

City of Victor
Teller County, Colorado

**Financial Statements and
Independent Auditor's Report**

December 31, 2016

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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, 2016 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. 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, 2016 and the respective changes in financial position and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Other-Matters


Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis and budgetary comparison information, 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 13, 2017

**City of Victor
Management's Discussion and Analysis
For the Year Ended December 31, 2016**

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, 2016. 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 \$12.5 million at the close of 2016. Of the City's total assets, 78% consisted of capital assets and 18% consisted of cash and investments. Of the City's total liabilities, 79% consisted of loans obtained for the construction and improvement of the City's water and wastewater systems.
- Total net position increased by \$1.1 million, or 10%, from 2015. The increase in net position is primarily due to the additions to capital assets and decrease in noncurrent liabilities. Of the City's total net position at the close of 2016, (i) \$9.9 million, or 79%, represents the City's investment in capital assets net of debts that are attributable to the acquisition, construction or improvements of those assets, (ii) \$129 thousand, or 1%, represents restricted funds related to loans, conservation trust and emergencies, and (iii) \$2.5 million, or 20%, represents unrestricted net position.
- At the close of 2016, the City's governmental funds reported combined ending fund balances of \$1.9 million. Of this amount: (i) \$45 thousand was restricted for emergencies (TABOR) and parks and recreation expenditures (conservation trust), (ii) \$1.5 million was committed for capital projects, (iii) \$28 thousand was assigned for DREAM projects and the Fire Department's discretionary expenditures, and (iv) \$328 thousand was unassigned and available for general government expenditures.
- At the close of 2016, the Utility Enterprise Fund had net investment in capital assets totaling \$4.4 million, restricted net position (reserves required by various loan agreements) totaling \$85 thousand, and unrestricted net position totaling \$693 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.

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

City of Victor
Management's Discussion and Analysis
For the Year Ended December 31, 2016

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.

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

City of Victor
Management's Discussion and Analysis
For the Year Ended December 31, 2016

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 – 29 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 30 – 32 of this report.

Other Supplementary Information

This section includes a State compliance report on pages 33 and 34.

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, 2015 by \$1.1 million, a 10% increase.

**City of Victor
Management's Discussion and Analysis
For the Year Ended December 31, 2016**

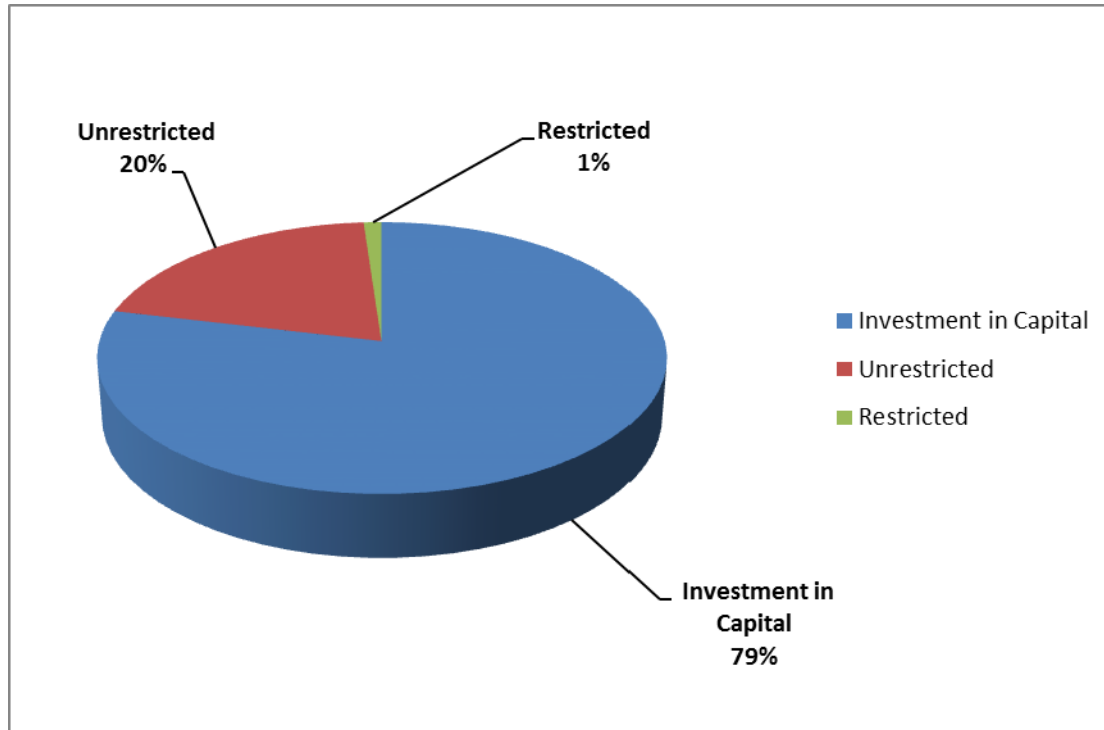
Net Position - Governmental Activities

	<u>2016</u>	<u>2015</u>
Current assets	\$ 2,064,403	\$ 2,071,929
Capital assets	<u>5,447,237</u>	<u>4,898,563</u>
Total assets	<u>7,511,640</u>	<u>6,970,492</u>
Current liabilities	117,506	304,239
Noncurrent liabilities	<u>-</u>	<u>-</u>
Total liabilities	<u>117,506</u>	<u>304,239</u>
Property tax revenues	<u>56,463</u>	<u>52,767</u>
Total deferred inflows of resources	<u>56,463</u>	<u>52,767</u>
Net investment in capital assets	5,447,237	4,898,563
Restricted net position	44,705	40,524
Unrestricted net position	<u>1,845,729</u>	<u>1,674,399</u>
Total net position	<u>\$ 7,337,671</u>	<u>\$ 6,613,486</u>

Net Position - Business-Type Activities

	<u>2016</u>	<u>2015</u>
Current assets	\$ 847,139	\$ 944,901
Capital assets	<u>5,059,415</u>	<u>5,282,084</u>
Total assets	<u>5,906,554</u>	<u>6,226,985</u>
Current liabilities	69,535	462,841
Noncurrent liabilities	<u>647,023</u>	<u>980,125</u>
Total liabilities	<u>716,558</u>	<u>1,442,966</u>
Net investment in capital assets	4,412,392	4,301,959
Restricted net position	84,723	97,304
Unrestricted net position	<u>692,881</u>	<u>384,756</u>
Total net position	<u>\$ 5,189,996</u>	<u>\$ 4,784,019</u>

**City of Victor
Management's Discussion and Analysis
For the Year Ended December 31, 2016**



The largest portion of the City's net position (79%) 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 20% of the City's net position is unrestricted and may be used to meet the City's future expenditures.

At the end of 2016, 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, 2016**

Change in Net Position - Governmental Activities

	2016	2015
Revenues		
Program revenues:		
Charges for services	\$ 23,202	\$ 15,350
Operating grants and contributions	384,862	372,180
Capital grants and contributions	683,939	1,537,930
General revenues		
Taxes	105,655	84,067
Franchise fees	20,666	19,533
Net investment income	10,211	2,826
Other revenues and transfers in	740,810	1,479,158
Total revenues	1,969,345	3,511,044
Expenses		
General government	294,661	408,763
Public safety	339,103	349,485
Public works	273,596	299,954
Community development	219,017	301,815
Parks and recreation	47,202	28,820
Long-term debt interest and related costs	-	-
Transfer of capital assets	71,581	50,594
Total expenses	1,245,160	1,439,431
Change in Net Position	\$ 724,185	\$ 2,071,613

Change in Net Position - Business-Type Activities

	2016	2015
Revenues		
Program revenues:		
Charges for services	\$ 1,960,910	\$ 1,854,286
Capital grants and contributions	41,753	42,736
General revenues		
Net investment income	-	-
Other revenues/(expenses)	2,933	1,962
Transfer of capital assets	71,581	50,594
Total revenues	2,077,177	1,949,578
Expenses		
Water and wastewater operations	953,244	1,030,329
Long-term debt interest and related costs	39,202	43,828
Transfers out and other expenses	678,754	1,426,562
Total expenses	1,671,200	2,500,719
Change in Net Position	\$ 405,977	\$ (551,141)

**City of Victor
Management's Discussion and Analysis
For the Year Ended December 31, 2016**

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 2016 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 \$114,404 less than the 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, 2016, the City's emergency reserve amounted to \$28 thousand.

Capital Assets

The City added \$785 thousand to its capital assets for governmental activities and business-type activities during calendar year 2016. This investment in capital assets during 2016 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 2016, the City had total outstanding debt of \$647 thousand. This amount is comprised of notes payable/loans obtained for the construction and improvements made on the water and wastewater systems. During 2016, the City repaid \$333,102 of its debts.

Additional information on the City's long-term debts can be found in Note 6 on pages 26 – 27 of this report.

Next Year's Budgets

The 2017 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 \$4.13 million for spending in 2017. Of this amount, \$970 thousand was budgeted for spending in the General Fund, \$1.15 million was budgeted in the Utility Enterprise Fund for the operations of water and wastewater systems, and \$2.01 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, 2016

	PRIMARY GOVERNMENT		
	GOVERNMENTAL	BUSINESS-TYPE	TOTAL
	ACTIVITIES	ACTIVITIES	
ASSETS			
Cash and investments	\$ 1,773,782	\$ 570,054	\$ 2,343,836
Cash and investments - Restricted	48,705	84,723	133,428
Receivables:			
From other governments	172,313	-	172,313
Property taxes	56,463	-	56,463
Utility fees	-	192,362	192,362
Other	13,140	-	13,140
Capital assets, not being depreciated	179,220	85,927	265,147
Capital assets, net of accumulated depreciation	<u>5,268,017</u>	<u>4,973,488</u>	<u>10,241,505</u>
TOTAL ASSETS	<u>7,511,640</u>	<u>5,906,554</u>	<u>13,418,194</u>
LIABILITIES			
Accounts payable	82,133	32,841	114,974
Deposits	28,144	-	28,144
Accrued interest payable	-	14,778	14,778
Compensated absences	7,229	21,916	29,145
Noncurrent liabilities:			
Due within one year	-	45,269	45,269
Due in more than one year	-	601,754	601,754
TOTAL LIABILITIES	<u>117,506</u>	<u>716,558</u>	<u>834,064</u>
DEFERRED INFLOWS OF RESOURCES			
Property taxes revenue	<u>56,463</u>	-	<u>56,463</u>
TOTAL DEFERRED INFLOW OF RESOURCES	<u>56,463</u>	-	<u>56,463</u>
NET POSITION			
Net investment in capital assets	5,447,237	4,412,392	9,859,629
Restricted for:			
Emergencies	28,000	-	28,000
Conservation Trust	16,705	-	16,705
Debt service	-	84,723	84,723
Unrestricted	<u>1,845,729</u>	<u>692,881</u>	<u>2,538,610</u>
TOTAL NET POSITION	<u>\$ 7,337,671</u>	<u>\$ 5,189,996</u>	<u>\$ 12,527,667</u>

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

City of Victor
Statement of Activities
For the Year Ended December 31, 2016

<u>FUNCTIONS / PROGRAMS</u>	<u>EXPENSES</u>	<u>PROGRAM REVENUES</u>			<u>NET (EXPENSE) REVENUE AND CHANGES IN NET POSITION</u>		
		<u>CHARGES FOR SERVICES</u>	<u>OPERATING GRANTS AND CONTRIBUTIONS</u>	<u>CAPITAL GRANTS AND CONTRIBUTIONS</u>	<u>GOVERNMENTAL ACTIVITIES</u>	<u>PRIMARY GOVERNMENT BUSINESS-TYPE ACTIVITIES</u>	<u>TOTAL</u>
PRIMARY GOVERNMENT:							
Governmental activities:							
General Government	\$ 294,661	\$ 22,839	\$ 384,862	\$ -	\$ 113,040	\$ -	\$ 113,040
Public Safety	339,103	363	-	-	(338,740)	-	(338,740)
Public Works	273,596	-	-	683,939	410,343	-	410,343
Community Development	219,017	-	-	-	(219,017)	-	(219,017)
Parks and Recreation	47,202	-	-	-	(47,202)	-	(47,202)
Total Governmental Activities	<u>1,173,579</u>	<u>23,202</u>	<u>384,862</u>	<u>683,939</u>	<u>(81,576)</u>	<u>-</u>	<u>(81,576)</u>
Business-Type Activities:							
Water and Wastewater Operations	953,244	1,960,910	-	41,753	-	1,049,419	1,049,419
Interest and Related Costs	39,202	-	-	-	-	(39,202)	(39,202)
Total Business-Type Activities	<u>992,446</u>	<u>1,960,910</u>	<u>-</u>	<u>41,753</u>	<u>-</u>	<u>1,010,217</u>	<u>1,010,217</u>
Total Primary Government	<u>\$ 2,166,025</u>	<u>\$ 1,984,112</u>	<u>\$ 384,862</u>	<u>\$ 725,692</u>	<u>\$ (81,576)</u>	<u>\$ 1,010,217</u>	<u>\$ 928,641</u>
General Revenues:							
					105,655	-	105,655
					20,666	-	20,666
					10,211	-	10,211
					53,690	2,933	56,623
					687,120	(678,754)	8,366
					(71,581)	71,581	-
					<u>805,761</u>	<u>(604,240)</u>	<u>201,521</u>
					<u>724,185</u>	<u>405,977</u>	<u>1,130,162</u>
					<u>6,613,486</u>	<u>4,784,019</u>	<u>11,397,505</u>
					<u>\$ 7,337,671</u>	<u>\$ 5,189,996</u>	<u>\$ 12,527,667</u>

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

City of Victor
Balance Sheet
Governmental Funds
December 31, 2016

	General Fund	Capital Projects Fund	Total Governmental Funds
ASSETS			
Cash and investments	\$ 339,870	\$ 1,433,912	\$ 1,773,782
Cash and investments - restricted	48,705	-	48,705
Receivables:			
From other governments	57,722	114,591	172,313
Property taxes	56,463	-	56,463
Other	<u>13,140</u>	<u>-</u>	<u>13,140</u>
Total Assets	<u>\$ 515,900</u>	<u>\$ 1,548,503</u>	<u>\$ 2,064,403</u>
LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES			
LIABILITIES			
Accounts Payable	30,872	51,261	82,133
Deposits	<u>28,144</u>	<u>-</u>	<u>28,144</u>
Total Liabilities	<u>59,016</u>	<u>51,261</u>	<u>110,277</u>
DEFERED INFLOWS OF RESOURCES			
Property taxes revenues	<u>56,463</u>	<u>-</u>	<u>56,463</u>
Total Deferred Inflows of Resources	<u>56,463</u>	<u>-</u>	<u>56,463</u>
FUND BALANCES			
Restricted:			
Emergencies	\$ 28,000	\$ -	\$ 28,000
Conservation Trust Funds	16,705	-	16,705
Committed:			
Capital projects	-	1,497,242	1,497,242
Assigned:			
Public safety - Fire Department Discretionary Fund	18,119	-	18,119
DREAM Discretionary Fund	10,025	-	10,025
Unassigned:			
General government	<u>327,572</u>	<u>-</u>	<u>327,572</u>
Total Fund Balances	<u>400,421</u>	<u>1,497,242</u>	<u>1,897,663</u>
Total Liabilities, Deferred Inflows of Resources and Fund Balances	<u>\$ 515,900</u>	<u>\$ 1,548,503</u>	<u>\$ 2,064,403</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 Activities
December 31, 2016

Total Fund Balances - Governmental Funds \$ 1,897,663

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	179,220
Capital assets, net of accumulated depreciation	5,268,017

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>
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Net Position of Governmental Activities **\$ 7,337,671**

City of Victor
Governmental Funds
Combined Statement of Revenues, Expenditures
and Changes in Fund Balances
For the Year Ended December 31, 2016

	<u>General Fund</u>	<u>Capital Projects Fund</u>	<u>Total Governmental Funds</u>
REVENUES:			
Taxes	\$ 105,655	\$ -	\$ 105,655
Franchise fees	20,666	-	20,666
Intergovernmental	34,112	-	34,112
Licenses, fees and charges	22,839	-	22,839
Fines and forfeitures	363	-	363
Administrative grants	384,862	-	384,862
Other revenue	19,578	-	19,578
Net investment income	782	9,429	10,211
Capital grants	-	683,939	683,939
TOTAL REVENUES	<u>588,857</u>	<u>693,368</u>	<u>1,282,225</u>
EXPENDITURES:			
Current:			
Legislative	62,421	-	62,421
Administrative	124,075	-	124,075
Facility maintenance	29,377	-	29,377
Revitalization and marketing	105,997	-	105,997
Police department	280,352	-	280,352
Fire department	35,350	-	35,350
Community development and planning	14,233	-	14,233
Public works	176,823	-	176,823
Parks and cemetery	47,202	-	47,202
Capital outlay	-	918,004	918,004
TOTAL EXPENDITURES	<u>875,830</u>	<u>918,004</u>	<u>1,793,834</u>
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	(286,973)	(224,636)	(511,609)
OTHER FINANCING SOURCES (USES)			
Operating transfer in	<u>441,366</u>	<u>245,754</u>	<u>687,120</u>
NET CHANGE IN FUND BALANCE	154,393	21,118	175,511
FUND BALANCES, BEGINNING	<u>246,028</u>	<u>1,476,124</u>	<u>1,722,152</u>
FUND BALANCES, ENDING	<u>\$ 400,421</u>	<u>\$ 1,497,242</u>	<u>\$ 1,897,663</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, 2016

Net change in fund balances - total governmental funds	\$ 175,511
<p>Amounts reported for governmental activities in the statement of activities are different because:</p> <p>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 \$784,801 exceeded depreciation of \$164,546 in the current year.</p>	
	620,255
<p>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.</p>	
Capital assets transferred to Utility Enterprise Fund	<u>(71,581)</u>
 Change in net position of governmental activities	 <u>\$ 724,185</u>

City of Victor
General Fund
Schedule of Revenues, Expenditures
and Changes in Fund Balances—Budget and Actual
For the Year Ended December 31, 2016

	BUDGETED AMOUNTS		ACTUAL	VARIANCE WITH
	ORIGINAL	FINAL		FINAL BUDGET
				POSITIVE
				(NEGATIVE)
Revenues				
Taxes:				
Property tax	52,767	52,767	54,140	1,373
Sales tax	32,500	32,500	46,393	13,893
Specific ownership tax	4,500	4,500	5,122	622
	<u>89,767</u>	<u>89,767</u>	<u>105,655</u>	<u>15,888</u>
Franchise fees:				
Franchise - Electric	16,000	16,000	14,827	(1,173)
Franchise - TV/telephone	200	200	126	(74)
Franchise - Natural gas	4,000	4,000	5,713	1,713
	<u>20,200</u>	<u>20,200</u>	<u>20,666</u>	<u>466</u>
Intergovernmental:				
Cigarette tax	-	-	-	-
Mineral severance tax	17,000	17,000	8,344	(8,656)
Highway Users Tax (HUTF)	17,436	17,436	18,547	1,111
Conservation Trust entitlement	3,800	3,800	4,181	381
Motor vehicle	2,100	2,100	2,113	13
Road and bridge shareback	900	900	927	27
	<u>41,236</u>	<u>41,236</u>	<u>34,112</u>	<u>(7,124)</u>
Licenses, Fees and Charges:				
Business, liquor and other licenses	5,500	5,500	10,811	5,311
Building permit and service fees	6,500	6,500	12,028	5,528
	<u>12,000</u>	<u>12,000</u>	<u>22,839</u>	<u>10,839</u>
Fines and Forfeitures:				
Police department/court fees and fines	-	-	363	363
	<u>-</u>	<u>-</u>	<u>363</u>	<u>363</u>
Administrative Grants:				
State grants	387,992	387,992	291,081	(96,911)
Other grants/contributions	-	-	93,781	93,781
	<u>387,992</u>	<u>387,992</u>	<u>384,862</u>	<u>(3,130)</u>
Other Revenues:				
Donations and contributions	4,400	4,400	5,370	970
Fees for use of public facilities	100	100	225	125
Leases	11,391	11,391	12,422	1,031
Other income	500	500	1,561	1,061
	<u>16,391</u>	<u>16,391</u>	<u>19,578</u>	<u>3,187</u>
Net Investment Income:				
Net investment income	200	200	782	582
	<u>200</u>	<u>200</u>	<u>782</u>	<u>582</u>
Total Revenues	<u>567,786</u>	<u>567,786</u>	<u>588,857</u>	<u>21,071</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, 2016

Expenditures

Legislative:

City Council stipend	26,447	26,447	26,514	(67)
Donations to other organizations/projects	34,700	34,700	32,620	2,080
Dues and memberships	457	457	817	(360)
Travel and training	1,500	1,500	1,311	189
Miscellaneous	1,000	1,000	1,159	(159)
	<u>64,104</u>	<u>64,104</u>	<u>62,421</u>	<u>1,683</u>

Administrative:

Salaries and benefits	60,681	60,681	61,702	(1,021)
Dues and memberships	795	795	640	155
Travel and training	5,000	5,000	6,985	(1,985)
Audit and accounting	5,000	5,000	4,067	933
County Treasurer's fees	1,583	1,583	1,457	126
Insurance	5,917	5,917	6,144	(227)
Legal	15,000	15,000	18,171	(3,171)
Magistrate	6,000	6,000	6,000	-
Election	-	-	701	(701)
Office supplies	4,200	4,200	2,655	1,545
Other professional services	2,000	2,000	911	1,089
Photocopy	4,350	4,350	3,697	653
Publication and publishing	3,200	3,200	1,420	1,780
Technical support	4,500	4,500	3,427	1,073
Miscellaneous	5,000	5,000	6,098	(1,098)
	<u>123,226</u>	<u>123,226</u>	<u>124,075</u>	<u>(849)</u>

Facility Maintenance:

Maintenance - City Hall	9,000	9,000	10,770	(1,770)
Utilities - City Hall	18,500	18,500	15,432	3,068
Maintenance - Community Center (VICCI)	1,500	1,500	162	1,338
Utilities - Community Center (VICCI)	3,700	3,700	2,472	1,228
Maintenance - Agricultural and Mining Museum	1,000	1,000	541	459
Fixture/Equipment Maintenance	200	200	-	200
	<u>33,900</u>	<u>33,900</u>	<u>29,377</u>	<u>4,523</u>

Revitalization and Marketing:

Salaries and benefits	59,681	59,681	60,355	(674)
Advertising	15,000	15,000	14,155	845
City sponsored events	12,000	12,000	11,626	374
Dues and memberships	1,350	1,350	1,395	(45)
Revitalization projects and programs	16,000	16,000	10,630	5,370
Utilities	750	750	649	101
Travel and training	5,000	5,000	5,695	(695)
Minor equipment	1,000	1,000	-	1,000
Office supplies	500	500	-	500
Miscellaneous	2,500	2,500	1,492	1,008
	<u>113,781</u>	<u>113,781</u>	<u>105,997</u>	<u>7,784</u>

Police Department:

Animal control	757	757	224	533
Contract services	276,559	276,559	271,566	4,993
Insurance	-	-	657	(657)
Utilities	5,400	5,400	6,310	(910)
Vehicle fuel	9,000	9,000	1,564	7,436
Miscellaneous	100	100	31	69
	<u>291,816</u>	<u>291,816</u>	<u>280,352</u>	<u>11,464</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, 2016

Fire Department:				
Fire Chief stipend	15,135	15,135	14,971	164
Dues and memberships	250	250	438	(188)
Insurance	1,644	1,644	1,940	(296)
Travel and training	2,500	2,500	540	1,960
Equipment maintenance, repair, oil and fuel	3,800	3,800	1,925	1,875
Building facility maintenance	3,000	3,000	1,146	1,854
Fixture and equipment maintenance	2,000	2,000	1,611	389
Minor equipment	2,000	2,000	3,224	(1,224)
Radios and maintenance	6,000	6,000	-	6,000
Technical support	2,200	2,200	2,667	(467)
Utilities	4,600	4,600	3,907	693
Volunteer bonus program	2,500	2,500	2,290	210
Miscellaneous	1,350	1,350	691	659
	<u>46,979</u>	<u>46,979</u>	<u>35,350</u>	<u>11,629</u>
Community Development and Planning:				
Building code administration and enforcement	9,000	9,000	11,014	(2,014)
Dangerous building abatement	20,000	20,000	-	20,000
Legal services	5,000	5,000	2,842	2,158
Miscellaneous	500	500	377	123
	<u>34,500</u>	<u>34,500</u>	<u>14,233</u>	<u>20,267</u>
Public Works:				
Salaries and benefits	94,154	94,154	79,017	15,137
Travel and training	500	500	1,084	(584)
Insurance	8,218	8,218	8,584	(366)
Equipment maintenance, repair, oil and fuel	20,700	20,700	9,136	11,564
Building facility maintenance	2,000	2,000	438	1,562
Fixture maintenance	6,000	6,000	6,982	(982)
Road and sidewalk maintenance	65,000	65,000	38,522	26,478
Supplies	3,550	3,550	2,632	918
Professional services	5,000	5,000	-	5,000
Technical support	200	200	-	200
Tools and equipment	2,500	2,500	2,666	(166)
Utilities	28,800	28,800	24,525	4,275
Miscellaneous	2,500	2,500	3,237	(737)
	<u>239,122</u>	<u>239,122</u>	<u>176,823</u>	<u>62,299</u>
Parks and Cemetery:				
Salaries and benefits	23,306	23,306	22,263	1,043
Cemetery maintenance	1,000	1,000	55	945
Equipment maintenance, repair, oil and fuel	200	200	83	117
Minor equipment	1,000	1,000	1,064	(64)
Parks maintenance	9,500	9,500	17,397	(7,897)
Sanitation services	2,000	2,000	1,080	920
Supplies	500	500	355	145
Utilities	4,800	4,800	4,317	483
Miscellaneous	500	500	588	(88)
	<u>42,806</u>	<u>42,806</u>	<u>47,202</u>	<u>(4,396)</u>
Total Expenditures	<u>990,234</u>	<u>990,234</u>	<u>875,830</u>	<u>114,404</u>
Excess Revenues over (under) Expenditures	(422,448)	(422,448)	(286,973)	135,475

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, 2016

Other Financing Sources (Uses)				
Transfers from other funds	433,000	433,000	441,366	8,366
Transfers to other funds	<u>(1,000)</u>	<u>(1,000)</u>	<u>-</u>	<u>1,000</u>
Net Change in Fund Balance	9,552	9,552	154,393	144,841
Fund Balances, Beginning of Year	<u>238,120</u>	<u>238,120</u>	<u>246,028</u>	<u>7,908</u>
Fund Balances, End of Year	<u>\$ 247,672</u>	<u>\$ 247,672</u>	<u>\$ 400,421</u>	<u>\$ 152,749</u>

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

City of Victor
Proprietary Funds
Statement of Net Position
December 31, 2016

	<u>Utility Enterprise Fund</u>
Assets	
Cash and investments	\$ 570,054
Cash and investments - Restricted	84,723
Utility fees receivable	192,362
Capital assets, not being depreciated	85,927
Capital assets, net of accumulated depreciation	<u>4,973,488</u>
Total Assets	<u>5,906,554</u>
Liabilities	
Accounts payable	32,841
Accrued interest payable	14,778
Compensated absences	21,916
Non-current liabilities:	
Due within one year	45,269
Due in more than one year	<u>601,754</u>
Total Liabilities	<u>716,558</u>
Net Position	
Net investment in capital assets	4,412,392
Restricted	84,723
Unrestricted	<u>692,881</u>
Total Net Position	<u>\$ 5,189,996</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, 2016

	Utility Enterprise Fund
Operating Revenues	
Raw water sales	\$ 1,533,089
Raw water miscellaneous sales	154,667
Raw water wheeling and storage fees	22,695
Treated water sales - Residential	66,574
Treated water sales - Commercial	13,367
Wastewater sales - Residential	116,299
Wastewater sales - Commercial	22,578
Liquid waste disposal fees	31,641
Total Operating Revenues	1,960,910
Operating Expenses	
General and administration	17,420
Operations:	
Raw water	159,000
Treated water	234,384
Wastewater	248,190
Depreciation	294,250
Total Operating Expenses	953,244
Income (Loss) From Operations	1,007,666
Other Income (Expenses)	
Treated water - Capital replacement fees	29,157
Wastewater - Capital replacement fees	12,596
Debt service - Interest paid and accrued	(39,202)
Other	2,933
Capital assets transferred from Governmental Funds	71,581
Total Other Income (Expenses)	77,065
Net Income Before Transfers	1,084,731
Transfers In (Out)	(678,754)
CHANGE IN NET POSITION	405,977
NET POSITION, BEGINNING OF YEAR	4,784,019
NET POSITION, END OF YEAR	\$ 5,189,996

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, 2016

	UTILITY ENTERPRISE FUND
CASH FLOWS FROM OPERATING ACTIVITIES:	
Cash received from customers and other sources	\$ 1,972,555
Cash paid to suppliers	(811,024)
Cash paid to employees	(241,276)
Net Cash From Operating Activities	920,255
CASH FLOWS FROM INVESTING ACTIVITIES:	
Interest income	2,933
Net Cash From Investing Activities	2,933
CASH FLOWS FROM NON-CAPITAL FINANCING ACTIVITIES:	
Transfers in (out)	(678,754)
Net Cash From Non-Capital Financing Activities	(678,754)
CASH FLOWS FROM CAPITAL AND FINANCING ACTIVITIES:	
Interest paid	(39,202)
Principal paid	(333,102)
Fees	28,029
Net Cash From Capital and Financing Activities	(344,275)
Net Change in Cash and Cash Equivalents	(99,841)
CASH AND CASH EQUIVALENTS	
Beginning of Year	754,618
End of Year	\$ 654,777
Reconciliation of Operating Income (Loss) to Net Cash From Operating Activities	
Net Operating Income (Loss)	\$ 1,007,666
Adjustments to reconcile operationing income (loss) to net cash flows from operating activities	
Depreciation	294,250
(Increase) Decrease in Accounts Receivable, Net	11,645
Increase (Decrease) in Accounts Payable	(393,306)
Net Cash From Operating Activities	\$ 920,255

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, 2016

	Fiduciary Fund
Assets	
Cash and investments	\$ -
Total Assets	-
 Liabilities and Net Position	
Liabilities	
Deposits	-
Total Liabilities	-
 Net Position	\$ -

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, 2016

	Fiduciary Fund
Additions	
Sale of cemetery plots	\$ -
Total Additions	-
 Deletions	
Transfers to other funds	8,366
Total Deletions	8,366
 Change in Fiduciary Net Position	 (8,366)
 Net Position - Beginning	 8,366
 Net Position - Ending	 \$ -

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

City of Victor

Notes to Financial Statements

December 31, 2016

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, 2016

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, 2016

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.

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, 2016

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, 2016

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, 2016

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, 2016, are classified in the accompanying financial statements as follows:

	<u>Governmental Activities</u>	<u>Business-type Activities</u>
Statement of net position:		
Cash and investments	\$ 1,773,782	\$ 557,572
Cash and investments - Restricted	<u>48,705</u>	<u>97,205</u>
Total cash and investments	<u>\$ 1,822,487</u>	<u>\$ 654,777</u>

Cash and investments as of December 31, 2016, consist of the following:

	<u>Governmental Activities</u>	<u>Business-type Activities</u>
Cash on hand	\$ 300	\$ -
Deposits with financial institutions	1,235,281	-
Investments	<u>586,906</u>	<u>654,777</u>
Total cash and investments	<u>\$ 1,822,487</u>	<u>\$ 654,777</u>

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, 2016, the City's cash deposits for governmental and business-type activities had a bank balance totaling \$2,643,310 and a carrying balance totaling \$2,477,264.

City of Victor, Colorado
Notes to Financial Statements (continued)
December 31, 2016

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, 2016, the City had investments totaling \$1,460,121, 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>586,906</u>	\$ <u>873,215</u>

City of Victor, Colorado
Notes to Financial Statements (continued)
December 31, 2016

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, 2016:

	Transfers In		
	General Fund	Capital Projects Fund	Fiduciary Fund
Transfers Out	General Fund	Capital Projects Fund	Fiduciary Fund
Utility Enterprise Fund	\$ 441,366	\$ 245,754	\$ -
Fiduciary Fund	8,366	-	-

The transfers from the Utility Enterprise Fund to the General Fund and Capital Projects Fund were made during 2016 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 Fiduciary Fund to the General Fund represents the transfer of the cemetery fund balance to the General Fund.

City of Victor, Colorado
Notes to Financial Statements (continued)
December 31, 2016

5. Capital Assets

Changes in governmental capital assets for the year ended December 31, 2016, follow:

<u>Governmental Activities</u>	Balance December 31, 2015	Additions	Conveyances or Retirements	Balance December 31, 2016
Capital assets, not being depreciated:				
Land	\$ 157,030	\$ 22,190	\$ -	\$ 179,220
Capital Assets, being depreciated:				
Buildings and improvements	2,760,154	677,451	-	3,437,605
Machinery, equipment and computers	1,382,886	13,579	-	1,396,465
Infrastructure	<u>2,746,301</u>	<u>-</u>	<u>-</u>	<u>2,746,301</u>
Total depreciable assets	<u>6,889,341</u>	<u>691,030</u>	<u>-</u>	<u>7,580,371</u>
Total capital assets	<u>7,046,371</u>	<u>713,220</u>	<u>-</u>	<u>7,759,591</u>
Less accumulated depreciation:				
Total accumulated depreciation	<u>(2,147,808)</u>	<u>(164,546)</u>	<u>-</u>	<u>(2,312,354)</u>
Depreciable assets, net	<u>4,741,533</u>	<u>526,484</u>	<u>-</u>	<u>5,268,017</u>
Governmental activities assets, net	<u>\$ 4,898,563</u>	<u>\$ 548,674</u>	<u>\$ -</u>	<u>\$ 5,447,237</u>

	<u>Governmental Activities</u>
General government	\$ 44,372
Public safety	23,401
Public works	<u>96,773</u>
Total depreciation expense	<u>\$ 164,546</u>

City of Victor, Colorado
Notes to Financial Statements (continued)
December 31, 2016

5. Capital Assets (continued)

Changes in business-type capital assets for the year ended December 31, 2016, follow:

<u>Business-Type Activities</u>	Balance December 31, 2015	Additions	Conveyances or Retirements	Balance December 31, 2016
Capital assets, not being depreciated:				
Land and water rights	\$ 85,927	\$ -	\$ -	\$ 85,927
Capital Assets, being depreciated:				
Machinery, equipment and computers	354,066	71,581	-	425,647
Infrastructure	1,009,559	-	-	1,009,559
Water plant and systems	3,264,074	-	-	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>10,494,970</u>	<u>71,581</u>	<u>-</u>	<u>10,566,551</u>
Total capital assets	<u>10,580,897</u>	<u>71,581</u>	<u>-</u>	<u>10,652,478</u>
Less accumulated depreciation:				
Total accumulated depreciation	<u>(5,298,813)</u>	<u>(294,250)</u>	<u>-</u>	<u>(5,593,063)</u>
Depreciable assets, net	<u>5,196,157</u>	<u>(222,669)</u>	<u>-</u>	<u>4,973,488</u>
Business-type activities capital assets, net	<u>\$ 5,282,084</u>	<u>\$ (222,669)</u>	<u>\$ -</u>	<u>\$ 5,059,415</u>

	<u>Business-Type Activities</u>
Water	\$ 89,337
Wastewater	<u>204,913</u>
Total depreciation expense	<u>\$ 294,250</u>

City of Victor, Colorado
Notes to Financial Statements (continued)
December 31, 2016

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, 2016:

	Balance December 31, 2015	Additions	Payments	Balance December 31, 2016	Due Within One Year
Business-type activities:					
Colorado Water Conservation Board Loan—Dam #2	\$ 293,726	\$ -	\$ (32,162)	\$ 261,564	\$ 33,369
US Department of Agriculture Rural Development Loan -- Sewer	<u>686,400</u>	<u>-</u>	<u>(300,941)</u>	<u>385,459</u>	<u>24,500</u>
Total long-term obligations	<u>\$ 980,126</u>	<u>\$ -</u>	<u>\$ (333,103)</u>	<u>\$ 647,023</u>	<u>\$ 57,869</u>

The details of the City's long-term obligations as of December 31, 2016, 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, 2016, 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	Colorado Water Conservation Board Loan		
	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2017	\$ 33,369	\$ 9,808	\$ 43,177
2018	34,620	9,808	43,177
2019	35,918	8,557	43,177
2020	37,265	7,259	43,177
2021	38,662	4,515	43,177
2022-2023	<u>81,730</u>	<u>4,626</u>	<u>86,356</u>
	<u>\$ 261,564</u>	<u>\$ 44,573</u>	<u>\$ 302,241</u>

City of Victor, Colorado
Notes to Financial Statements (continued)
December 31, 2016

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 \$41,546 as of December 31, 2016. 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
2017	24,500	17,046	41,546
2018	25,700	15,957	41,657
2019	26,900	14,787	41,687
2020	28,100	13,563	41,663
2021	29,300	12,285	41,585
2022-2026	168,000	40,137	208,137
2027-2029	82,959	4,967	87,926
	\$ 385,459	\$ 118,742	\$ 504,201

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, 2016, the City had net investment in capital assets calculated as follows:

City of Victor, Colorado
Notes to Financial Statements (continued)
December 31, 2016

7. Net Position (continued)

	Governmental Activities	Business-type Activities
Capital assets, net	\$ 5,447,237	\$ 5,059,415
Current portion of long-term obligations	-	(45,269)
Noncurrent portion of long-term obligations	-	(601,754)
Net investment in capital assets	\$ 5,447,237	\$ 4,412,392

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, 2016, the City had restricted net position as follows:

	Governmental Activities	Business-type Activities
Restricted net position:		
Emergency reserve	\$ 28,000	
Conservation Trust	16,705	
	\$ 44,705	
Restricted net position:		
CWCB Loan - Required Reserve	\$ 43,177	
U.S. Department of Agriculture Loan – Required Reserve	41,546	
	\$ 84,723	

As of December 31, 2016, the City's unrestricted net position totaled \$2,538,610.

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, 2016.

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.

City of Victor, Colorado
Notes to Financial Statements (continued)
December 31, 2016

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.

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, 2016, 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, 2016

	BUDGETED AMOUNTS		ACTUAL	VARIANCE WITH
	ORIGINAL	FINAL		FINAL BUDGET
				POSITIVE
				(NEGATIVE)
Revenues				
State grants	\$ 1,550,000	\$ 1,550,000	\$ 459,094	\$ (1,090,906)
Other grants and contributions	300,000	300,000	224,846	(75,154)
Net investment income	2,000	2,000	9,428	7,428
Total Revenues	<u>1,852,000</u>	<u>1,852,000</u>	<u>693,368</u>	<u>(1,158,632)</u>
Expenditures				
Land purchase	5,000	5,000	7,100	(2,100)
Capital improvements - General	1,365,000	1,365,000	791,212	573,788
Capital equipment - General	18,500	18,500	27,956	(9,456)
Capital improvements - Raw water	-	-	4,900	(4,900)
Capital equipment - Raw water	-	-	3,962	(3,962)
Capital improvements - Treated water	1,085,000	1,085,000	-	1,085,000
Capital equipment - Treated water	12,500	12,500	5,007	7,493
Capital improvements - Wastewater	10,000	10,000	-	10,000
Capital equipment - Wastewater	72,500	72,500	77,867	(5,367)
Total Expenditures	<u>2,568,500</u>	<u>2,568,500</u>	<u>918,004</u>	<u>1,650,496</u>
Excess of Revenues over				
(under) Expenditures	(716,500)	(716,500)	(224,636)	491,864
Other Financing Sources (Uses)				
Transfers from other funds	220,754	220,754	245,754	25,000
Net Change in Fund Balance	(495,746)	(495,746)	21,118	516,864
Fund Balance, Beginning of Year	<u>1,268,747</u>	<u>1,268,747</u>	<u>1,476,124</u>	<u>207,377</u>
Fund Balance, End of Year	<u>\$ 773,001</u>	<u>\$ 773,001</u>	<u>\$ 1,497,242</u>	<u>\$ 724,241</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, 2016

	BUDGETED AMOUNTS		ACTUAL	VARIANCE WITH
	ORIGINAL	FINAL		FINAL BUDGET
				POSITIVE
				(NEGATIVE)
Operating Revenues				
Raw water sales	\$ 961,000	\$ 961,000	\$ 1,533,089	\$ 572,089
Raw water miscellaneous sales	150,000	150,000	154,667	4,667
Raw water wheeling and storage fees	28,000	28,000	22,695	(5,305)
Treated water sales - Residential	55,600	55,600	66,574	10,974
Treated water sales - Commercial	12,500	12,500	12,692	192
Treated water miscellaneous sales	-	-	675	675
Wastewater sales - Residential	117,600	117,600	116,299	(1,301)
Wastewater sales - Commercial	24,000	24,000	22,578	(1,422)
Liquid waste disposal fees	30,000	30,000	31,641	1,641
Total Operating Revenues	<u>1,378,700</u>	<u>1,378,700</u>	<u>1,960,910</u>	<u>582,210</u>
Operating Expenses				
General and administration:				
Treated water - Salaries and benefits	168,647	168,647	170,955	(2,308)
Treated water - Dues and memberships	270	270	260	10
Treated water - Travel and training	500	500	947	(447)
Wastewater - Salaries and benefits	168,647	168,647	170,971	(2,324)
Wastewater - Dues and memberships	100	100	164	(64)
Wastewater - Travel and training	500	500	1,147	(647)
Audit and accounting	10,000	10,000	8,134	1,866
General engineering	6,000	6,000	-	6,000
Legal	2,000	2,000	1,382	618
Insurance	16,436	16,436	16,168	268
Other	3,000	3,000	845	2,155
Raw water:				
Legal and engineering services	20,000	20,000	17,420	2,580
Purchased water	155,000	155,000	154,667	333
Dam maintenance	10,000	10,000	933	9,067
Storage fees	35,000	35,000	3,400	31,600
Treated water:				
Collection and distribution lines repair	15,000	15,000	10,056	4,944
Equipment maintenance, repair, oil and fuel	8,500	8,500	3,939	4,561
Building facility maintenance	2,500	2,500	385	2,115
Fixture maintenance	10,000	10,000	939	9,061
Lab analysis and chemicals	9,500	9,500	8,286	1,214
Utilities	12,300	12,300	12,658	(358)
Equipment rentals and sanitation	1,400	1,400	315	1,085
Technical support	4,500	4,500	4,006	494
Tools and equipment	8,500	8,500	4,691	3,809
Permit fees	200	200	100	100
Miscellaneous/contingency	2,500	2,500	2,403	97

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, 2016
(Continued)

Wastewater:				
Collection and distribution lines repair	20,000	20,000	7,933	12,067
Equipment maintenance, repair, oil and fuel	8,500	8,500	3,939	4,561
Building facility maintenance	2,000	2,000	212	1,788
Fixture maintenance	5,000	5,000	3,667	1,333
Lab analysis and chemicals	16,000	16,000	14,904	1,096
Sludge hauling	15,000	15,000	10,979	4,021
Utilities	11,900	11,900	11,919	(19)
Technical support	4,300	4,300	4,006	294
Tools and equipment	4,300	4,300	2,266	2,034
Permit fees	1,515	1,515	1,515	-
Miscellaneous/contingency	2,925	2,925	1,506	1,419
Total Operating Expenses	<u>762,440</u>	<u>762,440</u>	<u>658,017</u>	<u>104,423</u>
Other Income (Expenses)				
Treated water - Capital replacement fees	26,000	26,000	29,157	3,157
Wastewater - Capital replacement fees	11,400	11,400	12,596	1,196
Net investment income	1,500	1,500	2,933	1,433
Debt service:				
Treated water - Principal and interest payments	(43,177)	(43,177)	(43,177)	-
Wastewater - Principal and interest payments	<u>(54,159)</u>	<u>(54,159)</u>	<u>(329,128)</u>	<u>(274,969)</u>
Net Other Income (Expenses)	<u>(58,436)</u>	<u>(58,436)</u>	<u>(327,619)</u>	<u>(269,183)</u>
Net Income (Loss) Before Transfers	<u>557,824</u>	<u>557,824</u>	<u>975,274</u>	<u>417,450</u>
Transfers				
Transfers to other funds	<u>(653,754)</u>	<u>(653,754)</u>	<u>(678,754)</u>	<u>(25,000)</u>
Net Transfers	<u>(653,754)</u>	<u>(653,754)</u>	<u>(678,754)</u>	<u>(25,000)</u>
Excess (Deficiency) of Revenues over Expenditures	<u>\$ (95,930)</u>	<u>\$ (95,930)</u>	296,520	<u>\$ 392,450</u>
Budget to GAAP-Basis Adjustments:				
Debt payments			333,102	
Interest expense accrued			(977)	
Depreciation			(294,250)	
Other			1	
Capital assets transferred from Governmental Funds			<u>71,581</u>	
Change in Net Position GAAP			<u>\$ 405,977</u>	

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

City of Victor, Colorado

State Compliance Section

LOCAL HIGHWAY FINANCE REPORT	City or County: Victor
	YEAR ENDING : December 2016
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)	29,700
a. Motor Fuel (from Item I.A.5.)		2. Maintenance:	145,382
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	177,379	b. Snow and ice removal	36,345
3. Other local imposts (from page 2)	5,122	c. Other	
4. Miscellaneous local receipts (from page 2)	927	d. Total (a. through c.)	36,345
5. Transfers from toll facilities		4. General administration & miscellaneous	
6. Proceeds of sale of bonds and notes:		5. Highway law enforcement and safety	156,940
a. Bonds - Original Issues		6. Total (1 through 5)	368,367
b. Bonds - Refunding Issues		B. Debt service on local obligations:	
c. Notes		1. Bonds:	
d. Total (a. + b. + c.)	-	a. Interest	
7. Total (1 through 6)	183,428	b. Redemption	
B. Private Contributions	0	c. Total (a. + b.)	0
C. Receipts from State government (from page 2)	184,939	2. Notes:	
D. Receipts from Federal Government (from page 2)	0	a. Interest	
E. Total receipts (A.7 + B + C + D)	368,367	b. Redemption	
		c. Total (a. + b.)	0
		3. Total (1.c + 2.c)	0
		C. Payments to State for highways	
		D. Payments to toll facilities	
		E. Total disbursements (A.6 + B.3 + C + D.4 + E.5)	368,367

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	368,367	(368,367)	0	0

Notes and Comments:

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

II. RECEIPTS FOR ROAD AND STREET PURPOSES - DETAIL

ITEM	AMOUNT	ITEM	AMOUNT
A.3. Other local imposts:		A.4. Miscellaneous local receipts:	
a. Property Taxes and Assessments		a. Interest on investments	
b. Other local imposts:		b. Traffic Fines & Penalties	
1. Sales Taxes		c. Parking Garage Fees	
2. Infrastructure & Impact Fees		d. Parking Meter Fees	
3. Liens		e. Sale of Surplus Property	
4. Licenses		f. Charges for Services	
5. Specific Ownership &/or Other	2,113	g. Other Misc Gravel Sales	
6. Total (1. through 5.)	2,113	h. Other	
c. Total (a. + b.)	2,113	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	18,547	1. FHWA (from Item I.D.5.)	
2. State general funds		2. Other Federal agencies:	
3. Other State funds:		a. Forest Service	
a. State bond proceeds		b. FEMA	
b. Project Match		c. HUD	
c. Motor Vehicle Registrations	2,113	d. Federal Transit Admin	
d. Other (Specify) - DOLA Grant	164,279	e. U.S. Corps of Engineers	
e. Other (Specify)		f. Other Federal	
f. Total (a. through e.)	166,392	g. Total (a. through f.)	0
4. Total (1. + 2. + 3.f)	184,939	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		29,700	29,700
c. Construction:			
(1). New Facilities			0
(2). Capacity Improvements			0
(3). System Preservation			0
(4). System Enhancement & Operation			0
(5). Total Construction (1) + (2) + (3) + (4)	0	0	0
d. Total Capital Outlay (Lines 1.a. + 1.b. + 1.c.5)	0	29,700	29,700
			(Carry forward to page 1)

Notes and Comments: