TOWN OF DEL NORTE, COLORADO

FINANCIAL STATEMENTS

December 31, 2025

Wall,
Smith,
Bateman Inc.
Certified Public Accountants

TOWN OF DEL NORTE, COLORADO
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INDEPENDENT AUDITORS' REPORT

Wall,
Smith,
Bateman Inc.

To the Honorable Mayor and Board of Trustees
Town of Del Norte
Del Norte, Colorado

Opinions

We have audited the accompanying financial statements of the governmental activities, business-type activities, each major fund, and the aggregate remaining fund information of the Town of Del Norte, Colorado (the Town) as of and for the year ended of December 31, 2025, and the related notes to the financial statements, which collectively comprise the Town's basic financial statements as listed in the table of contents.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, business-type activities, each major fund, and the aggregate remaining fund information of the Town of Del Norte as of December 31, 2025, 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.

Basis for Opinions

We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Our responsibilities under those standards are further described in the Auditors' Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the Town, and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in the United States of America, and for 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.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the Town's ability to continue as a going concern for twelve months beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.

Auditors' Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an Auditors' report that includes our opinions. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with generally accepted auditing standards will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with generally accepted auditing standards, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit 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 Town's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the Town's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control-related matters that we identified during the audit.

Required Supplementary Information

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

Accounting principles generally accepted in the United States of America require that the General Fund budgetary comparison information, as listed in the table of contents, be presented to supplement the basic financial statements. Such information is the responsibility of management and, 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.

Supplementary Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Town's basic financial statements. The combining and individual fund financial schedules, other budgetary schedules, and the Local Highway Finance Report are presented for purposes of additional analysis and are not a required part of the basic financial statements. 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. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the combining and individual fund financial schedules, other budgetary schedules, and the Local Highway Finance Report are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

Wall, Smith, Bateman Inc.

Wall, Smith, Bateman Inc.
Alamosa, Colorado

July 06, 2026

TOWN OF DEL NORTE, COLORADO

BASIC FINANCIAL STATEMENTS

TOWN OF DEL NORTE, COLORADO
STATEMENT OF NET POSITION
December 31, 2025

	Primary Government		
	Governmental Activities	Business-Type Activities	TOTAL
ASSETS			
Current Assets			
Cash and Cash Equivalents	$ 3,335,975	$ 3,127,894	$ 6,463,869
Accounts Receivable	11,812	142,342	154,154
Grants Receivable	-	-	-
Due from Other Governments	227,356	20,123	247,479
Property Taxes Receivable	179,754	-	179,754
Inventories	-	44,046	44,046
Other Assets	555	-	555
Total Current Assets	3,755,452	3,334,405	7,089,857
Capital Assets			
Construction in Progress	4,271,917	173,737	4,445,654
Land	313,410	-	313,410
Land Improvements	1,079,149	-	1,079,149
Buildings and Improvements	1,293,137	-	1,293,137
Utility System	-	12,323,661	12,323,661
Infrastructure	1,300,288	1,119,994	2,420,282
Machinery and Equipment	926,387	714,763	1,641,150
Vehicles	609,492	-	609,492
Less: Accumulated Depreciation	(2,323,032)	(4,590,483)	(6,913,515)
Total Capital Assets	7,470,748	9,741,672	17,212,420
TOTAL ASSETS	11,226,200	13,076,077	24,302,277
LIABILITIES			
Current Liabilities			
Accounts Payable	25,120	67,078	92,198
Compensated Absences	20,606	20,606	41,212
Unearned Revenue - Grant Revenue	2,784	-	2,784
Notes Payable	-	92,554	92,554
Total Current Liabilities	48,510	180,238	228,748
Long-Term Liabilities			
Compensated Absences	40,444	24,218	64,662
Notes Payable	-	3,940,624	3,940,624
Total Long-Term Liabilities	40,444	3,964,842	4,005,286
TOTAL LIABILITIES	88,954	4,145,080	4,234,034
DEFERRED INFLOWS OF RESOURCES - CURRENT			
Unavailable Revenue - Property Tax	179,754	-	179,754
TOTAL DEFERRED INFLOWS OF RESOURCES	179,754	-	179,754

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

TOWN OF DEL NORTE, COLORADO
STATEMENT OF NET POSITION
December 31, 2025

	Primary Government		
	Governmental Activities	Business-Type Activities	TOTAL
NET POSITION			
Net Investment in Capital Assets	7,470,748	5,708,494	13,179,242
Restricted for:			
TABOR	63,000	-	63,000
Debt Service	105,298	186,975	292,273
Unrestricted	3,318,446	3,035,528	6,353,974
TOTAL NET POSITION	$ 10,957,492	$ 8,930,997	$ 19,888,489

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

TOWN OF DEL NORTE, COLORADO
STATEMENT OF ACTIVITIES
For the Year Ended December 31, 2025

Functions/Programs	Expenses	Program Revenues: Charges for Services	Program Revenues: Operating Grants & Contributions	Program Revenues: Capital Grants & Contributions	Net (Expense) Revenue and Changes in Net Position – Primary Government: Governmental Activities	Business-Type Activities	TOTAL
Primary Government							
Governmental Activities							
General Government	$ 272,293	$ 66,072	$ 49,626	$ 72,861	$ (83,734)	$ -	$ (83,734)
Public Safety	617,326	57,108	-	-	(560,218)	-	(560,218)
Highways and Streets	343,434	440	80,185	-	(262,809)	-	(262,809)
Health and Welfare	2,922	5,875	-	-	2,953	-	2,953
Culture and Recreation	63,771	-	8,426	-	(55,345)	-	(55,345)
Total Governmental Activities	1,299,746	129,495	138,237	72,861	(959,153)	-	(959,153)
Business-Type Activities							
Water	511,253	613,532	-	-	-	102,279	102,279
Sewer	589,081	694,752	-	20,123	-	125,794	125,794
Total Business-Type Activities	1,100,334	1,308,284	-	20,123	-	228,073	228,073
Total Primary Government	$ 2,400,080	$ 1,437,779	$ 138,237	$ 92,984	(959,153)	228,073	(731,080)
General Revenues:							
Taxes:							
General Property Taxes - Net					181,372	-	181,372
Sales Taxes					1,329,527	-	1,329,527
Franchise Taxes					89,219	-	89,219
Other Taxes					27,074	-	27,074
Sale of Capital Assets					28,700	-	28,700
Interest on Investments					80,911	43,528	124,439
Miscellaneous					21,112	-	21,112
Total General Revenues					1,757,915	43,528	1,801,443
Change in Net Position					798,762	271,601	1,070,363
Net Position - Beginning					10,158,730	8,659,396	18,818,126
Net Position - Ending					$ 10,957,492	$ 8,930,997	$ 19,888,489

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

TOWN OF DEL NORTE, COLORADO
GOVERNMENTAL FUNDS
BALANCE SHEET
December 31, 2025

	GENERAL FUND	CAPITAL IMPROVEMENT FUND	OTHER GOVERNMENTAL FUNDS	TOTAL GOVERNMENTAL FUNDS
ASSETS				
Cash and Cash Equivalents	$ 1,949,489	$ 1,168,990	$ 217,496	$ 3,335,975
Accounts Receivable	11,812	-	-	11,812
Due from Other Governments	126,988	100,368	-	227,356
Property Taxes Receivable	179,754	-	-	179,754
Grant Receivable	-	-	-	-
Other Assets	-	-	555	555
TOTAL ASSETS	$ 2,268,043	$ 1,269,358	$ 218,051	$ 3,755,452
LIABILITIES				
Accounts Payable	$ 11,550	$ 13,570	$ -	$ 25,120
Unearned Revenue - Grant Income	2,784	-	-	2,784
TOTAL LIABILITIES	14,334	13,570	-	27,904
DEFERRED INFLOWS OF RESOURCES				
Unavailable Revenue - Property Tax	179,754	-	-	179,754
TOTAL DEFERRED INFLOWS OF RESOURCES	179,754	-	-	179,754
FUND BALANCE				
Restricted:				
TABOR	63,000	-	-	63,000
Debt Service	-	-	105,298	105,298
Committed:				
Capital Improvements	-	1,255,788	-	1,255,788
Culture and Recreation	-	-	112,753	112,753
Assigned - Designated for Subsequent Years	179,623	-	-	179,623
Unassigned	1,831,332	-	-	1,831,332
TOTAL FUND BALANCE	2,073,955	1,255,788	218,051	3,547,794
TOTAL LIABILITIES, DEFERRED INFLOWS, OF RESOURCES AND FUND BALANCE	$ 2,268,043	$ 1,269,358	$ 218,051	$ 3,755,452

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

TOWN OF DEL NORTE, COLORADO
RECONCILIATION OF TOTAL GOVERNMENTAL FUND BALANCES
TO THE STATEMENT OF NET POSITION
December 31, 2025

Total Governmental Fund Balances	$	3,547,794
Amounts reported for governmental activities in the statement of net position are different because:		
Capital assets used in governmental activities are not financial resources and therefore are not reported in the funds.		7,470,748
Long-term liabilities are not due and payable in the current period and therefore are not reported in the funds.		
Compensated Absences		(61,050)
Net Position of Governmental Activities	$	10,957,492

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

TOWN OF DEL NORTE, COLORADO
GOVERNMENTAL FUNDS
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
For the Year Ended December 31, 2025

	GENERAL FUND	CAPITAL IMPROVEMENT FUND	OTHER GOVERNMENTAL FUNDS	TOTAL GOVERNMENTAL FUNDS
REVENUES				
Taxes	$1,032,381	$ 594,811	$ -	$ 1,627,192
Licenses and Permits	9,495	-	-	9,495
Intergovernmental Revenue	102,882	99,790	8,426	211,098
Charges for Services	62,642	-	-	62,642
Fines and Forfeits	57,108	-	-	57,108
Interest on Accounts	53,240	23,155	4,516	80,911
Miscellaneous Revenue	21,362	-	-	21,362
TOTAL REVENUES	1,339,110	717,756	12,942	2,069,808
EXPENDITURES				
General Government	225,515	1,000	-	226,515
Public Safety	586,952	-	-	586,952
Highways and Streets	217,099	12,685	-	229,784
Health and Welfare	2,922	-	-	2,922
Culture and Recreation	15,385	-	12,064	27,449
Capital Outlay	74,376	2,501,861	-	2,576,237
TOTAL EXPENDITURES	1,122,249	2,515,546	12,064	3,649,859
Excess (Deficiency) of Revenues Over Expenditure	216,861	(1,797,790)	878	(1,580,051)
OTHER FINANCING SOURCES (USES)				
Sale of Capital Assets	28,700	-	-	28,700
Transfers In	-	-	-	-
Transfers Out	-	-	-	-
TOTAL OTHER FINANCING SOURCES (USES)	28,700	-	-	28,700
Excess (Deficiency) of Revenues Over Expenditures and Other Sources (Uses)	245,561	(1,797,790)	878	(1,551,351)
Fund Balance at Beginning of Year	1,828,394	3,053,578	217,173	5,099,145
Fund Balance at End of Year	$2,073,955	$ 1,255,788	$ 218,051	$ 3,547,794

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

TOWN OF DEL NORTE, COLORADO
RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS TO THE STATEMENT OF ACTIVITIES
For the Year Ended December 31, 2025

Net Changes in Fund Balances - Total Governmental Funds		$ (1,551,351)
Amounts reported for governmental activities in the statement of activities are different because:		
Governmental funds report capital outlays as expenditures. However, in the statement of activities the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense. This is the difference between capital outlay and depreciation in the current period.		
Fixed asset additions	$ 2,539,896	
Depreciation expense	(184,391)	
		2,355,505
Some expenses reported in the statement of activities do not require the use of current financial resources and therefore are not reported as expenditures in governmental funds.		
Compensated Absences		(5,392)
Change in Net Position of Governmental Activities		$ 798,762

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

TOWN OF DEL NORTE, COLORADO
PROPRIETARY FUNDS
STATEMENT OF NET POSITION
December 31, 2025

	WATER FUND	SEWER FUND	TOTAL
ASSETS			
Current Assets			
Cash and Cash Equivalents	$ 1,383,056	$ 1,744,838	$ 3,127,894
Accounts Receivable	60,364	81,978	142,342
Due From Other Government	-	20,123	20,123
Inventories	36,870	7,176	44,046
Total Current Assets	1,480,290	1,854,115	3,334,405
Capital Assets			
Construction in Progress	59,674	114,063	173,737
Utility System	2,770,264	9,553,397	12,323,661
Machinery and Equipment	298,083	416,680	714,763
Infrastructure	1,119,994	-	1,119,994
Less: Accumulated Depreciation	(2,655,764)	(1,934,719)	(4,590,483)
Total Capital Assets	1,592,251	8,149,421	9,741,672
TOTAL ASSETS	3,072,541	10,003,536	13,076,077
LIABILITIES			
Current Liabilities			
Accounts Payable	27,263	39,815	67,078
Compensated Absences	10,303	10,303	20,606
Notes Payable	-	92,554	92,554
Total Current Liabilities	37,566	142,672	180,238
Noncurrent Liabilities			
Compensated Absences	13,808	10,410	24,218
Notes Payable	-	3,940,624	3,940,624
Total Noncurrent Liabilities	13,808	3,951,034	3,964,842
TOTAL LIABILITIES	51,374	4,093,706	4,145,080
NET POSITION			
Net Investment in Capital Assets	1,592,251	4,116,243	5,708,494
Restricted- USDA Reserve	-	186,975	186,975
Unrestricted	1,428,916	1,606,612	3,035,528
TOTAL NET POSITION	$ 3,021,167	$ 5,909,830	$ 8,930,997

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

TOWN OF DEL NORTE, COLORADO
PROPRIETARY FUNDS
STATEMENT OF REVENUES, EXPENSES AND CHANGES IN NET POSITION
For the Year Ended December 31, 2025

	WATER FUND	SEWER FUND	TOTAL
OPERATING REVENUES			
Charges for Services			
Service Charges	$ 598,925	$ 694,752	$ 1,293,677
Miscellaneous Revenue	14,607	-	14,607
Total Operating Revenues	613,532	694,752	1,308,284
OPERATING EXPENSES			
Salaries	142,964	127,472	270,436
Benefits	53,256	45,380	98,636
Supplies	49,015	10,834	59,849
Professional Services	37,437	50,517	87,954
Utilities, Gas and Oil	38,787	60,102	98,889
Equipment Repairs & Maintenance	46,152	2,680	48,832
Insurance and Bonds	17,528	14,783	32,311
Administration - Police Department	-	-	-
Miscellaneous	1,156	2,005	3,161
Depreciation	124,958	224,274	349,232
Total Operating Expenses	511,253	538,047	1,049,300
Operating Income (Loss)	102,279	156,705	258,984
NONOPERATING REVENUES (EXPENSES)			
Interest on Accounts	32,841	10,687	43,528
Grant Revenue	-	20,123	20,123
Interest Expense	-	(51,034)	(51,034)
Total Nonoperating Revenues (Expenses)	32,841	(20,224)	12,617
Net Income (Loss)	135,120	136,481	271,601
Net Position at Beginning of Year	2,886,047	5,773,349	8,659,396
Net Position at End of Year	$ 3,021,167	$ 5,909,830	$ 8,930,997

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

TOWN OF DEL NORTE, COLORADO
PROPRIETARY FUNDS
STATEMENT OF CASH FLOWS
For the Year Ended December 31, 2025

	WATER FUND	SEWER FUND	TOTAL
CASH FLOWS FROM OPERATING ACTIVITIES			
Cash Received from Customers	$ 603,357	$ 685,981	$ 1,289,338
Cash Payments to Suppliers for Goods and Services	(161,737)	(140,921)	(302,658)
Cash Payments to Employees	(142,964)	(127,472)	(270,436)
Cash Payments for Employee Benefits and Taxes	(53,256)	(45,380)	(98,636)
NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES	245,400	372,208	617,608
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES	-	-	-
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES			
Purchase of Fixed Assets	(59,674)	(77,243)	(136,917)
Grant Proceeds	-	-	-
Interest Paid on Notes and Bonds	-	(51,034)	(51,034)
Principal Paid on Notes and Bonds	(163,057)	(91,406)	(254,463)
NET CASH PROVIDED (USED) FOR CAPITAL AND RELATED FINANCING ACTIVITIES	(222,731)	(219,683)	(305,497)
CASH FLOWS FROM INVESTING ACTIVITIES			
Interest Income	32,841	10,687	43,528
NET CASH PROVIDED (USED) BY INVESTING ACTIVITIES	32,841	10,687	43,528
NET INCREASE IN CASH AND CASH EQUIVALENTS	55,510	163,212	218,722
CASH AND CASH EQUIVALENTS, BEGINNING OF YEAR	1,327,546	1,581,626	2,909,172
CASH AND CASH EQUIVALENTS, END OF YEAR	$ 1,383,056	$ 1,744,838	$ 3,127,894
OPERATING INCOME (LOSS)	$ 102,279	$ 156,705	$ 258,984
Adjustments to Reconcile Operating Income to Net Cash Provided by Operating Activities			
Depreciation Expense	124,958	224,274	349,232
Change in Assets and Liabilities			
(Increase) Decrease in Accounts Receivable	(10,175)	(8,771)	(18,946)
(Increase) Decrease in Inventory	-	-	-
Increase (Decrease) in Accounts Payable	28,338	-	28,338
Increase (Decrease) in Compensated Absences	-	-	-
NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES	$ 245,400	$ 372,208	$ 617,608

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

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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

REPORTING ENTITY

Primary Government

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

Component Units

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

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

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

GOVERNMENT-WIDE AND FUND FINANCIAL STATEMENTS

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

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

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

- Grants and contributions that are restricted to meeting the operational or capital requirements of a particular function or segment. Taxes and other items not properly included in program revenues are reported as general revenues.

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

MEASUREMENT FOCUS, BASIS OF ACCOUNTING, AND FINANCIAL STATEMENT PRESENTATION

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

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

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

The Town reports the following major governmental funds:

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

The Town reports the following major enterprise funds:

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

Proprietary funds distinguish operating revenues and expenses from nonoperating items. Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with a proprietary fund's principal ongoing operations. All revenues and expenses not meeting this definition are reported as nonoperating revenues and expenses.

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

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

Cash and Investments

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

Property Taxes

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

The 2025 property tax levy due January 1, 2026, has been recorded in the financial statements as a receivable and corresponding deferred inflows of resources in the financial statements.

Inventory

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

Capital Assets

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

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

Assets	Years
Buildings and Improvements	5-50
Equipment	3-15
Utility System	10-40
Infrastructure	10-20
Vehicles	5-10

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

Compensated Absences

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

Long-Term Obligations

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

Unearned Revenue

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

Deferred Inflows of Resources

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

Interest Capitalization

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

Encumbrances

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

Net Position

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

- *Net investment in capital assets* – consists of capital assets, net accumulated depreciation, reduced by the outstanding balances of any borrowings that are attributable to the acquisition, construction or improvement of those assets. Deferred outflows of resources and deferred inflows of resources that are attributable to the acquisition, construction, or improvement of those assets or related debt should be included in this component of net position.

- *Restricted* – consists of restricted assets reduced by liabilities and deferred inflows of resources related to those assets. Restricted assets consist of assets that have limitations imposed on their use either through enabling legislation or through external restrictions imposed by creditors, grantors, or laws or regulations of other governments.

- *Unrestricted* – consists of the net amount of assets, deferred outflows of resources, liabilities, and deferred inflows of resources that are not included in the determination of net investment in capital assets or the restricted components of net position.

Fund Balance

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

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

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

Use of Estimates

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

NOTE 2 STEWARDSHIP, COMPLIANCE, AND ACCOUNTABILITY

Budgets and Budgetary Accounting

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

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

Formal budgetary integration is employed as a management control device for all funds of the Town. All fund budgets are adopted on a basis consistent with U.S. generally accepted accounting principles (GAAP), except for the Water Fund.

The total expenditures for each fund cannot exceed the budgeted amount unless a supplemental appropriation is adopted. The Town did not adopt supplemental appropriations during 2025. All budget amounts presented in the accompanying supplementary information reflect the original budget and the final amended budget.

Stewardship

Total expenditures exceeded budgeted appropriations in the Water Fund by $69,927. This may be a violation of Colorado Revised Statutes 29-1-110.

NOTE 3 CASH, DEPOSITS, AND INVESTMENTS

At December 31, 2025 cash, deposits, and investments consisted of the following:

Cash on Hand	$	558
Cash in Banks		3,997,901
Investment in ColoTrust		2,465,410
Total cash, deposits, and investments on the Statement of Net Position	$	6,463,869

CASH AND DEPOSITS

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

The Colorado Public Deposit Protection Act (PDPA) requires that all units of local government deposit cash in eligible public depositories determined by state regulators. Amounts on deposit in excess of federal insurance levels must be collateralized in accordance with the PDPA. PDPA allows the institution to create a single collateral pool for all public funds to be maintained by another institution or held in trust for all the uninsured public deposits as a group. The market value of the collateral must be at least 102% of the aggregate uninsured deposits. All deposits in 2025 were in eligible public depositories, as defined by the Public Deposit Protection Act of 1989.

Custodial Credit Risk – Deposits

Custodial credit risk is the risk that in the event of a bank failure, the Town's deposits may not be returned to it. At December 31, 2025, $3,277,483 was exposed to custodial credit risk. Deposits exposed to credit risk are collateralized with securities held by the pledging financial institutions through PDPA.

INVESTMENTS

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

- Obligations of the United States and certain U.S. government agency securities
- Certain international agency securities
- General obligation and revenue bonds of U.S. local government entities
- Bankers' acceptances of certain banks
- Commercial paper
- Local government investment pools

- Repurchase agreements
- Money market funds
- Guaranteed investment contracts
- Corporate or bank debt issued by eligible corporations or banks

Credit Risk

The Town’s investment policy calls for investment diversification within the portfolio to avoid unreasonable risks inherent in over investing in specific instruments, individual financial institutions, or maturities. The Town's investment policy allows for the Town to invest in local government investment pools. As of December 31, 2025, the local government investment pool (COLOTRUST) in which the Town had invested, was rated AAAm by Standard and Poor's.

Interest Rate Risk

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

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

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

NOTE 4 DUE FROM OTHER GOVERNMENTS

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

As of December 31, 2025, the Town had $247,479 due from Federal, State, and Local governments, reflected as intergovernmental receivables in the accompanying basic financial statements.

NOTE 5 CAPITAL ASSETS

Capital asset activity for the year ended December 31, 2025, was as follows:

	Balance 12/31/2024	Additions	Deletions	Balance 12/31/2025
Governmental Activities				
Capital assets not being depreciated				
Construction in Progress	$ 2,706,442	$ 2,343,772	$ 778,297	$ 4,271,917
Land	313,410	-	-	313,410
Total capital assets not being depreciated	3,019,852	2,343,772	778,297	4,585,327
Capital assets being depreciated				
Land Improvements	1,079,149	-	-	1,079,149
Buildings and Improvements	1,244,287	48,850	-	1,293,137
Infrastructure	491,951	808,337	-	1,300,288
Machinery and Equipment	883,727	42,660	-	926,387
Vehicles	562,497	74,574	27,579	609,492
Total capital assets being depreciated	4,261,611	974,421	27,579	5,208,453
Less accumulated depreciation for:				
Land Improvements	198,325	39,665	-	237,990
Buildings and Improvements	629,248	31,203	-	660,451
Infrastructure	393,246	54,042	-	447,288
Machinery and Equipment	551,877	23,018	-	574,895
Vehicles	393,524	36,463	27,579	402,408
Total accumulated depreciation	2,166,220	184,391	27,579	2,323,032
Total capital assets being depreciated, net	2,095,391	790,030	-	2,885,421
Governmental Activities Capital Assets, Net	$ 5,115,243	$ 3,133,802	$ 778,297	$ 7,470,748
Business-type Activities				
Capital assets not being depreciated				
Construction in Progress	$ -	$ 173,737	$ -	$ 173,737
Total capital assets not being depreciated	-	173,737	-	173,737
Capital assets being depreciated				
Property, Plant and Equipment	14,158,418	-	-	14,158,418
Accumulated Depreciation	(4,241,251)	(349,232)	-	(4,590,483)
Total capital assets being depreciated, net	9,917,167	(349,232)	-	9,567,935
Business-type Capital Assets, Net	$ 9,917,167	$ (175,495)	$ -	$ 9,741,672

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

Governmental Activities	
General Government	$ 40,386
Public Safety	30,374
Highways and Streets	77,309
Culture and Recreation	36,322
Total depreciation expense – governmental activities	$ 184,391
Business-type Activities	
Water Services	$ 124,958
Sewer Services	224,274
Total depreciation expense – business-type activities	$ 349,232

NOTE 6 LONG-TERM LIABILITIES

Changes in Long-term Liabilities

	Balance 12/31/2024	Additions	Repayments	Balance 12/31/2025	Due Within One Year
Governmental Activities					
Compensated Absences	$ 55,658	$ 5,392	$ -	$ 61,050	$ 20,606
Governmental Activities Total	$ 55,658	$ 5,392	$ -	$ 61,050	$ 20,606
Business-type Activities					
Notes Payable					
CWRPDA Loan	$ 163,057	$ -	$ 163,057	$ -	$ -
USDA Loan	4,124,584	-	91,406	4,033,178	92,554
Compensated Absences	44,824	-	-	44,824	20,606
Business-type Activities Total	$ 4,332,465	$ -	$ 254,463	$ 4,078,002	$ 113,160

* The change in the compensated absences liability is presented as a net change.

Business-type Activities

Notes Payable

On December 31, 2009, the Colorado Water Resources and Power Development Authority loaned the Town $934,000 at an interest rate of 0.0% annually. This loan was obtained for installation of water meters and replacing service lines. During 2011, the project was completed and the Town had not drawn down the full balance of the loan. The principal balance was adjusted by the Colorado Water Resources and Power Development Authority to $745,642, the amount of total draws. The note is to be repaid in semi-annual installments of $18,118 for a period of 20 years. The initial payment was due November 1, 2009, and the final payment is due May 1, 2029. The loan is secured with "net revenue" from the water enterprise fund pledged to repay the loan. The loan was paid off as of December 31, 2025.

On February 10, 2016, the Town entered into a loan with the United States Department of Agriculture (USDA), in the amount of $4,479,000 with an interest rate of 2.125% annually, which was changed to 1.250% annually at closing, to complete the wastewater capital improvement project. On December 18, 2020 the loan was closed out. The loan is to be repaid in monthly installments of $11,870 for a period of 40 years. The initial payment was due January 1, 2021 and the final payment is due December 18, 2060.

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

	Principal	Interest	Total
2026	$ 92,554	$ 49,886	$ 142,440
2027	93,718	48,722	142,440
2028	94,896	47,544	142,440
2029	96,089	46,351	142,440
2030	97,297	45,143	142,440
2031-2035	505,144	207,056	712,200
2036-2040	537,706	174,494	712,200
2041-2045	572,366	139,834	712,200
2046-2050	609,261	102,939	712,200
2051-2055	648,533	63,667	712,200
2056-2060	685,614	21,862	707,476
	$ 4,033,178	$ 947,498	$ 4,980,676

NOTE 7 DEFINED CONTRIBUTION PENSION PLANS

Profit-Sharing Plan

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

Benefit terms, including contribution requirements, for the Plan are established and may be amended by the Town Board of Trustees. For each employee in the pension plan, the Town is required to contribute four percent of compensation to an individual employee account. Employees are not permitted to make contributions to the Plan. For the year ended December 31, 2025, the Town recognized pension expense of $32,044.

Employees become vested in Town contributions and earnings beginning in year two of a seven year vesting schedule. Plan benefits depend solely on amounts contributed to the plan plus investment earnings, less administrative expenses. Nonvested Town contributions are forfeited upon termination of employment. Such forfeitures are used to cover a portion of the pension plan's administrative expenses. For the year ended December 31, 2025, forfeitures reduced the Town's pension expense by $0.

Police Money Purchase Pension Plan

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

Benefit terms, including contribution requirements, for the Plan are established and may be amended by the Town Board of Trustees. For each employee in the pension plan, the Town is required to contribute eight percent of compensation to an individual employee account. Employees are required to contribute eight percent of compensation to the Plan. For the year ended December 31, 2025, employee contributions totaled $47,611 and the Town recognized pension expense of $47,611.

Employees are immediately vested in their own contributions and earnings on those contributions and become vested in Town contributions and earnings beginning in year two of a seven year vesting schedule. Plan benefits depend solely on amounts contributed to the plan plus investment earnings, less administrative expenses. Nonvested Town contributions are forfeited upon termination of employment. Such forfeitures are used to cover a portion of the pension plan's administrative expenses. For the year ended December 31, 2025, forfeitures reduced the Town's pension expense by $0.

NOTE 8 DEFERRED COMPENSATION PLAN

The Town offers its employees a deferred compensation plan created in accordance with Internal Revenue Code Section 457. The Plan is administered by the Town of Del Norte and investment funds are managed by Security Benefit, Inc. The plan, available to all Town employees, upon hire, permits them to defer a portion of their salary until future years. During the year ended December 31, 2025, the employees contributed $13,575. The deferred compensation is not available to employees until termination, retirement, death, or unforeseeable emergencies.

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

NOTE 9 TABOR EMERGENCY RESERVE

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

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

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

NOTE 10 COMMITMENTS AND CONTINGENCIES

Grant Programs

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

Construction Projects

In December 2020, the Town entered into a grant agreement with the Colorado Department of Transportation for $2,137,151 for the purpose of designing/constructing a new street scape for a portion of the Town. Total project costs are estimated to be $4,400,000. Costs in excess of grant funds will be paid from the Capital Improvement Fund. The Town has spent $4,218,395 as of December 31, 2025 towards the project and is expected to finish in 2026.

In March 2024, the Town entered into a grant agreement with the Colorado Department of Local Affairs for $440,275 for the Cherry Street Housing project. The Town has spent $53,522 as of December 31, 2025 towards the project. The project can not be finished until the Housing complex is completed, therefore the estimated completion date is unknown.

Water System Improvements

In June of 2024, the Town entered into a loan and grant agreement with the U.S. Department of Rural Development for grant funds of $11,018,000 and loan funds of $12,010,000 to replace undersized and failing water piping and will add new piping to eliminate dead-ends which are causing unsafe bacteria levels in the system. Total project costs are estimated at $24,628,000. The Town has spent $59,674 as of December 31, 2025 towards the project and is expected to finish in 2028.

Wastewater System Improvements

In September 2025, the Town entered into a loan and grant agreement with the U.S. Department of Rural Development for grant funds totaling $9,490,097 and loan funds totaling $8,264,307 for the decommissioning of the existing wastewater treatment plant and constructing a mechanical treatment plant. Total project costs are estimated at $18,203,904. The Town has spent $114,063 as of December 31, 2025 towards the project and is expected to finish in 2029.

TOWN OF DEL NORTE, COLORADO

REQUIRED SUPPLEMENTARY INFORMATION

In addition to the basic financial statements, a budgetary comparison schedule is required for the General Fund and, if applicable, each of the Town's major special revenue funds.

TOWN OF DEL NORTE, COLORADO
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
GENERAL FUND
For the Year Ended December 31, 2025

	BUDGETED AMOUNTS ORIGINAL	BUDGETED AMOUNTS FINAL	ACTUAL	VARIANCE WITH FINAL BUDGET POSITIVE (NEGATIVE)
REVENUES				
Taxes	$ 1,006,537	$ 1,006,537	$ 1,032,381	$ 25,844
Licenses and Permits	5,675	5,675	9,495	3,820
Intergovernmental Revenue				
Highway Users Tax	59,167	59,167	73,200	14,033
Additional Motor Vehicle Fees	6,500	6,500	6,814	314
County Road and Bridge Fund	8,500	8,500	171	(8,329)
Grants	-	-	22,697	22,697
Charges for Services	63,450	63,450	62,642	(808)
Fines and Forfeits	27,500	27,500	57,108	29,608
Interest on Accounts	34,000	34,000	53,240	19,240
Miscellaneous Revenue	3,570	3,570	21,362	17,792
TOTAL REVENUE	1,214,899	1,214,899	1,339,110	124,211
EXPENDITURES				
General Government	244,167	244,167	225,515	18,652
Public Safety	616,962	616,962	586,952	30,010
Highways and Streets	242,179	242,179	217,099	25,080
Health and Welfare	2,900	2,900	2,922	(22)
Culture and Recreation	30,840	30,840	15,385	15,455
Capital Outlay	153,400	153,400	74,376	79,024
TOTAL EXPENDITURES	1,290,448	1,290,448	1,122,249	168,199
Excess (Deficiency) of Revenues Over Expenditures	(75,549)	(75,549)	216,861	(43,988)
OTHER FINANCING SOURCES (USES)				
Sale of Capital Assets	2,000	2,000	28,700	32,700
Transfers In	-	-	-	-
Transfers Out	-	-	-	-
TOTAL OTHER FINANCING SOURCES (USES)	2,000	2,000	28,700	32,700
Excess (Deficiency) of Revenues Over Expenditures and Other Sources (Uses)	(73,549)	(73,549)	245,561	(11,288)
Fund Balance at Beginning of Year	1,643,846	1,643,846	1,828,394	184,548
Fund Balance at End of Year	$ 1,570,297	$ 1,570,297	$ 2,073,955	$ 173,260

Notes to Required Supplementary Information

The basis of budgeting is the same as GAAP.
This schedule is presented on the GAAP basis.

TOWN OF DEL NORTE, COLORADO

SUPPLEMENTARY INFORMATION

TOWN OF DEL NORTE, COLORADO
NONMAJOR GOVERNMENTAL FUNDS

SPECIAL REVENUE FUNDS

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

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

DEBT SERVICE FUND

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

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

TOWN OF DEL NORTE, COLORADO
NONMAJOR GOVERNMENTAL FUNDS
COMBINING BALANCE SHEET
December 31, 2025

	Special Revenue Fund		
	CONSERVATION TRUST FUND	DEBT SERVICE FUND	TOTAL NONMAJOR GOVERNMENTAL
ASSETS			
Cash and Cash Equivalents	$ 112,198	$ 105,298	$ 217,496
Other Assets	555	-	555
TOTAL ASSETS	$ 112,753	$ 105,298	$ 218,051
LIABILITIES AND FUND BALANCE			
LIABILITIES	$ -	$ -	$ -
TOTAL LIABILITIES	-	-	-
FUND BALANCE			
Restricted for:			
Debt Service	-	105,298	105,298
Committed:			
Culture and Recreation	112,753	-	112,753
TOTAL FUND BALANCE	112,753	105,298	218,051
TOTAL LIABILITIES AND FUND BALANCE	$ 112,753	$ 105,298	$ 218,051

TOWN OF DEL NORTE, COLORADO
NONMAJOR GOVERNMENTAL FUNDS
COMBINING SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
For the Year Ended December 31, 2025

	Special Revenue Fund		
	CONSERVATION TRUST FUND	DEBT SERVICE FUND	TOTAL NONMAJOR GOVERNMENTAL
REVENUES			
Intergovernmental Revenue	$ 8,426	$ -	$ 8,426
Interest on Accounts	4,044	472	4,516
TOTAL REVENUES	12,470	472	12,942
EXPENDITURES			
Culture and Recreation	12,064	-	12,064
TOTAL EXPENDITURES	12,064	-	12,064
Change in Fund Balances	406	472	878
Fund Balance at Beginning of Year	112,347	104,826	217,173
Fund Balance at End of Year	$ 112,753	$ 105,298	$ 218,051

TOWN OF DEL NORTE, COLORADO
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
CAPITAL IMPROVEMENT FUND
For the Year Ended December 31, 2025

	BUDGETED AMOUNTS			VARIANCE WITH FINAL BUDGET POSITIVE
	ORIGINAL	FINAL	ACTUAL	(NEGATIVE)
REVENUES				
Taxes	$ 615,000	$ 615,000	$ 594,811	$ (20,189)
Interest on Accounts	18,000	18,000	23,155	5,155
Intergovernmental Revenues	1,690,275	1,690,275	99,790	(1,590,485)
Miscellaneous Revenue	-	-	-	-
TOTAL REVENUES	2,323,275	2,323,275	717,756	(1,605,519)
EXPENDITURES				
General Government	527,030	527,030	1,000	526,030
Highways and Streets	12,250	12,250	12,685	(435)
Capital Outlay	4,029,245	4,029,245	2,501,861	1,527,384
TOTAL EXPENDITURES	4,568,525	4,568,525	2,515,546	2,052,979
Excess (Deficiency) of Revenues Over Expenditures	(2,245,250)	(2,245,250)	(1,797,790)	447,460
OTHER FINANCING SOURCES (USES)				
Transfers In	-	-	-	-
Transfers Out	-	-	-	-
TOTAL OTHER FINANCING SOURCES (USES)	-	-	-	-
Excess (Deficiency) of Revenues Over Expenditures and Other Sources (Uses)	(2,245,250)	(2,245,250)	(1,797,790)	447,460
Fund Balance at Beginning of Year	3,352,589	3,352,589	3,053,578	(299,011)
Fund Balance at End of Year	$ 1,107,339	$ 1,107,339	$ 1,255,788	$ 148,449

TOWN OF DEL NORTE, COLORADO
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
CONSERVATION TRUST FUND
For the Year Ended December 31, 2025

	BUDGETED AMOUNTS			VARIANCE WITH FINAL BUDGET POSITIVE
	ORIGINAL	FINAL	ACTUAL	(NEGATIVE)
REVENUES				
Intergovernmental Revenue				
Lottery Proceeds	$ 9,200	$ 9,200	$ 8,426	$ (774)
Interest on Accounts	4,546	4,546	4,044	(502)
TOTAL REVENUES	13,746	13,746	12,470	(1,276)
EXPENDITURES				
Culture and Recreation	13,746	13,746	12,064	1,682
TOTAL EXPENDITURES	13,746	13,746	12,064	1,682
Change in Fund Balance	-	-	406	406
Fund Balance at Beginning of Year	113,562	113,562	112,347	(1,215)
Fund Balance at End of Year	$ 113,562	$ 113,562	$ 112,753	$ (809)

TOWN OF DEL NORTE, COLORADO
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
DEBT SERVICE FUND
For the Year Ended December 31, 2025

	BUDGETED AMOUNTS			VARIANCE WITH FINAL BUDGET POSITIVE
	ORIGINAL	FINAL	ACTUAL	(NEGATIVE)
REVENUES				
Interest on Accounts	$ 400	$ 400	$ 472	$ 72
TOTAL REVENUES	400	400	472	72
EXPENDITURES				
Debt Service				
Trustee Fees	400	400	-	400
Total Debt Service	400	400	-	400
TOTAL EXPENDITURES	400	400	-	400
Change in Fund Balance	-	-	472	472
Fund Balance at Beginning of Year	104,787	104,787	104,826	39
Fund Balance at End of Year	$ 104,787	$ 104,787	$ 105,298	$ 511

TOWN OF DEL NORTE, COLORADO
SCHEDULE OF REVENUES, EXPENSES, AND CHANGES IN NET POSITION - BUDGET AND ACTUAL (NON-GAAP)
WATER FUND
For the Year Ended December 31, 2025

	BUDGETED AMOUNTS			VARIANCE WITH FINAL BUDGET POSITIVE
	ORIGINAL	FINAL	ACTUAL	(NEGATIVE)
OPERATING REVENUES				
Charges for Services				
Service Charges	$ 574,344	$ 574,344	$ 598,925	$ 24,581
Miscellaneous Revenue	5,900	5,900	14,607	8,707
Total Operating Revenues	580,244	580,244	613,532	33,288
OPERATING EXPENSES				
Salaries	140,350	140,350	142,964	(2,614)
Benefits	57,526	57,526	53,256	4,270
Operating Supplies	52,000	52,000	49,015	2,985
Other Professional Services	40,810	40,810	37,437	3,373
Utilities, Gas and Oil	64,300	64,300	38,787	25,513
Equipment Repairs & Maintenance	9,500	9,500	46,152	(36,652)
Insurance and Bonds	24,500	24,500	17,528	6,972
Administration - Police Department	-	-	-	-
Miscellaneous	4,350	4,350	1,156	3,194
Depreciation	119,485	119,485	124,958	(5,473)
Reserves	45,000	45,000	-	45,000
Total Operating Expenses	557,821	557,821	511,253	46,568
Operating Income (Loss)	22,423	22,423	102,279	79,856
NONOPERATING REVENUES (EXPENSES)				
Interest on Accounts	26,000	26,000	32,841	6,841
Capital Outlay	(70,000)	(70,000)	(59,674)	10,326
Debt Payments	(36,236)	(36,236)	(163,057)	(126,821)
Total Nonoperating Revenues (Expenses)	(80,236)	(80,236)	(189,890)	(109,654)
Net Income - Budget Basis	(57,813)	(57,813)	(87,611)	$ (29,798)
Add:				
Capital Outlay			59,674	
Principal Payment on Debt			163,057	
Change in Net Position			135,120	
Net Position at Beginning of Year	2,738,704	2,738,704	2,886,047	
Net Position at End of Year	$ 2,680,891	$ 2,680,891	$ 3,021,167	

TOWN OF DEL NORTE, COLORADO
SCHEDULE OF REVENUES, EXPENSES, AND CHANGES IN NET POSITION - BUDGET AND ACTUAL
SEWER FUND
For the Year Ended December 31, 2025

	BUDGETED AMOUNTS ORIGINAL	BUDGETED AMOUNTS FINAL	ACTUAL	VARIANCE WITH FINAL BUDGET POSITIVE (NEGATIVE)
OPERATING REVENUES				
Charges for Services				
Service Charges	$ 682,060	$ 682,060	$ 694,752	$ 12,692
Miscellaneous Revenue	-	-	-	-
Total Operating Revenues	682,060	682,060	694,752	12,692
OPERATING EXPENSES				
Salaries	125,197	125,197	127,472	(2,275)
Benefits	49,470	49,470	45,380	4,090
Operating Supplies	14,500	14,500	10,834	3,666
Professional Services	77,500	77,500	50,517	26,983
Utilities, Gas and Oil	54,500	54,500	60,102	(5,602)
Equipment Repairs and Maintenance	6,500	6,500	2,680	3,820
Insurance and Bonds	20,000	20,000	14,783	5,217
Miscellaneous	1,850	1,850	2,005	(155)
Depreciation	224,274	224,274	224,274	-
Total Operating Expenses	573,791	573,791	538,047	35,744
Operating Income (Loss)	108,269	108,269	156,705	48,436
NONOPERATING REVENUES (EXPENSES)				
Interest on Accounts	6,800	6,800	10,687	3,887
Grant Revenue	-	-	20,123	20,123
Debt Payments	(287,520)	(287,520)	(91,406)	196,114
Interest Expense	-	-	(51,034)	(51,034)
Total Nonoperating Revenues (Expenses)	(280,720)	(280,720)	(111,630)	169,090
Net Income - Budget Basis	(172,451)	(172,451)	45,075	$ 217,526
Add:				
Principal Payment on Debt			91,406	
Change in Net Position			136,481	
Net Position at Beginning of Year	5,648,120	5,648,120	5,773,349	
Net Position at End of Year	$ 5,475,669	$ 5,475,669	$ 5,909,830	

TOWN OF DEL NORTE, COLORADO

OTHER SCHEDULES AND REPORTS

LOCAL HIGHWAY FINANCE REPORT		STATE: COLORADO
THIS INFORMATION FROM THE RECORDS OF: Town of Del Norte	PREPARED BY: Ramona Dordan, Town Treasurer	REPORT YEAR ENDING DATE(mm/yyyy): 12/2025

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. Total (1 - (2 through 4))				

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 Assesments	50,924.00	a. Interest on investments	0.00
b. Non-property Taxes and Assessments Imposts	1,141,350.00	b. Other Misc. Local Receipts	0.00
c. Total (a + b)	$ 1,192,274.00	**c. Total (a + b)**	$ -

ITEM	AMOUNT	ITEM	AMOUNT
C. Receipts from State Government		**D. Receipts from Federal Government**	
1. Highway-user Taxes (from Item I.C.5.)	73,201.00	1. FHWA (from Item I.D.5.)	0.00
2. State General Funds		2. Other Federal Agencies:	0.00
3. Other State funds:			
a. State Bond Proceeds			
b. Non-State Bond Proceeds			
c. Motor Vehicle Registrations	6,814.00		
d. Other (Specify) - County R&B	172.00		
c. Total (a through d)	$ 6,986.00		
4. Total (1 + 2 + 3c)	$ 80,187.00	**3. Total (1 + 2)**	$ -

III. EXPENDITURES FOR ROAD AND STREET PURPOSES - DETAIL

ITEM	AMOUNT
A.1. Capital outlay:	
a. Right-Of-Way Costs	0.00
b. Engineering Costs	6,485.00
c. Construction Costs	786,162.00
d. Total Capital Outlay (a+ b + c)	$ 792,647.00

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LOCAL HIGHWAY FINANCE REPORT

STATE:	COLORADO
REPORT YEAR ENDING DATE(mm/yyyy):	12/2025

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. Amount 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.1)	
b. Motor Vehicle (from Item I.B.1)	
c. Total (a + b)	
2. General Fund Appropriations	
3. Other Local Imposts (from page 1, Item II.A3.c)	$ 1,192,274.00
4. Miscellaneous Local Receipts (from page 1, Item II.A4.c)	
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
d. Total (a + b + c)	$ -
7. Total (1 through 6)	$ 1,192,274.00
B. Private Contributions	
C. Receipts from State government (from page 1, Item II.C.4)	$ 80,187.00
D. Receipts from Federal government (from page 1, Item II.D.3)	$ -
E. Total receipts (A.7 + B + C + D)	$ 1,272,461.00

III. EXPENDITURES FOR ROAD AND STREET PURPOSES

ITEM	AMOUNT
A. Local highway expenditures:	
1. Capital Outlay (from page 1, Item III.A1.d)	$ 792,647.00
2. Maintenance:	50,923.00
3. Road and Street Services:	
a. Snow and Ice Removal	0.00
b. Other & Traffic Control Operations	30,450.00
c. Total (a + b)	$ 30,450.00
4. General Administration & Miscellaneous	135,726.00
5. Highway Law Enforcement and Safety	262,715.00
6. Total (1 through 5)	$ 1,272,461.00
B. Debt Service on Local Obligations:	
1. Bonds:	
a. Interest	0.00
b. Redemption	0.00
c. Total (a + b)	$ -
2. Notes:	
a. Interest	0.00
b. Redemption	0.00
c. Total (a + b)	$ -
3. Total (1c + 2c)	$ -
C. Payments to State for Highways	0.00
D. Payments to Toll Facilities	0.00
E. Total Expenditures (A6 + B3 + C + D)	$ 1,272,461.00

IV. LOCAL HIGHWAY DEBT STATUS

(Show all entries at par)

ITEM	OPENING DEBT	AMOUNT ISSUED	REDEMPTIONS	CLOSING DEBT
A. Bonds (Total)	0	$ -	$ -	$ -
1. Bonds (Refunding Portion)		$ -		
B. Notes (Total)	0	$ -	$ -	$ -

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