

**TOWN OF DEL NORTE  
FINANCIAL STATEMENTS  
December 31, 2016**



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**Wall,  
Smith,  
Bateman** Inc.

Certified Public Accountants

**TOWN OF DEL NORTE**  
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**December 31, 2016**

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Wall,  
Smith,  
Bateman Inc.

## INDEPENDENT AUDITORS' REPORT

To the Honorable Mayor and Board of Trustees  
Town of Del Norte, 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 Town of Del Norte (the Town), as of and for the year ended December 31, 2016, and the related notes to the financial statements, which collectively comprise the Town's basic financial statements as listed in the table of contents.

### Management's Responsibility for the Financial Statements

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

### Auditors' Responsibility

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

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

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

### Opinions

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

**Certified Public Accountants**

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## **Other Matters**

### *Required Supplementary Information*

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

Accounting principles generally accepted in the United States of America require that budgetary comparison information on page 25 be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

### *Other Information*

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

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

*Wall, Smith, Bateman Inc.*

Wall, Smith, Bateman Inc.  
Alamosa, Colorado

May 26, 2017

**TOWN OF DEL NORTE**  
**BASIC FINANCIAL STATEMENTS**

**TOWN OF DEL NORTE**  
**STATEMENT OF NET POSITION**  
**December 31, 2016**

	Primary Government		TOTAL
	Governmental Activities	Business-Type Activities	
<b>ASSETS</b>			
<b>Current Assets</b>			
Cash and Cash Equivalents	\$ 2,156,011	\$ 1,656,505	\$ 3,812,516
Accounts Receivable	5,984	132,907	138,891
Due from Other Governments	96,189	-	96,189
Property Taxes Receivable	108,715	-	108,715
Inventories	-	73,727	73,727
Other Assets	555	-	555
<b>Total Current Assets</b>	<u>2,367,454</u>	<u>1,863,139</u>	<u>4,230,593</u>
<b>Capital Assets</b>			
Land and Land Improvements	498,356	-	498,356
Construction in Progress	102,855	186,060	288,915
Buildings and Improvements	1,013,230	-	1,013,230
Utility System	-	2,640,678	2,640,678
Infrastructure	338,830	1,120,794	1,459,624
Machinery and Equipment	586,897	462,312	1,049,209
Vehicles	341,489	-	341,489
Less: Accumulated Depreciation	(1,430,809)	(2,415,288)	(3,846,097)
<b>Total Capital Assets</b>	<u>1,450,848</u>	<u>1,994,556</u>	<u>3,445,404</u>
<b>TOTAL ASSETS</b>	<u>3,818,302</u>	<u>3,857,695</u>	<u>7,675,997</u>
<b>LIABILITIES</b>			
<b>Current Liabilities</b>			
Accounts Payable	4,162	33,789	37,951
CDPHE Settlement Payable	-	105,000	105,000
Notes Payable	-	45,188	45,188
Sales Tax Revenue Bonds	40,000	-	40,000
<b>Total Current Liabilities</b>	<u>44,162</u>	<u>183,977</u>	<u>228,139</u>
<b>Long-Term Liabilities</b>			
Compensated Absences	34,625	15,678	50,303
Notes Payable	-	506,466	506,466
Sales Tax Revenue Bonds	180,000	-	180,000
<b>Total Long-Term Liabilities</b>	<u>214,625</u>	<u>522,144</u>	<u>736,769</u>
<b>TOTAL LIABILITIES</b>	<u>258,787</u>	<u>706,121</u>	<u>964,908</u>
<b>DEFERRED INFLOWS OF RESOURCES - CURRENT</b>			
Unavailable Revenue - Property Tax	108,715	-	108,715
<b>NET POSITION</b>			
Net Investment in Capital Assets	1,230,848	1,442,902	2,673,750
Restricted for:			
TABOR	28,735	-	28,735
Debt Service	102,069	-	102,069
Unrestricted	2,089,148	1,708,672	3,797,820
<b>TOTAL NET POSITION</b>	<u>\$ 3,450,800</u>	<u>\$ 3,151,574</u>	<u>\$ 6,602,374</u>

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

**TOWN OF DEL NORTE**  
**STATEMENT OF ACTIVITIES**  
**For the Year Ended December 31, 2016**

Functions/Programs	Program Revenues				Net (Expense) Revenue and Changes in Net Position		
	Expenses	Charges for Services	Operating Grants & Contributions	Capital Grants & Contributions	Primary Government		
					Governmental Activities	Business-Type Activities	TOTAL
<b>Primary Government</b>							
<b>Governmental Activities</b>							
General Government	\$ 143,462	\$ 34,732	\$ -	\$ 1,660	\$ (107,070)	\$ -	\$ (107,070)
Public Safety	339,119	66,949	-	-	(272,170)	-	(272,170)
Highways and Streets	224,597	-	74,125	-	(150,472)	-	(150,472)
Health and Welfare	10,552	6,650	100	-	(3,802)	-	(3,802)
Culture and Recreation	13,106	-	18,162	-	5,056	-	5,056
Interest Expense	15,450	-	-	-	(15,450)	-	(15,450)
<b>Total Governmental Activities</b>	<b>746,286</b>	<b>108,331</b>	<b>92,387</b>	<b>1,660</b>	<b>(543,908)</b>	<b>-</b>	<b>(543,908)</b>
<b>Business-Type Activities</b>							
Water	367,349	414,211	-	33,402	-	80,264	80,264
Sewer	342,883	445,877	-	-	-	102,994	102,994
<b>Total Business-Type Activities</b>	<b>710,232</b>	<b>860,088</b>	<b>-</b>	<b>33,402</b>	<b>-</b>	<b>183,258</b>	<b>183,258</b>
<b>Total Primary Government</b>	<b>\$ 1,456,518</b>	<b>\$ 968,419</b>	<b>\$ 92,387</b>	<b>\$ 35,062</b>	<b>(543,908)</b>	<b>183,258</b>	<b>(360,650)</b>
<b>General Revenues:</b>							
Taxes:							
General Property Taxes - Net					109,037	-	109,037
Sales Taxes					640,638	-	640,638
Franchise Taxes					82,246	-	82,246
Other Taxes					16,473	-	16,473
Interest on Investments					6,634	14,616	21,250
Miscellaneous					4,617	-	4,617
Transfer to/from Other Funds					(37,601)	37,601	-
<b>Total General Revenues</b>					<b>822,044</b>	<b>52,217</b>	<b>874,261</b>
Change in Net Position					278,136	235,475	513,611
<b>Net Position - Beginning</b>					<b>3,172,664</b>	<b>2,916,099</b>	<b>6,088,763</b>
<b>Net Position - Ending</b>					<b>\$ 3,450,800</b>	<b>\$ 3,151,574</b>	<b>\$ 6,602,374</b>

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

**TOWN OF DEL NORTE**  
**GOVERNMENTAL FUNDS**  
**BALANCE SHEET**  
**December 31, 2016**

	<u>GENERAL FUND</u>	<u>CAPITAL IMPROVEMENT FUND</u>	<u>OTHER GOVERNMENTAL FUNDS</u>	<u>TOTAL GOVERNMENTAL FUNDS</u>
<b>ASSETS</b>				
Cash and Cash Equivalents	\$ 1,231,151	\$ 719,780	\$ 205,080	\$ 2,156,011
Accounts Receivable	5,984	-	-	5,984
Due from Other Governments	59,967	36,222	-	96,189
Property Taxes Receivable	108,715	-	-	108,715
Other Assets	-	-	555	555
<b>TOTAL ASSETS</b>	<u>\$ 1,405,817</u>	<u>\$ 756,002</u>	<u>\$ 205,635</u>	<u>\$ 2,367,454</u>
<b>LIABILITIES</b>				
Accounts Payable	\$ 4,162	\$ -	\$ -	\$ 4,162
<b>TOTAL LIABILITIES</b>	<u>4,162</u>	<u>-</u>	<u>-</u>	<u>4,162</u>
<b>DEFERRED INFLOWS OF RESOURCES</b>				
Unavailable Revenue - Property Tax	108,715	-	-	108,715
<b>FUND BALANCE</b>				
Restricted:				
TABOR	28,735	-	-	28,735
Debt Service	-	-	102,069	102,069
Assigned:				
Capital Improvements	-	756,002	-	756,002
Culture and Recreation	-	-	103,566	103,566
Unassigned	1,264,205	-	-	1,264,205
<b>TOTAL FUND BALANCE</b>	<u>1,292,940</u>	<u>756,002</u>	<u>205,635</u>	<u>2,254,577</u>
<b>TOTAL LIABILITIES, DEFERRED INFLOWS, OF RESOURCES AND FUND BALANCE</b>	<u>\$ 1,405,817</u>	<u>\$ 756,002</u>	<u>\$ 205,635</u>	<u>\$ 2,367,454</u>

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

**TOWN OF DEL NORTE**  
**RECONCILIATION OF TOTAL GOVERNMENTAL FUND BALANCES**  
**TO THE STATEMENT OF NET POSITION**  
**December 31, 2016**

<b>Total Governmental Fund Balances</b>	\$	2,254,577
Amounts reported for governmental activities in the statement of net position are different because:		
Capital assets used in governmental activities are not financial resources and therefore are not reported in the funds.		1,450,848
Long-term liabilities are not due and payable in the current period and therefore are not reported in the funds.		
Revenue Bonds	\$	(220,000)
Compensated Absences		(34,625)
		(254,625)
<b>Net Position of Governmental Activities</b>	<b>\$</b>	<b><u>3,450,800</u></b>

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

**TOWN OF DEL NORTE**  
**GOVERNMENTAL FUNDS**  
**STATEMENT OF REVENUES, EXPENDITURES,**  
**AND CHANGES IN FUND BALANCES**  
**For the Year Ended December 31, 2016**

	<b>GENERAL FUND</b>	<b>CAPITAL IMPROVEMENT FUND</b>	<b>OTHER GOVERNMENTAL FUNDS</b>	<b>TOTAL GOVERNMENTAL FUNDS</b>
<b>REVENUES</b>				
Taxes	\$ 553,587	\$ 244,357	\$ 50,450	\$ 848,394
Licenses and Permits	2,960	-	-	2,960
Intergovernmental Revenue	74,125	-	18,162	92,287
Charges for Services	31,548	-	-	31,548
Fines and Forfeits	66,949	-	-	66,949
Interest on Accounts	4,095	2,136	403	6,634
Miscellaneous Revenue	11,591	1,660	-	13,251
<b>TOTAL REVENUES</b>	<b>744,855</b>	<b>248,153</b>	<b>69,015</b>	<b>1,062,023</b>
<b>EXPENDITURES</b>				
General Government	127,492	-	-	127,492
Public Safety	319,992	-	-	319,992
Highways and Streets	140,138	8,832	-	148,970
Health and Welfare	4,964	-	-	4,964
Culture and Recreation	6,652	-	5,260	11,912
Debt Service	-	-	50,450	50,450
Capital Outlay	17,194	75,528	-	92,722
<b>TOTAL EXPENDITURES</b>	<b>616,432</b>	<b>84,360</b>	<b>55,710</b>	<b>756,502</b>
Excess (deficiency) of revenues over expenditures	128,423	163,793	13,305	305,521
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfer to (from) Other Funds	-	(37,601)	-	(37,601)
<b>TOTAL OTHER FINANCING SOURCES (USES)</b>	<b>-</b>	<b>(37,601)</b>	<b>-</b>	<b>(37,601)</b>
Change in Fund Balances	128,423	126,192	13,305	267,920
<b>Fund Balance at Beginning of Year</b>	<b>1,164,517</b>	<b>629,810</b>	<b>192,330</b>	<b>1,986,657</b>
<b>Fund Balance at End of Year</b>	<b>\$ 1,292,940</b>	<b>\$ 756,002</b>	<b>\$ 205,635</b>	<b>\$ 2,254,577</b>

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

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

**Net Changes in Fund Balances - Total Governmental Funds** \$ 267,920

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

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

Fixed asset additions	\$	65,676	
Depreciation expense		<u>(90,460)</u>	(24,784)

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

Revenue bond payment		<u>35,000</u>	
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<b>Change in Net Position of Governmental Activities</b>		<u><u>\$ 278,136</u></u>	
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**TOWN OF DEL NORTE**  
**PROPRIETARY FUNDS**  
**STATEMENT OF NET POSITION**  
**December 31, 2016**

	<u>WATER FUND</u>	<u>SEWER FUND</u>	<u>TOTAL</u>
<b>ASSETS</b>			
<b>Current Assets</b>			
Cash and Cash Equivalents	\$ 1,102,185	\$ 554,320	\$ 1,656,505
Accounts Receivable	52,018	80,889	132,907
Inventories	66,551	7,176	73,727
Total Current Assets	<u>1,220,754</u>	<u>642,385</u>	<u>1,863,139</u>
<b>Capital Assets</b>			
Construction in Progress	30,212	155,848	186,060
Utility System	1,591,204	1,049,474	2,640,678
Machinery and Equipment	326,427	135,885	462,312
Infrastructure	1,120,794	-	1,120,794
Less: Accumulated Depreciation	<u>(1,751,010)</u>	<u>(664,278)</u>	<u>(2,415,288)</u>
Total Capital Assets	<u>1,317,627</u>	<u>676,929</u>	<u>1,994,556</u>
<b>TOTAL ASSETS</b>	<u>2,538,381</u>	<u>1,319,314</u>	<u>3,857,695</u>
<b>LIABILITIES</b>			
<b>Current Liabilities</b>			
Accounts Payable	10,677	23,112	33,789
CDPHE Settlement Payable	-	105,000	105,000
Notes Payable	36,236	8,952	45,188
<b>Total Current Liabilities</b>	<u>46,913</u>	<u>137,064</u>	<u>183,977</u>
<b>Noncurrent Liabilities</b>			
Compensated Absences	8,328	7,350	15,678
Notes Payable	416,709	89,757	506,466
<b>Total Noncurrent Liabilities</b>	<u>425,037</u>	<u>97,107</u>	<u>522,144</u>
<b>TOTAL LIABILITIES</b>	<u>471,950</u>	<u>234,171</u>	<u>706,121</u>
<b>NET POSITION</b>			
Net Investment in Capital Assets	864,682	578,220	1,442,902
Unrestricted	1,201,749	506,923	1,708,672
<b>TOTAL NET POSITION</b>	<u>\$ 2,066,431</u>	<u>\$ 1,085,143</u>	<u>\$ 3,151,574</u>

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

**TOWN OF DEL NORTE**  
**PROPRIETARY FUNDS**  
**STATEMENT OF REVENUES, EXPENSES AND CHANGES IN NET POSITION**  
**For the Year Ended December 31, 2016**

	<u>WATER FUND</u>	<u>SEWER FUND</u>	<u>TOTAL</u>
<b>OPERATING REVENUES</b>			
Charges for Services			
Service Charges	\$ 413,625	\$ 445,877	\$ 859,502
Miscellaneous Revenue	586	-	586
<b>Total Operating Revenues</b>	<u>414,211</u>	<u>445,877</u>	<u>860,088</u>
<b>OPERATING EXPENSES</b>			
Salaries	94,395	82,693	177,088
Benefits	33,194	24,914	58,108
Supplies	18,747	8,042	26,789
Engineering Services	45,798	29,995	75,793
Utilities, Gas and Oil	46,740	29,580	76,320
Equipment Repairs & Maintenance	8,634	2,455	11,089
Insurance and Bonds	15,781	14,362	30,143
Administration - Police Department	18,933	-	18,933
Miscellaneous	1,554	1,720	3,274
Depreciation	83,573	38,760	122,333
<b>Total Operating Expenses</b>	<u>367,349</u>	<u>232,521</u>	<u>599,870</u>
Operating Income (Loss)	<u>46,862</u>	<u>213,356</u>	<u>260,218</u>
<b>NONOPERATING REVENUES (EXPENSES)</b>			
Interest on Accounts	13,157	1,459	14,616
State Grant	-	33,402	33,402
CDPHE Settlement	-	(105,000)	(105,000)
Interest Expense	-	(5,362)	(5,362)
<b>Total Nonoperating Revenues (Expenses)</b>	<u>13,157</u>	<u>(75,501)</u>	<u>(62,344)</u>
Income (loss) before capital contribution	60,019	137,855	197,874
Capital Contribution	<u>37,601</u>	<u>-</u>	<u>37,601</u>
Net Income (Loss)	97,620	137,855	235,475
<b>Net Position at Beginning of Year</b>	<u>1,968,811</u>	<u>947,288</u>	<u>2,916,099</u>
<b>Net Position at End of Year</b>	<u>\$ 2,066,431</u>	<u>\$ 1,085,143</u>	<u>\$ 3,151,574</u>

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

**TOWN OF DEL NORTE**  
**PROPRIETARY FUNDS**  
**STATEMENT OF CASH FLOWS**  
**For the Year Ended December 31, 2016**

	<u>WATER FUND</u>	<u>SEWER FUND</u>	<u>TOTAL</u>
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>			
Cash Received from Customers	\$ 413,640	\$ 415,726	\$ 829,366
Cash Payments to Suppliers for Goods and Services	(149,519)	(62,846)	(212,365)
Cash Payments to Employees	(94,395)	(82,693)	(177,088)
Cash Payments for Employee Benefits and Taxes	(33,194)	(24,914)	(58,108)
<b>NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES</b>	<u>136,532</u>	<u>245,273</u>	<u>381,805</u>
<b>CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES</b>	<u>-</u>	<u>-</u>	<u>-</u>
<b>CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES</b>			
Purchase of Fixed Assets	(30,212)	(155,848)	(186,060)
Grant Proceeds	-	33,402	33,402
Interest Paid on Notes and Bonds	-	(5,362)	(5,362)
Principal Paid on Notes and Bonds	(36,236)	(8,525)	(44,761)
<b>NET CASH PROVIDED (USED) FOR CAPITAL AND RELATED FINANCING ACTIVITIES</b>	<u>(66,448)</u>	<u>(136,333)</u>	<u>(202,781)</u>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>			
Interest Income	13,157	1,459	14,616
<b>NET CASH PROVIDED (USED) BY INVESTING ACTIVITIES</b>	<u>13,157</u>	<u>1,459</u>	<u>14,616</u>
<b>NET INCREASE IN CASH AND CASH EQUIVALENTS</b>	83,241	110,399	193,640
<b>CASH AND CASH EQUIVALENTS, BEGINNING OF YEAR</b>	<u>1,018,944</u>	<u>443,921</u>	<u>1,462,865</u>
<b>CASH AND CASH EQUIVALENTS, END OF YEAR</b>	<u>\$ 1,102,185</u>	<u>\$ 554,320</u>	<u>\$ 1,656,505</u>
<b>OPERATING INCOME (LOSS)</b>	\$ 46,862	\$ 213,356	\$ 260,218
<b>Adjustments to Reconcile Operating Income to Net Cash Provided by Operating Activities</b>			
Depreciation Expense	83,573	38,760	122,333
Change in Assets and Liabilities			
(Increase) Decrease in Accounts Receivable	(571)	(30,151)	(30,722)
Increase (Decrease) in Accounts Payable	6,668	23,308	29,976
<b>NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES</b>	<u>\$ 136,532</u>	<u>\$ 245,273</u>	<u>\$ 381,805</u>

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

**TOWN OF DEL NORTE**  
**NOTES TO THE BASIC FINANCIAL STATEMENTS**  
**December 31, 2016**

**NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

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

**REPORTING ENTITY**

***Primary Government***

The Town of Del Norte was originally incorporated on December 14, 1873, and became a statutory Town under State Statute (CRS 31-1-101) on July 3, 1877. The Town operates under a Town Council form of government and provides the following services as authorized by its charter: public safety (police), highways and streets, sanitation, insect control, culture and recreation, planning and zoning, water and sewer systems, and general administrative services.

***Component Units***

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

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

Based on the aforementioned criteria, the Town does not have any component units.

**GOVERNMENT-WIDE AND FUND FINANCIAL STATEMENTS**

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

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

- Charges to customers or applicants who purchase, use, or directly benefit from services, or privileges provided by a given function or segment and

**TOWN OF DEL NORTE**  
**NOTES TO THE BASIC FINANCIAL STATEMENTS**  
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- Grants and contributions that are restricted to meeting the operational or capital requirements of a particular function or segment. Taxes and other items not properly included in program revenues are reported as general revenues.

Separate financial statements are provided for governmental funds, proprietary funds, and fiduciary funds, even though the fiduciary funds are excluded from the government-wide financial statements. The emphasis of fund financial statements is on major governmental funds and enterprise funds, each reported as a separate column. All remaining governmental funds are aggregated and reported as nonmajor funds.

**MEASUREMENT FOCUS, BASIS OF ACCOUNTING, AND FINANCIAL STATEMENT PRESENTATION**

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

Governmental fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Revenues are recognized as soon as they are both measurable and available. Revenues are considered available when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the Town considers revenues to be available if they are collected within 60 days of the end of the current fiscal period. Expenditures are generally recorded when a liability is incurred, as under accrual accounting. However, debt service expenditures, as well as expenditures related to compensated absences and claims and judgments, are recorded only when payment is due.

Sales and use taxes, other taxes, charges for services, intergovernmental revenues, and interest are all considered to be susceptible to accrual and so have been recognized as revenues of the current fiscal period. Only the portion of special assessments receivable due within the current fiscal period is considered to be susceptible to accrual as revenue of the current period. All other revenue items are considered to be measurable and available only when cash is received by the Town.

The Town reports the following major governmental funds:

- The **General Fund** is the general operating fund of the Town. It accounts for all financial resources of the general government, except those required to be accounted for in another fund.
- The **Capital Improvement Fund** is used for the aggregation of monies for future capital purchases. Sources of revenue are derived from transfers from other funds and sales taxes assigned for capital improvements.

The Town reports the following major enterprise funds:

- The **Water Fund** is used to account for user charges and expenses for operating, financing, and maintaining the Town's water system.
- The **Sewer Fund** is used to account for user charges and expenses for operating, financing, and maintaining the Town's sewer system.

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. All revenues and expenses not meeting this definition are reported as nonoperating revenues and expenses.

**TOWN OF DEL NORTE**  
**NOTES TO THE BASIC FINANCIAL STATEMENTS**  
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Certain eliminations have been made as prescribed by GASB Statement No. 34 in regards to interfund activities, payables, and receivables. All internal balances in the Statement of Net Position have been eliminated except those representing balances between the governmental activities and the business-type activities, which are presented as internal balances and eliminated in the total primary government column.

**ASSETS, LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND NET POSITION/FUND BALANCE**

***Cash and Investments***

The Town's cash and cash equivalents are considered to be cash in bank, certificates of deposit, and liquid investments with a maturity of three months or less from the date of acquisition. All investments, if any, are recorded at fair market value.

***Property Taxes***

Property taxes attach as an enforceable lien on property as of January 1 each year. The taxes are payable in two installments on February 28 and June 15 or in full on April 30. The Town's property taxes are collected by the County Treasurer who remits monthly receipts to the Town. Property tax revenue is recognized by the Town to the extent it results in a current receivable.

The 2016 property tax levy due January 1, 2017, has been recorded in the financial statements as a receivable and corresponding deferred inflows of resources in the financial statements.

***Inventory***

Inventories held by all funds, except the Water and Sewer Funds, have been recorded as expenditures at the time of purchase. Water and Sewer Fund inventories are stated at the lower of cost or market value.

***Capital Assets***

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

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

Assets	Years
Buildings and Improvements	5-50
Equipment	3-15
Infrastructure	10-20
Vehicles	5-10

Infrastructure assets include roads, bridges, underground pipe (other than related to utilities), traffic signals, etc. These infrastructure assets are likely to be the largest asset class of the Town.

***Compensated Absences***

The Town employees may earn and accumulate unused vacation and overtime benefits. All vacation and overtime pay is accrued when incurred in the government-wide financial statements. A liability is reported in governmental funds only if they have matured, for example as a result of employee resignations or retirements.

**TOWN OF DEL NORTE**  
**NOTES TO THE BASIC FINANCIAL STATEMENTS**  
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***Long-Term Obligations***

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

***Unearned Revenue***

Revenues on grants, which are restricted by the grant document for specific purposes, are recognized as revenue only after eligible grant costs have been incurred. Grant funds received in excess of grant expenditures are recorded as unearned revenues.

***Deferred Inflows of Resources***

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

***Interest Capitalization***

Interest costs are capitalized when incurred by proprietary funds and similar component units on debt where proceeds were used to finance the construction of assets. Interest earned on proceeds of tax-exempt borrowing arrangements restricted to the acquisition of qualifying assets is offset against interest costs in determining the amount to be capitalized. No interest was capitalized in the current period.

***Encumbrances***

The Town records purchase orders in the accounting system upon approval of administration. End of the year fund balance intended to be used in the succeeding year is reported as designated fund balance.

***Net Position***

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

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

**TOWN OF DEL NORTE**  
**NOTES TO THE BASIC FINANCIAL STATEMENTS**  
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***Fund Balance***

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

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

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

***Use of Estimates***

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

**NOTE 2 STEWARDSHIP, COMPLIANCE, AND ACCOUNTABILITY**

***Budgets and Budgetary Accounting***

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

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

**TOWN OF DEL NORTE**  
**NOTES TO THE BASIC FINANCIAL STATEMENTS**  
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Formal budgetary integration is employed as a management control device for all funds of the Town. All fund budgets are adopted on a basis consistent with U.S. generally accepted accounting principles (GAAP), except for the Water and Sewer funds.

The total expenditures for each fund cannot exceed the budgeted amount unless a supplemental appropriation is adopted. The Town did not adopt supplemental appropriations during 2016. All budget amounts presented in the accompanying supplementary information reflect the original budget and the final amended budget.

**NOTE 3 CASH, DEPOSITS, AND INVESTMENTS**

At December 31, 2016 cash, deposits, and investments consisted of the following:

Cash on Hand	\$	360
Cash in Banks		2,669,878
Investment in ColoTrust		1,142,278
		\$ 3,812,516

**CASH AND DEPOSITS**

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

The Colorado Public Deposit Protection Act (PDPA) requires that all units of local government deposit cash in eligible public depositories determined by state regulators. Amounts on deposit in excess of federal insurance levels must be collateralized in accordance with the PDPA. PDPA allows the institution to create a single collateral pool for all public funds to be maintained by another institution or held in trust for all the uninsured public deposits as a group. The market value of the collateral must be at least 102% of the aggregate uninsured deposits. All deposits in 2016 were in eligible public depositories, as defined by the Public Deposit Protection Act of 1989.

***Custodial Credit Risk – Deposits***

Custodial credit risk is the risk that in the event of a bank failure, the Town's deposits may not be returned to it. At December 31, 2016, \$1,975,631 was exposed to custodial credit risk. Deposits exposed to credit risk are collateralized with securities held by the pledging financial institutions through PDPA.

**INVESTMENTS**

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

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

**TOWN OF DEL NORTE**  
**NOTES TO THE BASIC FINANCIAL STATEMENTS**  
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***Credit Risk***

The Town's investment policy calls for investment diversification within the portfolio to avoid unreasonable risks inherent in over investing in specific instruments, individual financial institutions, or maturities. The Town's investment policy allows for the Town to invest in local government investment pools. As of December 31, 2016, the local government investment pool (COLOTRUST) in which the Town had invested, was rated AAAM by Standard and Poor's.

***Interest Rate Risk***

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

The Colorado Government Liquid Asset Trust (COLOTRUST) is an investment vehicle established for local government entities in Colorado pursuant to Part 7 of Article 75 of Title 24 of the Colorado Revised Statutes, to pool surplus funds for investment purposes. COLOTRUST operates similarly to a money market fund and each share is equal in value to \$1.00. The fair value of the position in the pool is the same as the value of the pool investment and withdrawal functions. Substantially all securities owned by the pool are held by the Federal Reserve Bank in the account maintained for the custodial bank. The custodian's internal records identify the investments owned by the pool. Investments of the pool consist of U.S. Treasury bills, notes, and note strips and repurchase agreements collateralized by U.S. Treasury Notes.

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

**NOTE 4 DUE FROM OTHER GOVERNMENTS**

Intergovernmental receivables include amounts due from grantors for specific program grants. Program grants are recorded as receivables and revenues at the time reimbursable project costs are incurred.

As of December 31, 2016, the Town had \$96,189 due from Federal, State, and Local governments, reflected as intergovernmental receivables in the accompanying basic financial statements.

**TOWN OF DEL NORTE**  
**NOTES TO THE BASIC FINANCIAL STATEMENTS**  
**December 31, 2016**

**NOTE 5 CAPITAL ASSETS**

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

	Balance 12/31/2015	Additions	Deletions	Balance 12/31/2016
<i>Governmental Activities</i>				
Capital assets not being depreciated				
Land and Land Improvements	\$ 498,356	\$ -	\$ -	\$ 498,356
Construction In Progress	102,855	-	-	102,855
Total capital assets not being depreciated	<u>601,211</u>	<u>-</u>	<u>-</u>	<u>601,211</u>
Capital assets being depreciated				
Buildings and Improvements	1,004,272	13,958	5,000	1,013,230
Infrastructure	300,174	38,656	-	338,830
Machinery and Equipment	579,836	7,061	-	586,897
Vehicles	335,489	6,000	-	341,489
Total capital assets being depreciated	<u>2,219,771</u>	<u>65,675</u>	<u>5,000</u>	<u>2,280,446</u>
Less accumulated depreciation for:				
Buildings and Improvements	420,088	25,156	5,000	440,244
Infrastructure	152,435	28,906	-	181,341
Machinery and Equipment	451,133	33,499	-	484,632
Vehicles	321,694	2,898	-	324,592
Total accumulated depreciation	<u>1,345,350</u>	<u>90,459</u>	<u>5,000</u>	<u>1,430,809</u>
Total capital assets being depreciated, net	<u>874,421</u>	<u>(24,784)</u>	<u>-</u>	<u>849,637</u>
Governmental Activities Capital Assets, Net	<u>\$ 1,475,632</u>	<u>\$ (24,784)</u>	<u>\$ -</u>	<u>\$ 1,450,848</u>
<i>Business-type Activities</i>				
Property, Plant and Equipment	\$ 4,186,183	\$ 223,661	\$ -	\$ 4,409,844
Accumulated Depreciation	<u>(2,292,955)</u>	<u>(122,333)</u>	<u>-</u>	<u>(2,415,288)</u>
Business-type Capital Assets, Net	<u>\$ 1,893,228</u>	<u>\$ 101,328</u>	<u>\$ -</u>	<u>\$ 1,994,556</u>

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

<i>Governmental Activities</i>	
General Government	\$ 15,718
Public Safety	3,892
Highways and Streets	64,067
Health and Welfare	5,588
Culture and Recreation	1,194
Total depreciation expense – governmental activities	<u>\$ 90,459</u>
<i>Business-type Activities</i>	
Water Services	\$ 83,573
Sewer Services	38,760
Total depreciation expense – business-type activities	<u>\$ 122,333</u>

**TOWN OF DEL NORTE**  
**NOTES TO THE BASIC FINANCIAL STATEMENTS**  
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**NOTE 6 INTERFUND TRANSFERS**

During 2016, the Capital Improvement Fund purchased water telemetry equipment for use by the Water Fund.

Transfer In	Transfer Out	Amount
Water Fund	Conservation Trust Fund	37,601

**NOTE 7 LONG-TERM LIABILITIES**

***Changes in Long-term Liabilities***

	Balance 12/31/2015	Additions	Deletions	Balance 12/31/2016	Due Within One Year
<i>Governmental Activities</i>					
2001 Sales Tax Revenue Bonds	\$ 255,000	\$ -	\$ 35,000	\$ 220,000	\$ 40,000
Compensated Absences	34,625	-	-	34,625	-
<b>Governmental Activities Total</b>	<b>\$ 289,625</b>	<b>\$ -</b>	<b>\$ 35,000</b>	<b>\$ 254,625</b>	<b>\$ 40,000</b>
<i>Business-type Activities</i>					
Notes Payable					
DOLA Loan	\$ 107,234	\$ -	\$ 8,525	\$ 98,709	\$ 8,952
CWRPDA Loan	489,181	-	36,236	452,945	36,236
Compensated Absences	15,678	-	-	15,678	-
<b>Business-type Activities Total</b>	<b>\$ 612,093</b>	<b>\$ -</b>	<b>\$ 44,761</b>	<b>\$ 551,654</b>	<b>\$ 45,188</b>

***Governmental Activities***

***Sales Tax Revenue Bonds –2001***

The sales tax revenue bonds series 2001, dated April 15, 2001, were issued in the amount of \$570,000. Bonds are due in varying principal amounts through October 2021. Interest is paid semi-annually at rates varying from 5.25% to 6.00%. Principal and interest payments are to be paid from Town sales tax revenue deposited in the Debt Service Fund. Proceeds were used for the constructing and improving of a storm drainage system.

The annual debt service for the 2001 bonds is as follows:

	Principal October 15	Interest April 15	Interest October 15	Total
2017	\$ 40,000	\$ 6,600	\$ 6,600	\$ 53,200
2018	40,000	5,400	5,400	50,800
2019	45,000	4,200	4,200	53,400
2020	45,000	2,850	2,850	50,700
2021	50,000	1,500	1,500	53,000
	<b>\$ 220,000</b>	<b>\$ 20,550</b>	<b>\$ 20,550</b>	<b>\$ 261,100</b>

**TOWN OF DEL NORTE**  
**NOTES TO THE BASIC FINANCIAL STATEMENTS**  
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***Business-type Activities***

*Notes Payable*

The Sewer Fund has a note payable to the State of Colorado Department of Local Affairs as a part of the Energy and Mineral Impact Grant for the Del Norte Wastewater Plant Improvements, with an interest rate of 5.0%, and payable in annual payments of \$13,887. The final payment is due in 2025.

The annual debt service for the note payable is as follows:

	Principal	Interest	Total
2017	\$ 8,952	\$ 4,935	\$ 13,887
2018	9,399	4,488	13,887
2019	9,869	4,018	13,887
2020	10,363	3,524	13,887
2021	10,881	3,006	13,887
2022-2025	49,245	6,305	55,550
	\$ 98,709	\$ 26,276	\$ 124,985

On December 31, 2009, the Colorado Water Resources and Power Development Authority loaned the Town \$934,000 at an interest rate of 0.0% annually. This loan was obtained for installation of water meters and replacing service lines. During 2011, the project was completed and the Town had not drawn down the full balance of the loan. The principal balance was adjusted by the Colorado Water Resources and Power Development Authority to \$745,642, the amount of total draws. The note is to be repaid in semi-annual installments of \$18,118 for a period of 20 years. The initial payment was due November 1, 2009, and the final payment is due May 1, 2029. The loan is secured with "net revenue" from the water enterprise fund pledged to repay the loan.

The annual debt service for the note payable is as follows:

	Principal	Interest	Total
2017	\$ 36,236	\$ -	\$ 36,236
2018	36,236	-	36,236
2019	36,236	-	36,236
2020	36,236	-	36,236
2021	36,236	-	36,236
2022-2026	181,179	-	181,179
2027-2029	90,586	-	90,586
	\$ 452,945	\$ -	\$ 452,945

On February 10, 2016, the Town entered into a loan with the United States Department of Agriculture (USDA), in the amount of \$4,479,000 with an interest rate of 0.0% annually to complete the wastewater capital improvement project. As of December 31, 2016 the Town had not drawn on this loan.

**TOWN OF DEL NORTE**  
**NOTES TO THE BASIC FINANCIAL STATEMENTS**  
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**NOTE 8 DEFINED CONTRIBUTION PENSION PLANS**

***Profit-Sharing Plan***

The Town contributes to the Town of Del Norte Profit Sharing Plan (the Plan), a defined contribution plan for all employees, except sworn police officers. The Plan is administered by the Town of Del Norte and investment funds are managed by Pension Management Associates, Inc. The Plan permits participant self-direction on all accounts. The Plan is a tax qualified plan under Section 401(a) of the Internal Revenue Code and all contributions by or on behalf of employees are tax deferred until time of withdrawal.

Benefit terms, including contribution requirements, for the Plan are established and may be amended by the Town Board of Trustees. For each employee in the pension plan, the Town is required to contribute three percent of compensation to an individual employee account. Employees are not permitted to make contributions to the Plan. For the year ended December 31, 2016, the Town recognized pension expense of \$13,731.

Employees become vested in Town contributions and earnings beginning in year two of a seven year vesting schedule. Plan benefits depend solely on amounts contributed to the plan plus investment earnings, less administrative expenses. Nonvested Town contributions are forfeited upon termination of employment. Such forfeitures are used to cover a portion of the pension plan's administrative expenses. For the year ended December 31, 2016, forfeitures reduced the Town's pension expense by \$0.

***Police Money Purchase Pension Plan***

The Town contributes to the Town of Del Norte Police Department Money Purchase Plan (the Plan), a defined contribution plan for all sworn police officers of the Town. The Plan is administered by the Town of Del Norte and investment funds are managed by Pension Management Associates, Inc. The Plan permits participant self-direction on all accounts. The Plan is a tax qualified plan under Section 401(a) of the Internal Revenue Code and all contributions by or on behalf of employees are tax deferred until time of withdrawal.

Benefit terms, including contribution requirements, for the Plan are established and may be amended by the Town Board of Trustees. For each employee in the pension plan, the Town is required to contribute eight percent of compensation to an individual employee account. Employees are required to contribute eight percent of compensation to the Plan. For the year ended December 31, 2016, employee contributions totaled \$10,126 and the Town recognized pension expense of \$10,126.

Employees are immediately vested in their own contributions and earnings on those contributions and become vested in Town contributions and earnings beginning in year two of a seven year vesting schedule. Plan benefits depend solely on amounts contributed to the plan plus investment earnings, less administrative expenses. Nonvested Town contributions are forfeited upon termination of employment. Such forfeitures are used to cover a portion of the pension plan's administrative expenses. For the year ended December 31, 2016, forfeitures reduced the Town's pension expense by \$4,950.

**NOTE 9 DEFERRED COMPENSATION PLAN**

The Town offers its employees a deferred compensation plan created in accordance with Internal Revenue Code Section 457. The Plan is administered by the Town of Del Norte and investment funds are managed by Security Benefit, Inc. The plan, available to all Town employees, upon hire, permits them to defer a portion of their salary until future years. During the year ended December 31, 2016, the employees contributed \$3,600. The deferred compensation is not available to employees until termination, retirement, death, or unforeseeable emergencies.

The Authority has no other liability other than to make the required monthly contribution.

**TOWN OF DEL NORTE**  
**NOTES TO THE BASIC FINANCIAL STATEMENTS**  
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**NOTE 10 TABOR EMERGENCY RESERVE**

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

On April 4, 2000, the voters of Del Norte passed a ballot issue to permit the Town of Del Norte "in 1999 and each subsequent year thereafter, to retain and spend Town revenues in excess of the spending, revenue raising, or other limits in Article X, Section 20, of the Colorado constitution, utilizing such revenues for public safety, municipal services, transportation and other public improvements, parks and recreational facilities, and any other lawful purpose as voter-approved revenue change".

The amendment also requires that emergency reserves be established. These reserves must be at least 3 percent of fiscal year spending in 1995 and thereafter. This emergency reserve has been presented as a restricted fund balance in General Fund and restricted net position in the government-wide financial statements. The entity is not allowed to use the emergency reserves to compensate for economic conditions, revenue shortfalls, or salary or benefit increases.

**NOTE 11 COMMITMENTS AND CONTINGENCIES**

***Grant Programs***

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

***CDPHE Settlement***

On September 17, 2015 the Town was issued a letter reporting the findings of a sanitary survey of its wastewater collection system conducted on August 18, 2015. During the survey two "significant deficiencies" were documented. The Town was assessed a penalty by the Colorado Department of Public Health and Environment in the amount of \$105,000. This amount has been recorded as accounts payable and will be paid during 2017.

***Construction Projects***

On March 9, 2016 the Town entered into a grant agreement with the State of Colorado Department of Local Affairs for \$2,000,000, a USDA loan of \$4,475,000, and USDA Grant for \$2,792,796 for the purpose of improving the Town's wastewater collection system. The Town has spent \$155,848 as of December 31, 2016 towards the project and is expecting to finish in 2018 with a total cost of \$9,271,796.

**TOWN OF DEL NORTE**  
**REQUIRED SUPPLEMENTARY INFORMATION**

**TOWN OF DEL NORTE**  
**SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN**  
**FUND BALANCE - BUDGET AND ACTUAL**  
**GENERAL FUND**  
**For the Year Ended December 31, 2016**

	<b>BUDGETED AMOUNTS</b>		<b>ACTUAL</b>	<b>VARIANCE WITH</b>
	<b>ORIGINAL</b>	<b>FINAL</b>		<b>FINAL BUDGET</b>
<b>REVENUES</b>				<b>POSITIVE</b>
				<b>(NEGATIVE)</b>
Taxes	\$ 494,341	\$ 494,341	\$ 553,587	\$ 59,246
Licenses and Permits	2,500	2,500	2,960	460
Intergovernmental Revenue				
Highway Users Tax	56,103	56,103	58,811	2,708
Additional Motor Vehicle Fees	7,000	7,000	7,103	103
County Road and Bridge Fund	7,800	7,800	8,211	411
Charges for Services	30,295	30,295	31,548	1,253
Fines and Forfeits	84,500	84,500	66,949	(17,551)
Interest on Accounts	1,050	1,050	4,095	3,045
Miscellaneous Revenue	8,390	8,390	11,591	3,201
<b>TOTAL REVENUE</b>	<b>691,979</b>	<b>691,979</b>	<b>744,855</b>	<b>52,876</b>
<b>EXPENDITURES</b>				
General Government	139,138	139,138	127,492	11,646
Public Safety	374,868	374,868	319,992	54,876
Highways and Streets	154,754	154,754	140,138	14,616
Health and Welfare	6,300	6,300	4,964	1,336
Culture and Recreation	11,419	11,419	6,652	4,767
Capital Outlay	5,500	5,500	17,194	(11,694)
<b>TOTAL EXPENDITURES</b>	<b>691,979</b>	<b>691,979</b>	<b>616,432</b>	<b>75,547</b>
Change in Fund Balance	-	-	128,423	(22,671)
<b>Fund Balance at Beginning of Year</b>	<b>1,104,087</b>	<b>1,104,087</b>	<b>1,164,517</b>	<b>60,430</b>
<b>Fund Balance at End of Year</b>	<b>\$ 1,104,087</b>	<b>\$ 1,104,087</b>	<b>\$ 1,292,940</b>	<b>\$ 37,759</b>

**Notes to Required Supplementary Information**

The basis of budgeting is the same as GAAP.

This schedule is presented on the GAAP basis.

# **TOWN OF DEL NORTE**

## **OTHER SUPPLEMENTARY INFORMATION**

The combining financial statements represent the second level of financial reporting for the Town. These financial statements present more detailed information for the individual funds in a format that segregates information by fund type.

**TOWN OF DEL NORTE  
NONMAJOR GOVERNMENTAL FUNDS**

**SPECIAL REVENUE FUNDS**

Special Revenue Funds are used to account for specific revenues that are legally restricted to be expended for particular purposes.

**Conservation Trust Fund** – This fund is used to account for the Town’s share of the state lottery program. The monies may be expended only for the acquisition, development, and maintenance of parks, and other public recreational facilities.

**DEBT SERVICE FUND**

Debt service funds are used to account for the accumulation of resources for, and payment of, general long-term debt principal and interest.

**Debt Service Fund** – This fund is used to make payments on the Town’s sales tax revenue bonds. Revenue is from taxes collected by the Town for this specific purpose.

**TOWN OF DEL NORTE**  
**NONMAJOR GOVERNMENTAL FUNDS**  
**COMBINING BALANCE SHEET**  
**December 31, 2016**

	<b>Special Revenue Fund</b>		
	<b>CONSERVATION TRUST FUND</b>	<b>DEBT SERVICE FUND</b>	<b>TOTAL NONMAJOR GOVERNMENTAL</b>
<b>ASSETS</b>			
Cash and Cash Equivalents	\$ 103,011	\$ 102,069	\$ 205,080
Other Assets	555	-	555
<b>TOTAL ASSETS</b>	<b>\$ 103,566</b>	<b>\$ 102,069</b>	<b>\$ 205,635</b>
<b>LIABILITIES AND FUND BALANCE</b>			
<b>LIABILITIES</b>	\$ -	\$ -	\$ -
<b>TOTAL LIABILITIES</b>	-	-	-
<b>FUND BALANCE</b>			
Restricted for:			
Debt Service	-	102,069	102,069
Assigned:			
Culture and Recreation	103,566	-	103,566
<b>TOTAL FUND BALANCE</b>	<b>103,566</b>	<b>102,069</b>	<b>205,635</b>
<b>TOTAL LIABILITIES AND FUND BALANCE</b>	<b>\$ 103,566</b>	<b>\$ 102,069</b>	<b>\$ 205,635</b>

**TOWN OF DEL NORTE  
NONMAJOR GOVERNMENTAL FUNDS  
COMBINING SCHEDULE OF REVENUES, EXPENDITURES,  
AND CHANGES IN FUND BALANCES  
For the Year Ended December 31, 2016**

	<u>Special Revenue Fund</u>		
	<u>CONSERVATION TRUST FUND</u>	<u>DEBT SERVICE FUND</u>	<u>TOTAL NONMAJOR GOVERNMENTAL</u>
<b>REVENUES</b>			
Taxes	\$ -	\$ 50,450	\$ 50,450
Intergovernmental Revenue	18,162	-	18,162
Interest on Accounts	403	-	403
<b>TOTAL REVENUES</b>	<u>18,565</u>	<u>50,450</u>	<u>69,015</u>
<b>EXPENDITURES</b>			
Culture and Recreation	5,260	-	5,260
Debt Service	-	50,450	50,450
<b>TOTAL EXPENDITURES</b>	<u>5,260</u>	<u>50,450</u>	<u>55,710</u>
Change in Fund Balances	13,305	-	13,305
<b>Fund Balance at Beginning of Year</b>	<u>90,261</u>	<u>102,069</u>	<u>192,330</u>
<b>Fund Balance at End of Year</b>	<u>\$ 103,566</u>	<u>\$ 102,069</u>	<u>\$ 205,635</u>

**TOWN OF DEL NORTE**  
**SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN**  
**FUND BALANCE - BUDGET AND ACTUAL**  
**CAPITAL IMPROVEMENT FUND**  
**For the Year Ended December 31, 2016**

	BUDGETED AMOUNTS		ACTUAL	VARIANCE WITH FINAL BUDGET POSITIVE (NEGATIVE)
	ORIGINAL	FINAL		
<b>REVENUES</b>				
Taxes	\$ 225,700	\$ 225,700	244,357	\$ 18,657
Interest on Accounts	860	860	2,136	1,276
Miscellaneous Revenue	-	-	1,660	1,660
<b>TOTAL REVENUES</b>	<u>226,560</u>	<u>226,560</u>	<u>248,153</u>	<u>21,593</u>
<b>EXPENDITURES</b>				
Highways and Streets	8,575	8,575	8,832	(257)
Capital Outlay	180,793	180,793	75,528	105,265
<b>TOTAL EXPENDITURES</b>	<u>189,368</u>	<u>189,368</u>	<u>84,360</u>	<u>105,008</u>
Excess (deficiency) of revenues over expenditures	<u>37,192</u>	<u>37,192</u>	<u>163,793</u>	<u>126,601</u>
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfer to Water Fund	-	-	(37,601)	(37,601)
Lease Payments	(37,192)	(37,192)	-	37,192
<b>TOTAL OTHER FINANCING SOURCES (USES)</b>	<u>(37,192)</u>	<u>(37,192)</u>	<u>(37,601)</u>	<u>(409)</u>
Change in Fund Balance	-	-	126,192	126,192
<b>Fund Balance at Beginning of Year</b>	<u>616,233</u>	<u>616,233</u>	<u>629,810</u>	<u>13,577</u>
<b>Fund Balance at End of Year</b>	<u>\$ 616,233</u>	<u>\$ 616,233</u>	<u>\$ 756,002</u>	<u>\$ 139,769</u>

**TOWN OF DEL NORTE**  
**SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN**  
**FUND BALANCE - BUDGET AND ACTUAL**  
**CONSERVATION TRUST FUND**  
**For the Year Ended December 31, 2016**

	BUDGETED AMOUNTS		ACTUAL	VARIANCE WITH
	ORIGINAL	FINAL		FINAL BUDGET
				POSITIVE (NEGATIVE)
<b>REVENUES</b>				
Intergovernmental Revenue				
Lottery Proceeds	\$ 16,500	\$ 16,500	\$ 18,162	\$ 1,662
Interest on Accounts	95	95	403	308
<b>TOTAL REVENUES</b>	<u>16,595</u>	<u>16,595</u>	<u>18,565</u>	<u>1,970</u>
<b>EXPENDITURES</b>				
Culture and Recreation	16,595	16,595	5,260	11,335
Capital Outlay	4,250	4,250	-	4,250
<b>TOTAL EXPENDITURES</b>	<u>20,845</u>	<u>20,845</u>	<u>5,260</u>	<u>15,585</u>
Change in Fund Balance	(4,250)	(4,250)	13,305	(13,615)
<b>Fund Balance at Beginning of Year</b>	<u>88,982</u>	<u>88,982</u>	<u>90,261</u>	<u>1,279</u>
<b>Fund Balance at End of Year</b>	<u>\$ 84,732</u>	<u>\$ 84,732</u>	<u>\$ 103,566</u>	<u>\$ 18,834</u>

**TOWN OF DEL NORTE**  
**SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN**  
**FUND BALANCE - BUDGET AND ACTUAL**  
**DEBT SERVICE FUND**  
**For the Year Ended December 31, 2016**

	<b>BUDGETED AMOUNTS</b>		<b>ACTUAL</b>	<b>VARIANCE WITH FINAL BUDGET POSITIVE (NEGATIVE)</b>
	<b>ORIGINAL</b>	<b>FINAL</b>		
<b>REVENUES</b>				
Sales Tax	\$ 50,450	\$ 50,450	\$ 50,450	\$ -
<b>TOTAL REVENUES</b>	<u>50,450</u>	<u>50,450</u>	<u>50,450</u>	<u>-</u>
<b>EXPENDITURES</b>				
Debt Service				
Debt Service Principal	35,000	35,000	35,000	-
Debt Service Interest	15,300	15,300	15,300	-
Trustee Fees	150	150	150	-
Total Debt Service	<u>50,450</u>	<u>50,450</u>	<u>50,450</u>	<u>-</u>
<b>TOTAL EXPENDITURES</b>	<u>50,450</u>	<u>50,450</u>	<u>50,450</u>	<u>-</u>
Change in Fund Balance	-	-	-	-
<b>Fund Balance at Beginning of Year</b>	-	-	102,069	102,069
<b>Fund Balance at End of Year</b>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 102,069</u>	<u>\$ 102,069</u>

**TOWN OF DEL NORTE**  
**SCHEDULE OF REVENUES, EXPENSES, AND CHANGES IN**  
**NET POSITION - BUDGET AND ACTUAL (NON-GAAP)**  
**WATER FUND**  
**For the Year Ended December 31, 2016**

	<b>BUDGETED AMOUNTS</b>		<b>ACTUAL</b>	<b>VARIANCE WITH FINAL BUDGET POSITIVE (NEGATIVE)</b>
	<b>ORIGINAL</b>	<b>FINAL</b>		
<b>OPERATING REVENUES</b>				
Charges for Services				
Service Charges	\$ 412,582	\$ 412,582	\$ 413,625	\$ 1,043
Miscellaneous Revenue	2,927	2,927	586	(2,341)
<b>Total Operating Revenues</b>	<b>415,509</b>	<b>415,509</b>	<b>414,211</b>	<b>(1,298)</b>
<b>OPERATING EXPENSES</b>				
Salaries	95,090	95,090	94,395	695
Benefits	38,008	38,008	33,194	4,814
Operating Supplies	16,500	16,500	18,747	(2,247)
Other Professional Services	34,500	34,500	45,798	(11,298)
Utilities, Gas and Oil	50,086	50,086	46,740	3,346
Equipment Repairs & Maintenance	12,000	12,000	8,573	3,427
Insurance and Bonds	17,550	17,550	15,781	1,769
Administration - Police Department	19,344	19,344	18,933	411
Miscellaneous	3,425	3,425	1,615	1,810
Capital Outlay	130,000	130,000	-	130,000
Depreciation	92,870	92,870	83,573	9,297
<b>Total Operating Expenses</b>	<b>509,373</b>	<b>509,373</b>	<b>367,349</b>	<b>142,024</b>
Operating Income (Loss)	(93,864)	(93,864)	46,862	140,726
<b>NONOPERATING REVENUES (EXPENSES)</b>				
Interest on Accounts	10,100	10,100	13,157	3,057
Debt Payments	(36,236)	(36,236)	(36,236)	-
<b>Total Nonoperating Revenues (Expenses)</b>	<b>(26,136)</b>	<b>(26,136)</b>	<b>(23,079)</b>	<b>3,057</b>
Net Income - Budget Basis	(120,000)	(120,000)	23,783	<u>\$ 143,783</u>
Capital Contributions			37,601	37,601
Add: Principal Payment on Debt			<u>36,236</u>	
Change in Net Position			97,620	
<b>Net Position at Beginning of Year</b>	<b>1,908,988</b>	<b>1,908,988</b>	<b>1,968,811</b>	
<b>Net Position at End of Year</b>	<b>\$ 1,788,988</b>	<b>\$ 1,788,988</b>	<b>\$ 2,066,431</b>	

**TOWN OF DEL NORTE**  
**SCHEDULE OF REVENUES, EXPENSES, AND CHANGES IN**  
**NET POSITION - BUDGET AND ACTUAL (NON-GAAP)**  
**SEWER FUND**  
**For the Year Ended December 31, 2016**

	BUDGETED AMOUNTS		ACTUAL	VARIANCE WITH FINAL BUDGET POSITIVE (NEGATIVE)
	ORIGINAL	FINAL		(NEGATIVE)
<b>OPERATING REVENUES</b>				
Charges for Services				
Service Charges	\$ 437,382	\$ 437,382	\$ 445,877	\$ 8,495
Miscellaneous Revenue	50	50	-	(50)
<b>Total Operating Revenues</b>	<u>437,432</u>	<u>437,432</u>	<u>445,877</u>	<u>8,445</u>
<b>OPERATING EXPENSES</b>				
Salaries	83,188	83,188	82,693	495
Benefits	25,448	25,448	24,914	534
Operating Supplies	10,600	10,600	8,042	2,558
Professional Services	31,634	31,634	29,995	1,639
Utilities, Gas and Oil	43,000	43,000	29,580	13,420
Equipment Repairs and Maintenance	4,400	4,400	2,455	1,945
Insurance and Bonds	15,500	15,500	14,362	1,138
Miscellaneous	2,350	2,350	1,720	630
Depreciation	41,750	41,750	38,760	2,990
Capital Outlay	9,271,796	9,271,796	-	9,271,796
Reserve/Contingency	166,895	166,895	-	166,895
<b>Total Operating Expenses</b>	<u>9,696,561</u>	<u>9,696,561</u>	<u>232,521</u>	<u>9,464,040</u>
Operating Income (Loss)	<u>(9,259,129)</u>	<u>(9,259,129)</u>	<u>213,356</u>	<u>9,472,485</u>
<b>NONOPERATING REVENUES (EXPENSES)</b>				
Interest on Accounts	1,221	1,221	1,459	238
State Grant	9,271,796	9,271,796	33,402	(9,238,394)
CDPHE Settlement	-	-	(105,000)	(105,000)
Debt Payments	(13,888)	(13,888)	(13,482)	406
<b>Total Nonoperating Revenues (Expenses)</b>	<u>9,259,129</u>	<u>9,259,129</u>	<u>(83,621)</u>	<u>(9,342,750)</u>
Net Income - Budget Basis	-	-	129,735	<u>\$ 129,735</u>
Add: Principal Payment on Debt			<u>8,120</u>	
Change in Net Position			137,855	
<b>Net Position at Beginning of Year</b>	<u>918,261</u>	<u>918,261</u>	<u>947,288</u>	
<b>Net Position at End of Year</b>	<u>\$ 918,261</u>	<u>\$ 918,261</u>	<u>\$ 1,085,143</u>	

**TOWN OF DEL NORTE**  
**OTHER SCHEDULES AND REPORTS**

<b>LOCAL HIGHWAY FINANCE REPORT</b>		City or County:	Town of Del Norte Rio Grande County
		YEAR ENDING :	December 2016
This Information From The Records Of: Town of Del Norte		Prepared By:	Ramona Dordan
		Phone:	719-657-2708

**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**

ITEM	AMOUNT
<b>A. Receipts from local sources:</b>	
1. Local highway-user taxes	
a. Motor Fuel (from Item I.A.5.)	
b. Motor Vehicle (from Item I.B.5.)	
c. Total (a.+b.)	
2. General fund appropriations	
3. Other local imposts (from page 2)	233,435
4. Miscellaneous local receipts (from page 2)	0
5. Transfers from toll facilities	
6. Proceeds of sale of bonds and notes:	
a. Bonds - Original Issues	
b. Bonds - Refunding Issues	
c. Notes	
d. Total (a. + b. + c.)	0
7. Total (1 through 6)	233,435
<b>B. Private Contributions</b>	
<b>C. Receipts from State government</b> (from page 2)	74,125
<b>D. Receipts from Federal Government</b> (from page 2)	0
<b>E. Total receipts (A.7 + B + C + D)</b>	307,560

**III. DISBURSEMENTS FOR ROAD AND STREET PURPOSES**

ITEM	AMOUNT
<b>A. Local highway disbursements:</b>	
1. Capital outlay (from page 2)	35,300
2. Maintenance:	30,956
3. Road and street services:	
a. Traffic control operations	
b. Snow and ice removal	
c. Other	26,863
d. Total (a. through c.)	26,863
4. General administration & miscellaneous	82,318
5. Highway law enforcement and safety	132,123
6. Total (1 through 5)	307,560
<b>B. Debt service on local obligations:</b>	
1. Bonds:	
a. Interest	
b. Redemption	
c. Total (a. + b.)	0
2. Notes:	
a. Interest	
b. Redemption	
c. Total (a. + b.)	0
3. Total (1.c + 2.c)	0
<b>C. Payments to State for highways</b>	
<b>D. Payments to toll facilities</b>	
<b>E. Total disbursements (A.6 + B.3 + C + D)</b>	307,560

**IV. LOCAL HIGHWAY DEBT STATUS**

(Show all entries at par)

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

**V. LOCAL ROAD AND STREET FUND BALANCE**

	A. Beginning Balance	B. Total Receipts	C. Total Disbursements	D. Ending Balance	E. Reconciliation
		307,560	307,560		0

Notes and Comments:

**LOCAL HIGHWAY FINANCE REPORT**

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

**II. RECEIPTS FOR ROAD AND STREET PURPOSES - DETAIL**

ITEM	AMOUNT	ITEM	AMOUNT
<b>A.3. Other local imposts:</b>		<b>A.4. Miscellaneous local receipts:</b>	
a. Property Taxes and Assessments		a. Interest on investments	
b. Other local imposts:		b. Traffic Fines & Penalties	
1. Sales Taxes	233,435	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	
5. Specific Ownership &/or Other		g. Other Misc. Receipts	
6. Total (1. through 5.)	233,435	h. Other	
c. Total (a. + b.)	233,435	i. Total (a. through h.)	0
	(Carry forward to page 1)		(Carry forward to page 1)

ITEM	AMOUNT	ITEM	AMOUNT
<b>C. Receipts from State Government</b>		<b>D. Receipts from Federal Government</b>	
1. Highway-user taxes	58,811	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	7,103	d. Federal Transit Admin	
d. Other (Specify) - DOLA Grant		e. U.S. Corps of Engineers	
e. Other (Specify) Road&Bridge	8,211	f. Other Federal	
f. Total (a. through e.)	15,314	g. Total (a. through f.)	0
4. Total (1. + 2. + 3.f)	74,125	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)
<b>A.1. Capital outlay:</b>			
a. Right-Of-Way Costs			0
b. Engineering Costs			0
c. Construction:			
(1). New Facilities			0
(2). Capacity Improvements			0
(3). System Preservation			0
(4). System Enhancement & Operation		35,300	35,300
(5). Total Construction (1) + (2) + (3) + (4)	0	35,300	35,300
d. Total Capital Outlay (Lines 1.a. + 1.b. + 1.c.5)	0	35,300	35,300
			(Carry forward to page 1)

Notes and Comments: