TOWN OF KEENESBURG, COLORADO

ANNUAL FINANCIAL REPORT

YEAR ENDED DECEMBER 31, 2016

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Town of Keenesburg, Colorado
Annual Financial Report
For the Year Ended December 31, 2016

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Rose E Melville, CPA

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PO Box 7312 Loveland CO 80537-0312
Phone (970) 669-6704 • E-mail remcpa@skybeam.com

INDEPENDENTAUDITOR'S REPORT

To the Board of Trustees
Town of Keenesburg, Colorado

I have audited the accompanying financial statements of the governmental activities, the business-type activities, and each major fund of the Town of Keenesburg, 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 of material misstatement.

An audit includes 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.

Opinions

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 and each major fund of the Town of Keenesburg, 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 require that management's discussion and analysis and budgetary comparison information 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 the Town of Keenesburg, Colorado's basic financial statements. The individual nonmajor fund schedules and the Local Highway Finance Report are presented for purposes of additional analysis and are not required part of the basic financial statements.

The individual fund 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 financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In my opinion, the individual fund schedules and the Local Highway Finance Report are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

Rose E Melville, CPA
Loveland, Colorado
June 12, 2017

Management's Discussion and Analysis

Town of Keenesburg, Colorado's (Town) discussion and analysis offers readers of the Town's financial statements a narrative overview and analysis of the Town's financial activities for the fiscal year ended December 31, 2016. We encourage readers to consider the information presented here in conjunction with additional information that we have furnished in the financial statements and notes to the financial statements.

Financial Highlights

- The Town's assets exceeded its liabilities at December 31, 2016 by $7.45 million (*net position*). Of this amount, $1.069 million (unrestricted net position) may be used to meet the Town's ongoing obligations to citizens, creditors and enterprise fund customers.

- The Town's total net position increased by $84,535 over the previous year, with -26 percent of the increase resulting from governmental activities and 126 percent resulting from business-type activities.

- At December 31, 2016 the Town's governmental fund balance sheet reported a combined ending fund balance of $772 thousand, a decrease of $826 thousand compared to the previous fiscal year. A total of $112,173 of the fund balance is unassigned.

- The General Fund reported a fund balance of $499,090, an increase of $22,434 from last fiscal year. This ending fund balance equated to 102.7 percent of General Fund expenditures for the year.

- The Town's total debt decreased by $101,364 in fiscal year 2016, due to scheduled principal payments on outstanding debt.

Overview of the Financial Statements

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

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

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

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

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 Town's governmental activities include general government, public safety, public works, health and welfare, and park and recreation. The Town's business-type activities include a water and wastewater utility system.

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

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

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

The Town maintains three individual governmental funds. Information is presented separately in the governmental funds balance sheet and in the governmental fund statement of revenues, expenditures, and changes in fund balances for the General Fund, Conservation Trust Fund, and Capital Improvements fund, each of which are considered to be major funds for the 2016 fiscal year.

The Town adopts an annual appropriated budget for all funds, as required by State Statues. Budgetary comparison statements have been provided for governmental funds to demonstrate compliance with the budget.

Proprietary funds. The Town maintains one type of proprietary fund. Enterprise funds are used to report the same functions presented as business-type activities in the government-wide financial statements. The Town uses enterprise funds to account for its water and wastewater utility system.

Financial statements of proprietary funds provide the same type of information as the government-wide financial statements, but in greater detail. The proprietary fund financial statements provide separate information for the Town's water and wastewater, each of which is considered to be major fund of the Town.

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

Other information. In addition to the basic financial statements and accompanying notes, this report also presents certain supplementary information concerning budgetary comparison information.

Government-wide Financial Analysis

As noted earlier, net position may serve over time as a useful indication of a government's financial position. The Town's assets exceeded liabilities by $7.45 million at the close of the most recent fiscal year, representing an increase in total net position for the year amounting to $86,476.

The largest portion of the Town's net position (84 percent) reflects its investment in capital assets (for example, land, buildings, infrastructure, and machinery and equipment); less any related debt used to acquire those assets that is still outstanding. The Town uses these capital assets to provide services to citizens; consequently, these assets are not available for future spending. Although the Town's investment in its capital assets is reported net of related debt, it should be noted that the resources needed to repay this debt must be provided from other sources because the capital assets themselves cannot be used to liquidate these liabilities.

Town of Keenesburg, Colorado Net Position

	Governmental Activities		Business-Type Activities		Total	
	2016	2015	2016	2015	2016	2015
Current and other assets	$ 1,209,937	$ 1,836,016	$ 576,947	$ 1,044,150	$ 1,786,884	$ 2,880,166
Capital assets	3,031,220	2,292,261	4,991,832	4,375,735	8,023,052	6,667,996
Total assets	4,241,157	4,128,277	5,568,779	5,419,885	9,809,936	9,548,162
Long-term liabilities outstanding	800,000	860,000	929,748	971,112	1,729,748	1,831,112
Other liabilities	253,363	55,967	194,548	115,859	447,911	171,826
Total liabilities	1,053,363	915,967	1,124,296	1,086,971	2,177,659	2,002,938
Deferred inflows of resources						
Deferred property taxes	185,499	182,991			185,499	182,991
Net position:						
Net investment in capital assets	2,231,220	1,432,261	4,062,083	3,404,622	6,293,303	4,836,883
Restricted	84,308	92,878			84,308	92,878
Unrestricted	686,709	1,504,190	382,400	928,292	1,069,109	2,432,482
Total net position	$ 3,002,237	$ 3,029,329	$ 4,444,483	$ 4,332,914	$ 7,446,720	$ 7,362,243

An additional portion of the Town's net position (3 percent) represents resources that are subject to restrictions on how they may be used, most of which are restrictions imposed from external sources. The remaining 13 percent of total net position ($1.069 million) represents unrestricted net position that may be used to meet the government's ongoing obligations to citizens, creditors, and customers within the respective governmental and business-type activities.

At the end of the current fiscal year, as in the prior year, the Town is able to report positive balances in all three categories of net position as a whole and individually within the governmental and business-type activities. Unrestricted net position decreased by $1.36 million compared with the prior year, largely due to capital outlays. Despite the struggling economy, the Town's finances are strong, sound and stable because of solid, dedicated and committed financial management.

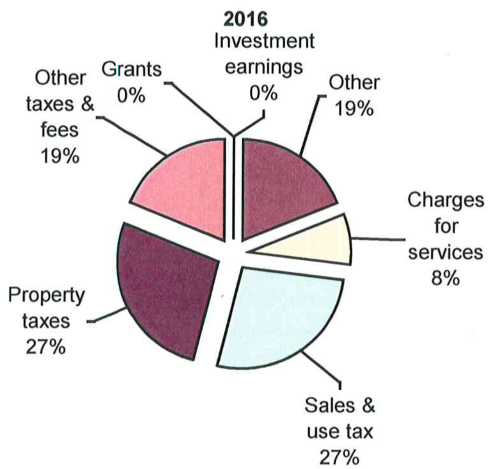
The changes in net position displayed subsequently shows the governmental and business-type activities during the previous two fiscal years. The decrease in net position for each year represents the extent to which expenses exceeded revenues during the year.

Town of Keenesburg, Colorado Changes in Net Position

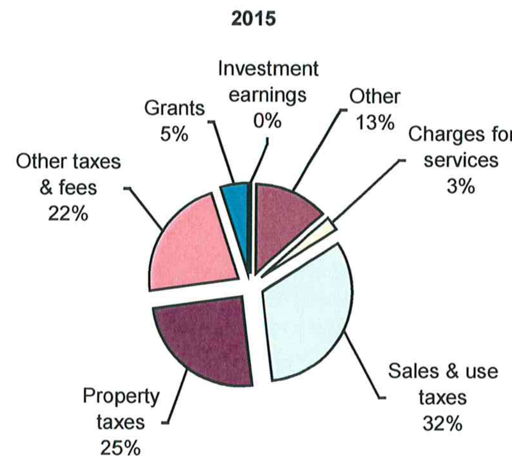
	Governmental Activities		Business-type Activities		Total	
	2016	2015	2016	2015	2016	2015
Revenues:						
Program revenues:						
Charges for services	$ 57,722	$ 17,013	$ 553,053	$ 1,034,507	$ 610,775	$ 1,051,520
Grants and contributions		32,000	257,350	664,561	257,350	696,561
General revenues:						
Property taxes	194,399	159,064			194,399	159,064
Other taxes	324,573	346,173			324,573	346,173
Other	76,903	85,059	323	3,005	77,226	88,064
Total revenues	653,597	639,309	810,726	1,702,073	1,464,323	2,341,382
Expenses:						
General government	283,965	224,769			283,965	224,769
Public safety	69,004	47,119			69,004	47,119
Public works	107,941	117,924			107,941	117,924
Health and welfare	12,544	11,316			12,544	11,316
Culture and recreation	12,330	10,667			12,330	10,667
Depreciation	169,735	152,304	148,676	129,213	318,411	281,517
Interest on long-term debt	25,112	26,718	36,926	39,091	62,038	65,809
Water and sewer			513,555	503,379	513,555	503,379
Total expenses	680,631	590,817	699,157	671,683	1,379,788	1,262,500
Change in net position	(27,034)	48,492	111,569	1,030,390	84,535	1,078,882
Net position, January 1	3,029,329	2,980,837	4,332,914	3,302,524	7,362,243	6,283,361
Net position, December 31	$ 3,002,295	$ 3,029,329	$ 4,444,483	$ 4,332,914	$ 7,446,778	$ 7,362,244

Graphic presentations of selected data from the summary tables follow to assist in the analysis of the town's activities for fiscal years 2016 and 2015.

GOVERNMENTAL REVENUES



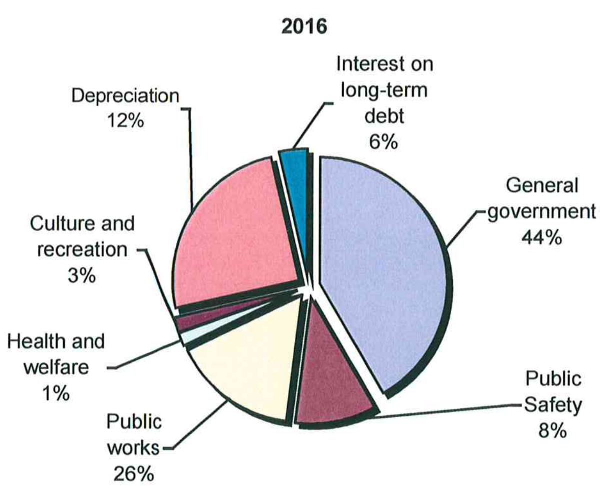
Total = $653,597



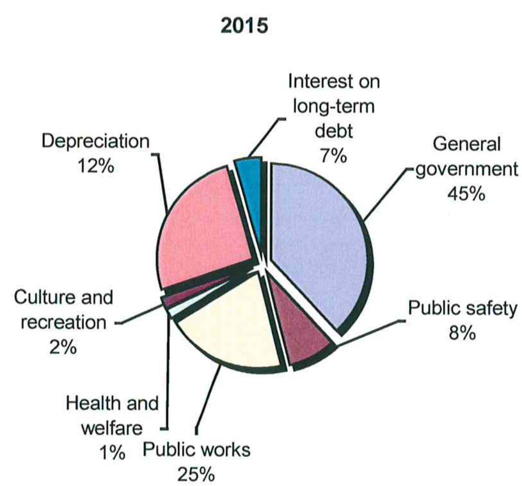
Total = $639,309

As graphically portrayed above and discussed earlier, the town is heavily reliant on sales & use and property taxes to support governmental operations. Sales & use and property taxes provided 54 and 57 percent of the Town's governmental revenues in fiscal years 2016 and 2015.

GOVERNMENTAL FUNCTIONAL EXPENSES



Total =680,631



Total = $590,817

This graph shows the total governmental activities cost of $680,631 for this year. Of this amount, general government was the largest operating service cost, at 44 percent, or $283.965 of total cost of services in 2016, primarily funded by the town's taxing power. Public works absorbed $107,941 in taxes to citizens and other general revenues. Other governmental activities with significant tax-based funding include public safety.

Financial Analysis of the Town's Funds

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

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

As of December 31, 2016, the Town's governmental funds reported combined fund balances of $772,742, a decrease of $826,076 compared with the prior year balances. There is $112,173 unassigned fund balance, which is available for spending at the Town's discretion. The remainder of fund balance falls into the categories of either not in spendable form, restricted, committed or assigned. These categories indicate that the funds are not available for new spending because they have already been designated for a specific purpose either by action of the Town, statutory or debt-based requirements.

The General Fund is the chief operating fund of the Town. At December 31, 2016, total fund balance in the General Fund was $499,090. As a measure of the General Fund's liquidity, the total fund balance amount equates to approximately 102.7 percent of total fund expenditures. The fund balance of the General Fund increased by $22,434 during the current fiscal year due to an increase in revenues.

The Conservation Trust special revenue fund has a total unassigned and assigned fund balance of $30,119. This fund balance decreased $10,975 during the current fiscal year due to an increase in expenditures.

The Capital Improvement debt service fund has a total fund balance of $243,533, of which $48,000 is reserved for payment of debt service. The $837,535 decrease in fund balance for the year is the result of budgeted capital improvements.

Proprietary Funds. The Town's proprietary funds provide the same type of information found in the government-wide financial statements, but in greater detail. At December 31, 2016, total net position amounted to $4,443,483 for enterprise funds, as compared to $4,332,914 at December 31, 2015.

Total net position of the Wastewater Fund amounted to $645,334 at the end of the fiscal year, representing a $40,919 decrease from the prior year amount of $686,252. This was almost entirely due to operating activities. Operating revenues decreased 45 percent, or $265,854, compared to fiscal year 2015 due to a donation of the lift station and sewer lines at the campgrounds. Operating expenditures showed an increase of $22,451, approximately 10 percent, due to an increase in professional services. Unrestricted net positions decreased to $55,444.

The Waterworks Fund total net position increased by $152,488 during the year. The largest portion of the fund's net position (91 percent) reflects its investment in capital assets, less any related outstanding debt used to acquire those assets. Unrestricted net position of the fund increased by $248,245 to $326,956 from a balance of $78,711 the previous year, largely due to a state grant..

General Fund Budgetary Highlights

A budget to actual statement is provided for the General Fund. Columns for both the original budget adopted for fiscal year 2016 as well as the final budget are presented.

Budgeted taxes revenue represents the full levy of property taxes for the year, whereas actual results reflect a small amount of delinquent accounts. There were negative revenue variances totaling $13,323. Expenditures for general government, public safety, public works, health and welfare, and culture and recreation were under budget by a total of $61,725 due to a decrease in legal and development planning and the cost of law enforcement.

Capital Asset and Debt Administration

Capital assets. The Town's investment in capital assets for its governmental and business–type activities as of December 31, 2016, amounts to $8,023,052 (net of accumulated depreciation). This investment in capital assets includes land, buildings and systems, machinery and equipment, infrastructure, and vehicles. The overall net increase in the Town's capital assets for the current fiscal year was 20 percent (an increase of 32 percent for governmental activities and an increase of 14 percent for business-type activities for the year). Major capital asset events in the current fiscal year included the following:

- Streets Project $884,400
- Slide for park $2,219
- Basketball court resurface and crack seal $22,075
- Water main project $393,679
- CR 59 water line $30,856
- Water tank – CR14 & 55 $328,847
- Scada software $9,510
- Replace pumps at the lift station $18,905

Town of Keenesburg, Colorado Capital Assets (net of depreciation)

	Governmental Activities		Business-type Activities		Total	
	2016	2015	2016	2015	2016	2015
Land	$ 148,654	$ 148,654	$ 169,054	$ 169,054	$ 317,708	$ 317,708
Buildings and system	371,391	413,065	2,319	2,476	373,710	415,541
Machinery and equipment	175,627	211,849	33,316	12,117	208,943	223,966
Infrastructure	2,335,548	1,518,693			2,335,548	1,518,693
Wastewater system			523,806	576,197	523,806	576,197
Waterworks system			3,118,849	2,471,402	3,118,849	2,471,402
Water rights			1,144,488	1,144,489	1,144,488	1,144,489
Total	$ 3,031,220	$ 2,292,261	$ 4,991,832	$ 4,375,735	$ 8,023,052	$ 6,667,996

Long-term debt. At the end of the current fiscal year, the Town had total debt outstanding of $1,729,748. Of this amount, $800,000 comprises bonded debt backed by the full faith and credit of the government. The balance consists of a loan contract with the Colorado Water Conservation Board of $891,284 and a loan contract with the Department of Local Affairs of $38,465.

Town of Keenesburg, Colorado Outstanding Debt
General Obligation, Revenue Bonds and Notes Payable

	Governmental Activities		Business-type Activities		Total	
	2016	2015	2016	2015	2016	2015
Revenue bonds	$ 800,000	$ 860,000			$ 800,000	$ 860,000
Notes payable			$ 929,748	$ 971,112	929,748	971,112
Total	$ 800,000	$ 860,000	$ 929,748	$ 971,112	$ 1,729,748	$ 1,831,112

State statutes limit the amount of general obligation debt a governmental entity may issue to three percent of the total assessed valuation. The current debt limitation for the Town is $252,954.

Economic Factors and Next Year's Budget and Rates

- The unemployment rate for the Town decreased to 2.7 percent from a rate of 3.3 percent a year ago. This is equivalent to the state's average unemployment rate of 2.7 percent and lower than the national average of 4.7 percent at December 30, 2016.
- Taxable property valuation increased, $115 thousand to $8.432 million in 2016.
- Sales tax revenues increased from $190,460 in 2015 to $193,643 in 2016.

All of these factors were considered in preparing the Town's budget for the 2017 fiscal year.

At December 31, 2016, assigned fund balance in the General Fund was $453,918. The Town has appropriated $510,220 in the 2017 fiscal year budget in accordance with the requirements of state statute. Property tax rates remain unchanged for the 2017 fiscal year. All municipal services provided in 2016 will be continued in 2017, noting an expanded law enforcement service that was gained by an agreement with the Town of Keenesburg and the Town of Lochbuie.

Requests for Information

This financial report is designed to provide a general overview of the Town's finances for all those with an interest in the government's finances. Questions concerning any of the information provided in this report or requests for additional information should be addressed to the Town Treasurer.

BASIC FINANCIAL STATEMENTS

Town of Keenesburg, Colorado
Statement of Net Position
December 31, 2016

	Governmental Activities	Business-type Activities	Total
Assets			
Cash and cash equivalents	$ 893,269	$ 333,561	$ 1,226,830
Receivables, net	237,581	4,505	242,086
Due from other funds	22,223	187,896	210,119
Inventories and prepaid costs	8,864	50,985	59,849
Restricted assets	48,000		48,000
Nondepreciable capital assets	148,654	1,313,543	1,462,197
Depreciable capital assets, net	2,882,566	3,678,289	6,560,855
Total assets	4,241,157	5,568,779	9,809,936
Liabilities			
Accounts payable and accrued liabilities	47,877	161,742	209,619
Due to other funds	194,569	15,548	210,117
Unearned revenue	7,917	13,258	21,175
Customer deposits	3,000	4,000	7,000
Long-term liabilities:			
Portion due within one year	60,000	35,346	95,346
Portion due after one year	740,000	894,402	1,634,402
Total liabilities	1,053,363	1,124,296	2,177,659
Deferred inflows of resources			
Deferred property taxes	185,499		185,499
Net Position			
Net investment in capital assets	2,231,220	4,062,083	6,293,303
Restricted	84,308		84,308
Unrestricted	686,767	382,400	1,069,167
Total net position	3,002,295	4,444,483	7,446,778
Total liabilities and net position	$ 4,241,157	$ 5,568,779	$ 9,809,936

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

Town of Keenesburg, Colorado
Statement of Activities
Year Ended December 31, 2016

		Program Revenues			Net (Expense) Revenue and Changes in Net Assets		
Functions/Programs	**Expenses**	**Charges for Services**	**Operating Grants and Contributions**	**Capital Grants and Contributions**	**Governmental Activities**	**Business-type Activities**	**Total**
Governmental activities:							
General government	$ 283,965	$ 57,722			$ (226,243)		$ (226,243)
Public safety	69,004				(69,004)		(69,004)
Public works	107,941				(107,941)		(107,941)
Health and welfare	12,544				(12,544)		(12,544)
Park and recreation	12,330				(12,330)		(12,330)
Depreciation	169,735				(169,735)		(169,735)
Interest on long-term debt	25,112				(25,112)		(25,112)
Total governmental activities	680,631	57,722			(622,909)		(622,909)
Business-type activities:							
Waterworks	404,181	333,519		222,850		$ 152,188	152,188
Wastewater	294,976	219,534		34,500		(40,942)	(40,942)
Total business-type activities	699,157	553,053		257,350		111,246	
Total	$ 1,379,788	$ 610,775		$ 257,350	(622,909)	111,246	(511,663)
General Revenues							
Taxes:							
General Property					182,959		182,959
Specific ownership					11,440		11,440
Franchise					37,321		37,321
Sales					193,643		193,643
Use					19,466		19,466
Severance					27,777		27,777
Highway users					46,366		46,366
Interest					488		488
Other					2,588		2,588
Earnings on investments					568	323	891
Other Revenues					73,259		73,259
Total general revenues					595,875	323	596,198
Change in net position					(27,034)	111,569	84,535
Net position - January 1					3,029,329	4,332,914	7,362,243
Net position - December 31					$ 3,002,295	$ 4,444,483	$ 7,446,778

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

Town of Keenesburg, Colorado

Balance Sheet
Governmental Funds
December 31, 2016

	General	Conservation Trust	Capital Improvements	Total Governmental
Assets				
Cash and cash equivalents	$ 696,129	$ 31,551	$ 165,590	$ 893,270
Due from other funds	8,085		14,137	22,222
Receivables				
Accounts	36,276		15,806	52,082
Property taxes	185,499			185,499
Prepaids	8,864			8,864
Restricted asset				
Bond reserve account			48,000	48,000
Total assets	$ 934,852	$ 31,551	$ 243,533	$ 1,209,936
Liabilities and fund balances				
Liabilities:				
Accounts payable	$ 49,209			$ 49,209
Due to other funds	193,137			193,137
Unearned revenue	7,917	$ 1,432		7,917
Total liabilities	250,263	1,432		251,695
Deferred inflows of resources				
Deferred property taxes	185,499			185,499
Fund Balances:				
Non-spendable:				
Prepaid expenditures	8,864			8,864
Restricted:				
Emergencies (TABOR)	36,308			36,308
Bond reserve			$ 48,000	48,000
Committed:				
Debt service			83,360	83,360
Parks/recreation				
Assigned, reported in				
General fund	453,918			453,918
Conservation trust fund		2,500		2,500
Capital improvements fund				
Unassigned:		27,619	112,173	112,173
Total fund balances	499,090	30,119	243,533	772,742
Total liabilities and fund balances	$ 934,852	$ 31,551	$ 243,533	

Amounts reported for governmental activities in the statement of net position are different because:	
Capital assets used in governmental actitivities are not financial resources and, therefore, are not reported in the funds.	3,031,220
Long-term liabilities, including bonds payable, are not due and payable in the current period and therefore are not reported in the funds.	(801,668)
Total net position of governmental actitivites	$ 3,002,295

Town of Keenesburg, Colorado

Statement of Revenues, Expenditures, and Changes in Fund Balance
Governmental Funds
Year Ended December 31, 2016

	General	Conservation Trust	Capital Improvements	Total
Revenues				
Taxes	$ 393,404		$ 128,644	$ 522,048
Licenses and fees	29,521		3,000	32,521
Intergovernmental	12,851	$ 13,301		26,152
Charges for service	57,722			57,722
Earnings on investments	217	18	333	568
Miscellaneous revenue	14,585			14,585
Total revenues	508,300	13,319	131,977	653,596
Expenditures				
Current operating				
General government	284,046			284,046
Public safety	69,004			69,004
Public works	107,941			107,941
Health and welfare	12,544			12,544
Culture and recreation	12,330			12,330
Capital outlay		24,294	884,400	908,694
Debt service				
Principal			60,000	60,000
Interest			25,112	25,112
Total expenditures	485,866	24,294	969,512	1,479,672
Revenues over(under) expenditures	22,434	(10,975)	(837,535)	(826,076)
Fund balances - January 1	476,656	41,094	1,081,068	
Fund balances - December 31	$ 499,090	$ 30,119	$ 243,533	

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

Governmental funds report capital outlays as expenditures. However, in the statement of activities the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense. This is the amount by which capital outlay exceeded depreciation in the current year.	738,959
The issuance of long-term debt provides current financial resources to governmental funds, while the repayment of the principal of long-term debt consumes the current financial resources of governmental funds. Neither transaction, however, has an effect on net position.	60,000
Change in long-term compensated absences:	83
Change in net position of governmental activities	$ (27,034)

Town of Keenesburg, Colorado

Statement of Revenues, Expenditures, and Changes in Fund Balance
Budget and Actual
General Fund
Year Ended December 31, 2016

	Budget			
	Original	*Final*	*Actual*	*Variance with Final Budget Positive (Negative)*
Revenues				
Taxes				
General property taxes	$ 182,981	$ 182,981	$ 182,959	$ (22)
Specific ownership taxes	12,000	12,000	11,440	(560)
Interest on delinquent taxes	300	300	487	187
Total taxes	195,281	195,281	194,886	(395)
All other taxes	205,284	205,284	198,518	(6,766)
Intergovernmental	12,383	12,383	12,851	468
License and permits	25,975	25,975	29,521	3,546
Charges for Service	67,500	67,500	57,722	(9,778)
Miscellaneous	15,200	15,200	14,802	(398)
Total	326,342	326,342	313,414	(12,928)
Total revenues	521,623	521,623	508,300	(13,323)
Expenditures				
Legislative	28,920	28,920	29,396	(476)
Administration	273,810	273,810	254,650	19,160
Public safety	85,100	85,100	69,004	16,096
Public works	133,270	133,270	107,941	25,329
Health and walfare	13,170	13,170	12,544	626
Culture and recreation	13,320	13,320	12,331	989
Total expenditures	547,590	547,590	485,866	61,724
Net change in fund balance	(25,967)	(25,967)	22,434	48,401
Fund balance - January 1	25,967	25,967	476,656	450,689
Fund balance - December 31	$ -	$ -	$ 499,090	$ 499,090

Town of Keenesburg, Colorado

Statement of Revenues, Expenditures, and Changes in Fund Balances
Budget and Actual
Conservation Trust Fund
Year Ended Dec 31, 2016

	Budget			
	Original	*Final*	*Actual*	*Variance with Final Budget Positive (Negative)*
Revenues				
Lotto contributions/donation	$ 12,000	$ 12,000	$ 13,301	$ 1,301
Earnings on investments	20	20	18	(2)
Total revenues	12,020	12,020	13,319	1,299
Expenditures				
Maintenance and repairs	2,000	2,000		2,000
Capital outlay	35,000	35,000	24,294	10,706
Total expenditures	37,000	37,000	24,294	12,706
Net change in fund balance	(24,980)	(24,980)	(10,975)	14,005
Fund balance - January 1	24,980	24,980	41,094	16,114
Fund balance - December 31	$ -	$ -	$ 30,119	$ 30,119

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

Town of Keenesburg, Colorado

Statement of Net Position
Proprietary Funds
December 31, 2016

	Enterprise Funds		
	Waterworks Operating Fund	Wastewater Operating Fund	Total
Assets			
Cash and cash equivalents	$ 266,679	$ 66,882	$ 333,561
Accounts receivable, net	3,408	1,097	4,505
Due from other funds	180,433	7,463	187,896
Inventories	45,859		45,859
Prepaids	3,200	1,926	5,126
Capital assets:			
Land	85,762	83,292	169,054
Other capital assets, net of depreciation	4,277,716	545,062	4,822,778
Total assets	4,863,057	705,722	5,568,779
Liabilities			
Accounts payable	153,392	5,995	159,387
Current portion of long-term debt	33,423	1,923	35,346
Due to other funds	7,463	8,085	15,548
Deposits	4,000		4,000
Compensated absences, non-current	1,228	1,126	2,354
Unearned revenue	6,540	6,718	13,258
Notes payable, non-current	857,861	36,542	894,402
Total liabilities	1,063,907	60,389	1,124,296
Net position			
Net investment in capital assets	3,472,194	589,890	4,062,083
Net position - restricted for capital projects			
Net position - unrestricted	326,956	55,444	382,400
Total net position	3,799,150	645,334	4,444,483
Total liabilities and net position	$ 4,863,057	$ 705,723	$ 5,568,779

Fund Balance General

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

Town of Keenesburg, Colorado

Statement of Revenues, Expenses, and Changes in Fund Net Position
Proprietary Funds
Year Ended December 31, 2016

	Waterworks	Wastewater	Total
Operating revenues			
Charges for services	$ 332,032	$ 219,534	$ 551,566
Miscellaneous	1,487		1,487
Total operating revenues	333,519	219,534	553,053
Operating expenses			
Operations and maintenance	157,828	103,370	261,198
Adminstration and general	103,134	132,200	235,334
Total operating expenses	260,962	235,570	496,532
Operating income(loss) before depreciation	72,557	(16,036)	56,521
Depreciation	108,331	40,345	148,676
Operating income (loss)	(35,774)	(56,381)	(92,155)
Nonoperating revenues (expenses)			
State grants	198,850	15,000	213,850
Earnings on investments	300	23	323
Interest on debt	(34,888)	(2,038)	(36,926)
Total nonoperating revenues (expenses)	164,262	12,985	177,247
Income (loss) before contributions	128,488	(43,396)	85,092
Loss on disposal of equipment		(17,023)	(17,023)
Capital contributions	24,000	19,500	43,500
Change in net position	152,488	(40,919)	111,569
Total net position - January 1	3,646,663	686,251	4,332,914
Total net position - December 31	$ 3,799,151	$ 645,332	$ 4,444,483

Town of Keenesburg, Colorado

Statement of Cash Flows
Proprietary Fund
Year Ended Dec 31, 2016

	Waterworks	Wastewater	Total
Cash flows from operating activities:			
Cash received from customers	$ 333,973	$ 219,534	$ 553,507
Cash payments to employees for services	(102,672)	(90,953)	(193,625)
Cash payments to suppliers for goods and services	(257,305)	(137,674)	(394,979)
Other operating receipts	1,487		1,487
Net cash provided (used) by operating activities	(24,517)	(9,093)	(33,610)
Cash flows from noncapital financing activities:			
Sewer connection fees received		19,500	19,500
Grants received	198,850	15,000	213,850
Net cash provided (used) by noncapital financing activities	198,850	34,500	233,350
Cash flows from capital and related financing activities:			
Principal payments on long-term debt	(39,063)	(2,192)	(41,255)
Interest paid on long-term debt	(34,888)	(2,148)	(37,036)
Acquisition and construction of capital assets	(762,893)	(18,904)	(781,797)
Capital contributions	24,000		24,000
Net cash used by capital and related financing activities	(812,844)	(23,244)	(836,088)
Cash flows from investing activities:			
Interest on investments	300	23	323
Net cash provided by investing activities	300	23	323
Net increase (decrease) in cash and cash equivalents	(638,211)	2,186	(636,025)
Cash and cash equivalents			
Beginning of year	904,890	64,696	969,586
End of year	$ 266,679	$ 66,882	$ 333,561
Reconciliation of operating income(loss) to net cash provided (used) by operating activities			
Operating income	$ (33,833)	$ (56,381)	$ (90,214)
Adjustments to reconcile operating income to net cash provided (used) by operating activities:			
Depreciation	108,331	40,345	148,676
Change in assets and liabilities			
Accounts receiveable	2,850	3,947	6,797
Prepaid expenses	1,132	640	1,772
Inventories	560		560
Accounts payable and accrued expenses	66,637	(1,273)	65,364
Due to (from) other funds	(168,859)	(1,832)	(170,691)
Deferred revenue	5,665	5,461	11,126
Deposits	(7,000)		(7,000)
Net cash provided (used) by operating activities	$ (24,517)	$ (9,093)	$ (33,610)

NOTES TO THE FINANCIAL STATEMENTS

NOTE 1: Summary of Significant Accounting Policies

These financial statements of the Town of Keenesburg, Colorado (Town) were prepared in accordance with accounting principles generally accepted in the United States of America for governmental entities (GAAP). The following summary of the more significant accounting policies of the Town is presented to assist the reader in interpreting these financial statements, and should be viewed as an integral part of this report.

Reporting Entity

The Town is an autonomous municipal entity established pursuant to the laws of the State of Colorado and governed by an elected Mayor and Board of Trustees. The Town provides the following services as authorized by state law: public safety, public works, sanitation, health and welfare, culture and recreation, public improvements, planning and zoning, and general administrative services. The accompanying financial statements present the Town's primary government over which the Town exercises significant influence. Significant influence or accountability is based primarily on operational or financial relationships with the Town (as distinct from legal relationships).

Financial Statement Presentation

Government-wide Statements: The statement of net assets and the statement of activities display information about the nonfiduciary activities of the primary government. These statements distinguish between the governmental and business-type activities of the Town. Governmental activities are primarily financed through taxes and intergovernmental revenues, whereas business-type activities are primarily financed through charges for services to external parties.

The statement of activities presents a comparison between direct expenses and program revenues for each function of the Town's governmental activities, and for each of the business-type activities. Direct expenses are those that are clearly identified with a specific program or segment. Indirect expense allocations are displayed separately from the direct expenses. Program revenues include (a) fees, fines, and charges for service, and (b) grants and contributions that are restricted for operating or capital requirements of a specific program. All taxes and other revenues not meeting the criteria for classification as program revenues are reported as general revenues.

Fund Financial Statements: The fund financial statements report information about the Town's funds. Separate statements are presented for each major governmental and enterprise fund.

The Town reports the following major governmental funds:

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

Conservation Trust Fund. This fund is used to account for and report the financial resources acquired through the state of Colorado and the earnings of these financial resources and ensures the financial resources are used for conservation related operating and capital expenditures.

Capital Projects Fund. This fund is used to account for and report financial resources that are restricted, committed or assigned to expenditure for capital outlays, including the acquisition, construction or improvement of major capital facilities and other capital assets other than those financed by proprietary funds or for assets that will be held in trust for individuals, private organizations or other governments. The capital projects fund is also used to accumulate funds to finance a capital improvement plan. The capital projects fund budget is adopted on a project basis which is multi-year.

The Town reports the following major enterprise funds:

Waterworks Fund. This fund accounts for the revenues and expenses related to the provision of water service.

Wastewater Fund. This fund accounts for the revenues and expenses related to the provision of sewer service.

Measurement Focus and Basis of Accounting

The government-wide and proprietary fund financial statements use a flow of economic resources measurement focus to determine net income and financial position. The accounting principles used are similar to those applicable to businesses in the private sector and, thus, these funds are maintained on the accrual basis of accounting. Revenues are recognized when earned and expenses are recognized when incurred.

Governmental fund financial statements use a current financial resources measurement focus, and are maintained on the modified accrual basis of accounting. Revenues are recognized when they become susceptible to accrual; that is, when they become both "measurable" and "available to finance expenditures of the current period." The Town considers amounts collected on grants within 120 days after year-end, and amounts collected within 60 days after year-end on all other governmental funds, to be available and thus recognizes them as revenues of the current year. Expenditures are recognized in the accounting period in which the related fund liability is incurred, if measurable. Principal and interest on general long-term debt are recorded as fund liabilities when due or when amounts have been accumulated in the debt service funds for payments to be made early the following year.

Revenues of the Town which are susceptible to accrual under the modified accrual basis include property taxes, grant revenues, interest revenue, and charges for services. In applying the "susceptible to accrual" concept to intergovernmental revenues (grants, entitlements and shared revenues), the legal and contractual requirements of the numerous individual programs are used as guidance. There are essentially two type of these revenues. In one, moneys must be expended on the specific purpose or project before any amounts will be earned by the Town; therefore, revenues are recognized based upon when the expenditures are made if they meet the criterion of availability. In the other, moneys are essentially unrestricted as to purpose of expenditure and revocable only for failure to comply with prescribed compliance requirements. These resources are reflected as revenue at the time of receipt or earlier if they meet the criterion of availability.

Fund Balance Presentation

Fund balances of the Governmental Funds are classified as follows:

Nonspendable. This classification includes amounts that cannot be spent because they are either (a) not in spendable form or (b) legally or contractually required to be maintained intact.
- Prepaid expenditures – portion of fund balance that is not an available resource because it represents the year-end balance of prepaid expenditures, which are not spendable resources.

Restricted. This classification includes amounts that can be spent only for specific purposes because of constitutional provisions or enabling legislation, or because of constraints that are externally imposed by creditors, grantors, contributors or the laws or regulations of other governments.
- Restricted for Emergency Reserves – portion of fund balance that is restricted by State Statute (amendment to the State Constitution, Article X, Section 20).

Committed. This classification includes amounts that can be spent only for specific purposes pursuant to constraints imposed by formal action of the Town. Such formal action may be in the form of an ordinance or resolution and may only be modified or rescinded by a subsequent formal action.
- Committed for debt service - portion of fund balance that can only be used for debt service.

- Committed for parks and recreation - portion of fund balance that can only be used for parks and recreation.

Assigned. This classification includes amounts that are intended by the Town to be used for specific purposes, but are neither restricted nor committed. Assignments may be made only by the governing body or official.

- Subsequent year's expenditures – portion of fund balance that is appropriated in the next year's budget that is not already classified in restricted or committed.

Unassigned. This classification represents the residual positive balance within the General Fund, which has not been restricted, committed or assigned. In funds other than the General Fund, unassigned fund balances are limited to negative residual balances.

The Town uses restricted amounts first when both restricted and unrestricted fund balances are available.

Budget and Budgetary Accounting

Local Government Budget law, requires that the annual fiscal year budget be legally adopted by the Board at the fund level, and that any expenditures or contract for expenditures in the fiscal year for an amount greater than the total fund budget is unlawful. Pursuant to this legal requirement, an annual appropriated budget is adopted by resolution subject to public hearing. Such resolution sets the budget appropriations in total by fund for each governmental fund and each proprietary fund of the Board. Budgetary information presented in this report is in a categorized format by revenue source, expenditure function, and expenditure reserves, which represents a detail level greater than the statutory level of control. At the close of the fiscal year, all budget appropriations lapse to the extent that they have not been expended.

The budgets for the proprietary funds are prepared on a accrual basis and are consistent with GAAP except that depreciation, amortization, noncash capital contributions, and gains/losses on the disposal of assets are not budgeted, capitalized net interest costs on funds borrowed to finance construction of capital assets are budgeted as interest income and interest expense, capital outlays are budgeted as expense, and proceeds and principal payments are respectively budgeted as revenue and expense.

Cash and Cash Equivalents

For purposes of reporting the statement of cash flows, the Town considers all cash accounts, which are not subject to withdrawal restrictions or penalties and all certificates of deposit to be cash equivalents.

Investments are stated at cost or amortized cost, which approximates market.

Inventories

Business-type fund inventory consist of supplies held for consumption. This inventory is carried at cost using the first-in, first-out method. The cost is recorded as an expenditure at the time individual inventory items are consumed (consumption method).

Accounts Receivable

Amounts due from private individuals, organizations, or other governments which pertain to charges for services rendered by the departments are reported as accounts receivable.

Receivables are reviewed periodically to establish or update the provisions for uncollectible amounts. These provisions are estimated based on an analysis of the age of the various accounts. The Town records the amount of earned but unbilled service revenues for Waterworks and Wastewater enterprise funds.

Capital Assets

Capital assets are reported in the applicable governmental or business-type activities column in the government-wide financial statements. Constructed or purchased assets are recorded at historical cost or estimated historical cost. Donated assets are recorded at the estimated fair market value on the date of donation. The thresholds for capitalization of assets range from $1000 to $1 million, depending on the asset class. Costs of maintenance and repairs that do not add to the value of assets or extend their useful lives are not capitalized.

All capital assets except land, water rights, and construction in progress are depreciated using the straight-line method over the following estimated useful lives:

Buildings 10-50
Infrastructure and improvements 10-50
Mobile equipment, furniture, machinery and equipment 5-20

Compensated Absences

It is the policy of the Town to permit employees to accumulate a limited amount of earned but unused leave benefits which will be paid to employees upon separation from service. Unpaid compensated absences are recorded as a liability when the benefits are earned in the proprietary fund financial statements. For governmental funds, there is no legal requirement to accumulate expendable available financial resources to liquidate the obligation; thus expenditures are recognized in the governmental funds when payments are made to employees. The valuation of accrued leave benefits is calculated in accordance with GASB Statement No. 16, *Accounting for Compensated Absences*. The liability is typically liquidated with resources of the same fund that has paid the applicable employee's regular salaries and fringe benefits.

Net Position

The government-wide statement of net position reports a total of $84,308 of restricted net position for governmental activities, all of which is restricted by enabling legislation.

Estimates

The preparation of financial statements in conformity with GAAP requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities as of the financial statement date and the reported amounts of revenues and expenses or expenditures during the reporting period. Actual results could differ from those estimates.

NOTE 2: Deposits

The Colorado Public Deposit Protection Act (PDPA) requires that all units of local government deposit cash in eligible public depositories. Eligibility is determined by state regulators. Amounts on deposit in excess of federal insurance levels must be collateralized. The eligible collateral is determined by the PDPA. PDPA allows the institution to create a single collateral pool for all public funds. The pool for all the uninsured public deposits as a group is to be maintained by another institution or held in trust. The market value of the collateral must be at least equal to the aggregate uninsured deposits.

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 and are the co-agents for release of the collateralized assets.

The Town is governed by the deposit and investment limitations of state law. The deposits and investments held at December 31, 2016, and reported at fair value, are shown below:

Type	Rating	Carrying Value
Deposits:		
Checking/Demand Deposits	N/A	$ 275,555
Investments:		
Savings	N/A	999,275
Total deposits and investments		$ 1,274,830
Reconciliation to Statement of Net Position		
Current unrestricted		$ 1,190,522
Current restricted		84,308
		$ 1,274,830

Custodial Credit Risk

Deposits in financial institutions, reported as cash, cash equivalents, and investments, had a bank balance of $1,274,830 at December 31, 2016, which was fully insured by depository insurance or secured with collateral held by Town's agent in its name. All investments, evidenced by individual securities, are registered in the name of the Town.

Investment Interest Rate Risk

The Town has no formal investment policy that limits investment maturities as a means of managing its exposure to fair value losses arising from increasing interest rates. Investments held at December 31, 2016 were certificates of deposit in the name of the Town.

Investment Credit Risk

The Town has no investment policy that limits its investment choices other than the limitation of state law.

Concentration of Investment Credit Risk

The Town places no limit on the amount it may invest in any one issuer. At December 31, 2016, the Town had no concentration of credit risk.

NOTE 3: Property Taxes

Property taxes are attached as an enforceable lien on property as of January 1. Taxes are certified by Weld County in October of the preceding year, levied on January 1 and paid in either one installment in April 30, or two installments on February 28 and June 15. Weld County bills and collects the Town's property tax. Property taxes are recognized as receivables and deferred revenues when levied and as revenue when due for collection in the following year. Management believes that all property tax receivable as of December 31, 2016 are fully collectible. Accordingly, no reserve for bad debts exists at December 31, 2016.

NOTE 4: Interfund Receivable/Payable

Interfund receivable and payable balances at December 31, 2016 are as follows:

Fund	Interfund Receivable	Interfund Payable
General	$194,569	$ 8,085
Waterworks Operating	7,463	180,432
Wastewater Operating	8,085	7,463
Other Funds		14,137
Total	$ 210,117	$210,117

NOTE 5: Capital Assets

A summary of changes in capital assets for the year ended December 31, 2016 was as follows:

Governmental Activities

	Beginning Balance	Increases	Transfers/ Decreases	Ending Balance
Nondepreciable capital assets:				
Land	$ 148,654			$ 148,654
Other capital assets:				
Buildings	885,084			885,084
Equipment	691,663	$ 24,294	$ 1,178	714,779
Streets	1,787,602	884,400		2,672,002
Total other capital assets as historical cost	3,364,349	908,694	1,178	4,271,865
Less accumulated depreciation for:				
Buildings	472,019	41,673		513,693
Equipment	479,814	60,516	1,178	539,152
Streets	268,908	67,546		336,454
Total accumulated depreciation	1,220,741	169,735	1,178	1,389,299
Other capital assets, net	2,143,608	738.958		2,882.566
Governmental activities capital assets, net	$2,292,262	$738,958		$3,031,220

Depreciation expense was charged to functions as follows:
Governmental activities:

Legislative	$ 10,269
General government	88,961
Public safety	24,106
Public works	37,709
Health and welfare	4,382
Culture and recreation	4,307
Total governmental activities depreciation expense	$ 169,735

Town of Keenesburg, Colorado

Notes to Basic Financial Statement
December 31, 2016

Business-type activities

	Beginning Balance	Increases	Transfers/ Decreases	Ending Balance
Nondepreciable Capital assets:				
Land	$ 169,054			$ 169,054
Water rights	1,144,489			1,144,489
Total capital assets not being depreciated	1,313,543			1,313,543
Other capital assets:				
Buildings	41,662			41,662
Equipment	123,158	$ 28,415		151,573
Improvements - lagoons	429,150			429,150
Lagoon discharge rights	11,904			11,904
Waste water system	411,348		$18,656	392,691
Water works system	3,860,557	753,382	5,333	4,608,607
Total other capital assets at historical cost	4,877,779	781,797	23,989	5,635,587
Less accumulated depreciation for:				
Buildings	39,186	157		39,343
Equipment	111,042	7,215		118,257
Improvements - lagoons	154,463	18,822		173,285
Lagoon discharge rights	11,903			11,903
Waste water system	109,837	16,546	1,632	124,751
Water works system	1,389,155	105,936	5,333	1,489.758
Total accumulated depreciation	1,815,586	148,676	6,965	1,957,297
Other capital assets, net	3,062,192	633,121	17,024	3,678,290
Business-type activities capital assets, net	$4,375,735	$ 633,121	$ 17,024	$4,991,833

Depreciation expense was charged to functions as follows:

Business-type activities:	
Water works	$ 108,331
Waste water	40,345
Total business-type activities depreciation expense	$ 148,676

NOTE 6: Long-term obligations

The following is a summary of transactions affecting the Town's long-term obligations for the year ended December 31, 2016:

	Beginning Balance	Increases	Decreases	Ending Balance	Amounts Due Within 1 Year
Governmental activities					
Bonds payable:					
Sales Tax Revenue and					
Refunding Bonds	$ 860,000		$ 60,000	$ 800,000	$ 60,000
Compensated absences	1,751		83	1,668	
Governmental activities long-term liabilities	$ 861,751		$ 60,083	$ 801,668	$ 60,000
Business-type activities					
Notes Payable	$ 971,112		$ 41,364	$ 929,748	$ 35,346
Compensated absences	3,775		1,421	2,354	
Business-type activities long-term liabilities	$ 974,887		$ 42,785	$ 932,102	$ 35,346

Permanent employees of the Town can earn vacation leave at the rate of 5 days per year for the first three years up to a maximum of 20 days per year after ten years. Part-time employees working 20-31 hours per week earn vacation leave prorated based on the average number of hours worked each month based on the same years of service as permanent employees. Employees are encouraged to take the full amount of vacation each year. Vacation may be carried over into subsequent calendar years after three years of service. No more than 40 hours may be carried over on any given year. At termination, employees are paid for any accumulated vacation leave. Accumulated vacation leave and salary related payments at December 31, 2016 amounted to $1,520. Of this amount, $646 is recorded as a liability in the government-wide financial statements for governmental activities, and $874 is recorded as a liability in the proprietary fund financial statements and the government-wide financial statements for business-type activities.

Permanent employees of the Town earn sick leave at the rate of 12 days per year. The maximum permissible accumulation is 60 days. Upon separation from the Town, employees are paid for one fourth of any accumulated sick leave. Accumulated sick leave for the Town at December 31, 2016 amounted to $3,944 in total. Of this amount, $3,764 is recorded as a liability in the government-wide financial statements for governmental activities, and $180 is recorded as a liability in the proprietary fund financial statements and the government-wide financial statements for business-type activities.

Bonds and notes payable

Bonds and notes payable at December 31, 2016 are comprised of the following issues:

	Total Payable	Current Portion
Business-type activities:		
A loan from Colorado Water Conservation Board (CWCB), issued for purchase of an existing well and to construct a raw water pipeline from the well to the Town. Principal and interest installments are due annually on July 1, at an annual interest rate of 3.75%, maturity date of June 30, 2038.	$ 891,284	$ 33,423
A loan from Department of Local Affairs (DOLA), issued for purchase of materials for wastewater system upgrade to meet state requirements. Principal and interest installments are due annually on September 1, at an annual interest rate of 5%, maturity date of September 1, 2028.	38,465	1,923
Governmental activities:		
The $960,000 Sales Tax Revenue Bonds, Series 2014, issued for street improvements. Principal installments are due annually on December 1 with semiannual interest payments due on June 1 and December 1, at an annual interest rate of 2.92%	800,000	60,000
Total bonds, leases and notes payable	$1,729,749	$ 95,346

To provide additional security for the payment of the Sales Tax Bonds, sales tax collections that are in excess of the required annual amounts to fund the Bond requirements shall be maintained in a Reserve Account. The amount of the reserve shall be $48,000. The requirement for 2016 has been met by the Town.

The Town has established a 3% municipal sales tax of which 1/12th is pledged monthly to be used to pay principal and interest on this indebtedness. These pledged revenues are accounted for in the Capital Improvements Fund. In 2016, sales taxes of $193,643 were received in the Capital Improvements Fund and $101,364 was required for debt service. Debt service is anticipated to require approximately 50% of pledged revenues.

The annual debt service requirements for all bonds and notes outstanding as of December 31, 2016, are as follows:

Years	Principal	Interest
2017	$ 102,944	$ 58,706
2018	109,585	55,314
2019	111,289	51,712
2020	113,058	48,045
2021	119,895	44,310
Subtotal	556,771	258,087
2022-2026	754,602	157,112
2027-2031	323,693	54,742
2032-2033	94,682	4,461
Total	$1,729,749	$ 474,401

NOTE 7: Budgets

State law requires that all funds be budgeted. The Waterworks Operating Fund and Wastewater Operating Fund budgets are on a comprehensive basis of accounting other than GAAP. Because accounting principles applied for purposes of developing data on a budgetary basis differ significantly from those used to present financial statements in conformity with GAAP, a reconciliation of resultant basis, timing, perspective and entity differences in the excess of revenues and other sources in financial resources over expenditures and other uses of financial resources for the year ended December 31, 2016, is presented below:

	Waterworks Operating Fund	Wastewater Operating Fund
Excess of revenues and other sources of financial resources over expenditures and other uses of financial resources (Budget basis)	$ (453,914)	$ (4,544)
Adjustments:		
Equipment, buildings, and system improvements	675,670	1,882
Depreciation and amortization	(108,331)	(40,345)
Principal on debt	39,063	2,088
Excess of revenues and other sources of financial resources over expenditures and other uses of financial resources (GAAP basis)	$ 152,488	$ (40,919)

NOTE 8: Retirement Plan

The Town provides retirement benefits for all full-time employees through individual SEP accounts of the employee's choosing. The current year covered payroll of eligible employees amounted to $271,036. The Town contributes 5% of the employees' compensation; however, the total contribution for each employee may not exceed 15% of annual earnings or $30,000, whichever is less. Contributions by the Town on behalf of the employees amounted to $13,552 for 2016. All contributions are 100% vested for the benefit of each employee immediately upon deposit.

NOTE 9: Risk Management

The Town is exposed to various risks of loss related to torts; thefts of, damage to, or destruction of assets; errors or omissions; injuries to employees; or acts of God.

The Town is a member of the Colorado Intergovernmental Risk Sharing Agency (CIRSA). CIRSA is a joint self-insurance pool created by intergovernmental agreement of 225 municipalities and 43 special districts to provide property and liability and/or workers' compensation coverage to its members.

Coverage is provided through pooling of self-insured losses and the purchase of excess insurance coverage. CIRSA has a legal obligation for claims against its members to the extent that funds are available in its annually established loss fund, and those amounts are available from insurance providers under excess specific and aggregate insurance contracts. Losses incurred in excess of loss funds and amounts recoverable from excess insurance are direct liabilities of the participating members. CIRSA has indicated that the amount of any excess losses would be billed to members in proportion to their contributions in the year such excess occurs, although it is not legally required to do so.

The Town maintains commercial insurance for workmen's compensation coverage. Claims have not exceeded coverage in any of the past three fiscal years.

NOTE 10: Related Organization

The Timberwood Housing Authority is an autonomous municipal entity governed by a board approved by the Mayor, but there is no continuing relationship between the Authority and the Town. The management of the Authority is selected by the governing board and operations are the exclusive responsibility of the Authority's management. The Authority is responsible for its financial affairs including the funding of deficits and the disposition of surpluses, also the Town does not guarantee the Authority's outstanding debt.

The Authority operates within the geographical boundaries of the Town.

The Authority is treated as a related organization rather than a component unit since there is not financial interdependency, control or oversight responsibility.

NOTE 11: Tax and Spending Limitations

Colorado voters passed an amendment to the State Constitution, Article X, Section 20, which has several limitations, including revenue raising, spending abilities, and other specific requirements of state and local governments. The Amendment is complex and subject to judicial interpretation. In accordance with the amendment, the registered electors of the Town of Keenesburg, Colorado, passed an ordinance in 1995 allowing the collection, retention, and expenditure of the full proceeds of the Town's revenues, without any increase in any tax rate, from January 1, 1994 and thereafter. The Town believes it is in compliance with the requirements of the Amendment. The Town has made certain interpretations of the amendment's language in order to determine its compliance. The effect, if any, on the future operations of the Town is not determinable at this time.

The Amendment requires that Emergency Reserves be established. These reserves must be at least 3 percent of "fiscal Year Spending" (as defined in the Amendment). As of December 31, 2016, the Reserved Fund Balance for this purpose is $36,308.

SUPPLEMENTARY INFORMATION

Town of Keenesburg, Colorado

Schedule of Revenues, Expenditures, and Changes in Fund Balance
Budget and Actual - General Fund
Year Ended December 31, 2016

	Budget			
	Original	*Final*	*Actual*	*Variance with Final Budget Positive (Negative)*
Revenues				
General property tax	$ 182,981	$ 182,981	$ 182,959	$ (22)
Specific ownership tax	12,000	12,000	11,440	(560)
Penalties and interest	300	300	487	187
Taxes	195,281	195,281	194,886	(395)
Cigarette tax	800	800	1,200	400
Sales tax	65,000	65,000	65,000	
Franchise tax	40,000	40,000	37,321	(2,679)
Severance tax	35,000	35,000	27,777	(7,223)
Highway users' tax	45,884	45,884	46,366	482
Use tax	17,000	17,000	19,466	2,466
Payment in lieu of taxes	1,600	1,600	1,388	(212)
Other taxes	205,284	205,284	198,518	(6,766)
Motor vehicle registration	6,000	6,000	6,842	842
County road and bridge	6,283	6,283	6,004	(279)
Donations	100	100		(100)
Intergovernmental	12,383	12,383	12,851	468
Liquor license	900	900	1,728	828
Occupation fees	775	775	522	(253)
Building permits	21,000	21,000	19,641	(1,359)
Business licenses and permits	1,300	1,300	4,330	3,030
Street cut fees	500	500	300	(800)
Park fees	1,500	1,500	3,000	1,500
License and fees	25,975	25,975	29,521	3,546
Development fees engineering	30,000	30,000	31,753	1,753
Development fees legal	30,000	30,000	22,475	(7,525)
Animal control fees	3,000	3,000	1,990	(1,010)
Municipal court fees	4,500	4,500	1,504	(2,996)
Charges for service	67,500	67,500	57,722	(9,778)
Earnings on investments	200	200	217	17
Miscellaneous revenues	15,000	15,000	14,585	(415)
Miscellaneous	15,200	15,200	14,802	(398)
Total revenues	$ 521,623	$ 521,623	$ 508,300	$ (13,323)

Town of Keenesburg, Colorado

Schedule of Revenues, Expenditures, and Changes in Fund Balance
Budget and Actual - General Fund
Year Ended December 31, 2016

	Budget Original	Budget Final	Actual	Variance with Final Budget Postivie (Negative)
Expenditures				
Mayor salary	18,000	18,000	18,000	
Payroll taxes mayor/trustees	2,100	2,100	1,862	238
Publishing	300	300	84	
Election judges	400	400	360	
Workmen's compensation	120	120	91	29
Miscellaneous	800	800	3,550	(2,750)
Director/trustee fees	7,200	7,200	5,450	1,750
Legislative	28,920	28,920	29,397	(477)
Salaries	52,600	52,600	54,754	(2,154)
Payroll taxes	4,365	4,365	4,667	(302)
Telephone	2,200	2,200	2,021	179
Utilities	1,800	1,800	1,861	(61)
Office expense	15,500	15,500	9,327	6,173
Maintenance and repairs	3,000	3,000	1,571	1,429
Insurance and bonds	8,600	8,600	8,499	101
Audit and accounting	4,800	4,800	4,675	125
Professional services	20,000	20,000	23,412	(3,412)
Legal	35,000	35,000	22,865	12,135
Publishing	3,000	3,000	2,668	332
Dues and subscriptions	10,200	10,200	8,759	1,441
Health insurance	14,365	14,365	10,946	3,419
Planning and zoning	20,000	20,000	34,822	(14,822)
Capital outlay	8,000	8,000		8,000
Employee benefits	2,630	2,630	2,649	(19)
Workmen's compensation	250	250	182	68
Miscellaneous	5,500	5,500	7,155	(1,655)
Treasurer's fees	2,000	2,000	1,834	166
Legal/Development/Planning	60,000	60,000	51,982	8,018
General Administration	273,810	273,810	254,649	19,161
Legal - judge and court attorney	3,000	3,000	2,528	472
Law enforcement	65,000	65,000	51,336	13,664
Inspection services	16,800	16,800	14,776	2,024
Miscellaneous	300	300	364	(64)
Capital outlay				
Public safety	85,100	85,100	69,004	16,096

Town of Keenesburg, Colorado

Schedule of Revenues, Expenditures, and Changes in Fund Balance
Budget and Actual - General Fund
Year Ended December 31, 2016

	Budget			
	Original	*Final*	*Actual*	*Variance with Final Budget Positive (Negative)*
Salaries	32,900	32,900	29,920	2,980
Payroll taxes	2,800	2,800	2,382	418
Telephone	2,200	2,200	2,021	179
Utilities	1,550	1,550	1,394	156
Office expense	1,300	1,300	681	619
Maintenance and repair - equipment	15,000	15,000	9,701	5,299
Maintenance and repair - streets	25,000	25,000	22,263	2,737
Street lighting	20,000	20,000	14,087	5,913
Gas and oil	5,000	5,000	3,035	1,965
Shop supplies	7,000	7,000	6,744	256
Trash service fees	4,000	4,000	3,256	744
Capital outlay				
Employee benefits	1,645	1,645	1,157	488
Health insurance	10,700	10,700	6,326	4,374
Workmen's compensation	2,675	2,675	2,162	513
Miscellaneous	1,500	1,500	2,812	(1,312)
Public works	133,270	133,270	107,941	25,329
Code enforcement	6,500	6,500	8,194	(1,694)
Mosquito spraying	3,670	3,670	3,252	418
Animal control	3,000	3,000	1,098	1,902
Health and welfare	13,170	13,170	12,544	626
Utilities	320	320	267	53
Maintenance and repair	4,000	4,000	3,658	342
Miscellaneous	2,500	2,500	1,905	595
Miscellaneous contributions	6,500	6,500	6,500	-
Culture and recreation	13,320	13,320	12,330	990
Total expenditures	547,590	547,590	485,866	61,724
Net change in fund balance	$ (25,967)	$ (25,967)	22,434	48,401
Fund balance - beginning			476,656	450,689
Fund balance - ending			$ 499,090	$ 499,090

Town of Keenesburg, Colorado

Schedule fo Revenues, Expenditures, and Changes in Fund Balances
Budget and Actual - Capital Improvement Fund
Year Ended December 31, 2016

	Budget			
	Original	*Final*	*Actual*	*Variance with Final Budget Positive (Negative)*
Revenues				
Sales tax	$ 125,000	$ 125,000	$ 128,644	$ 3,644
Street impact fees	1,500	1,500	3,000	1,500
Earnings on investments	300	300	333	33
Total revenues	126,800	126,800	131,977	5,177
Expenditures				
Capital expenditures	884,400	884,400	884,400	
Street bond debt principal	60,000	60,000	60,000	
Street bond debt interest	25,112	25,112	25,112	
Street debt paying fee				
Total expenditures	969,512	969,512	969,512	
Net change in fund balance	(842,712)	(842,712)	(837,535)	5,177
Fund balance - beginning			1,081,068	238,356
Fund balance - ending			$ 243,533	$ 243,533

Town of Keenesburg, Colorado

Schedule of Revenues and Expenditures - Budget and Actual -
(Non-GAAP Basis) Enterprise Fund - Waterworks
Year Ended December 31, 2016

	Budget	Actual	Variance with Final Budget Positive (Negative)
Revenues			
Earnings on investments	$ 300	$ 300	$ -
Miscellaneous revenues	15,000	1,487	(13,513)
State funds- grants	394,689	198,850	(195,839)
Water pipeline use income	63,099	63,099	
Water sales	235,000	268,933	33,933
Water tap fees	16,000	24,000	8,000
Total revenues	724,088	556,669	(167,419)
Expenditures			
Salaries	59,200	48,186	11,014
Payroll taxes	4,915	3,969	946
Utilities	42,500	36,612	5,888
Maintenance and repair equipment	30,000	27,217	2,783
Gas and oil	3,000	1,518	1,482
Operating supplies	18,000	16,957	1,043
Health insurance	19,300	9,688	9,612
Capital outlay			
Employee benefits	2,960	1,873	1,087
Workmen's compensation	4,800	4,064	736
Miscellaneous	400	819	(419)
Water testing	6,500	6,925	(425)
Public Works	191,575	157,828	33,747
Salaries	48,300	50,187	(1,887)
Payroll taxes	4,010	4,260	(250)
Telephone	2,150	2,021	129
Utilities	900	784	116
Office Expense	2,500	2,037	463
Maintenance and repairs	800	1,182	(382)
Insurance and bonds	4,300	4,249	51
Audit and accounting	2,350	2,337	13
Professional services	40,000	16,752	23,248
Dues and subscriptions	6,550	5,219	1,331
Health insurance	14,200	11,590	2,610
Employee benefits	2,415	2,426	(11)
Workmen's compensation	400	91	309
Miscellaneous	125		125
Administration	129,000	103,134	25,866
Excess of revenues over expenditures	403,513	295,707	(107,806)

See the accompanying independent auditor's report

Town of Keenesburg, Colorado

Schedule of Revenues and Expenditures - Budget and Actual - (Non-GAAP Basis) Enterprise Fund - Waterworks
Year Ended December 31, 2016

	Budget	Actual	Variance with Final Budget Positive (Negative)
Other financing uses			
Interest on CWCB loan	(34,888)	(34,888)	
Principal on CWCB loan	(39,063)	(39,063)	
System improvements	(869,378)	(675,670)	193,708
Total other financing uses	(943,329)	(749,621)	193,708
Excess of revenues over expenditures and other financing uses	(539,816)	(453,914)	85,902
Fund balance appropriated	$ 539,816		539,816
Excess of revenues over expenditures and other financing uses		$ (453,914)	$ (453,914)

Town of Keenesburg, Colorado

Schedule of Revenues and Expenditures - Budget and Actual -
(Non-GAAP Basis) Enterprise Fund - Wastewater
Year Ended December 31, 2016

	Budget	Actual	Variance with Final Budget Positive (Negative)
Revenues			
Earnings on investments	$ 10	$ 23	$ 13
State funds - grant	15,000	15,000	
Sewer sales	215,500	219,534	4,034
Sewer tap fees	13,000	19,500	6,500
Total revenues	243,510	254,057	10,547
Expenditures			
Salaries	39,500	36,924	2,576
Payroll taxes	3,260	3,086	174
Utilities	40,000	36,668	3,332
Maintenance and repair	15,000	6,525	8,475
Gas and oil	2,500	1,518	982
Health insurance	12,900	7,591	5,309
Operating supplies	1,800	3,051	(1,251)
Capital outlay			-
Employee benefits	1,975	1,464	511
Workmen's compensation	3,000	2,422	578
Miscellaneous	500	124	376
Sewer testing and permits	5,500	3,997	1,503
Public Works	125,935	103,370	22,565
Salaries	46,500	50,187	(3,687)
Payroll taxes	3,900	4,179	(279)
Telephone	2,200	2,021	179
Utilities	850	724	126
Office Expense	2,500	1,802	698
Maintenance and repairs	700	668	32
Insurance and bonds	4,300	4,249	51
Audit and accounting	2,350	2,337	13
Professional services	50,000	50,998	(998)
Dues and subscriptions	4,350	2,647	1,703
Health insurance	13,000	9,891	3,109
Employee benefits	2,325	2,377	(52)
Workmen's compensation	120	91	29
Miscellaneous	200	29	171
Administration	133,295	132,200	1,095
Excess of revenues over expenditures	(15,720)	18,487	34,207

Town of Keenesburg, Colorado

Schedule of Revenues and Expenditures - Budget and Actual - (Non-GAAP Basis) Enterprise Fund - Wastewater
Year Ended December 31, 2016

	Budget	Actual	Variance with Final Budget Positive (Negative)
Other financing uses			
Principal on debt	(2,301)	(2,088)	213
Interest on debt	(2,039)	(2,038)	1
System improvements		(18,905)	(18,905)
Total other financing uses	(4,340)	(23,031)	(18,691)
Excess of revenues over expenditures and other financing uses	(20,060)	(4,544)	15,516
Fund balance appropriated	$ 20,060		20,060
Excess of revenues over expenditures and other financing uses		$ (4,544)	$ (4,544)

COMPLIANCE SECTION

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

LOCAL HIGHWAY FINANCE REPORT		City or County: Keenesburg
		YEAR ENDING : December 2016
This Information From The Records Of (example - City of _ or County of _	Prepared By:	Debra Chumley
	Phone:	(303) 732-4281

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

ITEM	AMOUNT
A. Receipts from local sources:	
1. Local highway-user taxes	
a. Motor Fuel (from Item I.A.5.)	
b. Motor Vehicle (from Item I.B.5.)	
c. Total (a.+b.)	
2. General fund appropriations	57,733
3. Other local imposts (from page 2)	128,643
4. Miscellaneous local receipts (from page 2)	333
5. Transfers from toll facilities	
6. Proceeds of sale of bonds and notes:	
a. Bonds - Original Issues	
b. Bonds - Refunding Issues	
c. Notes	
d. Total (a. + b. + c.)	0
7. Total (1 through 6)	186,709
B. Private Contributions	
C. Receipts from State government (from page 2)	53,208
D. Receipts from Federal Government (from page 2)	0
E. Total receipts (A.7 + B + C + D)	239,917

III. DISBURSEMENTS FOR ROAD AND STREET PURPOSES

ITEM	AMOUNT
A. Local highway disbursements:	
1. Capital outlay (from page 2)	884,400
2. Maintenance:	22,263
3. Road and street services:	
a. Traffic control operations	
b. Snow and ice removal	
c. Other	
d. Total (a. through c.)	0
4. General administration & miscellaneous	85,678
5. Highway law enforcement and safety	
6. Total (1 through 5)	992,341
B. Debt service on local obligations:	
1. Bonds:	
a. Interest	25,112
b. Redemption	60,000
c. Total (a. + b.)	85,112
2. Notes:	
a. Interest	
b. Redemption	
c. Total (a. + b.)	0
3. Total (1.c + 2.c)	85,112
C. Payments to State for highways	
D. Payments to toll facilities	
E. Total disbursements (A.6 + B.3 + C + D)	1,077,453

IV. LOCAL HIGHWAY DEBT STATUS

(Show all entries at par)

	Opening Debt	Amount Issued	Redemptions	Closing Debt
A. Bonds (Total)	860,000		60,000	800,000
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
1,081,068	239,917	1,077,453	243,532	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	333
b. Other local imposts:		b. Traffic Fines & Penalities	
1. Sales Taxes	128,643	c. Parking Garage Fees	
2. Infrastructure & Impact Fees	0	d. Parking Meter Fees	
3. Liens		e. Sale of Surplus Property	
4. Licenses		f. Charges for Services	
5. Specific Ownership &/or Other		g. Other Misc. Receipts	
6. Total (1. through 5.)	128,643	h. Other	
c. Total (a. + b.)	128,643	i. Total (a. through h.)	333
	(Carry forward to page 1)		(Carry forward to page 1)

ITEM	AMOUNT	ITEM	AMOUNT
C. Receipts from State Government		**D. Receipts from Federal Government**	
1. Highway-user taxes	46,366	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	6,842	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.)	6,842	g. Total (a. through f.)	0
4. Total (1. + 2. + 3.f)	53,208	3. Total (1. + 2.g)	
			(Carry forward to page 1)

III. DISBURSEMENTS FOR ROAD AND STREET PURPOSES - DETAIL

	ON NATIONAL HIGHWAY SYSTEM (a)	OFF NATIONAL HIGHWAY SYSTEM (b)	TOTAL (c)
A.1. Capital outlay:			
a. Right-Of-Way Costs			0
b. Engineering Costs			0
c. Construction:			
(1). New Facilities			0
(2). Capacity Improvements		884,400	884,400
(3). System Preservation			0
(4). System Enhancement & Operation			0
(5). Total Construction (1) + (2) + (3) + (4)	0	884,400	884,400
d. Total Capital Outlay (Lines 1.a. + 1.b. + 1.c.5)	0	884,400	884,400
			(Carry forward to page 1)

Notes and Comments: