TOWN OF ORDWAY, COLORADO

FINANCIAL STATEMENTS

December 31, 2016

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Logan and Associates, LLC
CERTIFIED PUBLIC ACCOUNTANTS

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Logan and Associates, LLC
CERTIFIED PUBLIC ACCOUNTANTS

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INDEPENDENT AUDITOR'S REPORT

Honorable Mayor and Members of Town Council
Town of Ordway
Ordway, Colorado

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 Ordway (the "Town") as of and for the year ended December 31, 2016, and the related notes to the financial statements, which collectively comprise the Town's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with the 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 of material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the Town'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 Town'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 reasonable 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 Ordway as of December 31, 2016, and the respective changes in financial position and cash flows, where applicable, for the year then ended, in accordance with accounting principles generally accepted in the United States of America.

Emphasis of Matter

As discussed in Note 9 to the financial statements, the Town restated beginning balances to the December 31, 2016 financial statements for reporting cash, certain accounts receivables, and accrued liabilities. Our opinion is not modified with respect to this matter.

Other Matters

Required Supplementary Information
Accounting principles generally accepted in the United States of America require that the management's discussion and analysis, budgetary comparison schedules – General and Street Funds, schedule of changes in the Town's net pension liability(assets) and related ratios, schedules of Town contributions and the notes to required supplementary information on pages i – vii and 29 – 34 be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the GASB 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.

Supplementary Information
Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Town's basic financial statements. The accompanying combining and individual fund financial statements and schedules, and local highway finance report are presented for purposes of additional analysis and are not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated, in all material respects, in relation to the basic financial statements taken as a whole.

Logan and Associates, LLC

Aurora, Colorado
January 18, 2018

TOWN OF ORDWAY, COLORADO
Management's Discussion and Analysis
Fiscal Year Ended December 31, 2016

As management of the Town of Ordway (the "Town"), we offer readers of the Town's basic financial statements this narrative overview and analysis of the Town for the fiscal year ended December 31, 2016. We encourage readers to consider the information presented here in conjunction with additional information provided in the financial statement.

FINANCIAL HIGHLIGHTS

- The Town's assets exceeded it liabilities by $4,042,105 (i.e. net position page 2) as of December 31, 2016 an increase of $378,449 in comparison to the prior year.
- Governmental funds reported combined ending fund balances of $366,400, an increase of $180,438 in comparison with the prior year.
- The Town's fund balance for the General Fund was $ (33,064), an increase of $139,065 in comparison to the prior year.
- Total long-term liabilities decreased by $90,499 during the 2016 fiscal year with no new debt.
- General property tax, sales tax, and other tax totaled $320,026 or 73.0% of the general revenues.

OVERVIEW OF FINANCIAL STATEMENTS

This discussion and analysis is intended to serve as an introduction to the Town's basic financial statements. The basic statements are comprised of three components: 1) government-wide financial statements, 2) fund financial statements, and 3) notes to the financial statements.

Government-wide Financial Statements

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

The **statement of net position** presents information on all the Town's assets, deferred outflows of resources, liabilities and deferred inflows of resources, with the differences being reported as net position. Over time, the increases or decreases in net position may serve as a useful indictor of whether the financial position of the Town is improving or deteriorating.

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

The government-wide financial statements distinguish functions of the Town that are principally supported by taxes and intergovernmental revenues (*Governmental Activities*) from other functions that are intended to recover all or a significant portion of their cost through user fees and charges (*Business-type Activities*). The Governmental Activities of the Town include general government administration, public works, public safety, parks and recreation, library, community service and economic development. The Business-type Activities of the Town include the following utilities: water, sewer, and sanitation.

Fund Financial Statements

A fund is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. Fund accounting is used to ensure and demonstrate compliance with finance-related legal requirements. The Town's fund 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 *short-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 short-term financial requirements. The accounting method is called *modified accrual* accounting.

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 *governmental funds* with similar information presented for *governmental activities* in the government-wide financial statements. By doing so, readers may better understand the long-term impact of the government's short-term financing decisions. Both governmental fund balance sheet and the governmental fund statement of revenues, expenditures, and change in fund balances provide a reconciliation to facilitate this comparison between *governmental funds* and *governmental activities.*

The Town maintains two major government funds, which are the General Fund and the Street Fund. Information is presented separately in the governmental fund balance sheet and in the governmental fund statement of revenues, expenditures, and changes in fund balances for the governmental funds.

Proprietary Funds – The Town maintains one proprietary fund. *Enterprise Funds* are used to report the same function presented as business-type activities in the government-wide financial statements. The Town uses a separate enterprise fund to account for each of its utility funds: Water, Sewer, and Sanitation Funds.

Notes to Financial Statements

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

GOVERNMENT-WIDE FINANCIAL ANALYSIS

Net Position

As noted previously, net position may serve over time as a useful indicator of the Town's financial position. For the year ended December 31, 2016, the Town's combined assets and deferred outflows of resources exceeded liabilities and deferred inflow of resources by $4,042,105. Of this amount, $1,043,993 is unrestricted and available to meet the Town's ongoing financial obligations.

By far the largest portion of net position is the investment in capital assets (net of related debt) of $2,908,891 (72% of net position). This amount reflects the investment in all capital assets (e.g. infrastructure, land, buildings, and equipment) less any related debt used to acquire those assets that are still outstanding. These capital assets are used to provide service to citizens; consequently, these assets are not available for future spending. Although the investment in capital assets is reported net of debt, it should be noted that the resources needed to repay this debt must be provided from other sources since capital assets themselves cannot be used to liquidate these liabilities.

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

	Governmental Activities 2016	Governmental Activities 2015	Business Type Activities 2016	Business Type Activities 2015	Totals 2016	Totals 2015
ASSETS						
Current and Other Assets	$ 465,716	$ 286,684	$ 682,055	$ 663,998	$1,147,771	$ 950,682
Net Pension Asset	119,367	124,482	-	-	119,367	124,482
Capital Assets	1,100,919	992,011	2,544,312	2,645,317	3,645,231	3,637,328
TOTAL ASSETS	1,686,002	1,403,177	3,226,367	3,309,315	4,912,369	4,712,492
Deferred Outflows of Resources	10,801	1,844	-	-	10,801	1,844
LIABILITIES						
Current Liabilities	9,789	15,903	17,693	105,263	27,482	121,166
Noncurrent Liabilities						
Due within One Year	14,367	27,677	65,969	-	80,336	27,677
Due in More than One Year	15,172	-	647,531	749,913	662,703	749,913
Meter Deposits	-	-	20,817	16,680	20,817	16,680
TOTAL LIABILITIES	39,328	43,580	752,010	871,856	791,338	915,436
Deferred Inflow of Resources	89,527	89,694	-	-	89,527	89,694
NET POSITION						
Net Investment in Capital Assets	1,074,492	964,334	1,834,399	1,847,947	2,908,891	2,812,281
Restricted	89,221	9,500	-	57,092	89,221	66,592
Unrestricted	404,235	297,913	639,758	532,420	1,043,993	830,333
TOTAL NET POSITION	$ 1,567,948	$ 1,271,747	$ 2,474,157	$ 2,437,459	$4,042,105	$ 3,709,206

A portion of total net position, $89,221, represents resources that are subject to external restrictions on how they may be used. The remaining balance of unrestricted net position, $1,043,993 (26% of net position) may be used to meet the Town's ongoing obligations to citizens and creditors.

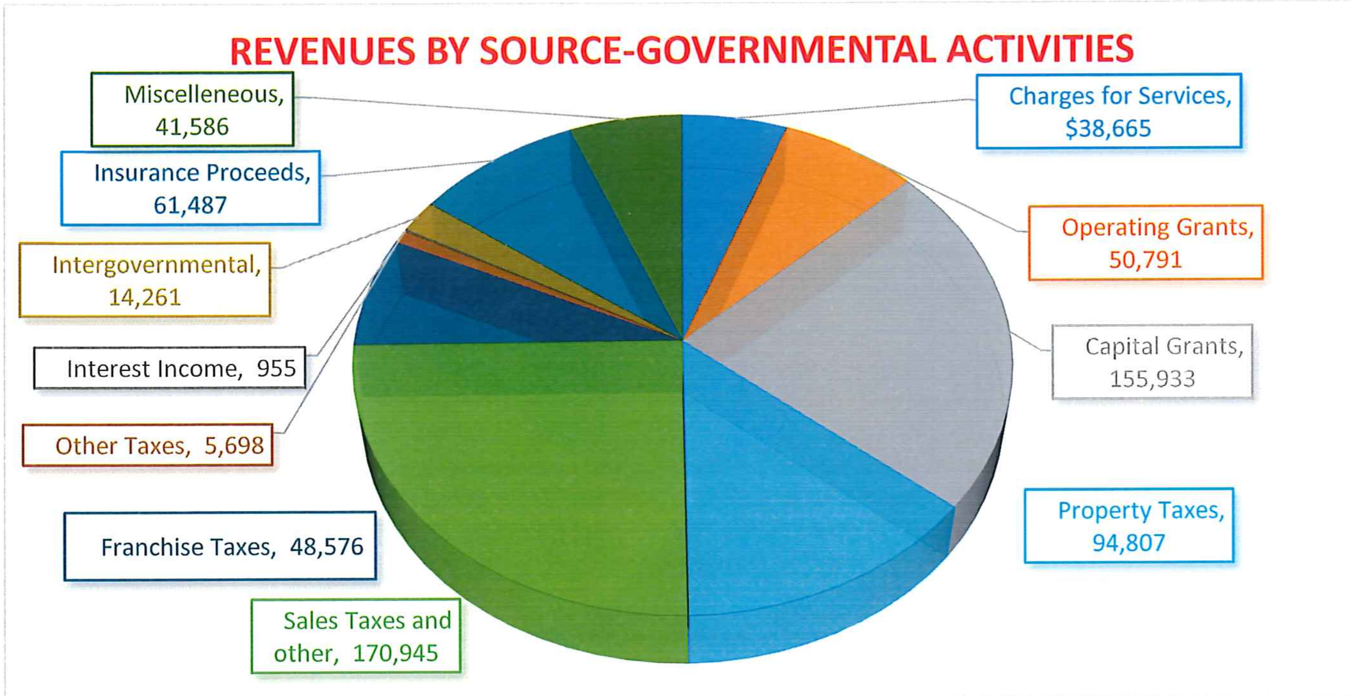
Change in Net Position

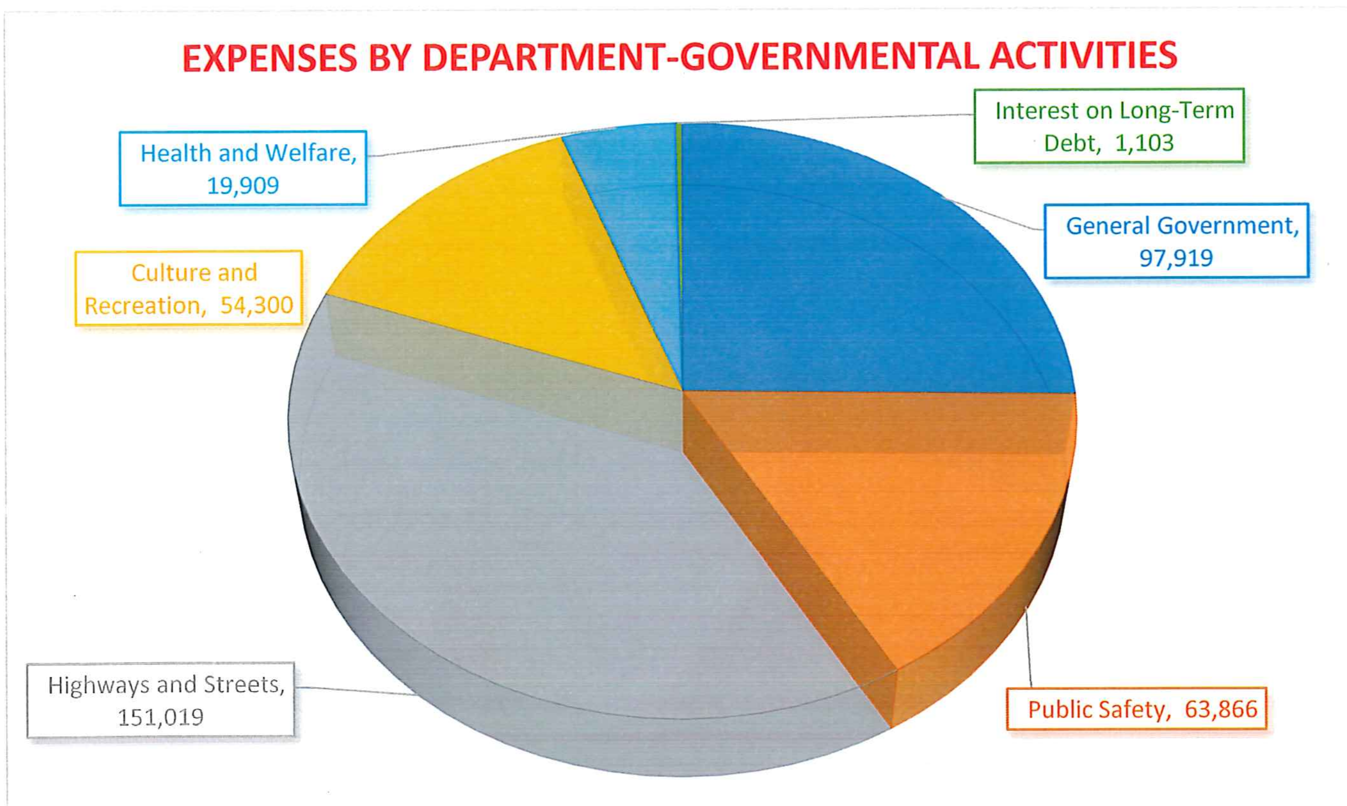
Governmental and business-type activities increased the Town's net position by $378,449 in 2016.

	Governmental Activities 2016	Governmental Activities 2015	Business Type Activities 2016	Business Type Activities 2015	Totals 2016	Totals 2015
REVENUES						
Program Revenues						
Charges for Services	$ 38,665	$ 17,570	$ 602,086	$ 579,741	$ 640,751	$ 597,311
Operating Grants	50,791	37,638			50,791	37,638
Capital Grants	155,933	144,426	29,725		185,658	144,426
General Revenues						
Property Taxes	94,807	84,343	-	-	94,807	84,343
Sales Taxes and other	170,945	186,533	-	-	170,945	186,533
Franchise Taxes	48,576	47,335	-	-	48,576	47,335
Other Taxes	5,698	-	-	-	5,698	-
Interest Income	955	1,268	1,900	3,262	2,855	4,530
Intergovernmental	14,261	14,362	89,000	-	103,261	14,362
Insurance Proceeds	61,487	-	-	-	61,487	-
Miscelleneous	41,586	10,364	19,048	96,908	60,634	107,272
Licenses and Permit	-	3,240	-	-	-	3,240
	683,704	547,079	741,759	679,911	1,425,463	1,226,990
EXPENSES						
General Government	97,919	52,210	-	-	97,919	52,210
Public Safety	63,866	81,298	-	-	63,866	81,298
Highways and Streets	151,019	94,991	-	-	151,019	94,991
Culture and Recreation	54,300	40,910	-	-	54,300	40,910
Health and Welfare	19,909	22,796	652,133	602,657	672,042	625,453
Interest on Long-Term Debt	1,103	-	6,765	-	7,868	-
	388,116	292,205	658,898	602,657	1,047,014	894,862
Increase in Net Position	295,588	254,874	82,861	77,254	378,449	332,128
Beginning, as restated	1,272,360	1,016,873	2,391,296	2,360,205	3,663,656	3,377,078
Ending	$ 1,567,948	$ 1,271,747	$ 2,474,157	$ 2,437,459	$ 4,042,105	$ 3,709,206

Governmental Activities

Governmental activities increased the Town's net position by $295,588.





Business-type Activities

Business-type activities for the year resulted in an increase in net position of $82,861. Charges for services accounted for 84.5% of total revenues.

FINANCIAL ANALYSIS OF GOVERNMENT'S FUNDS

Governmental Funds – The focus of the Town's governmental funds is to provide information on near-term inflows, outflows, and balances of spendable resources. Such information is useful in assessing the Town's financing requirements. In particular, the unreserved fund balance may serve as a useful measure of the Town'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 of $366,400, an increase of $180,438 in comparison with the prior year. Of the combined ending fund balance for all governmental funds, 100% of this total has been restricted, committed, or assigned.

The Town has four major governmental funds, of which the General Fund is the primary operating fund for the Town. At the end of 2016, the unassigned fund balance of the General Fund was $(73,059), while the total fund balance was $(33,064). As a measure of the General Fund's liquidity, it may be useful to compare both unassigned fund balance and total fund balance to total fund expenditures. The fund balance of the General Fund increased by $139,065 during 2016; however, it continues to be subsidized by other funds of the Town.

Propriety funds – The Town'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: Water, Sewer and Sanitation Funds. At the end of 2016, these funds represented the following net position amounts:

Fund:	Water	Sewer	Sanitation
Unrestricted net position	$ 481,259	$ 119,427	$ 39,072
Total net position	$ 1,217,996	$ 1,215,337	$ 40,824
Increase (decrease) in net position	$ 84,841	$ (31,413)	$ 29,824

GENERAL FUND BUDGETARY HIGHLIGHTS

The Town budgeted $140,065 for 2016 expenditures. Actual expenditures were $332,664. There was no amendment to the original budget for the General Fund.

CAPITAL ASSET AND DEBT ADMINISTRATION

The Town's investment in capital assets for it governmental and business-type activities as of December 31, 2016, was $3,645,231. As required by GASB 34, the investment in capital assets includes land, buildings, building improvements, and equipment.

	Beginning Balance	Additions	Deletions	Ending Balance
Governmental Activities				
Capital Asets not being depreciated				
Land	$ 50,493	$ -	$ -	$ 50,493
Capital Assets, being depreciated				
Buildings and Improvements	837,138	-	-	837,138
Infrastructure	99,649	-	-	99,649
Equipment and Other	445,147	154,352	-	599,499
Total Capital Assets, being depreciated	1,381,934	154,352	-	1,536,286
Less accumulated depreciation				
Buildings and Improvements	(148,922)	(4,590)	-	(153,512)
Infrastructure	(12,914)	(19,926)	-	(32,840)
Equipment and Other	(278,580)	(20,928)	-	(299,508)
Total accumulated depreciation	(440,416)	(45,444)	-	(485,860)
Total Capital Assets being depreciated, net	941,518	108,908	-	1,050,426
Governmental Activities Capital Assets, net	$ 992,011	$ 108,908	$ -	$ 1,100,919

	Beginning Balance	Additions	Deletions	Ending Balance
Business-Type Activities				
Capital Asets not being depreciated				
Land	$ 87,596	$ -	$ -	$ 87,596
Capital Assets, being depreciated				
Buildings and Improvements	12,937	-	-	12,937
Equipment	128,934	-	-	128,934
Systems	3,979,122	-	-	3,979,122
Total Capital Assets, being depreciated	4,120,993	-	-	4,120,993
Less accumulated depreciation				
Buildings and Improvements	(7,511)	(602)	-	(8,113)
Equipment	(105,764)	(4,708)	-	(110,472)
Systems	(1,449,997)	(95,695)	-	(1,545,692)
Total accumulated depreciation	(1,563,272)	(101,005)	-	(1,664,277)
Total Capital Assets being depreciated, net	2,557,721	(101,005)	-	2,456,716
Business-Type Activities Capital Assets, net	$ 2,645,317	$ (101,005)	$ -	$ 2,544,312

Long-term Debt

As of December 31, 2016, the Town had long-term debt as follows:

	Balance 1/1/2016	Additions	Deletions	Balance 12/31/2016	Due Within One Year
Governmental Activities					
Street Light Loan	$ 36,170	$ -	$ 9,743	$ 26,427	$ 11,255
Accrued Compensated Absences	-	3,112	-	3,112	3,112
Total Governmental Activties	$ 36,170	$ 3,112	$ 9,743	$ 29,539	$ 14,367
Business-type Activities					
2003 Water Energy/Mineral Impact Assistance Loan	$ 199,671	$ -	$ 20,910	$ 178,761	$ 21,955
2006 Drinking Water Revolving Loan	143,332	-	6,667	136,665	6,667
2008 Drinking Water Revolving Loan	83,820	-	3,810	80,010	3,810
1997 Water Pollution Control Revolving Loan	26,120	-	26,120	-	-
2006 Water Polluton Control Revolving Loan	344,425	-	29,948	314,477	29,950
	797,368	-	87,455	709,913	62,382
Accrued Compensated Absences	-	3,587	-	3,587	3,587
Total Business-type Activities	$ 797,368	$ 3,587	$ 87,455	$ 713,500	$ 65,969

REQUEST FOR INFORMATION

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

Treasurer
Town of Ordway
232 Main St
Ordway, CO 81063
Phone: 719-267-3134

BASIC FINANCIAL STATEMENTS

TOWN OF ORDWAY, COLORADO

STATEMENT OF NET POSITION
December 31, 2016

	PRIMARY GOVERNMENT		
	GOVERNMENTAL ACTIVITIES	BUSINESS TYPE ACTIVITIES	TOTAL
ASSETS			
Cash and Investments	$ 221,373	$ 481,604	$ 702,977
Restricted Cash and Investments	69,021	134,305	203,326
Receivables			
Other Governments	42,603	-	42,603
Accounts	43,192	59,104	102,296
Property Taxes	89,527	-	89,527
Grants	-	6,842	6,842
Net Pension Asset	119,367	-	119,367
Capital Assets, Not Depreciated	50,493	87,596	138,089
Capital Assets, Net of Accumulated Depreciation	1,050,426	2,456,716	3,507,142
TOTAL ASSETS	1,686,002	3,226,167	4,912,169
DEFERRED OUTFLOWS OF RESOURCES			
Related to Defined Benefit Pension Plans	10,801	-	10,801
LIABILITIES			
Accounts Payable	4,082	8,932	13,014
Accrued Liabilities	5,707	5,782	11,489
Meter Deposits Payable	-	20,817	20,817
Accrued Interest	-	2,979	2,979
Noncurrent Liabilities			
Due within One Year	14,367	65,969	80,336
Due in More Than One Year	15,172	647,531	662,703
TOTAL LIABILITIES	39,328	752,010	791,338
DEFERRED INFLOW OF RESOURCES			
Deferred Property Tax Revenue	89,527	-	89,527
NET POSITION			
Net Investment in Capital Assets	1,074,492	1,834,399	2,908,891
Restricted for Emergencies	20,200	-	20,200
Restricted for Culture and Recreation	69,021	-	69,021
Unrestricted	404,235	639,758	1,043,993
TOTAL NET POSITION	$ 1,567,948	$ 2,474,157	$ 4,042,105

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

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TOWN OF ORDWAY, COLORADO

STATEMENT OF ACTIVITIES
Year Ended December 31, 2016

FUNCTIONS/PROGRAMS	EXPENSES	PROGRAM REVENUES: CHARGES FOR SERVICES	PROGRAM REVENUES: OPERATING GRANTS AND CONTRIBUTIONS	PROGRAM REVENUES: CAPITAL GRANTS AND CONTRIBUTIONS
PRIMARY GOVERNMENT				
Governmental Activities				
General Government	$ 97,919	$ 30,451	$ 1,296	$ -
Public Safety	63,866	2,479	-	-
Highways and Streets	151,019	-	43,945	-
Culture and Recreation	54,300	-	5,550	155,933
Health and Welfare	19,909	5,735	-	-
Interest on Long-Term Debt	1,103	-	-	-
Total Governmental Activities	388,116	38,665	50,791	155,933
Business-Type Activities				
Water	302,949	285,299	-	-
Sewer	117,948	125,795	-	48
Sanitation	231,236	190,992	-	29,677
Interest on Long-Term Debt	6,765	-	-	-
Total Business-Type Activities	658,898	602,086	-	29,725
TOTAL PRIMARY GOVERNMENT	$ 1,047,014	$ 640,751	$ 50,791	$ 185,658

GENERAL REVENUES
- Sales and Use Taxes
- Property Taxes
- Franchise Taxes
- Other Taxes
- Grants and Contributions not Restricted to Specific Programs
- Insurance Proceeds
- Lease of Water Shares
- Investment Income
- Miscellaneous

TOTAL GENERAL REVENUES

CHANGE IN NET POSITION

NET POSITION, Beginning, As Restated

NET POSITION, Ending

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

NET (EXPENSE) REVENUE AND CHANGE IN NET POSITION		
PRIMARY GOVERNMENT		
GOVERNMENTAL ACTIVITIES	BUSINESS-TYPE ACTIVITIES	TOTALS
$ (66,172)	$ -	$ (66,172)
(61,387)	-	(61,387)
(107,074)	-	(107,074)
107,183	-	107,183
(14,174)	-	(14,174)
(1,103)	-	(1,103)
(142,727)	-	(142,727)
-	(17,650)	(17,650)
-	7,895	7,895
-	(10,567)	(10,567)
-	(6,765)	(6,765)
-	(27,087)	(27,087)
(142,727)	(27,087)	(169,814)
170,945	-	170,945
94,807	-	94,807
48,576	-	48,576
5,698	-	5,698
14,261	-	14,261
61,487	-	61,487
-	89,000	89,000
955	1,900	2,855
41,586	19,048	60,634
438,315	109,948	548,263
295,588	82,861	378,449
1,272,360	2,391,296	3,663,656
$ 1,567,948	$ 2,474,157	$ 4,042,105

TOWN OF ORDWAY, COLORADO

BALANCE SHEET
GOVERNMENTAL FUNDS
December 31, 2016

	GENERAL FUND	STREET FUND	OTHER GOVERNMENTAL FUNDS	TOTALS
ASSETS				
Cash and Investments	$ -	$ 209,593	$ 11,780	$ 221,373
Restricted Cash and Investments	-	-	69,021	69,021
Due From Other Funds	-	86,887	-	86,887
Due From Other Governments	16,879	25,341	383	42,603
Property Taxes Receivable	38,049	38,049	13,429	89,527
Accounts Receivable	43,192	-	-	43,192
TOTAL ASSETS	$ 98,120	$ 359,870	$ 94,613	$ 552,603
LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND EQUITY				
LIABILITIES				
Accounts Payable	$ 2,754	$ 1,262	$ 66	$ 4,082
Accrued Liabilities	3,494	1,935	278	5,707
Due to Other Funds	86,887	-	-	86,887
TOTAL LIABILITIES	93,135	3,197	344	96,676
DEFERRED INFLOWS OF RESOURCES				
Deferred Property Tax Revenue	38,049	38,049	13,429	89,527
TOTAL DEFERRED INFLOWS OF RESOURCES	38,049	38,049	13,429	89,527
FUND EQUITY				
Fund Balance (Deficit)				
Restricted for Parks and Recreation	-	-	69,021	69,021
Restricted for Emergencies	20,200	-	-	20,200
Committed to Street		318,624		318,624
Committed to Library	-	-	11,819	11,819
Assigned to Capital Improvements	19,795	-	-	19,795
Unassigned	(73,059)	-	-	(73,059)
TOTAL FUND EQUITY	(33,064)	318,624	80,840	366,400
TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND EQUITY	$ 98,120	$ 359,870	$ 94,613	$ 552,603

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

TOWN OF ORDWAY, COLORADO

RECONCILIATION OF THE BALANCE SHEET -
GOVENMENAL FUNDS TO THE STATEMENT OF NET POSITION
December 31, 2016

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

Total Fund Balances of Governmental Funds	$ 366,400
Capital assets used in governmental activities are not financial resources and therefore, are not reported in the funds.	1,100,919
Net Pension Asset is a long-term asset and therefore is not available to pay for current-period expenditures and is not reported in the governmental funds.	119,367
Deferred outflows and inflows of resources related to pensions are applicable to future periods and, therefore, are not reported in the funds:	
Deferred outflows of resources - difference in projected vs actual investment earnings	10,437
Deferred outflows of resources - difference in expected vs actual experience	364
Long-term liabilities and related items are not due and payable in the current period and are not reported in the funds. These include Loans Payable of ($26,427), and Accrued Compensated Absences ($3,112).	(29,539)
Net position of governmental activities	$ 1,567,948

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

STATEMENT OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCES - GOVERNMENTAL FUNDS
Year Ended December 31, 2016

	GENERAL FUND	STREET FUND	OTHER GOVERNMENTAL FUNDS	TOTALS
REVENUES				
Taxes	$ 174,183	$ 132,464	$ 13,379	$ 320,026
Licenses and Permits	13,565	-	-	13,565
Charges for Services	24,301	-	-	24,301
Intergovernmental	156,421	43,945	17,157	217,523
Fines and Forfeitures	510	289	-	799
Contributions/Donations	3,462	-	-	3,462
Investment Income	743	200	12	955
Insurance Proceeds	61,487	-	-	61,487
Miscellaneous	37,057	4,480	49	41,586
TOTAL REVENUES	471,729	181,378	30,597	683,704
EXPENDITURES				
General Government	78,950	-	-	78,950
Public Safety	66,665	-	-	66,665
Highways and Streets	-	135,452	-	135,452
Culture and Recreation	167,552	-	25,150	192,702
Health and Welfare	19,497	-	-	19,497
Debt Service				
Principal	-	8,897	-	8,897
Interest	-	1,103	-	1,103
TOTAL EXPENDITURES	332,664	145,452	25,150	503,266
NET CHANGE IN FUND BALANCES	139,065	35,926	5,447	180,438
FUND BALANCES (DEFICIT), Beginning, As Restated	(172,129)	282,698	75,393	185,962
FUND BALANCES (DEFICIT), Ending	$ (33,064)	$ 318,624	$ 80,840	$ 366,400

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

TOWN OF ORDWAY, COLORADO

RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES - GOVERNMENTAL FUNDS TO THE STATEMENT OF ACTIVITIES
Year Ended December 31, 2016

Amounts Reported for Governmental Activities in the Statement of Activities are Different Because:	
Net Changes in Fund Balances - Total Governmental Funds	$ 180,438
Governmental funds report capital outlays as expenditures. However, in the statement of activities, the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense. This is the amount by which capital outlay $(154,352), exceeded depreciation expense of $45,444 in the current year.	108,908
Repayment of long-term debt principal is an expenditure in the governmental funds, but the repayment reduces long-term liabilities in the statement of net position. This includes loan payments in the current year.	9,743
In the statement of activities, certain operating expenses, pension expense, are measured by the amounts earned during the year. In the governmental funds, however, expenditures for these items are measured by the amount of financial resources used or due (the amounts actually paid). This amount represent the net effect of pension related amounts, including amortization of deferred outflows and deferred inflows of resources related to pensions, in the statement of activities.	3,842
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 the governmental funds. This includes the change in inventory ($4,231) and accrued compensated absences of ($3,112) in the current year.	(7,343)
Change in Net Position of Governmental Activities	$ 295,588

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

TOWN OF ORDWAY, COLORADO

STATEMENT OF NET POSITION
PROPRIETARY FUNDS
December 31, 2016

	WATER FUND	SEWER FUND	SANITATION FUND	TOTALS
ASSETS				
Current Assets				
Cash and Investments	$ 419,107	$ 42,035	$ 20,462	$ 481,604
Restricted Cash and Investments	68,858	65,447	-	134,305
Accounts Receivable	23,790	14,590	20,724	59,104
Inventory	6,842	-	-	6,842
Total Current Assets	518,597	122,072	41,186	681,855
Noncurrent Assets				
Capital Assets, Not Depreciated	82,465	4,676	455	87,596
Capital Assets, Net of Accumulated Depreciation	1,049,710	1,405,709	1,297	2,456,716
Total Noncurrent Assets	1,132,175	1,410,385	1,752	2,544,312
TOTAL ASSETS	1,650,772	1,532,457	42,938	3,226,167
LIABILITIES				
Current Liabilities				
Accounts Payable	8,432	318	182	8,932
Accrued Liabilities	3,152	1,501	1,129	5,782
Meter Deposits Payable	20,817	-	-	20,817
Accrued Interest Payable	2,979	-	-	2,979
Accrued Compensated Absences	1,958	826	803	3,587
Loans Payable, Current Portion	32,432	29,950	-	62,382
Total Current Liabilities	69,770	32,595	2,114	104,479
Noncurrent Liabilities				
Loans Payable	363,006	284,525	-	647,531
Total Noncurrent Liabilities	363,006	284,525	-	647,531
TOTAL LIABILITIES	432,776	317,120	2,114	752,010
NET POSITION				
Net Investment in Capital Assets	736,737	1,095,910	1,752	1,834,399
Unrestricted	481,259	119,427	39,072	639,758
TOTAL NET POSITION	$ 1,217,996	$ 1,215,337	$ 40,824	$ 2,474,157

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

TOWN OF ORDWAY, COLORADO

STATEMENT OF REVENUES, EXPENSES
AND CHANGES IN NET POSITION
PROPRIETARY FUNDS
Year Ended December 31, 2016

	WATER FUND	SEWER FUND	SANITATION FUND	TOTALS
OPERATING REVENUES				
Charges for Services	$ 285,299	$ 125,795	$ 190,992	$ 602,086
Grants - Landfill Closure Costs	-	-	29,677	29,677
Miscellaneous	19,048	-	-	19,048
TOTAL OPERATING REVENUES	304,347	125,795	220,669	650,811
OPERATING EXPENSES				
Operations and Maintenance	256,371	63,808	230,949	551,128
Depreciation	46,578	54,140	287	101,005
TOTAL OPERATING EXPENSES	302,949	117,948	231,236	652,133
OPERATING INCOME (LOSS)	1,398	7,847	(10,567)	(1,322)
NON-OPERATING REVENUES (EXPENSES)				
Investment Income	863	1,037	-	1,900
Lease of Water Shares	89,000	-	-	89,000
Interest Expenses	(6,468)	(297)	-	(6,765)
TOTAL NON-OPERATING REVENUES (EXPENSES)	83,395	740	-	84,135
INCOME (LOSS) BEFORE CAPITAL CONTRIBUTIONS AND TRANSFERS	84,793	8,587	(10,567)	82,813
CAPITAL CONTRIBUTIONS AND TRANSFERS				
Capital Contributions				
Tap Fees	48	-	-	48
Transfers In	-	-	40,000	40,000
Transfers (Out)	-	(40,000)	-	(40,000)
TOTAL CAPITAL CONTRIBUTIONS AND TRANSFERS	48	(40,000)	40,000	48
CHANGE IN NET POSITION	84,841	(31,413)	29,433	82,861
NET POSITION, Beginning, As Restated	1,133,155	1,246,750	11,391	2,391,296
NET POSITION, Ending	$ 1,217,996	$ 1,215,337	$ 40,824	$ 2,474,157

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

STATEMENT OF CASH FLOWS
PROPRIETARY FUNDS
Year Ended December 31, 2016
Increase (Decrease) in Cash and Cash Equivalents

	WATER FUND	SEWER FUND	SANITATION FUND	TOTALS
CASH FLOWS FROM OPERATING ACTIVITIES				
Cash Received from Customers	$ 292,688	$ 120,521	$ 200,144	$ 613,353
Cash Received from Grants	-	-	29,677	29,677
Cash Received from Others	19,048	-	-	19,048
Cash Paid to Suppliers	(145,672)	(20,898)	(195,598)	(362,168)
Cash Paid to Employees	(87,485)	(40,661)	(34,040)	(162,186)
Net Cash Provided by Operating Activities	78,579	58,962	183	137,724
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES				
Restatements to Cash and Cash Equivalents	(23,595)	(15,456)	(11,141)	(50,192)
Net Cash (Used) by Noncapital Financing Activities	(23,595)	(15,456)	(11,141)	(50,192)
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES				
Lease of Water Shares	89,000	-	-	89,000
Interest Received	863	1,037	-	1,900
Long-term Debt Principal Paid	(31,386)	(56,070)	-	(87,456)
Interest Paid	(10,571)	(297)	-	(10,868)
Tap Fees Received	48	-	-	48
Net Cash Provided (Used) by Capital and Related Financing Activities	47,954	(55,330)	-	(7,376)
Net (Decrease) in Cash and Cash Equivalents	102,938	(10,961)	(9,921)	82,056
CASH AND CASH EQUIVALENTS, Beginning	385,027	118,443	30,383	533,853
CASH AND CASH EQUIVALENTS, Ending	$ 487,965	$ 107,482	$ 20,462	$ 615,909
RECONCILIATION OF OPERATING INCOME TO NET CASH PROVIDED BY OPERATING ACTIVITIES				
Operating Income	$ 1,398	$ 7,847	$ (10,567)	$ (1,322)
Adjustments to Reconcile Operating Income to Net Cash Provided by Operating Activities				
Depreciation	46,578	54,140	287	101,005
Changes in Assets and Liabilities				
Accounts Receivable	3,252	(5,274)	9,152	7,130
Inventory	17,089	-	-	17,089
Accounts Payable	1,015	(78)	(621)	316
Accrued Liabilities	3,152	1,501	1,129	5,782
Meter Deposits Payable	4,137	-	-	4,137
Accrued Compensated Absences	1,958	826	803	3,587
Total Adjustments	77,181	51,115	10,750	139,046
Net Cash Provided by Operating Activities	$ 78,579	$ 58,962	$ 183	$ 137,724

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

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Nature of Operations

The Town of Ordway (the "Town") was incorporated in 1900 and is governed by a Mayor and six-member Town Council elected by the residents. The Town provides public safety, public works, parks, library, recreation, and general government services as well as water, sewer and sanitation services. The sanitation services are contracted by the Town to an outside provider.

The accounting policies of the Town conform to generally accepted accounting principles as applicable to governmental entities. The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting and financial reporting principles. Following is a summary of the Town's more significant accounting policies.

Reporting Entity

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 the 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 organizations that are fiscally dependent upon it. Based on the application of the criteria, the Town does not include additional organizations in 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) report information on all nonfiduciary activities of the Town and its component units. For the most part, the effect of interfund activity has been removed from these statements. Exceptions to this general rule are charges for interfund services that are reasonably equivalent to the services provided. Governmental activities, which normally are supported by taxes and intergovernmental revenues, are reported separately from business-type activities, which rely to a significant extent on fees and charges for support.

The statement of net position reports all financial, capital and debt resources of the Town. The difference between assets plus deferred outflows, and liabilities plus deferred inflows of the Town is reported as net position.

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Government-Wide and Fund Financial Statements

The statement of activities demonstrates the degree to which the direct expenses and allocated indirect expenses of a given function or segment are offset by program revenues. Direct expenses are those that are clearly identifiable with a specific function or segment. Program revenues include 1) charges to customers or applicants who purchase, use, or directly benefit from goods, services, or privileges provided by a given function or segment and 2) grants and contributions that are restricted to 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.

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

Measurement Focus, Basis of Accounting and Financial Statement 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 granting agency have been met.

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 year or soon enough thereafter to pay liabilities of the current year. For this purpose, the Town considers revenues to be available if they are collected within 60 days of the end of the current year.

Taxes, intergovernmental revenue and interest associated with the current fiscal year are considered to be susceptible to accrual and so have been recognized as revenues of the current fiscal year. Grants and similar items are recorded as revenues when all eligibility requirements are met, including any time requirements. Expenditure driven grants are recognized as revenue when the qualifying expenditures have been incurred and all other eligibility requirements have been met. All other revenues are considered to be measurable and available only when cash is received by the Town.

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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

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 nonoperating items. Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with a proprietary fund's principal ongoing operations. Operating expenses for enterprise funds 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 nonoperating revenues and expenses or capital contributions.

When both restricted and unrestricted resources are available for use, it is the Town's practice to use restricted resources first, then unrestricted resources as they are needed.

The Town reports the following major governmental funds in the fund financial statements:

General Fund – The General Fund is used to account for the general operations and specific programs of the Town.

Street Fund – The Street Fund accounts for 42.5% of the property tax revenues and 50% of the sales tax revenues, in addition, to other revenues for Town street projects and maintance.

The Town reports the following major proprietary funds:

Water Fund – The Water Fund accounts for the financial activities associated with the provision of water services.

Sewer Fund – The Sewer Fund accounts for the financial activities associated with the provision of sewer services.

Sanitation Fund – The Sanitation Fund accounts for the financial activities related to the Town's services for collection and disposal of trash.

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Assets, Liabilities, Net Position/Fund Balance

Cash – For purposes of reporting in the statement of cash flows, cash equivalents include certificates of deposits and investments with original maturities of three months or less. The Town pools cash from several funds for the purpose of increasing interest income.

Internal Balances and Due to/from Other Funds – During the course of operations, certain transactions occur between individual funds. The resulting receivables and payables are classified in the fund financial statements as due to/from other funds. Any residual balances outstanding between governmental and business-type activities are reported in the government-wide financial statements as internal balances.

Grants, Other Governments and Accounts Receivable – Grants, other governments and accounts receivable are reported at their gross value, and where appropriate, are reduced by the estimated portion that is expected to be uncollectible. Accounts receivable are reported in the statement of net position, net of allowance for uncollectible accounts.

Capital Assets – Capital assets, which include property, plant, buildings and related improvements, equipment, vehicles, and all infrastructure owned by the Town, are reported in the applicable government-wide or business-type activities columns of the government-wide financial statements and the proprietary funds in the fund 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 asset lives are not capitalized.

Capital assets of the Town are depreciated using the straight-line method over the following estimated useful lives.

Land Improvements	15 – 25 years
Buildings and Improvements	20 – 40 years
Infrastructure	25 – 55 years
Collection and Distribution Systems	5 – 40 years
Equipment and Vehicles	3 – 10 years

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Assets, Liabilities, Net Position/Fund Balance (Continued)

Unearned Revenue – Unearned revenue includes receipts from customers for water services that will be provided in the following year. In addition, grants that have been collected but the corresponding expenditures have not been incurred are also reported as unearned revenue.

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 classification represents a consumption of net position that applies to a future period(s) and therefore will not be recognized as an outflow of resources (expenses) until then. The Town has four items related to pension actuarial activity and the change in proportion of pension participation in relation to the pension plans as a whole at December 31, 2016.

In addition to assets, the balance sheet – governmental funds and statement of financial position reports a separate section for *deferred inflows of resources*. This separate financial statement classification represents an acquisition of fund balance or net position that applies to a future period and therefore will not be recognized as an inflow of resources (revenue) until then. The Town has an item related to property taxes levied in the current year to be collected in the following year and items related to pension actuarial activity and the change in proportion of pension participation in relation to the pension plans as a whole at December 31, 2016.

Compensated Absences - Employees of the Town are allowed to accumulate unused vacation and sick time. Employees will be paid for all accrued vacation time, but not accumulated sick time, upon separation of employment. Therefore, no liability for accumulated sick time is reported in the financial statements. Accrued vacation time is recognized as current salary costs when earned in the proprietary funds and when due in the governmental funds. A long-term liability is reported in the government-wide financial statements for the accrued vacation time.

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

In the governmental fund financial statements, the face amount of debt issued is reported as other financing sources. Debt premiums and discounts are reported as other financing sources and uses, respectively. Issuance costs, whether or not withheld from the actual debt proceeds received, are reported as debt service expenditures. In the government-wide and proprietary funds, debt premiums and discounts are deferred and amortized over the life of the bonds using the straight-line method.

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Assets, Liabilities and Net Position/Fund Balances (Continued)

Net Position – In the government-wide and proprietary fund financial statements, net position is restricted when constraints placed on the net position are externally imposed.

- Net Investment in Capital Assets – this classification is intended to report the portion of net position which is associated with non-liquid, capital assets less outstanding debt related to those capital assets.
- Restricted Net Position – this classification includes liquid assets which have third party limitations on their use.
- Unrestricted Net Position – this classification includes assets that do not have any third party limitation on their use.

Fund Balance Classification – The governmental fund financial statements present fund balances based on classifications that comprise a hierarchy that is based primarily on the extent to which the Town is bound to honor constraints on the specific purposes for which amounts in the respective governmental funds can be spent. The classifications used in the governmental fund financial statements are as follows:

- Nonspendable – This classification includes amounts that cannot be spent because they are either (a) not in spendable form (such as prepaid items) or (b) are legally or contractually required to be maintained intact. The Town did not have any nonspendable resources at December 31, 2016.

- Restricted – This classification includes amounts for which constraints have been placed on the use of the resources either (a) externally imposed by creditors (such as through a debt covenant), grantors, contributors or laws or regulations of other governments, or (b) imposed by law through constitutional provisions or enabling legislation. The Town had classified emergency reserves as being restricted because State statute requires this restriction. In addition, the Town had restricted amounts for parks and recreation because of lottery funds received from the State for this purpose.

- Committed – This classification includes amounts that can be used only for specific purposes pursuant to constraints imposed by formal action of the Town's highest level of decision-making authority, the Town Council. The constraint may be removed or changed only through formal action of the Town Council. The Town had committed resources at December 31, 2016 for street maintenance and improvements; and library services.

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Assets, Liabilities and Net Position/Fund Balances (Continued)

- Assigned – This classification includes amounts that are constrained by the Town's intent to be used for specific purposes, but is neither restricted nor committed. Intent is expressed by the Town Council to be used for a specific purpose. Constraints imposed on the use of assigned amounts are more easily removed or changed than those imposed on committed amounts. The Town had assigned resources at December 31, 2016 for future capital improvements related to hail damage claims.

- Unassigned – This classification includes the residual fund balance for the General Fund. The unassigned classification also includes negative residual fund balance of any other governmental fund that cannot be eliminated by offsetting of assigned fund balance amounts.

The Town has not established a formal policy for its use of restricted and unrestricted fund balance. However, if both the restricted and unrestricted fund balances are available the Town uses restricted fund balance first, followed by committed, assigned and unassigned.

Use of Estimates

The preparation of the basic financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results could differ from those estimates.

Property Taxes

Property taxes attach as an enforceable lien on property on January 1, are levied the following December, and are collected in the subsequent calendar year. 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, a receivable and corresponding deferred inflow of resources are reported at December 31.

Stewardship, Compliance and Accountability

At December 31, 2016, the General Fund has an ending deficit fund balance of $33,064 as a result of expenditures being greater than revenues in prior years. Management expects this deficit balance to be eliminated as expenses are reduced in future years.

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Pensions

The Town has the Volunteer Firefighter's Pension Plan, which is an agent multiple-employer plan affiliated with the Colorado Fire and Police Pension Authority (FPPA). The net pension liability(asset), 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 Plan have been determined using the economic resources measurement focus and the accrual basis of accounting. 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.

NOTE 2: CASH

A summary of cash and investments at December 31, 2016, follows:

Petty Cash	$ 400
Cash Deposits	905,903
Total	$ 906,303

Cash is reported in the financial statements as follows:

Cash Deposits	$ 702,977
Restricted Cash	203,326
Total	$ 906,303

Cash Deposits

The Colorado Public Deposit Protection Act (PDPA) requires that all local government entities deposit cash in eligible public depositories. Eligibility is determined by State regulations. Amounts on deposit in excess of Federal Deposit Insurance Corporation (FDIC) levels must be collateralized by eligible collateral as determined by the PDPA. The FDIC insures depositors up to $250,000 for each financial institution. The PDPA allows the financial institution 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 uninsured public deposits as a group. The market value of the collateral must be at least equal to 102% of the uninsured deposits. At December 31, 2016, the Town and component unit had bank deposits totaling $913,933 of which $250,000 were collateralized with securities held by the financial institutions' agents but not in the Town's name.

NOTE 2: CASH (Continued)

Restricted Cash

Restricted cash consists of $69,021 in the Conservation Trust Fund for future parks and recreation projects. In addition, the loans require amounts be restricted for debt service requirements. The Town has restricted $68,858, and $65,447 in the Water and Sewer Funds, respectively, to satisfy this requirement.

NOTE 3: INTERFUND BALANCES AND TRANSFERS

During the year ended December 31, 2016, Sanitation Fund transferred $40,000 to the Sewer Fund to remove the interfund loan made in prior years, because management determined the amount will not be repaid.

Interfund balances - At December 31, 2016, the Street Fund temporarily subsidized the negative cash balances of the General Fund by $86,887.

NOTE 4: CAPITAL ASSETS

Capital asset activity for the year ended December 31, 2016, is summarized below:

	Balances 12/31/2015	Additions	Deletions	Balances 12/31/2016
Governmental Activities:				
Capital Assets, not being depreciated				
Land	$ 50,493	$ -	$ -	$ 50,493
Capital Assets, being depreciated				
Buildings and Improvements	837,138	-	-	837,138
Infrastructure	99,649	-	-	99,649
Equipment and Other	445,147	154,352	-	599,499
Total Capital Assets, being depreciated	1,381,934	154,352	-	1,536,286
Less accumulated depreciation				
Buildings and Improvements	(148,922)	(4,590)	-	(153,512)
Infrastructure	(12,914)	(19,926)	-	(32,840)
Equipment and Other	(278,580)	(20,928)	-	(299,508)
Total accumulated depreciation	(440,416)	(45,444)	-	(485,860)
Total Capital Assets, being depreciated, net	941,518	108,908	-	1,050,426
Governmental Activities Capital Assets, net	$ 992,011	$ 108,908	$ -	$ 1,100,919

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

General Government	$ 27,615
Public Safety	1,043
Public Works	9,333
Culture and Recreation	7,453
Total	$ 45,444

NOTE 4: CAPITAL ASSETS (Continued)

	Balances 12/31/2015	Additions	Deletions	Balances 12/31/2016
Business-type Activities:				
Capital Assets, not being depreciated				
Land	$ 87,596	$ -	$ -	$ 87,596
Total Capital Assets, not being depreciated	87,596	-	-	87,596
Capital Assets, being depreciated				
Buildings and Improvements	12,937	-	-	12,937
Equipment	128,934			128,934
Systems	3,979,122	-	-	3,979,122
Total Capital Assets, being depreciated	4,120,993	-	-	4,120,993
Less accumulated depreciation				
Buildings and Improvements	(7,511)	(602)	-	(8,113)
Equipment	(105,764)	(4,708)	-	(110,472)
Systems	(1,449,997)	(95,695)	-	(1,545,692)
Total accumulated depreciation	(1,563,272)	(101,005)	-	(1,664,277)
Total Capital Assets, being depreciated, net	2,557,721	(101,005)	-	2,456,716
Business-type Activities Capital Assets, net	**$ 2,645,317**	**$ (101,005)**	**$ -**	**$ 2,544,312**

The December 31, 2015 equipment and land balances have been restated by $28,500 for land that had been incorrectly reported in equipment in prior years. The capital assets total balances were not affected by this restatement.

NOTE 5: LONG-TERM DEBT

Governmental Activities

Following is a summary of long-term debt transactions for the governmental activities for the year ended December 31, 2016.

	Balance 12/31/2015	Additions	Deletions	Balance 12/31/2016	Due Within One Year
Governmental Activities					
Street Light Loan	$ 36,170	$ -	$ 9,743	$ 26,427	$ 11,255
Accrued Compensated Absences	-	3,112	-	3,112	3,112
	$ 36,170	$ 3,112	$ 9,743	$ 29,539	$ 14,367

NOTE 5: LONG-TERM DEBT (Continued)

Governmental Activities (Continued)

Compensated absences are expected to be liquidated primarily with revenues of the General Fund.

Street Light Loan

During 2013, the Town received a loan from First National Bank of Las Animas to finance the installation of street lights. Monthly payments of principal and interest are due through April 2019. Interest accrues at 3.5% per annum.

Future Debt Service Requirements

Year Ended December 31	Principal	Interest	Total
2017	$ 11,255	$ 746	$ 12,001
2018	11,655	345	12,000
2019	3,517	24	3,541
	$ 26,427	$ 1,115	$ 27,542

Business-type Activities

Following is a summary of long-term debt transactions for the business-type activities for the year ended December 31, 2016.

	Balance 12/31/2015	Additions	Deletions	Balance 12/31/2016	Due Within One Year
Business-type Activities					
2003 Water Energy/Mineral Impact Assistance Loan	$ 199,671	$ -	$ 20,910	$ 178,761	$ 21,955
2006 Drinking Water Revolving Loan	143,332	-	6,667	136,665	6,667
2008 Drinking Water Revolving Loan	83,820	-	3,810	80,010	3,810
1997 Water Pollution Control Revolving Loan	26,120	-	26,120	-	-
2006 Water Pollution Control Revolving Loan	344,425	-	29,948	314,477	29,950
	797,368	-	87,455	709,913	62,382
Accrued Compensated Absences	-	3,587	-	3,587	3,587
Total Business-type Activities	$ 797,368	$ 3,587	$ 87,455	$ 713,500	$ 65,969

Water Loans

During 2003, the Town entered into a $385,000 Water Energy/Mineral Impact Assistance Loan with the State of Colorado. The loan, along with grant proceeds, was used to replace approximately 8.7 miles of water transmission lines from the Town's well field. Payments of principal and interest are due annually by September 1, through 2023. Interest accrues at 5% per annum.

NOTE 5: LONG-TERM DEBT (Continued)

Business-type Activities (Continued)

Water Loans

During 2006, the Town entered into a $200,000 Drinking Water Revolving Fund loan with the Colorado Water Resources and Power Development Authority (CWRPDA) for improvements to the Town's water system. Principal payments of $3,333 are due semi-annually on May 1 and November 1, through May 1, 2037. The loan is non-interest bearing.

During 2008, the Town entered into a $114,000 Drinking Water Revolving Fund loan with the Colorado Water Resources and Power Development Authority (CWRPDA) for completion of improvements to the Town's water system. Principal payments of $1,905 are due semi-annually on May 1 and November 1, through November 1, 2037. The loan is non-interest bearing.

The three water loans are payable solely from revenues of the Town's water utility system, after deducting operation and maintenance costs. During the year ended December 31, 2016, net revenues of $47,976 were available to pay annual debt service of $37,855. Remaining debt service at December 31, 2016 was $395,438.

Sewer Loans

During 1997, the Town entered into a $350,000 Water Pollution Control Revolving Fund loan with the Colorado Water Resources and Power Development Authority (CWRPDA) for improvements to the Town's sanitary sewer collection, treatment, and disposal system. The project included the acquisition, construction, and installation of new and expanded existing sewage aeration lagoons. Principal and interest payments of $13,503 are due semi-annually on March 1 and September 1, through September 1, 2016. Interest accrues at 4.5% per annum. This loan was paid in full during the year ended December 31, 2016.

During 2006, the Town entered into a $599,000 Water Pollution Control Revolving Fund loan with the Colorado Water Resources and Power Development Authority (CWRPDA) for improvements to the Town's sewer system. Principal payments of $14,975 are due semi-annually on May 1 and November 1, through May 1, 2027. The loan is non-interest bearing.

The sewer loans are payable solely from revenues of the Town's sewer utility system, after deducting operation and maintenance costs. During the year ended December 31, 2016, net revenues of $61,987 were available to pay annual debt service of $56,365. Remaining debt service at December 31, 2016 was $314,477.

NOTE 5: LONG-TERM DEBT (Continued)

Business-type Activities (Continued)

CWRPDA Loan Covenants

The Town is required to maintain an operations and maintenance reserve in the Water and Sewer Funds equal to three months of operating and maintenance expenses, excluding depreciation, based on the current year annual budget. For the year ended December 31, 2016, the Water and Sewer Funds met this requirement. However, the Town didn't meet the CWRPDA filing requirements for the year ended December 31, 2016.

Future Debt Service Requirements

Year Ended December 31	Principal	Interest	Total
2017	$ 62,382	$ 8,938	$ 71,320
2018	63,480	7,840	71,320
2019	64,633	6,687	71,320
2020	65,843	5,477	71,320
2021	67,114	4,206	71,320
2022-2026	259,579	4,342	263,921
2027-2031	67,360	-	67,360
2032-2036	52,385	-	52,385
2037	7,137	-	7,137
	$ 709,913	$ 37,490	$ 747,403

NOTE 6: PUBLIC ENTITY RISK POOL

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. For these risks of loss, the Town is involved with the Colorado Intergovernmental Risk Sharing Agency (CIRSA), a separate and independent governmental and legal entity formed by intergovernmental agreement by member municipalities pursuant to the provision of 24-10-115.5, Colorado Revised Statutes (1982 Replacement Volume) and Colorado Constitution, Article XIV, Section 18(2).

The purposes of CIRSA are to provide members defined liability, property, and workers compensation coverages and to assist members in preventing and reducing losses and injuries to municipal property and to persons or property which might result in claims being made against members of CIRSA, their employees and officers.

It is the intent of the members of CIRSA to create an entity in perpetuity which will administer and use funds contributed by the members to defend and indemnify, in

NOTE 6: PUBLIC ENTITY RISK POOL (Continued)

accordance with the bylaws, any member of CIRSA against stated liability of loss, to the limit of the financial resources of CIRSA.

It is also the intent of the members to have CIRSA provide continuing stability and availability of needed coverages at reasonable costs. All income and assets of CIRSA shall be at all times dedicated to the exclusive benefit of its members. CIRSA is a separate legal entity and the Town does not approve budgets nor does it have the ability to significantly affect the operations of entity.

NOTE 7: PENSION PLANS

Volunteer Firefighter's Pension Plan

Plan Description. The Volunteer Firefighter's Pension Plan is a defined benefit, agent multiple-employer plan affiliated with the Colorado Fire and Police Pension Association (FPPA). Assets of the Plan are commingled for investment purposes in the Fire and Police Member's Benefit Fund, an agent multiple-employer defined benefit pension plan administered by FPPA. The Plan is administered by a Board of Trustees composed of Town Council members and firefighters. Town Council establishes the Plan benefits. The Plan is affiliated with and administered by the Fire and Police Pension Association of Colorado (FPPA). FPPA issues publicly available financial statements and required supplementary information. That report may be obtained by writing to FPPA, 5290 DTC Parkway, Suite 190, Englewood, CO 80111 or by calling 1-800-332-3772.

Benefits Provided. Any firefighter who has attained both the age of fifty and completed twenty years of active service shall be eligible for a monthly pension from the Town and the State of Colorado, currently at $225 and $300, respectively. A firefighter who is disabled in the line of duty and whose disability is of such character and magnitude as to deprive the firefighter of earning capacity and extends beyond one year, shall be compensated in an amount determined by Town Council.

Contributions. The Plan receives contributions from the Town and the State of Colorado based on an actuarially determined amount, as required by State statute. The actuarial study as of January 1, 2016, indicated that the current level of contributions to the Plan are adequate to support on an actuarially sound basis the prospective benefits, including administrative costs, of the present Plan. The Town contribution amount for the Plan has been historically determine by biennial actuarial studies.

Administrative costs of the plan are paid from the pension fund. There are no investments in, loans to or leases with parties related to the Plan.

NOTE 7: PENSION PLANS (Continued)

Volunteer Firefighter's Pension Plan (Continued)

Pension Asset, Pension Expense, and Deferred Outflows of Resources Related to Pensions. At December 31, 2016, the Town reported a net pension asset of $119,367. The net pension asset was measured as of December 31, 2015, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of January 1, 2015.

For the year ended December 31, 2016, the Town recognized pension income of $3,842. At December 31, 2016, the Town reported deferred outflows of resources from the following sources:

	Deferred Outflows of Resources
Net difference between expected and actual experience of the total pension liability	$ 364
Net difference between projected and actual earnings on pension plan investments	10,437
Total deferred outflows of resources related to pensions	$ 10,801

Amounts reported as deferred outflows of resources related to pensions will be recognized in pension expense as follows:

Year Ended December 31:	
2017	$ 3,038
2018	2,674
2019	2,676
2020	2,413
Total	$ 10,801

Actuarial assumptions. The January 1, 2015 actuarial valuation was used to determine the actuarially determined contribution for the fiscal year ending December 31, 2016. The valuation used the following actuarial assumption and other inputs:

Long-term investment rate of return	7.50%
Municipal bond rate	3.57%

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 expenses 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

NOTE 7: PENSION PLANS (Continued)

Volunteer Firefighter's Pension Plan (Continued)

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	37.0%	6.5%
Equity Long/Short	10.0%	4.7%
Illiquid Alternatives	20.0%	8.0%
Fixed Income	16.0%	1.5%
Absolute Return	11.0%	4.1%
Managed Futures	4.0%	3.0%
Cash	2.0%	0.0%
Total	100.0%	

Single Discount Rate. The discount rate used to measure the total pension liability(asset) was 7.5%. 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 plan fiduciary net pension 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.

Sensitivity of the Town's Net Pension Liability(Asset) to Changes in the Single Discount Rate.

The following presents the Town's net pension liability/(asset) calculated using the single discount rate of 7.5%, as well as what the Town's net pension liability/(asset) would be if it were calculated using a single discount rate that is 1% lower or 1% higher than the current rate:

	1% Decrease 6.5%	Current Single Discount Rate 7.5%	1%Increase 8.5%
Town's Net Pension Asset	$ (109,793)	$ (119,367)	$ (127,438)

NOTE 7: PENSION PLANS (Continued)

Volunteer Firefighter's Pension Plan (Continued)

Pension Plan Fiduciary Net Position. Detailed information about the pension plan's fiduciary net position is available in FPPA's comprehensive annual financial report at www.fppaco.org/PDF/annual-reports/14.annual.report.pdf.

Simple IRA Plan

The Town maintains a Simple IRA plan with VOYA for its employees who meet the eligibility requirements. Eligibility is limited to employees who have received at least $5,000 in compensation during any two calendar years. The Town will match up to 3% of eligible employee contributions. In 2016, the Town made eligible contributions in the amount of $4,775 to the Plan.

NOTE 8: COMMITMENTS AND CONTINGENCIES

Tabor Amendment

Colorado voters passed an amendment to the State Constitution, Article X, Section 20 (the "Amendment"), which has several limitations, including revenue raising, spending abilities, and other specific requirements of state and local government. The Amendment requires, with certain exceptions, advance voter approval for any new tax, tax rate increase, mill levy above that for the prior year, extension of an expiring tax, or tax policy change directly causing a net tax revenue gain to the Town. Revenue in excess of the fiscal spending limit must be refunded in the next fiscal year unless voters approve retention of such revenue.

In 1994, voters within the Town authorized the Town to collect, retain and expend all revenues and other funds in excess of the revenue limitations of the Amendment.

The Town's management believes it is in compliance with the provisions of the Amendment. However, the Amendment is complex and subject to interpretation. Many of its provisions may require judicial interpretation.

The Town has established an emergency reserve, representing 3% of qualifying expenditures, as required by the Amendment. At December 31, 2016, the emergency reserve of $20,200 was reported as restricted net position and fund balance in the Governmental Activities and General Fund, respectively.

Claims and Judgments

The Town participates in a number of federal, state, and local programs that are fully or partially funded by grants received from other governmental entities. Expenses financed by grants are subject to audit by the appropriate grantor government. If expenses are disallowed due to noncompliance with grant

NOTE 8: COMMITMENTS AND CONTINGENCIES (Continued)

Claims and Judgments

Program regulations, the Town may be required to reimburse the grantor government. At December 31, 2016, significant amounts of grant expenses have not been audited but management believes that subsequent audits will not have a material effect on the overall financial position of the Town.

NOTE 9: RESTATEMENT OF FUND BALANCE AND NET POSITION

During the year ended December 31, 2016, the Town determined that cash allocations between the General, Water, Sewer and Sanitation Funds were incorrect and therefore the Town corrected these amounts as of January 1, 2016. The Town determined that receivables for sales tax revenues were underreported in prior years for the General and Street Funds. The Town determined that Sewer Fund liabilities were overstated in prior years by the amount of accrued interest payable. The Sewer Fund has non-interest bearing debt, therefore not interest expense accrual is necessary. The Town determined that a 2015 payment for contractor services in the Sanitation Fund was for 2016 and therefore corrected this amount. The schedule below shows the restatements of fund balance/net position corrections made as of January 1, 2016:

	Governmental Funds		
	General Fund	Street Fund	Governmental Activities
Beginning Fund Balance/Net Position, As Previously Reported, January 1, 2016	$ (165,101)	$ 275,057	$ 1,271,747
Cash allocation adjustment	(14,669)		(14,669)
Sales Tax receivable/revenue	7,641	7,641	15,282
Beginning Fund Balance/Net Position As Restated, January 1, 2016	$ (172,129)	$ 282,698	$ 1,272,360

	Business-type Activities		
	Water Fund	Sewer Fund	Sanitation Fund
Beginning Fund Balance/Net Position, As Previously Reported, January 1, 2016	$ 1,156,750	$ 1,259,235	$ 21,474
Cash allocation adjustment	(23,595)	(14,594)	(20,083)
Remove Accrued Interest Payble	-	2,109	-
Correct reporting of Contractor Expense	-	-	10,000
Beginning Fund Balance/Net Position As Restated, January 1, 2016	$ 1,133,155	$ 1,246,750	$ 11,391

REQUIRED SUPPLEMENTARY INFORMATION

TOWN OF ORDWAY, COLORADO

REQUIRED SUPPLEMENTARY INFORMATION

SCHEDULE OF CHANGES IN THE TOWN'S NET PENSION LIABILITY (ASSET)
AND RELATED RATIOS - VOLUNTEER FIREFIGHTER'S PENSION PLAN
Last Ten Fiscal Years*

	2014	2015
Total Pension Liability		
Interest on the Total Pension Liability	$ 6,632	$ 6,766
Service Cost	548	585
Difference Between Expected and Actual Experience	1,248	
Benefit Payments	(6,521)	(6,800)
Net Change in Total Pension Liability	1,907	551
Total Pension Liability - Beginning	91,357	93,264
Total Pension Liability - Ending	$ 93,264	$ 93,815
Plan Fiduciary Net Position		
Employer Contributions	500	500
Pension Plan Net Investment Income	14,224	3,945
Benefit Payments	(6,521)	(6,800)
Pension Plan Administrative Expense	(710)	(2,659)
State of Colorado Discretionary Payment	-	450
Net Change in Plan Fiduciary Net Position	7,493	(4,564)
Plan Fiduciary Net Position - Beginning	210,253	217,746
Plan Fiduciary Net Position - Ending	$ 217,746	$ 213,182
Net Pension Liability (Asset)		
Total Pension Liability - Ending	93,264	93,815
Plan Fiduciary Net Position - Ending	217,746	213,182
Net Pension Liability (Asset)	$ (124,482)	$ (119,367)
Plan Fiduciary Net Position as a Percentage of Total Pension Liability	233.5%	227.2%
Covered Employee Payroll	N/A	N/A
Net Pension Liability (Asset) as a Percentage of Covered Employee Payroll	N/A	N/A

* - The amounts presented for each fiscal year were determined as of the Plan measurement date, 12/31.

NOTE: Information for the prior eight years was not available to report.

See the accompanying Independent Auditor's Report.

TOWN OF ORDWAY, COLORADO

REQUIRED SUPPLEMENTARY INFORMATION

SCHEDULE OF TOWN CONTRIBUTIONS
Last Ten Fiscal Years

Fiscal Year Ending December 31,	Actuarially Determined Contribution* (a)	Actual Contribution* (b)	Contribution Deficiency (Excess) (a) - (b)	Covered Payroll	Actual Contribution as a Percentage of Covered Payroll
2014	$ -	$ 500	$ (500)	NA	NA
2015	$ -	$ 950	$ (950)	NA	NA

* - Actuarially Determined Contribution is net of employee contributions. Actual contribution is from the employer only and does not include employee amounts.

NOTES:

Actuarial Valuation Date:	1/1/2015 Actuarially determined contribution rates are calculated as of January 1 of even numbered years.
Actuarial Cost Method:	Entry Age Normal
Amortization Method:	Level Dollar, Open *
Remaining Amortization Period:	20 years *
Asset Valuation Method:	5-Year Smoothed Market
Inflation:	3%
Salary Increases:	N/A
Investment Rate of Return:	7.5%
Retirement Age:	50% per year of eligibility until 100% at age 65
Mortality:	Pre-retirement: RP-2000 Combined Mortality Table, with Blue Collar Adjustment, 40% multiplier for off-duty mortality. Post-retirement: RP-2000 Combined Mortality Table, with Blue Collar Adjustment Disabled: RP-2000 Disabled Mortality Table All tables projected with Scale AA.

* - Plans that are heavily weighted with retiree liabilities use an amortization period based on the expected remaining lifetime of the participants.

NOTE: Information for the prior eight years was not available to report.

See the accompanying Independent Auditor's Report.

TOWN OF ORDWAY, COLORADO

BUDGETARY COMPARISON SCHEDULE
GENERAL FUND
Year Ended December 31, 2016

	ORIGINAL AND FINAL BUDGET	ACTUAL	VARIANCE Positive (Negative)
REVENUES			
Taxes			
Sales and Use	$ 66,000	$ 87,698	$ 21,698
Property	38,303	37,716	(587)
Franchise	38,000	48,576	10,576
Other	750	193	(557)
Total Taxes	143,053	174,183	31,130
Licenses and Permits	2,750	13,565	10,815
Charges for Services			
Organic Waste Removal	13,000	16,886	3,886
Cemetery	4,000	5,735	1,735
Other	-	1,680	1,680
Total Charges for Services	17,000	24,301	7,301
Intergovernmental			
Cigarette Taxes	700	1,296	596
GOCO Grant	-	144,326	144,326
CWRPDA Grant	-	10,799	10,799
Total Intergovernmental	700	156,421	155,721
Fines and Forfeitures	700	510	(190)
Contributions/Donations	-	3,462	3,462
Interest	400	743	343
Insurance Proceeds	-	61,487	61,487
Miscellaneous	1,100	37,057	35,957
TOTAL REVENUES	165,703	471,729	306,026
EXPENDITURES			
General Government			
General	17,918	57,313	(39,395)
Town Council	2,569	4,145	(1,576)
Mayor	914	1,656	(742)
Town Clerk	4,964	3,982	982
Town Treasurer	9,620	8,738	882
Grant Writer	-	3,116	(3,116)
Total General Governments	35,985	78,950	(42,965)
Public Safety			
Law Enforcement	34,359	32,316	2,043
Fire	5,372	7,300	(1,928)
Animal Control	1,385	2,260	(875)
Building Inspection	-	10,029	(10,029)
Mosquito Spraying	7,960	7,295	665
Municipal Court	8,434	7,465	969
Total Public Safety	57,510	66,665	(9,155)

(Continued)

See the accompanying Independent Auditor's Report.

TOWN OF ORDWAY, COLORADO

BUDGETARY COMPARISON SCHEDULE
GENERAL FUND
Year Ended December 31, 2016

	ORIGINAL AND FINAL BUDGET	ACTUAL	VARIANCE Positive (Negative)
Culture and Recreation			
Culture and Recreation	$ 18,819	$ 167,552	$ (148,733)
Health and Welfare			
Cemetery	27,751	19,497	8,254
TOTAL EXPENDITURES	140,065	332,664	(192,599)
NET CHANGE IN FUND BALANCE	25,638	139,065	113,427
FUND BALANCE (DEFICIT), Beginning, As Restated	-	(172,129)	(172,129)
FUND BALANCE (DEFICIT), Ending	$ 25,638	$ (33,064)	$ (58,702)

See the accompanying Independent Auditor's Report.

TOWN OF ORDWAY, COLORADO

BUDGETARY COMPARISON SCHEDULE
STREET FUND
Year Ended December 31, 2016

	ORIGINAL AND FINAL BUDGET	ACTUAL	VARIANCE Positive (Negative)
REVENUES			
Taxes			
Property	$ 38,353	$ 37,909	$ (444)
Sales	66,000	83,247	17,247
Specific Ownership	5,500	5,803	303
Other	5,700	5,505	(195)
Total Taxes	115,553	132,464	16,911
Intergovernmental			
Motor Vehicle Registration	3,800	4,088	288
Highway Users Tax Fund	33,000	39,857	6,857
Total Intergovernmental	36,800	43,945	7,145
Fines and Forfeitures	600	289	(311)
Interest	-	200	200
Miscellaneous	500	4,480	3,980
TOTAL REVENUES	153,453	181,378	27,925
EXPENDITURES			
Highways and Streets			
Highways and Streets	106,783	70,181	36,602
Construction	4,088	173	3,915
Maintenance of Condition	31,066	45,513	(14,447)
Snow and Ice Removal	482	2,612	(2,130)
Law Enforcement	-	7,357	(7,357)
Traffic Services	8,300	9,616	(1,316)
Total Highways and Streets	150,719	135,452	15,267
Debt Service			
Principal	-	8,897	(8,897)
Interest and Fiscal Charges	-	1,103	(1,103)
Contingency	10,864	-	10,864
TOTAL EXPENDITURES	161,583	145,452	16,131
NET CHANGE IN FUND BALANCE	(8,130)	35,926	44,056
FUND BALANCE, Beginning, As Restated	-	282,698	282,698
FUND BALANCE (DEFICIT), Ending	$ (8,130)	$ 318,624	$ 326,754

See the accompanying Independent Auditor's Report.

NOTE 1: STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY

Budgets

Budgets are legally adopted for all funds of the Town. Budgets for governmental funds are adopted on a basis consistent with generally accepted accounting principles (GAAP). Budgetary comparisons for the enterprise funds are presented on a non-GAAP budgetary basis. Capital outlay and long-term debt principal are budgeted as expenditures and depreciation is not budgeted.

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

- In September, Management submits to the Town Council a proposed operating budget for the fiscal year commencing the following January 1. The operating budget includes proposed expenditures and the means of financing them.

- Public hearings are conducted to obtain taxpayer and public comments.

- Prior to December 31, the budget is legally enacted through passage of an ordinance.

- Budgets amended by the Town Council during the year have been presented in the budgetary comparison schedules for the each fund amended.

- Management is authorized to transfer budgeted amounts between departments within any fund. However, any revisions that alter the total expenditures must be approved by the Town Council.

- All budget appropriations lapse at year end. Colorado governments may not exceed budgeted appropriations at the fund level.

Legal Compliance

For the year ended December 31, 2016, the General, Library, Sewer and Sanitation Funds actual expenditures and transfers out exceeded budgeted expenditures and transfers out by $192,599, $5,161, $97,120 and $59,378, respectively.

In addition, the Street and Sanitation Funds budgeted expenditures exceeded budgeted available funds and revenues by $8,130 and $8,471, respectively.

These may be violations of State statutes.

COMBINING AND INDIVIDUAL FUND FINANCIAL STATEMENTS AND SCHEDULES

TOWN OF ORDWAY, COLORADO

COMBINING BALANCE SHEET
NONMAJOR GOVERNMENTAL FUNDS
December 31, 2016

	SPECIAL REVENUE FUNDS		
	LIBRARY FUND	CONSERVATION TRUST FUND	TOTALS
ASSETS			
Cash and Investments	$ 11,780	$ -	$ 11,780
Restricted Cash and Investments	-	69,021	69,021
Property Taxes Receivable	13,429	-	13,429
Due From Other Governments	383	-	383
TOTAL ASSETS	$ 25,592	$ 69,021	$ 94,613
LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND EQUITY			
LIABILITIES			
Accounts Payable	$ 66	$ -	$ 66
Accrued Liabilities	278	-	278
TOTAL LIABILTIES	344	-	344
DEFERRED INFLOW OF RESOURCES			
Deferred Property Tax Revenue	13,429	-	13,429
FUND EQUITY			
Restricted for Parks and Recreation	-	69,021	69,021
Assigned to Library	11,819	-	11,819
TOTAL FUND EQUITY	11,819	69,021	80,840
TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND EQUITY	$ 25,592	$ 69,021	$ 94,613

See the accompanying Independent Auditor's Report.

TOWN OF ORDWAY, COLORADO

COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES NONMAJOR GOVERNMENTAL FUNDS
Year Ended December 31, 2016

	SPECIAL REVENUE FUNDS		
	LIBRARY FUND	CONSERVATION TRUST FUND	TOTALS
REVENUES			
Taxes	$ 13,379	$ -	$ 13,379
Intergovernmental	5,550	11,607	17,157
Investment Income	-	12	12
Miscellaneous	49	-	49
TOTAL REVENUES	18,978	11,619	30,597
EXPENDITURES			
Culture and Recreation	20,159	4,991	25,150
TOTAL EXPENDITURES	20,159	4,991	25,150
CHANGE IN FUND BALANCES	(1,181)	6,628	5,447
FUND BALANCES, Beginning	13,000	62,393	75,393
FUND BALANCES, Ending	$ 11,819	$ 69,021	$ 80,840

See the accompanying Independent Auditor's Report.

TOWN OF ORDWAY, COLORADO

BUDGETARY COMPARISON SCHEDULE
LIBRARY FUND
Year Ended December 31, 2016

	ORIGINAL AND FINAL BUDGET	ACTUAL	VARIANCE Positive (Negative)
REVENUES			
Property Taxes	$ 13,508	$ 13,379	$ (129)
Grants	3,455	5,550	2,095
Miscellaneous	-	49	49
TOTAL REVENUES	16,963	18,978	2,015
EXPENDITURES			
Culture and Recreation			
Salaries and Benefits	9,498	9,511	(13)
Contracted Services	1,025	-	1,025
Books	1,500	5,796	(4,296)
Maintenance and Supplies	2,975	4,852	(1,877)
TOTAL EXPENDITURES	14,998	20,159	(5,161)
NET CHANGE IN FUND BALANCE	1,965	(1,181)	(3,146)
FUND BALANCE, Beginning	-	13,000	13,000
FUND BALANCE, Ending	$ 1,965	$ 11,819	$ 9,854

See the accompanying Independent Auditor's Report.

TOWN OF ORDWAY, COLORADO

BUDGETARY COMPARISON SCHEDULE
CONSERVATION TRUST FUND
Year Ended December 31, 2016

	ORIGINAL AND FINAL BUDGET	ACTUAL	VARIANCE Positive (Negative)
REVENUES			
Lottery Revenues	$ 11,850	$ 11,607	$ (243)
Interest	20	12	(8)
TOTAL REVENUES	11,870	11,619	(251)
EXPENDITURES			
Culture and Recreation	5,980	4,991	989
TOTAL EXPENDITURES	5,980	4,991	989
NET CHANGE IN FUND BALANCE	5,890	6,628	738
FUND BALANCE, Beginning	-	62,393	62,393
FUND BALANCE, Ending	$ 5,890	$ 69,021	$ 63,131

See the accompanying Independent Auditor's Report.

TOWN OF ORDWAY, COLORADO

BUDGETARY COMPARISON SCHEDULE
WATER FUND
Year Ended December 31, 2016

	ORIGINAL AND FINAL BUDGET	ACTUAL	VARIANCE Positive (Negative)
REVENUES			
Charges for Services			
Charges for Services	$ 295,000	$ 261,206	$ (33,794)
Tank Sales	50	7,294	7,244
Connection Fees	3,075	6,175	3,100
Late Fees and Penalties	8,697	10,624	1,927
Total Charges for Services	306,822	285,299	(21,523)
Tap Fees	-	48	48
Lease of Water Shares	90,000	89,000	(1,000)
Investment Income	-	863	863
Miscellaneous	-	19,048	19,048
TOTAL REVENUES	396,822	394,258	(2,564)
EXPENDITURES			
Salaries and Benefits	69,567	92,595	(23,028)
Operations and Maintenance	61,393	95,423	(34,030)
Water Stock Assessment	21,925	20,620	1,305
Water Purchased and Storage	55,357	47,733	7,624
Capital Outlay	57,092	-	57,092
Debt Service			
Principal	80,313	31,386	48,927
Interest	10,869	6,468	4,401
TOTAL EXPENDITURES	356,516	294,225	62,291
NET INCOME, Budget Basis	$ 40,306	100,033	$ 59,727
GAAP BASIS ADJUSTMENTS			
Depreciation		(46,578)	
Principal Paid on Long-Term Debt		31,386	
NET INCOME, GAAP Basis		84,841	
NET POSITION, Beginning, As Restated		1,133,155	
NET POSITION, Ending		$ 1,217,996	

See the accompanying Independent Auditor's Report.

TOWN OF ORDWAY, COLORADO

BUDGETARY COMPARISON SCHEDULE
SEWER FUND
Year Ended December 31, 2016

	ORIGINAL AND FINAL BUDGET	ACTUAL	VARIANCE Positive (Negative)
REVENUES			
Charges for Services	$ 118,500	$ 125,795	$ 7,295
Investment Income	-	1,037	1,037
TOTAL REVENUES	118,500	126,832	8,332
EXPENDITURES			
Salaries and Benefits	33,231	42,988	(9,757)
Operations and Maintenance	22,681	20,820	1,861
Debt Service			
Principal	7,143	56,070	(48,927)
Interest	-	297	(297)
Transfers Out	-	40,000	(40,000)
TOTAL EXPENDITURES	63,055	160,175	(97,120)
NET INCOME (LOSS), Budget Basis	$ 55,445	(33,343)	$ (88,788)
GAAP BASIS ADJUSTMENTS			
Depreciation		(54,140)	
Principal Paid on Long-Term Debt		56,070	
NET INCOME (LOSS), GAAP Basis		(31,413)	
NET POSITION, Beginning		1,246,750	
NET POSITION, Ending		$ 1,215,337	

See the accompanying Independent Auditor's Report.

TOWN OF ORDWAY, COLORADO

BUDGETARY COMPARISON SCHEDULE
SANITATION FUND
Year Ended December 31, 2016

	ORIGINAL AND FINAL BUDGET	ACTUAL	VARIANCE Positive (Negative)
REVENUES			
Charges for Services			
Sanitation Charges	$ 162,000	$ 189,049	$ 27,049
Trash Load Dumping	1,000	1,632	632
Trash Tags	100	311	211
Total Charges for Services	163,100	190,992	27,892
Grants - Landfill	-	29,677	29,677
Transfers In	-	40,000	40,000
TOTAL REVENUES	163,100	260,669	97,569
EXPENDITURES			
Salaries and Benefits	31,189	35,972	(4,783)
Contract Services	117,592	131,194	(13,602)
Operations and Maintenance	10,790	8,326	2,464
Landfill Closure Costs	12,000	55,457	(43,457)
TOTAL EXPENDITURES	171,571	230,949	(59,378)
NET INCOME, Budget Basis	$ (8,471)	29,720	$ 38,191
GAAP BASIS ADJUSTMENTS			
Depreciation		(287)	
NET INCOME, GAAP Basis		29,433	
NET POSITION, Beginning, As Restated		11,391	
NET POSITION, Ending		$ 40,824	

See the accompanying Independent Auditor's Report.

STATE COMPLIANCE

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

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

LOCAL HIGHWAY FINANCE REPORT	City or County:	Ordway
	YEAR ENDING :	December 2016
This Information From The Records Of (example - City of _ or County of	Prepared By: Phone: 719-267-3134	Toni Evans

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	0
3. Other local imposts (from page 2)	126,753
4. Miscellaneous local receipts (from page 2)	4,051
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)	130,804
B. Private Contributions	
C. Receipts from State government (from page 2)	39,698
D. Receipts from Federal Government (from page 2)	0
E. Total receipts (A.7 + B + C + D)	170,502

III. DISBURSEMENTS FOR ROAD AND STREET PURPOSES

ITEM	AMOUNT
A. Local highway disbursements:	
1. Capital outlay (from page 2)	174
2. Maintenance:	40,284
3. Road and street services:	
a. Traffic control operations	8,826
b. Snow and ice removal	2,612
c. Other	0
d. Total (a. through c.)	11,438
4. General administration & miscellaneous	70,283
5. Highway law enforcement and safety	7,357
6. Total (1 through 5)	129,536
B. Debt service on local obligations:	
1. Bonds:	
a. Interest	0
b. Redemption	0
c. Total (a. + b.)	0
2. Notes:	
a. Interest	0
b. Redemption	0
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)	129,536

IV. LOCAL HIGHWAY DEBT STATUS

(Show all entries at par)

	Opening Debt	Amount Issued	Redemptions	Closing Debt
A. Bonds (Total)	0	0	0	0
1. Bonds (Refunding Portion)				
B. Notes (Total)	0	0	0	0

V. LOCAL ROAD AND STREET FUND BALANCE

A. Beginning Balance	B. Total Receipts	C. Total Disbursements	D. Ending Balance	E. Reconciliation
	170,502	129,536	40,966	0

Notes and Comments:

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

See the accompanying Independent Auditor's Report.

LOCAL HIGHWAY FINANCE REPORT	STATE: Colorado YEAR ENDING (mm/yy): 0

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	37,266	a. Interest on investments	126
b. Other local imposts:		b. Traffic Fines & Penalities	289
1. Sales Taxes	81,616	c. Parking Garage Fees	0
2. Infrastructure & Impact Fees		d. Parking Meter Fees	0
3. Liens		e. Sale of Surplus Property	0
4. Licenses		f. Charges for Services	0
5. Specific Ownership &/or Other	7,871	g. Other Misc. Receipts	3,223
6. Total (1. through 5.)	89,487	h. Other	413
c. Total (a. + b.)	126,753	i. Total (a. through h.)	4,051
	(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	37,000	1. FHWA (from Item I.D.5.)	
2. State general funds		2. Other Federal agencies:	
3. Other State funds:		a. Forest Service	0
a. State bond proceeds		b. FEMA	0
b. Project Match		c. HUD	0
c. Motor Vehicle Registrations	2,698	d. Federal Transit Admin	0
d. Other (Specify) - DOLA Grant	0	e. U.S. Corps of Engineers	0
e. Other (Specify)	0	f. Other Federal	0
f. Total (a. through e.)	2,698	g. Total (a. through f.)	0
4. Total (1. + 2. + 3.f)	39,698	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		174	174
(4). System Enhancement & Operation		0	0
(5). Total Construction (1) + (2) + (3) + (4)	0	174	174
d. Total Capital Outlay (Lines 1.a. + 1.b. + 1.c.5)	0	174	174
			(Carry forward to page 1)

Notes and Comments:

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

See the accompanying Independent Auditor's Report.