



FINANCIAL REPORT

Year Ended December 31, 2016



TABLE OF CONTENTS

Independent Auditors' Report	1
Management's Discussion and Analysis	3
FINANCIAL STATEMENTS:	
STATEMENT OF NET POSITION.....	9
STATEMENT OF ACTIVITIES.....	10
BALANCE SHEET – GOVERNMENTAL FUNDS	12
STATEMENT OF REVENUE, EXPENDITURES AND CHANGES IN FUND BALANCES – GOVERNMENTAL FUNDS	13
STATEMENT OF NET POSITION – ENTERPRISE FUNDS.....	14
STATEMENT OF REVENUE, EXPENSES AND CHANGES IN FUND NET POSITION – ENTERPRISE FUNDS.....	15
STATEMENT OF CASH FLOWS – ENTERPRISE FUNDS.....	16
NOTES TO FINANCIAL STATEMENTS	17
REQUIRED SUPPLEMENTARY INFORMATION	31
ADDITIONAL INFORMATION.....	38



Independent Auditors' Report

The Mayor and Members
of the Board of Trustees
Town of Eaton
Eaton, Colorado

We have audited the accompanying basic financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the Town of Eaton, 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; 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 an opinion on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement.

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

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

Opinion

In our opinion, the basic financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the Town of Eaton as of December 31, 2016, and the respective changes in financial position and cash flows where applicable for the year then ended, in conformity with accounting principles generally accepted in the United States.

Other Matters

Accounting principles generally accepted in the United States require that management discussion and analysis and major governmental funds budget comparisons be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statement, 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, 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 evidence sufficient to express an opinion or provide any assurance.

Our audit was made for the purpose of forming an opinion on the basic financial statements taken as a whole. The combining statements, individual fund statements and schedules on pages 39-49 and the Local Highway Finance Report are presented for purposes of additional analysis and are not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements. The 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. In our opinion, the information is fairly stated in all material respects in relation to the financial statements as a whole.

Anderson & Whitney, P.C.

May 8, 2017

MANAGEMENT'S DISCUSSION AND ANALYSIS

This section of the report provides readers with a narrative overview and analysis of the financial activities of The Town of Eaton (the Town) for the year ended December 31, 2016. We encourage readers to consider the information presented here in conjunction with the basic financial statements to enhance their understanding of the Town's financial performance.

FINANCIAL HIGHLIGHTS

- The Town's assets exceeded liabilities and deferred inflows by \$32 million at December 31, 2016.
- The General Fund balance was \$1,234,183 as of December 31, 2016. Of this amount, \$93,367 is reserved for emergencies.
- The December 31, 2016 General Fund balance is \$235,266 less than the previous year-end. The total fund balance is 40% of 2016 General Fund operating expenditures.
- The Water Fund has net position of \$13.3 million at December 31, 2016.
- The Sewer Fund has net position of \$2.8 million at December 31, 2016.

OVERVIEW OF THE FINANCIAL STATEMENTS

This discussion and analysis is intended to serve as an introduction to the Town's basic financial statements. The basic financial statements contain three components: (1) government-wide financial statements, (2) fund financial statements, and (3) notes to the financial statements. In addition to the basic statements, this report also contains other supplementary information.

Government-wide Financial Statements. The *government-wide financial statements* are designed to provide readers with a broad overview of the Town's finances in a manner similar to a private sector business.

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

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

Fund Financial Statements. A *fund* is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. The Town, like other local governments, uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. All of the funds of the Town can be divided into three categories: governmental funds, proprietary funds, and fiduciary funds.

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

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

The Town maintains five individual governmental funds. Information is presented separately in the governmental fund balance sheet and in the governmental fund statement of revenues, expenditures, and changes in fund balances for the General Fund, Street Fund, and Library Fund, each of which is considered to be a major fund.

The basic governmental fund financial statements can be found on pages 12 and 13 of this report.

Proprietary Funds. The Town maintains one type of a 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 enterprise funds to account for its utility services.

Proprietary funds provide the same type of information as the government-wide financial statements, only in more detail. The proprietary fund financial statements provide separate information for water and sewer funds which are considered to be major funds of the Town.

The basic proprietary fund financial statements can be found on pages 14 to 16 of this report.

Notes to the financial statements. The notes provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements. The notes to the financial statements can be found on pages 17 through 30 of this report.

Budgetary Comparisons. The Town adopts an annual appropriated budget for all funds. A budgetary comparison schedule has been provided for the General Fund on pages 32 to 35 of this report.

GOVERNMENT-WIDE FINANCIAL ANALYSIS

Net Position. As noted earlier, net position may serve over time as a useful indicator of a government's financial position. As of December 31, 2016, assets exceeded liabilities by \$31,876,583.

The following table provides a summary of the Town's net position:

December 31	2016		2015	
	Governmental Activities	Business-Type Activities	Governmental Activities	Business-Type Activities
Assets				
Current and other assets	\$ 5,524,659	\$ 3,224,439	\$ 5,352,448	\$ 2,828,430
Capital assets	11,665,544	17,953,902	10,758,489	16,947,170
Total Assets	17,190,203	21,178,341	16,110,937	19,775,600
Liabilities				
Current and other liabilities	228,310	658,955	163,422	436,123
Long-term liabilities	805,055	3,811,212	801,447	4,208,511
Total Liabilities	1,033,365	4,280,167	964,869	4,644,634
Deferred Inflows				
Deferred property taxes	1,178,429	-	1,862,706	--
Net Position				
Net investment in capital assets	10,684,761	13,753,429	9,840,199	12,362,540
Restricted	3,221,726	--	2,101,245	-
Unrestricted	1,071,922	3,144,745	1,341,918	2,768,426
Total Net Position	\$ 14,978,409	\$ 16,898,174	\$ 13,283,362	\$ 15,130,966

A portion of The Town's net position represents unrestricted net position of \$4,216,667 which may be used to meet the Town's ongoing obligations to citizens and creditors.

Another significant portion of the Town's net position reflects its investment in capital assets. These assets include land, buildings, and equipment. These capital assets are used to provide services to citizens; consequently, they are not available for future spending. Although the investment in capital assets is reported net of related debt, it should be noted that the resources needed to repay this debt must be provided from other sources since the capital assets themselves cannot be used to liquidate these liabilities. The only long-term debt is the bonds and leases issued for construction of Town utility systems and property acquisition.

An additional \$3,221,726 of the Town's net position represents resources that are subject to external restrictions on how they may be used. Included in this category are the TABOR emergency reserve, Shelton trust account, and the Streets, Library, Impact Fee and Cemetery Perpetual Care funds.

The following table indicates the changes in net position:

Years Ended December 31	2016		2015	
	Governmental Activities	Business-Type Activities	Governmental Activities	Business-Type Activities
Revenues:				
Program revenues:				
Charges for services	\$ 750,039	\$ 2,507,124	\$ 606,918	\$ 2,381,971
Operating contributions	1,729,844	--	1,358,384	-
Capital contributions	--	1,653,110	-	670,000
General revenues:				
Property taxes	438,198	--	419,216	-
Sales taxes	1,457,081	--	1,467,631	-
Other	802,503	--	1,068,246	-
Investment earnings	1,212	295	1,014	348
Transfers	57,900	(57,900)	55,200	(55,200)
Total revenues	5,236,777	4,102,629	4,976,609	2,997,119
Expenses:				
General government	577,780	--	515,797	-
Public safety	639,704	--	753,547	-
Cemetery	121,275	--	110,909	-
Parks and recreation	545,451	--	574,778	-
Public buildings	43,308	--	48,798	-
Building inspection	177,909	--	91,965	-
Library	388,237	--	349,731	-
Streets	371,302	--	288,547	-
Depreciation	651,619	--	591,442	-
Interest on long-term debt	25,145	--	31,170	-
Water	--	1,267,076	-	1,191,089
Sewer	--	809,970	-	805,618
Sanitation	--	200,091	-	191,349
Irrigation	--	58,284	-	59,322
Total expenses	3,541,730	2,335,421	3,356,684	2,247,378
Increase in net position	\$ 1,695,047	\$ 1,767,208	\$ 1,619,925	\$ 749,741

Governmental Activities. Governmental activities increased the Town's net position by \$1,695,047 in 2016. Key elements of this increase are as follows:

- Total revenues increased approximately 5% due to higher use taxes on building materials and library contributions.
- Expenses increased approximately 5% from the previous year, from increasing building inspection, public safety and library costs.

Business-Type Activities. Business-type activities (i.e. utility services) increased the Town's net position by \$1,767,208 in 2016. This was primarily due to capital contributions from tap fees and water contributions.

FINANCIAL ANALYSIS OF THE TOWN'S FUNDS

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

As of December 31, 2016, the total fund balances of the Town's governmental funds were \$4,293,648. Approximately 25% of this consists of unrestricted fund balance, which is available as working capital and for current spending in accordance with the purposes of the specific funds. The remainder of fund balance is restricted to indicate that it is not available for new spending because it is committed for the following purposes: a state-constitution mandated emergency reserve (\$93,367); cemetery perpetual care (\$121,653); Shelton Trust purposes (\$68,894), streets (\$508,647), library (\$1,850,993) and impact fee purposes (\$578,172).

The Town has three major governmental funds:

1. **General Fund.** This is the primary operating fund of the Town. It accounts for the Town's core governmental services. The General Fund balance was \$1,234,183 as of December 31, 2016. The 2016 fund balance is \$235,266 less than the previous year.
2. **Library Fund.** The Library Fund accounts for the operation of the Town's library. The fund balance at December 31, 2016 was \$1,850,993.
3. **Street Fund.** The Street Fund accounts for monies received for street maintenance and improvement. The fund balance at December 31, 2016 was \$508,647.

The Town has two major enterprise funds, the Water and Sewer Funds.

1. **Water Fund.** The Water Fund accounts for service charges and expenses of operating the Town's water system. The Water Fund net position at December 31, 2016 is \$13.3 million. Net position increased by \$1,568,415 during the year due to increased water tap fees and rights.
2. **Sewer Fund.** The Sewer Fund accounts for service charges and expenses of operating the Town's sanitary sewer system. The Sewer Fund net position at December 31, 2016 is \$2.8 million. Net position increased by \$108,803.

GENERAL FUND BUDGETARY HIGHLIGHTS

The Town's budget is prepared according to Colorado statutes. The most significant budgeted fund is the General Fund.

	Final Budget	Actual
Beginning Fund Balance	\$ 1,469,449	\$ 1,469,449
Revenue and transfers in	2,668,867	2,876,957
Expenditures	(3,248,280)	(3,112,223)
Ending Fund Balance	\$ 890,036	\$ 1,234,183

The 2016 General Fund budget was amended during the year.

CAPITAL ASSET AND DEBT ADMINISTRATION

Capital Assets. The Town's investment in capital assets for its governmental and business-type activities as of December 31, 2016 totals approximately \$29.6 million (net of accumulated depreciation). This investment includes all land, water rights, buildings, and equipment and infrastructure. The total increase in investment in capital assets for the current year was \$1,913,788 or 7%, due to capital additions including contributed infrastructure and water rights.

Major capital asset events during 2016 included expenditures of \$757,546 for the Town square.

The Town implemented the straight-line depreciation method for its capital assets, except for land and water rights which are not depreciated.

Additional information on the Town's capital assets can be found in Note 2 of this report.

Long-term Debt. At December 31, 2016, the Town had approximately \$4.2 million of water and sewer loans and bonds payable, funded by service charges. The Town also has capital leases payable of \$980,783 from property acquisition, funded from Impact Fees and use taxes on building materials.

Additional information on the Town's debt can be found in Notes 3 and 4.

OTHER MATTERS

The following factors are expected to have a significant effect on the Town's financial position and results of operations and were taken into account in developing the 2017 budget:

- * The Town had a water utility rate study in 2014. Rate increases of \$2.46 per month for residential customers were recommended and adopted. Similar increases were recommended for upcoming years.

REQUESTS FOR INFORMATION

This financial report is designed to provide a general overview of the Town of Eaton finances for all those with an interest in the Town's finances. Questions concerning any of the information provided or for additional financial information should be addressed to the Town, 223 First Street, Eaton, Colorado 80615.

TOWN OF EATON, COLORADO

STATEMENT OF NET POSITION

December 31, 2016	Governmental Activities	Business- Type Activities	Total
<u>ASSETS</u>			
Total Cash and Cash Equivalents	\$ 4,270,336	\$ 2,958,856	\$ 7,229,192
Shelton Trust Account	68,894	-	68,894
Receivables:			
Property taxes	1,178,429	-	1,178,429
Utility accounts	1,051	222,307	223,358
Inventory of Supplies	5,949	43,276	49,225
Capital Assets:			
Land and water rights	2,972,003	8,498,996	11,470,999
Depreciable	8,693,541	9,454,906	18,148,447
Total Assets	17,190,203	21,178,341	38,368,544
<u>LIABILITIES</u>			
Accounts Payable	52,582	79,694	132,276
Long-Term Debt:			
Due within one year	175,728	389,261	564,989
Due in more than one year	805,055	3,811,212	4,616,267
Total Liabilities	1,033,365	4,280,167	5,313,532
<u>DEFERRED INFLOWS OF RESOURCES</u>			
Deferred Property Taxes	1,178,429	-	1,178,429
<u>NET POSITION</u>			
Net Investment in Capital Assets	10,684,761	13,753,429	24,438,190
Restricted for:			
TABOR emergencies	93,367	-	93,367
Shelton Trust	68,894	-	68,894
Library	1,850,993	-	1,850,993
Streets/impact fees	1,086,819	-	1,086,819
Cemetery perpetual care	121,653	-	121,653
Unrestricted	1,071,922	3,144,745	4,216,667
TOTAL NET POSITION	\$ 14,978,409	\$ 16,898,174	\$ 31,876,583

See Accompanying Notes to Financial Statements.

TOWN OF EATON, COLORADO

STATEMENT OF ACTIVITIES

Year Ended December 31, 2016	Expenses	Program	
		Charges for Services	Operating Grants and Contributions
Functions/Programs:			
Governmental Activities:			
General government	\$ 577,780	\$ 2,705	\$ 93,986
Public safety	639,704	334,365	-
Cemetery	121,275	52,184	-
Parks and recreation	545,451	135,820	53,629
Public buildings	43,308	-	-
Building inspection	177,909	219,794	-
Library	388,237	5,171	1,424,725
Streets	371,302	-	157,504
Unallocated depreciation	651,619	-	-
Interest on long-term debt	25,145	-	-
Total Governmental Activities	3,541,730	750,039	1,729,844
Business-Type Activities:			
Water	1,267,076	1,478,926	-
Sewer	809,970	710,413	-
Sanitation	200,091	234,736	-
Irrigation	58,284	83,049	-
Total Business-Type Activities	2,335,421	2,507,124	-
TOTAL	\$5,877,151	\$3,257,163	\$1,729,844

General Revenue:

Property taxes
 Sales taxes
 Franchise and other taxes
 Use taxes - building materials
 Impact fees
 Road and bridge taxes
 Investment earnings
 Transfers

Total General Revenue

Change in Net Position

Net Position - Beginning

NET POSITION - Ending

See Accompanying Notes to Financial Statements.

Net (Expense) Revenue and Changes in Net Position			
Revenues			
Capital Contributions	Governmental Activities	Business- Type Activities	Total
\$ -	\$ (481,089)	\$ -	\$ (481,089)
-	(305,339)	-	(305,339)
-	(69,091)	-	(69,091)
-	(356,002)	-	(356,002)
-	(43,308)	-	(43,308)
-	41,885	-	41,885
-	1,041,659	-	1,041,659
-	(213,798)	-	(213,798)
-	(651,619)	-	(651,619)
-	(25,145)	-	(25,145)
-	(1,061,847)	-	(1,061,847)
1,375,775	-	1,587,625	1,587,625
227,455	-	127,898	127,898
-	-	34,645	34,645
49,880	-	74,645	74,645
1,653,110	-	1,824,813	1,824,813
\$ 1,653,110	(1,061,847)	1,824,813	762,966
	438,198	-	438,198
	1,457,081	-	1,457,081
	293,372	-	293,372
	311,573	-	311,573
	87,283	-	87,283
	110,275	-	110,275
	1,212	295	1,507
	57,900	(57,900)	-
	2,756,894	(57,605)	2,699,289
	1,695,047	1,767,208	3,462,255
	13,283,362	15,130,966	28,414,328
	\$ 14,978,409	\$ 16,898,174	\$ 31,876,583

**TOWN OF EATON, COLORADO
GOVERNMENTAL FUNDS**

BALANCE SHEET

December 31, 2016	General Fund	Library Fund	Street Fund	Other Governmental Funds	Total Governmental Funds
ASSETS					
Equity in Pooled Cash	\$ 1,205,917	\$ 1,856,454	\$ 501,800	\$ 699,825	\$ 4,263,996
Cash	1,114	150	-	-	1,264
Cash with County treasurer	845	-	4,231	-	5,076
Shelton Trust account	68,894	-	-	-	68,894
Taxes Receivable	315,463	862,966	-	-	1,178,429
Inventory of Supplies	-	-	5,949	-	5,949
Other Receivables	1,051	-	-	-	1,051
Total Assets	\$ 1,593,284	\$ 2,719,570	\$ 511,980	\$ 699,825	\$ 5,524,659
LIABILITIES					
Accounts Payable	\$ 43,638	\$ 5,611	\$ 3,333	\$ -	\$ 52,582
Total Liabilities	43,638	5,611	3,333	-	52,582
DEFERRED INFLOWS OF RESOURCES					
Deferred Property Taxes	315,463	862,966	-	-	1,178,429
FUND BALANCES					
Nonspendable	-	-	-	121,653	121,653
Restricted for:					
TABOR emergencies	93,367	-	-	-	93,367
Shelton Trust	68,894	-	-	-	68,894
Library/Streets/Impact	-	1,850,993	508,647	578,172	2,937,812
Unassigned	1,071,922	-	-	-	1,071,922
Total Fund Balances	1,234,183	1,850,993	508,647	699,825	4,293,648
TOTAL LIABILITIES, DEFERRALS AND FUND BALANCES	\$ 1,593,284	\$ 2,719,570	\$ 511,980	\$ 699,825	
Amounts reported for governmental activities in the statement of net position are different because:					
Capital assets used in governmental activities are not financial resources and are not reported in the funds					11,665,544
Long-term leases are not due and payable in the current period and therefore are not reported in the funds					(980,783)
Net Position of Governmental Activities					\$ 14,978,409

See Accompanying Notes to Financial Statements.

**TOWN OF EATON, COLORADO
GOVERNMENTAL FUNDS**

**STATEMENT OF REVENUE, EXPENDITURES
AND CHANGES IN FUND BALANCES**

Year Ended December 31, 2016	General Fund	Library Fund	Street Fund	Other Governmental Funds	Total Governmental Funds
Revenue:					
Taxes	\$ 1,885,782	\$ 1,424,725	\$ 182,135	\$ 311,573	\$ 3,804,215
Intergovernmental	95,868	-	267,779	-	363,647
Fines and forfeitures	334,365	5,171	-	-	339,536
Impact fees	-	-	-	87,283	87,283
Service charges	272,360	-	-	2,323	274,683
Miscellaneous	230,582	-	78,800	131	309,513
Total Revenue	2,818,957	1,429,896	528,714	401,310	5,178,877
Expenditures:					
General government	2,277,941	-	-	155,589	2,433,530
Debt service	10,375	-	-	121,971	132,346
Library	-	388,237	-	-	388,237
Streets	-	-	226,816	-	226,816
Capital outlay	823,907	76,141	305,284	-	1,205,332
Total Expenditures	3,112,223	464,378	532,100	277,560	4,386,261
Revenue Over (Under) Expenditures	(293,266)	965,518	(3,386)	123,750	792,616
Other Financing Sources (Uses):					
Operating transfers in (out)	58,000	-	-	(131)	57,869
Net Change in Fund Balances	(235,266)	965,518	(3,386)	123,619	850,485
Fund Balance, January 1	1,469,449	885,475	512,033	576,206	3,443,163
Fund Balance, December 31	\$ 1,234,183	\$ 1,850,993	\$ 508,647	\$ 699,825	\$ 4,293,648

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

Net change in fund balances - total governmental funds \$ 850,485

Governmental funds report capital outlays as expenditures. However, in the statement of activities the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense. This is the amount by which capital additions exceeded depreciation in the year. 907,055

The issuance of long-term debt and obligations 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 assets. This amount is the net effect of these differences. (62,493)

Change in Net Position of Governmental Activities \$ 1,695,047

TOWN OF EATON, COLORADO
BUSINESS-TYPE ACTIVITIES - ENTERPRISE FUNDS

STATEMENT OF NET POSITION

December 31, 2016	Water Fund	Sewer Fund	Other Enterprise Funds	Total
ASSETS				
Current Assets:				
Equity in Pooled Cash	\$ 1,930,846	\$ 813,332	\$ 214,678	\$ 2,958,856
Accounts receivable	119,108	72,424	30,775	222,307
Inventory of supplies	43,276	-	-	43,276
Other	-	-	-	-
Total Current Assets	2,093,230	885,756	245,453	3,224,439
Capital Assets:				
Land	80,329	6,055	-	86,384
Water rights	8,412,612	-	-	8,412,612
Buildings and plant	61,043	5,439,485	-	5,500,528
Distribution/collection system	7,072,109	3,558,993	769,678	11,400,780
Equipment	202,025	148,204	20,731	370,960
Vehicles	-	260,445	16,378	276,823
	15,828,118	9,413,182	806,787	26,048,087
Accumulated depreciation	(3,349,973)	(4,473,719)	(270,493)	(8,094,185)
Total Capital Assets	12,478,145	4,939,463	536,294	17,953,902
Total Assets	14,571,375	5,825,219	781,747	21,178,341
LIABILITIES				
Current Liabilities:				
Accounts payable	55,781	7,898	16,015	79,694
Current portion of long-term liabilities	160,046	229,215	-	389,261
Total Current Liabilities	215,827	237,113	16,015	468,955
Long-Term Liabilities:				
Long-term loans	1,005,587	2,717,836	-	3,723,423
Loan premium	-	87,789	-	87,789
Total Long-Term Liabilities	1,005,587	2,805,625	-	3,811,212
Total Liabilities	1,221,414	3,042,738	16,015	4,280,167
NET POSITION				
Net Investment in Capital Assets	11,312,512	1,904,623	536,294	13,753,429
Unrestricted	2,037,449	877,858	229,438	3,144,745
TOTAL NET POSITION	\$ 13,349,961	\$ 2,782,481	\$ 765,732	\$ 16,898,174

See Accompanying Notes to Financial Statements.

TOWN OF EATON, COLORADO
BUSINESS-TYPE ACTIVITIES - ENTERPRISE FUNDS

STATEMENT OF REVENUE, EXPENSES
AND CHANGES IN FUND NET POSITION

Year Ended December 31, 2016	Water Fund	Sewer Fund	Other Enterprise Funds	Total
Operating Revenue - charges for services	\$ 1,478,573	\$ 710,413	\$ 317,785	\$ 2,506,771
Operating Expenses:				
Personnel	55,646	99,206	-	154,852
Supplies	3,273	21,417	1,582	26,272
Contractual services	31,016	22,990	204,350	258,356
Utilities	13,577	72,937	19,594	106,108
Repairs and maintenance	119,909	62,460	702	183,071
Insurance	18,252	31,626	1,549	51,427
Water purchases and assessments	698,618	-	-	698,618
NISP expenses	113,750	-	-	113,750
Other	2,349	3,795	5,310	11,454
Depreciation	179,590	395,317	25,288	600,195
Total Operating Expenses	1,235,980	709,748	258,375	2,204,103
Operating Income (Loss)	242,593	665	59,410	302,668
Nonoperating Revenue (Expenses):				
Investment earnings	90	205	-	295
Interest expense	(31,096)	(108,202)	-	(139,298)
Loan premium costs	-	7,980	-	7,980
Miscellaneous	353	-	-	353
Net Nonoperating Expense	(30,653)	(100,017)	-	(130,670)
Income (Loss) Before Contributions and Operating Transfers	211,940	(99,352)	59,410	171,998
Capital Contributions and Tap Fees	1,375,775	227,455	49,880	1,653,110
Operating Transfers Out - General Fund	(19,300)	(19,300)	(19,300)	(57,900)
Change in Net Position	1,568,415	108,803	89,990	1,767,208
Fund Net Position, January 1	11,781,546	2,673,678	675,742	15,130,966
Fund Net Position, December 31	\$ 13,349,961	\$ 2,782,481	\$ 765,732	\$ 16,898,174

See Accompanying Notes to Financial Statements.

TOWN OF EATON, COLORADO
ENTERPRISE FUNDS

STATEMENT OF CASH FLOWS

Year Ended December 31, 2016	Water Fund	Sewer Fund	Other Enterprise Funds	Total
Cash Flows from Operating Activities:				
Cash received from customers	\$ 1,456,255	\$ 702,365	\$ 321,496	\$ 2,480,116
Cash payments:				
To suppliers for goods and services	(965,912)	(217,513)	(231,463)	(1,414,888)
To employees for services	(55,646)	(99,206)	-	(154,852)
Net Cash Provided by Operating Activities	434,697	385,646	90,033	910,376
Cash Flows from Noncapital Financing Activities:				
Operating Transfer Out - General Fund	(19,300)	(19,300)	(19,300)	(57,900)
Cash Flows from Capital and Related Financing Activities:				
Acquisition of equipment and plant	(672,229)	(49,999)	-	(722,228)
Debt principal reduction	(152,420)	(223,757)	-	(376,177)
Interest paid on debt	(31,096)	(108,202)	-	(139,298)
Service tap fees	596,524	171,886	-	768,410
Other	353	-	-	353
Net Cash Provided (Used) by Capital and Related Financing Activities	(258,868)	(210,072)	-	(468,940)
Cash Flows from Investing Activities:				
Interest	90	205	-	295
Net Cash Provided by Investing Activities	90	205	-	295
Net Increase (Decrease) in Cash	156,619	156,479	70,733	383,831
Cash and Cash Equivalents, January 1	1,774,227	656,853	143,945	2,575,025
Cash and Cash Equivalents, December 31	\$ 1,930,846	\$ 813,332	\$ 214,678	\$ 2,958,856
Reconciliation of Operating Income to Net Cash From Operating Activities:				
Operating Income	\$ 242,593	\$ 665	\$ 59,410	\$ 302,668
Depreciation	179,590	395,317	25,288	600,195
Change in assets and liabilities:				
(Increase) decrease in:				
Accounts receivable	(22,318)	(8,048)	3,711	(26,655)
Inventories	14,477	-	-	14,477
Increase (decrease) in:				
Accounts payable	20,355	(2,288)	1,624	19,691
Net Cash Provided by Operating Activities	\$ 434,697	\$ 385,646	\$ 90,033	\$ 910,376
Disclosure of Noncash Investing Activities:				
Contributed infrastructure and water rights	\$ 779,250	\$ 55,569	\$ 49,880	\$ 884,699

See Accompanying Notes to Financial Statements.

TOWN OF EATON, COLORADO

NOTES TO FINANCIAL STATEMENTS

NOTE 1 - Summary of Significant Accounting Policies:

The accounting and reporting policies of the Town of Eaton, Colorado conform to accounting principles generally accepted in the United States. The following summary of significant accounting policies is presented to assist the reader in evaluating the Town's financial statements.

Reporting Entity:

The financial report of the Town includes all of the integral parts of the Town's operations. The Town has determined that it has no financial accountability for any other agency which would require it to be in the reporting entity.

The Mayor appoints members of the Eaton Housing Authority. Otherwise, the Town has no role in the designation of management and no ability to influence operations. The Town does not have financial accountability for the Eaton Housing Authority, as the Authority is fiscally independent.

Proceeds from the seizure of contraband, if any, are included in the reporting entity.

Government-wide and Fund Financial Statements:

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

The statement of 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 1) charges to customers or applicants who purchase, use, or directly benefit from goods, services, or privileges provided by a given function or segment, and 2) grants and contributions that are restricted to meeting the operational or capital requirements of a particular function or segment. Taxes and other items not properly included among program revenues are reported instead as *general revenues*.

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

TOWN OF EATON, COLORADO

NOTES TO FINANCIAL STATEMENTS

NOTE 1 - Summary of Significant Accounting Policies - Continued:

Government-wide and Fund Financial Statements – Continued:

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 *Library Fund* accounts for taxes received from the High Plains Library District and other revenue restricted for library services.

The *Street Fund* accounts for taxes and other revenues restricted for street improvement and maintenance.

The Town reports the following major proprietary funds:

The *Sewer Fund* accounts for user charges and expenses for operating, financing, and maintaining the Town's sanitary sewer system.

The *Water Fund* accounts for user charges and the expenses for operating, financing, and maintaining the Town's water system.

Certain eliminations have been made as prescribed by GASB Statement No. 34 in regards to interfund activities, payables, and receivables. All internal balances in the Statement of Net Position have been eliminated.

Accounts reported as *program revenues* include 1) charges to customers or applicants 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 taxes.

Proprietary funds distinguish *operating* revenues from *nonoperating* items. Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with a proprietary fund's principal ongoing operations. The principal operating revenues of the sewer fund, water fund, and the other 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.

When both restricted and unrestricted resources are available for use, it is the Town's policy to use restricted resources first, then unrestricted resources as they are needed.

TOWN OF EATON, COLORADO

NOTES TO FINANCIAL STATEMENTS

NOTE 1 - Summary of Significant Accounting Policies - Continued:

Measurement Focus, Basis of Accounting, and Financial Statement Presentation:

The government-wide financial statements are reported using the *economic resources measurement focus* and the *accrual basis of accounting*, as are the proprietary funds. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows. Property taxes are recognized as revenues in the year for which they are levied. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met.

Government fund financial statements are reported using the *current financial resources measurement focus* and the *modified accrual basis of accounting*. Revenues are recognized as soon as they are both measurable and available. Revenues are considered to be *available* when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the government considers revenues to be available if they are collected within 60 days of the end of the current fiscal period. Expenditures generally are recorded when a 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.

Cigarette taxes, sales taxes, use taxes, taxpayer-assessed taxes, interest revenue, and charges for services are all considered to be susceptible to accrual and so have been recognized as revenues of the current fiscal period. All other revenue items are considered to be measurable and available only when cash is received by the government.

TOWN OF EATON, COLORADO

NOTES TO FINANCIAL STATEMENTS

NOTE 1 - Summary of Significant Accounting Policies - Continued:

Capital Assets:

Capital assets, which include property, plant, equipment, and infrastructure assets (i.e., streets and roads, bridges, stormwater drainage, traffic signals, and similar items), are reported in the applicable governmental or business-type activities columns in the government-wide financial statements. Capital assets are defined by the Town as assets with an initial, individual cost of more than \$1,000 and an estimated useful life in excess of one year. Such assets are recorded at historical cost or estimated historical cost if purchased or constructed. Donated capital assets are recorded at estimated fair market value on the date received.

The costs of normal maintenance and repairs that do not add to the value of the asset or materially extend assets lives are not capitalized. Improvements are capitalized and depreciated over the remaining useful lives of the related fixed assets, as applicable.

Assets are depreciated using the straight-line method. Depreciation expense is reflected as an operating expense in the government-wide statement of activities.

Estimated useful lives for asset types are as follows:

Buildings and Improvements	10 – 50 years
Equipment and Vehicles	3 – 10 years
Infrastructure	10 – 30 years

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 life of the bonds using the straight-line method. Bonds payable are reported net of the applicable bond premium or discount. Bond issuance costs are reported as deferred charges and amortized over the term of the related debt.

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

TOWN OF EATON, COLORADO

NOTES TO FINANCIAL STATEMENTS

NOTE 1 - Summary of Significant Accounting Policies - Continued:

Fund Equity:

In the fund financial statements, governmental funds report restrictions of fund balance for amounts that are not available for appropriation or are legally restricted by outside parties for use for a specific purpose.

Restrictions for the Town are recorded up to the maximum equity available in the fund balance and consist of:

Restricted for Shelton Trust Fund:

These restrictions are established for amounts set aside for the purposes established by the Shelton Trust fund. Recorded restrictions at December 31, 2016 are \$68,894.

Restricted for Emergencies:

These restrictions are established to comply with TABOR. Recorded TABOR restrictions at December 31, 2016 are \$93,367.

Assigned fund balances, if any, are amounts the Town intends to use for a specific purpose. Intent can be expressed by the Board of Trustees or by an official to which the Board delegates authority. Restricted funds are considered to be spent first, followed by assigned and unassigned, for an expenditure for which any could be used.

Property Taxes:

Property taxes are levied in December and attach as an enforceable lien on property as of January 1 of the following year. Taxes are payable in two installments on March 1 and June 15, or in full on April 30. The Town uses the Weld County Treasurer to bill and collect its property taxes. Taxes levied in December 2016 are recorded as taxes receivable and deferred revenue as of December 31, 2016. The original January 1, 2016 levy for the General Fund of the Town was 5.36 mills or approximately \$438,000.

Budget:

An annual budget and appropriation ordinance is adopted by the Town Board in accordance with the Local Government Budget Law. The budget is prepared on a basis consistent with accounting principles generally accepted in the United States for all funds, except for modifications in the enterprise funds which are discussed below. The fund level of classification is the level at which expenditures may not legally exceed appropriations. All annual appropriations lapse at year end.

The Town Administrator is authorized to transfer budgeted amounts within departments of each fund. Any revisions that alter the total appropriation for each department must be approved by the Town Board through a supplemental appropriation ordinance.

TOWN OF EATON, COLORADO

NOTES TO FINANCIAL STATEMENTS

NOTE 1 - Summary of Significant Accounting Policies - Continued:

Budget - Continued:

Budgets are adopted on a basis consistent with accounting principles generally accepted in the United States (GAAP), except for the enterprise funds:

- a. Depreciation and amortization expense is not budgeted in the enterprise funds.
- b. Principal reduction of bonds is budgeted as expenses.
- c. Property and equipment purchases are budgeted as expenses.

Budgetary comparisons presented in the enterprise funds are on this non-GAAP budget basis.

Inventories:

Inventories of governmental funds, which consist of expendable materials held for consumption, are stated at cost, determined by the first-in, first-out (FIFO) method. These funds follow the consumption method of accounting whereby expenditures are recorded at the time the inventory items are used.

Inventories of proprietary funds are recorded at the lower of cost or market. Cost is determined by the FIFO method.

Transfers In/Out:

Transfers to the General Fund were made from the Water, Sewer, and Sanitation Funds to reimburse the General Fund for various office expenses. The interest earned in the Cemetery Perpetual Care Fund is transferred to the General Fund to offset cemetery expenses.

Pooled Cash:

Most cash resources of the Town are combined and deposited in an interest bearing bank account. Interest income earned on the pooled account is allocated to the General Fund. If a fund's share of the pooled cash is a deficit, a Due to Other Funds account is established.

TOWN OF EATON, COLORADO

NOTES TO FINANCIAL STATEMENTS

NOTE 1 - Summary of Significant Accounting Policies - Continued:

Employee Vacation and Sick Leave:

All full-time Town employees accumulate sick leave for subsequent use. These accumulations do not vest and therefore are not recognized as expenditures by the Town until used.

Employees also receive noncumulative vacation leave. No accrual of liability is made as vacation leave is generally taken and the amount outstanding at year end is immaterial.

Statement of Cash Flows:

For purposes of the statement of cash flows, the Town considers all highly liquid investments purchased with a maturity of three months or less to be cash equivalents.

Shelton Trust Account:

The Town is the beneficiary of 35% of the Juanita Shelton Trust. The Town received 35% of 1/4 of the trust principal in 2016, as well as 35% of accumulated income, totaling \$14,252. In 2017, the Town will receive 35% of 1/3 of the remaining principal and so on until the remaining balance is disbursed in 2019. The proceeds are limited to the Town's library, museum, and senior citizens programs.

