage Food Vendor's eligibility for a Mobile Food Vendor License, which does not depend on a Commissary.*

- (d) The Mobile Food Vendor License must be displayed near the order area of the Mobile Food Unit and visible to customers when ordering.
- (e) A licensed Mobile Food Vendor engaged in mobile food vending under this Article is not a solicitor, canvasser, or door-to-door salesperson subject to Sec. 6-1-150 of this Code, and nothing in Sec. 6-1-150 shall be construed to require a licensed Mobile Food Vendor to obtain a Commercial Solicitation permit or otherwise comply with that Section in order to conduct mobile food vending under this Article. This mutual exclusion applies only to mobile food vending conducted under a valid Mobile Food Vendor License; it does not exempt a Person from Sec. 6-1-150 for any separate activity that independently constitutes solicitation under that Section.
- (f) Under §29-11.6-103(2), C.R.S., a copy of the qualifying fire safety permit must be provided at least fourteen (14) calendar days before first operating in the Town each calendar year to Windsor Severance Fire Rescue, as the local government entity responsible for issuing fire safety permits for the Town, with a courtesy copy to the Town Manager's designee for administrative tracking.

**Sec. 6-7-40 – State Food Safety and Fire Safety.**

- (a) Pursuant to HB25-1295 (§§ 29-11.6-101 to 29-11.6-105, C.R.S.), vendors holding a valid CDPHE State Health Department License or Denver Retail Food License do not need a separate county health permit in the Town. Vendors holding a qualifying fire safety permit under §29-11.6-103(1), C.R.S., do not need a separate local fire safety permit in the Town. Such vendors remain subject to the Town's fire safety code and to inspection and enforcement by the Town under §29-11.6-103(3), C.R.S. All vendors remain subject to local enforcement of this Article.
- (b) Cottage Food Vendors are exempt from the state food safety license requirement. Such vendors must comply with §25-4-1614, C.R.S., in its entirety, including all food safety, labeling, disclosure, and registration requirements, and must comply with all provisions of this Article. Vendors without a state credential, other than Cottage Food Vendors, must hold a current Weld County food establishment license.

**Sec. 6-7-50 – Permitted Locations.**

(a) **General rule.** Notwithstanding any use-by-right classification, use-by-special-review classification, or use table provision of Chapter 16 of this Code (the Land Use Code) that would otherwise classify, restrict, or condition the operation of a Mobile Food Unit, including without limitation §§ 16.3.330(b)(2) and 16.3.430(b)(2) (classifying “roadside or temporary retail stands/tents” as a use by special review) and any comparable use-classification provision applicable to any other zone district, the operation of a Mobile Food Unit under a valid Mobile Food Vendor License is a licensed business activity governed exclusively by this Article and is a permitted activity in every zone district, without regard to that zone district’s use table. This provision does not affect the applicability of any other provision of Chapter 16, including site design, parking, drainage, or landscaping standards, except as separately and expressly provided in the signage provisions of Sec. 6-7-80 of this Article. A licensed Mobile Food Vendor may accordingly operate anywhere in the Town, in any zone district, subject to the following:

1. **Private property:** Written property owner consent is required. The vendor must not impede traffic, block parking lot circulation, or obstruct public right-of-way access. No more than two (2) Mobile Food Vendors may operate simultaneously at any single private property location under this subsection. Three (3) or more Mobile Food Vendors may operate simultaneously at a single private property location only in connection with a special event authorized under Chapter 6, Article 4 of this Code, and only for the duration of that special event.
2. **Public right-of-way:** Notwithstanding Sec. 8-1-30(15)(b)(2) of this Code, a valid Mobile Food Vendor License is sufficient to authorize operation in the public right-of-way as provided in this subsection, and no property owner consent is required. A motorized or towed Mobile Food Unit may operate in the public right-of-way only from a lawful on-street parking space on a Town street or road, and shall not occupy a parking space in violation of any applicable parking regulation. A pushcart may operate in the public right-of-way only on a sidewalk, and only if it maintains a continuous, unobstructed pedestrian passage of at least forty-eight (48) inches and does not otherwise impede pedestrian movement. Operation in the public right-of-way remains subject to the traffic safety requirements of subsection (e) of this Section and all other applicable provisions of this Article.

3. **Active Construction Sites:** Written consent of the property owner or the general contractor is required. The vendor must be primarily serving construction workers.

**(b) Parks.**

1. Any Mobile Food Vendor may operate in Town park parking lots with a Mobile Food Vendor License.
2. Pushcarts may operate inside Town park boundaries with a Mobile Food Vendor License. No Special Events Permit is required for a pushcart operating inside a park, except that a pushcart operating within a park during a permitted special event remains subject to the special event proximity requirement of subsection (g) of this Section, including the requirement to obtain the Event Organizer's written consent or be included on the event's Approved Vendor Roster.
3. Other than in park parking lots as provided in subsection (b)(1) above, motorized or towed Mobile Food Units may not operate inside park boundaries without a Special Events Permit.

**(c) Schools.** Mobile Food Vendors may operate on school property (meaning property owned or controlled by the school), and on public streets and rights-of-way adjacent to school property, for the purpose of serving school students, faculty, and staff during the school's published operating hours on school days. Operation on any public street or right-of-way under this subsection is subject to the public-right-of-way limitations of subsection (a)(2) of this Section, and operation on any private property adjacent to school property is not authorized by this subsection and remains subject to subsection (a)(1) of this Section. No Special Events Permit is required for up to three (3) Mobile Food Vendors operating simultaneously under this subsection. The vendor must carry written authorization from the school administration. School events that are open to the general public, or that involve more than three (3) Mobile Food Vendors operating simultaneously, require a Special Events Permit under Chapter 6, Article 4 of this Code regardless of whether the event occurs during regular school hours.

**(d) Competitor buffer.** No Mobile Food Vendor shall operate within one hundred (100) feet of the nearest public entrance of any Open Food Establishment without the written consent of that establishment's proprietor. Distance shall be measured from the nearest point of the

Mobile Food Unit to the nearest public entrance of the Open Food Establishment. Consent must be carried or displayed during operation within the buffer zone.

- (e) **Traffic safety.** No Mobile Food Vendor shall operate at any location that impedes safe vehicular or pedestrian movement, blocks fire hydrants, obstructs intersection sight lines, or places the unit within a travel lane. Vendors shall serve customers only from the side of the unit facing away from moving traffic.
- (f) **Anti-loophole.** Moving a Mobile Food Unit to a different location within the public right-of-way does not cure a violation. The unit must be removed from the right-of-way to come into compliance.
- (g) **Special event proximity.** No licensed Mobile Food Vendor shall operate within, or within one hundred (100) feet of, the boundaries of a permitted special event without the written consent of the Event Organizer. This provision does not apply to vendors who are listed on the Approved Vendor Roster for that event. The treatment of minor businesses with respect to special events is governed by Sec. 6-7-90 of this Article.
- (h) No Mobile Food Vendor shall operate at the same location for more than twelve (12) consecutive hours within any twenty-four (24) hour period. This subsection does not apply to a Mobile Food Vendor operating in connection with a special event authorized under Chapter 6, Article 4 of this Code, for the duration of that event.

**Sec. 6-7-60 – Insurance.** Every Mobile Food Vendor must carry a commercial general liability insurance policy with a minimum of \$1,000,000 per occurrence. Vendors operating on public property or the public right-of-way must name the Town of Severance as an additional insured. Proof of insurance must be submitted with the Mobile Food Vendor License application and maintained throughout the Mobile Food Vendor License term. A lapse in required insurance coverage is grounds for immediate suspension of the Mobile Food Vendor License under Sec. 6-7-100(d). For vendors operating only pursuant to a Special Events Permit, insurance may be provided through the Event Organizer’s policy if it meets these requirements.

**Sec. 6-7-70 – Special Events.** A Mobile Food Vendor operating as part of an approved special event under Chapter 6, Article 4 of this Code does not need a separate Mobile Food Vendor License, provided the vendor is included on the event’s Approved Vendor Roster. Holding a Mobile Food Vendor License under this Article does not, by itself, authorize a vendor to operate

at a special event; the Event Organizer's approval and the vendor's inclusion on the event's Approved Vendor Roster govern which vendors may operate at that event.

#### **Sec. 6-7-80 – Operational Standards.**

- (a) **Hours and noise.** Vendors must comply with the commercial noise standards of Sec. 7-7-20(c)(1) of this Code at all times. Where a vendor is not operating on private property, including operation on the public right-of-way, in a park, or on school grounds, the Mobile Food Unit's location shall serve as the property line for purposes of measuring compliance with Sec. 7-7-20(c)(1). Generators and mechanical equipment are subject to the same standards. Connection to building power is preferred where available.
- (b) **Signage.** Signs must be affixed to the Mobile Food Unit. No signs may be placed on adjacent structures, poles, trees, or fences. All signage is subject to the Land Use Code (§16.5.410 et seq.), except as provided in subsection (b)(3) of this Section.
  - 1. All permanent signs and graphics must be affixed to the Mobile Food Unit itself.
  - 2. No signs, banners, or advertising materials may be placed on adjacent trees, light poles, utility poles, buildings, fences, or other structures not a part of the Mobile Food Unit.
  - 3. **A-frame sandwich board sign.** Notwithstanding any provision of the Land Use Code, including the portable sign prohibition in §16.5.430(i), the right-of-way sign restriction in §16.5.425, and the right-of-way sign prohibition in §16.5.440(a)(6), a Mobile Food Vendor operating under a current Mobile Food Vendor License may place one (1) A-frame or sandwich board-style sign on the ground immediately adjacent to the Mobile Food Unit during active vending operations. The sign must not exceed two (2) feet in width and three (3) feet in height per side, providing a maximum of six (6) square feet of advertising space per side. The sign must not obstruct pedestrian or vehicular traffic, must not create a sight distance hazard at any intersection or driveway, and must be removed from the public right-of-way when the vendor is not actively operating.
- (c) **Patron furnishings.** Vendors may not set up tables, chairs, benches, or canopies for patron use. This subsection does not prohibit a movable shade structure, seat, or similar item

provided solely for the vendor's or operator's own use, which is not a "patron furnishing" for purposes of this subsection, so long as it is not made available for customer use.

- (d) **Sanitation.** Vendors are responsible for all litter generated by their operations and must leave the operating location clean. Notwithstanding subsection (c) of this Section, vendors must provide a sufficient number of refuse containers for customer use. The prohibition on patron furnishings in subsection (c) does not relieve a vendor of this obligation, and refuse containers provided under this subsection are not "patron furnishings" for purposes of subsection (c). No liquids, grease, or waste may be discharged to storm drains or the ground.
- (e) **Alcohol.** No alcoholic beverages may be sold or served from a Mobile Food Unit, except as authorized under a Special Events Permit issued under Chapter 6, Article 4 of this Code or as otherwise authorized under Chapter 6, Article 2 of this Code. Nothing in this Article authorizes the sale or service of alcoholic beverages; any such sale or service remains subject to all applicable state and local licensing requirements.
- (f) **Overnight parking; general prohibition.** No Mobile Food Unit may be left overnight (11:00 p.m. to 6:00 a.m.) at any operating location on public property or the public right-of-way.
- (g) **Overnight parking; residential exception.** A resident who owns or operates a Mobile Food Unit may park it at or adjacent to their residence as follows:
  - 1. **On public street:** A Mobile Food Unit may be parked on the public street at or adjacent to the residence, in any location where parking is otherwise lawful, but not on any sidewalk or other portion of the public right-of-way. Such parking is limited to no more than forty-eight (48) consecutive hours at a time and no more than ten (10) such periods per calendar year. In addition, the Town Manager or the Town Manager's designee may issue a permit to a resident who owns a Mobile Food Unit, authorizing the resident to park the Mobile Food Unit on the public street directly in front of the resident's residential dwelling for a period exceeding forty-eight (48) hours but not exceeding fifteen (15) calendar days within any calendar year.
  - 2. **On private residential property:** The unit must be parked on an improved surface, such as concrete, asphalt, compacted gravel, or similar dust- and mud-suppressing material (bare soil or turf does not qualify). No portable or removable

signs or advertising materials may be placed on or adjacent to the unit while parked overnight. Permanently affixed vehicle graphics, wraps, or signage on the unit itself are not required to be covered or removed. No food preparation or vending shall occur overnight. No equipment shall be connected to utilities overnight.

(h) **Vehicle-mounted signs.** Notwithstanding §16.5.430(h) of the Land Use Code, vehicle-mounted signage, graphics, or wraps permanently affixed to a licensed Mobile Food Unit are not subject to the prohibited sign provisions of §16.5.430(h). This exception applies only to signage permanently affixed to the Mobile Food Unit itself and incidental to the operation of that unit as a mobile food vending business. This exception applies equally to a Mobile Food Unit parked at or adjacent to its owner's residence pursuant to the overnight residential parking exception in subsection (g) of this Section. Portable or removable signs placed on or adjacent to the unit while parked overnight remain subject to all applicable provisions of the Land Use Code.

(i) **Pushcart self-containment.** A pushcart is subject to all operational standards of this Section that apply to Mobile Food Units generally, including the signage standards of subsection (b) and the patron furnishings prohibition of subsection (c). In addition, a pushcart must be designed so that any movable shade structure, refuse container, operator seat, and other equipment used in its operation are carried on or in the pushcart itself, and so that the operator is able to set up, pack up, and remove the pushcart and all of its associated equipment in a single trip, by hand, and without assistance. A pushcart operation may not rely on separate freestanding structures, storage, or equipment that cannot be carried on or in the pushcart and moved by the operator in this manner. A pushcart vendor may use one (1) A-frame or sandwich board sign as permitted under subsection (b)(3), provided the sign can be carried by the operator together with the pushcart in the single trip required by this subsection; the A-frame sign need not be carried on or in the pushcart itself.

**Sec. 6-7-90 – Minor Business Exception.** A mobile food vending operation is exempt from the Mobile Food Vendor License requirement of Sec. 6-7-30 if it is: (1) owned and operated by a child or children seventeen (17) years of age or younger; (2) located in a residential zone district; (3) selling tangible personal property including food or beverages; (4) not obstructing the public right-of-way; and (5) not located within two hundred (200) feet of a business selling the same or similar

goods. Exempted operations must still comply with applicable state food safety laws and all other provisions of this Code. The exemption provided by this Section does not apply at a special event permitted under Chapter 6, Article 4 of this Code. A minor business may operate as part of such an event only if it is included on the event's Approved Vendor Roster, in which case it is subject to Sec. 6-7-70 in the same manner as any other vendor. A minor business may not otherwise operate at, within, or adjacent to such an event.

#### **Sec. 6-7-100 – Enforcement.**

- (a) **Enforcement authority.** This Article may be enforced by any member of the Severance Police Department or by a Town compliance officer.
- (b) **Non-criminal citation.** Any member of the Severance Police Department or a Town compliance officer may issue a non-criminal citation to any Person found in violation of this Article. Violations are subject to the penalty provisions of Sec. 1-4-20 of this Code.
- (c) **License suspension or revocation.** For purposes of this Section, the Town Manager's designee shall be a Town officer or employee other than the Town Manager. The Town Manager's designee may suspend or revoke a Mobile Food Vendor License upon a finding that the licensee:
  - 1. Has committed three (3) or more violations of this Article within any twelve (12) month period;
  - 2. Has made a material misrepresentation in the Mobile Food Vendor License application;
  - 3. Has failed to maintain required insurance coverage;
  - 4. Has received a suspension or revocation of any state food safety license or fire safety permit required under this Article; or
  - 5. For a motorized or towed Mobile Food Unit, has ceased operating from the Commissary disclosed under Sec. 6-7-30(c)(8), without notifying the Town Manager's designee of a replacement Commissary.
- (d) **Immediate suspension.** The Town Manager's designee may immediately suspend a Mobile Food Vendor License, pending correction, upon a finding of: (1) a violation involving an immediate risk to public health or safety, including a failed food safety inspection or a failed fire safety inspection; or (2) operation without, or a lapse in, the

insurance coverage required by Sec. 6-7-60. A license suspended under this subsection shall be reinstated upon the licensee's submission of proof that the violation has been corrected, including, for a suspension under paragraph (2), proof of current insurance coverage meeting the requirements of Sec. 6-7-60.

(e) **Notice and opportunity to cure.** Except for an immediate suspension under subsection (d), the Town Manager's designee shall provide written notice to the licensee before suspending or revoking a Mobile Food Vendor License. The notice shall identify the grounds for suspension or revocation and provide the licensee ten (10) calendar days to cure the violation. A licensee may contest a suspension or revocation as provided in subsection (f).

(f) **Appeal.** A licensee aggrieved by a suspension or revocation decision may appeal to the Town Manager by filing a written appeal within ten (10) calendar days of the suspension or revocation notice. The Town Manager's decision is final at the administrative level.

**Sec. 6-7-110 – Relationship to Other Provisions.** This Article is the exclusive local licensing framework for Mobile Food Vendors in the Town. Licensed vendors are not subject to the Commercial Solicitation requirements of Sec. 6-1-150 of this Code. As provided in Sec. 6-7-50(a), and notwithstanding any contrary use classification in Chapter 16 of this Code, this Article governs the licensing and operation of Mobile Food Vendors town-wide, in every zone district, without regard to zone-specific use classification. This Article does not affect the applicability of any other provision of Chapter 16 not relating to use classification. This Article does not otherwise supersede state law or the Town's noise and nuisance ordinances.

**Section 3. Severability.** If any article, section, paragraph, sentence, clause, or phrase of this ordinance is held to be unconstitutional or invalid for any reason, such decision shall not affect the validity or constitutionality of the remaining portions of this ordinance. The Town Council declares it would have passed this ordinance and each part or parts hereof, irrespective of the fact that any one part or parts be declared unconstitutional or invalid.

**Section 4. Repealer.** All other ordinances, or portions thereof, inconsistent or conflicting with this ordinance or any portion thereof are repealed to the extent of such inconsistency or conflict.

**Section 5. Effective Date.** In accordance with Section 6.03(6) of the Town of Severance Home Rule Charter, this ordinance, after approval by the Town Council of the Town of Severance, shall be effective thirty (30) days after publication.

**INTRODUCED, READ, ADOPTED, APPROVED, AND ORDERED PUBLISHED IN  
FULL THIS 28<sup>th</sup> DAY OF JULY, 2026.**

**TOWN OF SEVERANCE, COLORADO**

---

Matthew Fries, Mayor

**ATTEST**

---

Sarah Jacobsen, Town Clerk

## AFFIDAVIT OF PUBLICATION

[illegible]

I, Sarah Jacobsen, Town Clerk for the Town of Severance, do solemnly swear and affirm that I published in full a true and correct copy of Ordinance No. 2026-06, enacted by the Town Council on July 28, 2026, on the Town of Severance's web site, <https://www.townofseverance.org/>, on the \_\_\_\_ day of \_\_\_\_\_ 2026.

Witness my hand and seal this \_\_\_\_\_ day of \_\_\_\_\_ 2026.

[Town Seal]

---

Sarah Jacobsen, Town Clerk



## AGENDA ITEM SUMMARY

| AGENDA ITEM                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                              | SUBMITTED BY                 | PRESENTED BY                                                |
|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|------------------------------|-------------------------------------------------------------|
| Pg. 211 - Electric Vehicle Ordinance Discussion                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                          | Andrew Rogers, Town Attorney | Town Attorney Andrew Rogers                                 |
| <b>ACTION REQUESTED</b>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                  |                              |                                                             |
| Town Attorney is asking that the Town Council discuss and provide feedback on the proposed E-vehicle ordinance.                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                          |                              | <b><u>Discussion</u></b><br><b><u>Attorney Approved</u></b> |
| <b>BRIEF HISTORY OF ITEM</b>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                             |                              |                                                             |
| This item began as a Council Member petition and was presented to the Citizen Advisory Board on May 6, 2026. CAB generally supported an ordinance focused on public safety. This item was presented to the Town Council at a work session on June 9, 2026.                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                               |                              |                                                             |
| <b>BRIEF SUMMARY</b>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                     |                              |                                                             |
| Following feedback from the Town Council and the Citizen Advisory Board, the Town Attorney has prepared this draft ordinance to regulate electric vehicles. The ordinance establishes a comprehensive framework to regulate the various types of electric vehicles common throughout the Town of Severance. It addresses where the different vehicles may operate and regulates safety concerns such as lights, helmets, and age requirements. The ordinance is designed to address the growing public safety concern posed by the increasing use of these vehicles within the Town. Generally speaking, the covered vehicles are allowed/prohibited in the following ways: (1) Class 1/2 electric bicycles and electric scooters may use streets, sidewalks, and paved trails; (2) Class 3 electric bicycles (that operate more like electric motorcycles) are limited to paved roads; (3) toy vehicles and off-highway vehicles are prohibited from public property; (4) golf carts remain prohibited within the Town. |                              |                                                             |
| <b>PUBLIC SUPPORT/CONCERN</b>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                            |                              |                                                             |
| Public safety                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                            |                              |                                                             |
| <b>ANALYSIS AND RECOMMENDATION</b>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                       |                              |                                                             |
| The Citizen Advisory Board, the Police Department, and Staff are in favor of an ordinance that focuses on public safety.                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                 |                              |                                                             |
| <b>MATERIALS SUBMITTED</b>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                               |                              |                                                             |
| The following materials were submitted and included in this packet:<br>1. 2026.07.23 - Electric Vehicle Ordinance DRAFT                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                  |                              |                                                             |

## **Town of Severance**

### **Electric Vehicle Ordinance - DRAFT**

#### **Sec. 8-5-10. Purpose; Relationship to State Law and Existing Code.**

**(a) Purpose.** This Article establishes rules for the operation of electric and motorized personal vehicles within the Town, including where such vehicles may operate, required safety equipment, minimum age requirements, parental responsibility, and enforcement.

**(b) Relationship to state law.** This Article is in addition to, and not in lieu of, applicable state law. Where state law sets a minimum standard, the Town may impose additional or more restrictive local requirements as permitted by law. If this Article conflicts with state law, state law controls. Pursuant to C.R.S. § 42-4-111(2)(a), the low-speed electric vehicle rules in Sec. 8-5-30(j) do not take effect until official traffic-control signs or devices giving notice of those rules are posted on or at the entrances to affected streets.

**(c) Relationship to Sec. 8-1-80.** This Article does not repeal or supersede Sec. 8-1-80 (internal-combustion vehicles on public property). Where a vehicle is subject to both, both apply and may be independently enforced.

**(d) Electric scooter parity.** Consistent with C.R.S. § 42-4-221, no provision of this Article regulates electric scooters more restrictively than Class 1 electrical assisted bicycles.

**(e) State highways.** Nothing in this Article regulates vehicles on state highways within the Town. Pursuant to C.R.S. § 43-2-135(1)(g), any Town regulation applied to a street that is part of the state highway system takes effect on that street only after written Colorado Department of Transportation (“CDOT”) approval, or sixty (60) days after CDOT’s receipt for review if not disapproved in writing during that period.

**Sec. 8-5-20. Definitions.** For purposes of this Article, the following terms have the meanings below. A term not defined here has the meaning set forth in C.R.S. Title 42 where applicable.

**(a) Bicycle** means a human-powered vehicle with two or more wheels, propelled only by the rider pedaling, with no motor or other auxiliary propulsion.

**(b) Class 1 Electrical Assisted Bicycle** means an electrical assisted bicycle (C.R.S. § 42-1-102(28.5)(a)) that provides motor assistance only while the rider is pedaling and stops assisting at 20 mph.

**(c) Class 2 Electrical Assisted Bicycle** means an electrical assisted bicycle (C.R.S. § 42-1-102(28.5)(b)) that may provide assistance whether or not the rider is pedaling and stops assisting at 20 mph.

**(d) Class 3 Electrical Assisted Bicycle** means an electrical assisted bicycle (C.R.S. § 42-1-102(28.5)(c)) that provides assistance only while the rider is pedaling, stops assisting at 28 mph, and is equipped with a speedometer.

*As used in (b)–(d), electrical assisted bicycle means a vehicle with two or three wheels, fully operable pedals, an electric motor not exceeding 750 watts, and a permanent manufacturer’s classification label (C.R.S. § 42-4-221(9)(a)).*

**(e) Covered Vehicle** means any vehicle defined and regulated under this Article: any electrical assisted bicycle (Class 1, 2, or 3), electric motorcycle, electric scooter, electric skateboard, one-wheel device, self-balancing scooter, low-power scooter, low-speed electric vehicle, toy vehicle, and off-highway vehicle. The term does not include bicycles or human-powered vehicles except where this Article expressly applies to them.

**(f) Electric Motorcycle** means an off-highway motorcycle that is powered only by an electric motor and battery, is equipped from the manufacturer with foot pegs, and has no pedal-assist option. The term includes electric dirt bikes. An electric motorcycle that is titled, registered, and insured as a motor vehicle under state law is not a covered vehicle and is regulated as a motor vehicle.

**(g) Electric Scooter** means a device that weighs less than 100 pounds, has handlebars and an electric motor, is powered by that motor, and has a maximum motor-only speed of 20 mph on a paved level surface. The term does not include an electrical assisted bicycle, low-power scooter, motorcycle, or EPAMD (see Sec. 8-5-130(c)).

**(h) Electric Skateboard** means a motorized device built on a skateboard-style deck with two or more tandem wheels, propelled by an electric or combustion motor, and controlled by remote,

weight-shifting, or both. The device does not self-balance. The term does not include a one-wheel device, self-balancing scooter, or electrical assisted bicycle.

**(i) Golf Cart** means a vehicle as defined in C.R.S. § 42-1-102(39.5): design speed under 20 mph, at least three wheels, empty weight not more than 1,300 pounds, and capacity not more than four persons. A golf cart is not a low-speed electric vehicle.

**(j) Human-Powered Vehicle** means a wheeled device propelled only by human power, other than a bicycle, used for transportation or recreation (for example, kick scooters, non-motorized skateboards, roller skates, in-line skates). Wheelchairs (motorized or not) and hand-pushed strollers are not human-powered vehicles; motorized wheelchairs and other power-driven mobility devices are addressed in Sec. 8-5-130(c).

**(k) Low-Power Scooter** means a self-propelled vehicle as defined in C.R.S. § 42-1-102(48.5): designed primarily for roadways, not more than three wheels, no manual clutch, and either an engine of not more than 50cc or an electric motor of not more than 4,476 watts. The term includes mopeds and does not include a bicycle, electrical assisted bicycle, electric scooter, toy vehicle, or off-highway vehicle.

**(l) Low-Speed Electric Vehicle (LSEV)** means a self-propelled vehicle that is powered primarily by electricity, has at least three wheels, has a maximum speed of 25 mph on a paved level surface, weighs less than 3,000 pounds unloaded, is not steered by handlebars, and meets the Federal Motor Vehicle Safety Standards for low-speed vehicles (49 CFR Part 571.500), including a permanent 17-character VIN, lamps and reflectors, parking brake, windshield, rearview mirror, speedometer, and seat belts for each seating position. A golf cart is not an LSEV.

**(m) Minor** means any person under 18 years of age.

**(n) Natural-Surface Trail** means any unpaved trail surface, including gravel, dirt, or packed earth.

**(o) Off-Highway Vehicle (OHV)** means a self-propelled vehicle designed to travel on wheels or tracks in contact with the ground, designed primarily for off-road use, and generally used to transport persons for recreation. The term does not include watercraft, snowmobiles, golf carts, disability-mobility vehicles, agricultural/logging/mining vehicles, or surplus military vehicles owned or leased by a governmental or fire entity for firefighting.

**(p) One-Wheel Device** means a motorized self-balancing device propelled by a single large central wheel, controlled by the rider leaning, with no handlebars or seat. The term includes devices such as Onewheel and electric unicycles and does not include electric skateboards, self-balancing scooters, or EPAMDs.

**(q) Parent or Guardian** means any parent, legal guardian, or legal custodian of a minor.

**(r) Paved Trail** means any trail surfaced with asphalt, concrete, or other hard material.

**(s) Public Property** means any street, alley, roadway, highway, shoulder, median, sidewalk, pedestrian way, crosswalk, paved trail, natural-surface trail, bicycle lane, park, open space, parking area, public right-of-way, or other property owned, operated, or controlled by the Town.

**(t) Purpose-Built Passenger Vehicle** means a covered vehicle designed and equipped to carry one or more passengers, whether by the manufacturer or by later installation of a passenger seat, child seat, or similar device by a responsible adult.

**(u) School** means any public or private K-12 educational institution licensed or accredited under Colorado law.

**(v) Self-Balancing Scooter** means a motorized device with two parallel wheels on either side of a central platform, propelled by an electric motor, and controlled by the rider shifting weight, using self-balancing technology, with no handlebars or seat. The term includes hoverboards and does not include electric skateboards, one-wheel devices, electric scooters, or EPAMDs.

**(w) Toy Vehicle** means a wheeled vehicle propelled by a motor or engine that is not designed for use on public highways, sidewalks, or off-road, and is not otherwise classified under this Article or state law. The term includes pocket bikes, minibikes, go-peds, and stand-up scooters with motors exceeding the electric scooter definition, and does not include electric skateboards, one-wheel devices, self-balancing scooters, or electric motorcycles.

#### **Sec. 8-5-30. Where Covered Vehicles May Operate.**

**(a) General rule.** Covered vehicles may operate on public property only as expressly authorized by this Article. Operation in any location not expressly authorized is prohibited.

**(b) Class 1 and Class 2 Electrical Assisted Bicycles; Electric Scooters.** 1. May operate on Town streets in compliance with all applicable traffic laws. 2. May operate on sidewalks and paved trails,

subject to the **shared-use operating rules**: the operator must (A) yield to all pedestrians; (B) give an audible signal before overtaking a pedestrian; (C) operate at a speed that is safe given pedestrians and other users; and (D) not operate where prohibited by traffic-control device, posted sign, pavement marking, dismount zone, or this Article. 3. Prohibited on natural-surface trails unless the Town has posted signs expressly authorizing such use.

**(c) Class 3 Electrical Assisted Bicycles.** 1. May operate on Town paved streets in compliance with all applicable traffic laws. 2. Prohibited on sidewalks, paved trails, and natural-surface trails. 3. No person under 16 may operate one on public property, except as a passenger on a purpose-built passenger Class 3 e-bike operated by a person 18 or older. 4. Every operator and passenger must wear a helmet (Sec. 8-5-50; C.R.S. § 42-4-1412(4)).

**(d) Low-Power Scooters.** 1. May operate only on Town streets, including bicycle lanes on those streets, and are prohibited on sidewalks, paved trails, natural-surface trails, and parks. 2. No person under 16 may operate a low-power scooter, and operation requires a valid driver's license (C.R.S. § 42-2-103(2)(a)). State law separately prohibits low-power scooter operation on sidewalks, the interstate system, and limited-access highways.

**(e) Electric Skateboards and One-Wheel Devices.** It is unlawful to operate an electric skateboard or one-wheel device on any public property. This subsection does not prohibit operation on private property under Sec. 8-5-130(d).

**(f) Self-Balancing Scooters.** Permitted on Town sidewalks only, subject to the shared-use operating rules of Sec. 8-5-30(b)(2). Prohibited on Town streets, paved trails, natural-surface trails, and parks.

**(g) Bicycles and Human-Powered Vehicles.** Not restricted by this Article as to location, except that operators must yield to pedestrians on sidewalks and paths, must comply with dismount zones (Sec. 8-5-40), and are subject to parental responsibility (Sec. 8-5-70).

**(h) Toy Vehicles and Off-Highway Vehicles.** 1. It is unlawful to operate a toy vehicle or OHV on any public property. No public routes are designated for such use within the Town. 2. This subsection does not prohibit (A) loading or unloading a toy vehicle or OHV from a trailer or vehicle lawfully parked on private property, provided it is not operated on any public property; or (B) a children's electric toy with a maximum speed of 5 mph, operated on a sidewalk or paved

trail under the direct supervision of an adult 18 or older, at a safe speed and continuously yielding to pedestrians. Operation on private property is addressed in Sec. 8-5-130(d).

**(i) Golf Carts.** Not authorized on any public property. Any future authorization requires a separate ordinance. Operation on private property, including private golf courses, is not prohibited.

**(j) Low-Speed Electric Vehicles (LSEVs).** Pursuant to C.R.S. § 42-4-109.5(1)(a), an LSEV meeting the definition in Sec. 8-5-20(l) may operate on Town streets posted at 35 mph or less. The Town regulates that operation (C.R.S. § 42-4-111) as follows: 1. The vehicle must display a permanent 17-character VIN and meet the federal low-speed-vehicle safety standards referenced in Sec. 8-5-20(l); 2. The operator must hold a valid driver's license; 3. No person under 16 may operate an LSEV; 4. The vehicle must be titled, registered, and insured under state law; 5. LSEVs are prohibited on sidewalks, paved trails, natural-surface trails, and parks; 6. LSEVs may not operate on limited-access highways or on any state highway within the Town without CDOT authorization; 7. All occupants must be belted in a designated factory seat; and 8. No LSEV may be modified to exceed 25 mph.

**(k) Electric Motorcycles.** It is unlawful to operate an electric motorcycle on any public property. This subsection does not apply to an electric motorcycle titled, registered, and insured as a motor vehicle under state law (see Sec. 8-5-20(f)), and does not prohibit operation on private property under Sec. 8-5-130(d).

**(l) General traffic laws.** Any covered vehicle authorized to operate on Town streets is subject to all traffic laws applicable to its location, including traffic-control signals, stop signs, and yielding requirements.

#### **Sec. 8-5-40. Dismount Zones.**

**(a) Definition and effect.** A dismount zone is an area where operators of covered vehicles and bicycles must dismount and walk their device through the zone. No person shall ride any electrical assisted bicycle, electric scooter, self-balancing scooter, bicycle, or human-powered vehicle within a designated dismount zone.

**(b) Permanent dismount zones.** The following are established as permanent dismount zones:

1. **School zones.** Within 100 feet of any public entrance to a school (Sec. 8-5-20(u)), on days and hours when school is in session and during scheduled school events, unless the Town Manager modifies the applicable hours by administrative order.

2. **Town Core district.** All sidewalks, paved trails, and pedestrian ways within the Town Core zoning district, as shown on the official Severance Zoning Map.

3. **Development Node district.** All sidewalks, paved trails, and pedestrian ways within the Development Node zoning district, as shown on the official Severance Zoning Map.

4. **Park entrances.** Within 100 feet of any public entrance to a Town park.

(c) **Temporary dismount zones.** The Town Manager or designee may designate temporary dismount zones, marked by temporary signs, for special events, seasonal conditions, or other pedestrian-safety circumstances.

(d) **Signage.** Permanent dismount zones shall be marked by signs or pavement markings. The absence of a sign does not invalidate a dismount zone established by this Article or under subsection (c), provided reasonable public notice of the zone has been given.

(e) **Exceptions.** Dismount zone requirements do not apply to persons using wheelchairs or other disability-mobility devices, or to Town employees, law enforcement, or emergency personnel acting in their official duties.

#### **Sec. 8-5-50. Safety Equipment Requirements.**

(a) **Helmets, minors.** Any person under 18 who operates or rides as a passenger on any covered vehicle on public property must wear a protective helmet that (1) is designed for bicycle or electric-vehicle use; (2) meets U.S. Consumer Product Safety Commission (16 CFR Part 1203) or ASTM F1447 standards; and (3) is properly fitted and fastened under the chin while the vehicle is in motion.

(b) **Helmets, Class 3 e-bikes, all riders.** Every operator and passenger of any age on a Class 3 electrical assisted bicycle must wear a helmet meeting subsection (a), consistent with C.R.S. § 42-4-1412(4).

(c) **Exemption.** The helmet requirement does not apply on private property.

**(d) Lighting.** Any covered vehicle operated after sunset, before sunrise, or in reduced visibility (fog, rain, smoke, or similar) must be equipped with a front-facing white light visible for at least 500 feet and a rear-facing red light or reflector visible for at least 300 feet, both under normal atmospheric conditions. The required lights must be illuminated during operation; a reflector alone does not satisfy the front-light requirement. This subsection is in addition to the equipment requirements of C.R.S. § 42-4-221(2)–(5).

**(e) E-bike classification label.** No person shall operate an electrical assisted bicycle on public property unless it bears the manufacturer’s classification label (C.R.S. § 42-4-221(9)(a)) and the label is not missing, removed, damaged, altered, or illegible. An e-bike modified in a way that changes its speed, wattage, or operational characteristics must be relabeled by a qualified technician before operation on public property. A missing, removed, altered, or illegible label is itself a violation.

**(f) Speed modification.** It is unlawful to modify any covered vehicle so that it exceeds the speed, power, or operational characteristics of its labeled or manufactured classification, or to operate such a modified vehicle on public property. A covered vehicle whose observed operation is inconsistent with its labeled class or manufacturer’s specifications is presumed modified in violation of this subsection.

**(g) Operator demonstration.** When requested by a law enforcement officer, the operator of an electrical assisted bicycle must demonstrate that the bicycle bears a legible, unaltered classification label and that its pedals are fully operable. An operator who cannot do so when lawfully requested may be cited. A law enforcement officer may treat an unlabeled or non-compliant bicycle as a toy vehicle or OHV pending verification under Sec. 8-5-110.

**(h) Passenger safety.** No person shall carry more persons on a covered vehicle than it is designed and equipped to seat. In addition: 1. No more than one person under 18 may ride on a covered vehicle at the same time, unless an adult 18 or older is operating a purpose-built passenger vehicle; 2. An adult 18 or older may carry one or more passengers of any age on a purpose-built passenger vehicle; and 3. A person under 12 may ride as a passenger only on a purpose-built passenger vehicle operated by a person 18 or older.

#### **Sec. 8-5-60. Minimum Age Requirements.**

- (a) Class 1/2 e-bikes; electric scooters.** No person under 12 may independently operate one on public property.
- (b) Self-balancing scooters.** No Town-imposed minimum age. The helmet requirement of Sec. 8-5-50(a) applies to operators under 18.
- (c) Class 3 e-bikes; low-power scooters; LSEVs.** No person under 16 may independently operate one on public property.
- (d) Passengers under 12.** A person under 12 may ride as a passenger as provided in Sec. 8-5-50(h)(3).
- (e) Private property.** These minimum ages do not apply on private property.

#### **Sec. 8-5-70. Parental Responsibility.**

- (a) Prohibition.** It is unlawful for any parent or guardian to knowingly permit their minor child or ward to operate any covered vehicle, bicycle, or human-powered vehicle on public property in violation of this Article or state law.
- (b) Presumption.** A parent or guardian is presumed to have knowingly permitted such operation if (1) the vehicle was purchased by, owned by, or registered to the parent or guardian; (2) the vehicle is primarily stored at the parent's or guardian's residence; or (3) the parent or guardian knew or reasonably should have known of the operation.
- (c) Rebuttal.** The presumption may be rebutted by showing that (1) the minor took the vehicle without permission; (2) the parent or guardian took reasonable steps to prevent access (locking, securing, or disabling the vehicle); (3) the vehicle was compliant when purchased or last authorized, and any violating modification was made without the parent's or guardian's knowledge; or (4) the minor circumvented access controls the parent or guardian reasonably believed were in place.
- (d) Civil; independent liability.** This Section is civil and creates no criminal liability or record. A citation may issue to a parent or guardian regardless of whether one also issues to the minor.

**Sec. 8-5-80. Reckless and Careless Operation Prohibited.**

**(a) Reckless operation.** No person shall operate any covered vehicle, bicycle, or human-powered vehicle on public property in a manner indicating a wanton or willful disregard for the safety of persons or property.

**(b) Careless operation.** No person shall operate any covered vehicle, bicycle, or human-powered vehicle on public property in a careless or imprudent manner, without due regard for width, grade, curves, traffic, pedestrians, and other attendant circumstances.

**(c) Applicability.** This Section applies regardless of where a vehicle is otherwise authorized to operate. A vehicle may be lawfully located and still be operated in violation of this Section.

**Sec. 8-5-85. Evading an officer.** It is unlawful for any operator of a covered vehicle to willfully fail to stop, or to attempt to elude or evade, a peace officer in a clearly identifiable uniform after a clear visual or audible signal to stop, where the officer has reasonable articulable suspicion that the operator has violated state law or this Article. Prohibited conduct includes increasing speed to avoid the officer, extinguishing lights, leaving the roadway, sidewalk, trail, or other public property to avoid the stop, or other conduct showing a willful intent to avoid the officer.

**Sec. 8-5-90. Accident Reporting.**

**(a)** The operator of any covered vehicle involved in an accident on public property that injures a person or damages another's property shall: 1. Immediately stop at or near the scene and remain until this Section is satisfied; 2. Provide their name, address, and the make and type of covered vehicle to the other parties and to any officer at the scene; and 3. Provide notice to the Severance Police Department and, if directed by the responding officer, remain until the investigation is complete, consistent with C.R.S. § 42-4-1603(1).

**(b)** Bicycles and human-powered vehicles are not subject to this Section; their operators remain subject to the state duty under C.R.S. § 42-4-1603(1) on roadways and highways.

**(c)** This Section does not apply to an accident resulting in serious bodily injury or death. Those duties and penalties are governed exclusively by state law (including C.R.S. § 42-4-1601) and any such offense shall be referred to the District Attorney. This Section is a civil violation.

#### **Sec. 8-5-95. Use of Mobile Electronic Devices Prohibited.**

**(a) Prohibition.** No person shall hold and use a mobile electronic device in either hand while operating a covered vehicle on public property. For purposes of this Section, a *mobile electronic device* is a handheld device capable of voice communication, amusement, or wireless data transfer, and *operating* means actively propelling or controlling a covered vehicle, not including a momentary stop or while at rest. This is a strict-liability civil violation. The unsafe nature of the operation and any connection to a collision are not elements of the violation.

**(b) Exceptions.** This Section does not apply to (1) hands-free use in which the operator holds no device in either hand; (2) contacting a public-safety entity or reporting an emergency; or (3) a peace officer or first responder acting within official duties.

**(c) Observation required.** No person shall be cited under this Section unless an officer directly observed the violation. This Section does not authorize seizure or forfeiture of a device.

#### **Sec. 8-5-100. Parking.**

**(a) Permitted.** A person may park a bicycle, electrical assisted bicycle, or electric scooter on a sidewalk unless prohibited by traffic-control device, posted sign, or this Article.

**(b) Prohibited obstruction.** No covered vehicle may be parked so as to (1) impede pedestrian movement; (2) block ADA curb ramps, accessible routes, or accessible parking; (3) block building entrances, emergency exits, bus stops, crosswalk approaches, fire hydrants, or traffic-control devices; or (4) create a hazard for any user of the sidewalk or public way.

**(c) Prohibited locations.** Toy vehicles, off-highway vehicles, low-power scooters, and motor vehicles may not be parked on any sidewalk.

#### **Sec. 8-5-110. Compliance Verification for Unregistered Vehicles.**

**(a) Purpose.** This Section addresses field enforcement of vehicles whose classification or eligibility cannot be verified by observation alone. A vehicle that does not qualify as an electrical assisted bicycle (C.R.S. § 42-1-102(28.5)) and is not registered as a motor vehicle (C.R.S. § 42-3-103) has no authorization to operate on public rights-of-way under this Article.

**(b) Burden.** This Section does not shift the burden of proof in any criminal proceeding. It establishes only a civil regulatory burden of production.

**(c) Documentation request.** When a Severance Police Department officer has reasonable articulable suspicion that a vehicle does not qualify as the class the operator claims or does not comply with this Article, the officer may request that the operator produce one or more of: (1) the manufacturer's classification label (C.R.S. § 42-4-221(9)(a)); (2) documentation of the vehicle's class, motor wattage, and maximum assisted speed; (3) registration and proof of insurance, if the vehicle must be registered as a motor vehicle; or (4) a valid driver's license, if required to operate the vehicle.

**(d) Status pending verification.** If the operator cannot produce sufficient documentation at the time of the request, the officer may treat the vehicle as a toy vehicle pending verification. This is a temporary administrative classification, not a final determination of non-compliance.

**(e) Cure period.** No citation shall issue under this Section based solely on failure to produce documentation at the time of the request, unless the operator also refuses to provide identifying information or the officer has independent probable cause. If documentation cannot be produced, the officer shall issue a written notice specifying the documentation required, a production deadline of not less than 10 business days, and where to submit it.

**(f) Withdrawal.** If the operator produces sufficient documentation within the cure period, any related citation shall be administratively withdrawn without a court appearance. The Town Manager or designee shall establish the withdrawal procedure. A withdrawn citation does not count as a prior violation for Sec. 8-5-120(b).

**(g) Citation after cure period.** If the operator fails to produce sufficient documentation within the cure period, the officer may cite for a violation of this Section. In any Municipal Court proceeding, the Town bears the burden of establishing by a preponderance of the evidence that the officer had reasonable articulable suspicion and that the operator failed to produce sufficient documentation within the cure period. The operator may present evidence of compliance at any time before adjudication.

**(h) Good-faith reliance.** An operator who produces documentation showing a good-faith, reasonable belief that the vehicle was compliant, including original purchase documentation from a licensed dealer showing it was sold as a lawful covered vehicle, shall not be found in violation, notwithstanding a later determination of non-compliance.

### **Sec. 8-5-120. Impoundment.**

**(a) Authority.** A law enforcement officer may impound any covered vehicle operated on public property in violation of this Article. Impoundment is in addition to any citation.

**(b) Mandatory, second offense.** When an officer determines a covered vehicle is being operated in violation of this Article and the operator or vehicle was previously cited under this Article within the preceding 12 months, the officer shall impound the vehicle. It shall be held through the initial court date for the current violation and not released before that date.

**(c) Release, first offense or discretionary impoundment.** A vehicle not subject to mandatory impoundment may be released to the parent or legal guardian of the minor operator upon (1) appearing in person at the Severance Police Department; (2) presenting valid identification; and (3) acknowledging in writing receipt of notice of the violation and this Article's requirements. A vehicle shall not be released to anyone other than the parent or legal guardian of a minor operator except by order of the Municipal Court.

**(d) Redemption.** If a vehicle is not claimed within 30 days, the Town may dispose of it under applicable law and Town policy for unclaimed property.

**(e) Hearing.** A person whose vehicle is impounded may request a Municipal Court hearing to contest the impoundment. The request does not stay the impoundment.

**(f) Town liability.** The Town is not liable for damage to or loss of an impounded vehicle if it exercises reasonable care in storage.

### **Sec. 8-5-130. Exemptions.**

**(a) Law enforcement and Town operations.** This Article does not restrict operation of any covered vehicle by (1) law enforcement officers in their official duties, including adoption of covered vehicles for patrol; (2) Town employees in their official duties; or (3) contractors acting under a Town contract within its scope.

**(b) Disability accommodation.** Nothing in this Article restricts use of a wheelchair, power wheelchair, or other mobility device by a person with a mobility disability. The Town shall make reasonable modifications as required by the Americans with Disabilities Act, 42 U.S.C. § 12101 et seq., and 28 CFR § 35.137.

**(c) EPAMDs and other power-driven mobility devices.** An electric personal assistive mobility device (EPAMD) (C.R.S. § 42-1-102(28.7)) and any other power-driven mobility device (OPDMD) used by a person with a disability under the ADA and 28 CFR § 35.137 are not covered vehicles and are not subject to the operational, age, or helmet requirements of this Article. Operators shall, however, yield to pedestrians, not operate recklessly or carelessly (Sec. 8-5-80), and not operate in any motor-vehicle travel lane except (A) to cross at a crosswalk consistent with C.R.S. § 42-4-802(1) and pedestrian signals, or (B) briefly as reasonably necessary to reach a destination when no accessible pedestrian route is available, as required by 28 CFR § 35.137.

**(d) Private property.** Nothing in this Article restricts operation of any covered vehicle on private property, subject to applicable state law.

#### **Sec. 8-5-140. Enforcement; Citation Authority.**

**(a) Authority.** This Article may be enforced only by Severance Police Department officers acting within their official duties, who may issue citations, conduct compliance verification (Sec. 8-5-110), and exercise impoundment authority (Sec. 8-5-120). No code enforcement officer or other Town employee has authority to enforce this Article, issue a citation or warning under it, detain any person, or impound any vehicle.

**(b) Officer discretion.** Nothing in this Article requires an officer to warn before citing, or to cite before impounding, except for mandatory impoundment on a second offense (Sec. 8-5-120(b)). An officer may issue a verbal or written warning, issue a citation, impound the vehicle (Sec. 8-5-120), or take any combination of these actions.

#### **Sec. 8-5-150. Penalties.**

**(a) Civil violations.** All violations of this Article are civil in nature and subject to a fine as provided in Sec. 1-4-20 of this Code, without imprisonment.

**(b) Each violation separate.** Each day of a continuing violation and each instance of a violation is a separate offense.

**(c) Remedies cumulative.** The remedies and penalties in this Article are cumulative and in addition to any other remedy provided by law or equity.