

TOWN OF BENNETT, COLORADO

Financial Statements

December 31, 2016



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TOWN OF BENNETT, COLORADO

Board of Trustees

Royce Pindell	Mayor
Rich Pulliam	Mayor Pro-Tem
Carl Gerber	Trustee
Darvin Harrell	Trustee
Grider Lee	Trustee
Neal Mancuso	Trustee
Larry Vittum	Trustee

Town Officials

Trish Stiles	Town Administrator
Rachel Summers	Town Treasurer
Lynette White	Town Clerk
Daymon Johnson	Public Works Director

TOWN OF BENNETT, COLORADO

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INDEPENDENT AUDITOR'S REPORT



Dazzio & Associates, PC

Certified Public Accountants

INDEPENDENT AUDITOR'S REPORT

Honorable Mayor and Board of Trustees
Town of Bennett, Colorado

We have audited the accompanying financial statements of the governmental activities, the business-type activities, the aggregate discretely presented component units and each major fund of the Town of Bennett, Colorado 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.

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.

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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, the aggregate discretely presented component units and each major fund of the Town of Bennett, 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 on pages 4 through 18 and 60 through 64, respectively, 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 of Bennett, Colorado's financial statements as a whole. The Supplementary Information and Other Information, as listed in the table of contents, is presented for purposes of additional analysis and is not a required part of the financial statements. Such information is the responsibility of management and was derived from and relate directly to the underlying accounting and other records used to prepare the financial statements.

The Supplementary 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.

The Other Information has not been subjected to the auditing procedures applied in the audit of the basic financial statements and, accordingly, we do not express an opinion or provide any assurance on them.

Duggio & Associates, P.C.

March 29, 2017

MANGEMENT'S DISCUSSION AND ANALYSIS

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TOWN OF BENNETT, COLORADO

Management's Discussion and Analysis

December 31, 2016

HISTORY

The Town of Bennett (the Town) is a statutory town located in both Adams and Arapahoe Counties. The Town is governed by a Board of Trustees elected for four year terms. Bennett was incorporated on January 22, 1930.

Our local historical society has done a great deal of research to delve into the origins of our Town. Documents from the Bureau of Land Management show that four Bennet brothers (Hiram, John, Uriah and one un-named brother) filed homestead papers in 1862 for two sections (34 and 24) now in the town Bennett. These two sections were adjacent diagonally on the north and south to the current location of the Post Office in Bennett and, together with other sections homesteaded by the Bennet brothers, formed the Bennet Ranch.

One of these brothers, Hiram Pitt Bennet, was a respected judge in the early territory of Colorado. Mr. Bennet was elected the first Territorial Representative for Colorado in 1862 and was instrumental in obtaining statehood for Colorado. Mr. H. P. Bennet went on to become the third Postmaster of Denver in 1869 and began developing a method of delivering mail to all the new pioneer people in rural areas. Through the years, the English name of Bennet was Americanized to Bennett, first noted in railroad records; thus, the Town name evolved from the old Bennet Ranch.

The Town was not incorporated until 1930, but long before that time, the family that originally homesteaded the Town and for whom the town was named were leaders in the development of the State of Colorado and in forging communications for the original settlers of the area.

INTRODUCTION

As management of the Town, we offer the readers of the Town's financial statements this narrative overview and analysis of the financial activities of the Town for the year ended December 31, 2016. We encourage readers to consider the information presented here in conjunction with the Town's financial statements, which follow this section. We are pleased to present to the Mayor, Board of Trustees, and the residents, the 2016 Management Discussion and Analysis (MD&A) for the Town. This analysis represents our continued commitment to prudent fiscal management, and has proposed several innovations in the organization of government, thereby advancing our ongoing efforts to continuously improve the efficient and effective delivery of Town services.

The type of government is a Town Board with the seven (7) elected officials being responsible for all policy decisions that affect the Town's financial condition. The Board of Trustees of the Town has appointed Rachel Summers, Town Treasurer, to prepare and submit a budget to our governing body in December for annual appropriation of sums of money to the various funds. The Town Treasurer is also responsible for financial reporting to the Town Board and to the public-at-large.

The Town maintains six (7) separate funds, as follows:

1. General Fund
2. Conservation Trust Fund
3. Cemetery Fund
4. Sales Tax Capital Improvement Fund
5. Road and Bridge Fund
6. Water Fund
7. Waste Water Fund

The Town of Bennett also maintains the following funds which account for specific projects or programs within the above six (6) funds:

1. Adams County Open Space Fund
2. Arapahoe County Open Space Fund
3. Reserve Fund
4. Capital Improvement Fund
5. Parks, Recreation and Open Space Impact Fee Fund
6. Public Facilities Impact Fee Fund
7. Police Facilities Impact Fee Fund
8. Transportation Facilities Impact Fee Fund
9. Debt Service Fund
10. Bennett Community Food Bank
11. Bennett Days Fund
12. Water Capital Fund
13. Renewable Water Fund
14. Waste Water Capital Fund
15. Storm Drainage Impact Fee Fund

2016 HIGHLIGHT ACCOMPLISHMENTS

We are pleased and proud of our accomplishments in 2016 and look forward to continued community growth and development in subsequent years. The following achievements are certainly noteworthy and reflect a lot of hard work by the entire Town staff, as our unity reflects our thorough commitment to the future of the Town of Bennett.

- **Road Reconstruction Project** – The Town reconstructed 13 miles of roadway in the Town in 2016. This project represents a capital investment of 5.7 million taxpayer dollars, thanks to the 1% sales tax increase which was effective 1/1/2016. Additionally, the 1% sales tax increase provides the Town with an ongoing revenue source for road maintenance into the future.
- **New Elevated Water Storage Tank** – In 2016 the Town received funding and began construction of a new elevated storage tank. This tank was designed in 2015 by FEI Engineers and construction began in late 2016. The anticipated completion date is fall of 2017.
- **County Shared Service Center** – An Energy and Mineral Impact Grant was awarded to the Town of Bennett from the Department of Local Affairs (DOLA) in the amount of \$95,500 to assist in the construction of the new County Shared Services Center. This new facility provides necessary local services to the eastern I-70 corridor of Adams County, including an expanded Motor Vehicle Office, Election Office, County Treasurers Office, Sheriff’s Office, and County Building Official.
- **Waste Water Treatment Facility Design** – The Town utilized a 50% matching grant awarded by DOLA in 2015 to commission FEI Engineers to design the new Waste Water Treatment Facility required by the State. The design was completed end of 2016 and construction will begin in summer of 2017.
- **Centennial Park**– The Town was awarded a \$306,000 Community Development Block Grant to redesign and reconstruct the public park located within the Centennial Neighbor. The design of the new park was complete in 2016 and construction is set to begin in early 2017.
- **Bennett Days** – 2016 marked the most successful and top attended celebration. This free event featured over 50 vendors, a parade, a kid’s fun zone, a beer garden, entertainment, and many giveaways. This year’s theme “Local Livin’ ” was intended to capture and highlight the importance of shopping local within the Town and along the I-70 Corridor.

OVERVIEW OF THE FINANCIAL STATEMENTS

This discussion and analysis is intended to serve as an introduction to the Town's basic financial statements. The Town's basic financial statements consist of the following three components: 1) Government-wide Financial Statements, 2) Fund Financial Statements; and 3) Notes to the Basic Financial Statements. This report also includes supplementary information intended to furnish additional detail to support the basic financial statements themselves.

Government-wide Financial Statements

The government-wide statements are designed to provide readers with a broad overview of the Town's finances using the accrual basis of accounting, which is the basis of accounting used by most private-sector businesses.

The statement of net position presents information on all the Town's assets and liabilities and deferred inflows of resources, with the difference reported as net position. Over time, increases and decreases in net position may provide an indication of whether the Town's financial position is improving or deteriorating.

The statement of activities presents information reflecting how the Town's net position has changed during the fiscal year that just ended. All changes in net position are reported as soon as the underlying event giving rise to the change occurs, regardless of the timing of the related cash flows. Thus, revenues and expenses are reported in this statement for some items that will only result in cash flows in future periods (e.g., uncollected taxes and earned but unused compensated leave).

The government-wide financial statements distinguish functions of the Town that are principally supported by taxes and intergovernmental revenues (governmental activities) from other functions that are intended to recover all or a significant portion of their costs through user fees and charges (business-type activities). The governmental activities of the Town include general government, public safety, public works, cultural, parks and recreation, and community planning development services. The business-type activities of the Town include water and waste water.

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 Town, like other state and local governments, uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. All the funds of the Town can be divided into three categories, governmental funds, proprietary funds, and component funds.

Governmental Funds

Governmental funds are used to report those same functions reported as governmental activities in the government-wide financial statements. However, unlike the government-wide statements, the governmental fund financial statements are prepared on the modified accrual basis of accounting. Under the modified accrual basis of accounting, revenues are recognized when they become measurable and available, and expenditures are recognized when the related fund liability is incurred, except for long-term debt and similar long-term items which are recorded when due. Most of the Town's basic services are reported in governmental funds, which focus on cash flows. The unrestricted balances left at year-end are available for spending in future years. The governmental funds statements provide a detailed short-term view as to cash, operations, and basic services provided.

The Town maintains five governmental funds: General Fund, Conservation Trust Fund, Cemetery Fund, the Sales Tax Capital Improvement Fund and the Road and Bridge Fund. An internal service department within the General Fund is an accounting device used to accumulate and allocate costs internally among the Town's various functions. Information is presented in the Balance Sheet-Governmental Funds; and the Statement of Revenues and Expenditures; and Changes in Fund Balances-Governmental Funds. Annual budget appropriations are adopted for each of these funds. Budgetary comparison statements are provided to demonstrate compliance with budgets.

Proprietary Funds

The Town maintains one type of proprietary fund. Enterprise funds are used to report the same functions presented as business-type activities in the government-wide financial statements. The Town uses enterprises funds to account for its water and waste water operations. The proprietary fund financial statements are prepared on the accrual basis of accounting.

Enterprise funds are used to report the same functions presented in business-type activities in the governmental-wide financial statements, only in more detail. Information is presented in the Statement of Net Position-Enterprise Funds; Statement of Revenues, Expenses; Changes in Net Position – Enterprise Funds; and the Statement of Cash Flows – Enterprise funds.

The Town adopts an annual appropriated budget for each of its enterprise funds. A budgetary comparison schedule has been provided for each enterprise fund to demonstrate compliance with this budget.

Component Unit Funds

General Improvement District (GID) services are reported in the component unit funds.

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 immediately after the basic financial statements.

GOVERNMENT-WIDE FINANCIAL ANALYSIS

The Town's net position for the governmental and business-type activities exceeded liabilities by \$12,979,094 at the close of 2016. The following tables illustrate present condensed statement of net position for all three of the Town's fund categories.

Table 1
Net Position

	<u>Governmental Activities</u>		<u>Business Type Activities</u>		<u>Total</u>	
	2015	2016	2015	2016	2015	2016
Assets						
Current Assets	\$ 2,144,864	\$ 3,737,287	\$ 958,237	\$ 3,214,631	\$ 3,103,101	\$ 6,951,918
Capital Assets	6,261,636	11,931,333	4,615,044	5,838,200	10,876,680	17,769,533
Total Assets	<u>8,406,500</u>	<u>15,668,620</u>	<u>5,573,281</u>	<u>9,052,831</u>	<u>13,979,781</u>	<u>24,721,451</u>
Liabilities						
Other	399,259	914,079	174,463	553,951	573,722	1,468,030
Long-Term	219,380	6,012,875	1,382,445	3,996,045	1,601,825	10,008,920
Total Liabilities	<u>618,639</u>	<u>6,926,954</u>	<u>1,556,908</u>	<u>4,549,996</u>	<u>2,175,547</u>	<u>11,476,950</u>
Deferred Inflows of Resources	263,540	265,407	-	-	263,540	265,407
Net Position						
Net Investment in						
Capital Assets	6,261,636	6,258,259	3,209,963	3,984,965	9,471,599	10,243,224
Restricted	107,713	928,978	74,000	232,000	181,713	1,160,978
Unrestricted	<u>1,154,972</u>	<u>1,289,022</u>	<u>732,410</u>	<u>285,870</u>	<u>1,887,382</u>	<u>1,574,892</u>
Total Net Position	<u>\$ 7,524,321</u>	<u>\$ 8,476,259</u>	<u>\$ 4,016,373</u>	<u>\$ 4,502,835</u>	<u>\$ 11,540,694</u>	<u>\$ 12,979,094</u>

The Town uses its capital assets to provide services to the citizens. At the end of 2016, the investment in capital assets of \$17,769,533 (land, buildings, improvements, equipment, etc.), net of debt used to acquire those assets of \$7,526,309, amounts to \$10,243,224, or 79% of the Town's total net position of \$12,979,094. During the current fiscal year, the Town's net position increased by \$1,438,400. Most this increase represents the degree to which increases in ongoing revenues have surpassed similar increases in ongoing expenses.

An additional portion of the Town's net position of \$1,160,978 (9%) represents resources that are subject to external restrictions on how they may be used. Unrestricted net position of \$1,574,892 million (12%) reflects the amount that may be used to meet the Town's ongoing obligations to citizens and creditors. Certain assets of the Town's Water and Waste Water funds are classified as restricted assets on the balance sheet because their use is limited by applicable debt covenants.

At the end of the current fiscal year, the Town of Bennett is able to report positive balances in all reported categories of net position, both for the government as a whole, as well as for its business-type activities. The same situation held true for the prior fiscal year.

CHANGES IN NET POSITION

As presented in Table 2, the Town's overall net position increased \$1,438,400 during 2016.

Table 2
Changes in Net Position

	Governmental Activities		Business-type Activities		Total	
	2015	2016	2015	2016	2015	2016
Revenues						
Program Revenues						
Permits, Fees, Fines						
Charges for Services	\$ 260,260	\$ 297,549	\$ 1,140,923	\$ 1,295,530	\$ 1,401,183	\$ 1,593,079
Operating Grants and Contributions	217,417	214,682	76	-	217,493	214,682
Capital Grants and Contributions	469,815	243,471	66,141	523,421	535,956	766,892
General Revenues and Transfers						
Taxes	2,091,313	2,847,642	-	-	2,091,313	2,847,642
Net Investment Income	1,114	1,131	-	-	1,114	1,131
Unrestricted Grant	35,634	35,417	-	-	35,634	35,417
Other	23,847	63,331	-	-	23,847	63,331
Transfers	176,000	179,520	(176,000)	(179,520)	-	-
Total Revenues	<u>3,275,400</u>	<u>3,882,743</u>	<u>1,031,140</u>	<u>1,639,431</u>	<u>4,306,540</u>	<u>5,522,174</u>
Expenses						
General Government	1,287,112	1,458,519	-	-	1,287,112	1,458,519
Public Safety	381,009	391,494	-	-	381,009	391,494
Public Works	787,938	654,578	-	-	787,938	654,578
Interest and Related Cost on Long Term Debt	-	264,984	-	-	-	264,984
Unallocated Depreciation	101,600	161,230	-	-	101,600	161,230
Water	-	-	686,036	827,545	686,036	827,545
Waste Water	-	-	331,271	325,424	331,271	325,424
Total Expenses	<u>2,557,659</u>	<u>2,930,805</u>	<u>1,017,307</u>	<u>1,152,969</u>	<u>3,574,966</u>	<u>4,083,774</u>
Change in Net Position	717,741	951,938	13,833	486,462	731,574	1,438,400
Net Position - Beginning	6,806,580	7,524,321	4,002,540	4,016,373	10,809,120	11,540,694
Net Position - Ending	<u>\$ 7,524,321</u>	<u>\$ 8,476,259</u>	<u>\$ 4,016,373</u>	<u>\$ 4,502,835</u>	<u>\$ 11,540,694</u>	<u>\$ 12,979,094</u>

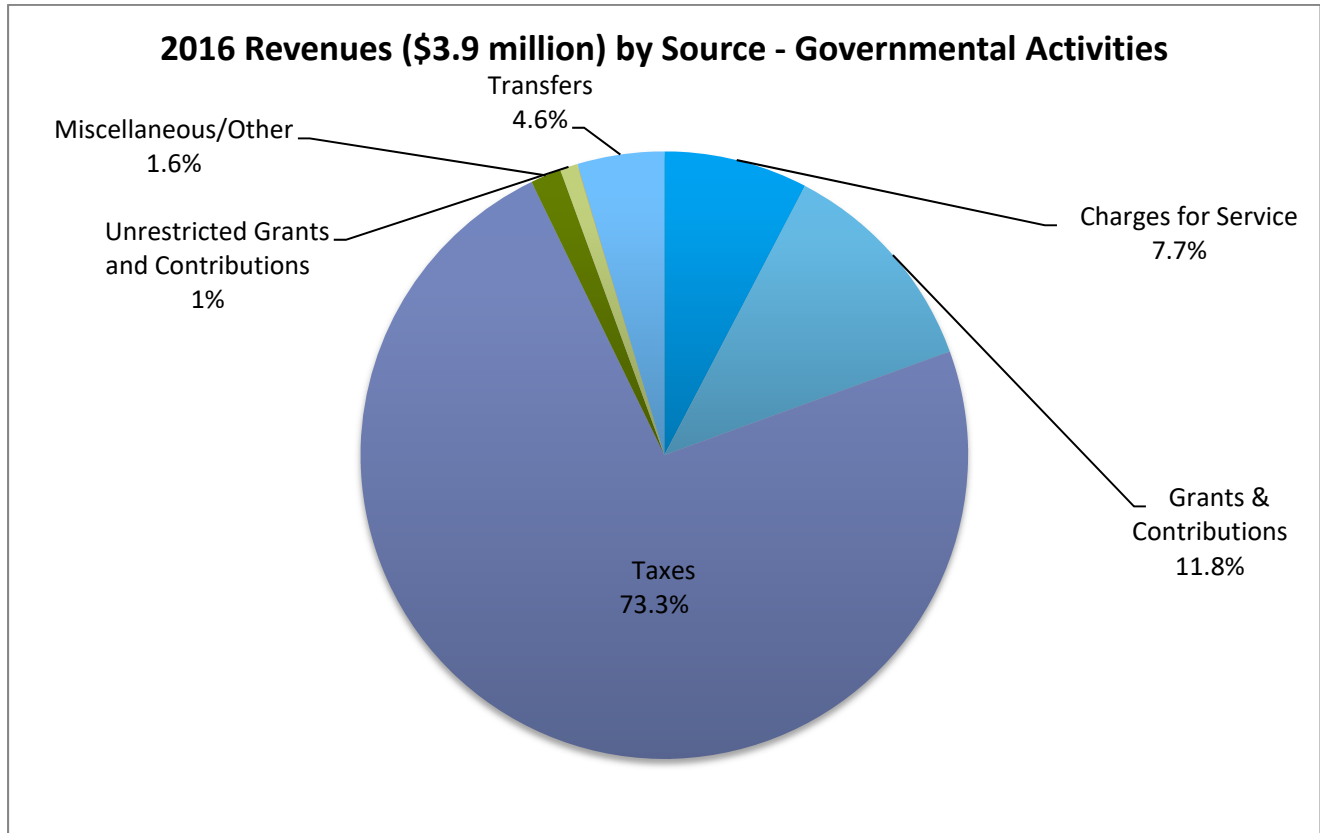
Governmental Activities

Governmental activities increased the Town's net position by \$951,938. The major influences causing the change are the following:

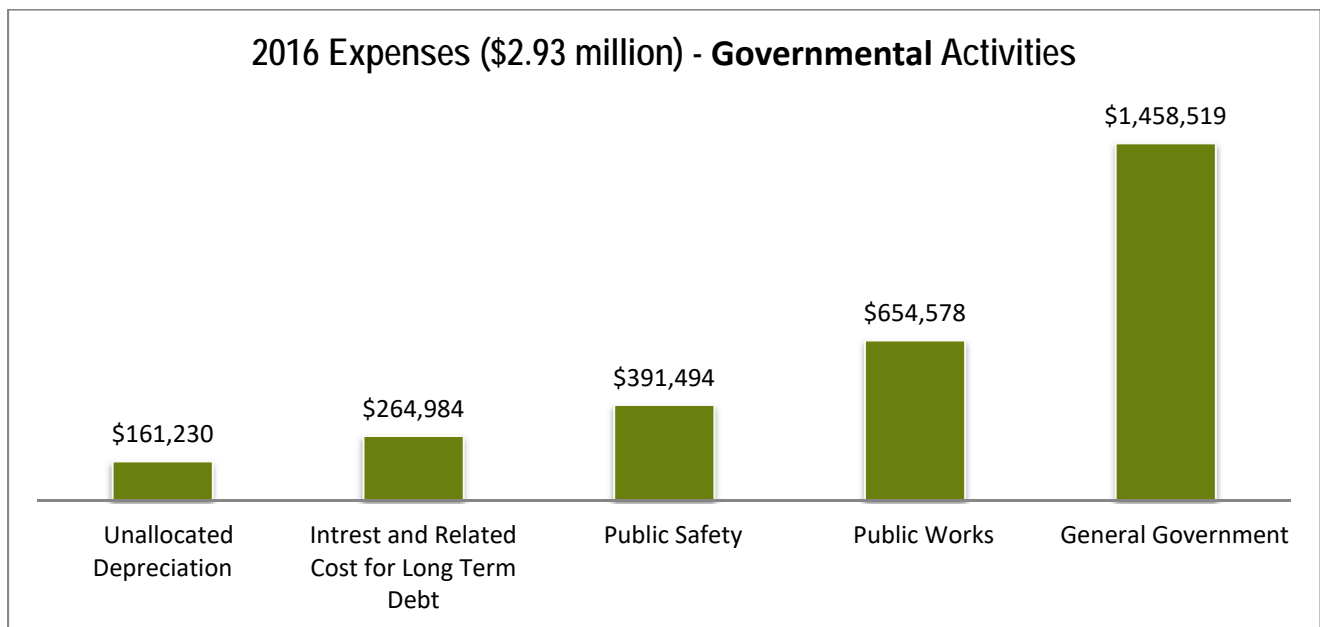
The most notable change in Net Position is due to Tax Revenue. In 2016, Tax Revenue generated a 36% or \$756,329 increase. This substantial increase can be primarily attributed to the 1% sales tax increase that was passed November 3, 2016 election and went into effect January 1, 2017. Charges for services in 2016 were up by \$37,289 from the previous year. Grant Revenue continues to be a valuable source of revenue for the Town. Grants allow the Town to increase capital with less impact on fund balance. Overall revenue collected was slightly higher than budgeted revenue.

Expenses for the governmental activities in 2016 were \$373,146 higher than prior year. The primary contributing factor to the increase in expense was debt service for the 2016 Road Bond Issuance. Additionally, the Town had the following capital expenses, the Shared County Service Center, improvements to Civic Center Park, and the purchase of five (5) new Town vehicles, including a new loader that will aid in snow removal.

Graph 1. Governmental Activities Revenue Sources



Graph 2. Governmental Activities Expenditures

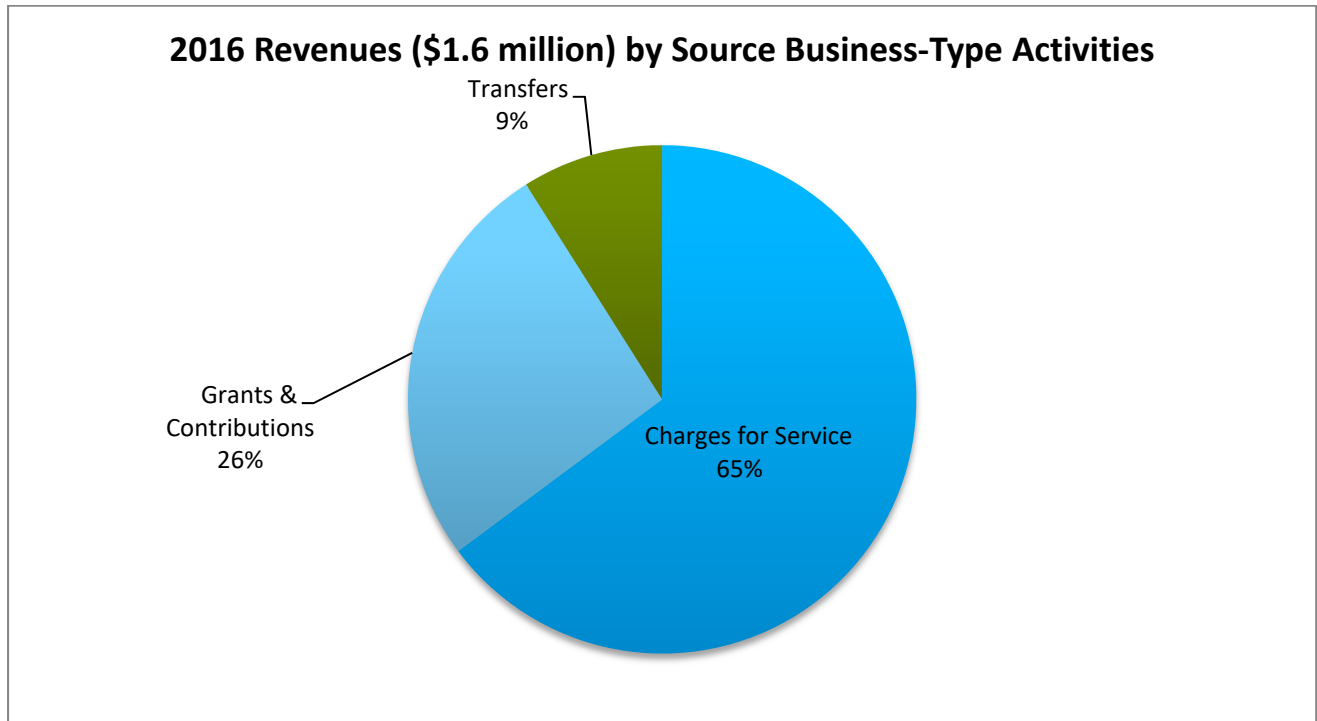


Business-Type Activities

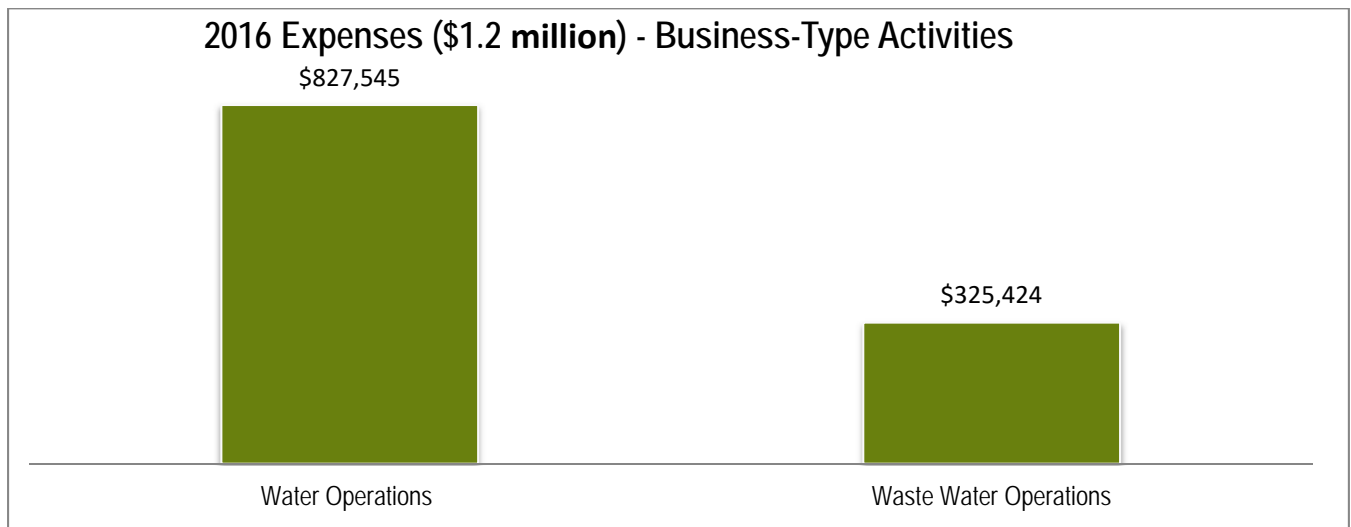
Net position of Business-Type Activities increased by \$486,462 for 2016. The major influences are due to the following:

Capital grants and contributions increased by \$457,280 from 2015 to 2016, primarily due to the planning and design phase for the Waste Water Treatment Facilities being awarded in 2016. In addition, charges for services have shown a significant increase. This increase is due to rate increases necessary for the large capital improvement debt required coverage.

Graph 1. Business-Type Activities Revenue Sources



Graph 2. Business-Type Activities Expenditures



In June of 2016, the charge for water services was increased. This increase was the result of a rate study that took place in 2015 which revealed a shortage in revenues for the replacement of our existing facilities. Additionally, the Town has experienced significant increases in expense for capital repairs and new construction for our water system in the recent years. Operating expenditures for 2016 were \$827,545 which is a 21% increase of 2015. The substantial increase can be attributed to the start of construction for the new elevated storage tank, re-drilling of two (2) of the Town's wells. Water expenditures are expected to increase exponentially in to 2017 as construction continues the new elevated storage tank. As a result, the Town increased the water base rate charges by 20% in 2016. This rate increase was part of our financial plan to ensure that revenues continue to increase in conjunction with expenditures.

In 2016, the Town commissioned FEI Engineers to design, bid out, and manage the construction of the new waste water treatment facility in Bennett. The construction of this facility will allow the Town to decommission the existing lagoon system located north of Town. The design was completed at the end of 2016 and will go out for bid spring of 2017. At this time, the Town is exploring all funding alternatives for the project.

Revenue for the waste water utility is derived from services charges and other miscellaneous sources such as late fees. Projected waste water service revenue under existing rates was inadequate to meet revenue requirements and sustain minimum reserves. Revenue requirements of waste water utility include operations and maintenance, debt service, and a capital improvement reserve. Debt service payments for waste water averaged \$21,158 annually at the end of 2016. In anticipation of the construction of the waste water treatment facility and an increase in debt service necessary to fund the project, a significant base rate increase was issued effective January 1, 2017.

FINANCIAL ANALYSIS OF THE TOWN'S FUNDS

As noted previously, the Town of Bennett uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements.

Governmental Funds

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

At the end of 2016 the Town's governmental funds reported a combined fund balance of \$2,721,651, an increase of \$1,207,586 over 2015. \$1,122,656 constitutes unassigned fund balance, which is available for spending at the Town's discretion. \$309,717 of the fund balance is assigned to parks and recreation, road maintenance and cemetery operations.

The remainder of fund balance is restricted to indicate that it is not available for new spending as follows:

Restricted for Parks and Recreation	\$38,558
Restricted for TABOR Emergencies	\$77,000
Restricted for Capital Projects	\$529,274
Restricted for Debt Service	\$644,446

The General Fund is the primary operating fund of the Town. At the end of 2016, unassigned fund balance of the General Fund was \$1,122,656, while total fund balance was \$1,379,787. As a measure of the General Fund's liquidity, it may be useful to compare unassigned fund balance to total fund expenditures. Unassigned fund balance represents 39% of total General Fund expenditures. This is an increase of 6% over 2016.

The fund balance of the Town's General Fund increased by \$153,493 during 2016. Key factors are as follows:

- An increase in revenues of \$127,701 or 5%. Key changes in revenues include increases in sales and use tax in the amount of \$108,000 (6%) and an increase in license and permit fees in the amount of \$21,458 (64%). The Town also realized increased revenue in charges for services, fines and forfeitures, impact fees, net investment income, contribution and miscellaneous. The increased revenue in these areas was reduced by a \$93,335 (26%) in intergovernmental revenue.
- Expenditures decreased \$29,825 (1%) to \$2,888,663. The decrease in expenditures was spread throughout the General Funds operating budget. In particular, the public works expenditures decreased by \$111,648. This can be contributed to the large expenditures on new park construction that took place in 2015 that was not needed in 2016. This significant savings was offset by the increased expense associated with general governmental services, which increased by \$114,201.

Other Governmental Funds

The Conservation Trust Fund was created to account for the money received from Lottery sales and is earmarked for specific purposes by the State, including parks and recreation equipment and capital projects. The Conservation Trust Fund had a fund balance of \$38,558 at the end of 2016. This is an increase of \$11,845 for 2016. \$4,020 was expended from the Conservation Trust for new doors for the Bennett Community Center in 2016.

The Cemetery Fund was created to account for the costs to maintain the Mountview Cemetery. The Cemetery Fund does not generate enough revenue to be considered a business-type activity. The Cemetery Fund had a fund balance of \$52,223 at the end of 2016. The fund had a decrease in fund balance of \$813 for 2016.

The Road and Bridge Fund is used to account for state highway users trust funds, county road and bridge taxes, and other revenues designated for the construction and maintenance of roads and bridges. The Road and Bridge Fund had a fund balance of \$77,363, a decrease in the amount of \$130,659 in 2016.

The Sales Tax Capital Improvement Fund was created to account for the money received from the 1% sales tax increase which became effective on January 1, 2016. The Sales Tax Capital Improvement Fund had a fund balance of \$1,173,720 at the end of 2016. \$5,719,728 was expended from the Sales Tax Capital Improvement Fund for the 2016 Road Project, costs for the 2016 Road Bond issuance, and debt service on the 2016 Bonds.

Proprietary Funds

The Town's proprietary funds provide the same type of information in the government-wide financial statements, but in more detail.

Net position of the enterprise operations at December 31 follows:

	<u>2015</u>	<u>2016</u>	<u>Change</u>
Net Position – Beginning of Year	\$4,002,540	\$4,016,373	\$13,833
Net Position – End of Year	\$4,016,373	\$4,502,835	\$486,462

Other factors concerning the finances of the enterprise funds have already been addressed in the discussion of the Town's business-type activities.

CAPITAL ASSETS AND DEBT ADMINISTRATION

Capital Assets

This investment in capital assets includes land, water rights, buildings and improvements, machinery, equipment, water, waste water and storm drainage infrastructure as well as street system infrastructure.

The Town has a five-year Capital Improvement Plan that is updated each year to assist the Town in long-term planning and budgeting for capital assets.

Major capital asset events during 2016 included the following:

- The Town completed a, \$5.7 million, full scale return of all Town of Bennett asphalt streets. Additionally, the Town completed selective panel replacements for the concrete portions of the work in Old Town. Overall, the Town replaced approximately 14 miles of roads, and used rejuvenation products (chip seal, slurry seal) on 3 miles of Kiowa Bennett Road. The project started in late spring and was substantially completed by year end.
- The Town completed the construction of the Shared County Service Center. The Shared County Service center has allowed for Adam's County to provide an expanded Motor Vehicle Office, a Sheriff Office, and a Building Department within Town limits. This has allowed residents easier access to these valuable and necessary services.
- The Town began construction on the new elevated storage tank. The new storage tank will hold a half million gallons of water and reach nearly 200 feet in the air. It will replace the existing 50-thousand-gallon storage tank built in 1930 and the half million at grade storage tank located at well 6.
- The Town continued the re-drilling of two of the wells owned the Town. The Towns wells service residents located in both Bennett and Antelope Hills.

- The Town acquired a new administrative vehicle and (3) new public works vehicles with snow plow attachments. These vehicles were highly needed and have proven to increase staff efficiencies and provide reliable, safe and low maintenance assets.
- The Town acquired a 2008 Caterpillar 924HZ Loader. The new loader will be used during snow removal operations.
- The Town contracted Sunlit Designs to create a Master Plan for Civic Center Park. The Master Plan includes new amenities that will be valuable resources for Bennett residents such as, new baseball fields and a splash pad.
- The design for the new Waste Water Treatment Facility was completed by FEI Engineers. The project will go out for bid early 2017 and begin construction in summer 2017. The new Waste Water Treatment Facility will allow for the decommissioning of the current lagoon system.
- Water meter replacement program was continued from 2015, bringing 151 new remote-read meters to our Adams county residents, providing fast and accurate readings in a third of time. The 3-year replacement plan will be completed at all meters in 2018. This capital asset will remove the need for manual read and input, therefore reducing time and mistakes.

The following table provides comparative information on the Town's capital assets for 2016 and 2015:

	Governmental		Business-type		Total	
	Activities		Activities			
	2015	2016	2015	2016	2015	2016
Land and Land Improvements	\$ 2,538,693	\$ 2,538,693	\$ 67,138	\$ 67,138	\$ 2,605,831	\$ 2,605,831
Water Rights	-	-	215,654	215,654	215,654	215,654
Construction in Process	541,210	5,481,860	1,298,738	2,624,700	1,839,948	8,106,560
Buildings and Improvements	833,920	1,056,802	675	540	834,595	1,057,342
Streets, Curb & Gutter	395,325	367,985	-	-	395,325	367,985
Parks and Ballfields	1,732,204	2,108,301	-	-	1,732,204	2,108,301
Equipment	220,284	377,692	265,694	292,154	485,978	669,846
Ponds	-	-	438,676	422,372	438,676	422,372
Water System	-	-	1,669,315	1,568,024	1,669,315	1,568,024
Sewer Lines and Connections	-	-	659,154	647,618	659,154	647,618
	<u>\$ 6,261,636</u>	<u>\$ 11,931,333</u>	<u>\$ 4,615,044</u>	<u>\$ 5,838,200</u>	<u>\$ 10,876,680</u>	<u>\$ 17,769,533</u>

Additional information on the Town's capital assets can be found in Note 4 to the financial statements.

Debt Administration

As of December 31, 2016, the Town had outstanding long-term obligations of \$10,239,569, as follows:

	2015	Additions	Deletions	2016
Governmental Activities	\$ 251,380	\$ 6,258,179	\$ 350,684	\$ 6,158,875
Business-type Activities	1,405,081	2,938,249	262,636	4,080,694
	<u>\$ 1,656,461</u>	<u>\$ 9,196,428</u>	<u>\$ 613,320</u>	<u>\$ 10,239,569</u>

On July 27, 2010, the Town entered into a Public Improvement Reimbursement Agreement with a developer. In return, the Town accepted sewer improvements amounting to \$387,516 related to sewer improvements incurred by the developer. During the year ended December 31, 2016, the Town reimbursed the remaining amounts due to the developer \$45,577.

On January 28, 2014, with an effective date of February 23, 2015, the Town entered into a Public Improvement Reimbursement Agreement with a developer. In return, the Town accepted improvements amounting to \$258,914 related to certain public improvements incurred by the developer. During the year ended December 31, 2016, the Town reimbursed the developer \$80,302, leaving a balance of \$125,501 at year-end.

On April 21, 2016, the Town issued Sales Tax Revenue Bonds, Series 2016, in the original a principle amount of \$5,700,000. These Bonds were issued to finance the construction, maintenance, repair, replacement, expansion, acquisition, rehabilitation and renovation of existing and planned streets and other street-related capital improvements. The bonds consist of \$1,605,000 serial bonds due annually in varying amounts from 2016 through 2015 and term bonds due annually in varying amounts from 2026 through 2040 it the amount of \$4,095,000. Interest on the bonds is due semiannually at rates ranging from 2.0% to 4.0 % beginning June 1, 2016. The bonds obligation is payable solely from the pledge revenue from the 1% sales tax increase approved during the November 2015 election. The Bonds are secured by a \$360,300 cash reserve account. The Bonds are rated A- by Standard & Poor's.

In 2016, the Town obtained financing from CWR&PDA, Water Pollution Revolving Fund, in the amount of \$240,000. In October of 2016 CWR&PDA forgave 100% of the note. All funds were expended on the design of the new waste water treatment facility.

In August of 2016, the Town issued a note with CWR&PDA, Drinking Water Revolving Fund, in the amount of \$2,500,000. The proceeds of the loan will be used for the construction of the new elevated storage tank. The note is payable in semi-annual installments of \$77,464 beginning on May 1, 2017 through November 1, 2036, including interest of 2.00%.

ECONOMIC FACTORS

As the next incorporated area east of Aurora, Bennett, Colorado is experiencing significant pressure from ongoing and future development. Bennett's community leaders are visionary and willing to take bold steps to secure the Town's future. The Town has identified a 91.4 square mile "Area of Planning Interest." Bennett's growth intentions are reflected by its objective to introduce public improvements related to development for job creation and retention. It is becoming increasingly vital that our infrastructure improvements have the capacity to support this anticipated development.

The projections for economic development in the Town show significant growth between 2010 and 2035. These projections were completed in 2005 by the Denver Regional Council of Governments (DRCOG), prior to the recent recession, and have been modified by Economic Planning Systems (EPS) to account for regional employment contraction. Notwithstanding this contraction, the future growth of the Bennett planning area remains strong.

The planning area is estimated to grow by 6,454 housing units and 2,568 new jobs. This projected growth in housing units and employment creates the demand for 1,382 acres. 1,149 acres of land are needed to allow for the projected growth in housing. There is a projected demand for 43 acres of office, 71 acres of retail, and 118 acres of industrial land. These base numbers were forecasted using DRCOG's growth rates (with modifications by

EPS) to reflect more current projections made by the Colorado Department of Local Affairs (DOLA) and the Center for Business and Economic Forecasts (CBEF).

2017 BUDGET OUTLOOK

The principal general revenue sources for the Town are sales taxes, grant revenue, water sales and property taxes. The local, state and national economies are always a consideration for projecting the revenues for the coming year. The economy for Bennett and the nation showed modest growth during 2016. Residential growth for Bennett does not exceed the national average, but has benefited from the addition of many new commercial businesses. Conservative attainable revenue estimates have been projected in all funds.

Sales Tax - The General Fund anticipated sales tax revenues for 2017 are based on an economic growth projection rate of 3% over 2016 projected revenues. This increase includes anticipated new business revenue and a conservative increase for existing businesses. Sales tax equates to \$1.9 million of the total \$2.9 million General Fund revenues. On November 3, 2015, the Town successfully passed an additional 1.00% sales tax to be collect, retained and spent to finance the construction and maintenance of existing and planned street and other street related capital improvements within the Town. In 2016, the 1% sales tax exceeded our budget by over \$15,000 and we anticipate seeing the same incline in 2017.

Water & Wastewater Sales – Due to the antiquated systems and failing infrastructure in the Water and Waste Water Enterprise Funds we have proposed large capital expenses for the construction of the Waste Water Mechanical Treatment Plant and the Water Storage Tank. During the planning and cash flow process when preparing for these large capital improvements we have determined that base user fees needed to be increase to cover the cost of replacement. For comparison purposes, Water Sales are projected to increase in 2017 by \$5 to reflect the \$30.00 base rate. In addition, replacement meters are planned to help subsidize our water production loss in the enterprise fund. Wastewater rates were also increased in 2017 for a new base rate increase of \$36.00. The rate increase, coupled with the on-going development projections will yield a 37% increase to overall wastewater sales for 2017. The rate structure is based on our projected debt service requirements with the State Revolving Fund. Grant funds have also been awarded to help offset the burden of these costs.

Grant Revenue – When viewed comprehensively, grant revenue is an ongoing effort to establish and research the highest level of resources available to us for capital improvement projects the Town cannot fund solely. Grant revenue in 2017 is projected to be \$756,800 for new parks, facility improvements, and trails. The Town of Bennett has limited revenue sources and an abundance of capital improvement projects forthcoming. That, of course, raises the questions of where those resources will come from, and who will do the work. As the Town of Bennett works to develop other financing options in the future, the opportunity to obtain Assistance Grant Funds would supplement the cost of some of our major infrastructure projects. We have the funds available to provide match but are unable to complete the project without additional monetary support.

Property Tax – Revenues in Adams and Arapahoe County assessed valuations have increased moderately for 2017, 1% in Adams County and 1% in Arapahoe County. We are noticing a trend of increasing property tax revenue and this is very positive news for the Town as a predictor for positive growth in the housing market for Bennett for this assessment year.

Overall the 2017 budget revenues represent a 5% increase over the 2016 projected revenue. This increase is reflected in the sales tax projected increase as well as the slight increase to property tax revenue. As the next incorporated area east of Aurora, Bennett, Colorado is experiencing significant pressure from ongoing and future development. Bennett's community leaders are visionary and willing to take bold steps to secure the Town's

future. The Town has identified a 91.4 square mile “Area of Planning Interest.” Bennett’s growth intentions are reflected by its objective to introduce public improvements related to development for job creation and retention. It is becoming increasingly vital that our infrastructure improvements have the capacity to support this anticipated development.

2016 HIGHLIGHT PROJECTS

Looking forward to 2017, the primary issues likely to continue dominating much of our focus over the next year involve financial planning and capital construction of various capital projects. The primary projects in 2017 include:

<i>Street Replacement Capital Construction Completion</i>	<i>\$ 750,000</i>
<i>Water Storage Tank Capital Construction</i>	<i>2,500,000</i>
<i>Waste Water Treatment Facility Capital Construction</i>	<i>6,500,000</i>
<i>New Town Hall Capital Construction</i>	<i>850,000</i>

In addition to the large capital repairs, below are a few of our highlighted projects for 2017:

BUILDINGS

<i>Community Center Exterior Improvements</i>	<i>\$ 15,000</i>
<i>Animal Shelter</i>	<i>20,000</i>

ECONOMIC DEVELOPMENT

<i>ESRI GIS Mapping to Include: Project Planning, Zoning and Land Use, Addresses, ED</i>	<i>10,000</i>
<i>Economic Development Plan Benefits of Bennett Grant</i>	<i>10,000</i>

PARKS

<i>Bennett Regional Park and Open Space Arapahoe County Joint Project Grant</i>	<i>230,000</i>
<i>Centennial Park CDBG Grant</i>	<i>306,000</i>
<i>Future Park - GOCO, Colorado Health Foundation and Arapahoe County Grant</i>	<i>300,000</i>
<i>Kiowa Bennett Trail Link - Arapahoe County and Colorado Parks and Wildlife Grant</i>	<i>150,000</i>

ROAD AND BRIDGE

<i>Kiowa Bennett Road Cape Seal</i>	<i>150,000</i>
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WATER

<i>4 New Replacement Hydrants</i>	<i>13,000</i>
<i>Meter Replacement Program</i>	<i>30,000</i>

WASTE WATER

<i>Fire replacement pumps and line repairs</i>	<i>25,000</i>
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REQUESTS FOR INFORMATION

This financial report is designed to provide our residents, 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 need additional information, contact the Town Treasurer, 355 4th Street, Bennett, CO, 80102 or call (303) 644-3249.

BASIC FINANCIAL STATEMENTS

TOWN OF BENNETT, COLORADO

STATEMENT OF NET POSITION
December 31, 2016

	Primary Government			Component Units
	Governmental Activities	Business-Type Activities	Total	General Improvement Districts
Assets				
Cash and Investments	\$ 1,680,407	\$ 467,337	\$ 2,147,744	\$ 75,479
Cash and Investments - Restricted	1,315,827	10,983	1,326,810	-
Property Taxes Receivable	265,407	-	265,407	157,191
Sales Tax Receivable	400,386	-	400,386	-
Receivables	75,260	2,736,311	2,811,571	876
Capital Assets Not Being Depreciated	8,020,553	2,907,492	10,928,045	-
Capital Assets, Net of Accumulated Depreciation	3,910,780	2,930,708	6,841,488	-
Total Assets	15,668,620	9,052,831	24,721,451	233,546
Liabilities				
Accounts Payable	134,057	18,213	152,270	-
Accounts Payable From Restricted Assets	249,246	385,616	634,862	-
Compensated Absences	27,602	7,423	35,025	-
Deposits	5,111	-	5,111	-
Unearned Revenue	334,213	-	334,213	-
Accrued Interest Payable	17,850	58,050	75,900	-
Noncurrent Liabilities:				
Due Within One Year	146,000	84,649	230,649	67,000
Due In More Than One Year	6,012,875	3,996,045	10,008,920	3,843,813
Total Liabilities	6,926,954	4,549,996	11,476,950	3,910,813
Deferred Inflows of Resources				
Property Taxes	265,407	-	265,407	157,191
Net Position				
Net Investment in Capital Assets	6,258,259	3,984,965	10,243,224	-
Restricted				
Debt Service	284,146	232,000	516,146	-
Capital Projects	529,274	-	529,274	-
Parks and Recreation	38,558	-	38,558	-
Tabor Emergencies	77,000	-	77,000	25
Unrestricted	1,289,022	285,870	1,574,892	(3,834,483)
Total Net Position	\$ 8,476,259	\$ 4,502,835	\$ 12,979,094	\$ (3,834,458)

The notes to the financial statements are an integral part of this statement.

TOWN OF BENNETT, COLORADO

STATEMENT OF ACTIVITIES
For the Year Ended December 31, 2016

Function/Program Activities	Expenses	Program Revenues		
		Permits, Fees, Fines, and Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions
Primary Government				
Governmental Activities				
General Government	\$ 1,458,519	\$ 200,420	\$ -	\$ -
Public Safety	391,494	24,991	-	-
Public Works	654,578	72,138	214,682	243,471
Interest and Related Costs on Long-term Debt	264,984	-	-	-
Unallocated Depreciation	161,230	-	-	-
Total Governmental Activities	2,930,805	297,549	214,682	243,471
Business-type Activities				
Water	827,545	800,365	-	45,700
Waste Water	325,424	495,165	-	477,721
Total Business-type Activities	1,152,969	1,295,530	-	523,421
Total Primary Government	\$ 4,083,774	\$ 1,593,079	\$ 214,682	\$ 766,892
Component Units	\$ 191,627	\$ -	\$ -	\$ -

General Revenues:

- Property Taxes
- Specific Ownership Taxes
- Sales and Use Taxes
- Franchise and Other Taxes
- Unrestricted Investment Earnings
- Unrestricted Grants and Contributions
- Miscellaneous

Transfers, Net

- Total General Revenues and Transfers
- Changes In Net Position
- Net Position - Beginning
- Net Position - Ending

The notes to the financial statements are an integral part of this statement.

Net (Expense) Revenue and Changes in Net Position

Primary Government			Component Units
Governmental Activities	Business-Type Activities	Total	General Improvement Districts
\$ (1,258,099)	\$ -	\$ (1,258,099)	\$ -
(366,503)	-	(366,503)	-
(124,287)	-	(124,287)	-
(264,984)	-	(264,984)	-
(161,230)	-	(161,230)	-
<u>(2,175,103)</u>	<u>-</u>	<u>(2,175,103)</u>	<u>-</u>
-	18,520	18,520	-
-	647,462	647,462	-
-	665,982	665,982	-
<u>(2,175,103)</u>	<u>665,982</u>	<u>(1,509,121)</u>	<u>-</u>
			<u>(191,627)</u>
263,972	-	263,972	157,265
21,365	-	21,365	12,004
2,485,395	-	2,485,395	-
76,910	-	76,910	-
1,131	-	1,131	68
35,417	-	35,417	-
63,331	-	63,331	-
179,520	(179,520)	-	-
<u>3,127,041</u>	<u>(179,520)</u>	<u>2,947,521</u>	<u>169,337</u>
951,938	486,462	1,438,400	(22,290)
7,524,321	4,016,373	11,540,694	(3,812,168)
<u>\$ 8,476,259</u>	<u>\$ 4,502,835</u>	<u>\$ 12,979,094</u>	<u>\$ (3,834,458)</u>

TOWN OF BENNETT, COLORADO

**BALANCE SHEET
GOVERNMENTAL FUNDS
December 31, 2016**

	<u>General</u>	<u>Conservation Trust</u>	<u>Cemetery</u>	<u>Sales Tax Capital Improvement</u>
Assets				
Cash and Investments	\$ 1,457,584	\$ 38,558	\$ 52,341	\$ -
Cash and Investments - Restricted	-	-	-	1,315,827
Property Taxes Receivable	265,407	-	-	-
Sales Taxes Receivable	293,247	-	-	107,139
Accounts Receivable	53,990	-	-	-
Total Assets	<u>\$ 2,070,228</u>	<u>\$ 38,558</u>	<u>\$ 52,341</u>	<u>\$ 1,422,966</u>
Liabilities				
Accounts Payable	\$ 60,029	\$ -	\$ -	\$ -
Accounts Payable From Restricted Assets	-	-	-	249,246
Compensated Absences	25,681	-	118	-
Deposits	5,111	-	-	-
Unearned Revenue	334,213	-	-	-
Total Liabilities	<u>425,034</u>	<u>-</u>	<u>118</u>	<u>249,246</u>
Deferred Inflows of Resources				
Property Taxes	<u>265,407</u>	<u>-</u>	<u>-</u>	<u>-</u>
Fund Balances				
Restricted				
TABOR Emergencies	77,000	-	-	-
Parks and Recreation	-	38,558	-	-
Capital Projects	-	-	-	529,274
Debt Service	-	-	-	644,446
Assigned				
Parks and Recreation	180,131	-	-	-
Cemetery Operations	-	-	52,223	-
Road Maintenance	-	-	-	-
Unassigned	1,122,656	-	-	-
Total Fund Balances	<u>1,379,787</u>	<u>38,558</u>	<u>52,223</u>	<u>1,173,720</u>
Total Liabilities, Deferred Inflows of Resources and Fund Balances	<u>\$ 2,070,228</u>	<u>\$ 38,558</u>	<u>\$ 52,341</u>	<u>\$ 1,422,966</u>

The notes to the financial statements are an integral part of this statement.

<u>Road and Bridge</u>	<u>Total Governmental Funds</u>
\$ 131,924	\$ 1,680,407
-	1,315,827
-	265,407
-	400,386
21,270	75,260
\$ 153,194	\$ 3,737,287
\$ 74,028	\$ 134,057
-	249,246
1,803	27,602
-	5,111
-	334,213
75,831	750,229
-	265,407
-	77,000
-	38,558
-	529,274
-	644,446
-	180,131
-	52,223
77,363	77,363
-	1,122,656
77,363	2,721,651
\$ 153,194	\$ 3,737,287

TOWN OF BENNETT, COLORADO

**RECONCILIATION OF THE GOVERNMENTAL FUNDS
BALANCE SHEET TO THE STATEMENT OF NET POSITION
December 31, 2016**

Total Fund Balances - Governmental Funds		\$ 2,721,651
Total net position reported for governmental activities in the statement of net position is different because:		
Capital assets used in governmental activities are not financial resources and therefore are not reported in the funds.		
Capital Assets	\$ 13,792,293	
Less Accumulated Depreciation	<u>(1,860,960)</u>	11,931,333
Long-term liabilities applicable to the Town's governmental activities are not due and payable in the current period and accordingly are not reported as fund liabilities. However, all liabilities - both current and long-term - are reported in the statement of net position.		
Balances at year-end are:		
Public Improvements Reimbursement Agreements	(125,501)	
Bonds Payable	(5,500,000)	
Premium on Sales Tax Revenue Bonds	<u>(533,374)</u>	(6,158,875)
Interest on long-term debt is not accrued in the funds, but rather is recognized as an expenditure when due		
		<u>(17,850)</u>
Net Position - Governmental Activities		<u><u>\$ 8,476,259</u></u>

The notes to the financial statements are an integral part of this statement.

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TOWN OF BENNETT, COLORADO

STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES

GOVERNMENTAL FUNDS

For the Year Ended December 31, 2016

	<u>General</u>	<u>Conservation Trust</u>	<u>Cemetery</u>	<u>Sales Tax Capital Improvement</u>
Revenues				
Property Taxes	\$ 263,972	\$ -	\$ -	\$ -
Specific Ownership Taxes	-	-	-	-
Sales and Use Taxes	1,869,811	-	-	615,584
Franchise and Other Taxes	76,910	-	-	-
Licenses and Permits	55,034	-	-	-
Intergovernmental Revenue	259,865	15,771	-	-
Charges for Services	198,435	-	5,350	-
Fines and Forfeitures	24,991	-	-	-
Impact Fees	13,739	-	-	-
Net Investment Income	1,131	94	-	19,685
Contributions	35,417	-	-	-
Other	63,331	-	-	-
Total Revenues	<u>2,862,636</u>	<u>15,865</u>	<u>5,350</u>	<u>635,269</u>
Expenditures				
Current				
General Government	1,712,584	-	-	-
Public Safety	391,494	-	-	-
Public Works	347,511	4,020	6,163	-
Debt Service				
Principal	-	-	-	200,000
Interest and Other Fiscal Charges	-	-	-	133,344
Bond Issue Costs	-	-	-	138,595
Capital Outlay	437,074	-	-	5,247,789
Total Expenditures	<u>2,888,663</u>	<u>4,020</u>	<u>6,163</u>	<u>5,719,728</u>
Excess Revenues Over (Under)				
Expenditures	<u>(26,027)</u>	<u>11,845</u>	<u>(813)</u>	<u>(5,084,459)</u>
Other Financing Sources (Uses)				
Transfers In	179,520	-	-	-
Bond Proceeds	-	-	-	5,700,000
Bond Premium	-	-	-	558,179
Total Other Financing Sources (Uses)	<u>179,520</u>	<u>-</u>	<u>-</u>	<u>6,258,179</u>
Net Change in Fund Balances	153,493	11,845	(813)	1,173,720
Fund Balances - Beginning	1,226,294	26,713	53,036	-
Fund Balances - Ending	<u>\$ 1,379,787</u>	<u>\$ 38,558</u>	<u>\$ 52,223</u>	<u>\$ 1,173,720</u>

The notes to the financial statements are an integral part of this statement.

Road and Bridge	Total Governmental Funds
\$ -	\$ 263,972
21,365	21,365
-	2,485,395
-	76,910
-	55,034
162,738	438,374
-	203,785
-	24,991
-	13,739
-	20,910
-	35,417
-	63,331
184,103	3,703,223
-	1,712,584
-	391,494
314,762	672,456
-	200,000
-	133,344
-	138,595
-	5,684,863
314,762	8,933,336
(130,659)	(5,230,113)
-	179,520
-	5,700,000
-	558,179
-	6,437,699
(130,659)	1,207,586
208,022	1,514,065
\$ 77,363	\$ 2,721,651

TOWN OF BENNETT, 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**

Net Change in Fund Balances - Governmental Funds		\$	1,207,586
<p>Amounts reported for governmental activities in the statement of activities are different because:</p> <p>Governmental funds report capital outlays as expenditures. In the statement of activities capital outlay is not reported as an expenditure. However, the statement of activities will report as depreciation expense the allocation of the cost of any depreciable asset over the estimated useful life of the asset.</p>			
Capital Outlay	\$5,830,927		
Depreciation	<u>(161,230)</u>		5,669,697
<p>Long-term debt (e.g., issuance of bonds, notes) provides current financial resources to governmental funds, while the repayment of the principal of long-term debt consumes the current financial resources of governmental funds. Neither transaction, however, has any effect on net position.</p>			
Proceeds from Sales Tax Revenue Bonds	(5,700,000)		
Premium on Sales Tax Revenue Bonds	(558,179)		
Principal Payment - Sales Tax Revenue Bonds	200,000		
Payment - Public Improvements Reimbursement Agreement	<u>125,879</u>		(5,932,300)
<p>Interest expense in the statement of activities differs from the amount reported in governmental funds because of additional accrued and accreted interest, amortization of bond premiums, issue costs and refunding losses.</p>			
Change in accrued interest on long-term debt	(17,850)		
Amortization of bond premium	<u>24,805</u>		6,955
Change in Net Position - Governmental Activities		\$	<u>951,938</u>

The notes to the financial statements are an integral part of this statement.

TOWN OF BENNETT, COLORADO

**STATEMENT OF NET POSITION
PROPRIETARY FUNDS
December 31, 2016**

	<u>Water</u>	<u>Waste Water</u>	<u>Total</u>
Assets			
Current Assets			
Cash and Investments	\$ 177,038	\$ 290,299	\$ 467,337
Cash and Investments - Restricted			
Debt Service Reserve	10,983	-	10,983
Receivables			
Accounts	66,581	56,655	123,236
Grants	-	101,933	101,933
Loans	2,511,142	-	2,511,142
Total Current Assets	<u>2,765,744</u>	<u>448,887</u>	<u>3,214,631</u>
Noncurrent Assets			
Capital Assets Not Being Depreciated	2,320,394	587,098	2,907,492
Capital Assets, Net	<u>1,809,485</u>	<u>1,121,223</u>	<u>2,930,708</u>
Total Noncurrent Assets	<u>4,129,879</u>	<u>1,708,321</u>	<u>5,838,200</u>
Total Assets	<u>6,895,623</u>	<u>2,157,208</u>	<u>9,052,831</u>
Liabilities			
Current Liabilities			
Accounts Payable	17,180	1,033	18,213
Accounts Payable From Restricted Assets	324,133	61,483	385,616
Compensated Absences	4,768	2,655	7,423
Accrued Interest Payable	56,321	1,729	58,050
Notes Payable - Current	<u>70,410</u>	<u>14,239</u>	<u>84,649</u>
Total Current Liabilities	<u>472,812</u>	<u>81,139</u>	<u>553,951</u>
Noncurrent Liabilities			
Notes Payable	<u>3,846,294</u>	<u>149,751</u>	<u>3,996,045</u>
Total Noncurrent Liabilities	<u>3,846,294</u>	<u>149,751</u>	<u>3,996,045</u>
Total Liabilities	<u>4,319,106</u>	<u>230,890</u>	<u>4,549,996</u>
Net Position			
Net Investment in Capital Assets	2,400,184	1,584,781	3,984,965
Restricted for Debt Service	139,000	93,000	232,000
Unrestricted	<u>37,333</u>	<u>248,537</u>	<u>285,870</u>
Total Net Position	<u>\$ 2,576,517</u>	<u>\$ 1,926,318</u>	<u>\$ 4,502,835</u>

The notes to the financial statements are an integral part of this statement.

TOWN OF BENNETT, COLORADO

**STATEMENT OF REVENUES, EXPENSES AND CHANGES IN NET POSITION
PROPRIETARY FUNDS**

For the Year Ended December 31, 2016

	Business-type Activities - Enterprise Funds		
	Water	Waste Water	Total
Operating Revenues			
Charges for Sales and Services			
Service Fees	\$ 763,185	\$ 487,860	\$ 1,251,045
Bulk Water	3,898	-	3,898
Other	33,282	7,305	40,587
Total Operating Revenues	<u>800,365</u>	<u>495,165</u>	<u>1,295,530</u>
Operating Expenses			
Personnel	170,595	115,824	286,419
Operations	342,923	114,016	456,939
Professional Services	126,755	43,598	170,353
Depreciation	124,503	44,626	169,129
Total Operating Expenses	<u>764,776</u>	<u>318,064</u>	<u>1,082,840</u>
Operating Income	<u>35,589</u>	<u>177,101</u>	<u>212,690</u>
Nonoperating Revenues (Expenses)			
Interest Expense	(62,769)	(7,360)	(70,129)
Total Nonoperating Revenues (Expenses)	<u>(62,769)</u>	<u>(7,360)</u>	<u>(70,129)</u>
Income Before Transfers and Contributions	(27,180)	169,741	142,561
Capital Contributions - Development Fees	45,700	9,930	55,630
Capital Grants	-	467,791	467,791
Transfers Out	(134,640)	(44,880)	(179,520)
Change In Net Position	(116,120)	602,582	486,462
Net Position - Beginning	<u>2,692,637</u>	<u>1,323,736</u>	<u>4,016,373</u>
Net Position - Ending	<u>\$ 2,576,517</u>	<u>\$ 1,926,318</u>	<u>\$ 4,502,835</u>

The notes to the financial statements are an integral part of this statement.

TOWN OF BENNETT, COLORADO

**STATEMENT OF CASH FLOWS
PROPRIETARY FUNDS
For the Year Ended December 31, 2016**

	<u>Water</u>	<u>Waste Water</u>	<u>Total</u>
Cash Flows from Operating Activities			
Cash Received from Customers	\$ 784,235	\$ 490,226	\$ 1,274,461
Cash Payments to Suppliers for Goods and Services	(467,412)	(156,738)	(624,150)
Cash Payments to Employees for Services	(172,792)	(116,356)	(289,148)
Net Cash Provided by Operating Activities	<u>144,031</u>	<u>217,132</u>	<u>361,163</u>
Cash Flows from Noncapital Financing Activities			
Transfers to Other Funds	(134,640)	(44,880)	(179,520)
Net Cash (Used) by Noncapital Financing Activities	<u>(134,640)</u>	<u>(44,880)</u>	<u>(179,520)</u>
Cash Flows from Capital and Related Financing Activities			
System Development Fees	45,700	9,930	55,630
Capital Grant Received	-	397,208	397,208
Loan Proceeds	310,482	-	310,482
Acquisition and Construction of Capital Assets	(683,711)	(445,379)	(1,129,090)
Principal Paid on Long-Term Debt	(8,985)	(13,651)	(22,636)
Interest Paid on Long-Term Debt	(8,756)	(7,506)	(16,262)
Net Cash Provided (Used) by Capital and Related Financing Activities	<u>(345,270)</u>	<u>(59,398)</u>	<u>(404,668)</u>
Cash Flows from Investing Activities			
Net Investment Income	-	-	-
Net Cash Provided by Investing Activities	<u>-</u>	<u>-</u>	<u>-</u>
Net Increase (Decrease) In Cash and Cash Equivalents	(335,879)	112,854	(223,025)
Cash and Cash Equivalents - Beginning	523,900	177,445	701,345
Cash and Cash Equivalents - Ending	<u>\$ 188,021</u>	<u>\$ 290,299</u>	<u>\$ 478,320</u>
Reconciliation of Operating (Loss) to Net Cash Provided (Used) by Operating Activities:			
Operating Income	\$ 35,589	\$ 177,101	\$ 212,690
Adjustments to Reconcile Operating Income to Net Cash Provided by Operating Activities			
Depreciation	124,503	44,626	169,129
Effect of Changes In Operating Assets and Liabilities			
Accounts Receivable	(16,130)	(4,939)	(21,069)
Accounts Payable	2,266	876	3,142
Compensated Absences	(2,197)	(532)	(2,729)
Total Adjustments	<u>108,442</u>	<u>40,031</u>	<u>148,473</u>
Net Cash Provided by Operating Activities	<u>\$ 144,031</u>	<u>\$ 217,132</u>	<u>\$ 361,163</u>

The notes to the financial statements are an integral part of this statement.

TOWN OF BENNETT, COLORADO

NOTES TO THE FINANCIAL STATEMENTS December 31, 2016

The financial statements of the Town of Bennett, Colorado (the Town) have been prepared in conformity with generally accepted accounting principles (GAAP) as applied to governments. The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting and reporting principles. The following notes to the financial statements are an integral part of the Town's financial statements.

Note 1. Definition of Reporting Entity

The Town of Bennett, Colorado was incorporated in 1929 in Adams County and is governed by a seven-member elected Board of Trustees. The Town provides public works (roads and streets), parks and recreation, water, waste water and general administrative services. The Town contracts with Adams and Arapahoe County for police protection and Adams County for animal control.

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

As required by accounting principles generally accepted in the United States of America, these financial statements present the primary government and its component units, those entities for which the Town is considered to be financially accountable. Discretely presented component units are legally separate entities for which the financial data are presented separately from the financial data of the Town.

The Town presents two General Improvement Districts, Antelope Hills and Penrith Park, as discretely presented component units.

The General Improvement Districts (GIDs) were created under provisions of Colorado state statute. Each district has the power to acquire, construct or install public improvements within its own boundaries and to finance such improvements by levying a general property tax upon the benefiting property. The GIDs are legally separate entities from the Town. The Town Trustees sit as the Board of Directors for each of the GIDs. Services provided by the GIDs are entirely for the benefit of the citizens of each respective district. The fiscal year-end for each of these districts is December 31.

TOWN OF BENNETT, COLORADO

NOTES TO THE FINANCIAL STATEMENTS
December 31, 2016

Note 2. Summary of Significant Accounting Policies

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

Government-wide and Fund Financial Statements

The government-wide financial statements (i.e., the Statement of Net Position and the Statement of Activities) report information on all the activities of the Town. Governmental activities, which normally are supported by taxes and intergovernmental revenues, are reported separately from business-type activities, which rely to a significant extent on user fees and charges for support. Likewise, the primary government is reported separately from certain legally separate component units for which the primary government is financially accountable.

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

The statement of activities demonstrates the degree to which the direct 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 charges to customers or applicants who purchase, use, or directly benefit from goods, services, or privileges provided by given function or segment; fines and forfeitures; and grants and contributions that are restricted to meeting the operational or capital requirements of a particular function or segment. Taxes and other items not properly included among program revenues are reported instead as general revenues.

Separate financial statements are provided for governmental funds and proprietary funds. Major individual governmental funds and major individual enterprise funds are reported in 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 *accrual basis of accounting*, as are the proprietary fund financial statements. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows.

Governmental fund financial statements are reported using the *current financial resources measurement focus* and the *modified accrual basis of accounting*. Revenues

TOWN OF BENNETT, COLORADO

NOTES TO THE FINANCIAL STATEMENTS
December 31, 2016

are recognized as soon as they are both measurable and available. Revenues are considered to be *available* when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the Town considers revenues to be available if they are collected within 60 days after year-end. Property taxes, sales taxes, franchise taxes and interest are susceptible to accrual and so have been recognized as revenues in the current period. Grants and similar items are recognized as revenues as soon as all eligibility requirements imposed by the provider have been met. All other revenue items are considered to be measurable and available only when cash is received by the Town. Expenditures are recorded when the related fund liability is incurred, as under accrual accounting. However, debt service expenditures, as well as expenditures related to compensated absences and claims and judgments are recorded only when payment is due.

The Town reports the following major governmental funds:

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

The *Conservation Trust Fund* accounts for State of Colorado lottery funds to be used for parks and recreation services and capital investment.

The *Cemetery Fund* accounts for the operations of the Mountview Cemetery.

The *Sales Tax Improvement Fund* accounts for the proceeds of the Town's 2016 Sales Tax Revenue Bonds and the additional 1% sales tax approved by the voters in November 2015 restricted to construction and maintenance of the Town's roads.

The *Road and Bridge Fund* is used to account for state highway users trust funds, county road and bridge taxes, and other revenues assigned for the construction and maintenance of roads and bridges.

The Town reports the following major proprietary funds:

The *Water Fund* accounts for revenues and expenses associated with providing water services to Town residents.

The *Waste Water Fund* accounts for revenues and expenses associated with providing waste water services to Town residents.

As a general rule, the effect of interfund activity has been eliminated from the government-wide financial statements. Exceptions to this general rule are charges

TOWN OF BENNETT, COLORADO

NOTES TO THE FINANCIAL STATEMENTS

December 31, 2016

between the Town's water and waste water functions and various other functions of government. Elimination of these charges would distort the direct costs and program revenues reported for the various functions concerned.

Amounts reported as program revenues include 1) charges to customers or applicant for goods, services, or privileges provided, 2) operating grants and contributions, and 3) capital grants and contributions. Internally dedicated resources are reported as general revenues rather than as program revenues. Likewise, general revenues include all Town levied taxes.

Proprietary funds distinguish between operating revenues and expenses from nonoperating items. Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with a proprietary fund's principle ongoing operations. The principle operating revenues of the Town's enterprise funds are charges to customers for sales and services. Operating expenses for enterprise funds include the cost of sales and services, administrative expenses, and depreciation on capital assets. All revenues and expenses not meeting this definition are reported as nonoperating revenues and expenses. The Town's water and waste water enterprise funds recognize as capital contributions the entire portion of tap fees, as they are intended to recover the cost of the capital investment in the water and waste water distribution systems.

Pooled Cash and Investments

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

Cash and investments are presented in the basic financial statements at fair value.

For purposes of the statement of cash flows, the Town considers all highly liquid investments (including restricted assets) with a maturity when purchased of three months or less and all local government investment pools to be cash equivalents.

Property Taxes

Property taxes are levied by the Town's Board of Trustees. Property taxes are levied by December 15 of each year and are due in full the following year. The lien date is January 1 following the levy. Taxes may be paid in two equal installments, on or before February

TOWN OF BENNETT, COLORADO

**NOTES TO THE FINANCIAL STATEMENTS
December 31, 2016**

28 and June 15; or in full, on or before April 30. Delinquent taxpayers are notified in August and generally, sales of the tax liens on delinquent properties are held in November or December. Property taxes are collected by Adams County and then remitted, net of a 1% collection fee, to the Town.

Taxes are recorded as a receivable and a deferred inflow of resources when levied, and subsequently recorded as revenue in the year they are available or collected.

Restricted Assets

Certain assets of the Town's Water and Waste Water funds are classified as restricted assets on the balance sheet because their use is limited by applicable debt covenants.

Capital Assets

Capital assets, which include property, plant, equipment and infrastructure assets, are reported in the applicable governmental or business-type activities columns in the government-wide financial statements. The Town currently capitalizes expenditures that cost more than \$5,000 and have a life of one year or more. Such capital assets are recorded at historical cost or at estimated historical cost if purchased or constructed. Donated capital assets are recorded at estimated fair market value at the date of donation.

Public domain assets consisting of roads, bridges, curbs and gutters, streets and sidewalks, drainage systems and lighting systems are examples of infrastructure assets. Infrastructure assets are distinguished from other capital assets because their useful life often extends beyond most other capital assets and are stationary in nature. General infrastructure assets are those associated with or arising from governmental activities. Generally accepted accounting principles requires the Town to report general infrastructure assets obtained subsequent to January 1, 2004 but allows the Town to retroactively capitalize general infrastructure assets obtained prior to that date. The Town elected to not report general infrastructure assets retroactively.

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. Major outlays for capital assets and improvements are capitalized as projects are constructed and depreciated over their remaining useful lives.

TOWN OF BENNETT, COLORADO

**NOTES TO THE FINANCIAL STATEMENTS
December 31, 2016**

Capital assets of the Town are depreciated, using the straight-line method over their estimated useful lives:

Buildings	40 years
Buildings Improvements	15 years
Streets, Curbs and Gutters	15-30 years
Parks and Ball fields	10-40 years
Water and Waste Water Systems	15-40 years
Furniture and Equipment	5-10 years

Deferred Outflows/Inflows of Resources

In addition to assets, the statement of financial position/balance sheet 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 or fund balance that applies to a future period(s) and thus, will not be recognized as an outflow of resources (expense/expenditure) until then.

In addition to liabilities, the statement of financial position/balance sheet 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 or fund balance that applies to a future period(s) and so will not be recognized as an inflow of resources (revenue) until that time. The Town reports unavailable revenue for property taxes to be collected in the subsequent period and therefore not yet available.

Compensated Absences

Vacation leave is based on an employee's length of employment and is earned ratably during the span of employment. Upon termination, employees are paid full value for any accrued general leave earned.

It is the Town's policy to permit employees to accumulate earned but unused vacation leave benefits. All leave is accrued when incurred in the government-wide and proprietary fund financial statements. A liability for these amounts is reported in governmental funds only if it is expected to be liquidated with expendable available financial resources.

TOWN OF BENNETT, COLORADO

**NOTES TO THE FINANCIAL STATEMENTS
December 31, 2016**

Long-term Obligations

In the government-wide financial statements, and proprietary fund types in the fund financial statements, long-term debt and other long-term obligations are reported as liabilities in the applicable governmental activities, business-type activities, or proprietary fund type statement of net position. Bond premiums and discounts are deferred and amortized over the term of the bonds. The balance of these deferrals is combined with the corresponding long term debt in the financial statements.

In the fund financial statements, governmental fund types recognize bond premiums and discounts, as well as issuance costs, during the current period. The face amount of debt issued is reported as other financing sources. Premiums received on debt issuances are reported as other financing sources while discounts on debt issuances are reported as other financing uses. Issuance costs, even if withheld from the actual new proceeds received, are reported as debt service expenditures.

Net Position and Fund Equity

Net Position

The government-wide financial statements utilize a net position presentation. Net position is categorized as 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 or other borrowings that are attributable to the acquisition, construction or improvement of those assets.

Restricted Net Position is subject to restrictions by creditors, grantors, contributors, or laws or regulations of other governments or imposed by law through constitutional provision or enabling legislation

Unrestricted net position represents assets that do not have any third-party limitations on their use.

For government-wide presentation purposes, when both restricted and unrestricted resources are available for use, it is the Town's practice to use restricted resources first, then unrestricted resources as they are needed.

TOWN OF BENNETT, COLORADO

NOTES TO THE FINANCIAL STATEMENTS
December 31, 2016

Fund Balances

Fund balance for governmental funds 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.

The Town reports the following Restricted Fund Balances:

Restricted for TABOR Emergencies – Emergency reserves have been provided for as required by Article X, Section 20 of the Constitution of the State of Colorado (see Note 11).

Restricted for Parks and Recreation – Represents the balance of funds remaining from the Conservation Trust (State Lottery) Fund proceeds.

Restricted for Capital Projects – Represents unspent bond proceeds restricted for roads improvements.

Restricted for Debt Service – Represents the portion of fund balance that is legally restricted to payment of principal and interest on long-term debt maturing in future years.

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, the Board of Directors. The constraint may be removed or changed only through formal action of the Board of Directors.

TOWN OF BENNETT, COLORADO

NOTES TO THE FINANCIAL STATEMENTS

December 31, 2016

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 Board of Directors 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.

The following fund balances are assigned:

Parks and Recreation – used to account for the portion of the year-end fund balance which is assigned for the purchase and construction of a future park location.

Cemetery Operations – assigned to the operations of the Mountview Cemetery.

Road and Bridge Fund – assigned for construction and maintenance of roads and bridges.

Unassigned fund balance – The residual portion of fund balance that does not meet any of the criteria described above.

If more than one classification of fund balance is available for use when an expenditure is incurred, it is the Town’s practice to use the most restrictive classification first.

Use of Estimates

The preparation of financial statements, in conformity with generally accepted accounting principles, requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates. An example of such an estimate that has been made by management is depreciation expense.

TOWN OF BENNETT, COLORADO

**NOTES TO THE FINANCIAL STATEMENTS
December 31, 2016**

Note 3. Cash Deposits and Investments

The Town's unrestricted and restricted cash deposits and investments are presented as follows at December 31, 2016:

	Governmental Activities	Business- type Activities	Component Units	Total
Unrestricted	\$ 1,680,407	\$ 467,337	\$ 75,479	\$ 2,223,223
Restricted	1,315,827	10,983	-	1,326,810
Total	<u>\$ 2,996,234</u>	<u>\$ 478,320</u>	<u>\$ 75,479</u>	<u>\$ 3,550,033</u>

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

	Governmental Activities	Business- type Activities	Component Units	Total
On-hand	\$ 55	\$ 300	-	\$ 355
Deposits	1,163,982	478,020	65,316	1,707,318
Investments	1,832,197	-	10,163	1,842,360
Total	<u>\$ 2,996,234</u>	<u>\$ 478,320</u>	<u>\$ 75,479</u>	<u>\$ 3,550,033</u>

Cash Deposits

Custodial credit risk

Custodial risk for deposits is the risk that, in the event of a failure of a depository financial institution, the Town will not be able to recover its deposits or will not be able to recover collateral securities that are in possession of an outside party. The Colorado Public Deposit Protection Act (PDPA) governs the investment of public funds. PDPA requires that all units of local government deposit cash in eligible public depositories. State regulators determine eligibility. Amounts on deposit in excess of federal insurance levels (\$250,000) 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 equal to 102% of the aggregate uninsured deposits. The institution's internal records identify the collateral by depositor and as such, these deposits are considered to be uninsured but collateralized. The State Regulatory Commissions for banks and financial services are required by statute to monitor the naming of eligible depositories and reporting of the uninsured deposits

TOWN OF BENNETT, COLORADO

NOTES TO THE FINANCIAL STATEMENTS December 31, 2016

and assets maintained in the collateral pools. At December 31, 2016, the Town's bank deposits amounting to \$2,205,958 were both insured by federal depository insurance and collateralized with securities held by third parties but not in the Town's name, and consequently were not exposed to custodial credit risk.

Investments

The Town has not adopted a formal investment policy; however, the Town follows state statutes regarding investments. Colorado revised statutes limit investment maturities to five years or less unless formally approved by the Board of Trustees, such actions are generally associated with a debt service reserve or sinking fund requirements.

The Town generally limits its concentration of investments to obligations of the United States, certain U.S. government agency securities and Local Government Investment Pools, which are believed to have minimal credit risk; minimal interest rate risk and no foreign currency risk. Additionally, the Town is not subject to concentration risk disclosure requirements or subject 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 Board of Directors, 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 US 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

TOWN OF BENNETT, COLORADO

**NOTES TO THE FINANCIAL STATEMENTS
December 31, 2016**

The Town measures and records its investments using fair value measurement guidelines established by generally accepted accounting principles. These guidelines recognize a three-tiered fair value hierarchy, as follows:

- Level 1: Quoted prices for identical investments in active markets;
- Level 2: Observable inputs other than quoted market prices; and,
- Level 3: Unobservable inputs.

Colotrust is an external investment pool that records its investments at fair value. The investment in Colotrust is categorized as a Level 2 investment.

At December 31, 2016, the Town had the following investments:

<u>Investment</u>	<u>Maturity</u>	<u>Fair Value</u>
Colorado Local Government Liquid Asset Trust (Colotrust)	Weighted Average under 60 days	<u>\$ 1,842,360</u>

The Town invested in the Colorado Local Government Liquid Asset Trust (Colotrust), 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 Colotrust. Colotrust operates similarly to a money market fund and each share is equal in value to \$1.00. Colotrust offers two portfolios, COLOTRUST PRIME and COLOTRUST PLUS+. Both portfolios may invest in U.S. Treasury securities, certain obligations of agencies of the U.S. government and written purchase agreements collateralized by U.S Treasury securities or certain obligations of U.S government agencies. COLOTRUST PLUS+ may also invest in highest rated commercial paper and any security allowed under CRS 24-75-601. A designated custodial bank serves as a custodian for Colotrust’s portfolios pursuant to a custodian agreement. The custodian acts as a safekeeping agent for Colotrust’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 Colotrust. Colotrust is rated AAAM by Standard & Poor’s.

TOWN OF BENNETT, COLORADO

NOTES TO THE FINANCIAL STATEMENTS
December 31, 2016

Note 4. Capital Assets

Capital asset activity for the year ended December 31, 2016 was as follows:

	Beginning Balance	Increases	Decreases	Ending Balance
Governmental activities:				
Capital assets not being depreciated:				
Land and land improvements	\$ 2,538,693	\$ -	\$ -	\$ 2,538,693
Construction in process	541,210	5,587,013	(646,363)	5,481,860
Total capital assets not being depreciated	<u>3,079,903</u>	<u>5,587,013</u>	<u>(646,363)</u>	<u>8,020,553</u>
Capital assets being depreciated				
Buildings	1,203,528	252,951	-	1,456,479
Streets, Curbs & Gutter	675,908	-	-	675,908
Parks and Ballfields	2,289,840	451,788	-	2,741,628
Street/Park Equipment	712,187	185,538	-	897,725
Total capital assets being depreciated	<u>4,881,463</u>	<u>890,277</u>	<u>-</u>	<u>5,771,740</u>
Less accumulated depreciation for:				
Buildings	(369,608)	(30,069)	-	(399,677)
Streets, Curbs & Gutter	(280,583)	(27,340)	-	(307,923)
Parks and Ballfields	(557,636)	(75,691)	-	(633,327)
Street/Park Equipment	(491,903)	(28,130)	-	(520,033)
Total accumulated depreciation	<u>(1,699,730)</u>	<u>(161,230)</u>	<u>-</u>	<u>(1,860,960)</u>
Total capital assets being depreciated, net	<u>3,181,733</u>	<u>729,047</u>	<u>-</u>	<u>3,910,780</u>
Governmental activities capital assets, net	<u>\$ 6,261,636</u>	<u>\$ 6,316,060</u>	<u>\$ (646,363)</u>	<u>\$ 11,931,333</u>

Depreciation expense is not allocated to specific departments.

TOWN OF BENNETT, COLORADO

NOTES TO THE FINANCIAL STATEMENTS
December 31, 2016

Capital asset activity for the year ended December 31, 2016 (continued):

	Beginning Balance	Increases	Decreases	Ending Balance
Business-type activities:				
Capital assets not being depreciated:				
Land and land improvements	\$ 67,138	\$ -	\$ -	\$ 67,138
Water Rights	215,654	-	-	215,654
Construction in process	1,298,738	1,325,962	-	2,624,700
Total capital assets not being depreciated	1,581,530	1,325,962	-	2,907,492
Capital assets being depreciated:				
Ponds	656,605	-	-	656,605
Water System	3,741,760	-	-	3,741,760
Sewer Lines and Connections	977,609	7,914	-	985,523
Buildings	30,141	-	-	30,141
Equipment and other	525,888	58,409	-	584,297
Total capital assets being depreciated	5,932,003	66,323	-	5,998,326
Less accumulated depreciation for:				
Ponds	(217,929)	(16,304)	-	(234,233)
Water System	(2,072,445)	(101,291)	-	(2,173,736)
Sewer Lines and Connections	(318,455)	(19,450)	-	(337,905)
Buildings	(29,466)	(135)	-	(29,601)
Equipment and other	(260,194)	(31,949)	-	(292,143)
Total accumulated depreciation	(2,898,489)	(169,129)	-	(3,067,618)
Total capital assets being depreciated, net	3,033,514	(102,806)	-	2,930,708
Business-type activities capital assets, net	\$ 4,615,044	\$ 1,223,156	\$ -	\$ 5,838,200

Depreciation was charged to functions/programs as follows:

Business-type activities:	
Water	\$ 124,503
Waste Water	44,626
Total depreciation expense -	
Business-type Activities	\$ 169,129

TOWN OF BENNETT, COLORADO

NOTES TO THE FINANCIAL STATEMENTS
December 31, 2016

Note 5. Long-term Obligations

The following is an analysis of changes in long-term debt for the year ended December 31, 2016:

	Beginning Balance	Additions	Reductions	Ending Balance	Due Within One Year
Governmental Activities					
Reimbursement Agreements	\$ 251,380	\$ -	\$ 125,879	\$ 125,501	\$ 16,000
Sales Tax Revenue Bonds, 2016	-	5,700,000	200,000	5,500,000	130,000
Bond Premium - 2016 Bonds	-	558,179	24,805	533,374	-
	<u>\$ 251,380</u>	<u>\$ 6,258,179</u>	<u>\$ 350,684</u>	<u>\$ 6,158,875</u>	<u>\$ 146,000</u>
Business-type Activities					
Colorado Department of Local Affairs					
Energy Impact Assistance Loans:					
Water Fund, 2004	\$ 28,517	\$ -	\$ 2,587	\$ 25,930	\$ 2,716
Waste Water Fund, 2010	73,384	-	5,834	67,550	6,126
Colorado Water Conservation Board					
Water Fund, 2008	209,449	-	6,398	203,051	6,622
Water Fund, 2015	989,474	198,249	-	1,187,723	-
Colorado Water Resources & Power Development Authority					
Waste Water Fund, 2006	104,257	-	7,817	96,440	8,113
Waste Water Fund, 2016	-	240,000	240,000	-	-
Water Fund, 2016	-	2,500,000	-	2,500,000	61,072
Total Business-type Activities	<u>\$ 1,405,081</u>	<u>\$ 2,938,249</u>	<u>\$ 262,636</u>	<u>\$ 4,080,694</u>	<u>\$ 84,649</u>

Public Improvements Reimbursement Agreements

On July 27, 2010, the Town entered into a Public Improvements Reimbursement Agreement with a developer whereby the Town will reimburse the developer for the costs of certain public sewer improvements incurred by the developer. The original cost of the improvements amounted to \$387,516, which were accepted by the Town in 2012. The source of the repayment is equal to 50% of the sales tax collections remitted to the Town by the developer. The term of the payments is for ten years beginning September 2011. The Town's obligation to make any payments under the agreement expires at the end of the ten-year period. During the year ended December 31, 2016, the Town reimbursed the remaining amounts due to the developer of \$45,577.

On January 28, 2014, with an effective date of February 23, 2015, under a separate Public Improvements Reimbursement Agreement with a developer, the Town accepted improvements amounting to \$258,914 related to certain public improvements incurred by the developer. The source of the repayment is equal to 50% of the sales tax collections

TOWN OF BENNETT, COLORADO

NOTES TO THE FINANCIAL STATEMENTS
December 31, 2016

remitted to the Town by the developer. The term of the payments is for ten years beginning March 1, 2015. The Town’s obligation to make any payments under the agreement expires at the end of the ten-year period. During the year ended December 31, 2016, the Town reimbursed the developer \$80,302, leaving a balance of \$125,501 at year-end.

Sales Tax Revenue Bonds

Sales Tax Revenue Bonds, Series 2016, issued on April 21, 2016, in the original principal amount of \$5,700,000. The bonds consist of \$1,605,000 of serial bonds due annually in varying amounts from 2016 through 2025 and term bonds due annually in varying amounts from 2026 through 2040 in the amount of \$4,095,000. Interest on the serial and term bonds are payable semiannually at rates ranging from 2.0% to 4.0%, beginning June 1, 2016. The Bonds maturing on and after December 1, 2025 are subject to redemption prior to maturity, at the option of the Town, in whole or in part, and if in part in such order of maturities as the Town shall determine and by lot within a maturity, on December 1, 2024 and on any date thereafter, at a redemption price equal to the principal amount thereof (with no redemption premium), plus accrued interest to the redemption date.

The Bonds were issued to finance the construction, maintenance, repair, replacement, expansion, acquisition, rehabilitation and renovation of existing and planned streets and other street-related capital improvements within the Town.

The Bonds are revenue obligations of the Town payable solely from the pledged revenue, consisting of an additional 1% sales tax approved at an election held on November 3, 2015 (the Street Sales Tax). The Bonds are also secured by a Reserve Account of \$360,300 and amounts on deposit in a Surplus Account, if any. The bonds are rated “A-” by Standard & Poor’s. The bonds mature as follows:

	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2017	\$ 130,000	\$ 214,200	\$ 344,200
2018	150,000	210,300	360,300
2019	150,000	205,800	355,800
2020	150,000	201,300	351,300
2021	150,000	196,800	346,800
2022-2026	870,000	888,000	1,758,000
2027-2031	1,050,000	699,200	1,749,200
2032-2036	1,275,000	472,000	1,747,000
2037-2040	1,575,000	181,400	1,756,400
	<u>\$5,500,000</u>	<u>\$3,269,000</u>	<u>\$8,769,000</u>

TOWN OF BENNETT, COLORADO

NOTES TO THE FINANCIAL STATEMENTS
December 31, 2016

Colorado Department of Local Affairs – Energy Impact Assistance Loans

2004 Water Loan

On September 1, 2004, the Town issued a note with the Energy and Impact Assistance program in the original amount of \$50,000 for equipment related to the conversion of minerals and mineral fuels. The loan is payable in 20 installments of \$4,012, including interest at 5%. Payments are due each September 1 through 2024. The loan matures as follows:

	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2017	\$ 2,716	\$ 1,296	\$ 4,012
2018	2,851	1,161	4,012
2019	2,994	1,018	4,012
2020	3,144	868	4,012
2021	3,301	711	4,012
2022-2024	<u>10,924</u>	<u>1,112</u>	<u>12,036</u>
	<u>\$ 25,930</u>	<u>\$ 6,166</u>	<u>\$ 32,096</u>

2010 Waste Water Loan

On September 24, 2010, the Town issued a note with the Energy and Impact Assistance program in the original amount of \$99,057 for construction of a waste water line that passes underneath railroad tracks to the waste water plant. The loan is payable in 15 installments of \$9,504, including interest at 5.0%. Payments are due each September 1 through 2025. The loan matures as follows:

	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2017	\$ 6,126	\$ 3,378	\$ 9,504
2018	6,432	3,072	9,504
2019	6,754	2,750	9,504
2020	7,092	2,412	9,504
2021	7,446	2,058	9,504
2022-2025	<u>33,700</u>	<u>4,316</u>	<u>38,016</u>
	<u>\$ 67,550</u>	<u>\$ 17,986</u>	<u>\$ 85,536</u>

TOWN OF BENNETT, COLORADO

NOTES TO THE FINANCIAL STATEMENTS
December 31, 2016

Colorado Water Conservation Board

2008 Water Loan

On March 21, 2008, the Town issued a note with the Colorado Water Conservation Board in the original amount of \$252,500 for the replacement of Well #5. The loan is payable in 30 installments of \$13,729, including interest at 3.5%. Payments are due each October 1 through 2038. The loan matures as follows:

	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2017	\$ 6,622	\$ 7,107	\$ 13,729
2018	6,854	6,875	13,729
2019	7,094	6,635	13,729
2020	7,342	6,387	13,729
2021	7,599	6,130	13,729
2022-2026	42,175	26,470	68,645
2027-2031	50,090	18,555	68,645
2032-2036	59,492	9,153	68,645
2037-2038	15,783	645	16,428
	<u>\$ 203,051</u>	<u>\$ 87,957</u>	<u>\$ 291,008</u>

The Town is required to fund a Bond Reserve Account at the rate of \$1,373 annually beginning in 2009 and thereafter until the required reserve amount of \$13,729 is reached. At December 31, 2016, the Town had reserved \$10,983 towards the required amount.

The Town has pledged the revenue from the operation and use of the water system and other legally available revenue, after the payment of operation and maintenance expenses of the system, for the repayment of the loan. Additionally, the Town may only issue parity lien debt with the prior approval of the Colorado Water Conservation Board.

2015 Water Loan

On February 10, 2015, the Town issued a note with the Colorado Water Conservation Board up to an amount of \$1,454,400 for the replacement of Wells #3 and #6. The loan is payable in 30 annual installments of \$76,620, including interest at 3.25%. Payments are due after the project is substantially completed. During the year ended December 31, 2016, \$1,187,723 had been advanced to the Town.

TOWN OF BENNETT, COLORADO

NOTES TO THE FINANCIAL STATEMENTS

December 31, 2016

Colorado Water Resources and Power Development Authority (CWR&PDA)

2006 Waste Water Loan

On July 14, 2006, the Town issued a note with the CWR&PDA, Water Pollution Control Revolving Loan, in the original amount of \$161,000. The proceeds of the loan were used to upgrade the existing wastewater treatment lagoons; including lining an existing pond and adding additional aerated capacity and biological treatment. The note is payable in semi-annual installments of \$5,827 beginning on May 1, 2007 through November 1, 2026, including interest at 3.75%. The loan matures as follows:

	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2017	\$ 8,113	\$ 3,541	\$ 11,654
2018	8,420	3,234	11,654
2019	8,739	2,915	11,654
2020	9,069	2,585	11,654
2021	9,413	2,241	11,654
2022-2026	52,686	5,584	58,270
	<u>\$ 96,440</u>	<u>\$ 20,100</u>	<u>\$ 116,540</u>

A provision of the note with the CWR&PDA requires the net revenues (total revenues less operating expenses) be at least 110% of the annual debt service due in any one year. During the year ended December 31, 2016, the Town complied with the rate covenant.

Additionally, the note requires the Town to maintain an operations and reserve fund in an amount equal to three months of operations, excluding depreciation. Accordingly, the Town has restricted \$93,000 of the Waste Water Fund's net position.

The Town has pledged the revenue from the operation and use of the waste water system and other legally available revenue, after the payment of operation and maintenance expenses of the system, for the repayment of the note.

TOWN OF BENNETT, COLORADO

NOTES TO THE FINANCIAL STATEMENTS
December 31, 2016

Colorado Water Resources and Power Development Authority (CWR&PDA) (continued)

2016 Waste Water Loan

In 2016, the Town obtained financing from the CWR&PDA, Water Pollution Control Revolving Fund, in the amount of \$240,000. At closing on October 13, 2016, the CWR&PDA forgave 100% of the note. The proceeds will be used to fund design and engineering costs associated with a project consisting of constructing a new wastewater treatment facility to replace the Town's existing lagoon system. During the year ended December 31, 2016, the Town expended all of the loan funds amounting to \$240,000.

2016 Water Loan

On August 31, 2016, the Town issued a note with the CWR&PDA, Drinking Water Revolving Fund, in the original amount of \$2,500,000. The proceeds of the loan will be used to construct a new elevated water tank and provide hydraulic capacity to an existing tank, which will be removed from service. The note is payable in semi-annual installments of \$77,464 beginning on May 1, 2017 through November 1, 2036, including interest at 2.00%. The loan matures as follows:

	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2017	\$ 61,072	\$ 29,081	\$ 90,153
2018	106,680	48,248	154,928
2019	108,824	46,104	154,928
2020	111,012	43,916	154,928
2021	113,243	41,685	154,928
2022-2026	601,288	173,352	774,640
2027-2031	664,196	110,444	774,640
2032-2036	733,685	40,955	774,640
	<u>\$2,500,000</u>	<u>\$ 533,785</u>	<u>\$3,033,785</u>

A provision of the note with the CWR&PDA requires the net revenues (total revenues less operating expenses) be at least 110% of the annual debt service due in any one year. During the year ended December 31, 2016, the Town complied with the rate covenant.

Additionally, the note requires the Town to maintain an operations and reserve fund in an amount equal to three months of operations, excluding depreciation. Accordingly, the Town has restricted \$139,000 of the Water Fund's net position.

TOWN OF BENNETT, COLORADO

NOTES TO THE FINANCIAL STATEMENTS
December 31, 2016

The Town has pledged the revenue from the operation and use of the water system and other legally available revenue, after the payment of operation and maintenance expenses of the system, for the repayment of the loan.

Note 6. Long-term Obligations – Component Units

As discussed on Note 1, the Antelope Hills General Improvement District (the District), a separate legal entity, was created on August 24, 1999.

An analysis of changes in long-term obligations for the year ended December 31, 2016 follows:

	Beginning Balance	Additions	Reductions	Ending Balance	Due Within One Year
Limited Tax General					
Obligation Bonds:					
Series 2006	\$ 1,881,000	\$ -	\$ 65,000	\$ 1,816,000	\$ 67,000
Series 2006, Accrued Interest	97,084	97,729	-	194,813	-
Series 2000	1,900,000	-	-	1,900,000	-
	<u>\$ 3,878,084</u>	<u>\$ 97,729</u>	<u>\$ 65,000</u>	<u>\$ 3,910,813</u>	<u>\$ 67,000</u>

Antelope Hills General Improvement District General Obligation Limited Tax Bonds, Series 2006

On April 5, 2006, the Antelope Hills General Improvement District issued General Obligation Limited Tax Bonds in the original amount of \$2,337,500, consisting of one bond that is subject to mandatory sinking fund redemption beginning December 1, 2006 through December 1, 2030 in varying amounts. The bonds are subject to prior redemption in whole or in part prior to maturity at the option of the District on any date upon payment of par and accrued interest.

The bonds bear interest at a variable rate as follows. From the date of issuance through March 31, 2011, seventy-two percent (72%) of the sum of the monthly LIBOR Rate plus 2.0%. After April 1, 2011, the Bond Interest Rate is seventy-two percent (72%) of the sum of the monthly LIBOR Rate plus 4% and increasing 2% on each April 1 thereafter; provided, however, that the interest rate does not exceed 15%.

The bonds are payable from net pledged revenue, which includes all legally available funds of the District after payment of allowable operations expenses, which are limited to an initial amount of \$15,000, which may be increased 2% per year. Pledged revenues include the District’s covenant to levy the required mill levy, not to exceed 36.71 mills, on all taxable property within the District. The required mill levy may be increased or decreased only under certain circumstances described within the bond ordinance.

TOWN OF BENNETT, COLORADO

NOTES TO THE FINANCIAL STATEMENTS

December 31, 2016

Forbearance Agreements

On December 1, 2014, the District paid \$65,000 of the \$70,000 full scheduled principal payment on the 2006 Bonds.

On the same date, Vectra Bank (the Bank), as the holder of the 2006 Bonds, entered into a One Year Forbearance Agreement (the Agreement) with the District providing for the following terms:

- 1) The District shall make a payment to the Bank today on December 1st, totaling \$112,143.75 consisting of \$47,143.75 of interest accrued from June 1st through November 30th at a rate of 4.75% and \$65,000.00 in principal.
- 2) One June 1st and December 1st, 2015, the District shall pay interest at 4.75%, the Forborne Rate, and on December 1st all excess cash flow shall be applied first to the \$75,000 principal payment due at that time, second to the \$5,000 of Forborne Principal and third to Prepayment of the Series 2006 Bonds.
- 3) The Town and the District shall reduce the Allowed Expenses described in the ordinance to \$12,000 in 2015, escalating at 2% per year, and the District shall not Increase Facilities Fees during the Forbearance period.
- 4) Forborne interest, the difference between the Forborne Rate equal to One Year Libor plus the Ban Spread, adjusted by 72% so long as there is no Event of Taxability of the Series 2006 Bonds, shall be accrued to a non-interest bearing account and shall be disposed of as described below.
- 5) The application of all Net Pledged Revenue during the Forbearance Period shall be as follows:
 - a) To payment of the Paying Agent
 - b) To payment of Allowable Expenses
 - c) To payment of current interest due on the Series 2006 Bonds at the Forborne Rate
 - d) To Payment of Scheduled Principal on the Series 2006 Bonds
 - e) To Payment of Forborne Principal on the Series 2006 Bonds
 - f) To Prepayment of the Series 2006 Bonds subject to Paragraph 3 of the Series 2000 Bonds Subordination Agreement dated April 1st, 2006
 - g) To Payment of Forborne Interest on the Series 2006 Bonds
 - h) To Payment of the Series 2000 Bonds

TOWN OF BENNETT, COLORADO

NOTES TO THE FINANCIAL STATEMENTS

December 31, 2016

On December 1, 2015, the District paid \$39,000 of the \$75,000 full scheduled principal payment on the 2006 Bonds.

On the same date, Vectra Bank (the Bank), as the holder of the 2006 Bonds, entered into a One Year Forbearance Agreement (the Agreement) with the District providing for the following terms:

- 1) The Antelope Hills General Improvement District shall make a payment to the Bank today on December 1st, totaling \$84,600 consisting of \$45,600 of interest accrued from June 1st through November 30th at a rate of 4.75% and \$39,000 in principal. The remaining principal balance due, after this payment is \$1,881,000 plus forborne interest as described below
- 2) One June 1st and December 1st, 2016, Antelope shall pay interest at 4.75%, the Forborne Rate, and on December 1st all excess cash flow shall be applied first to the \$80,000 principal payment due at that time, second to the \$46,000 of Forborne Principal from 2014 and 2015 and third to Prepayment of the Series 2006 Notes. Any additional revenues shall be applied as in 5 below.
- 3) The Town and AHGID shall reduce the Allowed Expenses described in the ordinance to \$12,240 in 2016, escalating at 2% per year, and AHGID shall not increase Facilities Fees during the Forbearance period.
- 4) Forborne interest, the difference between the Forborne Rate equal to One Year Libor plus the Bank Spread, adjusted by 72% so long as there is no Event of Taxability of the Series 2006 Bonds. Forborne interest through December 1st, 2016 totals \$194,813, and shall be accrued to a non-interest bearing account and shall be disposed of as described below:
- 5) The application of all Net Pledged Revenue during the Forbearance Period shall be as follows:
 - a) To payment of the Paying Agent
 - b) To payment of Allowable Expenses
 - c) To payment of current interest due on the Series 2006 Bonds at the Forborne Rate
 - d) To Payment of Scheduled Principal on the Series 2006 Bonds
 - e) To Payment of Forborne Principal on the Series 2006 Bonds
 - f) To Prepayment of the Series 2006 Bonds subject to Paragraph 3 of the Series 2000 Bonds Subordination Agreement dated April 1st, 2006
 - g) To Payment of Forborne Interest on the Series 2006 Bonds
 - h) To Payment of the Series 2000 Bonds
- 6) The minimum denomination of the Series 2006 Bonds shall be changed from \$5,000 to \$1,000.

All other terms as described in the 2006 Bond Ordinance and the Series 2000 Bonds Subordination Agreement dated April 1, 2006 discussed below remain unchanged.

TOWN OF BENNETT, COLORADO

NOTES TO THE FINANCIAL STATEMENTS
December 31, 2016

The bonds are scheduled to mature as follows:

	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2017	\$ 67,000	\$ 86,260	\$ 153,260
2018	74,000	83,078	157,078
2019	78,000	79,563	157,563
2020	86,000	75,858	161,858
2021	91,000	71,773	162,773
2022-2026	568,000	286,995	854,995
2027-2031	786,000	132,383	918,383
2032	66,000	3,135	69,135
	<u>\$1,816,000</u>	<u>\$ 819,043</u>	<u>\$2,635,043</u>

Antelope Hills General Improvement District General Obligation Limited Tax Bonds, Series 2000

On December 15, 2000, the Antelope Hills General Improvement District issued General Obligation Limited Tax Bonds in the original amount of \$1,900,000, consisting of one bond that is subject to mandatory sinking fund redemption beginning December 1, 2012 through December 1, 2030 in varying amounts, with interest payable semiannually on June 1 and December 1 at 12%.

The Bonds are subject to redemption prior to maturity, at the option of the District, as a whole or in integral multiples of \$5,000, in any order of maturity and in whole or partial maturities, on December 1, 2010, and on any date thereafter, upon payment of par and accrued interest, and a redemption premium, as set forth below.

<u>Date of Redemption</u>	<u>Premium</u>
December 1, 2010 through November 30, 2011	3.00%
December 1, 2011 through November 30, 2012	2.00%
December 1, 2012 and thereafter	1.00%

The bonds are payable from net pledged revenue, which includes all legally available funds of the District after payment of allowable operations expenses, which are limited to an initial amount of \$15,000, which may be increased 2% per year. Pledged revenues include the District's covenant to levy the required mill levy, not to exceed 30 mills, on all taxable property within the District. The required mill levy may be increased or decreased only under certain circumstances described within the bond ordinance.

For the year ending December 31, 2016, the District did not make the scheduled interest and principal payment on the bonds. Under the terms of the 2006 Subordination

TOWN OF BENNETT, COLORADO

**NOTES TO THE FINANCIAL STATEMENTS
December 31, 2016**

Agreement (see below), it is probable that the Series 2000 bonds will not be paid since the net pledged revenues of the District are entirely pledged towards the payment of the Series 2006 bonds. Therefore, the financial statements do not reflect an accrual for unpaid interest. Additionally, any amounts of principal of or interest on the Bonds that remain unpaid at December 1, 2030 will be discharged, and the lien of the Bonds on the Net Pledged Revenues will be extinguished.

2006 Subordination Agreement

Pursuant to a Subordination Agreement dated April 1, 2006 between the District, the Series 2006 bondholder and the Series 2000 Bond bondholder, all pledged revenues of the District are pledged to the payment of the Series 2006 bonds.

Note 7. Interfund Transfers

Interfund transfers for the year ended December 31, 2016 are as follows:

	<u>Transfers in</u>	
	<u>General Fund</u>	
<u>Transfers out</u>		
Primary Government		
Water Fund	\$	134,640
Waste Water Fund		44,880
	\$	<u>179,520</u>

Transfers between funds provide support for various Town programs in accordance with budgetary authorizations. During the year ended December 31, 2016, the Town made one-time transfers to the General Fund from the Water and Waste Water funds to cover administrative costs.

Note 8. Risk Management

The Town is exposed to various risks of losses related to torts; theft of, damage to and destruction of assets; errors and omissions; and natural disasters. These risks are financed and funded through participation in the Colorado Intergovernmental Risk Sharing Agency (CIRSA).

CIRSA is a separate legal entity established by member municipalities pursuant to the provisions of Colorado Revised Statutes and the Colorado Constitution.

TOWN OF BENNETT, COLORADO

**NOTES TO THE FINANCIAL STATEMENTS
December 31, 2016**

CIRSA is a joint self-insurance pool created by intergovernmental agreement to provide property, general and automobile liability and public official's coverage to its members. A seven-member Board elected by and from its members governs CIRSA.

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

The Town has not been informed of any excess losses that may have been incurred by the pool; there have been no claims in excess of insurance coverage in any of the past three years. There have been no significant changes in insurance coverage from the prior year in any of the major categories of risk.

Note 9. Commitments and Contingencies

Grant Programs

Amounts received or receivable from grant agencies are subject to audit and adjustment by grantor agencies, principally the federal government. Any disallowed claims, including amounts already collected, may constitute a liability of the applicable funds. The amount, if any, of expenditures that may be disallowed by the grantor cannot be determined at this time although the Town expects such amounts, if any, to be immaterial.

Note 10. Employee Retirement Plans

Defined Contribution Pension Plan

The Town participates in the Colorado County Officials and Employees Retirement Association (CCOERA), a multiple employer defined contribution plan, to which permanent employees contribute. In a defined contribution plan, benefits depend solely on amounts contributed to the plan plus investment earnings. Employees become plan members after one year of regular full-time, or regular part-time service. Under this plan, 3% of the plan members' compensation is withheld and remitted to the Plan Administrator along with a matching payment of 3% from the Town. Employees are immediately vested in their own contributions and earnings on those contributions. The

TOWN OF BENNETT, COLORADO

NOTES TO THE FINANCIAL STATEMENTS December 31, 2016

Town's contributions, plus earnings, become vested at the rate of 25% per year, but are in any case fully vested when one of the following events occur:

- Age 55, the normal retirement age; or
- Death or total disability

Nonvested Town contributions are forfeited upon termination of employment. Such forfeitures are used to cover a portion of the pension plan's administrative expenses. For the year ended December 31, 2016, forfeitures reduced the Town's pension expense by \$2,091.

For the year ended December 31, 2016, employee contributions totaled \$27,369, and the Town recognized pension expense of \$25,278.

There is no liability for benefits under the plan beyond the Town's matching payments.

Deferred Compensation Plan

The Town has a deferred compensation plan created in accordance with Internal Revenue Code Section 457. The plan is administered by CCOERA. Participation in the plan is optional for all employees. The plan allows employees to defer a portion of their salary until future years.

Note 11. Tax Spending 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.

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.

TOWN OF BENNETT, COLORADO

**NOTES TO THE FINANCIAL STATEMENTS
December 31, 2016**

The Town'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, may require judicial interpretation.

On November 5, 1996, a majority of the Town's electors authorized the Town to collect, retain and expend, without imposing any new taxes or increases in its present mill levy on general property or its sales and use tax rates, the full revenues generated by the Town's sales and use tax, non-federal grants, its existing mill levy and any other excess revenues, commencing January 1, 1995, and each subsequent year, notwithstanding and state restriction on fiscal year spending, including without limitation the restrictions of Article X, Section 20 of the Colorado Constitution and spent as a voter approved change and exception to the limits which would otherwise apply for: (a) street construction, repair, and maintenance; (b) capital improvements; (c) parks and recreation; (d) police protection; (e) storm drainage; (f) snow removal; (g) street sweeping; and (h) other municipal services.

On November 3, 2015, a majority of the Town's electors approved the following ballot issue:

Shall Town of Bennett taxes be increased \$600,000 in 2016 (first full fiscal year dollar increase) and then annually by whatever additional amounts are raised thereafter by the imposition of a sales tax at the rate of 1.00 % and shall Town of Bennett debt be increased \$5.7 million, with a maximum repayment cost of \$9.85 million; subject to the following: all or any portion of the net proceeds of the town sales tax, as determined by the Board of Trustees, may be deposited to the Town's sales tax capital improvement fund, which is hereby authorized to be created, to be collected, retained and spent to finance the construction, maintenance, repair, replacement, expansion, acquisition, rehabilitation and renovation of existing and planned streets and other street related capital improvements within the town as determined by Board of Trustees, or to pay debt service on debt issued for such purposes or to pay the costs of operating or maintaining improvements financed from the capital improvement fund; any portion of the net proceeds of such additional sales tax which are not deposited to the capital improvement fund shall be collected, retained and spent for operating or maintaining any existing or planned streets; the sales tax increase shall commence January 1, 2016 and be collected in addition to the Town's sales tax of 3.0% upon the Town's existing sales tax base; any such debt shall be payable from that portion of the Town sales taxes deposited to the Town's sales tax capital improvement fund; any such debt may be sold in one series or more, on terms and conditions as Board of Trustees may determine, including provisions for the redemption of the bonds prior to maturity with or without premium, any such debt may be refunded by the Town, provided that after the issuance of such refunding debt the total outstanding principal amount of all debt issued pursuant to this question

TOWN OF BENNETT, COLORADO

NOTES TO THE FINANCIAL STATEMENTS

December 31, 2016

does not exceed the maximum principal amount set forth above, and provided further that all debt issued by the Town pursuant to this question is issued on terms that do not exceed the repayment costs authorized in this question; and shall such tax revenues and the earnings thereon or on the investment of such debt proceeds (regardless of amount) constitute a voter-approved revenue change and an exception to the revenue and spending limits of Article X, Section 20 of the Colorado Constitution?

REQUIRED SUPPLEMENTARY INFORMATION

TOWN OF BENNETT, COLORADO

**GENERAL FUND
SCHEDULE OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
For the Year Ended December 31, 2016
(With Comparative Totals for the Year Ended December 31, 2015)**

	Original and Final Budget	Actual Amounts	Variance with Final Budget - Positive (Negative)	2015 Actual
Revenues				
Taxes				
Property Tax	\$ 263,515	\$ 263,972	\$ 457	\$ 229,126
Sales Tax	1,958,110	1,869,811	(88,299)	1,761,811
Cigarette Tax	5,900	5,839	(61)	5,756
Franchise Tax	70,700	66,405	(4,295)	64,112
Severance Tax	11,600	4,666	(6,934)	11,275
Subtotal Taxes	<u>2,309,825</u>	<u>2,210,693</u>	<u>(99,132)</u>	<u>2,072,080</u>
Intergovernmental				
Grants	1,096,500	223,786	(872,714)	315,016
Open Space Shareback	35,960	36,079	119	38,184
Subtotal Intergovernmental	<u>1,132,460</u>	<u>259,865</u>	<u>(872,595)</u>	<u>353,200</u>
Licenses and Permits				
Building Permits	64,625	37,429	(27,196)	25,778
Plan Reviews	11,885	14,864	2,979	2,524
Animal Licenses	-	245	245	935
Liquor Licenses	2,845	898	(1,947)	1,798
Miscellaneous	3,080	1,598	(1,482)	2,541
Subtotal Licenses and Permits	<u>82,435</u>	<u>55,034</u>	<u>(27,401)</u>	<u>33,576</u>
Charges for Services				
Rentals	14,110	14,265	155	13,070
Internal Departmental Charges	196,165	183,940	(12,225)	178,958
Other	550	230	(320)	563
Subtotal Charges for Services	<u>210,825</u>	<u>198,435</u>	<u>(12,390)</u>	<u>192,591</u>
Fines and Forfeitures				
Court Costs	3,000	22,501	19,501	19,573
Court Fines	6,250	-	(6,250)	-
Traffic Fines	21,000	2,340	(18,660)	-
Court Bonds/Restitution Fees	-	150	150	500
Subtotal Fines and Forfeitures	<u>30,250</u>	<u>24,991</u>	<u>(5,259)</u>	<u>20,073</u>
Impact Fees	61,920	13,739	(48,181)	2,820
Capital Credits	7,000	8,598	1,598	9,265
Contributions	31,900	35,417	3,517	35,634
Net Investment Income	1,005	1,131	126	1,114
Other	30,900	54,733	23,833	14,582
Total Revenues	<u>3,898,520</u>	<u>2,862,636</u>	<u>(1,035,884)</u>	<u>2,734,935</u>

(Continued)

TOWN OF BENNETT, COLORADO

**GENERAL FUND
SCHEDULE OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
For the Year Ended December 31, 2016
(With Comparative Totals for the Year Ended December 31, 2015)**

(Continued)

Expenditures	Original and Final Budget	Actual Amounts	Variance with Final Budget - Positive (Negative)	2015 Actual
Current:				
General Government				
Administration	\$ 363,460	\$ 334,233	\$ 29,227	\$ 375,881
Finance	224,860	238,700	(13,840)	208,218
Boards and Commissions	60,520	56,270	4,250	48,645
Town Clerk	124,135	131,587	(7,452)	117,953
Municipal Court	20,480	17,351	3,129	16,438
Community Development	297,310	342,413	(45,103)	286,305
Economic Development	225,615	205,931	19,684	185,765
Information Technology	78,100	79,532	(1,432)	60,914
Internal Services	326,945	306,567	20,378	298,264
Subtotal General Government	<u>1,879,905</u>	<u>1,712,584</u>	<u>167,321</u>	<u>1,598,383</u>
Public Safety	<u>393,785</u>	<u>391,494</u>	<u>2,291</u>	<u>381,009</u>
Public Works				
Parks	245,505	119,630	125,875	145,645
Public Buildings and Grounds	150,415	227,881	(77,466)	313,514
Subtotal Public Works	<u>395,920</u>	<u>347,511</u>	<u>48,409</u>	<u>459,159</u>
Capital Outlay	<u>1,627,730</u>	<u>437,074</u>	<u>1,190,656</u>	<u>479,937</u>
Total Expenditures	<u>4,297,340</u>	<u>2,888,663</u>	<u>1,408,677</u>	<u>2,918,488</u>
Excess Revenues Over (Under)				
Expenditures	<u>(398,820)</u>	<u>(26,027)</u>	<u>372,793</u>	<u>(183,553)</u>
Other Financing Sources (Uses)				
Transfers In	179,520	179,520	-	176,000
Transfers Out	-	-	-	(100,000)
Total Other Financing Sources (Uses)	<u>179,520</u>	<u>179,520</u>	<u>-</u>	<u>76,000</u>
Net Change in Fund Balance	(219,300)	153,493	372,793	(107,553)
Fund Balance - Beginning	<u>1,287,345</u>	<u>1,226,294</u>	<u>(61,051)</u>	<u>1,333,847</u>
Fund Balance - Ending	<u>\$ 1,068,045</u>	<u>\$ 1,379,787</u>	<u>\$ 311,742</u>	<u>\$ 1,226,294</u>

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TOWN OF BENNETT, COLORADO

**CONSERVATION TRUST FUND
SCHEDULE OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
For the Year Ended December 31, 2016
(With Comparative Totals for the Year Ended December 31, 2015)**

	Original and Final Budget	Actual Amounts	Variance with Final Budget - Positive (Negative)	2015 Actual
Revenues				
Lottery	\$ 13,500	\$ 15,771	\$ 2,271	\$ 13,374
Net Investment Income	-	94	94	9
Total Revenues	<u>13,500</u>	<u>15,865</u>	<u>2,365</u>	<u>13,383</u>
Expenditures				
Current:				
Parks	<u>31,940</u>	<u>4,020</u>	<u>27,920</u>	<u>-</u>
Net Change in Fund Balance	<u>(18,440)</u>	<u>11,845</u>	<u>30,285</u>	<u>13,383</u>
Fund Balance - Beginning	<u>18,440</u>	<u>26,713</u>	<u>8,273</u>	<u>13,330</u>
Fund Balance - Ending	<u>\$ -</u>	<u>\$ 38,558</u>	<u>\$ 38,558</u>	<u>\$ 26,713</u>

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TOWN OF BENNETT, COLORADO

CEMETERY FUND

SCHEDULE OF REVENUES, EXPENDITURES

AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL

For the Year Ended December 31, 2016

(With Comparative Totals for the Year Ended December 31, 2015)

	Original and Final Budget	Actual Amounts	Variance with Final Budget - Positive (Negative)	2015 Actual
Revenues				
Charges for Services	\$ 8,300	\$ 5,350	\$ (2,950)	\$ 11,200
Net Investment Income	145	-	(145)	-
Total Revenues	8,445	5,350	(3,095)	11,200
Expenditures				
Current:				
Public Works	8,445	6,163	2,282	7,624
Net Change in Fund Balance	-	(813)	(813)	3,576
Fund Balance - Beginning	54,790	53,036	(1,754)	49,460
Fund Balance - Ending	\$ 54,790	\$ 52,223	\$ (2,567)	\$ 53,036

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TOWN OF BENNETT, COLORADO

**NOTES TO REQUIRED SUPPLEMENTARY INFORMATION
December 31, 2016**

Note 1: Stewardship, Compliance and Accountability

A. Budgetary Information

Annual budgets are adopted on a basis consistent with generally accepted accounting principles (GAAP) for all governmental funds. The enterprise funds adopt budgets on the Non-GAAP basis wherein tap fees are recognized as revenue, principal payments on debt and capital expenditures are recognized as expenditures, and depreciation expense is not budgeted. All annual appropriations lapse at fiscal year-end.

By October 15, the Treasurer (not an elected official) of the Town submits a proposed operating budget for the fiscal year commencing the following January 1 to the Trustees (elected officials). The operating budget, for all budgeted funds, includes proposed expenditures and the means of financing.

Public hearings are held at the regular Trustee meetings to obtain taxpayer input. Prior to December 15, the budget is legally enacted through passage of a budget ordinance. Expenditures may not exceed appropriations at the fund level.

The Town Treasurer is authorized to transfer budgeted amounts within a department of any fund. The Trustees must approve revisions that change total expenditures of any fund or department within a fund.

The appropriation can only be modified upon completion of notification and publication requirements.

The Town amended its annual budget for the Road and Bridge Fund and the Waste Water Fund for the year ended December 31, 2016.

SUPPLEMENTARY INFORMATION

TOWN OF BENNETT, COLORADO

**ROAD AND BRIDGE FUND
SCHEDULE OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
For the Year Ended December 31, 2016
(With Comparative Totals for the Year Ended December 31, 2015)**

	Original Budget	Final Budget	Actual Amounts	Variance with Final Budget - Positive (Negative)	2015 Actual
Revenues					
Specific Ownership Tax	\$ 17,300	\$ 17,300	\$ 21,365	\$ 4,065	\$ 19,233
Highway Users Tax	62,000	62,000	69,916	7,916	70,076
County Road and Bridge Tax	70,000	70,000	84,376	14,376	72,026
Motor Vehicle Registration Fees	7,700	7,700	8,446	746	8,161
Motor Vehicle Tax	300	300	-	(300)	-
Net Investment Income	220	220	-	(220)	-
Total Revenues	157,520	157,520	184,103	26,583	169,496
Expenditures					
Current:					
Public Works	290,925	314,762	314,762	-	246,870
Excess Revenues Over (Under) Expenditures	(133,405)	(157,242)	(130,659)	26,583	(77,374)
Other Financing Sources					
Transfers In	-	-	-	-	100,000
Net Change in Fund Balance	(133,405)	(157,242)	(130,659)	26,583	22,626
Fund Balance - Beginning	133,405	208,022	208,022	-	185,396
Fund Balance - Ending	\$ -	\$ 50,780	\$ 77,363	\$ 26,583	\$ 208,022

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TOWN OF BENNETT, COLORADO

**SALES TAX CAPITAL IMPROVEMENT FUND
SCHEDULE OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
For the Year Ended December 31, 2016**

	Original and Final Budget	Actual Amounts	Variance with Final Budget - Positive (Negative)
Revenues			
Sales Tax	\$ 600,000	\$ 615,584	\$ 15,584
Net Investment Income	-	19,685	19,685
Total Revenues	<u>600,000</u>	<u>635,269</u>	<u>35,269</u>
Expenditures			
Debt Service			
Debt Service-Principal	-	200,000	(200,000)
Debt Service-Interest	-	133,344	(133,344)
Bond Issue Costs	-	138,595	(138,595)
Capital Outlay	5,733,000	5,247,789	485,211
Total Expenditures	<u>5,733,000</u>	<u>5,719,728</u>	<u>13,272</u>
Excess Revenues Over (Under)			
Expenditures	<u>(5,133,000)</u>	<u>(5,084,459)</u>	<u>48,541</u>
Other Financing Sources			
Sales Tax Revenue Bonds Issued	5,733,000	5,700,000	33,000
Premium on Sales Tax Revenue Bonds	-	558,179	(558,179)
Total Other Financing Sources	<u>5,733,000</u>	<u>6,258,179</u>	<u>(525,179)</u>
Net Change in Fund Balance	600,000	1,173,720	(476,638)
Fund Balance - Beginning	-	-	-
Fund Balance - Ending	<u>\$ 600,000</u>	<u>\$ 1,173,720</u>	<u>\$ (476,638)</u>

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TOWN OF BENNETT, COLORADO

WATER FUND

**SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUNDS AVAILABLE -
BUDGET AND ACTUAL (BUDGETARY BASIS)**

For the Year Ended December 31, 2016

(With Comparative Totals for the Year Ended December 31, 2015)

	Original and Final Budget	Actual Amounts	Variance with Final Budget - Positive (Negative)	2015 Actual
Revenues				
Water Sales	\$ 727,925	\$ 763,185	\$ 35,260	\$ 677,121
Bulk Water	500	3,898	3,398	14
Water Development Fees	102,600	45,700	(56,900)	-
Loan Proceeds	2,500,000	2,698,249	198,249	989,474
Net Investment Income	300	-	(300)	38
Other	12,300	33,282	20,982	12,162
Total Revenues	<u>3,343,625</u>	<u>3,544,314</u>	<u>200,689</u>	<u>1,678,809</u>
Expenditures				
Personnel	204,360	170,595	33,765	172,347
Operations	612,205	377,558	234,647	257,614
Professional Services	110,750	126,755	(16,005)	105,123
Capital Outlay	2,590,000	857,604	1,732,396	1,403,466
Debt Service-Principal	95,340	8,985	86,355	25,568
Debt Service-Interest	-	62,769	(62,769)	9,565
Transfers Out	134,640	134,640	-	132,000
Total Expenditures	<u>3,747,295</u>	<u>1,738,906</u>	<u>2,008,389</u>	<u>2,105,683</u>
Excess Revenues Over (Under)				
Expenditures	(403,670)	1,805,408	2,209,078	(426,874)
Funds Available - Beginning	<u>403,670</u>	<u>557,934</u>	<u>154,264</u>	<u>984,808</u>
Funds Available - Ending	<u>\$ -</u>	<u>\$ 2,363,342</u>	<u>\$ 2,363,342</u>	<u>\$ 557,934</u>
Funds Available is Computed as Follows:				
Current Assets		\$ 2,765,744		\$ 697,726
Current Liabilities		(472,812)		(148,776)
Add Current Portion of Long-Term Debt		<u>70,410</u>		<u>8,984</u>
		<u>\$ 2,363,342</u>		<u>\$ 557,934</u>

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TOWN OF BENNETT, COLORADO

**WASTE WATER FUND
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUNDS AVAILABLE -
BUDGET AND ACTUAL (BUDGETARY BASIS)**

For the Year Ended December 31, 2016

(With Comparative Totals for the Year Ended December 31, 2015)

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual Amounts</u>	<u>Variance with Final Budget - Positive (Negative)</u>	<u>2015 Actual</u>
Revenues					
Service Fees	\$ 460,000	\$ 460,000	\$ 487,860	\$ 27,860	\$ 446,339
Waste Water Development Fees	48,360	48,360	9,930	(38,430)	-
Net Investment Income	100	100	-	(100)	38
Grant Revenues	-	394,975	467,791	72,816	31,350
Other	8,535	8,535	7,305	(1,230)	5,287
Total Revenues	<u>516,995</u>	<u>911,970</u>	<u>972,886</u>	<u>60,916</u>	<u>483,014</u>
Expenditures					
Personnel	92,020	122,020	115,824	6,196	115,495
Operations	218,650	181,650	113,916	67,734	104,555
Professional Services	39,000	46,000	43,598	2,402	57,350
Capital Outlay	28,685	423,660	500,146	(76,486)	76,457
Debt Service-Principal	-	13,651	13,651	-	13,089
Debt Service-Interest	21,165	7,514	7,360	154	7,929
Transfers Out	44,880	44,880	44,880	-	44,000
Total Expenditures	<u>444,400</u>	<u>839,375</u>	<u>839,375</u>	<u>-</u>	<u>418,875</u>
Excess Revenues Over (Under)					
Expenditures	72,595	72,595	133,511	60,916	64,139
Funds Available - Beginning	<u>34,780</u>	<u>34,780</u>	<u>248,476</u>	<u>213,696</u>	<u>184,337</u>
Funds Available - Ending	<u>\$ 107,375</u>	<u>\$ 107,375</u>	<u>\$ 381,987</u>	<u>\$ 274,612</u>	<u>\$ 248,476</u>

Funds Available is Computed as Follows:

Current Assets	\$ 448,887	\$ 260,511
Current Liabilities	(81,139)	(25,687)
Add Current Portion of Long-Term Debt	<u>14,239</u>	<u>13,652</u>
	<u>\$ 381,987</u>	<u>\$ 248,476</u>

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COMPONENT UNITS

TOWN OF BENNETT, COLORADO

**COMBINING BALANCE SHEET
COMPONENT UNITS
December 31, 2016**

	General Improvement Districts		
	Antelope Hills		Total
	General Fund	Debt Service Fund	
Assets			
Cash and Investments	\$ 65,621	\$ 6,431	\$ 72,052
Cash with County Treasurer	-	876	876
Property Taxes Receivable	-	157,131	157,131
Total Assets	\$ 65,621	\$ 164,438	\$ 230,059
Deferred Inflows of Resources			
Property Taxes	\$ -	\$ 157,131	\$ 157,131
Fund Balances			
Restricted for TABOR Emergencies	23	-	23
Restricted for Debt Service	-	7,307	7,307
Unassigned	65,598	-	65,598
Total Fund Balances	65,621	7,307	72,928
Total Deferred Inflows of Resources and Fund Balances	\$ 65,621	\$ 164,438	\$ 230,059

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

Total Fund Balances - Component Units	\$ 65,621	\$ 7,307	\$ 72,928
Long-term liabilities, including bonds payable, are not due and payable in the current period and therefore are not reported in the funds	-	(3,910,813)	(3,910,813)
Net Position - Governmental Activities	\$ 65,621	\$ (3,903,506)	\$ (3,837,885)

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Penrith Park		
General		
Fund		Total
\$ 3,427	\$	75,479
-		876
60		157,191
<u>\$ 3,487</u>	<u>\$</u>	<u>233,546</u>
<u>\$ 60</u>	<u>\$</u>	<u>157,191</u>
2		25
-		7,307
3,425		69,023
<u>3,427</u>	<u></u>	<u>76,355</u>
<u>\$ 3,487</u>	<u>\$</u>	<u>233,546</u>
\$ 3,427	\$	76,355
-		(3,910,813)
<u>\$ 3,427</u>	<u>\$</u>	<u>(3,834,458)</u>

TOWN OF BENNETT, COLORADO

**COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
COMPONENT UNITS
For the Year Ended December 31, 2016**

	General Improvement Districts		
	Antelope Hills		
	General Fund	Debt Service Fund	Total
Revenues			
Property Taxes	\$ -	\$ 157,205	\$ 157,205
Specific Ownership Taxes	-	11,999	11,999
Net Investment Income	-	68	68
Total Revenues	-	169,272	169,272
Expenditures			
Current			
Administrative	760	-	760
Treasurer's Fees	-	2,358	2,358
Debt Service			
Principal	-	65,000	65,000
Interest	-	89,348	89,348
Fees	-	900	900
Total Expenditures	760	157,606	158,366
Excess Revenues Over (Under) Expenditures	(760)	11,666	10,906
Other Financing Sources (Uses)			
Transfers In (Out)	12,240	(12,240)	-
Net Change in Fund Balances	11,480	(574)	10,906
Fund Balances - Beginning	54,141	7,881	62,022
Fund Balances - Ending	\$ 65,621	\$ 7,307	\$ 72,928
Net Change in Fund Balances - Component Units	\$ 11,480	\$ (574)	\$ 10,906
Amounts reported for governmental activities in the statement of activities are different because:			
The repayment of the principal of long-term debt consume current financial resources of governmental funds. These transactions, however, have no effect on net position.	-	65,000	65,000
Interest expense in the statement of activities differs from the amount reported in governmental funds because of additional accrued interest.	-	(97,729)	(97,729)
Change in Net Position - Governmental Activities	\$ 11,480	\$ (33,303)	\$ (21,823)

See the Independent Auditor's Report

Penrith Park	
General Fund	Total
\$ 60	\$ 157,265
5	12,004
-	68
65	169,337

531	1,291
1	2,359
-	65,000
-	89,348
-	900
532	158,898
(467)	10,439
-	-
(467)	10,439
3,894	65,916
\$ 3,427	\$ 76,355

\$ (467) \$ 10,439

-	65,000
-	(97,729)
\$ (467)	\$ (22,290)

TOWN OF BENNETT, COLORADO

**ANTELOPE HILLS GENERAL IMPROVEMENT DISTRICT
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
GENERAL FUND - BUDGET AND ACTUAL**

For the Year Ended December 31, 2016

(With Comparative Totals for the Year Ended December 31, 2015)

	Original and Final Budget	Actual	Variance with Final Budget - Positive (Negative)	2015 Actual
Expenditures				
Current:				
Accounting	\$ 5,000	\$ -	\$ 5,000	\$ 8,225
Audit	500	760	(260)	500
Legal	1,500	-	1,500	421
Miscellaneous	2,500	-	2,500	-
Total Expenditures	9,500	760	8,740	9,146
Excess Revenues Over (Under) Expenditures	(9,500)	(760)	8,740	(9,146)
Other Financing Sources				
Transfers In	12,240	12,240	-	12,000
Net Change in Fund Balance	2,740	11,480	8,740	2,854
Fund Balance - Beginning	57,787	54,141	(3,646)	51,287
Fund Balance - Ending	\$ 60,527	\$ 65,621	\$ 5,094	\$ 54,141

See the Independent Auditor's Report

TOWN OF BENNETT, COLORADO

**ANTELOPE HILLS GENERAL IMPROVEMENT DISTRICT
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
DEBT SERVICE FUND - BUDGET AND ACTUAL**

For the Year Ended December 31, 2016

(With Comparative Totals for the Year Ended December 31, 2015)

	Original Budget	Final Budget	Actual	Variance with Final Budget - Positive (Negative)	2015 Actual
Revenues					
Property Taxes	\$ 156,527	\$ 156,527	\$ 157,205	\$ 678	\$ 136,393
Specific Ownership Taxes	8,250	8,250	11,999	3,749	10,240
Net Investment Income	150	150	68	(82)	39
Total Revenues	164,927	164,927	169,272	4,345	146,672
Expenditures					
Debt Service:					
Treasurer's Fees	2,348	2,358	2,358	-	2,046
Bond Principal	65,000	65,000	65,000	-	39,000
Bond Interest	77,039	89,348	89,348	-	91,200
Paying Agent Fees	650	900	900	-	-
Total Expenditures	145,037	157,606	157,606	-	132,246
Excess Revenues Over (Under) Expenditures	19,890	7,321	11,666	4,345	14,426
Other Financing Uses					
Transfers Out	(12,240)	(12,240)	(12,240)	-	(12,000)
Net Change in Fund Balance	7,650	(4,919)	(574)	4,345	2,426
Fund Balance - Beginning	6,117	6,117	7,881	1,764	5,455
Fund Balance - Ending	\$ 13,767	\$ 1,198	\$ 7,307	\$ 6,109	\$ 7,881

See the Independent Auditor's Report

TOWN OF BENNETT, COLORADO

**PENRITH PARK GENERAL IMPROVEMENT DISTRICT
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
GENERAL FUND - BUDGET AND ACTUAL**

For the Year Ended December 31, 2016

(With Comparative Totals for the Year Ended December 31, 2015)

	Original and Final Budget	Actual	Variance with Final Budget - Positive (Negative)	2015 Actual
Revenues				
Property Taxes	\$ 1,307	\$ 60	\$ (1,247)	\$ 1,307
Specific Ownership Taxes	85	5	(80)	113
Developer Contribution	20,000	-	(20,000)	-
Total Revenues	<u>21,392</u>	<u>65</u>	<u>(21,327)</u>	<u>1,420</u>
Expenditures				
Current:				
Administrative	21,530	531	20,999	500
Treasurer's Fees	20	1	19	19
Total Expenditures	<u>21,550</u>	<u>532</u>	<u>21,018</u>	<u>519</u>
Excess Revenues Over (Under)				
Net Change in Fund Balance	(158)	(467)	(309)	901
Fund Balance - Beginning	2,830	3,894	1,064	2,993
Fund Balance - Ending	<u>\$ 2,672</u>	<u>\$ 3,427</u>	<u>\$ 755</u>	<u>\$ 3,894</u>

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TOWN OF BENNETT, COLORADO

**PENRITH PARK GENERAL IMPROVEMENT DISTRICT
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
DEBT SERVICE FUND - BUDGET AND ACTUAL**

For the Year Ended December 31, 2016

(With Comparative Totals for the Year Ended December 31, 2015)

	Original and Final Budget	Actual	Variance with Final Budget - Positive (Negative)	2015 Actual
Revenues				
Net Investment Income	\$ 300	\$ -	\$ (300)	\$ -
Expenditures				
Current:				
Administrative	425	-	425	-
Debt Service:				
Interest	52,500	-	52,500	-
Fees	75	-	75	-
Total Expenditures	53,000	-	53,000	-
Excess of Expenditures over Revenues	(52,700)	-	52,700	-
Other Financing Sources				
Transfers In	150,000	-	(150,000)	-
Net Change in Fund Balance	97,300	-	(97,300)	-
Fund Balance - Beginning	-	-	-	-
Fund Balance - Ending	\$ 97,300	\$ -	\$ (97,300)	\$ -

See the Independent Auditor's Report

TOWN OF BENNETT, COLORADO

**PENRITH PARK GENERAL IMPROVEMENT DISTRICT
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
CAPITAL PROJECTS FUND - BUDGET AND ACTUAL**

For the Year Ended December 31, 2016

(With Comparative Totals for the Year Ended December 31, 2015)

	Original and Final Budget	Actual	Variance with Final Budget - Positive (Negative)	2015 Actual
Revenues				
Developer Contribution	\$ 2,594,000	\$ -	\$ (2,594,000)	\$ -
Expenditures				
Current:				
Administrative	19,000	-	19,000	-
Capital Outlay:				
Streets	1,654,164	-	1,654,164	-
Water	1,291,219	-	1,291,219	-
Sewer	634,621	-	634,621	-
Storm Drainage	284,996	-	284,996	-
Debt Service:				
Bond Issue Costs	60,000	-	60,000	-
Total Expenditures	3,944,000	-	3,944,000	-
Excess of Expenditures over Revenues	(1,350,000)	-	1,350,000	-
Other Financing Sources (Uses)				
Bond Proceeds	1,500,000	-	(1,500,000)	-
Transfers Out	(150,000)	-	150,000	-
Total Other Financing Sources (Uses)	1,350,000	-	(1,350,000)	-
Net Change in Fund Balance	-	-	-	-
Fund Balance - Beginning	-	-	-	-
Fund Balance - Ending	\$ -	\$ -	\$ -	\$ -

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OTHER INFORMATION

TOWN OF BENNETT, COLORADO

SCHEDULES OF FUTURE DEBT SERVICE REQUIREMENTS
December 31, 2016

\$50,000 Energy/Mineral Impact Assistance Loan
Water Fund - Dated April 29, 2004

Year	Rate	Principal	Interest	Total
2017	5.000	\$ 2,716	\$ 1,296	\$ 4,012
2018	5.000	2,851	1,161	4,012
2019	5.000	2,994	1,018	4,012
2020	5.000	3,144	868	4,012
2021	5.000	3,301	711	4,012
2022	5.000	3,466	546	4,012
2023	5.000	3,639	373	4,012
2024	5.000	3,819	193	4,012
2025	-	-	-	-
2026	-	-	-	-
		<u>\$ 25,930</u>	<u>\$ 6,166</u>	<u>\$ 32,096</u>

\$161,000 Colorado Water Resources and
Power Development Authority
Waste Water Fund - Dated July 14, 2006

Year	Rate	Principal	Interest	Total
2017	3.750	\$ 8,113	\$ 3,541	\$ 11,654
2018	3.750	8,420	3,234	11,654
2019	3.750	8,739	2,915	11,654
2020	3.750	9,069	2,585	11,654
2021	3.750	9,413	2,241	11,654
2022	3.750	9,769	1,885	11,654
2023	3.750	10,139	1,515	11,654
2024	3.750	10,523	1,131	11,654
2025	3.750	10,920	734	11,654
2026	3.750	11,335	319	11,654
		<u>\$ 96,440</u>	<u>\$ 20,100</u>	<u>\$ 116,540</u>

\$252,500 Colorado Water Conservation Board
Water Fund - Dated March 21, 2008

Year	Rate	Principal	Interest	Total
2017	3.500	\$ 6,622	\$ 7,107	\$ 13,729
2018	3.500	6,854	6,875	13,729
2019	3.500	7,094	6,635	13,729
2020	3.500	7,342	6,387	13,729
2021	3.500	7,599	6,130	13,729
2022	3.500	7,865	5,864	13,729
2023	3.500	8,140	5,589	13,729
2024	3.500	8,425	5,304	13,729
2025	3.500	8,720	5,009	13,729
2026	3.500	9,025	4,704	13,729
2027	3.500	9,341	4,388	13,729
2028	3.500	9,668	4,061	13,729
2029	3.500	10,006	3,723	13,729
2030	3.500	10,356	3,373	13,729
2031	3.500	10,719	3,010	13,729
2032	3.500	11,094	2,635	13,729
2033	3.500	11,482	2,247	13,729
2034	3.500	11,884	1,845	13,729
2035	3.500	12,300	1,429	13,729
2036	3.500	12,731	998	13,729
2037	3.500	13,176	553	13,729
2038	3.500	2,608	91	2,699
		<u>\$ 203,051</u>	<u>\$ 87,957</u>	<u>\$ 291,008</u>

\$99,057 Energy/Mineral Impact Assistance Loan
Waste Water Fund - Dated September 1, 2010

Year	Rate	Principal	Interest	Total
2017	5.000	\$ 6,126	\$ 3,378	\$ 9,504
2018	5.000	6,432	3,072	9,504
2019	5.000	6,754	2,750	9,504
2020	5.000	7,092	2,412	9,504
2021	5.000	7,446	2,058	9,504
2022	5.000	7,819	1,685	9,504
2023	5.000	8,209	1,295	9,504
2024	5.000	8,620	884	9,504
2025	5.000	9,052	452	9,504
2026	-	-	-	-
2027	-	-	-	-
2028	-	-	-	-
2029	-	-	-	-
2030	-	-	-	-
2031	-	-	-	-
2032	-	-	-	-
2033	-	-	-	-
2034	-	-	-	-
2035	-	-	-	-
2036	-	-	-	-
2037	-	-	-	-
2038	-	-	-	-
		<u>\$ 67,550</u>	<u>\$ 17,986</u>	<u>\$ 85,536</u>

TOWN OF BENNETT, COLORADO

**SCHEDULES OF FUTURE DEBT SERVICE REQUIREMENTS
December 31, 2016**

<p>\$5,700,000 Sales Tax Revenue Bonds Series 2016</p>	<p>\$2,500,000 Colorado Water Resources and Power Development Authority Water Fund - Dated August 31, 2016</p>
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Year	Rate	Principal	Interest	Total	Rate	Principal	Interest	Total
2017	3.000	\$ 130,000	\$ 27,200	\$ 157,200	2.000	\$ 61,072	\$ 29,081	\$ 90,153
2018	3.000	150,000	39,600	189,600	2.000	106,680	48,248	154,928
2019	3.000	150,000	51,600	201,600	2.000	108,824	46,104	154,928
2020	3.000	150,000	63,000	213,000	2.000	111,012	43,916	154,928
2021	4.000	150,000	74,000	224,000	2.000	113,243	41,685	154,928
2022	4.000	150,000	84,600	234,600	2.000	115,519	39,409	154,928
2023	4.000	175,000	94,800	269,800	2.000	117,841	37,087	154,928
2024	4.000	175,000	104,600	279,600	2.000	120,210	34,718	154,928
2025	4.000	175,000	114,000	289,000	2.000	122,626	32,302	154,928
2026	4.000	195,000	123,200	318,200	2.000	125,091	29,837	154,928
2027	4.000	200,000	132,000	332,000	2.000	127,605	27,323	154,928
2028	4.000	200,000	140,000	340,000	2.000	130,170	24,758	154,928
2029	4.000	200,000	148,000	348,000	2.000	132,787	22,141	154,928
2030	4.000	220,000	156,000	376,000	2.000	135,456	19,472	154,928
2031	4.000	230,000	163,800	393,800	2.000	138,178	16,750	154,928
2032	4.000	235,000	170,800	405,800	2.000	140,956	13,972	154,928
2033	4.000	245,000	177,800	422,800	2.000	143,789	11,139	154,928
2034	4.000	255,000	184,800	439,800	2.000	146,679	8,249	154,928
2035	4.000	265,000	190,800	455,800	2.000	149,627	5,301	154,928
2036	4.000	275,000	196,800	471,800	2.000	152,635	2,293	154,928
2037	4.000	285,000	201,300	486,300	-	-	-	-
2038	4.000	300,000	205,800	505,800	-	-	-	-
2039	4.000	310,000	210,300	520,300	-	-	-	-
2040	4.000	680,000	214,200	894,200	-	-	-	-
		<u>\$ 5,500,000</u>	<u>\$ 3,269,000</u>	<u>\$ 8,769,000</u>		<u>\$ 2,500,000</u>	<u>\$ 533,785</u>	<u>\$ 3,033,785</u>

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

LOCAL HIGHWAY FINANCE REPORT

City or County:
Town of Bennett
YEAR ENDING :
December 2015

This Information From The Records of:
Town of Bennett
Prepared By: Rachel Summers
Phone: 303-644-3249 ext 1008

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)	60,518
a. Motor Fuel (from Item I.A.5.)		2. Maintenance:	59,621
b. Motor Vehicle (from Item I.B.5.)		3. Road and street services:	
c. Total (a.+b.)		a. Traffic control operations	0
2. General fund appropriations	100,000	b. Snow and ice removal	4,101
3. Other local imposts (from page 2)	99,420	c. Other	25,473
4. Miscellaneous local receipts (from page 2)	0	d. Total (a. through c.)	29,575
5. Transfers from toll facilities	0	4. General administration & miscellaneous	97,156
6. Proceeds of sale of bonds and notes:		5. Highway law enforcement and safety	0
a. Bonds - Original Issues	0	6. Total (1 through 5)	246,870
b. Bonds - Refunding Issues	0	B. Debt service on local obligations:	
c. Notes	0	1. Bonds:	
d. Total (a. + b. + c.)	0	a. Interest	0
7. Total (1 through 6)	199,420	b. Redemption	0
B. Private Contributions	0	c. Total (a. + b.)	0
C. Receipts from State government (from page 2)	70,076	2. Notes:	
D. Receipts from Federal Government (from page 2)	0	a. Interest	0
E. Total receipts (A.7 + B + C + D)	269,496	b. Redemption	0
		c. Total (a. + b.)	0
		3. Total (1.c + 2.c)	0
		C. Payments to State for highways	
		D. Payments to toll facilities	
		E. Total disbursements (A.6 + B.3 + C + D)	246,870

IV. LOCAL HIGHWAY DEBT STATUS

(Show all entries at par)

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

V. LOCAL ROAD AND STREET FUND BALANCE

	A. Beginning Balance	B. Total Receipts	C. Total Disbursements	D. Ending Balance	E. Reconciliation
	186,396	269,496	246,870	209,022	0

Notes and Comments:

LOCAL HIGHWAY FINANCE REPORT		STATE: Colorado	
		YEAR ENDING (mm/yy): December 2015	
II. RECEIPTS FOR ROAD AND STREET PURPOSES - DETAIL			
ITEM	AMOUNT	ITEM	AMOUNT
A.3. Other local imposts:		A.4. Miscellaneous local receipts:	
a. Property Taxes and Assessments		a. Interest on investments	0
b. Other local imposts:		b. Traffic Fines & Penalties	0
1. Sales Taxes	0	c. Parking Garage Fees	0
2. Infrastructure & Impact Fees	0	d. Parking Meter Fees	0
3. Liens	0	e. Sale of Surplus Property	0
4. Licenses	0	f. Charges for Services	0
5. Specific Ownership &/or Other	99,420	g. Other Misc. Receipts	0
6. Total (1. through 5.)	99,420	h. Other	0
c. Total (a. + b.)	99,420	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	70,076	1. FHWA (from Item I.D.5.)	
2. State general funds		2. Other Federal agencies:	
3. Other State funds:		a. Forest Service	0
a. State bond proceeds		b. FEMA	0
b. Project Match		c. HUD	0
c. Motor Vehicle Registrations	0	d. Federal Transit Admin	0
d. Other (Specify) - DOLA Grant	0	e. U.S. Corps of Engineers	0
e. Other (Specify)	0	f. Other Federal	0
f. Total (a. through e.)	0	g. Total (a. through f.)	0
4. Total (1. + 2. + 3.f)	70,076	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	24,450		24,450
c. Construction:			
(1). New Facilities			0
(2). Capacity Improvements	36,068		36,068
(3). System Preservation			0
(4). System Enhancement & Operation			0
(5). Total Construction (1) + (2) + (3) + (4)	36,068	0	36,068
d. Total Capital Outlay (Lines I.a. + I.b. + I.c.5)	60,518	0	60,518
			(Carry forward to page 1)
Notes and Comments:			

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