

CITY OF FLORENCE, COLORADO

BASIC FINANCIAL STATEMENTS

December 31, 2016



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TABLE OF CONTENTS

	<u>PAGE</u>
INTRODUCTORY SECTION	
Title Page	
Table of Contents	
FINANCIAL SECTION	
Independent Auditors' Report	
Management's Discussion and Analysis	M1 – M9
Basic Financial Statements	
Government–Wide Financial Statements	
Statement of Net Position	1
Statement of Activities	2
Fund Financial Statements	
Balance Sheet – Governmental Funds	3
Statement of Revenues, Expenditures and Changes in Fund Balances – Governmental Funds	4
Reconciliation of the Statement of Revenues, Expenditures and Changes in Fund Balances of Governmental Funds to the Statement of Activities	5
Statement of Net Position – Proprietary Fund Type	6
Statement of Revenues, Expenses and Changes in Net Position – Proprietary Fund Type	7
Statement of Cash Flows – Proprietary Fund Type	8
Statement of Fiduciary Net Assets – Agency Fund	9
Notes to Financial Statements	10 – 32

TABLE OF CONTENTS
(Continued)

	<u>PAGE</u>
FINANCIAL SECTION (Continued)	
Required Supplementary Information	
General Fund – Budgetary Comparison Schedule	33
Schedule of the City’s Proportionate Share	34
Schedule of the City’s Contributions	35
Combining and Individual Fund Schedules	
Combining Balance Sheet – Nonmajor Governmental Funds	36
Combining Statement of Revenues, Expenditures and Changes In Fund Balances – Nonmajor Governmental Funds	37
Conservation Trust Fund – Budgetary Comparison Schedule	38
Pool, Park, and Recreation Fund – Budgetary Comparison Schedule	39
Capital Projects Fund – Budgetary Comparison Schedule	40
Street Improvement Fund – Budgetary Comparison Schedule	41
Perpetual Care Reserve Fund – Budgetary Comparison Schedule	42
Water Fund – Budgetary Comparison Schedule	43
Statement of Changes in Assets and Liabilities – Agency Fund	44
Compliance	
Local Highway Finance Report	45 - 48

FINANCIAL SECTION



JOHN CUTLER & ASSOCIATES

Honorable Mayor and Members of the City Council
City of Florence
Florence, Colorado

INDEPENDENT AUDITORS' REPORT

Report on the Financial Statements

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

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

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

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

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

Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of City of Florence, 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 and required supplementary information on pages 33-35 be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Other Information

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

John Luttrell & Associates, LLC

September 29, 2017

City of Florence Management's Discussion and Analysis

The Management Discussion and Analysis (MD&A) is designed to provide an easy-to-read discussion of the City of Florence's (City) financial condition and operating results and to disclose to the reader important financial activities and issues related to the City's basic operations and mission.

The City has two separate financial categories or activities - government-type activities and those covered or referred to as business type activities. Within the government type activities, the City Council has designated eleven separate budgets: a General Fund, a Police Equipment/Supplies Fund, an Equipment Replacement Fund, a Conservation Trust Fund, a Capital Improvements Fund, a Community Projects Fund, a Cemetery Construction Fund, a Pool, Park and Recreation Fund, a Capital Projects Fund, a Recreation Fund, and a Perpetual Care Trust Fund. The government type activities are funded through the City's ad-valorem property tax, sales and use taxes, highway user's tax and fees for services. The business type activities are in one Enterprise: the Water Fund. The Water Fund receives revenue through water sales, water tap fees and other fees.

The City also maintains one agency fund, the School Land Dedication Fees Fund, which is used to pass through funds received for special projects. The City has no discretion on the utilization of the funds in the School Land Dedication Fees Fund.

DESCRIPTION OF FINANCIAL STATEMENTS

This annual report consists of four parts - management's *discussion and analysis* (this section), the *basic financial statements*, *required supplementary information*, and *Other Supplemental Schedules*. The basic financial statements include two kinds of statements that present different views of the City:

- The first two statements are *government-wide financial statements* that provide both *long-term* and *short-term* information about the City's overall financial status.
- The remaining statements are *fund financial statements* that focus on *individual parts* of the City government, reporting the City's operations *in more detail* than the government-wide statements.

The financial statements also include *notes* that explain some of the information in the financial statements and provide more detailed data. The statements are followed by a section of *required supplementary information* that further explains and supports the information in the financial statements.

Government-wide Statements

The government-wide statements consist of the Statement of Net Position and the Statement of Activities. These statements report information about the City as a whole and include *all* assets and liabilities using the accrual basis of accounting, which is similar to the accounting used by most private-sector companies. All of the current year's revenues and expenses are taken into account regardless of when cash is received or paid.

These two statements report the City's *net position* and changes in net position. The City's net position, the difference between assets and liabilities, is one way to measure the City's financial health, or *financial position*. Over time, increases or decreases in the City's net position are one indicator of whether its financial health is improving or deteriorating. Other non-financial factors, however, such as changes in the City's property tax base, are needed to assess the overall health of the City.

In the Statement of Net Position and the Statement of Activities, the City is divided into two kinds of activities:

- **Governmental Activities** - The activity of the City for its General Fund (which includes the Police Equipment/Supplies Fund, Equipment Replacement Fund, and the Capital Improvement Fund), Conservation Trust, Capital Projects Fund (which includes the Community Projects Fund and the Cemetery Construction Fund), the Pool, Park and Recreation Fund (which includes the Recreation Fund) are reported here. Property taxes, specific ownership taxes, highway users tax, sales tax, fees for services and interest income are the sources that fund most of these activities.
- **Business-Type Activities** - The City manages one enterprise fund, the Water Fund. The Water Fund develops and operates the City's water supply and assets and the water supply and assets of the Regional Water System.

Fund Financial Statements

The fund financial statements provide more detailed information about the City's funds, focusing on its most significant funds - not the City as a whole. The City's two kinds of funds *governmental and proprietary* - use different accounting principles.

Governmental fund - The City's activity of its General and special revenue funds are reported as governmental funds, which focus on how money flows into and out of the funds and the balances left at year-end. Governmental funds report using an accounting principle called modified accrual accounting, which measures cash and all other financial assets that can readily be converted to cash. The governmental fund statement provides a detailed short-term view of the City's general governmental operations and the basic services it provides. Governmental fund information helps to determine whether there are more or fewer financial resources that can be spent in the near future to finance the City's programs.

Proprietary (Enterprise) fund - The activity of the City's Enterprise fund is reported in the same way that all activities are reported in the Statement of Net Position and the Statement of Activities. In fact, the City's enterprise fund is the same as the business-type activities reported in the governmental-wide statements but provide more detail and additional information, such as cash flows.

The other financial statements included are for the City's Agency Fund and also include notes that explain some of the information in the financial statements and provide more detailed data.

HIGHLIGHTS

Governmental Activities

- Total assets for governmental activities at December 31, 2016 were \$5,867,549.

Business-type Activities

- In 2016, total assets were \$33,055,199 compared to \$33,385,549, at the end of fiscal year 2015. This is a decrease of \$330,350. In 2016, revenues from water sales decreased by \$40,168 from \$3,529,175 to \$3,489,007.
- Total Enterprise liabilities decreased from \$19,997,594 in 2015 to \$19,160,620 in 2016, a decrease of \$836,974.

STATEMENTS OF NET POSITION

The perspective of the statement of net position is of the City as a whole. Following is a summary of the City's net position for 2016:

	Governmental Activities		Business Type Activities		Total	
	2016	2015	2016	2015	2016	2015
Current and other assets	\$ 3,577,440	\$ 3,557,007	\$ 9,538,839	\$ 9,150,479	\$ 13,116,279	\$ 12,707,486
Capital assets	2,290,109	2,560,438	23,516,360	24,235,070	25,806,469	\$ 26,795,508
Total assets	<u>5,867,549</u>	<u>6,117,445</u>	<u>33,055,199</u>	<u>33,385,549</u>	<u>38,922,748</u>	<u>39,502,994</u>
Deferred outflows of resources						
Long-term debt outstanding	152,423	200,020	19,023,455	19,894,028	19,175,878	20,094,048
Other liabilities	116,014	110,375	137,165	103,566	253,179	213,941
Total liabilities	<u>268,437</u>	<u>310,395</u>	<u>19,160,620</u>	<u>19,997,594</u>	<u>19,429,057</u>	<u>20,307,989</u>
Deferred Inflow of Resources						
Related to pensions	13,153	5,692			13,153	5,692
Deferred Property Tax Revenue	527,286	513,407			527,286	513,407
Net assets:						
Invested in capital assets, net of related debt	2,193,856	2,416,588	4,443,830	4,287,755	6,637,686	6,704,343
Restricted	425,103	410,462	-	-	425,103	410,462
Unrestricted For Emergencies	2,606,729	2,506,856	9,450,749	9,100,200	12,057,478	11,607,056
Total net assets	<u>\$ 5,225,688</u>	<u>\$ 5,333,906</u>	<u>\$ 13,894,579</u>	<u>\$ 13,387,955</u>	<u>\$ 19,120,267</u>	<u>\$ 18,721,861</u>

The change in net position for the Governmental Activities was a decrease of \$108,218 or 2.03%. The change in net assets for the Business-Type Activities was an increase of \$506,624 or 3.78% with an overall increase of \$398,406.00.

STATEMENTS OF ACTIVITIES

The perspective of the statement of activities is of the City as a whole. The following table reflects the change in net assets for fiscal year 2015 and 2016.

	Governmental Activities		Business Type Activities		Total	
	2016	2015	2016	2015	2016	2015
Revenues:						
Program Revenues:						
Charges for services	\$ 339,109	\$ 547,917	\$ 3,489,007	\$ 3,529,175	\$ 3,828,116	\$ 4,077,092
Operating grants and contributions	138,054	251,769	-	-	138,054	\$ 251,769
Capital grants and contributions	275,098	36,842	112,624	18,396	387,722	\$ 55,238
Total Program Revenues	752,261	836,528	3,601,631	3,547,571	4,353,892	4,384,099
General Revenues:						
Property taxes	516,787	486,396	-	-	516,787	\$ 486,396
Sales and use taxes	1,192,876	983,276	-	-	1,192,876	\$ 983,276
Other general revenues	622,246	741,449	(72,068)	(167,275)	550,178	\$ 574,174
Total General Revenues	2,331,909	2,211,121	(72,068)	(167,275)	2,259,841	2,043,846
Total Revenue	3,084,170	3,047,649	3,529,563	3,380,296	6,613,733	6,427,945
Program Expenses:						
General government	840,416	679,274	-	-	840,416	\$ 679,274
Police	1,185,409	1,097,539	-	-	1,185,409	\$ 1,097,539
Public works	798,681	795,287	-	-	798,681	\$ 795,287
Sanitation	-	-	-	-	-	\$ -
Planning and building	192,122	171,097	-	-	192,122	\$ 171,097
Cemetery	-	-	-	-	-	\$ -
Parks and recreation	169,714	152,247	-	-	169,714	\$ 152,247
Interest on long-term debt	6,046	32,596	-	-	6,046	\$ 32,596
Water	-	-	2,339,155	2,253,200	2,339,155	\$ 2,253,200
Swimming pool	-	-	-	-	-	\$ -
Interest on long-term debt	-	-	683,784	702,098	683,784	\$ 702,098
Total Expenses	3,192,388	2,928,040	3,022,939	2,955,298	6,215,327	5,883,338
Transfers	-	-	-	-	-	-
Increase (Decrease) in Net Assets	(108,218)	119,609	506,624	424,998	398,406	544,607
Beginning Net Assets	5,333,906	5,214,297	13,387,955	12,962,957	18,721,861	18,177,254
Ending Net Assets	5,225,688	5,333,906	13,894,579	13,387,955	19,120,267	18,721,861

Governmental Activities

The following table presents the cost of each of the City's largest governmental program's as well as each programs net cost (total cost less revenues generated by the activities). The net cost shows the financial burden that was placed on the City's taxpayers by each of these functions.

Activity	Cost of Services	Net Cost of Services
General government	\$ 840,416	\$ (440,965)
Police	1,185,409	(822,718)
Streets	798,681	(657,298)
Planning	192,122	(171,097)
Parks & Rec	169,714	33,162
Debt	6,046	(32,596)
Totals	\$ 3,192,388	\$ (2,091,512)

Budgetary Analysis of the General Fund

General Fund revenues were \$70,143 more than budget. General Fund expenditures were \$204,342 less than budget.

CAPITAL ASSETS AND DEBT ADMINISTRATION - CITY WIDE

At year-end the City had \$25,806,469 invested in a broad range of capital assets including buildings, vehicles and other equipment, and water treatment facilities. The table below summarizes the capital assets owned by the City.

Land	\$ 126,993	\$ 126,993	\$ 79,425	\$ 79,425	\$ 206,418	\$ 206,418
Easements	5,935	5,935	-	-	5,935	5,935
Water shares	-	-	563,889	563,889	563,889	563,889
Buildings and improvements	2,318,901	2,318,901	-	-	2,318,901	2,318,901
Plant	-	-	4,794,345	4,780,731	4,794,345	4,780,731
Distribution system	-	-	7,499,542	7,499,542	7,499,542	7,499,542
Vehicles and equipment	949,293	1,068,041	2,162,368	1,331,309	3,111,661	2,399,350
Regional fixed assets	-	-	25,808,136	25,808,136	25,808,136	25,808,136
Regional construction	-	-	-	-	-	-
Swimming pool	592,971	592,971	-	-	592,971	592,971
Office equipment and furniture	-	-	-	-	-	-
Construction in progress	-	-	601,622	952,346	601,622	952,346
Infrastructure	1,534,635	1,402,219	-	-	1,534,635	1,402,219
Less accumulated depreciation	(3,238,619)	(2,954,622)	(17,992,967)	(16,780,308)	(21,231,586)	(19,734,930)
Net fixed assets	<u>\$ 2,290,109</u>	<u>\$ 2,560,438</u>	<u>\$ 23,516,360</u>	<u>\$ 24,235,070</u>	<u>\$ 25,806,469</u>	<u>\$ 26,795,508</u>

DEBT OUTSTANDING

The City's Business-Type long-term debt consists of water revenue bonds and a loan. During 2013, the City refunded the 2003A series bond and issued Series 2013A and 2013B. As of December 31, 2016 the outstanding balance of both bonds and loans is \$19,023,455. Activity for Governmental Activities and Business-Type Activities during the year are as follows:

<u>Beginning Balance</u>	<u>Additions</u>	<u>Deletions</u>	<u>Ending Balance</u>	<u>Due Within One Year</u>
145,257	0	47,242	98,015	26,138
54,763	0	355	54,408	0
<u>\$200,020</u>	<u>\$0</u>	<u>\$47,597</u>	<u>\$152,423</u>	<u>\$26,138</u>
\$7,080,309	\$0	\$672,463	\$6,407,846	\$683,578
0	0	0	0	0
451,816	0	38,459	413,357	39,817
1,400,000	0	100,000	1,300,000	100,000
9,770,000	0	20,000	9,750,000	20,000
184,280		10,530	173,750	
7,623	879	0	8,502	
1,000,000	0	30,000	970,000	30,000
<u>\$19,894,028</u>	<u>\$879</u>	<u>\$871,452</u>	<u>\$19,023,455</u>	<u>\$873,395</u>

ECONOMIC AND OTHER FACTORS

The economy of the City of Florence, and the surrounding region, continues to grow at a very slow rate, with new construction. Specific Ownership Tax has dropped due to bonds issued by local school and fire districts. These bonds are for twenty years so a long-term impact is expected. General Fund revenues are expected to remain flat in 2016.

In November 2005 the voters approved an additional 1/2% sales tax to fund pool operations and construction of a new pool. This tax started January 1, 2006. The tax was approved with a 10-year clause that did sunset December 2015. This 1/2% sales tax was extended by the voters to be used for street repairs starting January 1, 2016.

CONTACTING THE CITY'S FINANCIAL MANAGEMENT

This financial report is designed to provide the general public with a general overview of the City's finances and to show the City's accountability for the money it receives. If you have any questions regarding this report or need additional financial information, please contact:

Finance Officer
City of Florence
600 West Third Street
Florence, CO 81226
Tel: (719) 748-4848 ext 223
Fax: (719) 784-0228

BASIC FINANCIAL STATEMENTS

CITY OF FLORENCE, COLORADO

STATEMENT OF NET POSITION

As of December 31, 2016

	GOVERNMENTAL ACTIVITIES	BUSINESS TYPE ACTIVITIES	TOTALS	
			2016	2015
ASSETS				
Cash and Investments	\$ 2,783,451	\$ 8,233,518	\$ 11,016,969	\$ 10,452,517
Restricted Cash and Investments	81,437	1,158,727	1,240,164	1,223,431
Receivables				
Property Taxes	527,286	-	527,286	513,407
Sales and Other	178,599	-	178,599	228,020
Accounts	-	76,811	76,811	84,297
Prepaid Items	4,925	-	4,925	33,256
Inventory	-	69,783	69,783	69,783
Net Pension Asset	1,742	-	1,742	102,775
Capital Assets, not Depreciated	132,928	1,244,936	1,377,864	1,728,588
Capital Assets, Depreciated, Net of Accumulated Depreciation	2,157,181	22,271,424	24,428,605	25,066,920
TOTAL ASSETS	5,867,549	33,055,199	38,922,748	39,502,994
DEFERRED OUTFLOWS				
Related to Pensions	167,015	-	167,015	45,955
LIABILITIES				
Accounts Payable	54,093	65,846	119,939	89,551
Accrued Expenses	55,053	9,534	64,587	52,192
Accrued Interest	-	57,577	57,577	60,910
Unearned Revenue	6,568	-	6,568	6,780
Deposits and Escrow	300	4,208	4,508	4,508
Noncurrent Liabilities				
Due within One Year	26,138	873,395	899,533	908,164
Due in More Than One Year	126,285	18,150,060	18,276,345	19,185,884
TOTAL LIABILITIES	268,437	19,160,620	19,429,057	20,307,989
DEFERRED INFLOWS				
Related to Pensions	13,153	-	13,153	5,692
Deferred Property Tax Revenue	527,286	-	527,286	513,407
TOTAL DEFERRED OUTFLOWS	540,439	-	540,439	519,099
NET POSITION				
Investment in Capital Assets	2,193,856	4,443,830	6,637,686	6,704,343
Restricted for Emergencies	193,000	-	193,000	184,000
Restricted for Cemetery Care	232,103	-	232,103	226,462
Unrestricted	2,606,729	9,450,749	12,057,478	11,607,056
TOTAL NET POSITION	\$ 5,225,688	\$ 13,894,579	\$ 19,120,267	\$ 18,721,861

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

CITY OF FLORENCE , COLORADO

STATEMENT OF ACTIVITIES
Year Ended December 31, 2016

FUNCTIONS/PROGRAMS	EXPENSES	PROGRAM REVENUES		
		CHARGES FOR SERVICES	OPERATING GRANTS AND CONTRIBUTIONS	CAPITAL GRANTS AND CONTRIBUTIONS
PRIMARY GOVERNMENT				
Governmental Activities				
General Government	\$ 840,416	\$ 225,904	\$ -	\$ -
Public Safety	1,185,409	79,446	-	-
Public Works	798,681	-	138,054	232,440
Planning	192,122	-	-	-
Parks and Recreation	169,714	33,759	-	42,658
Interest on Long-Term Debt	6,046	-	-	-
Total Governmental Activities	<u>3,192,388</u>	<u>339,109</u>	<u>138,054</u>	<u>275,098</u>
Business-Type Activities				
Water	2,339,155	3,489,007	-	112,624
Interest on Long-Term Debt	683,784	-	-	-
Total Business-Type Activities	<u>3,022,939</u>	<u>3,489,007</u>	<u>-</u>	<u>112,624</u>
Total Primary Government	<u>\$ 6,215,327</u>	<u>\$ 3,828,116</u>	<u>\$ 138,054</u>	<u>\$ 387,722</u>

GENERAL REVENUES

Sales Taxes
Property Taxes
Specific Ownership Taxes
Franchise Taxes
Other Taxes
Interest
Other
Transfers

TOTAL GENERAL REVENUES

CHANGE IN NET POSITION

NET POSITION, Beginning, as Restated

NET POSITION, Ending

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

NET (EXPENSE) REVENUE AND
CHANGE IN NET POSITION

GOVERNMENTAL ACTIVITIES	BUSINESS-TYPE ACTIVITIES	TOTALS	
		2016	2015
\$ (614,512)	\$ -	\$ (614,512)	\$ (440,965)
(1,105,963)	-	(1,105,963)	(822,718)
(428,187)	-	(428,187)	(657,298)
(192,122)	-	(192,122)	(171,097)
(93,297)	-	(93,297)	33,162
(6,046)	-	(6,046)	(32,596)
<u>(2,440,127)</u>	<u>-</u>	<u>(2,440,127)</u>	<u>(2,091,512)</u>
-	1,262,476	1,262,476	1,294,371
<u>-</u>	<u>(683,784)</u>	<u>(683,784)</u>	<u>(702,098)</u>
<u>-</u>	<u>578,692</u>	<u>578,692</u>	<u>592,273</u>
(2,440,127)	578,692	(1,861,435)	(1,499,239)
925,069	-	925,069	715,476
516,787	-	516,787	486,396
75,987	-	75,987	70,477
191,820	-	191,820	197,323
10,457	-	10,457	178,809
13,365	59,757	73,122	34,232
458,495	8,104	466,599	361,133
<u>139,929</u>	<u>(139,929)</u>	<u>-</u>	<u>-</u>
<u>2,331,909</u>	<u>(72,068)</u>	<u>2,259,841</u>	<u>2,043,846</u>
(108,218)	506,624	398,406	544,607
<u>5,333,906</u>	<u>13,387,955</u>	<u>18,721,861</u>	<u>18,177,254</u>
<u>\$ 5,225,688</u>	<u>\$ 13,894,579</u>	<u>\$ 19,120,267</u>	<u>\$ 18,721,861</u>

CITY OF FLORENCE, COLORADO

BALANCE SHEET
GOVERNMENTAL FUNDS
As of December 31, 2016

	GENERAL	NON-MAJOR	TOTAL GOVERNMENTAL	
	FUND	GOVERNMENTAL FUNDS	FUNDS	
			2016	2015
ASSETS				
Cash and Investments	\$ 1,533,414	\$ 1,250,037	\$ 2,783,451	\$ 2,598,638
Restricted Cash and Investments	81,437	-	81,437	80,911
Taxes Receivable	527,286	-	527,286	513,407
Accounts Receivable	152,514	26,085	178,599	228,020
Prepaid Items	4,925	-	4,925	33,256
TOTAL ASSETS	<u>\$ 2,299,576</u>	<u>\$ 1,276,122</u>	<u>\$ 3,575,698</u>	<u>\$ 3,454,232</u>
LIABILITIES AND FUND EQUITY				
LIABILITIES				
Accounts Payable	\$ 35,673	\$ 18,420	\$ 54,093	\$ 59,279
Accrued Expenses	55,053	-	55,053	44,016
Unearned Revenues	6,568	-	6,568	6,780
Deposits and Escrow	300	-	300	300
TOTAL LIABILITIES	<u>97,594</u>	<u>18,420</u>	<u>116,014</u>	<u>110,375</u>
DEFERRED INFLOWS				
Deferred Revenues	<u>527,286</u>	<u>-</u>	<u>527,286</u>	<u>513,407</u>
Fund Balance				
Nonspendable	4,925	-	4,925	33,256
Restricted	193,000	1,138,876	1,331,876	1,279,439
Assigned	209,130	118,826	327,956	289,008
Unassigned	<u>1,267,641</u>	<u>-</u>	<u>1,267,641</u>	<u>1,228,747</u>
TOTAL FUND EQUITY	<u>1,674,696</u>	<u>1,257,702</u>	<u>2,932,398</u>	<u>2,830,450</u>
TOTAL LIABILITIES, DEFERRED INFLOWS AND FUND EQUITY	<u>\$ 2,299,576</u>	<u>\$ 1,276,122</u>		

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

Capital assets used in governmental activities are not financial resources and therefore, are not reported in the funds.		2,290,109	2,560,438
Long-term liabilities and related assets are not due and payable in the current period and are not reported in the funds. This includes Capital Leases (\$98,015), Accrued Compensated Absences (\$54,408), Net Pension Asset \$1,742, Deferred Outflows Related to Pensions of \$167,015, and Deferred Inflows Related to Pensions of (\$13,153).		3,181	(56,982)
Net position of governmental activities		<u>\$ 5,225,688</u>	<u>\$ 5,333,906</u>

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

CITY OF FLORENCE, COLORADO

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

	GENERAL FUND	NON-MAJOR GOVERNMENTAL FUNDS	TOTAL GOVERNMENTAL FUNDS	
			2016	2015
REVENUES				
Taxes	\$ 1,525,118	\$ 184,545	\$ 1,709,663	\$ 1,636,587
Licenses and Permits	53,801	-	53,801	49,702
Intergovernmental	148,511	275,098	423,609	300,504
Charges for Services	172,103	33,759	205,862	223,394
Fines and Forfeitures	79,446	-	79,446	99,821
Sheriff Dispatch Services	-	-	-	175,000
Interest	4,357	9,008	13,365	9,332
Miscellaneous	458,495	-	458,495	362,018
TOTAL REVENUES	2,441,831	502,410	2,944,241	2,856,358
EXPENDITURES				
General Government	711,489	-	711,489	609,130
Public Safety	1,126,587	-	1,126,587	1,118,604
Public Works	624,441	-	624,441	642,526
Planning	192,122	-	192,122	171,097
Parks and Recreation	40,893	84,810	125,703	114,865
Debt Service				
Principal	47,242	-	47,242	44,678
Interest	6,046	-	6,046	32,596
Capital Outlay	28,449	120,143	148,592	46,223
TOTAL EXPENDITURES	2,777,269	204,953	2,982,222	2,779,719
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	(335,438)	297,457	(37,981)	76,639
OTHER FINANCING USES				
Transfer In	396,779	9,428	406,207	445,805
Transfer Out	(9,428)	(256,850)	(266,278)	(253,505)
TOTAL OTHER FINANCING USES	387,351	(247,422)	139,929	192,300
NET CHANGE IN FUND BALANCES	51,913	50,035	101,948	268,939
FUND BALANCES, Beginning	1,622,783	1,207,667	2,830,450	2,561,511
FUND BALANCES, Ending	<u>\$ 1,674,696</u>	<u>\$ 1,257,702</u>	<u>\$ 2,932,398</u>	<u>\$ 2,830,450</u>

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

CITY OF FLORENCE, COLORADO

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

Amounts Reported for Governmental Activities in the Statement of Activities
are Different Because:

Net Changes in Fund Balances - Total Governmental Funds	\$ 101,948
Governmental funds report capital outlays as expenditures. However, in the statement of activities, the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense. This is the amount by which depreciation (\$417,084), exceeded capital outlay \$165,683 and loss on disposal on assets (\$18,928) in the current period.	(270,329)
Repayment of long-term debt principal is an expenditure in the governmental funds, but the repayment reduces long-term liabilities in the statement of net position. These include a payments of Capital Leases \$47,242 and change in accrued compensated absences \$355.	47,597
Deferred Charges related to pension are not recognized in the governmental funds. However, for the government-wide funds that amount is capitalized and amortized.	<u>12,566</u>
Change in Net Position of Governmental Activities	<u><u>\$ (108,218)</u></u>

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

CITY OF FLORENCE, COLORADO

STATEMENT OF NET POSITION
PROPRIETARY FUND TYPE
As of December 31, 2016

ASSETS	2016	2015
Current Assets		
Investments	\$ 8,233,518	\$ 7,853,879
Restricted Investments	1,158,727	1,142,520
Accounts Receivable	76,811	84,297
Inventory	69,783	69,783
	<u>9,538,839</u>	<u>9,150,479</u>
Noncurrent Assets		
Capital Assets, net of accumulated depreciation	23,516,360	24,235,070
	<u>23,516,360</u>	<u>24,235,070</u>
	<u>33,055,199</u>	<u>33,385,549</u>
TOTAL ASSETS		
LIABILITIES		
Current Liabilities		
Accounts Payable	65,846	30,272
Accrued Expenses	9,534	8,176
Accrued Interest Payable	57,577	60,910
Notes Payable, Current	873,395	860,922
	<u>1,006,352</u>	<u>960,280</u>
Noncurrent Liabilities		
Deposits	4,208	4,208
Accrued Compensated Absences	8,502	7,623
Notes Payable, Long Term	18,141,558	19,025,483
	<u>18,154,268</u>	<u>19,037,314</u>
	<u>19,160,620</u>	<u>19,997,594</u>
TOTAL LIABILITIES		
NET POSITION		
Investment in Capital Assets	4,443,830	4,287,755
Unrestricted	9,450,749	9,100,200
	<u>13,894,579</u>	<u>13,387,955</u>
TOTAL NET POSITION	<u>\$ 13,894,579</u>	<u>\$ 13,387,955</u>

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

CITY OF FLORENCE, COLORADO

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

	<u>2016</u>	<u>2015</u>
OPERATING REVENUES		
Charges for Services	\$ 1,973,243	\$ 2,035,108
Debt Retirement	1,515,764	1,494,067
Other Revenues	<u>8,104</u>	<u>125</u>
TOTAL OPERATING REVENUES	<u>3,497,111</u>	<u>3,529,300</u>
OPERATING EXPENSES		
Administration	56,609	40,117
Water System	1,069,887	1,009,415
Depreciation	1,212,659	1,164,164
Capital Outlay	<u>-</u>	<u>39,504</u>
TOTAL OPERATING EXPENSES	<u>2,339,155</u>	<u>2,253,200</u>
OPERATING INCOME (LOSS)	<u>1,157,956</u>	<u>1,276,100</u>
NON-OPERATING REVENUES (EXPENSES)		
Interest Income	59,757	24,900
Transfers In	218,850	147,202
Transfers Out	(358,779)	(339,502)
Interest Expense	<u>(683,784)</u>	<u>(702,098)</u>
TOTAL NON-OPERATING REVENUES (EXPENSES)	<u>(763,956)</u>	<u>(869,498)</u>
INCOME (LOSS) BEFORE CAPITAL CONTRIBUTIONS	<u>394,000</u>	<u>406,602</u>
Tap Fees and Capital Contributions	<u>112,624</u>	<u>18,396</u>
NET INCOME	506,624	424,998
NET POSITION, Beginning	<u>13,387,955</u>	<u>12,962,957</u>
NET POSITION, Ending	<u>\$ 13,894,579</u>	<u>\$ 13,387,955</u>

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

CITY OF FLORENCE, COLORADO

STATEMENT OF CASH FLOWS

PROPRIETARY FUND TYPE

Year Ended December 31, 2016

Increase (Decrease) in Cash and Cash Equivalents

	<u>2016</u>	<u>2015</u>
CASH FLOWS FROM OPERATING ACTIVITIES		
Cash Received from Customers	\$ 3,504,597	\$ 3,548,609
Cash Paid to Suppliers	(863,807)	(1,011,795)
Cash Paid to Employees	(224,878)	(224,878)
Net Cash Provided (Used) by Operating Activities	<u>2,415,912</u>	<u>2,311,936</u>
CASH FLOWS FROM NONCAPITAL AND RELATED FINANCING ACTIVITIES		
Sale of Investments	(395,846)	306,242
Transfer to Other Funds	(139,929)	(192,300)
Net Cash Provided by NonCapital and Related Financing Activities	<u>(535,775)</u>	<u>113,942</u>
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES		
Purchase of Capital Assets	(493,949)	(958,051)
Principal Payments on Long Term Debt	(860,922)	(809,025)
Interest Payments	(697,647)	(702,098)
Tap Fees and Capital Contributions	112,624	18,396
Net Cash Used by Capital and Related Financing Activities	<u>(1,939,894)</u>	<u>(2,450,778)</u>
CASH FLOWS FROM INVESTING ACTIVITIES		
Interest Received	<u>59,757</u>	<u>24,900</u>
Net Increase (Decrease) in Cash and Cash Equivalents	-	-
CASH AND CASH EQUIVALENTS, Beginning	<u>-</u>	<u>-</u>
CASH AND CASH EQUIVALENTS, Ending	<u>\$ -</u>	<u>\$ -</u>
RECONCILIATION OF OPERATING INCOME TO NET CASH PROVIDED BY OPERATING ACTIVITIES		
Operating Income	\$ 1,157,956	\$ 1,276,100
Adjustments to Reconcile Operating Income to Net Cash Provided by Operating Activities		
Depreciation	1,212,659	1,164,164
Changes in Assets and Liabilities		
Accounts Receivable	7,486	19,309
Inventory	-	(1,818)
Accounts Payable	35,574	(137,133)
Accrued Expenses	1,358	70
Compensated Absences	879	(6,756)
Deposits	-	(2,000)
Total Adjustments	<u>1,257,956</u>	<u>1,035,836</u>
Net Cash Provided by Operating Activities	<u>\$ 2,415,912</u>	<u>\$ 2,311,936</u>

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

CITY OF FLORENCE, COLORADO

STATEMENT OF FIDUCIARY NET ASSETS
AGENCY FUND- SCHOOL DEDICATION FEES
December 31, 2016

	<u>Agency Fund</u>
ASSETS	
Cash and Investments	<u>\$ 17,380</u>
LIABILITIES	
Due to School District	<u>\$ 17,268</u>

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

CITY OF FLORENCE, COLORADO

NOTES TO FINANCIAL STATEMENTS

December 31, 2016

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The City of Florence, Colorado was founded in 1887. The City is governed by a City Manager and seven-member council (including the Mayor) elected by the residents.

The accounting policies of the City of Florence, Colorado (the “City”) conform to generally accepted accounting principles as applicable to governments. Following is a summary of the more significant policies.

Reporting Entity

In accordance with governmental accounting standards, the City of Florence has considered the possibility of inclusion of additional entities in its basic financial statements.

The definition of the reporting entity is based primarily on financial accountability. The City is financially accountable for organizations that make up its legal entity. It is also financially accountable for legally separate organizations if City officials appoint a voting majority of the organization’s governing body and either it is able to impose its will on that organization or there is a potential for the organization to provide specific financial benefits to, or to impose specific financial burdens on, the City. The City may also be financially accountable for governmental organizations that are fiscally dependent upon it.

Based on the application of these criteria, the City does not include additional organizations in its reporting entity.

Government-Wide and Fund Financial Statements

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

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

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

CITY OF FLORENCE, COLORADO

NOTES TO FINANCIAL STATEMENTS

December 31, 2016

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Measurement Focus, Basis of Accounting, and Financial Statement Presentation

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

Governmental fund financial statements are reported using the current *financial resources measurement focus* and the *modified accrual basis of accounting*. Revenues are recognized as soon as they are both measurable and available. Revenues are considered to be *available* when they are collected within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the City considers revenues to be available if they are collected within 60 days of the end of the current fiscal period.

Property taxes, specific ownership taxes, grants, and interest associated with the current fiscal period are all considered to be susceptible to accrual and have been recognized as revenues of the current fiscal period. All other revenue items are considered to be measurable and available only when cash is received by the City. Expenditures generally are recorded when a liability is incurred, as under accrual accounting. However, debt service expenditures, as well as expenditures related to compensated absences, are recorded only when payment is due.

Proprietary funds distinguish operating revenues and expenses from nonoperating items. Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with a proprietary fund's principal ongoing operations. Operating expenses for enterprise funds include the cost of sales and services, administrative expenses, and depreciation on capital assets. All revenues and expenses not meeting this definition are reported as nonoperating revenues and expenses.

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

In the fund financial statements, the City reports the following major governmental fund:

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

The City reports the following major proprietary fund:

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

CITY OF FLORENCE, COLORADO

NOTES TO FINANCIAL STATEMENTS

December 31, 2016

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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

Additionally, the City reports the following fund type:

Permanent Fund – The *Perpetual Care Reserve Fund* accounts for the activities of the City cemetery, including the sale of plots and maintenance.

Agency Fund – The *School Dedication Fees Agency Fund* accounts for funds dedicated to the City's School District. The City holds all assets in a purely custodial capacity.

Cash and Investments

Cash equivalents include investments with original maturities of three months or less.

Investments are recorded at fair value.

Inventory

Inventories are recorded under the cost method. These items are recorded as expenditures when purchased throughout the year to facilitate budgetary comparisons.

Capital Assets

Capital assets, which include property and equipment, are reported in the applicable governmental or business-type activities columns in the government-wide financial statements. Capital assets are defined by the City as assets with an initial, individual cost of more than \$2,500 and an estimated useful life in excess of three years. Such assets are recorded at historical cost or estimated historical cost if purchased or constructed. Donated capital assets are recorded at estimated acquisition 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.

Property and equipment of the City is depreciated using the straight line method over the following estimated useful lives:

Buildings and Improvements	10 - 30 years
Plant	5 - 50 years
Distribution System	20 - 72 years
Machinery and Equipment	3 - 10 years
Infrastructure	10 years

CITY OF FLORENCE, COLORADO

NOTES TO FINANCIAL STATEMENTS

December 31, 2016

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Deferred Outflows/Inflows of Resources

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

In addition to the liabilities, the statement of financial position and balance sheets will sometimes report a separate section for deferred inflows of resources. This separate financial statement element, deferred inflows of resources, represents an acquisition of net position and fund balance that applies to a future period(s) and so will not be recognized as an inflow of resources (revenue) until that time.

Compensated Absences

Employees of the City accrue vacation time based on years of service. Employees are allowed to accumulate unused vacation time up their annual accrual and a maximum of 480 hours of unused sick time. Upon termination of employment from the City, employees will be compensated for all accrued vacation time at their current pay rate. Employees are not compensated for any of their accrued sick time.

These compensated absences are recognized as current salary costs when earned in the proprietary fund types and when due in the governmental fund types. A liability has been recorded in the government-wide financial statements for the accrued compensated absences.

Long-Term Obligations

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

In the fund financial statements, governmental fund types recognize bond premiums and discounts, as well as bond issuance costs, during the current period. The face amount of debt issued is reported as other financing sources. Premiums received on debt issuances are reported as other financing sources while discounts on debt issuances are reported as other financing uses. Issuance costs, whether or not withheld from the actual debt proceeds received, are reported as debt service expenditures.

CITY OF FLORENCE, COLORADO
 NOTES TO FINANCIAL STATEMENTS
 December 31, 2016

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Net Position

The government-wide and business-type fund financial statements utilize a net position presentation. Net position is categorized as investment in capital assets, restricted, and unrestricted.

Investment in Capital Assets is intended to reflect the portion of net position which are associated with non-liquid, capital assets less outstanding capital asset related debt. The net related debt is the debt less the outstanding liquid assets and any associated unamortized cost.

Restricted Net Position are liquid assets, which have third party limitations on their use.

Unrestricted Net Position represent assets that do not have any third party limitation on their use. While City management may have categorized and segmented portion for various purposes, the City Council has the unrestricted authority to revisit or alter these managerial decisions.

Fund Balance Classification

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

- **Nonspendable** – This classification includes amounts that cannot be spent because they are either not spendable in form or are legally or contractually required to be maintained intact. The City has classified Prepaid Items as nonspendable as of December 31, 2016.
- **Restricted** – This classification includes amounts for which constraints have been placed on the use of the resources either (a) externally imposed by creditors (such as through a debt covenant), grantors, contributors, or laws or regulations of other governments, or (b) imposed by law through constitutional provisions or enabling legislation. The City has classified the following amounts as restricted as of December 31, 2016:

Emergency Reserves	\$	193,000
Parks and Recreation		842,032
Capital Projects		64,741
Cemetery Care		<u>232,103</u>
Total		<u>\$ 1,331,876</u>

CITY OF FLORENCE, COLORADO
 NOTES TO FINANCIAL STATEMENTS
 December 31, 2016

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Fund Balance Classification (Continued)

- Committed – This classification includes amounts that can be used only for specific purposes pursuant to constraints imposed by formal action of the Board of Directors. These amounts cannot be used for any other purpose unless the Board of Directors removes or changes the specified use by taking the same type of action (ordinance or resolution) that was employed when the funds were initially committed. This classification also includes contractual obligations to the extent that existing resources have been specifically committed for use in satisfying those contractual requirements. The City did not report any committed fund balances of December 31, 2016.

- Assigned – Amounts in the assigned fund balance classification are intended to be used by the City for specific purposes but do not meet the criteria to be classified as restricted or committed. Assigned amounts represent intended uses established by City Council or a City official delegated that City by City Charter or ordinance.

The City has classified the following amounts as assigned as of December 31, 2016:

Equipment Replacement	\$	14,561
Capital Improvements		194,569
Capital Projects		34,773
Community Projects		42,716
Cemetery Construction		41,337
Total	\$	327,956

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

The City would typically use restricted fund balances first, followed by committed resources, and then assigned resources, as appropriate opportunities arise, but reserves the right to selectively spend unassigned resources.

CITY OF FLORENCE, COLORADO

NOTES TO FINANCIAL STATEMENTS

December 31, 2016

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Property Taxes

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

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

NOTE 2: STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY

Budgets and Budgetary Accounting

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

- Prior to September 30, the City staff submits to the City Council a proposed operating budget for the fiscal year commencing the following January 1. The operating budget includes proposed expenditures and the means of financing them.
- Public hearings are conducted to obtain taxpayer comments.
- Prior to December 31, the budget is legally enacted through passage of an ordinance.
- The City Administration is authorized to transfer budgeted amounts between departments within any fund. However, any revisions that alter the total expenditures of any fund must be approved by the City Council.

CITY OF FLORENCE, COLORADO
 NOTES TO FINANCIAL STATEMENTS
 December 31, 2016

NOTE 2: STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY (Continued)

- Budgets are legally adopted for all funds of the City. Budgets for the General, Conservation Trust, and Cemetery Funds are adopted on a basis consistent with generally accepted accounting principles (GAAP). The Budgetary comparisons presented for the Utility Fund is presented on a non-GAAP budgetary basis. Capital outlay is budgeted as an expenditure and depreciation is not budgeted.
- Budgeted amounts in the financial statements are as originally adopted or as amended by the City Council. All appropriations lapse at year end. Colorado governments may not exceed budgeted appropriations by fund.

NOTE 3: DEPOSITS AND INVESTMENTS

A summary of deposits and investments as of December 31, 2016 follows:

Petty Cash	\$ 200
Deposits	1,712,084
Investments	<u>10,562,229</u>
Total	<u>\$ 12,274,513</u>

The above amounts are classified in the statement of Net Position as follows:

Governmental Activities	\$ 2,864,888
Business-Type Activities	9,392,245
Agency Fund	<u>17,380</u>
Total	<u>\$ 12,274,513</u>

CITY OF FLORENCE, COLORADO

NOTES TO FINANCIAL STATEMENTS

December 31, 2016

NOTE 3: DEPOSITS AND INVESTMENTS (Continued)

Deposits

Custodial Credit Risk – Deposits

Custodial credit risk is the risk that in the event of a bank failure, the government's deposits may not be returned to it. 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 regulations. At December 31, 2016, State regulatory commissioners have indicated that all financial institutions holding deposits for the City are eligible public depositories. Amounts on deposit in excess of federal insurance levels must be collateralized by eligible collateral as determined by the PDPA. PDPA allows the financial institution to create a single collateral pool for all public funds held. The pool is to be maintained by another institution, or held in trust for all the uninsured public deposits as a group. The market value of the collateral must be at least equal to 102% of the uninsured deposits.

The City has no policy regarding custodial credit risk for deposits.

At December 31, 2016, the City had deposits with financial institutions with a carrying amount of \$1,712,084. The bank balances with the financial institutions were \$1,769,637. Of these balances, \$998,609 was covered by federal depository insurance and \$771,028 was covered by collateral held by authorized escrow agents in the financial institution's name (PDPA).

Investments

Interest Rate Risk

The City does not have a formal investment policy that limits investment maturities as a means of managing its exposure to fair value losses arising from increasing interest rates.

Credit Risk

Colorado statutes specify in which instruments the units of local government may invest which include:

- Obligations of the United States and certain U.S. government agency securities
- General obligation and revenue bonds of U.S. local government entities
- Commercial paper
- Local government investment pools
- Written repurchase agreements collateralized by certain authorized securities
- Certain money market funds
- Guaranteed investment contracts

CITY OF FLORENCE, COLORADO

NOTES TO FINANCIAL STATEMENTS

December 31, 2016

NOTE 3: DEPOSITS AND INVESTMENTS (Continued)

The above investments are authorized for all funds and fund types used by Colorado municipalities.

Fair Value

The City categorizes its fair value measurements within the fair value hierarchy established by generally accepted accounting principles. The hierarchy is based on the valuation inputs used to measure the fair value of the asset. Level 1 inputs are quoted prices in active markets for identical assets; Level 2 inputs are significant other observable inputs; Level 3 inputs are significant observable inputs.

The City had invested \$10,562,229 in the Colorado Government Liquid Asset Trust (ColoTrust) which has a credit rating of AAAM by Standard and Poor's. ColoTrust is an investment vehicle established for local government entities in Colorado to pool surplus funds and is regulated by the State Securities Commissioner. It operates similarly to a money market fund and each share is equal in value to \$1.00. Investments consist of U.S. Treasury and U.S. Agency securities, and repurchase agreements collateralized by U.S. Treasury and U.S. Agency securities. A designated custodial bank provides safekeeping and depository services in connection with the direct investment and withdrawal functions. Substantially all securities owned 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 entities.

ColoTrust is not a 2a7-like external investment pool. The unit of account is each share held, and the value of the position would be the fair value of the pool's share price multiplied by the number of shares held. The government-investor does not "look through" the pool to report a pro rata share of the pool's investments, receivables, and payables. This investment is valued using Level 2 inputs.

Restricted Cash and Investments

Cash and investments in the amount of \$81,437 is restricted in the General Fund for the City's emergency reserve and \$1,158,727 is restricted in the Water Fund for payment of debt service and capital projects.

CITY OF FLORENCE, COLORADO

NOTES TO FINANCIAL STATEMENTS
December 31, 2016

NOTE 4: CAPITAL ASSETS

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

	Balances <u>12/31/15</u>	<u>Additions</u>	<u>Deletions</u>	Balances <u>12/31/16</u>
Governmental Activities				
Capital Assets, not depreciated				
Land	\$ 126,993	\$ -	\$ -	\$ 126,993
Easements	5,935	-	-	5,935
Construction in Progress	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total Capital Assets, not depreciated	<u>132,928</u>	<u>-</u>	<u>-</u>	<u>132,928</u>
Capital Assets, depreciated				
Buildings and Improvements	2,318,901	-	-	2,318,901
Pool	592,971	-	-	592,971
Machinery and Equipment	1,068,041	33,267	152,015	949,293
Infrastructure	<u>1,402,219</u>	<u>132,416</u>	<u>-</u>	<u>1,534,635</u>
Total Capital Assets, depreciated	<u>5,382,132</u>	<u>165,683</u>	<u>152,015</u>	<u>5,395,800</u>
Less Accumulated Depreciation				
Buildings and Improvements	1,272,257	127,004	-	1,399,261
Pool	370,414	33,052	-	403,466
Machinery and Equipment	745,294	104,597	133,087	716,804
Infrastructure	<u>566,657</u>	<u>152,431</u>	<u>-</u>	<u>719,088</u>
Total Accumulated Depreciation	<u>2,954,622</u>	<u>417,084</u>	<u>133,087</u>	<u>3,238,619</u>
Total Capital Assets, depreciated, Net	<u>2,427,510</u>	<u>(251,401)</u>	<u>18,928</u>	<u>2,157,181</u>
Governmental Activities, Capital Assets, Net	<u>\$ 2,560,438</u>	<u>\$ (251,401)</u>	<u>\$ 18,928</u>	<u>\$ 2,290,109</u>

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

Governmental Activities	
General Government	\$ 141,848
Public Safety	56,985
Public Works	174,240
Parks and Recreation	<u>44,011</u>
Total	<u>\$ 417,084</u>

CITY OF FLORENCE, COLORADO

NOTES TO FINANCIAL STATEMENTS
December 31, 2016

NOTE 4: CAPITAL ASSETS (Continued)

	Balances <u>12/31/15</u>	<u>Additions</u>	<u>Deletions</u>	Balances <u>12/31/16</u>
Business-Type Activities				
Capital Assets, not depreciated				
Land	\$ 79,425	\$ -	\$ -	\$ 79,425
Water Rights	563,889	-	-	563,889
Construction in Process	<u>952,346</u>	<u>454,420</u>	<u>805,144</u>	<u>601,622</u>
Total Capital Assets, not depreciated	<u>1,595,660</u>	<u>454,420</u>	<u>805,144</u>	<u>1,244,936</u>
Capital Assets, depreciated				
Water Treatment Plant	4,780,731	13,614	-	4,794,345
Transmission and Distribution	7,499,542	-	-	7,499,542
Regional Assets	25,808,136	-	-	25,808,136
Machinery and Equipment	<u>1,331,309</u>	<u>831,059</u>	<u>-</u>	<u>2,162,368</u>
Total Capital Assets, depreciated	<u>39,419,718</u>	<u>844,673</u>	<u>-</u>	<u>40,264,391</u>
Less: Accumulated Depreciation				
Water Treatment Plant	2,694,134	180,278	-	2,874,412
Transmission and Distribution	3,804,782	265,682	-	4,070,464
Regional Assets	8,978,742	732,876	-	9,711,618
Machinery and Equipment	<u>1,302,650</u>	<u>33,823</u>	<u>-</u>	<u>1,336,473</u>
Total Accumulated Depreciation	<u>16,780,308</u>	<u>1,212,659</u>	<u>-</u>	<u>17,992,967</u>
Total Capital Assets, depreciated, Net	<u>22,639,410</u>	<u>(367,986)</u>	<u>-</u>	<u>22,271,424</u>
Business-Type Activities, Capital Assets, Net	<u>\$ 24,235,070</u>	<u>\$ 86,434</u>	<u>\$ 805,144</u>	<u>\$ 23,516,360</u>

NOTE 5: LONG-TERM DEBT

Governmental Activities

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

	Balance <u>12/31/15</u>	<u>Additions</u>	<u>Payments</u>	Balance <u>12/31/16</u>	Due In <u>One Year</u>
Capital Leases	\$ 145,257	\$ -	\$ 47,242	\$ 98,015	\$ 26,138
Accrued Compensated Absences	<u>54,763</u>	<u>-</u>	<u>355</u>	<u>54,408</u>	<u>-</u>
Total	<u>\$ 200,020</u>	<u>\$ -</u>	<u>\$ 47,597</u>	<u>\$ 152,423</u>	<u>\$ 26,138</u>

Accrued Compensated Absences are being paid from resources generated by the General Fund.

CITY OF FLORENCE, COLORADO
 NOTES TO FINANCIAL STATEMENTS
 December 31, 2016

NOTE 5: LONG-TERM DEBT (Continued)

Capital Leases

The City has entered into a capital lease agreement to purchase equipment which will be paid from revenues of the General Fund. This lease requires a monthly payment of \$2,567 including interest of 5.42%. The lease matures in June 2020.

Future Debt Service Requirements

Following is a schedule of the future minimum lease payments required under the capital lease obligation at December 31, 2016:

Year Ended December 31,

2017	\$	30,808
2018		30,808
2019		30,808
2020		15,403
Less: Interest		<u>(9,812)</u>
Present Value of Minimum Lease Payments	\$	<u>98,015</u>

Business-Type Activities

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

	Balance <u>12/31/15</u>	<u>Additions</u>	<u>Payments</u>	Balance <u>12/31/16</u>	Due In <u>One Year</u>
2003 CWRPDA Loan	\$ 7,080,309	\$ -	\$ 672,463	\$ 6,407,846	\$ 683,578
2005 CWRPDA Loan	451,816	-	38,459	413,357	39,817
2009 CWRPDA Loan	1,400,000	-	100,000	1,300,000	100,000
Refunding Bond Series 2013A	9,770,000	-	20,000	9,750,000	20,000
Refunding Bond Series 2013B	1,000,000	-	30,000	970,000	30,000
Bond Premium	184,280	-	10,530	173,750	-
Compensated Absences	<u>7,623</u>	<u>879</u>	<u>-</u>	<u>8,502</u>	<u>-</u>
Total	<u>\$ 19,894,028</u>	<u>\$ 879</u>	<u>\$ 871,452</u>	<u>\$ 19,023,455</u>	<u>\$ 873,395</u>

CITY OF FLORENCE, COLORADO
NOTES TO FINANCIAL STATEMENTS
December 31, 2016

NOTE 5: LONG-TERM DEBT(Continued)

Loans Payable

2003 Colorado Water Resources and Power Development City (CWRPDA) Loan

Proceeds from this loan were used to finance projects related to the City's water facilities. Principal and interest payments are due semi-annually on June 1 and December 1. Interest accrues at 3.51%. This loan matures on June 1, 2025.

2005 Colorado Water Resources and Power Development City (CWRPDA) Loan

Proceeds from this loan were used to finance the City's water resource project. Principal and interest payments are due semi-annually on June 1 and December 1. Interest accrues at 3.5%. This loan matures on December 1, 2025.

2009 Colorado Water Resources and Power Development City (CWRPDA) Loan

Proceeds from this loan were used to finance the drilling and construction of wells, transmission lines and controls. This is an interest free ARRA loan. Principal payments are due semi-annually on June 1 and December 1. This loan matures on December 1, 2029.

Bonds Payable

Water Revenue Refunding Bonds Series 2013A and 2013B

Proceeds from these bonds were used to fully refund the City's 2013A Water Revenue Refunding Bonds Series 2003A and to finance the construction and acquisition of water capital projects. Interest payments are due semi-annually on June 1 and December 1 and principal payments are due annually on December 1 beginning in 2016. Interest rates range from 3% to 5%. The 2013A bonds mature in December 2033 and the 2013B bonds mature in December 2026.

CITY OF FLORENCE, COLORADO

NOTES TO FINANCIAL STATEMENTS

December 31, 2016

NOTE 5: LONG-TERM DEBT (Continued)

Future Debt Service Requirements

Annual debt service requirements for the outstanding loans and bonds at December 31, 2016 are as follows:

<u>Year Ended December 31,</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2017	\$ 873,395	\$ 721,736	\$ 1,595,131
2018	888,694	704,615	1,593,309
2019	906,822	686,612	1,593,434
2020	922,222	667,968	1,590,190
2021	940,455	648,560	1,589,015
2022-2026	5,274,615	2,621,274	7,895,889
2027-2031	5,985,000	1,430,300	7,715,300
2032-2033	<u>2,750,000</u>	<u>207,500</u>	<u>2,957,500</u>
Total Debt Service Requirements	<u>\$18,841,203</u>	<u>\$ 7,688,565</u>	<u>\$26,529,768</u>

NOTE 6: INTERFUND TRANSFERS

Interfund transfers for the year ended December 31, 2016, were comprised of the following:

<u>Transfer In</u>	<u>Transfer Out</u>	<u>Amount</u>
Pool, Park and Recreation Fund	General Fund	\$ 608
Capital Projects Fund	General Fund	4,410
Perpetual Care Fund	General Fund	4,410
General Fund	Conservation Trust Fund	38,000
Water Fund	Capital Projects Fund	218,850
General Fund	Water Fund	<u>358,779</u>
Total		<u>\$ 625,057</u>

The General Fund transferred funds to the Pool, Park and Recreation Fund, Capital Projects Fund, and Perpetual Care Fund to subsidize operations in those funds. The Conservation Trust Fund and the Water Fund transferred funds to the General Fund to reimburse the General Fund for capital expenditures and administrative costs. The Capital Projects Fund transferred funds to the Water Fund to provide funding for capital projects.

CITY OF FLORENCE, COLORADO

NOTES TO FINANCIAL STATEMENTS

December 31, 2016

NOTE 7: DEFINED BENEFIT PENSION PLANS

Statewide Defined Benefit Pension Plan

Summary of Significant Accounting Policies

Pensions. The City contributes to the Statewide Defined Benefit Pension Plan (“SWDB Plan”), a cost-sharing multiple employer defined benefit pension plan, which is administered by the FPPA. The net pension liability, deferred outflows of resources and deferred inflows of resources related to pensions, pension expense, information about the fiduciary net position and additions to/deductions from the fiduciary net position of the SWDB Plan have been determined using the economic resources measurement focus and the accrual basis of accounting. Assets of the SWDB Plan are commingled for investment purposes in the Fire and Police Member's Benefit Fund.

General Information about the Pension Plan

Plan description. The SWDB Plan provides retirement benefits for members and beneficiaries according to plan provisions as enacted and governed by FPPA’s Pension Fund Board of Trustees. Colorado Revised Statutes (“CRS”), as amended, establishes basic benefit provisions under the SWDB Plan. FPPA issues an annual, publicly-available financial report that includes the assets of the SWDB Plan. That report may 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 SWDB Plan. Benefits paid to retired members are evaluated and may be re-determined every October 1. The amount of any increase is based on the Board’s discretion and can range from 0 to the higher of 3 percent or the Consumer Price Index.

A member is eligible for an early retirement at age 50 or after 30 years of service. The early retirement benefit equals the normal retirement benefit reduced on an actuarially equivalent basis. Upon termination, an employee may elect to have member contributions, along with 5 percent as interest, returned as a lump sum distribution. Alternatively, a member with a least five years of accredited service may leave contributions with the SWDP 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.

CITY OF FLORENCE, COLORADO
NOTES TO FINANCIAL STATEMENTS
December 31, 2016

NOTE 7: DEFINED BENEFIT PENSION PLANS (Continued)

Statewide Defined Benefit Pension Plan (Continued)

General Information about the Pension Plan (Continued)

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

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

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

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

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

At December 31, 2016 the City reported an asset in the amount of \$1,742 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, 2015. Standard update procedures were used to roll forward the total pension liability to December 31, 2015. The City's proportion of the net pension asset was based on the City's contributions to the SWDB Plan for the calendar year 2015 relative to the total contributions of participating employers to the SWDB Plan.

CITY OF FLORENCE, COLORADO

NOTES TO FINANCIAL STATEMENTS

December 31, 2016

NOTE 7: DEFINED BENEFIT PENSION PLANS (Continued)

Statewide Defined Benefit Pension Plan (Continued)

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

At December 31, 2015, the City's proportion was 0.09882%, which was an increase of 0.00777% from its proportion measured as of December 31, 2014.

For the year ended December 31, 2016 the City recognized pension expense of \$24,333. At December 31, 2016, the City 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	\$14,089	\$ 2,057
Net difference between projected and actual earnings on pension plan investments	\$ 88,664	N/A
Changes in proportion and differences between contributions recognized and proportionate share of contributions	N/A	\$ 11,096
Changes in assumptions and other inputs	\$27,363	N/A
Contributions subsequent to the measurement date	\$ 36,899	N/A
Total	\$ 167,015	\$ 13,153

\$36,899 reported as deferred outflows of resources related to pensions, resulting from contributions subsequent to the measurement date, will be recognized as a reduction of the net pension liability in the year December 31, 2017. 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	\$ 25,745
2018	\$ 25,745
2019	\$ 25,745
2020	\$ 23,547
Thereafter	\$ 16,181

CITY OF FLORENCE, COLORADO

NOTES TO FINANCIAL STATEMENTS

December 31, 2016

NOTE 7: DEFINED BENEFIT PENSION PLANS (Continued)

Statewide Defined Benefit Pension Plan (Continued)

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

Actuarial assumptions. The actuarial valuations for the SWBP 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 assumptions and other inputs:

Total Pension Liability:

Actuarial Valuation Date	January 1, 2016
Actuarial Method	Entry Age Normal
Amortization Method	Level % of Payroll, Open
Amortization Period	30 Years
Long-term investment Rate of Return*	7.50 percent
Projected salary increases*	4.0 – 14.0 percent
Cost of Living Adjustments (COLA)	0.00 percent
*Includes Inflation at 2%	

Actuarially Determined Contributions:

Actuarial Valuation Date	January 1, 2015
Actuarial Method	Entry Age Normal
Amortization Method	Level % of Payroll, Open
Amortization Period	30 Years
Long-term investment Rate of Return*	7.50 percent
Projected salary increases*	4.0 – 14.0 percent
Cost of Living Adjustments (COLA)	0.00 percent
*Includes Inflation at 3%	

For determining the pension liability, the RP-2014 Combined Mortality Table 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 Annuitants, projected with Scale BB are used. For post-retirement members ages 55 through 64, a blend of the previous tables is used.

CITY OF FLORENCE, COLORADO

NOTES TO FINANCIAL STATEMENTS

December 31, 2016

NOTE 7: DEFINED BENEFIT PENSION PLANS (Continued)

Statewide Defined Benefit Pension Plan (Continued)

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

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, project with Scale AA is used in the projection of post-retirement benefits.

At least every five years the Fire & Police Pension Association'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 Fire & Police Pension Association'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 roll-forward calculation of the total pension liability as of December 31, 2015. Actuarial assumptions effective for actuarial valuations prior to January 1, 2016 were used in the determination of the actuarially determined contributions as of December 31, 2015. The actuarial assumptions impact actuarial factors for benefit purposes such as purchases of service credit and other benefits where actuarial factors are used.

The long-term expected rate of return on pension plan investments was determined using a building-block method in which best-estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighing the expected future real rates of return by the target asset allocation percentage and by adding expected inflation.

CITY OF FLORENCE, COLORADO

NOTES TO FINANCIAL STATEMENTS

December 31, 2016

NOTE 7: DEFINED BENEFIT PENSION PLANS (Continued)

Statewide Defined Benefit Pension Plan (Continued)

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

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	10 Year Expected Geometric Real 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	1.0%	0.0%
Total	100.0%	

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 payment!) 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).

CITY OF FLORENCE, COLORADO

NOTES TO FINANCIAL STATEMENTS

December 31, 2016

NOTE 7: DEFINED BENEFIT PENSION PLANS (Continued)

Statewide Defined Benefit Pension Plan (Continued)

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

For the purpose of this valuation, the expected rate of return on pension plan investments is +97.50%; the municipal bond rate is 3.65% (based on the weekly rate closest to but not later than the measurement date of the "state & local bonds" rate from Federal Reserve statistical release (H.15)); and the resulting Single Discount Rate is 7.50%.

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. The discount rate determination does not use the Municipal Bond Index Rate. There was no change in the discount rate from the prior measurement date.

Sensitivity of the City's proportionate share of the net pension liability to changes in the discount rate. The following presents the proportionate share of the net pension liability (asset) calculated using the discount rate of 7.50 percent, as well as what the proportionate share of the net pension liability would be if it were calculated using a discount rate that is 1-percentage-point lower (6.50 percent) or 1-percentage-point higher (8.50 percent) than the current rate:

	1% Decrease (6.50%)	Current Discount Rate (7.50%)	1% Increase (8.50%)
Proportionate share of the net pension liability (asset)	\$ 244,041	(\$1,742)	(\$364,482)

Pension plan fiduciary net position. Detailed information about the SWDB Plan's fiduciary net position is available in FPPA's comprehensive annual financial report which can be obtained at <http://www.fppaco.org>.

NOTE 8: OTHER RETIREMENT COMMITMENTS

Deferred 457 Compensation Plan

The City has a deferred compensation plan (the "Plan") created in accordance with Internal Revenue Code Section 457. Participation in the Plan is optional for employees. The City matches the contribution of participating employees up to 3% after the employee has been employed at the City for one year. The City's contributions to the Plan during the years ended December 31, 2016 and 2015, were \$11,100 and \$18,897, respectively. The Plan is administered by Nationwide Retirement Solutions.

CITY OF FLORENCE, COLORADO

NOTES TO FINANCIAL STATEMENTS

December 31, 2016

NOTE 9: PUBLIC ENTITY RISK POOL

The City is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; injuries to employees; and natural disasters. For these risks of loss, the City is involved with the Colorado Intergovernmental Risk Sharing Agency (CIRSA), a separate and independent governmental and legal entity formed by intergovernmental agreement by member municipalities pursuant to the provision of 24-10-115.5, Colorado Revised Statutes (1982 Replacement Volume) and Colorado Constitution, Article XIV, Section 18(2).

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

It is the intent of the members of CIRSA to create an entity in perpetuity which will administer and use funds contributed by the members to defend and indemnify, in accordance with the bylaws, any member of CIRSA against stated liability of loss, to the limit of the financial resources of CIRSA.

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

NOTE 10: COMMITMENTS AND CONTINGENCIES

Tabor Amendment

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 government. On November 1994, voters within the City approved the collection, retention and expenditure of State grants, all sales and use taxes and all other revenue generated by the City in 1995 and subsequent years without limitation, notwithstanding the provisions of the Amendment.

The City has established an emergency reserve, representing 3% of qualifying expenditures, as required by the Amendment. At December 31, 2016, the emergency reserve of \$193,000 was recorded in the General Fund.

REQUIRED SUPPLEMENTARY INFORMATION

CITY OF FLORENCE, COLORADO

GENERAL FUND
BUDGETARY COMPARISON SCHEDULE
Year Ended December 31, 2016

	2016			VARIANCE	2015 ACTUAL
	ORIGINAL BUDGET	FINAL BUDGET	ACTUAL	Positive (Negative)	
REVENUES					
Taxes	\$ 1,479,243	\$ 1,479,243	\$ 1,525,118	\$ 45,875	\$ 1,460,523
Licenses and Permits	57,200	57,200	53,801	(3,399)	49,702
Intergovernmental	149,500	149,500	148,511	(989)	149,882
Charges for Services	186,400	186,400	172,103	(14,297)	188,607
Fines and Forfeitures	105,900	105,900	79,446	(26,454)	99,821
Sheriff Dispatch Services	-	-	-	-	175,000
Interest	27,700	27,700	4,357	(23,343)	7,405
Miscellaneous	365,745	365,745	458,495	92,750	359,126
TOTAL REVENUES	<u>2,371,688</u>	<u>2,371,688</u>	<u>2,441,831</u>	<u>70,143</u>	<u>2,490,066</u>
EXPENDITURES					
Current					
General Government	789,622	789,622	711,489	78,133	609,130
Public Safety	968,171	1,168,171	1,126,587	41,584	1,118,604
Public Works	670,729	670,729	624,441	46,288	642,526
Planning	111,578	111,578	192,122	(80,544)	171,097
Parks and Recreation	56,639	56,639	40,893	15,746	35,130
Capital Outlay	7,000	73,000	28,449	44,551	23,690
Debt Service					
Principal	29,700	29,700	47,242	(17,542)	44,678
Interest	-	-	6,046	(6,046)	32,596
TOTAL EXPENDITURES	<u>2,633,439</u>	<u>2,899,439</u>	<u>2,777,269</u>	<u>122,170</u>	<u>2,677,451</u>
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	<u>(261,751)</u>	<u>(527,751)</u>	<u>(335,438)</u>	<u>192,313</u>	<u>(187,385)</u>
OTHER FINANCING SOURCES (USES)					
Transfer In	396,779	396,779	396,779	-	377,502
Transfer Out	(91,600)	(91,600)	(9,428)	82,172	(68,303)
TOTAL OTHER FINANCING SOURCES (USES)	<u>305,179</u>	<u>305,179</u>	<u>387,351</u>	<u>82,172</u>	<u>309,199</u>
NET CHANGE IN FUND BALANCE	43,428	(222,572)	51,913	274,485	121,814
FUND BALANCE, Beginning	<u>1,437,815</u>	<u>1,437,815</u>	<u>1,622,783</u>	<u>184,968</u>	<u>1,500,969</u>
FUND BALANCE, Ending	<u>\$ 1,481,243</u>	<u>\$ 1,215,243</u>	<u>\$ 1,674,696</u>	<u>\$ 459,453</u>	<u>\$ 1,622,783</u>

See the accompanying independent auditors' report.

CITY OF FLORENCE, COLORADO

SCHEDULE OF THE CITY'S PROPORTIONATE SHARE
STATEWIDE DEFINED BENEFIT PLAN

Years Ended December 31,

	<u>2013</u>	<u>2014</u>	<u>2015</u>
City's proportionate share of the Net Pension Liability (Asset)	0.087%	0.091%	0.099%
City's proportionate share of the Net Pension Liability (Asset)	\$ (102,775)	\$ (77,479)	\$ (1,742)
City's covered-employee payroll	\$ 355,764	\$ 355,764	\$ 469,653
City's proportionate share of the Net Pension Liability (Asset) as a percentage of its covered-employee payroll	-28.89%	-21.78%	-0.37%
Plan fiduciary net position as a percentage of the total pension liability	106.80%	105.80%	100.10%

Notes:

This schedule is reported as of December 31, as that is the plan year end.

This schedule will report ten years of data when it is available.

See the accompanying independent auditors' report.

CITY OF FLORENCE, COLORADO
 SCHEDULE OF THE CITY'S CONTRIBUTIONS
 STATEWIDE DEFINED BENEFIT PLAN

Years Ended December 31,

	<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>
Statutorily required contributions	\$ 30,108	\$ 32,758	\$ 37,852	\$ 36,899
Contributions in relation to the Statutorily required contributions	<u>30,108</u>	<u>32,758</u>	<u>37,852</u>	<u>36,899</u>
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
City's covered-employee payroll	\$ 355,764	\$ 388,051	\$ 469,653	\$ 439,514
Contributions as a percentage of covered-employee payroll	8.46%	8.44%	8.06%	8.40%

Notes:

This schedule will report ten years of data when it is available.

See the accompanying independent auditors' report.

COMBINING AND INDIVIDUAL FUND SCHEDULES

CITY OF FLORENCE, COLORADO
 COMBINING BALANCE SHEET
 NONMAJOR GOVERNMENTAL FUNDS
 December 31, 2016

	SPECIAL REVENUE FUNDS				PERMANENT FUND
	CONSERVATION TRUST FUND	POOL, PARK AND RECREATION FUND	CAPITAL PROJECTS FUND	STREET IMPROVEMENT FUND	CARE RESERVE FUND
ASSETS					
Cash and Investments	\$ 93,645	\$ 748,387	\$ 129,266	\$ 46,636	\$ 232,103
Accounts Receivable	-	-	-	26,085	-
TOTAL ASSETS	\$ 93,645	\$ 748,387	\$ 129,266	\$ 72,721	\$ 232,103
LIABILITIES AND FUND BALANCES					
LIABILITIES					
Accounts Payable	\$ -	\$ -	\$ 10,440	\$ 7,980	\$ -
FUND EQUITY					
Fund Balance					
Restricted for Cemetery Care	\$ -	\$ -	\$ -	\$ -	\$ 232,103
Restricted for Park and Recreation	93,645	748,387	-	-	-
Restricted for Capital Projects	-	-	-	64,741	-
Assigned for Community Projects	-	-	42,716	-	-
Assigned for Cemetery Construction	-	-	41,337	-	-
Assigned for Capital Projects	-	-	34,773	-	-
TOTAL FUND EQUITY	93,645	748,387	118,826	64,741	232,103
TOTAL LIABILITIES AND FUND EQUITY	\$ 93,645	\$ 748,387	\$ 129,266	\$ 72,721	\$ 232,103

See the accompanying independent auditors' report.

TOTALS

<u>2016</u>	<u>2015</u>
\$ 1,250,037	\$ 1,181,354
<u>26,085</u>	<u>26,313</u>
<u>\$ 1,276,122</u>	<u>\$ 1,207,667</u>

<u>\$ 18,420</u>	<u>\$ -</u>
------------------	-------------

\$ 232,103	\$ 226,462
842,032	868,977
64,741	-
42,716	42,443
41,337	36,675
<u>34,773</u>	<u>33,110</u>

<u>1,257,702</u>	<u>1,207,667</u>
------------------	------------------

<u>\$ 1,276,122</u>	<u>\$ 1,207,667</u>
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CITY OF FLORENCE, COLORADO

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

	SPECIAL REVENUE FUNDS				PERMANENT
	CONSERVATION	POOL, PARK	CAPITAL	STREET	FUND
	TRUST FUND	AND RECREATION FUND	PROJECTS FUND	IMPROVEMENT FUND	CARE RESERVE FUND
REVENUES					
Sales and Use Taxes	\$ -	\$ -	\$ -	\$ 184,545	\$ -
Intergovernmental	42,658	-	232,440	-	-
Charges for Services	-	33,759	-	-	-
Interest	486	6,170	782	339	1,231
Miscellaneous	-	-	-	-	-
TOTAL REVENUES	43,144	39,929	233,222	184,884	1,231
EXPENDITURES					
Parks and Recreation	-	72,626	12,184	-	-
Capital Outlay	-	-	-	120,143	-
TOTAL EXPENDITURES	-	72,626	12,184	120,143	-
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	43,144	(32,697)	221,038	64,741	1,231
OTHER FINANCING SOURCES (USES)					
Transfers In	-	608	4,410	-	4,410
Transfers Out	(38,000)	-	(218,850)	-	-
TOTAL OTHER FINANCING SOURCES (USES)	(38,000)	608	(214,440)	-	4,410
NET CHANGE IN FUND BALANCES	5,144	(32,089)	6,598	64,741	5,641
FUND BALANCES, Beginning	88,501	780,476	112,228	-	226,462
FUND BALANCES, Ending	<u>\$ 93,645</u>	<u>\$ 748,387</u>	<u>\$ 118,826</u>	<u>\$ 64,741</u>	<u>\$ 232,103</u>

See the accompanying independent auditors' report.

TOTALS

<u>2016</u>	<u>2015</u>
\$ 184,545	\$ 176,064
275,098	150,622
33,759	34,787
9,008	1,927
-	2,892
<u>502,410</u>	<u>366,292</u>
84,810	79,735
120,143	22,533
<u>204,953</u>	<u>102,268</u>
<u>297,457</u>	<u>264,024</u>
9,428	68,303
<u>(256,850)</u>	<u>(185,202)</u>
<u>(247,422)</u>	<u>(116,899)</u>
50,035	147,125
<u>1,207,667</u>	<u>1,060,542</u>
<u>\$ 1,257,702</u>	<u>\$ 1,207,667</u>

CITY OF FLORENCE, COLORADO

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

	2016		VARIANCE Positive (Negative)	2015 ACTUAL
	ORIGINAL AND FINAL BUDGET	ACTUAL		
REVENUES				
Intergovernmental	\$ 38,000	\$ 42,658	\$ 4,658	\$ 36,842
Interest	110	486	376	148
TOTAL REVENUES	<u>38,110</u>	<u>43,144</u>	<u>5,034</u>	<u>36,990</u>
EXPENDITURES				
Parks and Recreation	-	-	-	-
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	<u>38,110</u>	<u>43,144</u>	<u>5,034</u>	<u>36,990</u>
OTHER FINANCING SOURCES (USES)				
Transfers Out	<u>(38,000)</u>	<u>(38,000)</u>	<u>-</u>	<u>(38,000)</u>
NET CHANGE IN FUND BALANCE	110	5,144	5,034	(1,010)
FUND BALANCE, Beginning	<u>91,332</u>	<u>88,501</u>	<u>(2,831)</u>	<u>89,511</u>
FUND BALANCE, Ending	<u>\$ 91,442</u>	<u>\$ 93,645</u>	<u>\$ 2,203</u>	<u>\$ 88,501</u>

See the accompanying independent auditors' report.

CITY OF FLORENCE, COLORADO

POOL, PARK AND RECREATION FUND
 BUDGETARY COMPARISON SCHEDULE
 Year Ended December 31, 2016

	2016		VARIANCE Positive (Negative)	2015 ACTUAL
	ORIGINAL AND FINAL BUDGET	ACTUAL		
REVENUES				
Sales and Use Tax	\$ -	\$ -	\$ -	\$ 176,064
Charges for Services	39,150	33,759	(5,391)	34,787
Interest	1,000	6,170	5,170	1,091
Other	1,000	-	(1,000)	2,892
TOTAL REVENUES	<u>41,150</u>	<u>39,929</u>	<u>(1,221)</u>	<u>214,834</u>
EXPENDITURES				
Parks and Recreation	101,740	72,626	29,114	78,356
TOTAL EXPENDITURES	<u>101,740</u>	<u>72,626</u>	<u>29,114</u>	<u>78,356</u>
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	<u>(60,590)</u>	<u>(32,697)</u>	<u>27,893</u>	<u>136,478</u>
OTHER FINANCING SOURCES				
Transfer In	<u>1,600</u>	<u>608</u>	<u>(992)</u>	<u>352</u>
NET CHANGE IN FUND BALANCE	(58,990)	(32,089)	26,901	136,830
FUND BALANCE, Beginning	<u>1,073,206</u>	<u>780,476</u>	<u>(292,730)</u>	<u>643,646</u>
FUND BALANCE, Ending	<u>\$ 1,014,216</u>	<u>\$ 748,387</u>	<u>\$ (265,829)</u>	<u>\$ 780,476</u>

See the accompanying independent auditors' report.

CITY OF FLORENCE, COLORADO

CAPITAL PROJECTS FUND
 BUDGETARY COMPARISON SCHEDULE
 Year Ended December 31, 2016

	2016		VARIANCE Positive (Negative)	2015 ACTUAL
	ORIGINAL AND FINAL BUDGET	ACTUAL		
REVENUES				
Intergovernmental	\$ 690,000	\$ 232,440	\$ (457,560)	\$ 113,780
Interest	125	782	657	147
TOTAL REVENUES	690,125	233,222	(456,903)	113,927
EXPENDITURES				
Parks and Recreation	3,000	12,184	(9,184)	1,379
Capital Outlay	902,714	-	902,714	22,533
TOTAL EXPENDITURES	905,714	12,184	893,530	23,912
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	(215,589)	221,038	436,627	90,015
OTHER FINANCING SOURCES				
Transfer In	219,314	4,410	(214,904)	61,936
Transfer Out	-	(218,850)	(218,850)	(147,202)
TOTAL OTHER FINANCING SOURCES (USES)	219,314	(214,440)	(433,754)	(85,266)
NET CHANGE IN FUND BALANCE	3,725	6,598	2,873	4,749
FUND BALANCE, Beginning	64,901	112,228	47,327	107,479
FUND BALANCE, Ending	\$ 68,626	\$ 118,826	\$ 50,200	\$ 112,228

See the accompanying independent auditors' report.

CITY OF FLORENCE, COLORADO

STREET IMPROVEMENT FUND
 BUDGETARY COMPARISON SCHEDULE
 Year Ended December 31, 2016

	2016		VARIANCE Positive (Negative)
	ORIGINAL AND FINAL BUDGET	ACTUAL	
REVENUES			
Sales and Use Tax	\$ 172,733	\$ 184,545	\$ 11,812
Interest	-	339	339
TOTAL REVENUES	<u>172,733</u>	<u>184,884</u>	<u>12,151</u>
EXPENDITURES			
General Government	-	-	-
Capital Outlay	<u>172,000</u>	<u>120,143</u>	<u>51,857</u>
TOTAL EXPENDITURES	<u>172,000</u>	<u>120,143</u>	<u>51,857</u>
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	<u>733</u>	<u>64,741</u>	<u>64,008</u>
OTHER FINANCING SOURCES			
Transfer In	-	-	-
Transfer Out	<u>-</u>	<u>-</u>	<u>-</u>
TOTAL OTHER FINANCING SOURCES (USES)	<u>-</u>	<u>-</u>	<u>-</u>
NET CHANGE IN FUND BALANCE	733	64,741	64,008
FUND BALANCE, Beginning	<u>-</u>	<u>-</u>	<u>-</u>
FUND BALANCE, Ending	<u>\$ 733</u>	<u>\$ 64,741</u>	<u>\$ 64,008</u>

See the accompanying independent auditors' report.

CITY OF FLORENCE, COLORADO

PERPETUAL CARE RESERVE FUND
 BUDGETARY COMPARISON SCHEDULE
 Year Ended December 31, 2016

	2016		VARIANCE Positive (Negative)	2015 ACTUAL
	ORIGINAL AND FINAL BUDGET	ACTUAL		
REVENUES				
Interest Income	\$ 500	\$ 1,231	\$ 731	\$ 541
TOTAL REVENUES	500	1,231	731	541
EXPENDITURES				
Cemetery Care	-	-	-	-
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	500	1,231	731	541
OTHER FINANCING SOURCES				
Transfer In	6,600	4,410	(2,190)	6,015
NET CHANGE IN FUND BALANCE	7,100	5,641	(1,459)	6,556
FUND BALANCE, Beginning	226,532	226,462	(70)	219,906
FUND BALANCE, Ending	\$ 233,632	\$ 232,103	\$ (1,529)	\$ 226,462

See the accompanying independent auditors' report.

CITY OF FLORENCE, COLORADO

WATER FUND
 BUDGETARY COMPARISON SCHEDULE
 Year Ended December 31, 2016

	2016			VARIANCE	2015 ACTUAL
	ORIGINAL BUDGET	FINAL BUDGET	ACTUAL	Positive (Negative)	
REVENUES					
Charges for Services	\$ 2,014,600	\$ 2,014,600	\$ 1,973,243	\$ (41,357)	\$ 2,035,108
Tap Fees and Contributions	16,500	16,500	112,624	96,124	18,396
Debt Retirement	1,504,630	1,504,630	1,515,764	11,134	1,494,067
Interest	14,000	14,000	59,757	45,757	24,900
Other Revenues	4,500	4,500	8,104	3,604	125
Transfers In	-	-	218,850	218,850	147,202
TOTAL REVENUES	3,554,230	3,554,230	3,888,342	334,112	3,719,798
EXPENDITURES					
Administration	285,270	285,270	56,609	228,661	40,117
Water System	1,250,652	1,250,652	1,069,887	180,765	1,009,415
Debt Service	1,498,570	1,558,570	1,544,706	13,864	1,500,592
Transfers Out	122,714	122,714	358,779	(236,065)	339,502
Capital Outlay	130,300	330,300	493,949	(163,649)	997,557
TOTAL EXPENDITURES	3,287,506	3,547,506	3,523,930	23,576	3,887,183
NET INCOME, Budget Basis	\$ 266,724	\$ 6,724	364,412	\$ 357,688	(167,385)
GAAP BASIS ADJUSTMENTS					
Capital Outlay			493,949		958,053
Loan Principal Payments			860,922		798,494
Depreciation			(1,212,659)		(1,164,164)
NET INCOME, GAAP Basis			506,624		424,998
NET POSITION, Beginning			13,387,955		12,962,957
NET POSITION, Ending			\$ 13,894,579		\$ 13,387,955

See the accompanying independent auditors' report.

CITY OF FLORENCE, COLORADO

AGENCY FUND - SCHOOL DEDICATION FEES
 STATEMENT OF CHANGES IN ASSETS AND LIABILITIES
 Year Ended December 31, 2016

	BALANCE DECEMBER 31, <u>2015</u>	<u>ADDITIONS</u>	<u>DEDUCTIONS</u>	BALANCE DECEMBER 31, <u>2016</u>
ASSETS				
Cash and Investments	<u>\$ 17,268</u>	<u>\$ 112</u>	<u>\$ -</u>	<u>\$ 17,380</u>
LIABILITIES				
Due To School District	<u>\$ 17,268</u>	<u>\$ 112</u>	<u>\$ -</u>	<u>\$ 17,380</u>

See the accompanying independent auditors' report.

COMPLIANCE

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ANNUAL HIGHWAY FINANCE REPORT - CY16

Step 1: Enter your email and select your City or County from the list below.

Step 2: Click on "Start" to edit/update your data.

Step 3: Click on "Submit" at the bottom of the form to edit/update your data.

Your Email Address:

Select City:

II - RECEIPTS FOR ROAD AND STREET PURPOSES

Please no commas or dollar signs for the input

A. Receipts from local sources

2. General Fund Appropriations:	\$	<input type="text" value="710375.26"/>
3. Other local imposts: <i>from A.3. 'Total' below</i>	\$	<input type="text" value="87,706.17"/>
4. Miscellaneous local receipts: <i>from A.4. 'Total' below</i>	\$	<input type="text" value="0.00"/>
5. Transfers from toll facilities	\$	<input type="text" value="0.00"/>
6. Proceeds of sale of bonds and notes		
a. Bonds - Original Issues:	\$	<input type="text" value="0.00"/>
b. Bonds - Refunding Issues:	\$	<input type="text" value="0.00"/>
c. Notes:	\$	<input type="text" value="0.00"/>
SubTotal:	\$	<input type="text" value="798,081.43"/>

B. Private Contributions \$

II - RECEIPTS FOR ROAD AND STREET PURPOSES (Detail)

Please no commas or dollar signs for the input

A.3. Other local imposts

a. Property Taxes and Assessments	\$	<input type="text" value="0.00"/>
b. Other Local Imposts		
1. Sales Taxes:	\$	<input type="text" value="0.00"/>

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1. Sales Taxes:	\$	0.00
2. Infrastructure and Impact Fees:	\$	0.00
3. Liens:	\$	0.00
4. Licenses:	\$	0.00
5. Specific Ownership and/or Other:	\$	87706.17
Total: <i>(a + b) carried to 'Other local imposts' above)</i>		\$ 87,706.17

A.4. Miscellaneous local receipts

Please no commas or dollar signs for the input

a. Interest on Investments:	\$	0.00
b. Traffic fines & Penalties:	\$	0.00
c. Parking Garage Fees:	\$	0.00
d. Parking Meter Fees:	\$	0.00
e. Sale of Surplus Property:	\$	0.00
f. Charges for Services:	\$	0.00
g. Other Misc. Receipts:	\$	0.00
h. Other:	\$	0.00
Total: <i>(a through h) carried to 'Misc local receipts' above)</i>		\$ 0.00

C. Receipts from State Government

Please no commas or dollar signs for the input

1. Highway User Taxes:	\$	125986.54
3. Other State funds:		
c. Motor Vehicle Registrations:	\$	15653.50
d. Other (Specify):		
Comments: <input type="text" value="undefined"/>	\$	0.00
e. Other (Specify):		
Comments: <input type="text" value="undefined"/>	\$	0.00
Total: <i>(1+3c,d,e)</i>		\$ 141,640.04

D. Receipts from Federal Government

Please no commas or dollar signs for the input

2. Other Federal Agencies		
a. Forest Service:	\$	0.00
b. FEMA:	\$	0.00
c. HUD:	\$	0.00
d. Federal Transit Administration:	\$	0.00

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III - DISBURSEMENTS FOR ROAD AND STREET PURPOSES

Please no commas or dollar signs for the input

A. Local highway disbursements

1. Capital outlay: <i>(from A.1.d. 'Total Capital Outlay' below)</i>	\$	0.00
2. Maintenance:	\$	301757.07
3. Road and street services		
a. Traffic control operations:	\$	0.00
b. Snow and ice removal:	\$	54864.92
c. Other:	\$	54266.01
4. General administration & miscellaneous	\$	0.00
5. Highway law enforcement and safety	\$	528833.47
Total: (A.1-5)		\$ 939,721.47

Please no commas or dollar signs for the input

B. Debt service on local obligations

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

Please no commas or dollar signs for the input

C. Payments to State for Highways:	\$	0.00
D. Payments to Toll Facilities:	\$	0.00

Total Disbursements: (A+B+C+D) \$ 939,721.47

Please no commas or dollar signs for the input

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1. Capital outlay: <i>(from A.1.d. 'Total Capital Outlay' below)</i>	\$ 0.00
2. Maintenance:	\$ 301757.07
3. Road and street services	
a. Traffic control operations:	\$ 0.00
b. Snow and ice removal:	\$ 54864.92
c. Other:	\$ 54266.01
4. General administration & miscellaneous	\$ 0.00
5. Highway law enforcement and safety	\$ 528833.47
Total: (A.1-5)	\$ 939,721.47

Please no commas or dollar signs for the input

B. Debt service on local obligations

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

Please no commas or dollar signs for the input

C. Payments to State for Highways: \$ 0.00

D. Payments to Toll Facilities: \$ 0.00

Total Disbursements: (A+B+C+D) \$ 939,721.47

Please no commas or dollar signs for the input

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

Please no commas or dollar signs for the input

	A. ON NATIONAL HIGHWAY SYSTEM	B. OFF NATIONAL HIGHWAY SYSTEM	C. TOTAL
--	--	---	-----------------

A.1. Capital Outlay