NOTE 2 – Capital Assets:

Governmental Activities	Balance, 1/1/16	Additions	Deletions	Balance, 12/31/16
Not Depreciable:				
Land	\$ 2,878,962	\$ 93,041	\$ --	\$ 2,972,003
Construction-in-progress	--	137,910	--	137,910
Depreciable:				
Buildings and improvements	1,204,770	157,052	--	1,361,822
Library	2,793,020	3,727	--	2,796,747
Streets and improvements	7,819,903	--	--	7,819,903
Park and cemetery improvements	1,390,749	757,546	--	2,148,295
Museum	288,246	--	--	288,246
Equipment	679,108	85,019	44,526	719,601
Vehicles	598,599	324,379	184,921	738,057
Total Cost	17,653,357	1,558,674	229,447	18,982,584

TOWN OF EATON, COLORADO

NOTES TO FINANCIAL STATEMENTS

NOTE 2 – Capital Assets – Continued:

Governmental Activities – Continued	Balance, 1/1/16	Additions	Deletions	Balance, 12/31/16
Less Accumulated Depreciation:				
Buildings and improvements	\$ 663,131	\$ 151,662	\$ --	\$ 814,793
Library	641,752	17,907	--	659,659
Streets and improvements	3,854,855	278,875	--	4,133,730
Park and cemetery improvements	712,272	58,948	--	771,220
Museum	50,672	8,000	--	58,672
Equipment	559,802	55,778	44,526	571,054
Vehicles	412,384	80,449	184,821	307,912
Total Accumulated Depreciation	6,894,868	651,619	229,447	7,317,040
Capital Assets, Net	\$10,758,489	\$ 907,055	\$ --	\$11,665,544

Depreciation expense is allocated as follows:

Governmental activities	\$ 354,837
Streets	278,875
Library	17,907
	\$ 651,619

Business-Type Activities	Balance, 1/1/16	Additions	Deletions	Balance, 12/31/16
Not Depreciable:				
Land and improvements	\$ 86,385	\$ --	\$ --	\$ 86,385
Water rights	7,244,977	1,167,635	--	8,412,612
Construction-in-progress	--	199,735	--	199,735
Depreciable:				
Buildings and plant	5,487,298	--	--	5,487,298
Distribution/collection system	11,024,717	189,558	--	11,214,275
Equipment	375,502	--	--	375,502
Vehicles	247,159	50,000	24,879	272,280
Total Cost	24,466,038	1,606,928	24,879	26,048,087
Less Accumulated Depreciation:				
Buildings and plant	2,164,080	287,513	--	2,451,593
Distribution/collection system	4,801,174	279,890	--	5,081,064
Equipment	363,347	6,268	--	369,615
Vehicles	190,268	26,524	24,879	191,913
Total Accumulated Depreciation	7,518,869	600,195	24,879	8,094,185
Capital Assets, Net	\$ 16,947,169	\$ 1,006,733	\$ --	\$ 17,953,902

TOWN OF EATON, COLORADO

NOTES TO FINANCIAL STATEMENTS

NOTE 3 - Water and Sewer Debt:

December 31	2016
\$5,000,000, Series 2005, loan from Colorado Water Resource and Power Development Authority, due in varying monthly installments through 2027, average interest rate at 3.38%. (This debt will be serviced by the Sewer Fund, an Enterprise Fund.)	\$ 2,947,051
Series 2005, CWRPDA loan premium	87,789
\$1,578,625, Series 2014, Water Revenue Refunding bonds, due in varying monthly installments through 2023, average interest at 2.49%. (This debt will be serviced by the Water Fund, an Enterprise Fund.)	1,165,633
Total Water and Sewer Debt	\$4,200,473

The annual requirements to amortize these loans as of December 31, 2016 are as follows:

Year Ending December 31	Principal	Interest	Total
2017	\$ 229,215	\$ 111,229	\$ 340,444
2018	240,130	104,610	344,740
2019	245,588	98,226	343,814
2020	251,045	93,385	344,430
2021	256,503	86,711	343,214
2022-2026	1,397,120	321,228	1,718,348
2027	327,450	17,604	345,054
	\$ 2,947,051	\$ 832,993	\$ 3,780,044

Year Ending December 31	Principal	Interest	Total
2017	\$ 160,046	\$ 26,236	\$ 186,281
2018	163,032	23,250	186,281
2019	165,864	20,417	186,281
2020	169,236	17,045	186,281
2021	175,670	10,611	186,281
2022 – 2023	331,786	9,730	341,517
	\$ 1,165,633	\$ 107,289	\$ 1,272,922

TOWN OF EATON, COLORADO

NOTES TO FINANCIAL STATEMENTS

NOTE 3 - Water and Sewer Debt - Continued:

Changes in Enterprise Fund long-term debt during the year were as follows:

	Balance, 1/1/16	Additions	Retirements	Balance, 12/31/16	Due Within One Year
Water Refunding Bonds	\$ 1,318,053	--	\$ 152,420	\$ 1,165,633	\$ 160,046
CWRPDA Loan – Sewer	3,170,808	--	223,757	2,947,051	229,215
Series 2005 Loan Premium	95,769	--	7,980	87,789	--
	\$ 4,584,630	\$ --	\$ 376,177	\$ 4,200,473	\$ 389,261

The Town has pledged future customer revenues, net of operating expenses, to repay the water and sewer loans above. Proceeds from the loans provided financing for various improvements. The loans are payable solely from water and sewer net revenues and are payable through 2023 and 2027. Annual principal and interest payments on the bonds are expected to require approximately 15% of water revenues and 50% of sewer revenues. The total principal and interest remaining to be paid on the bonds is on page 25. Principal and interest paid for the current year and total customer revenues were \$186,281 and \$1,478,573, respectively for water, and \$341,447 and \$710,413, respectively for sewer.

NOTE 4 – Governmental Long-Term Debt:

The Town has entered into five capital leases for several lots to be developed as a town square. Annual payments of \$106,397 are required until 2025 including interest at 3.25%. The land secures the capital lease and is carried at \$1,847,560 at December 31, 2016. Lease payments will be made by the Impact Fee Fund.

The Town has also entered into an installment purchase agreement for financing the purchase of a building to be used as a museum. This agreement qualifies as a capital lease for accounting purposes and, therefore, has been recorded at the present value of the future minimum lease payments as of the date of its inception. Lease payments are made by the General Fund.

The agreement, dated September 17, 2003, requires annual payments of \$10,375, including 2% interest, until 2032. The lessor has a first lien security interest in the building until the payments are completed. The carrying value of improvements under lease is \$141,000 at December 31, 2016.

TOWN OF EATON, COLORADO

NOTES TO FINANCIAL STATEMENTS

NOTE 4 – Governmental Long-Term Debt - Continued:

The following is a schedule of the future minimum lease payments under these capital leases, and the present value of the net minimum lease payments at December 31, 2016.

Year Ending December 31	Amount
2017	\$ 175,728
2018	175,728
2019	175,728
2020	116,843
2021	116,844
2022-2026	287,415
2027-2031	51,876
2032	1,826
Total minimum lease payments	1,101,988
Less: Amount representing interest	(121,205)
Present value of future minimum lease payments	\$ 980,783

Changes in long-term debt during the year were as follows:

	Balance, 1/1/16	Additions	Retirements	Balance, 12/31/16	Due Within One Year
Land Leases	\$ 783,499	\$ --	\$ 105,826	\$ 677,673	\$ 106,468
Museum Lease	134,791	--	147	134,644	10,375
Sweeper Lease	--	226,900	58,434	168,466	58,885
	\$ 918,290	\$ 226,900	\$ 164,407	\$ 980,783	\$ 116,843

TOWN OF EATON, COLORADO

NOTES TO FINANCIAL STATEMENTS

NOTE 5 - Defined Contribution Plan:

The Town provides pension benefits through a defined contribution plan for all of its employees who have elected to participate. The plan is administered by Northwestern Mutual Life. In a defined contribution plan, benefits depend solely on amounts contributed to the plan plus investment earnings. Employees are eligible to participate in the plan after 1,000 hours of service.

In order to participate in the plan, employees must contribute a minimum of five percent of compensation with the Town making an equal five percent contribution on their behalf. The Town's contributions for each employee (and interest allocated to the employee's account) are fully vested after seven years continuous service. Town contributions (including interest) forfeited by employees who leave employment before seven years of service are used to reduce the Town's current-period contribution requirement.

Employees contributed \$49,009 and the Town and made the required 5% contribution for participating employees, amounting to \$47,830, or \$96,839 in total. Forfeitures were not material to the financial statements.

NOTE 6 - Cash and Investments:

The Town's bank accounts and certificates of deposit at year-end were entirely covered by federal depository insurance or by collateral held by the Town's custodial banks under provisions of the Colorado Public Deposit Protection Act.

The Colorado Public Deposit Protection Act requires financial institutions to pledge collateral having a market value of at least 102% of the aggregate public deposits not insured by federal depository insurance. Eligible collateral includes municipal bonds, U.S. government securities, mortgages and deeds of trust.

State statutes authorize the Town to invest in obligations of the U.S. Treasury and U.S. agencies, obligations of the State of Colorado or of any county, school district, and certain towns and cities therein, notes or bonds secured by insured mortgages or trust deeds, obligations of national mortgage associations, and certain repurchase agreements.

At December 31, 2016, the Town had \$63,700 invested in the Colorado Liquid Asset Trust (COLOTRUST), an SEC Rule 2a7-like investment pool. Investments are valued at the net asset value (NAV) of \$1.00 per share. The investment pools are routinely monitored by the Colorado Division of Securities with regard to operations and investments. COLOTRUST is rated AAAM by Standard & Poor's. The Town's investment is measured at NAV.

TOWN OF EATON, COLORADO

NOTES TO FINANCIAL STATEMENTS

NOTE 7 - 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. In February, 1986, the Town Board authorized participation in the agency. The Town has participated each year since then.

The purposes of CIRSA are to provide members defined liability and property coverages and to assist members to prevent and reduce losses and injuries to municipal property and to persons or property which might result in claims being made against members of CIRSA, their employees or officers.

The Town recognizes an expenditure for the amount paid to CIRSA annually for these coverages. The Town paid \$115,044 to CIRSA in 2016, including \$39,758 for workers compensation coverage. Settled claims have not exceeded this coverage in any of the past three fiscal years.

NOTE 8 - Weld 911 Emergency Telephone Service Authority:

The Town is a member of the Weld 911 Emergency Telephone Service Authority, a separate legal entity established by Weld County, member municipalities, and special districts for the purpose of providing 911 emergency telephone service.

Authority Board members are selected by the Weld county commissioners and by the larger municipalities in Weld County. The Town does not have the ability to significantly affect the operations of the Authority.

The Town has no obligation to the Authority beyond the service charges paid by Town residents to their telephone service supplier. In the event of the Authority disbanding without a successor, the net position, if any, shall be returned to the participants. The Town of Eaton's share of the net position is estimated to be less than 5%.

NOTE 9 - Contingencies:

In 1992, Colorado voters approved "Amendment One", or the Taxpayer's Bill of Rights (TABOR). TABOR requires voter approval for any new tax, tax rate increase, mill levy increase, or new debt. Voter approval is also required to increase annual property taxes, revenue, or spending by more than inflation plus a local growth factor. Spending not subject to TABOR includes that from enterprise activities, gifts, federal funds, reserve expenditures, damage awards, or property sales.

In November 1994, the electors of the Town of Eaton voted to supersede TABOR and to collect, retain, and expend the full proceeds of all taxes, fees, and other revenue without increasing or adding taxes of any kind.

TOWN OF EATON, COLORADO

NOTES TO FINANCIAL STATEMENTS

NOTE 9 – Contingencies - Continued:

The Amendment is complex and subject to judicial interpretation. The Town believes it is in compliance with the applicable requirements of the Amendment. Included in the accompanying financial statements are emergency reserves required by TABOR, of at least 3% of fiscal year spending, recorded in the General Fund.

REQUIRED SUPPLEMENTARY INFORMATION

**TOWN OF EATON, COLORADO
GENERAL FUND**

Schedule of Revenue Compared with Estimate

Year Ended December 31, 2016	Actual	Estimate	Variance
Taxes:			
General property	\$ 438,198	\$ 428,567	\$ 9,631
Franchise - utility companies	172,333	169,000	3,333
Sales	1,274,946	1,400,000	(125,054)
Penalties and interest	305	500	(195)
Total Taxes	1,885,782	1,998,067	(112,285)
Licenses and Permits:			
Building permits	219,794	85,000	134,794
Liquor licenses	1,085	775	310
Dog licenses	490	350	140
Business licenses	1,130	800	330
Total Licenses and Permits	222,499	86,925	135,574
Intergovernmental:			
Cigarette tax	5,839	4,800	1,039
Lottery proceeds	53,629	44,000	9,629
Mineral and severance taxes	36,400	36,400	-
Total Intergovernmental	95,868	85,200	10,668
Charges for Services:			
Grave openings	21,200	20,000	1,200
Sale of cemetery plots	28,661	22,000	6,661
Total Charges for Services	49,861	42,000	7,861
Fines and Forfeitures:			
Fines - traffic	334,365	300,000	34,365
Total Fines and Forfeitures	334,365	300,000	34,365
Miscellaneous:			
Interest	776	300	476
Recreation fees	135,820	105,000	30,820
Contributions and grants	54,637	21,375	33,262
Other, primarily oil and gas lease	39,349	50,000	(10,651)
Total Miscellaneous	230,582	176,675	53,907
Total Revenue	\$ 2,818,957	\$ 2,688,867	\$ 130,090

**TOWN OF EATON, COLORADO
GENERAL FUND**

Schedule of Expenditures Compared with Budget

Year Ended December 31, 2016	Actual	Original Budget	Final Budget	Variance From Final Budget
Administration:				
Current operating:				
Mayor and Board of Trustees	\$ 13,500	\$ 13,800	\$ 13,800	\$ 300
Administrator	95,002	95,000	95,000	(2)
Assistant administrator	49,997	50,000	50,000	3
Town clerk	61,805	61,800	61,800	(5)
Administrative assistant	44,294	44,300	44,300	6
Municipal judge	14,780	13,100	13,100	(1,680)
Court clerk	6,278	6,275	6,275	(3)
Employee benefits	72,842	59,000	59,000	(13,842)
Elections	911	5,000	5,000	4,089
Office supplies	13,234	10,500	10,500	(2,734)
Telephone	5,048	6,600	6,600	1,552
Office expenses	3,804	5,000	5,000	1,196
Staff training and education	2,847	2,200	2,200	(647)
Dues	1,843	1,900	1,900	57
Publications	3,807	6,500	6,500	2,693
Insurance	51,992	55,000	55,000	3,008
Professional services	34,203	36,000	36,000	1,797
Legal fees	42,093	33,000	33,000	(9,093)
Building inspections	177,909	75,000	178,000	91
Office equipment	10,023	-	-	(10,023)
Capital outlay	-	2,000	2,000	2,000
Total Administration	706,212	581,975	684,975	(21,237)
Public Safety:				
Current operating:				
Police chief and officers	534,649	512,630	512,630	(22,019)
Administrative assistant	44,016	44,034	44,034	18
Employee benefits	134,850	144,733	144,733	9,883
Office supplies	9,055	8,000	8,000	(1,055)
Operating supplies	43,901	47,875	47,875	3,974
Communications	23,761	26,047	26,047	2,286
Automotive services	1,020	14,000	14,000	12,980
Jail services	1,500	1,500	1,500	-
Training and education	1,649	5,600	5,600	3,951
Animal shelter	891	3,500	3,500	2,609
Office equipment	6,903	8,000	8,000	1,097
Capital outlay	28,954	39,210	39,210	10,256
Total Public Safety	831,149	855,129	855,129	23,980

Continued on next page.

**TOWN OF EATON, COLORADO
GENERAL FUND**

Schedule of Expenditures Compared with Budget - Continued

Year Ended December 31, 2016	Actual	Original Budget	Final Budget	Variance From Final Budget
Cemetery:				
Current operating:				
Maintenance labor	\$ 65,238	\$ 69,700	\$ 69,700	\$ 4,462
Employee benefits	16,843	17,450	17,450	607
Operating supplies	17,549	15,500	15,500	(2,049)
Utilities	7,301	6,250	6,250	(1,051)
Repairs and maintenance	13,367	6,000	6,000	(7,367)
Forestry and nursery	977	5,000	5,000	4,023
Capital outlay	-	2,500	2,500	2,500
Total Cemetery	121,275	122,400	122,400	1,125
Parks and Recreation:				
Current operating:				
Recreation employees	177,271	177,000	177,000	(271)
Maintenance labor	124,323	116,650	116,650	(7,673)
Employee benefits	50,280	47,440	47,440	(2,840)
Operating supplies	160,503	156,000	176,000	15,497
Advertising and printing	13,761	13,000	13,000	(761)
Utilities	14,940	15,775	15,775	835
Forestry and nursery	4,373	8,300	8,300	3,927
Capital outlay	794,953	735,000	912,000	117,047
Total Parks and Recreation	1,340,404	1,269,165	1,466,165	125,761
Public Buildings:				
Current operating:				
Custodial salary	6,900	10,200	10,200	3,300
Operating supplies	5,292	3,750	3,750	(1,542)
Utilities	21,152	26,000	26,000	4,848
Repairs and maintenance	9,964	14,000	14,000	4,036
Building improvements	-	5,000	5,000	5,000
Debt service - lease	10,375	10,375	10,375	-
Total Public Buildings	53,683	69,325	69,325	15,642
Miscellaneous:				
Treasurer's fees	4,383	\$4,286	\$4,286	(97)
Other	-	6,000	6,000	6,000
Economic development	49,867	35,000	35,000	(14,867)
Shelton Trust Fund grants	5,250	5,000	5,000	(250)
Total Miscellaneous	59,500	\$50,286	50,286	(9,214)
Total Expenditures	\$ 3,112,223	\$2,948,280	\$3,248,280	\$ 136,057

**TOWN OF EATON, COLORADO
GENERAL FUND**

Schedule of Other Financing Sources Compared with Estimate

<u>Year Ended December 31, 2016</u>	<u>Actual</u>	<u>Estimate</u>	<u>Variance</u>
Operating Transfers In:			
Water Fund	\$ 19,300	\$ 19,300	\$ -
Sewer Fund	19,300	19,300	-
Sanitation Fund	19,300	19,300	-
Cemetery Perpetual Care Fund	131	-	131
<u>Total Other Financing Sources</u>	<u>\$58,031</u>	<u>\$ 57,900</u>	<u>\$ 131</u>

TOWN OF EATON, COLORADO
SPECIAL REVENUE FUNDS
LIBRARY FUND

Schedule of Revenue Compared with Estimate

Year Ended December 31, 2016	Actual	Estimate	Variance
Property Taxes (High Plains Library District)	\$ 1,424,725	\$ 1,410,039	\$ 14,686
Library Fines	5,171	2,000	3,171
Total Revenue	\$ 1,429,896	\$ 1,412,039	\$ 17,857

Schedule of Expenditures Compared with Budget

Year Ended December 31, 2016	Actual	Original Budget	Final Budget	Variance from Final Budget
Library:				
Current operating:				
Librarians	\$ 205,929	\$ 247,250	\$ 247,250	\$ 41,321
Employee benefits	30,572	28,500	28,500	(2,072)
Operating supplies	12,517	17,000	17,000	4,483
Contract services	49,557	70,000	70,000	20,443
Mileage reimbursements	740	2,500	2,500	1,760
Workshops and dues	2,328	7,000	7,000	4,672
Insurance	10,593	11,000	11,000	407
Utilities	14,689	20,000	20,000	5,311
Repairs and maintenance	7,348	15,000	15,000	7,652
Programs	13,586	25,000	25,000	11,414
Circulation	35,748	55,000	55,000	19,252
Reference	-	-	-	-
Periodicals	2,247	3,000	3,000	753
Miscellaneous	2,383	5,700	5,700	3,317
Capital outlay	76,141	45,000	45,000	(31,141)
Total Expenditures - Library	\$ 464,378	\$ 551,950	\$ 551,950	\$ 87,572

**TOWN OF EATON, COLORADO
SPECIAL REVENUE FUNDS
STREET FUND**

Schedule of Revenue Compared with Estimate

Year Ended December 31, 2016	Actual	Estimate	Variance
Sales Taxes	\$ 182,135	\$ 200,000	\$ (17,865)
B and D Taxes	27,739	30,000	(2,261)
Motor Vehicle Fees	23,501	22,000	1,501
Highway Users Tax	157,504	151,684	5,820
County Road and Bridge	59,035	61,182	(2,147)
Severance tax and other	78,800	75,000	3,800
Total Revenue	\$ 528,714	\$ 539,866	\$ (11,152)

Schedule of Expenditures Compared with Budget

Year Ended December 31, 2016	Actual	Original Budget	Final Budget	Variance from Final Budget
Streets:				
Current operating:				
Salaries	\$ 56,280	\$ 54,200	\$ 54,200	\$ (2,080)
Employee benefits	11,960	11,400	11,400	(560)
Operating supplies	26,279	22,000	22,000	(4,279)
Insurance	4,184	4,175	4,175	(9)
Professional services	8,512	4,000	4,000	(4,512)
Construction engineering	22,273	25,000	25,000	2,727
Snow removal	1,920	2,500	2,500	580
Street lighting	83,397	95,000	95,000	11,603
Equipment maintenance	5,136	13,000	13,000	7,864
Street signs	6,875	10,000	10,000	3,125
Capital outlay, patching, seal coating	305,284	406,000	406,000	100,716
Total Expenditures - Streets	\$ 532,100	\$ 647,275	\$ 647,275	\$ 115,175

ADDITIONAL INFORMATION

TOWN OF EATON, COLORADO
NONMAJOR GOVERNMENTAL FUNDS

COMBINING BALANCE SHEET

December 31, 2016	<u>Special Revenue</u>	<u>Permanent Fund</u>	Total
	Impact Fee Fund	Cemetery Perpetual Care Fund	
<u>ASSETS</u>			
Cash	\$ 578,172	\$ 121,653	\$ 699,825
TOTAL ASSETS	578,172	121,653	699,825
<u>LIABILITIES</u>			
Accounts Payable	-	-	-
Total Liabilities	-	-	-
<u>FUND BALANCES</u>			
Nonspendable	-	121,653	121,653
Restricted for Impact fee purposes	578,172	-	578,172
Total Fund Balances	578,172	121,653	699,825
TOTAL LIABILITIES AND FUND BALANCES	\$ 578,172	\$ 121,653	\$ 699,825

TOWN OF EATON, COLORADO
NONMAJOR GOVERNMENTAL FUNDS

COMBINING STATEMENT OF REVENUE, EXPENDITURES
AND CHANGES IN FUND BALANCE

Year Ended December 31, 2016	Impact Fee Fund	Cemetery Perpetual Care Fund	Total
Operating Revenue:			
Use taxes	\$ 311,573	\$ -	\$ 311,573
Impact fees	87,283	-	87,283
Lot sales	-	2,323	2,323
Interest	-	131	131
Total Operating Revenue	398,856	2,454	401,310
Expenditures:			
Police facilities and equipment expenses	35,000	-	35,000
Neighborhood park expense	30,339	-	30,339
Community park expenses	90,250	-	90,250
Debt service	121,971	-	121,971
Total Expenditures	277,560	-	277,560
Revenue Over (Under) Expenditures	121,296	2,454	123,750
Operating Transfer Out - General Fund	-	(131)	(131)
Net Change in Fund Balances	121,296	2,323	123,619
Fund Balance, January 1	456,876	119,330	576,206
Fund Balance, December 31	\$ 578,172	\$ 121,653	\$ 699,825

**TOWN OF EATON, COLORADO
SPECIAL REVENUE FUNDS
IMPACT FEE FUND**

Schedule of Revenue Compared with Estimate

Year Ended December 31, 2016	Actual	Estimate	Variance
Use Tax - building materials	\$ 311,573	\$ 125,000	\$ 186,573
Impact Fees:			
Police facilities	7,264	3,275	3,989
Municipal facilities and equipment	37,740	18,500	19,240
Community park and equipment	12,954	6,350	6,604
Neighborhood park facilities and equipment	29,325	14,375	14,950
Total Revenue and Transfers In	\$ 398,856	\$ 167,500	\$ 231,356

Schedule of Expenditures Compared with Budget

Year Ended December 31, 2016	Actual	Original and Final Budget	Variance From Final Budget
Expenditures:			
Police facilities and equipment expenses	\$ 35,000	\$ 35,000	\$ -
Municipal and equipment	-	18,029	18,029
Neighborhood park expenses	30,339	55,000	24,661
Community park expenses	90,250	60,000	(30,250)
Debt Service:			
Lease interest	36,591	36,591	-
Lease principal	85,380	85,380	-
Total Expenditures	\$ 277,560	\$ 290,000	\$ 12,440

**TOWN OF EATON, COLORADO
 PERMANENT FUNDS
 CEMETARY PERPETUAL CARE FUND**

Schedule of Revenue Compared with Estimate

Year Ended December 31, 2016	Actual	Estimate	Variance
Lot Sales	\$ 2,323	\$ -	\$ 2,323
Interest	131	-	131
Total Revenue	\$ 2,454	\$ -	\$ 2,454

Schedule of Expenditures Compared with Budget

Year Ended December 31, 2016	Actual	Original and Final Budget	Variance From Final Budget
Expenditures:			
Cemetery	\$ -	\$ -	\$ -
Total Expenditures	\$ -	\$ -	\$ -

**TOWN OF EATON, COLORADO
NONMAJOR ENTERPRISE FUNDS**

COMBINING STATEMENT OF NET POSITION

December 31, 2016	Sanitation Fund	Irrigation Fund	Total Nonmajor Enterprise Funds
<u>ASSETS</u>			
Current Assets:			
Equity in pooled cash	\$ 124,089	\$ 90,589	\$ 214,678
Accounts receivable	37,505	(6,730)	30,775
Total Current Assets	161,594	83,859	245,453
Property, Plant, and Equipment:			
Distribution/collection system	-	769,678	769,678
Vehicles	-	16,378	16,378
Equipment	20,731	-	20,731
	20,731	786,056	806,787
Accumulated depreciation	(18,768)	(251,725)	(270,493)
Total Property, Plant, and Equipment	1,963	534,331	536,294
Total Assets	163,557	618,190	781,747
<u>LIABILITIES</u>			
Current Liabilities:			
Accounts payable	14,467	1,548	16,015
Total Current Liabilities	14,467	1,548	16,015
<u>NET POSITION</u>			
Net Investment in Capital Assets	1,963	534,331	536,294
Unrestricted	147,127	82,311	229,438
TOTAL NET POSITION	\$ 149,090	\$ 616,642	\$ 765,732

**TOWN OF EATON, COLORADO
NONMAJOR ENTERPRISE FUNDS**

**COMBINING STATEMENT OF REVENUE, EXPENSES
AND CHANGES IN FUND NET POSITION**

Year Ended December 31, 2016	Sanitation Fund	Irrigation Fund	Total Nonmajor Enterprise Funds
Operating Revenue - charges for services	\$ 234,736	\$ 83,049	\$ 317,785
Operating Expenses:			
Supplies	955	627	1,582
Contractual services	192,834	11,516	204,350
Utilities	-	19,594	19,594
Repairs and maintenance	-	702	702
Insurance	337	1,212	1,549
Other	5,310	-	5,310
Depreciation	655	24,633	25,288
Total Operating Expenses	200,091	58,284	258,375
Income (Loss) Before Operating Transfers and Contributions	34,645	24,765	59,410
Capital contributions	-	49,880	49,880
Operating Transfers Out - General Fund	(19,300)	-	(19,300)
Net Income (Loss)	15,345	74,645	89,990
Net Position, January 1	133,745	541,997	675,742
Net Position, December 31	\$ 149,090	\$ 616,642	\$ 765,732

TOWN OF EATON, COLORADO
NONMAJOR ENTERPRISE FUNDS

COMBINED STATEMENT OF CASH FLOWS

Year Ended December 31, 2016	Sanitation Fund	Irrigation Fund	Total Nonmajor Enterprise Funds
Cash Flows from Operating Activities:			
Cash received from customers	\$ 226,625	\$ 94,871	\$ 321,496
Cash payments:			
To suppliers for goods and services	(198,837)	(32,626)	(231,463)
Net Cash Provided by Operating Activities	27,788	62,245	90,033
Cash Flows from Noncapital Financing Activities:			
Operating transfers out - General Fund	(19,300)	-	(19,300)
Cash Flows from Capital and Related Financing Activities:			
Acquisition of equipment	-	-	-
Net Increase (Decrease) in Cash	8,488	62,245	70,733
Cash and Cash Equivalents, January 1	115,601	28,344	143,945
Cash and Cash Equivalents, December 31	\$ 124,089	\$ 90,589	\$ 214,678
Reconciliation of Operating Income to Net Cash Provided by Operating Activities:			
Operating income (loss)	\$ 34,645	\$ 24,765	\$ 59,410
Depreciation	655	24,633	25,288
Change in assets and liabilities:			
(Increase) decrease in:			
Accounts receivable	(8,111)	11,822	3,711
Increase (decrease) in:			
Accounts payable	599	1,025	1,624
Net Cash Provided by Operating Activities	\$ 27,788	\$ 62,245	\$ 90,033
Disclosure of Noncash Investing Activities:			
Contributed Infrastructure	\$ -	\$ 49,880	\$ -

TOWN OF EATON, COLORADO
ENTERPRISE FUNDS - WATER FUND

Schedule of Revenue Compared with Estimate

Year Ended December 31, 2016	Actual	Estimate	Variance
Operating Revenue:			
Water service fees	\$ 1,478,573	\$ 1,391,600	\$ 86,973
Miscellaneous	353	18,000	(17,647)
Nonoperating Revenue:			
Interest	90	50	40
Tap fees	596,524	162,500	434,024
Total Revenue	\$ 2,075,540	\$ 1,572,150	\$ 503,390

Schedule of Expenses and Transfers Compared with Budget
(Non-GAAP Budget Basis)

Year Ended December 31, 2016	Actual	Budget	Variance
Operating Expenses:			
Personnel:			
Salaries	\$ 44,771	\$ 55,560	\$ 10,789
Employee benefits	10,875	14,450	3,575
Supplies	3,273	9,000	5,727
Contractual services	31,016	30,000	(1,016)
Utilities	13,577	12,350	(1,227)
Repairs and maintenance	119,909	75,000	(44,909)
Insurance	18,252	18,285	33
Water assessments	71,771	76,500	4,729
NISP expenses	113,750	114,000	250
NWCWD purchases	626,847	650,000	23,153
Miscellaneous	2,349	3,000	651
Total Operating Expenses	1,056,390	1,058,145	1,755
Nonoperating Expenses:			
Capital outlay	581,533	600,000	18,467
Loan payments	183,516	183,516	-
Total Nonoperating Expenses	765,049	783,516	18,467
Operating Transfers Out - General Fund	19,300	19,300	-
Total Expenses and Transfers	\$ 1,840,739	\$ 1,860,961	\$ 20,222

TOWN OF EATON, COLORADO
ENTERPRISE FUNDS - SEWER FUND

Schedule of Revenue Compared with Estimate

Year Ended December 31, 2016	Actual	Estimate	Variance
Operating Revenue:			
Sewer service charges	\$ 710,413	\$ 705,000	\$ 5,413
Miscellaneous	-	200	(200)
Nonoperating Revenue:			
Sewer tap fees	171,886	60,000	111,886
Interest revenue	205	-	205
Total Revenue	\$ 882,504	\$ 765,200	\$ 117,304

Schedule of Expenses and Transfers Compared with Budget
(Non-GAAP Budget Basis)

Year Ended December 31, 2016	Actual	Budget	Variance
Operating Expenses:			
Personnel:			
Salaries	\$ 77,796	\$ 77,100	\$ (696)
Employee benefits	21,410	19,275	(2,135)
Supplies	21,417	31,400	9,983
Contractual services	22,990	27,000	4,010
Utilities	72,937	80,000	7,063
Repairs and maintenance	62,460	52,000	(10,460)
Insurance	31,626	31,618	(8)
Miscellaneous	3,795	4,000	205
Total Operating Expenses	314,431	322,393	7,962
Nonoperating Expenses:			
Loan payments	331,959	341,448	9,489
Capital outlay	50,000	50,000	-
Total Nonoperating Expenses	381,959	391,448	9,489
Operating Transfers Out - General Fund	19,300	19,300	-
Total Expenses and Transfers	\$ 715,690	\$ 733,141	\$ 17,451

TOWN OF EATON, COLORADO
ENTERPRISE FUNDS - SANITATION FUND

Schedule of Revenue Compared with Estimate

Year Ended December 31, 2016	Actual	Estimate	Variance
Operating Revenue - Trash collection fees	\$234,736	\$233,000	\$ 1,736
Total Revenue	\$234,736	\$233,000	\$ 1,736

Schedule of Expenses and Transfers Compared with Budget
(Non-GAAP Budget Basis)

Year Ended December 31, 2016	Actual	Budget	Variance
Operating Expenses:			
Supplies	\$ 955	\$ 1,500	\$ 545
Miscellaneous	5,310	4,350	(960)
Contractual services	192,834	204,500	11,666
Insurance	337	337	-
Total Operating Expenses	199,436	210,687	11,251
Nonoperating Expenses:			
Capital outlay	-	-	-
Operating Transfers Out - General Fund	19,300	19,300	-
Total Expenses and Transfers	\$218,736	\$229,987	\$ 11,251

TOWN OF EATON, COLORADO
ENTERPRISE FUNDS - IRRIGATION FUND

Schedule of Revenue Compared with Estimate

Year Ended December 31, 2016	Actual	Estimate	Variance
Operating Revenue - Irrigation	\$ 83,049	\$ 82,000	\$ 1,049
Total Revenue	\$ 83,049	\$ 82,000	\$ 1,049

Schedule of Expenses Compared with Budget
(Non-GAAP Budget Basis)

Year Ended December 31, 2016	Actual	Budget	Variance
Operating Expenses:			
Supplies	\$ 627	\$ 1,500	\$ 873
Insurance	1,212	1,212	-
Professional services	11,516	9,650	(1,866)
Utilities	19,594	28,000	8,406
Miscellaneous	-	-	-
Repair and maintenance	702	5,000	4,298
Total Operating Expenses	33,651	45,362	11,711
Nonoperating Expenses:			
Capital outlay	-	1,000	1,000
Total Expenses	\$ 33,651	\$ 46,362	\$ 12,711

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

LOCAL HIGHWAY FINANCE REPORT	City or County: Weld
	YEAR ENDING : December 2016

This Information From The Records Of (example - City of _ or County of Town of Eaton)	Prepared By: Gary Carsten Phone: (970) 454-3338
---	--

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)	0
a. Motor Fuel (from Item I.A.5.)		2. Maintenance:	406,229
b. Motor Vehicle (from Item I.B.5.)		3. Road and street services:	
c. Total (a.+b.)		a. Traffic control operations	6,875
2. General fund appropriations		b. Snow and ice removal	0
3. Other local imposts (from page 2)	268,909	c. Other	88,533
4. Miscellaneous local receipts (from page 2)	78,800	d. Total (a. through c.)	95,408
5. Transfers from toll facilities		4. General administration & miscellaneous	30,463
6. Proceeds of sale of bonds and notes:		5. Highway law enforcement and safety	
a. Bonds - Original Issues		6. Total (1 through 5)	532,100
b. Bonds - Refunding Issues		B. Debt service on local obligations:	
c. Notes		1. Bonds:	
d. Total (a. + b. + c.)	0	a. Interest	
7. Total (1 through 6)	347,709	b. Redemption	
B. Private Contributions		c. Total (a. + b.)	0
C. Receipts from State government (from page 2)	181,005	2. Notes:	
D. Receipts from Federal Government (from page 2)	0	a. Interest	
E. Total receipts (A.7 + B + C + D)	528,714	b. Redemption	
		c. Total (a. + b.)	0
		3. Total (1.c + 2.c)	0
		C. Payments to State for highways	
		D. Payments to toll facilities	
		E. Total disbursements (A.6 + B.3 + C + D)	
			532,100

IV. LOCAL HIGHWAY DEBT STATUS
(Show all entries at par)

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

V. LOCAL ROAD AND STREET FUND BALANCE

	A. Beginning Balance	B. Total Receipts	C. Total Disbursements	D. Ending Balance	E. Reconciliation
	512,033	528,714	532,100	508,647	0

Notes and Comments:

LOCAL HIGHWAY FINANCE REPORT

STATE:
Colorado
YEAR ENDING (mm/yy):
December 2016

II. RECEIPTS FOR ROAD AND STREET PURPOSES - DETAIL

ITEM	AMOUNT	ITEM	AMOUNT
A.3. Other local imposts:		A.4. Miscellaneous local receipts:	
a. Property Taxes and Assesments		a. Interest on investments	
b. Other local imposts:		b. Other	78,800
1. Sales Taxes	182,135	c. Transfers	
2. Traffic Fines		d. Capital Credits	
3. Specific Ownership Tax	27,739	e. Sale of Assets	
4. Motor Vehicle Registration		f. Fees/Licenses/Permits	
5. From Cities/Counties	59,035	g. Service Performed	
6. Total (1. through 5.)	268,909	h. Refunds of Expenditures	
c. Total (a. + b.)	268,909	i. Total (a. through h.)	78,800
	(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	157,504	1. FHWA (from Item I.D.5.)	
2. State general funds		2. Other Federal agencies:	
3. Other State funds:		a. Forest Service	
a. State bond proceeds		b. FEMA	
b. Project Match		c. HUD	
c. Motor Vehicle Registration	23,501	d. Mineral Leasing	
d. (Specify)		e. Pay Lieu of Tax	
e. (Specify)		f. Other Federal	
f. Total (a. through e.)	23,501	g. Total (a. through f.)	0
4. Total (1. + 2. + 3.f)	181,005	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			0
c. Construction:			
(1). Capacity Improvements			0
(2). System Preservation			0
(3). Safety And Other			0
(4). Total Construction (1)+(2)+(3)	0	0	0
d. Total Capital Outlay (Lines 1.a. + 1.b. + 1.c.4)	0	0	0
			(Carry forward to page 1)

Notes and Comments: