Town of Orchard City
Financial Statements and Report of
Independent Certified Public Accountants
as of
December 31, 2016

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INDEPENDENT AUDITOR'S REPORT

To the Town Council
Orchard City, Colorado

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

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

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 from material misstatement.

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

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

Opinions

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

Collice P. Blair, Jr., CPA, CFE

105 S.E. Frontier, Suite A • Cedaredge, Colorado 81413
Phone 970/856-7550 • Fax 970/856-2122
peteblaircpa@yahoo.com
www.BandACPAS.com

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis and budgetary comparison information on pages 3–10 and 32-35 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.

Other Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Town of Orchard City, Colorado's basic financial statements. The Statement and Schedules of Revenues, Expenditures and Changes in Fund Balance-Budget to Actual for the Conservation Trust Fund and Enterprise funds and Local Highway Finance Report are presented for purposes of additional analysis and are not a required part of the basic financial statements.

The Statement and Schedules of Revenues, Expenditures and Changes in Fund Balance-Budget to Actual for the Conservation Trust Fund and Enterprise funds and Local Highway Finance Report are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, The Statement and Schedules of Revenues, Expenditures and Changes in Fund Balance-Budget to Actual for the Conservation Trust Fund and Enterprise funds and Local Highway Finance Report are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

Blair and Associates, P.C.

Cedaredge, Colorado
June 28, 2017

Management's Discussion and Analysis

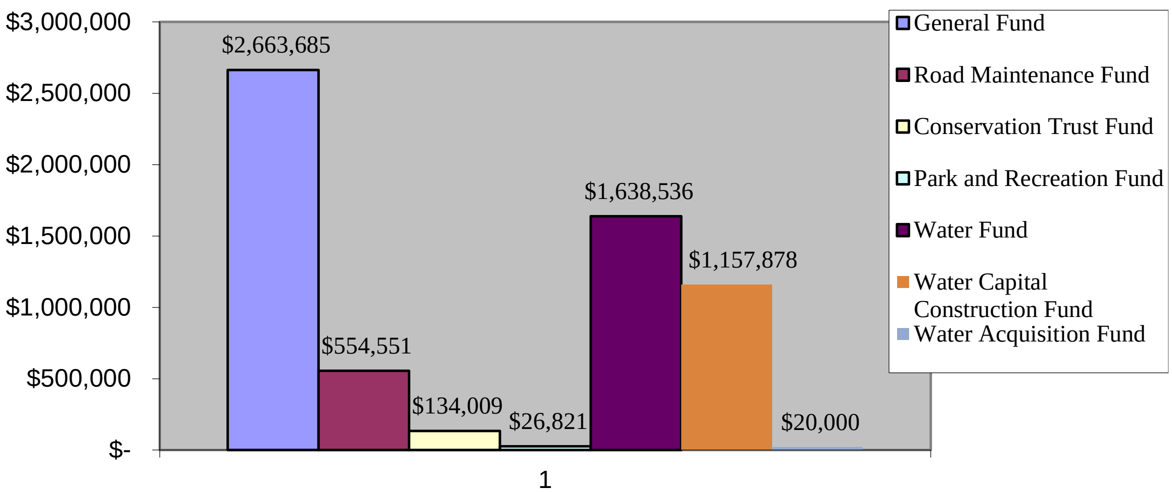
As management of the Town of Orchard City, we offer readers of the Town of Orchard City Financial statements, this narrative overview and analysis of the financial activities of the Town for the fiscal year ended December 31, 2016. We encourage readers to consider the information presented here in conjunction with the additional information furnished in our basic financial statements to better understand the financial position of the Town of Orchard City.

FINANCIAL HIGHLIGHTS

- Town of Orchard City is in healthy financial condition.

  See Governmental Fund Balances and Available Resources chart.

Governmental Fund Balances and Available Resources



- Orchard City's net position amounted to $ 17,080,087 *(refer to statement of activities)* at the end of the year, a reported increase of $ 267,339 for the fiscal year.

- Governmental funds reported combined ending fund balances of $ 3,379,066 (*refer to statement of revenues, expenditures and changes in fund balances)*, a reported increase of $ 212,077 for the fiscal year.

- Orchard City's unassigned fund balance for the general fund was $ 2,623,569 *(refer to balance sheet)*, an increase of $ 102,755 in comparison to the prior year.

- At December 31, 2016 the Town's General fund did have $ 11,228 reserved for emergencies which was the balance equal to at least 3% of the general fund appropriations as the required state mandated emergency reserve.

- The Town has one long-term liability for compensated absences of $ 19,192.

OVERVIEW OF THE FINANCIAL STATEMENTS

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

Government-wide financial statements

The government-wide financial statements are designed to provide readers with a broad overview of our finances in a manner similar to a private sector business.

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

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

Both of the government-wide financial statements distinguish functions that are principally supported by taxes and intergovernmental revenues (governmental activities) from other functions that are intended to recover all or a significant portion of their costs through user fees and charges (business type activities). The governmental activities include general government, public works, and culture and recreation. The business type activities include water activities.

Fund financial statements

A fund is a group of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. Fund accounting is used to ensure and demonstrate compliance with finance-related legal requirements. The Town funds can be divided into two categories: governmental funds and proprietary funds.

Governmental Funds

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

Because the focus of governmental funds is narrower than that of the government-wide financial statements, it is useful to compare the information presented for governmental activities in the government-wide financial statements. By doing so, readers may better understand the long-term impact of the government's near-term financing decisions.

Both the governmental fund balance sheet and the governmental fund statement of revenues, expenditure and changes in fund balances provide a reconciliation to facilitate this comparison between governmental funds and governmental activities.

The governmental funds are separated into following major funds: General, Road Maintenance and Park and Recreation Funds.

An annual appropriated budget is adopted for all governmental funds. A budgetary comparison statement has been provided for these funds to demonstrate compliance with these budgets.

Proprietary funds

Proprietary funds are maintained as follows:

Enterprise funds are mirrored to report the same functions presented as business-type activities in the government wide financial statements, only in more detail. The enterprise fund is used to account for water operations. The proprietary fund financial statements provide separate information for water operations which are considered to be a major fund.

Notes to financial statements

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

Other information

In addition to the basic financial statements and accompanying notes, this report also presents certain required supplementary information which is required to be disclosed by the Governmental Accounting Standards Board.

GOVERNMENT-WIDE FINANCIAL ANALYSIS

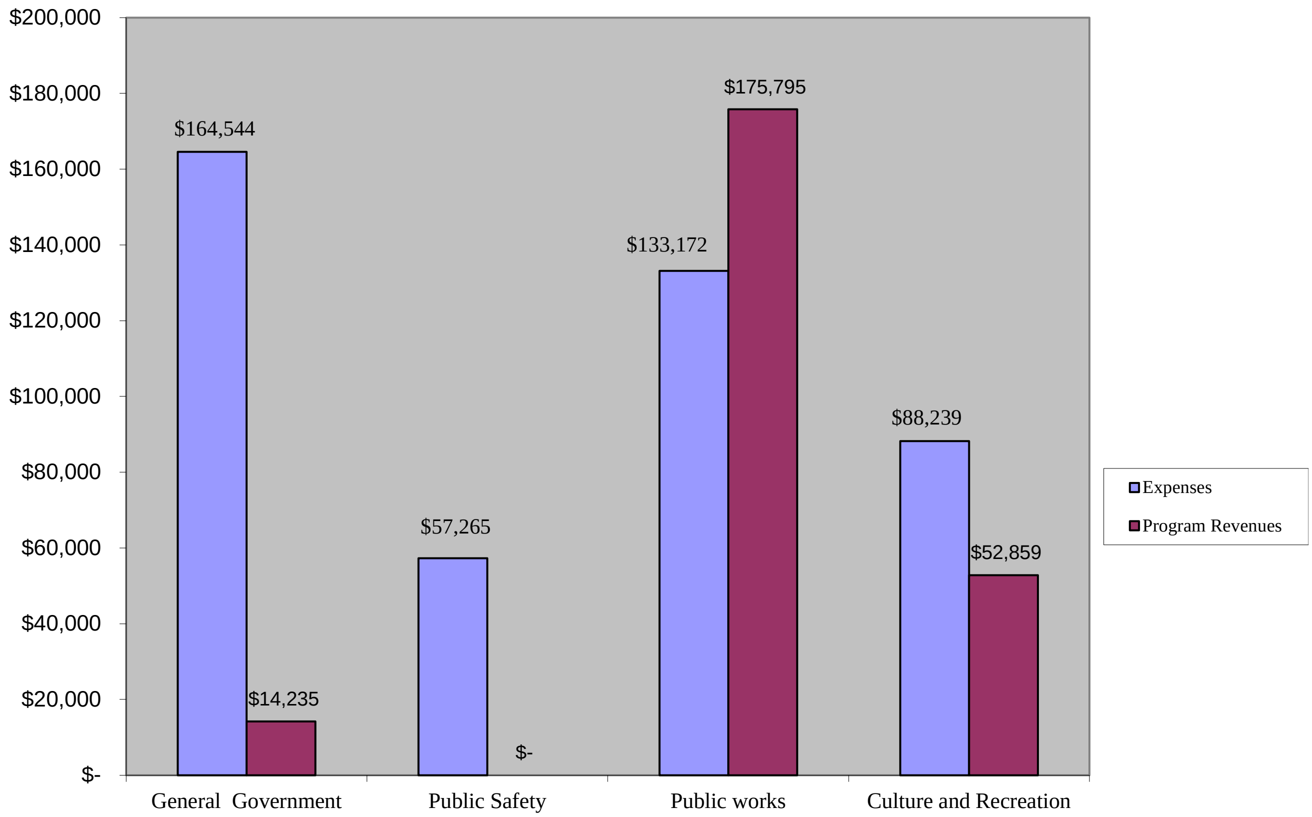
The following table summarizes the Town's governmental and business type net position for 2015 and 2016.

Assets	Governmental Activities 2015	Governmental Activities 2016	Business Type Activities 2015	Business Type Activities 2016	Totals 2015	Totals 2016
Current and other assets	$ 3,175,484	$ 3,385,906	$ 2,545,013	$ 2,831,662	$ 5,720,497	$ 6,217,568
Capital assets	3,237,644	3,178,404	7,903,182	7,725,395	11,140,826	10,903,799
Total assets	$ 6,413,128	$ 6,564,310	$ 10,448,195	$ 10,557,057	$ 16,861,323	$ 17,121,367
Current Liabilities	$ 8,495	$ 6,840	$ 14,346	$ 15,248	$ 22,841	$ 22,088
Non-current liabilities						
Compensated absences	25,734	19,192	-	-	25,734	19,192
Total liabilities	34,229	26,032	14,346	15,248	48,575	41,280
Net Position						
Investment in capital assets, net of related debt	3,237,644	3,178,404	7,903,182	7,725,395	11,140,826	10,903,799
Restricted	21,423	21,627	-	-	21,423	21,627
Unrestricted	3,119,832	3,338,247	2,530,667	2,816,414	5,650,499	6,154,661
Total net position	$ 6,378,899	$ 6,538,278	$ 10,433,849	$ 10,541,809	$ 16,812,748	$ 17,080,087

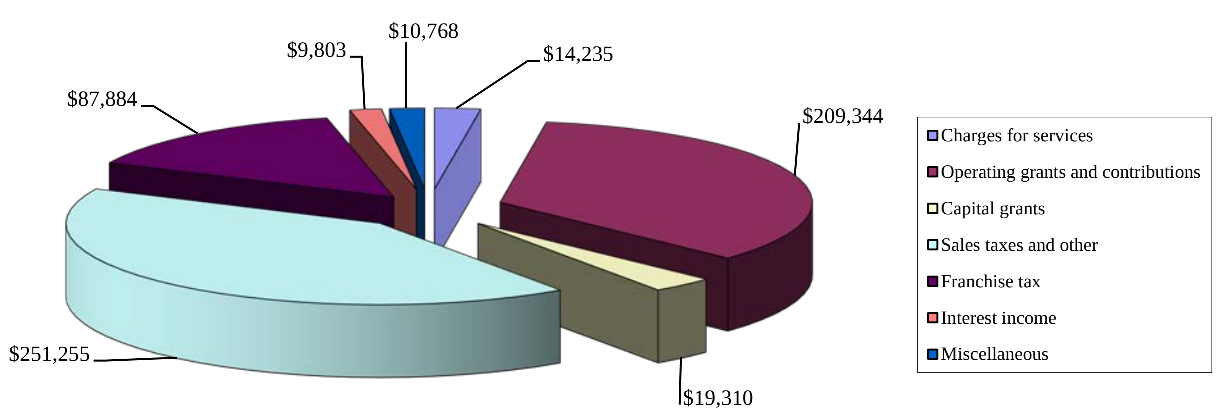
At the close of 2016 total net position was $ 17,080,087, an increase of $ 267,339 from prior year. In governmental activities the largest portion of assets are in cash and cash equivalents and capital assets of $3,316,746 and $3,178,404 respectfully, (99% of total net position). An additional portion of net position, $ 21,627, represents resources that are subject to external restrictions on how they may be used. The remaining balance of unrestricted net position, $ 6,154,661 (36% of net position), may be used to meet the government's ongoing obligations to citizens and creditors.

Revenues	Governmental Activities 2015	Governmental Activities 2016	Business Type Activities 2015	Business Type Activities 2016	Total 2015	Total 2016
Program revenues						
Charges for services	$ 17,321	$ 14,235	$ 761,193	$ 810,226	$ 778,514	$ 824,461
Operating grants	205,655	209,344	-	-	205,655	209,344
Capital grants	-	19,310	6,500	32,500	6,500	51,810
General Revenues						
Sales taxes and other	304,368	251,255	-	-	304,368	251,255
Franchise taxes	85,011	87,884	-	-	85,011	87,884
Interest income	9,541	9,803	7,817	7,936	17,358	17,739
Miscellaneous	11,025	10,768	7,175	5,448	18,200	16,216
Gain on sale of assets	(1,835)	-	-	-	(1,835)	-
Transfers in (out)	-	-	-	-	-	-
Totals	631,086	602,599	782,685	856,110	1,413,771	1,458,709
Expenses						
General government	183,307	164,544			183,307	164,544
Public safety	93,343	57,265			93,343	57,265
Public works	128,075	133,172	840,118	748,150	968,193	881,322
Culture and recreation	88,666	88,239			88,666	88,239
Total expenses	493,391	443,220	840,118	748,150	1,333,509	1,191,370
Increase in net assets	137,695	159,379	(57,433)	107,960	80,262	267,339
Beginning	6,241,204	6,378,899	10,491,282	10,433,849	16,732,486	16,812,748
Ending	$ 6,378,899	$ 6,538,278	$ 10,433,849	$ 10,541,809	$ 16,812,748	$ 17,080,087

2016 Expense and Program Revenues-
Governmental Activities



Revenues by Source-Governmental Activities



FINANCIAL ANALYSIS OF GOVERNEMENT'S FUNDS

As noted earlier, fund accounting is used to ensure and demonstrate compliance with finance related legal requirements.

Governmental funds

The focus of government funds is to provide information on near term inflows, outflows and balances of spendable resources. 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 fiscal year.

As of the end of 2016, the Town's governmental funds reported combined ending fund balances, *(refer to Statement of Revenues, Expenditures and Changes in Fund Balances)*, of $ 3,379,066, an increase of $ 212,077. Of the combined ending fund balances for all governmental funds 78% of this total amount, $ 2,623,569, constitutes unassigned fund balance, which is available for appropriation at the Town's discretion.
The remainder of the fund balance is reserved to indicate that it is not available for new spending because it is already committed to 1) meet a state constitution mandated emergency reserve, $21,627 2) Conservation Trust and Park Maintenance Funds, $ 143,964 or 3) Road Projects $ 546,018.

The following discussion is to help define what the Town's major funds are and how they function.

The General Fund is the primary operating fund for the Town of Orchard City. It accounts for all financial resources of general government. These activities include planning commission, building inspections, code enforcement, legal matters and elections. At the end of 2016, unassigned fund balance of the General Fund was $ 2,623,569, while $ 2,624,573 was in cash and cash equivalents. The General Fund balance increased by $ 102,755 during 2016.

The Road Maintenance Fund accounts for public works and road maintenance for the Town. Primarily Highway Users Tax Fund finances this fund. At the end of 2016 the fund balance for the Road Maintenance Fund was $554,551.

The Park and Recreation Fund is to account for revenues and expenditure for the maintenance of the park. At the end of 2016 the fund balance for the Park and Recreation Fund was $26,821.

Proprietary funds

The Town of Orchard City's proprietary fund statements provide the same type of information found in the government-wide financial statements, but in more detail.

The Town has three enterprise funds referred to as the Water, Capital Construction and Water Acquisition Funds. The total net position in the water fund as of December 31, 2016 amounted to $ 10,541,809. The total net position increased by $ 107,960.

GENERAL FUND BUDETARY HIGHLIGHTS

The Town can look for county sales tax revenue to be flat as the economy continues to slow down due to the recession.

CAPITAL ASSET AND DEBT ADMINISTRATION

Capital Assets

The Town of Orchard City's investment in capital assets for its governmental and business type activities as of December 31, 2016 amounts to $ 10,903,799, a decrease of $ 237,027 from the prior year. As required by GABS 34, the investment capital assets include land, buildings, building improvements, and equipment.

Long Term Debt

The Town of Orchard City's only long term debt is unpaid paid time off to its employees, which as of December 31, 2016 amounted to $ 19,192.

ECONOMIC FACTORS AND NEXT YEAR'S BUDGET

The Town of Orchard City does not receive tax revenue directly from its citizens. The Town does not levy a property or a sales tax. The Town also does not have business licenses or a zoning code. Most of the Town's revenue is received from funds that are collected by other governmental agencies such as the Highway User Tax Fund, the County Sales Tax and Mineral Lease and Severance payments. Because of this arrangement, Town revenues are tied directly to the local and state economies. As far as revenue is measured, the Delta County area has not seen quite as dramatic a decrease as some other counties and cities in the State. However, the Town anticipates that the decline in sales tax revenue will continue for at least another year or two. The Town plans for this by budgeting both revenue and expenditures very conservatively.

The State Legislature made changes to the fees that go into the Highway User Tax Fund. These have been fee increases so the total amount of revenue has increased. However, this increase has not been as large as expected and this could be a result of the price of gasoline and the sluggish economy.

Revenue that is billed and received directly by the Town mainly consists of fees and charges in the water funds. The Water Fund is a self-supporting fund which collects, treats and distributes drinking water to our customers. The Water Fund continues to pay for itself because of its fees and the fact that water use is not as directly tied to economic conditions as some of the other revenues are. The Town will conduct an annual review of the water rates during the budget process to stop the decline of the water fund reserves. The Town anticipates a slight increase in water fund reserves until a 2 million reserve is achieved which is projected to take multiple years.

Because the economy is still struggling, the Town continues to closely monitor its revenues and expenditures. This conservative fiscal approach will be used as the Town prepares its 2017 budget and ten year financial projections.

REQUEST FOR INFORMATION

This financial report is designed to provide a general overview of the finances of the Town of Orchard City. For additional information or questions related to this report please contact the following:

Town of Orchard City
9661 2100 Road
Austin, CO 81410
970-835-3337

Town of Orchard City
Statement of Net Position
December 31, 2016

	Governmental Activities	Business- Type Activities	Total
ASSETS			
Cash and cash equivalents (Note 5)	$ 3,316,746	$ 2,567,254	$ 5,884,000
Due from other governmental units	45,843	-	45,843
Accounts receivable	10,061	105,032	115,093
Inventory of supplies	13,256	159,376	172,632
Capital assets (Note 9)			
Nondepreciable	322,258	1,512,000	1,834,258
Depreciable, net of accumulated depreciation	2,856,146	6,213,395	9,069,541
Total assets	6,564,310	10,557,057	17,121,367
LIABILITIES			
Accounts payable	1,322	6,186	7,508
Accrued payroll	2,694	9,062	11,756
Other accrued expenses	2,824	-	2,824
Long-term liabilities			
Due more than one year:			
Compensated absences (Note 1)	19,192	-	19,192
Total liabilities	26,032	15,248	41,280
NET POSITION			
Investment in capital assets, net of related debt	3,178,404	7,725,395	10,903,799
Restricted for:			
Emergencies	21,627	-	21,627
Unrestricted	3,338,247	2,816,414	6,154,661
Total net position	$ 6,538,278	$ 10,541,809	$ 17,080,087

See accompanying notes to the basic financial statements.

Town of Orchard City
Statement of Activities
For the Year Ended December 31, 2016

		Program Revenues		
Functions/Programs	**Expenses**	**Charges for Service and Fees**	**Operating Grants and Contributions**	**Capital Grants and Contributions**
Primary government:				
Governmental activities:				
General government	$ 164,544	$ 14,235	$ -	$ -
Public safety	57,265	-	-	-
Public Works	133,172	-	175,795	-
Culture and recreation	88,239	-	33,549	19,310
Total governmental activities	443,220	14,235	209,344	19,310
Business-type activities:				
Water	748,150	810,226	-	32,500
Total business- type activities	748,150	810,226	-	32,500
Total primary government	$ 1,191,370	$ 824,461	$ 209,344	$ 51,810

General Revenues
Sales taxes
Franchise taxes
Mineral Leasing
Severance tax
Miscellaneous
Investment earnings
Total General Revenues

Changes in Net Position
Net Position-January 1
Net Position-December 31

Net (Expense) Revenue and Changes in Net Position		
Primary Government		
Governmental Activities	**Business-Type Activities**	**Total**
$ (150,309)	$ -	$ (150,309)
(57,265)	-	-
42,623	-	42,623
(35,380)	-	(35,380)
(200,331)	-	(143,066)
-	94,576	94,576
-	94,576	94,576
(200,331)	94,576	(48,490)
204,414	-	204,414
87,884	-	87,884
27,807	-	27,807
19,034	-	19,034
10,768	5,448	16,216
9,803	7,936	17,739
359,710	13,384	373,094
159,379	107,960	267,339
6,378,899	10,433,849	16,812,748
$ 6,538,278	$10,541,809	$ 17,080,087

The accompanying notes are an integral part of this statement.

Town of Orchard City
Governmental Funds
Balance Sheet
December 31, 2016

	General Fund	Road Maintenance Fund	Park and Recreation Fund
Assets			
Cash and cash equivalents	$ 2,624,573	$ 531,077	$ 27,087
Due from other governments	34,536	11,307	-
Accounts receivable	10,061	-	-
Inventory of supplies	-	13,256	-
Total assets	$ 2,669,170	$ 555,640	$ 27,087
Liabilities and Fund Balance			
Liabilities:			
Accounts payable	$ 804	$ 252	$ 266
Due to other funds	-	-	
Accrued payroll	1,857	837	-
Other accrued expenses	-	-	-
Other payables	2,824	-	
Total liabilities	5,485	1,089	266
Fund balances:			
Restricted			
Reserve for emergencies	11,228	8,533	1,866
Parks and recreation	-	-	-
Committed			
Road maintenance projects	-	546,018	-
Parks and recreation	-	-	9,955
Assigned			
Capital acquisitions	28,888	-	15,000
Unassigned	2,623,569	-	-
Total fund balance	2,663,685	554,551	26,821
Total liabilities and fund balance	$ 2,669,170	$ 555,640	$ 27,087

Non Major Governmental Funds	Total Governmental Funds
$ 134,009	$ 3,316,746
-	45,843
-	10,061
-	13,256
$ 134,009	$ 3,385,906
$ -	$ 1,322
-	-
-	2,694
-	-
-	2,824
-	6,840
-	21,627
134,009	134,009
-	546,018
-	9,955
-	43,888
-	2,623,569
134,009	3,379,066
$ 134,009	$ 3,385,906

See accompanying notes to the basic financial statements.

Town of Orchard City
Reconciliation of the Governmental Funds Balance
Sheet to the Statement of Net Position
December 31, 2016

Total fund balance, governmental funds	$ 3,379,066
Amounts reported for governmental activities in the Statement of Net Position are different because:	
Capital assets used in governmental activities are not current period expenditures and therefore are not reported in this fund financial statement, but are reported in the governmental activities of the Statement of Net Position.	3,178,404
Some liabilities, (such as Notes Payable, Capital Lease Contract Payable, Long-term Compensated Absences, and Bonds Payable), are not due and payable in the current period and are not included in the fund financial statement, but are included in the governmental activities of the Statement of Net Position.	(19,192)
Net Position of Governmental Activities in the Statement of Net Position	$ 6,538,278

See accompanying notes to the basic financial statements.

Town of Orchard City
Governmental Funds
Statement of Revenues, Expenditures and Changes in Fund Balances
For the Year Ended December 31, 2016

	General Fund	Road Maintenance Fund	Park and Recreation Fund
REVENUES			
Franchise Taxes	$ 82,034	$ -	$ 5,850
Sales Taxes	204,414	-	-
Charges for services	876	-	-
Licenses and permits	13,359	-	-
Intergovernmental	46,841	175,795	-
Investment earnings	8,071	1,673	-
Miscellaneous	5,318	410	5,040
Total revenues	360,913	177,878	10,890
EXPENDITURES			
Current:			
General government	148,318	-	-
Public safety	57,265	-	-
Public works	2,116	103,383	-
Culture and recreation	10,119	-	42,343
Capital outlay	-	-	-
Total expenditures	217,818	103,383	42,343
Excess (deficiency) of revenues over expenditures	143,095	74,495	(31,453)
OTHER FINANCING SOURCES (USES)			
Transfers In	-	-	40,340
Transfers out	(40,340)	-	-
Total other financing sources (uses)	(40,340)	-	40,340
Net change to fund balance	102,755	74,495	8,887
Fund balance, January 1	2,560,930	480,056	17,934
Fund balance, December 31	$ 2,663,685	$ 554,551	$ 26,821

Non Major Governmental Funds	Total Governmental Funds
$ -	$ 87,884
-	204,414
-	876
-	13,359
52,859	275,495
59	9,803
-	10,768
52,918	602,599
-	148,318
-	57,265
-	105,499
-	52,462
26,978	26,978
26,978	390,522
25,940	212,077
-	40,340
-	(40,340)
-	-
25,940	212,077
108,069	3,166,989
$ 134,009	$ 3,379,066

See accompanying notes to the basic financial statements.

Town of Orchard City
Reconciliation of the Governmental Funds Statement of Revenues, Expenditures, and Changes in Fund Balance to the Statement of Activities
For the Year Ended December 31, 2016

Net change in fund balances - total governmental funds		$ 212,077
Amounts reported for governmental activities in the statement of activities are different because:		
Governmental funds report capital outlays as expenditures. However, in the statement of activities the cost of those assets is allocated over their estimated useful lives and reported as deprecation expense. This is the amount by which depreciation exceeded capital outlay in the current period.		
Capital assets current additions	$ 47,854	
Depreciation expense	(107,094)	
Excess of capital outlay over depreciation		(59,240)
Some expenses reported in the Statement of Activities do not require the use of current financial resources and therefore are not reported as expenditures in governmental funds.		
Compensated absences		6,542
Change in net position of governmental funds		$ 159,379

See accompanying notes to the basic financial statements.

Town of Orchard City
Statement of Net Position
Enterprise Funds
December 31, 2016

	Water Fund	Water Capital Construction Fund	Water Acquisition Fund	Total
ASSETS				
Current Assets:				
Cash and cash equivalents	$ 1,397,938	$ 1,158,066	$ 11,250	$ 2,567,254
Accounts Receivable, net	72,008	(188)	8,750	80,570
Inventory of supplies	159,376	-		159,376
Accounts Receivable, Fruit growers	24,462	-	-	24,462
Total current assets	1,653,784	1,157,878	20,000	2,831,662
Noncurrent assets:				
Capital assets:				
Land and improvements	1,512,000	-	-	1,512,000
Utility system	8,959,962	-	-	8,959,962
Buildings and improvements	178,261	-	-	178,261
Equipment	138,134	-	-	138,134
Less Accumulated Depreciation	(3,062,962)	-	-	(3,062,962)
Total noncurrent assets	7,725,395	-	-	7,725,395
Total assets	$ 9,379,179	$ 1,157,878	$ 20,000	$10,557,057
LIABILITIES				
Current liabilities:				
Accounts payable	$ 6,186	$ -	$ -	$ 6,186
Accrued payroll	9,062	-	-	9,062
Total current liabilities	15,248	-	-	15,248
NET POSITION				
Invested in capital assets	7,725,395	-	-	7,725,395
Unrestricted	1,638,536	1,157,878	20,000	2,816,414
Total net position	$ 9,363,931	$ 1,157,878	$ 20,000	$10,541,809

See accompanying notes to the basic financial statements.

Town of Orchard City
Statement of Revenues, Expenses and Changes in Fund Net Position
Enterprise Funds
Year Ended December 31, 2016

	Water Fund	Water Capital Construction Fund	Water Acquisition Fund	Total
Operating revenues:				
Charges for services	$ 665,973	$ 134,253	$ 10,000	$ 810,226
Miscellaneous	5,448	-	-	5,448
Total operating revenues	671,421	134,253	10,000	815,674
Operating expenses:				
Personal services	361,277	-	-	361,277
Purchased services, supplies and materials	132,373	-	-	132,373
Repairs and maintenance	76,714	-	-	76,714
Depreciation	177,786	-	-	177,786
Total operating expenses	748,150	-	-	748,150
Operating income (loss)	(76,729)	134,253	10,000	67,524
Nonoperating revenues (expenses):				
Interest and investment revenue	5,162	2,774	-	7,936
Total nonoperating revenues (expenses)	5,162	2,774	-	7,936
Income (loss) before Capital Contributions	(71,567)	137,027	10,000	75,460
Capital contributions-Tap Fees	-	32,500	-	32,500
Change in net position	(71,567)	169,527	10,000	107,960
Total net position, January 1	9,435,498	988,351	10,000	10,433,849
Total net position, December 31	$ 9,363,931	$ 1,157,878	$ 20,000	$10,541,809

See accompanying notes to the basic financial statements.

Town of Orchard City
Statement of Cash Flows
Enterprise Funds
Year Ended December 31, 2016

	Water Fund	Water Capital Construction Fund	Water Acquisition Fund	Total
Cash Flows From Operating Activities				
Charges for sales and services	$ 671,444	$ 134,327	$ 10,000	$ 815,771
Other receipts	11,188	-	-	11,188
Payments for personal services	(362,817)	-	-	(362,817)
Payments to suppliers	(206,645)	-	-	(206,645)
Net cash provided (used) by operating activities	113,170	134,327	10,000	257,497
Cash Flows from Capital and Related Financing Activities				
Tap fees and water rights	-	32,500	-	32,500
Net cash provided (used) by capital and related financing activities	-	32,500	-	32,500
Cash Flows from Investing Activities				
Interest on investments	5,162	2,774	-	7,936
Net increase (decrease) in cash and equivalents	118,332	169,601	10,000	297,933
Cash balances, January 1	1,279,606	988,465	1,250	2,269,321
Cash balances, December 31	$ 1,397,938	$ 1,158,066	$ 11,250	$ 2,567,254
Reconciling of operating income (loss) to net cash provided (used) by operating activities:				
Operating income (loss)	$ (76,729)	$ 134,253	$ 10,000	$ 67,524
Adjustments to reconcile operating income (loss) to net cash provided (used) by operating activities:				
Depreciation expense	177,786	-	-	177,786
(Increase) Decrease in receivables	5,471	74	-	5,545
(Increase) Decrease in inventory	5,740	-	-	5,740
Increase (Decrease) in accounts payables	2,442	-	-	2,442
Increase (Decrease) in accounts payroll	(1,540)	-	-	(1,540)
Net cash provided by (used) operating activities	$ 113,170	$ 134,327	$ 10,000	$ 257,497

See accompanying notes to the basic financial statements.

Note 1 - Summary of Significant Accounting Policies

The financial statements of the Town of Orchard City, Colorado (the Town) have been prepared in conformity with the accounting principles generally accepted in the United States of America (GAAP) as applied to governmental units. The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting and financial reporting principles,

The more significant of the Town's accounting policies are described below:

Financial Reporting Entity

The Town is incorporated under the laws of the State of Colorado, with a mayor and a town board. As required by accounting principles generally accepted in the United States of America, these financial statements present the Town of Orchard City (the primary government). The Town has no oversight responsibility for any other governmental entity since no other entities are considered to be controlled by or dependent on the Town. Control or dependence is determined on the basis of budget adoption, taxing authority, funding, and appointment of the respect governing board.

Government-wide Financial Statements

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

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

Note 1 - Summary of Significant Accounting Policies - (continued)

Fund Financial Statements

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

All governmental funds are accounted for on a flow of current financial resources basis. Balance sheets for these funds generally include only current assets and current liabilities. Reported fund balances are considered a measure of available, spendable resources. Operating statements for these funds present a summary of available, spendable resources and expenditures for the period.

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

The Town reports the following major governmental funds:

- The General Fund is the Town’s primary operating fund. It accounts for all financial resources of the Town, except those required to be accounted for in another fund.

- Road and Maintenance Fund is to account for public works and road maintenance for the Town.

- Park and Recreation Fund is to account for revenues and expenditures for maintenance of the park.

The remaining governmental funds are aggregated and presented as non-major funds. Those funds include:

- The Conservation Trust Fund, which accounts for State of Colorado lottery funds to be used for parks and recreation services and capital investment.

Note 1 - Summary of Significant Accounting Policies - (continued)

Fund Financial Statements- (continued)

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

The Town reports the following major enterprise fund business-type activities:
- Water Fund, which account for all operations of the Town's water, services. This is primarily financed by user charges.
- Capital Construction and Acquisition Funds is to account for construction of utility systems and water.

Measurement Focus and Basis of Accounting

The government-wide financial statements are reported using the economic resources measurement focus and the accrual basis of accounting, as are the enterprise fund financial statements. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows. Property taxes are recognized as revenues in the year for which they are levied. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met.

The modified accrual basis of accounting is used by all governmental funds. Under the modified accrual basis of accounting, revenues are recognized when susceptible to accrual (i.e., when they become both measurable and available). "Measurable" means the amount of the transaction can be determined and "available" means collectible within the current period or soon enough thereafter to be used to pay liabilities of the current period. Expenditures are recorded when the related fund liability is incurred. Exceptions to this general rule include principal and interest on general long-term debt which is recognized when due, and compensated absences which are recognized when the obligations are expected to be liquidated with expendable available resources.

Those revenues susceptible to accrual are interest revenue and charges for services. Entitlement revenues are not susceptible to accrual because generally, they are not measurable until received. Grant revenues are recognized as they are earned.

Note 1 - Summary of Significant Accounting Policies - (continued)

Measurement Focus and Basis of Accounting- (continued)

The accrual basis of accounting is utilized by the enterprise fund. Under this method, revenues are recorded when earned and expenses are recorded at the time liabilities are incurred.

Deferred Outflows / Inflows of Resources

In addition to assets, the statement of net position will sometimes report a separate section of deferred outflows of resources. This separate financial statement element, deferred outflows of resources, represents a consumption of net position that applies to a future period(s) and will not be recognize as an outflow of resources (expense/ expenditure) until then.

In addition to liabilities, the statement of net position will sometimes report a separate section of deferred inflows of resources. This separate financial statement element, deferred inflows of resources, represents an acquisition of net position that applies to a future period(s) and will not be recognized as an inflow of resources (revenue) until that time. Property taxes revenue that are related to a future period have been recorded as deferred inflows. Grants and entitlements received before eligibility requirements are met (e.g., cash advances) are recorded as deferred inflows. These amounts are deferred and will be recognized as an inflow of resources in the period that the amounts become available.

Cash and Cash Equivalents

For the purposes of the statement of cash flows of the enterprise fund, cash and cash equivalents consist of operating and restricted cash and highly liquid securities with an initial maturity of three months or less.

Use of Estimates

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

Note 1 - Summary of Significant Accounting Policies - (continued)

Capital Assets

Capital assets, which include property, equipment and infrastructure assets, are reported in the applicable governmental or business-type activities columns in the government-wide financial statements. Capitalized assets are defined by the Town as assets that have a useful life of one or more years, and for which the initial, individual value equals or exceeds $ 5,000.

All purchased assets are valued at cost where historical records are available and at estimated historical costs where no historical records exist. Donated assets are valued at their estimated fair market value on the date received. The cost of normal maintenance and repairs that does not add to the value of an asset or materially extend asset life is not capitalized.

Depreciation on all assets is provided on the straight-line basis over the following estimated useful lives:

Asset Class	Useful Life
Building and Other Improvements	20-50 years
Water System	50 years
Furniture and Equipment	3-10 years
Infrastructure	15-40 years

Public domain assets consisting of roads, bridges, curbs and gutters, streets and sidewalks, drainage systems and lighting systems are examples of infrastructure assets. Infrastructure assets are distinguished from other capitalized assets as their useful life often extends beyond most other capital assets and are stationary in nature. General infrastructure assets are those associated with or arising from governmental activities.

Long-Term Liabilities

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

The long-term compensated absences are serviced from revenues of the General Fund from future appropriations. No interest costs were capitalized in 2016.

Note 1 - Summary of Significant Accounting Policies - (continued)

Compensated Absences

It is the Town's policy for employees to accumulate earned but unused vacation and sick pay benefits but employees are not entitled to be paid for sick leave upon termination. In the government-wide statements, vacation and unused compensation time is accrued when incurred and reported as a liability of the governmental and business-type activities. In the governmental funds, vacation and unused compensation time that is expected to be liquidated with expendable available financial resources is reported as expenditure and a fund liability of the governmental fund that will pay it. Amounts not expected to be liquidated with expendable available financial resources are not reported as expenditure.

Net Position

Net position represent the difference between assets and liabilities. Net assets invested in capital assets, net of related debt consists of capital assets, net of accumulated depreciation, reduced by the outstanding balances of any borrowing used for the acquisition or construction of improvements on those assets. Net position is reported as restricted when there are limitations imposed on their use either through the enabling legislation adopted by the Town or through external restrictions imposed by creditors, grantors, laws or regulations of other governments.

Interfund Transactions

Interfund receivables and payables arise from interfund transactions and are recorded by all funds affected in the period in which transactions are executed. At year end, outstanding balances between funds are reported as "due to/from other funds." Nonrecurring or nonroutine permanent transfers of equity are reported as residual equity transfers. All other interfund transfers are reported as operating transfers. Any residual balances outstanding between the governmental activities and business-type activities are reported in the government-wide financial statements as "internal balances."

Inventory

Inventory is valued at lower of cost (first in, first out) or market.

Accounts Receivable

The Town considers all receivables fully collectible.

Note 1 - Summary of Significant Accounting Policies - (continued)

Fund Balance

In the fund financial statements, Governmental Funds report the following classifications:

- Non-spendable fund balance amounts that are not in spendable form (such as inventory) or are required to be maintained intact;
- Restricted fund balance-amounts constrained to specific purposes by their providers (such as grantors, bondholders, and higher levels of government), through constitutional provisions or by enabling legislation;
- Committed fund balance-amounts constrained to specific purposes by a government itself, using its highest level of decision-making authority; to be reported as committed, amounts cannot be used for any other purpose unless the government takes the same highest level action to remove or change the constraint;
- Assigned fund balance-amounts a government intends to use for a specific purpose; intent can be expressed by the governing body or by an official or body to which the governing body delegates the authority;
- Unassigned fund balance-amounts that are available for any purpose; positive amounts are reported only in the general fund.

When an expenditure is incurred for purposes for which both restricted and unrestricted fund balance is available, the Town considers restricted funds to have been spent first. When an expenditure is incurred for which committed, assigned, or unassigned fund balances are available, the Town considers amounts to have been spent first out of committed funds, then assigned funds, and finally unassigned funds, as needed, unless Town Council has provided otherwise in its commitment or assignment actions.

Note 2 - Reconciliation of Government-wide and Fund Financial Statements

The governmental funds balance sheet includes reconciliation between fund balances total governmental funds and net position - governmental activities as reported in the government-wide statement of net position. Additionally, the governmental fund statement of revenues, expenditures, and changes in fund balances includes reconciliation between net change in fund balances - total governmental funds and changes in net position of governmental activities as reported in the government-wide statement of activities.

These reconciliations detail items that require adjustment to convert from the current resources measurement and modified accrual basis for government fund statements to the economic resources measurement and full accrual basis used for government-wide statements. However, certain items having no effect on measurement and basis of accounting were eliminated from the governmental fund statements during the consolidation of governmental activities.

Note 3 - Tax, Spending and Debt Limitations

Colorado voters passed an amendment to the State Constitution, Article X, Section 20, which has several limitations, including revenue raising, spending abilities, and other specific requirements of state and local governments, excluding “enterprises.” The Town’s voters on November 8, 1994, approved a ballot measure to permit the Town to collect, retain and expend the full proceeds of the Town’s sales tax, and federal and state grants.

The Amendment is complex and subject to judicial interpretation. The Town believes it is in compliance with the requirements of the amendment.

The Amendment requires that an emergency reserve be maintained at three percent of fiscal year spending. A portion of the General, Road Maintenance and Park and Recreation Fund’s fund balances are classified as restricted for emergencies as required by the Amendment. The amount restricted at December 31, 2016 was $21,627.

Note 4 - Budgets

The Town adheres to the following procedures in establishing budgetary data reflected in the financial statements:

A. By August 1st of each year, the manager shall give public notice of budget preparation for the next fiscal year. The manager asks that all Town departments, boards, commissions or citizens submit within thirty days from the notice, any request for funds under the budget being prepared.

   The manager, then prepares a proposed budget for the ensuing fiscal year and submits it to the Council no later than forty-five days prior to any date required by state law for the certification to the County of the tax levy.

B. The budget provides a complete financial plan of all Town funds and activities for the ensuing fiscal year indicating anticipated revenues, proposed operating and capital expenditures, a provision for contingencies, and anticipated net surplus or deficit for the ensuing fiscal year.

C. A public hearing on the proposed budget is held by the Council in early December.

D. The Council adopts the budget by resolution on or before the final day established by law for the certification of the ensuing year’s tax levy to the County. Adoption of the budget by the Council shall constitute appropriations of the amounts specified therein as expenditures from the funds indicated and shall constitute a levy of the property tax therein proposed.

Note 4 - Budgets- (continued)

E. If during the fiscal year the manager determines that there are expenses in excess of those estimated in the budget, the Council by ordinance may make supplemental appropriations for the year up to the amount of such excess. To meet an emergency affecting public property, health, peace or safety, the Council may make emergency appropriations. If at any time during the fiscal year it appears probable to the manager that the revenues available will be insufficient to meet the amount appropriated, the manager reports to the Council, indicating the estimated amount of deficit, any remedial action already taken, and a recommendation as to any other steps to be taken. Any time during the fiscal year the manager may transfer part or all of any unencumbered appropriation balance within a department.

F. Budget appropriations lapse at the end of each year.

G. Expenditures may not exceed appropriations at the fund level. Budget amounts included in the financial statements are based on the final amended budget. There was one revision made to the original budget.

H. Budgets for governmental funds are adopted on a basis consistent with accounting principles generally accepted in the United States of America (GAAP), except for long-term receivables and advances and capital lease financing which are budgeted when liquidated rather than when the receivable/liability is incurred. Budgets for enterprise funds are adopted on a basis consistent with the spending measurement focus of the governmental funds.

Revenues	Final Budget	Actual	Variance Favorable (Unfavorable)
GAAP based revenues	$	$ 823,610	$
Add:			
Grants		-	-
Tap fees and water rights		32,500	-
Total budgetary revenues	$ 764,970	$ 856,110	$ 91,140
Expenditures			
GAAP based expenses	$	$ 748,150	$
Add (deduct):			
Depreciation		(177,786)	
Decrease in accrued expenses			
Acquisition of capital assets		-	-
Total budgetary expenses	$ 1,074,700	$ 570,364	$ 504,336

Note 5 - Deposits and Investments

Deposits

The Colorado Public Deposit Protection Act (PDPA) requires that all units of local government deposit cash in eligible public depositories; eligibility is determined by state regulators. Amounts on deposit in excess of federal insurance levels must be collateralized. The eligible collateral is determined by the PDPA. PDPA allows the institution to create a single collateral pool for all public funds. The pool is to be maintained by another institution or held in trust for all the uninsured public deposits as a group. The market value of the collateral must be at least equal to the aggregate uninsured deposits. Collateral in the pool is considered to be equal to depository insurance pursuant to definitions listed in GASB Statement No. 40. At December 31, 2016, the carrying amount of the Town’s deposits was $ 5,882,352 the bank balance of the Town's deposits was $ 5,878,199 of which $ 513,767 was covered by federal depository insurance and $ 5,364,432 was collateralized under PDPA.

The Town maintains a cash pool that is available to the General Fund, Special Revenue Funds and Enterprise Fund.

Cash and Cash Equivalents	
Cash in bank accounts	$ 5,045,018
Certificates of deposits	837,334
Cash with county treasurer and cash on hand	1,648
Total	$ 5,884,000

Interest rate risk-The town does not have a formal policy limiting investment maturities, other than that established by the state statue of five years, which would help manage its exposure to fair value losses from increasing interest rates.

Credit risk-Credit risk is the risk that the issuer or other counterparty to an investment will not fulfill its obligations. It is the Town’s policy to limit its investments to U.S. Treasury obligations, certain U.S. government agencies securities, commercial paper, local government investment pools, repurchase agreements and money market funds.

Custodial Credit Risk- 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 investment or collateral securities that are in the possession of an outside party.

Note 6 - Risk Management

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

Note 6 - Risk Management- (continued)

The Town purchases general liability and property insurance through commercial insurers to provide coverage of all losses, claims and judgments. Claims have not exceeded coverage in any of the last three fiscal years.

Note 7 - Retirement Plans

Defined Contribution Plan

The Town has a defined contribution plan for its employees which is administered by Colorado County Officials and Employees Retirement Association (CCOERA). In a defined contribution plan, benefits depend solely on amounts contributed to the plan, plus investment earnings. Employees are eligible to participate at the date of employment. Both the employees and the Town make a basic contribution of 4% of the employee's salary. Employees may make additional voluntary contributions not to exceed 10% of compensations. Participants vest in employer contributions and in earnings, losses and changes in fair market value of Plan assets at a rate of 20% per year. Any nonvested Town contributions forfeited by an employee who leaves the Town's employment are remitted to the Town.

The Town's total payroll in 2016 was $345,529. The total payroll covered by the plan was $280,186. A contribution of $20,064 was made to the plan in 2016. This contribution consisted of the Town's contribution of $10,032 and the employee's contributions of $10,032.

Note 8 - Capital Assets

Capital asset activities for the year ended December 31, 2016, was as follows:

	Balance 1/1/2016	Additions	Deletions	Balance 12/31/2016
Governmental Activities:				
Capital assets not being depreciated				
Land	$ 322,258	$ -	$ -	$ 322,258
Capital assets being depreciated				
Buildings	1,146,018	-	-	1,146,018
Equipment and Furniture	370,119	-	-	370,119
Infrastructure	1,732,409	29,044	-	1,761,453
Ball Fields and Parks	763,009	18,810	-	781,819
Less: Accumulated depreciation	(1,096,169)	(107,094)	-	(1,203,263)
	2,915,386	(59,240)	-	2,856,146
Governmental Activities:				
Capital assets, net	$ 3,237,644	$ (59,240)	$ -	$ 3,178,404

Note 8 - Capital Assets- (continued)

Business-Type Activities:				
Capital assets not being depreciated				
Land and water rights	$ 1,512,000	$ -	$ -	$ 1,512,000
Capital assets being depreciated				
Buildings and improvements	178,261	-	-	178,261
Equipment and furniture	138,134	-	-	138,134
Distribution system	8,959,962	-	-	8,959,962
Less: Accumulated depreciation	(2,885,175)	(177,787)	-	(3,062,962)
	6,391,182	(177,787)	-	6,213,395
Business-Type Activities:				
Capital assets, net	$ 7,903,182	$ (177,787)	$ -	$ 7,725,395

Depreciation expense was charged to functions/programs of the Towns as follows:

General government	$ 22,768
Public works	56,717
Culture and recreation	27,609
	$ 107,094
Water Fund	$ 177,787

Town of Orchard City
Schedule of Revenues, Expenditures and Changes in Fund Balance
Budget and Actual - General Fund
For the Year Ended December 31, 2016

Revenues	**Original Budget**	**Final Budget**	**Actual**	**Favorable (Unfavorable)**
Taxes:				
Franchise	$ 68,000	$ 68,000	$ 82,034	$ 14,034
	68,000	68,000	82,034	14,034
Intergovernmental				
Other taxes	1,200	1,200	1,168	(32)
Sales tax	150,000	150,000	204,414	54,414
Severance tax	21,000	21,000	19,034	(1,966)
Mineral leasing	16,000	16,000	27,807	11,807
Planning commission	500	500	876	376
Total intergovernmental	188,700	188,700	253,299	64,599
License and permits	4,726	4,726	13,359	8,633
Miscellaneous				
Interest on deposits	1,000	1,000	8,071	7,071
Rent	1,000	1,000	920	(80)
Other	300	300	3,230	2,930
Total revenues	263,726	263,726	360,913	97,187
Expenditures				
Salaries and benefits	63,150	63,150	61,310	1,840
Utilities	3,500	3,500	2,496	1,004
Telephone	1,000	1,000	818	182
Office supplies	3,200	3,200	3,494	(294)
Postage	1,000	1,000	820	180
Computer support	9,000	9,000	8,818	182
Building repairs and supplies	11,000	11,000	5,463	5,537
Trash removal	1,300	1,300	1,047	253
Janitorial services	10,621	10,621	10,160	461
Insurance	6,924	6,924	6,924	-
Town clothing	2,000	2,000	1,381	619
Vehicle expense	-	-	35	(35)
Dues and subscriptions	1,000	1,000	1,078	(78)
Newsletter	7,000	7,000	-	7,000
Website	1,250	1,250	1,377	(127)
Trustee fees and other	20,500	20,500	19,180	1,320
Conference and schools	5,200	5,200	238	4,962
Town picnic and other	10,000	10,000	8,356	1,644
Miscellaneous	150	150	146	4
Board meeting and supplies	5,000	5,000	1,381	3,619
Community room help	2,000	2,000	698	1,302
Planning commission	1,000	1,000	615	385
Public notices and ads	1,700	1,700	601	1,099
Professional fees	12,497	12,497	8,108	4,389
Elections	4,000	4,000	3,189	811
Records management	5,000	5,000	-	5,000
GIS update mapping	1,500	1,500	400	1,100
Treasurer's fees	250	250	185	65
Total general government	190,742	190,742	148,318	42,424

See accompanying notes to the basic financial statements.

Town of Orchard City
Schedule of Revenues, Expenditures and Changes in Fund Balance
Budget and Actual - General Fund
For the Year Ended December 31, 2016

Building department				
Supplies	1,000	1,000	1,273	(273)
Training and meetings	1,000	1,000	285	715
Vehicle expense	3,775	3,775	558	3,217
Total Building department	5,775	5,775	2,116	3,659
Public safety				
Police protection	50,000	50,000	53,900	(3,900)
Mosquito control	13,500	13,500	-	13,500
Juvenile diversion	3,443	3,443	3,365	78
Total public safety	66,943	66,943	57,265	9,678
Donations				
Dolphin House	1,500	1,500	1,500	-
DCED	1,000	1,000	1,000	-
All points transportation	2,869	2,869	2,869	-
Animal control	1,000	1,000	1,000	-
Food bank	1,200	1,200	1,200	-
Student of the month	900	900	800	100
DCHA	1,000	1,000	750	250
Hospice	2,750	2,750	1,000	1,750
Total donations	12,219	12,219	10,119	2,100
Contingency	11,603	11,603	-	-
Capital Outlay	60,000	60,000	-	60,000
Total expenditures	347,282	347,282	217,818	117,861
Excess of revenues over (under) expenditures	(83,556)	(83,556)	143,095	215,048
Other Financing sources (uses)				
Transfer out	(40,340)	(40,340)	(40,340)	-
Excess of revenues and sources over and (under) expenditures and use	(123,896)	(123,896)	102,755	215,048
Fund balance - January 1	2,467,139	2,467,139	2,560,930	93,791
Fund balance - December 31	$ 2,343,243	$ 2,343,243	$ 2,663,685	$ 308,839

See accompanying notes to the basic financial statements.

Town of Orchard City
Schedule of Revenues, Expenditures and Changes in Fund Balance
Budget and Actual - Road Maintenance Fund
For the Year Ended December 31, 2016

Revenues	**Original Budget**	**Final Budget**	**Actual**	**Favorable (Unfavorable)**
Intergovernmental				
State shared				
HUTF	$ 137,980	$ 137,980	$ 146,355	$ 8,375
Motor vehicle fees	13,000	13,000	18,150	5,150
Motor vehicle - sales tax	2,000	2,000	2,018	18
County road and bridge	10,000	10,000	9,272	(728)
Total intergovernmental	162,980	162,980	175,795	12,815
Miscellaneous				
Interest on deposits	200	200	1,673	1,473
Other	-	-	410	410
Total revenues	163,180	163,180	177,878	14,698
Expenditures				
Public Works:				
Salaries and benefits	63,755	63,755	35,597	28,158
Snow removal	10,500	10,500	61	10,439
Travel and training	2,000	2,000	-	2,000
Vehicle expense	7,300	7,300	7,752	(452)
Improvement projects	115,000	115,000	29,045	85,955
Street sign	2,500	2,500	750	1,750
Miscellaneous	3,000	3,000	268	2,732
Utilities and telephone	3,350	3,350	2,682	668
Insurance	3,462	3,462	3,462	-
Professional fees	1,500	1,500	1,494	6
Weed Control	1,000	1,000	210	790
Repairs and maintenance	13,200	13,200	379	12,821
Supplies and materials-streets	9,300	9,300	21,683	(12,383)
Capital Outlay	30,000	30,000	-	30,000
Reserves	7,976	7,976	-	7,976
Total Expenditures	273,843	273,843	103,383	170,460
Excess (deficiency) of revenues over expenditures	(110,663)	(110,663)	74,495	185,158
Fund balance - January 1	429,399	429,399	480,056	50,657
Fund balance - December 31	$ 318,736	$ 318,736	$ 554,551	$ 235,815

See accompanying notes to the basic financial statements.

Town of Orchard City
Park and Recreation Fund
Schedule of Revenues, Expenditures and Changes in Fund Balance
Budget and Actual
Year Ended December 31, 2016

	Original Budget	Final Budget	Actual	Favorable (Unfavorable)
Revenues				
Franchise taxes	$ 5,000	$ 5,000	$ 5,850	$ 850
Lease income	1,500	1,500	1,870	370
Miscellaneous	2,500	2,500	3,170	670
Total Revenues	9,000	9,000	10,890	1,890
Expenditures				
Salaries and benefits	18,732	18,732	15,553	3,179
Utilities and telephone	8,550	8,550	7,391	1,159
Vehicle Expenses	9,000	9,000	1,151	7,849
Building maintenance	1,000	1,000	210	790
Landscaping	1,500	1,500	-	1,500
Insurance	3,462	3,462	3,462	-
Equipment maintenance	1,000	1,000	83	917
Park maintenance	15,000	15,000	11,180	3,820
Miscellaneous	1,700	1,700	1,819	(119)
Audit and budget	1,500	1,500	1,494	6
Tabor reserve	1,844	1,844	-	1,844
Total expenditures	63,288	63,288	42,343	20,945
Excess (deficiency) of revenues over expenditures	(54,288)	(54,288)	(31,453)	22,835
Other Financing Sources (Uses)				
Transfer in	40,340	40,340	40,340	-
Total other financing sources (uses)	40,340	40,340	40,340	-
Net change to fund balance	(13,948)	(13,948)	8,887	22,835
Fund balance, January 1	13,948	13,948	17,934	3,986
Fund balance, December 31	$ -	$ -	$ 26,821	$ 26,821

Town of Orchard City
Conservation Trust Fund
Statement of Revenues, Expenditures and Changes in Fund Balance
Budget and Actual
Year Ended December 31, 2016

	Original Budget	Final Budget	Actual	Favorable (Unfavorable)
Revenues				
State Lottery Funds	$ 28,000	$ 28,000	$ 33,549	$ 5,549
Contributions-County	-	19,310	19,310	
Interest earnings	15	15	59	44
Total revenues	28,015	47,325	52,918	5,593
Expenditures				
Culture and recreation				
Capital Outlay	8,000	27,310	26,978	332
Total expenditures	8,000	27,310	26,978	332
Excess of revenues over (under) expenditures	20,015	20,015	25,940	5,925
Fund balance, January 1	106,657	106,657	108,069	1,412
Fund balance, December 31	$ 126,672	$ 126,672	$ 134,009	$ 7,337

Town of Orchard City
Water Fund
Schedule of Revenues, Expenditures and Changes in Available Resources-Budget and Actual
(Non-GAAP Budgetary Basis)
Year Ended December 31, 2016

	Original Budget	Final Budget	Actual	Favorable (Unfavorable)
Revenues				
Charges for services	$ 626,600	$ 626,600	$ 663,531	$ 36,931
Supplies and repairs	1,000	1,000	2,442	1,442
Interest on earnings	800	800	5,162	4,362
Subdivision line upgrade	5,000	5,000	1,314	(3,686)
Miscellaneous	500	500	4,134	3,634
Total revenues	633,900	633,900	676,583	42,683
Expenditures				
Salaries and benefits	460,307	460,307	361,277	99,030
Purchased services, supplies and materials	59,500	59,500	46,564	12,936
Repairs and maintenance	231,900	231,900	76,714	155,186
Capital outlay	195,000	195,000	-	195,000
Miscellaneous	4,500	4,500	4,607	(107)
Utilities	21,000	21,000	16,403	4,597
Telephone	7,200	7,200	5,809	1,391
Insurance	13,848	13,848	14,445	(597)
Professional services	19,000	19,000	2,988	16,012
Office expenses	15,745	15,745	9,762	5,983
Training and travel	3,100	3,100	1,064	2,036
Vehicle expense	19,600	19,600	12,496	7,104
Water assessments	6,000	6,000	5,734	266
Safety equipment	8,000	8,000	2,173	5,827
Contingency	10,000	10,000	10,328	(328)
Total expenditures	1,074,700	1,074,700	570,364	504,336
Excess of revenues over (under) expenditures	(440,800)	(440,800)	106,219	547,019
Available resources-January 1	1,315,014	1,315,014	1,532,316	217,302
Available resources-December 31	$ 874,214	$ 874,214	$ 1,638,535	$ 764,321

Town of Orchard City
Water Capital Construction Fund
Schedule of Revenues, Expenditures and Changes in Available Resources-Budget and Actual
(Non-GAAP Budgetary Basis)
Year Ended December 31, 2016

	Original Budget	Final Budget	Actual	Favorable (Unfavorable)
Revenues				
Charges for services	$ 128,544	$ 128,544	$ 129,615	$ 1,071
Tap fees	-	-	32,500	32,500
Interest	300	300	2,774	2,474
Meadow View line payment	2,226	2,226	4,638	2,412
Total revenues	131,070	131,070	169,527	38,457
Expenditures				
Capital outlay-transmission line	-	-	-	-
Total expenditures	-	-	-	-
Excess of revenues over (under) expenditures	131,070	131,070	169,527	38,457
Available resources-January 1	985,554	985,554	988,351	2,797
Available resources-December 31	$ 1,116,624	$ 1,116,624	$ 1,157,878	$ 41,254

Town of Orchard City
Water Acquisition Fund
Schedule of Revenues, Expenditures and Changes in Available Resources-Budget and Actual
(Non-GAAP Budgetary Basis)
Year Ended December 31, 2016

	Original Budget	Final Budget	Actual	Favorable (Unfavorable)
Revenues				
Water Conveyance Fee	$ -	$ -	$ 10,000	$ 10,000
Total revenues	-	-	10,000	10,000
Expenditures				
Capital outlay	-	-	-	-
Total expenditures	-	-	-	-
Excess of revenues over (under) expenditures	-	-	10,000	10,000
Available resources-January 1	10,000	10,000	10,000	-
Available resources-December 31	$ 10,000	$ 10,000	$ 20,000	$ 10,000

Calendar Year 2016

LOCAL HIGHWAY FINANCE REPORT

COUNTY/CITY: Orchard City

II - RECEIPTS FOR ROAD AND STREET PURPOSES

A. Receipts from local sources		
2. General Fund Appropriations:	$	0.00
3. Other local imposts: *from A.3. 'Total' below)*	$	
4. Miscellaneous local receipts: *from A.4. 'Total' below)*	$	
5. Transfers from toll facilities	$	0.00
6. Proceeds of sale of bonds and notes		
a. Bonds - Original Issues:	$	0.00
b. Bonds - Refunding Issues:	$	0.00
c. Notes:	$	0.00
SubTotal:	$	
B. Private Contributions	$	0.00

II - RECEIPTS FOR ROAD AND STREET PURPOSES (Detail)

A.3. Other local imposts		
a. Property Taxes and Assessments	$	0.00
b. Other Local Imposts		
1. Sales Taxes:	$	2,018.00
2. Infrastructure and Impact Fees:	$	0.00
3. Liens:	$	0.00
4. Licenses:	$	0.00
5. Specific Ownership and/or Other:	$	9,272.00
Total: *(a + b) carried to 'Other local imposts' above)*	$	

A.4. Miscellaneous local receipts		
a. Interest on Investments:	$	1,673.00
b. Traffic fines & Penalties:	$	0.00
c. Parking Garage Fees:	$	0.00
d. Parking Meter Fees:	$	0.00
e. Sale of Surplus Property:	$	0.00
f. Charges for Services:	$	0.00
g. Other Misc. Receipts:	$	0.00
h. Other:	$	395.00
Total: *(a through h) carried to 'Misc local receipts' above)*	$	

C. Receipts from State Government

1. Highway User Taxes:	$	146,354.00
3. Other State funds:		
c. Motor Vehicle Registrations:	$	18,150.00
d. Other: Comments: undefined	$	0.00
e. Other: Comments: undefined	$	0.00
Total: *(1+3c,d,e)*	$	

D. Receipts from Federal Government

2. Other Federal Agencies		
a. Forest Service:	$	0.00
b. FEMA:	$	0.00
c. HUD:	$	0.00
d. Federal Transit Administration:	$	0.00
e. U.S. Corp of Engineers	$	0.00
f. Other Federal:	$	0.00
Total: *(2a-f)*	$	

III - DISBURSEMENTS FOR ROAD AND STREET PURPOSES

A. Local highway disbursements

1. Capital outlay: *(from A.1.d. 'Total Capital Outlay' below)*	$	
2. Maintenance:	$	0.00
3. Road and street services		
a. Traffic control operations:	$	0.00
b. Snow and ice removal:	$	61.00
c. Other:	$	22,014.00
4. General administration & miscellaneous	$	51,255.00
5. Highway law enforcement and safety	$	0.00
Total: *(A.1-5)*	$	

B. Debt service on local obligations

1. Bonds		
a. Interest	$	0.00
b. Redemption	$	0.00
2. Notes		
a. Interest	$	0.00
b. Redemption	$	0.00
SubTotal: *(1+2)*	$	

C. Payments to State for Highways:	$	0.00
D. Payments to Toll Facilities:	$	0.00
Total Disbursements: *(A+B+C+D)*	$	

III - DISBURSEMENTS FOR ROAD AND STREET PURPOSES - (Detail)

A.1. Capital Outlay	A. ON NATIONAL HIGHWAY SYSTEM	B. OFF NATIONAL HIGHWAY SYSTEM	C. TOTAL
a. Right-Of-Way Costs:	$ 0.00	$ 0.00	$
b. Engineering Costs:	$ 0.00	$ 0.00	$
c. Construction			
1. New Facilities:	$ 0.00	$ 0.00	$
2. Capacity Improvements:	$ 0.00	$ 0.00	$
3. System Preservation:	$ 0.00	$ 29,045.00	$
4. System Enhancement:	$ 0.00	$ 0.00	$
5. Total Construction:			$
d. Total Capital Outlay: *(Lines A.1.a. + 1.b. + 1.c.5)*			$

IV. LOCAL HIGHWAY DEBT STATUS

	OPENING DEBT	AMOUNT ISSUED	REDEMPTIONS	CLOSING DEBT
A. Bonds (Total)	$ 0.00	$ 0.00	$ 0.00	$
1. Bonds (Refunding Portion)		$ 0.00	$ 0.00	$
B. Notes (Total):	$ 0.00	$ 0.00	$ 0.00	$

V - LOCAL ROAD AND STREET FUND BALANCE

A. Beginning Balance	**B. Total Receipts**	**C.Total Disbursements**	**D. Ending Balance**	**E. Reconciliation**
$ 102,316.00	$ 177,862.00	$ 102,375.00	$ 177,803.00	$ 0.00

Notes & Comments:
undefined

Date Submitted: