

**TOWN OF FAIRPLAY, COLORADO**

**FINANCIAL STATEMENTS**  
**WITH**  
**INDEPENDENT AUDITORS' REPORT**

**FOR THE YEAR ENDED**  
**December 31, 2016**

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## **INTRODUCTORY SECTION**

**TOWN OF FAIRPLAY, COLORADO  
BOARD OF TRUSTEES  
December 31, 2016**

**Board of Trustees**

Gabby Lane, Mayor  
Scott Dodge, Trustee  
Ray Douglas, Trustee  
Frank Just, Trustee  
Eve Stapp, Trustee

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## **FINANCIAL SECTION**

Town of Fairplay  
Management Discussion and Analysis  
December 31, 2016

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The discussion and analysis of the Town of Fairplay's financial performance provides an overall review of the Town's financial activities for the year ended December 31, 2016. The intent of this discussion and analysis is to look at the Town's financial performance as a whole. Readers should also review the financial statements and the notes to the financial statements to broaden their understanding of the Town's financial performance.

### **Financial Highlights**

The Town of Fairplay's governmental net position increased by \$359,946 and business-type net position decreased by \$24,521 for the year.

- The assets of the Town exceeded its liabilities at the close of fiscal year 2016 by \$4,254,285 (*net position*). Of this amount, \$949,379 (*unrestricted net position*) may be used to meet the Town's ongoing obligations or unforeseen expenses.
- At the end of 2016 unrestricted net position for the proprietary funds (business-type activities) was \$374,293.

As of the close of fiscal year 2016, the Town's General Fund reported an ending fund balance of \$510,094 compared to the fiscal year 2015 balance of \$352,975.

- General Fund 2016 revenues increased by \$331,222 to \$1,449,184.
- General Fund 2016 expenditures increased by \$170,552 to \$1,292,065.

### **Using the Basic Financial Statements**

The Basic Financial Statements consist of the Management's Discussion and Analysis (this section) and a series of financial statements and notes to those statements. These statements are organized so that the reader can understand the Town of Fairplay as an entire operating entity. The statements then proceed to provide an increasingly detailed look at specific financial activities.

The first two statements are government-wide financial statements - the Statement of Net Position and the Statement of Activities. Both provide long and short-term information about the Town's overall financial status.

Town of Fairplay  
Management Discussion and Analysis  
December 31, 2016

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The remaining statements are fund financial statements that focus on individual parts of the Town's operations in more detail. The governmental fund statements tell how general Town services were financed in the short term as well as what remains for future spending. The Town's major governmental fund is the General Fund. The Town has a Special Revenue fund that is a non-major fund and contains the Conservation Trust Fund.

Proprietary fund statements offer short and long-term financial information about the activities that the Town operates as a business. The Town operates two proprietary funds, the Water Fund and the Internal Service Fleet Fund.

Fiduciary fund statements provide information about financial relationships where the Town acts solely as a trustee or agent for the benefit of others to whom the resources in question belong. The Town does not have any fiduciary funds.

The financial statements also include notes that explain some of the information in the financial statements and provide more detailed data.

### **Financial Analysis of the Town as a Whole**

The Town's total net position was \$4,254,285 as of December 31, 2016 and \$3,918,860 as of December 31, 2015. This represents an increase of \$335,425.

### **Government-Wide Financial Statements**

The government-wide statements report information about the Town as a whole using accounting methods similar to those used by private businesses. The statements of net position include all of the government's assets and liabilities. All of the current year's revenues and expenses are accounted for in the statement of activities regardless of when cash is received or paid.

The two government-wide statements report the Town's net position and how they have changed. The change in net position is important because it tells the reader that for the Town as a whole, the financial position of the Town has improved or diminished. The causes of this change may be the result of various factors, some financial, some not. Non-financial factors include facility conditions, and state or federal government required programs.

Both of 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 Fund, and Conservation Trust Fund. The Business-type Activities of the Town of Fairplay consists of Water Fund and Internal Service Fleet Fund.

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**Net Position**

Net position might serve over time as a useful indicator of a government's financial position. In the case of the Town of Fairplay, assets exceeded liabilities by approximately \$4.25 million at the close of 2016.

Net position of the Town at December 31, were as follows:

	Governmental Activities		Business-type Activities		Total	
	2016	2015	2016	2015	2016	2015
<b>ASSETS</b>						
Current and Other Assets	\$ 895,943	\$ 741,311	\$ 525,136	\$ 475,393	\$ 1,421,079	\$ 1,216,704
Capital Assets	1,836,213	1,437,690	2,011,373	2,079,422	3,847,586	3,517,112
Total Assets	<u>2,732,156</u>	<u>2,179,001</u>	<u>2,536,509</u>	<u>2,554,815</u>	<u>5,268,665</u>	<u>4,733,816</u>
DEFERRED OUTFLOWS	<u>27,951</u>	<u>18,073</u>	<u>-</u>	<u>-</u>	<u>27,951</u>	<u>18,073</u>
<b>LIABILITIES</b>						
Current Liabilities	75,286	80,422	63,187	36,389	138,473	116,811
Noncurrent Liabilities	599,996	396,006	109,455	130,038	709,451	526,044
Total Liabilities	<u>675,282</u>	<u>476,428</u>	<u>172,642</u>	<u>166,427</u>	<u>847,924</u>	<u>642,855</u>
DEFERRED INFOWS	<u>194,407</u>	<u>190,174</u>	<u>-</u>	<u>-</u>	<u>194,407</u>	<u>190,174</u>
<b>NET POSITION</b>						
Net Investment in Capital Assets	1,250,333	1,041,684	1,910,083	1,956,782	3,160,416	2,998,466
Restricted	64,999	75,688	79,491	81,262	144,490	156,950
Unrestricted	575,086	413,100	374,293	350,344	949,379	763,444
<b>Total Net Position</b>	<u><b>\$ 1,890,418</b></u>	<u><b>\$ 1,530,472</b></u>	<u><b>\$ 2,363,867</b></u>	<u><b>\$ 2,388,388</b></u>	<u><b>\$ 4,254,285</b></u>	<u><b>\$ 3,918,860</b></u>

The statement of net position reflects a cash position totaling \$ 1,074,696. The bulk of the Town's resources, \$3,847,586 are invested in capital assets. These assets consist of land and improvements, buildings, equipment, and utility system assets. The remaining of total assets are receivables.

The Town of Fairplay uses these capital assets to provide services to citizens; consequently, these assets are not available for future spending. Although the Town of Fairplay's investment in its capital assets is reported net of related debt, it should be noted that the funds needed to repay this debt must be provided from other sources since; in general, the capital assets themselves cannot be used to liquidate these liabilities. Unrestricted net position may be used to meet the Town's ongoing obligations to citizens and creditors.

Town of Fairplay  
Management Discussion and Analysis  
December 31, 2016

**Changes in Net Position**

Governmental activities increased the Town of Fairplay's net position by \$359,946.

Business activities decreased the Town's net position by \$24,521.

A summary of the changes in net position is as follows:

	Governmental Activities		Business-type Activities		Total	
	2016	2015	2016	2015	2016	2015
<b>PROGRAM REVENUES</b>						
Charges for Services	\$ 174,533	\$ 83,497	\$ 554,766	\$ 549,143	\$ 729,299	\$ 632,640
Operating Grants	252,478	152,976	-	-	252,478	152,976
Capital Grants	-	13,000	-	7,500	-	20,500
Total Program Revenues	<u>427,011</u>	<u>249,473</u>	<u>554,766</u>	<u>556,643</u>	<u>981,777</u>	<u>806,116</u>
<b>GENERAL REVENUES</b>						
Property Taxes	178,027	190,434	-	-	178,027	190,434
Specific Ownership Taxes	21,791	-	-	-	21,791	-
Sales Taxes	728,325	617,826	-	-	728,325	617,826
Cigarette Taxes	50,248	-	-	-	50,248	-
Other Taxes	38,796	76,504	-	-	38,796	76,504
Interest Income	1,606	-	291	63	1,897	63
Gain (Loss) on Capital Assets	501	-	-	-	501	-
Other Revenues	6,707	-	-	-	6,707	-
Total General Revenues	<u>1,026,001</u>	<u>884,764</u>	<u>291</u>	<u>63</u>	<u>1,026,292</u>	<u>884,827</u>
<b>TRANSFERS</b>						
Total Revenues & Transfers	<u>1,453,012</u>	<u>1,134,237</u>	<u>555,057</u>	<u>556,706</u>	<u>2,008,069</u>	<u>1,690,943</u>
<b>PROGRAM EXPENSES</b>						
General Government	318,872	206,227	-	-	318,872	206,227
Community Development	-	165,958	-	-	-	165,958
Municipal Court	-	27,214	-	-	-	27,214
Public Safety	399,606	193,034	-	-	399,606	193,034
Public Works	211,317	284,634	-	-	211,317	284,634
Culture and Recreation	145,727	44,138	-	-	145,727	44,138
Water Operations	-	-	579,578	513,326	579,578	513,326
Interest	17,544	-	-	-	17,544	-
Total Program Expenses	<u>1,093,066</u>	<u>921,205</u>	<u>579,578</u>	<u>513,326</u>	<u>1,672,644</u>	<u>1,434,531</u>
<b>CHANGE IN NET POSITION</b>	359,946	213,032	(24,521)	43,380	335,425	256,412
Net Position, Beginning	<u>1,530,472</u>	<u>1,278,179</u>	<u>2,388,388</u>	<u>2,345,008</u>	<u>3,918,860</u>	<u>3,623,187</u>
Prior Period Restatement	-	39,261	-	-	-	39,261
Net Position, Beginning (as Restated)	<u>1,530,472</u>	<u>1,317,440</u>	<u>2,388,388</u>	<u>2,345,008</u>	<u>3,918,860</u>	<u>3,662,448</u>
<b>NET POSITION, ENDING</b>	<u>\$ 1,890,418</u>	<u>\$ 1,530,472</u>	<u>\$ 2,363,867</u>	<u>\$ 2,388,388</u>	<u>\$ 4,254,285</u>	<u>\$ 3,918,860</u>

## **Financial Analysis of the Town's Funds**

The Town 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 balance of spendable resources. Such information is useful in assessing the Town's financing requirements. In particular, unreserved fund balance may serve as a useful measure of a government's net resources available for spending at the end of the year.

General Fund – The General Fund went from a balance of \$356,526 to \$510,094. This increase is principally the result of governmental activity operating revenue sources exceeding operating costs. Total revenues increased by \$331,222. Expenditures increased by \$170,552.

**Proprietary Fund** - Proprietary fund has historically operated as an enterprise fund using the same basis of accounting as business-type activities; therefore, these statements will essentially match the information provided in the statements for the business-type activities of the Town as a whole. The proprietary fund statements, however, will provide a greater level of detail than the information found in the government-wide statements.

Water Fund – Water Fund net position decreased by \$24,521.

Internal Service Fleet Fund – The Fleet Fund was created in 2015 this fund accounts for the purchase and maintenance of vehicles used by the Town. The ending net position is \$244,246.

Town of Fairplay  
Management Discussion and Analysis  
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**Capital Assets**

Approximately 40% of the Town's capital assets support governmental activities. The majority of the value is invested in land, buildings and improvements.

	Balance 1/1/16	Additions	Deletions & Transfers	Balance 12/31/16
<b>Governmental activities:</b>				
Capital assets not being depreciated:				
Land	\$ 204,960	\$ 450,000	\$ -	\$ 654,960
Capital assets being depreciated:				
Buildings and Improvements	788,625	-	-	788,625
Infrastructure	293,625	-	-	293,625
Streets Vehicles and Equipment	213,114	-	-	213,114
Police Vehicles and Equipment	113,313	-	17,980	95,333
Office Equipment & Software	20,596	-	-	20,596
Improvements - Parks	442,736	-	-	442,736
Equipment - Parks and Recreation	121,751	-	-	121,751
Equipment - Fleet	<u>136,968</u>	<u>10,500</u>	<u>-</u>	<u>147,468</u>
Total capital assets being depreciated	<u>2,130,728</u>	<u>10,500</u>	<u>17,980</u>	<u>2,123,248</u>
Less accumulated depreciation for:				
Buildings and Improvements	(102,074)	(17,208)	-	(119,282)
Infrastructure	(247,625)	(5,750)	-	(253,375)
Streets Vehicles and Equipment	(203,410)	(2,531)	-	(205,941)
Police Vehicles and Equipment	(70,355)	(9,294)	(17,980)	(61,669)
Office Equipment & Software	(11,328)	(3,090)	-	(14,418)
Improvements - Parks	(138,468)	(16,192)	-	(154,660)
Equipment - Parks and Recreation	(121,751)	-	-	(121,751)
Equipment - Fleet	<u>(2,987)</u>	<u>(8,426)</u>	<u>-</u>	<u>(11,413)</u>
Total Accumulated Depreciation	<u>(897,998)</u>	<u>(62,491)</u>	<u>(17,980)</u>	<u>(942,509)</u>
<b>Governmental activities capital assets, net</b>	<b><u>\$ 1,437,690</u></b>	<b><u>\$ 398,009</u></b>	<b><u>\$ -</u></b>	<b><u>\$ 1,835,699</u></b>

Town of Fairplay  
Management Discussion and Analysis  
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**Capital Assets (Continued)**

The Town's business-type activities capital assets consist of its investments in its utility systems and related equipment.

	Balance 1/1/16	Additions	Deletions	Balance 12/31/16
<b>Business-type activities:</b>				
Capital assets not being depreciated:				
Land	\$ 75,740	\$ -	\$ -	\$ 75,740
Construction in progress	-	29,820	-	29,820
Total capital assets not being depreciated	<u>75,740</u>	<u>29,820</u>	<u>-</u>	<u>105,560</u>
Capital assets being depreciated:				
Buildings	141,450	-	-	141,450
Machinery & Equipment	101,732	-	-	101,732
Software and Meter Reading System	157,967	-	-	157,967
Transmission System & Lines	2,307,114	-	-	2,307,114
Water Treatment Plant	501,974	-	-	501,974
Galley System	604,409	-	-	604,409
Ditch/Drainage System	52,822	-	-	52,822
Fire Hydrants	20,707	-	-	20,707
Total capital assets being depreciated	<u>3,888,175</u>	<u>-</u>	<u>-</u>	<u>3,888,175</u>
Less accumulated depreciation for:				
Buildings	(61,868)	(3,472)	-	(65,340)
Machinery & Equipment	(100,511)	(1,221)	-	(101,732)
Software and Meter Reading System	(84,725)	(14,648)	-	(99,373)
Transmission System & Lines	(912,267)	(39,550)	-	(951,817)
Water Treatment Plant	(215,274)	(19,202)	-	(234,476)
Galley System	(482,361)	(18,081)	-	(500,442)
Ditch/Drainage System	(13,883)	(1,218)	-	(15,101)
Fire Hydrants	(13,604)	(477)	-	(14,081)
Total Accumulated Depreciation	<u>(1,884,493)</u>	<u>(97,869)</u>	<u>-</u>	<u>(1,982,362)</u>
<b>Business-type activities capital assets, net</b>	<u><b>\$ 2,079,422</b></u>	<u><b>\$ (68,049)</b></u>	<u><b>\$ -</b></u>	<u><b>\$ 2,011,373</b></u>

**Long-Term Debt**

The Town's governmental long-term debt consists of capital leases and accrued compensated absences payable. Governmental activities debt transactions for the year were as follows:

Governmental Activities:	Balance			Balance 12/31/16	Current Portion	Interest Expense
	12/31/15	Additions	Deletions			
Capital Leases Payable	\$ 10,103	\$ 225,000	\$ 3,054	\$ 232,049	\$ 22,910	\$ 3,161
2012 Certificates of Participation	363,713	-	14,518	349,195	15,234	17,785
Accrued Compensated Absences	22,190	-	3,439	18,751	-	-
<b>Total</b>	<u><b>\$ 396,006</b></u>	<u><b>\$ 225,000</b></u>	<u><b>\$ 21,011</b></u>	<u><b>\$ 599,995</b></u>	<u><b>\$ 38,144</b></u>	<u><b>\$ 20,946</b></u>

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December 31, 2016

The Town's business-type activities long-term debt consists of various bonds and notes payable that were used for system improvements. Business-type activities debt transactions for the year were as follows:

<b>Business-type Activities:</b>	<b>Balance</b>			<b>Balance</b>	<b>Current</b>	<b>Interest</b>
	<b>12/31/15</b>	<b>Additions</b>	<b>Deletions</b>	<b>12/31/16</b>	<b>Portion</b>	<b>Expense</b>
1997 CWRPDA Loan	28,952	-	14,152	14,800	14,800	1,014
1998 Rural Development Bond	77,300	-	2,000	75,300	2,000	3,406
1998 EIAF Loan	16,389	-	5,199	11,190	5,459	734
Accrued Compensated Absences	7,397	-	(768)	8,165	-	-
<b>Total</b>	<b>\$ 130,038</b>	<b>\$ -</b>	<b>\$ 20,583</b>	<b>\$ 109,455</b>	<b>\$ 22,259</b>	<b>\$ 5,154</b>

### General Fund Budget

The General Fund accounts for all of the general government services provided by the Town of Fairplay including: public safety (police), public works, parks and recreation, and general government services. The Town's General Fund revenues were less than budgeted by \$39,385. The Town's expenditures were \$108,280 less than budgeted, due to Administration and Public Safety coming in under budget.

### Economic Factors and Future Budgets and Rates

During the 2017 budgeting process, the factor that was considered for increased revenue was a prediction of increased sales tax revenue due to new businesses opening, and a consistent overall increase of sales tax revenue from existing businesses. Expenditures were budgeted based on the completion of planned capital projects and the general operation of the town.

### Request for Information

The financial statements are designed to provide information for regulatory reporting to federal and state agencies and those with an interest in the Town's finances. Questions concerning this or any additional information should be addressed to Town Clerk, Town of Fairplay, P.O. Box 267 Fairplay, CO 80440.

# Holscher, Mayberry & Company, LLC

Certified Public Accountants

Member of the American Institute of Certified Public Accountants  
Governmental Audit Quality Center  
and Private Company Practice Section

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Board of Trustees  
Town of Fairplay  
Fairplay, Colorado

## Independent Auditors' Report

### Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the Town of Fairplay, Colorado, as of and for the year ended December 31, 2016, and the related notes to the financial statements which collectively comprise the basic financial statements of the Town, 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 the financial statements that are free from material misstatement, whether due to fraud or error.

### Auditors' Responsibility

Our responsibility is to express opinions on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free 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 controls. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

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

### Opinions

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

### Report on Summarized Comparative Information

We have previously audited the Town of Fairplay's 2015 financial statements, and we expressed an unmodified audit opinion on those audited financial statements in our report dated May 26, 2016. In our opinion, the summarized comparative information presented herein as of and for the year ended December 31, 2015 is consistent, in all material respects, with the audited financial statements from which it has been derived.

**Other Matters**

Required Supplementary Information – Management Discussion and Analysis and Pension Schedules (Unaudited)

Accounting principles generally accepted in the United States of America require that the management, discussion and analysis on pages M1-M8 and pension schedules on pages 40-41 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.

Required Supplementary Information – Budgetary Comparison Schedules and Other Supplementary Information

Our audit was conducted for the purpose of forming an opinion on the financial statements as a whole. Accounting principles generally accepted in the United States of America require that the budgetary comparison schedule on pages 42-44 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. In addition, the budgetary comparison schedules listed as other supplementary information on pages 45-49 are presented for purposes of additional analysis and are not a required part of the financial statements. The 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. Such information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic 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.

**Report on Other Legal and Regulatory Requirements**

Our audit was conducted for the purpose of forming an opinion on the financial statements as a whole. The *Local Highway Finance Report* on pages 50-54 is presented for purposes of legal compliance and is not a required part of the 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 basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated in all material respects in relation to the financial statements as a whole.



Englewood, CO  
June 5, 2017

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## ***BASIC FINANCIAL STATEMENTS***

The Basic Financial Statements provide a financial overview of the Town's operations. These financial statements present the financial position, operating results, and cash flows, where applicable, of all funds and activities as of December 31, 2016.

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TOWN OF FAIRPLAY, COLORADO

**STATEMENT OF NET POSITION**

DECEMBER 31, 2016

	GOVERNMENTAL ACTIVITIES	BUSINESS TYPE ACTIVITIES	TOTAL
<b>ASSETS AND DEFERRED OUTFLOWS</b>			
<b>ASSETS</b>			
<b>Current Assets</b>			
Cash and Investments			
Cash	\$ 299,408	\$ 278,554	\$ 577,962
Investments	257,822	131,478	389,300
Restricted Cash and Investments	25,985	79,491	105,476
Receivables			
Property Tax Receivable	180,708	-	180,708
Intergovernmental Receivables	120,102	-	120,102
Utility Receivable	-	35,613	35,613
Cash with Fiscal Agent	1,958	-	1,958
Other Receivables	9,960	-	9,960
Total Current Assets	<u>895,943</u>	<u>525,136</u>	<u>1,421,079</u>
<b>Noncurrent Assets</b>			
Capital Assets not being Depreciated	654,960	105,560	760,520
Capital Assets being Depreciated	2,123,248	3,888,175	6,011,423
Accumulated Depreciation	(942,509)	(1,982,362)	(2,924,871)
Net Pension Asset	514	-	514
Total Noncurrent Assets	<u>1,836,213</u>	<u>2,011,373</u>	<u>3,847,586</u>
TOTAL ASSETS	<u>2,732,156</u>	<u>2,536,509</u>	<u>5,268,665</u>
<b>DEFERRED OUTFLOWS OF FINANCIAL RESOURCES</b>			
Pension Contribution Timing	11,855	-	11,855
Pension Benefits Timing	4,154	-	4,154
Pension Change in Assumptions	8,067	-	8,067
Pens External Change in %	3,875	-	3,875
TOTAL DEFERRED OUTFLOWS	<u>27,951</u>	<u>-</u>	<u>27,951</u>
TOTAL ASSETS AND DEFERRED OUTFLOWS	<u>\$ 2,760,107</u>	<u>\$ 2,536,509</u>	<u>\$ 5,296,616</u>
<b>LIABILITIES, DEFERRED INFLOWS AND NET POSITION</b>			
<b>LIABILITIES</b>			
<b>Current Liabilities</b>			
Accounts Payable	\$ 26,356	\$ 2,348	\$ 28,704
Accrued Liabilities	17,230	51,700	68,930
Accrued Salaries and Benefits	15,479	7,107	22,586
Deposits and Escrow	12,100	-	12,100
Accrued Interest Payable	4,121	2,032	6,153
Total Current Liabilities	<u>75,286</u>	<u>63,187</u>	<u>138,473</u>
<b>Noncurrent Liabilities</b>			
Due within one year	38,144	22,259	60,403
Due in more than one year	561,852	87,196	649,048
Total Noncurrent Liabilities	<u>599,996</u>	<u>109,455</u>	<u>709,451</u>
TOTAL LIABILITIES	<u>675,282</u>	<u>172,642</u>	<u>847,924</u>
<b>DEFERRED INFLOWS OF FINANCIAL RESOURCES</b>			
Deferred Property Taxes	180,708	-	180,708
Pension Benefits Timing	606	-	606
Pens External Change in %	1,793	-	1,793
Other Deferred Inflows	11,300	-	11,300
TOTAL DEFERRED INFLOWS	<u>194,407</u>	<u>-</u>	<u>194,407</u>
<b>NET POSITION</b>			
Net Investment in Capital Assets	1,250,333	1,910,083	3,160,416
Restricted Net Position	64,999	79,491	144,490
Unrestricted Net Position	575,086	374,293	949,379
TOTAL NET POSITION	<u>1,890,418</u>	<u>2,363,867</u>	<u>4,254,285</u>
TOTAL LIABILITIES, DEFERRED INFLOWS AND NET POSITION	<u>\$ 2,760,107</u>	<u>\$ 2,536,509</u>	<u>\$ 5,296,616</u>

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

TOWN OF FAIRPLAY

**STATEMENT OF ACTIVITIES**  
**FOR THE YEAR ENDED DECEMBER 31, 2016**

	PROGRAM REVENUES			
	EXPENSES	CHARGES FOR SERVICES	OPERATING GRANTS AND CONTRIBUTIONS	CAPITAL GRANTS
<b>FUNCTIONS/PROGRAMS</b>				
Government Activities				
Current:				
General Government	\$ 318,872	\$ 108,908	\$ 211,278	\$ -
Public Safety	399,606	24,813	-	-
Public Works	211,317	16,158	37,381	-
Culture and Recreation	145,727	24,654	3,819	-
Interest on Debt	17,544	-	-	-
TOTAL GOVERNMENT ACTIVITIES	<u>1,093,066</u>	<u>174,533</u>	<u>252,478</u>	<u>-</u>
Business-type Activities:				
Current:				
Water	<u>579,578</u>	<u>554,766</u>	<u>-</u>	<u>-</u>
<b>TOTAL GOVERNMENT</b>	<u>\$ 1,672,644</u>	<u>\$ 729,299</u>	<u>\$ 252,478</u>	<u>\$ -</u>
<b>GENERAL REVENUES</b>				
Property Taxes				
Specific Ownership Taxes				
Sales Taxes				
Franchise Taxes				
Other Taxes				
Interest Income				
Gain (Loss) on Disposal of Capital Assets				
Other Revenues				
TOTAL GENERAL REVENUES AND TRANSFERS				
CHANGE IN NET POSITION				
NET POSITION - Beginning				
NET POSITION - Ending				

The accompanying notes are an integral part of the financial statements

NET (EXPENSE) REVENUE AND  
CHANGES IN NET POSITION

GOVERNMENT ACTIVITIES	BUSINESS - TYPE ACTIVITIES	TOTAL
\$ 1,314	\$ -	\$ 1,314
(374,793)	-	(374,793)
(157,778)	-	(157,778)
(117,254)	-	(117,254)
(17,544)	-	(17,544)
<u>(666,055)</u>	<u>-</u>	<u>(666,055)</u>
<u>-</u>	<u>(24,812)</u>	<u>(24,812)</u>
<u>(666,055)</u>	<u>(24,812)</u>	<u>(690,867)</u>
178,027	-	178,027
21,791	-	21,791
728,325	-	728,325
50,248	-	50,248
38,796	-	38,796
1,606	291	1,897
501	-	501
6,707	-	6,707
<u>1,026,001</u>	<u>291</u>	<u>1,026,292</u>
359,946	(24,521)	335,425
1,530,472	2,388,388	3,918,860
<u>\$ 1,890,418</u>	<u>\$ 2,363,867</u>	<u>\$ 4,254,285</u>

TOWN OF FAIRPLAY, COLORADO

**BALANCE SHEET**

**GOVERNMENTAL FUNDS**

**DECEMBER 31, 2016**

**With Comparative Totals for December 31, 2015**

	General Fund	Other Funds	Total	
			2016	2015
<b>ASSETS AND DEFERRED OUTFLOWS</b>				
<b>ASSETS</b>				
<b>Current Assets</b>				
Cash and Investments				
Cash	\$ 191,217	\$ -	\$ 191,217	\$ 250,003
Investments	257,822	-	257,822	57,537
Restricted Cash and Investments	11,500	14,485	25,985	25,769
Receivables				
Property Tax Receivable	180,708	-	180,708	178,745
Intergovernmental Receivables	120,102	-	120,102	97,592
Cash with Fiscal Agent	1,958	-	1,958	1,848
Other Receivables	9,960	-	9,960	22,094
TOTAL ASSETS	<u>\$ 773,267</u>	<u>\$ 14,485</u>	<u>\$ 787,752</u>	<u>\$ 633,588</u>
<b>LIABILITIES, DEFERRED INFLOWS AND NET POSITION</b>				
<b>LIABILITIES</b>				
<b>Current Liabilities</b>				
Accounts Payable	\$ 26,356	\$ -	\$ 26,356	\$ 34,640
Accrued Liabilities	17,230	-	17,230	17,564
Accrued Salaries and Benefits	15,479	-	15,479	13,117
Deposits and Escrow	12,100	-	12,100	15,100
TOTAL LIABILITIES	<u>71,165</u>	<u>-</u>	<u>71,165</u>	<u>80,421</u>
<b>DEFERRED INFLOWS OF FINANCIAL RESOURCES</b>				
Deferred Property Taxes	180,708	-	180,708	178,745
Other Deferred Inflows	11,300	-	11,300	10,790
TOTAL DEFERRED INFLOWS	<u>192,008</u>	<u>-</u>	<u>192,008</u>	<u>189,535</u>
<b>FUND BALANCE</b>				
Restricted Fund Balance	50,000	14,485	64,485	10,657
Unassigned Fund Balance	460,094	-	460,094	352,975
TOTAL FUND BALANCE	<u>510,094</u>	<u>14,485</u>	<u>524,579</u>	<u>363,632</u>
TOTAL LIABILITIES, DEFERRED INFLOWS AND FUND BALANCE	<u>\$ 773,267</u>	<u>\$ 14,485</u>	<u>\$ 787,752</u>	<u>\$ 633,588</u>

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

**TOWN OF FAIRPLAY, COLORADO**

**RECONCILIATION OF GOVERNMENTAL FUND BALANCE  
TO GOVERNMENTAL ACTIVITIES NET POSITION  
DECEMBER 31, 2016**

<b>Fund Balance - Governmental Funds</b>		\$ 524,579
Capital assets used in governmental activities are not financial resources and are therefore not reported in the funds		
Capital assets, not being depreciated	\$ 654,960	
Capital assets, being depreciated	1,975,780	
Accumulated depreciation	<u>(931,096)</u>	1,699,644
Certain long-term assets are not available to pay for current year expenditures and are therefore deferred in the funds		
Certain long-term pension related costs and adjustments are not available to pay or are payable currently and are therefore not reported in the funds		
Net pension asset	514	
Contributions subsequent to measurement date	11,855	
Difference between projected and actual pension plan experience	4,605	
Amortization of the experience difference	(451)	
Change in Assumptions	8,943	
Amortization of Change in Assumptions	(876)	
Change in proportionate share of the net pension liability	4,783	
Amortization of the change in proportion	(908)	
Difference between projected and actual pension plan experience	(748)	
Amortization of the experience difference	142	
Change in proportionate share of the net pension liability	(1,988)	
Amortization of the change in proportion	<u>195</u>	26,066
Internal Service operations primarily benefit Governmental Activities		
Internal Service Fund Net Position		244,246
Long-term liabilities are not due and payable in the current year and, therefore, are not reported in the funds.		
Capital leases payable	(232,050)	
Certificates of participation payable	(349,195)	
Accrued interest payable	(4,121)	
Accrued compensated absences	<u>(18,751)</u>	<u>(604,117)</u>
<b>Total Net Position - Governmental Activities</b>		<b>\$ 1,890,418</b>

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

TOWN OF FAIRPLAY, COLORADO

**STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE**

**GOVERNMENTAL FUNDS**

**FOR THE YEAR ENDED DECEMBER 31, 2016**

**With Comparative Totals for the Year Ended December 31, 2015**

	General	Other	TOTAL	
	Fund	Funds	2016	2015
<b>REVENUES</b>				
Taxes	\$ 1,017,187	\$ -	\$ 1,017,187	\$ 865,408
Intergovernmental Revenues	241,100	3,818	244,918	87,915
Licenses and Permits	22,827	-	22,827	28,559
Fines and Forfeits	24,708	-	24,708	27,937
Charges for Services	126,998	-	126,998	108,135
Investment Earnings	1,597	10	1,607	993
Other Revenues	14,767	-	14,767	15,290
<b>TOTAL REVENUES</b>	<b>1,449,184</b>	<b>3,828</b>	<b>1,453,012</b>	<b>1,134,237</b>
<b>EXPENDITURES</b>				
Current:				
General Government	316,938	-	316,938	316,738
Public Safety	366,122	-	366,122	288,874
Public Works	191,126	-	191,126	235,140
Parks, Recreation and Other	124,912	-	124,912	108,622
Capital Outlay	486,973	-	486,973	127,093
Debt Service	30,994	-	30,994	59,397
<b>TOTAL EXPENDITURES</b>	<b>1,517,065</b>	<b>-</b>	<b>1,517,065</b>	<b>1,135,864</b>
<b>REVENUES IN EXCESS (DEFICIENCY) OF EXPENDITURE:</b>	<b>(67,881)</b>	<b>3,828</b>	<b>(64,053)</b>	<b>(1,627)</b>
<b>OTHER FINANCING SOURCES (USES)</b>				
Debt Proceeds	225,000	-	225,000	-
<b>NET CHANGE IN FUND BALANCE - GAAP BASIS</b>	<b>157,119</b>	<b>3,828</b>	<b>160,947</b>	<b>(1,627)</b>
<b>FUND BALANCE, BEGINNING</b>	<b>352,975</b>	<b>10,657</b>	<b>363,632</b>	<b>365,259</b>
<b>FUND BALANCE, ENDING</b>	<b>\$ 510,094</b>	<b>\$ 14,485</b>	<b>\$ 524,579</b>	<b>\$ 363,632</b>

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

TOWN OF FAIRPLAY, COLORADO

**RECONCILIATION OF GOVERNMENTAL FUNDS CHANGE IN FUND BALANCE  
TO GOVERNMENTAL ACTIVITIES CHANGE IN NET POSITION  
FOR THE YEAR ENDED DECEMBER 31, 2016**

<b>Change in Fund Balance - Governmental Funds</b>		\$ 160,947
Capital assets used in governmental activities are expensed when purchased in the funds and depreciated at the activity level		
Capitalized Asset Purchases	450,000	
Depreciation Expense	<u>(54,065)</u>	395,935
Internal Service operations primarily benefit Governmental Activities		
Change in net position - Internal Service Funds		33,574
Pension expense at the fund level represents cash contributions to the defined benefit plan. For the activity level presentation, the amount represents the actuarial cost of the benefits for the fiscal year.		
Change in contributions subsequent to the measurement date	556	
Current year projected to actual investment return difference	(2,352)	
Current year amortization of overall investment return differences	545	
Change in net pension asset/liability	(30,517)	
Current year projected to actual pension plan experience difference	3,857	
Current year amortization of overall experience differences	(309)	
Change in the changes of assumptions	8,067	
Current year change in proportionate share of cost-sharing plan asset/liability	(1,986)	
Current year amortization of overall proportionate share differences	<u>(260)</u>	(22,399)
Repayments of long-term liabilities are expensed in the fund and reduce outstanding liabilities at the activity level. In addition, proceeds from long-term debt issuances are reported as revenues in the funds and increase liabilities at the activity level		
Proceeds from debt issuances	(225,000)	
Principal payments on capital leases	3,053	
Principal payments on certificates of participation	14,518	
Change in accrued interest payable	(4,121)	
Change in accrued compensated absences	<u>3,439</u>	<u>(208,111)</u>
<b>Change in Net Position - Governmental Activities</b>		<b><u>\$ 359,946</u></b>

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

TOWN OF FAIRPLAY, COLORADO

**STATEMENT OF NET POSITION**

**PROPRIETARY FUNDS**

DECEMBER 31, 2016

With Comparative Totals for December 31, 2015

	Business-type	Govt	Total	
	Activities	Activities		
	Water	Internal Service	2016	2015
	Fund	Funds		
<b>ASSETS AND DEFERRED OUTFLOWS</b>				
<b>ASSETS</b>				
<b>Current Assets</b>				
Cash and Investments				
Cash	\$ 278,554	\$ 108,191	\$ 386,745	\$ 322,410
Investments	131,478	-	131,478	31,328
Restricted Cash and Investments	79,491	-	79,491	81,262
Receivables				
Utility Receivable	35,613	-	35,613	40,393
Total Current Assets	<u>525,136</u>	<u>108,191</u>	<u>633,327</u>	<u>475,393</u>
<b>Noncurrent Assets</b>				
Capital Assets not being depreciated	105,560	-	105,560	75,740
Capital Assets being depreciated	3,888,175	147,468	4,035,643	3,888,175
Accumulated Depreciation	(1,982,362)	(11,413)	(1,993,775)	(1,884,493)
Total Noncurrent Assets	<u>2,011,373</u>	<u>136,055</u>	<u>2,147,428</u>	<u>2,079,422</u>
<b>TOTAL ASSETS</b>	<u>\$ 2,536,509</u>	<u>\$ 244,246</u>	<u>\$ 2,780,755</u>	<u>\$ 2,554,815</u>
<b>LIABILITIES, DEFERRED INFLOWS AND NET POSITION</b>				
<b>LIABILITIES</b>				
<b>Current Liabilities</b>				
Accounts Payable	\$ 2,348	\$ -	\$ 2,348	\$ 6,192
Accrued Liabilities	51,700	-	51,700	149
Accrued Salaries and Benefits	7,107	-	7,107	5,893
Accrued Interest Payable	2,032	-	2,032	2,214
Unearned Revenue	-	-	-	21,941
Total Current Liabilities	<u>63,187</u>	<u>-</u>	<u>63,187</u>	<u>36,389</u>
<b>Noncurrent Liabilities</b>				
Due within one year	22,259	-	22,259	10,594
Due in more than one year	87,196	-	87,196	119,444
TOTAL LIABILITIES	<u>172,642</u>	<u>-</u>	<u>172,642</u>	<u>166,427</u>
<b>NET POSITION</b>				
Net Investment in Capital Assets	1,910,083	136,055	2,046,138	1,956,781
Restricted Net Position	79,491	-	79,491	81,262
Unrestricted Net Position	374,293	108,191	482,484	350,345
TOTAL NET POSITION	<u>2,363,867</u>	<u>244,246</u>	<u>2,608,113</u>	<u>2,388,388</u>
TOTAL LIABILITIES, DEFERRED INFLOWS AND NET POSITION	<u>\$ 2,536,509</u>	<u>\$ 244,246</u>	<u>\$ 2,780,755</u>	<u>\$ 2,554,815</u>

The accompanying notes are an integral part of these financial statements

TOWN OF FAIRPLAY, COLORADO

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

**PROPRIETARY FUNDS**

**FOR THE YEAR ENDED DECEMBER 31, 2016**

**With Comparative Totals for the Year Ended December 31, 2015**

	Business-type		Govt	
	Activities		Activities	
	Water	Internal	Total	
Fund	Service	2016	2015	
Funds	Funds			
<b>Operating Revenues</b>				
Utility Charges	\$ 407,344	\$ -	\$ 407,344	\$ 404,261
Internal Charges	-	39,750	39,750	40,600
Other Charges for Services	147,422	-	147,422	144,882
Total Revenues	554,766	39,750	594,516	589,743
<b>Operating Expenses</b>				
Personnel Services	264,279	-	264,279	276,736
Administrative/Office Expenses	35,539	-	35,539	30,878
Operating Supplies	6,459	-	6,459	11,726
Professional Fees	11,467	-	11,467	16,458
Repairs and Maintenance	88,634	-	88,634	15,144
Treatment	1,438	-	1,438	4,325
Telephone and Utilities	19,099	-	19,099	17,922
Other Operating Expenses	8,352	-	8,352	8,352
Depreciation Expense	97,870	8,426	106,296	104,613
Other Capital Outlay	41,090	-	41,090	32,221
Total Expenditures	574,227	8,426	582,653	518,375
Operating Income (Loss)	(19,461)	31,324	11,863	71,368
<b>Other Income (Expense)</b>				
Intergovernmental Revenue	-	-	-	181,560
Investment Earnings	291	-	291	63
Other Revenue	-	-	-	7,500
Interest Expense	(5,351)	-	(5,351)	(6,438)
Gain (Loss) on Sale of Assets	-	2,250	2,250	-
Total Other Income (Expense)	(5,060)	2,250	(2,810)	182,685
<b>Change in Net Position</b>	(24,521)	33,574	9,053	254,053
<b>Net Position, Beginning</b>	2,388,388	210,672	2,599,060	2,345,007
<b>Net Position, Ending</b>	\$ 2,363,867	\$ 244,246	\$ 2,608,113	\$ 2,599,060

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

TOWN OF FAIRPLAY

**STATEMENT OF CASH FLOWS -  
PROPRIETARY FUNDS  
FOR THE YEAR ENDED DECEMBER 31, 2016  
With Comparative Totals for the Year Ended December 31, 2015**

	Business-type		Govt	
	Activities		Activities	
	Water	Internal	Total	
Fund	Service	2016	2015	
Funds	Funds			
Cash Flows From Operating Activities:				
Cash Received from Customers	\$ 537,605	\$ -	\$ 537,605	\$ 574,501
Cash Received from Interfund Services Provided	-	39,750	39,750	40,600
Cash Paid to Suppliers	(236,915)	-	(236,915)	(216,763)
Cash Paid to Employees	(189,752)	-	(189,752)	(195,795)
Net Cash Provided by Operating Activities	<u>110,938</u>	<u>39,750</u>	<u>150,688</u>	<u>202,543</u>
Cash Flows From Capital and Related Financing Activities:				
Debt Principal Payments	(21,351)	-	(21,351)	(29,804)
Grant Proceeds	-	-	-	181,560
Interest Payments	(5,534)	-	(5,534)	(6,653)
Proceeds of Capital Asset Sales	(1)	2,250	2,249	382,134
Acquisition of Capital Assets	(29,820)	(10,500)	(40,320)	(519,102)
Cash Flows Used by Capital and Related Financing Activities	<u>(56,706)</u>	<u>(8,250)</u>	<u>(64,956)</u>	<u>8,135</u>
Cash Flows (Uses) From Noncapital Financing Activities:				
Other Revenues (Expense)	-	-	-	7,500
Cash Flows (Uses) From Investing Activities:				
Interest Received	<u>291</u>	<u>-</u>	<u>291</u>	<u>63</u>
Net Increase (Decrease) in Cash	54,523	31,500	86,023	218,241
Cash - Beginning	435,000	76,691	511,691	293,450
Cash - Ending	<u>\$ 489,523</u>	<u>\$ 108,191</u>	<u>\$ 597,714</u>	<u>\$ 511,691</u>
Cash	\$ 278,554	\$ 108,191	\$ 386,745	\$ 399,101
Investments	131,478	-	131,478	31,328
Restricted Cash and Investments	79,491	-	79,491	81,262
Total	<u>\$ 489,523</u>	<u>\$ 108,191</u>	<u>\$ 597,714</u>	<u>\$ 511,691</u>
Reconciliation of Operating Income (Loss) to Net Cash Used for Operating Activities:				
Operating Income (Loss)	\$ (19,461)	\$ 31,324	\$ 11,863	\$ 71,368
Adjustments to Reconcile Operating Income (Loss) to Net Cash Provided by Operating Activities:				
Depreciation Expense	97,870	8,426	106,296	104,613
Changes in Assets and Liabilities Related to Operations:				
(Increase) Decrease in:				
Utility Receivable	4,780	-	4,780	2,951
Accounts Receivable	-	-	-	466
(Increase) Decrease in:				
Accounts Payable	(3,842)	-	(3,842)	4,740
Accrued Liabilities	51,550	-	51,550	(304)
Accrued Salaries and Benefits	1,214	-	1,214	(30)
Unearned Revenue	(21,941)	-	(21,941)	21,941
Accrued Compensated Absences	768	-	768	(3,202)
Total Adjustments	<u>130,399</u>	<u>8,426</u>	<u>138,825</u>	<u>131,175</u>
Net Cash Used for Operating Activities	<u>\$ 110,938</u>	<u>\$ 39,750</u>	<u>\$ 150,688</u>	<u>\$ 202,543</u>

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

## TOWN OF FAIRPLAY, COLORADO

### NOTES TO THE FINANCIAL STATEMENTS

December 31, 2016

#### NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

##### DESCRIPTION OF GOVERNMENT-WIDE 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 primary government. All fiduciary activities are reported only in the fund financial statements. Governmental activities, which normally are supported by taxes, intergovernmental revenues, and other nonexchange transactions, are reported separately from business-type activities, which rely to a significant extent on fees and charges to external customers for support.

##### REPORTING ENTITY

The Town is a political subdivision of the State of Colorado governed by a five member board of trustees. The Town is a full-service entity providing public safety, public works, and parks and recreation services as well as providing water services.

In accordance with Governmental Accounting Standards, the Town has considered the possibility of inclusion of additional entities in its basic financial statements. The criteria for including organizations as component units within the District's reporting entity, as set forth in Section 2100 of GASB's Codification of Governmental Accounting and Financial Reporting Standards, include whether:

- the organization is legally separate (can sue and be sued in their own name)
- the Town holds the corporate powers of the organization
- the Town appoints a voting majority of the organization's board
- the Town is able to impose its will on the organization
- the organization has the potential to impose a financial benefit or burden on the Town
- there is fiscal dependency by the organization on the Town

Based upon the application of these criteria, no additional organizations are includable within the Town's reporting entity. The previously reported blended component unit, The Fairplay Capital Leasing Corporation, no longer reports any activity.

##### BASIS OF PRESENTATION – GOVERNMENT-WIDE FINANCIAL STATEMENTS

While separate government-wide and fund financial statements are presented, they are interrelated. The governmental activities column incorporates data from governmental funds, while business-type activities incorporate data from the government's enterprise funds. Separate financial statements are provided for governmental and proprietary funds. As a general rule, the effect of interfund activity has been eliminated from the government-wide financial statements.

**TOWN OF FAIRPLAY, COLORADO**

**NOTES TO THE FINANCIAL STATEMENTS**

**December 31, 2016**

**NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

**BASIS OF PRESENTATION – FUND FINANCIAL STATEMENTS**

The fund financial statements provide information about the government's funds. Separate statements for each fund category, governmental and proprietary, are presented. The emphasis of fund financial statements is on major governmental and enterprise funds, each displayed in a separate column. All remaining governmental and enterprise funds are aggregated and reported as nonmajor funds. Major individual governmental and enterprise funds are reported as separate columns in the fund financial statements.

In the fund financial statements, the Town reports the following major governmental funds:

**General Fund**

The General Fund uses the modified accrual basis of accounting. Revenues are recognized when they become measurable and available as net current assets. Certain service fees and non-tax revenues are recognized when received or billed. Grants from other governments are recognized when qualifying expenditures are incurred. Expenditures are generally recognized under the modified accrual basis of accounting when the related fund liability is incurred. Principal sources of revenues are property and sales taxes. Principal expenditures are for police protection, public works, parks and recreations and Town administration.

In the fund financial statements, the Town reports the following nonmajor governmental funds:

**Special Revenue Fund**

This fund accounts for revenues derived from specific taxes or other designated revenues that are legally restricted to expenditures for specific purposes. The Town's special revenue fund is as follows:

**Conservation Trust Fund**

This fund accounts for funds received through the State of Colorado Lottery/Conservation Trust Fund program. These funds are required to be spent on parks and recreation.

**Proprietary Fund**

The Town also reports the following major proprietary funds:

**Enterprise Funds - Water Fund**

This fund accounts for the activities related to offering water service to the Town's residents.

**Internal Service Funds – Internal Service Fund**

This fund accounts for the purchase and maintenance of vehicles used by the Town.

# TOWN OF FAIRPLAY, COLORADO

## NOTES TO THE FINANCIAL STATEMENTS

December 31, 2016

### NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

#### **BASIS OF PRESENTATION – FUND FINANCIAL STATEMENTS** (Continued)

During the course of operations the government has activity between funds for various purposes. Any residual balances outstanding at year end are reported as due from/to other funds and advances to/from other funds. While these balances are reported in fund financial statements, certain eliminations are made in the preparation of the government-wide financial statements. Balances between the funds included in governmental activities (i.e., the governmental and internal service funds) are eliminated so that only the net amount is included as internal balances in the governmental activities column.

Similarly, balances between the funds included in business-type activities (i.e., the enterprise funds) are eliminated so that only the net amount is included as internal balances in the business-type activities column.

Further, certain activity occurs during the year involving transfers of resources between funds. In fund financial statements these amounts are reported at gross amounts as transfers in/out. While reported in fund financial statements, certain eliminations are made in the preparation of the government-wide financial statements. Transfers between the funds included in governmental activities are eliminated so that only the net amount is included as transfers in the governmental activities column. Similarly, balances between the funds included in business-type activities are eliminated so that only the net amount is included as transfers in the business-type activities column.

#### **MEASUREMENT FOCUS AND BASIS OF ACCOUNTING**

The accounting and financial reporting treatment is determined by the applicable measurement focus and basis of accounting. Measurement focus indicates the type of resources being measured such as current financial resources or economic resources. The basis of accounting indicates the timing of transactions or events for recognition in the financial statements.

The government-wide financial statements are reported using the economic resources measurement focus and the accrual basis of accounting. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows. 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.

The governmental fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Revenues are recognized as soon as they are both measurable and available. Revenues are considered to be available when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the government considers revenues to be available if they are collected within 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. General capital asset acquisitions are reported as expenditures in governmental funds. Issuance of long-term debt and acquisitions under capital leases are reported as other financing sources.

**TOWN OF FAIRPLAY, COLORADO**

**NOTES TO THE FINANCIAL STATEMENTS**

**December 31, 2016**

**NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

**MEASUREMENT FOCUS AND BASIS OF ACCOUNTING (Continued)**

Property taxes, sales taxes, franchise taxes, licenses, and interest associated with the current fiscal period are all considered to be susceptible to accrual and so have been recognized as revenues of the current fiscal period. Entitlements are recorded as revenues when all eligibility requirements are met, including any time requirements, and the amount is received during the period or within the availability period for this revenue source (within 60 days of year-end).

Expenditure-driven grants are recognized as revenue when the qualifying expenditures have been incurred and all other eligibility requirements have been met, and the amount is received during the period or within the availability period for this revenue source (within 60 days of year-end). All other revenue items are considered to be measurable and available only when cash is received by the government.

The proprietary funds are reported using the economic resources measurement focus and the accrual basis of accounting.

**BUDGETS AND BUDGETARY ACCOUNTING**

Budgets were adopted for all funds. Budgets are prepared on the same basis of accounting as that used for accounting purposes. In the budget versus actual statements, the actual results of operations are presented on the budgetary basis of accounting for proper comparison to the budget.

Budgets are adopted based on the requirements of state statutes. The following timetable is used:

- 1) Submission of the proposed budget to the Board of Trustees by October 15 of each year.
- 2) Certification of mill levies to the County Commissioners by December 15 of each year.
- 3) Final adoption of the budget and appropriations by December 31 of each year.

**ASSETS, LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND NET POSITION/FUND BALANCE**

**Cash and Equivalents**

The government's cash and cash equivalents are considered to be cash on hand, demand deposits, and short-term investments with original maturities of three months or less from the date of acquisition.

**Allowance for Doubtful Accounts**

Based upon a review of the existing accounts receivable and the fact that any uncollectible water receivables can be certified to the County Treasurer as such and attached to the tax rolls, no allowance for doubtful accounts is provided.

**TOWN OF FAIRPLAY, COLORADO**

**NOTES TO THE FINANCIAL STATEMENTS**

**December 31, 2016**

**NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

**ASSETS, LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND NET POSITION/FUND BALANCE (Continued)**

**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.

Capital assets are defined by the Town as assets with an initial, individual cost of more than \$5,000 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 at the date of donation. The Town did not retroactively report infrastructure when those accounting standards were adopted.

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.

Property and equipment of the Town is depreciated using the straight-line method over the following estimated useful lives.

Buildings	10 – 50 years
Infrastructure	20 years
Vehicles	5 – 10 years
Machinery and Equipment	3 – 20 years
Water System	15 – 100 years

**Accumulated Unused Leave/Compensated Absences**

The Town permits an employee to carry over unused personal leave to the next calendar year. The Town will compensate an employee for any unused personal time upon termination or resignation. The Town has reported the change in liability for unused personal time in Note 4.

**Deferred Outflows and Inflows of Resources**

Deferred outflows/inflows of resources - In addition to assets, the statement of financial position reports a separate section for deferred outflows of resources. This separate financial statement element represents a consumption of net position that applies to a future period(s) and so will not be recognized as an outflow of resources (expense/ expenditure) until then. The Town reports deferred outflows related to pension liabilities as further described in Note 5.

# TOWN OF FAIRPLAY, COLORADO

## NOTES TO THE FINANCIAL STATEMENTS

December 31, 2016

### NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

#### ASSETS, LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND NET POSITION/FUND BALANCE (Continued)

##### Deferred Outflows and Inflows of Resources (Continued)

In addition to liabilities, the statement of financial position and governmental balance sheet reports a separate section for deferred inflows of resources. This separate financial statement element represents an acquisition of net position that applies to a future period(s) and so will not be recognized as an inflow of resources (revenue) until that time. The government reports several items, one of which arises both under the full accrual and modified accrual basis of accounting that qualifies for reporting in this category. Accordingly, the item, deferred inflows related to property taxes and prepaid sales tax licenses, is reported in both the governmental activities statement of net position and in the governmental funds balance sheet. Since property tax revenues are collected in arrears during the succeeding year, a receivable and corresponding deferred inflow is recorded at December 31. As the tax is collected in the succeeding year, the deferred inflow is recognized as revenue and the receivable is reduced. Sales tax licenses will be reported as revenue in the subsequent year to match the period the license is for. In addition, the Town reports deferred inflows related to pension liabilities as further described in Note 5.

##### Net Position/Fund Equity

In the government-wide financial statements and for the proprietary fund statements, net position is either shown as net investment in capital assets, with these assets essentially being nonexpendable; restricted when constraints placed on the net position are externally imposed; or unrestricted.

For the governmental fund presentation, fund balances that are classified as "nonspendable" include amounts that cannot be spent because they are either (a) not in spendable form or (b) legally or contractually required to be maintained intact. The "not in spendable form" criterion includes items that are not expected to be converted to cash, for example, inventories and prepaid amounts.

Amounts are reported as "restricted" when constraints placed on the use of resources are either (a) externally imposed by creditors (such as through debt covenants), grantors, contributors, or laws or regulations of other governments; or (b) imposed by law through constitutional provisions or enabling legislation.

Amounts 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 Trustees, reported and at their highest level of action are reported as "committed" fund balance. Those committed amounts cannot be used for any other purpose unless the government removes or changes the specified use by taking the same type of action (for example, legislation, resolution, ordinance) it employed to previously commit those amounts.

**TOWN OF FAIRPLAY, COLORADO**

**NOTES TO THE FINANCIAL STATEMENTS**

**December 31, 2016**

**NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

**ASSETS, LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND NET POSITION/FUND BALANCE (Continued)**

**Net Position/Fund Equity (Continued)**

Amounts that are constrained by the government's intent to be used for specific purposes, but are neither restricted nor committed, are reported as "assigned" fund balance. Intent should be expressed by (a) the governing body itself or (b) a body (a budget or finance committee, for example) or official to which the governing body has delegated the authority to assign amounts to be used for specific purposes.

All remaining governmental balances or deficits in the other governmental funds are presented as unassigned.

**Net Position/Fund Equity Flow Assumptions**

Sometimes the government will fund outlays for a particular purpose from both restricted and unrestricted resources (the total of committed, assigned, and unassigned fund balance). In order to calculate the amounts to report as restricted, committed, assigned, and unassigned fund balance in the governmental fund financial statements a flow assumption must be made about the order in which the resources are considered to be applied. It is the government's policy to consider restricted fund balance to have been depleted before using any of the components of unrestricted fund balance. Further, when the components of unrestricted fund balance can be used for the same purpose, committed fund balance is depleted first, followed by assigned fund balance. Unassigned fund balance is applied last.

**REVENUES AND EXPENDITURES/EXPENSES**

**Program Revenues**

Amounts reported as 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 (including special assessments) that are restricted to meeting the operational or capital requirements of a particular function or segment. All taxes, including those dedicated for specific purposes, and other internally dedicated resources are reported as general revenues rather than as program revenues.

**Property Taxes**

Property taxes are levied on November 1 and attach as an enforceable lien on property on January 1. Taxes are payable in full on April 30 or in two installments on February 28 and June 15. The County Treasurer's office collects property taxes and remits to the Town on a monthly basis.

**TOWN OF FAIRPLAY, COLORADO**

**NOTES TO THE FINANCIAL STATEMENTS**

**December 31, 2016**

**NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

**REVENUES AND EXPENDITURES/EXPENSES**

**Proprietary Funds Operating and Nonoperating Revenues and Expenses**

Proprietary funds distinguish 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 principal ongoing operations. The principal operating revenues of the water fund and internal service fund are charges to customers for sales and services. The water fund also recognizes as operating revenue the portion of tap fees intended to recover the cost of connecting new customers to the system. Operating expenses for enterprise funds and internal service 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.

**COMPARATIVE DATA**

Comparative total data for the prior year has been presented in the accompanying basic financial statements in order to provide an understanding of changes in the Town's financial position and operations. However, comparative data has not been presented in each of the statements since their inclusion would make the statements unduly complex and difficult to understand.

**NOTE 2: CASH AND INVESTMENTS**

A summary of cash and investments is as follows:

Cash Deposits	\$ 658,102
Cash on Hand	200
Investments	<u>414,436</u>
<b>Total Cash and Investments</b>	<b><u>\$ 1,072,738</u></b>

These funds are allocated in the financial statements as follows:

Governmental Activities - Unrestricted	\$ 557,230
Governmental Activities - Restricted	25,985
Business-type Activities - Unrestricted	410,032
Business-type Activities - Restricted	<u>79,491</u>
<b>Total Cash and Investments</b>	<b><u>\$ 1,072,738</u></b>

**TOWN OF FAIRPLAY, COLORADO**

**NOTES TO THE FINANCIAL STATEMENTS**

**December 31, 2016**

**NOTE 2: CASH AND INVESTMENTS (Continued)**

**Deposits**

The Town's deposits and cash held are comprised of the following:

	<u>Bank Balance</u>	<u>Carrying Balance</u>
FDIC Insured	\$ 503,979	\$ 503,979
PDPA Collateralized (Not in Town's Name)	134,213	154,123
Petty Cash	-	200
<b>Total</b>	<b><u>\$ 638,192</u></b>	<b><u>\$ 658,302</u></b>

**Custodial Credit Risk - Deposits**

In the case of deposits, this is the risk that in the event of bank failure, the government's deposits may not be returned to it. The Town's deposit policy is in accordance with CRS 11-10.5-101, The Colorado Public Deposit Protection Act (PDPA), which governs the investment of public funds. PDPA requires that all units of local government deposit cash in eligible public depositories. Eligibility is determined by state regulations. Amounts on deposit in excess of federal insurance levels must be collateralized by eligible collateral as determined by the PDPA. The financial institution is allowed to create a single collateral pool for all public funds held. The pool is to be maintained by another institution, or held in trust for all the uninsured public deposits as a group. The market value of the collateral must be at least equal to 102% of the uninsured deposits. The institution's internal records identify collateral by depositor and as such, these deposits are considered 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 and assets maintained in the collateral pools.

At December 31, 2016, all of the Town's deposits as shown above were either insured by federal depository insurance or collateralized under PDPA and are therefore not deemed to be exposed to custodial credit risk.

**Investments**

**Credit Risk**

The Town invests excess funds under the prudent investor rule. The criteria for selection of investments and their order of priority are:

- 1) Safety,
- 2) Liquidity, and
- 3) Yield.

**TOWN OF FAIRPLAY, COLORADO**

**NOTES TO THE FINANCIAL STATEMENTS**

**December 31, 2016**

**NOTE 2: CASH AND INVESTMENTS (Continued)**

**Investments** (Continued)

Credit Risk (Continued)

The Town Treasurer is responsible for all of the investments of the Town.

Eligible investments shall conform to state law and may include any of the following:

- Obligations of the United States and certain U.S. government agencies securities
- Certain international agency securities
- General obligation and revenue bonds of U.S. local government entities
- Bankers' acceptance of certain banks
- Commercial paper
- Local government investment pools
- Written repurchase agreements collateralized by certain authorized securities
- Certain money market funds
- Guaranteed investment contracts

The following are the major categories of assets and liabilities measured at fair value on a recurring basis during the year ended December 31, 2016 using quoted market prices in active markets (Level 1), significant observable inputs for similar assets (Level 2) and significant unobservable inputs (Level 3):

	<b>Level 1</b>	<b>Level 2</b>	<b>Level 3</b>	<b>Total</b>	<b>Weighted Avg. Maturity (Yrs)</b>	<b>Rating</b>
Local Govt Pool - Colotrust	\$ -	\$ 389,300	\$ -	\$ 389,300	N/A	AAAm
Local Govt Pool - CSAFE	-	25,136	-	25,136	N/A	AAAm
<b>Total Investments</b>	<b>\$ -</b>	<b>\$ 414,436</b>	<b>\$ -</b>	<b>\$ 414,436</b>	<b>N/A</b>	

Following is a description of the valuation methodologies used for assets measured at fair value on a recurring basis:

- Investment Pools - Valued at the proportionate share of ownership of the quoted market prices of the underlying assets.

The Town recognizes transfers between levels in the fair value hierarchy at the end of the reporting period. During 2016, there were no changes in the methods or assumptions utilized to derive the fair value of the Town's assets and liabilities.

**TOWN OF FAIRPLAY, COLORADO**

**NOTES TO THE FINANCIAL STATEMENTS**

**December 31, 2016**

**NOTE 2: CASH AND INVESTMENTS (Continued)**

**Investments** (Continued)

Credit Risk (Continued)

During the year ended December 31, 2016, the Town invested funds in the Colorado Surplus Asset Fund (CSAFE) and Colotrust. As investment pools, they operate under the Colorado Revised Statutes (24-75-701) and are overseen by the Colorado Securities Commissioner. They invest in securities that are specified by Colorado Revised Statutes (24-75-601). Authorized securities include U.S. Treasuries, U.S. Agencies, commercial paper (rated A1 or better) and bank deposits (collateralized through PDPA). The pools operate similar to a 2a-7-like money market fund with a share value equal to \$1.00 and a maximum weighted average maturity of 60 days. These funds are rated AAAM by the Standard and Poor's Corporation.

Interest Rate Risk

The Town manages its interest rate risk by setting a maximum maturity date no more than five years from the date of purchase unless otherwise authorized by the Board of Trustees.

Concentration of Credit Risk

The Town places no limit on the amount that may be invested in any one issuer.  
Custodial Credit Risk – Investments

For an investment, custodial credit risk is the risk that, in the event of the failure of the counterparty, the Town will not be able to recover the value of its investments or collateral securities that are in the possession of an outside party. As of December 31, 2016, the Town did not have any securities requiring safekeeping.

**Restricted Cash and Investments**

The Town has restricted cash and investments as follows:

Restricted - Escrow Deposits	\$	11,500
Restricted - Conservation Trust		14,485
Restricted - O & M Reserve		69,357
Restricted - Debt Service Reserve		10,134
<b>Total Restricted Cash</b>		<u>105,476</u>
Unrestricted		967,262
<b>Total Cash</b>	<b>\$</b>	<b><u>1,072,738</u></b>

**TOWN OF FAIRPLAY, COLORADO**

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

**NOTE 3: CAPITAL ASSETS**

Changes in governmental activities capital assets for the year were as follows:

	Balance 1/1/16	Additions	Deletions & Transfers	Balance 12/31/16
<b>Governmental activities:</b>				
Capital assets not being depreciated:				
Land	\$ 204,960	\$ 450,000	\$ -	\$ 654,960
Capital assets being depreciated:				
Buildings and Improvements	788,625	-	-	788,625
Infrastructure	293,625	-	-	293,625
Streets Vehicles and Equipment	213,114	-	-	213,114
Police Vehicles and Equipment	113,313	-	17,980	95,333
Office Equipment & Software	20,596	-	-	20,596
Improvements - Parks	442,736	-	-	442,736
Equipment - Parks and Recreation	121,751	-	-	121,751
Equipment - Fleet	136,968	10,500	-	147,468
Total capital assets being depreciated	<u>2,130,728</u>	<u>10,500</u>	<u>17,980</u>	<u>2,123,248</u>
Less accumulated depreciation for:				
Buildings and Improvements	(102,074)	(17,208)	-	(119,282)
Infrastructure	(247,625)	(5,750)	-	(253,375)
Streets Vehicles and Equipment	(203,410)	(2,531)	-	(205,941)
Police Vehicles and Equipment	(70,355)	(9,294)	(17,980)	(61,669)
Office Equipment & Software	(11,328)	(3,090)	-	(14,418)
Improvements - Parks	(138,468)	(16,192)	-	(154,660)
Equipment - Parks and Recreation	(121,751)	-	-	(121,751)
Equipment - Fleet	(2,987)	(8,426)	-	(11,413)
Total Accumulated Depreciation	<u>(897,998)</u>	<u>(62,491)</u>	<u>(17,980)</u>	<u>(942,509)</u>
<b>Governmental activities capital assets, net</b>	<b><u>\$ 1,437,690</u></b>	<b><u>\$ 398,009</u></b>	<b><u>\$ -</u></b>	<b><u>\$ 1,835,699</u></b>

Depreciation has been allocated on the statement of activities as follows:

General Government	\$ 20,298
Public Safety	9,294
Public Works	8,281
Parks and Recreation	16,192
Fleet Internal Service Fund	8,426
<b>Total Governmental Activity Depreciation</b>	<b><u>\$ 62,491</u></b>

**TOWN OF FAIRPLAY, COLORADO**

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

**NOTE 3: CAPITAL ASSETS (Continued)**

A summary of business-type activities capital assets at December 31, 2016 is as follows:

	<u>Balance</u> <u>1/1/16</u>	<u>Additions</u>	<u>Deletions</u>	<u>Balance</u> <u>12/31/16</u>
<b>Business-type activities:</b>				
Capital assets not being depreciated:				
Land	\$ 75,740	\$ -	\$ -	\$ 75,740
Construction in progress	-	29,820	-	29,820
Total capital assets not being depreciated	<u>75,740</u>	<u>29,820</u>	<u>-</u>	<u>105,560</u>
Capital assets being depreciated:				
Buildings	141,450	-	-	141,450
Machinery & Equipment	101,732	-	-	101,732
Software and Meter Reading System	157,967	-	-	157,967
Transmission System & Lines	2,307,114	-	-	2,307,114
Water Treatment Plant	501,974	-	-	501,974
Galley System	604,409	-	-	604,409
Ditch/Drainage System	52,822	-	-	52,822
Fire Hydrants	20,707	-	-	20,707
Total capital assets being depreciated	<u>3,888,175</u>	<u>-</u>	<u>-</u>	<u>3,888,175</u>
Less accumulated depreciation for:				
Buildings	(61,868)	(3,472)	-	(65,340)
Machinery & Equipment	(100,511)	(1,221)	-	(101,732)
Software and Meter Reading System	(84,725)	(14,648)	-	(99,373)
Transmission System & Lines	(912,267)	(39,550)	-	(951,817)
Water Treatment Plant	(215,274)	(19,202)	-	(234,476)
Galley System	(482,361)	(18,081)	-	(500,442)
Ditch/Drainage System	(13,883)	(1,218)	-	(15,101)
Fire Hydrants	(13,604)	(477)	-	(14,081)
Total Accumulated Depreciation	<u>(1,884,493)</u>	<u>(97,869)</u>	<u>-</u>	<u>(1,982,362)</u>
<b>Business-type activities capital assets, net</b>	<b><u>\$ 2,079,422</u></b>	<b><u>\$ (68,049)</u></b>	<b><u>\$ -</u></b>	<b><u>\$ 2,011,373</u></b>

**TOWN OF FAIRPLAY, COLORADO**

**NOTES TO THE FINANCIAL STATEMENTS**

**December 31, 2016**

**NOTE 4: BONDS, NOTES AND LEASES PAYABLE**

**BUSINESS-TYPE ACTIVITIES**

The following is a schedule of changes in debt for the year ended December 31, 2016:

<b>Business-type Activities:</b>	<b>Balance 12/31/15</b>	<b>Additions</b>	<b>Deletions</b>	<b>Balance 12/31/16</b>	<b>Current Portion</b>	<b>Interest Expense</b>
1997 CWRPDA Loan	28,952	-	14,152	14,800	14,800	1,014
1998 Rural Development Bond	77,300	-	2,000	75,300	2,000	3,406
1998 EIAF Loan	16,389	-	5,199	11,190	5,459	734
Accrued Compensated Absences	7,397	768	-	8,165	-	-
<b>Total</b>	<b>\$ 130,038</b>	<b>\$ 768</b>	<b>\$ 21,351</b>	<b>\$ 109,455</b>	<b>\$ 22,259</b>	<b>\$ 5,154</b>

Business-type activity bonds, notes and capital leases payable consist the following:

**Note Payable - Colorado Resource & Power Development Authority - 1997**

The Town entered into this loan on July 25, 1997, in the amount of \$200,000 to assist in financing a capital project in the water fund. Payments began March 1, 1998 in quarterly installments of \$3,805 including interest at 4.5%. The note has a date of December 1, 2017.

The note contains various restrictive provisions including a pledge of revenues, rate covenants and the establishment of a three-month operation and maintenance reserve. As of December 31, 2016, the Town had funded the required reserve (Note 2).

**Notes Payable - Department of Local Affairs - 1998**

The Town received \$232,500 from the Department of Local Affairs in 1998. \$157,500 was received as a grant, and the balance of \$75,000 was to be repaid as a note bearing 5% interest. Payments began September 1, 1999 in annual installments of \$6,018 including interest. The note has a maturity date of September 1, 2018.

**Water Revenue Bonds, Series 1998**

Bonds of this issue are dated August 27, 1998. The bonds bear interest at the rate of 4.75% for bonds maturing from January 1, 1999 to the final redemption date of July 1, 2038. These Bonds have not been fully drawn upon as of December 31, 2000 since the proceeds of these Bonds are to be used for improvements to the municipal water system of the Town for which the improvements have not been accepted as of December 31, 2000.

**TOWN OF FAIRPLAY, COLORADO**

**NOTES TO THE FINANCIAL STATEMENTS**

December 31, 2016

**NOTE 4: BONDS, NOTES AND LEASES PAYABLE (Continued)**

**BUSINESS-TYPE ACTIVITIES (Continued)**

**Water Revenue Bonds, Series 1998 (Continued)**

The Town is required to establish a reserve account by placing \$563 annually for the term of the bond. As of December 31, 2016, the Town had funded the required reserve (Note 2).

The following is a summary of required annual debt service payments on the above bonds and notes:

<u>Year</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2017	\$ 22,259	\$ 4,341	\$ 26,600
2018	7,932	3,556	11,488
2019	2,200	3,170	5,370
2020	2,400	3,069	5,469
2021	2,500	2,961	5,461
2022-2026	14,500	12,974	27,474
2027-2031	18,100	9,265	27,365
2032-2036	23,000	4,804	27,804
2037-2039	8,400	389	8,789
<b>Total</b>	<b>\$ 101,291</b>	<b>\$ 44,529</b>	<b>\$ 145,820</b>

**GOVERNMENTAL ACTIVITIES**

The following is a summary of governmental activity long-term debt.

	<u>Balance</u>			<u>Balance</u>	<u>Current</u>	<u>Interest</u>
<b>Governmental Activities:</b>	<u>12/31/15</u>	<u>Additions</u>	<u>Deletions</u>	<u>12/31/16</u>	<u>Portion</u>	<u>Expense</u>
Capital Leases Payable	\$ 10,103	\$ 225,000	\$ 3,054	\$ 232,049	\$ 22,910	\$ 3,161
2012 Certificates of Participation	363,713	-	14,518	349,195	15,234	17,785
Accrued Compensated Absences	22,190	-	3,439	18,751	-	-
<b>Total</b>	<b>\$ 396,006</b>	<b>\$ 225,000</b>	<b>\$ 21,011</b>	<b>\$ 599,995</b>	<b>\$ 38,144</b>	<b>\$ 20,946</b>

**Certificates of Participation**

On December 28, 2012, the Town issued \$405,000 of certificates of participation for the acquisition and remodeling of the property located at 901 Main Street. The certificates require semi-annual payments of \$15,497 on June 1 and December 1, beginning on June 1, 2013 through December 2032. The certificates bear an interest rate of 4.5% per annum. Payments will be made through the General Fund. These certificates were issued through the Fairplay Capital Leasing Corporation and subsequently leased to the Town. As the Fairplay Capital Leasing Corporation solely benefits the Town and only activity is collection of rent and payment of debt service, all activity has been eliminated in the financial statement presentation.

**TOWN OF FAIRPLAY, COLORADO**

**NOTES TO THE FINANCIAL STATEMENTS**

**December 31, 2016**

**NOTE 4: BONDS, NOTES, AND LEASES PAYABLE (Continued)**

**GOVERNMENTAL ACTIVITIES** (Continued)

The following is a summary of required annual debt service payments:

<u>Year</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2017	\$ 15,234	\$ 15,760	\$ 30,994
2018	15,937	15,057	30,994
2019	16,673	14,321	30,994
2020	17,404	13,590	30,994
2021	18,245	12,749	30,994
2022-2026	104,628	50,340	154,968
2027-2031	131,113	23,855	154,968
2032	29,962	1,032	30,994
<b>Total</b>	<b><u>\$ 349,196</u></b>	<b><u>\$ 146,704</u></b>	<b><u>\$ 495,900</u></b>

**Capital Leases Payable**

In 2014, the Town entered into a capital lease agreement for the purchase of a copier. The lease was for \$15,446, and requires 60 monthly payments of \$284. The lease bears interest at 2.8%. All payments related to this lease will be made by the General Fund and are included along with monthly maintenance charges in equipment rentals in the financial statements. The Town has capitalized assets with a remaining basis of \$12,357 related to the lease.

The following is a schedule of the future minimum lease payments required under the capital lease for the copier purchase, and the present value of the remaining payments as of December 31, 2016:

<u>Year</u>	<u>Copier</u>
2017	\$ 3,402
2018	3,402
2019	851
Future Min. Lease Pmt	7,655
Imputed Interest	(605)
Present Value FMLP	<u>\$ 7,050</u>

In 2016, the Town entered into an equipment lease/purchase agreement for the purchase of land. The lease was for \$225,000 and requires semi-annual payments of \$12,995. All payments related to this lease will be made by the General Fund. The Town has capitalized assets with a remaining basis of \$450,000 related to the lease. The lease is additionally secured by Town equipment with a remaining basis of \$169,720.

TOWN OF FAIRPLAY, COLORADO

NOTES TO THE FINANCIAL STATEMENTS

December 31, 2016

NOTE 4: **BONDS, NOTES, AND LEASES PAYABLE** (Continued)

**GOVERNMENTAL ACTIVITIES** (Continued)

**Capital Leases Payable** (Continued)

The following is a schedule of the future lease payments required under the capital lease for the equipment lease/purchase agreement, and the remaining principal and interest remaining as of December 31, 2016:

<b>Equipment Lease/ Purchase Agreement</b>			
<b>Year</b>	<b>Principal</b>	<b>Interest</b>	<b>Total</b>
2017	\$ 19,865	\$ 6,125	\$ 25,990
2018	20,308	5,682	25,990
2019	20,888	5,102	25,990
2020	21,486	4,504	25,990
2021	22,100	3,890	25,990
2022-2026	<u>120,353</u>	<u>9,598</u>	<u>129,951</u>
<b>Total</b>	<b><u>\$ 225,000</u></b>	<b><u>\$ 34,901</u></b>	<b><u>\$ 259,901</u></b>

NOTE 5: **EMPLOYEE RETIREMENT SYSTEMS AND PENSION PLANS**

**STATEWIDE DEFINED BENEFIT PLAN (FPPA)**

**Summary of Significant Accounting Policies**

*Pensions.* The Town participates in the Statewide Defined Benefit Plan (SWDB), a cost-sharing multiple-employer defined benefit pension fund administered by the Fire & Police Pension Association of Colorado ("FPPA"). The net pension asset or liability, deferred outflows of resources and deferred inflows of resources related to pensions, pension expense, information about the fiduciary net position and additions to/deductions from the fiduciary net position of the SWDB have been determined using the accrual basis of accounting as required by the accounting principles and reporting guidelines as set forth by the Governmental Accounting Standards Board. For this purpose, benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with the benefit terms. Investments are reported at fair value.

NOTES TO THE FINANCIAL STATEMENTS

December 31, 2016

NOTE 5: **EMPLOYEE RETIREMENT SYSTEMS AND PENSION PLANS** (Continued)

**STATEWIDE DEFINED BENEFIT PLAN (FPPA)** (Continued)

**General Information about the Pension Plan**

*Plan description.* Eligible employees of the Town are provided with pensions through the Statewide Defined Benefit Plan (SWDB) - a cost-sharing multiple-employer defined benefit pension plan administered by FPPA. Plan benefits are specified in Title 31, Articles 30, 30.5 and 31 of the Colorado Revised Statutes (C.R.S.), rules and regulations codified by the Fire and Police Pension Association, and applicable provisions of the federal Internal Revenue Code. Colorado State law provisions may be amended from time to time by the Colorado General Assembly. FPPA issues a publicly available comprehensive annual financial report, the most recent of which is for the fiscal year ended December 31, 2015, that can be obtained at:

[http://fppaco.org/pdfs/annual\\_audit\\_actuarial\\_reports/annual%20reports/2014%20FPPA%20CAFR.pdf](http://fppaco.org/pdfs/annual_audit_actuarial_reports/annual%20reports/2014%20FPPA%20CAFR.pdf).

*Benefits provided.* A member is eligible for a normal retirement pension once the member has completed twenty-five years of credited service and has attained the age of 55.

The annual normal retirement benefit is 2 percent of the average of the member's highest three years' base salary for each year of credited service up to ten years, plus 2.5 percent for each year of service thereafter. The benefit earned prior to January 1, 2007 for members of affiliated Social Security employers will be reduced by the amount of Social Security income payable to the member annually. Effective January 1, 2007, members currently covered under Social Security will receive half the benefit when compared to the Statewide Defined Benefit Plan. Benefits paid to retired members are evaluated and may be re-determined every October 1. The amount of any increase is based on the Board's discretion and can range from 0 to the higher of 3 percent or the Consumer Price Index.

A member is eligible for an early retirement at age 50 or after 30 years of service. The early retirement benefit equals the normal retirement benefit reduced on an actuarially equivalent basis. Upon termination, an employee may elect to have member contributions, along with 5 percent as interest, returned as a lump sum distribution. Alternatively, a member with at least five years of accredited service may leave contributions with the Plan and remain eligible for a retirement pension at age 55 equal to 2 percent of the member's average highest three years' base salary for each year of credited service up to ten years, plus 2.5 percent for each year of service thereafter.

*Contributions.* The Plan sets contribution rates at a level that enables all benefits to be fully funded at the retirement date of all members. Contribution rates for the SWDB plan are set by state statute. Employer contribution rates can only be amended by state statute. Member contribution rates can be amended by state statute or election of the membership.

**TOWN OF FAIRPLAY, COLORADO**

**NOTES TO THE FINANCIAL STATEMENTS**

**December 31, 2016**

**NOTE 5: EMPLOYEE RETIREMENT SYSTEMS AND PENSION PLANS (Continued)**

**STATEWIDE DEFINED BENEFIT PLAN (FPPA) (Continued)**

**General Information about the Pension Plan (Continued)**

Members of the SWDB plan and their employers are contributing at the rate of 8 percent of base salary for a total contribution rate of 16 percent through 2014. In 2014, the members elected to increase the member contribution rate to the SWDB plan beginning in 2015. Member contribution rates will increase 0.5 percent annually through 2022 to a total of 12 percent of base salary. Employer contributions will remain at 8 percent resulting in a combined contribution rate of 20 percent in 2022.

Contributions from members and employers of departments re-entering the system are established by resolution and approved by the FPPA Board of Directors. The re-entry group has a combined contribution rate of 20 percent of base salary through 2014. It is a local decision as to whether the member or employer pays the additional 4 percent contribution. Per the 2014 member election, the re-entry group will also have their required member contribution rate increase 0.5 percent annually beginning in 2015 through 2022 for a total combined member and employer contribution rate of 24 percent in 2022.

The contribution rate for members and employers of affiliated social security employers is 4 percent of base salary for a total contribution rate of 8 percent through 2014. Per the 2014 member election, members of the affiliate social security group will have their required contribution rate increase 0.25 percent annually beginning in 2015 through 2022 to a total of 6 percent of base salary. Employer contributions will remain at 4 percent resulting in a combined contribution rate of 10 percent in 2022. The Town is not an affiliated social security employer.

Employer contributions are recognized by FPPA in the period in which the compensation becomes payable to the member and the Town is statutorily committed to pay the contributions to FPPA. Employer contributions recognized by the FPPA from the Town were \$11,298 for the plan year ended December 31, 2015 and \$11,855 for the fiscal year ended December 31, 2016. The current year contributions will be expensed in 2016 for FPPA purposes and are a timing difference at year end.

**TOWN OF FAIRPLAY, COLORADO**

**NOTES TO THE FINANCIAL STATEMENTS**

**December 31, 2016**

**NOTE 5: EMPLOYEE RETIREMENT SYSTEMS AND PENSION PLANS (Continued)**

**STATEWIDE DEFINED BENEFIT PLAN (FPPA) (Continued)**

**General Information about the Pension Plan (Continued)**

**Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions**

At December 31, 2016, the Town reported an asset of \$514 for its proportionate share of the SWDB's net pension asset. The net pension asset or liability was measured as of December 31, 2015, and the total pension liability used to calculate the net pension asset was determined by an actuarial valuation as of January 1, 2016. The Town's proportion of the net pension asset was based on Town's contributions to the SWDB for the calendar year 2015 relative to the total contributions of participating employers to the SWDB.

At December 31, 2015, the Town's proportion was .029132%, which was a decrease of .0037135% from its proportion measured as of December 31, 2014.

For the year ended December 31, 2016, the Town recognized pension expense of \$7,834. At December 31, 2016, the District reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows	Deferred Inflows
Difference between expected and actual experience	\$ 4,154	\$ (606)
Changes of assumptions or other inputs	\$ 8,067	\$ -
Net difference between projected and actual earnings on pension plan investments	\$ 26,138	\$ -
Changes in proportion and differences between contributions recognized and proportionate share of contributions - Plan Basis	\$ 3,875	\$ (1,793)
Contributions subsequent to the measurement date	\$ 11,855	\$ -
<b>Total</b>	<b>\$ 54,089</b>	<b>\$ (2,399)</b>

TOWN OF FAIRPLAY, COLORADO

NOTES TO THE FINANCIAL STATEMENTS

December 31, 2016

**NOTE 5: EMPLOYEE RETIREMENT SYSTEMS AND PENSION PLANS (Continued)**

**STATEWIDE DEFINED BENEFIT PLAN (FPPA) (Continued)**

**Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions (Continued)**

\$11,855 reported as deferred outflows of resources related to pensions, resulting from contributions subsequent to the measurement date, will be recognized as an adjustment of the net pension asset in the year ended December 31, 2017.

Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

Year Ended December 31:	Amortization Amount
2017	\$ (8,211)
2018	\$ (8,211)
2019	\$ (8,211)
2020	\$ (7,565)
2021	\$ (1,515)
Thereafter	\$ (6,122)
Total	\$ (39,835)

*Actuarial assumptions.* The total pension liability in the January 1, 2016 actuarial valuation was determined using the following actuarial assumptions and other inputs:

Actuarial method	Entry Age Normal
Amortization method	Level % of Payroll, Open
Amortization period	30 Years
Long-term investment rate of return, net of pension plan investment expenses, including price inflation *	7.50%
Salary increase, including wage inflation *	4.00-14.00%
Cost of Living Adjustments (COLA)	0.00%
* Includes inflation at	2.50%

NOTES TO THE FINANCIAL STATEMENTS

December 31, 2016

NOTE 5: **EMPLOYEE RETIREMENT SYSTEMS AND PENSION PLANS** (Continued)

**STATEWIDE DEFINED BENEFIT PLAN (FPPA)** (Continued)

**Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions** (Continued)

Mortality rates were based on the RP-2000 Combined Mortality Table with Blue Collar Adjustment, projected with Scale BB, 55 percent multiplier for off-duty mortality is used in the valuation for off-duty mortality of active members. On-duty related mortality is assumed to be 0.00020 per year for all members. The RP-2000 Combined Mortality Table with Blue Collar Adjustment, projected with Scale BB is used in the projection of post-retirement benefits.

The actuarial assumptions used in the January 1, 2016 valuation were based on the results of an actuarial experience study adopted by FPPA's Board in July 2011. The assumption changes were effective for actuarial valuations beginning January 1, 2012. The actuarial assumptions impacted actuarial factors for benefit purposes such as purchases of service credit and other benefits where actuarial factors are used. The date the new actuarial assumptions were effective for benefit purposes was October 1, 2012.

Effective with the January 1, 2013 valuations, the Board adopted a five-year smoothing methodology in the determination of the actuarial value of assets. Beginning in the January 1, 2014 valuations, the married assumption for active members was increased from 80% to 85% to reflect the passage of the Colorado Civil Union Act.

At least every five years the FPPA's Board of Directors, in accordance with best practices, reviews its economic and demographic actuarial assumptions. At its July 2015 meeting, the Board of Directors reviewed and approved recommended changes to the actuarial assumptions. The recommendations were made by the FPPA's actuaries, Gabriel, Roeder, Smith & Co., based upon their analysis of past experience and expectations of the future. The assumption changes were effective for actuarial valuations beginning January 1, 2016 and were used in the rollforward calculation of total pension liability as of December 31, 2015. Actuarial assumptions effective for actuarial valuations prior to January 1, 2016 were used in the determination of the actuarially determined contributions as of December 31, 2015. The actuarial assumptions impact actuarial factors for benefit purposes such as purchases of service credit and other benefits where actuarial factors are used.

**TOWN OF FAIRPLAY, COLORADO**

**NOTES TO THE FINANCIAL STATEMENTS**

**December 31, 2016**

**NOTE 5: EMPLOYEE RETIREMENT SYSTEMS AND PENSION PLANS (Continued)**

**STATEWIDE DEFINED BENEFIT PLAN (FPPA) (Continued)**

**Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions (Continued)**

The long-term expected rate of return on pension plan investments was determined using a building-block method in which best-estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighing the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. Best estimates of arithmetic real rates of return for each major asset class included in the Fund's target asset allocation as of December 31, 2015 are summarized in the following table:

<b>Asset Class</b>	<b>Target Allocation</b>	<b>Long-Term Expected Rate of Return</b>
Global Equity	37.00%	6.50%
Equity Long/Short	10.00%	4.70%
Non U.S. Equity - Developed	20.00%	8.00%
Non U.S. Equity - Emerging	16.00%	1.50%
Core Fixed Income	11.00%	4.10%
High Yield	4.00%	3.00%
Long Duration Gov't/Credit	2.00%	0.00%
Total	100.00%	

The discount rate used to measure the total pension liability was 7.50 percent. The projection of cash flows used to determine the discount rate assumed that contributions from participating employers will be made based on the actuarially determined rates based on the Board's funding policy, which establishes the contractually required rates under Colorado statutes. Based on those assumptions, the SWDB plan fiduciary net position was projected to be available to make all the projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

TOWN OF FAIRPLAY, COLORADO

NOTES TO THE FINANCIAL STATEMENTS

December 31, 2016

NOTE 5: EMPLOYEE RETIREMENT SYSTEMS AND PENSION PLANS (Continued)

STATEWIDE DEFINED BENEFIT PLAN (FPPA) (Continued)

**Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions** (Continued)

Discount rate. Projected benefit payments are required to be discounted to their actuarial present values using a Single Discount Rate that reflects (1) a long-term expected rate of return on pension plan investments (to the extent that the plan's fiduciary net position is projected to be sufficient to pay benefits) and (2) tax-exempt municipal bond rate based on an index of 20-year general obligation bonds with an average AA credit rating as of the measurement date (to the extent that the plan's projected fiduciary net position is not sufficient to pay benefits).

For the purpose of this valuation, the expected rate of return on pension plan investments is 7.50%; the municipal bond rate is 3.57% (based on the weekly rate closest to but not later than the measurement date of the "state & local bonds" rate from Federal Reserve statistical release (H.15)); and the resulting Single Discount Rate is 7.50%.

*Sensitivity of the proportionate share of the net pension asset (liability) to changes in the discount rate.* The following presents the plan's net pension liability, calculated using a Single Discount Rate of 7.50%, as well as what the plan's net pension liability would be if it were calculated using a Single Discount Rate that is one percent lower or one percent higher:

	1% Decrease (6.5%)	Current Discount Rate (7.5%)	1% Increase (8.5%)
Proportionate share of the net pension asset (liability)	\$ (71,942)	\$ 514	\$ 60,613

**TOWN OF FAIRPLAY, COLORADO**

**NOTES TO THE FINANCIAL STATEMENTS**

**December 31, 2016**

**NOTE 5: EMPLOYEE RETIREMENT SYSTEMS AND PENSION PLANS (Continued)**

**DEFINED CONTRIBUTION PLAN**

The Town provides pension benefits for all of its full-time employees through a defined contribution plan. In a defined contribution plan, benefits depend solely on amounts contributed to the plan plus investment earnings.

The plan is administered by ICMA Retirement Corporation, and covers all full-time Town employees excluding police officers. Employees are eligible to participate immediately. A contractual agreement between the Town and ICMA requires the Town to contribute an amount equal to three percent of all employees' salaries, and a mandatory employee contribution of three percent. The Town's contributions for each employee become fully vested after five years of service. These contributions are paid to ICMA and ICMA administers the plan. The Town made the required contributions of 3.00% for employees amounting to a total of \$11,594 and plan members contributed a total of \$11,594 for the year ending December 31, 2016.

**DEFERRED COMPENSATION PLAN**

The Town has a deferred compensation plan created in accordance with Internal Revenue Code Sec. 457. The plan is administered by ICMA-RC. Participation in the plan is optional for all employees. The plan allows employees to defer a portion of their salary until future years. Employees contributed \$16,401 to this plan for the fiscal year. There were no employer contributions.

**NOTE 6: COMMITMENTS AND CONTINGENCIES**

The Town receives financial assistance from federal and state governmental agencies in the form of grants. The disbursement of funds received under these programs generally requires compliance with terms and conditions specified in the grant agreements, and are subject to audit by the grantor agencies. Any disallowed claims resulting from such audits could become a liability of the General Fund or other applicable funds. However, in the opinion of the Town, any such disallowed claims will not have a material effect on any of the financial statements of the individual fund types included herein or on the overall financial position of the Town at December 31, 2016.

**TOWN OF FAIRPLAY, COLORADO**

**NOTES TO THE FINANCIAL STATEMENTS**

**December 31, 2016**

**NOTE 7: FUND BALANCE/NET POSITION APPROPRIATIONS AND RESTRICTIONS**

**Tax Spending and Debt Limitations**

On November 3, 1992, the voters of Colorado approved Amendment 1, commonly known as the TABOR Amendment, which added a new Section 20 to Article X of the Colorado Constitution. TABOR contains tax, spending, revenue and debt limitations which apply to the State of Colorado, all local governments, and special districts.

The Town's financial activity for the year ended December 31, 2016 will provide the basis for calculation of future limitations adjusted for allowable increases tied to inflation and local growth. Subsequent to December 31, 1992, revenue in excess of the Town's "spending limit" must be refunded unless voters approve the retention of such excess revenue. TABOR generally requires voter approval for any new tax, tax increases and new debt.

At an April 2, 1996 election, the electors of the Town authorized the Town to collect, retain and expend the full amount of the revenues from all sources during 1996, as well as the full amount of all revenues generated by all sources for each subsequent year. This election authorized the spending of such revenues in each year without limitation under Article X, Section 20 of the Colorado Constitution.

TABOR is extremely complex and subject to interpretation. Ultimate implementation may depend upon litigation and legislative guidance. The Town's management believes it is in compliance with the TABOR amendment.

The Article requires an emergency reserve be set aside for 2016 in the amount of 3% or more of its fiscal year spending. At December 31, 2016, the Town has reserved the following for emergencies:

General Fund	<u>\$ 50,000</u>
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Other Restrictions

The Town has also restricted the fund balance in its Conservation Trust Fund as its use is limited by statute and funds in its Water Fund as required by its loan covenants.

**TOWN OF FAIRPLAY, COLORADO**

**NOTES TO THE FINANCIAL STATEMENTS**

**December 31, 2016**

**NOTE 8: RISK MANAGEMENT**

The Town of Fairplay, Colorado carries insurance coverage for all foreseeable risks of loss. These include, but are not necessarily limited to, worker's compensation, property and liability, bond, and errors and omissions.

The Town carries all insurance through commercial insurance carriers. Risk of loss is transferred to those carriers.

The Town has not materially changed its coverage from previous years. Based on the lack of previous loss occurrences, the Town has not recorded any liability for unpaid claims at December 31, 2016.

**NOTE 9: RATE MAINTENANCE**

The 1997 Colorado Water Resources and Power Development Authority water loan agreement requires that Net Revenues shall represent a sum equal to 110% of the amount necessary to pay when due the principal and interest on the loan and any parity debt coming due.

The 1998 United States Department of Agriculture Rural Utilities Service water loan agreement requires that Net Revenues shall represent a sum equal to 120% of the amount necessary to pay when due the principal and interest on the loan and any parity debt coming due.

**TOWN OF FAIRPLAY, COLORADO**

**NOTES TO THE FINANCIAL STATEMENTS**

**December 31, 2016**

**NOTE 9: RATE MAINTENANCE (Continued)**

Net operating revenues for the year ended December 31, 2016 are above the required rate covenant in the amount of \$46,675 as computed below.

Charges for services	\$	407,344
Other operating revenue		147,422
Investment earnings		<u>291</u>
Total revenue		<u>555,057</u>
Operations and maintenance expense		574,226
Less: Depreciation		<u>(97,870)</u>
Adjusted O&M		<u>476,356</u>
Net revenue		<u>78,701</u>
Total debt service		
1997 CWRPDA		15,219
1998 USDA		5,452
1998 DOLA		<u>6,018</u>
		26,689
Required rate		<u>120%</u>
Net revenue required		<u>32,026</u>
Excess (deficit)	\$	<u><u>46,675</u></u>

**NOTE 10: FAIRPLAY SANITATION DISTRICT**

Effective December 1, 2014, the Town took over management of the Fairplay Sanitation District (the "District"). The District board retains responsibility for all activities. The Town is jointly billing for all water and sewer services, performs all accounting and collection functions, and is operating the District's treatment plant.

**NOTE 11: BUDGET VIOLATION**

As of December 31, 2016, the Town's expenditures exceeded appropriations in the Internal Service Fund in the amount of \$5,426. This may be a violation of state statute.

**REQUIRED SUPPLEMENTARY INFORMATION**  
**(Pension Schedules Unaudited)**

**TOWN OF FAIRPLAY**

**SCHEDULE OF THE DISTRICT'S PROPORTIONATE SHARE OF THE NET PENSION ASSET (LIABILITY)**

**FPPA Pension Plan**

**Last 10 Fiscal Years<sup>(1)</sup>**

	<u>12/31/16</u>	<u>12/31/15</u>	<u>12/31/14</u>
District's proportion of the net pension asset (liability)	0.029132%	0.027496%	0.032846%
District's proportionate share of the net pension asset (liability)	\$ 514	\$ 31,031	\$ 29,370
District's covered-employee payroll	\$ 141,225	\$ 123,650	\$ 142,663
District's proportionate share of the net pension asset (liability) as a percentage of covered-employee payroll	0.36%	25.10%	20.59%
Plan fiduciary net position as a percentage of the total pension liability	100.10%	106.83%	105.83%

**Note:** All amounts are as of plan calculation dates which are one fiscal year prior to the date shown.

<sup>(1)</sup> - Additional years will be added to this schedule as they become available.

See the accompanying Independent Auditors' Report.

**TOWN OF FAIRPLAY**

**SCHEDULE OF DISTRICT CONTRIBUTIONS**

**FPPA Pension Plan**

**Last 10 Fiscal Years<sup>(1)</sup>**

	<u>12/31/16</u>	<u>12/31/15</u>	<u>12/31/14</u>
Contractually required contributions	\$ 11,298	\$ 9,892	\$ 11,413
Actual contributions	<u>(11,298)</u>	<u>(9,892)</u>	<u>(11,413)</u>
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
District's covered-employee payroll	\$ 141,225	\$ 123,650	\$ 142,663
Contributions as a percentage of covered-employee payroll	8.00%	8.00%	8.00%

**Note:** All amounts are as of plan calculation dates which are one fiscal year prior to the date shown.

<sup>(1)</sup> - Additional years will be added to this schedule as they become available.

See the accompanying Independent Auditors' Report.

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**BUDGETARY COMPARISON SCHEDULES**  
**(Required Supplementary Information)**

TOWN OF FAIRPLAY, COLORADO

**BUDGETARY COMPARISON SCHEDULE**

**General Fund**

FOR THE YEAR ENDED DECEMBER 31, 2016

With Comparative Totals for the Year Ended December 31, 2015

	2016				2015 Actual
	Original Budget	Final Budget	Actual	Variance With Final Budget	
<b>REVENUES</b>					
<b>Taxes</b>					
Property Taxes	\$ 178,745	\$ 177,000	\$ 178,027	\$ 1,027	\$ 168,663
Specific Ownership Taxes	17,500	20,000	21,791	1,791	20,200
Sales Taxes	716,909	766,079	728,325	(37,754)	586,687
Franchise Taxes	55,000	51,000	50,248	(752)	57,148
Other Taxes	32,000	37,685	38,796	1,111	32,710
Total Tax Revenue	<u>1,000,154</u>	<u>1,051,764</u>	<u>1,017,187</u>	<u>(34,577)</u>	<u>865,408</u>
<b>Intergovernmental Revenues</b>					
Cigarette Taxes	2,000	2,200	2,335	135	2,178
Highway Users	30,000	31,000	31,723	723	31,761
Road and Bridge	4,500	5,675	5,658	(17)	5,610
Clerk/Motor Vehicle Fees	3,500	3,500	3,774	274	3,623
Mineral Lease	1,000	812	812	-	1,040
Severance Tax	2,500	2,202	2,202	-	12,228
State Grants	-	199,567	194,596	(4,971)	15,204
Total Intergovernmental Revenue	<u>43,500</u>	<u>244,956</u>	<u>241,100</u>	<u>(3,856)</u>	<u>71,644</u>
<b>Licenses and Permits</b>					
Liquor Licenses	1,500	1,876	1,876	-	1,605
Building Permits	4,240	3,120	3,059	(61)	11,533
Annexation/Other P&Z Fees	2,000	2,546	2,546	-	2,215
Animal Licenses	125	105	105	-	125
Business Licenses	5,400	5,750	5,775	25	5,645
Other Licenses	7,275	8,736	9,466	730	7,436
Total Licenses and Permits	<u>20,540</u>	<u>22,133</u>	<u>22,827</u>	<u>694</u>	<u>28,559</u>
<b>Fines and Forfeits</b>					
	<u>38,100</u>	<u>24,982</u>	<u>24,708</u>	<u>(274)</u>	<u>27,937</u>
<b>Charges for Services</b>					
Utility Charges	10,800	10,433	10,553	120	10,954
Recreation/Special Event Charges	18,500	24,683	24,654	(29)	18,048
Rents	2,400	15,897	15,514	(383)	14,190
Other Charges for Services	70,994	76,252	76,277	25	64,943
Total Charges for Services	<u>102,694</u>	<u>127,265</u>	<u>126,998</u>	<u>(267)</u>	<u>108,135</u>
<b>Investment Earnings</b>					
	<u>914</u>	<u>1,488</u>	<u>1,597</u>	<u>109</u>	<u>989</u>
<b>Other Revenues</b>					
Donations	7,600	7,559	7,559	-	8,683
Sale of Capital Assets	-	501	501	-	-
Other Miscellaneous Revenue	5,600	7,921	6,707	(1,214)	6,607
Total Other Revenue	<u>13,200</u>	<u>15,981</u>	<u>14,767</u>	<u>(1,214)</u>	<u>15,290</u>
TOTAL REVENUES	<u>1,219,102</u>	<u>1,488,569</u>	<u>1,449,184</u>	<u>(39,385)</u>	<u>1,117,962</u>

See accompanying Independent Auditors' Report.

(Continued)

TOWN OF FAIRPLAY, COLORADO

**BUDGETARY COMPARISON SCHEDULE**

**General Fund**

FOR THE YEAR ENDED DECEMBER 31, 2016

With Comparative Totals for the Year Ended December 31, 2015

	2016				2015 Actual
	Original Budget	Final Budget	Actual	Variance With Final Budget	
(Continued)					
<b>EXPENDITURES</b>					
<b>General Government</b>					
Personnel Services	176,462	180,845	179,887	(958)	168,717
Equipment Rentals	5,000	5,300	5,083	217	4,957
Fuel and Automotive	3,600	3,600	3,620	(20)	3,608
Insurance	12,328	12,677	12,716	(39)	12,729
Professional Fees	42,120	32,120	30,132	1,988	20,209
Repairs and Maintenance	9,000	11,600	10,768	832	621
Supplies	4,200	3,700	3,580	120	3,328
Telephone and Utilities	15,000	15,200	15,042	158	13,707
Travel and Training	8,000	5,407	6,164	(757)	7,719
Other Expenses	123,450	134,439	49,946	84,493	81,144
Total General Government	399,160	404,888	316,938	86,034	316,739
<b>Public Safety</b>					
Personnel Services	268,895	304,061	297,453	6,608	248,371
Fuel and Automotive	18,762	20,161	18,065	2,096	18,751
Professional Fees	2,500	2,100	1,408	692	766
Repairs and Maintenance	4,500	10,500	10,027	473	1,146
Supplies	5,000	6,000	5,223	777	9,049
Telephone and Utilities	3,300	3,341	3,341	-	3,235
Travel and Training	5,000	7,500	6,785	715	4,128
Other Expenses	13,000	28,808	23,820	4,988	3,428
Total Public Safety	320,957	382,471	366,122	16,349	288,874
<b>Public Works</b>					
Personnel Services	159,165	139,916	139,637	279	175,144
Equipment Rentals	16,703	16,703	16,703	-	16,703
Fuel and Automotive	8,000	3,500	3,304	196	4,980
Repairs and Maintenance	20,500	16,695	15,291	1,404	21,504
Supplies	14,500	16,000	14,146	1,854	15,019
Telephone and Utilities	1,500	1,500	1,551	(51)	1,619
Travel and Training	1,000	600	494	106	171
Total Public Works/Comm Devel	221,368	194,914	191,126	3,788	235,140
<b>Parks, Recreation and Other</b>					
Special Events	95,800	111,414	112,154	740	93,035
Repairs and Maintenance	8,500	12,320	11,981	339	7,398
Supplies	3,000	250	248	2	7,236
Telephone and Utilities	350	550	498	52	292
Other Expenses	500	31	31	-	509
Total Parks, Recreation & Other	108,150	124,565	124,912	1,133	108,470

See accompanying Independent Auditors' Report.

TOWN OF FAIRPLAY, COLORADO

**BUDGETARY COMPARISON SCHEDULE**

**General Fund**

**FOR THE YEAR ENDED DECEMBER 31, 2016**

**With Comparative Totals for the Year Ended December 31, 2015**

	<b>2016</b>			<b>Variance With Final Budget</b>	<b>2015 Actual</b>
	<b>Original Budget</b>	<b>Final Budget</b>	<b>Actual</b>		
(Continued)					
<b>Capital Outlay</b>					
General Government Capital Outlay	53,596	260,943	229,949	30,994	-
Public Works Capital Outlay	32,000	33,000	32,024	976	109,110
Parks, Recreation and Other Capital Outlay	500	-	-	-	3,783
Total Capital Outlay	<u>86,096</u>	<u>293,943</u>	<u>261,973</u>	<u>31,970</u>	<u>112,893</u>
<b>Debt Service</b>					
Principal and Interest	-	-	30,994	(30,994)	59,397
TOTAL EXPENDITURES	<u>1,135,731</u>	<u>1,400,781</u>	<u>1,292,065</u>	<u>108,280</u>	<u>1,121,513</u>
<b>NET CHANGE IN FUND BALANCE - BUDGET BASIS</b>	<u>\$ 83,371</u>	<u>\$ 87,788</u>	157,119	<u>\$ 68,895</u>	(3,551)
<b>Budget to GAAP Basis Reconciliation</b>					
Debt Proceeds			(225,000)		-
Capital Outlay			225,000		-
<b>NET CHANGE IN FUND BALANCE - GAAP BASIS</b>			157,119		(3,551)
<b>FUND BALANCE, BEGINNING</b>			<u>352,975</u>		<u>356,526</u>
<b>FUND BALANCE, ENDING</b>			<u>\$ 510,094</u>		<u>\$ 352,975</u>

See accompanying Independent Auditors' Report.

## **OTHER SUPPLEMENTARY INFORMATION**

TOWN OF FAIRPLAY, COLORADO

COMBINING BALANCE SHEET

NONMAJOR GOVERNMENTAL FUNDS

DECEMBER 31, 2016

With Comparative Totals for December 31, 2015

	<u>SPECIAL REVENUE FUNDS</u>		
	<u>Conservation Trust Fund</u>	<u>Total</u>	
		<u>2016</u>	<u>2015</u>
<b>ASSETS AND DEFERRED OUTFLOWS</b>			
<b>ASSETS</b>			
<b>Current Assets</b>			
Cash and Investments			
Restricted Cash and Investments	\$ 14,485	\$ 14,485	10,669
	<u>14,485</u>	<u>14,485</u>	<u>10,669</u>
<b>LIABILITIES, DEFERRED INFLOWS AND NET POSITION</b>			
<b>LIABILITIES</b>			
<b>Current Liabilities</b>			
Accounts Payable	\$ -	\$ -	\$ 12
	<u>14,485</u>	<u>14,485</u>	<u>10,657</u>
<b>FUND BALANCE</b>			
Restricted Fund Balance	<u>14,485</u>	<u>14,485</u>	<u>10,657</u>
<b>TOTAL LIABILITIES, DEFERRED INFLOWS AND FUND BALANCE</b>	<u>\$ 14,485</u>	<u>\$ 14,485</u>	<u>\$ 10,669</u>

See accompanying Independent Auditors' Report.

TOWN OF FAIRPLAY, COLORADO

**COMBINING SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE**  
**NONMAJOR GOVERNMENTAL FUNDS**  
**FOR THE YEAR ENDED DECEMBER 31, 2016**  
**With Comparative Totals for the Year Ended December 31, 2015**

	<b>SPECIAL REVENUE FUNDS</b>		
	<b>Conservation Trust Fund</b>	<b>Total</b>	
		<b>2016</b>	<b>2015</b>
<b>REVENUES</b>			
Intergovernmental Revenues	\$ 3,818	\$ 3,818	\$ 16,271
Investment Earnings	10	10	4
<b>TOTAL REVENUES</b>	<u>3,828</u>	<u>3,828</u>	<u>16,275</u>
<b>EXPENDITURES</b>			
Current:			
Parks, Recreation and Other	-	-	151
Capital Outlay	-	-	14,200
<b>TOTAL EXPENDITURES</b>	<u>-</u>	<u>-</u>	<u>14,351</u>
<b>NET CHANGE IN FUND BALANCE - GAAP BASIS</b>	3,828	3,828	1,924
<b>FUND BALANCE, BEGINNING</b>	<u>10,657</u>	<u>10,657</u>	<u>8,733</u>
<b>FUND BALANCE, ENDING</b>	<u>\$ 14,485</u>	<u>\$ 14,485</u>	<u>\$ 10,657</u>

See accompanying Independent Auditors' Report.

TOWN OF FAIRPLAY, COLORADO

**BUDGETARY COMPARISON SCHEDULE**

**Conservation Trust Fund**

FOR THE YEAR ENDED DECEMBER 31, 2016

With Comparative Totals for the Year Ended December 31, 2015

	<b>2016</b>				<b>2015</b>
	<b>Original Budget</b>	<b>Final Budget</b>	<b>Actual</b>	<b>Variance With Final Budget</b>	
<b>REVENUES</b>					
<b>Intergovernmental Revenues</b>					
Cons Trust Fund Revenue	\$ 3,300	\$ 3,700	\$ 3,818	\$ 118	\$ 3,271
Other Intergovernmental	25,000	-	-	-	13,000
Total Intergovernmental Revenue	28,300	3,700	3,818	118	16,271
<b>Investment Earnings</b>	<b>3</b>	<b>9</b>	<b>10</b>	<b>1</b>	<b>4</b>
TOTAL REVENUES	<u>28,303</u>	<u>3,709</u>	<u>3,828</u>	<u>119</u>	<u>16,275</u>
<b>EXPENDITURES</b>					
<b>Parks, Recreation and Other</b>					
Telephone and Utilities	175	-	-	-	151
<b>Capital Outlay</b>					
Parks, Recreation and Other Capital Outlay	28,000	-	-	-	14,200
TOTAL EXPENDITURES	<u>28,175</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>14,351</u>
<b>NET CHANGE IN FUND BALANCE - BUDGET BASIS</b>	<u>\$ 128</u>	<u>\$ 3,709</u>	3,828	<u>\$ 119</u>	1,924
<b>Budget to GAAP Basis Reconciliation</b>					
<b>NET CHANGE IN FUND BALANCE - GAAP BASIS</b>			3,828		1,924
<b>FUND BALANCE, BEGINNING</b>			10,657		8,733
<b>FUND BALANCE, ENDING</b>			<u>\$ 14,485</u>		<u>\$ 10,657</u>

See accompanying Independent Auditors' Report.

TOWN OF FAIRPLAY, COLORADO

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

**BUDGET AND ACTUAL**

**Water Fund**

**FOR THE YEAR ENDED DECEMBER 31, 2016**

**With Comparative Totals for the Year Ended December 31, 2015**

	2016		Variance with Final Budget	2015 Actual
	Final Budget	Actual		
<b>Operating Revenues</b>				
Utility Charges	\$ 402,000	\$ 407,344	\$ 5,344	\$ 404,261
Other Charges for Services	147,055	147,422	367	144,882
Total Revenues	<u>549,055</u>	<u>554,766</u>	<u>5,711</u>	<u>549,143</u>
<b>Operating Expenses</b>				
Personnel Services	270,327	264,279	6,048	276,736
Administrative/Office Expenses	36,155	35,539	616	30,878
Operating Supplies	7,500	6,459	1,041	11,726
Professional Fees	11,685	11,467	218	16,458
Repairs and Maintenance	91,700	88,634	3,066	15,144
Treatment	207	1,438	(1,231)	4,325
Telephone and Utilities	21,080	19,099	1,981	17,922
Other Operating Expenses	8,352	8,352	-	8,352
Other Capital Outlay	70,159	70,910	(751)	32,221
Total Expenditures	<u>517,165</u>	<u>506,177</u>	<u>10,988</u>	<u>413,762</u>
Operating Income (Loss)	<u>31,890</u>	<u>48,589</u>	<u>16,699</u>	<u>135,381</u>
<b>Other Income (Expense)</b>				
Intergovernmental Revenue	-	-	-	8,501
Investment Earnings	220	291	71	63
Other Revenue	-	-	-	7,500
Debt Service	(26,884)	(26,702)	182	(36,242)
Total Other Income (Expense)	<u>(26,664)</u>	<u>(26,411)</u>	<u>253</u>	<u>(20,178)</u>
Change in Net Position (Budget Basis)	<u>\$ 5,226</u>	<u>22,178</u>	<u>\$ 16,952</u>	<u>115,203</u>
<b>Budget to GAAP Reconciliation</b>				
Principal Paid		21,351		29,804
Depreciation Expense		(97,870)		(101,626)
Capital Outlay		29,820		-
Change in Net Position - GAAP Basis		(24,521)		43,381
Net Position, Beginning		<u>2,388,388</u>		<u>2,345,007</u>
Net Position, Ending		<u>\$ 2,363,867</u>		<u>\$ 2,388,388</u>

See accompanying Independent Auditors' Report.

TOWN OF FAIRPLAY, COLORADO

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

**BUDGET AND ACTUAL**

**Internal Service Fund**

**FOR THE YEAR ENDED DECEMBER 31, 2016**

**With Comparative Totals for the Year Ended December 31, 2015**

	2016		Variance with Final Budget	2015
	Final Budget	Actual		Actual
<b>Operating Revenues</b>				
Internal Charges	\$ 42,000	\$ 39,750	\$ (2,250)	\$ 40,600
<b>Operating Expenses</b>				
Depreciation Expense	3,000	8,426	(5,426)	2,987
Other Capital Outlay	10,500	10,500	-	136,968
Total Expenditures	13,500	18,926	(5,426)	139,955
Operating Income (Loss)	28,500	20,824	(7,676)	(99,355)
<b>Other Income (Expense)</b>				
Intergovernmental Revenue	-	-	-	173,059
Gain (Loss) on Sale of Assets	2,250	2,250	-	-
Total Other Income (Expense)	2,250	2,250	-	173,059
Change in Net Position (Budget Basis)	\$ 30,750	23,074	\$ (7,676)	73,704
<b>Budget to GAAP Reconciliation</b>				
Capital Outlay		10,500		136,968
Change in Net Position - GAAP Basis		33,574		210,672
Net Position, Beginning		210,672		-
Net Position, Ending		\$ 244,246		\$ 210,672

See accompanying Independent Auditors' Report.

**STATE COMPLIANCE SECTION**

## ANNUAL HIGHWAY FINANCE REPORT - CY16

**Step 1:** Enter your email and select your City or County from the list below.

**Step 2:** Click on "Start" to edit/update your data.

**Step 3:** Click on "Submit" at the bottom of the form to edit/update your data.

Your Email Address:

Select City:

### II - RECEIPTS FOR ROAD AND STREET PURPOSES

**Please no commas or dollar signs for the input**

**A. Receipts from local sources**

2. General Fund Appropriations:	\$ <input type="text" value="-42468.00"/>
3. Other local imposts: <i>from A.3. Total' below)</i>	\$ <input type="text" value="223,260.00"/>
4. Miscellaneous local receipts: <i>from A.4. Total' below)</i>	\$ <input type="text" value="23,795.00"/>
5. Transfers from toll facilities	\$ <input type="text" value="0.00"/>
6. Proceeds of sale of bonds and notes	
a. Bonds - Original Issues:	\$ <input type="text" value="0.00"/>
b. Bonds - Refunding Issues:	\$ <input type="text" value="0.00"/>
c. Notes:	\$ <input type="text" value="0.00"/>

SubTotal: \$

**B. Private Contributions** \$

### II - RECEIPTS FOR ROAD AND STREET PURPOSES (Detail)

**Please no commas or dollar signs for the input**

**A.3. Other local imposts**

a. Property Taxes and Assessments	\$ <input type="text" value="0.00"/>
b. Other Local Imposts	

1. Sales Taxes:	\$ <input type="text" value="201469.00"/>
2. Infrastructure and Impact Fees:	\$ <input type="text" value="0.00"/>
3. Liens:	\$ <input type="text" value="0.00"/>
4. Licenses:	\$ <input type="text" value="0.00"/>
5. Specific Ownership and/or Other:	\$ <input type="text" value="21791.00"/>
<b>Total:</b> <i>(a + b) carried to 'Other local imposts' above</i>	<b>\$ 223,260.00</b>

**A.4. Miscellaneous local receipts**

**Please no commas or dollar signs for the input**

a. Interest on Investments:	\$ <input type="text" value="0.00"/>
b. Traffic fines & Penalties:	\$ <input type="text" value="23795.00"/>
c. Parking Garage Fees:	\$ <input type="text" value="0.00"/>
d. Parking Meter Fees:	\$ <input type="text" value="0.00"/>
e. Sale of Surplus Property:	\$ <input type="text" value="0.00"/>
f. Charges for Services:	\$ <input type="text" value="0.00"/>
g. Other Misc. Receipts:	\$ <input type="text" value="0.00"/>
h. Other:	\$ <input type="text" value="0.00"/>
<b>Total:</b> <i>(a through h) carried to 'Misc local receipts' above</i>	<b>\$ 23,795.00</b>

**C. Receipts from State Government**

**Please no commas or dollar signs for the input**

1. Highway User Taxes:	\$ <input type="text" value="31723"/>
3. Other State funds:	
c. Motor Vehicle Registrations:	\$ <input type="text" value="3774"/>
d. Other (Specify):	
Comments: <input type="text" value="undefined"/>	\$ <input type="text" value="0.00"/>
e. Other (Specify):	
Comments: <input type="text" value="undefined"/>	\$ <input type="text" value="0.00"/>
<b>Total:</b> <i>(1+3c,d,e)</i>	<b>\$ 35,497.00</b>

**D. Receipts from Federal Government**

**Please no commas or dollar signs for the input**

2. Other Federal Agencies	
a. Forest Service:	\$ <input type="text" value="0.00"/>
b. FEMA:	\$ <input type="text" value="0.00"/>
c. HUD:	\$ <input type="text" value="0.00"/>

d. Federal Transit Administration:	\$ <input type="text" value="0.00"/>
e. U.S. Corp of Engineers	\$ <input type="text" value="0.00"/>
f. Other Federal:	\$ <input type="text" value="0.00"/>
<hr/>	
Total: (2a-f)	\$ <input type="text" value="0.00"/>

**III - DISBURSEMENTS FOR ROAD AND STREET PURPOSES**

Please no commas or dollar signs for the input

**A. Local highway disbursements**

1. Capital outlay: (from A.1.d. 'Total Capital Outlay' below)	\$ <input type="text" value="0.00"/>
2. Maintenance:	\$ <input type="text" value="205003.00"/>
3. Road and street services	
a. Traffic control operations:	\$ <input type="text" value="28166.00"/>
b. Snow and ice removal:	\$ <input type="text" value="6915.00"/>
c. Other:	\$ <input type="text" value="0.00"/>
4. General administration & miscellaneous	\$ <input type="text" value="0.00"/>
5. Highway law enforcement and safety	\$ <input type="text" value="0.00"/>
<hr/>	
Total: (A.1-5)	\$ <input type="text" value="240,084.00"/>

Please no commas or dollar signs for the input

**B. Debt service on local obligations**

1. Bonds	
a. Interest	\$ <input type="text" value="0.00"/>
b. Redemption	\$ <input type="text" value="0.00"/>
2. Notes	
a. Interest	\$ <input type="text" value="0.00"/>
b. Redemption	\$ <input type="text" value="0.00"/>
<hr/>	
SubTotal: (1+2)	\$ <input type="text" value="0.00"/>

Please no commas or dollar signs for the input

C. Payments to State for Highways:	\$ <input type="text" value="0.00"/>
------------------------------------	--------------------------------------

D. Payments to Toll Facilities:

\$

Total Disbursements: *(A+B+C+D)* \$ 240,084.00

Please no commas or dollar signs for the input

III - DISBURSEMENTS FOR ROAD AND STREET PURPOSES - (Detail)

Please no commas or dollar signs for the input

	A. ON NATIONAL HIGHWAY SYSTEM	B. OFF NATIONAL HIGHWAY SYSTEM	C. TOTAL
<b>A.1. Capital Outlay</b>			
a. Right-Of-Way Costs:	\$ <input type="text" value="0.00"/>	\$ <input type="text" value="0.00"/>	\$ 0.
b. Engineering Costs:	\$ <input type="text" value="0.00"/>	\$ <input type="text" value="0.00"/>	\$ 0.
c. Construction			
1. New Facilities:	\$ <input type="text" value="0.00"/>	\$ <input type="text" value="0.00"/>	\$ 0.
2. Capacity Improvements:	\$ <input type="text" value="0.00"/>	\$ <input type="text" value="0.00"/>	\$ 0.
3. System Preservation:	\$ <input type="text" value="0.00"/>	\$ <input type="text" value="0.00"/>	\$ 0.
4. System Enhancement:	\$ <input type="text" value="0.00"/>	\$ <input type="text" value="0.00"/>	\$ 0.
5. Total Construction:			<u>\$ 0.</u>
d. Total Capital Outlay: <i>(Lines A.1.a. + 1.b. + 1.c.5)</i>			<u>\$ 0.</u>

IV. LOCAL HIGHWAY DEBT STATUS

Please no commas or dollar signs for the input

	OPENING DEBT	AMOUNT ISSUED	REDEMPTIONS	CLOSING DE
<b>A. Bonds (Total)</b>	\$ <input type="text" value="0.00"/>	\$ <input type="text" value="0.00"/>	\$ <input type="text" value="0.00"/>	\$ 0.
1. Bonds (Refunding Portion)		\$ <input type="text" value="0.00"/>	\$ <input type="text" value="0.00"/>	\$ 0.
<b>B. Notes (Total):</b>	\$ <input type="text" value="0.00"/>	\$ <input type="text" value="0.00"/>	\$ <input type="text" value="0.00"/>	\$ 0.

V - LOCAL ROAD AND STREET FUND BALANCE

Please no commas or dollar signs for the input

A. Beginning Balance	B. Total Receipts	C. Total Disbursements	D. Ending Balance	E. Reconciliati
\$ 0.00	\$ 240,084.00	\$ 240,084.00	\$ 0.00	\$ 0.0

Notes & Comments:

Please enter your name: Kim Wittbrodt

Please provide a telephone number where you may be reached: 7198362622

Save

Print Report

Note: Printing your form will \*NOT\* save it. Save \*BEFORE\* printing.