

TOWN OF HOLLY, COLORADO

FINANCIAL STATEMENTS

DECEMBER 31, 2016



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INDEPENDENT AUDITOR'S REPORT

Honorable Mayor and Members
of the Town Council
Town of Holly
Holly, Colorado

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

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

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

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, I 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.

I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my audit opinions.

Opinion

In my 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 Holly, Colorado, as of December 31, 2016, and the respective changes in financial position and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis and budgetary comparison information listed in the table of contents be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. I 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 my inquiries, the basic financial statements, and other knowledge I obtained during my audit of the basic financial statements. I do not express an opinion or provide any assurance on the information because the limited procedures do not provide me with sufficient evidence to express an opinion or provide any assurance.

Other Information

My audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise Town of Holly, Colorado's basic financial statements. The other budgetary comparison schedules along with the Local Highway Finance Report listed in the table of contents are presented for purposes of additional analysis and are not a required part of the financial statements.

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

Amanda L. Brown, CPA

Eads, Colorado
July 17, 2017

TOWN OF HOLLY, COLORADO
FINANCIAL STATEMENTS
DECEMBER 31, 2016

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TOWN OF HOLLY, COLORADO
MANAGEMENT'S DISCUSSION AND ANALYSIS
DECEMBER 31, 2016

The discussion and analysis of the Town of Holly financial performance provides an overview and analysis of the Town's financial activities for the year ended on December 31, 2016. It should be read in conjunction with the accompanying basic financial statements.

FINANCIAL HIGHLIGHTS

- The Town's total net position decreased by \$283,287 during the year.
- The Town's business-type activities net position decreased by \$275,236.
- The Town's governmental activities net position decreased by \$8,051.

OVERVIEW OF THE FINANCIAL STATEMENTS

This annual report consists of four parts – management's discussion and analysis, the basic financial statements, required supplementary information, and a section that presents combining statements for nonmajor governmental funds.

Basic financial statements - include two kinds of statements that present different views of the Town.

- **Government-wide financial statements** provide both long-term and short-term information about the Town's overall financial status. The required financial statements include statement of net position, and statement of activities. The measurement focus is on economic resources and accrual accounting is used. Assets and liabilities include both financial and capital and are reported as short and long term. Revenues and expenses are included regardless of when cash is received or paid.
- **Fund Financial Statements** focus on the individual parts of the Town reporting in more detail the Town's operations.
 1. **Government Funds** show how general government services like public safety, public works, recreation, and general government administration were financed in the short term and what remains for future spending. The required financial statements are a balance sheet and statement of revenues, expenditures and changes in fund balance. Only assets expected to be used and liabilities that come due during the year or soon thereafter are included. Capital assets are not included as assets. The measurement focus is on current financial resources and modified accrual accounting is used to report revenues and expenses that are received during the year or soon thereafter.
 2. **Proprietary Funds** include activities, such as water, electric, sewer, and landfill and trash, which are operated similar to private business with an economic resource focus

TOWN OF HOLLY, COLORADO
MANAGEMENT'S DISCUSSION AND ANALYSIS
DECEMBER 31, 2016

and accrual accounting. The required financial statements include Statement of Net Position, Statement of Revenues, expenses, and changes in Net Position, and Statement of cash flows. All assets and liabilities, both financial and capital, long and short-term are provided and all revenues and expenses are included regardless of when cash is received or paid.

Notes to the basic Financial Statements provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements.

Required Supplementary Information includes budgetary comparison schedules for the General Fund and major special revenue funds.

Other Supplementary Information includes combining statements for non-major governmental funds and budget comparison schedules for all non-major special revenue funds, capital project funds, and proprietary funds.

GOVERNMENT-WIDE FINANCIAL ANALYSIS

The government-wide statements report information about the Town as a whole using accounting methods similar to those used by private-sector companies. The statement of net position includes 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 it has changed. Net position the difference between the Town's assets and liabilities, is one way to measure the Town's financial health, or position.

- Over time, increases or decreases in the Town's net position is an indicator of whether its financial health is improving or deteriorating, respectively.
- To assess the overall health of the Town, additional non-financial factors need to be considered, such as changes in the Town's property tax base and the condition of the Town's roads.

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

Governmental Activities. Most of the Town's basic services are included here, such as police, streets, parks and recreation departments, and general administration. Sales taxes, property taxes, franchise fees, and charges for services finance most of these activities.

Business-type Activities. The Town charges fees to customers to recover most of the costs of certain activities. The Town's utility systems are included here.

TOWN OF HOLLY, COLORADO
MANAGEMENT'S DISCUSSION AND ANALYSIS
DECEMBER 31, 2016

FUND FINANCIAL STATEMENTS

The fund financial statements provide more detailed information about the Town's most significant funds – not the Town as a whole. Funds are accounting devices that a Town uses to account for specific sources of funding and spending for particular purposes.

- Some funds are required by State law and by bond covenants.
- The Town Board of Trustees establishes other funds to control and manage money for particular purposes or to show that it is properly using certain taxes and grants, such as the Conservation Trust Fund.

The Town has two kinds of funds:

- **Governmental Funds.** Most of the Town's basic services are included in the governmental funds, which focus on the flow of cash in and out and how balances remaining at the end of the year are available for spending. Consequently, the governmental funds statements provide a detailed short-term view that helps you determine the change in financial resources that can be spent in the near future to finance the Town's programs. Because this information does not encompass the additional long-term focus of the government-wide statements, additional information is provided on the subsequent page that explains the differences between them.
- **Proprietary Funds.** Services for which the Town charges customers a fee are generally reported in proprietary funds. Proprietary funds, like the government-wide statements, provide both long and short-term financial information. The Town's Utility Enterprise Fund is a proprietary fund accounting for its water system, electric system, sewer system, and garbage collection activities.

FINANCIAL ANALYSIS OF THE TOWN'S FUNDS

The Town uses fund accounting to comply with finance-related legal requirements.

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

A summary of the Town's net position for the year is as follows:

**TOWN OF HOLLY, COLORADO
MANAGEMENT'S DISCUSSION AND ANALYSIS
DECEMBER 31, 2016**

| | Governmental Activities | | Business-Type Activities | | Total | |
|----------------------------------|--------------------------------|---------------------|---------------------------------|---------------------|---------------------|---------------------|
| | 2016 | 2015 | 2016 | 2015 | 2016 | 2015 |
| Current assets | \$ 338,231 | \$ 284,779 | \$1,016,570 | \$ 917,667 | \$1,354,801 | \$1,202,446 |
| Other Non-current Assets | 77,877 | 77,581 | 42,734 | 46,221 | 120,611 | 123,802 |
| Capital assets-net | 1,882,911 | 1,947,753 | 1,706,887 | 1,756,520 | 3,589,798 | 3,704,273 |
| Total assets | <u>2,299,019</u> | <u>2,310,113</u> | <u>2,766,191</u> | <u>2,720,408</u> | <u>5,065,210</u> | <u>5,030,521</u> |
| Deferred Outflows | <u>78,626</u> | <u>77,763</u> | <u>-</u> | <u>-</u> | <u>78,626</u> | <u>77,763</u> |
| Current Liabilities | 17,271 | 18,025 | 121,114 | 93,459 | 138,385 | 111,484 |
| Non-current Liabilities | 8,725 | 14,514 | 345,180 | 51,816 | 353,905 | 66,330 |
| Total liabilities | <u>25,996</u> | <u>32,539</u> | <u>466,294</u> | <u>145,275</u> | <u>492,290</u> | <u>177,814</u> |
| Deferred Inflows | <u>82,126</u> | <u>77,763</u> | <u>-</u> | <u>-</u> | <u>82,126</u> | <u>77,763</u> |
| Net Position | <u>\$ 2,269,523</u> | <u>\$ 2,277,574</u> | <u>\$ 2,299,897</u> | <u>\$ 2,575,133</u> | <u>\$ 4,569,420</u> | <u>\$ 4,852,707</u> |
| Net position consist of: | | | | | | |
| Net Investment in Capital Assets | 1,882,911 | 1,947,753 | 1,706,887 | 1,756,520 | 3,589,798 | 3,704,273 |
| Restricted net position | 80,256 | 85,957 | 29,357 | 29,344 | 109,613 | 115,301 |
| Unrestricted net position | <u>306,356</u> | <u>243,864</u> | <u>563,653</u> | <u>789,269</u> | <u>870,009</u> | <u>1,033,133</u> |
| Net position | <u>\$ 2,269,523</u> | <u>\$ 2,277,574</u> | <u>\$ 2,299,897</u> | <u>\$ 2,575,133</u> | <u>\$ 4,569,420</u> | <u>\$ 4,852,707</u> |

The net position of the Town's governmental activities as of December 31, 2016 was \$2,269,523 of which \$306,356 was unrestricted and is available for spending at the government's discretion. The remaining net position includes \$77,877 which is a cash emergency reserve as required under the constitution, \$2,379 which is restricted for culture & recreation, and \$1,882,911 is invested in capital assets.

The General Fund is the main operating fund of the Town. As of December 31, 2016 the General Fund balance was \$398,717 of which \$305,798 was unassigned. Unassigned fund balance represents 89% of 2016 General Fund expenditures.

**TOWN OF HOLLY, COLORADO
MANAGEMENT'S DISCUSSION AND ANALYSIS
DECEMBER 31, 2016**

A summary of the Town's change in net position for the year is as follows:

| | Governmental Activities | | Business-Type Activities | | Total | |
|---|-------------------------|---------------------|--------------------------|---------------------|---------------------|---------------------|
| | 2016 | 2015 | 2016 | 2015 | 2016 | 2015 |
| Program revenues: | | | | | | |
| Capital Grants and Contributions | \$ - | \$ 5,500 | \$ - | \$ - | \$ - | \$ 5,500 |
| Operating Grants and Contributions | 57,423 | 61,388 | - | 19,710 | 57,423 | 81,098 |
| Charges for services | 63,408 | 66,978 | 1,694,925 | 1,627,783 | 1,758,333 | 1,694,761 |
| Total Program Revenue | <u>120,831</u> | <u>133,866</u> | <u>1,694,925</u> | <u>1,647,493</u> | <u>1,815,756</u> | <u>1,781,359</u> |
| General Revenues: | | | | | | |
| Taxes | 277,299 | 248,808 | | | 277,299 | 248,808 |
| Investment earnings | 832 | 674 | 2,436 | 1,997 | 3,268 | 2,671 |
| Other | 31,944 | 15,486 | | | 31,944 | 15,486 |
| Total General Revenue | <u>310,075</u> | <u>264,968</u> | <u>2,436</u> | <u>1,997</u> | <u>312,511</u> | <u>266,965</u> |
| Total Revenue | <u>\$ 430,906</u> | <u>\$ 398,834</u> | <u>\$ 1,697,361</u> | <u>\$ 1,649,490</u> | <u>\$ 2,128,267</u> | <u>\$ 2,048,324</u> |
| Expenses | | | | | | |
| General government | 155,243 | 143,330 | | | 155,243 | 143,330 |
| Public safety | 70,585 | 65,960 | | | 70,585 | 65,960 |
| Public Works | 84,721 | 96,084 | | | 84,721 | 96,084 |
| Health & Welfare | 6,122 | 3,449 | | | 6,122 | 3,449 |
| Culture and recreation | 114,564 | 120,434 | | | 114,564 | 120,434 |
| Urban Development | - | 66 | | | - | 66 |
| Miscellaneous | 700 | 88 | | | 700 | 88 |
| Utility - Electric | | | 1,291,309 | 1,193,664 | 1,291,309 | 1,193,664 |
| Utility - Water | | | 221,656 | 206,486 | 221,656 | 206,486 |
| Utility - Sewer | | | 34,482 | 25,265 | 34,482 | 25,265 |
| Utility - Landfill/Trash | | | 425,150 | 153,731 | 425,150 | 153,731 |
| Total expenses | <u>431,935</u> | <u>429,411</u> | <u>1,972,597</u> | <u>1,579,146</u> | <u>2,404,532</u> | <u>2,008,557</u> |
| Change in net position before transfers and special items | (1,029) | (30,577) | (275,236) | 70,344 | (276,265) | 39,767 |
| Transfers | - | | | | - | - |
| Gain(loss) on sale of assets | (7,022) | 1,823 | - | 21,700 | (7,022) | 23,523 |
| Change in net position | <u>(8,051)</u> | <u>(28,754)</u> | <u>(275,236)</u> | <u>92,044</u> | <u>(283,287)</u> | <u>63,290</u> |
| Beginning net position | <u>2,277,574</u> | <u>2,306,328</u> | <u>2,575,133</u> | <u>2,483,089</u> | <u>4,852,707</u> | <u>4,789,417</u> |
| Ending net position | <u>\$ 2,269,523</u> | <u>\$ 2,277,574</u> | <u>\$ 2,299,897</u> | <u>\$ 2,575,133</u> | <u>\$ 4,569,420</u> | <u>\$ 4,852,707</u> |

The change in governmental activities net position was (\$8,051) for 2016 as compared to (\$28,754) in 2015. The change in business-type activities net position was (\$275,236) for 2016 as compared to \$92,044 in 2015. The large variance in the business-type activities' change in net position was due to an increase in the estimated landfill closure and post-closure costs for year 2016.

TOWN OF HOLLY, COLORADO
MANAGEMENT'S DISCUSSION AND ANALYSIS
DECEMBER 31, 2016

BUDGETARY HIGHLIGHTS

Utility fund actual expenditures of \$1,625,527 were \$101,973 less than budgeted expenditures due mainly to budgeted capital outlay items that were not purchased during year 2016.

Conservation Trust fund actual expenditures of \$14,596 exceeded appropriations of \$5,000.

CAPITAL ASSETS AND DEBT ADMINISTRATION

As of December 31, 2016 Holly's investment in capital assets for its governmental and business type activities net of accumulated depreciation was \$3,589,798. Infrastructure assets prior to January 1, 2004 have not been included. Capital assets including buildings, utility systems and equipment are as follows:

| | Governmental Activities | | Business-Type Activities | | Total | |
|--------------------------|-------------------------|--------------------|--------------------------|--------------------|--------------------|--------------------|
| | 2016 | 2015 | 2016 | 2015 | 2016 | 2015 |
| Land | \$ 103,015 | \$ 103,015 | \$ 10,134 | \$ 10,134 | \$ 113,149 | \$ 113,149 |
| Buildings & Improvements | 820,206 | 815,567 | 3,161,105 | 3,131,864 | 3,981,311 | 3,947,431 |
| Infrastructure | 1,537,645 | 1,537,645 | - | - | 1,537,645 | 1,537,645 |
| Equipment | 356,607 | 346,580 | 663,830 | 670,330 | 1,020,437 | 1,016,910 |
| Total | <u>\$2,817,473</u> | <u>\$2,802,807</u> | <u>\$3,835,069</u> | <u>\$3,812,328</u> | <u>\$6,652,542</u> | <u>\$6,615,135</u> |
| Accumulated Depreciation | (934,562) | (855,054) | (2,128,182) | (2,055,808) | (3,062,744) | (2,910,862) |
| Capital Assets, Net | <u>\$1,882,911</u> | <u>\$1,947,753</u> | <u>\$1,706,887</u> | <u>\$1,756,520</u> | <u>\$3,589,798</u> | <u>\$3,704,273</u> |

Utility Fund. Major capital asset additions for 2016 included various electric system improvements to trouble shoot low voltage issues occurring on the south line.

General Fund Capital asset additions for 2016 included a new pool boiler and a shop metal roof.

Long-term Debt – As of December 31, 2016 the Town's long-term debt consisted of a capital lease in the amount of \$11,807. Principal and interest payments in the amount of \$6,349 are due in 2017.

TOWN OF HOLLY, COLORADO
MANAGEMENT'S DISCUSSION AND ANALYSIS
DECEMBER 31, 2016

ECONOMIC FACTORS AND 2017 BUDGETS AND RATES

Governmental activities revenues are budgeted at \$396,735 which is an 8% decrease from current year actual. Expenditures for governmental activities are projected to be \$390,775 which is a 9% increase from the current year actual.

The main business-type activities for the Town are water, wastewater, electric, and landfill/garbage utilities. Revenues were budgeted at \$1,750,699 which represents a \$53,338 increase from the current year actual. Expenditures of \$2,018,373 which includes capital outlay expenditures of \$300,000 represent an increase of \$392,846 from the current year actual expenditures.

REQUESTS FOR INFORMATION

This financial report is designed to provide the citizens, taxpayers, customers and investors and creditors of the Town of Holly, Colorado a general overview of the Town's finances and to demonstrate the Town's accountability. If you have questions about this report or need additional financial information, contact the Town Clerk/Treasurer, Town of Holly, P.O. Box 458, Holly, Colorado 81047.

TOWN OF HOLLY, COLORADO
STATEMENT OF NET POSITION
DECEMBER 31, 2016

| | PRIMARY GOVERNMENT | | |
|--|------------------------------------|-------------------------------------|---------------------|
| | GOVERNMENTAL ACTIVITIES | BUSINESS-TYPE ACTIVITIES | TOTAL |
| ASSETS | | | |
| Current Assets: | | | |
| Cash and Cash Equivalents | \$ 236,760 | \$ 503,653 | \$ 740,413 |
| Cash with County Treasurer | 1,146 | - | 1,146 |
| Investments | 55,783 | 283,479 | 339,262 |
| Accounts Receivable | 3,504 | 181,031 | 184,535 |
| Allowance for Doubtful Accounts | - | (3,000) | (3,000) |
| Intergovernmental Receivable | 18,382 | - | 18,382 |
| Prepaid Expenses | 1,977 | 4,612 | 6,589 |
| Internal Balances | 20,679 | (20,679) | - |
| Inventory | - | 67,474 | 67,474 |
| Total Current Assets | 338,231 | 1,016,570 | 1,354,801 |
| Restricted Assets: | | | |
| Restricted Cash Emergency Reserve | 77,877 | - | 77,877 |
| Restricted Cash Landfill Closure | - | 29,357 | 29,357 |
| Total Restricted Assets | 77,877 | 29,357 | 107,234 |
| Non-Current Assets: | | | |
| Amortized Lease | - | 10,500 | 10,500 |
| Organizational Costs | - | 2,877 | 2,877 |
| Capital Assets | | | |
| Land | 103,015 | 10,134 | 113,149 |
| Buildings | 820,206 | 272,740 | 1,092,946 |
| Improvements | - | 2,888,365 | 2,888,365 |
| Infrastructure | 1,537,645 | - | 1,537,645 |
| Equipment | 356,607 | 663,830 | 1,020,437 |
| Accumulation Depreciation | (934,562) | (2,128,182) | (3,062,744) |
| Total Non-Current Assets | 1,882,911 | 1,720,264 | 3,603,175 |
| TOTAL ASSETS | 2,299,019 | 2,766,191 | 5,065,210 |
| DEFERRED OUTFLOWS | | | |
| Taxes Receivable | 78,626 | - | 78,626 |
| LIABILITIES | | | |
| Current Liabilities: | | | |
| Current Portion of Long-Term Debt | 5,759 | - | 5,759 |
| Accounts Payable | 11,512 | 105,780 | 117,292 |
| Accrued Interest Payable | - | 36 | 36 |
| Deposits Payable | - | 15,298 | 15,298 |
| Total Current Liabilities | 17,271 | 121,114 | 138,385 |
| Long-Term Liabilities: | | | |
| Compensated Absences Payable | 2,677 | 6,914 | 9,591 |
| Capital Lease Payable - Net of Current Portion | 6,048 | - | 6,048 |
| Landfill Closure Payable | - | 338,266 | 338,266 |
| Total Long-Term Liabilities | 8,725 | 345,180 | 353,905 |
| TOTAL LIABILITIES | 25,996 | 466,294 | 492,290 |
| DEFERRED INFLOWS | | | |
| Deferred Revenue - Grant | 3,500 | - | 3,500 |
| Deferred Revenue - Property Taxes | 78,626 | - | 78,626 |
| NET POSITION | | | |
| Net Investment in Capital Assets | 1,882,911 | 1,706,887 | 3,589,798 |
| Restricted for Emergency Reserve | 77,877 | - | 77,877 |
| Restricted for Culture & Recreation | 2,379 | - | 2,379 |
| Restricted for Landfill Closure | - | 29,357 | 29,357 |
| Unrestricted | 306,356 | 563,653 | 870,009 |
| TOTAL NET POSITION | \$ 2,269,523 | \$ 2,299,897 | \$ 4,569,420 |

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

TOWN OF HOLLY, COLORADO
STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED DECEMBER 31, 2016

| <u>FUNCTIONS / PROGRAMS</u> | <u>EXPENSES</u> | <u>PROGRAM REVENUES</u> | | |
|---------------------------------------|---------------------|-----------------------------|---|---|
| | | <u>CHARGES FOR SERVICES</u> | <u>OPERATING GRANTS AND CONTRIBUTIONS</u> | <u>CAPITAL GRANTS AND CONTRIBUTIONS</u> |
| PRIMARY GOVERNMENT: | | | | |
| Governmental activities: | | | | |
| General Government | \$ 155,243 | \$ 45,000 | \$ 1,408 | |
| Public Safety | 70,585 | | 563 | |
| Public Works | 84,721 | | 39,631 | |
| Health and Welfare | 6,122 | | | |
| Culture and Recreation | 114,564 | 18,408 | 15,821 | |
| Urban Development | - | | | |
| Miscellaneous | 700 | | | |
| Total Governmental Activities | <u>431,935</u> | <u>63,408</u> | <u>57,423</u> | <u>-</u> |
| Business-Type Activities: | | | | |
| Utility - Electric | 1,291,309 | 1,289,634 | | |
| Utility - Water | 221,656 | 197,005 | | |
| Utility - Sewer | 34,482 | 41,644 | | |
| Utility - Landfill / Trash | 425,150 | 166,642 | | |
| Total Business-Type Activities | <u>1,972,597</u> | <u>1,694,925</u> | <u>-</u> | <u>-</u> |
| Total Primary Government | <u>\$ 2,404,532</u> | <u>\$ 1,758,333</u> | <u>\$ 57,423</u> | <u>\$ -</u> |

Property Tax
Sales Tax
Interest
Miscellaneous
Gain on Sale of Assets
Insurance Proceeds
Transfers
Total general revenues
Change in net position
Net position beginning
Net position ending

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

NET (EXPENSE) REVENUE AND CHANGES IN NET POSITION
PRIMARY GOVERNMENT

| GOVERNMENTAL ACTIVITIES | BUSINESS-TYPE ACTIVITIES | TOTAL |
|------------------------------------|-------------------------------------|---------------------|
| \$ (108,835) | | \$ (108,835) |
| (70,022) | | (70,022) |
| (45,090) | | (45,090) |
| (6,122) | | (6,122) |
| (80,335) | | (80,335) |
| - | | - |
| (700) | | (700) |
| <u>(311,104)</u> | <u>-</u> | <u>(311,104)</u> |
| | (1,675) | (1,675) |
| | (24,651) | (24,651) |
| | 7,162 | 7,162 |
| | <u>(258,508)</u> | <u>(258,508)</u> |
| - | <u>(277,672)</u> | <u>(277,672)</u> |
| <u>\$ (311,104)</u> | <u>\$ (277,672)</u> | <u>\$ (588,776)</u> |
| \$ 89,109 | | \$ 89,109 |
| 188,190 | | 188,190 |
| 832 | \$ 2,436 | 3,268 |
| 8,168 | | 8,168 |
| (7,022) | - | (7,022) |
| 23,776 | | 23,776 |
| - | - | - |
| <u>303,053</u> | <u>2,436</u> | <u>305,489</u> |
| (8,051) | (275,236) | (283,287) |
| <u>2,277,574</u> | <u>2,575,133</u> | <u>4,852,707</u> |
| <u>\$ 2,269,523</u> | <u>\$ 2,299,897</u> | <u>\$ 4,569,420</u> |

TOWN OF HOLLY, COLORADO
GOVERNMENTAL FUNDS
BALANCE SHEET
DECEMBER 31, 2016

| | <u>GENERAL</u> | <u>NONMAJOR GOVERNMENTAL FUND</u> | <u>TOTAL GOVERNMENTAL FUNDS</u> |
|--|-------------------|---|---|
| ASSETS | | | |
| Cash and Cash Equivalents | \$ 234,381 | \$ 2,379 | \$ 236,760 |
| Cash with County Treasurer | 1,146 | | 1,146 |
| Investments | 55,783 | | 55,783 |
| Accounts Receivable | 3,504 | | 3,504 |
| Intergovernmental Receivable | 18,382 | | 18,382 |
| Prepaid Expenses | 1,977 | | 1,977 |
| Due From Other Funds | 20,679 | | 20,679 |
| Restricted Cash - Emergency Reserve | <u>77,877</u> | | <u>77,877</u> |
| | | | |
| Total Assets | <u>413,729</u> | <u>2,379</u> | <u>416,108</u> |
| | | | |
| DEFERRED OUTFLOWS | | | |
| Taxes Receivable | <u>78,626</u> | - | <u>78,626</u> |
| | | | |
| Total Assets & Deferred Outflows | <u>\$ 492,355</u> | <u>\$ 2,379</u> | <u>\$ 494,734</u> |
| | | | |
| LIABILITIES, DEFERRED INFLOWS & FUND BALANCES | | | |
| LIABILITIES | | | |
| Accounts Payable | \$ 11,512 | \$ - | \$ 11,512 |
| Due To Other Funds | <u>-</u> | <u>-</u> | <u>-</u> |
| | | | |
| Total Liabilities | <u>11,512</u> | <u>-</u> | <u>11,512</u> |
| | | | |
| DEFERRED INFLOWS | | | |
| Deferred Revenue - Grant | 3,500 | - | 3,500 |
| Deferred Revenue - Property Taxes | <u>78,626</u> | <u>-</u> | <u>78,626</u> |
| | | | |
| FUND BALANCES | | | |
| Nonspendable: | | | |
| Prepaid Expenses | 1,977 | | 1,977 |
| Restricted for: | | | |
| Emergencies (TABOR) | 77,877 | | 77,877 |
| Culture & Recreation | | 2,379 | 2,379 |
| Assigned to: | | | |
| Culture & Recreation (Library) | 13,065 | | 13,065 |
| Subsequent Year's Expenses | - | | |
| Unassigned: | | | |
| General Fund | <u>305,798</u> | | <u>305,798</u> |
| | | | |
| Total Fund Balances | <u>398,717</u> | <u>2,379</u> | <u>401,096</u> |
| | | | |
| Total Liabilities, Deferred Inflows & Fund Balances | <u>\$ 492,355</u> | <u>\$ 2,379</u> | <u>\$ 494,734</u> |

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

TOWN OF HOLLY, COLORADO
RECONCILIATION OF THE GOVERNMENTAL FUNDS BALANCE SHEET
TO THE GOVERNMENT-WIDE STATEMENT OF NET POSITION
DECEMBER 31, 2016

| | |
|---|---------------------|
| Total Fund Balances - Total Governmental Funds | \$ 401,096 |
| The following amounts reported for governmental activities are not current financial resources. Therefore, they are not reported in the Governmental Funds Balance Sheet. | |
| Governmental Capital assets | 2,817,473 |
| Accumulated Depreciation | (934,562) |
| The following amounts reported for governmental activities are not due and payable in the current period. Therefore, they are not reported in the Governmental Funds Balance Sheet. | |
| Capital Lease Payable | (11,807) |
| Compensated Absences | (2,677) |
| Net Position of Governmental Activities | <u>\$ 2,269,523</u> |

**TOWN OF HOLLY, COLORADO
GOVERNMENTAL FUNDS
STATEMENT OF REVENUES, EXPENDITURES,
AND CHANGES IN FUND BALANCES
FOR THE YEAR ENDED DECEMBER 31, 2016**

| | <u>GENERAL</u> | <u>NONMAJOR GOVERNMENTAL FUND</u> | <u>TOTAL GOVERNMENTAL FUNDS</u> |
|--|-------------------|---|---|
| REVENUES: | | | |
| Taxes | \$ 277,299 | | \$ 277,299 |
| Licenses and Permits | 5,296 | | 5,296 |
| Intergovernmental Revenues | 41,602 | \$ 8,596 | 50,198 |
| Charges for Services | 58,112 | | 58,112 |
| Fines and Forfeits | - | | - |
| Donations | 7,225 | | 7,225 |
| Interest | 829 | 3 | 832 |
| Miscellaneous Income | 8,168 | | 8,168 |
| TOTAL REVENUES | <u>398,531</u> | <u>8,599</u> | <u>407,130</u> |
| EXPENDITURES: | | | |
| Current | | | |
| General Government | 144,182 | | 144,182 |
| Public Safety | 59,858 | | 59,858 |
| Public Works | 51,942 | | 51,942 |
| Health and Welfare | 6,122 | | 6,122 |
| Culture and Recreation | 74,878 | 4,569 | 79,447 |
| Urban Development | - | | - |
| Miscellaneous | 700 | | 700 |
| Capital Outlay | 21,000 | 10,027 | 31,027 |
| Debt Service: | | | |
| Principal | 5,482 | | 5,482 |
| Interest | 867 | | 867 |
| TOTAL EXPENDITURES | <u>365,031</u> | <u>14,596</u> | <u>379,627</u> |
| EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES | 33,500 | (5,997) | 27,503 |
| OTHER FINANCING SOURCES (USES) | | | |
| Insurance Proceeds | 23,776 | | 23,776 |
| Proceeds from Sale of Assets | - | | - |
| Operating Transfer In (Out) | - | - | - |
| NET CHANGE IN FUND BALANCE | 57,276 | (5,997) | 51,279 |
| FUND BALANCES, BEGINNING OF YEAR | <u>341,441</u> | <u>8,376</u> | <u>349,817</u> |
| FUND BALANCES, END OF YEAR | <u>\$ 398,717</u> | <u>\$ 2,379</u> | <u>\$ 401,096</u> |

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

**TOWN OF HOLLY, COLORADO
RECONCILIATION OF THE STATEMENT OF REVENUES,
EXPENDITURES, AND CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS
TO THE STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED DECEMBER 31, 2016**

| | |
|--|------------|
| Net change in fund balances - total governmental funds | \$ 51,279 |
| <p>Amounts reported for governmental activities in the statement of net Activities are different because:</p> | |
| <p>Governmental funds report capital outlays as expenditures. However, in the statements of activities the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense.</p> | |
| Capital outlay | 31,027 |
| Depreciation expense | (88,847) |
| <p>Governmental funds report principal payments on leases and payment of compensated absences as expenditures. However, in the statements of activities, these payments reduce long-term liabilities.</p> | |
| Capital lease principal payments | 5482 |
| Current-period change in the liability for compensated absences | 30 |
| <p>The statement of activities reports a gain or loss on the disposal of assets based on the net book value at the time of the disposal. The loss on disposal is calculated as follows:</p> | |
| Cost of assets disposed | (16,361) |
| Accumulated depreciation of assets disposed | 9,339 |
| Change in net position of governmental activities | \$ (8,051) |

**TOWN OF HOLLY, COLORADO
 PROPRIETARY FUND
 STATEMENT OF NET POSITION
 DECEMBER 31, 2016**

| | UTILITY FUND |
|---|--------------------------------|
| Current Assets | |
| Cash and Cash Equivalents | \$ 503,653 |
| Investments | 283,479 |
| Accounts Receivable | 181,031 |
| Allowances For Doubtful Accounts | (3,000) |
| Inventory | 67,474 |
| Prepaid Expenses | 4,612 |
| Total Current Assets | <u>1,037,249</u> |
| Restricted Assets: | |
| Restricted Cash Landfill Closure | <u>29,357</u> |
| Non-Current Assets: | |
| Amortized Lease, net of Amortization of \$59,500 | 10,500 |
| Organizational Costs | 2,877 |
| Capital Assets | |
| Land | 10,134 |
| Buildings | 272,740 |
| Improvements | 2,888,365 |
| Equipment | 663,830 |
| Accumulated Depreciation | <u>(2,128,182)</u> |
| Total Non-Current Assets | <u>1,720,264</u> |
| TOTAL ASSETS | <u><u>\$ 2,786,870</u></u> |
| LIABILITIES | |
| Current Liabilities: | |
| Accounts Payable | \$ 105,780 |
| Due To Other Funds | 20,679 |
| Accrued Interest Payable | 36 |
| Deposits Payable | 15,298 |
| Total Current Liabilities | <u>141,793</u> |
| Long-Term Liabilities: | |
| Compensated Absences Payable | 6,914 |
| Landfill Closure Payable | <u>338,266</u> |
| Total Long-Term Liabilities | <u>345,180</u> |
| TOTAL LIABILITIES | <u><u>486,973</u></u> |
| NET POSITION | |
| Net Investment in Capital Assets | 1,706,887 |
| Restricted - Landfill Closure | 29,357 |
| Unrestricted | <u>563,653</u> |
| TOTAL NET POSITION | <u><u>\$ 2,299,897</u></u> |

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

**TOWN OF HOLLY, COLORADO
 PROPRIETARY FUND
 STATEMENT OF REVENUES, EXPENSES
 AND CHANGES IN NET POSITION
 FOR THE YEAR ENDED DECEMBER 31, 2016**

| | <u>ELECTRIC</u> | <u>WATER</u> | <u>SEWER</u> | <u>LANDFILL TRASH</u> | <u>TOTAL</u> |
|---|---------------------|---------------------|-------------------|---------------------------|---------------------|
| OPERATING REVENUES | | | | | |
| Charges for Services | \$ 1,278,718 | \$ 194,422 | \$ 41,344 | \$ 164,950 | \$ 1,679,434 |
| Miscellaneous | <u>10,916</u> | <u>2,583</u> | <u>300</u> | <u>1,692</u> | <u>15,491</u> |
| Total Operating Revenues | <u>1,289,634</u> | <u>197,005</u> | <u>41,644</u> | <u>166,642</u> | <u>1,694,925</u> |
| OPERATING EXPENSES | | | | | |
| Production , Transmission and Distribution | 1,136,585 | 120,900 | 18,560 | 392,541 | 1,668,586 |
| General Administration | 112,425 | 66,277 | 12,238 | 30,697 | 221,637 |
| Depreciation | 38,799 | 34,479 | 3,684 | 1,912 | 78,874 |
| Amortization | <u>3,500</u> | <u>-</u> | <u>-</u> | <u>-</u> | <u>3,500</u> |
| Total Operating Expenses | <u>1,291,309</u> | <u>221,656</u> | <u>34,482</u> | <u>425,150</u> | <u>1,972,597</u> |
| Net Operating Income (Loss) | <u>(1,675)</u> | <u>(24,651)</u> | <u>7,162</u> | <u>(258,508)</u> | <u>(277,672)</u> |
| NON OPERATING REVENUES (EXPENSES) | | | | | |
| Gain on Sale of Assets | - | - | - | - | - |
| Interest Income | <u>1,686</u> | <u>591</u> | <u>146</u> | <u>13</u> | <u>2,436</u> |
| Income Before Transfers & Contributions | 11 | (24,060) | 7,308 | (258,495) | (275,236) |
| Transfers | - | - | - | - | - |
| Capital Contributions | <u>-</u> | <u>-</u> | <u>-</u> | <u>-</u> | <u>-</u> |
| CHANGE IN NET POSITION | 11 | (24,060) | 7,308 | (258,495) | (275,236) |
| NET POSITION | | | | | |
| BEGINNING OF YEAR | <u>1,238,916</u> | <u>1,040,643</u> | <u>152,297</u> | <u>143,277</u> | <u>2,575,133</u> |
| END OF YEAR | <u>\$ 1,238,927</u> | <u>\$ 1,016,583</u> | <u>\$ 159,605</u> | <u>\$ (115,218)</u> | <u>\$ 2,299,897</u> |

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

**TOWN OF HOLLY, COLORADO
 PROPRIETARY FUND
 STATEMENT OF CASH FLOWS
 FOR THE YEAR ENDED DECEMBER 31, 2016**

| | |
|---|--------------------------|
| CASH FLOWS FROM OPERATING ACTIVITIES: | |
| Receipts From Customers | \$ 1,687,315 |
| Payments to Suppliers for Goods and Services | (1,344,971) |
| Payments to Employees | <u>(235,581)</u> |
| Net Cash Provided (Used) By Operating Activities | <u>106,763</u> |
| CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES: | |
| Grants | <u>-</u> |
| Net Cash Provided (Used) By Non-Capital Financing Activities | <u>-</u> |
| CASH FLOWS FROM CAPITAL AND FINANCING ACTIVITIES: | |
| Sale of Capital Assets | - |
| Acquisitions of Capital Assets | <u>(29,241)</u> |
| Net Cash Provided (Used) By Capital and Financing Activities | <u>(29,241)</u> |
| CASH FLOWS FROM INVESTING ACTIVITIES: | |
| Redemption (Purchase) of Investments | (580) |
| Interest on Investments | <u>2,436</u> |
| Net Cash Provided (Used) By Investing Activities | <u>1,856</u> |
| Net Increase (Decrease) in Cash and Cash Equivalents | 79,378 |
| CASH AND CASH EQUIVALENTS | |
| Beginning Of Year | <u>453,632</u> |
| Ending of Year | <u><u>\$ 533,010</u></u> |
| Reconciliation of Operating Income (Loss) to Net Cash Provided by (Used) Operating Activities | |
| Net Operating Income (Loss) | \$ (277,672) |
| Depreciation | 78,874 |
| Amortization | 3,500 |
| (Increase) Decrease in Accounts Receivable, net | (8,006) |
| (Increase) Decrease in Inventory | (8,110) |
| (Increase) Decrease in Prepaid Expense | (95) |
| Increase (Decrease) in Accounts Payable | 27,233 |
| Increase (Decrease) in Due To Other Funds | (2,747) |
| Increase (Decrease) in Landfill Closure Payable | 293,937 |
| Increase (Decrease) in Customer Meter Deposits | 396 |
| Increase (Decrease) in Accrued Vacation | (573) |
| Increase (Decrease) in Accrued Interest | <u>26</u> |
| Net Cash Provided By Operating Activities | <u><u>\$ 106,763</u></u> |

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

TOWN OF HOLLY, COLORADO
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2016

(1) Summary of Significant Accounting Policies

The financial statements of Town of Holly, Colorado have been prepared in conformity with generally accepted accounting principles as applicable to governmental entities. The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting and financial reporting principles.

A. Reporting Entity

The Town of Holly operates under a council-mayor form of government. The Town has no component units using the criteria as set forth in generally accepted accounting principles.

B. Government-wide and Fund Financial Statements

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

The statement of activities demonstrates the degree to which the direct expenses of a given function or activity are offset by program revenues. Direct expenses are those that are clearly identifiable with a specific function. Program revenues include 1) charges to customers or applicants who purchase, use, or directly benefit from goods, services, or privileges provided by a given function or segment and 2) grants and contributions that are restricted to meeting the operational or capital requirements of a particular function or segment. Taxes and other items not properly included among program revenues are reported as general revenues.

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

C. Measurement Focus, Basis of Accounting, and Financial Statement Presentations

The government-wide financial statements are reported using the economic resources measurement focus and the accrual basis of accounting, as are the proprietary fund statements. 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.

TOWN OF HOLLY, COLORADO
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2016

As a general rule the effect of interfund activity has been eliminated from the government-wide financial statements. Exceptions to this general rule are charges between the Town's governmental and business-type activities. Elimination of these charges would distort the direct costs and program revenues reported for the various functions concerned.

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. "Measurable" means the amount of the transaction can be determined and "available" means collectible within the current period, or soon enough thereafter, to pay liabilities of the current period. For this purpose, revenues are considered to be available if collected within 60 days after year-end. 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.

Property taxes, franchise fees, 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. Sales tax collected and held at year end on behalf of the Town is also recognized as revenue if collected within 60 days after year end. Expenditure-driven grants are recognized as revenue when qualifying expenditures have been incurred and all other grant requirements have been met. All other revenue items are considered to be measurable and available only when cash is received by the government.

Enterprise funds distinguish operating revenues and expenses from nonoperating items. Operating revenues and expenses generally result from providing goods and services in connection with an enterprise fund's ongoing operations. The principal operating revenues of the Town's enterprise funds are charges to customers for sales and services. Operating expenses for enterprise funds include the cost of sales and services, administrative expenses, and depreciation on capital assets. All revenue and expenses not meeting this definition are reported as nonoperating revenues and expenses.

D. Fund Accounting

The accounts of the Town are organized on the basis of funds and account groups, each of which is considered a separate accounting entity. The operations of each fund are accounted for with a separate set of self-balancing accounts that comprise its assets, liabilities, fund equity, revenues, and expenditures or expenses, as appropriate. Government resources are allocated to and accounted for in individual funds based upon the purposes for which they are to be spent and the means by which spending activities are controlled. The Town reports the following major governmental fund:

TOWN OF HOLLY, COLORADO
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2016

General Fund - The general fund is the general operating fund of the Town. It is used to account for all financial resources except those required to be accounted for in another fund.

The Town also has the following non-major special revenue fund:

Conservation Trust Fund – This fund is used to account for lottery proceeds required to be expended solely on park and recreation improvements.

Enterprise funds are used to account for operations that are financed and operated in a manner similar to private business enterprises, where the intent of the governing body is that the costs (including depreciation) of providing goods or services to the general public on a continuing basis be financed or recovered primarily through user charges. Enterprise funds are considered major funds because of community interests in the activities and sources of funding supporting these operations.

Utility Fund – The utility fund accounts for all financial activities associated with the Town’s electric, water, sewer and landfill and trash services.

E. Short-term interfund receivables/payables

The Town from time to time authorizes advances between Town funds. Interfund receivables and payables are classified as internal balances on the government-wide statement of net position, and are classified as due to/from other funds on the balance sheet.

F. Receivables

For all revenue the Town uses sixty days as receivable under the modified accrual basis of accounting.

G. Inventory

Inventory of materials and supplies within the enterprise fund are valued at lower of cost (first in, first out) or market.

H. Capital Assets

Capital assets, which include property, plant, vehicles, equipment, and infrastructure assets (e.g. roads, bridges, sidewalks, and similar items), are capitalized at actual or estimated costs. Donations of such assets are recorded at estimated fair value at the time of donation. Capital assets are reported in the applicable governmental or business-type activities columns in the government-wide financial statements.

TOWN OF HOLLY, COLORADO
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2016

Maintenance, repairs, and minor renovations are recorded as expenditures when incurred. Major additions and improvements are capitalized. When assets used in the operation of a government fund type are sold, the proceeds of the sale are recorded as revenues in the appropriate government fund. The Town reports gains and losses on the disposal of capital assets (carrying value less sale proceeds, if any) in the government-wide statement of activities and enterprise fund operating statement. Interest incurred during the construction phase of capital assets of business-type activities is included in the capitalized value of the assets constructed.

Capital assets are defined by the government as assets with an initial, individual cost of more than \$5,000 and an estimated useful life in excess of one year. The Town's capital assets are depreciated using the straight-line method over the estimated useful lives of the fixed assets. Depreciation of all capital assets used in governmental activities and by proprietary funds is charged as an expense against their operations. Estimated useful lives are

| | | |
|--|----------|-------|
| Motor Vehicles & Equipment | 5 to 10 | years |
| Site improvements | 25 to 50 | years |
| Buildings, Improvements, water systems | 40 to 50 | years |

As a Phase 3 government, as defined in GASB 34, the Town has elected to not report major general infrastructure assets retroactively; therefore, the government-wide financial statements do not reflect infrastructure assets completed prior to January 1, 2004.

I. Property Taxes

Property taxes are levied, assessed, become due and attach as an enforceable lien on property as of January 1. Taxpayers have the option of paying their taxes in full on or before April 30, or in paying in two installments of one half due by February 28 with the remaining one half due by June 15. Unpaid taxes become delinquent as of August 1 and are subject to collection procedures on or after October 1. The County bills and collects property taxes for the Town. The dollar amount of property taxes receivable are included as a deferred inflow and a deferred outflow on the balance sheet of the General Fund.

J. Compensated Absences

Vacation and sick pay is accrued in the appropriate fund accounts according to the Town's vacation and sick pay policy at the employee's prevailing wage as of the last day of the year. The liability for compensated absences does not exceed a normal year's accumulation.

TOWN OF HOLLY, COLORADO
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2016

K. Fund Equity

In the fund financial statements the following classifications describe the relative strength of spending constraints.

- *Non-spendable fund balance* – The portion of fund balance that cannot be spent because it is either not in spendable form (such as inventory and prepaid amounts) or is legally or contractually required to be maintained intact.
- *Restricted fund balance* – The portion of fund balance constrained to being used for a specific purpose by external parties (such as grantors or bondholders), constitutional provisions or enabling legislation.
- *Committed fund balance* – The portion of fund balance constrained for specific purposes according to the limitations imposed by the Town’s highest level of decision making authority, the Town Council, prior to the end of the current fiscal year. The constraint may be removed or changed only through formal action of the Town Council.
- *Assigned fund balance* – The portion of fund balance set aside for planned or intended purposes but are neither restricted nor committed. The intended use may be expressed by the Town Council or other individuals authorized to assign funds to be used for a specific purpose. Assigned fund balances in special revenue funds will also include any remaining fund balance that is not restricted or committed. This classification is necessary to indicate that those funds are, at a minimum intended to be used for the purpose of that particular fund.
- *Unassigned fund balance* – The residual portion of fund balance that does not meet any of the above criteria. The Town will only report a positive unassigned fund balance in the General Fund.

When both restricted and unrestricted fund balance are available for use, it is the Town’s policy to use restricted amounts first. Unrestricted fund balance will be used in the following order: committed, assigned, and unassigned.

(2) Budgetary Information

The town follows these procedures in establishing the budgetary data reflected in the financial statements.

1. Prior to October 15, the town council begins preparing an operating budget for the fiscal year commencing the following January 1. The operating budget includes proposed expenditures.

TOWN OF HOLLY, COLORADO
 NOTES TO FINANCIAL STATEMENTS
 DECEMBER 31, 2016

2. A public hearing is conducted at the town hall to obtain taxpayers comments.
3. Prior to January 1, the budget is legally enacted through passage of a resolution. Budgets may be amended by supplemental appropriation after notice and public hearing. Amended budgets are reflected in the financial statements. All appropriations lapse at year end.
4. Budgets for the general and special revenue funds are adopted on a basis consistent with generally accepted accounting principles (GAAP). The enterprise funds are budgeted on a non-GAAP basis of accounting.

The legal level of budgetary control (that is, the level at which expenditures cannot legally exceed the appropriated amount) is established at the individual fund level for all funds.

(3) Deposits and Investments

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

Deposits

The Town's deposits and cash on hand at December 31, 2016 are shown as follows:

| | |
|---------------------------------------|--------------------|
| Cash on hand | \$ 289 |
| Cash with County Treasurer | 1,146 |
| Cash in savings and checking accounts | 769,481 |
| Certificates of Deposit | <u>417,139</u> |
| Total | <u>\$1,188,055</u> |

A reconciliation of the Town's deposits follows:

| | |
|----------------------------|--------------------|
| Cash and Cash Equivalents | \$ 740,413 |
| Cash with County Treasurer | 1,146 |
| Investments | 339,262 |
| Restricted Cash | <u>107,234</u> |
| Total | <u>\$1,188,055</u> |

Custodial Credit Risk. Deposits are exposed to custodial credit risk (the risk that, in the event of the failure of a depository financial institution, the government would not be able to recover deposits or would not be able to recover collateral securities that are in the possession of an outside party), if they are not covered by depository insurance and are collateralized with securities held

TOWN OF HOLLY, COLORADO
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2016

by the pledging financial institution, except for deposits collateralized by certain types of collateral pools including a single financial institution collateral pool where the fair value of the pool is equal to or exceeds all uninsured public deposits held by the financial institution (e.g. deposits insured by The Public Deposit Protection Act (PDPA)) . Accordingly, none of the Town's deposits as of December 31, 2016 are deemed to be exposed to custodial credit risk. The Town has no policy regarding custodial credit risk for deposits.

All Town investments are held in bank certificates of deposits. These certificates are either insured by FDIC or are covered under The Public Deposit Protection Act and are not exposed to any other investment risks.

Colorado statutes specify in which instruments the local government may invest, which include:

1. Repurchase agreements in obligations of the United States;
2. Obligations of the United States or obligations unconditionally guaranteed by the United States;
3. General obligation or revenue bonds of any state, District of Columbia, U.S. territory or any of their subdivisions, with certain limitations;
4. Bankers acceptance issued by a state or national bank, with certain limitations;
5. Commercial paper, with certain limitations;
6. Any obligation, certificate of participation or lease/purchase of the investing public entity;
7. Money market fund, with certain limitations, which invest in the types of securities listed above;
8. Guaranteed investment contracts, with certain limitations;
9. Participation with other local governments in pooled investment funds (trusts). These trusts are supervised by participating governments, and must comply with the same restrictions on cash deposits and investments.

(4) Capital Assets

Governmental Activities

A summary of changes in governmental activity capital assets is as follows:

TOWN OF HOLLY, COLORADO
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2016

| | Dec. 31, 2015 | Additions | Transfers Deletions | Dec. 31, 2016 |
|------------------------------------|---------------------|--------------------|------------------------|---------------------|
| Non-depreciable assets: | | | | |
| Land | \$ 103,015 | \$ - | \$ - | \$ 103,015 |
| Depreciable assets: | | | | |
| Infrastructure | \$ 1,537,645 | \$ - | \$ - | 1,537,645 |
| Buildings & Improvements | 815,567 | 21,000 | (16,361) | 820,206 |
| Equipment | 346,580 | 10,027 | - | 356,607 |
| Total depreciable assets | <u>\$ 2,699,792</u> | <u>\$ 31,027</u> | <u>\$ (16,361)</u> | <u>\$ 2,714,458</u> |
| Total capital assets | <u>\$ 2,802,807</u> | <u>\$ 31,027</u> | <u>\$ (16,361)</u> | <u>\$ 2,817,473</u> |
| Less accumulated depreciation for: | | | | |
| Infrastructure | \$ (206,969) | \$ (30,753) | \$ - | (237,722) |
| Buildings | (435,961) | (37,510) | 9,339 | (464,132) |
| Equipment | (212,124) | (20,584) | - | (232,708) |
| Total accumulated depreciation | <u>\$ (855,054)</u> | <u>\$ (88,847)</u> | <u>\$ 9,339</u> | <u>\$ (934,562)</u> |
| Total capital assets, net | <u>\$ 1,947,753</u> | <u>\$ (57,820)</u> | <u>\$ (7,022)</u> | <u>\$ 1,882,911</u> |

Depreciation Expense was charge to functions/programs of the Town as follows:

| | |
|--|------------------|
| General Government | \$ 10,780 |
| Pubic Safety | 9,860 |
| Public Works | 33,090 |
| Culture and Recreation | <u>35,117</u> |
| Total depreciation expense – governmental activities | <u>\$ 88,847</u> |

Business-Type Activities

A summary of changes in Business – Type capital assets is as follows:

TOWN OF HOLLY, COLORADO
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2016

| | <u>Dec. 31, 2015</u> | <u>Additions</u> | <u>Transfers Deletions</u> | <u>Dec. 31, 2016</u> |
|--------------------------------|----------------------------|---------------------------|--------------------------------|----------------------------|
| Non-depreciable assets: | | | | |
| Land | \$ 10,134 | \$ - | \$ - | \$ 10,134 |
| Construction In Progress | - | - | - | - |
| Total non-depreciable assets | <u>10,134</u> | <u>-</u> | <u>-</u> | <u>10,134</u> |
| Depreciable assets: | | | | |
| Buildings | \$ 272,740 | \$ - | \$ - | \$ 272,740 |
| Improvements | 2,859,124 | 29,241 | - | 2,888,365 |
| Equipment | 670,330 | - | (6,500) | 663,830 |
| Total depreciable assets | <u>\$ 3,802,194</u> | <u>\$ 29,241</u> | <u>\$ (6,500)</u> | <u>\$ 3,824,935</u> |
| Total capital assets | <u>\$ 3,812,328</u> | <u>\$ 29,241</u> | <u>\$ (6,500)</u> | <u>\$ 3,835,069</u> |
| Less accumulated depreciation: | <u>\$(2,055,808)</u> | <u>\$ (78,874)</u> | <u>\$ 6,500</u> | <u>(2,128,182)</u> |
| Total capital assets, net | <u><u>\$ 1,756,520</u></u> | <u><u>\$ (49,633)</u></u> | <u><u>\$ -</u></u> | <u><u>\$ 1,706,887</u></u> |

Depreciation Expense was charge to functions/programs of the Town as follows:

| | |
|--|-------------------------|
| Electric | \$ 38,799 |
| Water | 34,479 |
| Sewer | 3,684 |
| Landfill/Trash | <u>1,912</u> |
| Total depreciation expense – Business-Type | <u><u>\$ 78,874</u></u> |

(5) Interfund Transactions

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

| | | |
|--------------|---------------------------------|-------------------------------|
| | <u>Interfund Receivable</u> | <u>Interfund Payables</u> |
| General Fund | \$ 20,679 | |
| Utility Fund | | <u>\$ 20,679</u> |
| | <u>\$ 20,679</u> | <u>\$ 20,679</u> |

All balances resulted from the time lag between the dates that interfund reimbursable expenditures occur, and payments between funds are made. All interfund receivables and payables at year end are planned to be eliminated in the subsequent year.

TOWN OF HOLLY, COLORADO
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2016

(6) Restricted Cash

Cash is restricted in the General Fund for an emergency reserve under the Tabor Amendment in the amount of \$77,877. Cash is restricted in the Utility Fund for landfill closure costs in the amount of \$29,357.

(7) Pension Plans

The Town provides pension benefits for all of its full-time employees through a defined contribution plan administered by COERA. In a defined contribution plan, benefits depend solely on amounts contributed to the plan plus investment earnings. Employees are eligible to participate after their first year of service. The Town rate of contribution is 3%. The employee may contribute between 3% and 13% at their election. The Town's contributions for each employee (and interest allocated to the employee's account) are fully vested after five years of continuous service. Plan provisions and contribution requirements are established and may be amended by the Town Council.

The Town's total payroll during 2016 was \$356,711. The Town's contributions were calculated using the covered payroll of \$242,528. Both, the Town and the covered employees made the required contributions, amounting to \$7,276 and \$7,276 respectively, for a total of \$14,522.

A deferred compensation plan under Section 457 of the Internal Revenue Code is also available to all eligible employees for voluntary contributions of up to a maximum specified by the Internal Revenue Service. Employees are eligible to participate after their first year of service. The plan is administered by COERA and plan provisions are established and may be amended by the Town Council. Employee voluntary contributions for the year were \$248.

(8) Police Protection

The Town contracts with Prowers County, Colorado to provide police services. In 2016, the Town paid Prowers County \$54,950 for such services.

(9) Segment Information

The Town maintains an Enterprise Fund to provide utilities to town residents. Segment information that is available is included within the financial statements for the year ended December 31, 2016. Separate balance sheets are not maintained for each department. No other segment information is available.

(10) Risk Management

The Town is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; injuries to employees; and natural disasters. The Town is managing these risks as explained below.

TOWN OF HOLLY, COLORADO
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2016

CIRSA Property and Casualty Insurance

The Town joined together with other cities and towns in the state of Colorado to form the Colorado Intergovernmental Risk Sharing Agency (CIRSA), a public entity risk pool currently operating as a common risk management and insurance program for members. The Town pays an annual contribution to CIRSA for its property and casualty insurance coverage. The member agreement provides that the pool will be self-sustaining through member contributions and additional assessments, if necessary, and the pool will purchase excess insurance through commercial companies for member's claims in excess of a specified self insured retention, which is determined each policy year. There have been no significant reductions in coverage from the prior year and settled claims have not exceeded coverage in any of the past three fiscal years.

CIRSA Workers Compensation Pool

The Town joined together with other municipalities in the State of Colorado to participate in the Colorado Intergovernmental Risk Sharing Agency Worker's Compensation Pool (CIRSAWCP), a public entity risk pool currently operating as a common risk management and insurance program for member municipalities. The intergovernmental agreement of formation of CIRSAWCP provides that the pool will be financially self-sustaining through member contributions and additional assessments, if necessary, and that the Pool will purchase insurance through commercial companies for members' claim in excess of specified self-insured retention, which is determined each policy year. There have been no significant reductions in coverage from the prior year and settled claims have not exceeded coverage in any of the past three fiscal years.

(11) Joint Venture

Arkansas River Power Authority

The Town participates in the Arkansas River Power Authority (ARPA). The Town has two members on the Board. The ARPA Board has final authority for all budgeting and financing in the joint venture. For the years ended December 31, 2016 and 2015, the Town purchased power from ARPA in the amount of \$989,353 and \$908,203, respectively. Financial Statements for ARPA may be obtained by writing to Arkansas River Power Authority, P.O. Box 70, Lamar, Colorado 81052 or by calling 719-336-3496

(12) Amortized Lease

In November 1999 the Town signed an agreement with Arkansas River Power Authority to finance and install a backup electric generating unit, where the Town's share of the project cost was \$70,000. The agreement calls for the Town to be reimbursed if the unit is sold within the next 20

TOWN OF HOLLY, COLORADO
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2016

years based on the unamortized cost using a 20 year life. For 2016 the amortized cost was \$3,500 with a total amortized to date of \$59,500, leaving a remaining unamortized cost of \$10,500.

(13) Long Term Debt

Capital Lease

During 2014 the Town entered into a capital lease for the purchase of a vehicle in the amount of \$28,831. The lease is payable with interest at 5.0% with payments due as follows:

| | <u>Principal</u> | <u>Interest</u> | <u>Total</u> |
|-------|------------------|-----------------|------------------|
| 2017 | \$ 5,759 | \$ 590 | \$ 6,349 |
| 2018 | 6,047 | 302 | 6,349 |
| 2019 | 1 | - | 1 |
| Total | <u>\$ 11,807</u> | <u>\$ 892</u> | <u>\$ 12,699</u> |

During 2016 principal payments of \$5,482 were made on the above capital lease out of the General Fund.

The changes in long term debt during 2016 are summarized as follows:

| | <u>Balance</u> <u>Dec. 31, 2015</u> | <u>Additions</u> | <u>Payments</u> | <u>Balance</u> <u>Dec. 31, 2016</u> | <u>Due Within</u> <u>One Year</u> |
|----------------------------------|--|-------------------|-------------------|--|--------------------------------------|
| Governmental Activities: | | | | | |
| Capital Lease | \$ 17,289 | \$ - | \$ (5,482) | \$ 11,807 | \$ 5,759 |
| Compensated Absences | 2,707 | - | (30) | 2,677 | - |
| | <u>19,996</u> | <u>-</u> | <u>(5,512)</u> | <u>14,484</u> | <u>5,759</u> |
| Business-Type Activities: | | | | | |
| Landfill Closure | \$ 44,329 | \$ 293,937 | \$ - | \$ 338,266 | \$ - |
| Compensated Absences | 7,487 | - | (573) | 6,914 | - |
| | <u>51,816</u> | <u>293,937</u> | <u>(573)</u> | <u>345,180</u> | <u>-</u> |
| Total | <u>\$ 71,812</u> | <u>\$ 293,937</u> | <u>\$ (6,085)</u> | <u>\$ 359,664</u> | <u>\$ 5,759</u> |

TOWN OF HOLLY, COLORADO
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2016

(14) Contingency

Tabor Amendment

In November 1992, the Colorado voters passed a constitutional amendment (Tabor Amendment) to the State Constitution (Article X, Section 20) which requires voter approval for any increases in mill levies, revenue limits, spending limits and creation of multi-year debt. In addition, the amendment requires that a reserve be established for emergencies of 2% in 1994 and 3% thereafter.

The Town has reserved \$77,877 within the General Fund for the emergency reserve under the Tabor amendment.

During 1996 the electorate passed a ballot measure allowing the Town to receive and expend any excess funds received from grants and intergovernmental revenues without limitation to the provisions under the Tabor Amendment.

The Town believes that it is in compliance with the provisions of the Tabor amendment. However, many provisions of the Tabor Amendment are complex and subject to further interpretation and will require judicial interpretation.

Landfill

The Town operates a solid waste landfill and is required by Federal and State laws and regulations to provide closure and post-closure future costs. The Town is required to perform certain maintenance and monitoring functions for thirty years after closure. These costs are reported as an expense and liability in each year the landfill is operated based on landfill capacity used as of each statement of position date. The Town has estimated total closure costs of \$183,612 and post-closure costs of \$165,116. As of December 31, 2016 the liability for landfill closure is \$338,266 consisting of closure and post closure costs of \$178,103 and \$160,163, respectively, based on use of 97% of the estimated capacity of the landfill. The estimated remaining life of the landfill is less than 1 year, assuming no additional excavation. Future additional costs may be incurred depending on results of soil samples, test wells, changes due to inflation, deflation, technology, or applicable federal and state regulations.

Closure and post-closure care financial assurances are being met by the local financial test.

In May 2011, the Town received notification from the Colorado Department of Public Health and Environment that the Town's landfill is out of compliance with the State of Colorado regulations pertaining to solid waste disposal sites and facilities. The Town has contracted with American Environmental Consulting LLC and is currently working with the State in order to return to regulatory compliance. As of the date of this report, the Town is not able to estimate the future liability associated with bringing the landfill back into regulatory compliance.

TOWN OF HOLLY, COLORADO
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2016

(15) Other Disclosures

The Town's Conservation Trust Fund expenditures of \$14,596 exceeded appropriations of \$5,000. This may be a violation of Colorado Revised Statutes.

TOWN OF HOLLY, COLORADO
GENERAL FUND
SCHEDULE OF REVENUES, EXPENDITURES,
AND CHANGES IN FUND BALANCES - BUDGET AND ACTUAL
FOR THE YEAR ENDED DECEMBER 31, 2016

| | BUDGETED AMOUNTS | | ACTUAL | VARIANCE WITH |
|---|-------------------------|-------------------|-------------------|----------------------|
| | ORIGINAL | FINAL | | FINAL BUDGET |
| | | | | POSITIVE |
| | | | | (NEGATIVE) |
| REVENUES | | | | |
| Taxes | \$ 255,447 | \$ 255,447 | \$ 277,299 | \$ 21,852 |
| Licenses and Permits | 3,414 | 3,414 | 5,296 | 1,882 |
| Intergovernmental Revenue | 39,813 | 39,813 | 41,602 | 1,789 |
| Charges for Services | 56,705 | 56,705 | 58,112 | 1,407 |
| Fines and Forfeits | 325 | 325 | - | (325) |
| Donations | 11,200 | 11,200 | 7,225 | (3,975) |
| Interest | 470 | 470 | 829 | 359 |
| Miscellaneous | 2,175 | 2,175 | 8,168 | 5,993 |
| TOTAL REVENUES | 369,549 | 369,549 | 398,531 | 28,982 |
| EXPENDITURES | | | | |
| Current: | | | | |
| General Government | 148,063 | 148,063 | 144,182 | 3,881 |
| Public Safety | 59,538 | 59,538 | 59,858 | (320) |
| Public Works | 90,990 | 90,990 | 51,942 | 39,048 |
| Health and Welfare | 1,400 | 1,400 | 6,122 | (4,722) |
| Culture & Recreation | 90,322 | 90,322 | 74,878 | 15,444 |
| Urban Development | - | - | - | - |
| Miscellaneous | 100 | 100 | 700 | (600) |
| Capital Outlay | 7,000 | 7,000 | 21,000 | (14,000) |
| Debt Service: | | | | |
| Principal | 5,482 | 5,482 | 5,482 | - |
| Interest | 867 | 867 | 867 | - |
| TOTAL EXPENDITURES | 403,762 | 403,762 | 365,031 | 38,731 |
| EXCESS (DEFICIENCY) OF | | | | |
| REVENUES OVER EXPENDITURES | (34,213) | (34,213) | 33,500 | 67,713 |
| OTHER FINANCIAL SOURCES (USES) | | | | |
| Insurance Proceeds | - | - | 23,776 | 23,776 |
| Proceeds from Sale of Assets | - | - | - | - |
| Operating Transfers In (Out) | - | - | - | - |
| NET CHANGE IN FUND BALANCE | (34,213) | (34,213) | 57,276 | 91,489 |
| FUND BALANCES, BEGINNING OF YEAR | 335,110 | 335,110 | 341,441 | 6,331 |
| FUND BALANCES, END OF YEAR | \$ 300,897 | \$ 300,897 | \$ 398,717 | \$ 97,820 |

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

**TOWN OF HOLLY, COLORADO
 CONSERVATION TRUST FUND
 SCHEDULE OF REVENUES, EXPENDITURES,
 AND CHANGES IN FUND BALANCES - BUDGET AND ACTUAL
 FOR THE YEAR ENDED DECEMBER 31, 2016**

| | <u>BUDGETED AMOUNTS</u> | | <u>ACTUAL</u> | <u>VARIANCE WITH FINAL BUDGET POSITIVE (NEGATIVE)</u> |
|--|-------------------------|-------------------------|------------------------|---|
| | <u>ORIGINAL</u> | <u>FINAL</u> | | <u>(NEGATIVE)</u> |
| REVENUES: | | | | |
| Intergovernmental Revenue | \$ 8,600 | \$ 8,600 | \$ 8,596 | \$ (4) |
| Interest | <u>8</u> | <u>8</u> | <u>3</u> | <u>(5)</u> |
| Total revenues | <u>8,608</u> | <u>8,608</u> | <u>8,599</u> | <u>(9)</u> |
| EXPENDITURES: | | | | |
| Operating: | | | | |
| Culture and Recreation | 5,000 | 5,000 | 4,569 | 431 |
| Capital Outlay | <u>-</u> | <u>-</u> | <u>10,027</u> | <u>(10,027)</u> |
| Total expenditures | <u>5,000</u> | <u>5,000</u> | <u>14,596</u> | <u>(9,596)</u> |
| NET CHANGE IN FUND BALANCE | 3,608 | 3,608 | (5,997) | (9,605) |
| FUND BALANCE, BEGINNING OF YEAR | <u>8,207</u> | <u>8,207</u> | <u>8,376</u> | <u>169</u> |
| FUND BALANCE, END OF YEAR | <u><u>\$ 11,815</u></u> | <u><u>\$ 11,815</u></u> | <u><u>\$ 2,379</u></u> | <u><u>\$ (9,436)</u></u> |

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

TOWN OF HOLLY, COLORADO
UTILITY FUND
SCHEDULE OF REVENUES AND EXPENDITURES
BUDGET (NON-GAAP BASIS) AND ACTUAL
FOR THE YEAR ENDED DECEMBER 31, 2016

| | BUDGETED AMOUNTS | | ACTUAL | VARIANCE WITH FINAL BUDGET POSITIVE (NEGATIVE) |
|---|-------------------------|--------------------|---------------------|---|
| | ORIGINAL | FINAL | | (NEGATIVE) |
| REVENUES: | | | | |
| Electric Plant | \$ 1,258,924 | \$ 1,258,924 | \$ 1,289,634 | \$ 30,710 |
| Water Plant | 188,750 | 188,750 | 197,005 | 8,255 |
| Sewer Plant | 43,500 | 43,500 | 41,644 | (1,856) |
| Landfill / Trash Plant | 165,500 | 165,500 | 166,642 | 1,142 |
| Sale of Assets | - | - | - | - |
| Interest Income | 1,575 | 1,575 | 2,436 | 861 |
| TOTAL REVENUES | 1,658,249 | 1,658,249 | 1,697,361 | 39,112 |
| EXPENDITURES: | | | | |
| Electric Plant | | | | |
| Operations | 1,198,815 | 1,198,815 | 1,249,010 | (50,195) |
| Capital Expenditures | 54,000 | 54,000 | 29,241 | 24,759 |
| Water Plant | | | | |
| Operations | 144,339 | 144,339 | 187,177 | (42,838) |
| Capital Expenditures | 69,000 | 69,000 | - | 69,000 |
| Sewer Plant | | | | |
| Operations | 31,432 | 31,432 | 30,798 | 634 |
| Capital Expenditures | 18,000 | 18,000 | - | 18,000 |
| Landfill / Trash Plant | | | | |
| Operations | 171,914 | 171,914 | 129,301 | 42,613 |
| Capital Expenditures | 40,000 | 40,000 | - | 40,000 |
| TOTAL EXPENSES | 1,727,500 | 1,727,500 | 1,625,527 | 101,973 |
| REVENUES OVER (UNDER) EXPENDITURES | \$ (69,251) | \$ (69,251) | 71,834 | \$ (141,085) |
| RECONCILIATION TO GAAP BASIS | | | | |
| Add: Capital Expenditures | | | 29,241 | |
| Deduct: Landfill closure/post-closure estimates | | | (293,937) | |
| Deduct: Depreciation | | | (78,874) | |
| Deduct: Amortization | | | (3,500) | |
| CHANGE IN NET POSITION | | | \$ (275,236) | |

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

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

| | |
|---|--|
| LOCAL HIGHWAY FINANCE REPORT | City or County: Town of Holly |
| | YEAR ENDING : December 2016 |
| This Information From The Records Of (example - City of _ or County of _ Town of Holly | Prepared By: Megan Jara Phone: 719-537-6622 |

I. DISPOSITION OF HIGHWAY-USER REVENUES AVAILABLE FOR LOCAL GOVERNMENT EXPENDITURE

| ITEM | A. Local Motor-Fuel Taxes | B. Local Motor-Vehicle Taxes | C. Receipts from State Highway-User Taxes | D. Receipts from Federal Highway Administration |
|--|---------------------------|------------------------------|---|---|
| 1. Total receipts available | | | | |
| 2. Minus amount used for collection expenses | | | | |
| 3. Minus amount used for nonhighway purposes | | | | |
| 4. Minus amount used for mass transit | | | | |
| 5. Remainder used for highway purposes | | | | |

II. RECEIPTS FOR ROAD AND STREET PURPOSES

III. DISBURSEMENTS FOR ROAD AND STREET PURPOSES

| ITEM | AMOUNT | ITEM | AMOUNT |
|---|--------|---|--------|
| A. Receipts from local sources: | | A. Local highway disbursements: | |
| 1. Local highway-user taxes | | 1. Capital outlay (from page 2) | 0 |
| a. Motor Fuel (from Item I.A.5.) | | 2. Maintenance: | 41,118 |
| b. Motor Vehicle (from Item I.B.5.) | | 3. Road and street services: | |
| c. Total (a.+b.) | | a. Traffic control operations | |
| 2. General fund appropriations | 870 | b. Snow and ice removal | |
| 3. Other local imposts (from page 2) | 15,034 | c. Other lighting | 10,824 |
| 4. Miscellaneous local receipts (from page 2) | 0 | d. Total (a. through c.) | 10,824 |
| 5. Transfers from toll facilities | | 4. General administration & miscellaneous | |
| 6. Proceeds of sale of bonds and notes: | | 5. Highway law enforcement and safety | |
| a. Bonds - Original Issues | | 6. Total (1 through 5) | 51,942 |
| b. Bonds - Refunding Issues | | B. Debt service on local obligations: | |
| c. Notes | | 1. Bonds: | |
| d. Total (a. + b. + c.) | 0 | a. Interest | |
| 7. Total (1 through 6) | 15,904 | b. Redemption | |
| B. Private Contributions | | c. Total (a. + b.) | 0 |
| C. Receipts from State government (from page 2) | 36,038 | 2. Notes: | |
| D. Receipts from Federal Government (from page 2) | 0 | a. Interest | |
| E. Total receipts (A.7 + B + C + D) | 51,942 | b. Redemption | |
| | | c. Total (a. + b.) | 0 |
| | | 3. Total (1.c + 2.c) | 0 |
| | | C. Payments to State for highways | |
| | | D. Payments to toll facilities | |
| | | E. Total disbursements (A.6 + B.3 + C + D) | 51,942 |

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

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

V. LOCAL ROAD AND STREET FUND BALANCE

| | A. Beginning Balance | B. Total Receipts | C. Total Disbursements | D. Ending Balance | E. Reconciliation |
|--|----------------------|-------------------|------------------------|-------------------|-------------------|
| | 0 | 51,942 | 51,942 | | 0 |

Notes and Comments:

| | | | |
|---|---------------------------|--|--|
| LOCAL HIGHWAY FINANCE REPORT | | STATE: Colorado | |
| | | YEAR ENDING (mm/yy): December 2016 | |
| II. RECEIPTS FOR ROAD AND STREET PURPOSES - DETAIL | | | |
| ITEM | AMOUNT | ITEM | AMOUNT |
| A.3. Other local imposts: | | A.4. Miscellaneous local receipts: | |
| a. Property Taxes and Assessments | | a. Interest on investments | |
| b. Other local imposts: | | b. Traffic Fines & Penalties | |
| 1. Sales Taxes | | c. Parking Garage Fees | |
| 2. Infrastructure & Impact Fees | | d. Parking Meter Fees | |
| 3. Liens | | e. Sale of Surplus Property | |
| 4. Licenses | | f. Charges for Services | |
| 5. Specific Ownership &/or Other | 15,034 | g. Other Misc. Receipts | |
| 6. Total (1. through 5.) | 15,034 | h. Other | |
| c. Total (a. + b.) | 15,034 | i. Total (a. through h.) | 0 |
| | (Carry forward to page 1) | | (Carry forward to page 1) |
| III. DISBURSEMENTS FOR ROAD AND STREET PURPOSES - DETAIL | | | |
| ITEM | AMOUNT | ITEM | AMOUNT |
| C. Receipts from State Government | | D. Receipts from Federal Government | |
| 1. Highway-user taxes | 32,496 | 1. FHWA (from Item I.D.5.) | |
| 2. State general funds | | 2. Other Federal agencies: | |
| 3. Other State funds: | | a. Forest Service | |
| a. State bond proceeds | | b. FEMA | |
| b. Project Match | | c. HUD | |
| c. Motor Vehicle Registrations | 3,542 | d. Federal Transit Admin | |
| d. Other (Specify) - DOLA Grant | | e. U.S. Corps of Engineers | |
| e. Other (Specify) | | f. Other Federal | |
| f. Total (a. through e.) | 3,542 | g. Total (a. through f.) | 0 |
| 4. Total (1. + 2. + 3.f) | 36,038 | 3. Total (1. + 2.g) | |
| | | | (Carry forward to page 1) |
| | | ON NATIONAL HIGHWAY SYSTEM (a) | OFF NATIONAL HIGHWAY SYSTEM (b) |
| | | TOTAL (c) | |
| A.1. Capital outlay: | | | |
| a. Right-Of-Way Costs | | | 0 |
| b. Engineering Costs | | | 0 |
| c. Construction: | | | |
| (1). New Facilities | | | 0 |
| (2). Capacity Improvements | | | 0 |
| (3). System Preservation | | | 0 |
| (4). System Enhancement & Operation | | | 0 |
| (5). Total Construction (1) + (2) + (3) + (4) | | 0 | 0 |
| d. Total Capital Outlay (Lines 1.a. + 1.b. + 1.c.5) | | 0 | 0 |
| | | | (Carry forward to page 1) |
| Notes and Comments: | | | |