TOWN OF OAK CREEK
OAK CREEK, COLORADO

FINANCIAL STATEMENTS
WITH
INDEPENDENT AUDITORS' REPORT

FOR THE YEAR ENDED
DECEMBER 31, 2016

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BOARD OF TRUSTEES
December 31, 2016

FINANCIAL SECTION

Town of Oak Creek
Management Discussion and Analysis
December 31, 2016

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

Financial Highlights

The Town of Oak Creek's governmental net position decreased by $111,711 and business-type net position increased by $365,775 for the year.

- The assets of the Town exceeded its liabilities at the close of fiscal year 2016 by $9,572,084 *(net position).* Of this amount, $2,230,851 *(unrestricted net position)* may be used to meet the Town's ongoing obligations or unforeseen expenses.
- As of the close of fiscal year 2016, the Town's General Fund reported an ending fund balance of $226,991 compared to the fiscal year 2015 balance of $272,044.
- At the end of 2016 unrestricted net position for the proprietary funds (business-type activities) was $2,013,541 or 128% of total 2016 operating expenses.
- General Fund 2016 revenues increased by $254,453 to $853,566.
- General Fund expenditures increased in 2016 by $158,085 to $898,619.

Using the Basic Financial Statements

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

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

The remaining statements are fund financial statements that focus on individual parts of the Town's operations in more detail. The governmental fund statements tell how general Town services were financed in the short term as well as what remains for future spending. The Town has two governmental funds: the General Fund, and one fiduciary fund, LiveWell.

Fiduciary fund statements provide information about financial relationships where the Town acts solely as a trustee or agent for the benefit of others to whom the resources in question belong. As the fiscal agent for LiveWell, this fund will exist only as long as the LiveWell grant is active.

Proprietary fund statements offer short and long-term financial information about the activities that the Town operates as a business. The Town operates four proprietary funds as follows:

- Electric Fund
- Water Fund
- Sewer Fund
- Trash Fund

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

Financial Analysis of the Town as a Whole

The Town's total net position was $9,572,084 as of December 31, 2016 and $9,318,020 as of December 31, 2015. This represents an increase of $254,064 or 2.72%.

Government-Wide Financial Statements

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

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

Both of the government-wide financial statements distinguish functions of the Town that are principally supported by taxes, intergovernmental revenues and taxes *(Governmental Activities)* from other functions that are intended to recover all or a significant portion of their costs through user fees and charges *(Business-type Activities).* The Governmental Activities of the Town include: general government, public safety (police), public works, parks and recreation and LiveWell. The Business-type Activities of the Town of Oak Creek consist of electric, water, sewer, and trash services.

Net Position

Net position might serve over time as a useful indicator of a government's financial position. In the case of the Town of Oak Creek, assets exceeded liabilities by approximately $9.5 million at the close of 2016.

Net position of the Town at December 31, 2016 was as follows:

	Governmental Activities		Business-type Activities		Total	
	2016	2015	2016	2015	2016	2015
ASSETS						
Current and Other Assets	$ 477,147	$ 437,698	$ 2,324,315	$ 1,944,342	$ 2,801,462	$ 2,382,040
Capital Assets	1,186,072	1,274,151	7,645,290	7,678,888	8,831,362	8,953,039
Total Assets	1,663,219	1,711,849	9,969,605	9,623,230	11,632,824	11,335,079
DEFERRED OUTFLOWS	24,979	10,374	-	-	24,979	10,374
LIABILITIES						
Current Liabilities	115,132	92,654	211,198	189,964	326,330	282,618
Noncurrent Liabilities	13,252	14,884	1,615,961	1,706,595	1,629,213	1,721,479
Total Liabilities	128,384	107,538	1,827,159	1,896,559	1,955,543	2,004,097
DEFERRED INFOWS	130,176	73,336	-	-	130,176	73,336
NET POSITION						
Net Investment in Capital Assets	1,186,072	1,257,857	6,029,329	5,972,293	7,215,401	7,230,150
Restricted	26,256	60,594	99,576	106,967	125,832	167,561
Unrestricted	217,310	222,898	2,013,541	1,697,411	2,230,851	1,920,309
Total Net Position	**$ 1,429,638**	**$ 1,541,349**	**$ 8,142,446**	**$ 7,776,671**	**$ 9,572,084**	**$ 9,318,020**

The statement of net position reflects a cash position totaling $2,386,442 or 20.5% of total assets. The bulk of the Town's resources, $8.83 million or 76% of total assets, are invested in capital assets. These assets consist of land and improvements, buildings, equipment, and utility system assets. The remaining 3.5% of total assets are receivables or prepaid expenses.

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

Changes in Net Position

Governmental activities decreased the Town of Oak Creek's net position by $111,711.

Business activities increased the Town's net position by $365,775.

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

	Governmental Activities		Business-type Activities		Total	
	2016	2015	2016	2015	2016	2015
PROGRAM REVENUES						
Charges for Services	$ 396,273	$ 166,878	$ 1,987,622	$ 1,796,334	$ 2,383,895	$ 1,963,212
Operating Grants	205,542	264,450	-	-	205,542	264,450
Capital Grants	-	57,170	18,961	249,781	18,961	306,951
Total Program Revenues	601,815	488,498	2,006,583	2,046,115	2,608,398	2,534,613
GENERAL REVENUES						
Property Taxes	72,272	66,936	-	-	72,272	66,936
Specific Ownership Taxes	5,170	4,823	-	-	5,170	4,823
Sales and Use Taxes	207,021	140,194	-	-	207,021	140,194
Other Taxes	6,185	874	-	-	6,185	874
Interest Income	9,334	6,628	24	23	9,358	6,651
Insurance Proceeds	-	-	379	785	379	785
Other Revenues	7,506	2,687	-	-	7,506	2,687
Total General Revenues	307,488	222,142	403	808	307,891	222,950
Total Revenues & Transfers	909,303	710,640	2,006,986	2,046,923	2,916,289	2,757,563
PROGRAM EXPENSES						
General Government	427,515	340,987	-	-	427,515	340,987
Public Safety	255,925	221,549	-	-	255,925	221,549
Public Works	193,501	211,072	-	-	193,501	211,072
Culture and Recreation	132,433	101,823	-	-	132,433	101,823
Electric Operations	-	-	874,096	873,129	874,096	873,129
Water Operations	-	-	325,210	318,526	325,210	318,526
Sewer Operations	-	-	337,609	356,905	337,609	356,905
Trash Operations	-	-	104,296	105,003	104,296	105,003
Depreciation - unallocated	11,640	-	-	-	11,640	-
Total Program Expenses	1,021,014	875,431	1,641,211	1,653,563	2,662,225	2,528,994
CHANGE IN NET POSITION	(111,711)	(164,791)	365,775	393,360	254,064	228,569
Net Position, Beginning	1,541,349	1,706,140	7,776,671	7,383,311	9,318,020	9,089,451
NET POSITION, ENDING	**$ 1,429,638**	**$ 1,541,349**	**$ 8,142,446**	**$ 7,776,671**	**$ 9,572,084**	**$ 9,318,020**

Financial Analysis of the Town’s Funds

The Town uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements.

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

General Fund – The General Fund went from a balance of $272,044 to $226,991. This decrease is principally the result of governmental activity operating costs exceeding revenue sources. Parks and Rec wages and costs increased in 2016 as this was the first year of full-day Friday kid's camp during the school year. Also, enrollment increased by 50% for summer camp. Total General Fund revenues increased by $254,453, while expenditures increased by $158,085.

LiveWell Fund – LiveWell revenues were $55,737 with expenses matching at $55,737.

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

Electric Fund – Electric Fund net position increased by $247,380, following an increase of $124,328 in 2015. Expenditures decreased by only $83,482. The cost to purchase power was $42,363 more than the 2015 cost.

Water Fund – Water Fund net position increased by $100,729 after a 2015 increase of $277,280.

Sewer Fund – Sewer Fund net position increased by $10,011 compared to an decrease of $9,486 in 2015.

Trash Fund – Trash Fund net position increased by $7,655 for the current year, up from a 2015 increase of $1,238. The Trash Fund is a tightly run enterprise to benefit the citizens of Oak Creek and includes an annual Clean-Up Day. The Town passed increased trash costs on to the citizens in 2016.

Capital Assets

Approximately 13.4% of the Town's capital assets support governmental activities. The majority of the value is invested in land, buildings and improvements.

	Balance 12/31/15	Additions	Deletions & Transfers	Balance 12/31/16
Governmental Activities:				
Capital Assets not being Depreciated:				
Land	$ 203,812	$ 12,954	$ -	$ 216,766
Capital Assets being Depreciated:				
Buildings & Improvements	1,544,090	-	-	1,544,090
Vehicles & Equipment	575,106	-	-	575,106
Total Capital Assets	2,119,196	-	-	2,119,196
Less Accumulated Depreciation:				
Buildings & Improvements	(679,250)	(54,796)	-	(734,046)
Vehicles & Equipment	(385,901)	(29,943)	-	(415,844)
Total Accumulated Depreciation	(1,065,151)	(84,739)	-	(1,149,890)
Net Capital Assets	**$ 1,257,857**	**$ (71,785)**	**$ -**	**$ 1,186,072**

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

	Balance 12/31/15	Additions	Deletions	Balance 12/31/16
Business-Type Activities:				
Capital Assets:				
Electrical System	$ 2,164,658	$ 105,430	$ -	$ 2,270,088
Water System	4,339,782	101,305	(18,281)	4,422,806
Sewer System	5,852,015	8,118	(10,392)	5,849,741
Total Capital Assets	12,356,455	214,853	(28,673)	12,542,635
Less Accumulated Depreciation:				
Electrical System	(1,618,354)	(51,462)	-	(1,669,816)
Water System	(1,735,217)	(100,937)	18,281	(1,817,873)
Sewer System	(1,323,996)	(96,051)	10,392	(1,409,655)
Total Accumulated Depreciation	(4,677,567)	(248,451)	28,673	(4,897,345)
Net Capital Assets	**$ 7,678,888**	**$ (33,598)**	**$ -**	**$ 7,645,290**

Long-Term Debt

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

	Balance 12/31/15	Advances	Payments	Balance 12/31/16
Accrued Compensated Absences	$ 14,884	$ -	$ 1,632	$ 13,252

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

	Balance 12/31/15	Advances	Payments	Balance 12/31/16	Current Portion	Interest Expense
2000 Electric Note Payable	$ 125,305	$ -	$ 27,029	$ 98,276	$ 28,748	$ 6,671
2003 CWRPDA Water Note	444,124	-	48,131	395,993	50,076	19,157
2010 Sewer Revenue Bonds	1,137,166	-	15,474	1,121,692	16,001	45,338
Totals	**$ 1,706,595**	**$ -**	**$ 90,634**	**$ 1,615,961**	**$ 94,825**	**$ 71,166**

General Fund Budget

The General Fund accounts for all of the general government services provided by the Town of Oak Creek including: public safety (police), public works, parks and recreation and general government services. The Town's General Fund revenues were $43,833 less than planned, mostly due to a timing difference on the South Routt Community Center project grant funds. The Town's expenditures were $38,099 less than budgeted, with General Fund personnel costs coming in $20,117 less than expected.

ECONOMIC FACTORS AND FUTURE BUDGETS AND RATES

The Town of Oak Creek's economic drivers continue to be regional recreation and tourism, agriculture and energy. Both Stagecoach State Park/Reservoir and the Steamboat Ski Area provide employment opportunities. Agricultural products such as hay, grain, sheep, horses and cattle from the region are local exports, as well as marijuana products grown and produced at local light industrial facilities. Significant low-sulfur coal reserves adjacent to the Town provide some well-paying jobs and another high-value export, though the recent Peabody Coal Company reorganization through bankruptcy and the regulatory dynamics at the state and federal level continue to provide uncertainty in this sector.

The estimated population for Oak Creek is 886 according the State Demography Office, and this number has remained relatively stable over the last ten (10) years. There are signs, particularly evidenced by a significantly tightening and more costly housing market, that the expected 1% increase/decrease growth forecasts may no longer be reliable.

In 2017, the Town will be undertaking a major capital project with the first phase of reconstruction of the water distribution system and other Main Street-related work. Investments being made include replacement of curb/gutter/sidewalks, upgraded street lights, replacement and expansion of the storm drainage system, and updated water/sewer services to all buildable lots along Main Street. This Main Street work sets the stage for future Town efforts in revitalizing the downtown commercial area.

The Town will be taking steps in 2017 to assess the feasibility of a small home/RV Park development on Town-owned property, in an effort to the address current Town policies with regard to improving affordable housing opportunities and diversification of the local economy.

In 2016, Oak Creek saw sales tax revenues increase by 48% over 2015, and would expect continued growth in 2017 except for the Main Street project and its dampening effect on commerce during the 2017 construction season. Budget projections for 2017 sales tax took this into consideration, and it expected that this revenue stream will rebound in 2018.

While 2017 is a property tax reassessment year, the County Assessor is required to look at the period ending June, 2016. While there has been a significant amount of new commercial construction over the last two years that will be included in the assessment, the major rise in housing sales prices has only been seen in the last twelve (12) months which will not be reflected in the Town's assessed valuation until the next reassessment cycle in 2019.

Marijuana business licensing fees continue to provide a source of funding that provide the support services to this industry. It is noteworthy that this industry has created approximately 40 new full time jobs within the community with payroll employment of approximately $1.7MM, and serves as part of the reason for the current local housing crunch. It is expected that revenues and employment will remain at the 2016 levels for at least the next two (2) years.

The police, public works and parks and recreation departments will see planned capital vehicle and equipment purchases using both earmarked funds and municipal lease financing completed during the first part of 2017.

The Public Works Department began the installation of water meters in the last quarter of 2016. It is expected that all users will be metered prior to the end of the 2017 construction season, and meter rates are implemented at the beginning of 2018. Cautions to assure that needed operational revenues are not impacted include analyzing usage during the installation period.

Unknowns that may impact Town operations or revenues that bear watching include the pending sale of the Stagecoach Ski area and the regulatory environment concerning air, water and energy resources.

Request for Information

The financial statements are designed to provide information for regulatory reporting to federal and state agencies and those with an interest in the Town's finances. Questions concerning this or any additional information should be addressed to Town Clerk, Town of Oak Creek, P O Box 128, Oak Creek, CO 80467.

Holscher, Mayberry & Company, LLC
Certified Public Accountants

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

Board of Trustees
Town of Oak Creek
Oak Creek, Colorado

Independent Auditors' Report

Report on the Financial Statements

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

Management's Responsibility for the Financial Statements

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

Auditors' Responsibility

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

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

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

8310 South Valley Highway – Suite 300
Englewood, Colorado 80112
Voice (303) 993 – 2199
Fax (720) 633 – 9763
www.hmcpas.biz

Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the Town of Oak Creek, 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 conformity with accounting principles generally accepted in the United States of America.

Report on Summarized Comparative Information

We have previously audited the Town of Oak Creek 2015 financial statements, and we expressed an unmodified audit opinion on those audited financial statements in our report dated June 24, 2016. In our opinion, the summarized comparative information presented herein as of and for the year ended December 31, 2015 is consistent, in all material respects, with the audited financial statements from which it has been derived.

Other Matters

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

Accounting principles generally accepted in the United States of America require that the management, discussion and analysis on pages M1-M9 and pension schedules on pages 34-35 be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Required Supplementary Information – Budgetary Comparison Schedules and Other Supplementary Information

Our audit was conducted for the purpose of forming an opinion on the financial statements as a whole. Accounting principles generally accepted in the United States of America require that the budgetary comparison schedules on pages 36-38 be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. In addition, the combining and individual fund schedules on pages 39-48 and listed as other supplementary information are presented for purposes of additional analysis and are not a required part of the financial statements. The information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements.

Such information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated, in all material respects, in relation to the financial statements as a whole.

Report on Other Legal and Regulatory Requirements

Our audit was conducted for the purpose of forming an opinion on the financial statements as a whole. The *Local Highway Finance Report* is presented on pages 49-50

for purposes of legal compliance and is not a required part of the financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated in all material respects in relation to the financial statements as a whole.

Holscher, Mayberry & Company, LLC

Englewood, CO
April 4, 2017

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BASIC FINANCIAL STATEMENTS

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TOWN OF OAK CREEK, COLORADO

STATEMENT OF NET POSITION
DECEMBER 31, 2016

	GOVERNMENTAL ACTIVITIES	BUSINESS TYPE ACTIVITIES	TOTAL
ASSETS AND DEFERRED OUTFLOWS			
ASSETS			
Current Assets			
Cash and Investments			
Cash	$ (320,685)	$ 2,031,350	$ 1,710,665
Investments	571,760	-	571,760
Restricted Cash and Investments	46,384	57,633	104,017
Receivables			
Property Tax Receivable	76,200	-	76,200
Interest Receivable	310	-	310
Utility Receivable	-	234,714	234,714
Cash with Fiscal Agent	745	-	745
Accounts Receivable	98,983	-	98,983
Other Receivables	1,424	-	1,424
Prepaid Expenses	1,770	618	2,388
Total Current Assets	476,891	2,324,315	2,801,206
Noncurrent Assets			
Capital Assets not being Depreciated	216,766	-	216,766
Capital Assets being Depreciated	2,119,196	12,542,635	14,661,831
Accumulated Depreciation	(1,149,890)	(4,897,345)	(6,047,235)
Net Pension Asset	256	-	256
Total Noncurrent Assets	1,186,328	7,645,290	8,831,618
Pension Contribution Timing	5,854	-	5,854
Pension Investment Earnings Timing	13,032	-	13,032
Pension Benefits Timing	2,071	-	2,071
Pension Change in Assumptions	4,022	-	4,022
TOTAL ASSETS AND DEFERRED OUTFLOWS	$ 1,688,198	$ 9,969,605	$ 11,657,803
LIABILITIES, DEFERRED INFLOWS AND NET POSITION			
LIABILITIES			
Current Liabilities			
Accounts Payable	$ 77,693	$ 132,038	$ 209,731
Accrued Liabilities	8,889	-	8,889
Accrued Salaries and Benefits	9,450	-	9,450
Deposits and Escrow	19,100	60,475	79,575
Accrued Interest Payable	-	18,685	18,685
Total Current Liabilities	115,132	211,198	326,330
Noncurrent Liabilities			
Due within one year	13,252	94,825	108,077
Due in more than one year	-	1,521,136	1,521,136
Total Noncurrent Liabilities	13,252	1,615,961	1,629,213
TOTAL LIABILITIES	128,384	1,827,159	1,955,543
DEFERRED INFLOWS OF FINANCIAL RESOURCES			
Deferred Property Taxes	76,200	-	76,200
Pension Benefits Timing	302	-	302
Pens External Change in %	(4,894)	-	(4,894)
Deferred Grants	58,568	-	58,568
TOTAL DEFERRED INFLOWS	130,176	-	130,176
NET POSITION			
Net Investment in Capital Assets	1,186,072	6,029,329	7,215,401
Restricted Net Position	26,256	99,576	125,832
Unrestricted Net Position	217,310	2,013,541	2,230,851
TOTAL NET POSITION	1,429,638	8,142,446	9,572,084
TOTAL LIABILITIES, DEFERRED INFLOWS AND NET POSITION	$ 1,688,198	$ 9,969,605	$ 11,657,803

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

TOWN OF OAK CREEK

STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED DECEMBER 31, 2016

		PROGRAM REVENUES		
	EXPENSES	CHARGES FOR SERVICES	OPERATING GRANTS AND CONTRIBUTIONS	CAPITAL GRANTS
FUNCTIONS/PROGRAMS				
Government Activities				
Current:				
General Government	$ 427,515	$ 185,497	$ 163,974	$ -
Public Safety	255,925	3,063	-	-
Public Works	193,501	-	31,690	-
Culture and Recreation	132,433	207,713	9,878	-
Depreciation - Unallocated	11,640	-	-	-
TOTAL GOVERNMENT ACTIVITIES	1,021,014	396,273	205,542	-
Business-type Activities				
Current:				
Electric	874,096	1,121,476	-	-
Water	325,210	406,599	-	18,961
Sewer	337,609	347,596	-	-
Trash	104,296	111,951	-	-
TOTAL BUSINESS-TYPE ACTIVITIES	1,641,211	1,987,622	-	18,961
TOTAL GOVERNMENT	$ 2,662,225	$ 2,383,895	$ 205,542	$ 18,961
GENERAL REVENUES				
Property Taxes				
Specific Ownership Taxes				
Sales and Use Taxes				
Other Taxes				
Interest Income				
Insurance Proceeds				
Other Revenues				
TOTAL GENERAL REVENUES AND TRANSFERS				
CHANGE IN NET POSITION				
NET POSITION - Beginning				
NET POSITION - Ending				

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

NET (EXPENSE) REVENUE AND CHANGES IN NET POSITION		
GOVERNMENT ACTIVITIES	BUSINESS - TYPE ACTIVITES	TOTAL
$ (78,044)	$ -	$ (78,044)
(252,862)	-	(252,862)
(161,811)	-	(161,811)
85,158	-	85,158
(11,640)	-	(11,640)
(419,199)	-	(419,199)
-	247,380	247,380
-	100,350	100,350
-	9,987	9,987
-	7,655	7,655
-	365,372	365,372
(419,199)	365,372	(53,827)
72,272	-	72,272
5,170	-	5,170
207,021	-	207,021
6,185	-	6,185
9,334	24	9,358
-	379	379
7,506	-	7,506
307,488	403	307,891
(111,711)	365,775	254,064
1,541,349	7,776,671	9,318,020
$ 1,429,638	$ 8,142,446	$ 9,572,084

TOWN OF OAK CREEK, COLORADO

BALANCE SHEET
GOVERNMENTAL FUNDS
DECEMBER 31, 2016
With Comparative Totals for December 31, 2015

	General Fund	Other Funds	Total 2016	Total 2015
ASSETS AND DEFERRED OUTFLOWS				
ASSETS				
Current Assets				
Cash and Investments				
Cash	$ (320,685)	$ -	$ (320,685)	$ (82,828)
Investments	571,760	-	571,760	364,863
Restricted Cash and Investments	94	46,290	46,384	41,784
Receivables				
Property Tax Receivable	76,200	-	76,200	73,000
Interest Receivable	310	-	310	304
Cash with Fiscal Agent	745	-	745	728
Accounts Receivable	98,983	-	98,983	30,418
Other Receivables	1,424	-	1,424	-
Prepaid Expenses	1,770	-	1,770	9,429
TOTAL ASSETS AND DEFERRED OUTFLOWS	$ 430,601	$ 46,290	$ 476,891	$ 437,698
LIABILITIES, DEFERRED INFLOWS AND NET POSITION				
LIABILITIES				
Current Liabilities				
Accounts Payable	$ 76,971	$ 722	$ 77,693	$ 16,723
Accrued Liabilities	8,889	-	8,889	417
Accrued Salaries and Benefits	9,450	-	9,450	20,010
Deposits and Escrow	19,100	-	19,100	4,199
TOTAL LIABILITIES	114,410	722	115,132	41,349
DEFERRED INFLOWS OF FINANCIAL RESOURCES				
Deferred Property Taxes	76,200	-	76,200	73,000
Deferred Grants	13,000	45,568	58,568	51,305
TOTAL DEFERRED INFLOWS	89,200	45,568	134,768	124,305
FUND BALANCE				
Nonspendable Fund Balance	1,770	-	1,770	9,429
Restricted Fund Balance	26,000	-	26,000	44,300
Committed Fund Balance	100,807	-	100,807	158,930
Unassigned Fund Balance	98,414	-	98,414	59,385
TOTAL FUND BALANCE	226,991	-	226,991	272,044
TOTAL LIABILITIES, DEFERRED INFLOWS AND FUND BALANCE	$ 430,601	$ 46,290	$ 476,891	$ 437,698

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

TOWN OF OAK CREEK, COLORADO

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

Fund Balance - Governmental Funds		$ 226,991
Capital assets used in governmental activities are not financial resources and are therefore not reported in the funds		
Capital assets, not being depreciated	$ 216,766	
Capital assets, being depreciated	2,119,196	
Accumulated depreciation	(1,149,890)	1,186,072
Deferred charges related to the issuance of debt that are amortized over the life of the issue, but are not reported in the funds		
Certain long-term pension related costs and adjustments are not available to pay or are payable currently and are therefore not reported in the funds		
Net pension asset	256	
Contributions subsequent to measurement date	5,854	
Difference between projected and actual investment returns on the pension plan	16,694	
Amortization of the investment return difference	(3,662)	
Difference between projected and actual pension plan experience	2,296	
Amortization of the experience difference	(225)	
Change in Assumptions	4,459	
Amortization of Change in Assumptions	(437)	
Difference between projected and actual pension plan experience	(373)	
Amortization of the experience difference	71	
Change in proportionate share of the net pension liability	6,052	
Amortization of the change in proportion	(1,158)	29,827
Internal Service operations primarily benefit Governmental Activities		
Long-term liabilities are not due and payable in the current year and, therefore, are not reported in the funds.		
Accrued compensated absences	(13,252)	(13,252)
Total Net Position - Governmental Activities		$ 1,429,638

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

TOWN OF OAK CREEK, COLORADO

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

	General Fund	Other Funds	Total 2016	Total 2015
REVENUES				
Taxes	$ 290,649	$ -	$ 290,649	$ 212,827
Intergovernmental Revenues	149,805	-	149,805	210,393
Licenses and Permits	81,011	-	81,011	49,241
Fines and Forfeits	2,582	-	2,582	4,362
Internal Charges	89,920	-	89,920	78,775
Charges for Services	222,760	-	222,760	34,499
Investment Earnings	9,334	-	9,334	6,628
Other Revenues	7,505	55,737	63,242	113,915
TOTAL REVENUES	853,566	55,737	909,303	710,640
EXPENDITURES				
Current:				
General Government	362,226	3,000	365,226	161,702
Public Safety	246,605	-	246,605	216,658
Public Works	157,320	-	157,320	178,479
Parks, Recreation and Other	112,913	-	112,913	52,843
Capital Outlay	19,555	52,737	72,292	242,379
TOTAL EXPENDITURES	898,619	55,737	954,356	852,061
NET CHANGE IN FUND BALANCE - GAAP BASIS	(45,053)	-	(45,053)	(141,421)
FUND BALANCE, BEGINNING	272,044	-	272,044	413,465
FUND BALANCE, ENDING	$ 226,991	$ -	$ 226,991	$ 272,044

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

TOWN OF OAK CREEK, COLORADO

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

Change in Fund Balance - Governmental Funds		$ (45,053)
Capital assets used in governmental activities are expensed when purchased in the funds and depreciated at the activity level		
Capitalized Asset Purchases	12,954	
Depreciation Expense	(84,739)	(71,785)
Pension expense at the fund level represents cash contributions to the defined benefit plan. For the activity level presentation, the amount represents the actuarial cost of the benefits for the fiscal year.		
Change in contributions subsequent to the measurement date	(3,235)	
Current year projected to actual investment return difference	15,088	
Current year amortization of overall investment return differences	(3,341)	
Change in net pension asset/liability	(16,038)	
Current year projected to actual pension plan experience difference	2,294	
Current year amortization of overall experience differences	(189)	
Change in the changes of assumptions	4,022	
Current year change in proportionate share of cost-sharing plan asset/liability	6,052	
Current year amortization of overall proportionate share differences	(1,158)	3,495
Repayments of long-term liabilities are expensed in the fund and reduce outstanding liabilities at the activity level. In addition, proceeds from long-term debt issuances are reported as revenues in the funds and increase liabilities at the activity level		
Change in accrued compensated absences	1,632	1,632
Change in Net Position - Governmental Activities		$ (111,711)

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

TOWN OF OAK CREEK, COLORADO

STATEMENT OF NET POSITION
PROPRIETARY FUNDS
DECEMBER 31, 2016
With Comparative Totals for December 31, 2015

	Business-type Activities				
	Electric Fund	Water Fund	Sewer Fund	Other Funds	Total Enterprise Funds
ASSETS AND DEFERRED OUTFLOWS					
ASSETS					
Current Assets					
Cash and Investments					
Cash	$ 737,633	$ 384,332	$ 910,676	$ (1,291)	$ 2,031,350
Restricted Cash and Investments	-	-	57,633	-	57,633
Receivables					
Intergovernmental Receivables	-	-	-	-	-
Utility Receivable	148,279	40,426	34,329	11,680	234,714
Prepaid Expenses	160	252	206	-	618
Total Current Assets	886,072	425,010	1,002,844	10,389	2,324,315
Noncurrent Assets					
Capital Assets being depreciated	2,270,088	4,422,806	5,849,741	-	12,542,635
Accumulated Depreciation	(1,669,816)	(1,817,874)	(1,409,655)	-	(4,897,345)
Total Noncurrent Assets	600,272	2,604,932	4,440,086	-	7,645,290
TOTAL ASSETS AND DEFERRED OUTFLOWS	$ 1,486,344	$ 3,029,942	$ 5,442,930	$ 10,389	$ 9,969,605
LIABILITIES, DEFERRED INFLOWS AND NET POSITION					
LIABILITIES					
Current Liabilities					
Accounts Payable	$ 73,478	$ 55,660	$ 2,900	$ -	$ 132,038
Deposits and Escrow	60,475	-	-	-	60,475
Accrued Interest Payable	-	-	18,685	-	18,685
Total Current Liabilities	133,953	55,660	21,585	-	211,198
Noncurrent Liabilities					
Due within one year	28,748	50,076	16,001	-	94,825
Due in more than one year	69,528	345,917	1,105,691	-	1,521,136
Total Noncurrent Liabilities	98,276	395,993	1,121,692	-	1,615,961
TOTAL LIABILITIES	232,229	451,653	1,143,277	-	1,827,159
DEFERRED INFLOWS OF FINANCIAL RESOURCES					
NET POSITION					
Net Investment in Capital Assets	501,996	2,208,939	3,318,394	-	6,029,329
Restricted Net Position	-	41,943	57,633	-	99,576
Unrestricted Net Position	752,119	327,407	923,626	10,389	2,013,541
TOTAL NET POSITION	1,254,115	2,578,289	4,299,653	10,389	8,142,446
TOTAL LIABILITIES, DEFERRED INFLOWS AND NET POSITION	$ 1,486,344	$ 3,029,942	$ 5,442,930	$ 10,389	$ 9,969,605

The accompanying notes are an integral part of these financial statements

Total	
2016	2015
$ 2,031,350	$ 1,668,307
57,633	106,967
-	42,705
234,714	175,839
618	524
2,324,315	1,994,342
12,542,635	12,356,455
(4,897,345)	(4,677,567)
7,645,290	7,678,888
$ 9,969,605	$ 9,673,230
$ 132,038	$ 118,047
60,475	52,975
18,685	18,942
211,198	189,964
94,825	90,616
1,521,136	1,615,979
1,615,961	1,706,595
1,827,159	1,896,559
6,029,329	5,972,293
99,576	106,967
2,013,541	1,697,411
8,142,446	7,776,671
$ 9,969,605	$ 9,673,230

TOWN OF OAK CREEK, COLORADO

STATEMENT OF REVENUES, EXPENSES AND CHANGES IN NET POSITION
PROPRIETARY FUNDS
FOR THE YEAR ENDED DECEMBER 31, 2016
With Comparative Totals for the Year Ended December 31, 2015

	Business-type Activities				
	Electric Fund	Water Fund	Sewer Fund	Other Funds	Total Enterprise Funds
Operating Revenues					
Utility Charges	$ 1,079,225	$ 405,599	$ 345,732	$ 111,951	$ 1,942,507
Other Charges for Services	42,251	1,000	1,864	-	45,115
Total Revenues	1,121,476	406,599	347,596	111,951	1,987,622
Operating Expenses					
Management Fees	78,270	51,851	48,226	4,105	182,452
Personnel Services	137,396	84,603	98,869	3,485	324,353
Commodity Charges	554,769	-	-	-	554,769
Administrative/Office Expenses	166	275	-	-	441
Insurance	8,208	7,773	6,235	-	22,216
Operating Supplies	9,922	15,232	6,515	-	31,669
Professional Fees	5,128	38	150	96,706	102,022
Repairs and Maintenance	7,479	1,354	684	-	9,517
Travel and Training	3,610	1,134	-	-	4,744
Treatment	-	4,131	9,145	-	13,276
Telephone and Utilities	5,037	25,686	29,384	-	60,107
Other Operating Expenses	1,554	(771)	(2,731)	-	(1,948)
Depreciation Expense	51,462	100,938	96,051	-	248,451
Other Capital Outlay	4,485	15,678	-	-	20,163
Total Expenditures	867,486	307,922	292,528	104,296	1,572,232
Operating Income (Loss)	253,990	98,677	55,068	7,655	415,390
Other Income (Expense)					
Investment Earnings	-	-	24	-	24
Other Revenue	-	379	-	-	379
Interest Expense	(6,610)	(17,288)	(45,081)	-	(68,979)
Total Other Income (Expense)	(6,610)	(16,909)	(45,057)	-	(68,576)
Net Income (Loss)	247,380	81,768	10,011	7,655	346,814
Contributed Capital					
Intergovernmental Revenue	-	18,961	-	-	18,961
Change in Net Position	247,380	100,729	10,011	7,655	365,775
Net Position, Beginning	1,006,735	2,477,560	4,289,642	2,734	7,776,671
Net Position, Ending	$ 1,254,115	$ 2,578,289	$ 4,299,653	$ 10,389	$ 8,142,446

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

Total	
2016	2015
$ 1,942,507	$ 1,727,756
45,115	68,578
1,987,622	1,796,334
182,452	146,490
324,353	311,880
554,769	512,406
441	480
22,216	24,188
31,669	29,945
102,022	106,027
9,517	32,046
4,744	69
13,276	20,401
60,107	56,105
(1,948)	9,191
248,451	267,962
20,163	63,406
1,572,232	1,580,596
415,390	215,738
24	23
379	785
(68,979)	(72,967)
(68,576)	(72,159)
346,814	143,579
18,961	249,781
365,775	393,360
7,776,671	7,383,311
$ 8,142,446	$ 7,776,671

TOWN OF OAK CREEK

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

	Business-type Activities				
	Electric Fund	Water Fund	Sewer Fund	Other Funds	Total Enterprise Funds
Cash Flows From Operating Activities:					
Cash Received from Customers	$ 1,082,446	$ 399,005	$ 344,074	$ 110,722	$ 1,936,247
Cash Paid to Suppliers	(641,164)	(70,438)	(75,031)	(97,066)	(883,699)
Cash Paid for Interfund Services	(78,270)	(51,851)	(48,226)	(4,105)	(182,452)
Cash Paid to Employees	(101,702)	(64,529)	(74,375)	(3,125)	(243,731)
Net Cash Provided by Operating Activities	261,310	212,187	146,442	6,426	626,365
Cash Flows From Capital and Related Financing Activities:					
Debt Principal Payments	(27,030)	(48,131)	(15,474)	-	(90,635)
Grant Proceeds	-	61,666	-	-	61,666
Interest Payments	(6,610)	(17,288)	(45,339)	-	(69,237)
Acquisition of Capital Assets	(105,430)	(101,305)	(8,118)	-	(214,853)
Cash Flows Used by Capital and Related Financing Activities	(139,070)	(105,058)	(68,931)	-	(313,059)
Cash Flows (Uses) From Noncapital Financing Activities:					
Other Revenues (Expense)	-	379	-	-	379
Net Cash Provided (Used) by Noncapital Financing Activities	-	379	-	-	379
Cash Flows (Uses) From Investing Activities:					
Interest Received	-	-	24	-	24
Net Cash Used by Investing Activites	-	-	24	-	24
Net Increase (Decrease) in Cash	122,240	107,508	77,535	6,426	313,709
Cash - Beginning	615,393	276,824	890,774	(7,717)	1,775,274
Cash - Ending	$ 737,633	$ 384,332	$ 968,309	$ (1,291)	$ 2,088,983
Cash	$ 737,633	$ 384,332	$ 910,676	$ (1,291)	$ 2,031,350
Restricted Cash and Investments	-	-	57,633	-	57,633
Total	$ 737,633	$ 384,332	$ 968,309	$ (1,291)	$ 2,088,983
Reconciliation of Operating Income (Loss) to Net Cash Used for Operating Activities:					
Operating Income (Loss)	$ 253,990	$ 98,677	$ 55,068	$ 7,655	$ 415,390
Adjustments to Reconcile Operating Income (Loss) to Net Cash Provided by Operating Activities:					
Depreciation Expense	51,462	100,938	96,051	-	248,451
Changes in Assets and Liabilities Related to Operations:					
(Increase) Decrease in:					
Utility Receivable	(46,530)	(7,594)	(3,522)	(1,229)	(58,875)
Prepaid Expenses	(29)	(46)	(19)	-	(94)
(Increase) Decrease in:					
Accounts Payable	(5,083)	20,212	(1,136)	-	13,993
Deposits and Escrow	7,500	-	-	-	7,500
Total Adjustments	7,320	113,510	91,374	(1,229)	-
Net Cash Used for Operating Activities	$ 261,310	$ 212,187	$ 146,442	$ 6,426	$ 626,365

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

Govt Activities Internal Service Funds	Total 2016	Total 2015
$ -	$ 1,936,247	$ 1,815,770
-	(883,699)	(1,003,897)
-	(182,452)	(146,490)
-	(243,731)	(224,734)
-	626,365	440,649
-	(90,635)	(86,656)
-	61,666	207,076
-	(69,237)	(73,215)
-	(214,853)	(409,813)
-	(313,059)	(362,608)
-	379	785
-	379	785
-	24	23
-	24	23
-	313,709	78,849
-	1,775,274	1,696,425
$ -	$ 2,088,983	$ 1,775,274
$ -	$ 2,031,350	$ 1,668,307
-	57,633	106,967
$ -	$ 2,088,983	$ 1,775,274
$ -	$ 415,390	$ 215,738
-	248,451	267,962
-	(58,875)	20,512
-	(94)	145
-	13,993	(62,633)
-	7,500	(1,075)
-	210,975	224,911
$ -	$ 626,365	$ 440,649

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

HISTORY AND FUNCTION OF ORGANIZATION

The Town of Oak Creek, Colorado is a political subdivision of the State of Colorado governed by a seven member board of trustees. The Town was incorporated in 1907 in Routt County, Colorado. The Town is a full service entity providing public safety, public works, and parks and recreation services as well as providing electric, water, sewer and trash services.

REPORTING ENTITY

In accordance with Governmental Accounting Standards, the Town has considered the possibility of inclusion of additional entities in its basic financial statements.

The definition of the reporting entity is based primarily on financial accountability. The Town is financially accountable for organizations that make up its legal entity. It is also financially accountable for legally separate organizations if Town officials appoint a voting majority of the organization's governing body and either it is able to impose its will on that organization or there is a potential for the organization to provide specific financial benefits to, or to impose specific financial burdens on, the Town. The Town may also be financially accountable for governmental organizations that are fiscally dependent upon it. Based on the application of these criteria, the Town has not included any other organizations within its reporting entity.

GOVERNMENT-WIDE AND FUND FINANCIAL STATEMENTS

The government-wide financial statements (i.e., the statement of net position and the statement of activities) present financial information of the Town as a whole. The reporting information includes all of the non-fiduciary activities of the Town. These statements are to distinguish between the governmental and business-type activities of the Town. Governmental activities normally are supported by taxes and intergovernmental revenues, and are reported separately from business-type activities, which rely to a significant extent on fees and charges for support.

The statement of activities presents a comparison between direct expenses and program revenues for the different business-type activities of the Town and for each function of the Town's governmental activities. Direct expenses are those that are specifically associated with a program or function and, therefore, are clearly identifiable to a particular function. Program revenues include fees and charges paid by the recipients of goods or services offered by the programs, and grants and contributions that are restricted to meeting the operational or capital requirements of a particular program.

Revenues that are not classified as program revenues are presented as general revenues. Internal activity has been eliminated within the function for the statement of activities presentation.

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. Revenues are recorded when earned and expenses are recorded when the 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.

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Measurement Focus, Basis of Accounting, and Financial Statement Presentation

Governmental fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Revenues are recognized as soon as they are both measurable and available. Revenues are considered to be available when they are collected within the current period or soon enough thereafter 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.

Property taxes, specific ownership taxes, sales and use taxes, franchise fees, state shared revenues, grants and interest associated with the current fiscal period are all considered to be susceptible to accrual and so have been recognized as revenues of the current fiscal period. All other revenue items are considered to be measurable and available only when cash is received by the Town.

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

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 the fund's principal ongoing operations. Operating expenses include the cost of sales and services, administrative expenses and depreciation on capital assets. All revenues and expenses not meeting this definition are reported as non-operating revenues and expenses.

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

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

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

LiveWell Grant Fund
This fund accounts for funds received through LiveWell Colorado, for which the Town acts as fiscal agent, and are utilized to fund parks, recreation and other health related projects in Oak Creek and in the surrounding region. The expenses incurred by this fund including project and administrative costs are separate and unique from Town functions, and the Town does not receive any direct benefit from the activities reported in this fund. The Town reports its LiveWell grant projects in its General Fund.

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

Measurement Focus, Basis of Accounting, and Financial Statement Presentation (Continued)

Proprietary Funds
The Town also reports the following major proprietary funds

Electric, Water, and Sewer Funds
These funds account for the activities related to the offering of the respective services to the Town's residents.

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

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

1) Submission of the proposed budget to the Board of Trustees by October 15 of each year.

2) Certification of mill levies to the County Commissioners by December 15 of each year.

3) Final adoption of the budget and appropriations by December 31 of each year.

The Town does not utilize encumbrance accounting and all appropriations lapse at year end. The budgets presented are as originally adopted or supplemented during the year.

CASH AND EQUIVALENTS
Cash equivalents include investments with original maturities of three months or less. Investments are recorded at fair value.

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

Since property tax revenues are collected in arrears during the succeeding year, receivable and corresponding deferred revenue are recorded at December 31. As the tax is collected in the succeeding year, the deferred revenue is recognized as revenue and the receivable is reduced. The deferred revenue is shown as a deferred inflow of financial resources in the financial statements.

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

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

CAPITAL ASSETS
Capital assets, which include property, plant, equipment, and infrastructure assets are reported in the applicable governmental or business-type activities columns in the government-wide financial statements. Capital assets are defined by the Town as assets with an initial, individual cost of more than $5,000 and an estimated useful life in excess of one year. Such assets are recorded at historical cost or estimated historical cost if purchased or constructed. Donated capital assets are recorded at estimated fair market value at the date of donation.

The costs of normal maintenance and repairs that do not add to the value of the asset or materially extend assets lives are not capitalized.

The Town has elected to not retroactively report infrastructure and had no additions to its infrastructure for the year. Property and equipment of the Town is depreciated using the straight line method over the following estimated useful lives.

Buildings	20 - 40 years
Vehicles and Equipment	10 - 20 years
Utility Systems	5 - 50 years

ACCUMULATED UNPAID LEAVE (COMPENSATED ABSENCES)
The Town permits an employee to carry over up to 80 hours of unused vacation pay to the next calendar year upon approval by the town administrator with amounts above that requiring board approval. The Town assumes that the employee will use all carryover vacation as well as any current vacation earned in the same year. Sick leave accumulates up to 12 days annually with no limitation on the maximum amount that can be accumulated. An employee will not be paid upon termination for sick leave. The Town has accrued $13,252 in the governmental activities presentation for accrued compensated absences at December 31, 2016.

DEFERRED OUTFLOWS AND INFLOWS OF RESOURCES
Deferred outflows/inflows of resources - In addition to assets, the statement of financial position reports a separate section for deferred outflows of resources. This separate financial statement element represents a consumption of net position that applies to a future period(s) and so will not be recognized as an outflow of resources (expense/ expenditure) until then. The government only has pension related items as further described in Note 6.

In addition to liabilities, the statement of financial position reports a separate section for deferred inflows of resources. This separate financial statement element represents an acquisition of net position that applies to a future period(s) and so will not be recognized as an inflow of resources (revenue) until that time. The Town is reporting two items, the first is at the governmental activity and governmental fund level related to property taxes that were milled in 2016 for collection in 2017. In addition, the governmental activities reports deferred inflows related to pension obligations as further described in Note 6.

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

NET POSITION/FUND BALANCES

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

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

Fund balances are reported as “restricted” when constraints placed on the use of resources are either (a) externally imposed by creditors (such as through debt covenants), grantors, contributors, or laws or regulations of other governments; or (b) imposed by law through constitutional provisions or enabling legislation. Amounts that can only be used for specific purposes pursuant to constraints imposed by the highest formal action, the adoption of an Ordinance, of the government's highest level of decision-making authority, the Town Board, are reported as “committed” fund balance. Those committed amounts cannot be used for any other purpose unless the government removes or changes the specified use by taking the same type of action (for example, legislation, resolution, ordinance) it employed to previously commit those amounts.

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

All remaining fund balance in the General Fund or deficits in the other governmental funds are presented as unassigned.

NET POSITION/FUND BALANCE FLOW ASSUMPTIONS

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

COMPARATIVE DATA

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

NOTE 2: CASH AND INVESTMENTS

DEPOSITS

Custodial Credit Risk - Deposits
In the case of deposits, this is the risk that in the event of bank failure, the government's deposits may not be returned to it. The Town's deposit policy is in accordance with CRS 11-10.5-101, The Colorado Public Deposit Protection Act (PDPA), which governs the investment of public funds. PDPA requires that all units of local government deposit cash in eligible public depositories. Eligibility is determined by state regulations. Amounts on deposit in excess of federal insurance levels must be collateralized by eligible collateral as determined by the PDPA. The financial institution is allowed to create a single collateral pool for all public funds held. The pool is to be maintained by another institution, or held in trust for all the uninsured public deposits as a group. The market value of the collateral must be at least equal to 102% of the uninsured deposits. The institution's internal records identify collateral by depositor and as such, these deposits are considered uninsured but collateralized. The State Regulatory Commissions for banks and financial services are required by statute to monitor the naming of eligible depositories and reporting of the uninsured deposits and assets maintained in the collateral pools. At December 31, 2016, all of the Town's deposits as shown below were either insured by federal depository insurance or collateralized under PDPA and are therefore not deemed to be exposed to custodial credit risk.

	Bank Balance	Carrying Amount
FDIC Insured	$ 500,000	$ 500,000
PDPA (Not in the Town's Name)	1,263,429	1,314,180
Total	**$ 1,763,429**	**$ 1,814,180**

INVESTMENTS

Credit Risk
Colorado statutes specify which instruments units of local government 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 the U.S. local government entities
- Bankers' acceptances of certain banks
- Commercial paper
- Local government investment pools
- Written repurchase agreements collateralized by certain authorized securities
- Certain money market funds
- Guaranteed investment contracts

The Town does not have an investment policy that would further limit its investment choices.

During the year ended December 31, 2016, the Town invested funds in Colotrust. As an investment pool, it operates under the Colorado Revised Statutes (24-75-701) and is overseen by the Colorado Securities Commissioner.

NOTE 2: CASH AND INVESTMENTS (Continued)

INVESTMENTS (Continued)

It invests in securities that are specified by Colorado Revised Statutes (24-75-601). Authorized securities include U.S. Treasuries, U.S. Agencies, commercial paper (rated A1 or better) and bank deposits (collateralized through PDPA). The pool operates similar to a 2a-7-like money market fund with a share value equal to $1.00 and a maximum weighted average maturity of 60 days. This fund is rated AAAm by the Standard and Poor's Corporation. The balance of this investment at December 31, 2016 was $571,760.

Concentration of Credit Risk
The Town places no limit on the amount that may be invested in any one issuer.

Interest Rate Risk
Colorado Statutes require that no investment may have a maturity in excess of five years from the date of purchase. The Town does not have a formal investment policy that limits investment maturities as a means of managing its exposure to fair value losses arising from increasing interest rates, other than those contained in the statutes.

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

The Town's cash and investment balances as of December 31, 2016 are comprised of and allocated in the financial statements as follows:

Petty Cash	$ 500
Cash Deposits	1,814,180
Investments	571,760
Total Cash and Investments	**$ 2,386,440**
Cash and Investments	$ 2,184,918
Restricted Cash and Investments	201,522
Total Cash and Investments	**$ 2,386,440**

NOTE 2: CASH AND INVESTMENTS (Continued)

RESTRICTED CASH

Restricted cash represents those amounts collected for a particular purpose but unspent as of the end of the fiscal year.

The Town's restricted cash balances at December 31, 2016 are comprised of the following:

General Fund	
Conservation Trust Funds	$ 26,648
Live Well Fund	
Held as Fiscal Agent	75,297
Water Fund	
Water 3 Month O&M Reserve	41,943
Sewer Fund	
Sewer Debt Service Reserve	39,098
Sewer O&M and Short-Lived Asset Reserve	18,536
Total Sewer Fund	57,634
Total Restricted Cash	**$ 201,522**

NOTE 3: CAPITAL ASSETS

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

	Balance 12/31/15	Additions	Deletions & Transfers	Balance 12/31/16
Governmental Activities:				
Capital Assets not being Depreciated:				
Land	$ 203,812	$ 12,954	$ -	$ 216,766
Capital Assets being Depreciated:				
Buildings & Improvements	1,544,090	-	-	1,544,090
Vehicles & Equipment	575,106	-	-	575,106
Total Capital Assets	2,119,196	-	-	2,119,196
Less Accumulated Depreciation:				
Buildings & Improvements	(679,250)	(54,796)	-	(734,046)
Vehicles & Equipment	(385,901)	(29,943)	-	(415,844)
Total Accumulated Depreciation	(1,065,151)	(84,739)	-	(1,149,890)
Net Capital Assets	**$ 1,257,857**	**$ (71,785)**	**$ -**	**$ 1,186,072**

Depreciation by Function:	
General Government	$ 7,519
Public Safety	5,528
Public Works	22,534
Parks and Recreation	49,158
Total Depreciation	**$ 84,739**

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

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

	Balance 12/31/15	Additions	Deletions	Balance 12/31/16
Business-Type Activities:				
Capital Assets:				
Electrical System	$ 2,164,658	$ 105,430	$ -	$ 2,270,088
Water System	4,339,782	101,305	(18,281)	4,422,806
Sewer System	5,852,015	8,118	(10,392)	5,849,741
Total Capital Assets	12,356,455	214,853	(28,673)	12,542,635
Less Accumulated Depreciation:				
Electrical System	(1,618,354)	(51,462)	-	(1,669,816)
Water System	(1,735,217)	(100,937)	18,281	(1,817,873)
Sewer System	(1,323,996)	(96,051)	10,392	(1,409,655)
Total Accumulated Depreciation	(4,677,567)	(248,451)	28,673	(4,897,345)
Net Capital Assets	**$ 7,678,888**	**$ (33,598)**	**$ -**	**$ 7,645,290**

NOTE 4: **LONG TERM DEBT – GOVERNMENTAL ACTIVITIES**

At December 31, 2016, the Town had the following governmental long term debt obligations:

	Balance 12/31/15	Advances	Payments	Balance 12/31/16	Current Portion	Interest Expense
2000 Electric Note Payable	$ 125,305	$ -	$ 27,029	$ 98,276	$ 28,748	$ 6,671
2003 CWRPDA Water Note	444,124	-	48,131	395,993	50,076	19,157
2010 Sewer Revenue Bonds	1,137,166	-	15,474	1,121,692	16,001	45,338
Totals	**$ 1,706,595**	**$ -**	**$ 90,634**	**$ 1,615,961**	**$ 94,825**	**$ 71,166**

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

	Balance 12/31/15	Advances	Payments	Balance 12/31/16	Current Portion	Interest Paid
Accrued Compensated Absences	$ 14,884	$ -	$ 1,632	$ 13,252	$ -	$ -

NOTE 5: LONG-TERM DEBT – BUSINESS-TYPE ACTIVITIES

Details of the Town's outstanding business-type activity debt are as follows:

ELECTRIC FUND

The Town issued Electrical Enterprise Revenue Note, Series 2000 (the Electrical Note) on February 29, 2000 in the amount of $400,000 to finance improvements to the Town's existing electrical power system. The Electrical Note is secured by a lien on the revenue of the electric fund and is payable monthly over a 20-year period. The Electrical Note bears interest at 5.75% annually until February 15, 2003, and will be adjusted every 5 years thereafter at a per annum interest rate equal to 96.28% of the then current 5-year U.S. Treasury note. The current interest rate is 5.75%.

WATER FUND

In November 2003, the Town entered into a loan agreement with the Colorado Water Resource and Power Development Authority ("CWRPDA") for the purpose of constructing water system improvements. CWRPDA has committed funding up to $981,198. The loan has a 20 year term and bears interest at 4% per annum. Payments of $32,710 principal and interest are due semiannually on May 1 and November 1 of each year through November 1, 2023. The first payment was due May 1, 2004. The loan requires a three month operations and maintenance reserve computed to be $61,955 as of December 31, 2016.

SEWER FUND

In 2010, the Town issued Sewer Revenue Bonds in the amount of $1,208,000 through the USDA Department of Rural Development. The bonds bear interest at 4% with semi-annual payments of $30,406 due on February 1st and August 1st beginning February 1, 2011. There are debt service and operations and maintenance reserve requirements related to this loan, with $57,633 of restricted cash to meet the requirements as of December 31, 2016.

Future payments on long-term debt are scheduled as follows:

Year	Principal	Interest	Total
2017	$ 94,825	$ 65,107	$ 159,932
2018	99,216	60,716	159,932
2019	103,818	56,114	159,932
2020	80,906	51,868	132,774
2021	77,420	48,812	126,232
2022-2026	230,262	204,638	434,900
2027-2031	128,887	175,173	304,060
2032-2036	157,113	146,947	304,060
2037-2041	191,520	112,540	304,060
2042-2046	233,462	70,598	304,060
2047-2050	218,532	22,471	241,003
Totals	**$ 1,615,961**	**$ 1,014,984**	**$ 2,630,945**

NOTE 6: **PENSION PLANS**

STATEWIDE DEFINED BENEFIT PLAN (FPPA)

Summary of Significant Accounting Policies

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

General Information about the Pension Plan

Plan description. Eligible employees of the Town are provided with pensions through the Statewide Defined Benefit Plan (SWDB) - a cost-sharing multiple-employer defined benefit pension plan administered by FPPA. Plan benefits are specified in Title 31, Articles 30, 30.5 and 31 of the Colorado Revised Statutes (C.R.S.), rules and regulations codified by the Fire and Police Pension Association, and applicable provisions of the federal Internal Revenue Code. Colorado State law provisions may be amended from time to time by the Colorado General Assembly. FPPA issues a publicly available comprehensive annual financial report, the most recent of which is for the fiscal year ended December 31, 2015, that can be obtained at: http://fppaco.org/pdfs/annual_audit_actuarial_reports/annual%20reports/2014%20FPPA%20CAFR.pdf.

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

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

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

NOTE 6: PENSION PLANS (Continued)

STATEWIDE DEFINED BENEFIT PLAN (FPPA) (Continued)

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

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

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

The contribution rate for members and employers of affiliated social security employers is 4 percent of base salary for a total contribution rate of 8 percent through 2014. Per the 2014 member election, members of the affiliate social security group will have their required contribution rate increase 0.25 percent annually beginning in 2015 through 2022 to a total of 6 percent of base salary. Employer contributions will remain at 4 percent resulting in a combined contribution rate of 10 percent in 2022.

Employer contributions are recognized by FPPA in the period in which the compensation becomes payable to the member and the Town is statutorily committed to pay the contributions to FPPA. Employer contributions recognized by the FPPA from the Town were $9,089 for the plan year ended December 31, 2015 and $15,133 for the fiscal year ended December 31, 2016. The current year contributions will be expensed in 2017 for FPPA purposes and are a timing difference at year end.

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

At December 31, 2016, the Town reported an asset of $256 for its proportionate share of the SWDB's net pension asset. The net pension asset or liability was measured as of December 31, 2015, and the total pension liability used to calculate the net pension asset was determined by an actuarial valuation as of January 1, 2016. Standard update procedures were used to roll forward the total pension liability to December 31, 2015. The Town's proportion of the net pension asset was based on Town's contributions to the SWDB for the calendar year 2015 relative to the total contributions of participating employers to the SWDB.

NOTE 6: PENSION PLANS (Continued)

STATEWIDE DEFINED BENEFIT PLAN (FPPA) (Continued)

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

At December 31, 2015, the Town's proportion was .014525%, which was a decrease of .006799% from its proportion measured as of December 31, 2014.

For the year ended December 31, 2016 the Town recognized pension expense of $3,906. At December 31, 2016, the Town reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows	Deferred Inflows
Difference between expected and actual experience	$ 2,071	$ (303)
Changes of assumptions or other inputs	$ 4,022	$ -
Net difference between projected and actual earnings on pension plan investments	$ 13,032	$ -
Changes in proportion and differences between contributions recognized and proportionate share of contributions - Plan Basis	$ -	$ 4,894
Contributions subsequent to the measurement date	$ 5,854	$ -
Total	$ 24,979	$ 4,591

$5,854 reported as deferred outflows of resources related to pensions, resulting from contributions subsequent to the measurement date, will be recognized as an adjustment of the net pension asset in the year ended December 31, 2017.

NOTE 6: PENSION PLANS (Continued)

STATEWIDE DEFINED BENEFIT PLAN (FPPA) (Continued)

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

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

Year Ended December 31:	Amortization Amount
2017	$ (4,540)
2018	$ (4,540)
2019	$ (4,541)
2020	$ (4,215)
2021	$ (1,201)
Thereafter	$ (4,679)
Total	$ (23,716)

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

Actuarial method	Entry Age Normal
Amortization method	Level % of Payroll, Open
Amortization period	30 Years
Price inflation	2.80%
Long-term investment rate of return, net of pension plan investment expenses, including price inflation *	7.50%
Salary increase, including wage inflation	4.00-14.00%
Cost of Living Adjustments (COLA)	0.00%
* Includes inflation at	2.50%

Mortality rates were based on the RP-2000 Combined Mortality Table with Blue Collar Adjustment, projected with Scale AA, 40 percent multiplier for off-duty mortality is used in the valuation for off-duty mortality of active members. On-duty related mortality is assumed to be 0.00020 per year for all members. The RP-2000 Combined Mortality Table with Blue Collar Adjustment, projected with Scale AA is used in the projection of post-retirement benefits.

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

NOTE 6: **PENSION PLANS (Continued)**

STATEWIDE DEFINED BENEFIT PLAN (FPPA) (Continued)

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

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

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

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

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

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

NOTE 6: PENSION PLANS (Continued)

STATEWIDE DEFINED BENEFIT PLAN (FPPA) (Continued)

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

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

For the purpose of this valuation, the expected rate of return on pension plan investments is 7.50%; the municipal bond rate is 3.65% (based on the weekly rate closest to but not later than the measurement date of the "state & local bonds" rate from Federal Reserve statistical release (H.15)); and the resulting Single Discount Rate is 7.50%.

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

	1% Decrease (6.5%)	Current Discount Rate (7.5%)	1% Increase (8.5%)
Proportionate share of the net pension asset (liability)	$ (35,869)	$ 256	$ 30,221

NOTE 6: **PENSION PLANS (Continued)**

INTERNAL REVENUE CODE SECTION 457 PLAN (DEFINED CONTRIBUTION)

The Town offers its employees a Deferred Compensation Plan (the Plan) created in accordance with Internal Revenue Code Section 457. The Plan, available to all full-time employees, permits them to defer a portion of their salary until future years. The deferred compensation is not available to employees until termination, retirement, death, or unforeseeable emergency.

The contribution rate for the Town is 3% for covered employees or as contractually agreed to by the board. The Town's contributions to the Benefit Plan for the year ending December 31, 2016, 2015 and 2014 were $26,453, $25,470, and $25,106, respectively, equal to their required contributions.

All amounts of compensation deferred under the Plan, all property and rights purchased with those amounts, and all income attributable to these amounts, property, or rights are held in trust for the exclusive benefits of participants and their beneficiaries. The Town has no ownership interest in the Plan nor is the Town liable for any losses under the Plan.

NOTE 7: **INTERFUND ACTIVITY**

The utility funds and grant fund have paid to the General Fund the following management and overhead fees:

	Overhead Allocations	Management Fees
General Fund	$ 95,532	$ 89,920
LiveWell Grant Fund	-	(3,000)
Electric Fund	(30,475)	(47,795)
Water Fund	(30,476)	(21,375)
Sewer Fund	(30,476)	(17,750)
Trash Fund	(4,105)	-
	$ -	**$ -**

NOTE 8: **COMMITMENTS AND CONTINGENCIES**

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

NOTE 9: FUND BALANCE/NET POSITION APPROPRIATIONS AND RESTRICTIONS

Tax Spending and Debt Limitations

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

The Town's financial activity for the year ended December 31, 2016 will provide the basis for calculation of future limitations adjusted for allowable increases tied to inflation and local growth.

Subsequent to December 31, 1992, revenue in excess of the Town's "spending limit" must be refunded unless voters approve the retaining of such excess revenue. TABOR generally requires voter approval for any new tax, tax increases and new debt.

In November 1998, the electors of the Town authorized the Town to collect, retain and expend the full amount of the revenues from all sources during 1998, as well as the full amount of all revenues generated by all sources for each subsequent year without limitation under Article X, Section 20 of the Colorado Constitution.

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

The Article requires an emergency reserve be set aside for 2015 in the amount of 3% or more of its fiscal year spending. At December 31, 2016, the Town has reserved the following for emergencies:

General Fund	$ 26,000

NOTE 9: FUND BALANCE/NET POSITION APPROPRIATIONS AND RESTRICTIONS

Subsequent Appropriations/Other Restrictions and Commitments

Through adoption of the 2017 budget, the Town has appropriated a decrease of $18,756 in carryover reserves for the General Fund. In addition, the Town has assigned other funds as noted below:

	Committed	Restricted
Governmental Activities		
Conservation Trust Fund	$ -	$ 100
TABOR Emergency Reserve	-	26,000
Net Penison Asset	-	256
Total Government Activities	**$ -**	**$ 26,356**
Business-type Activity		
Water CWRPDA O&M Reserve	$ -	$ 41,943
Sewer Bond Debt Service Reserve	-	39,098
Sewer Short Lived Asset Reserve	-	18,536
Total Business-type Activities	**$ -**	**$ 99,577**
General Fund		
Conservation Trust Fund	$ -	$ 100
TABOR Emergency Reserve	-	26,000
Operating Reserve	65,088	-
2016 Budget Usage	(18,756)	-
Capital Reserve - Parks	24,725	-
Capital Reserve - Police	3,000	-
Capital Reserve - Public Works	26,750	-
Total General Fund	**$ 100,807**	**$ 26,100**
Water Fund		
CWRPDA O&M Reserve	**$ -**	**$ 41,943**
Sewer Fund		
Bond Debt Service Reserve	$ -	$ 39,098
Bond Short Lived Asset Reserve	-	18,535
Total Sewer Fund	**$ -**	**$ 57,633**

NOTE 10: RISK MANAGEMENT

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

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

REQUIRED SUPPLEMENTARY INFORMATION
(Pension Schedules Unaudited)

TOWN OF OAK CREEK

SCHEDULE OF THE DISTRICT'S PROPORTIONATE SHARE OF THE NET PENSION ASSET (LIABILITY)
FPPA Pension Plan
Last 10 Fiscal Years[(1)]

	12/31/16	12/31/15	12/31/14
District's proportion of the net pension asset (liability)	0.014525%	0.014437%	0.021323%
District's proportionate share of the net pension asset (liability)	$ 256	$ 16,294	$ 19,067
District's covered-employee payroll	$ 70,413	$ 64,926	$ 92,617
District's proportionate share of the net pension asset (liability) as a percentage of covered-employee payroll	0.36%	25.10%	20.59%
Plan fiduciary net position as a percentage of the total pension liability	100.10%	106.83%	105.83%

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

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

See the accompanying Independent Auditors' Report.

TOWN OF OAK CREEK

SCHEDULE OF DISTRICT CONTRIBUTIONS
FPPA Pension Plan
Last 10 Fiscal Years[(1)]

	12/31/16	12/31/15	12/31/14
Contractually required contributions	$ 5,633	$ 5,194	$ 7,409
Actual contributions	(5,633)	(5,194)	(7,409)
Contribution deficiency (excess)	$ -	$ -	$ -
District's covered-employee payroll	$ 70,413	$ 64,926	$ 92,617
Contributions as a percentage of covered-employee payroll	8.00%	8.00%	8.00%

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

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

See the accompanying Independent Auditors' Report.

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REQUIRED SUPPLEMENTARY INFORMATION

TOWN OF OAK CREEK, COLORADO

BUDGETARY COMPARISON SCHEDULE
General Fund
FOR THE YEAR ENDED DECEMBER 31, 2016
With Comparative Totals for the Year Ended December 31, 2015

	2016				2015
	Original Budget	Final Budget	Actual	Variance With Final Budget	Actual
REVENUES					
Taxes					
Property Taxes	$ 73,000	$ 73,000	$ 72,272	$ (728)	$ 66,936
Specific Ownership Taxes	6,000	6,000	5,170	(830)	4,823
Sales and Use Taxes	180,000	210,000	207,021	(2,979)	140,194
Other Taxes	1,400	5,400	6,185	785	874
Total Tax Revenue	260,400	294,400	290,648	(3,752)	212,827
Intergovernmental Revenues					
Cigarette Taxes	900	1,100	1,168	68	1,060
Cons Trust Fund Revenue	8,500	8,500	9,878	1,378	8,438
Highway Users	27,504	27,504	29,239	1,735	29,227
Road and Bridge	3,200	3,200	2,451	(749)	2,523
Clerk/Motor Vehicle Fees	4,000	3,519	4,327	808	4,222
Mineral Lease	7,500	16,500	16,541	41	20,807
Severance Tax	15,000	11,200	11,185	(15)	45,047
State Grants	55,100	85,200	75,016	(10,184)	99,069
Total Intergovernmental Revenue	121,704	156,723	149,805	(6,918)	210,393
Licenses and Permits					
Liquor Licenses	600	600	1,244	644	644
Marijuana Licenses	67,000	87,500	79,287	(8,213)	47,960
Annexation/Other P&Z Fees	-	-	-	-	173
Animal Licenses	500	500	481	(19)	465
Total Licenses and Permits	68,100	88,600	81,012	(7,588)	49,242
Fines and Forfeits	4,400	3,050	2,582	(468)	4,362
Internal Charges					
Administrative/Management Fees	89,920	89,920	89,920	-	78,775
Charges for Services					
Recreation/Comm Ctr Charges	17,700	236,700	207,713	(28,987)	14,576
Other Charges for Services	19,200	14,000	15,047	1,047	19,923
Total Charges for Services	36,900	250,700	222,760	(27,940)	34,499
Investment Earnings	6,700	7,000	9,334	2,334	6,628
Other Revenues					
Other Miscellaneous Revenue	3,600	7,006	7,505	499	2,387
TOTAL REVENUES	591,724	897,399	853,566	(43,833)	599,113

See accompanying Independent Auditors' Report.

(Continued)

TOWN OF OAK CREEK, COLORADO

BUDGETARY COMPARISON SCHEDULE
General Fund
FOR THE YEAR ENDED DECEMBER 31, 2016
With Comparative Totals for the Year Ended December 31, 2015

(Continued)

	2016 Original Budget	2016 Final Budget	2016 Actual	2016 Variance With Final Budget	2015 Actual
EXPENDITURES					
General Government					
Personnel Services	90,709	309,670	289,553	20,117	93,297
Contract labor	1,000	1,000	1,750	(750)	250
Equipment Rentals	1,600	1,600	674	926	804
Fuel and Automotive	17,000	12,500	13,061	(561)	15,746
Insurance	15,200	13,200	13,452	(252)	15,124
Professional Fees	30,700	37,633	37,419	214	29,504
Repairs and Maintenance	30,600	41,500	43,334	(1,834)	26,086
Supplies	21,800	21,700	23,949	(2,249)	17,204
Telephone and Utilities	26,350	27,350	29,187	(1,837)	24,791
Travel and Training	6,000	6,000	7,009	(1,009)	4,919
Overhead	(96,768)	(94,112)	(111,007)	16,895	(84,247)
Other Expenses	16,800	14,800	13,845	955	12,974
Total General Government	160,991	392,841	362,226	30,615	156,452
Public Safety					
Personnel Services	223,499	218,718	220,725	(2,007)	188,688
Fuel and Automotive	2,500	2,500	3,321	(821)	3,757
Professional Fees	4,620	3,670	2,029	1,641	4,029
Repairs and Maintenance	8,550	8,550	6,298	2,252	10,455
Supplies	6,050	5,500	5,742	(242)	3,060
Telephone and Utilities	2,700	2,000	2,052	(52)	1,901
Travel and Training	2,200	4,700	3,307	1,393	1,713
Other Expenses	3,300	2,900	3,131	(231)	3,055
Total Public Safety	253,419	248,538	246,605	1,933	216,658
Public Works					
Personnel Services	94,915	87,213	85,659	1,554	86,979
Insurance	1,750	1,540	1,540	-	2,245
Professional Fees	3,200	3,200	1,226	1,974	892
Repairs and Mainenance	20,500	55,500	50,843	4,657	75,804
Supplies	1,500	2,500	2,147	353	772
Telephone and Utilities	500	500	428	72	503
Other Expenses	16,738	13,675	15,477	(1,802)	11,284
Total Public Works	139,103	164,128	157,320	6,808	178,479

See accompanying Independent Auditors' Report.

(Continued)

TOWN OF OAK CREEK, COLORADO

BUDGETARY COMPARISON SCHEDULE
General Fund
FOR THE YEAR ENDED DECEMBER 31, 2016
With Comparative Totals for the Year Ended December 31, 2015

	2016				2015
	Original Budget	Final Budget	Actual	Variance With Final Budget	Actual
	(Continued)				
Parks, Recreation and Other					
Personnel Services	39,319	67,723	71,370	(3,647)	28,667
Contract labor	400	600	983	(383)	400
Equipment Rentals	5,000	4,288	4,288	-	-
Fuel and Automotive	700	500	380	120	-
Professional Fees	-	-	-	-	30
Repairs and Maintenance	4,500	7,500	6,994	506	3,033
Supplies	7,000	8,300	8,799	(499)	5,629
Telephone and Utilities	10,750	11,300	12,538	(1,238)	9,446
Travel and Training	3,500	3,000	2,408	592	668
Other Expenses	5,550	5,500	5,153	347	4,970
Total Parks, Recreation & Other	76,719	108,711	112,913	(4,202)	52,843
Capital Outlay					
General Government Capital Outlay	-	16,000	13,887	2,113	67,122
Public Safety Capital Outlay	-	-	-	-	6,055
Parks, Recreation and Other Capital Outlay	-	6,500	5,668	832	62,925
Total Capital Outlay	-	22,500	19,555	2,945	136,102
TOTAL EXPENDITURES	630,232	936,718	898,619	38,099	740,534
NET CHANGE IN FUND BALANCE - BUDGET BASIS	$ (38,508)	$ (39,319)	(45,053)	$ (5,734)	(141,421)
FUND BALANCE, BEGINNING			272,044		413,465
FUND BALANCE, ENDING			$ 226,991		$ 272,044

See accompanying Independent Auditors' Report.

OTHER SUPPLEMENTARY INFORMATION

TOWN OF OAK CREEK, COLORADO

COMBINING BALANCE SHEET
NONMAJOR GOVERNMENTAL FUNDS
DECEMBER 31, 2016
With Comparative Totals for December 31, 2015

	Live Well Grant Fund	Total 2016	Total 2015
ASSETS AND DEFERRED OUTFLOWS			
ASSETS			
Current Assets			
Cash and Investments			
Restricted Cash and Investments	46,290	46,290	41,684
LIABILITIES, DEFERRED INFLOWS AND NET POSITION			
LIABILITIES			
Current Liabilities			
Accounts Payable	$ 722	$ 722	$ 379
DEFERRED INFLOWS OF FINANCIAL RESOURCES			
Deferred Grants	45,568	45,568	41,305
TOTAL LIABILITIES, DEFERRED INFLOWS AND FUND BALANCE	$ 46,290	$ 46,290	$ 41,684

See accompanying Independent Auditors' Report.

TOWN OF OAK CREEK, COLORADO

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

	Live Well Grant Fund	Total 2016	Total 2015
REVENUES			
Other Revenues	$ 55,737	$ 55,737	$ 111,527
TOTAL REVENUES	55,737	55,737	111,527
EXPENDITURES			
Current:			
General Government	3,000	3,000	5,250
Capital Outlay	52,737	52,737	106,277
TOTAL EXPENDITURES	55,737	55,737	111,527
NET CHANGE IN FUND BALANCE - GAAP BASIS	-	-	-
FUND BALANCE, BEGINNING	-	-	-
FUND BALANCE, ENDING	$ -	$ -	$ -

See accompanying Independent Auditors' Report.

TOWN OF OAK CREEK, COLORADO

BUDGETARY COMPARISON SCHEDULE
Live Well Grant Fund
FOR THE YEAR ENDED DECEMBER 31, 2016
With Comparative Totals for the Year Ended December 31, 2015

	2016				
	Original Budget	Final Budget	Actual	Variance With Final Budget	2015 Actual
REVENUES					
Donations	50,000	50,000	55,737	5,737	111,227
Other Miscellaneous Revenue	-	10,000	-	(10,000)	300
TOTAL REVENUES	50,000	60,000	55,737	(4,263)	111,527
EXPENDITURES					
General Government					
Overhead	3,000	3,000	3,000	-	5,250
Parks, Recreation and Other Capital Outlay	51,404	53,750	52,737	1,013	106,277
TOTAL EXPENDITURES	54,404	56,750	55,737	1,013	111,527
REVENUES IN EXCESS (DEFICIENCY) OF EXPENDITURES	(4,404)	3,250	-	(3,250)	-
NET CHANGE IN FUND BALANCE - BUDGET BASIS	$ (4,404)	$ 3,250	-	$ (3,250)	-
FUND BALANCE, BEGINNING			-		-
FUND BALANCE, ENDING			$ -		$ -

See accompanying Independent Auditors' Report.

TOWN OF OAK CREEK, COLORADO

COMBINING SCHEDULE OF NET POSITION
NONMAJOR ENTERPRISE FUNDS
DECEMBER 31, 2016
With Comparative Totals for December 31, 2015

	Trash Fund	Total 2016	Total 2015
ASSETS AND DEFERRED OUTFLOWS			
ASSETS			
Current Assets			
Cash and Investments			
Cash	$ (1,291)	$ (1,291)	$ (7,717)
Utility Receivable	11,680	11,680	10,451
TOTAL ASSETS AND DEFERRED OUTFLOWS	$ 10,389	$ 10,389	$ 2,734
NET POSITION			
Unrestricted Net Position	10,389	10,389	2,734
TOTAL LIABILITIES, DEFERRED INFLOWS AND NET POSITION	$ 10,389	$ 10,389	$ 2,734

See accompanying Independent Auditors' Report.

TOWN OF OAK CREEK, COLORADO

COMBINING SCHEDULE OF REVENUES, EXPENSES AND CHANGES IN NET POSITION
NONMAJOR ENTERPRISE FUNDS
FOR THE YEAR ENDED DECEMBER 31, 2016
With Comparative Totals for the Year Ended December 31, 2015

	Trash Fund	Total 2016	Total 2015
Operating Revenues			
Utility Charges	$ 111,951	$ 111,951	$ 105,966
Other Charges for Services	-	-	275
Operating Expenses			
Management Fees	4,105	4,105	3,253
Personnel Services	3,485	3,485	4,153
Professional Fees	96,706	96,706	97,419
Other Operating Expenses	-	-	178
Total Expenditures	104,296	104,296	105,003
Change in Net Position	7,655	7,655	1,238
Net Position, Beginning	2,734	2,734	1,496
Net Position, Ending	$ 10,389	$ 10,389	$ 2,734

See accompanying Independent Auditors' Report.

TOWN OF OAK CREEK

COMBINING SCHEDULE OF CASH FLOWS -
NONMAJOR ENTERPRISE FUNDS
FOR THE YEAR ENDED DECEMBER 31, 2016
With Comparative Totals for the Year Ended December 31, 2015

	Trash	Total	
	Fund	2016	2015
Cash Flows From Operating Activities:			
Cash Received from Customers	$ 110,722	$ 110,722	$ 106,315
Cash Paid to Suppliers	(97,066)	(97,066)	(106,941)
Cash Paid for Interfund Services	(4,105)	(4,105)	(3,253)
Cash Paid to Employees	(3,125)	(3,125)	(3,493)
Net Cash Provided by Operating Activities	6,426	6,426	(7,372)
Net Increase (Decrease) in Cash	6,426	6,426	(7,372)
Cash - Beginning	(7,717)	(7,717)	(345)
Cash - Ending	$ (1,291)	$ (1,291)	$ (7,717)
Cash	$ (1,291)	$ (1,291)	$ (7,717)
Total	$ (1,291)	$ (1,291)	$ (7,717)
Reconciliation of Operating Income (Loss) to Net Cash Used for Operating Activities:			
Operating Income (Loss)	$ 7,655	$ 7,655	$ 1,238
Adjustments to Reconcile Operating Income (Loss) to Net Cash Provided by Operating Activities:			
Changes in Assets and Liabilities Related to Operations:			
(Increase) Decrease in:			
Utility Receivable	(1,229)	(1,229)	74
(Increase) Decrease in:			
Accounts Payable	-	-	(8,684)
Total Adjustments	(1,229)	(1,229)	(8,610)
Net Cash Used for Operating Activities	$ 6,426	$ 6,426	$ (7,372)

See accompanying Independent Auditors' Report.

TOWN OF OAK CREEK, COLORADO

STATEMENT OF REVENUES, EXPENSES AND CHANGES IN NET POSITION
BUDGET AND ACTUAL
Electric Fund
FOR THE YEAR ENDED DECEMBER 31, 2016
With Comparative Totals for the Year Ended December 31, 2015

	2016			2015
	Final Budget	Actual	Variance with Final Budget	Actual
Operating Revenues				
Utility Charges	$ 948,395	$ 1,079,225	$ 130,830	$ 905,302
Other Charges for Services	7,500	42,251	34,751	54,823
Total Revenues	955,895	1,121,476	165,581	960,125
Operating Expenses				
Management Fees	88,026	78,270	9,756	60,837
Personnel Services	139,856	137,396	2,460	132,612
Commodity Charges	613,000	554,769	58,231	512,406
Administrative/Office Expenses	450	166	284	155
Insurance	8,500	8,208	292	8,318
Operating Supplies	14,000	9,922	4,078	9,452
Professional Fees	10,000	5,128	4,872	8,383
Repairs and Maintenance	26,500	7,479	19,021	21,134
Travel and Training	2,500	3,610	(1,110)	-
Telephone and Utilities	4,500	5,037	(537)	4,309
Other Operating Expenses	4,500	1,554	2,946	1,985
Other Capital Outlay	227,650	109,915	117,735	245,345
Total Expenditures	1,139,482	921,454	218,028	1,004,936
Operating Income (Loss)	(183,587)	200,022	383,609	(44,811)
Other Income (Expense)				
Debt Service	(33,705)	(33,639)	66	(33,640)
Net Income (Loss) before Transfers	(217,292)	166,383	383,675	(78,451)
Contributed Capital				
Intergovernmental Revenue	227,250	-	(227,250)	37,332
Change in Net Position (Budget Basis)	$ 9,958	166,383	$ 156,425	(41,119)
Principal Paid		27,029		25,521
Depreciation Expense		(51,462)		(45,287)
Capital Outlay		105,430		185,213
Change in Net Position - GAAP Basis		247,380		124,328
Net Position, Beginning		1,006,735		882,407
Net Position, Ending		$ 1,254,115		$ 1,006,735

See accompanying Independent Auditors' Report.

TOWN OF OAK CREEK, COLORADO

STATEMENT OF REVENUES, EXPENSES AND CHANGES IN NET POSITION
BUDGET AND ACTUAL
Water Fund
FOR THE YEAR ENDED DECEMBER 31, 2016
With Comparative Totals for the Year Ended December 31, 2015

	2016			2015
	Final Budget	Actual	Variance with Final Budget	Actual
Operating Revenues				
Utility Charges	$ 422,500	$ 405,599	$ (16,901)	$ 371,009
Other Charges for Services	-	1,000	1,000	11,563
Total Revenues	422,500	406,599	(15,901)	382,572
Operating Expenses				
Management Fees	53,681	51,851	1,830	42,012
Personnel Services	87,812	84,603	3,209	80,472
Administrative/Office Expenses	500	275	225	325
Insurance	9,000	7,773	1,227	8,806
Operating Supplies	16,200	15,232	968	17,480
Professional Fees	5,450	38	5,412	225
Repairs and Maintenance	14,800	1,354	13,446	8,603
Travel and Training	2,000	1,134	866	69
Treatment	18,500	4,131	14,369	12,388
Telephone and Utilities	27,700	25,686	2,014	22,345
Other Operating Expenses	1,050	(771)	1,821	7,565
Other Capital Outlay	115,000	116,983	(1,983)	226,541
Total Expenditures	351,693	308,289	43,404	426,831
Operating Income (Loss)	70,807	98,310	27,503	(44,259)
Other Income (Expense)				
Other Revenue	5,000	379	(4,621)	785
Debt Service	(65,430)	(65,419)	11	(65,420)
Total Other Income (Expense)	(60,430)	(65,040)	(4,610)	(64,635)
Net Income (Loss) before Transfers	10,377	33,270	22,893	(108,894)
Contributed Capital				
Intergovernmental Revenue	10,000	18,961	8,961	212,449
Change in Net Position (Budget Basis)	$ 20,377	52,231	$ 31,854	103,555
Principal Paid		48,131		46,263
Depreciation Expense		(100,938)		(97,138)
Capital Outlay		101,305		224,600
Change in Net Position - GAAP Basis		100,729		277,280
Net Position, Beginning		2,477,560		2,200,280
Net Position, Ending		$ 2,578,289		$ 2,477,560

See accompanying Independent Auditors' Report.

TOWN OF OAK CREEK, COLORADO

STATEMENT OF REVENUES, EXPENSES AND CHANGES IN NET POSITION
BUDGET AND ACTUAL
Sewer Fund
FOR THE YEAR ENDED DECEMBER 31, 2016
With Comparative Totals for the Year Ended December 31, 2015

	2016			2015
	Final Budget	Actual	Variance with Final Budget	Actual
Operating Revenues				
Utility Charges	$ 353,000	$ 345,732	$ (7,268)	$ 345,479
Other Charges for Services	2,000	1,864	(136)	1,917
Total Revenues	355,000	347,596	(7,404)	347,396
Operating Expenses				
Management Fees	48,969	48,226	743	40,388
Personnel Services	99,787	98,869	918	94,643
Insurance	7,100	6,235	865	7,064
Operating Supplies	8,600	6,515	2,085	3,013
Professional Fees	1,500	150	1,350	-
Repairs and Maintenance	5,500	684	4,816	2,309
Travel and Training	500	-	500	-
Treatment	9,400	9,145	255	8,013
Telephone and Utilities	26,000	29,384	(3,384)	29,451
Other Operating Expenses	2,000	(2,731)	4,731	(537)
Other Capital Outlay	10,000	8,118	1,882	1,333
Total Expenditures	219,356	204,595	14,761	185,677
Operating Income (Loss)	135,644	143,001	7,357	161,719
Other Income (Expense)				
Investment Earnings	20	24	4	23
Debt Service	(60,812)	(60,555)	257	(60,563)
Total Other Income (Expense)	(60,792)	(60,531)	261	(60,540)
Change in Net Position (Budget Basis)	$ 74,852	82,470	$ 7,618	101,179
Principal Paid		15,474		14,872
Depreciation Expense		(96,051)		(125,537)
Capital Outlay		8,118		-
Change in Net Position - GAAP Basis		10,011		(9,486)
Net Position, Beginning		4,289,642		4,299,128
Net Position, Ending		$ 4,299,653		$ 4,289,642

See accompanying Independent Auditors' Report.

TOWN OF OAK CREEK, COLORADO

STATEMENT OF REVENUES, EXPENSES AND CHANGES IN NET POSITION
BUDGET AND ACTUAL
Trash Fund
FOR THE YEAR ENDED DECEMBER 31, 2016
With Comparative Totals for the Year Ended December 31, 2015

	2016			2015
	Final Budget	Actual	Variance with Final Budget	Actual
Operating Revenues				
Utility Charges	$ 110,000	$ 111,951	$ 1,951	$ 105,966
Other Charges for Services	-	-	-	275
Total Revenues	110,000	111,951	1,951	106,241
Operating Expenses				
Management Fees	2,552	4,105	(1,553)	3,253
Personnel Services	4,464	3,485	979	4,153
Professional Fees	101,500	96,706	4,794	97,419
Other Operating Expenses	800	-	800	178
Total Expenditures	109,316	104,296	5,020	105,003
Change in Net Position (Budget Basis)	$ 684	7,655	$ 6,971	1,238
Net Position, Beginning		2,734		1,496
Net Position, Ending		$ 10,389		$ 2,734

See accompanying Independent Auditors' Report.

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STATE COMPLIANCE

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: Routt
	YEAR ENDING : December 2016
This Information From The Records Of Town of Oak Creek	Prepared By: Phone:

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	49,565
3. Other local imposts (from page 2)	74,189
4. Miscellaneous local receipts (from page 2)	
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)	123,754
B. Private Contributions	
C. Receipts from State government (from page 2)	33,566
D. Receipts from Federal Government (from page 2)	0
E. Total receipts (A.7 + B + C + D)	157,320

III. DISBURSEMENTS FOR ROAD AND STREET PURPOSES

ITEM	AMOUNT
A. Local highway disbursements:	
1. Capital outlay (from page 2)	0
2. Maintenance:	70,922
3. Road and street services:	
a. Traffic control operations	
b. Snow and ice removal	70,922
c. Other	
d. Total (a. through c.)	70,922
4. General administration & miscellaneous	15,476
5. Highway law enforcement and safety	
6. Total (1 through 5)	157,320
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)	157,320

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
	157,320	157,320		0

Notes and Comments:

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

See the accompanying Independent Auditors' Report

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	69,019	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	5,170	g. Other Misc. Receipts	
6. Total (1. through 5.)	74,189	h. Other	
c. Total (a. + b.)	74,189	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	29,239	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	4,327	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.)	4,327	g. Total (a. through f.)	0
4. Total (1. + 2. + 3.f)	33,566	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			0
(4). System Enhancement & Operation			0
(5). Total Construction (1) + (2) + (3) + (4)	0	0	0
d. Total Capital Outlay (Lines 1.a. + 1.b. + 1.c.5)	0	0	0
			(Carry forward to page 1)

Notes and Comments:

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

See the accompanying Independent Auditors' Report