

City of Victor
Teller County, Colorado

**Financial Statements and
Independent Auditor's Report**

December 31, 2017

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Office of the State Auditor

July 26, 2018

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**Haynie &
Company**

Certified Public Accountants (a professional corporation)

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Independent Auditor's Report

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

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City of Victor, Colorado, as of and for the year ended December 31, 2017 and the related notes to the financial statements, which collectively comprise the City of Victor's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

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



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Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund and the aggregate remaining fund information of the City of Victor, Colorado, as of December 31, 2017 and the respective changes in financial position and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Other-Matters

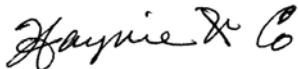
Required Supplementary Information

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

Other Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise City of Victor's financial statements as a whole. The state compliance section is presented for purposes of additional analysis and is not a required part of the financial statements.

The state compliance schedule, as listed in the table of contents, is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the 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.



Littleton, Colorado
July 23, 2018

City of Victor
Management's Discussion and Analysis
For the Year Ended December 31, 2017

This section of the annual financial report offers readers of the City of Victor's (City) financial statements an analysis of the City's financial performance during the year ended December 31, 2017. We encourage readers to consider the information here in conjunction with additional information furnished in the City's financial statements which immediately follow this section.

Financial Highlights

- Assets exceeded liabilities by \$13.4 million at the close of 2017. Of the City's total assets, 80% consisted of capital assets and 17% consisted of cash and investments. Of the City's total liabilities, 82% consisted of accounts payable to vendors.
- Total net position increased by \$909 thousand, or 8%, from 2016. The increase in net position is primarily due to the additions to capital assets and decrease in noncurrent liabilities. Of the City's total net position at the close of 2017, (i) \$11.1 million, or 83%, represents the City's investment in capital assets net of debts that are attributable to the acquisition, construction or improvements of those assets, (ii) \$41 thousand, or .3%, represents restricted funds related to conservation trust and emergencies, and (iii) \$2.3 million, or 17%, represents unrestricted net position.
- At the close of 2017, the City's governmental funds reported combined ending fund balances of \$1.9 million. Of this amount: (i) \$41 thousand was restricted for emergencies (TABOR) and parks and recreation expenditures (conservation trust), (ii) \$1.5 million was committed for capital projects, (iii) \$29 thousand was assigned for DREAM projects and the Fire Department's discretionary expenditures, and (iv) \$323 thousand was unassigned and available for general government expenditures.
- At the close of 2017, the Utility Enterprise Fund had net investment in capital assets totaling \$5 million and unrestricted net position totaling \$467 thousand.

Overview of the Financial Statements

This discussion and analysis is intended to serve as an introduction to the City's basic financial statements. The City's basic financial statements are comprised of three components: 1) government-wide financial statements, 2) fund financial statements, and 3) notes to the financial statements. This report also contains supplementary information and schedules in addition to the basic financial statements.

Government-wide Financial Statements

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

The statement of net position presents information on all of the City's assets plus deferred outflows of resources and liabilities plus deferred inflows of resources, and the difference is reported as net position. Over time, increases or decreases in net position may serve as a useful indicator of whether the financial position of the City is improving or deteriorating.

The statement of activities presents information showing how the City's net position changed during the most recent fiscal year. All changes in net position are reported as soon as the underlying event giving rise to the change occurs, regardless of the timing of related cash flows.

City of Victor
Management's Discussion and Analysis
For the Year Ended December 31, 2017

Thus, revenues and expenses are reported in this statement for some items that will only result in cash flows in future fiscal periods.

The statement of net position and the statement of activities report City activities in two categories – governmental activities and business-type activities. Both of the government-wide financial statements identify functions of the City that are principally to be supported by intergovernmental revenues (governmental activities). The governmental activities of the City include most of the basic services such as general government, public safety, public works, community development and parks and recreation. The basic government-wide financial statements can be found on pages 1 – 2 of this report.

Fund Financial Statements

A *fund* is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. The City, like other state and local governments, uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. The *funds* of the City include both governmental funds and a proprietary fund.

Governmental funds. Governmental funds are used to account for essentially the same functions reported as governmental activities in the government-wide financial statements. However, unlike the government-wide financial statements, governmental fund financial statements focus on near-term inflows and outflows of spendable resources, as well as on balances of spendable resources available at the end of the fiscal year. Such information may be useful in evaluating a government's near-term financing requirements.

Because the focus of governmental funds is narrower than that of the government-wide financial statements, it is useful to compare the information presented for governmental funds with similar information presented for governmental activities in the government-wide financial statements. By doing so, readers may better understand the long-term impact of the government's near-term financing decisions. Both the governmental fund balance sheet and the governmental fund statement of revenues, expenditures and changes in fund balances provide a reconciliation to facilitate this comparison between governmental funds and governmental activities.

Information is presented separately in the governmental fund balance sheet and in the governmental fund statement of revenues, expenditures, and changes in fund balances for the General Fund and Capital Projects Fund. These two funds are considered to be major funds.

The City adopts an annual appropriated budget for its General Fund and Capital Projects Fund. A budgetary comparison schedule has been provided for each of these funds to demonstrate compliance with the State's Budget Law. The basic governmental fund financial statements can be found on pages 4 – 5 of this report.

Proprietary fund. The City maintains one proprietary fund. A proprietary fund is used to report the same functions presented as business-type activities in the government-wide financial statements. The City uses a proprietary fund, called the Utility Enterprise Fund, to account for its water and waste water operations. The basic proprietary fund financial statements can be found on pages 11 – 13 of this report.

**City of Victor
Management's Discussion and Analysis
For the Year Ended December 31, 2017**

Notes to the Financial Statements

The notes provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements, as well as the proprietary fund financial statements. The notes to the financial statements can be found on pages 14 – 25 of this report.

Required Supplementary Information

Budgetary comparison schedules have been provided in this section for the Capital Projects Fund and the Proprietary Fund to demonstrate compliance with the State's Budget Law. The budget schedules are found after the notes to the financial statements on pages 26 – 28 of this report.

Other Supplementary Information

This section includes a State compliance report on pages 29 and 30.

Government-wide Financial Analysis

As noted earlier, net position may serve over time as a useful indicator of a government's financial position. The City's net position increased from December 31, 2016 by \$909 thousand, an 8% increase.

**City of Victor
Management's Discussion and Analysis
For the Year Ended December 31, 2017**

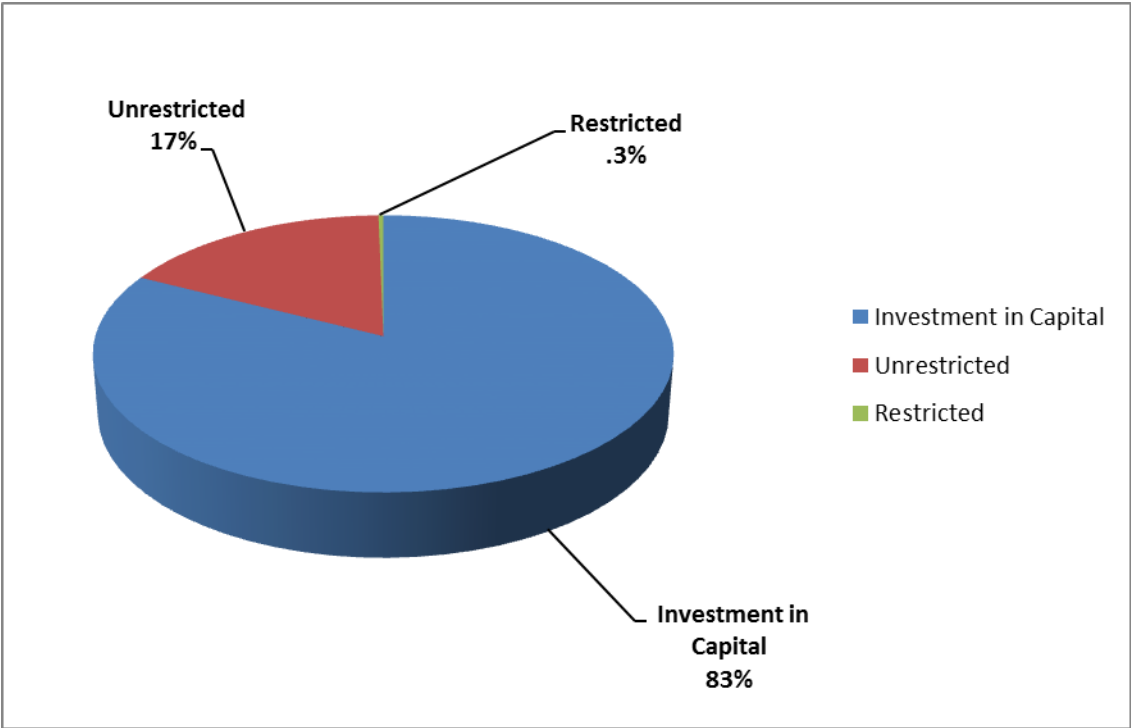
Net Position - Governmental Activities

	<u>2017</u>	<u>2016</u>
Current assets	\$ 2,181,695	\$ 2,064,403
Capital assets	<u>6,086,383</u>	<u>5,447,237</u>
Total assets	<u>8,268,078</u>	<u>7,511,640</u>
Current liabilities	-	-
Noncurrent liabilities	<u>238,647</u>	<u>117,506</u>
Total liabilities	<u>238,647</u>	<u>117,506</u>
Property tax revenues	<u>59,594</u>	<u>56,463</u>
Total deferred inflows of resources	<u>59,594</u>	<u>56,463</u>
Net investment in capital assets	6,086,386	5,447,237
Restricted net position	40,961	44,705
Unrestricted net position	<u>1,842,683</u>	<u>1,845,729</u>
Total net position	<u>\$ 7,970,030</u>	<u>\$ 7,337,671</u>

Net Position - Business-Type Activities

	<u>2017</u>	<u>2016</u>
Current assets	\$ 508,373	\$ 847,139
Capital assets	<u>5,000,416</u>	<u>5,059,415</u>
Total assets	<u>5,508,789</u>	<u>5,906,554</u>
Current liabilities	27,472	69,535
Noncurrent liabilities	<u>14,274</u>	<u>647,023</u>
Total liabilities	<u>41,746</u>	<u>716,558</u>
Net investment in capital assets	5,000,416	4,412,392
Restricted net position	-	84,723
Unrestricted net position	<u>466,627</u>	<u>692,881</u>
Total net position	<u>\$ 5,467,043</u>	<u>\$ 5,189,996</u>

**City of Victor
Management's Discussion and Analysis
For the Year Ended December 31, 2017**



The largest portion of the City's net position (83%) reflects its net investment in capital assets. The City utilizes these capital assets to provide services to citizens. These assets are not available for future spending.

Approximately .3% of the City's net position represents resources that are subject to restrictions on how they can be used (e.g., emergency reserve) and are not currently available for the City's ongoing obligations.

Approximately 17% of the City's net position is unrestricted and may be used to meet the City's future expenditures.

At the end of 2017, the City is able to report positive balances in all three categories of net position.

**City of Victor
Management's Discussion and Analysis
For the Year Ended December 31, 2017**

Change in Net Position - Governmental Activities

	2017	2016
Revenues		
Program revenues:		
Charges for services	\$ 18,544	\$ 23,202
Operating grants and contributions	380,649	384,862
Capital grants and contributions	393,317	683,939
General revenues		
Taxes	118,086	105,655
Franchise fees	21,047	20,666
Net investment income	17,040	10,211
Other revenues and transfers in	1,185,511	740,810
Total revenues	2,134,194	1,969,345
Expenses		
General government	184,790	294,661
Public safety	390,380	339,103
Public works	252,794	273,596
Community development	395,202	219,017
Parks and recreation	52,110	47,202
Long-term debt interest and related costs	-	-
Transfer of capital assets	226,559	71,581
Total expenses	1,501,835	1,245,160
Change in Net Position	\$ 632,359	\$ 724,185

Change in Net Position - Business-Type Activities

	2017	2016
Revenues		
Program revenues:		
Charges for services	\$ 2,125,720	\$ 1,960,910
Capital grants and contributions	34,551	41,753
General revenues		
Net investment income	-	-
Other revenues/(expenses)	1,707	2,933
Transfer of capital assets	226,559	71,581
Total revenues	2,388,537	2,077,177
Expenses		
Water and wastewater operations	995,191	953,244
Long-term debt interest and related costs	11,799	39,202
Transfers out and other expenses	1,104,500	678,754
Total expenses	2,111,490	1,671,200
Change in Net Position	\$ 277,047	\$ 405,977

**City of Victor
Management's Discussion and Analysis
For the Year Ended December 31, 2017**

All capital grants and contributions received by the City were recorded in the Capital Projects Fund. Since the Capital Projects Fund, a governmental fund, is used to account for all capital projects, transfers are recorded between the Capital Projects Fund and other funds, which are included as part of the *Transfers out and other expenses* above. The capital assets acquired within the governmental fund were then transferred to the proprietary fund which is reflected above as *Transfer of capital assets*.

Financial Analysis of City's Funds

General Fund

The General Fund was established and is continually funded to provide for the daily activities of the City. The primary funding sources for the General Fund are property and sales taxes, intergovernmental revenues and grants. The primary projects or program efforts for 2017 were public safety, public works and general government.

General Fund Budgetary Highlights

The City's budget is prepared in accordance with the Colorado Budget Law and is based on accounting for certain transactions on a basis of cash receipts and disbursements. The actual total expenditure for the year was \$30,395 less than the budget.

Section 20 of the Colorado Constitution (TABOR) requires the City to maintain an emergency reserve equivalent to at least 3% of fiscal year spending. At December 31, 2017, the City's emergency reserve amounted to \$28 thousand.

Capital Assets

The City added \$1.1 million to its capital assets for governmental activities and business-type activities during calendar year 2017. This investment in capital assets during 2017 primarily consisted of drainage improvements, recreation improvements, infrastructure, and other projects.

Additional information on the City's capital assets can be found in Note 5 on pages 22 and 23 of this report.

Long-Term Debt

At the end of 2017, all of the City's outstanding debt has been paid off. The City repaid a total of \$647 thousand in debt during 2017.

Additional information on the City's long-term debts can be found in Note 6 on page 23 of this report.

Next Year's Budgets

The 2017 budget reflects the Council's endeavor for a fiscally responsible budget built on conservative revenue projections, necessary and discretionary expenditure levels, and required and reasonable reserves.

The City has appropriated \$3.87 million for spending in 2018. Of this amount, \$1.03 million was budgeted for spending in the General Fund, \$801 thousand was budgeted in the Utility Enterprise Fund for the operations of water and wastewater systems, and \$2.04 million was budgeted in the Capital Projects Fund.

Requests for Information

This financial report is designed to provide a general overview of the City of Victor's finances for all those with an interest in the City's finances. Questions concerning any of the information provided in this report or requests for additional financial information should be addressed to the City Clerk and Treasurer at: City of Victor, PO Box 86, 500 Victor Avenue, Victor, CO 80860.

Basic Financial Statements

City of Victor
Statement of Net Position
December 31, 2017

	PRIMARY GOVERNMENT		
	GOVERNMENTAL	BUSINESS-TYPE	TOTAL
	ACTIVITIES	ACTIVITIES	
ASSETS			
Cash and investments	\$ 1,970,310	\$ 318,002	\$ 2,288,312
Cash and investments - Restricted	43,150	-	43,150
Receivables:			
From other governments	95,528	56	95,584
Property taxes	59,594	-	59,594
Utility fees	-	190,315	190,315
Other	13,113	-	13,113
Capital assets, not being depreciated	185,360	151,120	336,480
Capital assets, net of accumulated depreciation	<u>5,901,026</u>	<u>4,849,296</u>	<u>10,750,322</u>
TOTAL ASSETS	<u>8,268,081</u>	<u>5,508,789</u>	<u>13,776,870</u>
LIABILITIES			
Accounts payable	203,556	27,472	231,028
Deposits	28,651	-	28,651
Compensated absences	<u>6,250</u>	<u>14,274</u>	<u>20,524</u>
TOTAL LIABILITIES	<u>238,457</u>	<u>41,746</u>	<u>280,203</u>
DEFERRED INFLOWS OF RESOURCES			
Property taxes revenue	<u>59,594</u>	-	<u>59,594</u>
TOTAL DEFERRED INFLOW OF RESOURCES	<u>59,594</u>	-	<u>59,594</u>
NET POSITION			
Net investment in capital assets	6,086,386	5,000,416	11,086,802
Restricted for:			
Emergencies	28,000	-	28,000
Conservation Trust	12,961	-	12,961
Unrestricted	<u>1,842,683</u>	<u>466,627</u>	<u>2,309,310</u>
TOTAL NET POSITION	<u>\$ 7,970,030</u>	<u>\$ 5,467,043</u>	<u>\$ 13,437,073</u>

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

City of Victor
Statement of Activities
For the Year Ended December 31, 2017

<u>FUNCTIONS / PROGRAMS</u>	<u>EXPENSES</u>	<u>PROGRAM REVENUES</u>			<u>NET (EXPENSE) REVENUE AND CHANGES IN NET POSITION</u>		
		<u>CHARGES FOR SERVICES</u>	<u>OPERATING GRANTS AND CONTRIBUTIONS</u>	<u>CAPITAL GRANTS AND CONTRIBUTIONS</u>	<u>GOVERNMENTAL ACTIVITIES</u>	<u>PRIMARY GOVERNMENT BUSINESS-TYPE ACTIVITIES</u>	<u>TOTAL</u>
PRIMARY GOVERNMENT:							
Governmental activities:							
General Government	\$ 184,790	\$ 18,519	\$ 380,649	\$ -	\$ 214,378	\$ -	\$ 214,378
Public Safety	390,380	25	-	-	(390,355)	-	(390,355)
Public Works	252,794	-	-	393,317	140,523	-	140,523
Community Development	395,202	-	-	-	(395,202)	-	(395,202)
Parks and Recreation	52,110	-	-	-	(52,110)	-	(52,110)
Total Governmental Activities	<u>1,275,276</u>	<u>18,544</u>	<u>380,649</u>	<u>393,317</u>	<u>(482,766)</u>	<u>-</u>	<u>(482,766)</u>
Business-Type Activities:							
Water and Wastewater Operations	995,191	2,122,600	-	34,551	-	1,161,960	1,161,960
Interest and Related Costs	11,799	-	-	-	-	(11,799)	(11,799)
Total Business-Type Activities	<u>1,006,990</u>	<u>2,122,600</u>	<u>-</u>	<u>34,551</u>	<u>-</u>	<u>1,150,161</u>	<u>1,150,161</u>
Total Primary Government	<u>\$ 2,282,266</u>	<u>\$ 2,141,144</u>	<u>\$ 380,649</u>	<u>\$ 427,868</u>	<u>\$ (482,766)</u>	<u>\$ 1,150,161</u>	<u>\$ 667,395</u>
General Revenues:							
					118,086	-	118,086
					21,047	-	21,047
					17,040	-	17,040
					74,871	4,827	79,698
					6,140	-	6,140
					1,104,500	(1,104,500)	-
					(226,559)	226,559	-
					<u>1,115,125</u>	<u>(873,114)</u>	<u>242,011</u>
					<u>632,359</u>	<u>277,047</u>	<u>909,406</u>
					<u>7,337,671</u>	<u>5,189,996</u>	<u>12,527,667</u>
					<u>\$ 7,970,030</u>	<u>\$ 5,467,043</u>	<u>\$ 13,437,073</u>

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

City of Victor
Balance Sheet
Governmental Funds
December 31, 2017

	General Fund	Capital Projects Fund	Total Governmental Funds
ASSETS			
Cash and investments	\$ 408,029	\$ 1,562,281	\$ 1,970,310
Cash and investments - restricted	43,150	-	43,150
Receivables:			
From other governments	50,528	45,000	95,528
Property taxes	59,594	-	59,594
Other	<u>13,113</u>	<u>-</u>	<u>13,113</u>
Total Assets	<u>\$ 574,414</u>	<u>\$ 1,607,281</u>	<u>\$ 2,181,695</u>
LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES			
LIABILITIES			
Accounts Payable	93,829	109,727	203,556
Deposits	<u>28,651</u>	<u>-</u>	<u>28,651</u>
Total Liabilities	<u>122,480</u>	<u>109,727</u>	<u>232,207</u>
DEFERED INFLOWS OF RESOURCES			
Property taxes revenues	<u>59,594</u>	<u>-</u>	<u>59,594</u>
Total Deferred Inflows of Resources	<u>59,594</u>	<u>-</u>	<u>59,594</u>
FUND BALANCES			
Restricted:			
Emergencies	\$ 28,000	\$ -	\$ 28,000
Conservation Trust Funds	12,961	-	12,961
Committed:			
Capital projects	-	1,497,554	1,497,554
Assigned:			
Public safety - Fire Department Discretionary Fund	19,611	-	19,611
DREAM Discretionary Fund	9,040	-	9,040
Unassigned:			
General government	<u>322,728</u>	<u>-</u>	<u>322,728</u>
Total Fund Balances	<u>392,340</u>	<u>1,497,554</u>	<u>1,889,894</u>
Total Liabilities, Deferred Inflows of Resources and Fund Balances	<u>\$ 574,414</u>	<u>\$ 1,607,281</u>	<u>\$ 2,181,695</u>

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

City of Victor
Reconciliation of the Governmental Funds Balance Sheet
to the Government-Wide Statement of Activities
December 31, 2017

Total Fund Balances - Governmental Funds	\$ 1,889,894
The following amounts reported for governmental activities are not current	
Capital assets used in governmental activities are not current financial resources and, therefore, are not reported in the funds.	
Capital assets, not being depreciated	185,360
Capital assets, net of accumulated depreciation	5,901,026
Noncurrent liabilities are not due and payable in the current period and, therefore, are not reported in the funds.	
Compensated absences	<u>(6,250)</u>
Net Position of Governmental Activities	<u>\$ 7,970,030</u>

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

City of Victor
Governmental Funds
Combined Statement of Revenues, Expenditures
and Changes in Fund Balances
For the Year Ended December 31, 2017

	<u>General Fund</u>	<u>Capital Projects Fund</u>	<u>Total Governmental Funds</u>
REVENUES:			
Taxes	\$ 118,086	\$ -	\$ 118,086
Franchise fees	21,047	-	21,047
Intergovernmental	34,627	-	34,627
Licenses, fees and charges	18,519	-	18,519
Fines and forfeitures	25	-	25
Administrative grants	380,649	-	380,649
Other revenue	40,244	-	40,244
Net investment income	619	16,421	17,040
Capital grants	-	393,317	393,317
TOTAL REVENUES	<u>613,816</u>	<u>409,738</u>	<u>1,023,554</u>
EXPENDITURES:			
Current:			
Legislative	60,206	-	60,206
Administrative	127,982	-	127,982
Facility maintenance	37,808	-	37,808
Revitalization and marketing	111,299	-	111,299
Police department	319,167	-	319,167
Fire department	36,940	-	36,940
Community development and planning	18,104	-	18,104
Public works	175,781	-	175,781
Parks and cemetery	52,110	-	52,110
Capital outlay	-	1,196,426	1,196,426
TOTAL EXPENDITURES	<u>939,397</u>	<u>1,196,426</u>	<u>2,135,823</u>
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	(325,581)	(786,688)	(1,112,269)
OTHER FINANCING SOURCES (USES)			
Operating transfer in	325,000	787,000	1,112,000
Operating transfer out	<u>(7,500)</u>	<u>-</u>	<u>(7,500)</u>
NET CHANGE IN FUND BALANCE	(8,081)	312	(7,769)
FUND BALANCES, BEGINNING	<u>400,421</u>	<u>1,497,242</u>	<u>1,897,663</u>
FUND BALANCES, ENDING	<u><u>\$ 392,340</u></u>	<u><u>\$ 1,497,554</u></u>	<u><u>\$ 1,889,894</u></u>

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

City of Victor
Reconciliation of the Statement of Revenues, Expenditures
and Changes in Fund Balances of Governmental Funds
to the Statement of Activities
For the Year Ended December 31, 2017

Net change in fund balances - total governmental funds	\$ (7,769)
<p>Amounts reported for governmental activities in the statement of activities are different because:</p>	
<p>Governmental funds report capital outlays as expenditures. However, in the statement of activities the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense. This is the amount by which capitalized outlays of \$819,328 exceeded depreciation of \$186,319 in the current year.</p>	633,009
<p>In the statement of activities, gains and losses related to the exchange or sale of assets are measured by the amount earned during the year. In the governmental funds, however, revenues for these items are measured by the amount received.</p> <p style="padding-left: 40px;">Gain related to conveyance of property</p>	6,140
<p>In the statement of activities, certain operating expenses are measured by the amount earned during the year. In the governmental funds, however, expenditures for these items are measured by the amount paid.</p> <p style="padding-left: 40px;">Compensated absences paid was more than amounts earned</p>	<u>979</u>
Change in net position of governmental activities	\$ <u>632,359</u>

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

City of Victor
General Fund
Schedule of Revenues, Expenditures
and Changes in Fund Balances—Budget and Actual
For the Year Ended December 31, 2017

	BUDGETED AMOUNTS		ACTUAL	VARIANCE WITH FINAL BUDGET POSITIVE (NEGATIVE)
	ORIGINAL	FINAL		
Revenues				
Taxes:				
Property tax	56,463	58,162	58,162	-
Sales tax	33,000	53,076	53,076	-
Specific ownership tax	5,000	6,848	6,848	-
	<u>94,463</u>	<u>118,086</u>	<u>118,086</u>	<u>-</u>
Franchise fees:				
Franchise - Electric	15,000	15,537	15,537	-
Franchise - TV/telephone	200	112	112	-
Franchise - Natural gas	6,000	5,398	5,398	-
	<u>21,200</u>	<u>21,047</u>	<u>21,047</u>	<u>-</u>
Intergovernmental:				
Mineral severance tax	15,000	9,023	9,023	-
Highway Users Tax (HUTF)	19,456	19,004	19,004	-
Conservation Trust entitlement	-	3,756	3,756	-
Motor vehicle	1,850	2,112	2,112	-
Road and bridge shareback	900	732	732	-
	<u>37,206</u>	<u>34,627</u>	<u>34,627</u>	<u>-</u>
Licenses, Fees and Charges:				
Business, liquor and other licenses	7,850	5,449	5,449	-
Building permit and service fees	10,000	13,070	13,070	-
	<u>17,850</u>	<u>18,519</u>	<u>18,519</u>	<u>-</u>
Fines and Forfeitures:				
Police department/court fees and fines	300	25	25	-
	<u>300</u>	<u>25</u>	<u>25</u>	<u>-</u>
Administrative Grants:				
State grants	280,650	280,649	280,649	-
Other grants/contributions	100,000	100,000	100,000	-
	<u>380,650</u>	<u>380,649</u>	<u>380,649</u>	<u>-</u>
Other Revenues:				
Donations and contributions	4,400	12,870	12,870	-
Fees for use of public facilities	100	525	525	-
Leases	12,000	10,611	10,611	-
Sale of surplus property	1,000	-	-	-
Other income	500	16,238	16,238	-
	<u>18,000</u>	<u>40,244</u>	<u>40,244</u>	<u>-</u>
Net Investment Income:				
Net investment income	600	619	619	-
	<u>600</u>	<u>619</u>	<u>619</u>	<u>-</u>
Total Revenues	<u>570,269</u>	<u>613,816</u>	<u>613,816</u>	<u>-</u>

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

City of Victor
General Fund
Schedule of Revenues, Expenditures
and Changes in Fund Balances—Budget and Actual
For the Year Ended December 31, 2017

	BUDGETED AMOUNTS		ACTUAL	VARIANCE WITH
	ORIGINAL	FINAL		FINAL BUDGET
				POSITIVE
				(NEGATIVE)
Expenditures				
Legislative:				
City Council stipend	26,853	26,453	26,453	-
Donations to other organizations/projects	31,000	26,403	26,403	-
Dues and memberships	475	143	143	-
Travel and training	1,500	2,916	2,916	-
Miscellaneous	300	4,291	4,291	-
	<u>60,128</u>	<u>60,206</u>	<u>60,206</u>	<u>-</u>
Administrative:				
Salaries and benefits	62,039	64,318	64,318	
Dues and memberships	640	685	685	
Travel and training	7,000	2,495	2,495	-
Audit and accounting	7,000	5,700	5,700	-
County Treasurer's fees	1,694	1,478	1,478	-
Insurance	5,894	5,687	5,687	-
Legal	15,000	22,433	22,433	-
Magistrate	6,000	6,000	6,000	-
Election	1,500	2,211	2,211	-
Office supplies	3,000	2,655	2,655	-
Other professional services	3,000	2,115	2,115	-
Photocopy	4,350	3,277	3,277	-
Publication and publishing	1,500	2,287	2,287	-
Technical support	3,500	2,894	2,894	-
Miscellaneous	5,000	3,746	3,747	(1)
	<u>127,117</u>	<u>127,981</u>	<u>127,982</u>	<u>(1)</u>
Facility Maintenance:				
Maintenance - City Hall	10,000	14,753	14,753	-
Utilities - City Hall	18,200	17,098	17,097	1
Maintenance - Community Center (VICCI)	1,750	427	427	-
Utilities - Community Center (VICCI)	3,800	2,463	2,462	1
Maintenance - Agricultural and Mining Museum	1,000	3,069	3,069	-
Fixture/Equipment Maintenance	1,000	-	-	-
	<u>35,750</u>	<u>37,810</u>	<u>37,808</u>	<u>2</u>
Revitalization and Marketing:				
Salaries and benefits	66,734	51,827	51,827	-
Advertising	15,000	16,275	16,275	-
City sponsored events	12,000	23,468	23,468	-
Dues and memberships	1,400	565	565	-
Revitalization projects and programs	16,000	12,871	12,871	-
Utilities	750	580	580	-
Travel and training	6,000	4,150	4,150	-
Minor equipment	1,000	1,255	1,255	-
Office supplies	600	193	193	-
Miscellaneous	5,500	115	115	-
	<u>124,984</u>	<u>111,299</u>	<u>111,299</u>	<u>-</u>
Police Department:				
PD Operating	657	632	632	-
Animal control	225	210	210	-
Contract services	276,559	300,619	276,559	24,060
Utilities	11,240	10,956	10,956	-
Vehicle fuel	2,500	6,592	6,592	-
Miscellaneous	100	105	24,218	(24,113)
	<u>291,281</u>	<u>319,114</u>	<u>319,167</u>	<u>(53)</u>

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

City of Victor
General Fund
Schedule of Revenues, Expenditures
and Changes in Fund Balances—Budget and Actual
For the Year Ended December 31, 2017

	BUDGETED AMOUNTS		ACTUAL	VARIANCE WITH FINAL BUDGET POSITIVE (NEGATIVE)
	ORIGINAL	FINAL		
Fire Department:				
Fire Chief stipend	11,027	11,027	11,027	-
Dues and memberships	500	250	250	-
Insurance	1,637	1,580	1,580	-
Travel and training	2,500	2,259	2,259	-
Equipment maintenance, repair, oil and fuel	3,800	596	596	-
Building facility maintenance	3,000	4,350	4,350	-
Fixture and equipment maintenance	2,000	3,419	3,419	-
Minor equipment	6,000	3,348	3,348	-
Radios and maintenance	1,000	941	941	-
Technical support	2,200	1,821	1,821	-
Utilities	5,700	4,118	4,118	-
Volunteer bonus program	2,500	2,470	2,470	-
Miscellaneous	1,350	761	761	-
	<u>43,214</u>	<u>36,940</u>	<u>36,940</u>	<u>-</u>
Community Development and Planning:				
Building code administration and enforcement	9,000	10,432	10,432	-
Dangerous building abatement	18,000	6,140	6,140	-
Legal services	3,000	1,173	1,173	-
Miscellaneous	500	359	359	-
	<u>30,500</u>	<u>18,104</u>	<u>18,104</u>	<u>-</u>
Public Works:				
Salaries and benefits	84,251	65,626	65,625	1
Travel and training	1,500	987	987	-
Insurance	8,187	8,399	8,399	-
Equipment maintenance, repair, oil and fuel	17,200	19,290	19,290	-
Building facility maintenance	2,000	3,739	3,739	-
Fixture maintenance	8,000	3,039	3,039	-
Road and sidewalk maintenance	50,000	33,893	33,893	-
Supplies	3,750	4,693	4,693	-
Professional services	5,000	-	-	-
Technical support	200	545	545	-
Tools and equipment	2,500	5,514	5,514	-
Utilities	29,800	26,063	26,062	1
Miscellaneous	3,000	3,995	3,995	-
	<u>215,388</u>	<u>175,783</u>	<u>175,781</u>	<u>2</u>
Parks and Cemetery:				
Salaries and benefits	22,930	25,302	25,302	-
Cemetery maintenance	1,000	57	57	-
Equipment maintenance, repair, oil and fuel	200	231	231	-
Minor equipment	1,000	4,694	4,694	-
Parks maintenance	9,500	14,115	14,115	-
Sanitation services	2,000	525	525	-
Supplies	500	1,620	1,620	-
Utilities	5,200	4,679	4,679	-
Miscellaneous	600	887	887	-
	<u>42,930</u>	<u>52,110</u>	<u>52,110</u>	<u>-</u>
Total Expenditures	<u>971,292</u>	<u>939,347</u>	<u>939,397</u>	<u>(50)</u>
Excess Revenues over (under) Expenditures	(401,023)	(325,531)	(325,581)	(50)

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

City of Victor
General Fund
Schedule of Revenues, Expenditures
and Changes in Fund Balances—Budget and Actual
For the Year Ended December 31, 2017

	<u>BUDGETED AMOUNTS</u>		<u>ACTUAL</u>	VARIANCE WITH
	<u>ORIGINAL</u>	<u>FINAL</u>		FINAL BUDGET
				POSITIVE
				(NEGATIVE)
Other Financing Sources (Uses)				
Transfers from other funds	340,000	325,000	325,000	-
Transfers to other funds	<u>(1,000)</u>	<u>(7,500)</u>	<u>(7,500)</u>	<u>-</u>
Net Change in Fund Balance	(62,023)	(8,031)	(8,081)	(50)
Fund Balances, Beginning of Year	<u>238,120</u>	<u>412,942</u>	<u>400,421</u>	<u>(12,521)</u>
Fund Balances, End of Year	<u>\$ 176,097</u>	<u>\$ 404,911</u>	<u>\$ 392,340</u>	<u>\$ (12,571)</u>

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

City of Victor
Proprietary Funds
Statement of Net Position
December 31, 2017

	<u>Utility Enterprise Fund</u>
Assets	
Cash and investments	\$ 318,002
Cash and investments - Restricted	-
Utility fees receivable	190,315
Other receivables	56
Capital assets, not being depreciated	151,120
Capital assets, net of accumulated depreciation	<u>4,849,296</u>
Total Assets	<u>5,508,789</u>
Liabilities	
Accounts payable	27,472
Compensated absences	<u>14,274</u>
Total Liabilities	<u>41,746</u>
Net Position	
Net investment in capital assets	5,000,416
Unrestricted	<u>466,627</u>
Total Net Position	<u>\$ 5,467,043</u>

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

City of Victor
Proprietary Funds
Statement of Revenues, Expenditures
and Changes in Fund Net Position
For the Year Ended December 31, 2017

	Utility Enterprise Fund
Operating Revenues	
Raw water sales	\$ 1,648,090
Raw water miscellaneous sales	160,854
Raw water wheeling and storage fees	58,842
Treated water sales - Residential	69,474
Treated water sales - Commercial	12,420
Wastewater sales - Residential	116,158
Wastewater sales - Commercial	25,161
Liquid waste disposal fees	31,601
Total Operating Revenues	2,122,600
Operating Expenses	
General and administration	10,643
Operations:	
Raw water	168,847
Treated water	251,677
Wastewater	278,465
Depreciation	285,559
Total Operating Expenses	995,191
Income (Loss) From Operations	1,127,409
Other Income (Expenses)	
Treated water - Capital replacement fees	21,522
Wastewater - Capital replacement fees	13,029
Debt service - Interest paid	(11,799)
Other	4,827
Capital assets transferred from Governmental Funds	226,559
Total Other Income (Expenses)	254,138
Net Income Before Transfers	1,381,547
Transfers In (Out)	(1,104,500)
CHANGE IN NET POSITION	277,047
NET POSITION, BEGINNING OF YEAR	5,189,996
NET POSITION, END OF YEAR	\$ 5,467,043

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

City of Victor
Proprietary Funds
Statement of Cash Flows
For the Year Ended December 31, 2017

	<u>UTILITY ENTERPRISE FUND</u>
CASH FLOWS FROM OPERATING ACTIVITIES:	
Cash received from customers and other sources	\$ 2,122,544
Cash paid to suppliers	(370,476)
Cash paid to employees	(352,168)
Net Cash From Operating Activities	<u>1,399,900</u>
CASH FLOWS FROM INVESTING ACTIVITIES:	
Interest income	<u>1,707</u>
Net Cash From Investing Activities	<u>1,707</u>
CASH FLOWS FROM NON-CAPITAL FINANCING ACTIVITIES:	
Transfers in (out)	<u>(1,104,500)</u>
Net Cash From Non-Capital Financing Activities	<u>(1,104,500)</u>
CASH FLOWS FROM CAPITAL AND FINANCING ACTIVITIES:	
Interest paid	(26,577)
Principal paid	(647,023)
Fees	<u>39,718</u>
Net Cash From Capital and Financing Activities	<u>(633,882)</u>
Net Change in Cash and Cash Equivalents	(336,775)
CASH AND CASH EQUIVALENTS	
Beginning of Year	<u>654,777</u>
End of Year	<u><u>\$ 318,002</u></u>
Reconciliation of Operating Income (Loss) to Net Cash From Operating Activities	
Net Operating Income (Loss)	\$ 1,127,409
Adjustments to reconcile operationg income (loss) to net cash flows from operating activities	
Depreciation	285,559
(Increase) Decrease in Accounts Receivable, Net	(56)
Increase (Decrease) in Accounts Payable	(5,370)
Increase (Decrease) in Compensated Absences	(7,642)
Net Cash From Operating Activities	<u><u>\$ 1,399,900</u></u>

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

City of Victor

Notes to Financial Statements

December 31, 2017

1. Definition of Reporting Entity

The City was founded in 1893. It operates under a Mayor/Council statutory form of government and provides the following services: public safety (police and fire), public works (highway and streets), water, sewer, parks and recreation, cemetery, community development (including planning, building and zoning), downtown revitalization and general government.

The City follows the Governmental Accounting Standards Board (GASB) accounting pronouncements which provide guidance for determining which governmental activities, organizations and functions should be included within the financial reporting entity. GASB pronouncements set forth the financial accountability of a governmental organization's elected governing body as the basic criterion for including a possible component governmental organization in a primary government's legal entity. Financial accountability includes, but is not limited to, appointment of a voting majority of the organization's governing body, ability to impose its will on the organization, a potential for the organization to provide specific financial benefits or burdens, and fiscal dependency.

2. Summary of Significant Accounting Policies

The more significant accounting policies of the City are described as follows:

Government-wide and Fund Financial Statements

The government-wide financial statements include the statement of net position and the statement of activities. For the most part, the effect of interfund activity has been removed from these statements. Both statements distinguish between governmental activities, which are normally supported by taxes and intergovernmental revenues, and business-type activities, which rely to a significant extent on fees and charges for support.

The statement of net position reports all financial and capital resources of the primary government and its component units. The difference between the assets plus deferred outflows of resources and liabilities plus deferred inflows of resources of the City is reported as net position.

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

City of Victor, Colorado
Notes to Financial Statements (continued)
December 31, 2017

2. Summary of Significant Accounting Policies (continued)

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

Measurement Focus, Basis of Accounting and Financial Statement Presentation

The government-wide financial statements are reported using the economic resources measurement focus and the accrual basis of accounting. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows. Grants and similar items are recognized as revenues as soon as all eligibility requirements imposed by the provider have been met. Depreciation is computed and recorded as an operating expense. Expenditures for property, equipment and infrastructure are shown as increases in assets, while the redemption of bonds and/or payment of debts (principal portion) are recorded as a reduction in liabilities.

Governmental fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Revenues are recognized as soon as they are both measurable and available. Revenues are considered to be available when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the government considers revenues to be available if they are collected within a reasonable period (typically within 60 days) following the end of the current fiscal period. The major sources of revenue susceptible to accrual are taxes and intergovernmental revenues. All other revenue items are considered to be measurable and available only when cash is received by the City. Expenditures, other than interest on long-term obligations, are recorded when the liability is incurred or the long-term obligation due.

Proprietary funds distinguish operating revenues and expenses from non-operating items. Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with the fund's principal ongoing operations. Operating expenses 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 non-operating revenues and expenses.

The City reports the following major governmental funds:

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

The Capital Projects Fund is used to account for financial resources to be used for the acquisition and construction of capital improvements and equipment.

The City reports the following major proprietary fund:

The Utility Enterprise Fund accounts for activities related to the offering of water and wastewater services to the City's residents and certain outside users.

City of Victor, Colorado
Notes to Financial Statements (continued)
December 31, 2017

2. Summary of Significant Accounting Policies (continued)

Budgets

In accordance with the State Budget Law, the City Council holds public hearings in the fall each year to approve the budget and appropriate the funds for the ensuing year. The appropriation is at the total fund expenditures and other financing uses level and lapses at year end. The City Council can modify the budget by line item within the total appropriation without notification. The appropriation can only be modified upon completion of notification and publication requirements. The budget includes each fund on its basis of accounting, unless otherwise indicated.

Pooled Cash and Investments

The City follows the practice of pooling cash and investments of all funds to maximize interest earnings. Except when required by trust or other agreements, all cash is deposited to and disbursed from a single bank account. Cash in excess of immediate operating requirements is pooled for deposit and investment flexibility. Investment earnings are allocated periodically to the participating funds based upon each fund's average equity balance in the total cash.

Investments are carried at fair value.

Cash Equivalents

For purposes of the statement of cash flows, the City considers cash deposits and highly liquid investments (including restricted assets) with a maturity of three months or less when purchased to be cash equivalents.

Accounts Receivable and Allowance for Doubtful Accounts

Tap fees, water and sewer fees and other similar fees constitute a perpetual lien on or against the property served until paid. Such fees, when uncollectible, can be certified to the County Treasurer and attach to the tax rolls. Therefore, no provision for doubtful accounts has been provided in the financial statements.

Property Taxes

Property taxes are levied by the City Council. The levy is based on assessed valuations determined by Teller County Assessor generally as of January of each year. The levy is set no later than December 15 by certifications to the Teller County Commissioners to put the tax lien on the property as of January 1 of the following year. Teller County bills and collects taxes for the City. At the option of the taxpayer, property taxes may be paid either in full on April 30, or two installments on February 28 and June 15. The County remits the taxes collected to the City on a monthly basis. Delinquent taxpayers are notified in August and sale of the tax liens on delinquent properties are generally held in November or December.

City of Victor, Colorado
Notes to Financial Statements (continued)
December 31, 2017

2. Summary of Significant Accounting Policies (continued)

Property taxes, net of estimated uncollectible taxes, are recorded as deferred inflows of resources in the year they are levied and measurable. The unearned property tax revenue is recorded as revenue in the year it is available and collected.

Capital Assets

Capital assets, which include property, plant, equipment and infrastructure assets (e.g., roads, sidewalks and similar items) are reported in the applicable governmental or business-type activities column in the government-wide financial statements. Capital assets are defined by the City as assets with an initial, individual cost of more than \$5,000 and an estimated life in excess of one year. Such assets are recorded at historical cost or estimated historical cost if purchased or constructed. Donated capital assets are recorded at estimated fair value at the date of donation.

The costs of normal maintenance and repairs that do not add to the value of the asset or materially extend assets lives are not capitalized. Improvements are capitalized and depreciated over the remaining useful lives of the related capital assets, as applicable. Depreciation expense has been computed using the straight-line method over the following estimated economic useful lives:

Buildings and improvements	30 - 50 years
Machinery, equipment and computers	5 - 15 years
Infrastructure	30 - 40 years

The City has elected to not retroactively report infrastructure.

Compensated Absences

Employees of the City are allowed to accumulate unused vacation time up to one year's accrual plus 40 hours. Upon termination of employment, an employee will be compensated for all eligible accrued vacation time at their current rate of pay. Vacation accrual is recorded in the government-wide financial statements.

Fund Equity/Fund Balance

In the government-wide financial statements, fund equity is classified as net position. Net position may be classified into three components: net investment in capital assets, restricted and unrestricted. These classifications are defined as follows:

- Net investment in capital assets - This component of net position consists of capital assets, net of accumulated depreciation, and reduced by the outstanding balances of any debt that is attributable to the acquisition, construction or improvement of those assets. If there are significant unspent debt proceeds at year end, the portion of the debt attributable to the unspent proceeds is not included in this component.
- Restricted - This component of net position consists of assets that are restricted for use

City of Victor, Colorado
Notes to Financial Statements (continued)
December 31, 2017

2. Summary of Significant Accounting Policies (continued)

either externally imposed by creditors, grantors, contributors or laws or regulations of other governments or constraints imposed through constitutional provisions or enabling legislation.

- Unrestricted - The component of net position that does not meet the definition above.

In the governmental funds, fund balances should be reported in classifications that comprise a hierarchy based on the extent to which the government is bound to honor constraints on the specific purposes for which spending can occur. Governmental funds report up to five classifications of fund balance: nonspendable, restricted, committed, assigned, and unassigned. Because circumstances differ among governments, not every government or every governmental fund will present all of these components. The following classifications describe the relative strength of the spending constraints:

- *Nonspendable fund balance* – The portion of fund balance that cannot be spent because it is either not in spendable form (such as prepaid amounts or inventory) or legally or contractually required to be maintained intact.
- *Restricted fund balance* – The portion of fund balance that is constrained to being used for a specific purpose by external parties (such as bondholders), constitutional provisions, or enabling legislation.
- *Committed fund balance* – The portion of fund balance that can only be used for specific purposes pursuant to constraints imposed by formal action of the government's highest level of decision-making authority, City Council. The constraint may be removed or changed only through formal action of City Council.
- *Assigned fund balance* – The portion of fund balance that is constrained by the government's intent to be used for specific purposes, but is neither restricted nor committed. Intent is expressed by the City Council to be used for a specific purpose. Constraints imposed on the use of assigned amounts are more easily removed or modified than those imposed on amounts that are classified as committed.
- *Unassigned fund balance* – The residual portion of fund balance that does not meet any of the criteria described above.

If more than one classification of fund balances is available for use when an expenditure is incurred, it is the City's practice to use the least restrictive classification first.

City of Victor, Colorado
Notes to Financial Statements (continued)
December 31, 2017

3. Cash and Cash Equivalents

Cash and investments as of December 31, 2017, are classified in the accompanying financial statements as follows:

	Governmental Activities	Business-type Activities
Statement of net position:		
Cash and investments	\$ 1,970,310	\$ 318,002
Cash and investments - Restricted	43,150	-
Total cash and investments	\$ 2,013,460	\$ 318,002

Cash and investments as of December 31, 2017, consist of the following:

	Governmental Activities	Business-type Activities
Cash on hand	\$ 300	\$ -
Deposits with financial institutions	1,409,833	-
Investments	603,327	318,002
Total cash and investments	\$ 2,013,460	\$ 318,002

Deposits with Financial Institutions

The Colorado Public Deposit Protection Act (PDPA) requires that all units of local government deposit cash in eligible public depositories. Eligibility is determined by state regulators. Amounts on deposit in excess of federal insurance levels must be collateralized. The eligible collateral is determined by the PDPA. PDPA allows the institution to create a single collateral pool for all public funds. The pool for all the uninsured public deposits as a group is to be maintained by another institution or held in trust. The market value of the collateral must be at least 102% of the aggregate uninsured deposits.

The State Commissioners for banks and financial services are required by statute to monitor the naming of eligible depositories and reporting of the uninsured deposits and assets maintained in the collateral pools.

None of the City's deposits are subject to custodial risk since they are deposited in certified eligible public depositories under the PDPA.

As of December 31, 2017, the City's cash deposits for governmental and business-type activities had a bank balance totaling \$2,371,274 and a carrying balance totaling \$2,331,462.

Investments

The City has not adopted a formal investment policy; however, the City follows state statutes regarding investments.

City of Victor, Colorado
Notes to Financial Statements (continued)
December 31, 2017

3. Cash and Cash Equivalents (continued)

The City generally limits its concentration of investments to those noted with an asterisk (*) below, which are believed to have minimal credit risk, minimal interest rate risk and no foreign currency risk. Additionally, the City is not subject to concentration risk disclosure requirements or to investment custodial credit risk for investments that are in the possession of another party.

Colorado Revised Statutes limit investment maturities to five years or less unless formally approved by the City Council. Such actions are generally associated with a debt service reserve or sinking fund requirements.

Colorado statutes specify investment instruments meeting defined rating and risk criteria in which local governments may invest which include:

- Obligations of the United States, certain U.S. government agency securities, and securities of the World Bank
- General obligation and revenue bonds of U.S. local government entities
- Certain certificates of participation
- Certain securities lending agreements
- Bankers' acceptances of certain banks
- Commercial paper
- Written repurchase agreements and certain reverse repurchase agreements collateralized by certain authorized securities
- Certain money market funds
- Guaranteed investment contracts
- * Local government investment pools

As of December 31, 2017, the City had investments totaling \$1,476,541, as follows:

Investment	Maturity	<u>Governmental</u> <u>Activities</u>	<u>Business-type</u> <u>Activities</u>
Colorado Local Government Liquid Asset Trust (Colostrust)	Weighted average under 60 days	\$ <u>603,327</u>	\$ <u>873,214</u>

COLOTRUST

The City invested in the Colorado Local Government Liquid Asset Trust (the Trust), an investment vehicle established for local government entities in Colorado to pool surplus funds. The State Securities Commissioner administers and enforces all State statutes governing the Trust. The Trust operates similarly to a money market fund and each share is equal in value to \$1.00.

City of Victor, Colorado
Notes to Financial Statements (continued)
December 31, 2017

3. Cash and Cash Equivalents (continued)

COLOTRUST records its investments at fair value and the District records in investment in COLOTRUST using the net asset value method. The Trust offers shares in two portfolios, COLOTRUST PRIME and COLOTRUST PLUS+. Both portfolios may invest in U.S. Treasury securities and repurchase agreements collateralized by U.S. Treasury securities. COLOTRUST PLUS+ may also invest in certain obligations of U.S. government agencies, highest rated commercial paper and repurchase agreements collateralized by certain obligations of U.S. government agencies. A designated custodial bank serves as custodian for the Trust's portfolios pursuant to a custodian agreement. The custodian acts as safekeeping agent for the Trust's investment portfolios and provides services as the depository in connection with direct investments and withdrawals. The custodian's internal records segregate investments owned by the Trust. The Trust is rated AAAM by Standard & Poor's.

4. Interfund Transfers

The following schedule summarizes the City's interfund transfers for the year ended December 31, 2017:

Transfers Out	Transfers In		
	General Fund	Capital Projects Fund	Utility Enterprise Fund
Utility Enterprise Fund	\$ 325,000	\$ 779,500	\$ -
General Fund	-	7,500	

The transfers from the Utility Enterprise Fund to the General Fund and Capital Projects Fund were made during 2017 pursuant to the policies adopted by the City Council which commits/allocates the net available revenue (after operating expenses) of the raw water operations within the Utility Enterprise Fund to certain operational expenditures (General Fund) and capital outlay (Capital Projects Fund).

City of Victor, Colorado
Notes to Financial Statements (continued)
December 31, 2017

5. Capital Assets

Changes in governmental capital assets for the year ended December 31, 2017, follow:

<u>Governmental Activities</u>	Balance December 31, 2016	Additions	Conveyances or Retirements	Balance December 31, 2017
Capital assets, not being depreciated:				
Land	\$ 179,220	\$ 71,333	\$ (65,193)	\$ 185,360
Capital Assets, being depreciated:				
Buildings and improvements	3,437,605	772,533	-	4,210,138
Machinery, equipment and computers	1,396,465	70,322	(23,527)	1,443,260
Infrastructure	2,746,301	137,840	(137,840)	2,746,301
Total depreciable assets	<u>7,580,371</u>	<u>980,695</u>	<u>(161,367)</u>	<u>8,399,699</u>
Total capital assets	<u>7,759,591</u>	<u>1,052,028</u>	<u>(226,560)</u>	<u>8,585,059</u>
Less accumulated depreciation:				
Total accumulated depreciation	<u>(2,312,354)</u>	<u>(186,319)</u>	<u>-</u>	<u>(2,498,673)</u>
Depreciable assets, net	<u>5,268,017</u>	<u>794,376</u>	<u>(161,367)</u>	<u>5,901,026</u>
Governmental activities assets, net	<u>\$ 5,447,237</u>	<u>\$ 865,709</u>	<u>\$ (226,560)</u>	<u>\$ 6,086,386</u>

	<u>Governmental Activities</u>
General government	\$ 75,033
Public safety	34,273
Public works	<u>77,013</u>
Total depreciation expense	<u>\$ 186,319</u>

City of Victor, Colorado
Notes to Financial Statements (continued)
December 31, 2017

5. Capital Assets (continued)

Changes in business-type capital assets for the year ended December 31, 2017, follow:

<u>Business-Type Activities</u>	Balance December 31, 2016	Additions	Conveyances or Retirements	Balance December 31, 2017
Capital assets, not being depreciated:				
Land and water rights	\$ 85,927	\$ 65,193	\$ -	\$ 151,120
Capital Assets, being depreciated:				
Machinery, equipment and computers	425,647	23,527	-	449,174
Infrastructure	1,009,559	69,234	-	1,078,793
Water plant and systems	3,264,074	68,606	-	3,332,680
Wastewater plant and systems	5,867,271	-	-	5,867,271
Total depreciable assets	<u>10,566,551</u>	<u>161,367</u>	<u>-</u>	<u>10,727,918</u>
Total capital assets	<u>10,652,478</u>	<u>226,560</u>	<u>-</u>	<u>10,879,038</u>
Less accumulated depreciation:				
Total accumulated depreciation	<u>(5,593,063)</u>	<u>(285,559)</u>	<u>-</u>	<u>(5,878,622)</u>
Depreciable assets, net	<u>4,973,488</u>	<u>(124,192)</u>	<u>-</u>	<u>4,849,296</u>
Business-type activities capital assets, net	<u>\$ 5,059,415</u>	<u>\$ (58,999)</u>	<u>\$ -</u>	<u>\$ 5,000,416</u>

	<u>Business-Type Activities</u>
Water	\$ 72,414
Wastewater	<u>213,145</u>
Total depreciation expense	<u>\$ 285,559</u>

6. Long-Term Obligations

The following is an analysis of the changes in the City's long-term obligations for the year ended December 31, 2017:

	Balance December 31, 2016	Additions	Payments	Balance December 31, 2017	Due Within One Year
Business-type activities:					
Colorado Water Conservation Board Loan—Dam #2	\$ 261,564	\$ -	\$ (261,564)	\$ -	\$ -
US Department of Agriculture Rural Development Loan -- Sewer	<u>385,459</u>	<u>-</u>	<u>(385,459)</u>	<u>-</u>	<u>-</u>
Total long-term obligations	<u>\$ 647,023</u>	<u>\$ -</u>	<u>\$ (647,023)</u>	<u>\$ -</u>	<u>\$ -</u>

City of Victor, Colorado
Notes to Financial Statements (continued)
December 31, 2017

7. Net Position

The City has net position consisting of three components - net investment in capital assets, restricted and unrestricted.

Net investment in capital assets consists of capital assets, net of accumulated depreciation, and reduced by the outstanding balances of bonds, mortgages, notes, capital leases and other borrowings that are attributable to the acquisition, construction, or improvements of those assets. As of December 31, 2017, the City had net investment in capital assets calculated as follows:

	Governmental Activities	Business-type Activities
Capital assets, net	\$ 6,086,386	\$ 5,000,416
Net investment in capital assets	\$ 6,086,386	\$ 5,000,416

The restricted component of net position consist of assets that are restricted for use either externally imposed by creditors, grantors, contributors or laws and regulations of other governments or imposed by law through constitutional provisions or enabling legislations. As of December 31, 2017, the City had restricted net position as follows:

	Governmental Activities
Restricted net position:	
Emergency reserve	\$ 28,000
Conservation Trust	12,961
	\$ 40,961

As of December 31, 2017, the City's unrestricted net position totaled \$2,309,310.

8. Commitments, Contingencies and Economic Dependency

The City receives financial assistance from federal and state governmental agencies in the form of grants. The disbursements of funds received under these programs generally require compliance with terms and conditions specified in the grant agreements and are subject to audit by the grantor agencies. Any disallowed claims resulting from such audits could become a liability of the General Fund or Capital Projects Fund. However, in the opinion of the City, any such disallowed claims will not have a material effect on the financial statements of the individual fund type or on the overall financial position of the City at December 31, 2017.

The City has only one major employer within its City limits, the Cripple Creek & Victor Gold Mining Company, which accounts for a significant portion of the City's utility fees revenue.

City of Victor, Colorado
Notes to Financial Statements (continued)
December 31, 2017

9. Risk Management

The City is exposed to various risks of loss related to torts; thefts of, damage to, or destruction of assets; errors or omissions; injuries to employees; or acts of God.

The City is a member of the Colorado Intergovernmental Risk Sharing Agency (CIRSA). CIRSA is a joint self insurance pool created by intergovernmental agreement to provide property, liability and workers' compensation coverage to its members. CIRSA is governed by a seven member Board elected by and from its members.

Coverage is provided through pooling of self-insured losses and the purchase of excess insurance coverage. CIRSA has a legal obligation for claims against its members to the extent that funds are available in its annually established loss fund and that amounts are available from insurance providers under excess specific and aggregate insurance contracts. Losses incurred in excess of loss funds and amounts recoverable from excess insurance are direct liabilities of the participating members. CIRSA has indicated that the amount of any excess losses would be billed to members in proportion to their contributions in the year such excess occurs, although it is not legally required to do so.

Settled claims have not exceeded insurance coverage in the last three years.

10. Tax, Spending, Revenue and Debt Limitations

Article X, Section 20 of the Colorado Constitution, commonly known as the Taxpayer's Bill of Rights (TABOR), contains tax, spending, revenue and debt limitations which apply to the State of Colorado and all local governments.

Spending and revenue limits are determined based on the prior year's Fiscal Year Spending adjusted for allowable increases based upon inflation and local growth. Fiscal Year Spending is generally defined as expenditures plus reserve increases with certain exceptions. Revenue in excess of the Fiscal Year Spending limit must be refunded unless the voters approve retention of such revenue.

TABOR requires local governments to establish Emergency Reserves. These reserves must be at least 3% of Fiscal Year Spending (excluding bonded debt service). Local governments are not allowed to use the Emergency Reserves to compensate for economic conditions, revenue shortfalls, or salary or benefit increases. At December 31, 2017, the City has reserved \$28,000 for emergencies.

The City's management believes it is in compliance with the provisions of TABOR. However, TABOR is complex and subject to interpretation. Many of the provisions, including the interpretation of how to calculate Fiscal Year Spending limits, will require judicial interpretation.

City of Victor, Colorado

Required Supplementary Information

City of Victor
Capital Projects Fund
Schedule of Revenues, Expenditures
And Changes in Fund Balances - Budget and Actual
For the Year Ended December 31, 2017

	BUDGETED AMOUNTS		ACTUAL	VARIANCE WITH FINAL BUDGET POSITIVE (NEGATIVE)
	ORIGINAL	FINAL		
Revenues				
Federal grants	\$ 600,000	\$ -	\$ -	\$ -
State grants	375,000	284,590	284,590	-
Other grants and contributions	100,000	108,727	108,727	-
Net investment income	7,000	16,421	16,421	-
Total Revenues	<u>1,082,000</u>	<u>409,738</u>	<u>409,738</u>	<u>-</u>
Expenditures				
Land purchase	-	4,673	4,673	-
Capital improvements - General	1,493,984	877,994	877,994	-
Capital equipment - General	-	59,843	59,843	-
Land - Raw water	65,000	65,193	65,193	-
Capital improvements - Raw water	-	11,015	11,015	-
Capital equipment - Raw water	-	10,496	10,496	-
Capital improvements - Treated water	400,000	80,134	80,134	-
Capital equipment - Treated water	20,000	7,631	7,631	-
Land - Wastewater	-	1,452	1,452	-
Capital improvements - Wastewater	-	63,855	63,855	-
Capital equipment - Wastewater	26,500	14,140	14,140	-
Total Expenditures	<u>2,005,484</u>	<u>1,196,426</u>	<u>1,196,426</u>	<u>-</u>
Excess of Revenues over (under) Expenditures	(923,484)	(786,688)	(786,688)	-
Other Financing Sources (Uses)				
Transfers from other funds	447,500	787,000	787,000	-
Net Change in Fund Balance	(475,984)	312	312	-
Fund Balance, Beginning of Year	<u>1,518,097</u>	<u>1,497,242</u>	<u>1,497,242</u>	<u>-</u>
Fund Balance, End of Year	<u>\$ 1,042,113</u>	<u>\$ 1,497,554</u>	<u>\$ 1,497,554</u>	<u>\$ -</u>

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

City of Victor
Utility Fund
Schedule of Revenues, Expenditures
And Changes in Net Position—Budget and Actual
For the Year Ended December 31, 2017

	BUDGETED AMOUNTS		ACTUAL	VARIANCE WITH FINAL BUDGET POSITIVE (NEGATIVE)
	ORIGINAL	FINAL		
Operating Revenues				
Raw water sales	\$ 1,160,000	\$ 1,648,090	\$ 1,648,090	\$ -
Raw water miscellaneous sales	162,408	160,854	160,854	-
Raw water wheeling and storage fees	28,000	58,842	58,842	-
Treated water sales - Residential	65,000	69,474	69,474	-
Treated water sales - Commercial	12,500	12,420	12,420	-
Wastewater sales - Residential	117,600	116,158	116,158	-
Wastewater sales - Commercial	24,000	25,161	25,161	-
Liquid waste disposal fees	30,000	31,601	31,601	-
Total Operating Revenues	<u>1,599,508</u>	<u>2,122,600</u>	<u>2,122,600</u>	<u>-</u>
Operating Expenses				
General and administration:				
Treated water - Salaries and benefits	172,263	165,215	172,351	(7,136)
Treated water - Dues and memberships	270	260	260	-
Treated water - Travel and training	1,000	375	375	-
Wastewater - Salaries and benefits	172,263	165,519	172,656	(7,137)
Wastewater - Dues and memberships	100		-	-
Wastewater - Travel and training	1,500		-	-
Audit and accounting	14,000	11,400	11,400	-
General engineering	6,000		-	-
Legal	2,000	615	615	-
Insurance	16,374	15,798	15,798	-
Other	5,000	1,938	1,938	-
Raw water:				
Legal and engineering services	20,000	10,645	10,645	-
Purchased water	162,408	168,354	168,354	-
Dam maintenance	7,500	155	155	-
Storage fees	3,800	338	338	-
Treated water:				
Collection and distribution lines repair	15,000	14,969	14,969	-
Equipment maintenance, repair, oil and fuel	7,333	7,505	7,505	-
Building facility maintenance	2,500	4,955	4,955	-
Fixture maintenance	10,000	6,282	6,282	-
Lab analysis and chemicals	10,000	12,254	12,254	-
Utilities	13,500	14,019	14,019	-
Equipment rentals and sanitation	1,400	1,029	1,029	-
Technical support	5,200	2,791	2,791	-
Tools and equipment	8,200	6,348	3,422	2,926
Permit fees	200	100	100	-
Miscellaneous/contingency	1,000	4,215	7,141	(2,926)

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

City of Victor
Utility Fund
Schedule of Revenues, Expenditures
And Changes in Net Position—Budget and Actual
For the Year Ended December 31, 2017
(Continued)

	BUDGETED AMOUNTS		ACTUAL	VARIANCE WITH FINAL BUDGET POSITIVE (NEGATIVE)
	ORIGINAL	FINAL		
Wastewater:				
Collection and distribution lines repair	25,000	25,746	25,746	-
Equipment maintenance, repair, oil and fuel	7,333	7,107	7,107	-
Building facility maintenance	2,000	340	340	-
Fixture maintenance	5,000	8,550	8,550	-
Lab analysis and chemicals	16,000	19,870	19,870	-
Sludge hauling	15,000	14,820	14,820	-
Utilities	13,300	11,463	11,463	-
Technical support	5,200	3,354	3,354	-
Tools and equipment	4,800	4,801	4,801	-
Permit fees	1,515	1,515	1,515	-
Miscellaneous/contingency	2,000	4,632	4,632	-
Total Operating Expenses	<u>755,959</u>	<u>717,277</u>	<u>731,550</u>	<u>(14,273)</u>
Other Income (Expenses)				
Treated water - Capital replacement fees	20,000	21,522	21,522	-
Wastewater - Capital replacement fees	12,500	13,029	13,029	-
Interest/Penalties/Fees	2,300	1,503	1,503	-
Other Income	1,000	3,326	3,326	-
Debt service:				
Treated water - Principal and interest payments	(43,177)	(277,562)	(277,562)	-
Wastewater - Principal and interest payments	(350,000)	(396,038)	(396,038)	-
Net Other Income (Expenses)	<u>(357,377)</u>	<u>(634,220)</u>	<u>(634,220)</u>	<u>-</u>
Net Income (Loss) Before Transfers	<u>486,172</u>	<u>771,103</u>	<u>756,830</u>	<u>(14,273)</u>
Transfers				
Transfers to other funds	(780,000)	(1,104,500)	(1,104,500)	-
Net Transfers	<u>(780,000)</u>	<u>(1,104,500)</u>	<u>(1,104,500)</u>	<u>-</u>
Excess (Deficiency) of				
Revenues over Expenditures	<u>\$ (293,828)</u>	<u>\$ (333,397)</u>	<u>(347,670)</u>	<u>\$ (14,273)</u>
Budget to GAAP-Basis Adjustments:				
Debt payments			647,023	
Change in accrued interest payable			36,694	
Depreciation			(285,559)	
Capital assets transferred from Governmental Funds			<u>226,559</u>	
Change in Net Position GAAP			<u>\$ 277,047</u>	

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

City of Victor, Colorado

State Compliance Section

LOCAL HIGHWAY FINANCE REPORT	City or County: Victor
	YEAR ENDING : December 2017

This Information From The Records Of : City of Victor	Prepared By: Debra Downs, City Administrator
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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)	31,725
a. Motor Fuel (from Item I.A.5.)		2. Maintenance:	140,626
b. Motor Vehicle (from Item I.B.5.)		3. Road and street services:	
c. Total (a.+b.)		a. Traffic control operations	
2. General fund appropriations	172,421	b. Snow and ice removal	35,157
3. Other local imposts (from page 2)	6,849	c. Other	
4. Miscellaneous local receipts (from page 2)	732	d. Total (a. through c.)	35,157
5. Transfers from toll facilities		4. General administration & miscellaneous	
6. Proceeds of sale of bonds and notes:		5. Highway law enforcement and safety	175,542
a. Bonds - Original Issues		6. Total (1 through 5)	383,050
b. Bonds - Refunding Issues		B. Debt service on local obligations:	
c. Notes		1. Bonds:	
d. Total (a. + b. + c.)	-	a. Interest	
7. Total (1 through 6)	180,002	b. Redemption	
B. Private Contributions	0	c. Total (a. + b.)	0
C. Receipts from State government (from page 2)	203,048	2. Notes:	
D. Receipts from Federal Government (from page 2)	0	a. Interest	
E. Total receipts (A.7 + B + C + D)	383,050	b. Redemption	
		c. Total (a. + b.)	0
		3. Total (1.c + 2.c)	0
		C. Payments to State for highways	
		D. Payments to toll facilities	
		E. Total disbursements (A.6 + B.3 + C + D.4 + E.5)	383,050

IV. LOCAL HIGHWAY DEBT STATUS

(Show all entries at par)

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

V. LOCAL ROAD AND STREET FUND BALANCE

	A. Beginning Balance	B. Total Receipts	Total Disbursements	D. Ending Balance	E. Reconciliation
	0	383,050	(383,050)	0	0

Notes and Comments:

LOCAL HIGHWAY FINANCE REPORT	STATE:
	Colorado
	YEAR ENDING (mm/yy): December 2017

II. RECEIPTS FOR ROAD AND STREET PURPOSES - DETAIL

ITEM	AMOUNT	ITEM	AMOUNT
A.3. Other local imposts:		A.4. Miscellaneous local receipts:	
a. Property Taxes and Assessments		a. Interest on investments	
b. Other local imposts:		b. Traffic Fines & Penalties	
1. Sales Taxes		c. Parking Garage Fees	
2. Infrastructure & Impact Fees		d. Parking Meter Fees	
3. Liens		e. Sale of Surplus Property	
4. Licenses		f. Charges for Services	732
5. Specific Ownership &/or Other	6,848	g. Other Misc/Gravel Sales	
6. Total (1. through 5.)	6,848	h. Other	
c. Total (a. + b.)	6,848	i. Total (a. through h.)	732
	(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	19,004	1. FHWA (from Item I.D.5.)	
2. State general funds		2. Other Federal agencies:	
3. Other State funds:		a. Forest Service	
a. State bond proceeds		b. FEMA	
b. Project Match		c. HUD	
c. Motor Vehicle Registrations	2,112	d. Federal Transit Admin	
d. Other (Specify) - DOLA Grant	156,932	e. U.S. Corps of Engineers	
e. Other (Specify) - DOLA EIAF	25,000	f. Other Federal	
f. Total (a. through e.)	184,044	g. Total (a. through f.)	0
4. Total (1. + 2. + 3.f)	203,048	3. Total (1. + 2.g)	
			(Carry forward to page 1)

III. DISBURSEMENTS FOR ROAD AND STREET PURPOSES - DETAIL

	ON NATIONAL HIGHWAY SYSTEM (a)	OFF NATIONAL HIGHWAY SYSTEM (b)	TOTAL (c)
A.1. Capital outlay:			
a. Right-Of-Way Costs			0
b. Engineering Costs		31,725	31,725
c. Construction:			
(1). New Facilities			0
(2). Capacity Improvements			0
(3). System Preservation			0
(4). System Enhancement & Operation			0
(5). Total Construction (1) + (2) + (3) + (4)	0	0	0
d. Total Capital Outlay (Lines 1.a. + 1.b. + 1.c.5)	0	31,725	31,725
			(Carry forward to page 1)

Notes and Comments: