



**Financial Statements
December 31, 2016**



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**City of Salida, Colorado
Financial Statements
December 31, 2016**

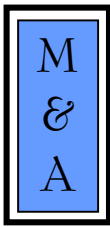
Table of Contents

	Page
INDEPENDENT AUDITOR'S REPORT	A1 – A3
Government-wide Financial Statements:	
Statement of Net Position	B1
Statement of Activities	B2
Fund Financial Statements:	
Balance Sheet - Governmental Funds	B3
Reconciliation of the Balance Sheet of Governmental Funds To the Statement of Net Position	B4
Statement of Revenues, Expenditures and Changes in Fund Balances - Governmental Funds	B5
Reconciliation of the Statement of Revenues, Expenditures and Changes in Fund Balances of Governmental Funds to the Statement of Activities	B6
Statement of Net Position - Proprietary Funds	B7
Statement of Revenues, Expenses and Changes in Fund Net Position - Proprietary Funds	B8
Statement of Cash Flows - Proprietary Funds	B9
Notes to the Financial Statements	C1 – C30
Required Supplementary Information:	
Schedule of Revenues, Expenditures and Changes in Fund Balance General Fund – Budget and Actual	D1 - D4
Schedule of Employer's Proportionate Share of Net Pension Asset/Liability – FPPA Defined Benefit Plan	D5
Schedule of Employer Contributions – FPPA Defined Benefit Plan	D6

**City of Salida, Colorado
Financial Statements
December 31, 2016**

**Table of Contents
(Continued)**

	Page
Required Supplementary Information (continued):	
Schedule of Changes in Net Pension Asset/Liability – Fire “Old Hire” Plan	D7
Schedule of Changes in Net Pension Asset/Liability – Police “Old Hire” Plan	D8
Schedule of Employer Contributions – “Old Hire” Plan	D9
Supplementary Information:	
Combining Balance Sheet – Nonmajor Governmental Funds	E1
Schedule of Revenues, Expenditures and Changes in Fund Balance - Nonmajor Governmental Funds	E2
Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual – Conservation Trust Fund	E3
Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual – NRCDC Special Revenue Fund	E4
Schedule of Revenues and Expenditures - Budget (Non-GAAP Basis) and Actual with Reconciliation to GAAP Basis – Water Fund	E5 – E6
Schedule of Revenues and Expenditures - Budget (Non-GAAP Basis) and Actual with Reconciliation to GAAP Basis – Sewer Fund	E7 – E8
Schedule of Revenues and Expenditures – Budget (Non-GAAP Basis) and Actual with Reconciliation to GAAP Basis – Steamplant Event Center	E9
Local Highway Finance Report	E10 – E11



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INDEPENDENT AUDITOR'S REPORT

**To the Mayor and City Council
City of Salida**

Report on the Financial Statements

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

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 and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the 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 unmodified audit opinion on the governmental activities, the business type activities, the major funds, and aggregate remaining fund information.

Because of the matter described in the Basis for Disclaimer of Opinion paragraph, however, we were not able to obtain sufficient appropriate audit evidence to provide a basis for an audit opinion on the blended component unit.

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**INDEPENDENT AUDITOR'S REPORT
To the Mayor and City Council
City of Salida**

Summary of Opinions

<i>Opinion Unit</i>	<i>Type of Opinion</i>
Governmental Activities	Unmodified
Business-Type Activities	Unmodified
General Fund	Unmodified
NRCDC Blended Component Unit	Disclaimed
Water Fund	Unmodified
Wastewater Fund	Unmodified
SteamPlant Event Center Fund	Unmodified
Aggregate Remaining Fund Information	Unmodified

Basis for Disclaimer of Opinion on the Blended Component Unit

The Natural Resource Center Development Corporation (the "NRCDC") is a blended component unit of the City, and represents 20 percent, 8 percent and 5 percent of the assets, net position and revenues of the City's governmental activities, respectively. Effective January 1, 2017, the NR CDC ceased to be a component unit of the City of Salida. The City and the NR CDC were unable to provide adequate documentation supporting the capital assets and loan payable of the NR CSC. As a result, we were unable to determine whether any adjustments to the capital assets or loan amounts were necessary.

Disclaimer of Opinion on the Blended Component Unit

Because of the significance of the matter described in the Basis for Disclaimer of Opinion on the Blended Component Unit paragraph, we have not been able to obtain sufficient appropriate audit evidence to provide a basis for an audit opinion. Accordingly, we do not express an opinion on the financial statements of the blended component unit.

Unmodified Opinions on the Governmental Activities, Business Type Activities, Major Funds and Aggregate Remaining Fund Information

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

Other Matters

The City has not presented Management's Discussion and Analysis that accounting principles generally accepted in the United States of America have determined is necessary 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, economical, or historical context. Our opinions on the basic financial statements are not affected by the missing information.

INDEPENDENT AUDITOR'S REPORT
To the Mayor and City Council
City of Salida

Other Matters (continued)

Accounting principles generally accepted in the United States of America require that the Schedule of Change in Net Pension Asset/Liability, Schedule of Employer's Proportionate Share of Net Pension Asset/Liability, Schedules of City's Contributions and Schedules of Changes in Net Pension Asset / Liability in Section D 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, economical, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with accounting principles 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.

The budgetary comparison information in section D is not a required part of the basic financial statements but is supplementary information required by accounting principles generally accepted in the United States of America. The budgetary comparison 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 information is fairly stated in all material respects in relation to the financial statements as a whole.

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the City's financial statements taken as a whole. The combining non-major fund financial statements, and the individual fund budgetary comparisons found in Section E are presented for purposes of additional analysis and are not a required part of the financial statements. The combining non-major fund financial statements, individual fund budgetary comparisons found in Section E are the responsibility of management and were derived from and relate 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 information is fairly stated in all material respects in relation to the financial statements as a whole. The *Local Highway Finance Report*, on pages E10 and E11, has not been subjected to the auditing procedures applied in the audit of the basic financial statements and, accordingly, we do not express an opinion or provide any assurance on it.

McMahan and Associates, L.L.C.

McMahan and Associates, L.L.C.
November 2, 2017

GOVERNMENT-WIDE FINANCIAL STATEMENTS

CITY OF SALIDA, COLORADO
Statement of Net Position
December 31, 2016

	<u>Governmental Activities</u>	<u>Business-type Activities</u>	<u>Total</u>
Assets:			
Cash and investments	5,199,398	4,048,396	9,247,794
Receivables (net of allowance)	1,448,787	666,589	2,115,376
Inventories	-	3,482	3,482
Prepays	57,959	45,618	103,577
Net pension asset	4,200	-	4,200
Capital assets not being depreciated:			
Land and right-of-way	3,686,273	76,027	3,762,300
Water rights	-	1,391,521	1,391,521
Construction in progress	59,900	105,669	165,569
Capital assets being depreciated, net of accumulated depreciation	<u>22,461,759</u>	<u>29,348,087</u>	<u>51,809,846</u>
Total Assets	<u>32,918,276</u>	<u>35,685,389</u>	<u>68,603,665</u>
Deferred Outflows of Resources:			
Deferred outflows related to pensions	<u>529,764</u>	<u>-</u>	<u>529,764</u>
Liabilities:			
Accounts payable and other current liabilities	421,040	65,198	486,238
Lawsuit settlement	-	415,000	415,000
Interest payable	-	75,303	75,303
Accrued compensated absences	57,058	15,518	72,576
Unearned revenue	-	148,348	148,348
TABOR liability	84,101	-	84,101
Noncurrent liabilities:			
Due within one year	161,832	358,074	519,906
Due in more than one year	5,298,998	12,936,251	18,235,249
Net pension liability	<u>877,605</u>	<u>-</u>	<u>877,605</u>
Total Liabilities	<u>6,900,634</u>	<u>14,013,692</u>	<u>20,914,326</u>
Deferred Inflows of Resources:			
Deferred inflows related to pensions	<u>17,876</u>	<u>-</u>	<u>17,876</u>
Net Position:			
Net investment in capital assets	19,869,497	17,626,979	37,496,476
Restricted for:			
Emergencies	265,000	-	265,000
Parks and recreation	408,749	-	408,749
Unrestricted	<u>5,986,284</u>	<u>4,044,718</u>	<u>10,031,002</u>
Total Net Position	<u>26,529,530</u>	<u>21,671,697</u>	<u>48,201,227</u>

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

CITY OF SALIDA, COLORADO
Statement of Activities
For the Year Ended December 31, 2016

Functions/Programs	Expenses	Program Revenues			Net (Expense) Revenue and Change in Net Assets		
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Governmental Activities	Business-type Activities	Total
Governmental activities:							
General government	\$ 1,524,785	\$ 196,540	\$ -	\$ 305,619	\$ (1,022,626)	\$ -	\$ (1,022,626)
Public safety	2,715,406	85,844	-	-	(2,629,562)	-	(2,629,562)
Public works/Streets	1,568,062	56,644	-	-	(1,511,418)	-	(1,511,418)
Culture, parks and recreation	1,301,834	466,241	-	-	(835,593)	-	(835,593)
Interest on long-term debt	252,804	-	-	-	(252,804)	-	(252,804)
Total governmental activities	<u>7,362,891</u>	<u>805,269</u>	<u>-</u>	<u>305,619</u>	<u>(6,252,003)</u>	<u>-</u>	<u>(6,252,003)</u>
Business-type activities:							
Water	1,992,682	1,659,177	-	843,763	-	510,258	510,258
Sewer	2,117,033	1,345,305	-	697,682	-	(74,046)	(74,046)
Steamplant Event Center	480,588	259,240	8,031	12,988	-	(200,329)	(200,329)
Total business-type activities	<u>4,590,303</u>	<u>3,263,722</u>	<u>8,031</u>	<u>710,670</u>	<u>-</u>	<u>235,883</u>	<u>235,883</u>
Total Primary Government	<u>11,953,194</u>	<u>4,068,991</u>	<u>8,031</u>	<u>1,860,052</u>	<u>(6,252,003)</u>	<u>235,883</u>	<u>(6,016,120)</u>
General revenues:							
Taxes:							
Sales taxes					5,162,570	-	5,162,570
Sales taxes - Country					1,785,695	-	1,785,695
Franchise taxes					303,382	-	303,382
Occupation taxes					248,230	-	248,230
Other taxes					311,556	-	311,556
Unrestricted investment earnings					15,386	18,054	33,440
Miscellaneous					518,794	-	518,794
Sale of assets					75,903	-	75,903
Transfers					(124,100)	124,100	-
Total general revenues, special items, and transfers					<u>8,297,416</u>	<u>142,154</u>	<u>8,439,570</u>
Change in Net Position					2,045,413	378,037	2,423,450
Net position - beginning (as previously stated)					24,568,218	21,293,660	45,861,878
Prior period adjustment -- TABOR liability for 2015					(84,101)	-	(84,101)
Net position - beginning (as restated)					<u>24,484,117</u>	<u>21,293,660</u>	<u>45,777,777</u>
Net position - ending					<u>26,529,530</u>	<u>21,671,697</u>	<u>48,201,227</u>

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

FUND FINANCIAL STATEMENTS

CITY OF SALIDA, COLORADO
Balance Sheet
Governmental Funds
December 31, 2016

	<u>General Fund</u>	<u>Nonmajor Governmental Funds</u>	<u>Total Governmental Funds</u>
Assets			
Cash and cash equivalents	4,790,649	408,749	5,199,398
Receivables, net:			-
Taxes receivable	1,238,278	-	1,238,278
Accounts receivable	35,955	-	35,955
Intergovernmental	174,554	-	174,554
Prepaid items	57,959	-	57,959
Total Assets	<u>6,297,395</u>	<u>408,749</u>	<u>6,706,144</u>
Liabilities:			
Accounts payable	252,520	-	252,520
Retainage payable	11,321	-	11,321
Accrued wages and benefits	96,274	-	96,274
Accrued liabilities	17,850	-	17,850
Customer deposits	35,518	-	35,518
Unearned revenue	7,557	-	7,557
Total Liabilities	<u>421,040</u>	<u>-</u>	<u>421,040</u>
Fund Balances			
Nonspendable	57,959	-	57,959
Restricted for:			
Parks and recreation	-	125,983	125,983
Emergencies	265,000	-	265,000
Committed to:			
Community and economic development	-	282,766	282,766
Unassigned	5,553,396	-	5,553,396
Total Fund Balances	<u>5,876,355</u>	<u>408,749</u>	<u>6,285,104</u>
Total liabilities, deferred inflows of resources, and fund balances	<u>6,297,395</u>	<u>408,749</u>	<u>6,706,144</u>

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

CITY OF SALIDA, COLORADO
Reconciliation of the Balance Sheet of Governmental Funds
to the Statement of Net Position
For the Year Ended December 31, 2016

Total fund balances - governmental funds	6,285,104	
Amounts reported for governmental activities in the statement of net assets are different because:		
Capital assets used in governmental activities are not financial resources and therefore, are not reported in the funds.		
Governmental capital assets	36,926,676	
Accumulated depreciation	<u>(10,718,744)</u>	26,207,932
Long-term liabilities, are not due and payable in the current period and therefore are not reported in the funds.		
Capital leases	(1,261,847)	
Loan payable	(4,198,983)	
Net pension liability	(877,605)	
TABOR liability	(147,850)	
Compensated absences	<u>(57,058)</u>	(6,543,343)
Deferred outflow and inflows of resources related to pensions and net pension assets are applicable to future reporting periods and therefore are not reported in the funds.		
Deferred outflows	529,764	
Deferred inflows	(17,876)	
Net pension asset	<u>4,200</u>	516,088
Total net position - governmental activities		<u><u>26,465,781</u></u>

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

CITY OF SALIDA, COLORADO
Statement of Revenues, Expenditures, and Changes in
Fund Balances - Governmental Funds
For the Year Ended December 31, 2016

REVENUES	General Fund	Nonmajor Governmental Funds	Total Governmental Funds
Taxes	5,714,182	-	5,714,182
Licenses and permits	162,312	-	162,312
Intergovernmental	2,447,637	60,386	2,508,023
Charges for services	466,241	-	466,241
Fines and forfeitures	46,737	-	46,737
Interest revenue	14,342	1,044	15,386
Other revenues	140,705	507,696	648,401
Total Revenues	<u>8,992,156</u>	<u>569,126</u>	<u>9,561,282</u>
EXPENDITURES			
Current:			
General government	1,153,678	87,801	1,241,479
Public safety	2,451,591	-	2,451,591
Public works/streets	937,511	-	937,511
Culture, parks and recreation	1,036,540	-	1,036,540
Capital outlay	1,960,677	54,136	2,014,813
Debt service:			
Principal	116,768	301,768	418,536
Interest and fiscal charges	45,071	89,143	134,214
Total Expenditures	<u>7,701,836</u>	<u>532,848</u>	<u>8,234,684</u>
Excess of Revenues Over (Under) Expenditures	1,290,320	36,278	1,326,598
Other Financing Sources (Uses):			
Transfers out	<u>(124,100)</u>	<u>-</u>	<u>(124,100)</u>
Total Other Financing Sources (Uses)	<u>(124,100)</u>	<u>-</u>	<u>(124,100)</u>
Net change in fund balances	1,166,220	36,278	1,202,498
Fund balances, beginning of year	<u>4,710,135</u>	<u>372,471</u>	<u>5,082,606</u>
Fund balances, end of year	<u>5,876,355</u>	<u>408,749</u>	<u>6,285,104</u>

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

CITY OF SALIDA, COLORADO
Reconciliation of the Statement of Revenues, Expenditures
and Changes in Fund Balances of Governmental Funds
For the Year Ended December 31, 2016

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

Net change in fund balances - total governmental funds		\$ 1,202,498
<p>Governmental funds report capital outlays as expenditures. However, in the statement of activities, the costs of those assets is allocated over their estimated useful lives and reported as depreciation expense. This is the difference between depreciation expense and capital outlays in the current period.</p>		
Capital outlay	1,952,428	
Depreciation expense	<u>(1,308,227)</u>	644,201
<p>Governmental funds reports the gross proceeds from the sale of capital assets as revenue. However, in the statement of activities, the gain on the sale of capital assets is reported net of its net book value.</p>		
		(28,878)
<p>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 assets.</p>		
		418,535
<p>Accrued Interest for long-term debt is not reported as an expenditure for the current period while it is recorded in the statement of activities.</p>		
		(118,591)
<p>Pension contributions are reported as expenditures in the governmental funds when made. However, they are reported as deferred outflows of resources in the Statement of Net Position because the net pension liability is measured a year before the City's report date. Pension expense, which is the change in the net pension liability adjusted for changes in deferred outflows and inflows of resources related to pensions, is reported in the Statement of Activities.</p>		
Pension expense	<u>(55,894)</u>	(55,894)
<p>Compensated absences expenses reported in the statement of activities do not require the use of current financial resources and therefore are not reported as expenditures in governmental funds.</p>		
		(16,458)
Change in net position of governmental activities		<u><u>2,045,413</u></u>

CITY OF SALIDA, COLORADO
Statement of Net Position
Proprietary Funds
December 31, 2016

	Water	Sewer	Steamplant Event Center	Combined Total
Assets				
Current assets:				
Cash	1,657,774	2,398,932	(8,310)	4,048,396
Receivables (net of allowance)	375,780	275,787	13,637	665,204
Due from other governments	1,385	-	-	1,385
Inventory	-	-	3,482	3,482
Prepays	34,490	9,136	1,992	45,618
Total current assets	<u>2,069,429</u>	<u>2,683,855</u>	<u>10,801</u>	<u>4,764,085</u>
Capital assets:				
Land	36,364	39,663	-	76,027
Water rights	1,391,521	-	-	1,391,521
Construction in progress	105,462	207	-	105,669
Plant and equipment	14,435,502	26,181,945	1,904,117	42,521,564
Accumulated depreciation	(6,005,105)	(6,497,660)	(670,712)	(13,173,477)
Total capital assets	<u>9,963,744</u>	<u>19,724,155</u>	<u>1,233,405</u>	<u>30,921,304</u>
Total Assets	<u>12,033,173</u>	<u>22,408,010</u>	<u>1,244,206</u>	<u>35,685,389</u>
Liabilities				
Current liabilities:				
Accounts payable	14,835	9,729	6,666	31,230
Legal settlement	415,000	-	-	415,000
Accrued wages and benefits	10,435	13,144	5,798	29,377
Accrued liabilities	5,947	10,772	3,390	20,109
Interest payable	1,323	73,980	-	75,303
Unearned revenue	-	108,000	40,348	148,348
Loans and Bonds payable - current	158,253	199,821	-	358,074
Total current liabilities	<u>605,793</u>	<u>415,446</u>	<u>56,202</u>	<u>1,077,441</u>
Noncurrent liabilities				
Long-term debt (net of current portion):				
Loans payable	444,919	11,076,332	-	11,521,251
Bonds payable	1,415,000	-	-	1,415,000
Total noncurrent liabilities	<u>1,859,919</u>	<u>11,076,332</u>	<u>-</u>	<u>12,936,251</u>
Total liabilities	<u>2,465,712</u>	<u>11,491,778</u>	<u>56,202</u>	<u>14,013,692</u>
Net Position				
Net investment in capital assets	7,945,572	8,448,002	1,233,405	17,626,979
Unrestricted	1,621,889	2,468,230	(45,401)	4,044,718
Total net position	<u>9,567,461</u>	<u>10,916,232</u>	<u>1,188,004</u>	<u>21,671,697</u>

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

CITY OF SALIDA, COLORADO
Statement of Revenues, Expenses and Changes in Fund Net Position
Proprietary Funds
For the Year Ended December 31, 2016

	Water	Wastewater	Steamplant Event Center	Combined Total
Operating Revenues				
Charges for services	1,655,639	1,345,055	252,482	3,253,176
Other revenues	3,538	250	6,758	10,546
Total operating revenues	<u>1,659,177</u>	<u>1,345,305</u>	<u>259,240</u>	<u>3,263,722</u>
Operating Expenses				
Administrative	130,750	79,072	-	209,822
Operations	490,095	673,358	409,696	1,573,149
Public Works	212,989	136,737	-	349,726
Depreciation	557,235	942,982	70,892	1,571,109
Total operating expenses	<u>1,391,069</u>	<u>1,832,149</u>	<u>480,588</u>	<u>3,703,806</u>
Operating Income (loss)	<u>268,108</u>	<u>(486,844)</u>	<u>(221,348)</u>	<u>(440,084)</u>
Non-Operating Revenues (Expenses)				
Donations	-	-	8,031	8,031
Interest income	2,909	15,145	-	18,054
Interest expense and fiscal charges	(141,400)	(284,884)	-	(426,284)
Lawsuit costs	(460,213)	-	-	(460,213)
Total non-operating revenue (expenses)	<u>(598,704)</u>	<u>(269,739)</u>	<u>8,031</u>	<u>(860,412)</u>
Income (loss) before contributions and transfers	(330,596)	(756,583)	(213,317)	(1,300,496)
Capital Contributions, Grants and Transfers:				
Development fees and other capital revenue	898,425	588,872	-	1,487,297
Capital grants	6,401	108,810	12,988	128,199
Sale of assets	(61,063)	-	-	(61,063)
Transfers in	-	-	124,100	124,100
Total capital contributions, grants and transfers	<u>843,763</u>	<u>697,682</u>	<u>137,088</u>	<u>1,678,533</u>
Change in net position	513,167	(58,901)	(76,229)	378,037
Net Position, beginning of year	<u>9,054,294</u>	<u>10,975,133</u>	<u>1,264,233</u>	<u>21,293,660</u>
Net position, end of year	<u>9,567,461</u>	<u>10,916,232</u>	<u>1,188,004</u>	<u>21,671,697</u>

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

CITY OF SALIDA, COLORADO
Statement of Cash Flows
Proprietary Funds
For the Year Ended December 31, 2016

	Water	Sewer	Steamplant Event Center	Combined Total
Cash Flows From Operating Activities:				
Cash received from customers, service fees	1,667,429	1,287,578	280,750	3,235,757
Cash paid to suppliers	(412,496)	(440,704)	(159,202)	(1,012,402)
Cash paid to employees	(461,465)	(457,743)	(250,768)	(1,169,976)
Net Cash Provided by Operating Activities	<u>793,468</u>	<u>389,131</u>	<u>(129,220)</u>	<u>1,053,379</u>
Cash Flows From Noncapital Financing Activities:				
Transfers from/(to) other funds	-	-	124,100	124,100
Net cash flows from noncapital and financing activities	<u>-</u>	<u>-</u>	<u>124,100</u>	<u>124,100</u>
Cash Flows From Capital and Related Financing Activities:				
Purchase of capital assets	(289,535)	(928,272)	(29,186)	(1,246,993)
Principal paid on long-term debt	(1,982,728)	(194,948)	-	(2,177,676)
Interest paid	(147,798)	(285,545)	-	(433,343)
Debt proceeds	1,535,000	-	-	1,535,000
Development fees and other capital revenue	898,425	588,871	-	1,487,296
Capital grants	6,401	108,810	12,988	128,199
Payments for legal defense	(45,213)	-	-	(45,213)
Net cash flows from capital and related financing activities	<u>(25,448)</u>	<u>(711,084)</u>	<u>(16,198)</u>	<u>(752,730)</u>
Cash Flows From Investing Activities				
Interest on investments	2,909	15,145	-	18,054
Net change in cash and cash equivalents	770,929	(306,808)	(21,318)	442,803
Cash and cash equivalents, beginning of year	886,845	2,705,740	13,008	3,605,593
Cash and Cash Equivalents, End of Year	<u>1,657,774</u>	<u>2,398,932</u>	<u>(8,310)</u>	<u>4,048,396</u>
Reconciliation of Operating Income to net cash provided by operating activities:				
Net operating income/(loss)	268,108	(486,844)	(213,317)	(432,053)
Adjustments to reconcile net income/(loss) to net cash provided by operating activities				
Depreciation/amortization	557,235	942,982	70,892	1,571,109
Changes in operating assets and liabilities				
(Increase)/decrease in accounts receivable	8,252	(49,727)	(806)	(42,281)
(Increase)/decrease in inventory	-	-	(860)	(860)
(Increase)/decrease in prepaids	(12,121)	(9,136)	(1,992)	(23,249)
Increase/(decrease) in payables	(33,149)	(1,831)	1,516	(33,464)
Increase/(decrease) in accrued liabilities	5,143	1,687	1,062	7,892
Increase/(decrease) in unearned revenue	-	(8,000)	14,285	6,285
Total adjustments	<u>525,360</u>	<u>875,975</u>	<u>84,097</u>	<u>1,485,432</u>
Net cash flows from operating activities	<u>793,468</u>	<u>389,131</u>	<u>(129,220)</u>	<u>1,053,379</u>

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

NOTES TO THE FINANCIAL STATEMENTS

CITY OF SALIDA, COLORADO
Notes to the Financial Statements
December 31, 2016

I. Summary of Significant Accounting Policies

The City of Salida, Colorado (the "City"), was incorporated under the laws of the State of Colorado. An elected Mayor and City Council are responsible for setting policy, appointing administrative personnel and adopting an annual budget in accordance with state statutes. The City's major operations include police and fire protection, road maintenance, utilities, and culture and recreation.

The City's financial statements are prepared in accordance with generally accepted accounting principles ("GAAP"). The Governmental Accounting Standards Board ("GASB") is responsible for establishing GAAP for state and local governments through its pronouncements (Statements and Interpretations). The more significant accounting policies established by GAAP used by the City are discussed below.

A. Reporting Entity

The reporting entity consists of (a) the primary government; i.e., the City, and (b) organizations for which the City is financially accountable. The City is considered financially accountable for legally separate organizations if it is able to appoint a voting majority of an organization's governing body and is either 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. Consideration is also given to other organizations, which are fiscally dependent; i.e., unable to adopt a budget, levy taxes, or issue debt without approval by the City. Organizations for which the nature and significance of their relationship with the City are such that exclusion would cause the reporting entity's financial statements to be misleading or incomplete are also included in the reporting entity.

Based on the criteria above, the City was financially accountable for The Natural Resources Center Development Corporation ("NRCDC") through December 31, 2016. Effective January 1, 2017, the City was no longer financially accountable to NRCDC, and NRCDC ceased to be a component unit of the City.

The City is not a component unit of any other government.

B. Government-wide and Fund Financial Statements

The City's basic financial statements include both government-wide (reporting the City as a whole) and fund financial statements (reporting the City's major funds). Both the government-wide and fund financial statements categorize primary activities as either governmental or business type. The City's police and fire protection, road maintenance, culture and recreation, and administration are classified as governmental activities. The City's utilities and event rental services are classified as business activities.

1. Government-wide Financial Statements

In the government-wide Statement of Net Position, both the governmental and business-type activities columns are (a) presented on a consolidated basis by column, and (b) reported on a full accrual, economic resource basis, which recognizes all long-term assets and receivables as well as long-term debt and obligations. The City's net position is reported in three parts - invested in capital assets, net of related debt; restricted net position; and unrestricted net position.

CITY OF SALIDA, COLORADO
Notes to the Financial Statements
December 31, 2016
(Continued)

I. Summary of Significant Accounting Policies (continued)

B. Government-wide and Fund Financial Statements (continued)

1. Government-wide Financial Statements (continued)

The government-wide Statement of Activities reports both the gross and net cost of each of the City's functions and business-type activities (public safety, highways and streets, utilities, etc.). The functions are also supported by general government revenues (Sales and franchise taxes, intergovernmental revenue, fines and permits, etc.). The Statement of Activities reduces gross expenses (including depreciation) by related program revenues, operating and capital grants. Program revenues must be directly associated with the function (police, roads, etc.) or a business-type activity. Operating grants include operating-specific and discretionary (either operating or capital) grants while the capital grants column reflects capital-specific grants.

The net costs (by function or business-type activity) are normally covered by general revenue (sales and franchise taxes, interest income, etc.).

The government-wide focus is on the sustainability of the City as an entity and the change in the City's net position resulting from the current year's activities.

2. Fund Financial Statements

The financial transactions of the City are reported in individual funds in the fund financial statements. Each fund is accounted for by providing a separate set of self-balancing accounts that comprises its assets, liabilities, reserves, fund equity, revenues and expenditures/expenses.

The fund focus is on current available resources and budget compliance.

The City reports the following governmental funds:

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 *Conservation Trust Fund* accounts for lottery proceeds required to be expended solely on park and recreation improvements.

The City reports the following proprietary or business-type funds:

The *Water Fund* accounts for the delivery of water to the citizens of the City.

The *Wastewater Fund* accounts for sewer service to the citizens of the City.

The *SteamPlant Event Center Fund* accounts for event rentals and sales of art pieces.

CITY OF SALIDA, COLORADO
Notes to the Financial Statements
December 31, 2016
(Continued)

I. Summary of Significant Accounting Policies (continued)

C. Measurement Focus, Basis of Accounting, and Financial Statement Presentation

Measurement focus refers to whether financial statements measure changes in current resources only (current financial focus) or changes in both current and long-term resources (long-term economic focus). Basis of accounting refers to the point at which revenues, expenditures, or expenses are recognized in the accounts and reported in the financial statements. Financial statement presentation refers to classification of revenues by source and expenses by function.

1. Long-term Economic Focus and Accrual Basis

Both governmental and business-type activities in the government-wide financial statements and the proprietary and fiduciary fund financial statements use the long-term economic focus and are presented on the accrual basis of accounting. Revenues are recognized when earned and expenses are recognized when incurred, regardless of the timing of the related cash flows.

2. Current Financial Focus and Modified Accrual Basis

The governmental fund financial statements use the current financial focus and are presented on the modified accrual basis of accounting. Under the modified accrual basis of accounting, revenues are recorded when susceptible to accrual; i.e., both measurable and available. "Available" means collectible within the current period or soon enough thereafter to be used to pay liabilities of the current period (within 60 days after December 31). Expenditures are generally recognized when the related liability is incurred. The exception to this general rule is that principal and interest on general long-term debt, if any, is recognized when due.

3. Financial Statement Presentation

Amounts reported as program revenues include 1) charges to customers for goods and services provided, 2) operating grants and contributions, and 3) capital grants and contributions, including special assessments. Internally dedicated resources are reported as *general revenues* rather than as program revenues. Likewise, general revenues include all taxes.

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. The principal operating revenues of the City's enterprise funds are charges to customers for sales and services. Operating expenses for the 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 policy to use restricted resources first, then unrestricted resources as they are needed.

CITY OF SALIDA, COLORADO
Notes to the Financial Statements
December 31, 2016
(Continued)

I. Summary of Significant Accounting Policies (continued)

D. Financial Statement Accounts

1. Cash, Cash Equivalents and Investments

Cash and cash equivalents include amounts in demand deposits as well as short-term investments with a maturity date within 3 months of the date acquired by the City.

Investments are stated at fair value. The change in fair value of investments is recognized as an increase or decrease to investment assets and investment income.

Colorado state statutes permit investments in the following type of obligations:

- U.S. Treasury Obligations (maximum maturity of 60 months)
- Federal Instrumentality Securities (maximum maturity of 60 months)
- FDIC-insured Certificates of Deposit (maximum maturity of 18 months)
- Corporate Bonds (maximum maturity of 36 months)
- Prime Commercial Paper (maximum maturity of 9 months)
- Eligible Bankers Acceptances
- Repurchase Agreements
- General Obligations and Revenue Obligations
- Local Government Investment Pools
- Money Market Mutual Funds

2. Investments

Investments are stated at fair value.

3. Receivables

Receivables are reported net of an allowance for uncollectible accounts.

4. Interfund Receivables and Payables

Balances at year-end between funds are reported as “due to / from other funds” in the fund financial statements. Any residual balances not eliminated between the governmental and business-type activities are reported as “internal balances” in the government-wide financial statements.

5. Prepaid Expenses

Prepaid expenses are amounts paid in the current year for expenses related to subsequent years.

6. Inventory

Inventory consists of supplies for the City’s use and is carried at cost using the first-in, first-out method.

CITY OF SALIDA, COLORADO
Notes to the Financial Statements
December 31, 2016
(Continued)

I. Summary of Significant Accounting Policies (continued)

D. Financial Statement Accounts (continued)

7. Capital Assets

Capital assets, which include land, buildings, equipment, vehicles, and infrastructure assets, are reported in the applicable governmental or business-type activity columns in the government-wide financial statements. Capital assets are defined by the City as assets with an initial cost of \$5,000 or more and an estimated useful life in excess of two years. Such assets are recorded at historical cost. Donated capital assets are recorded at estimated fair value at the date of donation.

Capital outlay for projects is capitalized as projects are constructed. Interest incurred during the construction phase is capitalized as part of the value of the assets constructed in the business-type activities.

Infrastructure, buildings, and equipment are depreciated using the straight line method over the following estimated useful lives:

<u>Asset</u>	<u>Years</u>
Infrastructure	40
Buildings and improvements	20 - 40
Distribution systems	10 - 50
Equipment and vehicles	5 - 10

8. Compensated Absences

Earned but unused vacation benefits are accrued when incurred in the government-wide and proprietary fund financial statements. A liability for the amounts is reported in governmental funds only if they are required to be paid out within 60 days of year-end.

9. Pensions

The City participates in the Statewide Defined Benefit Plan, administered by the Fire and Police Pension Association of Colorado ("FPPA"). The Statewide Defined Benefit Plan is a cost-sharing multiple-employer defined benefit pension plan. The City also sponsors the fire and police "old hire" single employer defined plan. The net pension asset (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 plans have been determined using the economic resources measurement focus and the accrual basis of accounting. For this purpose, benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with the benefit terms. Investments are reported at fair value.

CITY OF SALIDA, COLORADO
Notes to the Financial Statements
December 31, 2016
(Continued)

I. Summary of Significant Accounting Policies (continued)

D. Financial Statement Accounts (continued)

10. Deferred Outflows of Resources

In addition to assets, the statement of net position 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 that applies to a future period(s) and so will not be recognized as an outflow of resources (expense/ expenditure) until then. The City has one item that qualifies for reporting in this category, which is the pension-related deferred outflows reported in the government-wide statement of net position.

11. Deferred Inflows of Resources

In addition to liabilities, the statement of net position 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 that applies to a future period and so will not be recognized as an inflow of resources (revenue) until that time. The City has one item that qualifies for this type of reporting, pension-related deferred inflows.

12. Fund Balance

The City classifies governmental fund balances as follows:

Non-spendable - includes fund balance amounts that cannot be spent either because it is not in spendable form or because of legal or contractual requirements.

Restricted – includes fund balance amounts that are constrained for specific purposes which are externally imposed by providers, such as creditors or amounts constrained due to constitutional provisions or enabling legislation.

Committed – includes fund balance amounts that are constrained for specific purposes that are internally imposed by the government through formal action of the highest level of decision making authority which is the City Council.

Assigned – includes spendable fund balance amounts that are intended to be used for specific purposes that are neither considered restricted or committed. Fund balance may be assigned by the City Council or its management designee.

Unassigned - includes residual positive fund balance within the General Fund which has not been classified within the other above mentioned categories. Unassigned fund balance may also include negative balances for any governmental fund if expenditures exceed amounts restricted, committed, or assigned for those specific purposes.

CITY OF SALIDA, COLORADO
Notes to the Financial Statements
December 31, 2016
(Continued)

I. Summary of Significant Accounting Policies (continued)

D. Financial Statement Accounts (continued)

12. Fund Balance (continued)

The City uses restricted amounts to be spent first when both restricted and unrestricted fund balance is available unless there are legal documents/contracts that prohibit doing this, such as in grant agreements requiring dollar for dollar spending. Additionally, the City first uses committed, then assigned, and lastly unassigned amounts of unrestricted fund balance when expenditures are made.

The City does not have a formal minimum fund balance policy. However, the City's budget includes a calculation of targeted reserve positions and management reports the targeted amounts annually to City Council.

E. Use of Estimates

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

II. Reconciliation of Government-wide and Fund Financial Statements

A. Explanation of certain differences between the governmental fund Balance Sheet and the government-wide Statement of Net Position

The governmental fund Balance Sheet includes reconciliation between *fund balance – total governmental funds* and *net position of governmental activities* as reported in the government-wide Statement of Net Position. One element of that reconciliation explains that “Capital assets used in governmental activities are not financial resources and therefore, are not reported in the funds”. The \$26,207,933 difference is related to capital assets of \$36,926,677 less accumulated depreciation of \$10,718,744.

B. Explanation of certain differences between the governmental fund Statement of Revenue, Expenditures and Changes in Fund Balances and the government-wide Statement of Activities

The governmental fund Statement of Revenues, Expenditures and Changes in Fund Balances includes reconciliation between *net change in fund balances of governmental funds* and *changes in net position of governmental activities* as reported in the government-wide Statement of Activities.

CITY OF SALIDA, COLORADO
Notes to the Financial Statements
December 31, 2016
(Continued)

III. Stewardship, Compliance, and Accountability

A. Budgetary Information

Budgets are adopted on a basis consistent with generally accepted accounting principles, except for the proprietary funds. Annual appropriations are adopted for all funds. Expenditures may not legally exceed appropriations at the fund level. All appropriations lapse at year end.

As required by Colorado Statutes, the City followed the required timetable noted below in preparing, approving, and enacting its budget for 2016.

1. The Mayor, or other qualified person appointed by the Council, submitted to the Council, on or before October 15, 2015, a recommended budget which detailed available revenues to meet the City's operating requirements.
2. Prior to December 15, 2015, a public hearing was held for the budget, and the Council adopted the proposed budget and an appropriating ordinance that legally appropriated expenditures for the upcoming year.
3. After adoption of the budget resolution, the City may make the following changes: a) it may transfer appropriated money between funds; b) approve supplemental appropriations to the extent of revenues in excess of estimated revenues in the budget; c) approve emergency appropriations; and d) reduce appropriations for which originally estimated revenues are insufficient.

Encumbrance accounting, under which purchase orders, contracts, and other commitments for the expenditure of monies are recorded in order to reserve that portion of the applicable appropriation, is not employed by the City because it is at present considered not necessary to assure effective budgetary control or to facilitate effective cash planning and control.

The budget for the NRCDC Special Revenue Fund (the "Fund") was not available; therefore, the Fund reported expenditures in excess of appropriations of \$478,712. This may be a violation of state statute. As of January 1, 2017, NRCDC is no longer a component unit of the City.

B. TABOR Amendment

In November 1992, Colorado voters amended Article X of the Colorado Constitution by adding Section 20; commonly known as the Taxpayer's Bill of Rights ("TABOR"). TABOR contains revenue, spending, tax and debt limitations that apply to the State of Colorado and local governments. TABOR requires, with certain exceptions, advance voter approval for any new tax, tax rate increase, mill levy above that for the prior year, extension of any expiring tax, or tax policy change directly causing a net tax revenue gain to any local government.

Except for refinancing bonded debt at a lower interest rate or adding new employees to existing pension plans, TABOR requires advance voter approval for the creation of any multiple-fiscal year debt or other financial obligation unless adequate present cash reserves are pledged irrevocably and held for payments in all future fiscal years.

CITY OF SALIDA, COLORADO
Notes to the Financial Statements
December 31, 2016
(Continued)

III. Stewardship, Compliance, and Accountability (continued)

B. TABOR Amendment (continued)

TABOR also requires local governments to establish an emergency reserve to be used for declared emergencies only. The reserve is calculated at 3% of fiscal year spending. Fiscal year spending excludes bonded debt service and enterprise spending. The City has reserved \$265,000, which is the approximate required reserve at December 31, 2016.

The City's voters approved a ballot question which will allow the City to collect, retain, and expend the full proceeds of the County's and City's sales and taxes, grants, revenue from the State of Colorado, admission charges from the Salida Hot Springs Swimming Pool, and fines and court costs imposed by the Salida Municipal Court, without increasing or adding taxes of any kind, and notwithstanding any State restrictions on fiscal year spending, including without limitation the restrictions of Article X, Section 20 of the Colorado Constitution, from the date of January 1, 1993, and thereafter.

On November 4, 2008, the City's voters approved the following ballot questions:

"Shall the City of Salida sales tax be increased by not more than \$1,500,000 in the first full fiscal year, and by such additional amounts as are generated annually thereafter, by an increase in City sales tax by one percent (1.0%) from two percent (2.0%) to three percent (3.0%) total, which increase shall take effect on January 1, 2009, and which revenues therefore, together with investment earnings thereon, shall be used solely for construction, operation, maintenance, and repair of roads and other public infrastructure of the City, and shall such revenues be collected by the City as a voter approved revenue change and tax policy change, notwithstanding any applicable revenue or expenditure limitation imposed by Article X, Section 20 of the Colorado Constitution. C.R.S. Section 29-1-301, or any other law, and shall the City of Salida's property tax be repealed?"

"Shall the City of Salida's taxes be increased by an estimated \$800,000 annually (First fiscal year increase) or such other amount that may be collected thereafter by the imposition of an occupational lodging tax on the leasing or renting of rooms or other accommodations in commercial lodging within the City for less than 30 days at a rate of \$4.82 per night per occupied room, commencing January 1, 2009, the proceeds of such tax, together with investment earnings thereon, shall be used primarily for capital improvements and operations expenses for parks and recreation and arts facilities in the City, including, without limitation, the aquatic center and SteamPlant theater, and shall such revenues be collected by the City of Salida as a voter approved revenue change and tax policy change, notwithstanding any revenue or expenditure limitation set forth in Article X, Section 20 of the Colorado Constitution, C.R.S. Section 29-1-301, or any other law?"

The City exceeded TABOR's fiscal year spending limit during 2015, resulting in an estimated liability of \$84,101, which is reported as a prior period adjustment in these financial statements.

The City's management believes it is in compliance with the financial provisions of TABOR. However, TABOR, including the calculation of the City's liability at December 31, 2016, is complex and subject to interpretation. Many of its provisions, including the interpretation of how to calculate fiscal year spending limits, will require judicial interpretation.

CITY OF SALIDA, COLORADO
Notes to the Financial Statements
December 31, 2016
(Continued)

IV. Detailed Notes on All Funds

A. Deposits and Investments

The City's deposits are entirely covered by federal depository insurance ("FDIC") or by collateral held under Colorado's Public Deposit Protection Act ("PDPA"). The FDIC insures the first \$250,000 of the City's deposits at each financial institution. Deposit balances over \$250,000 are collateralized as required by PDPA. The carrying amount of the City's demand deposits was \$1,659,524 at year end.

Fair Value of Investments

The City measures and records its investments using fair value measurement guidelines established by generally accepted accounting principles. These guidelines recognize a three-tiered fair value hierarchy, as follows:

- *Level 1:* Quoted prices for identical investments in active markets;
- *Level 2:* Observable inputs other than quoted market prices; and,
- *Level 3:* Unobservable inputs.

At December 31, 2016, the City had the following recurring fair value measurements.

<u>Investments Measured at Fair Value</u>	<u>Total</u>	<u>Fair Value Measurements Using</u>		
		<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>
Certificates of deposit	\$ 718,726	\$ -	\$ 718,726	\$ -
U.S. government agency securities	99,964	-	99,964	-
Mortgage Pools	784,844	-	-	784,844
Total	<u>\$1,603,534</u>	<u>\$ -</u>	<u>\$ 818,690</u>	<u>\$ 784,844</u>
 <u>Investments Measured at Net Asset Value</u>				
Colostrust	\$1,514,244			
CSIP	4,470,492			
Total	<u>\$5,984,736</u>			

Debt and equity securities classified in Level 1 are valued using prices quoted in active markets for those securities. Debt and equity securities classified in Level 2 are valued using the following approaches:

- U.S. Agencies: quoted prices for identical securities in markets that are not active;
- Negotiable Certificates of Deposit: matrix pricing based on the securities' relationship to benchmark quoted prices;
- Money Market Funds: published fair value per share (unit) for each fund.

Debt securities, namely mortgage pools, classified in Level 3 are valued using an appraisal service.

The Investment Pool represents investments in CSIP. The fair value of the pool is determined by the pool's share price. The City has no regulatory oversight for the pool. At December 31, 2016, the City's investments in CSIP were 65% of the City's investment portfolio.

CITY OF SALIDA, COLORADO
Notes to the Financial Statements
December 31, 2016
(Continued)

IV. Detailed Notes on All Funds (continued)

A. Deposits and Investments (continued)

Interest Rate Risk. As a means of limiting its exposure to interest rate risk, the City diversifies its investments by security type and institution, and limits holdings in any one type of investment with any one issuer and type of issuer. The City coordinates its investment maturities to closely match cash flow needs and restricts the maximum investment term to less than five years (less in some cases) from the purchase date. As a result of the limited length of maturities the City has limited its interest rate risk.

Credit Risk. City investment policy limits investments to those authorized by State statutes as listed in Note 1C. The City's general investment policy is to apply the prudent-person rule: investments are made as a prudent person would be expected to act, with discretion and intelligence, to seek reasonable income, preserve capital, and, in general, avoid speculative investments.

Concentration of Credit Risk. The City diversifies its investments by security type and institution. Financial institutions holding City funds must provide the City a copy of the certificate from the Banking Authority that states that the institution is an eligible public depository.

The City had the following cash and investments with the following maturities:

	Standard & Poors Rating	Carrying Amounts	Less than one year	Less than five years
<i>Deposits:</i>				
Cash on hand	<i>Not Rated</i>	\$ 2,000	\$ 2,000	\$ -
Checking and savings	<i>Not Rated</i>	1,657,524	1,657,524	-
CD	<i>Not Rated</i>	718,726	174,063	544,663
<i>Investments:</i>				
Pools	<i>AAAm</i>	5,984,736	5,984,736	-
U.S. agencies	<i>AA+</i>	99,964	99,964	-
Mortgage pools	<i>AA+</i>	784,844	784,844	-
Total		<u>\$ 9,247,794</u>		

The financial statement captions are as follows:

	Governmental Activities	Business- type Activities	Total
Cash and investments	\$ 5,199,398	4,048,396	9,247,794

CITY OF SALIDA, COLORADO
Notes to the Financial Statements
December 31, 2016
(Continued)

IV. Detailed Notes on All Funds (continued)

B. Receivables

Receivables as of December 31, 2016, for the City's funds, including applicable allowances for uncollectible accounts, are as follows:

	General	Water	Sewer	Steamplant	Total
Receivables:					
Taxes	\$ 1,143,003	-	-	-	1,143,003
Accounts	131,230	375,780	275,787	13,637	796,434
Intergovernmental	174,554	1,385	-	-	175,939
Gross receivables	<u>1,448,787</u>	<u>377,165</u>	<u>275,787</u>	<u>13,637</u>	<u>2,115,376</u>
Less: allowance for uncollectible	-	-	-	-	-
Net receivables	<u><u>\$ 1,448,787</u></u>	<u><u>377,165</u></u>	<u><u>275,787</u></u>	<u><u>13,637</u></u>	<u><u>2,115,376</u></u>

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CITY OF SALIDA, COLORADO
Notes to the Financial Statements
December 31, 2016
(Continued)

IV. Detailed Notes on All Funds (continued)

C. Capital Assets

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

	Beginning Balance	Increases	Decreases	Ending Balance
Governmental Activities:				
Capital assets, not being depreciated:				
Land	\$ 1,736,008	45,067	-	1,781,075
Land - NRCDC	2,047,400	-	(142,203)	1,905,197
Construction in progress	538,103	123,810	(602,013)	59,900
Total capital assets, not being depreciated	<u>4,321,511</u>	<u>168,877</u>	<u>(744,216)</u>	<u>3,746,172</u>
Capital assets, being depreciated:				
Buildings	7,290,788	810,314	-	8,101,102
Buildings - NRCDC	3,838,997	216,744	-	4,055,741
Park land and improvements	4,054,966	283,558	-	4,338,524
Improvements - NRCDC	873,995	-	(216,744)	657,251
Vehicles	2,839,281	131,911	(53,079)	2,918,113
Equipment	1,359,294	12,049	(70,013)	1,301,330
Infrastructure	10,660,712	1,147,732	-	11,808,444
Total capital assets being depreciated	<u>30,918,033</u>	<u>2,602,308</u>	<u>(339,836)</u>	<u>33,180,505</u>
Less accumulated depreciation for:				
Buildings	(2,444,679)	(232,497)	-	(2,677,176)
Park land and improvements	(1,485,242)	(163,991)	-	(1,649,233)
Buildings and improvements - NRCDC	(130,897)	(120,480)	-	(251,377)
Vehicles	(2,001,074)	(151,934)	50,079	(2,102,929)
Equipment	(784,800)	(82,420)	44,134	(823,086)
Infrastructure	(2,658,040)	(556,903)	-	(3,214,943)
Total accumulated depreciation	<u>(9,504,732)</u>	<u>(1,308,225)</u>	<u>94,213</u>	<u>(10,718,744)</u>
Total capital assets, being depreciated, net	<u>21,413,301</u>	<u>1,294,083</u>	<u>(245,623)</u>	<u>22,461,761</u>
Governmental activities capital assets, net	<u>\$ 25,734,812</u>	<u>1,462,960</u>	<u>(989,839)</u>	<u>26,207,933</u>

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CITY OF SALIDA, COLORADO
Notes to the Financial Statements
December 31, 2016
(Continued)

IV. Detailed Notes on All Funds (continued)

C. Capital Assets (continued)

	Beginning Balance	Increases	Decreases	Ending Balance
Business-type Activities:				
Capital assets, not being depreciated:				
Land	\$ 76,027	-	-	76,027
Water rights	1,391,521	-	-	1,391,521
Construction in progress	582,450	94,081	(570,862)	105,669
Total capital assets, not being depreciated	<u>2,049,998</u>	<u>94,081</u>	<u>(570,862)</u>	<u>1,573,217</u>
Capital assets, being depreciated:				
Lines	11,110,054	1,552,221	(121,115)	12,541,160
Structures	14,684,197	149,772	-	14,833,969
Land improvements	697,266	-	-	697,266
Equipment and vehicles	14,468,243	10,612	(29,685)	14,449,170
Total capital assets being depreciated	<u>40,959,760</u>	<u>1,712,605</u>	<u>(150,800)</u>	<u>42,521,565</u>
Less accumulated depreciation for:				
Lines	(4,013,373)	(356,555)	2,735	(4,367,193)
Structures	(4,466,646)	(480,615)	-	(4,947,261)
Land improvements	(88,689)	(39,792)	-	(128,481)
Equipment and vehicles	(3,119,179)	(641,048)	29,685	(3,730,542)
Total accumulated depreciation	<u>(11,687,887)</u>	<u>(1,518,010)</u>	<u>32,420</u>	<u>(13,173,477)</u>
Total capital assets, being depreciated, net	<u>29,271,873</u>	<u>194,595</u>	<u>(118,380)</u>	<u>29,348,088</u>
Business-type activities capital assets, net	<u>\$ 31,321,871</u>	<u>288,676</u>	<u>(689,242)</u>	<u>30,921,305</u>

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CITY OF SALIDA, COLORADO
Notes to the Financial Statements
December 31, 2016
(Continued)

IV. Detailed Notes on All Funds (continued)

C. Capital Assets (continued)

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

Governmental activities:

General government	\$ 257,067
Public safety	165,786
Public works	625,723
Culture and recreation	259,649
Total depreciation expense - governmental activities	<u><u>\$ 1,308,225</u></u>

Business-type activities:

Water	557,238
Sewer	889,881
Steamplant	70,891
Total depreciation expense - business-type activities	<u><u>\$ 1,518,010</u></u>

D. Interfund Receivables, Payables, and Transfers

There were no interfund receivables or payables as of December 31, 2016.

Transfers were as follows:

	In	Out	Purpose
General	\$ -	124,100	To fund Steamplant operations
Steamplant Event Center	124,100	-	To fund operations
Total	<u><u>\$ 124,100</u></u>	<u><u>124,100</u></u>	

E. Long-term Liabilities

1. Lease Purchase – Community Services Complex 2008 and 2009

On September 1, 2008, the City entered into a \$1,300,000 lease purchase agreement with Capital One Public Funding. The lease requires monthly payments of \$13,486 and bears an interest rate of 3.40%. The lease matures on February 15, 2026. Proceeds from the lease were used for construction of a new police station and are secured by the land on which the station was constructed.

CITY OF SALIDA, COLORADO
Notes to the Financial Statements
December 31, 2016
(Continued)

IV. Detailed Notes on All Funds (continued)

E. Long-term Liabilities (continued)

2. Water and Sewer Enterprise Revenue Refunding Bonds 2016

On December 6, 2016, the City issued Water and Sewer Enterprise Revenue Refunding Bonds, Series 2016, in the principal amount of \$1,535,000. Proceeds from the 2016 Bonds were used to advance refund a portion of the City's Water and Sewer Refunding and Improvement Revenue Bonds, Series 2004 (see Note E. 5). As a result, the refunded bonds are considered to be defeased and the liability has been removed from the Water Fund. The City realized a net present value on the refunding of \$135,476.

The interest rate on the Series 2016 Bonds is 2.16% and is payable semi-annually on June 1 and December 1 through 2027.

3. USDA Loan

In March 2013, the City entered into a \$12,103,000 loan agreement with the Department of Agriculture. The note requires semi-annual payments of \$480,484 due March 27 and September 27 and bears interest at 2.5%. The note matures September 27, 2052. The proceeds were used to upgrade the wastewater treatment plant.

The loan agreement requires the City to maintain a debt service reserve and asset management reserve equal to one annual installment totaling \$529,401. The City has sufficient funds at December 31, 2016 to meet this covenant.

4. Colorado Water Resources and Power Development Authority Note

On December 21, 2011, the City entered into a \$545,000 non-interest-bearing note with the Colorado Water Resources and Power Development Authority. The note requires semi-annual payments of \$13,625 due November 1 and May 1. The note matures May 1, 2032. The proceeds were for the necessary repairs to the water treatment facility.

The Colorado Water Resources and Power Development Authority Loan Agreement sets forth certain covenants and restrictions. As of December 31, 2016, the City appears to be in compliance with all covenants and restrictions as set forth in Exhibit A and Exhibit F, Additional Covenants and Requirements.

Rate Covenant: The City shall establish and collect such rates, fees, and charges for the use or the sale of the products and services of the System as, together with other moneys available therefore, are expected to produce Gross revenue for each calendar year that will be at least sufficient for such calendar year to pay the sum of estimated operation and maintenance expenses, 110% of the debt service coming due on the bond during the calendar year and other debt service requirements. Gross revenue as defined in Para (3) of Exhibit A to the Loan Agreement is all income and revenues directly or indirectly derived by the government agency for the operation and use of the system, including investment income, but excluding, property taxes and grants received for capital improvements.

CITY OF SALIDA, COLORADO
Notes to the Financial Statements
December 31, 2016
(Continued)

IV. Detailed Notes on All Funds (continued)

E. Long-term Liabilities (continued)

4. Colorado Water Resources and Power Development Authority Note (continued)

Total Gross Revenue requirement \$ 1,324,022

Total water fund revenues, excluding capital grants \$2,560,511

Excess (deficiency) of gross revenues \$ 1,236,489

Operations and Maintenance Reserve Fund Covenant: The City has on hand sufficient funds to meet the Reserve Fund covenant. The reserve at year-end is \$235,550 which is equal to three months of operation and maintenance expenses, excluding depreciation, of the system as set forth in the City's annual budget.

5. Water and Sewer Refunding and Improvement Revenue Bonds 2007

On October 31, 2007, the City issued Water and Sewer Refunding and Improvement Revenue Bonds, Series 2007, in the principal amount of \$3,940,000. The bonds bore interest at rates ranging from 4.00% to 5.00%, payable semi-annually on December 1 and June 1. The bonds were payable and secured from certain net pledged revenues, consisting of the net revenues of the Water and Sewer System of the City remaining after the payment of operation and maintenance expenses. The bonds were financing the construction of additions and improvements to the water system operating by the City's Water Fund and refunding, paying and discharging the City's outstanding Water and Sewer Revenue Bonds, Series 1996.

The 2007 bonds were refunded on December 6, 2016. (See Note IV.E.2.)

6. DOLA Note Payable 2001

On May 31, 2001, the City entered into a \$175,000 note with the Department of Local Affairs. The note requires annual payments of \$14,042 due September 1 and bears interest at 5%. The note matures September 1, 2021. The proceeds were for the construction of a one million gallon steel tank for treated water storage and related water lines.

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CITY OF SALIDA, COLORADO
Notes to the Financial Statements
December 31, 2016
(Continued)

IV. Detailed Notes on All Funds (continued)

E. Long-term Liabilities (continued)

7. NRCDC's High Country Bank Loan

NRCDC has a loan payable to High County Bank secured by land, buildings and improvements. Effective January 1, 2017, NRCDC was not a component unit of the City; therefore, the City has no obligations regarding this loan subsequent to December 31, 2016.

8. Schedule of Debt Service Requirements

Year ending December 31	Governmental Activities			Business Type Activities		
	Principal	Interest	Total	Principal	Interest	Total
2017	\$ 120,800	41,032	161,832	\$ 358,074	314,464	672,538
2018	124,972	36,860	161,832	353,651	308,690	662,341
2019	129,288	32,544	161,832	384,382	300,583	684,965
2020	133,753	28,079	161,832	390,271	291,777	682,048
2021	138,372	23,460	161,832	396,324	282,809	679,133
2022 - 2026	614,662	44,437	659,099	2,070,875	1,278,459	3,349,334
2027 - 2031	-	-	-	1,638,228	1,058,790	2,697,018
2032 - 2036	-	-	-	1,538,769	877,276	2,416,045
2037 - 2041	-	-	-	1,726,876	675,544	2,402,420
2042 - 2046	-	-	-	1,955,292	447,128	2,402,420
2047 - 2051	-	-	-	2,213,920	188,500	2,402,420
2052	-	-	-	267,664	3,730	271,394
	<u>1,261,847</u>	<u>206,412</u>	<u>1,468,259</u>	<u>13,294,326</u>	<u>6,027,750</u>	<u>19,322,076</u>

Note: Effective January 1, 2017, NRCDC was not a component unit of the City. Therefore, NRCDC's High Country Bank Loan is excluded from the Schedule of Debt Service Requirements.

9. Accrued Compensated Absences

Earned but unused vacation benefits amounted to \$57,058 in governmental activities and \$15,518 in business-type activities at December 31, 2016.

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CITY OF SALIDA, COLORADO
Notes to the Financial Statements
December 31, 2016
(Continued)

IV. Detailed Notes on All Funds (continued)

E. Long-term Liabilities (continued)

10. Schedule of Changes in Long-term Liabilities

	<u>Beginning Balance</u>	<u>Additions</u>	<u>Reductions</u>	<u>Ending Balance</u>	<u>Due Within One Year</u>
Governmental Activities:					
Lease Purchase - Community Services Complex	\$ 1,378,614	-	(116,768)	1,261,846	161,832
NRCDC High Country Bank Loan	4,503,751	-	(304,767)	4,198,984	-
Accrued compensated absences	40,600	16,458	-	57,058	19,019
Total Governmental Activities					
Long-term Liabilities	<u>\$ 5,922,965</u>	<u>\$ 16,458</u>	<u>\$ (421,535)</u>	<u>\$ 5,517,888</u>	<u>180,851</u>
Business-type Activities:					
Water and Sewer Revenue Bonds 2016	\$ -	1,535,000	-	1,535,000	120,000
USDA Loan - WWTF Upgrade	11,471,102	-	(194,948)	11,276,154	199,821
CO Water Resources & Power Development Authority	449,625	-	(27,250)	422,375	27,250
Water and Sewer Revenue Bonds 2007	1,945,000	-	(1,945,000)	-	-
DOLA Note Payable	71,275	-	(10,479)	60,796	11,002
Accrued compensated absences	-	-	15,518	15,518	5,173
Total Business-type Activities					
Long-term Liabilities	<u>\$ 13,937,002</u>	<u>1,535,000</u>	<u>(2,162,159)</u>	<u>13,309,843</u>	<u>363,246</u>

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

1. FPPA Statewide Defined Benefit Plan

Plan Description: The Plan is a cost-sharing multiple-employer defined benefit pension plan covering substantially all full-time employees of participating fire or police departments in Colorado hired on or after April 8, 1978 (New Hires), provided they are not already covered by a statutorily exempt plan. As of August 1, 2003, the SDBP may include clerical and other personnel from fire districts whose services are auxiliary to fire protection. FPPA issues a publicly available comprehensive annual financial report that can be obtained on FPPA's website at <http://www.FPPAco.org>.

Contributions: Determined by state statute or by election of the members, contributions are set at a level that enables all benefits to be fully funded at the retirement date of all members. Employees and employers are contributing at a rate of 8.5% and 8% of base salary for a total contribution rate of 16.5% through 2015. In 2014, the members elected to increase the member contribution rate 0.5% annually from 2015 through 2022 to a total of 12% of base salary. Employer contributions will remain at 8% resulting in a combined contribution rate of 20% in 2022. Contributions from members and employers of plans re-entering the system are established by resolution and approved by the FPPA Board of Directors.

CITY OF SALIDA, COLORADO
Notes to the Financial Statements
December 31, 2016
(Continued)

IV. Detailed Notes on All Funds (continued)

F. Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions (continued)

1. FPPA Statewide Defined Benefit Plan (continued)

The reentry group has a combined contribution rate of 20% of base salary through 2014. It is a local decision on who pays the additional 4% contribution. Per the 2014 member election, the reentry group will also have their required member contribution rate increase 0.5% annually beginning in 2015 through 2022 for a total combined member and employer contribution rate of 24%.

The contribution rate for members and employers of affiliated social security employers is 4.25 percent and 4 percent, respectively, of base salary for a total contribution rate of 8.25 percent in 2015. 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.

Benefits: On May 23, 1983, the Colorado Revised Statutes were amended to allow the Trustees of the Plan to change the retirement age on an annual basis, depending upon the results of the actuarial valuation and other circumstances. The amended statutes state that retirement age should not be less than age 55 or more than age 60. The Trustees subsequently elected to amend the retirement provisions, effective July 1, 1983, such that any member with at least 25 years of service may retire at any time after age 55 and shall be eligible for a normal retirement pension.

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

In addition, upon retirement a member may receive additional benefits credited to the member's "Separate Retirement Account" each year after January 1, 1988. These are attributable to contributions in excess of the actuarially determined pension cost and the allocation of the net Fire & Police Members' Benefit Investment Fund earnings and losses thereon. Members do not vest in amounts credited to their Separate Retirement Account until retirement, and the Plan may use such stabilization reserve amounts to reduce pension cost in the event such cost exceeds contributions. It was previously mentioned that reentry members have a higher contribution rate. As a result their Separate Retirement Account (SRA) has two components; the standard SRA and the reentry SRA.

CITY OF SALIDA, COLORADO
Notes to the Financial Statements
December 31, 2016
(Continued)

IV. Detailed Notes on All Funds (continued)

F. Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions (continued)

1. FPPA Statewide Defined Benefit Plan (continued)

The component of a member's SRA attributable to the higher contribution rate is considered the reentry SRA. The reentry SRA cannot be used to subsidize the costs for the non-reentry members. Effective July 1, 2014, the standard Separate Retirement Account contribution rate for members of the Statewide Defined Benefit Plan was set at 0 percent. The reentry Separate Retirement Account contribution rate was set at 3.60 percent.

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

Net Pension (Liability) Asset: At December 31, 2016, the City reported an asset of \$1,972 and \$2,230 for its proportionate share of the net pension asset for fire and police respectively. (The City reported an asset because the Plan's fiduciary net position currently exceeds the total pension liability.) The net pension asset was measured as of December 31, 2015, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of January 1, 2016. The City proportion of the net pension liability was based on City contributions to the Plan for the calendar year 2015 relative to the total contributions of participating employers to the Plan.

At December 31, 2016, the City's proportionate shares for fire and police were as follows:

	Proportionate Share	
	2015	2014
Fire	0.11183%	0.10967%
Police	0.12648%	0.11701%

For the year ended December 31, 2016, the City recognized pension expense of \$27,652.

CITY OF SALIDA, COLORADO
Notes to the Financial Statements
December 31, 2016
(Continued)

IV. Detailed Notes on All Funds (continued)

F. Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions (continued)

1. FPPA Statewide Defined Benefit Plan (continued)

At December 31, 2016, the City reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Fire		Police	
	Deferred Outflows of Resources	Deferred Inflows of Resources	Deferred Outflows of Resources	Deferred Inflows of Resources
Difference between expected and actual experience	\$ 15,944	2,328	18,032	2,400
Changes of assumptions or other inputs	30,965	-	35,021	2,632
Net difference between projected and actual earnings on pension plan investments	100,333	-	113,476	-
Changes in proportionate share of contributions	3,028	2,400	10,081	-
Difference between actual and reported contributions recognized	-	-	-	-
Contributions subsequent to the measurement date	43,213	-	49,012	-
Total	\$ 193,483	4,728	225,622	5,032

Contributions subsequent to the measurement date of December 31, 2015, which are reported as deferred outflows of resources related to pensions, will be recognized as a reduction of the net pension liability in the year ended December 31, 2016. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

Year Ending	Amortization	
	Fire	Police
December 31:		
2017	\$ 30,599	\$ 34,468
2018	30,599	34,468
2019	30,599	34,468
2020	28,111	31,655
Thereafter	25,515	28,829
	\$ 145,423	\$ 163,888

CITY OF SALIDA, COLORADO
Notes to the Financial Statements
December 31, 2016
(Continued)

IV. Detailed Notes on All Funds (continued)

F. Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions (continued)

1. FPPA Statewide Defined Benefit Plan (continued)

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

Actuarial Method	Entry Age Normal
Amortization Method	Level % of Payroll, Open
Amortization Period	30 Years
Asset Valuation Method	5-Year Smoothed Fair Value
Long-term investment Rate of Return *	7.5%
Projected Salary Increases	4% to 14%
Cost of Living Adjustments	0%
* Includes Inflation at	3%

For determining the total pension liability, the RP-2014 Mortality Tables for Blue Collar Employees, projected with Scale BB, 55 percent multiplier for off-duty mortality is used in the valuation for off-duty mortality of active members. On-duty related mortality is assumed to be 0.00020 per year for all members. The RP-2014 Mortality Table for Blue Collar Employees, projected with Sale 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 65, a blend of the previous tables is used.

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

At least every five years the 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.

CITY OF SALIDA, COLORADO
Notes to the Financial Statements
December 31, 2016
(Continued)

IV. Detailed Notes on All Funds (continued)

F. Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions (continued)

1. FPPA Statewide Defined Benefit Plan (continued)

The assumption changes were effective for actuarial valuations beginning January 1, 2016 and were used in the roll-forward calculation of total pension liability as of December 31, 2015. Actuarial assumptions effective for actuarial valuations prior to January 1, 2016 were used in the determination of the actuarially determined contributions as of December 31, 2015. The actuarial assumptions impacted actuarial factors for benefit purposes such as purchases of service credit and other benefits where actuarial factors are used.

Effective with the January 1, 2013 valuations, the Board adopted a five-year smoothing methodology in the determination of the actuarial value of assets. Beginning in the January 1, 2014 valuations, the married assumption for active members was increased from 80% to 85% to reflect the passage of the Colorado Civil Union Act.

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.

Actuarial assumptions (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	Long Term Expected Rate of Return
Global Equity	37%	6.5%
Equity Long/Short	10%	4.7%
Illiquid Alternatives	20%	8.0%
Fixed Income	16%	1.5%
Absolute Return	11%	4.1%
Managed Futures	4%	3.0%
Cash	2%	0.0%
Total	100%	

CITY OF SALIDA, COLORADO
Notes to the Financial Statements
December 31, 2016
(Continued)

IV. Detailed Notes on All Funds (continued)

F. Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions (continued)

1. FPPA Statewide Defined Benefit Plan (continued)

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

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

For the purpose of this valuation, the expected rate of return on pension plan investments is 7.50%; the municipal bond rate is 3.65% (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%.

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 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 (6.5%)	Current Discount Rate (7.5%)	1% Increase (8.5%)
Collective net pension liability (asset)	\$ 246,949,671	(1,762,854)	(208,061,345)
Proportionate share of net pension liability (asset)			
Fire	\$ 276,159	(1,971)	(232,677)
Police	\$ 312,334	(2,230)	(263,145)

CITY OF SALIDA, COLORADO
Notes to the Financial Statements
December 31, 2016
(Continued)

IV. Detailed Notes on All Funds (continued)

F. Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions (continued)

2. Agent “Old Hire” Pension Plan

Plan Description: The City is trustee of a single-employer defined benefit pension plan available to provide retirement income for all covering all full-time employees of participating fire or police departments in Colorado hired prior to April 8, 1978, in recognition of their service to the City. FPPA administers an agent multiple-employer Public Employee Retirement System (“PERS”). The PERS represents the assets of numerous separate plans that have been pooled for investment purposes. The pension plans have elected to affiliate with FPPA for plan administration and investment only. FPPA issues a publicly available comprehensive annual financial report that can be obtained at <http://fppaco.org>.

The plan provides normal retirement benefits, severance, and death and disability benefits. Normal retirement benefits begin at 50 years of age and upon completion of 18 years of service, and include monthly pension equal to one-half of his monthly salary at the date of his retirement. For severances, firefighters have the option to refund their contribution with 5% annual interest, or to receive deferred retirement pensions equal to one-half their monthly salary if they meet the age and service requirements of the normal retirement benefit. If a firefighter eligible to receive or is receiving benefits dies in retirement, the surviving spouse shall receive, until death or remarriage, a monthly pension equal to one-half the monthly pension the firefighter was entitled to receive. There are no vested retirement benefits.

As of January 1, 2016 the latest actuarial valuation date, there were no active members, no inactive, nonretired member and 3 retirees and beneficiaries in the Salida Old Hire Fire Pension Fund.

As of January 1, 2016 the latest actuarial valuation date, there were no active members, no inactive, nonretired member and 6 retirees and beneficiaries in the Salida Old Hire Police Pension Fund.

CITY OF SALIDA, COLORADO
Notes to the Financial Statements
December 31, 2016
(Continued)

IV. Detailed Notes on All Funds (continued)

F. Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions (continued)

2. Agent “Old Hire” Pension Plan (continued)

Funding Policy: The funding of the plan by the City and members is authorized by the Board of Trustees. The contribution by the State of Colorado (the “State”) toward fire pension funds has been a fixed dollar amount established by the legislature and allocated pro rata to all fire pension funds in the State who apply for State matching funds, based upon the amounts contributed by the employer up to a maximum of one half (1/2) mill on the assessed valuation or 90% of City contributions, whichever is less. Since the City currently offers maximum retirement benefits in excess of \$300 per month, the State will match at the level determined above but no greater than the maximum of: (1) the amount necessary to fund a pension of \$300 per month on an actuarially sound basis, and (2) the amount of State contributions provided in the prior year.

Net Pension Liability: At December 31, 2016, the Old Hire pension fund reported a net pension liability of \$115,930 and \$761,675 for Fire and Police, respectively. The net pension liability was measured as of December 31, 2015, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of January 1, 2016.

Actuarial Assumptions: The significant actuarial assumptions used in the valuation as of January 1, 2016 were:

	Fire	Police
Actuarial Cost Method	Entry Age Normal	Entry Age Normal
Amortization Method	Level Dollar, Open*	Level Dollar, Open*
Remaining Amortization Period	14 years*	18 years*
Asset Valuation Method	5-year smoothed market	5-year smoothed market
Inflation	3%	3%
Salary Increases	N/A	N/A
Investment Rate of Return	7.50%	7.50%
Retirement Age	Any remaining actives are assumed to retire immediately.	Any remaining actives are assumed to retire immediately.
Mortality	Post-retirement RP-2000 Combined Mortality Table with Blue Collar Adjustment. Disabled (pre 1980): RP-2000 Disabled Mortality Tables. All tables projected with Scale AA	Post-retirement RP-2000 Combined Mortality Table with Blue Collar Adjustment. Disabled (pre 1980): RP-2000 Disabled Mortality Tables. All tables projected with Scale AA

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

Projected benefit payments are required to be discounted to their actuarial present values using a Single Discount Rate that reflects (1) the long-term expected rate of return on pension plan investments (7.50%), and (2) tax-exempt municipal bond rate based on an index of 20-year obligation bonds with an average AA per Standard and Poor’s Corp. or Aa2 per Moody’s Investors Service credit rating as of the measurement date (3.75%) to the extent that the plan’s projected fiduciary net position is not sufficient to pay benefits. The resulting Single Discount Rate is 7.50%.

CITY OF SALIDA, COLORADO
Notes to the Financial Statements
December 31, 2016
(Continued)

IV. Detailed Notes on All Funds (continued)

F. Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions (continued)

2. Agent "Old Hire" Pension Plan (continued)

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

	1% Decrease (6.5%)	Current Discount Rate (7.5%)	1% Increase (8.5%)
Proportionate share of net pension liability (asset)			
Fire	\$ 132,197	115,930	101,522
Police	\$ 872,476	761,675	666,125

In connection with the City's Fire and Police Protection Retirement Plan, the following deferred outflow of resources and deferred inflows of resources were reported at December 31, 2016:

	Fire		Police	
	Deferred Outflows of Resources	Deferred Inflows of Resources	Deferred Outflows of Resources	Deferred Inflows of Resources
Net difference between projected and actual earnings on pension plan investments	\$ 6,286	-	\$ 28,354	-
Contributions subsequent to the measurement date	9,539	-	66,481	-
Total	\$ 15,825	-	\$ 94,835	-

Contributions subsequent to the measurement date of December 31, 2015, which are reported as deferred outflows of resources related to pensions, will be recognized as a reduction of the net pension liability in subsequent years. Other amounts reported as deferred outflow of resources and deferred inflow of resources related to pensions will be recognized as a component of pension expense in future years as follows:

Year Ending	Amortization	
	Fire	Police
December 31:		
2017	\$ 1,623	\$ 7,354
2018	1,623	7,354
2019	1,624	7,354
2020	1,416	6,294
Thereafter	-	-
	\$ 6,286	\$ 28,356

CITY OF SALIDA, COLORADO
Notes to the Financial Statements
December 31, 2016
(Continued)

V. Other Information

A. Other Retirement Plans

1. Deferred Compensation Plans – Section 401

In 1997, the City established a defined contribution money purchase plan in the form of the ICMA Retirement Corporation Prototype Money Purchase Plan and Trust under code section 401 of the Internal Revenue Code. The normal retirement age is age 60 (not to exceed age 65). All full time employees except Fire and Police personnel are entitled to participate in the plan. The City contributes on behalf of each participant 3% of earnings for the Plan Year. There is no minimum required contribution by the employee. Participants are 100% vested immediately and may direct their investment, without restriction, among various investment options available under the Trust. The City's contributions vest at a rate of 25% per year.

The City is the trustee of the plan and has the duty of due care that would be required of an ordinary prudent investor, but has no liability for losses under the plan.

2. Deferred Compensation Plan - Section 457

In 1997, the City established a defined contribution money purchase plan in the form of the ICMA Retirement Corporation Prototype Money Purchase Plan and Trust under code section 457 of the Internal Revenue code. The normal retirement age is age 60 (not to exceed age 65). All full-time employees except Fire and Police personnel are entitled to participate in the plan. The City will match up to 3% of employee contributions. There is no minimum required contribution by the employee. Participants are 100% vested immediately in their direct investment. The City's contributions vest at a rate of 25% per year.

B. Other Employee Benefits

Cafeteria Plan

The City offers a cafeteria compensation plan organized under IRS Section 125 that includes the following benefits: medical disability, accident and/or term life insurance, health expense reimbursement and child care benefits. The plan is administered by Affiliated Benefits Consultants, which approves disbursements from the plan that employees make from a plan debit card. No cost to the City is recognized as the plan is a salary reduction plan.

C. Risk Management

The City is exposed to various risks of loss related to torts; theft of, damage to, or destruction of assets; errors and omissions, and employee health claims. The City insures against these risks through its participation in the Colorado Intergovernmental Risk Sharing Agency ("CIRSA") and the purchase of commercial insurance.

The City's management is unaware of any excess losses which may have been incurred by CIRSA. There have been no settled claims in excess of coverage in any of the last three years.

CITY OF SALIDA, COLORADO
Notes to the Financial Statements
December 31, 2016
(Continued)

V. Other Information (continued)

D. Subsequent Event – Litigation Settlement

On February 2, 2017, the City settled a lawsuit regarding water rights for a total of \$415,000. This amount is included in current expenses for the year ended December 31, 2016.

REQUIRED SUPPLEMENTARY INFORMATION

CITY OF SALIDA, COLORADO
Schedule of Revenues, Expenditures and Changes in Fund Balance
General Fund - Budget and Actual
For the Year Ended December 31, 2016

REVENUES:	Budgeted Amounts		Actual Amounts	Variance with Final Budget
	Original	Final		
Taxes:				
Sales tax	4,896,000	4,896,000	5,162,570	266,570
Occupation tax	240,000	240,000	248,230	8,230
Franchise fees	313,400	313,400	303,382	(10,018)
Total Taxes	<u>5,449,400</u>	<u>5,449,400</u>	<u>5,714,182</u>	<u>264,782</u>
Fees for General Services:				
Vin inspections	6,000	6,000	7,100	1,100
Vital statistics records	18,500	18,500	18,713	213
Planning and zoning fees	46,000	46,000	70,011	24,011
Fire plans and inspections	5,000	5,000	6,010	1,010
Emergency response fees	17,000	-	9,834	9,834
Public works charges	38,000	38,000	48,409	10,409
Other revenues	6,000	3,000	2,235	(765)
Total Licenses, Permits, and Fees	<u>136,500</u>	<u>116,500</u>	<u>162,312</u>	<u>45,812</u>
Intergovernmental:				
Sales tax - County	1,594,000	1,594,000	1,725,309	131,309
Cigarette tax	22,000	22,000	20,676	(1,324)
Other state taxes	81,000	81,000	79,870	(1,130)
Highway users tax	199,900	199,900	211,010	11,110
Motor vehicle registration	25,000	25,000	26,918	1,918
County road and bridge	8,000	8,000	8,235	235
Federal grants	16,000	67,000	48,599	(18,401)
State grants	596,200	681,600	257,020	(424,580)
South Ark Fire District	70,000	70,000	70,000	-
Total Intergovernmental	<u>2,612,100</u>	<u>2,748,500</u>	<u>2,447,637</u>	<u>(300,863)</u>
Fees for Recreation and Event Services:				
Hot springs pool	372,400	372,400	380,935	8,535
Soaking pool fees	20,000	20,000	26,470	6,470
Events and program revenues	40,000	40,000	30,435	(9,565)
Park rentals	16,000	16,000	17,418	1,418
Other recreation revenues	10,200	10,200	10,983	783
Total Charges for Recreation and Events	<u>458,600</u>	<u>458,600</u>	<u>466,241</u>	<u>7,641</u>
Fines and Forfeitures:				
Court fines	55,000	55,000	25,439	(29,561)
Parking fines	20,000	20,000	14,155	(5,845)
Other court costs charges and forfeitures	-	-	7,143	7,143
Total Fines and Forfeitures	<u>75,000</u>	<u>75,000</u>	<u>46,737</u>	<u>(28,263)</u>
Licenses, Permits and Fees:				
Liquor licenses	14,000	14,000	15,838	1,838
Medical marijuana dispensary license	2,000	2,000	3,000	1,000
Business licenses	2,000	5,300	4,023	(1,277)
Other licenses and permits	5,000	5,000	1,965	(3,035)
Total Licenses, Permits, and Fees	<u>23,000</u>	<u>26,300</u>	<u>24,826</u>	<u>(1,474)</u>

(continued)

CITY OF SALIDA, COLORADO
Schedule of Revenues, Expenditures and Changes in Fund Balance
General Fund - Budget and Actual
For the Year Ended December 31, 2016

REVENUES, CONTINUED	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Variance with Final Budget</u>
	<u>Original</u>	<u>Final</u>		
Other Revenues:				
Capital revenue				
Insurance proceeds	-	80,200	23,029	(57,171)
Donations	100,000	109,000	9,675	(99,325)
Other capital revenues	-	-	1,994	1,994
Miscellaneous revenue				
Interest revenue	10,000	10,000	14,342	4,342
Rent, leases and royalties	31,200	36,000	66,763	30,763
Donations	5,000	5,000	5,188	188
Other miscellaneous revenues	-	-	9,230	9,230
Total Other revenues	<u>146,200</u>	<u>240,200</u>	<u>130,221</u>	<u>(109,979)</u>
TOTAL REVENUES	<u>8,900,800</u>	<u>9,114,500</u>	<u>8,992,156</u>	<u>(122,344)</u>
EXPENDITURES:				
General Government:				
Administration				
Personnel services	393,100	394,100	352,940	41,160
Contracted services	177,500	189,300	384,132	(194,832)
Supplies and materials	8,000	8,000	9,969	(1,969)
Utilities	26,100	26,100	30,391	(4,291)
Other operating costs	170,600	170,600	146,111	24,489
Debt service	161,900	161,900	161,839	61
Budgetary capital expenditures (<\$5,000)	21,400	30,400	11,372	19,028
Capital purchases and improvements (\$5,000+)	185,000	202,900	192,401	10,499
Total Administration	<u>1,143,600</u>	<u>1,183,300</u>	<u>1,289,155</u>	<u>(105,855)</u>
Community Development:				
Personnel services	186,600	186,600	135,493	51,107
Contracted services	12,200	18,200	47,254	(29,054)
Supplies and materials	3,100	3,100	1,045	2,055
Utilities	100	100	-	100
Other operating costs	15,000	15,000	5,531	9,469
Budgetary capital expenditures (<\$5,000)	5,500	5,500	3,179	2,321
Total Community Development	<u>222,500</u>	<u>228,500</u>	<u>192,502</u>	<u>35,998</u>
Other:				
Municipal judge and city prosecutor	38,000	38,000	23,111	14,889
Community support grants	5,000	6,000	3,150	2,850
Total General Government - Other	<u>43,000</u>	<u>44,000</u>	<u>26,261</u>	<u>17,739</u>
Total General Government	<u>1,409,100</u>	<u>1,455,800</u>	<u>1,507,918</u>	<u>(52,118)</u>

(continued)

CITY OF SALIDA, COLORADO
Schedule of Revenues, Expenditures and Changes in Fund Balance
General Fund - Budget and Actual
For the Year Ended December 31, 2016

EXPENDITURES, CONTINUED	Budgeted Amounts		Actual Amounts	Variance with Final Budget
	Original	Final		
Public Safety:				
Police:				
Personnel services	1,308,700	1,308,700	1,296,955	11,745
Contracted services	95,600	95,600	74,684	20,916
Supplies and materials	64,700	64,700	48,966	15,734
Utilities	33,700	33,700	37,646	(3,946)
Other operating costs	31,200	36,200	54,964	(18,764)
Budgetary capital expenditures (<\$5,000)	4,900	4,900	5,181	(281)
Capital purchases and improvements (\$5,000+)	185,200	188,300	92,448	95,852
Total Police	1,724,000	1,732,100	1,610,844	121,256
Fire:				
Personnel services	847,300	847,300	831,174	16,126
Contracted services	16,000	16,000	21,435	(5,435)
Supplies and materials	32,700	32,700	18,800	13,900
Utilities	5,300	5,300	5,155	145
Other operating costs	39,900	41,400	35,754	5,646
Budgetary capital expenditures (<\$5,000)	24,300	24,300	20,877	3,423
Capital purchases and improvements (\$5,000+)	177,900	252,500	35,344	217,156
Total Fire	1,143,400	1,219,500	968,539	250,961
Total Public Safety	2,867,400	2,951,600	2,579,383	372,217
Public Works:				
Public Works:				
Personnel services	334,700	334,700	320,288	14,412
Contracted services	11,000	11,000	12,038	(1,038)
Supplies and materials	57,400	57,400	52,529	4,871
Utilities	115,000	115,000	82,736	32,264
Other operating costs	77,400	120,400	120,903	(503)
Budgetary capital expenditures (<\$5,000)	8,000	8,000	3,048	4,952
Capital purchases and improvements (\$5,000+)	1,635,400	1,731,200	1,174,251	556,949
Total Public Works	2,238,900	2,377,700	1,765,793	611,907
Facilities and Vehicle Management				
Personnel services	118,000	118,000	156,087	(38,087)
Contracted services	4,000	4,000	2,397	1,603
Supplies and materials	11,400	11,400	4,055	7,345
Utilities	16,800	16,800	8,078	8,722
Other operating costs	10,800	10,800	7,262	3,538
Budgetary capital expenditures (<\$5,000)	1,000	7,000	3,685	3,315
Total Public Works - Facilities and Vehicle Management	162,000	168,000	181,564	(13,564)
Other:				
Airport operations	50,000	76,800	76,800	-
Contracted services	10,000	22,000	8,831	13,169
Utilities	11,000	11,000	14,937	(3,937)
Other operating costs	9,500	33,200	63,837	(30,637)
Capital purchases and improvements (\$5,000+)	-	37,200	236	36,964
Total Public Works - Other	80,500	180,200	164,641	15,559
Total Public Works	2,481,400	2,725,900	2,111,998	613,902

(continued)

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

CITY OF SALIDA, COLORADO
Schedule of Revenues, Expenditures and Changes in Fund Balance
General Fund - Budget and Actual
For the Year Ended December 31, 2016

EXPENDITURES, CONTINUED	Budgeted Amounts		Actual Amounts	Variance with Final Budget
	Original	Final		
Culture, Parks and Recreation:				
Pool and Recreation:				
Personnel services	502,600	502,600	464,349	38,251
Contracted services	25,200	27,200	18,969	8,231
Supplies and materials	31,900	31,900	34,398	(2,498)
Utilities	74,700	74,700	62,151	12,549
Other operating costs	70,300	70,300	59,590	10,710
Budgetary capital expenditures (<\$5,000)	25,000	17,500	13,195	4,305
Capital purchases and improvements (\$5,000+)	141,000	243,400	190,044	53,356
Total Pool and Recreation	870,700	967,600	842,696	124,904
Parks, Open Space and Trails:				
Personnel services	157,900	157,900	212,497	(54,597)
Contracted services	4,500	4,500	3,615	885
Supplies and materials	22,200	22,200	27,846	(5,646)
Utilities	72,500	72,500	71,720	780
Other operating costs	28,600	72,100	66,801	5,299
Budgetary capital expenditures (<\$5,000)	6,300	6,300	1,409	4,891
Capital purchases and improvements (\$5,000+)	910,000	948,000	275,953	672,047
Total Park, Open Space, and Trails	1,202,000	1,283,500	659,841	623,659
Total Culture, Parks and Recreation	2,072,700	2,251,100	1,502,537	748,563
TOTAL EXPENDITURES	8,830,600	9,384,400	7,701,836	1,682,564
Excess of Revenues Over (Under) Expenditures	70,200	(269,900)	1,290,320	(1,804,908)
Other Financing Sources (Uses):				
Transfer out	-	-	(124,100)	124,100
Total Other Financing Sources (Uses)	-	-	(124,100)	124,100
Net change in fund balance	70,200	(269,900)	1,166,220	(1,680,808)
Fund balance, beginning of year	4,710,135	4,710,135	4,710,135	-
Fund balance, end of year	\$ 4,780,335	\$ 4,440,235	\$ 5,876,355	\$ 1,436,120

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

CITY OF SALIDA, COLORADO
Schedule of Employer's Proportionate Share of Net Pension Asset / Liability
Statewide Defined Benefit Plans
Fire and Police Pension Association of Colorado
Last 10 Fiscal Years *

Measurement period ending December 31,	<u>2015</u>	<u>2014</u>	<u>2013</u>
Fire:			
City's portion of the net pension asset - Fire	0.111828%	0.109666%	0.105488%
City's proportionate share of the net pension asset - Fire	1,971	123,767	94,326
City's covered-employee payroll - Fire	542,116	493,175	458,177
City's proportionate share of the net pension asset as a percentage of its covered-employee payroll - Fire	0.36%	25.10%	20.59%
Police:			
City's portion of the net pension asset - Police	0.126477%	0.117005%	0.129598%
City's proportionate share of the net pension asset - Police	2,230	132,049	115,885
City's covered-employee payroll - Police	613,126	525,825	562,895
City's proportionate share of the net pension asset as a percentage of its covered-employee payroll - Police	0.36%	25.11%	20.59%
Plan fiduciary net position as a percentage of the total pension asset	100.10%	106.80%	105.80%

* The amounts presented for each fiscal year were determined as of the calendar year-end that occurred one year prior. Information is only available beginning in fiscal year 2014 for the employer plan, and fiscal year 2015 for the volunteer plan.

Notes to the Schedule of Employer's Proportionate Share of the Net Pension Asset / Liability for the year ended December 31, 2016

Note 1. Changes of assumptions.

Inflation: 2.50%

Note 2. Changes of benefit terms.

No changes during the years presented above.

Note 3. Changes of size or composition of population covered by benefit terms.

No changes during the years presented above.

CITY OF SALIDA, COLORADO
Schedule of City's Contributions
Statewide Defined Benefit Plans
Fire and Police Pension Association of Colorado
Last 10 Fiscal Years *

<u>Statewide Defined Benefit Plan:</u>	<u>2015</u>	<u>2014</u>
Fire:		
Contractually required contribution	43,369	39,454
Contributions in relation to the contractually required contribution	<u>(43,369)</u>	<u>(39,454)</u>
Contribution deficiency (excess)	<u><u>-</u></u>	<u><u>-</u></u>
City's covered-employee payroll	542,116	493,175
Contributions as a percentage of covered-employee payroll	8.00%	8.00%
Police:		
Contractually required contribution	49,050	42,066
Contributions in relation to the contractually required contribution	<u>(49,050)</u>	<u>(42,066)</u>
Contribution deficiency (excess)	<u><u>-</u></u>	<u><u>-</u></u>
City's covered-employee payroll	613,126	525,825
Contributions as a percentage of covered-employee payroll	8.00%	8.00%

* The amounts presented for each fiscal year were determined as of the calendar year-end that occurred one year prior. Information is only available beginning in fiscal year 2014.

Notes to the Schedule of City's Contributions for the Year Ended December 31, 2016

Note 1. Changes of assumptions.

Inflation: 2.50%

Note 2. Changes of benefit terms.

No changes during the years presented above.

Note 3. Changes of size or composition of population covered by benefit terms.

No changes during the years presented above.

CITY OF SALIDA, COLORADO
Schedule of Changes in Net Pension Asset / Liability
Fire "Old Hire" Plan
Fire and Police Pension Association of Colorado
Last 10 Fiscal Years *

Measurement period ending December 31,	2015	2014
Total Pension Liability		
Interest on the Total Pension Liability	15,943	16,742
Difference between Expected and Actual Experience	8,172	-
Assumption Changes	13,426	-
Benefit Payments	(27,391)	(27,391)
Net Change in Total Pension Liability	10,150	(10,649)
Total Pension Liability - Beginning	226,021	236,670
Total Pension Liability - Ending (a)	236,171	226,021
Plan Fiduciary Net Position		
Employer Contributions	9,539	5,426
Pension Plan Net Investment Income	2,452	9,441
Benefit Payments	(27,391)	(27,391)
Pension Plan Administrative Expense	(544)	(3,351)
Net Change in Plan Fiduciary Net Position	(15,944)	(15,875)
Plan Fiduciary Net Position - Beginning	136,185	152,060
Plan Fiduciary Net Position - Ending (b)	120,241	136,185
Net Pension Liability/(Asset) - Ending (a) - (b)	115,930	89,836
Plan Fiduciary Net Position as a Percentage of Total Pension Liability	50.91%	60.25%
Covered Employee Payroll	N/A	N/A
Net Pension Liability as a Percentage of Covered Employee Payroll	N/A	N/A

**Notes to the Schedule of Changes in Net Pension Asset / Liability
for the Year Ended December 31, 2016**

Note 1. Changes of assumptions.

Inflation: 2.50%

Mortality:

Post-retirement: For ages less than 55, RP- 2014 Mortality Tables for Blue Collar Employees.

For ages 65 and older, RP-2014 Mortality Tables for Blue Collar Healthy Annuitant.

For ages 55 through 64, a blend of the previous tables. All tables are projected with Scale BB.

Disabled (pre-1930): RP-2014 Disabled Generational Mortality Table generationally projected with Scale BB with a minimum 3% rate for males and 2% for females.

Note 2. Changes of benefit terms.

No changes during the years presented above.

Note 3. Changes of size or composition of population covered by benefit terms.

No changes during the years presented above.

CITY OF SALIDA, COLORADO
Schedule of Changes in Net Pension Asset / Liability
Police "Old Hire" Plan
Fire and Police Pension Association of Colorado
Last 10 Fiscal Years *

Measurement period ending December 31,	<u>2015</u>	<u>2014</u>
Total Pension Liability		
Interest on the Total Pension Liability	89,922	92,650
Difference between Expected and Actual Experience	27,855	-
Assumption Changes	49,510	-
Benefit Payments	<u>(129,025)</u>	<u>(129,025)</u>
Net Change in Total Pension Liability	38,262	(36,375)
Total Pension Liability - Beginning	<u>1,262,301</u>	<u>1,298,676</u>
Total Pension Liability - Ending (a)	<u><u>1,300,563</u></u>	<u><u>1,262,301</u></u>
Plan Fiduciary Net Position		
Employer Contributions	66,481	56,214
Pension Plan Net Investment Income	10,580	39,097
Benefit Payments	(129,025)	(129,025)
Pension Plan Administrative Expense	<u>(1,127)</u>	<u>(3,771)</u>
Net Change in Plan Fiduciary Net Position	(53,091)	(37,485)
Plan Fiduciary Net Position - Beginning	<u>591,979</u>	<u>629,464</u>
Plan Fiduciary Net Position - Ending (b)	<u><u>538,888</u></u>	<u><u>591,979</u></u>
Net Pension Liability/(Asset) - Ending (a) - (b)	<u><u>761,675</u></u>	<u><u>670,322</u></u>
Plan Fiduciary Net Position as a Percentage of Total Pension Liability	41.43%	46.90%
Covered Employee Payroll	N/A	N/A
Net Pension Liability as a Percentage of Covered Employee Payroll	N/A	N/A

**Notes to the Schedule of Changes in Net Pension Asset / Liability
for the Year Ended December 31, 2016**

Note 1. Changes of assumptions.

Inflation: 2.50%

Mortality:

Post-retirement: For ages less than 55, RP- 2014 Mortality Tables for Blue Collar Employees.

For ages 65 and older, RP-2014 Mortality Tables for Blue Collar Healthy Annuitant.

For ages 55 through 64, a blend of the previous tables. All tables are projected with Scale BB.

Disabled (pre-1930): RP-2014 Disabled Generational Mortality Table generationally projected with Scale BB with a minimum 3% rate for males and 2% for females.

Note 2. Changes of benefit terms.

No changes during the years presented above.

Note 3. Changes of size or composition of population covered by benefit terms.

No changes during the years presented above.

CITY OF SALIDA, COLORADO
Schedule of City Contributions
"Old Hire" Plan
Fire and Police Pension Association of Colorado
Last 10 Fiscal Years *

<u>Agent - Fire "Old Hire" Plan:</u>	<u>2015</u>	<u>2014</u>
Actuarially determined contribution	9,539	5,426
Actual contribution	<u>(9,539)</u>	<u>(5,426)</u>
Contribution deficiency (excess)	<u>-</u>	<u>-</u>
City's covered-employee payroll	N/A	N/A
Contributions as a percentage of covered-employee payroll	N/A	N/A
<u>Agent - Police "Old Hire" Plan:</u>	<u>2015</u>	<u>2014</u>
Actuarially determined contribution	66,481	56,214
Actual contribution	<u>(66,481)</u>	<u>(56,214)</u>
Contribution deficiency (excess)	<u>-</u>	<u>-</u>
City's covered-employee payroll	N/A	N/A
Contributions as a percentage of covered-employee payroll	N/A	N/A

* The amounts presented for each fiscal year were determined as of the calendar year-end that occurred one year prior. Information is only available beginning in fiscal year 2014.

Notes to the Schedule of City's Contributions for the Year Ended December 31, 2016

Note 1. Changes of assumptions.

Remaining Amortization Period: 17 years*

Asset Valuation Method: 5-year smoothed fair value

Mortality: Disabled (pre-1980): RP-2000 Disabled Mortality Table. All tables projected with Sale AA.

Note 2. Changes of benefit terms.

No changes during the years presented above.

Note 3. Changes of size or composition of population covered by benefit terms.

No changes during the years presented above.

SUPPLEMENTARY INFORMATION

CITY OF SALIDA, COLORADO
Combining Balance Sheet
Nonmajor Governmental Funds
December 31, 2016

	Conservation Trust Fund	NRCDC Fund	Total
ASSETS			
Cash and cash equivalents	125,983	282,766	408,749
Total Assets	<u>125,983</u>	<u>282,766</u>	<u>408,749</u>
Fund Balance:			
Restricted for:			
Parks and recreation	125,983	-	125,983
Committed to:			
Community development	-	282,766	282,766
Total fund balances	<u>125,983</u>	<u>282,766</u>	<u>408,749</u>
Total Liabilities and Fund Balances	<u>125,983</u>	<u>282,766</u>	<u>408,749</u>

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

CITY OF SALIDA, COLORADO
Schedule of Revenues, Expenditures and Changes in Fund Balance
Nonmajor Governmental Funds
For the Year Ended December 31, 2016

REVENUES:	Conservation Trust Fund	NRCDC Fund	Total
Intergovernmental	60,386	-	60,386
Interest revenue	539	505	1,044
Lease revenue	-	402,915	402,915
Sale of assets	-	104,781	104,781
Total Revenues	<u>60,925</u>	<u>508,201</u>	<u>569,126</u>
 EXPENDITURES:			
Current:			
General government/community developme	-	87,801	87,801
Capital outlay	54,136	-	54,136
Debt service:			
Principal	-	301,768	301,768
Interest	-	89,143	89,143
Total Expenditures	<u>54,136</u>	<u>478,712</u>	<u>532,848</u>
 Excess of Revenues Over (Under) Expenditures			
	<u>6,789</u>	<u>29,489</u>	<u>36,278</u>
 Fund balances, beginning of year			
	<u>119,194</u>	<u>253,277</u>	<u>372,471</u>
Fund balances, end of year	<u>125,983</u>	<u>282,766</u>	<u>408,749</u>

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

CITY OF SALIDA, COLORADO
Schedule of Revenues, Expenditures and Changes in Fund Balance
Conservation Trust Fund
Budget and Actual
For the Year Ended December 31, 2016

REVENUES:	Original and Final Budget	Actual Amounts	Variance with Final Budget
Intergovernmental revenue:			
State lottery	50,000	60,386	10,386
Interest income	100	539	439
Total revenues	<u>50,100</u>	<u>60,925</u>	<u>10,825</u>
 EXPENDITURES:			
Parks and recreation:			
Capital outlay	60,000	54,136	5,864
Total Expenditures	<u>60,000</u>	<u>54,136</u>	<u>5,864</u>
Excess of Revenues Over (Under) Expenditures	<u>(9,900)</u>	<u>6,789</u>	<u>4,961</u>
Fund balances, beginning of year	<u>119,194</u>	<u>119,194</u>	<u>-</u>
Fund balances, end of year	<u>\$ 109,294</u>	<u>\$ 125,983</u>	<u>\$ 4,961</u>

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

CITY OF SALIDA, COLORADO
Schedule of Revenues, Expenditures and Changes in Fund Balance
NRCDC Special Revenue Fund
Budget and Actual
For the Year Ended December 31, 2016

REVENUES:	Budget Amounts		Actual Amounts	Variance with Final Budget
	Original	Final		
Interest income	-	-	505	505
Lease revenue	-	-	402,915	402,915
Sale of assets	-	-	104,781	104,781
Total revenues	<u>-</u>	<u>-</u>	<u>508,201</u>	<u>508,201</u>
EXPENDITURES:				
General Government:				
Community Development:				
Contracted services	-	-	66,115	(66,115)
Utilities	-	-	13,237	(13,237)
Other operating costs	-	-	8,449	(8,449)
Debt service				
Principal	-	-	301,768	(301,768)
Interest	-	-	89,143	(89,143)
Total Expenditures	<u>-</u>	<u>-</u>	<u>478,712</u>	<u>(478,712)</u>
Excess of Revenue and Other Sources Over (Under) Expenditures and Other Uses	<u>-</u>	<u>-</u>	<u>29,489</u>	<u>29,489</u>
Fund balances, beginning of year	<u>-</u>	<u>-</u>	<u>253,277</u>	<u>253,277</u>
Fund balances, end of year	<u><u>-</u></u>	<u><u>-</u></u>	<u><u>282,766</u></u>	<u><u>282,766</u></u>

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

CITY OF SALIDA, COLORADO
Schedule of Revenues, Expenditures and Changes in Fund Balance
Water Fund
Budget and Actual with Reconciliation to US GAAP Basis
For the Year Ended December 31, 2016

Revenues	<u>Budget Amounts</u>		<u>Actual Amounts</u>	<u>Variance with Final Budget</u>
	<u>Original</u>	<u>Final</u>		
Fees for General Services:				
Service and usage fees	1,220,000	1,246,000	1,313,168	67,168
Water line maintenance	185,000	187,000	188,753	1,753
Commerical demand charges	93,000	95,000	96,371	1,371
Other revenues	32,000	32,000	37,347	5,347
Water leases	-	-	20,000	20,000
Total Fees for General Services	<u>1,530,000</u>	<u>1,560,000</u>	<u>1,655,639</u>	<u>95,639</u>
Intergovernmental Revenue				
State grants	<u>153,000</u>	<u>557,500</u>	<u>6,401</u>	<u>(551,099)</u>
Total Intergovernmental Revenue	<u>153,000</u>	<u>557,500</u>	<u>6,401</u>	<u>(551,099)</u>
Capital Revenue:				
System development fees	331,900	331,900	876,367	544,467
Sale of water meters	<u>10,000</u>	<u>10,000</u>	<u>22,058</u>	<u>12,058</u>
Total Capital Revenue	<u>341,900</u>	<u>341,900</u>	<u>898,425</u>	<u>556,525</u>
Other Revenue:				
Interest revenue	3,000	3,000	2,909	(91)
Miscellanenous revenue	-	-	3,538	3,538
Total Other Revenue	<u>3,000</u>	<u>3,000</u>	<u>6,447</u>	<u>3,447</u>
Total Revenues	<u>2,027,900</u>	<u>2,462,400</u>	<u>2,566,912</u>	<u>104,512</u>
Expenses				
Administration - Water:				
Personnel services	76,600	76,600	61,473	15,127
Contracted services	11,700	11,700	57,106	(45,406)
Supplies and materials	4,700	4,700	1,944	2,756
Other operating costs	11,200	11,200	10,227	973
Total Administration - Water	<u>104,200</u>	<u>104,200</u>	<u>130,750</u>	<u>(26,550)</u>
Public Works - Water:				
Personnel services	256,600	238,600	163,971	74,629
Supplies and materials	16,500	16,500	12,251	4,249
Other operating costs	22,200	22,200	36,767	(14,567)
Financing obligations	<u>393,600</u>	<u>393,600</u>	<u>584,910</u>	<u>(191,310)</u>
Total Public Works - Water	<u>688,900</u>	<u>670,900</u>	<u>797,899</u>	<u>(126,999)</u>

(continued)

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

CITY OF SALIDA, COLORADO
Schedule of Revenues, Expenditures and Changes in Fund Balance
Water Fund (Continued)
Budget and Actual with Reconciliation to US GAAP Basis
For the Year Ended December 31, 2016

	Budget Amounts		Actual Amounts	Variance with Final Budget
	Original	Final		
Expenses, Continued				
Water Plant:				
Personnel services	259,300	259,300	241,164	18,136
Contracted services	23,200	35,400	14,222	21,178
Supplies and materials	56,800	56,800	32,291	24,509
Utilities	44,400	44,400	45,436	(1,036)
Other operating costs	100,800	164,800	156,982	7,818
Financing obligations	27,300	27,300	-	
Total Water Plant	<u>484,500</u>	<u>560,700</u>	<u>490,095</u>	<u>70,605</u>
Capital outlay	901,800	1,580,000	293,753	1,286,247
Total Expenses	<u>1,490,500</u>	<u>2,244,900</u>	<u>1,712,497</u>	<u>1,203,303</u>
Other Financing Sources (Uses)				
Lawsuit Cost	(42,000)	(42,000)	(460,213)	(418,213)
Total Other Financing Sources (Uses)	<u>(42,000)</u>	<u>(42,000)</u>	<u>(460,213)</u>	<u>(418,213)</u>
Excess of Revenues Over (Under)				
Expenses - Budget Basis	<u>495,400</u>	<u>175,500</u>	<u>394,202</u>	<u>785,090</u>
GAAP Basis Adjustments				
Capital outlay			293,753	
Depreciation			(557,235)	
Gain (loss) on sale of assets			(61,063)	
Debt principal			443,510	
Total GAAP Basis Adjustments			<u>118,965</u>	
Net Income - GAAP Basis			513,167	
Net Position, beginning of year			<u>9,054,294</u>	
Net Position, end of year			<u>9,567,461</u>	

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

CITY OF SALIDA, COLORADO
Schedule of Revenues, Expenditures and Changes in Net Assets
Sewer Fund
Budget and Actual with Reconciliation to US GAAP Basis
For the Year Ended December 31, 2016

Revenues	Budgeted Amounts		Actual Amounts	Variance with Final Budget
	Original	Final		
Fees for General Services:				
Metered service and usage fees	1,055,000	1,076,400	1,092,727	16,327
Unmetered wastewater charges	100,000	102,000	97,899	(4,101)
Septage receiving	80,000	80,000	78,643	(1,357)
Lab analysis fees	33,000	33,000	30,290	(2,710)
Other	25,000	25,000	45,496	20,496
Total Fees for General Services	1,293,000	1,316,400	1,345,055	28,655
Intergovernmental Revenue:				
Federal grants	-	-	108,810	108,810
Total Intergovernmental Revenue	-	-	108,810	108,810
Capital Revenue:				
System development fees	213,400	213,400	588,872	375,472
Total Capital Revenue	213,400	213,400	588,872	375,472
Other Revenue:				
Interest revenue	7,000	7,000	15,145	8,145
Miscellaneous revenue	-	-	250	250
Total Other Revenue	7,000	7,000	15,395	8,395
Total Revenues	1,513,400	1,536,800	2,058,132	521,332
Expenses				
Administration - Wastewater:				
Personnel services	76,600	76,600	61,507	15,093
Contracted services	11,700	13,000	5,623	7,377
Supplies and materials	4,700	4,700	1,944	2,756
Other operating costs	11,200	11,200	9,998	1,202
Total Administration - Wastewater	104,200	105,500	79,072	26,428
Public Works - Wastewater:				
Personnel services	92,700	92,700	77,720	14,980
Contracted services	5,500	5,500	2,201	3,299
Supplies and materials	9,500	9,500	2,311	7,189
Utilities	-	-	1,262	(1,262)
Other operating costs	56,000	56,000	53,243	2,757
Total Public Works - Wastewater	163,700	163,700	136,737	26,963

(continued)

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

CITY OF SALIDA, COLORADO
Schedule of Revenues, Expenditures and Changes in Fund Balance
Sewer Fund (Continued)
Budget and Actual with Reconciliation to US GAAP Basis
For the Year Ended December 31, 2016

	Budgeted Amounts		Actual Amounts	Variance with Final Budget
	Original	Final		
Expenses, Continued				
Wastewater Plant:				
Personnel services	328,200	328,200	320,203	7,997
Contracted services	19,100	19,100	22,617	(3,517)
Supplies and materials	52,000	52,000	61,631	(9,631)
Utilities	142,700	142,700	121,260	21,440
Other operating costs	107,100	107,100	147,647	(40,547)
Financing obligations	480,400	480,400	479,831	569
Total WasteWater Plant	<u>1,129,500</u>	<u>1,129,500</u>	<u>1,153,189</u>	<u>(23,689)</u>
Capital outlay	715,100	887,800	912,678	(24,878)
Total Expenses	<u>2,112,500</u>	<u>2,286,500</u>	<u>2,281,676</u>	<u>4,824</u>
Excess of Revenues Over (Under)				
Expenses - Budget Basis	<u>(599,100)</u>	<u>(749,700)</u>	<u>(223,544)</u>	<u>516,508</u>
GAAP Basis Adjustments				
Capitalized expenses			912,678	
Depreciation			(942,982)	
Debt service principal			194,947	
Total GAAP Basis Adjustments			<u>164,643</u>	
Net Income - GAAP Basis			(58,901)	
Net Position, beginning of year			<u>10,975,133</u>	
Net Position, end of year			<u><u>10,916,232</u></u>	

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

CITY OF SALIDA, COLORADO
Schedule of Revenues, Expenditures and Changes in Net Assets
Steamplant Event Center Fund
Budget and Actual with Reconciliation to US GAAP Basis
For the Year Ended December 31, 2016

Revenues	Budgeted Amounts		Actual Amounts	Variance with Final Budget
	Original	Final		
Rentals:				
Room rentals	131,700	131,700	122,260	9,440
Other rentals	15,000	15,000	10,137	4,863
Total Rentals	146,700	146,700	132,397	14,303
Intergovernmental Revenue:				
State grants	-	13,500	12,988	(512)
Total Intergovernmental Revenue	-	13,500	12,988	(512)
Sales				
Food sales	8,000	8,000	5,677	2,323
Beverage sales	72,000	72,000	76,592	(4,592)
Merchandise sales	3,000	3,000	1,340	1,660
Total Sales	83,000	83,000	83,609	(609)
Other Charges for Services:				
Ticket sales	20,000	20,000	19,092	
Event sponsorship fees	15,000	15,000	10,400	4,600
Caterer Fee	10,000	10,000	6,984	
Total Other Charge for Services	45,000	45,000	36,476	4,600
Other Revenue:				
Donations	27,000	31,200	8,031	23,169
Other services	4,500	4,500	6,304	(1,804)
Other miscellaneous revenues	-	-	454	(454)
Total Other Revenue	31,500	35,700	14,789	20,911
Total Revenues	306,200	323,900	280,259	39,205
Expenses				
Cost of sales	48,500	48,500	60,013	(11,513)
Personnel services	255,300	255,300	251,830	3,470
Contracted services	4,200	4,200	4,413	(213)
Supplies and materials	10,500	14,700	8,885	5,815
Utilities	32,800	32,800	36,204	(3,404)
Other operating costs	27,700	41,200	35,345	5,855
Repair and maintenance	6,500	9,100	13,006	
Capital outlay	25,500	42,200	29,186	13,014
Total Expenses	411,000	448,000	438,882	13,024
Other Financing Sources				
Transfers in	-	-	124,100	(124,100)
Excess of Revenues Over (Under) Expenses - Budget Basis	(104,800)	(124,100)	(34,523)	(97,919)
GAAP Basis Adjustments				
Capital outlay			29,186	
Depreciation			(70,892)	
Total GAAP Basis Adjustments			(41,706)	
Net Income - GAAP Basis			(76,229)	
Net Position, beginning of year			1,264,233	
Net Position, end of year			1,188,004	

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

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

LOCAL HIGHWAY FINANCE REPORT	City or County: City of Salida, Colorado
YEAR ENDING : December 2016	
This Information From The Records Of (example - City of _ or County of _):	Prepared By: Jana Looney Phone:

I. DISPOSITION OF HIGHWAY-USER REVENUES AVAILABLE FOR LOCAL GOVERNMENT EXPENDITURE

ITEM	A. Local Motor-Fuel Taxes	B. Local Motor-Vehicle Taxes	C. Receipts from State Highway-User Taxes	D. Receipts from Federal Highway Administration
1. Total receipts available				
2. Minus amount used for collection expenses				
3. Minus amount used for nonhighway purposes				
4. Minus amount used for mass transit				
5. Remainder used for highway purposes				

II. RECEIPTS FOR ROAD AND STREET PURPOSES

III. DISBURSEMENTS FOR ROAD AND STREET PURPOSES

ITEM	AMOUNT	ITEM	AMOUNT
A. Receipts from local sources:		A. Local highway disbursements:	
1. Local highway-user taxes		1. Capital outlay (from page 2)	1,115,684
a. Motor Fuel (from Item I.A.5.)		2. Maintenance:	349,233
b. Motor Vehicle (from Item I.B.5.)		3. Road and street services:	
c. Total (a.+b.)		a. Traffic control operations	12,556
2. General fund appropriations	0	b. Snow and ice removal	16,657
3. Other local imposts (from page 2)	5,261,737	c. Other	8,953
4. Miscellaneous local receipts (from page 2)	39,659	d. Total (a. through c.)	38,166
5. Transfers from toll facilities	0	4. General administration & miscellaneous	127,010
6. Proceeds of sale of bonds and notes:		5. Highway law enforcement and safety	397,866
a. Bonds - Original Issues	0	6. Total (1 through 5)	2,027,959
b. Bonds - Refunding Issues	0	B. Debt service on local obligations:	
c. Notes	0	1. Bonds:	
d. Total (a. + b. + c.)	0	a. Interest	0
7. Total (1 through 6)	5,301,396	b. Redemption	0
B. Private Contributions		c. Total (a. + b.)	0
C. Receipts from State government (from page 2)	237,928	2. Notes:	
D. Receipts from Federal Government (from page 2)	0	a. Interest	0
E. Total receipts (A.7 + B + C + D)	5,539,324	b. Redemption	0
		c. Total (a. + b.)	0
		3. Total (1.c + 2.c)	0
		C. Payments to State for highways	0
		D. Payments to toll facilities	0
		E. Total disbursements (A.6 + B.3 + C + D)	2,027,959

IV. LOCAL HIGHWAY DEBT STATUS

(Show all entries at par)

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

V. LOCAL ROAD AND STREET FUND BALANCE

	A. Beginning Balance	B. Total Receipts	C. Total Disbursements	D. Ending Balance	E. Reconciliation
		5,539,324	2,027,959		3,511,365

Notes and Comments:

LOCAL HIGHWAY FINANCE REPORT

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

II. RECEIPTS FOR ROAD AND STREET PURPOSES - DETAIL

ITEM	AMOUNT	ITEM	AMOUNT
A.3. Other local imposts:		A.4. Miscellaneous local receipts:	
a. Property Taxes and Assessments	0	a. Interest on investments	0
b. Other local imposts:		b. Traffic Fines & Penalties	39,659
1. Sales Taxes	5,261,737	c. Parking Garage Fees	0
2. Infrastructure & Impact Fees	0	d. Parking Meter Fees	0
3. Liens	0	e. Sale of Surplus Property	0
4. Licenses	0	f. Charges for Services	0
5. Specific Ownership &/or Other	0	g. Other Misc. Receipts	0
6. Total (1. through 5.)	5,261,737	h. Other	0
c. Total (a. + b.)	5,261,737	i. Total (a. through h.)	39,659
	(Carry forward to page 1)		(Carry forward to page 1)

ITEM	AMOUNT	ITEM	AMOUNT
C. Receipts from State Government		D. Receipts from Federal Government	
1. Highway-user taxes	211,010	1. FHWA (from Item I.D.5.)	
2. State general funds		2. Other Federal agencies:	
3. Other State funds:		a. Forest Service	0
a. State bond proceeds		b. FEMA	0
b. Project Match		c. HUD	0
c. Motor Vehicle Registrations	26,918	d. Federal Transit Admin	0
d. Other (Specify) - DOLA Grant	0	e. U.S. Corps of Engineers	0
e. Other (Specify)	0	f. Other Federal	0
f. Total (a. through e.)	26,918	g. Total (a. through f.)	0
4. Total (1. + 2. + 3.f)	237,928	3. Total (1. + 2.g)	
			(Carry forward to page 1)

III. DISBURSEMENTS FOR ROAD AND STREET PURPOSES - DETAIL

	ON NATIONAL HIGHWAY SYSTEM (a)	OFF NATIONAL HIGHWAY SYSTEM (b)	TOTAL (c)
A.1. Capital outlay:			
a. Right-Of-Way Costs	0	0	0
b. Engineering Costs	4,588	99,265	103,853
c. Construction:			
(1). New Facilities	0	0	0
(2). Capacity Improvements	0	0	0
(3). System Preservation	0	0	0
(4). System Enhancement & Operation	0	1,011,831	1,011,831
(5). Total Construction (1) + (2) + (3) + (4)	0	1,011,831	1,011,831
d. Total Capital Outlay (Lines 1.a. + 1.b. + 1.c.5)	4,588	1,111,096	1,115,684
			(Carry forward to page 1)

Notes and Comments: