TOWN OF NATURITA, COLORADO

FINANCIAL STATEMENTS AND REPORT OF INDEPENDENT CERTIFIED PUBLIC ACCOUNTANTS

December 31, 2017

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INDEPENDENT AUDITOR'S REPORT

June 13, 2018

Honorable Mayor and Board of Trustees
Town of Naturita, Colorado

We have audited the accompanying financial statements of the governmental activities, the business-type activities, and each major fund of the Town of Naturita, Colorado, as of and for the year ended December 31, 2017, 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 Unites States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

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

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

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, and each major fund of the Town of Naturita, Colorado, as of December 31, 2017, and the respective changes in financial position and, where applicable, cash flows thereof and the respective budgetary comparisons for the General Fund and Major Special Revenue Funds for the year then ended in accordance with accounting principles generally accepted in the United States of America.

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Board of Trustees
Town of Naturita
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Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis on pages 3 through 8 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 of Naturita's basic financial statements. The enterprise fund budget to actual schedule and the local highway finance report are presented for purposes of additional analysis and are not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the 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 information is fairly stated, in all material respects, in relation to the basic financial statements as a whole.

Chadwick, Steinkirchner, Davis & Co., P.C.

This management's discussion and analysis of the Town of Naturita financial statements provides an overview of the Town's financial activities for the fiscal year ended December 31, 2017. The intent of this discussion and analysis is to look at the Town's financial performance as a whole; it should be read in conjunction with the basic financial statements and notes to enhance the reader's understanding of the Town's overall financial performance.

USING THE BASIC FINANCIAL STATEMENTS

This annual report consists of three parts – *management's discussion and analysis* (this section), the *basic financial statements,* and *supplementary information.* The basic financial statements include two types of information on the same statement that present different views of the Town:

- G*overnment-wide financial statements* that provide both *long-term* and *short-term* information about the Town's *overall* financial status.
- F*und financial statements* that focus on *individual parts* of the Town government, reporting the Town's operations *in more detail* than the government-wide statements.

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

Government-wide Statements

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

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

Fund Financial Statements

The fund financial statements provide more detailed information about the Town's *funds*, focusing on its most significant funds – not the Town as a whole. The Town's major governmental funds include the General Fund, the Conservation Trust Fund, and the Lodging Tax Fund. Unlike government-wide financial statements, the focus of the fund financial statements is directed to specific activities of the Town rather than the Town as a whole. Except for the General Fund, a specific fund is established to satisfy managerial control over resources or to satisfy finance-related legal requirements established by external parties or governmental statutes or regulations.

Governmental funds – The Town's activities are reported in three governmental funds, which focus on how money flows into and out of those funds and the balances left at year-end that are available for spending in future periods. The funds are reported using an accounting method called *modified accrual* accounting, which measures cash and all other *financial* assets that can readily be converted to cash. The governmental funds financial statements provide a detailed *short-term view* of the Town's general government operations, cultural and recreational services, and the basic services they provide. Governmental fund information helps to determine whether there are more or fewer financial resources that can be spent in the near future to finance the Town's programs. The relationship (or differences) between governmental *activities* (reported in the Statement of Net Position and the Statement of Activities) and governmental *funds* is provided in reconciliations following the fund financial statements.

THE TOWN AS A WHOLE

Statement of Net Position

The perspective of the Statement of Net Position is of the Town as a whole. Following is a summary of the Town's net position for the fiscal years 2016 and 2017.

	2016			2017		
	Governmental Activities	**Business-type Activities**	**Total**	**Governmental Activities**	**Business-type Activities**	**Total**
Current and other assets	447,625	186,561	634,186	727,046	310,622	1,037,668
Capital assets	940,623	1,525,338	2,465,961	1,314,081	1,459,862	2,773,943
Total Assets	**1,388,248**	**1,711,899**	**3,100,147**	**2,041,127**	**1,770,484**	**3,811,611**
Long-term liabilities outstanding	-	99,003	99,003	-	93,068	93,068
Other liabilities	6,183	50,520	56,703	291,233	61,559	352,792
Deferred Inflows	47,135	-	47,135	39,095	-	39,095
Total liabilities/deferred inflows	**53,318**	**149,523**	**202,841**	**330,328**	**154,627**	**484,955**
Net Position:						
Net Investment in capital assets	940,623	1,426,335	2,366,958	1,314,081	1,366,794	2,680,875
Restricted for marketing & promotion	78,151	-	78,151	56,981	-	56,981
Restricted for emergencies	11,364	-	11,364	25,144	-	25,144
Unrestricted	304,792	136,041	440,833	314,593	249,063	563,656
Total net position	**1,334,930**	**1,562,376**	**2,897,306**	**1,710,799**	**1,615,857**	**3,326,656**

The Town shows a substantial positive balance in net position. The most significant items on the statement of net position are the capital assets and these are described in more depth in *Note D* to the financial statements.

Statement of Activities

The perspective of the Statement of Activities is of the Town as a whole. The Statement of Activities reflects the cost of program services and the charges for services and sales, grants and contributions offsetting those services. The following detail reflects the total cost of services supported by program revenues, sales taxes, and general property taxes, as well as other general revenues, resulting in the overall change in net position for the fiscal years 2016 and 2017.

	2016			2017		
	Governmental Activities	Business-type Activities	Total	Governmental Activities	Business-type Activities	Total
REVENUES:						
Program revenues:						
Charges for Services	32,523	328,587	361,110	14,155	394,185	408,340
Grants and Contributions	353,102	-	353,102	461,598	-	461,598
General revenues:						
Taxes	345,543	-	345,543	366,159	-	366,159
Interest, other revenue, transfers	24,101	(19,745))	4,355	4,880	14,782	19,662
Total revenues	**755,269**	**308,842**	**1,064,110**	**846,792**	**408,967**	**1,255,759**
EXPENSES:						
General government	157,917	-	157,917	302,555	-	302,555
Public Safety	132,075	-	132,075	108,696	-	108,696
Public Works	31,122	-	31,122	34,477	-	34,477
Culture and recreation	17,192	-	17,192	25,195	-	25,195
Utility operations	-	391,614	391,614	-	355,486	355,486
Total expenses	**338,306**	**391,614**	**729,920**	**470,923**	**355,486**	**826,409**
Increase (decrease) in net position	**416,962**	**(82,772)**	**334,190**	**375,869**	**53,481**	**429,350**
Net position January 1	**917,968**	**1,645,148**	**2,563,116**	**1,334,930**	**1,562,376**	**2,897,306**
Net position December 31	**1,334,930**	**1,562,376**	**2,897,306**	**1,710,799**	**1,615,857**	**3,326,656**

The Town's primary sources of revenue are from taxes and utility fees. These revenues are used to pay the cost of the general government and the cost of the utility activity expenses.

The Town operated at an increase in net position for governmental activities in 2016 and 2017; the primary increase in 2017 was due to a Colorado Department of Local Affairs flood recovery grant which was used to construct additional infrastructure to help protect the Town from future flooding. Sales taxes were also higher than in 2016, which helped to cover additional operating costs in general government and public safety.

The Town reported a loss in net position in business-type activities in 2016 but an increase for 2017. The Town is in the process of implementing a Capital Improvement Plan and Rate Study. A number of grants and loans will be needed to help construct and improve its water and wastewater treatments systems. The Town increased rates in April 2014 and in 2015 to cover operating costs. No increase was implemented in 2016 or 2017.

THE TOWN'S FUNDS

The fund level financial statements focus on how services were financed in the short-term as well as what remains for future spending. The fund level financial statements are reported on the modified accrual basis of accounting for governmental funds.

At the fund level, under the modified accrual basis of accounting, depreciable assets and their related depreciation expense are not reflected as they are not a current period financial resource or use. In addition, at the fund level, inflows from operating loans, if any, are presented as a revenue item while outflows for capital outlay and debt service payments, if any, are presented as an expenditure item, as these items represent current period financial resources and uses.

For the year ended 12/31/2017, governmental fund balances were increased by a slight $2,411. This is primarily due to increased sales tax revenue.

GENERAL FUND BUDGETARY HIGHLIGHTS

The Town's procedures in establishing budgetary data reflected in the financial statements are summarized in *Note A* of the financial statements. No amended budgets were adopted by the Town during fiscal year 2017. Much of the Town's activities during 2017 were driven by a significant flood event which occurred in August 2016. This was the third significant flood event in the past three years, which required the Town to apply for a DOLA grant to repair the damage done to the catch pond and basin and subsequent drainage to the street. The grant also allowed for an engineering firm to do a Drainage Master Plan for the Town which will be implemented with the CIP.

General Fund Resources (Inflows)

The Town's final actual revenues in the amount of $827,558 were greater than budget expectations of $819,066 by $8,492, primarily because of receiving more in severance taxes.

General Fund Charges to Appropriations (Outflows)

The Town's final actual expenditures of $809,290 were $58,857 less than the final appropriated balance of $868,147 primarily because the Town spent less than anticipated on street repair and maintenance and not transferring funds to other funds.

UTILITY FUND BUDGETARY HIGHLIGHTS

The Town's procedures in establishing budgetary data reflected in the financial statements are summarized in *Note A* of the financial statements. No amended budgets were adopted by the Town during fiscal year 2017.

Utility Fund Resources (Inflows)

The Town's final actual revenues in the amount of $408,967 were over budget expectations of $329,453 by $79,514 primarily due to increased charges for services.

Utility Fund Charges to Appropriations (Outflows)

The Town's final actual budgetary basis expenditures of $295,945 were $175,337 less than the final appropriated balance of $471,282. Personal services were less in the utility department because 1 office staff time was shifted from utility activities to General and Public Works did not receive any raises in pay. Operating expenses were less than budgeted because the budget for repairs and maintenance included some expenditures that were ultimately reclassified to capital outlay, and some projects were postponed, which also explains the positive budget variance in the capital outlay category.

CONSERVATION TRUST FUND BUDGETARY HIGHLIGHTS

The Town's procedures in establishing budgetary data reflected in the financial statements are summarized in *Note A* of the financial statements. No amended budgets were adopted by the Town during fiscal year 2017.

Conservation Trust Fund Resources (Inflows)

The Town's final actual revenues in the amount of $5,313 were over budget expectations of $5,045 by $268.

Conservation Trust Fund Charges to Appropriations (Outflows)

The Town's final expenditures of $0 were $33,000 less than the final appropriated balance of $33,000 as projects were deferred.

LODGING FUND BUDGETARY HIGHLIGHTS

The Town's procedures in establishing budgetary data reflected in the financial statements are summarized in *Note A* of the financial statements. No amended budgets were adopted by the Town during fiscal year 2017.

Lodging Tax Fund Resources (Inflows)

The Town's final actual revenues in the amount of $13,921 were lower than budget expectations of $60,620 by $46,699 due to a Grant that was budgeted in but never applied for by previous staff.

Lodging Tax Fund Charges to Appropriations (Outflows)

The Town's final expenditures of $35,091 were $37,909 less than the final appropriated balance of $73,000 as the Grant project was not completed.

CAPITAL ASSETS

At the end of 2017, the Town had a total of $1,314,081 invested in net capital assets of governmental activities. The amount of capital assets for business-type activities totaled $1,459,862 after accumulated depreciation, a decrease of $65,476 over 2016. There were no retirements in 2017 in the business-type activities; there were no retirements in governmental activities. *See Note D, Capital Assets.*

LONG-TERM DEBT

During 2012, the Town entered into a loan to assist in the renovation of the Town's sewer system. The loan was for $700,000 with $500,000 forgiven at closing. The remaining balance on the loan at December 31, 2017 was $93,068. *See Note E, Long-term Liabilities.*

CONTACTING THE TOWN'S FINANCIAL MANAGEMENT

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

Town of Naturita
Attn: Kathy Cooper, Town Treasurer
PO Box 505
Naturita CO 81422
Tel: (970) 865-2286
Fax: (970) 865-2815
E-mail: thnaturita@nntcwireless.com

Town of Naturita, Colorado

STATEMENT OF NET POSITION

December 31, 2017

	Governmental Activities	Business-type Activities	Total
ASSETS			
Cash and investments	$ 365,846	$ 293,720	$ 659,566
Receivables			
Accounts	-	45,614	45,614
Property taxes	39,095	-	39,095
Intergovernmental	293,393	-	293,393
Interfund accounts	28,712	(28,712)	-
Capital assets (net of accumulated depreciation):			
Land and water shares	147,215	77,870	225,085
Infrastructure, net	1,058,392	-	1,058,392
Buildings and improvements, net	75,411	1,381,992	1,457,403
Equipment, net	33,063	-	33,063
Total assets	2,041,127	1,770,484	3,811,611
LIABILITIES			
Accounts payable	291,233	24,763	315,996
Customer deposits	-	36,796	36,796
Long-term liabilities			
Note payable due within one year	-	5,995	5,995
Note payable due after one year	-	87,073	87,073
Total liabilities	291,233	154,627	445,860
DEFERRED INFLOWS			
Property taxes	39,095	-	39,095
Total deferred inflows	39,095	-	39,095
Total liabilities and deferred inflows	330,328	154,627	484,955
NET POSITION			
Net investment in capital assets	1,314,081	1,366,794	2,680,875
Restricted for marketing and promotion	56,981	-	56,981
Restricted for emergency reserves	25,144	-	25,144
Unrestricted	314,593	249,063	563,656
Total net position	$ 1,710,799	$ 1,615,857	$ 3,326,656

The accompanying notes are an integral part of this statement.

Town of Naturita, Colorado

STATEMENT OF ACTIVITIES

Year ended December 31, 2017

Functions/Programs	Expenses	Program Revenues: Charges for Services	Program Revenues: Operating Grants and Contributions	Program Revenues: Capital Grants and Contributions	Net (Expense) Revenue and Changes in Net Position: Governmental Activities	Net (Expense) Revenue and Changes in Net Position: Business-type Activities	Net (Expense) Revenue and Changes in Net Position: Total
Primary government:							
Governmental activities:							
General government	$ 302,555	$ 11,941	$ 33,210	$ 402,232	$ 144,827	$ -	$ 144,827
Public safety	108,696	2,088	-	-	(106,608)	-	(106,608)
Public works	34,477	-	-	20,904	(13,573)	-	(13,573)
Culture and recreation	25,195	126	-	5,252	(19,817)	-	(19,817)
Total governmental activities	470,923	14,155	33,210	428,388	4,830	-	4,830
Business-type activities:							
Utility fund	355,486	394,185	-	-	-	38,699	38,699
Total primary government	$ 826,409	$ 408,340	$ 33,210	$ 428,388	4,830	38,699	43,529
General revenues:							
Property taxes					54,267	-	54,267
Sales and use taxes					311,892	-	311,892
Insurance proceeds					3,206	4,038	7,244
Grants and contributions not restricted to specific programs					1,158	9,999	11,157
Investment earnings					516	745	1,261
Total general revenues					371,039	14,782	385,821
Change in net position					375,869	53,481	429,350
Net position - beginning					1,334,930	1,562,376	2,897,306
Net position - ending					$ 1,710,799	$ 1,615,857	$ 3,326,656

The accompanying notes are an integral part of this statement.

Town of Naturita, Colorado

BALANCE SHEET - GOVERNMENTAL FUNDS

December 31, 2017

	General	Lodging Tax Fund	Conservation Trust Fund	Total
ASSETS				
Cash and investments	$ 265,217	$ 56,981	$ 43,648	$ 365,846
Due from other funds	28,712	-	-	28,712
Receivables				
Property taxes	39,095	-	-	39,095
Intergovernmental	293,393	-	-	293,393
Total assets	626,417	56,981	43,648	727,046
LIABILITIES				
Accounts payable	291,233	-	-	291,233
Total liabilities	291,233	-	-	291,233
DEFERRED INFLOWS				
Property taxes	39,095	-	-	39,095
Total deferred inflows	39,095	-	-	39,095
Total liabilities and deferred inflows	330,328	-	-	330,328
FUND BALANCES				
Restricted for marketing and promotion	-	56,981	-	56,981
Restricted for conservation	-	-	43,648	43,648
Restricted for emergencies	25,144	-	-	25,144
Unassigned	270,945	-	-	270,945
Total fund balances	$ 296,089	$ 56,981	$ 43,648	$ 396,718

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

Total fund balance per above	$ 396,718
Capital assets used in governmental activities are not financial resources, and therefore, are not reported in the funds. The cost of the assets is $1,679,730 and the accumulated depreciation is $365,649.	1,314,081
Total net position - governmental activities	$ 1,710,799

The accompanying notes are an integral part of this statement.

Town of Naturita, Colorado

STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES - GOVERNMENTAL FUNDS

Year ended December 31, 2017

	General	Lodging Tax Fund	Conservation Trust Fund	Total
Revenues				
Taxes				
General property	$ 47,712	$ -	$ -	$ 47,712
Specific ownership	6,555	-	-	6,555
Sales and use	281,095	13,824	-	294,919
Severance	18,130	-	-	18,130
Licenses and permits	8,902	-	-	8,902
Intergovernmental	456,135	-	5,252	461,387
Fines and forfeitures	2,023	-	-	2,023
Miscellaneous	3,800	97	61	3,958
Total revenues	824,352	13,921	5,313	843,586
Expenditures				
Current				
General government	323,999	35,091	-	359,090
Public safety	108,077	-	-	108,077
Public works	3,385	-	-	3,385
Culture and recreation	23,002	-	-	23,002
Capital outlay	350,827	-	-	350,827
Total expenditures	809,290	35,091	-	844,381
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	15,062	(21,170)	5,313	(795)
Other financing sources (uses)				
Insurance proceeds	3,206	-	-	3,206
EXCESS OF REVENUES AND OTHER FINANCING SOURCES OVER (UNDER) EXPENDITURES	18,268	(21,170)	5,313	2,411
Fund balances beginning of year	277,821	78,151	38,335	394,307
Fund balances end of year	$ 296,089	$ 56,981	$ 43,648	$ 396,718

Amounts reported for governmental activities in the statement of activities are different because:	
Net change in fund balances per above	$ 2,411
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 capital outlays exceeded depreciation in the current period ($407,362 - $33,904).	373,458
Change in net position of governmental activities	$ 375,869

The accompanying notes are an integral part of this statement.

Town of Naturita, Colorado

STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE
GENERAL FUND - BUDGET AND ACTUAL

Year ended December 31, 2017

	Budgeted Amounts Original	Budgeted Amounts Final	Actual	Variance with Final Budget Positive (Negative)
Revenues				
Taxes				
General property	$ 47,165	$ 47,165	$ 47,712	$ 547
Specific ownership	4,500	4,500	6,555	2,055
Sales and use	297,500	297,500	281,095	(16,405)
Severance	6,000	6,000	18,130	12,130
Licenses and permits	7,950	7,950	8,902	952
Intergovernmental	452,000	452,000	456,135	4,135
Fines and forfeitures	900	900	2,023	1,123
Miscellaneous	3,051	3,051	3,800	749
Total revenues	819,066	819,066	824,352	5,286
Expenditures				
Current				
General government	267,287	267,287	323,999	(56,712)
Public safety	101,200	101,200	108,077	(6,877)
Public works	8,500	8,500	3,385	5,115
Culture and recreation	17,560	17,560	23,002	(5,442)
Contingency	33,000	33,000	-	33,000
Capital outlay	399,000	399,000	350,827	48,173
Total expenditures	826,547	826,547	809,290	17,257
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	(7,481)	(7,481)	15,062	22,543
Other financing sources/uses				
Transfers out	(41,600)	(41,600)	-	41,600
Insurance proceeds	-	-	3,206	3,206
EXCESS OF REVENUES AND OTHER FINANCING SOURCES OVER (UNDER) EXPENDITURES AND OTHER FINANCING USES	(49,081)	(49,081)	18,268	67,349
Fund balance beginning of year	256,844	256,844	277,821	20,977
Fund balance end of year	$ 207,763	$ 207,763	$ 296,089	$ 88,326

The accompanying notes are an integral part of this statement.

Town of Naturita, Colorado

STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE
LODGING TAX SPECIAL REVENUE FUND - BUDGET AND ACTUAL

Year ended December 31, 2017

	Budgeted Amounts			Variance with Final Budget Positive
	Original	Final	Actual	(Negative)
Revenues				
Taxes				
Sales and use	$ 7,500	$ 7,500	$ 13,824	$ 6,324
Grants	50,000	50,000	-	(50,000)
Miscellaneous	3,000	3,000	-	(3,000)
Interest	120	120	97	(23)
Total revenues	60,620	60,620	13,921	(46,699)
Expenditures				
Current - general government	73,000	73,000	35,091	37,909
Total expenditures	73,000	73,000	35,091	37,909
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	(12,380)	(12,380)	(21,170)	(8,790)
Fund balance beginning of year	67,964	67,964	78,151	10,187
Fund balance end of year	$ 55,584	$ 55,584	$ 56,981	$ 1,397

The accompanying notes are an integral part of this statement.

Town of Naturita, Colorado

STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE CONSERVATION TRUST SPECIAL REVENUE FUND - BUDGET AND ACTUAL

Year ended December 31, 2017

	Budgeted Amounts			Variance with Final Budget Positive
	Original	Final	Actual	(Negative)
Revenues				
Intergovernmental	$ 5,000	$ 5,000	$ 5,252	$ 252
Miscellaneous	45	45	61	16
Total revenues	5,045	5,045	5,313	268
Expenditures				
Current				
Culture and recreation	30,000	30,000	-	30,000
Contingency	3,000	3,000	-	3,000
Total expenditures	33,000	33,000	-	33,000
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	(27,955)	(27,955)	5,313	33,268
Fund balance beginning of year	42,551	42,551	38,335	(4,216)
Fund balance end of year	$ 14,596	$ 14,596	$ 43,648	$ 29,052

The accompanying notes are an integral part of this statement.

Town of Naturita, Colorado

STATEMENT OF NET POSITION
PROPRIETARY FUND

December 31, 2017

		Utility Enterprise Fund
ASSETS		
Current assets		
Cash and investments		$ 293,720
Accounts receivable, net of allowance		45,614
	Total current assets	339,334
Noncurrent assets		
Capital assets, net of accumulated depreciation		1,459,862
	Total assets	$ 1,799,196
LIABILITIES AND NET POSITION		
Liabilities		
Current liabilities		
Accounts payable		$ 24,763
Due to other funds		28,712
Customer deposits		36,796
Current portion of long-term debt		5,995
	Total current liabilities	96,266
Long-term note payable, less current portion		87,073
	Total liabilities	183,339
Net position		
Net investment in capital assets		1,366,794
Unrestricted		249,063
	Total net position	1,615,857
	Total liabilities and net position	$ 1,799,196

The accompanying notes are an integral part of this statement.

Town of Naturita, Colorado

STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN FUND NET POSITION
PROPRIETARY FUND

Year ended December 31, 2017

		Utility Enterprise Fund
Operating revenues		
Charges for services		$ 394,185
	Total operating revenues	394,185
Operating expenses		
Personal services		84,255
Operating expenses		73,081
Purchased services		128,255
Other charges		3,443
Depreciation		65,476
	Total operating expenses	354,510
Operating income (loss)		39,675
Nonoperating revenues (expenses)		
Interest income		745
Grants		9,999
Insurance proceeds		4,038
Interest expense		(976)
	Total nonoperating revenues (expenses)	13,806
Change in net position		53,481
Net position at beginning of year		1,562,376
Net position at end of year		$ 1,615,857

The accompanying notes are an integral part of this statement.

Town of Naturita, Colorado

STATEMENT OF CASH FLOWS - PROPRIETARY FUNDS

Year ended December 31, 2017

	Utility Enterprise Fund
Cash flows from operating activities:	
Cash received from customers	$ 388,427
Cash paid to suppliers	(191,216)
Cash paid to employees	(84,255)
Net cash provided (used) by operating activities	112,956
Cash flows from noncapital financing activities:	
Grant proceeds	9,999
Insurance proceeds	4,038
Change in due to other funds	6,425
Net cash provided (used) by noncapital financing activities	20,462
Cash flows from investing activities:	
Interest earned	745
Net cash provided (used) by investing activities	745
Cash flows from capital and related financing activities:	
Debt payments	(5,935)
Interest paid	(976)
Net cash provided (used) by financing activities	(6,911)
Net increase (decrease) in cash	127,252
Cash at beginning of year	166,468
Cash at end of year	$ 293,720

Reconciliation of net operating income (loss) to net cash provided (used) by operating activities:

Net operating income (loss)	$ 39,675
Adjustments to reconcile net operating income to net cash provided (used) by operating activities	
Depreciation	65,476
Changes in assets and liabilities:	
Increase in accounts receivable	(3,234)
Increase in accounts payable	13,563
Decrease in customer deposits	(2,524)
Total adjustments	73,281
Net cash provided (used) by operating activities	$ 112,956

The accompanying notes are an integral part of this statement.

NOTE A – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

1. Reporting Entity

The Town of Naturita, Colorado was formed in September 1950. The governing body of the Town is an elected seven-member Board of Trustees, headed by a Mayor.

The Town's financial statements include the accounts and operations of all Town functions including, but not limited to, public safety, street construction and maintenance, water and sanitation, culture and general administration as provided by the Town charter.

The accounting policies of the Town of Naturita conform to generally accepted accounting principles (GAAP) as applicable to governments and have been consistently applied in the preparation of the financial statements. The Governmental Accounting Standards Board (GASB) is the accepted standard setting body for establishing governmental accounting and financial reporting principals.

2. Government-wide and Fund Financial Statements

The government-wide financial statements include the Statement of Net Position and the Statement of Activities. These statements summarize information of the governmental and business-type activities of the Town. Governmental activities, which are are generally financed by taxes, intergovernmental revenues, and other non-exchange transactions, are reported separately from Business-type activities, which are financed in whole or in part by fees and charges made to external parties.

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 applicants who purchase, use, or directly benefit from goods, services, or privileges provided by a given function or segment and 2) grants and contributions that are restricted to meet the operational or capital requirements of a particular function or segment. Taxes and other items not properly included among the program revenues are reported 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.

NOTE A – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – CONTINUED

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

The accounting and financial reporting treatment applied to a fund is determined by its measurement focus. Basis of accounting refers to when revenues and expenditures or expenses are recognized in the accounts and reported in the financial statements. Basis of accounting relates to the timing of the measurement focus applied.

Government-Wide and Proprietary Statements:

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. All assets, liabilities, deferred inflows, including capital assets, as well as infrastructure assets, and long-term liabilities, are included in the Statement of Net Position. The Statement of Activities presents changes in net position. Under the accrual basis of accounting, revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows. Property taxes are recognized as revenues in the year for which they are levied. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met.

Governmental Fund Financial Statements:

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. "Measurable" means the amount of the transaction can be determined and "available" means collectible within the current period or soon enough thereafter to be used 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. Major revenues that are determined to be susceptible to accrual include sales and use taxes, property taxes, utility franchise fees, grants-in-aid earned, interest, rentals and charges for services. Major revenues that are determined to not be susceptible to accrual, because they are either not available soon enough to pay liabilities of the current period or are not objectively measurable, include licenses, permits, fines and forfeitures.

Expenditures generally are recorded when the 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.

The Town reports the following major governmental funds:

The General Fund is the general operating fund of the Town. It accounts for all activities of the general government except those required to be accounted for in another fund.

NOTE A – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – CONTINUED

The Lodging Tax Fund is a special revenue fund that accounts for lodging tax revenues, which must be expended on advertising and marketing local tourism, as required by C.R.S. 30-11-107.5.

The Conservation Trust Fund is a special revenue fund that accounts for the proceeds of lottery funds received from the State of Colorado.

The Town reports the following major proprietary fund:

The Utility Fund accounts for all activities associated with providing water and sewer services to customers within the water and sewer service area.

As a general rule the effect of interfund activity has been eliminated from the government-wide financial statements. Interfund activity has not been eliminated in the fund financial statements, if any.

Amounts reported as program revenues include:

1. Charges to customers for goods and services

2. Operating grants and contributions

3. Capital grants and contributions

Internally dedicated resources are reported as general revenues rather than program revenues. Likewise, general revenues include all taxes.

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 Town's enterprise fund are charges to customers for sales and services. Operating expenses for the enterprise fund include operating expenses, purchased services, other charges, and depreciation on capital assets. All revenues and expenses not meeting this definition are reported as non-operating revenues and expenses.

NOTE A – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – CONTINUED

4. Fund Equity and Fund Balances

GASB Statement No. 54, "Fund Balance Reporting and Governmental Fund Type Definitions" provides more clearly defined fund balance categories to make the nature and extent of the constraints placed on a government's fund balances more transparent. In the fund financial statements the following classifications describe the relative strength of the spending constraints. Note that not all of these classifications may be used in a given year.

- *Non-spendable fund balance* - The portion of fund balance that cannot be spent because it is either not in spendable form (such as inventory) or is legally or contractually required to be maintained intact.
- *Restricted fund balance* - The portion of fund balance constrained to being used for a specific purpose by external parties (such as grantors or bondholders), constitutional provisions or enabling legislation.
- *Committed fund balance* - The portion of fund balance constrained for specific purposes according to limitations imposed by the Town's highest level of decision making authority, the Board, prior to the end of the current fiscal year. The constraint may be removed or changed only through formal action of the Board.
- *Assigned fund balance* - The portion of fund balance set aside for planned or intended purposes. The intended use may be expressed by the Board to assign funds to be used for a specific purpose. Assigned fund balances in special revenue funds will also include any remaining fund balance that is not restricted or committed. This classification is necessary to indicate that those funds are, at a minimum intended to be used for the purpose of that particular fund.
- *Unassigned fund balance* - The residual portion of fund balance that does not meet any of the above criteria. The Town will only report a positive unassigned fund balance in the General Fund.

When both restricted and unrestricted resources are available for use, it is the Town's policy to use restricted assets first. Unrestricted fund balance will be used in the following order: committed, assigned, and unassigned.

5. Assets, Liabilities, and Net Position

Cash and Investments

Cash includes amounts in demand deposits.

For purposes of the statement of cash flows, the proprietary fund considers all highly liquid investments with original maturities of three months or less from the date of acquisition to be cash equivalents.

NOTE A – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – CONTINUED

Colorado State Statutes limit the local governments to the following types of investments:

- Obligations of the United States or obligations unconditionally guaranteed by the United States
- Bonds of the State of Colorado and its political subdivisions
- Certain obligations secured by mortgages
- Bankers acceptances
- Commercial paper
- State investment pools
- Repurchase agreements
- Money market funds
- Guaranteed investment contracts

Interfund Receivables and Payables

Receivables and payables classified as "due from other funds" or "due to other funds" on the balance sheet arise from negative equity in pooled cash and investments. Any residual balances outstanding between governmental activities and business-type activities are reported in the governmental-wide financial statement as "internal balances".

Property Taxes

Property taxes as set by the Board of Trustees are collected by the County Treasurer. The County Treasurer remits property taxes collected to the Town by the 10th day of the month following collection. Property taxes receivable represent 2017 taxes collectible in 2018 and are also shown as deferred inflows. Following are details of the property tax calendar:

Levy date:	December 22 (prior year)
Lien date:	January 1 (current year)
First ½ installment due:	February 28
Second ½ installment due:	June 15
If paid in full:	April 30

Accounts Receivable

The Town considers accounts receivable for the Utility fund to be fully collectible because the Town can place liens on individual properties.

NOTE A – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – CONTINUED

Capital Assets

Capital assets, which include property, plant, and equipment, are reported in the applicable governmental or business-type activities columns in the government-wide financial statements. The Town has elected to apply the standards related to infrastructure assets prospectively. Capital assets are defined by the Town as assets with an initial, individual cost of $5,000 or more and an estimated life in excess of one year. Such assets are recorded at historical cost or estimated historical cost if purchased or constructed. Donated fixed assets are valued at their estimated fair value on the date donated.

Maintenance, repairs and renewals that neither materially add to the value of the property nor appreciably prolong its life are charged to expense as incurred. Gains or losses on dispositions of property and equipment are included in income.

Improvements are capitalized and depreciated over the remaining useful lives of the capital asset, as applicable.

Capital assets are depreciated using the straight-line method. Depreciation expense is reflected as an operating expense in the government-wide statement of activities. Estimated useful lives for asset types are as follows:

	Estimated lives
Building and improvements	40 years
Utility plant and system	15 to 50 years
Equipment	3 to 10 years
Infrastructure	40 years

Long-Term Liabilities

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 assets.

Contraband Seizures

The Town received no seizure funds in 2017.

NOTE A – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – CONTINUED

Use of Estimates

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

NOTE B – STEWARDSHIP, COMPLIANCE, AND ACCOUNTABILITY

Budgetary Information

Annual appropriated expenditure budgets are adopted for all governmental funds on the modified accrual basis of accounting. An annual appropriation budget is also adopted for the proprietary fund on the accrual basis modified to include capital expenditures and debt service principal payments and to exclude depreciation. The budget is prepared by the Town Clerk. The appropriations are adopted, and may not be exceeded, on a total fund basis. The details of the budget calendar follow:

October 15	Statutory deadline for submission of proposed budget to Board of Trustees
December 15	Statutory deadline for certification of all mill levies to the Board of County Commissioners
December 22	Statutory deadline for Board of County Commissioners to levy all taxes and certify the levies

On or before December 31, the Board of Trustees enacts an ordinance appropriating the budgets for the ensuing fiscal year. The Board of Trustees may amend the appropriation at any time during the year, as a result of any casualty, accident, or unforeseen contingency.

The level of budgetary control (that is, the level at which expenditures cannot legally exceed the appropriated amount) is established at the individual fund level. Even though the budget enacted by the Board of Trustees is at the fund level, the Town prepares a line item budget by department and cost center for control at the line item level. Budget reallocation between funds requires the Board of Trustees approval through a supplemental appropriation.

Excess of Expenditures Over Appropriations

Colorado statutes prohibit expenditures on a total fund basis in excess of amounts appropriated. The Town did not have any funds with actual expenditures that exceeded the board approved appropriations for 2017.

NOTE C – CASH AND INVESTMENTS

Colorado State Statutes require that all deposits be secured by federal deposit insurance or secured by collateral. Statutes require a financial institution to deposit collateral with another financial institution securing 102% of the aggregate amount of public funds held which exceed the amount insured by federal deposit insurance. Deposits must be made in financial institutions in the State of Colorado.

The composition of all cash and investments held by the Town at December 31, 2017, is as follows:

Cash on hand	$ 730
Insured by FDIC	250,000
Collateralized as noted above	423,160
	673,890
Less reconciling items	(14,324)
Total cash and investments	$ 659,566

NOTE D – CAPITAL ASSETS

	Beginning Balance	Increase	Decreases	Ending Balance
Governmental Activities				
Capital assets, not being depreciated				
Land	$ 142,274	$ 4,941	$ –	$ 147,215
Total capital assets, not being depreciated	142,274	4,941	–	147,215
Capital assets, being depreciated:				
Buildings	238,481	–	–	238,481
Equipment	136,998	6,015	–	143,013
Infrastructure	754,615	396,406	–	1,151,021
Total capital assets, being depreciated	1,130,094	402,421	–	1,532,515
Less accumulated depreciation for:				
Buildings	(158,822)	(4,248)	–	(163,070)
Equipment	(99,822)	(10,128)	–	(109,950)
Infrastructure	(73,101)	(19,528)	–	(92,629)
Total accumulated depreciation	(331,745)	(33,904)	–	(365,649)
Total capital assets, being depreciated, net	798,349	368,517	–	1,166,866
Governmental activities capital assets, net	$ 940,623	$ 373,458	$ –	$1,314,081

NOTE D – CAPITAL ASSETS – CONTINUED

	Beginning Balance	Increase	Decreases	Ending Balance
Business-type Activities				
Capital assets, not being depreciated				
Land	$ 67,870	$ –	$ –	$ 67,870
Water shares	10,000	–	–	10,000
Total capital assets, not being depreciated	77,870	–	–	77,870
Capital assets, being depreciated:				
Buildings and systems	3,546,745	–	–	3,546,745
Equipment	39,780	–	–	39,780
Total capital assets, being depreciated	3,586,525	–	–	3,586,525
Less accumulated depreciation for:				
Buildings and systems	(2,099,277)	(65,476)	–	(2,164,753)
Equipment	(39,780)	–	–	(39,780)
Total accumulated depreciation	(2,139,057)	(65,476)	–	(2,204,533)
Total capital assets, being depreciated, net	1,447,468	(65,476)	–	1,381,992
Business-type activities capital assets, net	$1,525,338	$ (65,476)	$ –	$1,459,862

Depreciation expense was charged to functions/programs as follows:

Governmental Activities	
Public safety	$ 619
Public works	31,092
Culture and recreation	2,193
Total depreciation expense – governmental activities	$ 33,904

NOTE E – LONG-TERM LIABILITIES

Changes in long-term liabilities for the year ended December 31, 2017 were as follows:

	Balance 12/31/16	Additions	Reduction	Balance 12/31/17	Due Within One Year
Business-type Activities					
CWRPDA Sewer Loan	$ 99,003	$ –	$ 5,935	$ 93,068	$ 5,995

NOTE E – LONG-TERM LIABILITIES – CONTINUED

Sewer Plant Loan:
Colorado Water Resources & Power Development Authority (CWRPDA) loan, in the original issue amount of $700,000 with $500,000 forgiven at loan closing, was issued at the loan closing on June 4, 2012. The remaining loan was $200,000 with interest thereon at the rate of 1.0% per annum. The full amount of the loan of $200,000 was required to be recorded at closing, with the undistributed funds recorded as a grant receivable. Not all of the available loan was needed and an adjustment of $69,936 was made to the loan during 2014. Principal and interest are payable May 1 and November 1, with the final payment due May 1, 2032. The loan matures as follows:

	Principal	Interest	Total
2018	$ 5,995	$ 916	$ 6,911
2019	6,055	856	6,911
2020	6,116	795	6,911
2021	6,177	734	6,911
2022	6,239	672	6,911
2023-2027	32,148	2,407	34,555
2028-2032	30,338	762	31,100
	$ 93,068	$ 7,142	$ 100,210

The Town has the option to prepay the loan, in whole or in part, upon prior written notice. The Town has pledged the net revenues of the wastewater treatment system. The loan agreement requires the Town to maintain an operations and maintenance reserve in an amount equal to three months of operation and maintenance expenses and to meet a rate covenant. The calculations to verify these requirements have been defined by CWRPDA.

The operation and maintenance reserve calculation is that current assets minus current liabilities needs to be greater than the result of operating expenses less depreciation times .25. For 2017 the calculation is:

$339,334 - $90,271 = $249,063
$355,486 - $65,476 = $290,010 x .25 = $72,503
$249,063 > $72,503 Therefore, the operation and maintenance reserve requirement is met.

The rate covenant calculation is that total system revenues less operating expenses (without depreciation) divided by annual debt service needs to be greater than or equal to 1.10. For 2017 the calculation is:

$408,967 - $290,010 = $118,957/$6,911 = 17.21
17.21 > 1.10 Therefore, the rate covenant requirement is met.

The Town passed an ordinance during 2014 to increase rates over the next five years to allow continued compliance with this requirement. Rates were raised in 2015, but no rate increase was established for 2016 or 2017.

NOTE F – TAX, SPENDING AND DEBT LIMITATIONS

In November of 1992, the voters of Colorado approved Amendment 1, commonly known as the Taxpayer's Bill of Rights (TABOR), which added a new Section 20 to Article X of the Colorado Constitution. TABOR contains tax, spending, revenue and debt limitations, and certain election requirements, which apply to the State of Colorado and all local governments. TABOR is complex and subject to interpretation. The Town believes it is in compliance with the provisions of TABOR as it is understood from judicial interpretations, legal opinions and commonly accepted practices. The amendment also requires 3% emergency reserve to be set up on all Town expenditures covered by the amendment. The Town has set this required emergency reserve for all amendment expenditures in the General Fund Balance under Restricted for emergencies.

NOTE G – RISK MANAGEMENT

The Town is one of several local governments which are members of the Colorado Intergovernmental Risk Sharing Agency (CIRSA). CIRSA is an organization created by intergovernmental agreement in 1982 solely to provide property and casualty coverage to its members. Coverage is provided through pooling of self-insured losses and the purchase of stop-loss insurance coverage. CIRSA is governed by a seven-member board elected by and from its members. The governing board is autonomous as to budgeting and fiscal matters.

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

CIRSA provides property and casualty insurance coverage to the Town. The coverage is provided through joint self-insurance, insurance and reinsurance, or any combination thereof. CIRSA's rate setting policies are established by the Board of Directors, in consultation with independent actuaries. The Town is subject to a supplemental assessment in the event of deficiencies, and may receive credit on future contributions in the event of a surplus.

CIRSA has entered into various excess insurance contracts to limit large losses and minimize exposure on large risks. Excess of loss contracts in effect limit CIRSA's per occurrence exposure to $250,000 for property coverage and $150,000 for casualty coverage, and provide coverage to specified upper limits.

The Town's 2017 contributions were $17,807.

NOTE H – INTERFUND BALANCES AND TRANSFERS

The Utility fund owes the General fund $28,712 for services paid for on behalf of the Utility fund.

SUPPLEMENTARY INFORMATION

Town of Naturita, Colorado

SCHEDULE OF REVENUES, EXPENSES, AND CHANGES IN NET POSITION UTILITY ENTERPRISE FUND - (NON-GAAP) BUDGET AND ACTUAL

Year ended December 31, 2017

	Budgeted Amounts Original	Budgeted Amounts Final	Actual	Variance with Final Budget Positive (Negative)
Revenues				
Charges for services	$ 294,403	$ 294,403	$ 394,185	$ 99,782
Grant proceeds	-	-	9,999	9,999
Insurance proceeds	-	-	4,038	4,038
Other	50	50	745	695
Total revenues	294,453	294,453	408,967	114,514
Expenses				
Personal services	158,492	158,492	84,255	74,237
Operating expenses	141,550	141,550	66,185	75,365
Purchased services	110,000	110,000	128,255	(18,255)
Other services	6,240	6,240	3,443	2,797
Interest	7,000	7,000	6,911	89
Capital outlay	38,000	38,000	6,896	31,104
Contingency	10,000	10,000	-	10,000
Total expenses	471,282	471,282	295,945	175,337
EXCESS OF REVENUES OVER (UNDER) EXPENSES	(176,829)	(176,829)	113,022	289,851
Other financing sources				
Transfers in	35,000	35,000	-	(35,000)
EXCESS OF REVENUES AND OTHER FINANCING SOURCES OVER (UNDER) EXPENSES	$ (141,829)	$ (141,829)	113,022	$ 254,851
Add: Loan principal			5,935	
Deduct: Depreciation			(65,476)	
CHANGE IN NET POSITION			$ 53,481	

Financial Planning 02/01
Form # 350-050-36

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

LOCAL HIGHWAY FINANCE REPORT	City or County: City YEAR ENDING : December 2017
This Information From The Records Of: Town of Naturita, Colorado	Prepared By: Kathy Cooper Phone: (970)865-2286

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
A. Receipts from local sources:	
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	59,241
3. Other local imposts (from page 2)	
4. Miscellaneous local receipts (from page 2)	1,423
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)	60,664
B. Private Contributions	
C. Receipts from State government (from page 2)	23,245
D. Receipts from Federal Government (from page 2)	
E. Total receipts (A.7 + B + C + D)	83,909

III. DISBURSEMENTS FOR ROAD AND STREET PURPOSES

ITEM	AMOUNT
A. Local highway disbursements:	
1. Capital outlay (from page 2)	0
2. Maintenance:	25,395
3. Road and street services:	
a. Traffic control operations	
b. Snow and ice removal	
c. Other	5,528
d. Total (a. through c.)	5,528
4. General administration & miscellaneous	0
5. Highway law enforcement and safety	52,968
6. Total (1 through 5)	83,909
B. Debt service on local obligations:	
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
C. Payments to State for highways	
D. Payments to toll facilities	
E. Total disbursements (A.6 + B.3 + C + D)	83,909

IV. LOCAL HIGHWAY DEBT STATUS

(Show all entries at par)

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

V. LOCAL ROAD AND STREET FUND BALANCE

A. Beginning Balance	B. Total Receipts	C. Total Disbursements	D. Ending Balance	E. Reconciliation
	83,909	83,909		0

Notes and Comments:

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

II. RECEIPTS FOR ROAD AND STREET PURPOSES - DETAIL

ITEM	AMOUNT	ITEM	AMOUNT
A.3. Other local imposts:		**A.4. Miscellaneous local receipts:**	
a. Property Taxes and Assessments		a. Interest on investments	
b. Other local imposts:		b. Traffic Fines & Penalities	1,423
1. Sales Taxes		c. Parking Garage Fees	
2. Infrastructure & Impact Fees		d. Parking Meter Fees	
3. Liens		e. Sale of Surplus Property	
4. Licenses		f. Charges for Services	
5. Specific Ownership &/or Other		g. Other Misc. Receipts	
6. Total (1. through 5.)	0	h. Other	0
c. Total (a. + b.)	0		

ITEM	AMOUNT	ITEM	AMOUNT
C. Receipts from State Government		**D. Receipts from Federal Government**	
1. Highway-user taxes	20,904	1. FHWA (from Item I.D.5.)	
2. State general funds		2. Other Federal agencies:	
3. Other State funds:		a. Forest Service (dist to schools)	
a. State bond proceeds		b. FEMA	
b. Project Match		c. HUD	
c. Motor Vehicle Registrations	2,341	d. Federal Transit Admin	
d. Other		e. U.S. Corps of Engineers	
e. Other		f. Other Federal	
f. Total (a. through e.)	2,341	g. Total (a. through f.)	0
4. Total (1. + 2. + 3.f)	23,245	3. Total (1. + 2.g)	
			(Carry forward to page 1)

III. DISBURSEMENTS FOR ROAD AND STREET PURPOSES - DETAIL

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

Notes and Comments:

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