Annual Financial Report

Town of Nunn

Nunn, Colorado

For the Year Ended December 31, 2016

Tim Chavies & Associates, Inc.

Certified Public Accountants
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Greeley, Colorado 80634
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TOWN OF NUNN, COLORADO

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INDEPENDENT AUDITOR'S REPORT

To the Board of Trustees
Town of Nunn
Nunn, Colorado

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the Town of Nunn, State of 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 the 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 of 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, based on our audit, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the Town of Nunn, State of Colorado as of December 31, 2016, and the respective changes in financial position and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis on pages 3-7 and budgetary comparison information on pages 31-36 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 inquires, 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 Nunn, State of Colorado's basic financial statements. The budgetary comparisons on pages 37-39 and the local highway finance report on pages 40-41 are presented for purposes of additional analysis and are not a required part of the basic financial statements.

The budgetary comparisons are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America by us. In our opinion, based on our audit, the procedures performed as described above, the budgetary comparisons are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

The local highway finance report has not been subjected to the auditing procedures applied in the audit of the basic financial statements and, accordingly, we do not express an opinion or provide any assurance on them.

Tim Chavies & Associates, Inc.

Tim Chavies & Associates, Inc.
Certified Public Accountants

Greeley, Colorado
July 07, 2017

P.O. Box 171
Nunn, Colorado 80648
(970) 897-2385

Management's Discussion and Analysis
December 31, 2016

This section of Town of Nunn, State of Colorado's (the "Town") 2016 annual financial report presents management's discussion and analysis of the Town's financial performance for the year ended December 31, 2016. The Management Discussion and Analysis ("MD&A") should be read in conjunction with the Town's financial statements, including the notes to financial statements and supplemental information that immediately follow this section. When available, the Town has included comparative analysis of such data.

Financial Highlights

- The Town's assets plus deferred outflows exceeded its liabilities plus deferred inflows by $4,555,283 in 2016 compared to $4,449,993 in 2015 (net position), an increase of $55,290 or 1.24%.

- Total revenues for the governmental funds were $634,364 in 2016 compared to $511,200 in 2015, an increase of $123,164 or 24.09%. Total expenditures were $716,160 in 2016 compared to $611,273 in 2015, an increase of $104,887 or 17.16%.

- Total operating revenues for the proprietary funds were $178,284 in 2016 compared to $188,087 in 2015, a decrease of $9,803 or 5.21%. Total operating expenditures were $201,039 in 2016 compared to $189,263 in 2015, an increase of $11,776 or 6.22%.

- Town of Nunn signed contract with CDOT for pavement overlay and repairs to County Road 100. The construction was to begin in fall of 2015 but was delayed due to front-range flood repairs and weather conditions. This project was completed in August 2016 with the total costs for improvements of $188,000.00.

- The Nunn Police Department was awarded the continuation grant for 2016 to assist with costs for the full-time officer. Equipment updates continues to be priority for both officer interaction and vehicles. The reserve officers continue to provide the needed coverage for the evening and weekend hours. The Nunn Town Municipal Court continues to operate efficiently and effectively for trials and court dates. The Nunn Police Department will be submitting for a Jag continuation grant in 2017 in order to assist with the costs of the needed full-time officer and equipment.

Overview of the Financial Statements

The Town's financial statements are comprised of three components, government-wide financial statements, fund financial statements, and notes to the financial statements. This report also contains other supplementary information in addition to the financial statements themselves.

Government-Wide Financial Statements are comprised of the Statement of Net Position and the Statement of Activities. These two statements are designed to provide readers with a broad overview of the Town's finances utilizing the full accrual method of accounting, in a manner similar to the private-sector business.

The Statement of Net Position presents information on all of the Town's assets, deferred outflows of resources and liabilities and deferred inflows of resources, including capital assets and long-term liabilities with the difference being 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 assets 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 the related cash flows. Thus, revenues and expenses are reported in this statement for some items that will result in cash flows in future fiscal periods.

Both government-wide financial statements distinguish functions of the Town that are principally supported by taxes and intergovernmental revenues (governmental activities) from other functions that are intended to recover all or a significant portion of their costs through user fees and charges (business-type activities). The governmental activities of the Town include the General Fund and Conservation Trust Fund. The business-type activities of the Town include the Water Fund. The Town does not have any component units.

Fund Financial Statements focus on current available resources and are organized and operated on the basis of funds. 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. All of the funds of the Town can be divided into three categories: governmental funds, proprietary funds and fiduciary 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, the governmental funds financial statements utilize the modified accrual basis of accounting, which focuses on near-term inflow and outflow of spendable resources, as well as on balances on spendable resources available at the end of the fiscal year. Such information may be useful in evaluating a government's near-term financial requirements. The Town maintains two governmental funds (General and Conservation Trust).

Proprietary Funds provide the same type of information as the government-wide financial statements, only in more detail. These funds are used to account for services in which the Town charges customers a fee. The Town maintains one proprietary fund (Water).

The Town does not have any **Fiduciary Funds.**

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

Other Information includes certain required supplementary information containing budgetary comparison schedules of revenues, expenditures and changes in fund balances for all funds.

Government-Wide Financial Analysis

Condensed financial information from the **Statement of Net Position** at December 31, 2016:

Assets	Governmental Activities	Business-Type Activities	Total
Current assets	$ 855,895	$ (211,953)	$ 643,942
Noncurrent assets	446,951	4,108,208	4,555,159
Total Assets	1,302,846	3,896,255	5,199,101
Liabilities			
Current liabilities	132,760	20,859	153,619
Long-term debt outstanding	6,986	359,763	366,749
Total Liabilities	139,746	380,622	520,368
Deferred Inflows	123,450	-	123,450
Net Position			
Net investment in capital assets	446,951	3,647,347	4,094,298
Restricted for Tabor	21,843	-	21,843
Restricted for Bond operations & maintenance	-	87,587	87,587
Unrestricted	570,856	(219,301)	351,555
Total Net Position	$ 1,039,650	$ 3,515,633	$ 4,555,283

Net position increased by $55,290 in 2016. The increase was affected by the Town receiving insurance proceeds, increase property taxes and police department work.

Condensed financial information from the **Statement of Activities** at December 31, 2016:

Revenues	Governmental Activities	Business-Type Activities	Total
Program Revenues:			
Charges for services	$ 268,958	$ 178,284	$ 447,242
General Revenues:			
Taxes	268,731	-	268,731
Intergovernmental	60,151	-	60,151
Other	113,430	448	113,878
Total Revenues	711,270	178,732	890,002
Expenses			
General government	(227,706)	-	(227,706)
Public safety	(245,684)	-	(245,684)
Public works	(121,010)	-	(121,010)
Health and welfare	(12,399)	-	(12,399)
Culture - recreation	(22,473)	-	(22,473)
Water	-	(205,440)	(205,440)
Total Expenses	(629,272)	(205,440)	(834,712)
Changes in net position	81,998	(26,708)	55,290
Net Position - beginning	957,652	3,542,341	4,499,993
Net Position - ending	$ 1,039,650	$ 3,515,633	$ 4,555,283

The change in net position of the Town increased $55,290 during 2016.

Financial Analysis of the Governmental Funds

Governmental funds: The Town's functions are reported in the General Fund and Conservation Trust Fund. The focus of these 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, unrestricted fund balance may serve as a useful measure of the Town's net resources available for spending at the end of its fiscal year.

As of December 31, 2016, the Town's governmental funds reported combined ending fund balances of $599,685, a decrease of $4,485 in comparison with 2015. Approximately 92.61% of this total amount ($555,383) constitutes *unrestricted* fund balance, which is available for spending at the government's discretion. The reminder of the fund balance is *restricted* to indicate that it is not available for new spending because it has already been committed for encumbrances or Tabor.

Proprietary funds: The Town's proprietary funds provide the same type of information found in the government-wide financial statements, but in more detail.

Fiduciary funds: As mentioned earlier, the Town does not have any of these types of funds.

Budgetary Highlights

The budgets are prepared in accordance with accounting principles generally accepted in the United States of America. Budget and actual comparison schedules are provided in the other supplementary information section of this report. The budget and actual comparison schedules show the original adopted budget, the final revised budget, actual results, and variance between the final budget and actual results for all funds.

Capital Assets and Debt Administration

Capital Assets (Net of Depreciation)

	Governmental Activities	Business-Type Activities	Total
Land	$ 3,929	$ 29,656	$ 33,585
Water rights	-	869,500	869,500
Water system	-	3,831,699	3,831,699
Buildings and improvements	237,038	-	237,038
Land improvements	338,610	-	338,610
Machinery and equipment	229,001	26,128	255,129
Construction in progress	-	-	-
Total Capital Assets	808,578	4,756,983	5,565,561
Less: accumulated depreciation	(361,627)	(736,362)	(1,097,989)
Net Capital Assets	$ 446,951	$ 4,020,621	$ 4,467,572

Capital assets – net of depreciation increased $15,006 or 0.34% during 2016 due to capital outlay of $137,644 (assets acquired) less depreciation of $122,233 and sales of $405 (See Note 5 for further discussion).

Debt Administration

The Town has two outstanding debt obligations with the Colorado Water Resources and Power Development Authority. As of December 31, 2016, the debt was $372,661 compared to $409,800 in 2015, a decrease of $37,139 (See Note 7 for further discussion).

Economic Factors

The Town of Nunn Community experienced a major hail storm at the end of July 2016, which effected the Town buildings and numerous residences due to hail damaged roofs. Due to the quantity and weather conditions with the onset of winter, many roofs will not be repaired until 2017. The gymnasium was utilized by the Highland Recreation Association for youth basketball throughout the months of August 2016 to February 2017. The Nunn community library continues to serve the community residents with the internet access for the Northern Plains Library District. The Nunn Community center continues to provide housing for the local outreach program for food and clothing, along with community functions for theatrical and musical events.

Financial Contact

This financial report is designed to provide a general overview of the Town's finances for those who have an interest in the Town. If you have any questions about the report or need additional financial information, please contact Town Clerk at 185 Lincoln Avenue, Nunn, Colorado 80648. Phone (970) 897-2385.

BASIC FINANCIAL STATEMENTS

TOWN OF NUNN, COLORADO

Statement of Net Position

Government-Wide

December 31, 2016

	Governmental Activities	Business-Type Activities	Total
ASSETS			
Current Assets:			
Cash on hand and in checking	$ 167,903	$ -	$ **167,903**
Cash on deposit - Weld County Treasurer	6,070	-	**6,070**
Cash in savings	2,648	-	**2,648**
Cash in Colotrust	231,622	11,932	**243,554**
Property taxes receivable	123,450	-	**123,450**
Accounts receivable	10,474	22,304	**32,778**
Other receivables	59,336	-	**59,336**
Prepaid items	7,204	999	**8,203**
Internal balances	247,188	(247,188)	**-**
Total Current Assets	855,895	(211,953)	**643,942**
Noncurrent Assets:			
Net pension asset	-	-	**-**
Restricted assets:			
Revenue bond operations and maintenance account	-	36,144	**36,144**
Revenue bond payment account	-	51,443	**51,443**
Total Restricted Assets	-	87,587	**87,587**
Capital Assets:			
Land improvements	338,610	-	**338,610**
Land	3,929	29,656	**33,585**
Water system	-	3,831,699	**3,831,699**
Machinery and equipment	229,001	26,128	**255,129**
Water rights	-	869,500	**869,500**
Construction in progress	-	-	**-**
Buildings and improvements	237,038	-	**237,038**
Total Capital Assets	808,578	4,756,983	**5,565,561**
Less: accumulated depreciation	(361,627)	(736,362)	**(1,097,989)**
Net Capital Assets	446,951	4,020,621	**4,467,572**
Net Total Noncurrent Assets	446,951	4,108,208	**4,555,159**
Total Assets	1,302,846	3,896,255	**5,199,101**
LIABILITIES			
Current Liabilities:			
Accounts payable	130,602	7,348	**137,950**
Payroll taxes payable	2,158	-	**2,158**
Accrued interest payable	-	613	**613**
Current portion of long-term debt	-	12,898	**12,898**
Total Current Liabilities	132,760	20,859	**153,619**
Long Term Liabilities:			
Compensated absences	6,986	-	**6,986**
Note payable - CWRPDA loan	-	-	**-**
Note payable - CWRPDA loan	-	372,661	**372,661**
Less: portion due within one year	-	(12,898)	**(12,898)**
Total Long Term Liabilities	6,986	359,763	**366,749**
Total Liabilities	139,746	380,622	**520,368**
DEFERRED INFLOWS			
Unearned revenue - property taxes	123,450	-	**123,450**
Deferred inflows related to pensions	-	-	**-**
Total Deferred Inflows	123,450	-	**123,450**
NET POSITION			
Net investment in capital assets	446,951	3,647,347	**4,094,298**
Restricted for - TABOR	21,843	-	**21,843**
Restricted for - revenue bond operations and maintenance	-	87,587	**87,587**
Unrestricted	570,856	(219,301)	**351,555**
Total Net Position	$ 1,039,650	$ 3,515,633	$ **4,555,283**

See accompanying notes to the basic financial statements

TOWN OF NUNN, COLORADO

Statement of Activities

Government-Wide

Year Ended December 31, 2016

Functions / Programs	Expenses	Program Revenues: Charges for Services	Program Revenues: Capital Contributions	Net (Expense) Revenue and Changes in Net Position — Primary Government: Governmental Activities	Business-Type Activities	Total
Primary Government						
Governmental Activities:						
General government	$ (227,706)	$ 21,376	$ -	$ (206,330)	$ -	**$ (206,330)**
Public safety	(245,684)	213,818	-	(31,866)	-	**(31,866)**
Public works	(121,010)	33,764	-	(87,246)	-	**(87,246)**
Health and welfare	(12,399)	-	-	(12,399)	-	**(12,399)**
Culture and recreation	(22,473)	-	-	(22,473)	-	**(22,473)**
Total Governmental Activities	(629,272)	268,958	-	(360,314)	-	**(360,314)**
Business-Type Activities:						
Water fund	(205,440)	178,284	-	-	(27,156)	**(27,156)**
Total Business-Type Activities	(205,440)	178,284	-	-	(27,156)	**(27,156)**
Total Primary Government	$ (834,712)	$ 447,242	$ -	(360,314)	(27,156)	**(387,470)**
General Revenues:						
General property taxes				114,704	-	**114,704**
General sales taxes				52,261	-	**52,261**
Specific ownership taxes				7,202	-	**7,202**
Use taxes				79,621	-	**79,621**
Franchise taxes				14,700	-	**14,700**
Interest on delinquent taxes				243	-	**243**
Intergovernmental revenue				60,151	-	**60,151**
Sale of assets				(405)	-	**(405)**
Insurance proceeds				77,311	-	**77,311**
Grants				23,493	-	**23,493**
Miscellaneous income				11,458	-	**11,458**
Earnings on investments				1,573	448	**2,021**
Pension net increase (decrease)				-	-	**-**
Total General Revenues				442,312	448	**442,760**
Change in Net Position				81,998	(26,708)	**55,290**
Net Position-Beginning of Year				957,652	3,542,341	**4,499,993**
Net Position-End of Year				$ 1,039,650	$ 3,515,633	**$ 4,555,283**

TOWN OF NUNN, COLORADO

Balance Sheet

Governmental Funds

December 31, 2016

	General	Conservation Trust	Total
ASSETS			
Current Assets:			
Cash on hand and in checking	$ 167,903	$ -	**$ 167,903**
Cash on deposit - Weld County Treasurer	6,070	-	**6,070**
Cash in savings	2,648	-	**2,648**
Cash in Colotrust	216,367	15,255	**231,622**
Property taxes receivable	123,450	-	**123,450**
Accounts receivable	10,474	-	**10,474**
Other receivables	59,336	-	**59,336**
Prepaid items	7,204	-	**7,204**
Due from other funds	247,188	-	**247,188**
Total Current Assets	840,640	15,255	**855,895**
Total Assets	$ 840,640	$ 15,255	**$ 855,895**
LIABILITIES			
Current Liabilities:			
Accounts payable	$ 130,602	$ -	**$ 130,602**
Payroll taxes payable	2,158	-	**2,158**
Total Current Liabilities	132,760	-	**132,760**
Total Liabilities	132,760	-	**132,760**
DEFERRED INFLOWS			
Unearned revenue - property taxes	123,450	-	**123,450**
Total Liabilities & Deferred Inflows	256,210	-	**256,210**
FUND BALANCE			
Nonspendable - prepaid	7,204	-	**7,204**
Restricted - tabor	21,843	-	**21,843**
Committed	-	15,255	**15,255**
Unassigned	555,383	-	**555,383**
Total Fund Balance	584,430	15,255	**599,685**
Total Fund Balance, Liabilities and Deferred Inflows	$ 840,640	$ 15,255	**$ 855,895**

Reconciliation of the Balance Sheet to the Statement of Net Position		
Total Governmental Fund Balance		**$ 599,685**
Amounts reported for governmental activities in the statement of net position are different because:		
Capital assets used in governmental activities are not financial resources and therefore are not reported in the fund:		
Capital assets	808,578	
Less: accumulated depreciation	(361,627)	
		446,951
Accrued compensated absences are not due and payable in the current period, therefore, they are not reported in the fund financial statements		**(6,986)**
Net Position of Governmental Activities		**$ 1,039,650**

TOWN OF NUNN, COLORADO

Statement of Revenues, Expenditures, and Changes in Fund Balances

Governmental Funds

Year Ended December 31, 2016

	General	Conservation Trust	Total
Revenues:			
Taxes	$ 268,731	$ -	$ **268,731**
Licenses and permits	21,376	-	**21,376**
Intergovernmental revenue	55,234	4,917	**60,151**
Charges for services	33,764	-	**33,764**
Fines and forfeitures	213,818	-	**213,818**
Miscellaneous revenues	34,951	-	**34,951**
Earnings on investments	1,490	83	**1,573**
Total Revenues	629,364	5,000	**634,364**
Expenditures:			
Current:			
General government	215,118	-	**215,118**
Public safety	228,504	-	**228,504**
Public works	108,517	-	**108,517**
Health and welfare	12,399	-	**12,399**
Culture and recreation	13,978	-	**13,978**
Capital outlay	137,644	-	**137,644**
Total Expenditures	716,160	-	**716,160**
Excess (Deficiency) of Revenues over Expenditures	(86,796)	5,000	**(81,796)**
Other Financing Sources (Uses):			
Sale of assets	-	-	-
Contributions	-	-	-
Insurance proceeds	77,311	-	**77,311**
Transfers in (out)	-	-	-
Total Other Financing Sources (Uses)	77,311	-	**77,311**
Net Change in Fund Balance	(9,485)	5,000	**(4,485)**
Fund Balance - Beginning of Year	593,915	10,255	**604,170**
Fund Balance - End of Year	$ 584,430	$ 15,255	$ **599,685**

Reconciliation of Statement of Revenues, Expenditures and Changes in Fund Balance to the Statement of Activities:		
Net Change in Fund Balance - Total Governmental Funds		**$ (4,485)**
Amounts reported for governmental activities in the statement of activities are different because:		
Governmental funds report capital outlays as expenditures while governmental activities report depreciation expense to allocate those expenditures over the life of the assets:		
Capital asset purchases capitalized	**$ 137,644**	
Depreciation expense	**(43,770)**	
		93,874
The next effect of various miscellaneous transactions involving capital assets is to decrease net assets (i.e. sales, disposals and trade-ins)		**(405)**
Some expenses reported in statement of activities do not require the use of current financial resources and therefore are not reported as expenditures in the governmental funds:		
Change in compensated absences		**(6,986)**
Change in Net Position of Governmental Activities		**$ 81,998**

TOWN OF NUNN, COLORADO

Statement of Net Position

Proprietary Funds

Year Ended December 31, 2016

	Business-Type Activities	
	Water	Total
ASSETS		
Current Assets:		
Cash in Colotrust	$ 11,932	$ 11,932
Accounts receivable	22,304	22,304
Other receivables	-	-
Prepaid items	999	999
Total Current Assets	35,235	35,235
Noncurrent Assets:		
Restricted assets:		
Revenue bond operations and maintenance account	36,144	36,144
Revenue bond payment account	51,443	51,443
Total Noncurrent Assets	87,587	87,587
Capital Assets:		
Land	29,656	29,656
Water system	3,831,699	3,831,699
Machinery and equipment	26,128	26,128
Water rights	869,500	869,500
Construction in progress	-	-
Total Capital Assets	4,756,983	4,756,983
Less: Accumulated depreciation	(736,362)	(736,362)
Net Capital Assets	4,020,621	4,020,621
Total Assets	4,143,443	4,143,443
LIABILITIES		
Current Liabilities:		
Accounts payable	7,348	7,348
Accrued interest payable	613	613
Due to other funds	247,188	247,188
Current portion of long-term debt	12,898	12,898
Total Current Liabilities	268,047	268,047
Long Term Liabilities:		
Note payable - CWRPDA loan	-	-
Note payable - CWRPDA loan	372,661	372,661
Less: portion due within one year	(12,898)	(12,898)
Total Long Term Liabilities	359,763	359,763
Total Liabilities	627,810	627,810
NET POSITION		
Net investment in capital assets	3,647,347	3,647,347
Restricted for revenue bond operations and maintenance	87,587	87,587
Unrestricted:		
Designated for subsequent year's expenditures	16,593	16,593
Undesignated	(235,894)	(235,894)
Total Net Assets	$ 3,515,633	$ 3,515,633

See accompanying notes to the basic financial statements

TOWN OF NUNN, COLORADO

Statement of Revenues, Expenses, and Changes in Net Position

Proprietary Funds

Year Ended December 31, 2016

	Business-Type Activities	
	Water	**Total**
Operating Revenues:		
Charges for services	$ 165,440	**$ 165,440**
Other operating revenues	12,844	**12,844**
Total Operating Revenues	178,284	**178,284**
Operating Expenses:		
Administrative	32,917	**32,917**
System operations and maintenance	89,659	**89,659**
Depreciation	78,463	**78,463**
Total Operating Expenses	201,039	**201,039**
Operating Income (Loss)	(22,755)	**(22,755)**
Non-operating Revenues (Expenses)		
Earnings on investments	448	**448**
Interest expense	(4,401)	**(4,401)**
Sale of assets	-	**-**
Insurance proceeds	-	**-**
Grants	-	**-**
Total Non-operating Revenues (Expenses)	(3,953)	**(3,953)**
Income (Loss) before contributions	(26,708)	**(26,708)**
Contributions	-	**-**
Change in Net Assets	(26,708)	**(26,708)**
Total Net Position - beginning of year	3,542,341	**3,542,341**
Total Net Position - end of year	$ 3,515,633	**$ 3,515,633**

See accompanying notes to the basic financial statements

TOWN OF NUNN, COLORADO

Statement of Cash Flows

Proprietary Funds

Year Ended December 31, 2016

	Business-Type Activities	
	Water	Total
Cash Flows From Operating Activities:		
Cash received from customers	$ 179,458	**$ 179,458**
Cash payments to employees	(25,433)	**(25,433)**
Cash payments to suppliers	(92,865)	**(92,865)**
Internal activity - payments to other funds	(19,631)	**(19,631)**
Net Cash Flows From Operating Activities	41,529	**41,529**
Cash Flows From Non-capital Financing Activities:		
Other non-operating revenue	-	**-**
Net Cash Flows From Non-capital Financing Activities	-	**-**
Cash Flows From Capital and Related Financing Activities:		
Acquisition of capital assets	-	**-**
Contributions	-	**-**
Principal payments on long-term debt	(37,139)	**(37,139)**
Interest payments on long-term debt	(4,401)	**(4,401)**
Net Cash Flows From Capital and Related Financing Activities	(41,540)	**(41,540)**
Cash Flows From Investing Activities:		
Interest on investments	448	**448**
Net Cash Flows From Investing Activities	448	**448**
Net Increase (Decrease) in Cash and Cash Equivalents	437	**437**
Cash and Cash Equivalents - January 1	99,082	**99,082**
Cash and Cash Equivalents - December 31	$ 99,519	**$ 99,519**
Reconciliation of Operating Loss to Net Cash Used for Operating Activities:		
Operating loss	$ (22,755)	**$ (22,755)**
Adjustments to reconcile operating loss to net cash used for operating activities:		
Depreciation	78,463	**78,463**
Changes in assets and liabilities:		
Receivables	1,174	**1,174**
Prepaid expenses	(333)	**(333)**
Payables and other accrued expenses	4,611	**4,611**
Due to other funds	(19,631)	**(19,631)**
Net Cash Flows From Operating Activities	$ 41,529	**$ 41,529**
Non-Cash Investing, Capital and Financing Activities:		
Capital assets contributed by developers and customers	$ -	**$ -**

NOTES TO THE BASIC FINANCIAL STATEMENTS

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES
The Town of Nunn, Colorado, was incorporated in 1908, as a statutory town as defined by Colorado Revised Statutes. The statutes provide that the Mayor is the chief administrative officer and that the Board of Trustees shall be the policy-making authority. The following services are currently offered by the Town: General government, public safety, public works, health, recreation and water.

The financial statements of the Town of Nunn, Colorado (Town) have been prepared in conformity with generally accepted accounting principles (GAAP) as applicable to state and local governments. The Governmental Accounting Standards Board (GASB) is the accepted standard setting body for establishing governmental accounting and financial reporting principles. The more significant accounting and reporting policies and practices used by the Town are described below.

Reporting Entity
The reporting entity consists of only the Town, a primary government that is a general purpose local government. This primary government has a separately elected governing body and it is legally separate, as well as financially independent of other state and local governments. A component unit may be a financial benefit or burden to the primary government and which is a legally separate organization of which the elected officials of the primary government are financially accountable. The Town does not have any component units.

New Accounting Pronouncements
GASB Statement No 72, *Fair Value Measurement and Application.* This statement addresses accounting and financial reporting issues related to fair value measurement. The Town implemented this statement for year ended December 31, 2016 and had no impact to the Town's financial statements.

GASB Statement No 73, *Accounting and Financial Reporting for Pensions and Related Assets That Are Not within the Scope of GASB Statement No 68, and Amendments to Certain Provisions of GASB 67 and 68.* This statement gives guidance to extend the approach to accounting and financial reporting for pension under GASB No 68 to all pensions. In addition, this statement clarifies certain provisions of GASB Statement Nos 67 and 68. The Town implemented this statement for year ended December 31, 2016 and had no impact to the Town's financial statements.

GASB Statement No 76, *The Hierarchy of Generally Accepted Accounting Principles for State and Local Governments.* This statement identifies the hierarchy of generally accepted accounting principles (GAAP) in the context of the current governmental reporting environment. The Town implemented this statement for year ended December 31, 2016 and had no impact to the Town's financial statements.

GASB Statement No 77, *Tax Abatement Disclosures.* This statement addresses financial reporting issued relating to tax abatement agreements. The Town has no tax abatements, therefore, for year ended December 31, 2016 implementation had no impact to the Town's financial statements.

GASB Statement No 78, *Pensions Provided through Certain Multiple-Employer Defined Benefit Plans.* This statement addresses an issue relating to the availability of data relating to multiple-employer defined benefit plans that arose during the implementation of GASB Statement No 68. The Town implemented this statement for year ended December 31, 2016 and had no impact to the Town's financial statements.

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

New Accounting Pronouncements (continued)

GASB Statement No 79, *Certain External Investment Pools and Pool Participants*. This statement addresses accounting and financial reporting for certain external investment pools and their participants. Changes in regulatory provisions referenced in previous GASB statements are the impetus for this statement. The Town implemented this statement for year ended December 31, 2016 and had no impact to the Town's financial statements.

Basic Financial Statements

Government-wide financial statements are prepared using the accrual basis of accounting and the economic resources measurement focus. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of the related cash flows. Government-wide financial statements consist of Statement of Net Position and Statement of Activities. The Statement of Net Position includes assets, deferred outflows of resources, liabilities, and deferred inflows of resources of the Town.

In addition to the government-wide financial statements, the Town has prepared the fund financial statements using the modified accrual basis of accounting and the current financial resources measurement focus. Revenues are recognized as soon as they are both measurable and available. Revenues are considered to be available when they are collected within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the government considers revenue to be available if they are collected within 60 days of the end of the current fiscal year.

Basic Financial Statements (continued)

The Town reports the following major **Governmental Funds**:

- The **General Fund** is the general operating fund of the Town. It is used to account for all financial resources except those required to be accounted for in another fund.
- The **Conservation Trust Fund** is a special revenue fund used to account for the proceeds of specific revenue sources (other than special assessments, expendable trust, or major capital projects) that are legally restricted to expenditures for specified purposes.

The Town reports the following major **Proprietary Fund**:

- The **Water Fund** provides water services to the Town citizens and accounts for operations that are financed in a manner similar to private business enterprises.

Required supplementary information includes Management's Discussion and Analysis which includes an analytical overview of the Town's financial activities and budgetary comparison schedules are presented for all funds that compare the adopted and modified budget with actual results.

The Town does not report any **Fiduciary Funds**.

Budgets and Budgetary Accounting

An annual budget and appropriation resolutions is adopted by the Town in accordance with the Colorado State Statutes. The budget for all funds is prepared on a basis consistent with GAAP, except that for proprietary fund, bond and loan proceeds are treated as other financing sources and debt service principal payments and capital outlays are treated as expenditures.

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Budgets and Budgetary Accounting (continued)

Budgeted amounts are as originally adopted or as increased by supplemental appropriations. Budget appropriations lapse at year-end. Budgetary comparisons with actual revenues and expenditures are included as required supplemental information for the General and Conservation Trust funds and as other supplemental information for the Water Fund. The following is a summary of the original, total revisions and revised budgets for those funds with amended budgets in year 2016:

Governmental Funds	Original Budget	Total Revisions	Revised Budget
General Fund	$ 626,833	$ -	$ 626,833
Conservation Trust Fund	2,500	-	2,500
Business-Type:			
Water Fund	177,875	-	177,875
Total Funds	$ 807,208	$ -	$ 807,208

The Town incurred expenditures in excess of appropriations in the General Fund for the year ended December 31, 2016, which may be in violation of the Local Government Budget Law.

The Town follows these procedures in establishing the budgetary data reflected in the financial statements:

- On or before August 25, the Weld County Assessor submits to the Town the new assessed valuation and other amounts needed to compute the statutory property tax revenue limit.
- On or before October 15, the Budget Committee submits to the Town Board of Trustees a proposed operating budget for the following fiscal year commencing January 1. The budget includes proposed expenditures and the means of financing them.
- Public hearings are conducted to obtain taxpayer comments.
- On or before December 15, the Town certifies the mill levy to the Board of County Commissioners.
- On or before December 22, the Board of County Commissioners certifies the levy against the assessed valuation on all taxable properties.
- Prior to December 31, the Town legally adopts the budget.

Designated for Subsequent Year's Expenditures

Designated fund balance/net position is the portion of the fund balance/net position that is appropriated in the succeeding year's budget.

Compensated Absences

The Town reports compensated absences in accordance with the provisions of GASB Statement No. 16, *Accounting for Compensated Absences*. Personal leave benefits are accrued as a liability as the benefits are earned if the employee' rights to receive compensation are attributable to services rendered and it is probable that the Town will compensate the employees for the benefits earned. Upon termination of employment from the Town, an employee will be compensated for all accrued vacation time at their current rate of pay, there is no payment for sick leave upon termination.

Amounts of vested or accumulated vacation pay that are not expected to be liquidated with expendable available financial resources are reported on the government-wide financial statements. The Town has recorded a liability of $6,986 at December 31, 2016. There is no accrual in the fund financial statements.

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Cash and Cash Equivalents

The Town considers all highly liquid financial instruments with maturities of three months or less to be cash equivalents.

The Town pools cash resources of its various funds to facilitate the management of cash. Cash applicable to a particular fund is readily identifiable. The balance in the pooled cash accounts is available to meet current operating requirements. Cash in excess of current requirements is invested in various interest-bearing securities and disclosed as part of the Town's investments.

Investments

Investments are reported at fair value which is determined using selected bases. Short-term investments are reported at cost, which approximates fair value. Securities trades on exchanges are valued using quoted market prices. Non-participating contracts such as certificates of deposits are reported at cost, plus accrued interest, which approximates fair value. Cash deposits and money market investments that mature within one year or less are reported at carrying amount, which reasonably estimates fair value. Investment pools are reported at fair value, which is determined by the fair value per share of the pool's underlying asset portfolio.

Prepaid Items

Certain payments to vendors reflect costs applicable to future accounting periods and are recorded as prepaid items in both government-wide and fund financial statements.

Capital Assets

Capital assets, which include land, buildings and improvements, equipment, and infrastructure assets, are reported in the governmental-wide financial statements. The Town records its property and equipment at historical cost. Contributed capital assets are valued at their estimated fair value on the date donated. Maintenance and repairs are charged to current period operating expenses, whereas additions and improvements are capitalized. Upon retirement or other disposition of property and equipment, the costs and related accumulated depreciation are removed from the respective accounts and any gains or losses are included in operations. Interest costs relating to construction are capitalized. During year ended December 31, 2016, no interest was capitalized. The Town's capitalization level is $1,000 for capital assets.

Depreciation is computed using the straight-line method over the following estimated useful lives:

	Years
Buildings and improvements	10 to 50
Furniture and equipment	5 to 20
Utility systems	15 to 50
Land improvements	20 to 40

As a result of Statement No. 34, the Town is accounting for infrastructure and capital assets on its financial statements. The government-wide financial statements include those assets that were completed during the fiscal year-end, considered construction in progress or purchased or constructed in prior years. The Town has elected to capture infrastructure assets with the implementation of Statement No. 34 (the retroactive approach).

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Use of Estimates

The preparation of the financial statements in conformity with GAAP requires management to make estimates and assumptions that affect the amounts reported in the financial statements and accompanying notes. Actual results could differ from those estimates.

Receivables

Receivables are considered fully collectible and therefore are reported at their gross value.

Fund Equity / Net Position

Governmental fund equity is classified as fund balance. Fund balance is further classified as nonspendable, restricted, committed, assigned, or unassigned. (1) Nonspendable fund balance cannot be spent because of its form. (2) Restricted fund balance has limitations imposed by creditors, grantors, or contributors or by enabling legislation or constitutional provisions. (3) Committed fund balance is a limitation imposed by the Town's board through approval of resolutions. (4) Assigned fund balance is a limitation imposed by a designee of the Town's board. (5) Unassigned fund balance in the General Fund is the net resources in excess of what can be properly classified in one of the above four categories. Negative unassigned fund balance in other governmental funds represents excess expenditures incurred over the amounts restricted, committed, or assigned to those purposes.

Net Position represents the difference between all other elements in a statement of financial position and is displayed in three components (1) net investment in capital assets; (2) restricted (distinguishing between major categories of restrictions), and (3) unrestricted.

When both restricted and unrestricted resources are available for use, it is the Town's policy to use restricted resources first, then unrestricted resources. Furthermore, committed fund balances are reduced first, followed by assigned amounts, and then unassigned amounts when expenditures are incurred for purposes for which amounts in any of those unrestricted fund balance classifications can be used.

NOTE 2 – STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY

Article X, Section 20, of the Colorado Constitution Amendment contains 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. The Town believes that it is in compliance with the requirements of the Amendment. However, the Town has made certain interpretations of the Amendment's language in order to determine its compliance.

The Amendment excludes from its provisions enterprises. Enterprises, defined as government-owned businesses authorized to issue revenue bonds and receiving less than ten percent of their annual revenue in grants from all state and local governments combined, are excluded from the provisions of the Amendment.

Fiscal year spending and revenue limits are determined based on the prior years' spending adjusted for inflation and local growth. Revenue in excess of the limit must be refunded unless the voters approve retention of such revenue. On April 5, 1994, voters approved a referendum regarding the Town's retention of revenues collected in excess of the fiscal spending limits for 1993, also to be effective for all years thereafter.

NOTE 2 – STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY (CONTINUED)

On November 4, 2008, voters approved to allow the Town to maintain its operating mill levy at 13.810 mills in 2008 (for 2009 collection) and all years thereafter, qualifying as a TABOR voter approved revenue change and, if applicable, an authorized exception to the statutory 5.5% tax revenue growth limitation. Considering the above interpretation of TABOR, the governing board believes that it is in compliance with its fiscal requirements for the years December 31, 2016.

The Amendment requires that emergency reserves be established. The reserves must be at least three percent of the fiscal year spending (excluding bonded debt service). The Town is not allowed to use the emergency reserves to compensate for economic conditions, revenue shortfalls, or salary or benefit increases. The Town has restricted $21,843 for this purpose.

NOTE 3 - CASH DEPOSITS AND INVESTMENTS

Cash Deposits

Cash and cash investments are carried at cost. The Town authorized investment of funds in federally insured bank accounts or local government pools. Maturities must be five years or less. This authorization is in compliance with restrictions set forth by the State of Colorado statutes.

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 is to be maintained by another institution, or held in trust for all the uninsured public deposits as a group. The market value of the collateral must be at least equal to the aggregate uninsured deposits.

Total cash deposits at December 31, 2016:

	Governmental Activities	Business-Type Activities	Total
Cash on hand and in checking	$ 167,903	$ -	$ 167,903
Cash with county treasurer	6,070	-	6,070
Cash in savings	2,648	-	2,648
Total Cash Deposits	$ 176,621	$ -	$ 176,621

The State Regulatory Commissions for banks are required by statute to monitor the naming of eligible depositories and reporting of the uninsured deposits and assets maintained in the collateral pools.

NOTE 3 - CASH DEPOSITS AND INVESTMENTS (CONTINUED)

Investments

Colorado statutes specify investment instruments meeting defined rating and risk criteria in which a political subdivision may invest, which include:

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

Total investments at December 31, 2016:

	Governmental Activities	Business-Type Activities	Total
Colotrust	$ 231,622	$ 11,932	$ 243,554
Restricted - Colotrust	-	87,587	87,587
Total Investments	$ 231,622	$ 99,519	$ 331,141

Maturities of investments at December 31, 2016 were as follows:

	Investment Maturities in Years				
	Less than 1	1 to 5	6 to 10	More than 10	Total
Colotrust	$ 243,554	$ -	$ -	$ -	$ 243,554
Restricted - Colotrust	87,587	-	-	-	87,587
Investments ar Fair Value	-	-	-	-	-
Total Investments	$ 331,141	$ -	$ -	$ -	$ 331,141

The Town's policy is to hold investments until maturity.

During year ended December 31, 2016, the Town invested funds in the Colorado Local Government Liquid Asset Trust (Colotrust), a local government investment pool. As an investment pool, Colotrust operates under the Colorado Revised Statutes (24-75-701) and is overseen by the Colorado Securities Commissioner. The Trust is exempt from registration with the Securities and Exchange Commission. The investment pool is rated AAAm by Standard and Poor's and operates similar to a money market fund with a share value equal to $1.00 and a maximum weighted average maturity of 60 days. Authorized securities include U.S. Treasuries, U.S. Agencies, commercial paper (rated A1 or better) and bank deposits (collateralized through PDPA). For more information on Colotrust call (303) 864-7474 or go to www.colotrust.com.

Custodial Credit Risk is the risk that, in the event of the failure of the issuer or counterparty, the Town will not be able to recover the value of its investment (or related collateral securities that are held by an outside party). The Town had custodial credit risk for its investments at December 31, 2016.

NOTE 3 - CASH DEPOSITS AND INVESTMENTS (CONTINUED)

Interest Rate Risk is the risk that changes in interest rate will adversely affect the fair value of an investment. The Town investment portfolio does not contain investments that exceed the five-year limitation imposed by Colorado Statutes.

Credit Risk is the risk that an issuer or other counterparts to an investment in debt securities will not fulfill its obligation. The Town's investment policy follows Colorado Revised Statues.

Concentration of Credit Risk is the risk of loss attributed to the magnitude of a government's investment in a single issuer. The Town has no such policy limiting how much can be with one financial institution.

Summary

Total cash deposits and investments at December 31, 2016:

	Governmental Activities	Business-Type Activities	Total
Cash Deposits	$ 176,621	$ -	$ 176,621
Investments	231,622	99,519	331,141
Total Cash Deposits and Investments	$ 408,243	$ 99,519	$ 507,762

Investment Income:	Governmental Activities	Business-Type Activities	Total
Interest income	$ 1,573	$ 448	$ 2,021
Net increase (decrease) in the fair value of investments	-	-	-
Total Investment Income	$ 1,573	$ 448	$ 2,021

The net increase (decrease) in the fair value of investments represents the difference in fair value from one year to the next.

NOTE 4 - PROPERTY TAXES RECEIVABLE

Under Colorado law, all property taxes become due and payable in the calendar year following that in which they are levied. Property taxes levied by the General Fund in the current year, 2016, to be collected in the subsequent year, 2017, are accrued as a receivable as of December 31, 2016 and offset by deferred revenue account.

The Town's property tax calendar is as follows:

Lien Date	January 1, 2016
Levy Date	November 1, 2016
Tax bills mailed	January 1, 2017
First installment due	February 28, 2017
Second installment due	June 15, 2017
If paid in full, due	April 30, 2017
Tax sale – 2016 delinquent property tax	November 15, 2017

NOTE 5 – CAPITAL ASSETS

The following is a summary of capital assets for the Governmental Activities as of December 31, 2016:

	Beg Balance	Additions	Retirements	End Balance
Governmental Activities				
Non-Depreciable Assets:				
Land	$ 3,929	$ -	$ -	$ 3,929
Depreciable Assets:				
Buildings and improvements	237,038	-	-	237,038
Land improvements	235,197	103,413	-	338,610
Machinery and equipment	208,279	34,231	(13,509)	229,001
Totals at Historical Cost	684,443	137,644	(13,509)	808,578
Less: Accumulated Depreciation for:				
Buildings and improvements	(127,995)	(9,174)	-	(137,169)
Land improvements	(62,078)	(15,890)	-	(77,968)
Machinery and equipment	(140,888)	(18,706)	13,104	(146,490)
Total Accumulated Depreciation	(330,961)	(43,770)	13,104	(361,627)
Governmental Activities Capital Assets - Net	$ 353,482	$ 93,874	$ (405)	$ 446,951

Depreciation expense was charged to Governmental Activities as follows:	
General government	$ 5,602
Public safety	17,180
Public works	12,493
Health and welfare	-
Culture and recreation	8,495
Total Depreciation Expense - Governmental Activities	$ 43,770

NOTE 5 – CAPITAL ASSETS (CONTINUED)

The following is a summary of capital assets for the Business-Type Activities as of December 31, 2016:

	Beg Balance	Additions	Retirements	End Balance
Business-Type Activities				
Non-Depreciable Assets:				
Land	$ 29,656	$ -	$ -	$ 29,656
Water rights	869,500	-	-	869,500
Construction in progress	-	-	-	-
Depreciable Assets:				
Water system	3,831,699	-	-	3,831,699
Machinery and equipment	29,006	-	(2,878)	26,128
Totals at Historical Cost	4,759,861	-	(2,878)	4,756,983
Less: Accumulated Depreciation for:				
Water system	(635,528)	(77,386)	-	(712,914)
Machinery and equipment	(25,249)	(1,077)	2,878	(23,448)
Total Accumulated Depreciation	(660,777)	(78,463)	2,878	(736,362)
Business-Type Activities				
Capital Assets - Net	$ 4,099,084	$ (78,463)	$ -	$ 4,020,621

Depreciation expense was charged to Business-Type Activities as follows:	
Water fund	$ 78,463
Total Depreciation Expense - Business-Type Activities	$ 78,463

NOTE 6 - INTERFUND RECEIVABLES AND PAYABLES AND INTERFUND TRANSFERS

A summary of inter-fund activities at December 31, 2016 and for the year end ended is as follows:

	Interfund Receivable	Interfund Payable	Transfers In	Transfers Out
Governmental Activities				
General Fund	$ 247,188	$ -	$ -	$ -
Conservation Trust Fund	-	-	-	-
Total Governmental Activities	247,188	-	-	-
Business-Type Activities				
Water Fund	-	247,188	-	-
Total Business-Type Activities	-	247,188	-	-
Total	$ 247,188	$ 247,188	$ -	$ -

NOTE 7 – LONG-TERM DEBT

Note Payable – CWRPDA

On August 12, 1996, an agency revenue bond was issued to the Colorado Water Resources and Power Development Authority in the amount of $330,260. The bond proceeds were used to construct a four (4) mile water line to connect to a water district providing treated water. The terms of the bond required a payment of $8,463 on March 1, 1997, which included interest from November 1, 1996. Beginning June 1, 1997, quarterly payments of $6,265 are required, including interest at a 4.50% annual rate, with final payment due December 1, 2016. Both the principal and interest thereon are payable solely from net revenues (gross revenues less operations and maintenance expenses) of the water distribution system. The balance due as of December 31, 2016 is $0. This note was paid in full on December 1, 2016.

Note Payable – CWRPDA

On December 9, 2011, the Town executed a loan through the Drinking Water Revolving Fund Disadvantaged Communities Program with the Colorado Water Resources and Power Development Authority in the amount of $2,424,000 with $2,000,000 being in the form of Principal Forgiveness. The loan proceeds will be used for upgrades to the water system. The terms of the loan require a payment of $1,366 on November 1, 2012, which include interest from December 9, 2011. Beginning May 1, 2013, bi-annual payments of $8,296 are required, including interest at a 1.00% annual rate, with final payment due May 1, 2042. Both the principal and interest thereon are payable solely from net revenues (gross revenues less operations and maintenance expenses) of the water distribution system. The balance due as of December 31, 2016 is $372,661.

Changes in Long-Term Debt

	12/31/2015	Additions	Reductions	12/31/2016	Due Within One Year
DWRF 1996 loan payable	$ 24,369	$ -	$ 24,369	$ -	$ -
DWRF 2011 loan payable	385,431	-	12,770	372,661	12,898
Total	$ 409,800	$ -	$ 37,139	$ 372,661	$ 12,898

NOTE 8 – DEBT SERVICE REQUIREMENTS

Summary of debt service requirements with principal and interest to maturity:

	CWRPDA Loan 1996		CWRPDA Loan 2011		Total		Annual
Payment Dates	Principal	Interest	Principal	Interest	Principal	Interest	Principal & Interest
2017	$ -	$ -	$ 12,898	$ 3,694	$ 12,898	$ 3,694	$ 16,592
2018	-	-	13,028	3,564	13,028	3,564	16,592
2019	-	-	13,158	3,434	13,158	3,434	16,592
2020	-	-	13,290	3,302	13,290	3,302	16,592
2021	-	-	13,423	3,169	13,423	3,169	16,592
2022-2026	-	-	69,163	13,797	69,163	13,797	82,960
2027-2031	-	-	72,700	10,260	72,700	10,260	82,960
2032-2036	-	-	76,418	6,542	76,418	6,542	82,960
2037-2041	-	-	80,326	2,634	80,326	2,634	82,960
2042-2046	-	-	8,257	41	8,257	41	8,298
Totals	**$ -**	**$ -**	**$ 372,661**	**$ 50,437**	**$ 372,661**	**$ 50,437**	**$ 423,098**

NOTE 9 – DEBT SERVICE COMPLIANCE AND ACCOUNTABILITY

Restricted Assets and Net Position

Certain resources set aside for the repayment of Water Fund bonded debt are classified as "restricted" on the Statement of Net Position because their use is limited by applicable bond covenants. The "revenue bond operations and maintenance" account is used to report resources set aside to subsidize potential deficiencies from the Town's operation that could adversely affect debt service payments. The "revenue bond payment" account is used to segregate resources accumulated for debt service payments as they come due.

The Town's bond covenants require certain restrictions of the Water Fund net position. The restricted portions as of December 31, 2016:

Restricted for revenue bond operations and maintenance	$	36,144
Restricted for revenue bond payment		51,443
Total Restricted Net Position	$	87,587

The balance of the Town's restricted asset accounts as of December 31, 2016:

Restricted for revenue bond operations and maintenance	$	36,144
Restricted for revenue bond payment		51,443
Total Restricted Assets	$	87,587

Rate Maintenance

The Town is required to establish, maintain and enforce rates and charges for services rendered by the water distribution system to create revenue sufficient to pay maintenance and operations expenses of the system and to cover 1.10 times the annual debt service of the existing Water Fund revenue debt. The calculation for system payment requirements due in 2016 is computed as follows:

Net Revenues:		
Operating revenue	$	178,284
Earnings on investments		448
Total Revenues		178,732
Less: Operating expenses (excluding depreciation)		(122,576)
Net Revenues		56,156
Debt Service Requirements:		
Colorado Water Resources and Power Development Authority		16,593
Debt service requirements times 1.10	x	1.10
Total Debt Service Requirements		18,252
Deficit of Net Revenues over Requirements	$	37,904

The Town was in compliance with the debt service requirements in 2016.

NOTE 10 - RISK MANAGEMENT
The Town is exposed to various risks of loss related to torts, theft of, damage to, and destruction of assets; errors and omissions; injuries to employees and subcontractors; and natural disasters. The Town purchases commercial insurance for most risks of loss. As of December 31, 2016, the Town did not have any liabilities in excess of insurance limits. Claims have not exceeded insurance coverage in the prior three years.

NOTE 11 – CONTINGENCIES
The Town had no material pending or threatened litigation, claims, and assessments. Furthermore, the Town is unaware of any unasserted possible claims or assessments that are probable of assertion and must be disclosed in accordance with FASB Accounting Standards Codification No. 450 as of December 31, 2016.

NOTE 12 – DEFINED BENEFIT PENSION PLAN
On July 1, 2016, the Town enrolled all full-time police officers of the Town in pension plans administered by the Fire and Police Pension Association of Colorado (FPPA), with the exception of the Chief of Police.

Plan Description
The Town enrolls all full-time police officers in pension plans (FPPA Plan) administered by the Fire and Police Pension Association of Colorado (FPPA), with the exception of the Chief of Police. FPPA issues a publicly available comprehensive annual financial report that can be obtained on FPPA's website at: http:/www.fppaco.org.

The Statewide Defined Benefit Plan (SWDB), is a cost-sharing multiple-employer defined benefit pension plan that provides retirement benefits for members and beneficiaries.

The Statewide Death and Disability Plan (SWD&D), is a plan similar to a self-insured employee welfare benefit plan where contributions to the plan are used for the payment of death and disability benefits.

Benefits
Normal Retirement is 25 years of service and age 55. Vested Retirement is 5 years of service, payable at age 55. Early Retirement is 30 years of service or age 50, early retirement benefit equals the normal retirement benefit reduced on an actuarially equivalent basis. Upon termination, an employee may elect to have member contributions, along with 5 percent as interest, returned as a lump sum distribution. All benefits are calculated on a 2.0% benefit for each year of service for the first 10 years, then a 2.5% benefit for each year of service there-after. The benefit is based on the average of the highest 3 years' base salary. Deferred Retirement is available to members who qualify for Normal or Vested Retirement and defer the receipt of their defined benefit pension to as late as age 65 and receive the actuarial equivalent of the benefit.

The benefit earned prior to January 1, 2007 for members of affiliated Social Security employers will be reduced by the amount of Social Security income payable to the member annually. Effective January 1, 2007, members currently covered under Social Security will receive half the benefit when compared to the SWDB plan. Benefits paid to retired members are evaluated and may be re-determined every October 1. The amount of any increase is based on the Board's discretion and can range from 0 to the higher of 3 percent or the Consumer Price Index.

NOTE 12 – DEFINED BENEFIT PENSION PLAN (CONTINUED)

Plan Contributions

The plan sets contribution rates at a level that enables all benefits to be fully funded at the retirement date of all members. Contribution rates for the FPPA Plan are set by state statute. Employer contribution rates can only be amended by state statute. Member contribution rates can be amended by state statue or election of the membership. Contribution rates at December 31, 2016 are as follows:

	Member	Employer
Statewide Defined Benefit Plan (SWBD)	9.0%	8.0%
Statewide Death and Disability Plan (SWD&D)	1.3%	1.3%
	10.3%	9.3%

Member contributions to SWBD will increase 0.5% annually through 2022 to a total of 12.0% of base salary.

Contribution rates for members and employers of affiliated social security employers:

	Member	Employer
Statewide Defined Benefit Plan (SWBD)	5.0%	4.0%
Statewide Death and Disability Plan (SWD&D)	1.3%	1.3%
	6.3%	5.3%

Member contributions to SWBD will increase 0.25% annually through 2022 to a total of 10.0% of base salary

Pension Liability (Asset)

At December 31, 2016, the Town reported an asset of $0 for its proportionate share of the net pension asset. The net pension asset was measured as of December 31, 2015, and the total net pension asset used to calculate the net pension asset was determined by an actuarial valuation as of that date. The Town's proportion of the net pension asset was based on the Town's share of contributions relative to the contributions of all participants.

Deferred Outflows/Inflows of Resources by Source

	Deferred Outflows of Resources	Deferred Inflows of Resources	Net Deferred Outflows/ (Inflows) of Resources
Difference between expected and actual experiences	$ -	$ -	$ -
Assumption changes	-	-	-
Net difference between projected and actual earnings on pension plan investments	-	-	-
Total	$ -	$ -	$ -

NOTE 12 – DEFINED BENEFIT PENSION PLAN (CONTINUED)

Deferred Outflows/Inflows of Resources by Year to be recognized in Future

Year Ending December 31	Net Deferred Outflows/ (Inflows) of Resources
2017	$ -
2018	-
2019	-
2020	-
2021	-
Thereafter	-
Total	$ -

Actuarial Assumptions

The total pension liability (asset) was determined by an actuarial valuation on January 1, 2015, using the following key actuarial assumptions:

Acturial cost method	Entry age normal
Amortization method	Level % if payroll, open
Remaining amortization period	30 years
Inflation	3.00%
Salary increases	4.0% - 14.0%
Investment rate of return	7.50%
Mortality	RP-2000 combined mortality table with blue collar adjustment, projected with Scale AA, 40% multiplier of off-duty mortality. Post-retirement: RP-2000 combined mortality table, with blue collar adjustment, projected with Scale AA.
Changes in actuarial assumptions	No significant changes in the actuarial assumptions from prior year

Investments

The FPPA Board Members serve as the fiduciaries for the Funds and are responsible for the investment of the Funds, or the selection of investment options available to defined contribution, deferred compensation and self-directed DROP plan members. As fiduciaries, the FPPA Board Members are required to discharge their duties solely in the interest of fund participants and beneficiaries. The Board has established investment policies and allocates assets, or selects investment options, based upon member characteristics, plan provisions, and the financial requirements of the Funds, in addition to considering the risk/reward trade-offs of various investments.

The Association has established long range statements of investment objectives and policies for managing and monitoring the Funds. The investment policies establish investment objectives and define the responsibilities of the fiduciaries with respect to the Funds, their investment authority under Colorado law, the level of acceptable risk for investments, investment allocation targets, investment performance objectives, and guidelines within which outside investment managers must operate.

NOTE 12 – DEFINED BENEFIT PENSION PLAN (CONTINUED)

Investments (continued)

The assets in the Fire & Police Members' Benefit Investment Fund are managed primarily by professional investment management firms. Similarly, investment options offered to defined contribution and deferred compensation plan members are typically pooled investment vehicles managed by professional money managers. Best estimates of arithmetic real rates of return for each major asset class included in the plans target asset allocation are as follow:

Asset Class	Target Allocation	Long-Term Expected Real Rate of Return
Global equity	37.0%	6.5%
Equity long / short	10.0%	4.7%
Illiquid alternatives	20.0%	8.0%
Fixed income	16.0%	1.5%
Absolute return	11.0%	4.1%
Managed futures	4.0%	3.0%
Cash	2.0%	0.0%
Total	100.0%	

Discount Rate

Projected benefit payments are required to be discounted to their actuarial present values using a single discount rate that reflects 1) a long-term expected rate of return on pension plan investments (to the extent that the FPPA Plan's fiduciary net position is projected to be sufficient to pay benefits) and 2) tax-exempt municipal bond rate based on an index of 20-year general obligation bonds with an average AA credit rating as of the measurement date (to the extent that the FPPA Plan's projected fiduciary net position is not sufficient to pay benefits). The long-term expected rate of return on pension plan investments is 7.50%; the municipal bond rate is 3.57%; and the resulting Single Discount Rate is 7.50%.

Sensitivity to Single Discount Rate Assumption

The following presents the Town's proportionate share of the net pension liability / (asset), calculated using a Single Discount Rate of 7.50%, as well as what the Town's proportionate share of the net pension liability / (asset) would be if it were calculated using a Single Discount Rate that is 1 percent lower or 1 percent higher:

	1% Decrease 6.50%	Current Rate 7.50%	1% Increase 8.50%
Pension Plan's Net Pension Liability / (Asset)	$ -	$ -	$ -

Pension Plan Fiduciary Net Position

Detailed information about FPPA's plan fiduciary net position is available in the separately issued comprehensive annual financial report of the FPPA plan.

NOTE 13 – SUBSEQUENT EVENTS

The Town has evaluated events and transactions occurring subsequent to the end of the fiscal year for potential recognition or disclosure through July 07, 2017, the date on which the financial statements issued, and did not identify any events or transactions that would have a material impact on the financial statements.

REQUIRED SUPPLEMENTAL INFORMATION

TOWN OF NUNN, COLORADO

Schedule of Revenues

*Budget to Actual - **General Fund***

Year Ended December 31, 2016

With Comparative Actual Amounts For the Year Ended December 31, 2015

	2016				
	Original Budget	Final Budget	**Actual**	Variance - Favorable (Unfavorable)	**2015** Actual
Taxes:					
General property taxes	$ 116,190	$ 116,190	**$ 113,660**	$ (2,530)	$ 83,845
Prior year property taxes	700	700	**1,044**	344	3
General sales taxes	36,000	36,000	**52,261**	16,261	44,967
Specific ownership taxes	6,500	6,500	**7,202**	702	5,604
General Use taxes	23,250	23,250	**46,662**	23,412	21,965
Other building use taxes	15,000	15,000	**32,959**	17,959	13,088
Franchise taxes	17,000	17,000	**14,700**	(2,300)	15,144
Interest on delinquent taxes	500	500	**243**	(257)	88
Total Taxes	215,140	215,140	**268,731**	53,591	184,704
Licenses and Permits:					
Business	850	850	**1,431**	581	905
Building permits	9,000	9,000	**19,345**	10,345	9,865
Dog licenses and other permits	800	800	**600**	(200)	798
Total Licenses and Permits	10,650	10,650	**21,376**	10,726	11,568
Intergovernmental Revenues:					
Highway user's tax	31,000	31,000	**32,275**	1,275	32,320
Motor vehicle registration fees	2,900	2,900	**3,261**	361	2,505
Cigarette taxes	110	110	**-**	(110)	56
Severance tax	20,000	20,000	**13,624**	(6,376)	24,827
Weld county road and bridge apportionment	6,185	6,185	**6,074**	(111)	5,593
Total Intergovernmental Revenues	60,195	60,195	**55,234**	(4,961)	65,301
Charges for Services:					
Cemetery opening/closing fees	1,425	1,425	**1,350**	(75)	2,625
Zoning fees	500	500	**75**	(425)	268
Trash removal charges	29,000	29,000	**31,799**	2,799	30,480
Mowing and property cleaning	150	150	**540**	390	330
Total Charges for Services	31,075	31,075	**33,764**	2,689	33,703
Fines and Forfeitures:					
Court fines	160,000	160,000	**150,818**	(9,182)	141,107
Citation surcharge	45,000	45,000	**41,510**	(3,490)	42,580
VIN inspections	750	750	**1,020**	270	1,220
Certified VIN inspections	-	-	**20,470**	20,470	-
Total Fines and Forfeitures	205,750	205,750	**213,818**	8,068	184,907
Miscellaneous Revenues:					
Earnings on investments	400	400	**1,490**	1,090	464
Other income	3,350	3,350	**11,458**	8,108	12,035
Contributions	-	-	**-**	-	32,087
Insurance proceeds	-	-	**77,311**	77,311	-
Grants	18,200	18,200	**23,493**	5,293	14,325
Sale of assets	-	-	**-**	-	-
Total Miscellaneous Revenues	21,950	21,950	**113,752**	91,802	58,911
Total Revenues	$ 544,760	$ 544,760	**$ 706,675**	$ 161,915	$ 539,094

TOWN OF NUNN, COLORADO

Schedule of Expenditures

*Budget to Actual - **General Fund***

Year Ended December 31, 2016

With Comparative Actual Amounts For the Year Ended December 31, 2015

	2016				
	Original Budget	Final Budget	**Actual**	Variance - Favorable (Unfavorable)	**2015** Actual
General Government:					
Legislative:					
Legal	$ 2,000	$ 2,000	$ **9,048**	$ (7,048)	$ 2,471
Publishing	350	350	**116**	234	371
Total Legislative	2,350	2,350	**9,164**	(6,814)	2,842
Judicial:					
Legal	12,000	12,000	**8,447**	3,553	9,896
Municipal judge	12,000	12,000	**6,660**	5,340	6,881
Miscellaneous	825	825	**1,039**	(214)	727
Total Judicial	24,825	24,825	**16,146**	8,679	17,504
Elections:					
Elections	-	-	**373**	(373)	-
Election supplies	-	-	**1,291**	(1,291)	-
Total Judicial	-	-	**1,664**	(1,664)	-
Administration:					
Salaries	38,225	38,225	**36,853**	1,372	34,727
Health insurance	14,400	14,400	**13,775**	625	11,738
Payroll taxes	3,500	3,500	**2,930**	570	2,761
Workers' compensation	-	-	**-**	-	148
Conferences and training	2,500	2,500	**-**	2,500	559
Audit	7,500	7,500	**6,900**	600	6,924
Insurance and bonds	3,300	3,300	**3,300**	-	3,300
Telephone	1,300	1,300	**1,321**	(21)	1,316
Vehicle expense	450	450	**85**	365	303
Supplies	3,100	3,100	**4,231**	(1,131)	1,722
Postage	650	650	**711**	(61)	692
Office equipment/lease	500	500	**353**	147	922
Computer support/maintenance	1,100	1,100	**984**	116	1,187
Bank service charges	3,450	3,450	**4,999**	(1,549)	3,757
Dues and subscriptions	950	950	**868**	82	1,119
Miscellaneous	-	-	**-**	-	1,729
Treasurer's fees	1,200	1,200	**1,149**	51	839
Capital outlay	500	500	**-**	500	-
Total Administration	82,625	82,625	**78,459**	4,166	73,743
Planning and Zoning:					
Planning	2,500	2,500	**44**	2,456	22
Engineering services	3,700	3,700	**2,031**	1,669	2,070
Total Planning and Zoning	6,200	6,200	**2,075**	4,125	2,092
Building:					
Salaries	6,000	6,000	**6,742**	(742)	4,477
Health insurance	1,550	1,550	**983**	567	1,687
Payroll taxes	-	-	**536**	(536)	356
Workers' compensation	300	300	**300**	-	546
Repairs and maintenance	3,500	3,500	**90,767**	(87,267)	3,788
Insurance and bonds	2,000	2,000	**3,860**	(1,860)	1,800
Utilities	7,000	7,000	**4,422**	2,578	5,305
Capital outlay	1,500	1,500	**-**	1,500	32,925
Total Building	21,850	21,850	**107,610**	(85,760)	50,884
Total General Government	137,850	137,850	**215,118**	(77,268)	147,065

(continued on next page)

TOWN OF NUNN, COLORADO

Schedule of Expenditures

*Budget to Actual - **General Fund (continued)***

Year Ended December 31, 2016

With Comparative Actual Amounts For the Year Ended December 31, 2015

	2016				
	Original Budget	Final Budget	**Actual**	Variance - Favorable (Unfavorable)	**2015** Actual
Public Safety:					
Police:					
Salaries	$ 130,921	$ 130,921	$ **119,593**	$ 11,328	$ 106,061
Health insurance	8,000	8,000	**5,463**	2,537	10,115
Payroll taxes	18,000	18,000	**11,026**	6,974	10,130
Workers' compensation	1,500	1,500	**6,024**	(4,524)	3,776
Retirement	120	120	**1,930**	(1,810)	-
Police protection fees	2,900	2,900	**3,485**	(585)	3,409
Conferences and training	1,000	1,000	**850**	150	478
Court fees	200	200	**-**	200	-
Jail costs	150	150	**-**	150	452
Insurance and bonds	6,000	6,000	**5,986**	14	8,031
Telephone	5,200	5,200	**6,098**	(898)	4,028
Gas, oil and service	17,250	17,250	**17,902**	(652)	14,898
Supplies	15,400	15,400	**12,980**	2,420	12,319
Miscellaneous	19,293	19,293	**22,937**	(3,644)	22,864
Capital outlay	-	-	**34,231**	(34,231)	49,613
Total Police	225,934	225,934	**248,505**	(22,571)	246,174
Building Inspections:					
Professional services	10,000	10,000	**14,230**	(4,230)	7,292
Total Public Safety	235,934	235,934	**262,735**	(26,801)	253,466
Public Works:					
Highways and Streets:					
Salaries	41,500	41,500	**37,298**	4,202	36,178
Health insurance	8,200	8,200	**7,536**	664	6,231
Payroll taxes	3,175	3,175	**2,965**	210	2,876
Workers' compensation	1,500	1,500	**269**	1,231	1,240
Equipment maintenance	5,000	5,000	**8,905**	(3,905)	2,755
Insurance and bonds	3,200	3,200	**3,778**	(578)	2,950
Gas, oil and service	4,750	4,750	**2,079**	2,671	4,158
Tools	250	250	**-**	250	44
Supplies	8,084	8,084	**3,357**	4,727	5,057
Street lighting	12,500	12,500	**9,261**	3,239	9,336
Legal	-	-	**5,000**	(5,000)	-
Road base	4,486	4,486	**3,839**	647	-
Capital outlay	101,254	101,254	**103,413**	(2,159)	85,841
Total Highways and Streets	193,899	193,899	**187,700**	6,199	156,666
Sanitation:					
Trash removal	28,000	28,000	**24,230**	3,770	23,963
Total Sanitation	28,000	28,000	**24,230**	3,770	23,963
Total Public Works	221,899	221,899	**211,930**	9,969	180,629
Health and Welfare:					
Cemetery:					
Salaries	3,500	3,500	**4,253**	(753)	3,441
Payroll taxes	-	-	**338**	(338)	274
Workers' compensation	-	-	**-**	-	888
Insurance and bonds	6,200	6,200	**6,200**	-	6,842
Supplies	4,000	4,000	**1,608**	2,392	3,812
Capital outlay	-	-	**-**	-	-
Total Cemetery	13,700	13,700	**12,399**	1,301	15,257
Total Health and Welfare	13,700	13,700	**12,399**	1,301	15,257

(continued on next page)

TOWN OF NUNN, COLORADO

Schedule of Expenditures

*Budget to Actual - **General Fund (continued)***

Year Ended December 31, 2016

With Comparative Actual Amounts For the Year Ended December 31, 2015

	2016				
	Original Budget	Final Budget	**Actual**	Variance - Favorable (Unfavorable)	**2015** Actual
Culture and Recreation:					
Parks:					
Salaries	5,000	5,000	**4,956**	44	5,014
Payroll taxes	-	-	**394**	(394)	399
Workers' compensation	-	-	**-**	-	-
Repairs and maintenance	3,000	3,000	**358**	2,642	2,469
Insurance and bonds	2,000	2,000	**2,143**	(143)	2,000
Gas, oil and service	450	450	**241**	209	266
Supplies	2,500	2,500	**926**	1,574	1,820
Lighting	500	500	**2,573**	(2,073)	340
Capital outlay	2,500	2,500	**-**	2,500	-
Total Parks	15,950	15,950	**11,591**	4,359	12,308
Recreation:					
Nunn harvest festival	1,000	1,000	**2,029**	(1,029)	2,066
Supplies	500	500	**358**	142	482
Total Recreation	1,500	1,500	**2,387**	(887)	2,548
Total Culture and Recreation	17,450	17,450	**13,978**	3,472	14,856
Total Expenditures	$ 626,833	$ 626,833	**$ 716,160**	$ (89,327)	$ 611,273

TOWN OF NUNN, COLORADO

Reconciliation of Budgetary Basis to GAAP Basis

Budget to Actual - ***General Fund***

Year Ended December 31, 2016

With Comparative Actual Amounts For the Year Ended December 31, 2015

	2016				
	Original Budget	Final Budget	**Actual**	Variance - Favorable (Unfavorable)	**2015** Actual
Revenues:					
Taxes	$ 215,140	$ 215,140	**$ 268,731**	$ 53,591	$ 184,704
Licenses and permits	10,650	10,650	**21,376**	10,726	11,568
Intergovernmental revenues	60,195	60,195	**55,234**	(4,961)	65,301
Charges for services	31,075	31,075	**33,764**	2,689	33,703
Fines and forfeitures	205,750	205,750	**213,818**	8,068	184,907
Miscellaneous revenues	21,950	21,950	**113,752**	91,802	58,911
Total Revenues	544,760	544,760	**706,675**	161,915	539,094
Transfers In:					
Conservation Trust Fund	82,073	82,073	-	(82,073)	5,527
Total Transfers In	82,073	82,073	-	(82,073)	5,527
Total Revenues and Transfers	626,833	626,833	**706,675**	79,842	544,621
Expenditures:					
General government	137,850	137,850	**215,118**	(77,268)	147,065
Public safety	235,934	235,934	**262,735**	(26,801)	253,466
Public works	221,899	221,899	**211,930**	9,969	180,629
Health and welfare	13,700	13,700	**12,399**	1,301	15,257
Culture and recreation	17,450	17,450	**13,978**	3,472	14,856
Total Expenditures	626,833	626,833	**716,160**	(89,327)	611,273
Excess (Deficit) of Revenues over Expenditures	$ -	$ -	**(9,485)**	$ 169,169	$ (66,652)
Reconciliation of Budgetary Basis to GAAP Basis:					
Capital asset purchases capitalized			**137,644**		
Capital assets sold			**(405)**		
Depreciation expense			**(43,770)**		
Compensated adbsences			**(6,986)**		
Net Change in Net Position			**$ 76,998**		

TOWN OF NUNN, COLORADO

Budgetary Comparison Schedule

Budget to Actual - ***Conservation Trust Fund***

Year Ended December 31, 2016

With Comparative Actual Amounts For the Year Ended December 31, 2015

	2016				
	Original Budget	Final Budget	**Actual**	Variance - Favorable (Unfavorable)	**2015** Actual
Revenues:					
Intergovernmental Revenue:					
State Grants:					
Conservation Trust Fund Apportionment	$ 4,250	$ 4,250	**$ 4,917**	$ 667	$ 4,176
Total Intergovernmental Revenue	4,250	4,250	**4,917**	667	4,176
Miscellaneous Revenues:			**-**		
Earnings on investments	30	30	**83**	53	17
Other revenue	-	-	**-**	-	-
Total Revenues	4,280	4,280	**5,000**	720	4,193
Expenditures:					
General Government:					
Culture and recreation	-	-	**-**	-	-
Total Expenditures	-	-	**-**	-	-
Transfers Out:					
General Fund	2,500	2,500	-	2,500	5,527
Total Transfers Out	2,500	2,500	-	2,500	5,527
Total Expenditures and Transfers	2,500	2,500	-	2,500	5,527
Excess (Deficit) of Revenues Over Expenditures and Transfers	$ 1,780	$ 1,780	**$ 5,000**	$ 3,220	$ (1,334)

OTHER SUPPLEMENTAL INFORMATION

TOWN OF NUNN, COLORADO

Schedule of Revenues

*Budget to Actual - **Water Fund***

Year Ended December 31, 2016

With Comparative Actual Amounts For the Year Ended December 31, 2015

	2016				
	Original Budget	Final Budget	**Actual**	Variance - Favorable (Unfavorable)	**2015** Actual
Operating Revenues:					
Water sales	$ 146,000	$ 146,000	**$ 165,440**	$ 19,440	$ 157,301
Tap fees	19,000	19,000	**9,500**	(9,500)	26,000
Penalty on utility billings	2,800	2,800	**3,344**	544	2,225
Return check charge	-	-	-	-	-
Miscellaneous income	-	-	-	-	2,561
Total Operating Revenues	167,800	167,800	**178,284**	10,484	188,087
Non-Operating Revenues:					
Earnings on investments	75	75	**448**	373	80
Contributions from customers	-	-	-	-	105,000
Grants	10,000	10,000	-	(10,000)	-
Transfer from other funds	-	-	-	-	-
Total Non-Operating Revenues	10,075	10,075	**448**	(9,627)	105,080
Total Revenues	$ 177,875	$ 177,875	**$ 178,732**	$ 857	$ 293,167

TOWN OF NUNN, COLORADO

Schedule of Expenditures

*Budget to Actual - **Water Fund***

Year Ended December 31, 2016

With Comparative Actual Amounts For the Year Ended December 31, 2015

	2016				
Non-GAAP Budgetary Basis	Original Budget	Final Budget	**Actual**	Variance - Favorable (Unfavorable)	**2015** Actual
Operating Expenditures:					
Administrative					
Salaries	$ 14,874	$ 14,874	**$ 14,207**	$ 667	$ 13,236
Health insurance	1,000	1,000	**950**	50	705
Payroll taxes	-	-	**1,115**	(1,115)	1,039
Conferences and training	650	650	**-**	650	125
Audit	7,500	7,500	**6,900**	600	6,700
Legal	1,500	1,500	**720**	780	328
Telephone	2,400	2,400	**2,011**	389	1,962
Publishing	250	250	**-**	250	-
Vehicle expense	450	450	**324**	126	397
Supplies	300	300	**648**	(348)	189
Postage	2,300	2,300	**1,771**	529	1,899
Small equipment/lease	500	500	**353**	147	333
Computer support/maintenance	3,500	3,500	**2,882**	618	2,134
Bank service charges	300	300	**20**	280	227
Dues and subscriptions	350	350	**437**	(87)	378
Utilities	2,000	2,000	**579**	1,421	1,211
Total Administrative	37,874	37,874	**32,917**	4,957	30,863
System Operation & Maintenance:					
Salaries	12,000	12,000	**11,226**	774	11,211
Health insurance	3,350	3,350	**3,946**	(596)	2,594
Payroll taxes	-	-	**881**	(881)	880
Workers' compensation	200	200	**-**	200	772
Conferences and training	1,500	1,500	**464**	1,036	976
Water sampling and testing	1,500	1,500	**980**	520	721
Drinking water program fee	150	150	**100**	50	100
Water treatment and distribution	43,000	43,000	**43,716**	(716)	40,274
Repairs and maintenance	3,500	3,500	**9,364**	(5,864)	6,546
Insurance and bonds	3,000	3,000	**3,000**	-	4,229
Gas, oil and service	500	500	**506**	(6)	-
Repairs and maintenance - equip	2,500	2,500	**2,083**	417	438
Supplies	1,500	1,500	**263**	1,237	1,249
Utilities	7,000	7,000	**8,070**	(1,070)	5,493
Water share assessments	5,000	5,000	**5,060**	(60)	4,825
Professional services	12,150	12,150	**-**	12,150	-
Total System Operation & Maintenance	96,850	96,850	**89,659**	7,191	80,308
Total Operating Expenditures	134,724	134,724	**122,576**	12,148	111,171
Non-Operating Expenditures:					
Capital Outlay	1,500	1,500	**-**	1,500	137,800
Debt Service:					
Principal	37,139	37,139	**37,139**	-	35,946
Interest	4,512	4,512	**4,401**	111	5,598
Total Non-Operating Expenditures	43,151	43,151	**41,540**	1,611	179,344
Total Expenditures	$ 177,875	$ 177,875	**$ 164,116**	$ 13,759	$ 290,515

TOWN OF NUNN, COLORADO

Reconciliation of Budgetary Basis to GAAP Basis

Budget to Actual - ***Water Fund***

Year Ended December 31, 2016

With Comparative Actual Amounts For the Year Ended December 31, 2015

	2016				
Non-GAAP Budgetary Basis	Original Budget	Final Budget	**Actual**	Variance - Favorable (Unfavorable)	**2015** Actual
Revenues:					
Operating revenues	$ 167,800	$ 167,800	**$ 178,284**	$ 10,484	$ 188,087
Non-operating revenues	10,075	10,075	**448**	(9,627)	105,080
Total Revenues	177,875	177,875	**178,732**	857	293,167
Expenditures:					
Administrative	37,874	37,874	**32,917**	4,957	30,863
System operation & maintenance	96,850	96,850	**89,659**	7,191	80,308
Non-operating expenditures	43,151	43,151	**41,540**	1,611	179,344
Total Expenditures	177,875	177,875	**164,116**	13,759	290,515
Excess (Deficiency) of Revenues over Expenditures	$ -	$ -	**14,616**	$ 14,616	$ 2,652
Reconciliation of Budgetary Basis to GAAP Basis:					
Capital assets purchases capitalized			**-**		
Depreciation expense			**(78,463)**		
Long-term debt payments			**37,139**		
Net Change in Net Position			**$ (26,708)**		

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: Town of Nunn YEAR ENDING : December 2016
This Information From The Records Of -Town of Nunn	Prepared By: Cathy Payne Phone:970-897-2385

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	101,253
3. Other local imposts (from page 2)	13,230
4. Miscellaneous local receipts (from page 2)	0
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)	114,483
B. Private Contributions	
C. Receipts from State government (from page 2)	35,346
D. Receipts from Federal Government (from page 2)	0
E. Total receipts (A.7 + B + C + D)	149,829

III. DISBURSEMENTS FOR ROAD AND STREET PURPOSES

ITEM	AMOUNT
A. Local highway disbursements:	
1. Capital outlay (from page 2)	101,253
2. Maintenance:	35,150
3. Road and street services:	
a. Traffic control operations	
b. Snow and ice removal	
c. Other	13,426
d. Total (a. through c.)	13,426
4. General administration & miscellaneous	
5. Highway law enforcement and safety	
6. Total (1 through 5)	149,829
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)	149,829

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
	149,829	149,829		(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	
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	13,230	g. Other Misc. Receipts	
6. Total (1. through 5.)	13,230	h. Other	
c. Total (a. + b.)	13,230	i. Total (a. through h.)	0
	(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	32,269	1. FHWA (from Item I.D.5.)	
2. State general funds		2. Other Federal agencies:	
3. Other State funds:		a. Forest Service	
a. State bond proceeds		b. FEMA	
b. Project Match		c. HUD	
c. Motor Vehicle Registrations	3,077	d. Federal Transit Admin	
d. Other (Specify) - DOLA Grant		e. U.S. Corps of Engineers	
e. Other (Specify)		f. Other Federal	
f. Total (a. through e.)	3,077	g. Total (a. through f.)	0
4. Total (1. + 2. + 3.f)	35,346	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			0
(3). System Preservation		101,253	101,253
(4). System Enhancement & Operation			0
(5). Total Construction (1) + (2) + (3) + (4)	0	101,253	101,253
d. Total Capital Outlay (Lines 1.a. + 1.b. + 1.c.5)	0	101,253	101,253
			(Carry forward to page 1)

Notes and Comments:

A.3 b.5

Specific Ownership Tax	6,657
County Road & Bridge	6,573
	13,230

System Preservation

Repair and Repave County Road 100 within Town of Nunn Limits-2" overlay	101,253

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