
**Town of Sugar City
Financial Statements and
Independent Auditor's Report
as of
December 31, 2016**



RECEIVED

By the Office of the State Auditor at 3:03 pm, Aug 15, 2017

Town of Sugar City

Table of Contents

	<u>Page</u>
Independent Auditor's Report	1
Management's Discussion and Analysis	3
Basic Financial Statements:	
Government-wide Financial Statements:	
Statement of Net Position.....	12
Statement of Activities.....	13
Fund Financial Statements:	
Governmental Funds Balance Sheet.....	14
Reconciliation of the Governmental Funds Balance Sheet to the Statement of Net Position.....	15
Governmental Funds Statement of Revenues, Expenditures and Changes in Fund Balances.....	16
Reconciliation of the Governmental Funds Statement of Revenues, Expenditures and Changes in Fund Balances to the Statement of Activities.....	17
Statement of Net Position-Enterprise Funds.....	18
Statement of Revenues, Expenses and Changes in Net Position -Enterprise Funds.....	19
Statement of Cash Flows-Enterprise Funds.....	20
Notes to Basic Financial Statements.....	21
Required Supplementary Information	
Schedule of Revenues, Expenditures and Changes in Fund Balances-Budget and Actual:	
General Fund.....	40
Schedule of Changes in Net Pension Liability.....	41
Schedule of Contributions to Pension Plan.....	42
Other Supplementary Information	
Combining Balance Sheet.....	43
Combining Statement of Revenues, Expenditures and Changes in fund balance..	44
Schedules of Revenues, Expenditures and Changes in fund balances	
Conservation Trust.....	45
Road and Bridge.....	46
Schedules of Revenues, Expenditures and Changes in Available Resources-Budget and Actual-Enterprise Funds:	
Water Fund.....	47
Sewer Fund.....	48
Trash Fund.....	49
Local Highway Finance Report.....	50

INDEPENDENT AUDITOR'S REPORT

To the Town Council
Town of Sugar City, Colorado

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

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

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

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

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

Opinions

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

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 information, schedule of changes in net pension liability, and schedule of contributions to pension plan on pages 3–10, 40, 41 and 42 be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Other Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Town of Sugar City, Colorado's basic financial statements. The combining balance sheet and schedules of revenues expenditures and changes in fund balances, schedules of revenues expenditures and changes in fund balance or available resources for governmental and enterprise funds budget to actual and local highway financial report are presented for purposes of additional analysis and are not a required part of the basic financial statements.

The combining balance sheet and schedules of revenues expenditures and changes in fund balances, schedules of revenues expenditures and changes in fund balance or available resources for governmental and enterprise funds budget to actual and local highway financial report are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the combining balance sheet and schedules of revenues expenditures and changes in fund balances, schedules of revenues expenditures and changes in fund balance or available resources for governmental and enterprise funds budget to actual and local highway financial report are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

Blair and Associates, P.C.

Cedaredge, Colorado

June 28, 2017

TOWN OF SUGAR CITY
Management's Discussion and Analysis
Fiscal Year Ended December 31, 2016

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

FINANCIAL HIGHLIGHTS

- The Town's assets exceeded its liabilities and deferred inflow of resources by \$ 2,128,418 (i.e. net position) as of December 31, 2016, an increase of \$ 106,345 in comparison to the prior year.
- Governmental funds reported combined ending fund balances of \$ (112,927), increase of \$ 25,110 in comparison with the prior year.
- The Town's fund balance for the General Fund was \$ (92,991), an increase of \$ 21,935 in comparison to the prior year.
- Total long-term liabilities decreased by \$ 68,633 during the 2016 fiscal year with no new debt issued.
- General property tax and other tax totaled \$ 20,493 or 43% of 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, liabilities and deferred inflows of resources, with the difference reported as net position. Over time, the increases or decreases in net position may serve as a useful indicator of whether the financial position of the Town is improving or deteriorating.

The **statement of activities** presents information showing how the Town's net 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 costs through user fees and charges (*Business-type Activities*). The Governmental Activities of the Town include general government administration, public works, parks and recreation, library, community services and economic development. The Business-type Activities of the Town include the following utilities: water, sewer, and trash.

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 funds can be divided into two categories: Governmental Funds and Proprietary Funds.

Governmental Funds – *Governmental funds* are used to account for essentially the same functions reported as *governmental activities* in the government-wide financial statements. However, unlike the government-wide financial statements, governmental fund financial statements focus on *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 financing 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 the governmental fund balance sheet and the governmental fund statement of revenues, expenditures, and changes in fund balances provide a reconciliation to facilitate this comparison between *governmental funds* and *governmental activities*.

The Town maintains one major government fund, which is the General 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 type of proprietary fund. *Enterprise Funds* are used to report the same functions 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 Trash 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 exceeded liabilities and deferred inflows of resources by \$ 2,128,418. Of this amount, \$ 403,779 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 \$ 1,676,128 (79% 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 services 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 and 2015:

	Governmental Activities 2016	Governmental Activities 2015	Business Type Activities 2016	Business Type Activities 2015	Totals 2016	Totals 2015
Assets						
Current and other assets	\$ (90,718)	\$ (115,909)	\$ 631,826	\$ 571,413	\$ 541,108	\$ 455,504
Capital assets	523,760	537,784	1,818,804	1,850,136	2,342,564	2,387,920
Total assets	<u>433,042</u>	<u>421,875</u>	<u>2,450,630</u>	<u>2,421,549</u>	<u>2,883,672</u>	<u>2,843,424</u>
Deferred outflow of resources	28,253	20,770	-	-	28,253	20,770
Total assets and deferred outflow of resources	<u>\$ 461,295</u>	<u>\$ 442,645</u>	<u>\$ 2,450,630</u>	<u>\$ 2,421,549</u>	<u>\$ 2,911,925</u>	<u>\$ 2,864,194</u>
Current Liabilities	\$ 66,607	\$ 48,641	\$ 13,164	\$ 42,004	\$ 79,771	\$ 90,645
Non-current liabilities						
Meter deposits	-	-	31,071	29,852	31,071	29,852
Loans payable	-	-	666,436	705,218	666,436	705,218
Total liabilities	<u>66,607</u>	<u>48,641</u>	<u>710,671</u>	<u>777,074</u>	<u>777,278</u>	<u>825,715</u>
Deferred inflows of resources						
Deferred property tax revenue	16,520	16,406	-	-	16,520	16,406
Net Position						
Investment in capital assets, net of related debt	523,760	537,784	1,152,368	1,115,066	1,676,128	1,652,850
Restricted			48,511	47,292	48,511	47,292
Unrestricted	(145,592)	(160,186)	549,371	482,117	393,488	321,931
Total net position	<u>\$ 378,168</u>	<u>\$ 377,598</u>	<u>\$ 1,750,250</u>	<u>\$ 1,644,475</u>	<u>\$ 2,128,418</u>	<u>\$ 2,022,073</u>

An additional portion of net position, \$ 48,511, represents resources that are subject to external restrictions on how they may be used. The remaining balance of unrestricted net assets, \$ 393,488 (18% of net position), may be used to meet the government's ongoing obligations to citizens and creditors.

Change in Net Position

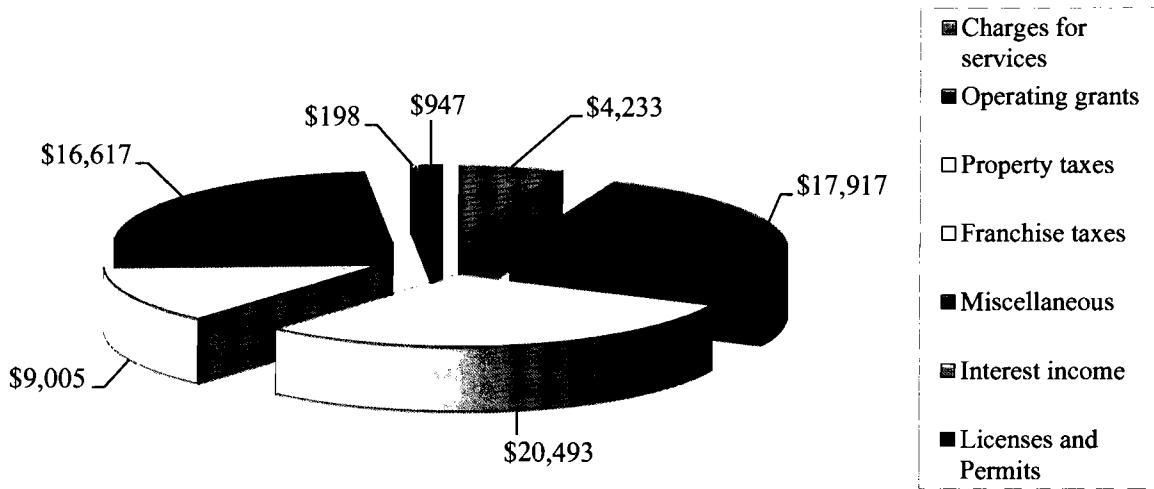
Governmental and business-type activities increased the Town's net position by \$ 106,345 in 2016.

	Governmental Activities 2016	Governmental Activities 2015	Business Type Activities 2016	Business Type Activities 2015	Total 2016	Total 2015
Revenues						
Program revenues						
Charges for services	\$ 4,233	\$ 6,128	\$ 530,857	\$ 535,452	\$ 535,090	\$ 541,580
Operating grants	17,917	17,626	-	-	17,917	17,626
Capital grants	-	-	-	-	-	-
General Revenues						
Property taxes	20,493	18,445	-	-	20,493	18,445
Sales taxes and other	-	13	-	-	-	13
Franchise taxes	9,005	8,612	-	-	9,005	8,612
Interest income	198	405	2	3	200	408
Miscellaneous	16,617	15,684	43,928	43,409	60,545	59,093
Licenses and permits	947	550	-	-	947	550
Totals	<u>69,410</u>	<u>67,463</u>	<u>574,787</u>	<u>578,864</u>	<u>644,197</u>	<u>646,327</u>
Expenses						
General government	50,624	55,025			50,624	55,025
Public Works	14,687	14,522	469,012	504,694	483,699	519,216
Health & Welfare	2,979	5,108			2,979	5,108
Public Safety	550	813			550	813
Total expenses	<u>68,840</u>	<u>75,468</u>	<u>469,012</u>	<u>504,694</u>	<u>537,852</u>	<u>580,162</u>
Increase in net position	570	(8,005)	105,775	74,170	106,345	66,165
Beginning	<u>377,598</u>	<u>385,603</u>	<u>1,644,475</u>	<u>1,570,305</u>	<u>2,022,073</u>	<u>1,955,908</u>
Ending	<u>\$ 378,168</u>	<u>\$ 377,598</u>	<u>\$ 1,750,250</u>	<u>\$ 1,644,475</u>	<u>\$ 2,128,418</u>	<u>\$ 2,022,073</u>

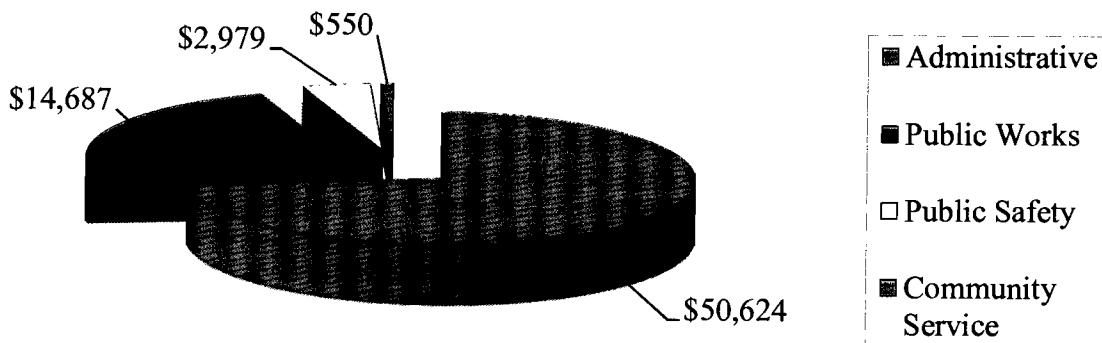
Governmental Activities

Governmental activities increased the Town's net position by \$ 570.

Revenues by Source-Governmental Activities



Expenses by Department-Governmental Activities



Business-type Activities

Business-type activities for the year resulted in an increase in net position of \$ 105,775. Charges for services accounted for 92% 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, 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 \$ (112,927), an increase of \$ 25,110 in comparison with the prior year. Of the combined ending fund balances for all governmental funds 86% of this total amount, \$(130,859), constitutes unassigned fund balance, which is available for appropriation at the Town's discretion.

The Town has one major governmental fund, the General Fund, which is the primary operating fund for the Town. At the end of 2016, unassigned fund balance of the General Fund was \$ (92,991), while the total fund balance was \$ (92,991). As a measure of the General Fund's liquidity, it may be useful to compare both unreserved fund balance and total fund balance to total fund expenditures. The fund balance of the General Fund increased by \$ 21,935 during 2016.

Proprietary 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 Trash Funds. At the end of 2016, these funds represented the following net position amounts:

Fund:	Water	Sewer	Trash
Unrestricted net position	\$ 211,119	\$ 86,203	\$ 252,049
Total net position	\$ 993,021	\$ 569,509	\$ 187,720
Increase (decrease) in net position	\$ 15,269	\$ (11,453)	\$ 101,959

GENERAL FUND BUDGETARY HIGHLIGHTS

The Town budgeted \$ 39,653 for 2016 expenditures. Actual expenditures were \$ 29,529. There was no amendment to the original budget for General Fund.

CAPITAL ASSET AND DEBT ADMINISTRATION

The Town's investment in capital assets for its governmental and business-type activities as of December 31, 2016, was \$ 2,342,564. As required for this year by GASB 34, the investment in capital assets includes land, buildings, building improvements, and equipment.

	Beginning Balance	Additions	Deletions	Ending Balance
<u>Governmental Activities</u>				
Capital Assets being depreciated				
Buildings and Improvements	\$ 624,958	\$ -	\$ -	\$ 624,958
Equipment and Other	244,116	-	-	244,116
Park Improvements	21,178	-	-	21,178
Infrastructure	11,640	-	-	11,640
Total	901,892	-	-	901,892
Less accumulated depreciation				
Buildings and Improvements	104,159	12,499	-	116,658
Equipment and Other	244,116	-	-	244,116
Park Improvements	14,204	1,059	-	15,263
Infrastructure	1,629	466	-	2,095
Total	364,108	14,024	-	378,132
Capital Assets being depreciated, net	\$ 537,784	\$ (14,024)	\$ -	\$ 523,760

	Beginning Balance	Additions	Deletions	Ending Balance
<u>Business- Type Activities</u>				
Capital Assets not being depreciated				
Land	\$ 2,500	\$ -	\$ -	\$ 2,500
Water Shares	28,966	-	-	28,966
Total assets not being depreciated	31,466	-	-	31,466
Capital Assets being depreciated				
Buildings	1,431	-	-	1,431
Distribution System	2,445,108	50,448	-	2,495,556
Machinery and Equipment	370,870	12,439	-	383,309
Total	2,817,409	62,887	-	2,880,296
Less accumulated depreciation				
Total	(998,739)	(94,219)	-	(1,092,958)
Net capital assets	\$ 1,850,136	\$ (31,332)	\$ -	\$ 1,818,804

Long-term Debt

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

<i>Enterprise Funds</i>	Balance 1/1/2016	Additions	Deletions	Balance 12/31/2016	Current
Water Revenue Bonds	\$ 289,020	\$ -	\$ 5,159	\$ 283,861	\$ 5,378
Sewer Loans	216,703	-	17,846	198,857	17,846
Trash Loan	115,911	-	16,581	99,330	14,599
Trash Loan-Line of credit	113,435	-	29,047	84,388	84,388
Totals	<u>\$ 735,069</u>	<u>\$ -</u>	<u>\$ 68,633</u>	<u>\$ 666,436</u>	<u>\$ 122,211</u>

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:

Town Clerk
Town of Sugar City
PO Box 60
Sugar City, CO 81076-0060

Basic Financial Statements

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

	Governmental Activities	Business Type Activities	TOTAL
ASSETS			
Cash and Cash equivalents	\$ (116,381)	\$ 517,057	\$ 400,676
Accounts receivable	13,031	110,881	123,912
Property taxes receivable	16,520	-	16,520
Internal receivables	(3,888)	3,888	-
Capital assets	901,892	2,911,763	3,813,655
Less: Accumulated Depreciation	(378,132)	(1,092,959)	(1,471,091)
Total Assets	433,042	2,450,630	2,883,672
DEFERRED OUTFLOWS			
Difference between expected and actual experience			
Pension net difference between projected and actual investment earnings	3,623	-	3,623
Changes in assumptions	4,959	-	4,959
	19,671	-	19,671
Total Deferred outflows	28,253	-	28,253
LIABILITIES and FUND BALANCES			
Accounts payable	1,154	7,117	8,271
Accrued payroll taxes	3,770	-	3,770
Accrued Interest Payable	-	6,047	6,047
Other Liabilities	765	31,071	31,836
Net pension liability	60,918	-	60,918
Noncurrent Liabilities			
Due Within one Year	-	122,211	122,211
Due In More than One Year	-	544,225	544,225
Total Liabilities	66,607	710,671	777,278
Deferred inflows of resources			
Deferred property tax revenue	16,520	-	16,520
NET POSITION			
Invested in capital assets, net of related debt	523,760	1,152,368	1,676,128
Restricted for:			
Debt Service	-	17,440	17,440
Customer Deposits	-	31,071	31,071
Unrestricted	(145,592)	549,371	403,779
Total Net Position	\$ 378,168	\$ 1,750,250	\$ 2,128,418

The accompanying notes are integral part of these financial statements.

**Town of Sugar City
Statement of Activities
For the year ended December 31, 2016**

Functions/Programs	Expenses	Program Revenues		
		Charges for Service and Fees	Operating Grants & Contributions	Capital Grants & Contributions
Governmental activities				
Administrative	\$ 50,624	\$ 2,528	\$ -	\$ -
Public Works	14,687	1,438	15,152	-
Public Safety	2,979	127	-	-
Community Service	550	140	2,765	-
Total Government activities	68,840	4,233	17,917	-
Business-type activities				
Sewer	48,204	36,749	-	-
Water	123,375	94,716	-	-
Trash	297,433	399,392	-	-
Total business-type activities	469,012	530,857	-	-
Total primary government	\$ 537,852	\$ 535,090	\$ 17,917	\$ -

General Revenues:

- Property Tax
- Franchise Fees
- Licenses and Permits
- Earnings on Investments
- Other Revenues

Total general revenues and Transfers

Changes in Net Position

Net Position-January 1

Net Position-December 31

The accompanying notes are integral part of these financial statements.

Net (Expenses) Revenue and Changes in Net Assets

Primary Government

Governmental Activities	Business-type Activities	Total
\$ (48,096)	\$ -	\$ (48,096)
1,903	-	1,903
(2,852)	-	(2,852)
2,355	-	2,355
<u>(46,690)</u>	<u>-</u>	<u>(46,690)</u>
-	(11,455)	(11,455)
-	(28,659)	(28,659)
-	101,959	101,959
-	61,845	61,845
<u>\$ (46,690)</u>	<u>\$ 61,845</u>	<u>\$ 15,155</u>
20,493	-	20,493
9,005	-	9,005
947	-	947
198	2	200
16,617	43,928	60,545
<u>47,260</u>	<u>43,930</u>	<u>91,190</u>
570	105,775	106,345
377,598	1,644,475	2,022,073
<u>\$ 378,168</u>	<u>\$ 1,750,250</u>	<u>\$ 2,128,418</u>

**Town of Sugar City
Governmental Funds
Balance Sheet
December 31, 2016**

	General Fund	Non Major Governmental Funds	Total Governmental Funds
Assets			
Cash and investments	\$ (101,078)	\$ (15,303)	\$ (116,381)
Accounts receivable	11,877	1,154	13,031
Property taxes receivable	16,520	-	16,520
Due from/to Other Funds	9,052	-	9,052
Total Assets	(63,629)	(14,149)	(77,778)
Liabilities, deferred inflows of resources and fund balance			
Liabilities			
Accounts payable	481	673	1,154
Accrued payroll taxes	3,770	-	3,770
Deposit payable	765	-	765
Due to Other Funds	7,826	5,114	12,940
Total Liabilities	12,842	5,787	18,629
Deferred inflows of resources	16,520	-	16,520
Fund Balances			
Restricted	-	17,932	17,932
Unassigned	(92,991)	(37,868)	(130,859)
Total fund balances	(92,991)	(19,936)	(112,927)
Total liabilities, deferred inflow of resources and fund balances	\$ (63,629)	\$ (14,149)	\$ (77,778)

The accompanying notes are integral part of these financial statements.

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

Total fund balances --governmental funds	\$ (112,927)
Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the funds. The cost of the assets is \$ 901,892 and the accumulated depreciation is \$ 378,132.	523,760
Deferred inflows of resources and net pension liability	(32,665)
Net Assets of Governmental Activities in the Statement of Net Position	<u><u>\$ 378,168</u></u>

The accompanying notes are integral part of these financial statements.

Town of Sugar City
Governmental Funds
Statement of Revenues, Expenditures and Changes in Fund Balances
For the year ended December 31, 2016

Revenues	General	Non major Governmental Funds	Total Governmental Funds
Taxes	\$ 20,493	\$ 15,152	\$ 35,645
Licenses and Fees	9,989	-	9,989
Charges for Services	3,288	-	3,288
Fines & Forfeits	-	-	-
Grants	-	2,765	2,765
Other	17,694	29	17,723
Total Revenues	51,464	17,946	69,410
Expenditures			
Administrative	26,550	-	26,550
Public Works	-	14,221	14,221
Public Safety	2,459	-	2,459
Cemetery	520	-	520
Community Service	-	550	550
Total expenditures	29,529	14,771	44,300
Net change in fund balances	21,935	3,175	25,110
Fund Balance, January 1	(114,926)	(23,111)	(138,037)
Fund Balance, December 31	\$ (92,991)	\$ (19,936)	\$ (112,927)

The accompanying notes are integral part of these financial statements.

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

Net change in fund balances - total governmental funds \$ 25,110

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, assets with an initial, individual cost of more than \$5,000 are capitalized and the cost is allocated over their estimated useful lives and reported as depreciation expense. This is the amount by which depreciation exceeded capital outlays in the current period.

Capital Outlays more than \$5,000	-		
Depreciation Expense	(14,024)		(14,024)

Pension expense			(10,516)
-----------------	--	--	----------

Change in net assets of governmental activities			\$ 570
--	--	--	---------------

The accompanying notes are integral part of these financial statements.

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

	Sewer Fund	Water Fund	Trash Fund	Totals
ASSETS				
Current Assets:				
Cash Investments	\$ 77,298	\$ 239,791	\$ 199,968	\$ 517,057
Accounts Receivable	9,155	20,505	81,221	110,881
Due from Other Funds	-	15,421	-	15,421
Deposits	-	-	10,291	10,291
Total Current Assets	86,453	275,717	291,480	653,650
Noncurrent Assets:				
Capital Assets	927,515	1,650,657	333,591	2,911,763
Less Accumulated Depreciation	(245,352)	(621,584)	(226,023)	(1,092,959)
Total noncurrent assets	682,163	1,029,073	107,568	1,818,804
Total Assets	768,616	1,304,790	399,048	2,472,454
LIABILITIES				
Current Liabilities				
Accrued Interest Payable	-	6,047	-	6,047
Accounts Payable	250	2,611	4,256	7,117
Customer Deposits	-	19,250	11,821	31,071
Due to Other Funds	-	-	11,533	11,533
Notes payable-Current	17,846	5,378	98,987	122,211
Total Current Liabilities	18,096	33,286	126,597	177,979
Noncurrent Liabilities				
Notes payable	181,011	278,483	84,731	544,225
Total Liabilities	199,107	311,769	211,328	722,204
NET POSITION				
Invested in Capital Assets, Net of Related Debt	483,306	745,212	(76,150)	1,152,368
Restricted for:				
Customer Deposits	-	19,250	11,821	31,071
Debt Service	-	17,440	-	17,440
Unrestricted	86,203	211,119	252,049	549,371
Total Net Position	\$ 569,509	\$ 993,021	\$ 187,720	\$ 1,750,250

The accompanying notes are integral part of these financial statements.

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

	Sewer Fund	Water Fund	Trash Fund	Total
Operating Revenues:				
Charges for Services	\$ 36,749	\$ 94,716	\$ 399,392	\$ 530,857
Miscellaneous	-	43,928	-	43,928
Total Operating Revenues	36,749	138,644	399,392	574,785
Operating Expenses				
Administration	139	11,387	3,746	15,272
Operating Supplies	-	8,427	4,040	12,467
Repairs	4,580	12,527	48,805	65,912
Fuel Expense	4,361	4,957	15,958	25,276
Utilities and Communications	604	8,801	3,194	12,599
Salaries and Benefits	7,603	26,275	120,820	154,698
Gas & Oil	-	2,006	-	2,006
Professional Fees	-	5,614	4,540	10,154
Landfill Fees	-	-	39,599	39,599
Other Expense	-	-	16,977	16,977
Bad Debts	-	-	258	258
Depreciation	30,917	31,193	32,110	94,220
Total Operating Expenses	48,204	111,187	290,047	449,438
Operating Income (Loss)	(11,455)	27,457	109,345	125,347
Nonoperating revenues (expenses):				
Interest Income	2	-	-	2
Interest Expense	-	(12,188)	(7,386)	(19,574)
Total nonoperating revenues (expenses)	2	(12,188)	(7,386)	(19,572)
Change in Net Position	(11,453)	15,269	101,959	105,775
Total Net Position, January 1	580,962	977,752	85,761	1,644,475
Total Net Position, December 31	\$ 569,509	\$ 993,021	\$ 187,720	\$ 1,750,250

The accompanying notes are integral part of these financial statements.

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

	Sewer Fund	Water Fund	Trash Fund	Totals
Cash Flows From Operating Activities				
Receipts from Customers	\$ 37,090	\$ 138,157	\$ 405,606	\$ 580,853
Payments to Employees	(7,603)	(26,275)	(120,820)	(154,698)
Payments to Vendors	(9,457)	(50,882)	(137,951)	(198,290)
Net Cash provided (used) by operating activities	<u>20,030</u>	<u>61,000</u>	<u>146,835</u>	<u>227,865</u>
Cash Flows from Capital and Related Financing Activities				
Purchase of Fixed Assets	-	(50,448)	(12,439)	(62,887)
Interest Paid on Debt	-	(12,188)	(7,386)	(19,574)
Principal Paid on Debt	(17,845)	(5,159)	(45,629)	(68,633)
Net cash provided (used) by capital and related financing activities	<u>(17,845)</u>	<u>(67,795)</u>	<u>(65,454)</u>	<u>(151,094)</u>
Cash Flows from Investing Activities				
Interest Earnings	2	-	-	2
Net Increase (decrease) in cash and equivalents	2,187	(6,795)	81,381	76,773
Cash & cash equivalents-January 1	<u>75,111</u>	<u>246,586</u>	<u>128,878</u>	<u>450,575</u>
Cash & cash equivalents-December 31	<u><u>77,298</u></u>	<u><u>239,791</u></u>	<u><u>210,259</u></u>	<u><u>527,348</u></u>
Reconciliation of operating income (loss) to net cash provided (used) by operating activities:				
Operating Income (Loss)	(11,455)	27,457	109,345	125,347
Adjustments to reconcile operating income (loss) to net cash provided (used) by operating activities:				
Depreciation Expense	30,917	31,193	32,110	94,220
(Increase) Decrease in Accounts Receivables	341	(487)	6,214	6,068
Increase (Decrease) Accounts Payable	227	1,778	(899)	1,106
Increase (Decrease) in Customer Deposits	-	1,154	65	1,219
Increase (Decrease) Accrued Interest	-	(95)	-	(95)
Net cash provided by operating activities	<u><u>\$ 20,030</u></u>	<u><u>\$ 61,000</u></u>	<u><u>\$ 146,835</u></u>	<u><u>\$ 227,865</u></u>

The accompanying notes are integral part of these financial statements.

Town of Sugar City
Notes to Basic Financial Statements
December 31, 2016

Note 1 - Summary of Significant Accounting Policies

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

A. Financial Reporting Entity

The Town operates under a Mayor-Council form of government. The Town's major operations include public safety, community service, public works and general administrative services. In addition, the town owns and operates a water and sewer system. The Town also provides sanitation services. As required by accounting principles generally accepted in the United States of America, these financial statements present the Town of Sugar City (the primary government). The Town has no oversight responsibility for any other governmental entity since no other entities are considered to be controlled by or dependent on the Town. Control or dependence is determined on the basis of budget adoption, taxing authority, funding, and appointment of the respective governing body.

B. Government-wide Financial Statements

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

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

Town of Sugar City
Notes to Basic Financial Statements
December 31, 2016

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

C. Fund Financial Statements

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

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

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

The Town reports the following major governmental funds:

- The *General Fund* is the Town's primary operating fund. It accounts for all financial resources of the Town, except those required to be accounted for in another fund.
- The *Conservation Trust Fund*, which accounts for State of Colorado lottery funds to be used for parks and recreation services and capital investment.
- *Road and Bridge Fund*, which accounts for highway user's taxes and other revenues to be used for Town street projects.

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

Town of Sugar City
Notes to Basic Financial Statements
December 31, 2016

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

C. Fund Financial Statements - (continued)

Enterprise 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 an enterprise fund's principal ongoing operations. The principal operating revenues of the Town are charges for water, sewer and trash fees. Operating expenses for the enterprise funds include personnel services, contract services, utilities, repairs and maintenance, supplies, insurance and depreciation cost. All revenues and expenses not meeting this definition are reported as nonoperating revenues and expenses.

The Town reports the following major enterprise fund business-type activities:

- Water, Sewer and Trash Funds, which account for all operations of the Town's water, sewer and trash services. They are primarily financed by user charges.

D. Measurement Focus and Basis of Accounting

The government-wide financial statements are reported using the economic resources measurement focus and the accrual basis of accounting, as are the enterprise fund financial statements. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows. Property taxes are recognized as revenues in the year for which they are levied.

Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met.

The modified accrual basis of accounting is used by all governmental funds. Under the modified accrual basis of accounting, revenues are recognized when susceptible to accrual (i.e., when they become both measurable and available).

"Measurable" means the amount of the transaction can be determined and "available" means collectible within the current period or soon enough thereafter to be used to pay liabilities of the current period. Expenditures are recorded when the related fund liability is incurred. Exceptions to this general rule include principal and interest on general long-term debt which is recognized when due, and compensated absences which are recognized when the obligations are expected to be liquidated with expendable available resources.

Town of Sugar City
Notes to Basic Financial Statements
December 31, 2016

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

D. Measurement Focus and Basis of Accounting - (continued)

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

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

Deferred Outflows / Inflows of Resources

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

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

E. Cash and Cash Equivalents

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

F. Use of Estimates

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

Town of Sugar City
Notes to Basic Financial Statements
December 31, 2016

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

G. Property Taxes

Property taxes for the current year are levied and attached as a lien on property the following January 1. They are payable in full by April 30 or in two equal installments due February 28 and June 15. Property taxes levied in the current year and collected in the following year are reported as a receivable at December 31. However, since the taxes are not available to pay current liabilities, the property tax revenue is recorded as deferred inflows of resources in the governmental funds.

H. Capital Assets

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

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

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

<u>Asset Class</u>	<u>Useful Life</u>
Building and Other Improvements	10-40 years
Vehicles	5 years
Equipment	3-15 years

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

Town of Sugar City
Notes to Basic Financial Statements
December 31, 2016

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

I. Long-Term Liabilities

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

The long-term compensated absences are serviced from revenues of the General Fund from future appropriations.

J. Compensated Absences

It is the Town's policy for employees to accumulate earned but unused vacation and sick pay benefits but employees are not entitled to be paid for sick leave upon termination. Accrued vacation and sick leave payable has not been reflected in the financial statements of the Proprietary funds and in the Statement of Net Assets for all governmental fund types as it does not exceed normal accumulations and is not material in relation to the financial statements.

K. Net Position

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

L. Interfund Transactions

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

Town of Sugar City
Notes to Basic Financial Statements
December 31, 2016

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

M. Encumbrances

The Town does not use an encumbrance system for budgetary control.

N. Inventory

Inventories of all Proprietary Funds are stated at cost using the first-in, first-out method of determining cost. Inventories of all funds consist of expendable supplies held for consumption.

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

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

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

Note 3 - Tax, Spending and Debt Limitations

Colorado voters passed an amendment to the State Constitution, Article X, Section 20, which has several limitations, including revenue raising, spending abilities, and other specific requirements of state and local governments, excluding "enterprises."

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

The Amendment requires that an emergency reserve be maintained at three percent of fiscal year spending. At December 31, 2016, the Town had a negative fund balance in its governmental funds, therefore no emergency reserves were available and the Town could be violation of the tabor amendment.

Town of Sugar City
Notes to Basic Financial Statements
December 31, 2016

Note 4 - Budgets

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

- A. Prior to October 1, a proposed operating budget for the fiscal year commencing the following January 1 is developed. The operating budget includes proposed expenditures and the means of financing them.
- B. A public hearing on the proposed budget is held by the Council to obtain taxpayers comments.
- C. The Council adopts the budget by resolution on or before the final day established by law for the certification of the ensuing year's tax levy to the County. Adoption of the budget by the Council shall constitute appropriations of the amounts specified therein as expenditures from the funds indicated and shall constitute a levy of the property tax therein proposed.
- D. If during the fiscal year the Town determines that there are expenses in excess of those estimated in the budget, the Council by resolution may make supplemental appropriations for the year up to the amount of such excess. To meet an emergency affecting public property, health, peace or safety, the Council may make emergency appropriations. If at any time during the fiscal year it appears probable to the Town that the revenues available will be insufficient to meet the amount appropriated, the Town Clerk reports to the Council, indicating the estimated amount of deficit, any remedial action already taken, and a recommendation as to any other steps to be taken.
- E. Budget appropriations lapse at the end of each year.
- F. Expenditures may not exceed appropriations at the fund level. Budget amounts included in the financial statements are based on the final amended budget. Revisions made to the original budgeted expenditures for each fund are as follows:

	Original Budget	Total Revisions	Final Budget
General	\$ 39,653	\$ -	\$ 39,653
Water	138,528	-	138,528
Sewer	36,198	-	36,198
Trash	403,605	-	403,605
Road and Bridge	14,408	-	14,408
Conservation Trust	2,133	-	2,133
Total	\$ 634,525	\$ -	\$ 634,525

Town of Sugar City
Notes to Basic Financial Statements
December 31, 2016

Note 4 – Budgets - (continued)

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

- H. The Town could be in violation of the Colorado Budget Law because actual expenditures exceed budgetary amounts in the Water Fund.

Note 5 - Deposits and Investments

Custodial Credit Risk (Deposits)

The Colorado Public Deposit Protection Act (PDPA) requires that all units of local government deposit cash in eligible public depositories; eligibility is determined by state regulators. Amounts on deposit in excess of federal insurance levels must be collateralized. The eligible collateral is determined by the PDPA. The PDPA allows the institution to create a single collateral pool for all public funds. The pool is to be maintained by another institution or held in trust for all the uninsured public deposits as a group. The market value of the collateral must be at least equal to the aggregate uninsured deposits. Collateral in the pool is considered to be equal to depository insurance pursuant to definitions listed in GASB Statement No. 40. At December 31, 2016, the bank balance of the Town's deposits was \$ 405,659 of which all was covered by federal depository insurance.

Custodial Credit Risk (Deposits)

Colorado statutes specify investment instruments meeting defined rating and risk criteria in which local government entities may invest. Authorized investments include obligations of the United States and certain U.S. government agency securities; certain international agency securities; general obligation and revenue bonds of U.S. local government entities; bankers' acceptances of certain banks; commercial paper; local government investment pools; written repurchase agreements collateralized by certain authorized securities; certain money market funds; and, guaranteed investment contracts. The Town's investment policy follows Colorado statutes.

Town of Sugar City
Notes to Basic Financial Statements
December 31, 2016

Note 5 - Deposits and Investments (continued)

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

Cash and Cash Equivalents

Cash on hand	\$ 119
Deposits	396,222
Certificate of Deposits	4,075
Cash with County Treasurer	<u>260</u>
Total	<u>\$ 400,676</u>
Statement of Net Assets	
Cash and Cash Equivalents	<u>\$ 400,676</u>

Interest Rate Risk

The Town has board approved investments with maturities of one year or less, as a means of managing its exposure to fair value loss resulting from increasing interest rates. The Colorado Revised Statute 24-75-601 also limits investment maturities to five years or less.

Credit Risk

State law limits investments for towns to U.S. Treasury issues, other federally backed notes and credits, and other agency offerings. Other investment instruments including bank obligations, general obligation bonds, and commercial paper are limited to at least one of the highest rating categories of at least one nationally recognized rating agency. State law further limits investments in money market funds to those institutions with over \$1 billion in assets or the highest credit rating from one or more of the nationally recognized rating agency. The town does not use investments of this type.

Town of Sugar City
Notes to Basic Financial Statements
December 31, 2016

Note 6 - Capital Assets

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

	Beginning Balance	Additions	Deletions	Ending Balance
Governmental Activities				
Capital Assets being depreciated				
Buildings and Improvements	\$ 624,958	\$ -	\$ -	\$ 624,958
Equipment and Other	244,116	-	-	244,116
Park Improvements	21,178	-	-	21,178
Infrastructure	11,640	-	-	11,640
Total	<u>901,892</u>	<u>-</u>	<u>-</u>	<u>901,892</u>
Less accumulated depreciation				
Buildings and Improvements	104,159	12,499	-	116,658
Equipment and Other	244,116	-	-	244,116
Park Improvements	14,204	1,059	-	15,263
Infrastructure	1,629	466	-	2,095
Total	<u>364,108</u>	<u>14,024</u>	<u>-</u>	<u>378,132</u>
Capital Assets being depreciated, net	<u><u>\$ 537,784</u></u>	<u><u>\$ (14,024)</u></u>	<u><u>\$ -</u></u>	<u><u>\$ 523,760</u></u>
	Beginning Balance	Additions	Deletions	Ending Balance
Business- Type Activities				
Capital Assets not being depreciated				
Land	\$ 2,500	\$ -	\$ -	\$ 2,500
Water Shares	28,966	-	-	28,966
Total assets not being depreciated	<u>31,466</u>	<u>-</u>	<u>-</u>	<u>31,466</u>
Capital Assets being depreciated				
Buildings	1,431	-	-	1,431
Distribution System	2,445,108	50,448	-	2,495,556
Machinery and Equipment	370,870	12,439	-	383,309
Total	<u>2,817,409</u>	<u>62,887</u>	<u>-</u>	<u>2,880,296</u>
Less accumulated depreciation	<u>(998,739)</u>	<u>(94,219)</u>	<u>-</u>	<u>(1,092,958)</u>
Total	<u>1,818,670</u>	<u>(31,332)</u>	<u>-</u>	<u>1,787,338</u>
Net capital assets	<u><u>\$ 1,850,136</u></u>	<u><u>\$ (31,332)</u></u>	<u><u>\$ -</u></u>	<u><u>\$ 1,818,804</u></u>

Town of Sugar City
Notes to Basic Financial Statements
December 31, 2016

Note 6 - Capital Assets (continued)

Governmental Activities:	
General Government	\$ 12,499
Public Works	466
Culture and Recreation	1,059
Total Governmental Activities	<u>\$ 14,024</u>
Business-type Activities:	
Water	\$ 30,917
Sewer	31,193
Trash	32,109
Total Business-type Activities	<u>\$ 94,219</u>

Note 7 - Long-Term Debt

Water Revenue Bonds

During 2004, the Town started and completed a water project to enhance the water distribution system for water users. The Town contributed \$60,000 of its own funds and on an Interim basis borrowed approximately \$323,830 from a local bank. Prior to the project being completed, the bank loan was repaid with interest. The bank loan was paid by incurring debt totaling \$ 334,000 payable to the United States Department of Agriculture. The bonds are secured by Water Enterprise Fund revenues and accounts receivable. The United States Department of Agriculture has a first lien on all water fund revenues and receivables.

The bond has a stated interest rate of 4.25%. Payments are due semi-annually each January 1 and July 1, beginning January 1, 2005 and mature on July 1, 2044, in the amount of \$8,721. The bond also requires a reserve payment of \$1,744 per year into a reserve account for the first ten years of the loan. The Town has established a water project account at First National Bank of Ordway in the amount of \$17,442 for this purpose.

Town of Sugar City
Notes to Basic Financial Statements
December 31, 2016

Note 7 - Long-Term Debt (continued)

The principal and interest amounts remaining to be paid as of December 31, 2016, are as follows:

<u>Date</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2017	\$ 5,378	\$ 12,064	\$ 17,442
2018	5,606	11,836	17,442
2019	5,845	11,597	17,442
2020	6,093	11,349	17,442
2021	6,352	11,090	17,442
2022-2026	36,047	51,163	87,210
2027-2031	44,386	42,824	87,210
2032-2036	54,655	32,555	87,210
2037-2041	67,299	19,911	87,210
2042-2045	52,200	4,881	57,081
Total	<u>\$ 283,861</u>	<u>\$ 209,270</u>	<u>\$ 493,131</u>

Sewer Loan

The Town was awarded a Water Pollution Control Fund (WPCF) loan from the Colorado Water Resources and Power Development Authority in the amount of \$306,000, at 0% interest, for a term of 20 years on July 6, 2006. An amendment to the loan agreement was approved April 30, 2007 to amend the loan repayment schedule to make the first principal payment May 1, 2008 and final payment due November 1, 2027 due to a delay in project construction. Future principal amounts are as follows:

<u>Date</u>	<u>Principal</u>
2017	\$ 15,300
2018	15,300
2019	15,300
2020	15,300
2021	15,300
2022-2026	76,500
2027	15,300
Total	<u>\$ 168,300</u>

Town of Sugar City
Notes to Basic Financial Statements
December 31, 2016

Note 7 - Long-Term Debt (continued)

Sewer Loan

The Town was awarded a Water Pollution Control Fund (WPCF) loan from the Colorado Water Resources and Power Development Authority in the amount of \$65,000, at 0% interest, for a term of 20 years on May 1, 2009, with final payment due November 1, 2028. Future principal amounts are as follows:

Date	Principal
2017	\$ 2,546
2018	2,546
2019	2,547
2020	2,546
2021	2,546
2022-2026	12,732
2027	5,094
Total	\$ 30,557

Trash Fund Loans

On June 27, 2008, the Trash Fund of Sugar City entered into a loan agreement with Fowler State Bank for the purpose of capital acquisitions within the fund. The loan is in the amount of \$200,000 with an interest rate of 5.75% and 180 monthly payments of \$1,660.83 beginning July 27, 2008. The schedule of payments at December 31, 2016, is as follows:

Date	Principal	Interest	Total
2017	\$ 14,599	\$ 5,331	\$ 19,930
2018	15,461	4,469	19,930
2019	16,374	3,556	19,930
2020	17,341	2,589	19,930
2021	18,365	1,565	19,930
2022	17,190	484	17,674
Total	\$ 99,330	\$ 17,994	\$ 117,324

On June 21, 2012, the Trash Fund of Sugar City entered into a line of credit with Fowler State Bank for the purpose of purchasing a garbage truck. The line of credit is in the amount of \$84,388 with an interest rate of 4.25%.

Town of Sugar City
Notes to Basic Financial Statements
December 31, 2016

Note 7 - Long-Term Debt (continued)

Schedule of long - term debt:

<i>Enterprise Funds</i>	Balance 1/1/2016	Additions	Deletions	Balance 12/31/2016	Current
Water Revenue Bonds	\$ 289,020	\$ -	\$ 5,159	\$ 283,861	\$ 5,378
Sewer Loans	216,703	-	17,846	198,857	17,846
Trash Loan	115,911	-	16,581	99,330	14,599
Trash Loan-Line of credit	113,435	-	29,047	84,388	84,388
Totals	<u>\$ 735,069</u>	<u>\$ -</u>	<u>\$ 68,633</u>	<u>\$ 666,436</u>	<u>\$ 122,211</u>

Note 8 - Public Entity Pool

The Town of Sugar City is a participant with Colorado Intergovernmental Risk Sharing Agency (CIRSA) in a public entity to fund an insurance risk pool.

CIRSA is a separate legal entity established by the member municipalities pursuant to the provisions of Colorado Revised Statute and the Colorado Constitution. In 1985, the Town Council approved a resolution that authorized the Town to participate in the pool. The Town has participated each year since then. The Town also participated in the Worker's Compensation Pool.

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 accordance with the bylaws, any member of CIRSA against stated liability or 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 coverage 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 the unit.

Complete financial statements for CIRSA can be obtained at their offices.

Town of Sugar City
Notes to Basic Financial Statements
December 31, 2016

Note 9 - Segment Information for Enterprise Funds

The Town has three Enterprise Funds, which provide water, sewer, and trash. Segment information for the year ended December 31, 2016, are as follows:

	<u>Sewer</u>	<u>Water</u>	<u>Trash</u>
Operating Revenues	\$ 36,749	\$ 138,644	\$ 399,392
Depreciation	30,917	31,193	32,110
Operating Income (Loss)	(11,455)	27,457	109,345
Change in Net Position	(11,453)	15,269	101,959
Net Working Capital	<u>86,203</u>	<u>247,809</u>	<u>187,720</u>
Total Assets	768,616	1,304,790	399,048
Bond or loan payments (current)	17,846	5,378	98,987
Long-term debt	181,011	278,483	84,731
Net Position	<u>\$ 569,509</u>	<u>\$ 993,021</u>	<u>\$ 187,720</u>

Note 10 - Due To/Due from Funds

The interfund loan is included in Due To/Due from Funds. Below is a schedule showing Due To/Due from Funds.

	<u>Due to</u>	<u>Due From</u>
General Fund	\$9,052	\$ 7,826
Water Fund	15,421	-
Road and Bridge Fund	-	5,114
Trash Fund	-	<u>11,533</u>
Totals	<u>\$24,473</u>	<u>\$24,473</u>

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.

The Town is a member of the Colorado Intergovernmental Risk Sharing Agency (CIRSA), a public entity risk pool currently operating as a common risk management and insurance program for property/casualty and workers' compensation coverage. CIRSA is to be self-sustaining through member contributions and reinsures through commercial companies for claims in excess of certain limits for each insured event. CIRSA members are subject to a supplemental assessment in the event of a deficiency.

Town of Sugar City
Notes to Basic Financial Statements
December 31, 2016

Note 12 - Defined Benefit Pension Plans

All volunteer fire fighters participate in the Defined Benefit Pension Plan administrated by the FPPA for plan administration and investment only. The plan has a plan document, actuarial valuation and is governed by the local pension board.

Any fire fighter, who has reached the age of 50 years and completed 20 years of active service, is eligible for \$100 per month.

At December 31, 2016, the Town reported liability of \$60,918 for its proportionate share of the net pension liability. The net pension liability was measured as of December 31, 2015, and the total pension liability used to calculate the net pension liability was determined by an actuarial study as of January 1, 2016. Standard update procedures were used to roll forward the total pension liability to December 31, 2016. The Town's proportion of the net liability was based on Town's contributions to FPPA for the calendar year 2015 relative to the total contributions of participating employers to FPPA.

For the year ended December 31, 2016, the Town recognized pension expense of \$10,516. At December 31, 2016, the Town reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Difference between expected and actual experience	\$ 3,623	\$ -
Net difference between projected and actual earnings on pension plan investments	4,959	-
Changes in assumptions	<u>19,671</u>	<u>-</u>
Total	<u>\$ 28,253</u>	<u>\$ -</u>

None was reported as deferred outflows related to pensions, resulting from contributions subsequent to the measurement date. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

<u>Year Ending December 31</u>	<u>Net Deferred Outflows/ (Inflows) of Resources</u>
2016	\$ 7,030
2017	7,030
2018	7,029
2019	6,443
2020	721
Thereafter	-
Total	<u>\$ 28,253</u>

Town of Sugar City
Notes to Basic Financial Statements
December 31, 2016

Note 12 - Defined Benefit Pension Plans – (continued)

Actuarial assumptions. The total pension asset in December 31, 2015 actuarial valuation was determined using the following actuarial assumptions and other inputs:

Actuarially determined contribution rates are calculated as of January 1 of odd numbered years. The contribution rates have a one-year lag, so the actuarial valuation as of January 1, 2015, determines the contribution amounts for 2016 and 2017.

Methods and Assumptions Used to Determine Contribution Rates for the Fiscal Year Ending December 31, 2015:

Actuarial Cost Method	Entry Age Normal
Amortization Method	Level Dollar, Open*
Remaining Amortization Period	20 years*
Asset Valuation Method	5-Year smoothed fair value
Inflation	3.00%
Salary Increases	N/A
Investment Rate of Return	7.50%
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.

LONG-TERM EXPECTED RETURN ON PLAN ASSETS

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	Global Equity	37.00 %	6.50 %	Equity Long/Short	10.00 %	4.70 %	Illiquid Alternatives	20.00 %	8.00 %	Fixed Income	16.00 %	1.50 %	Absolute Return	11.00 %	4.10 %	Managed Futures	4.00 %	3.00 %	Cash	2.00 %	0.00 %	* Total	100.00 %	Target Allocation	Long-Term Expected Real Rate of Return
-------------	---------------	---------	--------	-------------------	---------	--------	-----------------------	---------	--------	--------------	---------	--------	-----------------	---------	--------	-----------------	--------	--------	------	--------	--------	---------	----------	-------------------	--

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

The figures in the above table were supplied by Fire and Police Pension Association Staff. Gabriel, Roeder, Smith & Company does not provide investment advice.

Town of Sugar City
Notes to Basic Financial Statements
December 31, 2016

Note 12 - Defined Benefit Pension Plans – (continued)

<u>Asset Class</u>	<u>Target Allocation</u>	<u>Real Rate of Return</u>
Global Equity	37.00 %	6.50 %
Equity Long/Short	10.00 %	4.70 %
Illiquid Alternatives	20.00 %	8.00 %
Fixed Income	16.00 %	1.50 %
Absolute Return	11.00 %	4.10 %
Managed Futures	4.00 %	3.00 %
Cash	<u>2.00 %</u>	0.00 % *
Total	100.00 %	

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

The figures in the above table were supplied by Fire and Police Pension Association Staff. Gabriel, Roeder, Smith & Company does not provide investment advice.

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/ (asset), calculated using a Single Discount Rate of 5.03%, 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:

Sensitivity of Net Pension Liability/(Asset) to the Single Discount Rate Assumption		
Current Single Discount		
1% Decrease	Rate Assumption	1% Increase
4.03%	5.03%	6.03%
<u>\$ 83,518</u>	<u>\$ 60,918</u>	<u>\$ 42,400</u>

Note 12 - Defined Benefit Pension Plans – (continued)

The Fire & Police Pension Association (FPPA) administers an agent multiple-employer Public Employee Retirement System (PERS). The PERS represents the assets of numerous separate plans that have been pooled for investment purposes. The pension plans have elected to affiliate with FPPA for plan administration and investment only. FPPA issues a publicly available comprehensive annual financial report that can be obtained at:<http://www.fppaco.org>.

Note 13 – Fund Balances

The following funds had deficit fund balances at December 31, 2016:

General Fund	\$ (92,991)
Road and Bridge	\$ (37,868)

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

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Favorable (Unfavorable)</u>
Revenues				
Taxes	\$ 16,260	\$ 16,260	\$ 20,493	\$ 4,233
License and Fees	9,550	9,550	9,989	439
Charges for Services	1,343	1,343	3,288	1,945
Fines and Forfeits	125	125	-	(125)
Other	12,375	12,375	17,694	5,319
Total Revenues	<u>39,653</u>	<u>39,653</u>	<u>51,464</u>	<u>11,811</u>
Expenditures				
Administrative	36,453	36,453	26,550	9,903
Public Works	1,000	1,000	-	1,000
Public Safety	1,900	1,900	2,459	(559)
Cemetery	300	300	520	(220)
Total Expenditures	<u>39,653</u>	<u>39,653</u>	<u>29,529</u>	<u>10,124</u>
Excess of revenues over (under) expenditures	-	-	21,935	21,935
Fund balance, January 1	-	-	(114,926)	(114,926)
Fund balance, December 31	<u>\$ -</u>	<u>\$ -</u>	<u>\$ (92,991)</u>	<u>(92,991)</u>

The accompanying notes are integral part of these financial statements.

Town of Sugar City
Schedule of Changes in Net Pension Liability/(Assets)
FPPA Pension Plan
For the Years Ended December 31, 2016

	<u>2015</u>	<u>2014</u>	<u>2013</u>	<u>2012</u>	<u>2011</u>	<u>2010</u>	<u>2009</u>	<u>2008</u>	<u>2007</u>	<u>2006</u>
Total Pension Liability										
Service cost	\$ 1,607	\$ 1,188								
Interest on the total pension liability	8,001	7,826								
Benefit changes	-	-								
Difference between expected and actual experience	-	5,487								
Assumption changes	8,801	18,906								
Benefit payments	(6,000)	(6,000)								
Net Change in Total Pension Liability	<u>12,409</u>	<u>27,407</u>								
Total Pension Liability - Beginning	<u>148,172</u>	<u>120,765</u>								
Total Pension Liability - Ending	<u>\$ 160,581</u>	<u>\$ 148,172</u>								
Plan Fiduciary Net Position										
Employer contributions	\$ -	\$ -								
Pension plan net investment income	1,906	6,972								
Benefit payments	(6,000)	(6,000)								
Pension plan administrative expense	(1,497)	(544)								
State of Colorado supplemental discretionary payment	-	-								
Net Change in Plan Fiduciary Net Position	<u>(5,591)</u>	<u>428</u>								
Plan fiduciary Net Position - Beginning	<u>105,253</u>	<u>104,825</u>								
Plan Fiduciary Net Position - Ending	<u>\$ 99,662</u>	<u>\$ 105,253</u>								
Net Premium Liability (Assets) - Ending	<u>\$ 60,918</u>	<u>\$ 42,919</u>								
Plan Fiduciary Net Position as a Percentage of Total Pension Liability	62.06%	71.03%								
Covered Employee Payroll	N/A	N/A								
Net Pension Liability as a Percentage of Covered Employee Payroll	N/A	N/A								

**Town of Sugar City
Schedule of Contributions
FPPA Pension Plan
For the Year Ended December 31, 2016**

	<u>2016</u>
Actuarially determined contribution	\$ 1,703
Actual contributions *	\$ -
Contribution deficiency (excess)	\$ 1,703
Town's covered employee payroll	N/A
Contributions as a percentage of covered employee payroll	N/A

* Includes both employer and State of Colorado Supplemental Discretionary Payment.

**Town of Sugar City
Combining Balance Sheet
Nonmajor Governmental Funds
For the Year Ended December 31, 2016**

	Conservation Trust Fund	Road and Bridge Fund	Total Nonmajor Governmental Funds
Assets			
Cash and Investments	\$ 17,932	\$ (33,235)	\$ (15,303)
Accounts Receivable	-	1,154	1,154
Total Assets	\$ 17,932	\$ (32,081)	\$ (14,149)
Liabilities and Fund Balance			
Liabilities			
Accounts payable	\$ -	\$ 673	\$ 673
Due to Other Funds	-	5,114	5,114
Total Liabilities	-	5,787	5,787
Fund Balance			
Restricted	17,932	-	17,932
Assigned	-	(37,868)	(37,868)
Total Fund Balance	17,932	(37,868)	(19,936)
Total Liabilities and Fund Balance	\$ 17,932	\$ (32,081)	\$ (14,149)

Town of Sugar City
Combining Statement of Revenues, Expenditures and Changes in Fund Balance
Non Major Governmental Funds
For the Year Ended December 31, 2016

	Conservation Trust Fund	Road and Bridge Fund	Total Non Major Governmental Funds
Revenues			
Taxes	\$ -	\$ 15,152	\$ 15,152
Lottery funds	2,765	-	2,765
Other	22	7	29
Total Revenues	2,787	15,159	17,946
Expenditures			
Public Works	-	14,221	14,221
Total expenditures	550	14,221	14,771
Excess (deficiency) of revenues over (under) expenditures	2,237	938	3,175
Fund Balance, January 1	15,695	(38,806)	(23,111)
Fund Balance, December 31	\$ 17,932	\$ (37,868)	\$ (19,936)

Town of Sugar City
Schedule of Revenues, Expenditures and Changes in Fund Balances
Conservation Trust
Budget and Actual
Year Ended December 31, 2016

	<u>Budget</u>	<u>Actual</u>	<u>Favorable (Unfavorable)</u>
Revenues			
Lottery funds	\$ 2,113	\$ 2,765	\$ 652
Other	20	22	2
Total Revenues	<u>2,133</u>	<u>2,787</u>	<u>654</u>
Expenditures			
Capital Outlay	2,133	550	1,583
Total Expenditures	<u>2,133</u>	<u>550</u>	<u>1,583</u>
Excess of revenues over (under) expenditures	-	2,237	2,237
Fund balance, January 1	-	15,695	15,695
Fund balance, December 31	<u>\$ -</u>	<u>\$ 17,932</u>	<u>\$ 17,932</u>

Town of Sugar City
Schedule of Revenues, Expenditures and Changes in Fund balances
Road and Bridge Fund
Budget and Actual
Year Ended December 31, 2016

	<u>Budget</u>	<u>Actual</u>	<u>Favorable (Unfavorable)</u>
Revenues			
Taxes	\$ 14,400	\$ 15,152	\$ 752
Other	8	7	(1)
Total Revenues	<u>14,408</u>	<u>15,159</u>	<u>751</u>
 Expenditures			
Public Works	14,408	14,221	187
Total Expenditures	<u>14,408</u>	<u>14,221</u>	<u>187</u>
 Excess of revenues over (under) expenditures	-	938	938
 Fund balance, January 1	<u>-</u>	<u>(38,806)</u>	<u>(38,806)</u>
Fund balance, December 31	<u>\$ -</u>	<u>\$ (37,868)</u>	<u>\$ (37,868)</u>

Town of Sugar City
Water Fund
Schedule of Revenues, Expenditures and Changes in Available Resources
Budget and Actual
Year Ended December 31, 2016

	<u>Budget</u>	<u>Actual</u>	<u>Favorable (Unfavorable)</u>
Operating Revenues			
Charges for Services	\$ 95,263	\$ 94,716	\$ (547)
Facility Maintenance Fee	43,265	43,928	663
Total Operating revenues	<u>138,528</u>	<u>138,644</u>	<u>116</u>
Operating Expenses			
Administration	10,861	11,387	(526)
Operating Supplies	3,349	8,427	(5,078)
Repairs	48,290	9,924	38,366
Insurance	6,042	4,957	1,085
Utilities and Communication	8,685	8,801	(116)
Salaries and Benefits	23,484	26,275	(2,791)
Gas & Oil	5,500	2,006	3,494
Professional Services	3,960	5,614	(1,654)
Capital Outlay	10,915	53,052	(42,137)
Debt Service Payments	17,442	17,347	95
Total Operating Expenses	<u>138,528</u>	<u>147,790</u>	<u>(9,262)</u>
Excess of revenues over (under) expenditures	-	(9,146)	9,378
Available Resources, January 1	-	256,954	256,954
Available Resources, December 31	<u>\$ -</u>	<u>\$ 247,808</u>	<u>247,808</u>

Town of Sugar City
Sewer Fund
Schedule of Revenues, Expenditures and Changes in Available Resources
Budget and Actual
Year Ended December 31, 2016

	<u>Budget</u>	<u>Actual</u>	<u>(Unfavorable)</u>
Operating Revenues:			
Charges for Services	\$ 36,193	\$ 36,749	\$ 556
Interest Income	5	2	(3)
Total Operating revenues	<u>36,198</u>	<u>36,751</u>	<u>553</u>
Operating Expenses:			
Administration	-	139	(139)
Repairs	8,470	4,580	3,890
Insurance	1,511	4,361	(2,850)
Utilities and Communication	698	604	94
Salaries and Benefits	7,672	7,603	69
Debt Service Payments	17,847	17,846	1
Total Operating Expenses	<u>36,198</u>	<u>35,133</u>	<u>1,065</u>
Excess of revenues over (under) expenditures	-	1,618	1,618
Net Assets January 1	-	84,585	84,585
Net Assets December 31	<u>\$ -</u>	<u>\$ 86,203</u>	<u>\$ 86,203</u>

Town of Sugar City
Schedule of Revenues, Expenditures and Changes in Available Resources
Trash Fund
Budget to Actual
Year Ended December 31, 2016

	Budget	Actual	Favorable (Unfavorable)
Operating Revenues:			
Charges for Services	\$ 403,605	\$ 399,392	\$ (4,213)
Total Operating revenues	403,605	399,392	(4,213)
Operating Expenses:			
Administration	6,933	4,004	2,929
Operating Supplies	1,850	4,040	(2,190)
Repairs	34,533	47,247	(12,714)
Fuel Expense	42,500	15,958	26,542
Utilities and Communication	3,497	3,194	303
Insurance	19,635	16,977	2,658
Salaries and Benefits	144,797	120,820	23,977
Professional Fees	7,160	4,540	2,620
Landfill Fees	22,478	39,599	(17,121)
Debt Service Payments	53,015	53,015	-
Capital Outlay	67,207	13,997	53,210
Total Operating Expenses	403,605	323,391	80,214
Excess of revenues over (under) expenditures	-	76,001	76,001
Net Position- January 1	-	187,870	187,870
Net Position- December 31	\$ -	\$ 263,871	263,871