TOWN OF NATURITA, COLORADO

FINANCIAL STATEMENTS AND REPORT OF INDEPENDENT CERTIFIED PUBLIC ACCOUNTANTS

December 31, 2016

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CONTENTS

Chadwick, Steinkirchner, Davis & Co., P.C. Consultants and Certified Public Accountants

REPORT OF INDEPENDENT CERTIFIED PUBLIC ACCOUNTANTS

September 11, 2017

Honorable Mayor and Board of Trustees
Town of Naturita, Colorado

We have audited the accompanying financial statements of the governmental activities, the business-type activities, and each major fund of the Town of Naturita, 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 Unites States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility
Our responsibility is to express opinions on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement.

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

Opinions
In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, and each major fund of the Town of Naturita, Colorado, as of December 31, 2016, and the respective changes in financial position and, where applicable, cash flows thereof and the respective budgetary comparisons for the General Fund and Major Special Revenue Funds for the year then ended in accordance with accounting principles generally accepted in the United States of America.

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Board of Trustees
Town of Naturita
Page Two

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis on pages 3 through 8 be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Other Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Town of Naturita's basic financial statements. The enterprise fund budget to actual schedule and the local highway finance report are presented for purposes of additional analysis and are not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the 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 our opinion, the information is fairly stated, in all material respects, in relation to the basic financial statements as a whole.

Chadwick, Steinkirchner, Davis + Co., P.C.

This management's discussion and analysis of the Town of Naturita financial statements provides an overview of the Town's financial activities for the fiscal year ended December 31, 2016. The intent of this discussion and analysis is to look at the Town's financial performance as a whole; it should be read in conjunction with the basic financial statements and notes to enhance the reader's understanding of the Town's overall financial performance.

USING THE BASIC FINANCIAL STATEMENTS

This annual report consists of three parts – *management's discussion and analysis* (this section), the *basic financial statements,* and *supplementary information.* The basic financial statements include two types of information on the same statement that present different views of the Town:

- G*overnment-wide financial statements* that provide both *long-term* and *short-term* information about the Town's *overall* financial status.
- F*und financial statements* that focus on *individual parts* of the Town government, reporting the Town's operations *in more detail* than the government-wide statements.

The financial statements also include *notes* that explain some of the information in the financial statements and provide more detailed data. The statements are followed by a section of *supplementary information* that further explains and supports the information in the financial statements.

Government-wide Statements

The government-wide statements consist of the Statement of Net Position and the Statement of Activities. These statements report information about the Town as a whole and include *all* assets, liabilities, and deferred inflows using the *accrual basis of accounting,* which is similar to the accounting used by most private-sector companies. All of the current year's revenues and expenses are taken into account regardless of when cash is received or paid.

These two statements report the Town's *net position* and changes in it. The Town's net position – the difference of assets, liabilities, and deferred inflows – are one way to measure the Town's financial health, or *financial position.* Over time, *increases or decreases* in the Town's net position are one indicator of whether its *financial health* is improving or deteriorating. Other non-financial factors, however, such as changes in the Town's property tax base and the condition of the infrastructure, are needed to assess the *overall health* of the Town.

Fund Financial Statements

The fund financial statements provide more detailed information about the Town's *funds*, focusing on its most significant funds – not the Town as a whole. The Town's major governmental funds include the General Fund, the Conservation Trust Fund, and the Lodging Tax Fund. Unlike government-wide financial statements, the focus of the fund financial statements is directed to specific activities of the Town rather than the Town as a whole. Except for the General Fund, a specific fund is established to satisfy managerial control over resources or to satisfy finance-related legal requirements established by external parties or governmental statutes or regulations.

Governmental funds – The Town's activities are reported in three governmental funds, which focus on how money flows into and out of those funds and the balances left at year-end that are available for spending in future periods. The funds are reported using an accounting method called *modified accrual* accounting, which measures cash and all other *financial* assets that can readily be converted to cash. The governmental funds financial statements provide a detailed *short-term view* of the Town's general government operations, cultural and recreational services, and the basic services they provide. Governmental fund information helps to determine whether there are more or fewer financial resources that can be spent in the near future to finance the Town's programs. The relationship (or differences) between governmental *activities* (reported in the Statement of Net Position and the Statement of Activities) and governmental *funds* is provided in reconciliations following the fund financial statements.

THE TOWN AS A WHOLE

Statement of Net Position

The perspective of the Statement of Net Position is of the Town as a whole. Following is a summary of the Town's net position for the fiscal years 2015 and 2016.

	2015			2016		
	Governmental Activities	Business-type Activities	Total	Governmental Activities	Business-type Activities	Total
Current and other assets	451,985	254,536	706,521	447,625	186,561	634,186
Capital assets	517,740	1,520,901	2,038,641	940,623	1,525,338	2,465,961
Total Assets	**969,725**	**1,775,437**	**2,745,162**	**1,388,248**	**1,711,899**	**3,100,147**
Long-term liabilities outstanding	-	104,880	104,880	-	99,003	99,003
Other liabilities	4,605	25,409	30,014	6,183	50,520	56,703
Deferred Inflows	47,152	-	47,152	47,135	-	47,135
Total liabilities/deferred inflows	**51,757**	**130,289**	**182,046**	**53,318**	**149,523**	**202,841**
Net Position:						
Net Investment in capital assets	517,740	1,416,021	1,933,761	940,623	1,426,335	2,366,958
Restricted for marketing & promotion	77,613	-	77,613	78,151	-	78,151
Restricted for emergencies	11,028	-	11,028	11,364	-	11,364
Unrestricted	311,587	229,127	540,714	304,792	136,041	440,833
Total net position	**917,968**	**1,645,148**	**2,563,116**	**1,334,930**	**1,562,376**	**2,897,306**

The Town shows a substantial positive balance in net position. The most significant items on the statement of net position are the capital assets and these are described in more depth in *Note D* to the financial statements.

Statement of Activities

The perspective of the Statement of Activities is of the Town as a whole. The Statement of Activities reflects the cost of program services and the charges for services and sales, grants and contributions offsetting those services. The following detail reflects the total cost of services supported by program revenues, sales taxes, and general property taxes, as well as other general revenues, resulting in the overall change in net position for the fiscal years 2015 and 2016.

	2015			2016		
	Governmental Activities	Business-type Activities	Total	Governmental Activities	Business-type Activities	Total
REVENUES:						
Program revenues:						
Charges for Services	10,982	361,171	372,153	32,523	328,587	361,110
Grants and Contributions	122,325	8,232	130,557	353,102	-	353,102
General revenues:						
Taxes	330,711	-	330,711	345,543	-	345,543
Interest, other revenue, transfers	17,539	(5,725)	11,814	24,101	(19,745)	4,355
Total revenues	**481,557**	**363,678**	**845,235**	**755,269**	**308,842**	**1,064,110**
EXPENSES:						
General government	137,823	-	137,823	157,917	-	157,917
Public Safety	120,974	-	120,974	132,075	-	132,075
Public Works	47,201	-	47,201	31,122	-	31,122
Culture and recreation	20,677	-	20,677	17,192	-	17,192
Utility operations	-	363,993	363,993	-	391,614	391,614
Total expenses	**326,675**	**363,993**	**690,668**	**338,306**	**391,614**	**729,920**
Increase (decrease) in net position	**154,882**	**(315)**	**154,567**	**416,962**	**(82,772)**	**334,190**
Net position January 1	**763,086**	**1,645,463**	**2,408,549**	**917,968**	**1,645,148**	**2,563,116**
Net position December 31	**917,968**	**1,645,148**	**2,563,116**	**1,334,930**	**1,562,376**	**2,897,306**

The Town's primary sources of revenue are from taxes and utility fees. These revenues are used to pay the cost of the general government and the cost of the utility activity expenses.

The Town operated at an increase in net position for governmental activities in 2015 and 2016; the primary increase in 2016 was due to a Colorado Department of Local Affairs flood recovery grant which was used to construct additional infrastructure to help protect the Town from future flooding. Sales taxes were also higher than in 2015, which helped to cover additional operating costs in general government and public safety.

The Town reported a break even in net position in business-type activities in 2015 but at a loss for 2016. The revenue was insufficient to pay for current services being provided, forcing the Town to dip into reserves to cover expenses. The 2016 shortfall was primarily caused by staffing turnover which resulted in a failure to bill customers in July 2016. Procedures and policies have been implemented to make sure this does not happen again in the future. The Town Board was advised of the oversight and the debt holder was notified. The Town has received a number of grants and loans in the past to help construct and improve its water and wastewater treatments systems. The Town increased rates in April 2014 and in 2015 to cover operating costs. No increase was implemented in 2016.

THE TOWN'S FUNDS

The fund level financial statements focus on how services were financed in the short-term as well as what remains for future spending. The fund level financial statements are reported on the modified accrual basis of accounting for governmental funds.

At the fund level, under the modified accrual basis of accounting, depreciable assets and their related depreciation expense are not reflected as they are not a current period financial resource or use. In addition, at the fund level, inflows from operating loans, if any, are presented as a revenue item while outflows for capital outlay and debt service payments, if any, are presented as an expenditure item, as these items represent current period financial resources and uses.

For the year ended 12/31/2016, governmental fund balances were reduced by a slight $5,921. This is primarily due to the matching funds that were required for the DOLA flood control grant.

GENERAL FUND BUDGETARY HIGHLIGHTS

The Town's procedures in establishing budgetary data reflected in the financial statements are summarized in *Note A* of the financial statements. No amended budgets were adopted by the Town during fiscal year 2016. Much of the Town's activities during last 2016 were driven by a significant flood event which occurred in August 2016. This flood, which was the third significant flood event in the past two years, caused postponement of many budgeted and planned for capital projects in the Town's governmental and enterprise funds.

General Fund Resources (Inflows)

The Town's final actual revenues in the amount of $712,696 were greater than budget expectations of $665,553 by $47,143, primarily because of receiving more in sales and use taxes.

General Fund Charges to Appropriations (Outflows)

The Town's final actual expenditures of $748,348 were $130,549 less than the final appropriated balance of $878,897 primarily because the Town spent less than anticipated on capital outlay.

UTILITY FUND BUDGETARY HIGHLIGHTS

The Town's procedures in establishing budgetary data reflected in the financial statements are summarized in *Note A* of the financial statements. No amended budgets were adopted by the Town during fiscal year 2016.

Utility Fund Resources (Inflows)

The Town's final actual revenues in the amount of $328,842 were under budget expectations of $372,175 by $43,333, primarily due to staffing changes that resulted in no billings being done in July 2016. As noted in *Note E* of the financial statements, this one-time event was reported to the debt holder and should not occur again.

Utility Fund Charges to Appropriations (Outflows)

The Town's final actual budgetary basis expenditures of $396,051 were $143,878 less than the final appropriated balance of $539,929. Personal services were less than budgeted due to a vacancy in the utility department and because staff time was shifted from utility activities to flood response. Operating expenses were less than budgeted because the budget for repairs and maintenance included some expenditures that were ultimately reclassified to capital, which also explains the budget overage in the capital outlay category.

CONSERVATION TRUST FUND BUDGETARY HIGHLIGHTS

The Town's procedures in establishing budgetary data reflected in the financial statements are summarized in *Note A* of the financial statements. No amended budgets were adopted by the Town during fiscal year 2016.

Conservation Trust Fund Resources (Inflows)

The Town's final actual revenues in the amount of $5,995 were below budget expectations of $8,100 by $2,105.

Conservation Trust Fund Charges to Appropriations (Outflows)

The Town's final expenditures of $2 were $32,498 less than the final appropriated balance of $32,500 as projects were deferred.

LODGING FUND BUDGETARY HIGHLIGHTS

The Town's procedures in establishing budgetary data reflected in the financial statements are summarized in *Note A* of the financial statements. No amended budgets were adopted by the Town during fiscal year 2016.

Lodging Tax Fund Resources (Inflows)

The Town's final actual revenues in the amount of $13,377 exceeded budget expectations of $10,620 by $2,757 due to an increase in lodging revenue.

Lodging Tax Fund Charges to Appropriations (Outflows)

The Town's final expenditures of $12,839 were $29,161 less than the final appropriated balance of $42,000 as projects were deferred.

CAPITAL ASSETS

At the end of 2016, the Town had a total of $940,623 invested in net capital assets of governmental activities. The amount of capital assets for business-type activities totaled $1,525,338 after accumulated depreciation, an increase of $4,437 over 2015. There were no retirements in 2016 in the business-type activities; there were retirements of $15,300 in governmental activities. *See Note D, Capital Assets.*

LONG-TERM DEBT

During 2012, the Town entered into a loan to assist in the renovation of the Town's sewer system. The loan was for $700,000 with $500,000 forgiven at closing. The remaining balance on the loan at December 31, 2016 was $99,003. *See Note E, Long-term Liabilities.* Until 2016, the Town had met compliance requirements for this loan. As noted in *Note E* to the financial statements, in 2016 the Town failed to meet the rate covenant calculation due to the failure to issue utility bills to customers in July. This should not occur again in the future.

CONTACTING THE TOWN'S FINANCIAL MANAGEMENT

This financial report is designed to provide our residents, customers, taxpayers, investors, and creditors with a general overview of the Town's finances and to show the Town's accountability for the money it receives. If you have any questions regarding this report or need additional financial information, please contact the:

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Town of Naturita, Colorado

STATEMENT OF NET POSITION

December 31, 2016

	Governmental Activities	Business-type Activities	Total
ASSETS			
Cash and investments	$ 335,364	$ 166,468	$ 501,832
Receivables			
Accounts	13,353	42,380	55,733
Property taxes	47,135	-	47,135
Intergovernmental	29,486	-	29,486
Internal funds	22,287	(22,287)	-
Capital assets (net of accumulated depreciation):			
Land and water shares	142,274	77,870	220,144
Infrastructure, net	681,514	-	681,514
Buildings and improvements, net	79,659	1,447,468	1,527,127
Equipment, net	37,176	-	37,176
Total assets	1,388,248	1,711,899	3,100,147
LIABILITIES			
Accounts payable	6,183	11,200	17,383
Customer deposits	-	39,320	39,320
Long-term liabilities			
Note payable due within one year	-	5,936	5,936
Note payable due after one year	-	93,067	93,067
Total liabilities	6,183	149,523	155,706
DEFERRED INFLOWS			
Property taxes	47,135	-	47,135
Total deferred inflows	47,135	-	47,135
Total liabilities and deferred inflows	53,318	149,523	202,841
NET POSITION			
Net investment in capital assets	940,623	1,426,335	2,366,958
Restricted for marketing and promotion	78,151	-	78,151
Restricted for emergency reserves	11,364	-	11,364
Unrestricted	304,792	136,041	440,833
Total net position	$ 1,334,930	$ 1,562,376	$ 2,897,306

The accompanying notes are an integral part of this statement.

Town of Naturita, Colorado

STATEMENT OF ACTIVITIES

Year ended December 31, 2016

		Program Revenues			Net (Expense) Revenue and Changes in Net Position		
Functions/Programs	Expenses	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Governmental Activities	Business-type Activities	Total
Primary government:							
Governmental activities:							
General government	$ 157,917	$ 27,669	$ -	$ -	$ (130,248)	$ -	$ (130,248)
Public safety	132,075	4,734	-	-	(127,342)	-	(127,342)
Public works	31,122	-	-	345,309	314,187	-	314,187
Culture and recreation	17,192	120	1,850	5,943	(9,279)	-	(9,279)
Total governmental activities	338,306	32,523	1,850	351,252	47,319	-	47,319
Business-type activities:							
Utility fund	391,614	328,587	-	-	-	(63,027)	(63,027)
Total primary government	$ 729,920	$ 361,110	$ 1,850	$ 351,252	47,319	(63,027)	(15,708)
General revenues:							
Property taxes					54,309	-	54,309
Sales and use taxes					291,234	-	291,234
Insurance proceeds					3,200	-	3,200
Grants and contributions not restricted to specific programs					413	-	413
Investment earnings					488	255	743
Transfers					20,000	(20,000)	-
Total general revenues					369,643	(19,745)	349,898
Change in net position					416,962	(82,772)	334,190
Net position - beginning					917,968	1,645,148	2,563,116
Net position - ending					$ 1,334,930	$ 1,562,376	$ 2,897,306

The accompanying notes are an integral part of this statement.

Town of Naturita, Colorado

BALANCE SHEET - GOVERNMENTAL FUNDS

December 31, 2016

	General	Lodging Tax Fund	Conservation Trust Fund	Total
ASSETS				
Cash and investments	$ 220,306	$ 78,151	$ 36,907	$ 335,364
Due from other funds	22,287	-	1,428	23,715
Receivables				
Property taxes	47,135	-	-	47,135
Intergovernmental	29,486	-	-	29,486
Other	13,353	-	-	13,353
Total assets	332,567	78,151	38,335	449,053
LIABILITIES				
Accounts payable	6,183	-	-	6,183
Due to other funds	1,428	-	-	1,428
Total liabilities	7,611	-	-	7,611
DEFERRED INFLOWS				
Property taxes	47,135	-	-	47,135
Total deferred inflows	47,135	-	-	47,135
Total liabilities and deferred inflows	54,746	-	-	54,746
FUND BALANCES				
Restricted for marketing and promotion	-	78,151	-	78,151
Restricted for conservation	-	-	38,335	38,335
Restricted for emergencies	11,364	-	-	11,364
Unassigned	266,457	-	-	266,457
Total fund balances	$ 277,821	$ 78,151	$ 38,335	$ 394,307

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

Total fund balance per above	$ 394,307
Capital assets used in governmental activities are not financial resources, and therefore, are not reported in the funds. The cost of the assets is $1,272,368 and the accumulated depreciation is $331,745.	940,623
Total net position - governmental activities	$ 1,334,930

The accompanying notes are an integral part of this statement.

Town of Naturita, Colorado

STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES - GOVERNMENTAL FUNDS

Year ended December 31, 2016

	General	Lodging Tax Fund	Conservation Trust Fund	Total
Revenues				
Taxes				
General property	$ 48,977	$ -	$ -	$ 48,977
Specific ownership	5,332	-	-	5,332
Sales, use and motor vehicle	272,621	11,413	-	284,034
Severence	7,612	-	-	7,612
Licenses and permits	10,009	-	-	10,009
Intergovernmental	348,422	1,850	5,943	356,215
Fines and forfeitures	1,281	-	-	1,281
Miscellaneous	18,442	114	52	18,608
Total revenues	712,696	13,377	5,995	732,068
Expenditures				
Current				
General government	156,220	12,839	-	169,059
Public safety	130,656	-	-	130,656
Public works	8,001	-	-	8,001
Culture and recreation	14,024	-	2	14,026
Capital outlay	439,447	-	-	439,447
Total expenditures	748,348	12,839	2	761,189
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	(35,652)	538	5,993	(29,121)
Other financing sources (uses)				
Transfers in (out)	20,000	-	-	20,000
Insurance proceeds	3,200	-	-	3,200
EXCESS OF REVENUES AND OTHER FINANCING SOURCES OVER (UNDER) EXPENDITURES	(12,452)	538	5,993	(5,921)
Fund balances beginning of year	290,273	77,613	32,342	400,228
Fund balances end of year	$ 277,821	$ 78,151	$ 38,335	$ 394,307

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

Net change in fund balances per above	$ (5,921)
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 outlays exceeded depreciation in the current period ($450,589 - $27,706).	422,883
Change in net position of governmental activities	$ 416,962

The accompanying notes are an integral part of this statement.

Town of Naturita, Colorado

STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE GENERAL FUND - BUDGET AND ACTUAL

Year ended December 31, 2016

	Budgeted Amounts Original	Budgeted Amounts Final	Actual	Variance with Final Budget Positive (Negative)
Revenues				
Taxes				
General property	$ 47,132	$ 47,132	$ 48,977	$ 1,845
Specific ownership	4,500	4,500	5,332	832
Sales, use, and motor vehicle	235,700	235,700	272,621	36,921
Severance	9,000	9,000	7,612	(1,388)
Licenses and permits	8,535	8,535	10,009	1,474
Intergovernmental	360,129	360,129	348,422	(11,707)
Fines and forfeitures	300	300	1,281	981
Miscellaneous	257	257	18,442	18,185
Total revenues	665,553	665,553	712,696	47,143
Expenditures				
Current				
General government	139,789	139,789	156,220	(16,431)
Public safety	139,002	139,002	130,656	8,346
Public works	6,950	6,950	8,001	(1,051)
Culture and recreation	31,668	31,668	14,024	17,644
Contingency	3,000	3,000	-	3,000
Capital outlay	558,488	558,488	439,447	119,041
Total expenditures	878,897	878,897	748,348	130,549
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	(213,344)	(213,344)	(35,652)	177,692
Other financing sources (uses)				
Transfers, net	20,000	20,000	20,000	-
Insurance proceeds	-	-	3,200	3,200
EXCESS OF REVENUES AND OTHER FINANCING SOURCES OVER (UNDER) EXPENDITURES	(193,344)	(193,344)	(12,452)	180,892
Fund balance beginning of year	259,088	259,088	290,273	31,185
Fund balance end of year	$ 65,744	$ 65,744	$ 277,821	$ 212,077

The accompanying notes are an integral part of this statement.

Town of Naturita, Colorado

STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE LODGING TAX SPECIAL REVENUE FUND - BUDGET AND ACTUAL

Year ended December 31, 2016

	Budgeted Amounts			Variance with Final Budget Positive
	Original	Final	Actual	(Negative)
Revenues				
Taxes				
Sales and use	$ 7,500	$ 7,500	$ 11,413	$ 3,913
Intergovernmental	-	-	1,850	1,850
Miscellaneous	3,120	3,120	114	(3,006)
Total revenues	10,620	10,620	13,377	2,757
Expenditures				
Current - general government	42,000	42,000	12,839	29,161
Total expenditures	42,000	42,000	12,839	29,161
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	(31,380)	(31,380)	538	31,918
Fund balance beginning of year	74,610	74,610	77,613	3,003
Fund balance end of year	$ 43,230	$ 43,230	$ 78,151	$ 34,921

The accompanying notes are an integral part of this statement.

Town of Naturita, Colorado

STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE CONSERVATION TRUST SPECIAL REVENUE FUND - BUDGET AND ACTUAL

Year ended December 31, 2016

	Budgeted Amounts			Variance with Final Budget Positive
	Original	Final	Actual	(Negative)
Revenues				
Intergovernmental	$ 5,100	$ 5,100	$ 5,943	$ 843
Miscellaneous	3,000	3,000	52	(2,948)
Total revenues	8,100	8,100	5,995	(2,105)
Expenditures				
Current				
Culture and recreation	29,500	29,500	2	29,498
Contingency	3,000	3,000	-	3,000
Total expenditures	32,500	32,500	2	32,498
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	(24,400)	(24,400)	5,993	30,393
Fund balance beginning of year	29,339	29,339	32,342	3,003
Fund balance end of year	$ 4,939	$ 4,939	$ 38,335	$ 33,396

The accompanying notes are an integral part of this statement.

Town of Naturita, Colorado

STATEMENT OF NET POSITION
PROPRIETARY FUND

December 31, 2016

		Utility Enterprise Fund
ASSETS		
Current assets		
Cash and investments		$ 166,468
Accounts receivable, net of allowance		42,380
	Total current assets	208,848
Noncurrent assets		
Capital assets, net of accumulated depreciation		1,525,338
	Total assets	$ 1,734,186
LIABILITIES AND NET POSITION		
Liabilities		
Current liabilities		
Accounts payable		$ 11,200
Due to other funds		22,287
Customer deposits		39,320
Current portion of long-term debt		5,936
	Total current liabilities	78,743
Long-term note payable, less current portion		93,067
	Total liabilities	171,810
Net position		
Net investment in capital assets		1,426,335
Unrestricted		136,041
	Total net position	1,562,376
	Total liabilities and net position	$ 1,734,186

The accompanying notes are an integral part of this statement.

Town of Naturita, Colorado

STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN FUND NET ASSETS
PROPRIETARY FUND

Year ended December 31, 2016

		Utility Enterprise Fund
Operating revenues		
Charges for services		$ 328,587
	Total operating revenues	328,587
Operating expenses		
Personal services		112,174
Operating expenses		98,260
Purchased services		115,333
Other charges		4,215
Depreciation		60,598
	Total operating expenses	390,580
Operating income (loss)		(61,993)
Nonoperating revenues (expenses)		
Interest income		255
Interest expense		(1,034)
	Total nonoperating revenues (expenses)	(779)
Income (loss) before capital contributions and transfers		(62,772)
Transfers out		(20,000)
Change in net position		(82,772)
Net position at beginning of year		1,645,148
Net position at end of year		$ 1,562,376

The accompanying notes are an integral part of this statement.

Town of Naturita, Colorado

STATEMENT OF CASH FLOWS - PROPRIETARY FUNDS

Year ended December 31, 2016

		Utility Enterprise Fund
Cash flows from operating activities:		
Cash received from customers	$	339,625
Cash paid to suppliers		(206,608)
Cash paid to employees		(112,174)
Net cash provided (used) by operating activities		20,843
Cash flows from noncapital financing activities:		
Change in due from/to other funds		22,287
Operating transfers out		(20,000)
Net cash provided (used) by noncapital financing activities		2,287
Cash flows from investing activities:		
Interest earned		255
Net cash provided (used) by investing activities		255
Cash flows from capital and related financing activities:		
Acquisition of capital assets		(65,035)
Debt payments		(5,877)
Interest paid		(1,034)
Net cash provided (used) by financing activities		(71,946)
Net increase (decrease) in cash		(48,561)
Cash at beginning of year		215,029
Cash at end of year	$	166,468
Reconciliation of net operating income (loss) to net cash provided (used) by operating activities:		
Net operating income (loss)	$	(61,993)
Adjustments to reconcile net operating income to net cash provided (used) by operating activities		
Depreciation		60,598
Changes in assets and liabilities:		
Increase in accounts receivable		(2,873)
Increase in accounts payable		11,200
Increase in customer deposits paid		13,911
Total adjustments		82,836
Net cash provided (used) by operating activities	$	20,843

The accompanying notes are an integral part of this statement.

NOTE A – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

1. Reporting Entity

The Town of Naturita, Colorado was formed in September 1950. The governing body of the Town is an elected seven-member Board of Trustees, headed by a Mayor.

The Town's financial statements include the accounts and operations of all Town functions including, but not limited to, public safety, street construction and maintenance, water and sanitation, culture and general administration as provided by the Town charter.

The accounting policies of the Town of Naturita conform to generally accepted accounting principles (GAAP) as applicable to governments and have been consistently applied in the preparation of the financial statements. The Governmental Accounting Standards Board (GASB) is the accepted standard setting body for establishing governmental accounting and financial reporting principals.

2. Government-wide and Fund Financial Statements

The government-wide financial statements include the Statement of Net Position and the Statement of Activities. These statements summarize information of the governmental and business-type activities of the Town. Governmental activities, which are are generally financed by taxes, intergovernmental revenues, and other non-exchange transactions, are reported separately from Business-type activities, which are financed in whole or in part by fees and charges made to external parties.

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

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

NOTE A – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – CONTINUED

3. Measurement Focus, Basis of Accounting and Financial Statement Presentation

The accounting and financial reporting treatment applied to a fund is determined by its measurement focus. Basis of accounting refers to when revenues and expenditures or expenses are recognized in the accounts and reported in the financial statements. Basis of accounting relates to the timing of the measurement focus applied.

Government-Wide and Proprietary Statements:

The government-wide financial statements are reported using the economic resources measurement focus and the accrual basis of accounting, as are the proprietary fund financial statements. All assets, liabilities, deferred inflows, including capital assets, as well as infrastructure assets, and long-term liabilities, are included in the Statement of Net Position. The Statement of Activities presents changes in net position. Under the accrual basis of accounting, revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows. Property taxes are recognized as revenues in the year for which they are levied. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met.

Governmental Fund Financial Statements:

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 be used to pay liabilities of the current period. For this purpose, the Town considers revenues to be available if they are collected within 60 days of the end of the current fiscal period. Major revenues that are determined to be susceptible to accrual include sales and use taxes, property taxes, utility franchise fees, grants-in-aid earned, interest, rentals and charges for services. Major revenues that are determined to not be susceptible to accrual, because they are either not available soon enough to pay liabilities of the current period or are not objectively measurable, include licenses, permits, fines and forfeitures.

Expenditures generally are recorded when the liability is incurred, as under accrual accounting. However, debt service expenditures, as well as expenditures related to compensated absences and claims and judgments, are recorded only when payment is due.

The Town reports the following major governmental funds:

The General Fund is the general operating fund of the Town. It accounts for all activities of the general government except those required to be accounted for in another fund.

NOTE A – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – CONTINUED

The Lodging Tax Fund is a special revenue fund that accounts for lodging tax revenues, which must be expended on advertising and marketing local tourism, as required by C.R.S. 30-11-107.5.

The Conservation Trust Fund is a special revenue fund that accounts for the proceeds of lottery funds received from the State of Colorado.

The Town reports the following major proprietary fund:

The Utility Fund accounts for all activities associated with providing water and sewer services to customers within the water and sewer service area.

As a general rule the effect of interfund activity has been eliminated from the government-wide financial statements. Interfund activity has not been eliminated in the fund financial statements, if any.

Amounts reported as program revenues include:

1. Charges to customers for goods and services

2. Operating grants and contributions

3. Capital grants and contributions

Internally dedicated resources are reported as general revenues rather than program revenues. Likewise, general revenues include all taxes.

Proprietary funds distinguish operating revenues and expenses from non-operating items. Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with a proprietary fund's principal ongoing operations. The principal operating revenues of the Town's enterprise fund are charges to customers for sales and services. Operating expenses for the enterprise fund include operating expenses, purchased services, other charges, and depreciation on capital assets. All revenues and expenses not meeting this definition are reported as non-operating revenues and expenses.

NOTE A – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – CONTINUED

4. Fund Equity and Fund Balances

GASB Statement No. 54, "Fund Balance Reporting and Governmental Fund Type Definitions" provides more clearly defined fund balance categories to make the nature and extent of the constraints placed on a government's fund balances more transparent. In the fund financial statements the following classifications describe the relative strength of the spending constraints. Note that not all of these classifications may be used in a given year.

- *Non-spendable fund balance* - The portion of fund balance that cannot be spent because it is either not in spendable form (such as inventory) 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 limitations imposed by the Town's highest level of decision making authority, the Board, prior to the end of the current fiscal year. The constraint may be removed or changed only through formal action of the Board.
- *Assigned fund balance* - The portion of fund balance set aside for planned or intended purposes. The intended use may be expressed by the Board 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 resources are available for use, it is the Town's policy to use restricted assets first. Unrestricted fund balance will be used in the following order: committed, assigned, and unassigned.

5. Assets, Liabilities, and Net Assets

Cash and Investments

Cash includes amounts in demand deposits.

For purposes of the statement of cash flows, the proprietary fund considers all highly liquid investments with original maturities of three months or less from the date of acquisition to be cash equivalents.

NOTE A – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – CONTINUED

Colorado State Statutes limit the local governments to the following types of investments:

- Obligations of the United States or obligations unconditionally guaranteed by the United States
- Bonds of the State of Colorado and its political subdivisions
- Certain obligations secured by mortgages
- Bankers acceptances
- Commercial paper
- State investment pools
- Repurchase agreements
- Money market funds
- Guaranteed investment contracts

Interfund Receivables and Payables

Receivables and payables classified as "due from other funds" or "due to other funds" on the balance sheet arise from negative equity in pooled cash and investments. Any residual balances outstanding between governmental activities and business-type activities are reported in the governmental-wide financial statement as "internal balances".

Property Taxes

Property taxes as set by the Board of Trustees are collected by the County Treasurer. The County Treasurer remits property taxes collected to the Town by the 10th day of the month following collection. Property taxes receivable represent 2016 taxes collectible in 2017 and are also shown as deferred inflows. Following are details of the property tax calendar:

Levy date:	December 22 (prior year)
Lien date:	January 1 (current year)
First ½ installment due:	February 28
Second ½ installment due:	June 15
If paid in full:	April 30

Accounts Receivable

The Town considers accounts receivable for the Utility fund to be fully collectible because the Town can place liens on individual properties.

NOTE A – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – CONTINUED

Capital Assets

Capital assets, which include property, plant, and equipment, are reported in the applicable governmental or business-type activities columns in the government-wide financial statements. The Town has elected to apply the standards related to infrastructure assets prospectively. Capital assets are defined by the Town as assets with an initial, individual cost of $5,000 or more and an estimated life in excess of one year. Such assets are recorded at historical cost or estimated historical cost if purchased or constructed. Donated fixed assets are valued at their estimated fair value on the date donated.

Maintenance, repairs and renewals that neither materially add to the value of the property nor appreciably prolong its life are charged to expense as incurred. Gains or losses on dispositions of property and equipment are included in income.

Improvements are capitalized and depreciated over the remaining useful lives of the capital asset, as applicable.

Capital assets are depreciated using the straight-line method. Depreciation expense is reflected as an operating expense in the government-wide statement of activities. Estimated useful lives for asset types are as follows:

	Estimated lives
Building and improvements	40 years
Utility plant and system	15 to 50 years
Equipment	3 to 10 years
Infrastructure	40 years

Long-Term Liabilities

In the government-wide financial statements, and proprietary fund types in the fund financial statements, long-term debt and other long-term obligations are reported as liabilities in the applicable governmental activities, business-type activities, or proprietary fund type statement of net assets.

Contraband Seizures

The Town received no seizure funds in 2016.

NOTE A – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – CONTINUED

Use of Estimates

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets, liabilities, deferred inflows, and disclosure of contingent liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

NOTE B – STEWARDSHIP, COMPLIANCE, AND ACCOUNTABILITY

Budgetary Information

Annual appropriated expenditure budgets are adopted for all governmental funds on the modified accrual basis of accounting. An annual appropriation budget is also adopted for the proprietary fund on the accrual basis modified to include capital expenditures and debt service principal payments and to exclude depreciation. The budget is prepared by the Town Clerk. The appropriations are adopted, and may not be exceeded, on a total fund basis. The details of the budget calendar follow:

October 15	Statutory deadline for submission of proposed budget to Board of Trustees
December 15	Statutory deadline for certification of all mill levies to the Board of County Commissioners
December 22	Statutory deadline for Board of County Commissioners to levy all taxes and certify the levies

On or before December 31, the Board of Trustees enacts an ordinance appropriating the budgets for the ensuing fiscal year. The Board of Trustees may amend the appropriation at any time during the year, as a result of any casualty, accident, or unforeseen contingency.

The level of budgetary control (that is, the level at which expenditures cannot legally exceed the appropriated amount) is established at the individual fund level. Even though the budget enacted by the Board of Trustees is at the fund level, the Town prepares a line item budget by department and cost center for control at the line item level. Budget reallocation between funds requires the Board of Trustees approval through a supplemental appropriation.

Excess of Expenditures Over Appropriations

Colorado statutes prohibit expenditures on a total fund basis in excess of amounts appropriated. The Town did not have any funds with actual expenditures that exceeded the board approved appropriations for 2016.

NOTE C – CASH AND INVESTMENTS

Colorado State Statutes require that all deposits be secured by federal deposit insurance or secured by collateral. Statutes require a financial institution to deposit collateral with another financial institution securing 102% of the aggregate amount of public funds held which exceed the amount insured by federal deposit insurance. Deposits must be made in financial institutions in the State of Colorado.

The composition of all cash and investments held by the Town at December 31, 2016, is as follows:

Cash on hand	$ 592
Insured by FDIC	250,000
Collateralized as noted above	277,034
	527,626
Less reconciling items	(25,794)
Total cash and investments	$ 501,832

NOTE D – CAPITAL ASSETS

	Beginning Balance	Increase	Decreases	Ending Balance
Governmental Activities				
Capital assets, not being depreciated				
Land	$ 100,202	$ 42,072	$ –	$ 142,274
Construction in progress	11,558	–	11,558	–
Total capital assets, not being depreciated	111,760	42,072	11,558	142,274
Capital assets, being depreciated:				
Buildings	238,481	–	–	238,481
Equipment	152,298	–	15,300	136,998
Infrastructure	334,540	420,075	–	754,615
Total capital assets, being depreciated	725,319	420,075	15,300	1,130,094
Less accumulated depreciation for:				
Buildings	(153,171)	(5,651)	–	(158,822)
Equipment	(104,624)	(10,498)	15,300	(99,822)
Infrastructure	(61,544)	(11,557)	–	(73,101)
Total accumulated depreciation	(319,339)	(27,706)	15,300	(331,745)
Total capital assets, being depreciated, net	405,980	392,369	–	798,349
Governmental activities capital assets, net	$ 517,740	$ 434,441	$ 11,558	$ 940,623

NOTE D – CAPITAL ASSETS – CONTINUED

	Beginning Balance	Increase	Decreases	Ending Balance
Business-type Activities				
Capital assets, not being depreciated				
Land	$ 67,870	$ –	$ –	$ 67,870
Water shares	10,000	–	–	10,000
Total capital assets, not being depreciated	77,870	–	–	77,870
Capital assets, being depreciated:				
Buildings and systems	3,481,710	65,035	–	3,546,745
Equipment	39,780	–	–	39,780
Total capital assets, being depreciated	3,521,490	65,035	–	3,586,525
Less accumulated depreciation for:				
Buildings and systems	(2,038,679)	(60,598)	–	(2,099,277)
Equipment	(39,780)	–	–	(39,780)
Total accumulated depreciation	(2,078,459)	(60,598)	–	(2,139,057)
Total capital assets, being depreciated, net	1,443,031	4,437	–	1,447,468
Business-type activities capital assets, net	$1,520,901	$ 4,437	$ –	$1,525,338

Depreciation expense was charged to functions/programs as follows:

Governmental Activities	
Public safety	$ 1,419
Public works	23,121
Culture and recreation	3,166
Total depreciation expense – governmental activities	$ 27,706

NOTE E – LONG-TERM LIABILITIES

Changes in long-term liabilities for the year ended December 31, 2016 were as follows:

	Balance 12/31/15	Additions	Reduction	Balance 12/31/16	Due Within One Year
Business-type Activities					
CWRPDA Sewer Loan	$ 104,880	$ –	$ 5,877	$ 99,003	$ 5,936

NOTE E – LONG-TERM LIABILITIES – CONTINUED

Sewer Plant Loan:
Colorado Water Resources & Power Development Authority (CWRPDA) loan, in the original issue amount of $700,000 with $500,000 forgiven at loan closing, was issued at the loan closing on June 4, 2012. The remaining loan was $200,000 with interest thereon at the rate of 1.0% per annum. The full amount of the loan of $200,000 was required to be recorded at closing, with the undistributed funds recorded as a grant receivable. Not all of the available loan was needed and an adjustment of $69,936 was made to the loan during 2014. Principal and interest are payable May 1 and November 1, with the final payment due May 1, 2032. The loan matures as follows:

	Principal	Interest	Total
2017	$ 5,936	$ 975	$ 6,911
2018	5,995	916	6,911
2019	6,055	856	6,911
2012	6,116	795	6,911
2021	6,177	734	6,911
2022-2026	31,828	2,727	34,555
2027-2031	33,456	1,099	34,555
2032	3,440	15	3,455
	$ 99,003	$ 8,117	$ 107,120

The Town has the option to prepay the loan, in whole or in part, upon prior written notice. The Town has pledged the net revenues of the wastewater treatment system. The loan agreement requires the Town to maintain an operations and maintenance reserve in an amount equal to three months of operation and maintenance expenses and to meet a rate covenant. The calculations to verify these requirements have been defined by CWRPDA.

The operation and maintenance reserve calculation is that current assets minus current liabilities needs to be greater than the result of operating expenses less depreciation times .25. For 2016 the calculation is:

$208,848 - $78,743 = $130,105
$390,580 - $60,598 = $329,982 x .25 = $82,496
$130,105 > $82,496 Therefore, the operation and maintenance reserve requirement is met.

The rate covenant calculation is that total system revenues less operating expenses (without depreciation) divided by annual debt service needs to be greater than or equal to 1.10. For 2016 the calculation is:

$328,842 - $329,982 = ($1,140)/$6,911 = -0.16
-0.16 < 1.10 Therefore, the rate covenant requirement is not met.

The Town passed an ordinance during 2014 to increase rates over the next five years to allow continued compliance with this requirement. Rates were raised in 2015, but no rate increase was established for 2016 or 2017. Due to personnel changes, no billings were done in July 2016. This error has been reported to the debt holder. The decrease in revenue resulted in the Town's noncompliance with this covenant.

NOTE F – TAX, SPENDING AND DEBT LIMITATIONS

In November of 1992, the voters of Colorado approved Amendment 1, commonly known as the Taxpayer's Bill of Rights (TABOR), which added a new Section 20 to Article X of the Colorado Constitution. TABOR contains tax, spending, revenue and debt limitations, and certain election requirements, which apply to the State of Colorado and all local governments. TABOR is complex and subject to interpretation. The Town believes it is in compliance with the provisions of TABOR as it is understood from judicial interpretations, legal opinions and commonly accepted practices. The amendment also requires 3% emergency reserve to be set up on all Town expenditures covered by the amendment. The Town has set this required emergency reserve for all amendment expenditures in the General Fund Balance under Restricted for emergencies.

NOTE G – RISK MANAGEMENT

The Town is one of several local governments which are members of the Colorado Intergovernmental Risk Sharing Agency (CIRSA). CIRSA is an organization created by intergovernmental agreement in 1982 solely to provide property and casualty coverage to its members. Coverage is provided through pooling of self-insured losses and the purchase of stop-loss insurance coverage. CIRSA is governed by a seven-member board elected by and from its members. The governing board is autonomous as to budgeting and fiscal matters.

The Town is self-insured for property and liability insurance. CIRSA has a legal obligation for claims against its members to the extent that funds are available in its annually established loss fund and 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.

CIRSA provides property and casualty insurance coverage to the Town. The coverage is provided through joint self-insurance, insurance and reinsurance, or any combination thereof. CIRSA's rate setting policies are established by the Board of Directors, in consultation with independent actuaries. The Town is subject to a supplemental assessment in the event of deficiencies, and may receive credit on future contributions in the event of a surplus.

CIRSA has entered into various excess insurance contracts to limit large losses and minimize exposure on large risks. Excess of loss contracts in effect limit CIRSA's per occurrence exposure to $250,000 for property coverage and $150,000 for casualty coverage, and provide coverage to specified upper limits.

The Town's 2016 contributions were $20,334.

NOTE H – INTERFUND BALANCES AND TRANSFERS

The General fund owes the Conservation Trust fund $1,428 for General fund expenses paid by the Conservation trust fund. The Utility fund owes the General fund a net of $22,287 for services provided to the Utility fund.

There was one interfund transfer made during the year in which the Utility fund paid the General fund $20,000 to assist in the flood control project.

SUPPLEMENTARY INFORMATION

Town of Naturita, Colorado

SCHEDULE OF REVENUES, EXPENSES, AND CHANGES IN NET POSITION UTILITY ENTERPRISE FUND - (NON-GAAP) BUDGET AND ACTUAL

Year ended December 31, 2016

	Budgeted Amounts			Variance with Final Budget Positive
	Original	Final	Actual	(Negative)
Revenues				
Charges for services	$ 365,900	$ 365,900	$ 328,587	$ (37,313)
Other	6,275	6,275	255	(6,020)
Total revenues	372,175	372,175	328,842	(43,333)
Expenses				
Personal services	158,677	158,677	112,174	46,503
Operating expenses	203,891	203,891	98,260	105,631
Purchased services	122,000	122,000	115,333	6,667
Other services	7,410	7,410	4,215	3,195
Interest	6,909	6,909	1,034	5,875
Capital outlay	35,042	35,042	65,035	(29,993)
Contingency	6,000	6,000	-	6,000
Total expenses	539,929	539,929	396,051	143,878
EXCESS OF REVENUES OVER (UNDER) EXPENSES	(167,754)	(167,754)	(67,209)	100,545
Other financing uses				
Transfers out	(30,000)	(30,000)	(20,000)	10,000
EXCESS OF REVENUES OVER (UNDER) EXPENSES AND OTHER FINANCING USES	$ (197,754)	$ (197,754)	(87,209)	$ 110,545
Add: Capital outlay			65,035	
Deduct: Depreciation			(60,598)	
CHANGE IN NET POSITION			$ (82,772)	

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

Financial Planning 02/01
Form # 350-050-36

LOCAL HIGHWAY FINANCE REPORT		City or County: City
		YEAR ENDING : December 2016
This Information From The Records Of: Town of Naturita, Colorado	Prepared By: Kathy Cooper Phone: (970)865-2286	

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	45,427
3. Other local imposts (from page 2)	
4. Miscellaneous local receipts (from page 2)	674
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)	46,101
B. Private Contributions	
C. Receipts from State government (from page 2)	28,895
D. Receipts from Federal Government (from page 2)	
E. Total receipts (A.7 + B + C + D)	74,996

III. DISBURSEMENTS FOR ROAD AND STREET PURPOSES

ITEM	AMOUNT
A. Local highway disbursements:	
1. Capital outlay (from page 2)	0
2. Maintenance:	20,974
3. Road and street services:	
a. Traffic control operations	
b. Snow and ice removal	1,054
c. Other	
d. Total (a. through c.)	1,054
4. General administration & miscellaneous	0
5. Highway law enforcement and safety	52,968
6. Total (1 through 5)	74,996
B. Debt service on local obligations:	
1. Bonds:	
a. Interest	
b. Redemption	
c. Total (a. + b.)	0
2. Notes:	
a. Interest	
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)	74,996

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
	74,996	74,996		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 & Penalities	674
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		g. Other Misc. Receipts	
6. Total (1. through 5.)	0	h. Other	0
c. Total (a. + b.)	0		

ITEM	AMOUNT	ITEM	AMOUNT
C. Receipts from State Government		**D. Receipts from Federal Government**	
1. Highway-user taxes	26,635	1. FHWA (from Item I.D.5.)	
2. State general funds		2. Other Federal agencies:	
3. Other State funds:		a. Forest Service (dist to schools)	
a. State bond proceeds		b. FEMA	
b. Project Match		c. HUD	
c. Motor Vehicle Registrations	2,260	d. Federal Transit Admin	
d. Other		e. U.S. Corps of Engineers	
e. Other		f. Other Federal	
f. Total (a. through e.)	2,260	g. Total (a. through f.)	0
4. Total (1. + 2. + 3.f)	28,895	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	0
(2). Capacity Improvements			0
(3). System Preservation			0
(4). System Enhancement & Operation			0
(5). Total Construction (1) + (2) + (3) + (4)	0	0	0
[redacted] + 1.c.5)	0	0	0
			(Carry forward to page 1)

Notes and Comments:

FORM FHWA-536 (Rev.1-05) PREVIOUS EDITIONS OBSOLETE