

***Town of Arriba, Colorado***  
**Financial Statements**  
**For the Year ended December 31, 2016**



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*By the Office of the State Auditor at 10:23 am, Aug 11, 2017*

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## **Independent Auditors' Report**

To the Honorable Mayor and Members of Town Council  
Town of Arriba  
Arriba, Colorado

### **Report on the Financial Statements**

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

### **Management's Responsibility for the Financial Statements**

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

### **Auditors' Responsibility**

Our responsibility is to express opinions on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

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

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

## **Opinions**

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the Town 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 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 the Town's basic financial statements. The other supplementary information and the local highway finance report listed in the table of contents are presented for purposes of additional analysis and are not a required part of the basic financial statements.

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

*Lauer, Szabo & Associates, P.C.*

Sterling, Colorado  
July 3, 2017

## MANAGEMENT DISCUSSION AND ANALYSIS

This section of the Town of Arriba, Colorado's annual financial report presents the discussion and analysis of the financial performance for the fiscal year that ended December 31, 2016.

### FINANCIAL HIGHLIGHTS

- The Town of Arriba remains in good financial condition.
- The assets of the Town of Arriba exceeded its liabilities at the close of 2016 by \$1,670,070 (net position). Of this amount \$201,680 or 12% is unrestricted and may be used to meet the Town's ongoing obligations to citizens and creditors.
- During the year, the Town's total expenses exceeded revenues by \$30,735.

### OVERVIEW OF THE FINANCIAL STATEMENTS

This discussion and analysis is intended to serve as an introduction to the Town of Arriba's basic financial statements. The Town of Arriba's basic financial statements are comprised of three components:

- Government-wide financial statements
- Fund financial statements.
- Notes to the financial statements.

This report also contains other supplementary information in addition to the basic financial statements themselves.

#### **Government-wide financial statements**

The government-wide statements report information about the Town as a whole using accounting methods similar to those used by private-sector companies.

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

The **statement of activities** presents information showing how the Town of Arriba'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 reported in this statement for some items will result in cash flows in future fiscal periods (e.g., uncollected taxes.)

The government-wide financial statements of the Town are divided into two categories:

- **Governmental activities.** Most of the Town's basic services are included here, such as public works, parks, recreation, and general administration. Property tax and intergovernmental revenue finance most of these activities.
- **Business-type activities.** The Town charges fees to customers to recover most of the costs of certain services provided. The Town's water, sewer and sanitation systems are included here.

The government-wide financial statements can be found starting on page 10 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. Some funds are required to be established by State law, however, the Town Council has established other funds to help control and manage money for particular purposes or to show that it is properly using certain revenue (the Road and Bridge, Conservation Trust and Museum Funds). All of the funds of the Town of Arriba can be divided into two categories: governmental funds and proprietary funds.

**Governmental funds.** Most of the Town's basic services are reported in governmental funds, which focus on how money flows into and out of those funds and the balances left at year-end are available for spending. The funds are reported using an accounting method called modified accrual accounting, which measures cash and all other financial assets that can readily be converted to cash. The governmental funds statement provides a detailed, short-term view to cash, the governmental fund operations and the basic services it provides. Governmental fund information helps you determine whether there are more or fewer financial resources that can be spent in the near future to finance the Town's programs. Because this information does not encompass the additional long-term focus of the government-wide statements, additional information at the bottom of the governmental funds statement is provided, or on the subsequent page, that explains the relationship (or differences) between them.

The basic governmental fund financial statements can be found starting on page 14 of this report.

**Proprietary funds.** When the Town charges customers for the services it provides, whether to outside customers or to other units of the Town, these services are generally reported in proprietary funds. Proprietary funds are reported in the same way that all activities are reported in the Statement of Net Position and the Statement of Activities. The Town's enterprise funds (a component of proprietary funds) are the same as the business-type activities reported in the government-wide statements but provide more detail and additional information, such as cash flows, for proprietary funds.

The basic proprietary fund financial statements can be found starting on page 18 of this report.

**Fiduciary funds.** Fiduciary funds are used to account for resources held for the benefit of parties outside the government. These activities are excluded from the Town's other financial statements because the Town cannot use these assets to finance operations. The Town is responsible for ensuring that the assets reported in these funds are used for their intended purpose.

The Town has no fiduciary funds to 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. The notes to the financial statements can be found starting on page 22 of this report.

## **FINANCIAL ANALYSIS OF THE TOWN AS A WHOLE**

As noted earlier, net position may serve over time as a useful indicator of a government's financial position. In the case of the Town of Arriba, assets exceed liabilities by \$1,670,070 at the close of 2016.

## Net Position

Combined net position of the Town of Arriba as of December 31, 2016 are shown in Table 1 below. The Town did not issue financial statements prepared in accordance with generally accepted accounting principles in the prior year, therefore, a detailed comparison to the prior year is not possible.

**Table 1**  
**NET POSITION**

	Governmental Activities	Business-type Activities	Total Primary Government
Current and other assets	68,677	200,781	269,458
Capital assets	11,061	1,828,112	1,839,173
Total assets	<u>79,738</u>	<u>2,028,893</u>	<u>2,108,631</u>
Long-term debt outstanding	-	398,547	398,547
Other liabilities	1,960	20,786	22,746
Total liabilities	<u>1,960</u>	<u>419,333</u>	<u>421,293</u>
Deferred inflows of resources	17,268	-	17,268
Net position			
Net investment in capital assets	11,061	1,429,565	1,440,626
Restricted	13,044	9,720	22,764
Unrestricted	36,405	170,275	206,680
Total net position	<u>60,510</u>	<u>1,609,560</u>	<u>1,670,070</u>
Total liabilities, deferred inflows and net position	<u>79,738</u>	<u>2,028,893</u>	<u>2,108,631</u>

The largest portion of the Town of Arriba's net position, 86%, reflects its investment in capital assets (land, buildings and equipment). The Town of Arriba uses these capital assets to provide services to citizens; consequently these assets are not available for future spending. In addition, a portion of the Town of Arriba's net position, 1%, represents resources that are subject to external restrictions on how they may be used. The remaining balance of unrestricted net position, 13%, may be used to meet the government's ongoing obligations to citizens and creditors.

At the end of 2016, the Town of Arriba is able to report positive balances in all three categories of net position, both for the government as a whole, as well as for its separate governmental and business-type activities.

## Changes in net position

The Town's total revenue of \$267,969 was more than program expenses of \$156,289 for an increase in net position of \$111,680.

Combined changes in net position of the Town of Arriba as of December 31, 2016 are shown in Table 2 below. The Town did not issue financial statements prepared in accordance with generally accepted accounting principles in the prior year, therefore, a detailed comparison to the prior year is not possible.

**Table 2**  
**CHANGES IN NET POSITION**

	Governmental Activities	Business-type Activities	Total Primary Government
Program revenues			
Charges for services		130,785	130,785
Operating grants	22,719	-	22,719
Capital grants	-	-	-
General revenues			
Property taxes	17,682	-	17,682
Franchise taxes	16,152	-	16,152
Other taxes	1,417	-	1,417
Interest earnings	72	8	80
Gain on sale of assets	-	238	238
Miscellaneous	3,596	-	3,596
Total revenues	61,638	131,031	192,669
Program expenses			
General government	59,183	-	59,183
Public works	13,542	-	13,542
Culture and recreation	3,201	-	3,201
Business-type activities			
Water services	-	71,212	71,212
Sanitation	-	76,266	76,266
Total expenses	75,926	147,478	223,404
Change in net position	(14,288)	(16,447)	(30,735)
Net position at beginning of year	74,798	1,626,007	1,700,805
Net position at end of year	60,510	1,609,560	1,670,070

**Governmental Activities**

Revenue for the Town's governmental activities totaled \$61,638 for 2016. Tax revenue produced 57% of these revenues. Tax revenue includes property taxes, sales and other taxes.

**Table 3**  
**GOVERNMENTAL ACTIVITIES**

	Total Cost of Services	Net Cost of Services
General government	\$ 59,183	\$ 59,183
Public works	13,542	(6,950)
Culture and recreation	3,201	974

Table 3 presents the cost and revenue of each of the Town’s three largest programs – general government, public works, and culture recreation – as well as each program’s *net* cost (total cost less revenues generated by activities). The net cost shows the financial burden that was placed on the Town’s taxpayers by each of these functions.

**Business-type Activities**

Net position in business-type activities decreased by \$16,447 in 2016. Business-type activities include water and sewer services, as well as sanitation services.

**Table 4  
BUSINESS-TYPE ACTIVITIES**

	Total Cost of Services	Net Cost of Services
Water services	\$ 71,212	\$ 6,647
Sewer services	76,266	10,046

Table 4, above, presents the cost and revenue of each of the Town’s business-type activities – water, sewer and sanitation – as well as the program *net* cost (total cost less revenues generated by activities). The net cost shows the financial burden that was placed on the Town’s taxpayers by each of these functions.

**THE TOWN’S FUNDS**

As the Town completed the year, its governmental funds (as presented in the balance sheet on page 14) reported a combined fund balance of \$49,449. The general fund and other governmental funds reported fund balances of \$34,353 and \$15,096, respectively.

**General Fund Budgetary Highlights**

The actual charges to appropriations (expenditures) were \$33,092 above the final budget amounts due to utilities costing less than originally anticipated.

Additionally, resources available for appropriation (revenues) were \$6,547 more than the final budgeted amount. Revenues collected through taxes and intergovernmental sources were lower than anticipated.

**CAPITAL ASSETS AND DEBT ADMINISTRATION**

**Capital Assets.** The Town of Arriba’s investment in capital assets for its governmental and business-type activities as of December 31, 2016, amounts to \$1,839,173 (net of accumulated depreciation). This amount includes a broad range of capital assets, including public works equipment, water, sewer and other infrastructure.

The Town remains committed to the upkeep and maintenance of the Town’s largest assets. More detailed information about the Town’s capital assets is presented in Table 5.

**Table 5**  
**CAPITAL ASSETS ON DECEMBER 31, 2016**

	Governmental Activities	Business-type Activities	Total Primary Government
Land	1,786	-	1,786
Buildings and improvements	4,095	7,387	11,482
Equipment	5,180	23,483	28,663
Systems	-	1,797,242	1,797,242
Total	11,061	1,828,112	1,839,173

**Long-term debt.** The Town had \$398,547 in debt outstanding at year-end. More detailed information about the Town's long-term debt is presented in Table 6 and Note F to the financial statements.

**Table 6**  
**LONG-TERM DEBT ON DECEMBER 31, 2016**

	Governmental Activities	Business-type Activities	Total Primary Government
Notes payable	-	398,547	398,547

**ECONOMIC FACTORS AND NEXT YEAR'S BUDGET AND RATES**

The Town of Arriba is in a good financial position. The remaining funds' revenues and expenditures should be consistent with prior years. At this time the Town does not anticipate any major projects in the future.

**REQUESTS FOR INFORMATION**

This financial report is designed to provide our citizens, taxpayers, customers, investors and creditors with a general overview of the Town's finances and to show the Town's accountability for the funds and assets it receives. If you have questions about this report, or should you need additional financial information, contact Town of Arriba, 711 Front Street, P.O. Box 10, Arriba, Colorado 80804.

## **Basic Financial Statements**

The basic financial statements of the Town include the following:

*Government-wide financial statements.* The government-wide statements display information about the reporting government as a whole, except for its fiduciary activities.

*Fund financial statements.* The fund financial statements display information about major funds individually and nonmajor funds in the aggregate for governmental and enterprise funds.

*Notes to the financial statements.* The notes communicate information essential for fair presentation of the financial statements that is not displayed on the face of the financial statements. As such, the notes are an integral part of the basic financial statements.

**TOWN OF ARRIBA, COLORADO**  
**Statement of Net Position**  
**December 31, 2016**

	Governmental Activities	Business-type Activities	Total
<b>Assets</b>			
Cash and investments	\$ 75,072	\$ 128,753	\$ 203,825
Cash with county treasurer	200		200
Internal balances	(33,934)	33,934	-
Receivables	27,339	28,374	55,713
Capital assets, net of depreciation	11,061	1,828,112	1,839,173
Restricted cash		9,720	9,720
<b>Total assets</b>	<b>\$ 79,738</b>	<b>\$ 2,028,893</b>	<b>\$ 2,108,631</b>
<b>Liabilities</b>			
Accounts payable	\$ 1,960	\$ 4,991	\$ 6,951
Accrued interest payable		190	190
Customer deposits		15,605	15,605
Noncurrent liabilities			
Due within one year		19,474	19,474
Due in more than one year		379,073	379,073
<b>Total liabilities</b>	<b>1,960</b>	<b>419,333</b>	<b>421,293</b>
<b>Deferred inflows of resources</b>			
Deferred property tax revenues	17,268		17,268
<b>Total deferred inflows of resources</b>	<b>17,268</b>	<b>-</b>	<b>17,268</b>
<b>Net position</b>			
Net investment in capital assets	11,061	1,429,565	1,440,626
Restricted for:			
Emergencies	1,800		1,800
Culture and recreation	11,244		11,244
Note reserve		9,720	9,720
Unrestricted	36,405	170,275	206,680
<b>Total net position</b>	<b>60,510</b>	<b>1,609,560</b>	<b>1,670,070</b>
<b>Total liabilities, deferred inflows of resources and net position</b>	<b>\$ 79,738</b>	<b>\$ 2,028,893</b>	<b>\$ 2,108,631</b>

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

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**TOWN OF ARRIBA, COLORADO**  
**Statement of Activities**  
**For the Year Ended December 31, 2016**

	Program Revenues			
	Expenses	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions
Governmental activities				
General government	\$ 59,183			
Public works	13,542		\$ 20,492	
Culture and recreation	3,201		2,227	
Total governmental activities	75,926	\$ -	22,719	\$ -
Business-type activities				
Water services	71,212	64,565		
Sewer services	76,266	66,220		
Total business-type activities	147,478	130,785	-	-
Total	\$ 223,404	\$ 130,785	\$ 22,719	\$ -
General revenues				
Taxes				
Property taxes, levied for general purposes				
Franchise taxes				
Other taxes				
Unrestricted interest on investments				
Gain on sale of assets				
Miscellaneous				
Total general revenues				
Change in net position				
Net position at beginning of year				
Net position at end of year				

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

Net (Expenses) Revenues and  
Changes in Net Position

Governmental Activities	Business-type Activities	Total
\$ (59,183)		\$ (59,183)
6,950		6,950
(974)		(974)
(53,207)	\$ -	(53,207)
	(6,647)	(6,647)
	(10,046)	(10,046)
-	(16,693)	(16,693)
(53,207)	(16,693)	(69,900)
17,682		17,682
16,152		16,152
1,417		1,417
72	8	80
	238	238
3,596		3,596
38,919	246	39,165
(14,288)	(16,447)	(30,735)
74,798	1,626,007	1,700,805
<u>\$ 60,510</u>	<u>\$ 1,609,560</u>	<u>\$ 1,670,070</u>

**TOWN OF ARRIBA, COLORADO**  
**Balance Sheet**  
**Governmental Funds**  
**December 31, 2016**

	General Fund	Other Governmental Funds	Total
<b>Assets</b>			
Cash and investments	\$ 13,206	\$ 61,866	\$ 75,072
Cash with county treasurer	200		200
Due from other funds	46,770		46,770
Property taxes receivable	17,268		17,268
Accounts receivable	10,071		10,071
<b>Total assets</b>	<b>\$ 87,515</b>	<b>\$ 61,866</b>	<b>\$ 149,381</b>
<b>Liabilities</b>			
Accounts payable	\$ 1,960		\$ 1,960
Due to other funds	33,934	\$ 46,770	80,704
<b>Total liabilities</b>	<b>35,894</b>	<b>46,770</b>	<b>82,664</b>
<b>Deferred inflows of resources</b>			
Deferred property tax revenues	17,268		17,268
<b>Total deferred inflows of resources</b>	<b>17,268</b>	<b>-</b>	<b>17,268</b>
<b>Fund balance</b>			
Restricted for emergencies	1,800		1,800
Restricted to culture and recreation		11,244	11,244
Committed to culture and recreation		3,852	3,852
Unassigned	32,553		32,553
<b>Total fund balance</b>	<b>34,353</b>	<b>15,096</b>	<b>49,449</b>
<b>Total liabilities, deferred inflows of resources and fund balance</b>	<b>\$ 87,515</b>	<b>\$ 61,866</b>	<b>\$ 149,381</b>

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

**TOWN OF ARRIBA, COLORADO**  
**Reconciliation of the Balance Sheet of Governmental Funds to the Statement of Net Position**  
**December 31, 2016**

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

Total fund balance - governmental funds	\$ 49,449
Capital assets used in governmental activities are not financial resources and therefore are not reported as assets in the governmental funds.	<u>11,061</u>
Net position of the governmental activities	<u><u>\$ 60,510</u></u>

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

**TOWN OF ARRIBA, COLORADO**  
**Statement of Revenues, Expenditures and Changes in Fund Balance**  
**Governmental Funds**  
**For the Year Ended December 31, 2016**

	General Fund	Other Governmental Funds	Total
Revenues			
Taxes	\$ 35,251	\$ 5,111	\$ 40,362
Intergovernmental	15,381	2,152	17,533
Miscellaneous	3,623	120	3,743
Total revenues	54,255	7,383	61,638
Expenditures			
Current			
General government	58,665		58,665
Public works	5,112	8,220	13,332
Culture and recreation		198	198
Total expenditures	63,777	8,418	72,195
Net change in fund balance	(9,522)	(1,035)	(10,557)
Fund balance at beginning of year	43,875	16,131	60,006
Fund balance at end of year	\$ 34,353	\$ 15,096	\$ 49,449

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

**TOWN OF ARRIBA, COLORADO**  
**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**

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

Net change in fund balance - governmental funds	\$ (10,557)
Capital outlays to purchase or build capital assets are reported in governmental funds as expenditures. However, for governmental activities, those costs are shown in the statement of net position and allocated over their estimated useful lives as annual depreciation expense in the statement of activities. This is the amount by which depreciation exceeded capital outlays in the current period.	<u>(3,731)</u>
Change in net position of governmental activities	<u><u>\$ (14,288)</u></u>

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

**TOWN OF ARRIBA, COLORADO**  
**Statement of Net Position**  
**Proprietary Funds**  
**December 31, 2016**

	Water Fund	Sewer Fund	Total
<b>Assets</b>			
Current assets			
Cash and investments	\$ 21,164	\$ 107,589	\$ 128,753
Due from other funds	14,636	19,298	33,934
Accounts receivable	5,919	22,455	28,374
Total current assets	41,719	149,342	191,061
Noncurrent assets			
Buildings and improvements	3,000	11,439	14,439
Equipment	32,433	44,007	76,440
Systems	1,557,692	806,732	2,364,424
Accumulated depreciation	(241,408)	(385,783)	(627,191)
Restricted cash	9,720		9,720
Total noncurrent assets	1,361,437	476,395	1,837,832
Total assets	<u>\$ 1,403,156</u>	<u>\$ 625,737</u>	<u>\$ 2,028,893</u>
<b>Liabilities</b>			
Current liabilities			
Accounts payable	\$ 691	\$ 4,300	\$ 4,991
Accrued interest payable		190	190
Customer deposits	15,605		15,605
Current portion of notes payable	16,833	2,641	19,474
Total current liabilities	33,129	7,131	40,260
Long-term liabilities			
Notes payable	370,333	8,740	379,073
Total liabilities	403,462	15,871	419,333
<b>Net position</b>			
Net investment in capital assets	964,551	465,014	1,429,565
Restricted for note reserve	9,720		9,720
Unrestricted	25,423	144,852	170,275
Total net position	<u>999,694</u>	<u>609,866</u>	<u>1,609,560</u>
Total liabilities and net position	<u>\$ 1,403,156</u>	<u>\$ 625,737</u>	<u>\$ 2,028,893</u>

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

**TOWN OF ARRIBA, COLORADO**  
**Statement of Revenues, Expenses and Changes in Fund Net Position**  
**Proprietary Funds**  
**For the Year Ended December 31, 2016**

	Water Fund	Sewer Fund Fund	Total
Operating revenues			
Charges for services	\$ 64,565	\$ 66,220	\$ 130,785
Operating expenses			
Salaries	15,880	21,173	37,053
Employee retirement	517	690	1,207
Employee insurance	2,760	3,680	6,440
Payroll taxes	1,452	1,935	3,387
Workman's comp	771	1,028	1,799
Utilities	5,811	8,628	14,439
Repairs and maintenance	328	5,438	5,766
Lab fees	1,695	1,779	3,474
Insurance	2,004	2,672	4,676
Fuel	426	596	1,022
Contract services	4,397	4,388	8,785
Miscellaneous	2,839	4,704	7,543
Depreciation	32,332	18,902	51,234
Total operating expenses	71,212	75,613	146,825
Operating loss	(6,647)	(9,393)	(16,040)
Nonoperating revenues (expenses)			
Interest on investments	3	5	8
Gain on disposal of assets		238	238
Interest and fiscal charges		(653)	(653)
Total nonoperating revenues (expenses)	3	(410)	(407)
Change in net position	(6,644)	(9,803)	(16,447)
Net position at beginning of year	1,006,338	619,669	1,626,007
Net position at end of year	\$ 999,694	\$ 609,866	\$ 1,609,560

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

**TOWN OF ARRIBA, COLORADO**  
**Statement of Cash Flows**  
**Proprietary Funds**  
**For the Year Ended December 31, 2016**

	Water Fund	Sewer Fund	Total
Cash flows from operating activities			
Receipts from customers	\$ 66,287	\$ 65,966	\$ 132,253
Payments to suppliers	(23,064)	(44,887)	(67,951)
Payments to employees	(15,880)	(21,173)	(37,053)
Net cash provided (used) by operating activities	27,343	(94)	27,249
Cash flows from capital and related financing activities			
Purchase of capital assets	(2,167)	(7,020)	(9,187)
Principal paid on capital debt	(16,833)	(2,515)	(19,348)
Interest and fiscal charges		(695)	(695)
Net cash used by capital and related financing activities	(19,000)	(10,230)	(29,230)
Cash flows from investing activities			
Interest on investments	3	5	8
Net cash provided by investing activities	3	5	8
Net increase (decrease) in cash and cash equivalents	8,346	(10,319)	(1,973)
Cash and cash equivalents at beginning of year	22,538	117,908	140,446
Cash and cash equivalents at end of year	\$ 30,884	\$ 107,589	\$ 138,473

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

	Water Fund	Sewer Fund	Total
Reconciliation of operating loss to net cash provided (used) by operating activities			
Operating loss	\$ (6,647)	\$ (9,393)	\$ (16,040)
Adjustments to reconcile operating loss to net cash provided (used) by operating activities			
Depreciation	32,332	18,902	51,234
Change in assets and liabilities			
Accounts receivable	(278)	(254)	(532)
Accounts payable	(64)	(9,349)	(9,413)
Customer deposits	2,000		2,000
Net cash provided (used) by operating activities	<u>\$ 27,343</u>	<u>\$ (94)</u>	<u>\$ 27,249</u>
Cash and cash equivalents consists of:			
Cash	\$ 21,164	\$ 107,589	\$ 128,753
Restricted cash	9,720		9,720
Total	<u>\$ 30,884</u>	<u>\$ 107,589</u>	<u>\$ 138,473</u>

**TOWN OF ARRIBA**  
**Notes to Financial Statements**

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**Note A – Summary of significant accounting policies**

This summary of the Town of Arriba's significant accounting policies is presented to assist the reader in interpreting the financial statements and other data in this report. The policies are considered essential and should be read in conjunction with the accompanying financial statements.

The financial statements of the Town have been prepared in conformity with accounting principles generally accepted in the United States of America as applied to local government units. The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting and financial principles. The more significant of the Town's accounting policies are described below.

**A.1 – Reporting entity**

The financial reporting entity consists of (1) the primary government, (2) organizations for which the primary government is financially accountable, and (3) other organizations for which the nature and significance of their relationship with the primary government are such that exclusion would cause the reporting entity's financial statements to be misleading or incomplete. The reporting entity's financial statements should present the funds of the primary government (including its blended component units, which are, in substance, part of the primary government) and provide an overview of the discretely presented component units.

The Town has examined other entities that could be included as defined in number 2 and 3 above. Based on these criteria, the Town has no component units.

**A.2 – Fund accounting**

The Town uses funds to report its financial position and results of operations. Fund accounting is designed to demonstrate legal compliance and to aid financial management by segregating transactions related to certain government functions or activities. A fund is a separate accounting entity with a self-balancing set of accounts.

Funds are classified into three categories: governmental, proprietary and fiduciary. Each category, in turn, is divided into separate "fund types."

**TOWN OF ARRIBA**  
**Notes to Financial Statements**

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**Note A – Summary of significant accounting policies (Continued)**

Governmental funds are used to account for all or most of a government's general activities, including the collection and disbursement of earmarked funds (special revenue funds), major capital projects (capital projects fund), and the servicing of general long-term debt (debt service fund). The following is the Town's major governmental fund:

General Fund – The General Fund is the operating fund of the Town. It is used to account for most of the day-to-day operations of the Town which are financed from sales and use taxes, property taxes and other general revenues. Activities financed by the general fund include those of line and staff departments within the Town, except for activities of the enterprise funds.

The following are the Town's nonmajor governmental funds:

Road and Bridge Fund – This special revenue fund records costs related to the Town's road and bridge construction and maintenance. A portion of road and bridge taxes is allocated to cities and towns by counties for use in their road and street activities.

Conservation Trust Fund – This fund is a special revenue fund established to account for state lottery proceeds and allowable expenditures.

Museum Fund – This fund is a special revenue fund established to account for revenues related to the operation of the museum and related expenditures.

Proprietary funds focus on the determination of the changes in net position, financial position and cash flows and are classified as either enterprise or internal service. Enterprise funds may be used to account for any activity for which a fee is charged to external users for goods or services. The following are the Town's major proprietary funds:

Water Fund – This fund was established to account for all operations of the water utility services provided by the Town.

Sewer Fund – This fund was established to account for all operations of the sewer utility services provided by the Town.

**Note A.3 – Basis of presentation**

Government-wide financial statements – The statement of net position and the statement of activities display information about the Town as a whole. These statements include the financial activities of the primary government except for fiduciary funds. The statements distinguish between those activities of the Town that are governmental and those that are considered business-type activities.

**TOWN OF ARRIBA**  
**Notes to Financial Statements**

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**Note A – Summary of significant accounting policies (Continued)**

The government-wide statements are prepared using the economic resources measurement focus and the accrual basis of accounting. This is the same approach used in the preparation of the proprietary fund financial statements but differs from the manner in which governmental fund financial statements are prepared. Governmental fund financial statements therefore include reconciliations with a brief explanation to better identify the relationship between the government-wide statements and the statements for governmental funds.

The government-wide statement of activities presents a comparison between direct expenses and program revenues for each segment of the business-type activities of the Town and for each function or program of the Town's governmental activities. Direct expenses are those that are specifically associated with a service, program or department and therefore are clearly identifiable to a particular function. Program revenues include charges paid by the recipient of the goods or services offered by the program and grants and contributions that are restricted to meeting the operational or capital requirements of a particular program. Revenues, which are not classified as program revenues, are presented as general revenues of the Town, with certain limited exceptions. The comparison of direct expenses with program revenues identifies the extent to which each business segment or governmental function is self-financing or draws from the general revenues of the Town.

Fund financial statements – Fund financial statements report detailed information about the Town. The focus of governmental and enterprise fund financial statements is on major funds rather than reporting funds by type. Each major fund is presented in a separate column. Nonmajor funds are aggregated and presented in a single column.

The accounting and financial reporting treatment applied to a fund is determined by its measurement focus. All governmental fund types are accounted for using a flow of current financial resources management focus. The financial statements for governmental funds are a balance sheet, which generally includes only current assets and current liabilities, and a statement of revenues, expenditures and changes in fund balance, which reports the sources (revenues and other financing sources) and uses (expenditures and other financing uses) of current financial resources.

All proprietary fund types are accounted for on a flow of economic resources measurement focus. With this measurement focus, all assets and all liabilities associated with the operations of these funds are included on the statement of net position. The statement of revenues, expenses and changes in fund net position presents increases (revenues) and decreases (expenses) in net total assets. The statement of cash flows provides information about how the Town finances and meets the cash flow needs of its proprietary activities.

**TOWN OF ARRIBA**  
**Notes to Financial Statements**

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**Note A – Summary of significant accounting policies (Continued)**

**A.4 – Basis of accounting**

Basis of accounting determines when transactions are recorded in the financial records and reported on the financial statements. Government-wide financial statements are prepared using the accrual basis of accounting. Governmental funds use the modified accrual basis of accounting. Proprietary and fiduciary funds also use the accrual basis of accounting.

Revenues – exchange and non-exchange transactions – Revenues resulting from exchange transactions, in which each party gives and receives essentially equal value, are recorded on the accrual basis when the exchange takes place. On a modified accrual basis, revenues are recorded in the fiscal year in which the resources are measurable and become available. Available means that the resources will be collected within the current fiscal year or are expected to be collected soon enough thereafter to be used to pay liabilities of the current fiscal year. For the Town, available means expected to be received within sixty days of fiscal year-end.

Nonexchange transactions, in which the Town receives value without directly giving equal value in return, include property taxes, grants, entitlements and donations. On an accrual basis, revenues from property taxes are recognized in the fiscal year for which the taxes are levied. Revenues from grants, entitlements and donations are recognized in the fiscal year in which all eligibility requirements have been satisfied. Eligibility requirements include timing requirements, which specify the year when the resources are required to be used or the fiscal year when use is first permitted, matching requirements, in which the Town must provide local resources to be used for a specified purpose, and expenditure requirements, in which the resources are provided to the Town on a reimbursement basis. On a modified accrual basis, revenue from nonexchange transactions must also be available before it can be recognized.

Unearned revenue – Unearned revenues arise when potential revenue does not meet both the “measurable” and “available” criteria for recognition in the current period. Unearned revenues also arise when resources are received by the Town before it has a legal claim to them, as when grant monies are received prior to meeting eligibility requirements. In subsequent periods, when both revenue recognition criteria are met, or when the Town has a legal claim to the resources, the liability for unearned revenue is removed and the revenue is recognized.

Deferred outflows/inflows of resources - In addition to assets, the statement of financial position will sometimes report a separate section for deferred outflows of resources. This separate financial statement element, deferred outflows of resources, represents a consumption of net position that applies to a future period(s) and so will not be recognized as an outflow of resources (expense/expenditure) until then.

**TOWN OF ARRIBA**  
**Notes to Financial Statements**

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**Note A – Summary of significant accounting policies (Continued)**

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

Expenses/expenditures – On the accrual basis of accounting, expenses are recognized at the time they are incurred. The measurement focus of governmental fund accounting is on decreases in net financial resources (expenditures) rather than expenses. Expenditures are generally recognized in the accounting period in which the related fund liability is incurred, if measurable. Allocations of cost, such as depreciation and amortization, are not recognized in the governmental funds.

**A.5 – Encumbrances**

Encumbrances outstanding at year-end are considered immaterial and thus are not reported as reservations of fund balance.

**A.6 – Cash and cash equivalents**

For the purposes of the statement of cash flows, the Town considers all highly liquid debt instruments with an original maturity of three months or less to be cash equivalents.

**A.7 – Short-term interfund receivables/payables**

During the course of operations, numerous transactions occur between individual funds for goods provided or services rendered. These receivables and payables are classified as internal balances on the government-wide statement of net position, and are classified as due from other funds or due to other funds on the balance sheet.

**A.8 – Receivables**

Monthly charges for water services are included with monthly utility billings. No allowance for doubtful accounts has been provided in the accompanying financial statements since substantially all accounts are deemed by management to be collectible.

**TOWN OF ARRIBA**  
**Notes to Financial Statements**

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**Note A - Summary of significant accounting policies (Continued)**

**A.9 - Capital assets**

General capital assets are those assets not specifically related to activities reported in the proprietary funds. These assets generally result from expenditures in the governmental funds. These assets are reported in the governmental activities column of the government-wide statement of net position, but are not reported in the fund financial statements. Capital assets utilized by the proprietary funds are reported both in the business-type activities column of the government-wide statement of net position and in the respective fund financial statements.

All capital assets with a unit cost greater than \$1,000 are capitalized at cost (or estimated historical cost, if actual cost is not available) and updated for additions and retirements during the year. Donated capital assets are recorded at their fair value on the date received. Improvements to assets are capitalized; the cost of normal maintenance and repairs that do not add to the value of the asset or materially extend the life of the asset are not. Infrastructure assets, consisting of certain improvements other than buildings (such as parking facilities, sidewalks, landscaping and lighting systems) are capitalized on a prospective basis beginning in 2004.

Interest is capitalized on proprietary fund assets acquired with tax-exempt debt. The amount of interest to be capitalized is calculated by offsetting interest expense incurred from the date of borrowing until project completion with interest earned on invested proceeds over the same period. No interest was capitalized during the year.

All reported capital assets are depreciated with the exception of land costs. Improvements are depreciated over the remaining useful lives of the related capital assets. Depreciation is computed using the straight-line method over the following useful lives:

<u>Description</u>	<u>Governmental Activities</u>	<u>Business-type Activities</u>
Buildings and improvements	20-40 years	20-40 years
Equipment	5-25 years	5-20 years
Systems	10-50 years	10-50 years

**TOWN OF ARRIBA**  
**Notes to Financial Statements**

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**Note A – Summary of significant accounting policies (Continued)**

**A.10 – Accrued liabilities and long-term obligations**

All payables, accrued liabilities and long-term obligations are reported in the government-wide financial statements, and all payables, accrued liabilities and long-term obligations payable from proprietary funds are reported on the proprietary fund financial statements.

In general, payables and accrued liabilities that will be paid from governmental funds are reported on the governmental fund financial statements regardless of whether they will be liquidated with current resources. However, the noncurrent portion of compensated absences that will be paid from governmental funds are reported as a liability in the fund financial statements only to the extent that they will be paid with current, expendable, available financial resources. Bonds payable and other long-term obligations that will be paid from governmental funds are not recognized as a liability in the fund financial statements until due.

**A.11 – Net position**

Net position represents the difference between assets and liabilities. Net investment in capital assets consists of capital assets, net of accumulated depreciation, reduced by the outstanding balances of any borrowings used for the acquisition, construction or improvement of those assets. Net position are reported as restricted when there are liabilities imposed on their use either through the enabling legislation adopted by the Town or through external restrictions imposed by creditors, grantors or laws or regulations of other governments.

The Town applies restricted resources when an expense is incurred for purposes for which both restricted and unrestricted net positions are available.

**A.12 – Operating revenues and expenses**

Operating revenues are those revenues that are generated directly from the primary activity of the proprietary funds. For the Town, these revenues are service charges for electric, water, sewer and sanitation utility services. Operating expenses are necessary costs incurred to provide the goods or services that are the primary activity of the fund. All revenues and expenses not meeting this definition are reported as nonoperating revenues and expenses.

**TOWN OF ARRIBA**  
**Notes to Financial Statements**

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**Note A – Summary of significant accounting policies (Continued)**

**A.13 – Interfund transactions**

Quasi-external transactions are accounted for as revenues, expenditures or expenses. Transactions that constitute reimbursements to a fund for expenditures/expenses initially made from it that are properly applicable to another fund, are recorded as expenditures/expenses in the reimbursing fund and as reductions of expenditures/expenses in the fund that is reimbursed. All other interfund transactions, except quasi-external transactions and reimbursements, are reported as transfers. In general, the effect of interfund activity has been eliminated from the government-wide financial statements.

**A.14 – Fund balance**

The Governmental Accounting Standards Board (GASB) has issued Statement No. 54, *Fund Balance Reporting and Governmental Fund Type Definitions* (GASB 54). This Statement defines the different type of fund balances that a governmental entity must use for financial reporting purposes.

GASB 54 requires the fund balance amounts to be properly reported within one of the fund balance categories listed below.

*Nonspendable*, such as fund balance associated with inventories, prepaid expenditures, long-term loans and notes receivable, and property held for resale (unless the proceeds are restricted, committed or assigned),

*Restricted* fund balance category includes amounts that can be spent only for the specific purposes stipulated by constitution, external resource providers, or through enabling legislation,

*Committed* fund balance classification includes amounts that can be used only for the specific purposes determined by a formal action of the Town Council (the Town's highest level of decision-making authority),

*Assigned* fund balance classification are intended to be used by the government for specific purposes but do not meet the criteria to be classified as restricted or committed, and

*Unassigned* fund balance is the residual classification for the Town's general fund and includes all spendable amounts not contained in the other classifications.

**TOWN OF ARRIBA**  
**Notes to Financial Statements**

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**Note A – Summary of significant accounting policies (Continued)**

Committed fund balance is established by a formal passage of a resolution. This is typically done through the adoption and amendment of the budget. A fund balance commitment is further indicated in the budget document as a designation or commitment of the fund. Assigned fund balance is established by the members of town council through adoption or amendment of the budget as intended for specific purpose (such as purchase of fixed assets, construction, debt service or for other purposes).

When both restricted and unrestricted resources are available in governmental funds, the Town applies expenditures against restricted fund balance first, and followed by committed fund balance, assigned fund balance and unassigned fund balance.

**Note B – Cash and deposits**

**Cash and deposits**

Colorado State statutes govern the Town's deposit of cash. The Public Deposit Protection Acts (PDPA) for banks and savings and loans require state regulators to certify eligible depositories for public deposits. The PDPA require eligible depositories with public deposits in excess of federal insurance levels to create a single institution collateral pool of defined eligible assets. Eligible collateral includes obligations of the United States, obligations of the State of Colorado or Colorado local governments and obligations secured by first lien mortgages on real property located in the state. The pool is to be maintained by another institution or held in trust for all uninsured public deposits as a group and not held in any individual government's name. The fair value of the assets in the pool must be at least equal to 102% of the aggregate uninsured deposits.

Custodial credit risk – deposits – Custodial risk is the risk that in the event of a bank failure, the Town's deposits may not be returned to it. The Town does not have a deposit policy for custodial credit risk. As of year-end, the Town had total deposits of \$211,730, which were insured in their entirety.

**Investments**

Authorized investments – Investment policies are governed by Colorado State Statutes and the Town's own investment policies and procedures. Investments of the Town may include:

**TOWN OF ARRIBA**  
**Notes to Financial Statements**

**Note B – Cash and deposits (Continued)**

- Obligations of the United States Government such as treasury bills, notes and bonds
- Certain international agency securities
- General obligation and revenue bonds of United States local government entities
- Bankers acceptances of certain banks
- Commercial paper
- Local government investment pools
- Written repurchase agreements collateralized by certain authorized securities
- Certain money market funds
- Guaranteed investment contracts

At year-end, the Town's did not hold any investments.

**Note C – Interfund transactions**

The following is a summary of interfund borrowings and transfers for the year as presented in the fund financial statements:

<u>Interfund Receivable</u>	<u>Interfund Payable</u>	<u>Amount</u>
General Fund	Other Governmental Funds	\$ 46,770
Water Fund	General Fund	14,636
Sewer Fund	General Fund	<u>19,298</u>
Totals		<u>\$ 80,704</u>

All balances resulted from the time lag between the dates that (1) interfund reimbursable expenditures occur, (2) transactions are recorded in the accounting system, and (3) payments between funds are made.

**Note D – Receivables**

Receivables at year-end consist of the following:

	<u>Governmental Activities</u>	<u>Business-type Activities</u>	<u>Total Receivables</u>
Property taxes	\$ 17,268	\$ -	\$ 17,268
Utility billings	-	28,374	28,374
Other receivables	<u>10,071</u>	<u>-</u>	<u>10,071</u>
Total	<u>\$ 27,339</u>	<u>\$ 28,374</u>	<u>\$ 55,713</u>

**TOWN OF ARRIBA**  
**Notes to Financial Statements**

**Note D – Receivables (Continued)**

Property taxes are levied on December 15<sup>th</sup> and attach as a lien on property the following January 1<sup>st</sup>. They are payable in full by April 30<sup>th</sup> or are due in two equal installments on February 28<sup>th</sup> and June 15<sup>th</sup>. Sedgwick County bills and collects property taxes for all taxing entities within the County. The tax receipts collected by the county are remitted to the Town in the subsequent month.

**Note E – Capital assets**

Capital asset activity for the year was as follows:

	<u>Beginning Balance</u>	<u>Additions</u>	<u>Deletions/ Transfers</u>	<u>Ending Balance</u>
<b>Governmental activities</b>				
Capital assets, not being depreciated:				
Land	\$ 1,786	\$ -	\$ -	\$ 1,786
Total capital assets, not being depreciated	1,786	-	-	1,786
Capital assets, being depreciated:				
Buildings and improvements	9,963	-	-	9,963
Equipment	<u>120,108</u>	<u>-</u>	<u>-</u>	<u>120,108</u>
Total capital assets, being depreciated	<u>130,071</u>	<u>-</u>	<u>-</u>	<u>130,071</u>
Total capital assets	131,857	-	-	131,857
Less accumulated depreciation for:				
Buildings and improvements	(5,624)	(244)	-	(5,868)
Equipment	<u>(111,441)</u>	<u>(3,487)</u>	<u>-</u>	<u>(114,928)</u>
Total accumulated depreciation	<u>(117,065)</u>	<u>(3,731)</u>	<u>-</u>	<u>(120,796)</u>
Governmental activities capital assets, net	<u>\$ 14,792</u>	<u>\$ (3,731)</u>	<u>\$ -</u>	<u>\$ 11,061</u>

**TOWN OF ARRIBA**  
**Notes to Financial Statements**

**Note E – Capital assets (Continued)**

	<u>Beginning Balance</u>	<u>Additions</u>	<u>Deletions/ Transfers</u>	<u>Ending Balance</u>
<b>Business-type activities</b>				
Capital assets, being depreciated				
Buildings and improvements	\$ 14,439	\$ -	\$ -	\$ 14,439
Equipment	70,761	9,187	(3,508)	76,440
Systems	<u>2,364,424</u>	<u>-</u>	<u>-</u>	<u>2,364,424</u>
Total capital assets	2,449,624	9,187	(3,508)	2,455,303
Less accumulated depreciation for:				
Buildings and improvements	(6,734)	(318)	-	(7,052)
Equipment	(49,672)	(3,519)	234	(52,957)
Systems	<u>(519,785)</u>	<u>(47,397)</u>	<u>-</u>	<u>(567,182)</u>
Total accumulated depreciation	<u>(576,191)</u>	<u>(51,234)</u>	<u>234</u>	<u>(627,191)</u>
Business-type activities capital assets, net	<u>\$ 1,873,433</u>	<u>\$ (42,047)</u>	<u>\$ (3,274)</u>	<u>\$ 1,828,112</u>

Depreciation expense was charged to programs of the primary government as follows:

<b>Governmental activities</b>	
General government	\$ 518
Public works	210
Culture and recreation	<u>3,003</u>
Total governmental activities	3,731
<b>Business-type activities</b>	
Water	32,332
Sewer	<u>18,902</u>
Total business-type activities	<u>51,234</u>
Total depreciation expense	<u>\$ 54,965</u>

**TOWN OF ARRIBA**  
**Notes to Financial Statements**

**Note F – Long-term debt**

The following is a summary of the changes in long-term debt for the year:

	<u>Beginning Balances</u>	<u>Additions</u>	<u>Reductions</u>	<u>Ending Balances</u>	<u>Due within one year</u>
<b>Business-type</b>					
Notes payable	\$ 417,895	\$ -	\$ (19,348)	\$ 398,547	\$ 19,474

Notes payable at year-end consist of the following individual issues:

\$40,000 agreement with the Department of Local Affairs, due in annual installments of \$3,210, including interest, with a final payment due in 2020.	\$ 11,381
\$505,000 agreement with Colorado Water Resources and Power Development Authority, due in semi-annual installments of \$8,417, through 2039.	<u>387,166</u>
Total	<u>\$ 398,547</u>

The following schedule represents the Town's debt service requirements to maturity for the outstanding long-term debt at year-end:

<u>Year ended December 31,</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2017	\$ 19,474	\$ 569	\$ 20,043
2018	19,606	437	20,043
2019	19,745	298	20,043
2020	19,890	153	20,043
2021	16,833	-	16,833
2022-2026	84,167	-	84,167
2027-2031	84,166	-	84,166
2032-2036	84,166	-	84,166
2037-2039	<u>50,500</u>	<u>-</u>	<u>50,500</u>
Total	<u>\$ 398,547</u>	<u>\$ 1,457</u>	<u>\$ 400,004</u>

**TOWN OF ARRIBA**  
**Notes to Financial Statements**

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**Note G – Risk management**

The Town is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; injuries to employees; and natural disasters. The Town has affiliated with the Colorado Intergovernmental Risk Sharing Agency (CIRSA) to provide protection against losses incurred related to property, casualty, general liability and workers compensation claims. CIRSA is a separate legal entity established by member municipalities pursuant to the provisions of the Colorado Revised Statutes and the Colorado Constitution. The purposes of CIRSA are to provide members defined liability, property and workers compensation coverages and to assist members to prevent and reduce losses and injuries to municipal property and to persons or property which might result in claims being made against members of CIRSA, their employees, or officers. The Town makes an annual contribution to CIRSA for its insurance coverage. For the year, the Town's financial contribution to CIRSA was \$8,460. Contingent liability claims for the coverage have not been recognized to date after reviewing claim history and the remoteness of potential loss in excess of actual contributions by the Town. Settled claims resulting from these risks have not exceeded commercial insurance coverage or the deductible in any of the past three years. There has been no significant reduction in insurance coverage from the prior year in any of the major categories of risk.

**Note H – Commitments and contingencies**

**TABOR Amendment**

In November 1992, Colorado voters passed an amendment, commonly known as the Taxpayer's Bill of Rights (TABOR), to the State Constitution (Article X, Section 20) which limits the revenue raising and spending abilities of state and local governments. The limits on property taxes, revenue, and "fiscal year spending" include allowable annual increases tied to inflation and local growth. Fiscal year spending as defined by the amendment excludes spending from certain revenue and financing sources such as federal funds, gifts, property sales, fund transfers, damage awards, and fund reserves (balances). The amendment requires voter approval for any increase in mill levy or tax rates, new taxes, or creation of multi-year debt. Revenue earned in excess of the "spending limit" must be refunded or approved to be retained by the Town under specified voting requirements by the entire electorate. In April 1998, the voters of the Town approved a ballot initiative permitting the Town to retain, appropriate, and utilize, by retention for reserve, carryover fund balance, or expenditure, the full proceeds and revenues received from every source whatsoever, without limitation, in this fiscal year and all subsequent fiscal years notwithstanding any limitation of Article X, Section 20 of the Colorado Constitution. TABOR is complex and subject to judicial interpretation.

**TOWN OF ARRIBA**  
**Notes to Financial Statements**

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**Note H – Commitments and contingencies (Continued)**

The Town believes it is in compliance with the requirements of TABOR. However, the Town has made certain interpretations of TABOR's language in order to determine its compliance. TABOR requires an emergency reserve to be set aside in the amount of 3% or more of its fiscal year spending for 1995 and subsequent years thereafter. At year-end, the Town has reserved funds in the General Fund in the amount of \$1,800 for the emergency reserve.

**CWRPDA debt covenants**

Rate covenant – during the loan term, the Town shall establish, impose and collect, rents, rates and other charges for the products and services provided by the system, which shall be at least sufficient, together with other amounts available therefore, and after meeting the operation and maintenance expenses of the system, to pay 110% of the debt service coming due in such calendar year. The net operating revenues of the Water Fund were 153% of the current year's debt service obligation.

Operations and maintenance fund – the Town shall maintain an operations and maintenance reserve in an amount equal to three months of operation and maintenance expenses, excluding depreciation, of the system as set forth in the annual budget for the current fiscal year. Said reserve may be in the form of unobligated fund balances or other unobligated cash or securities or may be in a separate segregated fund. The required reserve, in the amount of \$9,720, has been reported as "restricted cash" in the Water Fund on the Statement of Net Position.

### **Required Supplementary Information**

Required supplementary information includes financial information and disclosures that are required by the Governmental Accounting Standards Board but are not considered a part of the basic financial statements. Such information includes:

- Budgetary Comparison Schedule – General Fund

**TOWN OF ARRIBA, COLORADO**  
**General Fund**  
**Budgetary Comparison Schedule**  
**For the Year Ended December 31, 2016**

	Budgeted Amounts		Actual	Variance with Final Budget Favorable (Unfavorable)
	Original	Final		
Revenues				
Taxes	\$ 37,893	\$ 37,893	\$ 35,251	\$ (2,642)
Intergovernmental	14,150	14,150	15,381	1,231
Miscellaneous	8,759	8,759	3,623	(5,136)
Total revenues	60,802	60,802	54,255	(6,547)
Expenditures				
Current				
General government	55,020	55,020	58,665	(3,645)
Public works	22,100	22,100	5,112	16,988
Contingency reserve	19,749	19,749		19,749
Total expenditures	96,869	96,869	63,777	33,092
Net change in fund balance	\$ (36,067)	\$ (36,067)	(9,522)	\$ 26,545
Fund balance at beginning of year			43,875	
Fund balance at end of year			\$ 34,353	

**TOWN OF ARRIBA, COLORADO**  
**Notes to the Required Supplementary Information**

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**Note A – Budgetary data**

Annual budgets are established for all funds of the Town as required by state budget laws. Budgets for all funds are adopted on a basis consistent with generally accepted accounting principles except for the enterprise and internal service funds in which capital and principal retirement expenses are treated as operating expenses and depreciation expense is not budgeted.

An appropriated budget for the entity as a whole is prepared on a detailed basis. Revenues are budgeted by source. Expenditures are budgeted by department and the major divisions thereof and by each independent office and agency and by the principal objects of expenditure. The legal level of control is considered to be the entity as a whole and expenditures may not exceed appropriations at this level. All budget revisions at this level are subject to final review and approval by Town council. Within these control levels, management may transfer appropriations without Town council approval. Revisions to the budget were made during the year.

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

- On or before September 20<sup>th</sup> of each year, or in conformity with the general state law, the Town clerk submits to the Town council a budget which shall be a complete financial plan for the ensuing fiscal year.
- At the same time the budget is submitted, the Town manager shall also prepare an appropriation ordinance making a levy in mills upon all taxable property within the Town for the ensuing fiscal year.
- A public hearing on the budget shall be held by Town council two weeks after its submission. Notice of the time and place of said hearing shall be published within three days after the submission of the budget.
- Prior to December 15<sup>th</sup>, or in conformity with the general state law, the Town council shall adopt the budget and the tax levy ordinance.
- Any portion of any annual appropriation remaining unexpended and unencumbered at the close of the budget year shall be declared surplus and included in the budget for the ensuing year as those appropriations lapse at year-end.

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### **Other Supplementary Information**

Other supplementary information includes financial statements and schedules not required by the Governmental Accounting Standards Board, nor a part of the basic financial statements, but are presented for purposes of additional analysis.

Such statements and schedules include:

- Budgetary Comparison Schedules – General Fund Revenues and Expenditures
- Budgetary Comparison Schedule – Road and Bridge Fund
- Budgetary Comparison Schedule – Conservation Trust Fund
- Budgetary Comparison Schedule – Museum Fund
- Budgetary Comparison Schedules – Proprietary Funds

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### **Budgetary Comparison Schedules – General Fund**

The General Fund accounts for all transactions of the Town not required to be accounted for in other funds. This fund represents an accounting of the Town's ordinary operations financed primarily from tax dollars and intergovernmental aid. It is the most significant fund in relation to the Town's overall operations. The budgetary comparison schedules of revenues and expenditures are included to provide a greater level of detail to the reader of the financial statements.

**TOWN OF ARRIBA, COLORADO**  
**General Fund**  
**Budgetary Comparison Schedule - Revenues**  
**For the Year Ended December 31, 2016**

	Budgeted Amounts		Actual	Variance with Final Budget Favorable (Unfavorable)
	Original	Final		
<b>Taxes</b>				
Property taxes	\$ 18,768	\$ 18,768	\$ 17,682	\$ (1,086)
Specific ownership taxes	3,000	3,000	1,374	(1,626)
Penalties and interest on taxes	125	125	43	(82)
Franchise taxes	16,000	16,000	16,152	152
<b>Total taxes</b>	<b>37,893</b>	<b>37,893</b>	<b>35,251</b>	<b>(2,642)</b>
<b>Intergovernmental</b>				
Motor vehicle assessments	1,100	1,100	1,193	93
Cigarette tax	50	50		(50)
Highway users tax	13,000	13,000	14,188	1,188
<b>Total intergovernmental</b>	<b>14,150</b>	<b>14,150</b>	<b>15,381</b>	<b>1,231</b>
<b>Miscellaneous</b>				
Interest on investments	9	9	27	18
Machine rental	500	500		(500)
Senior citizens program	550	550	909	359
Refunds	500	500	230	(270)
Miscellaneous	7,200	7,200	2,457	(4,743)
<b>Total miscellaneous</b>	<b>8,759</b>	<b>8,759</b>	<b>3,623</b>	<b>(5,136)</b>
<b>Total revenues</b>	<b>\$ 60,802</b>	<b>\$ 60,802</b>	<b>\$ 54,255</b>	<b>\$ (6,547)</b>

**TOWN OF ARRIBA, COLORADO**  
**General Fund**  
**Budgetary Comparison Schedule - Expenditures**  
**For the Year Ended December 31, 2016**

	Budgeted Amounts		Actual	Variance with Final Budget Favorable (Unfavorable)
	Original	Final		
General government				
Salaries	\$ 4,500	\$ 4,500	\$ 15,880	\$ (11,380)
Payroll taxes	1,100	1,100	1,452	(352)
Employee retirement	540	540	368	172
Employee insurance	3,600	3,600	2,637	963
County treasurer fees	600	600	355	245
Municipal attorney	600	600	7,033	(6,433)
Municipal judge	550	550	390	160
Utilities	17,000	17,000	5,665	11,335
Telephone	2,200	2,200	2,529	(329)
Insurance	3,600	3,600	3,154	446
Workman's compensation	700	700	817	(117)
Office supplies	1,500	1,500	2,291	(791)
Professional fees	5,500	5,500	2,250	3,250
Dues	2,000	2,000	1,106	894
Senior citizens program	866	866	1,817	(951)
Election	1,000	1,000	6,986	(5,986)
Miscellaneous	9,164	9,164	3,935	5,229
Total general government	55,020	55,020	58,665	(3,645)
Public works				
Labor	7,600	7,600		7,600
Contract labor	200	200		200
Fuel	2,500	2,500	427	2,073
Repairs and maintenance	5,000	5,000	2,689	2,311
Supplies	3,800	3,800	1,996	1,804
Miscellaneous	3,000	3,000		3,000
Total public works	22,100	22,100	5,112	16,988
Contingency reserve	19,749	19,749		19,749
Total expenditures	\$ 96,869	\$ 96,869	\$ 63,777	\$ 33,092

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## **Budgetary Comparison Schedules – Nonmajor Governmental Funds**

The Town reports the following nonmajor governmental funds:

Special Revenue Funds – These funds account for the proceeds of specific revenue sources that are legally restricted to expenditures for specified purposes.

- Road and Bridge Fund – This special revenue fund records costs related to the Town’s road and bridge construction and maintenance. A portion of road and bridge taxes is allocated to cities and towns by counties for use in their road and street activities.
- Conservation Trust Fund – This fund is a special revenue fund established to account for state lottery proceeds and allowable expenditures.
- Museum Fund – This fund is a special revenue fund established to account for revenues related to the operation of the museum and related expenditures.

**TOWN OF ARRIBA, COLORADO**  
**Nonmajor Governmental Funds**  
**Combining Balance Sheet**  
**December 31, 2016**

	Road and Bridge Fund	Conservation Trust Fund	Museum Fund	Total
<b>Assets</b>				
Cash and investments	\$ 46,770	\$ 11,244	\$ 3,852	\$ 61,866
Total assets	<u>\$ 46,770</u>	<u>\$ 11,244</u>	<u>\$ 3,852</u>	<u>\$ 61,866</u>
<b>Liabilities</b>				
Due to other funds	\$ 46,770			\$ 46,770
Total liabilities	46,770	\$ -	\$ -	46,770
<b>Fund balance</b>				
Restricted for culture and recreation		11,244		11,244
Committed to culture and recreation			3,852	3,852
Total fund balance	<u>-</u>	<u>11,244</u>	<u>3,852</u>	<u>15,096</u>
Total liabilities and fund balance	<u>\$ 46,770</u>	<u>\$ 11,244</u>	<u>\$ 3,852</u>	<u>\$ 61,866</u>

**TOWN OF ARRIBA, COLORADO**  
**Nonmajor Governmental Funds**  
**Combining Statement of Revenues, Expenditures and Changes in Fund Balance**  
**For the Year Ended December 31, 2016**

	Road and Bridge Fund	Conservation Trust Fund	Museum Fund	Total
Revenues				
Taxes	\$ 5,111			\$ 5,111
Intergovernmental revenue		\$ 2,152		2,152
Earnings on investments	45			45
Miscellaneous			\$ 75	75
Total revenues	5,156	2,152	75	7,383
Expenditures				
Highways and streets	8,220			8,220
Culture and recreation			198	198
Total expenditures	8,220	-	198	8,418
Net change in fund balance	(3,064)	2,152	(123)	(1,035)
Fund balance at beginning of year	3,064	9,092	3,975	16,131
Fund balance at end of year	\$ -	\$ 11,244	\$ 3,852	\$ 15,096

**TOWN OF ARRIBA, COLORADO**  
**Road and Bridge Fund**  
**Budgetary Comparison Schedule**  
**For the Year Ended December 31, 2016**

	Budgeted Amounts		Actual	Variance with Final Budget Favorable (Unfavorable)
	Original	Final		
<b>Revenues</b>				
Road and bridge taxes	\$ 2,000	\$ 2,000	\$ 5,111	\$ 3,111
Interest on investments	30	30	45	15
Total revenues	2,030	2,030	5,156	3,126
<b>Expenditures</b>				
Highways and streets				
Supplies			119	(119)
Repairs and maintenance			395	(395)
Utilities			7,706	(7,706)
Capital outlay	2,000	2,000		2,000
Contingency reserve	32,215	32,215		32,215
Total expenditures	34,215	34,215	8,220	25,995
Net change in fund balance	\$ (32,185)	\$ (32,185)	(3,064)	\$ 29,121
Fund balance at beginning of year			3,064	
Fund balance at end of year			\$ -	

**TOWN OF ARRIBA, COLORADO**  
**Conservation Trust Fund**  
**Budgetary Comparison Schedule**  
**For the Year Ended December 31, 2016**

	Budgeted Amounts		Actual	Variance with Final Budget Favorable (Unfavorable)
	Original	Final		
Revenues				
Intergovernmental	\$ 1,873	\$ 1,873	\$ 2,152	\$ 279
Expenditures				
Culture and recreation				
Repairs and maintenance	5,500	5,500		5,500
Capital outlay	400	400		400
Contingency reserve	2,336	2,336		2,336
Total expenditures	8,236	8,236	-	8,236
Net change in fund balance	\$ (6,363)	\$ (6,363)	2,152	\$ 8,515
Fund balance at beginning of year			9,092	
Fund balance at end of year			\$ 11,244	

**TOWN OF ARRIBA, COLORADO**  
**Museum Fund**  
**Budgetary Comparison Schedule**  
**For the Year Ended December 31, 2016**

	Budgeted Amounts		Actual	Variance with Final Budget Favorable (Unfavorable)
	Original	Final		
Revenues				
Contributions	\$ 100	\$ 100	\$ 75	\$ (25)
Expenditures				
Culture and recreation				
Supplies			40	(40)
Miscellaneous	300	300	158	142
Contingency reserve	3,225	3,225		3,225
Total expenditures	3,525	3,525	198	3,327
Net change in fund balance	<u>\$ (3,425)</u>	<u>\$ (3,425)</u>	(123)	<u>\$ 3,302</u>
Fund balance at beginning of year			3,975	
Fund balance at end of year			<u>\$ 3,852</u>	

## **Budgetary Comparison Schedules – Proprietary Funds**

The Town reports the following major proprietary funds:

Enterprise Funds – These funds are used to account for operations that provide services that are financed primarily by user charges, or activities where periodic measurement of income is appropriate for capital maintenance, public policy, management control or other purposes.

- Water Fund – This fund was established to account for all operations of the water utility services provided by the Town.
- Sewer Fund – This fund was established to account for all operations of the sewer utility services provided by the Town.

**TOWN OF ARRIBA, COLORADO**  
**Water Fund**  
**Budgetary Comparison Schedule**  
**For the Year Ended December 31, 2016**

	Budgeted Amounts		Actual	Variance with Final Budget Favorable (Unfavorable)
	Original	Final		
Operating revenues				
Charges for services	\$ 54,701	\$ 54,701	\$ 64,565	\$ 9,864
Operating expenses				
Salaries	12,000	12,000	15,880	(3,880)
Employee retirement	630	630	517	113
Employee insurance	3,600	3,600	2,760	840
Payroll taxes	1,100	1,100	1,452	(352)
Workman's comp	730	730	771	(41)
Utilities	7,500	7,500	5,811	1,689
Repairs and maintenance	5,500	5,500	328	5,172
Lab fees	3,500	3,500	1,695	1,805
Insurance	3,600	3,600	2,004	1,596
Fuel	2,200	2,200	426	1,774
Contract services	4,000	4,000	4,397	(397)
Miscellaneous	9,625	9,625	2,839	6,786
Capital outlay	500	500	2,167	(1,667)
Contingency reserve	12,783	12,783		12,783
Total operating expenses	67,268	67,268	41,047	26,221
Operating income (loss)	(12,567)	(12,567)	23,518	36,085
Nonoperating revenues (expenses)				
Other revenues	4,000	4,000		(4,000)
Interest on investments	2	2	3	1
Principal paid on long-term debt	(16,863)	(16,863)	(16,833)	(30)
Total nonoperating revenues (expenses)	(12,861)	(12,861)	(16,830)	(3,969)
Change in net position	\$ (25,428)	\$ (25,428)	6,688	\$ 32,116

	Budgeted Amounts		Actual	Variance with Final Budget Favorable (Unfavorable)
	Original	Final		
Adjustments to GAAP Basis				
Add capital outlay			2,167	
Add principal on long-term debt			16,833	
Deduct depreciation			(32,332)	
Change in net position - GAAP Basis			(6,644)	
Net position at beginning of year			1,006,338	
Net position at end of year			\$ 999,694	

**TOWN OF ARRIBA, COLORADO**  
**Sewer Fund**  
**Budgetary Comparison Schedule**  
**For the Year Ended December 31, 2016**

	Budgeted Amounts		Actual	Variance with Final Budget Favorable (Unfavorable)
	Original	Final		
Operating revenues				
Charges for services	\$ 59,700	\$ 59,700	\$ 66,220	\$ 6,520
Operating expenses				
Salaries	15,000	15,000	21,173	(6,173)
Employee retirement	720	720	690	30
Employee insurance	4,800	4,800	3,680	1,120
Payroll taxes	2,000	2,000	1,935	65
Workman's comp	730	730	1,028	(298)
Utilities	7,000	7,000	8,628	(1,628)
Repairs and maintenance	20,000	20,000	5,438	14,562
Lab fees	4,500	4,500	1,779	2,721
Insurance	5,500	5,500	2,672	2,828
Fuel	2,600	2,600	596	2,004
Contract services	4,000	4,000	4,388	(388)
Miscellaneous	7,600	7,600	4,704	2,896
Capital outlay	3,500	3,500	7,020	(3,520)
Contingency reserve	38,138	38,138		38,138
Total operating expenses	116,088	116,088	63,731	52,357
Operating income (loss)	(56,388)	(56,388)	2,489	58,877
Nonoperating revenues (expenses)				
Other revenues	3,000	3,000		(3,000)
Interest on investments	5	5	5	-
Gain on disposal of assets			238	238
Principal paid on long-term debt	(2,147)	(2,147)	(2,515)	(368)
Interest and fiscal charges	(1,063)	(1,063)	(653)	410
Total nonoperating revenues (expenses)	(205)	(205)	(2,925)	(2,720)
Change in net position	\$ (56,593)	\$ (56,593)	(436)	\$ 56,157

	Budgeted Amounts		Actual	Variance with Final Budget Favorable (Unfavorable)
	Original	Final		
Adjustments to GAAP Basis				
Add capital outlay			7,020	
Add principal on long-term debt			2,515	
Deduct depreciation			(18,902)	
Change in net position - GAAP Basis			(9,803)	
Net position at beginning of year			619,669	
Net position at end of year			\$ 609,866	

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**Colorado Department of Highways  
Local Highway Finance Report**

This calendar-year report of receipts and expenditures is required by the Colorado Department of Highways to maintain Statewide accountability for moneys used for highway and street purposes. To ensure data accuracy, House Bill 1008 mandates that this report be included in the Town's financial statements.

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

<b>LOCAL HIGHWAY FINANCE REPORT</b>	City or County: Town of Arriba
	YEAR ENDING : December 2016

This Information From The Records Of (example - City of \_ or County of \_ ) Prepared By: Josie Hart  
Town of Arriba, Colorado Phone: 719-768-3381

**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
<b>A. Receipts from local sources:</b>		<b>A. Local highway disbursements:</b>	
1. Local highway-user taxes		1. Capital outlay (from page 2)	0
a. Motor Fuel (from Item I.A.5.)		2. Maintenance:	1,200
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		b. Snow and ice removal	200
3. Other local imposts (from page 2)	6,477	c. Other	8,200
4. Miscellaneous local receipts (from page 2)	0	d. Total (a. through c.)	8,400
5. Transfers from toll facilities		4. General administration & miscellaneous	130
6. Proceeds of sale of bonds and notes:		5. Highway law enforcement and safety	
a. Bonds - Original Issues		6. Total (1 through 5)	9,730
b. Bonds - Refunding Issues		<b>B. Debt service on local obligations:</b>	
c. Notes		1. Bonds:	
d. Total (a. + b. + c.)	0	a. Interest	
7. Total (1 through 6)	6,477	b. Redemption	
<b>B. Private Contributions</b>		c. Total (a. + b.)	0
<b>C. Receipts from State government</b> (from page 2)	14,246	2. Notes:	
<b>D. Receipts from Federal Government</b> (from page 2)	0	a. Interest	
<b>E. Total receipts (A.7 + B + C + D)</b>	20,723	b. Redemption	
		c. Total (a. + b.)	0
		3. Total (1.c + 2.c)	0
		<b>C. Payments to State for highways</b>	
		<b>D. Payments to toll facilities</b>	
		<b>E. Total disbursements (A.6 + B.3 + C + D)</b>	9,730

**IV. LOCAL HIGHWAY DEBT STATUS**

(Show all entries at par)

	Opening Debt	Amount Issued	Redcmptions	Closing Debt
<b>A. Bonds (Total)</b>				0
1. Bonds (Refunding Portion)				
<b>B. Notes (Total)</b>				0

**V. LOCAL ROAD AND STREET FUND BALANCE**

	A. Beginning Balance	B. Total Receipts	C. Total Disbursements	D. Ending Balance	E. Reconciliation
	72,842	20,723	9,730	83,835	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
<b>A.3. Other local imposts:</b>		<b>A.4. Miscellaneous local receipts:</b>	
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	6,477	g. Other Misc. Receipts	
6. Total (1. through 5.)	6,477	h. Other	
c. Total (a. + b.)	6,477	i. Total (a. through h.)	0
	(Carry forward to page 1)		(Carry forward to page 1)

ITEM	AMOUNT	ITEM	AMOUNT
<b>C. Receipts from State Government</b>		<b>D. Receipts from Federal Government</b>	
1. Highway-user taxes	13,023	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	1,223	d. Federal Transit Admin	
d. Other (Specify) - DOLA Grant		e. U.S. Corps of Engineers	
e. Other (Specify)		f. Other Federal	
f. Total (a. through e.)	1,223	g. Total (a. through f.)	0
4. Total (1. + 2. + 3.f)	14,246	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)
<b>A.1. Capital outlay:</b>			
a. Right-Of-Way Costs			0
b. Engineering Costs			0
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	0	0
			(Carry forward to page 1)

Notes and Comments: