

TOWN OF SOUTH FORK, COLORADO

FINANCIAL STATEMENTS

December 31, 2016



RECEIVED

By the Office of the State Auditor at 3:36 pm, Aug 04, 2017



**Wall,
Smith,
Bateman** Inc.

Certified Public Accountants

TOWN OF SOUTH FORK, COLORADO
TABLE OF CONTENTS
December 31, 2016

	<u>Page</u>
Independent Auditors' Report	1
Basic Financial Statements	
Government-wide Financial Statements:	
Statement of Net Position	3
Statement of Activities	4
Governmental Fund Financial Statements:	
Balance Sheet	5
Reconciliation of Total Governmental Fund Balances to the Statement of Net Position	6
Statement of Revenues, Expenditures, and Changes in Fund Balances	7
Reconciliation of the Statement of Revenues, Expenditures, and Changes in Fund Balances of Governmental Funds to the Statement of Activities	8
Notes to the Basic Financial Statements	9
Required Supplementary Information	
Schedules of Revenues, Expenditures, and Changes in Fund Balance - Budget and Actual	
General Fund	23
Conservation Trust Fund	24
Silver Thread Interpretive Center Fund	25
Schedule of the Town's Proportionate Share of the Net Pension Asset - FPPA SWDB Pension Plan	26
Schedule of Town Contributions - FPPA SWDB Pension Plan	27
Other Schedules and Reports	
Local Highway Finance Report	28

INDEPENDENT AUDITORS' REPORT



Wall,
Smith,
Bateman Inc.

To the Honorable Mayor
and the Board of Trustees
Town of South Fork, Colorado

We have audited the accompanying financial statements of the governmental activities and each major fund of the Town of South Fork (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 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.

Auditors' Responsibility

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

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

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

Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities and each major fund of the Town of South Fork, Colorado, as of December 31, 2016, and the respective changes in financial position thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Certified Public Accountants

Other Matters

Required Supplementary Information

The Town has omitted the management's discussion and analysis that accounting principles generally accepted in the United States of America require to be presented to supplement the basic financial statements. Such missing information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. Our opinion on the basic financial statements is not affected by this missing information.

Accounting principles generally accepted in the United States of America require that the budgetary comparison information and the pension information on pages 23 through 27 be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Other Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Town's basic financial statements. The Local Highway Finance Report is presented for purposes of additional analysis and is not a required part of the basic financial statements.

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

Wall, Smith, Bateman Inc.

Wall, Smith, Bateman Inc.
Alamosa, Colorado

July 25, 2017

TOWN OF SOUTH FORK, COLORADO
STATEMENT OF NET POSITION
December 31, 2016

	Primary Government Governmental Activities
ASSETS	
Current assets	
Cash, deposits, and investments	\$ 882,982
Accounts receivable	504
Due from state	50,405
Due from other governments	33,583
Total current assets	967,474
Noncurrent assets	
Land	630,233
Buildings and improvements	396,019
Equipment	430,250
Infrastructure	144,836
Less: accumulated depreciation	(622,634)
Net pension asset	299
Total noncurrent assets	979,003
TOTAL ASSETS	1,946,477
DEFERRED OUTFLOWS OF RESOURCES	
Pensions	30,256
LIABILITIES	
Current liabilities	
Accounts payable and accrued liabilities	4,259
Capital lease payable	10,195
Total current liabilities	14,454
Noncurrent liabilities	
Capital lease payable	39,149
Compensated absences	4,461
Total noncurrent liabilities	43,610
TOTAL LIABILITIES	58,064
DEFERRED INFLOWS OF RESOURCES	
Pensions	387
NET POSITION	
Net investment in capital assets	929,360
Restricted for:	
TABOR reserve	24,000
Conservation Trust Fund	69,435
Unrestricted	895,487
TOTAL NET POSITION	\$ 1,918,282

The accompanying notes are an integral part of this financial statement.

TOWN OF SOUTH FORK, COLORADO
STATEMENT OF ACTIVITIES
For the Year Ended December 31, 2016

Functions/Programs	Expenses	Program Revenues			Net (Expenses) Revenues and Changes in Net Position Primary Government
		Charges for Services	Operating Grants & Contributions	Capital Grants & Contributions	
Primary Government:					
Governmental activities:					
General government	\$ 332,317	\$ 55,610	\$ 54,706	\$ -	\$ (222,001)
Public safety	160,577	32,529	-	-	(128,048)
Highways and streets	119,168	-	63,767	-	(55,401)
Marketing and economic	51,149	-	-	-	(51,149)
Culture and recreation	75,451	25,277	21,384	-	(28,790)
Total Governmental Activities	\$ 738,662	\$ 113,416	\$ 139,857	\$ -	(485,389)
General Revenues:					
Taxes:					
Sales taxes					528,644
Other taxes					2,538
Interest on investments					3,608
Miscellaneous					2,476
Total General Revenues					537,266
Change in Net Position					51,877
Net Position at Beginning of Year					1,866,405
Net Position at End of Year					\$ 1,918,282

The accompanying notes are an integral part of this financial statement.

TOWN OF SOUTH FORK, COLORADO
GOVERNMENTAL FUNDS
BALANCE SHEET
December 31, 2016

	<u>GENERAL FUND</u>	<u>CONSERVATION TRUST</u>	<u>SILVER THREAD INTERPRETIVE CENTER</u>	<u>TOTAL GOVERNMENTAL FUNDS</u>
ASSETS				
Cash and cash equivalents	\$ 788,316	\$ 79,071	\$ 15,595	\$ 882,982
Accounts Receivable	39	-	465	504
Due from state	50,405	-	-	50,405
Due from other governments	33,583	-	-	33,583
Due from other funds	10,865	-	-	10,865
TOTAL ASSETS	<u>\$ 883,208</u>	<u>\$ 79,071</u>	<u>\$ 16,060</u>	<u>\$ 978,339</u>
LIABILITIES AND FUND BALANCE				
LIABILITIES				
Accounts payable and accrued liabilities	\$ 2,939	\$ -	\$ 1,320	\$ 4,259
Due to other funds	-	9,636	1,229	10,865
TOTAL LIABILITIES	<u>2,939</u>	<u>9,636</u>	<u>2,549</u>	<u>15,124</u>
FUND BALANCE				
Restricted:				
TABOR Reserve	24,000	-	-	24,000
Conservation Trust Fund	-	69,435	-	69,435
Committed:				
Safeguard Reserve	83,955	-	-	83,955
Operating Reserve	226,030	-	-	226,030
Capital Improvement Projects	285,000	-	-	285,000
Police Surcharge	39,320	-	-	39,320
Contingency Reserve	24,221	-	-	24,221
Assigned:				
Subsequent Year Expenditures	88,804	-	-	88,804
Culture and recreation	-	-	13,511	13,511
Unassigned	108,939	-	-	108,939
TOTAL FUND BALANCE	<u>880,269</u>	<u>69,435</u>	<u>13,511</u>	<u>963,215</u>
TOTAL LIABILITIES AND FUND BALANCE	<u>\$ 883,208</u>	<u>\$ 79,071</u>	<u>\$ 16,060</u>	<u>\$ 978,339</u>

The accompanying notes are an integral part of this financial statement.

TOWN OF SOUTH FORK, COLORADO
RECONCILIATION OF TOTAL GOVERNMENTAL FUND BALANCES
TO THE STATEMENT OF NET POSITION
December 31, 2016

Total governmental fund balances	\$ 963,215
Amounts reported for governmental activities in the statement of net position are different because:	
Capital assets, net of accumulated depreciation, used in governmental activities are not financial resources and therefore are not reported in the funds.	978,704
Deferred results and contributions to pension plans made after the measurement date are recorded as expenditures in the governmental funds, but must be deferred in the statement of net position.	30,256
Net pension assets (liabilities) are not due and payable in the current period and are not reported in the funds	299
Certain amounts related to the net pension liability are deferred and amortized over time. These are not reported in the funds.	(387)
Long-term liabilities are not due and payable in the current period and therefore are not reported in the funds.	
Capital lease payable	\$ (49,344)
Compensated absences	(4,461)
	(53,805)
Net position of governmental activities	\$ 1,918,282

The accompanying notes are an integral part of this financial statement.

TOWN OF SOUTH FORK, COLORADO
GOVERNMENTAL FUNDS
STATEMENT OF REVENUES, EXPENDITURES,
AND CHANGES IN FUND BALANCES
For the Year Ended December 31, 2016

	GENERAL FUND	CONSERVATION TRUST	SILVER THREAD INTERPRETIVE CENTER	TOTAL GOVERNMENTAL FUNDS
REVENUES				
Taxes	\$ 531,182	\$ -	\$ -	\$ 531,182
Licenses and permits	51,936	-	-	51,936
Intergovernmental revenue	118,473	4,114	12,667	135,254
Charges for services	36,398	-	27,940	64,338
Interest on accounts	3,445	144	19	3,608
Miscellaneous	4,221	-	-	4,221
TOTAL REVENUES	<u>745,655</u>	<u>4,258</u>	<u>40,626</u>	<u>790,539</u>
EXPENDITURES				
General government	305,486	-	-	305,486
Public safety	147,042	-	-	147,042
Highways and streets	105,758	-	-	105,758
Marketing and economic	51,149	-	-	51,149
Culture and recreation	12,962	-	60,197	73,159
Capital Outlay	53,500	9,636	-	63,136
Debt Service	4,156	-	-	4,156
TOTAL EXPENDITURES	<u>680,053</u>	<u>9,636</u>	<u>60,197</u>	<u>749,886</u>
Excess (deficiency) of revenues over expenditures	65,602	(5,378)	(19,571)	40,653
OTHER FINANCING SOURCES (USES)				
Lease Proceeds	53,500	-	-	53,500
TOTAL OTHER FINANCING SOURCES (USES)	<u>53,500</u>	<u>-</u>	<u>-</u>	<u>53,500</u>
Net Change in Fund Balance	119,102	(5,378)	(19,571)	94,153
Fund Balance at Beginning of Year	<u>761,167</u>	<u>74,813</u>	<u>33,082</u>	<u>869,062</u>
Fund Balance at End of Year	<u>\$ 880,269</u>	<u>\$ 69,435</u>	<u>\$ 13,511</u>	<u>\$ 963,215</u>

The accompanying notes are an integral part of this financial statement.

TOWN OF SOUTH FORK, COLORADO
RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES,
AND CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS
TO THE STATEMENT OF ACTIVITIES
For the Year Ended December 31, 2016

Net change in fund balances - Total governmental funds \$ 94,153

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

Governmental funds report capital outlays as expenditures. However, in the statement of activities the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense. This is the activity in capital assets in the current period.

Fixed asset additions	\$ 63,136	
Depreciation expense	(55,266)	
	<u>7,870</u>	7,870

Some expenses reported in the statement of activities do not require the use of current financial resources and therefore are not reported as expenditures in governmental funds.

Compensated absences		(1,813)
----------------------	--	---------

Debt proceeds provide current financial resources to governmental funds but issuing debt increases long-term liabilities in the statement of net position. Repayment of debt principal is an expenditure in the governmental funds, but the repayment reduces long-term liabilities in the statement of net position. Repayment of principal include:

Capital lease proceeds	(53,500)	
Capital lease payments	4,156	
	<u>(49,344)</u>	(49,344)

Certain items reported in the statement of activities do not require the use of current financial resources and are not reported as expenditures in the governmental funds. This item consists of the change in pension expense.

1,011

Change in net position of governmental activities		\$ <u>51,877</u>
--	--	-------------------------

TOWN OF SOUTH FORK, COLORADO
NOTES TO THE BASIC FINANCIAL STATEMENTS
December 31, 2016

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The accounting and reporting policies of the Town of South Fork (the Town) reflected in the accompanying financial statements conform to accounting principles generally accepted in the United States of America applicable to state and local governments. Accounting principles generally accepted in the United States of America for local governments are those promulgated by the Governmental Accounting Standards Board (GASB) in *Governmental Accounting and Financial Reporting Standards*.

REPORTING ENTITY

Primary Government

The Town was incorporated on May 19, 1992, and became a statutory town under State Statute (C.R.S. 31-1-101). The Town operates under a Town Council form of government and provides the following services as authorized by its charter: public safety, highways and streets, culture and recreation, planning and zoning, and general administrative services.

Component Units

The Town's combined financial statements include the accounts of all Town operations. The criteria for including organizations as component units within the Town's reporting entity, as set forth in Section 2100 of GASB's *Codification of Governmental Accounting and Financial Reporting Standards*, include whether:

- The organization is legally separate (can sue and be sued in their own name)
- The Town holds the corporate powers of the organization
- The Town appoints a voting majority of the organization's board
- The Town is able to impose its will on the organization
- The organization has the potential to impose a financial benefit/burden on the Town
- There is fiscal dependency by the organization on the Town
- The organization is financially accountable to the Town
- The organization receives or holds funds that are for the benefit of the Town; and the Town has access to a majority of the funds held; and the funds that are accessible are also significant to the Town

Based on the aforementioned criteria, the Town of South Fork has no component units.

GOVERNMENT-WIDE AND FUND FINANCIAL STATEMENTS

The government-wide financial statements include the statement of net position and the statement of activities. Government-wide statements report information on all of the activities of the Town, except for fiduciary activity. The effect of interfund transfers has been removed from the government-wide statements but continues to be reflected on the fund statements. Mainly taxes and intergovernmental revenues support governmental activities.

TOWN OF SOUTH FORK, COLORADO
NOTES TO THE BASIC FINANCIAL STATEMENTS
December 31, 2016

The statement of activities reflects the degree to which the direct expenses of a given function are offset by program revenues. Direct expenses are those that are clearly identifiable within a specific function. Program revenues include:

- Charges to customers or applicants who purchase, use, or directly benefit from services, or privileges provided by a given function or segment and
- 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 in program revenues are reported as general revenues.

Separate financial statements are provided for governmental funds. The emphasis of fund financial statements is on major governmental funds. All of the Town's funds at December 31, 2016 are governmental funds and are considered to be major funds.

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. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows. Property taxes are recognized as revenues in the year for which they are levied. Grants are recognized as revenue when all applicable eligibility requirements, imposed by the provider, are 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 available when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the Town considers revenues to be available if they are collected within 60 days of the end of the current fiscal period. Expenditures are generally recorded when a liability is incurred, as under accrual accounting. However, debt service expenditures, as well as expenditures related to compensated absences and claims and judgments, are recorded only when payment is due.

The Town reports the following major governmental funds:

- The **General Fund** is the general operating fund of the Town. It accounts for all financial resources of the general government, except those required to be accounted for in another fund.
- The **Conservation Trust Fund** is used to account for the Town's share of the state lottery program. The monies may be expended only for the acquisition, development, and maintenance of parks and other public recreational facilities.
- The **Silver Thread Interpretive Center Fund** is used to account for the Town's interpretive center. The monies may be expended for advertising, events, and other tourism projects.

Certain eliminations have been made as prescribed by GASB Statement No. 34 in regards to interfund activities, payables, and receivables. All internal balances in the statement of net position have been eliminated.

ASSETS, LIABILITIES, AND NET POSITION/FUND BALANCE

Cash and cash equivalents

The Town's cash and cash equivalents are considered to be cash in bank, certificates of deposit, and liquid investments with an initial maturity of three months or less.

TOWN OF SOUTH FORK, COLORADO
NOTES TO THE BASIC FINANCIAL STATEMENTS
December 31, 2016

Investments

All investments, if any, are recorded at fair market value.

Receivables/payables from other funds

Balances that originate from current lending/borrowing arrangements between funds are referred to as “Due To/From Other Funds”.

Capital Assets

Capital assets, which include land, buildings and improvements, equipment, and infrastructure, are reported in the applicable governmental activities column in the government-wide financial statements. The Town defines capital assets as assets with an initial, individual cost of more than \$5,000 and a life of more than one year. Capital assets are recorded at historical cost or estimated historical cost if purchased or constructed. Donated capital assets are recorded at estimated fair market value at the date of donation. The costs of normal maintenance and repairs that do not add to the value of the asset or materially extend assets lives are not capitalized.

Capital assets are depreciated using the straight line method over the following estimated useful lives:

Assets	Years
Buildings and improvements	10-30
Equipment	5-20
Infrastructure	20

Compensated Absences

The Town of South Fork has adopted a policy to pay all regular employees their annual allotment of accrued vacation upon termination under favorable conditions. Vacation accrued during the first year of employment is not payable at time of termination if the termination date is less than one year from the employee’s date of employment. Regular employees that are terminated or leave after the one-year time frame qualify and will be paid for their unused balance of vacation time accrued up through the last day worked. Employees will accrue vacation at the rate of 6 to 10 hours per month with a maximum of 144 to 240 hours based on years of service. The employee is compensated for hours in excess of the maximum at a rate of 20% straight pay and paid at the end of the calendar year. Sick leave may accumulate up to 90 days or 720 hours, but will not be paid upon termination. A liability for accrued compensated absences is included in the government-wide financial statements.

Long-Term Obligations

Long-term debt and other long term obligations are recorded as liabilities in the government-wide financial statements. In the fund financial statements for governmental fund types, debt proceeds are reported as an other financing source and debt payments are reported as debt service expenditures.

Deferred Outflows/Inflows of Resources

In addition to assets, the statement of net position reports a separate section for deferred outflows of resources. This represents a consumption of net position that applied to a future period(s) and will not be recognized as an outflow of resources (as either an expense or expenditure) until that period.

In addition to liabilities, the balance sheet reports a separate section of deferred inflows of resources. This separate financial statement element, deferred inflows of resources, represents an acquisition of fund balance that applies to future periods and will not be recognized as an inflow of resources (revenue) until that time.

Certain amounts related to pensions must be deferred.

TOWN OF SOUTH FORK, COLORADO
NOTES TO THE BASIC FINANCIAL STATEMENTS
December 31, 2016

Pensions

The Town participates in the Statewide Defined Benefit Plan(SWDB), a cost-sharing multiple-employer defined benefit pension fund administered by the Fire and Police Pension Association of Colorado ("FPPA"). The net pension 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 SWDB 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.

Net Position

Net position represents the difference between assets, deferred outflows of resources, liabilities, and deferred inflows of resources. Net position is displayed in the following three components:

- *Net investment in capital assets* – consists of capital assets, net accumulated depreciation, reduced by the outstanding balances of any borrowings that are attributable to the acquisition, construction, or improvement of those assets. Deferred outflows of resources and deferred inflows of resources that are attributable to the acquisition, construction, or improvement of those assets or related debt should be included in this component of net position.
- *Restricted* – consists of restricted assets reduced by liabilities and deferred inflows of resources related to those assets. Restricted assets consist of assets that have limitations imposed on their use either through enabling legislation or through external restrictions imposed by creditors, grantors, or laws or regulations of other governments.
- *Unrestricted* – consists of the net amount of assets, deferred outflows of resources, liabilities, and deferred inflows of resources that are not included in the determination of net investment in capital assets or the restricted components of net position.

Fund Balance

Fund balances are reported by classification based on the extent to which the Town is bound to honor constraints for the specific purposes on which amounts in the fund can be spent. Fund balances are classified in one of the following five categories:

- *Nonspendable Fund Balance* – amounts that cannot be spent because they are not in spendable form – such as inventory and prepaid expenditures.
- *Restricted Fund Balance* – amounts restricted when constraints placed on the use of resources are either (a) externally imposed by creditors, grantors, contributors, or laws or regulations of other governments or (b) imposed by law through constitutional provisions or enabling legislation.
- *Committed Fund Balance* – amounts that can only be used for specific purposes as a result of constraints imposed through adopted resolution by the Board of Trustees, the highest level of decision making authority. Committed amounts cannot be used for any other purpose unless the Board removes those constraints by taking the same type of action. Committed fund balances differ from restricted balances because the constraints on their use do not come from outside parties, constitutional provisions, or enabling legislation.
- *Assigned Fund Balance* – amounts a government intends to use for a specific purpose; intent can be expressed by the Board of Trustees or by an official or body to which the governing body delegates the authority.
- *Unassigned Fund Balance* – amounts that are available for any purpose; these amounts are reported only in the General Fund.

TOWN OF SOUTH FORK, COLORADO
NOTES TO THE BASIC FINANCIAL STATEMENTS
December 31, 2016

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

Encumbrances

The Town does not record purchase orders in the accounting system until invoices are ready for payment. Unfulfilled purchase commitments outstanding at the end of the budget year are re-budgeted in the succeeding year. End of the year fund balance intended to be used in the succeeding year is reported as designated fund balance.

Use of Estimates

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

Change in Accounting Principle

GASB Statement No. 72 - The Town has adopted the provisions of GASB No.72, *Fair Value Measurement and Application*. Those requirements result in enhanced comparability of financial statements among governments by requiring measurement of certain assets and liabilities at fair value using a consistent and more detailed definition of fair value and accepted valuation techniques. This statement will also enhance fair value application guidance and related disclosures in order to provide information to financial statement users about the impact of fair value measurements on a government's financial position.

NOTE 2 STEWARDSHIP, COMPLIANCE, AND ACCOUNTABILITY

Budgets and Budgetary Accounting

The Town follows the procedures set forth in the Colorado Local Government Budget Law when preparing the annual budget for each fund. Budget procedures include:

- Preparation of budget documents by administrative staff shall be submitted to the Board no later than October 15 of each year.
- Publication of a notice stating that the budget is available for public inspection.
- Discussion of the budget in a meeting open to the public.
- Adoption of the budget in a public meeting by appropriate resolution, no later than December 31.

Formal budgetary integration is employed as a management control device for all funds of the Town. All fund budgets are adopted on a basis consistent with U.S. generally accepted accounting principles (GAAP). All budget amounts presented reflect the original budget and the final budget, if applicable.

The total expenditures for each fund cannot exceed the budgeted amount unless a supplemental appropriation is adopted. The Town adopted supplemental appropriations during 2016.

TOWN OF SOUTH FORK, COLORADO
NOTES TO THE BASIC FINANCIAL STATEMENTS
December 31, 2016

NOTE 3 CASH, DEPOSITS AND INVESTMENTS

A summary of Cash, Deposits, and Investments are as follows:

Cash on Hand and Deposited with Banks	\$ 532,413
Investments - C-SAFE	350,569
Total Cash, Deposits, and Investments	<u>\$ 882,982</u>

CASH AND DEPOSITS

Colorado state statutes govern the Town's deposits of cash. The statutes specify eligible depositories for public cash deposits, which must be Colorado institutions and must maintain federal insurance (FDIC) on deposits held.

The Colorado Public Deposit Protection Act (PDPA) requires that all units of local government deposit cash in eligible public depositories, determined by state regulators. Amounts on deposit in excess of federal insurance levels must be collateralized in accordance with the PDPA. PDPA allows the institution to create a single collateral pool for all public funds to be maintained by another institution or held in trust for all the uninsured public deposits as a group. The market value of the collateral must be at least equal of the aggregate uninsured deposits. All deposits in 2016 were in eligible public depositories, as defined by the Public Deposit Protection Act of 1989.

Custodial Credit Risk

Custodial credit risk is the risk that in the event of a bank failure, the Town's deposits may not be returned to it. At December 31, 2016, \$0 was exposed to custodial credit risk. Deposits exposed to credit risk are collateralized with securities held by the pledging financial institutions through PDPA.

INVESTMENTS

The types of investments which are authorized to be made with Town funds are controlled by state statute and the investment policies of the Town. Colorado state statutes and the Town's investment policies specify investment instruments meeting defined rating and risk criteria in which the Town may invest:

- Obligations of the United States and certain U.S. government agency securities
- Certain international agency securities
- General obligation and revenue bonds of U.S. local government entities
- Bankers' acceptances of certain banks
- Commercial paper
- Local government investment pools
- Repurchase agreements
- Money market funds
- Guaranteed investment contracts
- Corporate or bank debt issued by eligible corporations or banks

Custodial Credit Risk - Investments

The Town's investment policy calls for investment diversification within the portfolio to avoid unreasonable risks inherent in over investing in specific instruments, individual financial institutions or maturities. The Town's investment policy allows for the Town to invest in local government investment pools.

TOWN OF SOUTH FORK, COLORADO
NOTES TO THE BASIC FINANCIAL STATEMENTS
December 31, 2016

Interest Rate Risk

Colorado Revised Statutes limit investment maturities to five years or less from the date of purchase. This limit on investment maturities is a means of limiting exposure to fair values arising from increasing interest rates. The Town has no investments with maturities past five years.

Fair Value

Fair value investments classified at Level 1 of the fair value hierarchy are valued using prices quoted in active markets for those securities. Fair value investments classified as Level 2 of the fair value hierarchy are valued using the active market rates for the underlying securities. Fair value investment classified as Level 3 of the fair value hierarchy are valued using non-observable inputs.

The Town has \$350,569 invested in the Colorado Surplus Asset Fund Trust (CSAFE). CSAFE is an investment vehicle established for local government entities in Colorado pursuant to Part 7 of Article 75 of Title 24 of the Colorado Revised Statutes, to pool surplus funds for investment purposes. CSAFE operates similarly to a money market fund and each share is equal in value to \$1.00. The fair value of the position in the pool is the same as the value of the pool shares. The designated custodial bank provides safekeeping and depository services in connection with the direct investment and withdrawal functions. Substantially all securities owned by the pool are held by the Federal Reserve Bank in the account maintained for the custodial bank. The custodian's internal records identify the investments owned by the pool. Investments of the pool consist of securities of the United States Treasury, United States Agencies, Primary Dealer Repurchase Agreements and A1 rated Colorado Depositories collateralized at 102% of market value with Treasury & Agency Securities. Asset allocation is in full conformance with S & P guidelines. This investment is valued using level 2 inputs.

Investments in local government investment pools or money market funds are not categorized as to risk because they are not evidenced by securities that exist in physical or book entry form.

NOTE 4 DUE FROM OTHER GOVERNMENTS

Intergovernmental receivables include amounts due from grantors for specific program grants and sales tax collected by other government agencies. Program grants are recorded as receivables and revenues at the time reimbursable project costs are incurred.

As of December 31, 2016, the Town had \$50,405 due from state and \$33,583 from local governments, reflected as intergovernmental receivables in the accompanying basic financial statements.

NOTE 5 INTERFUND RECEIVABLES, PAYABLES AND TRANSFERS

Interfund Receivables/Payables

The Town reports interfund balances between funds. The balances result from the time lag between the dates that (1) interfund goods and services are provided or reimbursable expenditures occur, (2) transactions are recorded in the accounting system, and (3) payments between funds are made. Interfund balances are generally expected to be repaid within one year of the financial statement date.

TOWN OF SOUTH FORK, COLORADO
NOTES TO THE BASIC FINANCIAL STATEMENTS
December 31, 2016

Interfund receivable and payable balances as of December 31, 2016, were as follows:

Receivable Fund	Payable Fund	Amount
General Fund	Silver Thread Interpretive Center Fund	\$ 1,229
General Fund	Conservation Trust Fund	9,636
		\$ 10,865

NOTE 6 CAPITAL ASSETS

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

	Balance 12/31/2015	Additions	Deletions	Balance 12/31/2016
<i>Governmental Activities:</i>				
Capital assets not being depreciated				
Land	\$ 630,233	\$ -	\$ -	\$ 630,233
Total capital assets not being depreciated	630,233	-	-	630,233
Capital assets being depreciated				
Buildings and improvements	396,019	-	-	396,019
Equipment	376,750	53,500	-	430,250
Infrastructure	135,200	9,636	-	144,836
Total capital assets being depreciated	907,969	63,136	-	971,105
Less accumulated depreciation for:				
Buildings and improvements	229,957	13,215	-	243,172
Equipment	272,131	34,327	-	306,458
Infrastructure	65,280	7,724	-	73,004
Total accumulated depreciation	567,368	55,266	-	622,634
Total capital assets being depreciated, net	340,601	7,870	-	348,471
Governmental Activities Capital Assets, net	\$ 970,834	\$ 7,870	\$ -	\$ 978,704

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

Governmental activities:	
General government	\$ 25,018
Public safety	14,546
Highway and streets	13,410
Culture and recreation	2,292
Total depreciation expense - governmental activities	\$ 55,266

TOWN OF SOUTH FORK, COLORADO
NOTES TO THE BASIC FINANCIAL STATEMENTS
December 31, 2016

NOTE 7 LONG-TERM LIABILITIES

Long-term liability activity for the year ended December 31, 2016, was as follows:

	Balance 12/31/2015	Additions	Deletions	Balance 12/31/2016	Due Within One Year
<i>Governmental Activities</i>					
Capital lease	\$ -	\$ 53,500	\$ 4,156	\$ 49,344	\$ 10,195
Compensated absences	2,648	-	1,813	4,461	-
Total	\$ 2,648	\$ 53,500	\$ 5,969	\$ 53,805	\$ 10,195

The Town entered into a \$53,500 Lease Purchase Agreement with TCF Equipment Finance, a division of TCF National Bank, payable in monthly installments of \$961, beginning August 2016, at 3.00% interest, for the purchase of a Kubota Tractor. Final payment is due July 2021. This item is recorded in fixed assets in the government-wide financial statements at \$53,500 less accumulated depreciation of \$1,783.

	Principal	Interest	Total
2017	\$ 10,195	\$ 1,341	\$ 11,536
2018	10,505	1,031	11,536
2019	10,825	711	11,536
2020	11,154	382	11,536
2021	6,665	66	6,731
	\$ 49,344	\$ 3,531	\$ 52,875

NOTE 8 POLICE PENSION

General Information about the Fire and Police Statewide Defined Benefit Plan

Plan description. The Statewide Defined Benefit Plan (SWDB) is a cost-sharing multiple-employer defined benefit pension plan. The Plan is administered by the Fire & Police Pension Association of Colorado (FPPA). FPPA issues a publicly available comprehensive annual financial report that can be obtained on FPPA's website at <http://www.FPPAco.org>.

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

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

TOWN OF SOUTH FORK, COLORADO
NOTES TO THE BASIC FINANCIAL STATEMENTS
December 31, 2016

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

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

Members of the SWDB plan and their employers are contributing at the rate of 8.5 percent and 8 percent, respectively, of base salary for a total contribution rate of 16.5 percent in 2015. In 2014, the members elected to increase the member contribution rate to the SWDB plan beginning in 2015. Member contribution rates will increase 0.5 percent annually through 2022 to a total of 12 percent of base salary. Employer contributions will remain at 8 percent resulting in a combined contribution rate of 20 percent in 2022.

Contributions to the Plan from the Town were \$5,932 for the year ended December 31, 2016.

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

At December 31, 2016, the Town reported an asset of \$299 for its proportionate share of the net pension asset. The net pension asset was measured as of December 31, 2015, and the total pension liability used to calculate the net pension asset was determined by an actuarial valuation as of January 1, 2016. The Town's proportion of the net pension asset was based on a projection of the Town's long-term share of contributions to the pension plan relative to the projected contributions of all participating entities, actuarially determined as of December 31, 2015, based upon the January 1, 2015 actuarial valuation. At December 31, 2015, the Town's proportion was 0.017 percent, which was a decrease of 0.0016 from its proportion measured as of December 31, 2014.

For the year ended December 31, 2016, the Town reduced pension expense by \$1,011. At December 31, 2016, the Town reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Difference between expected and actual experience	\$ 2,422	\$ (387)
Net difference between projected and actual earnings on pension plan investments	15,352	-
Changes in assumption	4,704	-
Changes in proportion	1,846	-
Contributions subsequent to the measurement date	5,932	-
Total	\$ 30,256	\$ (387)

\$5,932 reported as deferred outflows of resources related to pensions, resulting from contributions subsequent to the measurement date, will be recognized as an increase of the net pension liability (asset) in the year ended December 31, 2017.

TOWN OF SOUTH FORK, COLORADO
NOTES TO THE BASIC FINANCIAL STATEMENTS
December 31, 2016

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

Year Ended December 31,	
2017	\$ 4,849
2018	4,849
2019	4,849
2020	4,471
2021	943
Thereafter	3,976
	\$ 23,937

Actuarial assumptions. The actuarial valuations for the Statewide Defined Benefit Plan were used to determine the total pension liability and actuarially determined contributions for the fiscal year ending December 31, 2015. The valuations used the following actuarial assumption and other inputs:

	Total Pension Liability	Actuarially Determined Contributions
Actuarial Valuation Date	January 1, 2016	January 1, 2015
Actuarial Method	Entry Age Normal	Entry Age Normal
Amortization Method	Level % of Payroll, Open	Level % of Payroll, Open
Amortization Period	30 years	30 years
Long-term Investment Rate of Return*	7.5%	7.5%
Projected Salary Increases*	4.0% - 14.0%	4.0% - 14.0%
Cost of Living Adjustments (COLA)	0.0%	0.0%
* Includes Inflation at	2.5%	3.0%

For determining the total pension liability, the RP-2014 Mortality Tables for Blue Collar Employees, projected with Scale BB, 55 percent multiplier for off-duty mortality is used in the valuation for off-duty mortality of active members. On-duty related mortality is assumed to be 0.00020 per year for all members. The RP-2014 Mortality Table for Blue Collar Employees, projected with Scale BB is used in the projection of post-retirement benefits for members under age 55. For post-retirement members ages 65 and older, the RP-2014 Mortality Tables for Blue Collar Healthy Annuity, projected with Scale BB are used. For post-retirement members ages 55 through 64, a blend of the previous tables is used.

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

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

TOWN OF SOUTH FORK, COLORADO
NOTES TO THE BASIC FINANCIAL STATEMENTS
December 31, 2016

contributions as of December 31, 2015. The actuarial assumptions impact actuarial factors for benefit purposes such as purchases of service credit and other benefits where actuarial factors are used.

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

Asset Class	Target Allocation	Long-Term Expected Rate of Return
Global Equity	37.0%	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	<u>100.0%</u>	

*While the expected inflation exceeds the expected rate of return for cash, a 0.0 percent real rate of return is utilized.

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

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

For the purpose of this valuation, the expected rate of return on pension plan investments is 7.50%; the municipal bond rate is 3.57% (based on the weekly rate closest to but not later than the measurement date of the "state & local bonds" rate from Federal Reserve statistical release (H.15)); and the resulting Single Discount Rate is 7.50%.

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

1% Decrease (6.50%)	Current Rate (7.50%)	1% Increase (8.50%)
\$ 41,957	\$ (299)	\$ (35,349)

TOWN OF SOUTH FORK, COLORADO
NOTES TO THE BASIC FINANCIAL STATEMENTS
December 31, 2016

NOTE 9 DEFINED CONTRIBUTION PLAN

All eligible employees participate in the Colorado County Officials and Employees Retirement Association (CCOERA) (the Plan), a defined contribution plan, authorized by state statute. The Plan is a tax qualified plan under Section 401(a) of the Internal Revenue Code and all contributions by or on behalf of employees are tax deferred until time of withdrawal.

Employees are eligible after completing twelve months of service with the Town, and participation is mandatory after one year of employment. Employee and employer contributions are 10% vested immediately upon employee participation in the plan.

The Town must contribute 3% of the compensation of each participant. Each participant contributes a minimum amount equal to the Town's contribution, and is permitted to make additional contributions not to exceed 10% of their compensation. For the year ended December 31, 2016, employee contributions totaled \$8,796 and the Town recognized pension expense of \$8,796. The Town recognized \$0 of forfeitures in retirement expense during 2016.

Plan benefits depend solely on amounts contributed to the plan plus investment earnings, less administrative expenses. The Plan may be amended by resolution of the Board of Trustees but it may not be amended beyond the limits established by state statute.

NOTE 10 TABOR AMENDMENT RESERVE

Colorado voters passed an amendment to the State Constitution, Article X, Section 20, which has several limitations, including revenue raising, spending abilities, and other specific requirements of state and local governments. The amendment is complex and subject to judicial interpretation. The Town believes it is in compliance with the requirements of the amendment.

Fiscal year spending and revenue limits are determined based on the prior year's spending adjusted for inflation and local growth. Revenue in excess of the limit must be refunded unless the voters approve retention of such revenue.

On November 7, 1995, voters approved a ballot question which stated that the Town shall be allowed to increase sales tax revenues by whatever additional amounts are raised annually from the sales tax at the existing rate and to be authorized to apply for, collect, receive, retain, accept and spend any and all nonfederal grants, license or any other state authorized fees or other revenue sources, notwithstanding the limitations of Article X, Section 20 of the Colorado Constitution, effective January 1, 1996, provided that no municipal tax rate shall be increased without further voter approval.

The amendment also requires that Emergency Reserves be established. These reserves must be at least three percent of fiscal year spending. This Emergency Reserve has been presented as a restricted fund balance in the General Fund and a restricted net position in the government-wide Statement of Net Position. The Town is not allowed to use the Emergency Reserves to compensate for economic conditions, revenue shortfalls, or salary or benefit increases.

NOTE 11 RISK MANAGEMENT

The Town is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; injuries to employees; and natural disasters. These risks are covered by commercial insurance purchased from independent third parties. There have been no significant reductions in insurance coverage. Settled claims from these risks have not exceeded commercial insurance coverage for the current year or the three prior years.

TOWN OF SOUTH FORK, COLORADO
NOTES TO THE BASIC FINANCIAL STATEMENTS
December 31, 2016

NOTE 12 COMMITMENTS AND CONTINGENCIES

The Town participates in a number of federal and state grant programs. These programs are subject to program compliance audits by the grantors or their representatives. The amount of expenditures which may be disallowed by the granting agencies cannot be determined at this time, although the Town expects such amounts, if any, to be immaterial.

TOWN OF SOUTH FORK, COLORADO

REQUIRED SUPPLEMENTARY INFORMATION

In addition to the basic financial statements, a budgetary comparison schedule is required for the General Fund, and if applicable, each of the Town's major special revenue funds. In addition, pension plan contributions and the Town's proportionate share of the net pension liability are required to supplement the basic financial statements.

TOWN OF SOUTH FORK, COLORADO
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN
FUND BALANCE - BUDGET AND ACTUAL
GENERAL FUND

For the Year Ended December 31, 2016

	<u>BUDGETED AMOUNTS</u>		<u>ACTUAL</u>	<u>VARIANCE WITH</u>
	<u>ORIGINAL</u>	<u>FINAL</u>		<u>FINAL BUDGET</u>
				<u>POSITIVE</u>
				<u>(NEGATIVE)</u>
REVENUES				
Taxes	\$ 477,300	\$ 477,300	\$ 531,182	\$ 53,882
Licenses and permits	42,850	42,850	51,936	9,086
Intergovernmental revenue				
State grants	30,000	40,000	54,706	14,706
Shared revenues				
Highway users tax	35,500	35,500	37,803	2,303
County road and bridge fund	25,000	25,000	23,007	(1,993)
Motor vehicle fees	3,000	3,000	2,957	(43)
Charges for services	132,325	132,325	36,398	(95,927)
Interest on accounts	710	710	3,445	2,735
Miscellaneous	-	-	4,221	4,221
TOTAL REVENUES	<u>746,685</u>	<u>756,685</u>	<u>745,655</u>	<u>(11,030)</u>
EXPENDITURES				
General government	329,205	329,205	305,486	23,719
Public safety	213,929	213,929	147,042	66,887
Highways and streets	106,223	106,223	105,758	465
Marketing and economic	90,235	90,235	51,149	39,086
Culture and recreation	11,279	21,279	12,962	8,317
Capital outlay	650	650	53,500	(52,850)
Debt Service	-	-	4,156	(4,156)
TOTAL EXPENDITURES	<u>751,521</u>	<u>761,521</u>	<u>680,053</u>	<u>81,468</u>
Excess (Deficiency) of Revenues over Expenditures	<u>(4,836)</u>	<u>(4,836)</u>	<u>65,602</u>	<u>70,438</u>
OTHER FINANCING SOURCES (USES)				
Lease Proceeds	-	-	53,500	53,500
Transfer In	5,000	5,000	-	(5,000)
TOTAL OTHER FINANCING SOURCES (USES)	<u>5,000</u>	<u>5,000</u>	<u>53,500</u>	<u>48,500</u>
Net Change in Fund Balance	164	164	119,102	118,938
Fund Balance at Beginning of Year	<u>720,075</u>	<u>720,075</u>	<u>761,167</u>	<u>41,092</u>
Fund Balance at End of Year	<u>\$ 720,239</u>	<u>\$ 720,239</u>	<u>\$ 880,269</u>	<u>\$ 160,030</u>

Notes to Required Supplementary Information

The basis of budgeting is the same as GAAP.
The schedule is presented on the GAAP basis.

TOWN OF SOUTH FORK, COLORADO
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN
FUND BALANCE - BUDGET AND ACTUAL
CONSERVATION TRUST FUND
For the Year Ended December 31, 2016

	<u>BUDGETED AMOUNTS</u>		<u>ACTUAL</u>	<u>VARIANCE WITH</u>
	<u>ORIGINAL</u>	<u>FINAL</u>		<u>FINAL BUDGET</u>
				<u>POSITIVE</u>
				<u>(NEGATIVE)</u>
REVENUES				
Intergovernmental revenue				
State lottery proceeds	\$ 4,000	\$ 4,000	\$ 4,114	\$ 114
Interest on accounts	100	100	144	44
TOTAL REVENUES	<u>4,100</u>	<u>4,100</u>	<u>4,258</u>	<u>158</u>
EXPENDITURES				
Capital Outlay	<u>20,000</u>	<u>20,000</u>	<u>9,636</u>	<u>10,364</u>
TOTAL EXPENDITURES	<u>20,000</u>	<u>20,000</u>	<u>9,636</u>	<u>10,364</u>
Excess (Deficiency) of Revenues over Expenditures	<u>(15,900)</u>	<u>(15,900)</u>	<u>(5,378)</u>	<u>10,522</u>
OTHER FINANCING SOURCES (USES)				
Transfer Out	<u>(5,000)</u>	<u>(5,000)</u>	<u>-</u>	<u>5,000</u>
TOTAL OTHER FINANCING SOURCES (USES)	<u>(5,000)</u>	<u>(5,000)</u>	<u>-</u>	<u>5,000</u>
Net Change in Fund Balance	(20,900)	(20,900)	(5,378)	15,522
Fund Balance at Beginning of Year	<u>71,450</u>	<u>71,450</u>	<u>74,813</u>	<u>3,363</u>
Fund Balance at End of Year	<u>\$ 50,550</u>	<u>\$ 50,550</u>	<u>\$ 69,435</u>	<u>\$ 18,885</u>

Notes to Required Supplementary Information

The basis of budgeting is the same as GAAP.
The schedule is presented on the GAAP basis.

TOWN OF SOUTH FORK, COLORADO
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN
FUND BALANCE - BUDGET AND ACTUAL
SILVER THREAD INTERPRETIVE CENTER FUND
For the Year Ended December 31, 2016

	<u>BUDGETED AMOUNTS</u>		<u>ACTUAL</u>	<u>VARIANCE WITH</u>
	<u>ORIGINAL</u>	<u>FINAL</u>		<u>FINAL BUDGET</u>
				<u>POSITIVE</u>
				<u>(NEGATIVE)</u>
REVENUES				
Intergovernmental revenue				
County grants	\$ 17,000	\$ 17,000	\$ 12,667	\$ (4,333)
Charges for services	44,660	44,660	27,940	(16,720)
Interest on accounts	60	60	19	(41)
	<u>61,720</u>	<u>61,720</u>	<u>40,626</u>	<u>(21,094)</u>
TOTAL REVENUES	<u>61,720</u>	<u>61,720</u>	<u>40,626</u>	<u>(21,094)</u>
EXPENDITURES				
Culture and Recreation				
Silver thread	72,295	72,295	60,197	12,098
	<u>72,295</u>	<u>72,295</u>	<u>60,197</u>	<u>12,098</u>
TOTAL EXPENDITURES	<u>72,295</u>	<u>72,295</u>	<u>60,197</u>	<u>12,098</u>
Net Change in Fund Balance	(10,575)	(10,575)	(19,571)	(8,996)
Fund Balance at Beginning of Year	<u>32,760</u>	<u>32,760</u>	<u>33,082</u>	<u>322</u>
Fund Balance at End of Year	<u>\$ 22,185</u>	<u>\$ 22,185</u>	<u>\$ 13,511</u>	<u>\$ (8,674)</u>

Notes to Required Supplementary Information

The basis of budgeting is the same as GAAP.
The schedule is presented on the GAAP basis.

TOWN OF SOUTH FORK, COLORADO
SCHEDULE OF THE TOWN'S PROPORTIONATE SHARE
OF THE NET PENSION ASSET
FPPA SWDB PENSION PLAN
For the Year Ended December 31, 2016

	<u>2016</u>	<u>2015</u>	<u>2014</u>
Town's proportion of the net pension liability (asset)	0.0169899296%	0.0185961890%	0.0189890360%
Town's proportionate share of the net pension liability (asset)	\$ (299)	\$ (20,987)	\$ (16,980)
Town's covered-employee payroll	\$ 67,656	\$ 82,863	\$ 83,625
Town's proportionate share of the net pension liability (asset) as a percentage of its covered-employee payroll	-0.44%	-25%	-20%
Plan fiduciary net position as a percentage of the total pension liability	100.1%	106.8%	105.8%

*The amounts presented were determined as of the calendar year-end.

**This schedule is presented to illustrate the requirement to show information for 10 years. However, until a full 10 year trend is compiled the Town presents information for those years for which information is available.

Notes to Required Supplementary Information:

See Note 8 in the accompanying Notes to the Basic Financial Statements for changes to assumptions or other inputs.

TOWN OF SOUTH FORK, COLORADO
SCHEDULE OF TOWN CONTRIBUTIONS
FPPA SWDB PENSION PLAN
For the Year Ended December 31, 2016

	<u>2016</u>	<u>2015</u>	<u>2014</u>
Contractually required contribution	\$ 5,932	\$ 6,629	\$ 6,690
Contributions in relation to the contractually required contribution	<u>(5,932)</u>	<u>(6,629)</u>	<u>(6,690)</u>
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Town's covered-employee payroll	67,656	82,863	83,625
Contributions as a percentage of covered-employee payroll	8.00%	8.00%	8.00%

** This schedule is presented to illustrate the requirement to show information for 10 years. However, until a full 10 year trend is compiled the Town presents information for those years for which information is available.

Notes to Required Supplementary Information:

See Note 8 in the accompanying Notes to the Basic Financial Statements for changes to assumptions or other inputs.

TOWN OF SOUTH FORK, COLORADO
OTHER SCHEDULES AND REPORTS

LOCAL HIGHWAY FINANCE REPORT	City or County: South Fork
This Information From The Records Of: Town of South Fork	YEAR ENDING : December 2016
Prepared By: Amanda Hill Phone: 719-873-0152	

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

III. DISBURSEMENTS FOR ROAD AND STREET PURPOSES

ITEM	AMOUNT	ITEM	AMOUNT
A. Receipts from local sources:		A. Local highway disbursements:	
1. Local highway-user taxes		1. Capital outlay (from page 2)	0
a. Motor Fuel (from Item I.A.5.)		2. Maintenance:	37,092
b. Motor Vehicle (from Item I.B.5.)		3. Road and street services:	
c. Total (a.+b.)		a. Traffic control operations	1,176
2. General fund appropriations	40,930	b. Snow and ice removal	0
3. Other local imposts (from page 2)	52,397	c. Other	0
4. Miscellaneous local receipts (from page 2)	25,983	d. Total (a. through c.)	1,176
5. Transfers from toll facilities		4. General administration & miscellaneous	67,989
6. Proceeds of sale of bonds and notes:		5. Highway law enforcement and safety	53,813
a. Bonds - Original Issues		6. Total (1 through 5)	160,070
b. Bonds - Refunding Issues		B. Debt service on local obligations:	
c. Notes		1. Bonds:	
d. Total (a. + b. + c.)	0	a. Interest	
7. Total (1 through 6)	119,310	b. Redemption	
B. Private Contributions		c. Total (a. + b.)	0
C. Receipts from State government (from page 2)	40,760	2. Notes:	
D. Receipts from Federal Government (from page 2)	0	a. Interest	
E. Total receipts (A.7 + B + C + D)	160,070	b. Redemption	
		c. Total (a. + b.)	0
		3. Total (1.c + 2.c)	0
		C. Payments to State for highways	
		D. Payments to toll facilities	
		E. Total disbursements (A.6 + B.3 + C + D)	160,070

IV. LOCAL HIGHWAY DEBT STATUS
(Show all entries at par)

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

V. LOCAL ROAD AND STREET FUND BALANCE

	A. Beginning Balance	B. Total Receipts	C. Total Disbursements	D. Ending Balance	E. Reconciliation
		160,070	160,070		0

Notes and Comments:

LOCAL HIGHWAY FINANCE REPORT

STATE:
Colorado
YEAR ENDING (mm/yy):
December 2016

II. RECEIPTS FOR ROAD AND STREET PURPOSES - DETAIL

ITEM	AMOUNT	ITEM	AMOUNT
A.3. Other local imposts:		A.4. Miscellaneous local receipts:	
a. Property Taxes and Assessments		a. Interest on investments	
b. Other local imposts:		b. Traffic Fines & Penalties	25,254
1. Sales Taxes	29,939	c. Parking Garage Fees	
2. Infrastructure & Impact Fees		d. Parking Meter Fees	
3. Liens		e. Sale of Surplus Property	
4. Licenses		f. Charges for Services	729
5. Specific Ownership &/or Other	22,458	g. Other Misc. Receipts	
6. Total (1. through 5.)	52,397	h. Other	
c. Total (a. + b.)	52,397	i. Total (a. through h.)	25,983
	(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	37,803	1. FHWA (from Item I.D.5.)	
2. State general funds		2. Other Federal agencies:	
3. Other State funds:		a. Forest Service	
a. State bond proceeds		b. FEMA	
b. Project Match		c. HUD	
c. Motor Vehicle Registrations	2,957	d. Federal Transit Admin	
d. Other (Specify)	0	e. U.S. Corps of Engineers	
e. Other (Specify)		f. Other Federal	
f. Total (a. through e.)	2,957	g. Total (a. through f.)	0
4. Total (1. + 2. + 3.f)	40,760	3. Total (1. + 2.g)	
			(Carry forward to page 1)

III. DISBURSEMENTS FOR ROAD AND STREET PURPOSES - DETAIL

	ON NATIONAL HIGHWAY SYSTEM (a)	OFF NATIONAL HIGHWAY SYSTEM (b)	TOTAL (c)
A.1. Capital outlay:			
a. Right-Of-Way Costs			0
b. Engineering Costs			0
c. Construction:			
(1). New Facilities			0
(2). Capacity Improvements			0
(3). System Preservation			0
(4). System Enhancement & Operation			0
(5). Total Construction (1) + (2) + (3) + (4)	0	0	0
d. Total Capital Outlay (Lines 1.a. + 1.b. + 1.c.5)	0	0	0
			(Carry forward to page 1)

Notes and Comments: