

TOWN OF DINOSAUR, COLORADO

FINANCIAL STATEMENTS

AND

INDEPENDENT AUDITOR'S REPORT

DECEMBER 31, 2016



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FINANCIAL STATEMENTS - 2016

TOWN OF DINOSAUR, COLORADO

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INDEPENDENT AUDITOR'S REPORT

To the Board of Trustees
Town of Dinosaur, Colorado

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

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

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

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

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

Opinions

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

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis, budgetary comparison information - General Fund, schedule of the Town's proportionate share of the net pension liability, and schedule of Town contributions on pages 3-8 and 49-54 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

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operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Other Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Town of Dinosaur, Colorado's basic financial statements. The budgetary comparison schedules – Conservation Trust, Water, and Sewage Funds and counties, cities, and towns annual statement of receipts and expenditures for roads, bridges, and streets are presented for purposes of additional analysis and are not a required part of the basic financial statements.

The budgetary comparison schedules – Conservation Trust, Water, and Sewage Funds and counties, cities, and towns annual statement of receipts and expenditures for roads, bridges, and streets have not been subjected to the auditing procedures applied in the audit of the basic financial statements and, accordingly, we do not express an opinion or provide any assurance on them.

Calo CPA Services, PC

Rangely, Colorado
June 28, 2017

MANAGEMENT DISCUSSION AND ANALYSIS

The discussion and analysis of the Town of Dinosaur, Colorado's (the "Town") financial performance provides readers with an overall review of the financial activities of the Town for the year ended December 31, 2016. The intent of this discussion and analysis is to look at the Town's financial performance as a whole; readers should also review the basic financial statements to enhance their understanding of the Town's financial performance.

FINANCIAL HIGHLIGHTS

- The Town's assets and deferred outflows exceeded liabilities and deferred inflows by \$2,140,709 at December 31, 2016.
- Total Town's cash and investments increased by \$182,059 or 21 percent from 2015.
- The December 31, 2016 General Fund balance is \$14,425 more than the previous year. The total fund balance is 459 percent of 2016 General Fund operating expenditures.

USING THIS ANNUAL REPORT

This Annual report consists of a series of financial statements and notes to those statements. These statements are prepared and organized so the reader can understand the Town as a financial whole or as an entire operating entity. The statements then proceed to provide an increasingly detailed look at our specific financial conditions.

The Statement of Net Position and Statement of Activities provides information about the activities of the whole Town, presenting both an aggregate view of the Town's finances and a longer-term view of those assets. The Statement of Activities shows a net (expense) revenue and changes to net position related to each department of the Town. Fund financial statements tell how services were financed in the short-term as well as what dollars remain for future spending.

OVERVIEW OF THE TOWNS FINANCIAL STATEMENTS

Government-wide Financial Statements

The government-wide financial statements are designed to provide readers with a broad overview of the Town's finances. The Statement of Net Position and Statement of Activities include all assets and liabilities using the accrual basis of accounting similar to the accounting method used by the private sector. The basis for this accounting takes into account all of the year's revenues and expenses regardless of when the cash was received or paid.

These two statements report the Town's net position and the changes in those assets. This change in assets is important because it tells the reader whether, for the Town as a whole, the financial position of the Town has improved or diminished. However, in evaluating the overall position of the Town, non-financial information such as changes in the Town's tax base and the condition of Town capital assets will also need to be evaluated.

In the Statement of Net Position and Statement of Activities, the Town's activities are reported as Governmental Activities or Business-type Activities.

Fund Financial Statements

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.

Proprietary Funds. Proprietary funds are reported in the fund financial statements and generally report services for which customers are charged a fee. The Town uses an enterprise fund which essentially encompasses the same functions reported as business-type activities in the government-wide statements. Services are provided to a customer external to the Town organization which is the water sales and sewage services to the residents of the Town and surrounding areas.

Proprietary fund statements provide both long-term and short-term financial information consistent with the focus provided by the government-wide financial statements but with more detail for the major enterprise fund.

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. The notes to the financial statements can be found on pages 25 through 41 of this report.

Budgetary Comparisons. The Town adopts an annual appropriated budget for the General Fund, Conservation Fund, Water Fund, and Sewage Fund. A budgetary comparison statement has been provided for the General Fund on pages 43 through 44, the Conservation Fund on pages 49 through 50, the Water Fund on pages 51 through 52, and the Sewage Fund on pages 53 through 54 of this report.

REPORTING THE TOWN AS A WHOLE

Net position. As noted earlier, net position may serve over time as a useful indicator of a government's financial position.

The following table provides a summary of the Town's net position for 2015 and 2016.

	Governmental Activities		Business-type Activities		Total	
	<u>2015</u>	<u>2016</u>	<u>2015</u>	<u>2016</u>	<u>2015</u>	<u>2016</u>
Assets						
Current and other assets	\$ 755,522	\$ 775,991	\$ 237,628	\$ 299,222	\$ 993,150	\$ 1,075,213
Capital assets	<u>270,745</u>	<u>227,907</u>	<u>919,528</u>	<u>1,210,592</u>	<u>1,190,273</u>	<u>1,438,499</u>
Total assets	<u>1,026,267</u>	<u>1,003,898</u>	<u>1,157,156</u>	<u>1,509,814</u>	<u>2,183,423</u>	<u>2,513,712</u>
Deferred Outflows	<u>19,615</u>	<u>53,773</u>	-	-	<u>19,615</u>	<u>53,773</u>
Liabilities						
Current and other liabilities	19,103	22,263	30,736	5,943	49,839	28,206
Long-term liabilities	<u>129,796</u>	<u>174,750</u>	<u>108,099</u>	<u>198,056</u>	<u>237,895</u>	<u>372,806</u>
Total Liabilities	<u>148,899</u>	<u>197,013</u>	<u>138,835</u>	<u>203,999</u>	<u>287,734</u>	<u>401,012</u>
Deferred Flows	<u>23,366</u>	<u>25,764</u>	-	-	<u>23,366</u>	<u>25,764</u>
Net position						
Net investment in capital assets	270,745	227,907	811,429	1,012,536	1,082,174	1,240,443
Restricted	4,246	4,891	-	-	4,246	4,891
Unrestricted	<u>598,626</u>	<u>602,096</u>	<u>206,892</u>	<u>293,279</u>	<u>805,518</u>	<u>895,375</u>
Total net position	<u>\$ 873,617</u>	<u>\$ 834,894</u>	<u>\$1,018,321</u>	<u>\$1,305,815</u>	<u>\$ 1,891,938</u>	<u>\$ 2,140,709</u>

A significant portion of the Town's assets represents unrestricted net position of \$895,375 which may be used to meet the ongoing obligations to patrons and creditors.

Another significant portion of the Town's net position reflects its investment in capital assets. These assets include land, buildings, and equipment. These capital assets are used to provide services to patrons; consequently, they are not available for future spending.

An additional \$4,891 of the Town's net position represents resources that are subject to external restrictions on how they may be used. The restriction is for the TABOR emergency reserve.

The following table indicates the changes in net position.

	Governmental Activities		Business-type Activities		Total	
	<u>2015</u>	<u>2016</u>	<u>2015</u>	<u>2016</u>	<u>2015</u>	<u>2016</u>
Revenues:						
Program revenues:						
Charges for services	\$ 10,020	\$ 11,854	\$ 114,212	\$ 118,990	\$ 124,232	\$ 130,844
Operating grants and contributions	3,079	3,502	-	-	3,079	3,502
Capital grants and contributions	-	-	140,155	323,776	140,155	323,776
General revenues & transfers:						
General property taxes	23,543	23,344	-	-	23,543	23,344
Specific ownership tax	1,764	1,807	-	-	1,764	1,807
Investment earnings	445	1,366	525	1,397	970	2,763
Sales & use tax	71,234	69,291	-	-	71,234	69,291
Other	103,602	69,797	-	-	103,602	69,797
Total revenues & transfers	<u>213,687</u>	<u>180,961</u>	<u>254,892</u>	<u>444,163</u>	<u>468,579</u>	<u>625,124</u>
Expenses:						
General						
Government	54,453	64,809	-	-	54,453	64,809
Public Safety	67,836	86,986	-	-	67,836	86,986
Public Works	47,972	49,634	-	-	47,972	49,634
Parks & Recreation	20,171	18,255	-	-	20,171	18,255
Water	-	-	95,401	127,320	95,401	127,320
Sewage	-	-	30,006	29,349	30,006	29,349
Total expenses	<u>190,432</u>	<u>219,684</u>	<u>125,407</u>	<u>156,669</u>	<u>315,839</u>	<u>376,353</u>
Increase (decrease) in net position	<u>\$ 23,255</u>	<u>\$ (38,723)</u>	<u>\$ 129,485</u>	<u>\$ 287,494</u>	<u>\$ 152,740</u>	<u>\$ 248,771</u>

Governmental Activities. Governmental activities decreased the Town's net position by \$38,723 in 2016. Key elements of this decrease are as follows:

Severance tax for 2016 were \$8,570, down \$29,762 from the prior year.

Business-type Activities. Business-type activities increased the Town's net position by \$287,494 in 2016. Key elements of this increase are as follows:

Grants received were \$323,776, up \$183,621 from the prior year.

FINANCIAL ANALYSIS OF THE TOWN'S FUNDS

Governmental Funds. Information about the Town's governmental funds begins on page 15. These funds are accounted for using the modified accrual basis of accounting.

As of December 31, 2016, the total fund balance of the Town's governmental funds was \$730,960. Approximately 99 percent of this consists of unreserved fund balance, which is available as working capital and for current spending in accordance with the purposes of the Town. The remainder of fund balance is reserved to indicate that it is not available for new spending because it is committed for the following purposes: (1) a state-Constitution mandated emergency reserve (\$4,891). The Town had Governmental revenues of \$180,961 and expenditures of \$163,031.

Proprietary Fund. Information about the Town's proprietary fund begins on page 19. This fund is accounted for using the accrual basis of accounting.

As of December 31, 2016, the total net position of the Town's proprietary funds were \$1,305,815. Approximately 22 percent of this consists of unrestricted net position, which is available as working capital and for current spending in accordance with the purposes of the Town. The remainder of net position are restricted to indicate that it is not available for new spending because it is committed for the following purposes: (1) net investment in capital assets (\$1,012,536). The Town had Proprietary operation revenues of \$118,990, non-operating revenues of \$1,397, capital grants of \$323,776, operating expenses of \$153,889 and non-operating expenses of \$2,780.

GENERAL FUND BUDGETARY HIGHLIGHTS

The Town's budget is prepared according to Colorado statutes.

2016 General Fund Budget

	Original Budget	Amend- ments	Final Budget	Actual
Beginning Fund Balance	\$ 661,867	\$ -	\$ 661,867	\$ 695,995
Revenue and other financing sources	157,231	-	157,231	177,456
Expenditures and other financing uses	(196,184)	-	(196,184)	(163,031)
Ending Fund Balance	<u>\$ 622,914</u>	<u>\$ -</u>	<u>\$ 622,914</u>	<u>\$ 710,420</u>

Actual expenditures and other financing uses were under budget by \$33,153. The main reason for the difference was the Town budgeted \$22,000 for capital outlay and actual expenditures were \$8,116, which were under the budget amount by \$13,884.

CAPITAL ASSET AND DEBT ADMINISTRATION

Capital Assets. The Town's net investment in capital assets for its governmental type and business-type activities as of December 31, 2016 totaled \$227,907 and \$1,012,536, respectively (net of accumulated depreciation and related debt). This investment includes all land, buildings, and equipment.

Major capital asset events during the current fiscal year included expenditures of \$336,086 for sewer lagoon improvements.

The Town uses the straight-line depreciation method under GASB 34 for its capital assets, except for land which is not depreciated.

Long-term Debt. During the year ended December 31, 2016, the Town had a long-term loans payable of \$50,566 for the water fund and \$147,490 for the sewage fund.

Additional information on Town's debt can be found in Note 7.

ECONOMIC FACTORS AND OTHER MATTERS

Other Matters. The following factors are expected to have a significant effect on the Town's financial position and results of operations and were taken into account in developing the 2017 budget:

- Agreement with Moffat County Sheriff's Department for contract police services.

REQUESTS FOR INFORMATION

This financial report is designed to provide a general overview of the Town's finances for all those with an interest in the Town's finances. Questions concerning any of the information provided or for additional financial information should be addressed to the Town, 317 S. Stegosaurus Frwy., Dinosaur, Colorado 81610.

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FINANCIAL STATEMENTS

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TOWN OF DINOSAUR, COLORADO

STATEMENT OF NET POSITION
December 31, 2016

	Primary Government		
	Governmental Activities	Business-type Activities	Total
ASSETS			
Cash and investments	\$ 746,090	\$ 290,064	\$ 1,036,154
Accounts receivables	-	9,158	9,158
Other receivables	7,133	-	7,133
Property taxes receivable	22,768	-	22,768
Capital assets, nondepreciable	92,661	6,600	99,261
Capital assets, net of accumulated depreciation	135,246	1,203,992	1,339,238
TOTAL ASSETS	1,003,898	1,509,814	2,513,712
DEFERRED OUTFLOWS OF RESOURCES			
Deferred outflows related to pensions	53,773	-	53,773
TOTAL DEFERRED OUTFLOWS OF RESOURCES	53,773	-	53,773
LIABILITIES			
Accounts payable	17,662	5,943	23,605
Accrued liabilities	2,216	-	2,216
Accrued salaries and benefits	2,385	-	2,385
Noncurrent liabilities:			
Due within one year	-	7,795	7,795
Due in more than one year	-	190,261	190,261
Net pension liability	174,750	-	174,750
TOTAL LIABILITIES	197,013	203,999	401,012
DEFERRED INFLOWS OF RESOURCES			
Unearned revenue - property taxes	22,768	-	22,768
Deferred inflows related to pensions	2,996	-	2,996
TOTAL DEFERRED INFLOWS OF RESOURCES	25,764	-	25,764
NET POSITION			
Net investment in capital assets	227,907	1,012,536	1,240,443
Restricted for:			
Tabor	4,891	-	4,891
Unrestricted	602,096	293,279	895,375
TOTAL NET POSITION	\$ 834,894	\$ 1,305,815	\$ 2,140,709

The accompanying "Notes to Financial Statements" are an integral part of this statement.

TOWN OF DINOSAUR, COLORADO

STATEMENT OF ACTIVITIES
For the Year Ended December 31, 2016

FUNCTIONS/PROGRAMS	<u>Expenses</u>	<u>Program Revenues</u>	
		<u>Charges for Services</u>	<u>Operating Grants and Contributions</u>
Primary government			
Governmental activities			
General government	\$ 64,809	\$ 1,758	\$ -
Public safety	86,986	10,096	-
Public works	49,634	-	-
Parks and recreation	18,255	-	3,502
TOTAL GOVERNMENTAL ACTIVITIES	<u>219,684</u>	<u>11,854</u>	<u>3,502</u>
Business-type activities			
Water	127,320	77,418	-
Sewage	29,349	41,572	-
TOTAL BUSINESS-TYPE ACTIVITIES	<u>156,669</u>	<u>118,990</u>	<u>-</u>
TOTAL PRIMARY GOVERNMENT	<u>\$ 376,353</u>	<u>\$ 130,844</u>	<u>\$ 3,502</u>

General revenues:
Taxes:
 Property taxes
 Specific ownership taxes
 Sales & use taxes
 Highway users taxes
 Occupation taxes
 Mineral severance taxes
 Other taxes
Licenses and permits
Motor vehicle registration
Mineral lease
Unrestricted investment earnings
Miscellaneous
Total general revenues and transfers
Change in net position
Net position - beginning
Net position - ending

Capital Grants and Contributions	Net (Expense) Revenue and Changes in Net Position		
	Primary Government		
	Governmental Activities	Business-type Activities	Total
\$ -	\$ (63,051)	\$ -	\$ (63,051)
-	(76,890)	-	(76,890)
-	(49,634)	-	(49,634)
-	(14,753)	-	(14,753)
-	(204,328)	-	(204,328)
-	-	(49,902)	(49,902)
323,776	-	335,999	335,999
323,776	-	286,097	286,097
\$ 323,776	(204,328)	286,097	81,769
	23,344	-	23,344
	1,807	-	1,807
	69,291	-	69,291
	17,467	-	17,467
	7,129	-	7,129
	8,570	-	8,570
	(42)	-	(42)
	1,712	-	1,712
	1,356	-	1,356
	21,625	-	21,625
	1,366	1,397	2,763
	11,980	-	11,980
	165,605	1,397	167,002
	(38,723)	287,494	248,771
	873,617	1,018,321	1,891,938
\$ 834,894	\$ 1,305,815	\$ 2,140,709	

The accompanying "Notes to Financial Statements" are an integral part of this statement.

TOWN OF DINOSAUR, COLORADO

BALANCE SHEET - GOVERNMENTAL FUNDS

December 31, 2016

	General	Conservation Fund	Total Governmental Funds
ASSETS			
Cash and investments	\$ 725,550	\$ 20,540	\$ 746,090
Other receivables	7,133	-	7,133
Property taxes receivable	22,768	-	22,768
	<u>755,451</u>	<u>20,540</u>	<u>775,991</u>
TOTAL ASSETS	<u>\$ 755,451</u>	<u>\$ 20,540</u>	<u>\$ 775,991</u>
 LIABILITIES AND FUND EQUITY			
LIABILITIES			
Accounts payable	\$ 17,662	\$ -	\$ 17,662
Accrued liabilities	2,216	-	2,216
Accrued salaries and benefits	2,385	-	2,385
Unearned revenue - property taxes	22,768	-	22,768
	<u>45,031</u>	<u>-</u>	<u>45,031</u>
TOTAL LIABILITIES	<u>45,031</u>	<u>-</u>	<u>45,031</u>
 FUND EQUITY			
Fund balance			
Reserved for Tabor emergencies	4,891	-	4,891
Unreserved	705,529	20,540	726,069
	<u>710,420</u>	<u>20,540</u>	<u>730,960</u>
TOTAL FUND EQUITY	<u>710,420</u>	<u>20,540</u>	<u>730,960</u>
 TOTAL LIABILITIES AND FUND EQUITY	<u>\$ 755,451</u>	<u>\$ 20,540</u>	<u>\$ 775,991</u>

The accompanying "Notes to Financial Statements" are an integral part of this statement.

TOWN OF DINOSAUR, COLORADO

**RECONCILIATION OF GOVERNMENTAL FUNDS BALANCES TO THE STATEMENT OF NET POSITION
GOVERNMENTAL ACTIVITIES
December 31, 2016**

Balance sheet - total fund balances		\$	730,960
Amounts reported for governmental activities in the statement of net position are different because:			
Long-term liabilities, including net pension liabilities, are not due or payable in the current period and, therefore, are not reported in the funds.			
			(174,750)
Deferred outflows and inflows of resources related to pensions are applicable to future periods and, therefore, are not reported in the funds.			
Deferred outflows of resources related to pensions	53,773		
Deferred inflows of resources related to pensions	<u>(2,996)</u>		
Net deferred outflows (inflows)			50,777
Capital assets (net of accumulated depreciation) used in governmental activities are not financial resources and therefore are not reported in the funds.			
			<u>227,907</u>
NET POSITION OF GOVERNMENTAL ACTIVITIES		\$	<u>834,894</u>

The accompanying "Notes to Financial Statements" are an integral part of this statement.

TOWN OF DINOSAUR, COLORADO

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

	General	Conservation Fund	Total Governmental Funds
REVENUES			
Intergovernmental	\$ 49,018	\$ 3,502	\$ 52,520
Licenses and permits	1,712	-	1,712
Taxes	101,529	-	101,529
Interest earned	1,363	3	1,366
Miscellaneous	23,834	-	23,834
	177,456	3,505	180,961
TOTAL REVENUES			
EXPENDITURES			
General government	34,944	-	34,944
Public safety	70,935	-	70,935
Public works	33,583	-	33,583
Parks and recreation	15,453	-	15,453
Capital outlay	8,116	-	8,116
	163,031	-	163,031
TOTAL EXPENDITURES			
EXCESS OF REVENUES OVER EXPENDITURES	14,425	3,505	17,930
FUND BALANCE, BEGINNING OF YEAR	695,995	17,035	713,030
FUND BALANCE, END OF YEAR	\$ 710,420	\$ 20,540	\$ 730,960

The accompanying "Notes to Financial Statements" are an integral part of this statement.

TOWN OF DINOSAUR, COLORADO

**RECONCILIATION OF 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 change in fund balances - total governmental funds	\$ 17,930
Amounts reported for governmental activities in the statement of net 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 amount by which depreciation (\$50,954) exceeded capital outlays (\$ 8,117) in the current period.	(42,837)
Governmental funds report pension contributions as expenditures. However, in the statement of activities, the cost of pension benefits earned net of employee contributions is reported as pension expense.	<u>(13,816)</u>
CHANGE IN NET POSITION OF GOVERNMENTAL ACTIVITIES	<u><u>\$ (38,723)</u></u>

The accompanying "Notes to Financial Statements" are an integral part of this statement.

TOWN OF DINOSAUR, COLORADO

STATEMENT OF NET POSITION
 PROPRIETARY FUNDS
 December 31, 2016

ASSETS	Enterprise Funds		
	Water	Sewage	Total
CURRENT ASSETS			
Cash and investments	\$ 247,604	\$ 42,460	\$ 290,064
Accounts receivable	5,663	3,495	9,158
TOTAL CURRENT ASSETS	253,267	45,955	299,222
PROPERTY, PLANT AND EQUIPMENT	401,785	808,807	1,210,592
TOTAL ASSETS	655,052	854,762	1,509,814
 LIABILITIES AND FUND EQUITY			
CURRENT LIABILITIES			
Accounts payable	3,409	2,534	5,943
Current maturities of long-term debt	5,295	2,500	7,795
TOTAL CURRENT LIABILITIES	8,704	5,034	13,738
Loan payable - less current maturities	45,271	144,990	190,261
TOTAL LIABILITIES	53,975	150,024	203,999
 NET POSITION			
Net investment in capital assets	351,219	661,317	1,012,536
Unrestricted	249,858	43,421	293,279
TOTAL NET POSITION	\$ 601,077	\$ 704,738	\$ 1,305,815

The accompanying "Notes to Financial Statements" are an integral part of this statement.

TOWN OF DINOSAUR, COLORADO

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

	Enterprise Funds		
	Water	Sewage	Total
OPERATING REVENUES			
Customer accounts	\$ 77,418	\$ 41,572	\$ 118,990
OPERATING EXPENSES			
Salaries	34,373	15,587	49,960
Supplies and other	39,986	9,651	49,637
Utilities	9,270	-	9,270
Depreciation	40,911	4,111	45,022
TOTAL OPERATING EXPENSES	124,540	29,349	153,889
OPERATING INCOME (LOSS)	(47,122)	12,223	(34,899)
NON-OPERATING REVENUES			
Interest revenue	701	696	1,397
Interest expense	(2,780)	-	(2,780)
TOTAL NON-OPERATING REVENUES (EXPENSES)	(2,079)	696	(1,383)
INCOME BEFORE CAPITAL GRANTS	(49,201)	12,919	(36,282)
Capital grants	-	323,776	323,776
CHANGE IN NET POSITION	(49,201)	336,695	287,494
NET POSITION, BEGINNING	650,278	368,043	1,018,321
NET POSITION, ENDING	\$ 601,077	\$ 704,738	\$ 1,305,815

The accompanying "Notes to Financial Statements" are an integral part of this statement.

TOWN OF DINOSAUR, COLORADO

STATEMENT OF CASH FLOWS
 PROPRIETARY FUNDS
 For the Year Ended December 31, 2016

	Enterprise Funds	
	Water	Sewage
CASH FLOWS FROM OPERATING ACTIVITIES		
Cash received from customers	\$ 78,040	\$ 42,234
Cash payments for goods and services	(46,491)	(37,210)
Cash payments for payroll	(34,373)	(15,587)
NET CASH PROVIDED BY OPERATING ACTIVITIES	(2,824)	(10,563)
CASH FLOWS FROM NON- CAPITAL FINANCING ACTIVITIES		
None	-	-
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES		
Grants	-	323,776
Debt proceeds	-	100,000
Long-term debt payment - principal	(5,043)	(5,000)
Long-term debt payment - interest	(2,780)	-
Purchase of fixed assets	-	(336,086)
NET CASH USED BY CAPITAL AND RELATED FINANCING ACTIVITIES	(7,823)	82,690
CASH FLOWS FROM INVESTING ACTIVITIES		
Interest earned	701	696
NET INCREASE IN CASH AND CASH EQUIVALENTS	(9,946)	72,823
CASH AND CASH EQUIVALENTS, BEGINNING OF YEAR	257,550	(30,363)
CASH AND CASH EQUIVALENTS, END OF YEAR	\$ 247,604	\$ 42,460
RECONCILIATION OF OPERATING INCOME TO NET CASH PROVIDED BY OPERATING ACTIVITIES		
Operating income (loss)	\$ (47,122)	\$ 12,223
Adjustments to reconcile operating income to net cash provided by operating activities:		
Depreciation	40,911	4,111
Changes in assets and liabilities		
Decrease (increase) in accounts receivable	622	662
Increase (decrease) in accounts payable	2,765	(27,559)
NET CASH PROVIDED BY OPERATING ACTIVITIES	\$ (2,824)	\$ (10,563)

<u>Total</u>	
\$	120,274
	(83,701)
	<u>(49,960)</u>

(13,387)

-

	323,776
	100,000
	(10,043)
	(2,780)
	<u>(336,086)</u>

74,867

1,397

62,877

227,187

\$ 290,064

\$ (34,899)

45,022

	1,284
	<u>(24,794)</u>

\$ (13,387)

The accompanying "Notes to Financial Statements" are an integral part of this statement.

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NOTES TO FINANCIAL STATEMENTS

TOWN OF DINOSAUR, COLORADO

NOTES TO FINANCIAL STATEMENTS December 31, 2016

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The accounting policies of the Town of Dinosaur, Colorado, (the Town), conform to generally accepted accounting principles as applicable to governments. The following is a summary of the more significant policies consistently used in the preparation of the financial statements.

A. Financial Reporting Entity

The Town is governed by a publicly elected Town Council. No additional separate government units, agencies, or nonprofit corporations are included in the financial statements of the Town since none were discovered to fall within the oversight responsibility based upon the application of the following criteria: financial accountability, appointment of a voting majority of the organizations' 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.

The Town's major operations include public safety, street construction and maintenance, water and sewage utility, and general administration.

B. Government-wide and fund financial statements

The government-wide financial statements (i.e., the statement of net position and the statement of changes in net position) report information on all of the non-fiduciary activities of the primary government. Governmental activities, which normally are supported by taxes and intergovernmental revenues, are reported separately for business-type activities, which rely to a significant extent on fees and charges for support.

The statement of activities demonstrates the degree to which the direct expenses of 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 applications who purchase, use, or directly benefit from goods, services or privileges provided by a given function or segment and 2) grants and contributions that are restricted to meeting the operational or capital requirements of a particular function or segment. Taxes and other items not properly included among program revenues are reported instead as general revenues.

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

C. Measurement focus, basis of accounting, and financial statement presentation

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

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

TOWN OF DINOSAUR, COLORADO

NOTES TO FINANCIAL STATEMENTS
December 31, 2016

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, Continued

C. Measurement focus, basis of accounting, and financial statement presentation, continued

Property taxes, sales taxes, franchise taxes, licenses, and interest associated with the current fiscal period are all considered to be susceptible to accrual and so have been recognized as revenues of the current fiscal period. All other revenue items are considered to be measurable and available only when the Town receives cash.

The Town reports the following major governmental funds:

General Fund

The General Fund is the Town's general operating fund and is used to account for all financial transactions except those required to be accounted for in another fund. The major revenue sources are local property taxes and charges for services. Expenditures include all costs associated with the daily operations of the Town.

Conservation Fund

The Conservation Fund is used to account for the proceeds of lottery distributed by the state that are legally restricted to expenditures for specific purposes.

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 a proprietary fund's principal ongoing operations. The principal operating revenues of the water and sewage utilities enterprise funds of the Town are charges to customers for sales and services. The water and sewage utilities recognize the portion of tap fees intended to recover the cost of connecting new customers to the system as operating revenue. Operating expenses for enterprise funds include the cost of sales and services, administrative expenses, and depreciation on capital assets. All revenue and expenses not meeting this definition are reported as non-operating revenues and expenses.

The Town reports the following major proprietary funds:

Water Fund

The Water Fund accounts for the operations and capital needs to provide water to customers within the boundaries of the Town.

Sewage Fund

The Wastewater Fund accounts for the operations and capital needs to provide sewer and wastewater services to customers within the boundaries of the Town.

Private-sector standards of accounting and financial reporting issued prior to December 1, 1989, generally are followed in the government-wide financial statements to the extent that those standards do not conflict with or contradict guidance of the Governmental Accounting Standards Board. Governments also have the option of following subsequent private-sector guidance for their business-type activities and enterprise funds, subject to this same limitation. The Town has elected not to follow subsequent private-sector guidance.

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

TOWN OF DINOSAUR, COLORADO

NOTES TO FINANCIAL STATEMENTS
December 31, 2016

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, Continued

D. Fixed Assets and Long-Term Liabilities

Capital assets, which include property, plant, equipment, and infrastructure assets (e.g., roads, sidewalks, traffic signals, trails, and similar items), are reported in the applicable governmental or business-type activities columns in the government-wide financial statements. Infrastructure assets have been capitalized on a prospective basis, from 2004. Infrastructure prior to 2004 will not be capitalized. Capital assets are defined by the Town as assets with an initial, individual cost of \$1,000 or more and an estimated useful life in excess of four years. Such 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 asset lives are not capitalized. Improvements are capitalized and depreciated over the remaining useful lives of the related fixed assets, as applicable.

Interest is capitalized on proprietary fund assets acquired with tax-exempt debt. The amount of interest to be capitalized is calculated by offsetting interest expense incurred from the date of the borrowing until completion of the project with interest earned on invested proceeds over the same period. In 2004 no interest was capitalized.

Property, plant, and equipment of the Town are depreciated using the straight line method over the following estimated useful lives:

	<u>Governmental</u>	<u>Water</u>	<u>Sewage</u>
Buildings	20 years		
Streets & improvements	10-20 years		
Water distribution and storage system		40 years	
Sewage treatment system			50 years
Sewage collection system			45-50 years
Equipment	5-10 years	10 years	10 years

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

E. Property Taxes

Property taxes are levied on December 22 of each year and attach as an enforceable lien on property as of January 1. Taxes are due as of January 1 of the following year and are payable in full by June 15 if paid in installments, or April 30 with a single payment. Taxes are delinquent as of June 16. If the taxes are not paid within subsequent statutory periods, the property will be sold at public auction. The County bills and collects the property taxes and remits collections to the Town on a monthly basis. No provision has been made for uncollected taxes, in that the Town's experience indicates that all material amounts will be collected and paid to the Town.

TOWN OF DINOSAUR, COLORADO

NOTES TO FINANCIAL STATEMENTS December 31, 2016

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, Continued

F. Budgets and Budgetary Accounting

The Town's trustees follow these procedures in establishing the budgetary data reflected in the financial statements:

- (1) Prior to October 15, the manager submits to the Town's trustees a proposed operating budget for the year commencing the following January 1. The operating budget includes proposed expenditures and the means of financing them.
- (2) Public hearings are conducted to obtain the taxpayers' comments.
- (3) Prior to December 15, the budget is legally enacted through passage of a resolution.
- (4) Formal budgetary integration is employed as a management control device during the year.
- (5) Budgets are adopted for the General, Special Revenue, and Enterprise Funds. All budgets are adopted on a basis consistent with generally accepted accounting principles (GAAP), except for the Enterprise Funds. The budget for the Enterprise Funds is adopted on a basis that differs from GAAP, in that outlays for debt retirement principal and acquisitions of fixed assets are included as expenses and depreciation is excluded from expenses.
- (6) Appropriations lapse at the end of each calendar year.
- (7) The Town's trustees may authorize supplemental appropriations during the year.
- (8) Actual expenditures of \$91,452 in the Water Fund exceeded budgeted expenditures of \$74,703 by \$16,749. Actual expenditure of \$366,324 in the Sewage Fund exceeded budgeted expenditures of \$34,378 by \$331,946 which may be a violation of Colorado State Statutes.

G. Encumbrances

The Town does not use encumbrance accounting. Accordingly, no encumbrances have been recorded in the financial statements.

H. Compensated Absences

It is the Town's policy to permit employees to accumulate a limited amount of earned but unused vacation. Vacation leave is granted on a graduated accrual basis. Accrual of vacation leave shall begin at the commencement of employment. However, no employee shall be eligible for vacation leave with pay until that employee has completed twelve consecutive months of service to the Town. Vacation leave that is not used within one year of the date it is granted (anniversary of employment) may not be accumulated. Upon termination of employment, an employee is paid for unused accrued vacation leave for the calendar year in which termination occurred. A short-term liability for accrued vacation benefits has been recorded in the general fund.

I. Cash and Cash Equivalents

For purposes of the statement of cash flows the Water and Sewage Funds consider all highly liquid investments with a maturity of three months or less when purchased to be cash equivalents.

J. Use of Estimates

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

TOWN OF DINOSAUR, COLORADO

NOTES TO FINANCIAL STATEMENTS
December 31, 2016

NOTE 2 – RECONCILIATION OF GOVERNMENT-WIDE AND FUND FINANCIAL STATEMENTS

- A. There are certain differences between the governmental fund balance sheet and the government-wide statement net position. A reconciliation of the differences can be found on page 15 of the financial statements.

- B. There are certain differences between the governmental fund statement of revenues, expenditures, and changes in fund balance and the government-wide statement of activities. A reconciliation of the differences can be found on page 17 of the financial statements.

NOTE 3 - CASH AND INVESTMENTS

The Town's bank accounts and certificates of deposit at year-end were entirely covered by federal depository insurance or by collateral held by the Authority's custodial banks under provisions of the Colorado Public Deposit Protection Act.

The Colorado Public Deposit Protection Act requires financial institutions to pledge collateral having a market value of at least 102% of the aggregate public deposits not insured by federal depository insurance. Eligible collateral included municipal bonds, U.S. government securities, mortgage, and deeds of trust.

State statutes authorize the Authority to invest in obligations of the U.S. Treasury and U.S. agencies, obligation of the State of Colorado or of any county, school, authority, and certain town and cities therein, notes or bonds secured by insured mortgages or trust deeds, obligations of national mortgage associations, and certain repurchase agreements.

The Town's investment policy is not more restrictive than State statutes. The Town's investments are concentrated in local government investment pools, U.S. government and agency securities, and bank CDs.

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 value arising from increasing interest rates.

At December 31, 2016, the Town had the following investments:

The Town has invested \$412,645 in the Colorado Government Liquid Asset Trust (COLOTRUST), an investment vehicle established for local government entities in Colorado to pool surplus funds. COLOTRUST operated similarly to a money market fund and each share is equal in value to \$1.00. Investments of COLOTRUST consist of U.S. Treasury bills, notes and note strips and repurchase agreements collateralized by U.S. Treasury securities. A designated custodial bank provides safekeeping and depository services to COLOTRUST in connection with the direct investment and withdrawal function of COLOTRUST. Substantially all securities owned by COLOTRUST 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 COLOTRUST. At December 31, 2016 the Town's investment in the COLOTRUST was rated AAAM by Standard & Poor's.

Summary

Cash and investments consist of the following:

Cash with county	\$	502
Cash in bank		623,007
ColoTrust		<u>412,645</u>
Total		<u>\$ 1,036,154</u>

TOWN OF DINOSAUR, COLORADO

NOTES TO FINANCIAL STATEMENTS
December 31, 2016

NOTE 4 - ACCOUNTS RECEIVABLE

Accounts receivable at December 31, 2016, in the Enterprise Funds are as follows:

	<u>Water</u>	<u>Sewage</u>	<u>Total</u>
Gross accounts receivable	\$ 6,863	\$ 4,236	\$ 11,099
Less allowance for doubtful accounts	<u>1,200</u>	<u>741</u>	<u>1,941</u>
	<u>\$ 5,663</u>	<u>\$ 3,495</u>	<u>\$ 9,158</u>

NOTE 5 - PROPERTY TAXES

Revenue Recognized in 2016

Local property taxes levied in 2015 and collected in 2016 are recognized as revenue in these financial statements as shown below:

	<u>Assessed Valuation</u>	<u>Mill Levy</u>	<u>Amount of Taxes Levied</u>	<u>Collected</u>	<u>Percent Collected</u>
General Fund	\$1,058,929	22.087	\$23,389	\$ 23,543	100.66%

Property Taxes Receivable and Deferred Revenues

Local property taxes levied in 2016 but not collectible until 2017 are shown as property taxes receivable and deferred revenue.

	<u>Assessed Valuation</u>	<u>Mill Levy</u>	<u>Estimated Percent Collectible</u>	<u>Property Taxes Receivable</u>	<u>Deferred Revenue</u>
General Fund	\$1,053,157	22.085	100.00%	\$ 22,768	\$ 22,768

NOTE 6 - CAPITAL ASSETS

A. Governmental Activities

A summary of changes in capital assets during the year ended December 31, 2016 is as follows:

	<u>Balance 1/1/2016</u>	<u>Additions</u>	<u>Deletions</u>	<u>Balance 12/31/2016</u>
Capital assets not being depreciated:				
Land	\$ 92,661	\$ -	\$ -	\$ 92,661
Capital assets being depreciated:				
Buildings	493,143	3,365	-	496,508
Streets and improvements	466,929	-	-	466,929
Equipment	<u>222,018</u>	<u>4,751</u>	-	<u>226,769</u>
Total assets being depreciated	<u>1,182,090</u>	<u>8,116</u>	-	<u>1,190,206</u>

TOWN OF DINOSAUR, COLORADO

NOTES TO FINANCIAL STATEMENTS
December 31, 2016

NOTE 6 - CAPITAL ASSETS, Continued

A. Governmental Activities, continued

	Balance 1/1/2016	Additions	Deletions	Balance 12/31/2016
Less accumulated depreciation:				
Buildings	(414,278)	(9,327)	-	(423,605)
Streets and improvements	(393,093)	(31,998)	-	(425,091)
Equipment	(196,635)	(9,629)	-	(206,264)
Total accumulated depreciation	<u>(1,004,006)</u>	<u>(50,954)</u>	<u>-</u>	<u>(1,054,960)</u>
Total assets being depreciated, net	<u>178,084</u>	<u>(42,838)</u>	<u>-</u>	<u>135,246</u>
Governmental activities capital assets, net	<u>\$ 270,745</u>	<u>\$ (42,838)</u>	<u>\$ -</u>	<u>\$ 227,907</u>

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

Governmental activities:	
General government	\$ 16,050
Public safety	16,051
Public works	16,051
Parks and recreation	<u>2,802</u>
Total depreciation expense – governmental activities	<u>\$ 50,954</u>

B. Business-type Activities

	Balance 1/1/2016	Additions	Deletions	Balance 12/31/2016
Capital assets not being depreciated:				
Land	\$ 6,600	\$ -	\$ -	\$ 6,600
Construction in progress	378,023	-	(378,023)	-
Total assets not being depreciated	<u>384,623</u>	<u>-</u>	<u>(378,023)</u>	<u>6,600</u>
Capital assets being depreciated:				
Water system	1,760,414	-	-	1,760,414
Sewer system	263,245	714,109	-	977,354
Machinery and equipment	72,923	-	-	72,923
Total assets being depreciated	<u>2,096,582</u>	<u>714,109</u>	<u>-</u>	<u>2,810,691</u>
Less accumulated depreciation:				
Water system	(1,317,718)	(40,911)	-	(1,358,629)
Sewer system	(171,036)	(4,111)	-	(175,147)
Machinery and equipment	(72,923)	-	-	(72,923)
Total accumulated depreciation	<u>(1,561,677)</u>	<u>(45,022)</u>	<u>-</u>	<u>(1,606,699)</u>
Total assets being depreciated, net	<u>534,905</u>	<u>669,087</u>	<u>-</u>	<u>1,203,992</u>
Business-type activities capital assets, net	<u>\$ 919,528</u>	<u>\$ 669,087</u>	<u>\$ (378,023)</u>	<u>\$ 1,210,592</u>

TOWN OF DINOSAUR, COLORADO

NOTES TO FINANCIAL STATEMENTS
December 31, 2016

NOTE 6 - CAPITAL ASSETS, Continued

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

Business-type activities:	
Water	\$ 40,911
Sewage	<u>4,111</u>
Total depreciation expense – business-type activities	<u>\$ 45,022</u>

NOTE 7 – CHANGES IN LONG-TERM DEBT

The following is a summary of the note payable of the Town for the year ended December 31, 2016:

	<u>Balance</u> <u>1/1/2016</u>	<u>Additions</u>	<u>Reductions</u>	<u>Balance</u> <u>12/31/2016</u>	<u>Due within</u> <u>One year</u>
Business-type activities					
Note payable – DOLA	\$ 55,609	\$ -	\$ 5,043	\$ 50,566	\$ 5,295
Note payable – CWRPDA	<u>52,490</u>	<u>100,000</u>	<u>5,000</u>	<u>147,490</u>	<u>2,500</u>
Business-type activities long-term liabilities	<u>\$ 108,099</u>	<u>\$ 100,000</u>	<u>\$ 10,043</u>	<u>\$ 198,056</u>	<u>\$ 7,795</u>

The Town entered into a contract with the Department of Local Affairs for \$100,000. The money was used to finance water improvements. The contract specified payments of \$7,824 due September 1st of each year for 20 years beginning in 2005 at an interest rate of 5%. The contract is an obligation of the Water Fund. Principal and interest requirement for this contract is as follows:

<u>Year</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u> <u>Requirement</u>
2017	\$ 5,295	\$ 2,528	\$ 7,823
2018	5,560	2,264	7,824
2019	5,838	1,986	7,824
2020	6,130	1,694	7,824
2021	6,437	1,387	7,824
2022-2024	<u>21,306</u>	<u>2,165</u>	<u>23,471</u>
	<u>\$ 50,566</u>	<u>\$ 12,024</u>	<u>\$ 6,2590</u>

The Town entered into a contract with Colorado Water Resources and Power Development Authority for a maximum draw total of \$500,000 at an interest rate of 0%. The loan is for improvements to the sewer lagoons. Payments of \$2,500 are due annually. The loan is payable over 20 years and is due in 2034. Payments on this loan will be made through the Sewer Fund. \$22,544 was drawn in 2014, \$32,446 in 2015, and \$100,000 in 2016 for a total draw of \$154,990 as of December 31, 2016.

Principal and interest requirements for this loan are as follows:

<u>Year</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u> <u>Requirement</u>
2017	\$ 2,500	\$ -	\$ 2,500
2018	2,500	-	2,500
2019	2,500	-	2,500
2020	2,500	-	2,500
2021	2,500	-	2,500
2022-2026	12,500	-	12,500
2027-2031	12,500	-	12,500
2032-2034	<u>109,990</u>	-	<u>109,990</u>
	<u>\$ 147,490</u>	<u>\$ -</u>	<u>\$ 147,490</u>

TOWN OF DINOSAUR, COLORADO

NOTES TO FINANCIAL STATEMENTS
December 31, 2016

NOTE 8 - SEGMENT INFORMATION FOR ENTERPRISE FUNDS

The Town maintains two enterprise funds which provide water and sewer services. Applicable segment information for the year ended December 31, 2016, is as follows:

	<u>Water</u>	<u>Sewage</u>	<u>Total</u>
Operating revenues	\$ 77,418	\$ 41,572	\$ 118,990
Depreciation	40,911	4,111	45,022
Operating income (loss)	(47,122)	12,223	(34,899)
Change in net position	(49,201)	336,695	287,494
Net working capital	244,563	40,921	285,484
Total assets	655,052	854,762	1,509,814
Net position	601,077	704,738	1,305,815

NOTE 9 - BUDGETARY - GAAP REPORTING RECONCILIATION

The accompanying schedule presents comparisons of the legally adopted budget with actual data on a budgetary basis for the Enterprise Funds. Because accounting principles applied for purposes of developing data on a budgetary basis differ significantly from those used to present financial statements in conformity with GAAP, a reconciliation of resultant basis, timing, perspective and entity differences in the excess (deficiency) of revenues over expenditures for the year ended December 31, 2016 is as follows:

	<u>Water</u>	<u>Sewage</u>	<u>Total</u>
Excess (deficiency) of revenue over expenditures (NON-GAAP basis)	(\$ 13,333)	\$ 99,720	\$ 86,387
Plus:			
Capital Outlay	-	336,086	336,086
Principal Payments	5,043	5,000	10,043
Less:			
Debt Proceeds	-	(100,000)	(100,000)
Depreciation	(40,911)	(4,111)	(45,022)
Excess (deficiency) of revenue over expenditures (GAAP basis)	(\$ 49,201)	\$ 336,695	\$ 287,494

NOTE 10 - DEFINED BENEFIT PENSION PLAN

Summary of Significant Accounting Policies

Pensions. The Town of Dinosaur, Colorado participates in the Local Government Division Trust Fund (LGDTF), a cost-sharing multiple-employer defined benefit pension plan administered by the Public Employees' Retirement Association of Colorado (PERA). The net pensions liability, deferred outflows of resources and deferred inflows of resources related to pensions, pension expense, information about the fiduciary net position and additions to/deductions from the fiduciary net position of the LGDTF have been determined using the economic resources measurement focus and the accrual basis of accounting. For this purpose, benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with the benefit terms. Investments are reported at fair value.

TOWN OF DINOSAUR, COLORADO

NOTES TO FINANCIAL STATEMENTS December 31, 2016

NOTE 10 - DEFINED BENEFIT PENSION PLAN, Continued

General Information about the Pension Plan

Plan description. Eligible employees of the Town of Dinosaur, Colorado are provided with pensions through the Local Government Division Trust Fund (LGDTF)—a cost-sharing multiple-employer defined benefit pension plan administered by PERA. Plan benefits are specified in Title 24, Article 51 of the Colorado Revised Statutes (C.R.S.), administrative rules set forth at 8 C.C.R. 1502-1, and applicable provisions of the federal Internal Revenue Code. Colorado State law provisions may be amended from time to time by the Colorado General Assembly. PERA issues a publicly available comprehensive annual financial report that can be obtained at www.copera.org/investments/pera-financial-reports.

Benefits provided. PERA provides retirement, disability, and survivor benefits. Retirement benefits are determined by the amount of service credit earned and/or purchased, highest average salary, the benefit structure(s) under which the member retires, the benefit option selected at retirement, and age at retirement. Retirement eligibility is specified in tables set forth at C.R.S. § 24-51-602, 604, 1713, and 1714.

The lifetime retirement benefit for all eligible retiring employees under the PERA Benefit Structure is the greater of the:

- Highest average salary multiplied by 2.5 percent and then multiplied by years of service credit
- The value of the retiring employee's member contribution account plus a 100 percent match on eligible amounts as of the retirement date. This amount is then annuitized into a monthly benefit based on life expectancy and other actuarial factors.

The lifetime retirement benefit for all eligible retiring employees under the Denver Public Schools (DPS) Benefit Structure is the greater of the:

- Highest average salary multiplied by 2.5 percent and then multiplied by years of service credit
- \$15 times the first 10 years of service credit plus \$20 times service credit over 10 years plus a monthly amount equal to the annuitized member contribution account balance based on life expectancy and other actuarial factors.

In all cases the service retirement benefit is limited to 100 percent of highest average salary and also cannot exceed the maximum benefit allowed by federal Internal Revenue Code.

Members may elect to withdraw their member contribution accounts upon termination of employment with all PERA employers; waiving rights to any lifetime retirement benefits earned. If eligible, the member may receive a match of either 50 percent or 100 percent on eligible amounts depending on when contributions were remitted to PERA, the date employment was terminated, whether 5 years of service credit has been obtained and the benefit structure under which contributions were made.

Benefit recipients who elect to receive a lifetime retirement benefit are generally eligible to receive post-retirement cost-of-living adjustments (COLAs), referred to as annual increases in the C.R.S. Benefit recipients under the PERA benefit structure who began eligible employment before January 1, 2007 and all benefit recipients of the DPS benefit structure receive an annual increase of 2 percent, unless PERA has a negative investment year, in which case the annual increase for the next three years is the lesser of 2 percent or the average of the Consumer Price Index for Urban Wage Earners and Clerical Workers (CPI-W) for the prior calendar year. Benefit recipients under the PERA benefit structure who began eligible employment after January 1, 2007 receive an annual increase of the lesser of 2 percent or the average CPI-W for the prior calendar year, not to exceed 10 percent of PERA's Annual Increase Reserve (AIR) for the LGDTF.

TOWN OF DINOSAUR, COLORADO

NOTES TO FINANCIAL STATEMENTS
December 31, 2016

NOTE 10 - DEFINED BENEFIT PENSION PLAN, Continued

General Information about the Pension Plan, continued

Disability benefits are available for eligible employees once they reach five years of earned service credit and are determined to meet the definition of disability. The disability benefit amount is based on the retirement benefit formula shown above considering a minimum 20 years of service credit, if deemed disabled.

Survivor benefits are determined by several factors, which include the amount of earned service credit, highest average salary of the deceased, the benefit structure(s) under which service credit was obtained, and the qualified survivor(s) who will receive the benefits.

Contributions. Eligible employees and Town of Dinosaur, Colorado are required to contribute to the LGDTF at a rate set by Colorado statute. The contribution requirements are established under C.R.S. § 24-51-401, *et seq.* Eligible employees are required to contribute 8 percent of their PERA-includable salary. The employer contribution requirements are summarized in the table below:

	Rate
Employer Contribution Rate ¹	10.00%
Amount of Employer Contribution apportioned to the Health Care Trust Fund as specified in C.R.S. § 24-51-208(1)(f) ¹	(1.02)%
Amount Apportioned to the LGDTF ¹	8.98%
Amortization Equalization Disbursement (AED) as specified in C.R.S. § 24-51-411 ¹	2.20%
Supplemental Amortization Equalization Disbursement (SAED) as specified in C.R.S. § 24-51-411 ¹	1.50%
Total Employer Contribution Rate to the LGDTF ¹	12.68%

¹Rates are expressed as a percentage of salary as defined in C.R.S. § 24-51-101(42).

Employer contributions are recognized by the LGDTF in the period in which the compensation becomes payable to the member and the Town of Dinosaur, Colorado is statutorily committed to pay the contributions to the LGDTF. Employer contributions recognized by the LGDTF from Town of Dinosaur, Colorado were \$11,747 for the year ended December 31, 2016.

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

At December 31, 2016, the Town of Dinosaur, Colorado reported a liability of \$174,750 for its proportionate share of the net pension liability. The net pension liability was measured as of December 31, 2015, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of December 31, 2014. Standard update procedures were used to roll forward the total pension liability to December 31, 2015. The Town of Dinosaur, Colorado proportion of the net pension liability was based on Town of Dinosaur, Colorado contributions to the LGDTF for the calendar year 2015 relative to the total contributions of participating employers to the LGDTF.

At December 31, 2015, the Town of Dinosaur, Colorado proportion was 0.015864 percent, which was an increase of 0.001382 from its proportion measured as of December 31, 2014.

TOWN OF DINOSAUR, COLORADO

NOTES TO FINANCIAL STATEMENTS
December 31, 2016

NOTE 10 - DEFINED BENEFIT PENSION PLAN, Continued

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

For the year ended December 31, 2016, the Town of Dinosaur, Colorado recognized pension expense of \$13,816. At December 31, 2016, the Town of Dinosaur, Colorado reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Difference between expected and actual experience	-	3,206
Changes of assumptions or other inputs	-	-
Net difference between projected and actual earnings on pension plan investments	34,952	-
Changes in proportion and differences between contributions recognized and proportionate share of contributions	7,074	(210)
Contributions subsequent to the measurement date	11,747	-
Total	53,773	2,996

\$53,773 reported as deferred outflows of resources related to pensions, resulting from contributions subsequent to the measurement date, will be recognized as a reduction of the net pension liability in the year ending December 31, 2017. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

Year ended December 31:	
2016	7,362
2017	8,527
2018	8,892
2019	6,952
2020	-
Thereafter	-

TOWN OF DINOSAUR, COLORADO

NOTES TO FINANCIAL STATEMENTS
December 31, 2016

NOTE 10 - DEFINED BENEFIT PENSION PLAN, Continued

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

Actuarial assumptions. The total pension liability in the December 31, 2014 actuarial valuation was determined using the following actuarial assumptions and other inputs:

Actuarial cost method	Entry age
Price inflation	2.80 percent
Real wage growth	1.10 percent
Wage inflation	3.90 percent
Salary increases, including wage inflation	3.90 – 10.85 percent
Long-term investment Rate of Return, net of pension plan investment expenses, including price inflation	7.50 percent
Future post-retirement benefit increases: PERA Benefit Structure hired prior to 1/1/07; and DPS Benefit Structure (automatic)	2.00 percent
PERA Benefit Structure hired after 12/31/06 (ad hoc, substantively automatic)	Financed by the Annual Increase Reserve

Mortality rates were based on the RP-2000 Combined Mortality Table for Males or Females, as appropriate, with adjustments for mortality improvements based on a projection of Scale AA to 2020 with Males set back 1 year, and Females set back 2 years.

The actuarial assumptions used in the December 31, 2014 valuation were based on the results of an actuarial experience study for the period January 1, 2008 through December 31, 2011, adopted by PERA's Board on November 13, 2012, and an economic assumption study, adopted by PERA's Board on November 15, 2013 and January 17, 2014.

Changes to assumptions or other inputs since the December 31, 2013 actuarial valuation are as follows:

- The following programming changes were made:
 - Valuation of the full survivor benefit without any reduction for possible remarriage.
 - Reflection of the employer match on separation benefits for all eligible years.
 - Reflection of one year of service eligibility for survivor annuity benefit.
 - Refinement of the 18 month annual increase timing.
 - Refinements to directly value certain and life, modified cash refund and pop-up benefit forms.
- The following methodology changes were made:
 - Recognition of merit salary increases in the first projection year.
 - Elimination of the assumption that 35% of future disabled members elect to receive a refund.
 - Removal of the negative value adjustment for liabilities associated with refunds of future terminating members.
 - Adjustments to the timing of the normal cost and unfunded actuarial accrued liability payment calculations to reflect contributions throughout the year.

The LGDTF's long-term expected rate of return on pension plan investments was determined using a log-normal distribution analysis in which best estimate ranges of expected future real rates of return (expected return, net of investment expense and inflation) were developed for each major asset class. These ranges were combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and then adding expected inflation.

TOWN OF DINOSAUR, COLORADO

NOTES TO FINANCIAL STATEMENTS
December 31, 2016

NOTE 10 - DEFINED BENEFIT PENSION PLAN, Continued

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

As of the most recent analysis of the long-term expected rate of return, presented to the PERA Board on November 15, 2013, the target allocation and best estimates of geometric real rates of return for each major asset class are summarized in the following table:

Asset Class	Target Allocation	10 Year Expected Geometric Real Rate of Return
U.S. Equity - Large Cap	26.76%	5.00%
U.S. Equity - Small Cap	4.40%	5.19%
Non U.S. Equity - Developed	22.06%	5.29%
Non U.S. Equity - Emerging	6.24%	6.76%
Core Fixed Income	24.05%	0.98%
High Yield	1.53%	2.64%
Long Duration Gov't/Credit	0.53%	1.57%
Emerging Market Bonds	0.43%	3.04%
Real Estate	7.00%	5.09%
Private Equity	7.00%	7.15%
Total	100.00%	

In setting the long-term expected rate of return, projections employed to model future returns provide a range of expected long-term returns that, including expected inflation, ultimately support a long-term expected rate of return assumption of 7.50%.

Discount rate. The discount rate used to measure the total pension liability was 7.50 percent. The projection of cash flows used to determine the discount rate applied the actuarial cost method and assumptions shown above. In addition, the following methods and assumptions were used in the projection of cash flows:

- Total covered payroll for the initial projection year consists of the covered payroll of the active membership present on the valuation date and the covered payroll of future plan members assumed to be hired during the year. In subsequent projection years, total covered payroll was assumed to increase annually at a rate of 3.90%.
- Employee contributions were assumed to be made at the current member contribution rate. Employee contributions for future plan members were used to reduce the estimated amount of total service costs for future plan members.
- Employer contributions were assumed to be made at rates equal to the fixed statutory rates specified in law, including current and estimated future AED and SAED, until the Actuarial Value Funding Ratio reaches 103%, at which point, the AED and SAED will each drop 0.50% every year until they are zero. Additionally, estimated employer contributions included reductions for the funding of the AIR and retiree health care benefits. For future plan members, employer contributions were further reduced by the estimated amount of total service costs for future plan members not financed by their member contributions.
- Employer contributions and the amount of total service costs for future plan members were based upon a process used by the plan to estimate future actuarially determined contributions assuming an analogous future plan member growth rate.

TOWN OF DINOSAUR, COLORADO

NOTES TO FINANCIAL STATEMENTS
December 31, 2016

NOTE 10 - DEFINED BENEFIT PENSION PLAN, Continued

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

- The AIR balance was excluded from the initial fiduciary net position, as, per statute, AIR amounts cannot be used to pay benefits until transferred to either the retirement benefits reserve or the survivor benefits reserve, as appropriate. As the ad hoc post-retirement benefit increases financed by the AIR are defined to have a present value at the long-term expected rate of return on plan investments equal to the amount transferred for their future payment, AIR transfers to the fiduciary net position and the subsequent AIR benefit payments have no impact on the Single Equivalent Interest Rate (SEIR) determination process when the timing of AIR cash flows is not a factor (i.e., the plan's fiduciary net position is not projected to be depleted). When AIR cash flow timing is a factor in the SEIR determination process (i.e., the plan's fiduciary net position is projected to be depleted), AIR transfers to the fiduciary net position and the subsequent AIR benefit payments were estimated and included in the projections.
- Benefit payments and contributions were assumed to be made at the end of the month.

Based on the above actuarial cost method and assumptions, the LGDTF's fiduciary net position was projected to be available to make all projected future benefit payments of current members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability. The discount rate determination does not use the Municipal Bond Index Rate. There was no change in the discount rate from the prior measurement date.

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

	1% Decrease (6.50%)	Current Discount Rate (7.50%)	1% Increase (8.50%)
Proportionate share of the net pension liability	267,910	174,750	97,483

Pension plan fiduciary net position. Detailed information about the LGDTF's fiduciary net position is available in PERA's comprehensive annual financial report which can be obtained at www.copera.org/investments/pera-financial-reports.

NOTE 11 – POST EMPLOYMENT HEALTHCARE BENEFITS

Health Care Trust Fund

Plan Description - The Town of Dinosaur, Colorado contributes to the Health Care Trust Fund (HCTF), a cost-sharing multiple-employer healthcare trust administered by PERA. The HCTF benefit provides a health care premium subsidy and health care programs (Known as PERACare) to PERA participating benefit recipients and their eligible beneficiaries. Title 24, Article 51, Part 12 of the C.R.S., as amended, establishes the HCTF and sets forth a framework that grants authority to the PERA Board to contract, self-insure and authorize disbursements necessary in order to carry out the purposes of the PERACare program, including the administration of health care subsidies. PERA issues a publicly available comprehensive annual financial report that includes financial statements and required supplementary information for the HCTF. That report may be obtained at www.copera.org/investments/pera-financial-reports.

TOWN OF DINOSAUR, COLORADO

NOTES TO FINANCIAL STATEMENTS December 31, 2016

NOTE 11 - POST EMPLOYMENT HEALTHCARE BENEFITS, Continued

Funding Policy - The Town of Dinosaur, Colorado is required to contribute at a rate of 1.02 percent of PERA-includable salary for all PERA members as set by statute. No member contributions are required. The contribution requirements for the Town of Dinosaur, Colorado are established under Title 24, Article 51, Part 4 of the C.R.S., as amended. The apportionment of the contribution to the HCTF is established under Title 24, Article 51, Section 208(1)(f) of the C.R.S., as amended. For the years ending December 31, 2014, 2015, and 2016, the Town's contributions to the HCTF were \$809, \$918, and \$945, respectively, equal to their required contributions for each year.

NOTE 12- CONTINGENCIES

Constitutional Amendment

In November 1992, Colorado voters amended Article X of the Colorado Constitution by adding Section 20, commonly known as the Taxpayer's Bill of Rights (TABOR). TABOR contains revenue, spending, tax and debt limitations, which apply to the State of Colorado and local governments. TABOR requires, with certain exceptions, voter approval for any increase in mill levy or tax rates, new taxes, or creation of multi-year debt. Revenue in excess of the fiscal year spending limit must be refunded in the next fiscal year unless voters approve retention of such revenue. The amendment also requires that reserves be established for declared emergencies, with 3% of fiscal year spending required.

In 1996, the registered voters of the Town of Dinosaur voted to allow the Town to collect, retain and expend all revenues and other funds collected in 1995 and each subsequent year thereafter, for capital projects and other municipal services without limiting in any year the amount of the other revenues that may be collected and expended by the Town of Dinosaur in excess of the limits of Article X, Section 20 of the Colorado Constitution.

The Town has no authorized but un-issued debt subject to the amendment's limitations. Based on fiscal year spending for 2016, \$4,891 of the year-end fund balance in the General Fund has been reserved for emergencies.

The Town's management believes it is in compliance with the provisions of TABOR. However, TABOR is complex and subject to interpretation. Many of its provisions, including the interpretation of how to calculate fiscal year spending limits, will require judicial interpretation.

NOTE 14 - RISK MANAGEMENT

The Town is exposed to various risks of losses related to torts; theft of, damage to, and destruction of assets; errors and omissions; and natural disasters. Commercial insurance coverage is purchased for claims arising from such matters. Settled claims have not exceeded this commercial coverage in any of the three preceding years.

NOTE 15 - COMMITTED FUND BALANCE

Beginning with the fiscal year 2010, the Town implemented GASB Statement 54 "Fund Balance Reporting and Governmental Fund Type Definitions". This Statement provides more clearly defined fund balance categories to make the nature and extent of the constraints placed on a governments' fund balances more transparent. The following classifications describe the relative strength of the spending constraints placed on the purposes for which resources can be used:

- Nonspendable fund balance - amounts that are not in a spendable form (such as inventory) or are required to be maintained intact.
- Restricted fund balance - amounts constrained to specific purposes by their providers (such as grantors, bondholders, and higher levels of government), through constitutional provision or by enabling legislation.

TOWN OF DINOSAUR, COLORADO

NOTES TO FINANCIAL STATEMENTS
December 31, 2016

NOTE 15 – COMMITTED FUND BALANCE, Continued

- Committed fund balance – amounts constrained to specific purposes by a government itself, using its highest level of decision-making authority; to be reported as committed, amounts cannot be used for any other purpose unless the government takes the same highest level action to remove or change the constraint.
- Assigned fund balance – amounts a government intends to use for a specific purpose; intent can be expressed by the governing body or by an official or body to which the governing body delegates the authority.
- Unassigned fund balance – amounts that are available for any purpose; positive amounts are reported only in the general fund.

The board establishes (and modifies or rescinds) fund balance commitments as action items in board meetings. A fund balance commitment is further indicated in the budget document as a designation or commitment on the fund. Assigned fund balance is established by the board through adoption or amendment of the budget as intended for specific purpose (such as the purchase of fixed assets, construction, debt service, or for other purposes).

Restricted funds are considered to be spent first, followed by assigned and unassigned, for an expenditure of which any could be used.

NOTE 16 – REPORTING FOR PENSIONS

Beginning in 2015, financial reporting information pertaining to the Town's participation in Public Employees' Retirement Association of Colorado (PERA) is prepared in accordance with Governmental Accounting Standards Board (GASB) Statement No. 68, *Accounting and Financial Reporting for Pensions*, as amended by GASB Statement No. 71, *Pension Transition of Contributions Made Subsequent to the Measurement Date*.

NOTE 17 – SUBSEQUENT EVENTS

The Town has evaluated subsequent events through June 28, 2017, the date at which the financial statements were available to be issued, and determined that no events have occurred that require disclosure.

REQUIRE SUPPLEMENTARY INFORMATION

TOWN OF DINOSAUR, COLORADO

**BUDGETARY COMPARISON SCHEDULE
GENERAL FUND**

For the Year Ended December 31, 2016

	Budget	
	Original	Final
REVENUES		
Intergovernmental	\$ 58,169	\$ 58,169
Licenses and permits	851	851
Taxes	94,076	94,076
Interest earned	310	310
Miscellaneous	3,825	3,825
TOTAL REVENUES	<u>157,231</u>	<u>157,231</u>
EXPENDITURES		
General government	54,566	54,566
Public safety	71,440	71,440
Public works	30,614	30,614
Parks and recreation	17,564	17,564
Capital outlay	22,000	22,000
TOTAL EXPENDITURES	<u>196,184</u>	<u>196,184</u>
REVENUES OVER (UNDER) EXPENDITURES	(38,953)	(38,953)
FUND BALANCE, BEGINNING OF YEAR	<u>661,867</u>	<u>661,867</u>
FUND BALANCE, END OF YEAR	<u><u>\$ 622,914</u></u>	<u><u>\$ 622,914</u></u>

<u>Actual Amounts</u>	<u>Variance</u>
\$ 49,018	\$ (9,151)
1,712	861
101,529	7,453
1,363	1,053
<u>23,834</u>	<u>20,009</u>
<u>177,456</u>	<u>20,225</u>
34,944	19,622
70,935	505
33,583	(2,969)
15,453	2,111
<u>8,116</u>	<u>13,884</u>
<u>163,031</u>	<u>33,153</u>
14,425	53,378
<u>695,995</u>	<u>695,995</u>
<u>\$ 710,420</u>	<u>\$ 749,373</u>

See the accompanying independent auditor's report

TOWN OF DINOSAUR, COLORADO

SCHEDULE OF THE TOWN'S PROPORTIONATE SHARE OF THE NET PENSION LIABILITY
PERA PENSION PLAN
Last 10 Fiscal Years

Year Ended*	Proportion of the Net Pension Liability (Asset)	Proportionate Share of the Net Pension Liability (Asset)	Actual Covered Member Payroll	Net Pension Liability (Asset) as a Percentage of Covered Payroll	Fiduciary Net Position as Percentage of Total Pension Liability
12/31/2014	0.014%	\$ 117,305	\$ 76,050	154%	81.8%
12/31/2015	0.014%	129,795	79,350	164%	80.7%
12/31/2016	0.016%	174,750	90,093	194%	76.9%

Note: This schedule is intended to show information for ten years. Additional years will be displayed as they become available.

* The data provided in the schedule is based as of the measurement date of PERA's net pension liability, which is as of the calendar year end that occurred before the Town's fiscal year end.

See the accompanying independent auditor's report

TOWN OF DINOSAUR, COLORADO

**SCHEDULE OF THE TOWN'S CONTRIBUTIONS
PERA PENSION PLAN
Last 10 Fiscal Years**

<u>FY Ending December 31</u>	<u>Statutorily Required Contributions</u>	<u>Actual Employer Contribution</u>	<u>Contribution Deficiency (Excess)</u>	<u>Actual Covered Member Payroll</u>	<u>Contributions as a % of Covered Payroll</u>
2013	\$ 9,643	\$ 9,643	\$ -	\$ 76,050	12.68%
2014	10,062	10,062	-	79,350	12.68%
2015	11,424	11,424	-	90,093	12.68%
2016	11,747	11,747	-	92,641	12.68%

Note: This schedule is intended to show information for ten years. Additional years will be displayed as they become available.

See the accompanying independent auditor's report

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SUPPLEMENTARY INFORMATION

TOWN OF DINOSAUR, COLORADO

**BUDGETARY COMPARISON SCHEDULE
 CONSERVATION FUND
 For the Year Ended December 31, 2016**

	Budget	
	Original	Final
REVENUES		
Intergovernmental	\$ 3,000	\$ 3,000
Interest earned	8	8
TOTAL REVENUES	<u>3,008</u>	<u>3,008</u>
EXPENDITURES		
Parks and recreation	<u>5,000</u>	<u>5,000</u>
TOTAL EXPENDITURES	<u>5,000</u>	<u>5,000</u>
REVENUES OVER (UNDER) EXPENDITURES	(1,992)	(1,992)
FUND BALANCE, BEGINNING OF YEAR	<u>11,798</u>	<u>11,798</u>
FUND BALANCE, END OF YEAR	<u><u>\$ 9,806</u></u>	<u><u>\$ 9,806</u></u>

<u>Actual Amounts</u>	<u>Variance</u>
\$ 3,502	\$ 502
3	(5)
<u>3,505</u>	<u>497</u>
-	<u>5,000</u>
-	<u>5,000</u>
3,505	5,497
<u>17,035</u>	<u>-</u>
<u>\$ 20,540</u>	<u>\$ 5,497</u>

TOWN OF DINOSAUR, COLORADO
BUDGETARY COMPARISON SCHEDULE
WATER FUND
For the Year Ended December 31, 2016

	Budget	
	Original	Final
REVENUES		
Customer accounts	\$ 71,235	\$ 71,235
Tap Fees	1,700	1,700
Interest	168	168
	<u>73,103</u>	<u>73,103</u>
TOTAL REVENUES		
	<u>73,103</u>	<u>73,103</u>
EXPENSES		
Salaries	34,023	34,023
Supplies and other	25,046	25,046
Utilities	7,800	7,800
Debt service		
Principle	5,043	5,043
Interest expense	2,791	2,791
	<u>74,703</u>	<u>74,703</u>
TOTAL EXPENSES		
	<u>74,703</u>	<u>74,703</u>
NET CHANGE IN FUND BALANCE	(1,600)	(1,600)
FUND BALANCE, BEGINNING OF YEAR	<u>270,505</u>	<u>270,505</u>
FUND BALANCE, END OF YEAR	<u>\$ 268,905</u>	<u>\$ 268,905</u>
RECONCILIATION FROM BUDGET BASIS EXPENDITURES (NON-GAAP) TO GAAP		
Add:		
Principal		
Subtract:		
Depreciation		
FUND BALANCE, END OF YEAR GAAP BASIS		

Actual Amounts	Variance
\$ 73,418	\$ 2,183
4,000	2,300
701	533
<u>78,119</u>	<u>5,016</u>
34,373	(350)
39,986	(14,940)
9,270	(1,470)
5,043	-
<u>2,780</u>	<u>11</u>
<u>91,452</u>	<u>(16,749)</u>
(13,333)	(11,733)
<u>650,278</u>	<u>379,773</u>
636,945	<u>\$ 368,040</u>
5,043	
<u>(40,911)</u>	
<u>\$ 601,077</u>	

TOWN OF DINOSAUR, COLORADO
BUDGETARY COMPARISON SCHEDULE
SEWAGE FUND
For the Year Ended December 31, 2016

	Budget	
	Original	Final
REVENUES		
Customer accounts	\$ 41,880	\$ 41,880
Tap Fees	800	800
Interest	180	180
Grants	-	-
Debt proceeds	-	-
	42,860	42,860
TOTAL REVENUES		
 EXPENSES		
Salaries	15,855	15,855
Supplies and other	16,023	16,023
Capital outlay	-	-
Debt service		
Principal	2,500	2,500
Interest expense	-	-
	34,378	34,378
TOTAL EXPENSES		
NET CHANGE IN NET POSITION	8,482	8,482
 NET POSITION, BEGINNING OF YEAR	24,267	24,267
NET POSITION, END OF YEAR	\$ 32,749	\$ 32,749
 RECONCILIATION FROM BUDGET BASIS EXPENDITURES (NON-GAAP) TO GAAP		
Add:		
Principal		
Capital outlay		
Subtract:		
Debt proceeds		
Depreciation		
NET POSITION, END OF YEAR GAAP BASIS		

<u>Actual Amounts</u>	<u>Variance</u>
\$ 39,972	(1,908)
1,600	800
696	516
323,776	323,776
100,000	100,000
466,044	423,184

15,587	268
9,651	6,372
336,086	(336,086)
5,000	(2,500)
-	-
366,324	(331,946)
99,720	91,238
368,043	343,776
467,763	\$ 435,014

5,000
336,086
(100,000)
(4,111)
\$ 704,738

Calendar Year 2016

LOCAL HIGHWAY FINANCE REPORT

COUNTY/CITY:Dinosaur

A. Receipts from local sources

2. General Fund Appropriations:	\$	0.00
3. Other local imposts: <i>(from A.3. Total below)</i>	\$	0.00
4. Miscellaneous local receipts: <i>(from A.4. Total below)</i>	\$	0.00
5. Transfers from toll facilities	\$	0.00
6. Proceeds of sale of bonds and notes		
a. Bonds - Original Issues:	\$	0.00
b. Bonds - Refunding Issues:	\$	0.00
c. Notes:	\$	0.00
	SubTotal:	\$ 0.00
B. Private Contributions	\$	0.00

A.3. Other local imposts

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

A.4. Miscellaneous local receipts

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

B. Debt service on local obligations

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

C. Payments to State for Highways: \$ 0.00

D. Payments to Toll Facilities: \$ 0.00

Total Disbursements: (A+B+C+D) \$ 18,789.00

	A. ON NATIONAL HIGHWAY SYSTEM	B. OFF NATIONAL HIGHWAY SYSTEM	C. TOTAL
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A. 1. Capital Outlay

a. Right-Of-Way Costs:	\$	0.00	\$	0.00	\$	0.00
b. Engineering Costs:	\$	0.00	\$	0.00	\$	0.00
c. Construction						
1. New Facilities:	\$	0.00	\$	0.00	\$	0.00
2. Capacity Improvements:	\$	0.00	\$	0.00	\$	0.00
3. System Preservation:	\$	0.00	\$	0.00	\$	0.00
4. System Enhancement:	\$	0.00	\$	0.00	\$	0.00
5. Total Construction:					\$	0.00
d. Total Capital Outlay: (Lines A.1.a. + 1.b. + 1.c.5)					\$	0.00

	OPENING DEBT	AMOUNT ISSUED	REDEMPTIONS	CLOSING DEBT
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A. Bonds (Total)	\$	0.00	\$	0.00	\$	0.00	\$	0.00
1. Bonds (Refunding Portion)			\$	0.00	\$	0.00	\$	0.00
B. Notes (Total):	\$	0.00	\$	0.00	\$	0.00	\$	0.00

**C. Receipts from State Government**

1. Highway User Taxes:	\$	17,439.00
3. Other State funds:		
c. Motor Vehicle Registrations:	\$	1,350.00
d. Other:		
Comments: undefined	\$	0.00
e. Other:		
Comments: undefined	\$	0.00
Total: (1+3c,d,e)	\$	18,789.00

D. Receipts from Federal Government

2. Other Federal Agencies		
a. Forest Service:	\$	0.00
b. FEMA:	\$	0.00
c. HUD:	\$	0.00
d. Federal Transit Administration:	\$	0.00
e. U.S. Corp of Engineers	\$	0.00
f. Other Federal:	\$	0.00
Total: (2a-f)	\$	0.00

A. Local highway disbursements

1. Capital outlay: (from A.1.d. Total Capital Outlay below)	\$	0.00
2. Maintenance:	\$	9,270.00
3. Road and street services		
a. Traffic control operations:	\$	218.00
b. Snow and ice removal:	\$	562.00
c. Other:	\$	5,857.00
4. General administration & miscellaneous	\$	1,100.00
5. Highway law enforcement and safety	\$	1,782.00
Total: (A.1-5)	\$	18,789.00

B. Debt service on local obligations

CDOT Highway Finance Report - CY16 print version

	A. ON NATIONAL HIGHWAY SYSTEM	B. OFF NATIONAL HIGHWAY SYSTEM	C. TOTAL
A.1. Capital Outlay			
a. Right-Of-Way Costs:	\$ 0.00	\$ 0.00	\$ 0.00
b. Engineering Costs:	\$ 0.00	\$ 0.00	\$ 0.00
c. Construction			
1. New Facilities:	\$ 0.00	\$ 0.00	\$ 0.00
2. Capacity Improvements:	\$ 0.00	\$ 0.00	\$ 0.00
3. System Preservation:	\$ 0.00	\$ 0.00	\$ 0.00
4. System Enhancement:	\$ 0.00	\$ 0.00	\$ 0.00
5. Total Construction:			\$ 0.00
d. Total Capital Outlay: <i>(Lines A.1.a. + 1.b. + 1.c.5)</i>			\$ 0.00

	OPENING DEBT	AMOUNT ISSUED	REDEMPTIONS	CLOSING DEBT
A. Bonds (Total)	\$ 0.00	\$ 0.00	\$ 0.00	\$ 0.00
1. Bonds (Refunding Portion)		\$ 0.00	\$ 0.00	\$ 0.00
B. Notes (Total):	\$ 0.00	\$ 0.00	\$ 0.00	\$ 0.00

A. Beginning Balance	B. Total Receipts	C.Total Disbursements	D. Ending Balance	E. Reconciliation
\$ 0.00	\$ 18,789.00	\$ 18,789.00	\$ 0.00	\$ 0.00

Notes & Comments:
undefined

Date Submitted: 05/17/2017

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