

City of Victor
Teller County, Colorado

**Financial Statements and Report
of
Independent Auditor's
December 31, 2015**

Table of Contents

	Page
Independent Auditor's Report	i-ii
Management's Discussion and Analysis	iii-x
Basic Financial Statements	
Government-wide Financial Statements:	
Statement of Net Position	1
Statement of Activities	2
Fund Financial Statements:	
Balance Sheet—Governmental Funds	3
Reconciliation of the Governmental Funds Balance Sheet to the Government-Wide Statement of Net Position	4
Statement of Revenues, Expenditures and Changes in Fund Balances—Governmental Funds	5
Reconciliation of the Statement of Revenues, Expenditures and Changes in Fund Balances of Governmental Funds to the Statement of Activities	6
Schedule of Revenues, Expenditures and Changes in Fund Balances—Budget and Actual—General Fund	7-10
Statement of Net Position—Proprietary Fund	11
Statement of Revenues, Expenditures and Changes in Fund Net Position—Proprietary Fund	12
Statement of Cash Flow—Proprietary Fund	13
Statement of Fiduciary Net Position—Cemetery Perpetual Care Fund	14
Statement of Changes in Fiduciary Net Position—Cemetery Perpetual Care Fund	15
Notes to Financial Statements	16-30
Required Supplemental Information	
Schedule of Revenues, Expenditures and Changes in Fund Balances —Budget and Actual—Capital Projects Fund	31
Schedule of Revenues, Expenditures and Changes in Fund Balances —Budget and Actual—Proprietary Fund—Utility Enterprise Fund	32-33
State Compliance Section	
Local Highway Finance Report	34-35



Certified Public Accountants (a professional corporation)
1221 West Mineral Ave, Ste. 202 Littleton, Colorado 80120-4544 (303) 734-4800 Fax (303) 795-3356

Independent Auditor's Report

Honorable Mayor and Members
of the City Council
City of Victor
Victor, Colorado

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City of Victor, Colorado, as of and for the year ended December 31, 2015 and the related notes to the financial statements, which collectively comprise the City of Victor's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

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

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

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

Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund and the aggregate remaining fund information of the City of Victor, Colorado, as of December 31, 2015 and the respective changes in financial position and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Other-Matters


Required Supplementary Information

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

Other Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise City of Victor's financial statements as a whole. The state compliance section is presented for purposes of additional analysis and is not a required part of the financial statements.

The state compliance schedule, as listed in the table of contents, 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. Such information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated in all material respects in relation to the financial statements as a whole.



Littleton, Colorado
July 26, 2016

City of Victor
Management's Discussion and Analysis
For the Year Ended December 31, 2015

This section of the annual financial report offers readers of the City of Victor's (City) financial statements an analysis of the City's financial performance during the year ended December 31, 2015. We encourage readers to consider the information here in conjunction with additional information furnished in the City's financial statements which immediately follow this section.

Financial Highlights

- Assets exceeded liabilities by \$11.4 million at the close of 2015. Of the City's total assets, 80% consisted of capital assets and 18% consisted of cash and investments. Of the City's total liabilities, 73% consisted of loans obtained for the construction and improvement of the City's water and wastewater systems.
- Total net position increased by \$1.5 million, or 15%, from 2014. The increase in net position is primarily due to the additions to capital assets and increased cash and investments. Of the City's total net position at the close of 2015, (i) \$9.2 million, or 81%, represents the City's investment in capital assets net of debts that are attributable to the acquisition, construction or improvements of those assets, (ii) \$252 thousand, or 2%, represents restricted funds related to loans, conservation trust and emergencies, and (iii) \$1.9 million, or 17%, represents unrestricted net position.
- At the close of 2015, the City's governmental funds reported combined ending fund balances of \$1.6 million. Of this amount: (i) \$41 thousand was restricted for emergencies (TABOR) and parks and recreation expenditures (conservation trust), (ii) \$1.5 million was committed for capital projects, (iii) \$27 thousand was assigned for DREAM projects and the Fire Department's discretionary expenditures, and (iv) \$179 thousand was unassigned and available for general government expenditures.
- At the close of 2015, the Utility Enterprise Fund had net investment of capital assets totaling \$4.3 million, restricted net position (reserves required by various loan agreements) totaling \$97 thousand, and unrestricted net position totaling \$385 thousand.

Overview of the Financial Statements

This discussion and analysis is intended to serve as an introduction to the City's basic financial statements. The City's basic financial statements are comprised of three components: 1) government-wide financial statements, 2) fund financial statements, and 3) notes to the financial statements. This report also contains supplementary information and schedules in addition to the basic financial statements.

Government-wide Financial Statements

The government-wide financial statements are designed to provide readers with a broad overview of the City's finances, in a manner similar to a private-sector business.

The statement of net position presents information on all of the City's assets plus deferred outflows of resources and liabilities plus deferred inflows of resources, and the difference is reported as net position. Over time, increases or decreases in net position may serve as a useful indicator of whether the financial position of the City is improving or deteriorating.

City of Victor
Management's Discussion and Analysis
For the Year Ended December 31, 2015

The statement of activities presents information showing how the City's net position changed during the most recent fiscal year. All changes in net position are reported as soon as the underlying event giving rise to the change occurs, regardless of the timing of related cash flows. Thus, revenues and expenses are reported in this statement for some items that will only result in cash flows in future fiscal periods.

The statement of net position and the statement of activities report City activities in two categories – governmental activities and business-type activities. Both of the government-wide financial statements identify functions of the City that are principally to be supported by intergovernmental revenues (governmental activities). The governmental activities of the City include most of the basic services such as general government, public safety, public works, community development and parks and recreation. The basic government-wide financial statements can be found on pages 1 – 2 of this report.

Fund Financial Statements

A *fund* is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. The City, like other state and local governments, uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. The *funds* of the City include both governmental funds and a proprietary fund.

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

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

Information is presented separately in the governmental fund balance sheet and in the governmental fund statement of revenues, expenditures, and changes in fund balances for the General Fund and Capital Projects Fund. These two funds are considered to be major funds.

The City adopts an annual appropriated budget for its General Fund and Capital Projects Fund. A budgetary comparison schedule has been provided for each of these funds to demonstrate compliance with the State's Budget Law. The basic governmental fund financial statements can be found on pages 4 – 5 of this report.

Proprietary fund. The City maintains one proprietary fund. A proprietary fund is used to report the same functions presented as business-type activities in the government-wide financial statements. The City uses a proprietary fund, called the Utility Enterprise Fund, to account for its water and waste water operations. The basic proprietary fund financial statements can be found on pages 11 – 13 of this report.

City of Victor
Management's Discussion and Analysis
For the Year Ended December 31, 2015

Fiduciary fund. The City maintains one fiduciary fund. A fiduciary fund is not reflected in the government-wide financial statements because the resources of this fund are not available to support the City's own programs. The City uses a fiduciary fund, called the Cemetery Perpetual Care Fund, to track donations and the sale of cemetery plots, as well as the interest earnings on the funds which are to be used for perpetual maintenance of the cemetery. The basic fiduciary fund financial statements can be found on pages 14 – 15 of this report.

Notes to the Financial Statements

The notes provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements, as well as the proprietary fund financial statements. The notes to the financial statements can be found on pages 16 – 30 of this report.

Required Supplementary Information

Budgetary comparison schedules have been provided in this section for the Capital Projects Fund and the Proprietary Fund to demonstrate compliance with the State's Budget Law. The budget schedules are found after the notes to the financial statements on pages 31 – 33 of this report.

Other Supplementary Information

This section includes a State compliance report on pages 34 and 35.

Government-wide Financial Analysis

As noted earlier, net position may serve over time as a useful indicator of a government's financial position. The City's net position increased from December 31, 2014 by \$1.5 million, a 15% increase.

**City of Victor
Management's Discussion and Analysis
For the Year Ended December 31, 2015**

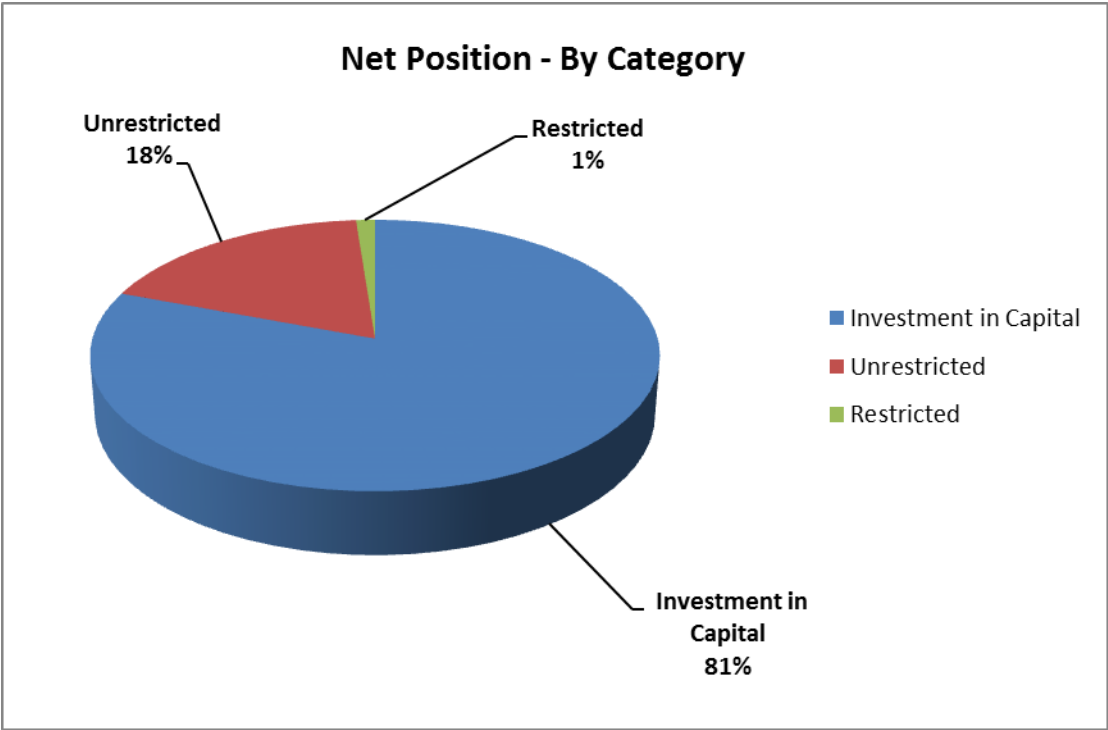
Net Position - Governmental Activities

	2015	2014
Current assets	\$ 2,071,929	\$ 1,150,714
Capital assets	<u>4,898,563</u>	<u>3,503,792</u>
Total assets	<u>6,970,492</u>	<u>4,654,506</u>
Current liabilities	304,239	62,617
Noncurrent liabilities	<u>-</u>	<u>-</u>
Total liabilities	<u>304,239</u>	<u>62,617</u>
Property tax revenues	<u>52,767</u>	<u>50,016</u>
Total deferred inflows of resources	<u>52,767</u>	<u>50,016</u>
Net investment in capital assets	4,898,563	3,503,792
Restricted net position	40,524	41,714
Unrestricted net position	<u>1,674,399</u>	<u>996,367</u>
Total net position	<u>\$ 6,613,486</u>	<u>\$ 4,541,873</u>

Net Position - Business-Type Activities

	2015	2014
Current assets	\$ 944,901	\$ 853,303
Capital assets	<u>5,282,084</u>	<u>5,610,514</u>
Total assets	<u>6,226,985</u>	<u>6,463,817</u>
Current liabilities	462,841	66,731
Noncurrent liabilities	<u>980,125</u>	<u>1,061,926</u>
Total liabilities	<u>1,442,966</u>	<u>1,128,657</u>
Net investment in capital assets	4,301,959	4,548,588
Restricted net position	97,304	212,803
Unrestricted net position	<u>384,756</u>	<u>573,769</u>
Total net position	<u>\$ 4,784,019</u>	<u>\$ 5,335,160</u>

**City of Victor
Management's Discussion and Analysis
For the Year Ended December 31, 2015**



The largest portion of the City's net position (81%) reflects its net investment in capital assets. The City utilizes these capital assets to provide services to citizens. These assets are not available for future spending.

Approximately 1% of the City's net position represents resources that are subject to restrictions on how they can be used (e.g., emergency reserve, required debt service reserves) and are not currently available for the City's ongoing obligations.

Approximately 18% of the City's net position is unrestricted and may be used to meet the City's future expenditures.

At the end of 2015, the City is able to report positive balances in all three categories of net position.

**City of Victor
Management's Discussion and Analysis
For the Year Ended December 31, 2015**

Change in Net Position - Governmental Activities

	2015	2014
Revenues		
Program revenues:		
Charges for services	\$ 15,350	\$ 19,967
Operating grants and contributions	372,180	361,443
Capital grants and contributions	1,537,930	446,929
General revenues		
Taxes	84,067	98,144
Franchise fees	19,533	20,528
Net investment income	2,826	2,460
Other revenues and transfers in	1,479,158	747,243
Total revenues	3,511,044	1,696,714
Expenses		
General government	408,763	245,018
Public safety	349,485	334,799
Public works	299,954	270,518
Community development	301,815	125,549
Parks and recreation	28,820	44,892
Long-term debt interest and related costs	-	3,105
Transfer of capital assets	50,594	511,474
Total expenses	1,439,431	1,535,355
Change in Net Position	\$ 2,071,613	\$ 161,359

Change in Net Position - Business-Type Activities

	2015	2014
Revenues		
Program revenues:		
Charges for services	\$ 1,854,286	\$ 1,401,415
Capital grants and contributions	42,736	45,572
General revenues		
Net investment income	-	5,874
Other revenues	1,962	3,447
Transfer of capital assets	50,594	511,474
Total revenues	1,949,578	1,967,782
Expenses		
Water and wastewater operations	1,030,329	1,088,113
Long-term debt interest and related costs	43,828	46,906
Transfers out and other expenses	1,426,562	727,000
Total expenses	2,500,719	1,862,019
Change in Net Position	\$ (551,141)	\$ 105,763

**City of Victor
Management's Discussion and Analysis
For the Year Ended December 31, 2015**

All capital grants and contributions received by the City were recorded in the Capital Projects Fund. Since the Capital Projects Fund, a governmental fund, is used to account for all capital projects, transfers are recorded between the Capital Projects Fund and other funds, which are included as part of the *Transfers out and other expenses* above. The capital assets acquired within the governmental fund were then transferred to the proprietary fund which is reflected above as *Transfer of capital assets*.

Financial Analysis of City's Funds

General Fund

The General Fund was established and is continually funded to provide for the daily activities of the City. The primary funding sources for the General Fund are property and sales taxes, intergovernmental revenues and grants. The primary projects or program efforts for 2015 were public safety, public works and general government.

General Fund Budgetary Highlights

The City's budget is prepared in accordance with the Colorado Budget Law and is based on accounting for certain transactions on a basis of cash receipts and disbursements. The actual total expenditure for the year was \$866 less than the amended budget.

Section 20 of the Colorado Constitution (TABOR) requires the City to maintain an emergency reserve equivalent to at least 3% of fiscal year spending. At December 31, 2015, the City's emergency reserve amounted to \$28 thousand.

Capital Assets

The City added \$1.6 million to its capital assets for governmental activities and business-type activities during calendar year 2015. This investment in capital assets during 2015 primarily consisted of drainage improvements, recreation improvements, infrastructure, and other projects.

Additional information on the City's capital assets can be found in Note 5 on pages 24 and 25 of this report.

Long-Term Debt

At the end of 2015, the City had total outstanding debt of \$980 thousand. This amount is comprised of notes payable/loans obtained for the construction and improvements made on the water and wastewater systems. During 2015, the City repaid \$81,801 of its debts.

Additional information on the City's long-term debts can be found in Note 6 on pages 26 – 28 of this report.

Next Year's Budgets

The 2015 budget reflects the Council's endeavor for a fiscally responsible budget built on conservative revenue projections, necessary and discretionary expenditure levels, and required and reasonable reserves.

The City has appropriated \$5.72 million for spending in 2015. Of this amount, \$1.155 million was budgeted for spending in the General Fund, \$2.25 million was budgeted in the Utility Enterprise Fund for the operations of water and wastewater systems, and \$1.87 million was budgeted in the Capital Projects Fund.

Requests for Information

This financial report is designed to provide a general overview of the City of Victor's finances for all those with an interest in the City's finances. Questions concerning any of the information provided in this report or requests for additional financial information should be addressed to the City Clerk and Treasurer at: City of Victor, PO Box 86, 500 Victor Avenue, Victor, CO 80860.

Basic Financial Statements

City of Victor
Statement of Net Position
December 31, 2015

	PRIMARY GOVERNMENT		
	GOVERNMENTAL ACTIVITIES	BUSINESS-TYPE ACTIVITIES	TOTAL
ASSETS			
Cash and investments	\$ 1,871,679	\$ 657,314	\$ 2,528,993
Cash and investments - Restricted	41,730	97,304	139,034
Receivables:			
From other governments	105,753	11,645	117,398
Property taxes	52,767	-	52,767
Utility fees	-	178,638	178,638
Other	-	-	-
Prepaid expenses	-	-	-
Capital assets, not being depreciated	157,030	85,927	242,957
Capital assets, net of accumulated depreciation	<u>4,741,533</u>	<u>5,196,157</u>	<u>9,937,690</u>
TOTAL ASSETS	<u>6,970,492</u>	<u>6,226,985</u>	<u>13,197,477</u>
LIABILITIES			
Accounts payable	270,261	426,147	696,408
Deposits	26,749	-	26,749
Accrued interest payable	-	14,778	14,778
Compensated absences	7,229	21,916	29,145
Noncurrent liabilities:			
Due within one year	-	75,926	75,926
Due in more than one year	-	904,199	904,199
TOTAL LIABILITIES	<u>304,239</u>	<u>1,442,966</u>	<u>1,747,205</u>
DEFERRED INFLOWS OF RESOURCES			
Property taxes revenue	<u>52,767</u>	<u>-</u>	<u>52,767</u>
TOTAL DEFERRED INFLOW OF RESOURCES	<u>52,767</u>	<u>-</u>	<u>52,767</u>
NET POSITION			
Net investment in capital assets	4,898,563	4,301,959	9,200,522
Restricted for:			
Emergencies	28,000	-	28,000
Conservation Trust	12,524	-	12,524
Debt service	-	97,304	97,304
Unrestricted	<u>1,674,399</u>	<u>384,756</u>	<u>2,059,155</u>
TOTAL NET POSITION	<u>\$ 6,613,486</u>	<u>\$ 4,784,019</u>	<u>\$ 11,397,505</u>

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

City of Victor
Statement of Activities
For the Year Ended December 31, 2015

FUNCTIONS / PROGRAMS	EXPENSES	PROGRAM REVENUES			NET (EXPENSE) REVENUE AND CHANGES IN NET POSITION		
		CHARGES FOR SERVICES	OPERATING GRANTS AND CONTRIBUTIONS	CAPITAL GRANTS AND CONTRIBUTIONS	GOVERNMENTAL ACTIVITIES	PRIMARY GOVERNMENT BUSINESS-TYPE ACTIVITIES	TOTAL
PRIMARY GOVERNMENT:							
Governmental activities:							
General Government	\$ 408,763	\$ 15,222	\$ 372,180	\$ -	\$ (21,361)	\$ -	\$ (21,361)
Public Safety	349,485	128	-	-	(349,357)	-	(349,357)
Public Works	299,954	-	-	1,537,930	1,237,976	-	1,237,976
Community Development	301,815	-	-	-	(301,815)	-	(301,815)
Parks and Recreation	28,820	-	-	-	(28,820)	-	(28,820)
Total Governmental Activities	<u>1,388,837</u>	<u>15,350</u>	<u>372,180</u>	<u>1,537,930</u>	<u>536,623</u>	<u>-</u>	<u>536,623</u>
Business-Type Activities:							
Water and Wastewater Operations	1,030,329	1,854,286	-	42,736	-	866,693	866,693
Interest and Related Costs	43,828	-	-	-	-	(43,828)	(43,828)
Total Business-Type Activities	<u>1,074,157</u>	<u>1,854,286</u>	<u>-</u>	<u>42,736</u>	<u>-</u>	<u>822,865</u>	<u>822,865</u>
Total Primary Government	<u>\$ 2,462,994</u>	<u>\$ 1,869,636</u>	<u>\$ 372,180</u>	<u>\$ 1,580,666</u>	<u>\$ 536,623</u>	<u>\$ 822,865</u>	<u>\$ 1,359,488</u>
General Revenues:							
					84,067	-	84,067
					19,533	-	19,533
					2,826	-	2,826
					53,596	1,962	55,558
					1,425,562	(1,426,562)	(1,000)
					(50,594)	50,594	-
					<u>1,534,990</u>	<u>(1,374,006)</u>	<u>160,984</u>
					<u>2,071,613</u>	<u>(551,141)</u>	<u>1,520,472</u>
					<u>4,541,873</u>	<u>5,335,160</u>	<u>9,877,033</u>
					<u>\$ 6,613,486</u>	<u>\$ 4,784,019</u>	<u>\$ 11,397,505</u>

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

City of Victor
Balance Sheet
Governmental Funds
December 31, 2015

	General Fund	Capital Projects Fund	Total Governmental Funds
ASSETS			
Cash and investments	\$ 438,991	\$ 1,432,688	\$ 1,871,679
Cash and investments - restricted	41,730	-	41,730
Receivables:			
From other governments	38,989	66,764	105,753
Property taxes	52,767	-	52,767
Prepaid expenses	<u>-</u>	<u>-</u>	<u>-</u>
Total Assets	<u>\$ 572,477</u>	<u>\$ 1,499,452</u>	<u>\$ 2,071,929</u>
LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES			
LIABILITIES			
Accounts Payable	246,933	23,328	270,261
Deposits	<u>26,749</u>	<u>-</u>	<u>26,749</u>
Total Liabilities	<u>273,682</u>	<u>23,328</u>	<u>297,010</u>
DEFERRED INFLOWS OF RESOURCES			
Property taxes revenues	<u>52,767</u>	<u>-</u>	<u>52,767</u>
Total Deferred Inflows of Resources	<u>52,767</u>	<u>-</u>	<u>52,767</u>
FUND BALANCES			
Nonspendable:			
Prepaid expenses	\$ -	\$ -	\$ -
Restricted:			
Emergencies	28,000	-	28,000
Conservation Trust Funds	12,524	-	12,524
Committed:			
Capital projects	-	1,476,124	1,476,124
Assigned:			
Public safety - Fire Department Discretionary Fund	18,936	-	18,936
DREAM Discretionary Fund	7,813	-	7,813
Unassigned:			
General government	<u>178,755</u>	<u>-</u>	<u>178,755</u>
Total Fund Balances	<u>246,028</u>	<u>1,476,124</u>	<u>1,722,152</u>
Total Liabilities, Deferred Inflows of Resources and Fund Balances	<u>\$ 572,477</u>	<u>\$ 1,499,452</u>	<u>\$ 2,071,929</u>

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

City of Victor
Reconciliation of the Governmental Funds Balance Sheet
to the Government-Wide Statement of Net Assets
December 31, 2015

Total Fund Balances - Total Governmental Funds \$ 1,722,152

The following amounts reported for governmental activities are not current

Capital assets used in governmental activities are not current financial resources and, therefore, are not reported in the funds.

Capital assets, not being depreciated	157,030
Capital assets, net of accumulated depreciation	4,741,533

Noncurrent liabilities are not due and payable in the current period and, therefore, are not reported in the funds.

Compensated absences	<u>(7,229)</u>
----------------------	----------------

Net Position of Governmental Activities **\$ 6,613,486**

City of Victor
Governmental Funds
Combined Statement of Revenues, Expenditures
and Changes in Fund Balances
For the Year Ended December 31, 2015

	<u>General Fund</u>	<u>Capital Projects Fund</u>	<u>Total Governmental Funds</u>
REVENUES:			
Taxes	\$ 84,067	\$ -	\$ 84,067
Franchise fees	19,533	-	19,533
Intergovernmental	40,844	-	40,844
Licenses, fees and charges	15,222	-	15,222
Fines and forfeitures	128	-	128
Administrative grants	372,180	-	372,180
Other revenue	117,683	-	117,683
Net investment income	280	2,546	2,826
Capital grants	-	<u>1,537,930</u>	<u>1,537,930</u>
TOTAL REVENUES	<u>649,937</u>	<u>1,540,476</u>	<u>2,190,413</u>
EXPENDITURES:			
Current:			
Legislative	62,233	-	62,233
Administrative	352,801	-	352,801
Facility maintenance	5,448	-	5,448
Revitalization and marketing	110,548	-	110,548
Police department	290,454	-	290,454
Fire department	37,557	-	37,557
Community development and planning	22,880	-	22,880
Public works	237,562	-	237,562
Parks and cemetery	28,651	-	28,651
Capital outlay	-	<u>1,790,299</u>	<u>1,790,299</u>
TOTAL EXPENDITURES	<u>1,148,134</u>	<u>1,790,299</u>	<u>2,938,433</u>
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	(498,197)	(249,823)	(748,020)
OTHER FINANCING SOURCES (USES)			
Operating transfer in	511,000	920,562	1,431,562
Operating transfer out	<u>(6,000)</u>	<u>-</u>	<u>(6,000)</u>
NET CHANGE IN FUND BALANCE	6,803	670,739	677,542
FUND BALANCES, BEGINNING	<u>239,225</u>	<u>805,385</u>	<u>1,044,610</u>
FUND BALANCES, ENDING	<u>\$ 246,028</u>	<u>\$1,476,124</u>	<u>\$ 1,722,152</u>

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

City of Victor
Reconciliation of the Statement of Revenues, Expenditures
and Changes in Fund Balances of Governmental Funds
to the Statement of Activities
For the Year Ended December 31, 2015

Net change in fund balances - total governmental funds \$ 677,542

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 those assets is allocated over their estimated useful lives and reported as depreciation expense. This is the amount by which capitalized outlays of \$1,561,959 exceeded depreciation of \$114,094 in the current year. 1,447,865

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 funds.

Compensated absences - Change in liability (700)
 Capital assets transferred to Utility Enterprise Fund (50,594)

The statement of activities reports a gain or loss on the sale of assets based on the proceeds received and the net book value of the assets at the time of sale. The loss on disposal is calculated as follows:
 Cost of assets disposed (2,500)

Change in net position of governmental activities \$ 2,071,613

City of Victor
General Fund
Schedule of Revenues, Expenditures
and Changes in Fund Balances—Budget and Actual
For the Year Ended December 31, 2015

	BUDGETED AMOUNTS		ACTUAL	VARIANCE WITH FINAL BUDGET POSITIVE (NEGATIVE)
	ORIGINAL	FINAL		
Revenues				
Taxes:				
Property tax	50,016	47,396	47,396	-
Sales tax	30,000	32,098	32,098	-
Specific ownership tax	4,500	4,573	4,573	-
	<u>84,516</u>	<u>84,067</u>	<u>84,067</u>	<u>-</u>
Franchise fees:				
Franchise - Electric	16,500	15,295	15,295	-
Franchise - TV/telephone	225	144	144	-
Franchise - Natural gas	3,000	4,094	4,094	-
	<u>19,725</u>	<u>19,533</u>	<u>19,533</u>	<u>-</u>
Intergovernmental:				
Cigarette tax	200	105	105	-
Mineral severance tax	18,000	17,036	17,036	-
Highway Users Tax (HUTF)	18,000	17,134	17,134	-
Conservation Trust entitlement	3,800	3,810	3,810	-
Motor vehicle	2,100	1,927	1,927	-
Road and bridge shareback	900	832	832	-
	<u>43,000</u>	<u>40,844</u>	<u>40,844</u>	<u>-</u>
Licenses, Fees and Charges:				
Business, liquor and other licenses	7,500	8,445	8,445	-
Building permit and service fees	10,000	6,777	6,777	-
	<u>17,500</u>	<u>15,222</u>	<u>15,222</u>	<u>-</u>
Fines and Forfeitures:				
Police department/court fees and fines	300	128	128	-
	<u>300</u>	<u>128</u>	<u>128</u>	<u>-</u>
Administrative Grants:				
State grants	370,685	272,185	272,180	(5)
Other grants/contributions	-	100,000	100,000	-
	<u>370,685</u>	<u>372,185</u>	<u>372,180</u>	<u>(5)</u>
Other Revenues:				
Donations and contributions	5,000	2,305	2,305	-
Fees for use of public facilities	100	75	75	-
Leases	5,800	8,387	8,387	-
Sale of surplus property	5,000	104,931	104,931	-
Other income	500	1,985	1,985	-
	<u>16,400</u>	<u>117,683</u>	<u>117,683</u>	<u>-</u>
Net Investment Income:				
Net investment income	350	280	280	-
	<u>350</u>	<u>280</u>	<u>280</u>	<u>-</u>
Total Revenues	<u>552,476</u>	<u>649,942</u>	<u>649,937</u>	<u>(5)</u>

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

City of Victor
General Fund
Schedule of Revenues, Expenditures
and Changes in Fund Balances—Budget and Actual
For the Year Ended December 31, 2015

Expenditures

Legislative:

City Council stipend	26,451	26,451	26,451	-
Donations to other organizations/projects	33,350	33,371	33,371	-
Dues and memberships	457	352	352	-
Travel and training	1,500	1,224	1,224	-
Miscellaneous	500	835	835	-
	<u>62,258</u>	<u>62,233</u>	<u>62,233</u>	<u>-</u>

Administrative:

Salaries and benefits	58,503	54,330	54,331	(1)
Dues and memberships	750	795	795	-
Travel and training	3,200	4,696	4,696	-
Audit and accounting	5,000	4,706	4,706	-
County Treasurer's fees	1,500	1,164	1,164	-
Insurance	5,828	5,972	5,972	-
Legal	15,000	11,629	11,629	-
Magistrate	1,200	-	-	-
Election	4,500	1,801	1,801	-
Office supplies	4,200	4,094	4,094	-
Other professional services	1,000	1,114	1,114	-
Photocopy	4,700	4,255	4,255	-
Publication and publishing	3,200	1,696	1,696	-
Technical support	3,000	4,098	4,098	-
Miscellaneous	3,000	229,318	225,245	4,073
	<u>114,581</u>	<u>329,668</u>	<u>325,596</u>	<u>4,072</u>

Facility Maintenance:

Maintenance - City Hall	9,000	8,945	8,945	-
Utilities - City Hall	20,900	18,260	18,260	-
Maintenance - Community Center (VICCI)	1,500	854	139	715
Utilities - Community Center (VICCI)	3,700	3,258	3,970	(712)
Maintenance - Agricultural and Mining Museum	1,170	1,170	1,170	-
Fixture/Equipment Maintenance	200	-	-	-
	<u>36,470</u>	<u>32,487</u>	<u>32,484</u>	<u>3</u>

Revitalization and Marketing:

Salaries and benefits	57,606	61,057	61,057	-
Advertising	6,000	13,266	13,266	-
City sponsored events	12,000	13,002	13,002	-
Dues and memberships	1,350	350	350	-
Revitalization projects and programs	16,000	16,263	16,263	-
Utilities	750	712	712	-
Travel and training	5,500	3,960	3,960	-
Minor equipment	1,000	701	-	701
Office supplies	500	223	-	223
Miscellaneous	2,500	1,014	1,938	(924)
	<u>103,206</u>	<u>110,548</u>	<u>110,548</u>	<u>-</u>

Police Department:

Animal control	1,625	960	960	-
Contract services	276,559	281,552	281,552	-
Insurance	-	649	625	24
Utilities	4,210	3,783	3,783	-
Vehicle fuel	10,500	3,446	3,446	-
Miscellaneous	200	4	88	(84)
	<u>293,094</u>	<u>290,394</u>	<u>290,454</u>	<u>(60)</u>

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

City of Victor
General Fund
Schedule of Revenues, Expenditures
and Changes in Fund Balances—Budget and Actual
For the Year Ended December 31, 2015

Fire Department:				
Fire Chief stipend	16,747	15,547	15,547	-
Dues and memberships	790	250	250	-
Insurance	1,841	1,840	1,840	-
Travel and training	2,500	667	667	-
Equipment maintenance, repair, oil and fuel	2,600	3,610	3,609	1
Building facility maintenance	2,500	2,889	2,889	-
Fixture and equipment maintenance	2,000	-	-	-
Minor equipment	3,000	1,938	1,938	-
Radios and maintenance	1,000	1,890	1,890	-
Technical support	250	570	570	-
Utilities	5,200	4,493	4,493	-
Volunteer bonus program	3,000	2,595	2,595	-
Miscellaneous	1,100	1,269	1,269	-
	<u>42,528</u>	<u>37,558</u>	<u>37,557</u>	<u>1</u>
Community Development and Planning:				
Building code administration and enforcement	10,000	4,991	4,991	-
Dangerous building abatement	20,000	17,015	17,015	-
Legal services	15,000	718	718	-
Miscellaneous	500	156	156	-
	<u>45,500</u>	<u>22,880</u>	<u>22,880</u>	<u>-</u>
Public Works:				
Salaries and benefits	89,402	95,990	95,989	1
Travel and training	500	118	118	-
Insurance	7,669	8,004	8,004	-
Equipment maintenance, repair, oil and fuel	23,400	21,871	21,871	-
Building facility maintenance	2,000	334	334	-
Fixture maintenance	6,000	7,640	7,640	-
Road and sidewalk maintenance	38,000	61,457	64,607	(3,150)
Supplies	3,300	2,440	2,440	-
Professional services	3,000	3,850	3,850	-
Technical support	200	45	45	-
Tools and equipment	2,500	2,005	2,005	-
Utilities	31,680	29,149	29,147	2
Miscellaneous	2,500	1,512	1,512	-
	<u>210,151</u>	<u>234,415</u>	<u>237,562</u>	<u>(3,147)</u>
Parks and Cemetery:				
Salaries and benefits	25,461	11,646	11,646	-
Cemetery maintenance	1,000	166	166	-
Equipment maintenance, repair, oil and fuel	100	127	127	-
Minor equipment	1,000	2,676	2,676	-
Parks maintenance	9,500	7,295	7,295	-
Sanitation services	2,000	1,298	1,298	-
Supplies	500	470	470	-
Utilities	4,800	4,681	4,681	-
Miscellaneous	500	458	461	(3)
	<u>44,861</u>	<u>28,817</u>	<u>28,820</u>	<u>(3)</u>
Total Expenditures	<u>952,649</u>	<u>1,149,000</u>	<u>1,148,134</u>	<u>866</u>
Excess Revenues over (under) Expenditures	(400,173)	(499,058)	(498,197)	861

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

City of Victor
General Fund
Schedule of Revenues, Expenditures
and Changes in Fund Balances—Budget and Actual
For the Year Ended December 31, 2015

Other Financing Sources (Uses)				
Transfers from other funds	440,000	511,000	511,000	-
Transfers to other funds	<u>(6,000)</u>	<u>(6,000)</u>	<u>(6,000)</u>	<u>-</u>
Net Change in Fund Balance	33,827	5,942	6,803	861
Fund Balances, Beginning of Year	<u>204,537</u>	<u>239,410</u>	<u>239,225</u>	<u>(185)</u>
Fund Balances, End of Year	<u>\$ 238,364</u>	<u>\$ 245,352</u>	<u>\$ 246,028</u>	<u>\$ 676</u>

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

City of Victor
Proprietary Funds
Statement of Net Position
December 31, 2015

	Utility Enterprise Fund
Assets	
Cash and investments	\$ 657,314
Cash and investments - Restricted	97,304
Utility fees receivable	178,638
Other receivables	11,645
Prepaid Expenses	-
Capital assets, not being depreciated	85,927
Capital assets, net of accumulated depreciation	<u>5,196,157</u>
Total Assets	<u>6,226,985</u>
Liabilities	
Accounts payable	426,147
Accrued interest payable	14,778
Compensated absences	21,916
Non-current liabilities:	
Due within one year	75,926
Due in more than one year	<u>904,199</u>
Total Liabilities	<u>1,442,966</u>
Net Position	
Net investment in capital assets	4,301,959
Restricted	97,304
Unrestricted	<u>384,756</u>
Total Net Position	<u>\$ 4,784,019</u>

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

City of Victor
Proprietary Funds
Statement of Revenues, Expenditures
and Changes in Fund Net Position
For the Year Ended December 31, 2015

	<u>Utility Enterprise Fund</u>
Operating Revenues	
Raw water sales	\$ 1,400,697
Raw water miscellaneous sales	148,718
Raw water wheeling and storage fees	54,749
Treated water sales - Residential	63,144
Treated water sales - Commercial	12,408
Wastewater sales - Residential	117,615
Wastewater sales - Commercial	24,639
Liquid waste disposal fees	<u>32,316</u>
Total Operating Revenues	<u>1,854,286</u>
Operating Expenses	
General and administration	11,294
Operations:	
Raw water	157,332
Treated water	232,486
Wastewater	246,955
Depreciation	<u>382,262</u>
Total Operating Expenses	<u>1,030,329</u>
Income (Loss) From Operations	<u>823,957</u>
Other Income (Expenses)	
Treated water - Capital replacement fees	29,743
Treated water - Physical connection fees	-
Wastewater - Capital replacement fees	12,993
Net investment income	-
Debt service - Interest paid and accrued	(43,828)
Other	1,962
Capital assets transferred from Governmental Funds	<u>50,594</u>
Total Other Income (Expenses)	<u>51,464</u>
Net Income Before Transfers	875,421
Transfers In (Out)	<u>(1,426,562)</u>
CHANGE IN NET POSITION	<u>(551,141)</u>
NET POSITION, BEGINNING OF YEAR	<u>5,335,160</u>
NET POSITION, END OF YEAR	<u>\$ 4,784,019</u>

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

City of Victor
Proprietary Funds
Statement of Cash Flows
For the Year Ended December 31, 2015

	<u>UTILITY ENTERPRISE FUND</u>
CASH FLOWS FROM OPERATING ACTIVITIES:	
Cash received from customers and other sources	\$ 1,847,461
Cash paid to suppliers	(423,976)
Cash paid to employees	(230,049)
Net Cash From Operating Activities	<u>1,193,436</u>
CASH FLOWS FROM NON-CAPITAL FINANCING ACTIVITIES:	
Transfers in (out)	<u>(1,018,739)</u>
Net Cash From Non-Capital Financing Activities	<u>(1,018,739)</u>
CASH FLOWS FROM CAPITAL AND FINANCING ACTIVITIES:	
Interest paid	(42,850)
Principial paid	(81,801)
Purchase of capital assets	(3,238)
Fees	(10,021)
Net Cash From Capital and Financing Activities	<u>(137,910)</u>
CASH FLOWS FROM INVESTING ACTIVITIES:	
Interest received	<u>-</u>
Net Cash From Investing Activities	<u>-</u>
Net Change in Cash and Cash Equivalents	36,787
CASH AND CASH EQUIVALENTS	
Beginning of Year	<u>717,831</u>
End of Year	<u>\$ 754,618</u>
Reconciliation of Operating Income (Loss) to Net Cash From Operating Activities	
Net Operating Income (Loss)	\$ 823,957
Adjustments to reconcile operationing income (loss) to net cash flows from operating activities	
Depreciation	382,262
(Increase) Decrease in Accounts Receivable, Net	(6,825)
(Increase) Decrease in Prepaid Expenses	6,733
Increase (Decrease) in Accounts Payable	(15,294)
Increase (Decrease) in Compensated Absences	2,603
Net Cash From Operating Activities	<u>\$ 1,193,436</u>

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

City of Victor
Statement of Fiduciary Net Position
Cemetery Perpetual Care Fund
December 31, 2015

	<u>Fiduciary Fund</u>
Assets	
Cash and investments	\$ 8,866
Total Assets	<u>8,866</u>
Liabilities and Net Position	
Liabilities	
Deposits	<u>500</u>
Total Liabilities	<u>500</u>
Net Position	<u>\$ 8,366</u>

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

City of Victor
Statement of Changes in Fiduciary Net Assets
Fiduciary Funds
For the Year Ended December 31, 2015

	Fiduciary Fund
Additions	
Sale of cemetery plots	\$ 700
Transfers from other funds	1,000
Total Additions	1,700
Deletions	
Total Deletions	-
Change in Fiduciary Net Position	1,700
Net Position - Beginning	6,666
Net Position - Ending	\$ 8,366

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

City of Victor

Notes to Financial Statements

December 31, 2015

1. Definition of Reporting Entity

The City was founded in 1893. It operates under a Mayor/Council statutory form of government and provides the following services: public safety (police and fire), public works (highway and streets), water, sewer, parks and recreation, cemetery, community development (including planning, building and zoning), downtown revitalization and general government.

The City 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, a potential for the organization to provide specific financial benefits or burdens, and fiscal dependency.

2. Summary of Significant Accounting Policies

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

Government-wide and Fund Financial Statements

The government-wide financial statements include the statement of net position and the statement of activities. These financial statements report all of the non-fiduciary activities of the City. For the most part, the effect of interfund activity has been removed from these statements. Both statements distinguish between governmental activities, which are normally supported by taxes and intergovernmental revenues, and 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 primary government and its component units. The difference between the assets plus deferred outflows of resources and liabilities plus deferred inflows of resources of the City 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 properly included among program revenues are reported as general revenues.

City of Victor, Colorado
Notes to Financial Statements (continued)
December 31, 2015

2. Summary of Significant Accounting Policies (continued)

Separate financial statements are provided for the governmental funds, proprietary funds and fiduciary funds, even though the latter is excluded from the government-wide financial statements. Major individual governmental funds are reported as separate columns in the fund financial statements.

Measurement Focus, Basis of Accounting and Financial Statement Presentation

The government-wide financial statements are reported using the economic resources measurement focus and the accrual basis of accounting. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of 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, while the redemption of bonds and/or payment of debts (principal portion) 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 government considers revenues to be available if they are collected within a reasonable period (typically within 60 days) following the end of the current fiscal period. The major sources of revenue susceptible to accrual are taxes and intergovernmental revenues. All other revenue items are considered to be measurable and available only when cash is received by the City. Expenditures, other than interest on long-term obligations, are recorded when the liability is incurred or the long-term obligation due.

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

The City reports the following major governmental funds:

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

The Capital Projects Fund is used to account for financial resources to be used for the acquisition and construction of capital improvements and equipment.

The City reports the following major proprietary fund:

The Utility Enterprise Fund accounts for activities related to the offering of water and wastewater services to the City's residents and certain outside users.

City of Victor, Colorado
Notes to Financial Statements (continued)
December 31, 2015

2. Summary of Significant Accounting Policies (continued)

Additionally, the City reports the following fiduciary fund, which is a fund used to account for assets held by the City in a trustee capacity or as an agent for individuals, private organizations, other governments and/or other funds. An agency fund is custodial in nature and does not present results of operation.

The Cemetery Perpetual Care Fund accounts for unexpendable corpus amounts, of which the investment earnings are transferred to the General Fund to assist in covering operating costs.

Budgets

In accordance with the State Budget Law, the City Council holds 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 City Council can modify the budget by line item within the total appropriation without notification. The 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.

The City has amended its annual budget for the year ended December 31, 2015.

Pooled Cash and Investments

The City follows the practice of pooling cash and investments of all funds to maximize interest earnings. Except when required by trust or other agreements, all cash is deposited to and disbursed from a single bank account. Cash in excess of immediate operating requirements is pooled for deposit and investment flexibility. Investment earnings are allocated periodically to the participating funds based upon each fund's average equity balance in the total cash.

Investments are carried at fair value.

Cash Equivalents

For purposes of the statement of cash flows, the City considers cash deposits and highly liquid investments (including restricted assets) with a maturity of three months or less when purchased to be cash equivalents.

Accounts Receivable and Allowance for Doubtful Accounts

Tap fees, water and sewer fees and other similar fees constitute a perpetual lien on or against the property served until paid. Such fees, when uncollectible, can be certified to the County Treasurer and attach to the tax rolls. Therefore, no provision for doubtful accounts has been provided in the financial statements.

City of Victor, Colorado
Notes to Financial Statements (continued)
December 31, 2015

2. Summary of Significant Accounting Policies (continued)

Property Taxes

Property taxes are levied by the City Council. The levy is based on assessed valuations determined by Teller County Assessor generally as of January of each year. The levy is set no later than December 15 by certifications to the Teller County Commissioners to put the tax lien on the property as of January 1 of the following year. Teller County bills and collects taxes for the City. At the option of the taxpayer, property taxes may be paid either in full on April 30, or two installments on February 28 and June 15. The County remits the taxes collected to the City on a monthly basis. Delinquent taxpayers are notified in August and sale of the tax liens on delinquent properties are generally held in November or December.

Property taxes, net of estimated uncollectible taxes, are recorded as deferred inflows of resources in the year they are levied and measurable. The unearned property tax revenue is recorded as revenue in the year it is available and collected.

Capital Assets

Capital assets, which include property, plant, equipment and infrastructure assets (e.g., roads, sidewalks and similar items) are reported in the applicable governmental or business-type activities column in the government-wide financial statements. Capital assets are defined by the City as assets with an initial, individual cost of more than \$5,000 and an estimated life in excess of one year. Such assets are recorded at historical cost or estimated historical cost if purchased or constructed. Donated capital assets are recorded at estimated fair 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 following estimated economic useful lives:

Buildings and improvements	30 - 50 years
Machinery, equipment and computers	5 - 15 years
Infrastructure	30 - 40 years

The City has elected to not retroactively report infrastructure.

Compensated Absences

Employees of the City are allowed to accumulate unused vacation time up to one year's accrual plus 40 hours. Upon termination of employment, an employee will be compensated for all eligible accrued vacation time at their current rate of pay. Vacation accrual is recorded in the government-wide financial statements.

City of Victor, Colorado
Notes to Financial Statements (continued)
December 31, 2015

2. Summary of Significant Accounting Policies (continued)

Fund Equity/Fund Balance

In the government-wide financial statements, fund equity is classified as net position. Net position may be classified into three components: net investment in capital assets, restricted and unrestricted. These classifications are defined as follows:

- Net investment in capital assets - This component of net position consists of capital assets, net of accumulated depreciation, and reduced by the outstanding balances of any debt that is attributable to the acquisition, construction or improvement of those assets. If there are significant unspent debt proceeds at year end, the portion of the debt attributable to the unspent proceeds is not included in this component.
- Restricted - This component of net position consists of assets that are restricted for use either externally imposed by creditors, grantors, contributors or laws or regulations of other governments or constraints imposed through constitutional provisions or enabling legislation.
- Unrestricted - The component of net position that does not meet the definition above.

In the governmental funds, fund balances should be reported in classifications that comprise a hierarchy based on the extent to which the government is bound to honor constraints on the specific purposes for which spending can occur. Governmental funds report up to five classifications of fund balance: nonspendable, restricted, committed, assigned, and unassigned. Because circumstances differ among governments, not every government or every governmental fund will present all of these components. The following classifications describe the relative strength of the spending constraints:

- *Nonspendable fund balance* – The portion of fund balance that cannot be spent because it is either not in spendable form (such as prepaid amounts or inventory) or legally or contractually required to be maintained intact.
- *Restricted fund balance* – The portion of fund balance that is constrained to being used for a specific purpose by external parties (such as bondholders), constitutional provisions, or enabling legislation.
- *Committed fund balance* – The portion of fund balance that can only be used for specific purposes pursuant to constraints imposed by formal action of the government's highest level of decision-making authority, City Council. The constraint may be removed or changed only through formal action of City Council.
- *Assigned fund balance* – The portion of fund balance that is constrained by the government's intent to be used for specific purposes, but is neither restricted nor committed. Intent is expressed by the City Council to be used for a specific purpose. Constraints imposed on the use of assigned amounts are more easily removed or modified than those imposed on amounts that are classified as committed.
- *Unassigned fund balance* – The residual portion of fund balance that does not meet any of the criteria described above.

City of Victor, Colorado
Notes to Financial Statements (continued)
December 31, 2015

2. Summary of Significant Accounting Policies (continued)

If more than one classification of fund balances is available for use when an expenditure is incurred, it is the City's practice to use the least restrictive classification first.

3. Cash and Cash Equivalents

Cash and investments as of December 31, 2015, are classified in the accompanying financial statements as follows:

	Governmental Activities	Business-type Activities
Statement of net position:		
Cash and investments	\$ 1,871,679	\$ 657,314
Cash and investments - Restricted	41,730	97,304
Total cash and investments	\$ 1,913,409	\$ 754,618

Cash and investments as of December 31, 2015, consist of the following:

	Governmental Activities	Business-type Activities
Cash on hand	\$ 300	\$ -
Deposits with financial institutions	1,217,035	-
Investments	696,074	754,618
Total cash and investments	\$ 1,913,409	\$ 754,618

Deposits with Financial Institutions

The Colorado Public Deposit Protection Act (PDPA) requires that all units of local government deposit cash in eligible public depositories. Eligibility is determined by state regulators. Amounts on deposit in excess of federal insurance levels must be collateralized. The eligible collateral is determined by the PDPA. PDPA allows the institution to create a single collateral pool for all public funds. The pool for all the uninsured public deposits as a group is to be maintained by another institution or held in trust. The market value of the collateral must be at least 102% of the aggregate uninsured deposits.

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

None of the City's deposits are subject to custodial risk since they are deposited in certified eligible public depositories under the PDPA.

As of December 31, 2015, the City's cash deposits for governmental and business-type activities had a bank balance totaling \$1,290,352 and a carrying balance totaling \$1,217,035.

City of Victor, Colorado
Notes to Financial Statements (continued)
December 31, 2015

3. Cash and Cash Equivalents (continued)

Investments

The City has not adopted a formal investment policy; however, the City follows state statutes regarding investments.

The City generally limits its concentration of investments to those noted with an asterisk (*) below, which are believed to have minimal credit risk, minimal interest rate risk and no foreign currency risk. Additionally, the City is not subject to concentration risk disclosure requirements or to investment custodial credit risk for investments that are in the possession of another party.

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

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

As of December 31, 2015, the City had investments totaling \$1,450,692, as follows:

Investment	Maturity	<u>Governmental</u> <u>Activities</u>	<u>Business-type</u> <u>Activities</u>
Colorado Local Government Liquid Asset Trust (Colotrust)	Weighted average under 60 days	\$ <u>696,074</u>	\$ <u>754,618</u>

City of Victor, Colorado
Notes to Financial Statements (continued)
December 31, 2015

3. Cash and Cash Equivalents (continued)

COLOTRUST

The City invested in the Colorado Local Government Liquid Asset Trust (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 operates similarly to a money market fund and each share is equal in value to \$1.00. The Trust offers shares in two portfolios, COLOTRUST PRIME and COLOTRUST PLUS+. Both portfolios may invest in U.S. Treasury securities and repurchase agreements collateralized by U.S. Treasury securities. COLOTRUST PLUS+ may also invest in certain obligations of U.S. government agencies, highest rated commercial paper and repurchase agreements collateralized by certain obligations of U.S. government agencies. 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. The Trust is rated AAAm by Standard & Poor's.

4. Interfund Transfers

The following schedule summarizes the City's interfund transfers for the year ended December 31, 2015:

	<u>Transfers In</u>		
	<u>General Fund</u>	<u>Capital Projects Fund</u>	<u>Fiduciary Fund</u>
Transfers Out			
Utility Enterprise Fund	\$ 511,000	\$ 920,562	\$ -
General Fund	-	5,000	1,000

The transfers from the Utility Enterprise Fund to the General Fund and Capital Projects Fund were made during 2015 pursuant to the policies adopted by the City Council which commits/allocates the net available revenue (after operating expenses) of the raw water operations within the Utility Enterprise Fund to certain operational expenditures (General Fund) and capital outlay (Capital Projects Fund).

The transfer from the General Fund to the Fiduciary Fund represents a contribution for long-term cemetery reserve.

City of Victor, Colorado
Notes to Financial Statements (continued)
December 31, 2015

5. Capital Assets

Changes in governmental capital assets for the year ended December 31, 2015, follow:

<u>Governmental Activities</u>	Balance December 31, 2014	Additions	Conveyances or Retirements	Balance December 31, 2015
Capital assets, not being depreciated:				
Land	\$ 154,410	\$ 5,120	\$ (2,500)	\$ 157,030
Capital Assets, being depreciated:				
Buildings and improvements	1,378,448	1,381,706	-	2,760,154
Machinery, equipment and computers	1,258,348	124,538	-	1,382,886
Infrastructure	<u>2,746,301</u>	<u>-</u>	<u>-</u>	<u>2,746,301</u>
Total depreciable assets	<u>5,383,097</u>	<u>1,506,244</u>	<u>-</u>	<u>6,889,341</u>
Total capital assets	<u>5,537,507</u>	<u>1,511,364</u>	<u>(2,500)</u>	<u>7,046,371</u>
Less accumulated depreciation:				
Total accumulated depreciation	<u>(2,033,715)</u>	<u>(114,093)</u>	<u>-</u>	<u>(2,147,808)</u>
Depreciable assets, net	<u>3,349,382</u>	<u>1,392,151</u>	<u>-</u>	<u>4,741,533</u>
Governmental activities assets, net	<u>\$ 3,503,792</u>	<u>\$ 1,397,271</u>	<u>\$ (2,500)</u>	<u>\$ 4,898,563</u>

	<u>Governmental Activities</u>
General government	\$ 30,227
Public safety	21,474
Public works	<u>62,392</u>
Total depreciation expense	<u>\$ 114,093</u>

City of Victor, Colorado
Notes to Financial Statements (continued)
December 31, 2015

5. Capital Assets (continued)

Changes in business-type capital assets for the year ended December 31, 2015, follow:

<u>Business-Type Activities</u>	Balance December 31, 2014	Additions	Conveyances or Retirements	Balance December 31, 2015
Capital assets, not being depreciated:				
Land and water rights	\$ 85,927	\$ -	\$ -	\$ 85,927
Capital Assets, being depreciated:				
Machinery, equipment and computers	313,731	40,335	-	354,066
Infrastructure	1,005,522	4,037	-	1,009,559
Water plant and systems	3,254,614	9,460	-	3,264,074
Wastewater plant and systems	<u>5,867,271</u>	<u>-</u>	<u>-</u>	<u>5,867,271</u>
Total depreciable assets	<u>10,441,138</u>	<u>53,832</u>	<u>-</u>	<u>10,494,970</u>
Total capital assets	<u>10,527,065</u>	<u>53,832</u>	<u>-</u>	<u>10,580,897</u>
Less accumulated depreciation:				
Total accumulated depreciation	<u>(4,916,551)</u>	<u>(382,262)</u>	<u>-</u>	<u>(5,298,813)</u>
Depreciable assets, net	<u>5,524,587</u>	<u>(328,430)</u>	<u>-</u>	<u>5,196,157</u>
Business-type activities capital assets, net	<u>\$ 5,610,514</u>	<u>\$ (328,430)</u>	<u>\$ -</u>	<u>\$ 5,282,084</u>

	<u>Business-Type Activities</u>
Water	\$ 173,116
Wastewater	<u>209,146</u>
Total depreciation expense	<u>\$ 382,262</u>

City of Victor, Colorado
Notes to Financial Statements (continued)
December 31, 2015

6. Long-Term Obligations

The following is an analysis of the changes in the City's long-term obligations for the year ended December 31, 2015:

	Balance December 31, 2014	Additions	Payments	Balance December 31, 2015	Due Within One Year
Business-type activities:					
Colorado Water Conservation Board Loan—Dam #2	\$ 324,726	\$ -	\$ (31,000)	\$ 293,726	\$ 32,162
US Department of Agriculture Rural Development Loan -- Sewer	708,900	-	(22,500)	686,400	23,500
Colorado Water Resource and Power Authority Loan – Water Treatment Plant Improvements	<u>28,300</u>	<u>-</u>	<u>(28,300)</u>	<u>-</u>	<u>-</u>
Total long-term obligations	<u>\$ 1,061,926</u>	<u>\$ -</u>	<u>\$ (81,800)</u>	<u>\$ 980,126</u>	<u>\$ 55,662</u>

The details of the City's long-term obligations as of December 31, 2015, are as follows:

Colorado Water Conservation Board (CWCB) Loan

In 2001, the City obtained a loan from CWCB in the amount of \$600,000 for the rehabilitation of Dam #2. The loan bears interest at 3.75% and requires annual payment of \$43,177 for a period of 20 years. Additionally, the loan requires funding of a debt service reserve of \$43,177. The City has funded the required debt service reserve as of December 31, 2015, which is included in the Restricted net position component of the business-type activities in the Statement of Net Position.

Annual debt service requirements on the CWCB loan are as follows:

Year	<u>Colorado Water Conservation Board Loan</u>		
	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2016	\$ 32,162	\$ 11,015	\$ 43,177
2017	33,369	9,808	43,177
2018	34,620	8,557	43,177
2019	35,918	7,259	43,177
2020	37,265	5,912	43,177
2021-2023	<u>120,392</u>	<u>9,141</u>	<u>129,533</u>
	<u>\$ 293,726</u>	<u>\$ 51,692</u>	<u>\$ 345,418</u>

City of Victor, Colorado
Notes to Financial Statements (continued)
December 31, 2015

6. Long-Term Obligations (continued)

U.S. Department of Agriculture – Rural Development Loan

In 1994, the City obtained a loan from the U.S. Department of Agriculture – Rural Development in the amount of \$1,000,000 for the construction of the sewer treatment plant. The loan bears interest at 4.50% and requires the restriction of cash equal to the following year's debt service payment. The City has restricted \$54,127 as of December 31, 2015. The restricted cash or required reserve was included in the Restricted net position component of the business-type activities in the Statement of Net Position. Payments are due semi-annually in May and November.

Annual debt service requirements on the Rural Development loan are as follows:

Year	U.S. Department of Agriculture - Rural Development Loan		
	Principal	Interest	Total
2016	\$ 23,500	\$ 30,627	\$ 54,127
2017	24,500	29,558	54,058
2018	25,700	28,442	54,142
2019	26,900	27,272	54,172
2020	28,100	25,951	54,051
2021-2025	160,800	90,347	251,147
2026-2030	200,800	68,880	269,680
2031-2034	196,100	19,390	215,490
	\$ 686,400	\$ 320,467	\$ 1,006,867

Colorado Water Resource and Power Development Authority (CWRPDA) Loan

On June 17, 2005, the City entered into a loan agreement with CWRPDA for the completion of improvements to the water treatment plant. The loan was for \$283,000 and bears no interest. Semi-annual payments of \$14,150 commenced on June 1, 2006. The loan agreement requires rate covenant equal to the operations and maintenance expenses plus 110% of annual debt service payment on this loan plus any parity debt. The loan agreement also requires a reserve requirement equal to three months of budgeted operations and maintenance. The City had funded a reserve requirement in the amount of \$113,788, which was released in 2015, upon payoff of the remaining loan balance.

City of Victor, Colorado
Notes to Financial Statements (continued)
December 31, 2015

7. Net Position

The City has net position consisting of three components - net investment in capital assets, restricted and unrestricted.

Net investment in capital assets consists of capital assets, net of accumulated depreciation, and reduced by the outstanding balances of bonds, mortgages, notes, capital leases and other borrowings that are attributable to the acquisition, construction, or improvements of those assets. As of December 31, 2015, the City had net investment in capital assets calculated as follows:

	Governmental Activities	Business-type Activities
Capital assets, net	\$ 4,898,563	\$ 5,282,084
Current portion of long-term obligations	-	(75,926)
Noncurrent portion of long-term obligations	-	(904,199)
Net investment in capital assets	<u>\$ 4,898,563</u>	<u>\$ 4,301,959</u>

The restricted component of net position consist of assets that are restricted for use either externally imposed by creditors, grantors, contributors or laws and regulations of other governments or imposed by law through constitutional provisions or enabling legislations. As of December 31, 2015, the City had restricted net position as follows:

	Governmental Activities
Restricted net position:	
Emergency reserve	\$ 28,000
Conservation Trust	12,524
	<u>\$ 40,524</u>

	Business-type Activities
Restricted net position:	
CWCB Loan - Required Reserve	\$ 43,177
U.S. Department of Agriculture Loan – Required Reserve	54,127
	<u>\$ 97,304</u>

As of December 31, 2015, the City's unrestricted net position totaled \$2,059,155.

City of Victor, Colorado
Notes to Financial Statements (continued)
December 31, 2015

8. Commitments, Contingencies and Economic Dependency

The City receives financial assistance from federal and state governmental agencies in the form of grants. The disbursements of funds received under these programs generally require 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 Capital Projects Fund. However, in the opinion of the City, any such disallowed claims will not have a material effect on the financial statements of the individual fund type or on the overall financial position of the City at December 31, 2015.

The City has only one major employer within its City limits, the Cripple Creek & Victor Gold Mining Company, which accounts for a significant portion of the City's utility fees revenue.

9. Risk Management

The City is exposed to various risks of loss related to torts; thefts of, damage to, or destruction of assets; errors or omissions; injuries to employees; or acts of God.

The City is a member of the Colorado Intergovernmental Risk Sharing Agency (CIRSA). CIRSA is a joint self insurance pool created by intergovernmental agreement to provide property, liability and workers' compensation coverage to its members. CIRSA is governed by a seven member Board elected by and from its members.

Coverage is provided through pooling of self-insured losses and the purchase of excess insurance coverage. CIRSA has a legal obligation for claims against its members to the extent that funds are available in its annually established loss fund and that amounts are 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 the amount of any excess losses would be billed to members in proportion to their contributions in the year such excess occurs, although it is not legally required to do so.

Settled claims have not exceeded insurance coverage in the last three years.

10. Tax, Spending, Revenue and Debt Limitations

Article X, Section 20 of the Colorado Constitution, commonly known as the Taxpayer's Bill of Rights (TABOR), contains tax, spending, revenue and debt limitations which apply to the State of Colorado and all local governments.

Spending and revenue limits are determined based on the prior year's Fiscal Year Spending adjusted for allowable increases based upon inflation and local growth. Fiscal Year Spending is generally defined as expenditures plus reserve increases with certain exceptions. Revenue in excess of the Fiscal Year Spending limit must be refunded unless the voters approve retention of such revenue.

City of Victor, Colorado
Notes to Financial Statements (continued)
December 31, 2015

10. Tax, Spending, Revenue and Debt Limitations

TABOR requires local governments to establish Emergency Reserves. These reserves must be at least 3% of Fiscal Year Spending (excluding bonded debt service). Local governments are not allowed to use the Emergency Reserves to compensate for economic conditions, revenue shortfalls, or salary or benefit increases. At December 31, 2015, the City has reserved \$28,000 for emergencies.

The City's management 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, will require judicial interpretation.

City of Victor, Colorado

Required Supplementary Information

City of Victor
Capital Projects Fund
Schedule of Revenues, Expenditures
And Changes in Fund Balances - Budget and Actual
For the Year Ended December 31, 2015

	BUDGETED AMOUNTS		ACTUAL	VARIANCE WITH
	ORIGINAL	FINAL		FINAL BUDGET
				POSITIVE
				(NEGATIVE)
Revenues				
Federal grants	\$ 600,000	\$ 600,000	\$ 700,000	\$ 100,000
State grants	542,358	542,358	599,834	57,476
Other grants and contributions	470,000	470,000	238,097	(231,903)
Net investment income	<u>1,670</u>	<u>1,670</u>	<u>2,545</u>	<u>875</u>
Total Revenues	<u>1,614,028</u>	<u>1,614,028</u>	<u>1,540,476</u>	<u>(73,552)</u>
Expenditures				
Land purchase	-	-	5,120	(5,120)
Capital improvements - General	1,618,500	1,618,500	1,529,095	89,405
Capital equipment - General	30,500	30,500	146,039	(115,539)
Capital improvements - Raw water	-	-	4,439	(4,439)
Capital equipment - Raw water	20,000	20,000	13,835	6,165
Capital improvements - Treated water	82,000	82,000	59,926	22,074
Capital equipment - Treated water	20,000	20,000	25,536	(5,536)
Capital improvements - Wastewater	10,000	10,000	153	9,847
Capital equipment - Wastewater	<u>90,000</u>	<u>90,000</u>	<u>6,156</u>	<u>83,844</u>
Total Expenditures	<u>1,871,000</u>	<u>1,871,000</u>	<u>1,790,299</u>	<u>80,701</u>
Excess of Revenues over (under) Expenditures	(256,972)	(256,972)	(249,823)	7,149
Other Financing Sources (Uses)				
Transfers from other funds	<u>316,000</u>	<u>316,000</u>	<u>920,562</u>	<u>604,562</u>
Net Change in Fund Balance	59,028	59,028	670,739	611,711
Fund Balance, Beginning of Year	<u>817,376</u>	<u>817,376</u>	<u>805,385</u>	<u>(11,991)</u>
Fund Balance, End of Year	<u>\$ 876,404</u>	<u>\$ 876,404</u>	<u>\$ 1,476,124</u>	<u>\$ 599,720</u>

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

City of Victor
Utility Fund
Schedule of Revenues, Expenditures
And Changes in Net Position—Budget and Actual
For the Year Ended December 31, 2015

	BUDGETED AMOUNTS		ACTUAL	VARIANCE WITH
	ORIGINAL	FINAL		FINAL BUDGET
				POSITIVE (NEGATIVE)
Operating Revenues				
Raw water sales	\$ 850,000	\$ 1,400,697	\$ 1,400,697	\$ -
Raw water miscellaneous sales	144,000	148,718	148,718	-
Raw water wheeling and storage fees	36,000	54,749	54,749	-
Treated water sales - Residential	60,000	63,144	63,144	-
Treated water sales - Commercial	12,000	12,008	12,008	-
Treated water miscellaneous sales	-	400	400	-
Wastewater sales - Residential	117,600	117,615	117,615	-
Wastewater sales - Commercial	25,975	24,639	24,639	-
Liquid waste disposal fees	35,000	32,316	32,316	-
Total Operating Revenues	<u>1,280,575</u>	<u>1,854,286</u>	<u>1,854,286</u>	<u>-</u>
Operating Expenses				
General and administration:				
Treated water - Salaries and benefits	173,603	160,928	160,928	-
Treated water - Dues and memberships	270	225	225	-
Treated water - Travel and training	500	375	375	-
Wastewater - Salaries and benefits	173,476	160,800	160,820	(20)
Wastewater - Dues and memberships	100	78	78	-
Wastewater - Travel and training	500	445	445	-
Audit and accounting	10,000	9,411	9,412	(1)
General engineering	6,000	-	-	-
Legal	500	-	-	-
Insurance	15,338	15,991	15,991	-
Other	1,850	48,843	1,250	47,593
Raw water:				
Legal and engineering services	65,000	11,294	11,294	-
Purchased water	144,000	149,214	149,214	-
Dam maintenance	3,600	4,675	4,675	-
Storage fees	32,000	3,443	3,443	-
Treated water:				
Collection and distribution lines repair	15,000	11,535	8,385	3,150
Equipment maintenance, repair, oil and fuel	10,000	8,613	8,613	-
Building facility maintenance	1,000	1,828	1,828	-
Fixture maintenance	1,200	8,714	8,714	-
Lab analysis and chemicals	8,500	7,337	7,337	-
Utilities	15,250	10,724	10,724	-
Equipment rentals and sanitation	1,400	545	545	-
Technical support	4,500	3,566	3,566	-
Tools and equipment	8,250	4,828	3,200	1,628
Permit fees	200	100	100	-
Miscellaneous/contingency	1,000	2,176	3,804	(1,628)

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

City of Victor
Utility Fund
Schedule of Revenues, Expenditures
And Changes in Net Position—Budget and Actual
For the Year Ended December 31, 2015
(Continued)

Wastewater:				
Collection and distribution lines repair	20,000	4,830	4,830	-
Equipment maintenance, repair, oil and fu	10,000	8,613	8,613	-
Building facility maintenance	600	767	767	-
Fixture maintenance	5,000	3,927	3,927	-
Lab analysis and chemicals	16,000	13,199	13,199	-
Sludge hauling	14,000	18,151	18,151	-
Utilities	16,500	10,394	10,394	-
Technical support	4,300	2,951	2,951	-
Tools and equipment	4,100	4,883	4,883	-
Permit fees	1,515	1,515	1,515	-
Miscellaneous/contingency	1,425	2,892	2,893	(1)
Total Operating Expenses	<u>786,477</u>	<u>697,810</u>	<u>647,089</u>	<u>50,721</u>
Other Income (Expenses)				
Treated water - Capital replacement fees	30,000	29,743	29,743	-
Wastewater - Capital replacement fees	12,900	12,993	12,993	-
Net investment income	2,400	1,945	1,945	-
Debt service:				
Treated water - Principal and interest pay	(71,477)	(71,477)	(71,477)	-
Wastewater - Principal and interest payme	<u>(54,159)</u>	<u>(54,151)</u>	<u>(54,152)</u>	<u>(1)</u>
Net Other Income (Expenses)	<u>(80,336)</u>	<u>(80,947)</u>	<u>(80,948)</u>	<u>(1)</u>
Net Income (Loss) Before Transfers	<u>413,762</u>	<u>1,075,529</u>	<u>1,126,249</u>	<u>50,720</u>
Transfers				
Transfers to other funds	<u>(756,000)</u>	<u>(1,426,562)</u>	<u>(1,426,562)</u>	<u>-</u>
Net Transfers	<u>(756,000)</u>	<u>(1,426,562)</u>	<u>(1,426,562)</u>	<u>-</u>
Excess (Deficiency) of Revenues over Expenditures	<u>\$ (342,238)</u>	<u>\$ (351,033)</u>	(300,313)	<u>\$ 50,720</u>
Budget to GAAP-Basis Adjustments:				
Debt payments			81,801	
Interest expense accrued			(978)	
Depreciation			(382,262)	
Other			17	
Capital assets transferred from Governmental Funds			<u>50,594</u>	
Change in Net Position GAAP			<u>\$ (551,141)</u>	

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

City of Victor, Colorado

State Compliance Section

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

LOCAL HIGHWAY FINANCE REPORT		City or County: Victor			
		YEAR ENDING : December 2015			
This Information From The Records Of (example - City of _ or County of City of Victor)		Prepared By: Debra Downs, City Administrator			
I. DISPOSITION OF HIGHWAY-USER REVENUES AVAILABLE FOR LOCAL GOVERNMENT EXPENDITURE					
ITEM	A. Local Motor-Fuel Taxes	B. Local Motor-Vehicle Taxes	C. Receipts from State Highway-User Taxes	D. Receipts from Federal Highway Administration	
1. Total receipts available					
2. Minus amount used for collection expenses					
3. Minus amount used for nonhighway purposes					
4. Minus amount used for mass transit					
5. Remainder used for highway purposes					
II. RECEIPTS FOR ROAD AND STREET PURPOSES		III. DISBURSEMENTS FOR ROAD AND STREET PURPOSES			
ITEM	AMOUNT	ITEM	AMOUNT		
A. Receipts from local sources:		A. Local highway disbursements:			
1. Local highway-user taxes		1. Capital outlay (from page 2)	1,081,892		
a. Motor Fuel (from Item I.A.5.)		2. Maintenance:	187,530		
b. Motor Vehicle (from Item I.B.5.)		3. Road and street services:			
c. Total (a.+b.)		a. Traffic control operations			
2. General fund appropriations	460,964	b. Snow and ice removal	46,882		
3. Other local imposts (from page 2)	4,572	c. Other			
4. Miscellaneous local receipts (from page 2)	0	d. Total (a. through c.)	46,882		
5. Transfers from toll facilities		4. General administration & miscellaneous			
6. Proceeds of sale of bonds and notes:		5. Highway law enforcement and safety	159,750		
a. Bonds - Original Issues		6. Total (1 through 5)	1,476,054		
b. Bonds - Refunding Issues		B. Debt service on local obligations:			
c. Notes		1. Bonds:			
d. Total (a. + b. + c.)	0	a. Interest			
7. Total (1 through 6)	465,536	b. Redemption			
B. Private Contributions	150,000	c. Total (a. + b.)	0		
C. Receipts from State government (from page 2)	160,518	2. Notes:			
D. Receipts from Federal Government (from page 2)	700,000	a. Interest			
E. Total receipts (A.7 + B + C + D)	1,476,054	b. Redemption			
		c. Total (a. + b.)	0		
		3. Total (1.c + 2.c)	0		
		C. Payments to State for highways			
		D. Payments to toll facilities			
		E. Total disbursements (A.6 + B.3 + C + D)	1,476,054		
IV. LOCAL HIGHWAY DEBT STATUS (Show all entries at par)					
	Opening Debt	Amount Issued	Redemptions	Closing Debt	
A. Bonds (Total)				0	
1. Bonds (Refunding Portion)					
B. Notes (Total)	0	0	0	0	
V. LOCAL ROAD AND STREET FUND BALANCE					
	A. Beginning Balance	B. Total Receipts	Total Disbursements	D. Ending Balance	E. Reconciliation
	0	1,476,054	(1,476,054)	0	0
Notes and Comments:					

LOCAL HIGHWAY FINANCE REPORT	STATE: Colorado
	YEAR ENDING (mm/yy): December 2015

II. RECEIPTS FOR ROAD AND STREET PURPOSES - DETAIL

ITEM	AMOUNT	ITEM	AMOUNT
A.3. Other local imposts:		A.4. Miscellaneous local receipts:	
a. Property Taxes and Assessments		a. Interest on investments	
b. Other local imposts:		b. Traffic Fines & Penalties	
1. Sales Taxes		c. Parking Garage Fees	
2. Infrastructure & Impact Fees		d. Parking Meter Fees	
3. Liens		e. Sale of Surplus Property	
4. Licenses		f. Charges for Services	
5. Specific Ownership &/or Other	4,573	g. Other Misc Gravel Sales	
6. Total (1. through 5.)	4,573	h. Other	
c. Total (a. + b.)	4,573	i. Total (a. through h.)	0
	(Carry forward to page 1)		(Carry forward to page 1)

ITEM	AMOUNT	ITEM	AMOUNT
C. Receipts from State Government		D. Receipts from Federal Government	
1. Highway-user taxes	17,134	1. FHWA (from Item I.D.5.)	
2. State general funds		2. Other Federal agencies:	
3. Other State funds:		a. Forest Service	
a. State bond proceeds		b. FEMA	
b. Project Match		c. HUD	700,000
c. Motor Vehicle Registrations	1,927	d. Federal Transit Admin	
d. Other (Specify) - DOLA Grant	140,625	e. U.S. Corps of Engineers	
e. Other (Specify)	832	f. Other Federal	
f. Total (a. through e.)	143,384	g. Total (a. through f.)	700,000
4. Total (1. + 2. + 3.f)	160,518	3. Total (1. + 2.g)	
			(Carry forward to page 1)

III. DISBURSEMENTS FOR ROAD AND STREET PURPOSES - DETAIL

	ON NATIONAL HIGHWAY SYSTEM (a)	OFF NATIONAL HIGHWAY SYSTEM (b)	TOTAL (c)
A.1. Capital outlay:			
a. Right-Of-Way Costs			0
b. Engineering Costs		83,850	83,850
c. Construction:			
(1). New Facilities		998,042	998,042
(2). Capacity Improvements			0
(3). System Preservation			0
(4). System Enhancement & Operation			0
(5). Total Construction (1) + (2) + (3) + (4)	0	998,042	998,042
d. Total Capital Outlay (Lines 1.a. + 1.b. + 1.c.5)	0	1,081,892	1,081,892
			(Carry forward to page 1)

Notes and Comments: