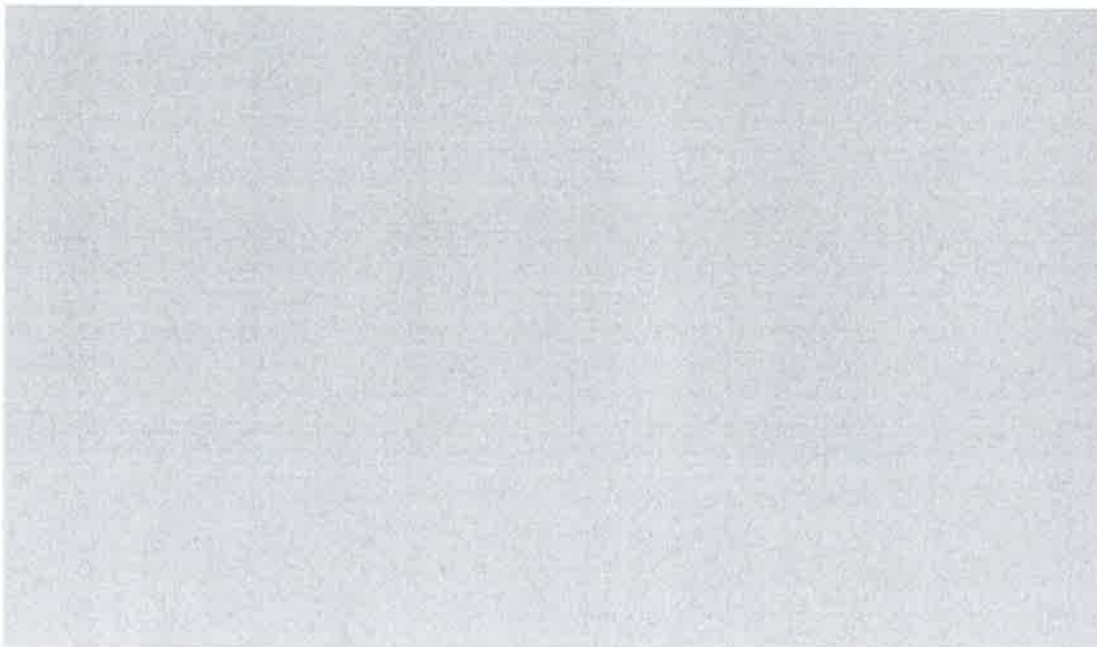


**TOWN OF DEL NORTE  
FINANCIAL STATEMENTS  
December 31, 2015**



**Wall,  
Smith,  
Bateman** Inc.  
Certified Public Accountants

**TOWN OF DEL NORTE**  
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**December 31, 2015**

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Wall,  
Smith,  
Bateman Inc.

## INDEPENDENT AUDITORS' REPORT

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

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the Town of Del Norte (the Town), as of and for the year ended December 31, 2015, and the related notes to the financial statements, which collectively comprise the Town's basic financial statements as listed in the table of contents.

### Management's Responsibility for the Financial Statements

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

### Auditors' Responsibility

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

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

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

### Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the Town of Del Norte, as of December 31, 2015, and the respective changes in financial position and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

**Certified Public Accountants**

700 Main Street, Suite 200 PO Box 809 Alamosa, CO 81101 | 719-589-3619 | f 719-589-5492 | [www.wsbcpa.com](http://www.wsbcpa.com)

## **Other Matters**

### *Required Supplementary Information*

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

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

### *Other Information*

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

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

A handwritten signature in blue ink that reads "Wall, Smith, Bateman Inc." with a stylized flourish at the end.

Wall, Smith, Bateman Inc.  
Alamosa, Colorado

May 25, 2016

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

**TOWN OF DEL NORTE**  
**STATEMENT OF NET POSITION**  
**December 31, 2015**

	<b>Primary Government</b>		
	<b>Governmental</b>	<b>Business-Type</b>	
	<b>Activities</b>	<b>Activities</b>	<b>TOTAL</b>
<b>ASSETS</b>			
<b>Current Assets</b>			
Cash and Cash Equivalents	\$ 1,891,505	\$ 1,462,865	\$ 3,354,370
Accounts Receivable	5,838	102,185	108,023
Due from Other Governments	94,950	-	94,950
Property Taxes Receivable	108,715	-	108,715
Inventories	-	73,727	73,727
Other Assets	555	-	555
<b>Total Current Assets</b>	<b>2,101,563</b>	<b>1,638,777</b>	<b>3,740,340</b>
<b>Capital Assets</b>			
Land and Land Improvements	498,356	-	498,356
Construction in Progress	102,855	-	102,855
Buildings and Improvements	1,004,272	-	1,004,272
Utility System	-	2,640,678	2,640,678
Infrastructure	300,174	1,120,794	1,420,968
Machinery and Equipment	579,836	424,711	1,004,547
Vehicles	335,489	-	335,489
Less: Accumulated Depreciation	(1,345,350)	(2,292,955)	(3,638,305)
<b>Total Capital Assets</b>	<b>1,475,632</b>	<b>1,893,228</b>	<b>3,368,860</b>
<b>TOTAL ASSETS</b>	<b>3,577,195</b>	<b>3,532,005</b>	<b>7,109,200</b>
<b>LIABILITIES</b>			
<b>Current Liabilities</b>			
Accounts Payable	6,191	3,813	10,004
Notes Payable	-	44,762	44,762
Sales Tax Revenue Bonds	35,000	-	35,000
<b>Total Current Liabilities</b>	<b>41,191</b>	<b>48,575</b>	<b>89,766</b>
<b>Long-Term Liabilities</b>			
Compensated Absences	34,625	15,678	50,303
Notes Payable	-	551,653	551,653
Sales Tax Revenue Bonds	220,000	-	220,000
<b>Total Long-Term Liabilities</b>	<b>254,625</b>	<b>567,331</b>	<b>821,956</b>
<b>TOTAL LIABILITIES</b>	<b>295,816</b>	<b>615,906</b>	<b>911,722</b>
<b>DEFERRED INFLOWS OF RESOURCES - CURRENT</b>			
Unavailable Revenue - Property Tax	108,715	-	108,715
<b>NET POSITION</b>			
Net Investment in Capital Assets	1,220,632	1,296,813	2,517,445
Restricted for:			
TABOR	28,735	-	28,735
Debt Service	102,069	-	102,069
Unrestricted	1,821,228	1,619,286	3,440,514
<b>TOTAL NET POSITION</b>	<b>\$ 3,172,664</b>	<b>\$ 2,916,099</b>	<b>\$ 6,088,763</b>

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

**TOWN OF DEL NORTE**  
**STATEMENT OF ACTIVITIES**  
**For the Year Ended December 31, 2015**

Functions/Programs	Program Revenues				Net (Expense) Revenue and Changes in Net Position		
	Expenses	Charges for Services	Operating Grants & Contributions	Capital Grants & Contributions	Primary Government		
					Governmental Activities	Business-Type Activities	TOTAL
<b>Primary Government</b>							
<b>Governmental Activities</b>							
General Government	\$ 148,643	\$ 34,641	\$ -	\$ -	\$ (114,002)	\$ -	\$ (114,002)
Public Safety	356,094	81,004	-	-	(275,090)	-	(275,090)
Highways and Streets	214,871	-	75,407	-	(139,464)	-	(139,464)
Health and Welfare	11,096	6,535	-	-	(4,561)	-	(4,561)
Culture and Recreation	18,263	-	15,895	-	(2,368)	-	(2,368)
Interest Expense	19,147	-	-	-	(19,147)	-	(19,147)
<b>Total Governmental Activities</b>	<u>768,114</u>	<u>122,180</u>	<u>91,302</u>	<u>-</u>	<u>(554,632)</u>	<u>-</u>	<u>(554,632)</u>
<b>Business-Type Activities</b>							
Water	331,055	423,879	-	10,000	-	102,824	102,824
Sewer	262,626	333,835	-	-	-	71,209	71,209
<b>Total Business-Type Activities</b>	<u>593,681</u>	<u>757,714</u>	<u>-</u>	<u>10,000</u>	<u>-</u>	<u>174,033</u>	<u>174,033</u>
<b>Total Primary Government</b>	<u>\$ 1,361,795</u>	<u>\$ 879,894</u>	<u>\$ 91,302</u>	<u>\$ 10,000</u>	<u>(554,632)</u>	<u>174,033</u>	<u>(380,599)</u>
<b>General Revenues:</b>							
Taxes:							
General Property Taxes - Net					109,175	-	109,175
Sales Taxes					597,027	-	597,027
Franchise Taxes					49,796	-	49,796
Other Taxes					17,269	-	17,269
Interest on Investments					2,733	11,763	14,496
Miscellaneous					5,813	-	5,813
<b>Total General Revenues</b>					<u>781,813</u>	<u>11,763</u>	<u>793,576</u>
Change in Net Position					227,181	185,796	412,977
<b>Net Position - Beginning</b>					2,945,483	2,730,303	5,675,786
<b>Net Position - Ending</b>					<u>\$ 3,172,664</u>	<u>\$ 2,916,099</u>	<u>\$ 6,088,763</u>

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

**TOWN OF DEL NORTE**  
**GOVERNMENTAL FUNDS**  
**BALANCE SHEET**  
**December 31, 2015**

	<b>GENERAL FUND</b>	<b>CAPITAL IMPROVEMENT FUND</b>	<b>OTHER GOVERNMENTAL FUNDS</b>	<b>TOTAL GOVERNMENTAL FUNDS</b>
<b>ASSETS</b>				
Cash and Cash Equivalents	\$ 1,108,253	\$ 591,477	\$ 191,775	\$ 1,891,505
Accounts Receivable	5,838	-	-	5,838
Due from Other Governments	56,617	38,333	-	94,950
Property Taxes Receivable	108,715	-	-	108,715
Other Assets	-	-	555	555
<b>TOTAL ASSETS</b>	<u>\$ 1,279,423</u>	<u>\$ 629,810</u>	<u>\$ 192,330</u>	<u>\$ 2,101,563</u>
<b>LIABILITIES</b>				
Accounts Payable	\$ 6,191	\$ -	\$ -	\$ 6,191
<b>TOTAL LIABILITIES</b>	<u>6,191</u>	<u>-</u>	<u>-</u>	<u>6,191</u>
<b>DEFERRED INFLOWS OF RESOURCES</b>				
Unavailable Revenue - Property Tax	108,715	-	-	108,715
<b>FUND BALANCE</b>				
Restricted:				
TABOR	28,735	-	-	28,735
Debt Service	-	-	102,069	102,069
Assigned:				
Capital Improvements	-	629,810	-	629,810
Culture and Recreation	-	-	90,261	90,261
Unassigned	1,135,782	-	-	1,135,782
<b>TOTAL FUND BALANCE</b>	<u>1,164,517</u>	<u>629,810</u>	<u>192,330</u>	<u>1,986,657</u>
<b>TOTAL LIABILITIES, DEFERRED INFLOWS, OF RESOURCES AND FUND BALANCE</b>	<u>\$ 1,279,423</u>	<u>\$ 629,810</u>	<u>\$ 192,330</u>	<u>\$ 2,101,563</u>

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

**TOWN OF DEL NORTE**  
**RECONCILIATION OF TOTAL GOVERNMENTAL FUND BALANCES**  
**TO THE STATEMENT OF NET POSITION**  
**December 31, 2015**

<b>Total Governmental Fund Balances</b>			<b>\$ 1,986,657</b>
Amounts reported for governmental activities in the statement of net position are different because:			
Capital assets used in governmental activities are not financial resources and therefore are not reported in the funds.			1,475,632
Long-term liabilities are not due and payable in the current period and therefore are not reported in the funds.			
Revenue Bonds	\$ (255,000)		
Compensated Absences	(34,625)		
			<u>(289,625)</u>
<b>Net Position of Governmental Activities</b>			<b><u>\$ 3,172,664</u></b>

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

**TOWN OF DEL NORTE**  
**GOVERNMENTAL FUNDS**  
**STATEMENT OF REVENUES, EXPENDITURES,**  
**AND CHANGES IN FUND BALANCES**  
**For the Year Ended December 31, 2015**

	<b>GENERAL FUND</b>	<b>CAPITAL IMPROVEMENT FUND</b>	<b>OTHER GOVERNMENTAL FUNDS</b>	<b>TOTAL GOVERNMENTAL FUNDS</b>
<b>REVENUES</b>				
Taxes	\$ 497,918	\$ 222,799	\$ 52,550	\$ 773,267
Licenses and Permits	2,895	-	-	2,895
Intergovernmental Revenue	75,407	-	15,895	91,302
Charges for Services	31,426	-	-	31,426
Fines and Forfeits	81,004	-	-	81,004
Interest on Accounts	1,625	988	120	2,733
Miscellaneous Revenue	12,668	-	-	12,668
<b>TOTAL REVENUES</b>	<b>702,943</b>	<b>223,787</b>	<b>68,565</b>	<b>995,295</b>
<b>EXPENDITURES</b>				
General Government	118,568	6,667	-	125,235
Public Safety	350,390	988	-	351,378
Highways and Streets	141,870	2,862	-	144,732
Health and Welfare	5,508	-	-	5,508
Culture and Recreation	7,004	-	6,791	13,795
Debt Service	-	37,192	52,579	89,771
Capital Outlay	-	137,034	9,775	146,809
<b>TOTAL EXPENDITURES</b>	<b>623,340</b>	<b>184,743</b>	<b>69,145</b>	<b>877,228</b>
Excess (deficiency) of revenues over expenditures	79,603	39,044	(580)	118,067
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfer to (from) Other Funds	(49)	-	49	-
<b>TOTAL OTHER FINANCING SOURCES (USES)</b>	<b>(49)</b>	<b>-</b>	<b>49</b>	<b>-</b>
Change in Fund Balances	79,554	39,044	(531)	118,067
<b>Fund Balance at Beginning of Year</b>	<b>1,084,963</b>	<b>590,766</b>	<b>192,861</b>	<b>1,868,590</b>
<b>Fund Balance at End of Year</b>	<b>\$ 1,164,517</b>	<b>\$ 629,810</b>	<b>\$ 192,330</b>	<b>\$ 1,986,657</b>

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

**TOWN OF DEL NORTE**  
**RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES,**  
**AND CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS**  
**TO THE STATEMENT OF ACTIVITIES**  
**For the Year Ended December 31, 2015**

<b>Net Changes in Fund Balances - Total Governmental Funds</b>	<b>\$ 118,067</b>
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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	\$ 126,465	
Depreciation expense	(87,975)	
		38,490

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

Revenue bond payment	35,000	
Lease payment	35,624	
		70,624

<b>Change in Net Position of Governmental Activities</b>	<b>\$ 227,181</b>
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**TOWN OF DEL NORTE**  
**PROPRIETARY FUNDS**  
**STATEMENT OF NET POSITION**  
**December 31, 2015**

	<b>WATER FUND</b>	<b>SEWER FUND</b>	<b>TOTAL</b>
<b>ASSETS</b>			
<b>Current Assets</b>			
Cash and Cash Equivalents	\$ 1,018,944	\$ 443,921	\$ 1,462,865
Accounts Receivable	51,447	50,738	102,185
Inventories	66,551	7,176	73,727
<b>Total Current Assets</b>	<u>1,136,942</u>	<u>501,835</u>	<u>1,638,777</u>
<b>Capital Assets</b>			
Utility System	1,591,204	1,049,474	2,640,678
Machinery and Equipment	288,826	135,885	424,711
Infrastructure	1,120,794	-	1,120,794
Less: Accumulated Depreciation	<u>(1,667,437)</u>	<u>(625,518)</u>	<u>(2,292,955)</u>
<b>Total Capital Assets</b>	<u>1,333,387</u>	<u>559,841</u>	<u>1,893,228</u>
<b>TOTAL ASSETS</b>	<u>2,470,329</u>	<u>1,061,676</u>	<u>3,532,005</u>
<b>LIABILITIES</b>			
<b>Current Liabilities</b>			
Accounts Payable	4,009	(196)	3,813
Notes Payable	36,236	8,526	44,762
<b>Total Current Liabilities</b>	<u>40,245</u>	<u>8,330</u>	<u>48,575</u>
<b>Noncurrent Liabilities</b>			
Compensated Absences	8,328	7,350	15,678
Notes Payable	452,945	98,708	551,653
<b>Total Noncurrent Liabilities</b>	<u>461,273</u>	<u>106,058</u>	<u>567,331</u>
<b>TOTAL LIABILITIES</b>	<u>501,518</u>	<u>114,388</u>	<u>615,906</u>
<b>NET POSITION</b>			
Net Investment in Capital Assets	844,206	452,607	1,296,813
Unrestricted	<u>1,124,605</u>	<u>494,681</u>	<u>1,619,286</u>
<b>TOTAL NET POSITION</b>	<u>\$ 1,968,811</u>	<u>\$ 947,288</u>	<u>\$ 2,916,099</u>

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

**TOWN OF DEL NORTE**  
**PROPRIETARY FUNDS**  
**STATEMENT OF REVENUES, EXPENSES AND CHANGES IN NET POSITION**  
**For the Year Ended December 31, 2015**

	<u>WATER FUND</u>	<u>SEWER FUND</u>	<u>TOTAL</u>
<b>OPERATING REVENUES</b>			
Charges for Services			
Service Charges	\$ 422,924	\$ 333,835	\$ 756,759
Miscellaneous Revenue	955	-	955
<b>Total Operating Revenues</b>	<u>423,879</u>	<u>333,835</u>	<u>757,714</u>
<b>OPERATING EXPENSES</b>			
Clerk Salary	18,268	22,556	40,824
Deputy Clerk Salary	17,383	17,383	34,766
Administration - Water	5,513	-	5,513
Maintenance Crew Salaries	46,473	36,787	83,260
FICA/ Medicare	7,035	5,690	12,725
Workman's Compensation	1,285	924	2,209
Health Insurance	23,676	16,141	39,817
Retirement	4,471	2,389	6,860
Supplies	14,648	591	15,239
Postage	2,154	2,150	4,304
Engineering Services	-	14,069	14,069
Other Professional Services	16,464	21,903	38,367
Discharge Permit Fees	-	3,251	3,251
Gas and Oil	3,851	3,535	7,386
Utilities	40,380	33,911	74,291
Equipment Repairs & Maintenance	6,509	4,746	11,255
System Repairs & Maintenance	-	12,945	12,945
Insurance and Bonds	16,191	14,955	31,146
Administration - Police Department	20,029	-	20,029
Miscellaneous	2,474	1,289	3,763
Depreciation	84,251	41,643	125,894
<b>Total Operating Expenses</b>	<u>331,055</u>	<u>256,858</u>	<u>587,913</u>
Operating Income (Loss)	<u>92,824</u>	<u>76,977</u>	<u>169,801</u>
<b>NONOPERATING REVENUES (EXPENSES)</b>			
Interest on Accounts	10,961	802	11,763
State Grant	-	10,000	10,000
Interest Expense	-	(5,768)	(5,768)
<b>Total Nonoperating Revenues (Expenses)</b>	<u>10,961</u>	<u>5,034</u>	<u>15,995</u>
Net Income (Loss)	103,785	82,011	185,796
<b>Net Position at Beginning of Year</b>	<u>1,865,026</u>	<u>865,277</u>	<u>2,730,303</u>
<b>Net Position at End of Year</b>	<u>\$ 1,968,811</u>	<u>\$ 947,288</u>	<u>\$ 2,916,099</u>

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

**TOWN OF DEL NORTE**  
**PROPRIETARY FUNDS**  
**STATEMENT OF CASH FLOWS**  
**For the Year Ended December 31, 2015**

	<b>WATER FUND</b>	<b>SEWER FUND</b>	<b>TOTAL</b>
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>			
Cash Received from Customers	\$ 425,049	\$ 322,691	\$ 747,740
Cash Payments to Suppliers for Goods and Services	(122,994)	(130,389)	(253,383)
Cash Payments to Employees	(87,637)	(76,726)	(164,363)
Cash Payments for Employee Benefits and Taxes	(36,467)	(25,144)	(61,611)
<b>NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES</b>	<u>177,951</u>	<u>90,432</u>	<u>268,383</u>
<b>CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES</b>	<u>-</u>	<u>-</u>	<u>-</u>
<b>CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES</b>			
Grant Proceeds	-	10,000	10,000
Interest Paid on Notes and Bonds	-	(5,768)	(5,768)
Principal Paid on Notes and Bonds	(36,236)	(8,120)	(44,356)
<b>NET CASH PROVIDED (USED) FOR CAPITAL AND RELATED FINANCING ACTIVITIES</b>	<u>(36,236)</u>	<u>(3,888)</u>	<u>(40,124)</u>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>			
Interest Income	<u>10,961</u>	<u>802</u>	<u>11,763</u>
<b>NET CASH PROVIDED (USED) BY INVESTING ACTIVITIES</b>	<u>10,961</u>	<u>802</u>	<u>11,763</u>
<b>NET INCREASE IN CASH AND CASH EQUIVALENTS</b>	152,676	87,346	240,022
<b>CASH AND CASH EQUIVALENTS, BEGINNING OF YEAR</b>	<u>866,268</u>	<u>356,575</u>	<u>1,222,843</u>
<b>CASH AND CASH EQUIVALENTS, END OF YEAR</b>	<u><u>\$ 1,018,944</u></u>	<u><u>\$ 443,921</u></u>	<u><u>\$ 1,462,865</u></u>
<b>OPERATING INCOME (LOSS)</b>	\$ 92,824	\$ 76,977	\$ 169,801
<b>Adjustments to Reconcile Operating Income to Net Cash Provided by Operating Activities</b>			
Depreciation Expense	84,251	41,643	125,894
Change in Assets and Liabilities			
(Increase) Decrease in Accounts Receivable	1,170	(11,144)	(9,974)
(Increase) Decrease in Inventory	-	(5,385)	(5,385)
Increase (Decrease) in Accounts Payable	(294)	(11,659)	(11,953)
<b>NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES</b>	<u><u>\$ 177,951</u></u>	<u><u>\$ 90,432</u></u>	<u><u>\$ 268,383</u></u>

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

**TOWN OF DEL NORTE**  
**NOTES TO THE BASIC FINANCIAL STATEMENTS**  
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**NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

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

**REPORTING ENTITY**

***Primary Government***

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

***Component Units***

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

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

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

**GOVERNMENT-WIDE AND FUND FINANCIAL STATEMENTS**

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

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

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

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

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

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

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

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

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

The Town reports the following major governmental funds:

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

The Town reports the following major enterprise funds:

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

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

**TOWN OF DEL NORTE**  
**NOTES TO THE BASIC FINANCIAL STATEMENTS**  
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Fiduciary fund financial statements consist of the Police Pension Agency Fund established to record transactions relating to assets held by the Town as an agent for the Police Pension. Agency funds are custodial in nature (assets equal liabilities) and do not involve measurement or results of operations.

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 2015 property tax levy due January 1, 2016, 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:

<u>Assets</u>	<u>Years</u>
Buildings and Improvements	5-50
Equipment	3-15
Infrastructure	10-20
Vehicles	5-10

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

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**NOTES TO THE BASIC FINANCIAL STATEMENTS**  
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***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.

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

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

***Change in Accounting Principle***

*GASB Statements No. 68*

During fiscal year 2015, the Town adopted the provisions of GASB Statement No. 68, *Accounting and Financial Reporting for Pensions- an amendment of GASB Statement No. 27*, (GASB No. 68). It revises and establishes new financial reporting requirements for most governments that provide their employees with pension benefits.

**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.

**TOWN OF DEL NORTE**  
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- 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 and Sewer funds.

The total expenditures for each fund cannot exceed the budgeted amount unless a supplemental appropriation is adopted. The Town did not adopt supplemental appropriations during 2015. All budget amounts presented in the accompanying supplementary information reflect the original budget and the final amended budget.

***Stewardship***

Expenditures in the Debt Service Fund exceeded appropriations during 2015 by \$29. This may be a violation of Colorado Revised State Statutes.

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

**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 2015 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, 2015, \$1,468,271 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

**TOWN OF DEL NORTE**  
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- 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, 2015, the local government investment pool (COLOTRUST) in which the Town had invested, was rated AAAM by Standard and Poor's.

Cash on Hand and in Banks	\$ 3,354,370
Total Deposits and Investments	<u>\$ 3,354,370</u>

***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, 2015, the Town had \$94,950 due from Federal, State, and Local governments, reflected as intergovernmental receivables in the accompanying basic financial statements.

**TOWN OF DEL NORTE**  
**NOTES TO THE BASIC FINANCIAL STATEMENTS**  
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**NOTE 5 INTERFUND TRANSFERS**

Interfund transfers during the year ended December 31, 2015 were as follows:

<u>Transfer In</u>	<u>Transfer Out</u>	<u>Amount</u>
Conservation Trust Fund	General Fund	<u>\$ 49</u>

The General Fund transferred \$49 to the Conservation Trust Fund to reimburse expenditures.

**NOTE 6 CAPITAL ASSETS**

Capital asset activity for the year ended December 31, 2015, was as follows:

	<u>Balance 12/31/2014</u>	<u>Additions</u>	<u>Deletions</u>	<u>Balance 12/31/2015</u>
<b><i>Governmental Activities</i></b>				
Capital assets not being depreciated				
Land and Land Improvements	\$ 498,356	\$ -	\$ -	\$ 498,356
Construction In Progress	60,225	42,630	-	102,855
Total capital assets not being depreciated	<u>558,581</u>	<u>42,630</u>	<u>-</u>	<u>601,211</u>
Capital assets being depreciated				
Buildings and Improvements	1,004,272	-	-	1,004,272
Infrastructure	229,238	70,936	-	300,174
Equipment	575,121	12,899	8,184	579,836
Vehicles	335,489	-	-	335,489
Total capital assets being depreciated	<u>2,144,120</u>	<u>83,835</u>	<u>8,184</u>	<u>2,219,771</u>
Less accumulated depreciation for:				
Buildings and Improvements	396,229	23,859	-	420,088
Infrastructure	124,648	27,787	-	152,435
Equipment	427,489	31,828	8,184	451,133
Vehicles	317,193	4,501	-	321,694
Total accumulated depreciation	<u>1,265,559</u>	<u>87,975</u>	<u>8,184</u>	<u>1,345,350</u>
Total capital assets being depreciated, net	<u>878,561</u>	<u>(4,140)</u>	<u>-</u>	<u>874,421</u>
Governmental Activities Capital Assets, Net	<u>\$ 1,437,142</u>	<u>\$ 38,490</u>	<u>\$ -</u>	<u>\$ 1,475,632</u>
<b><i>Business-type Activities</i></b>				
Property, Plant and Equipment	\$ 4,186,183	\$ -	\$ -	\$ 4,186,183
Accumulated Depreciation	<u>(2,167,061)</u>	<u>(125,894)</u>	<u>-</u>	<u>(2,292,955)</u>
Business-type Capital Assets, Net	<u>\$ 2,019,122</u>	<u>\$ (125,894)</u>	<u>\$ -</u>	<u>\$ 1,893,228</u>

**TOWN OF DEL NORTE**  
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Depreciation expense was charged to functions/programs of the primary government as follows:

***Governmental Activities***

General Government	\$ 14,768
Public Safety	4,716
Highways and Streets	61,710
Health and Welfare	5,588
Culture and Recreation	1,193
Total depreciation expense – governmental activities	<u>\$ 87,975</u>

***Business-type Activities***

Water Services	\$ 84,251
Sewer Services	41,643
Total depreciation expense – business-type activities	<u>\$ 125,894</u>

**NOTE 7 LONG-TERM LIABILITIES**

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

	Balance 12/31/2014	Additions	Deletions	Balance 12/31/2015	Due Within One Year
<b><i>Governmental Activities</i></b>					
2001 Sales Tax Revenue Bonds	\$ 290,000	\$ -	\$ 35,000	\$ 255,000	\$ 35,000
Capital Lease Payable	35,624	-	35,624	-	-
Compensated Absences	34,625	-	-	34,625	-
Governmental Activities Total	<u>\$ 360,249</u>	<u>\$ -</u>	<u>\$ 70,624</u>	<u>\$ 289,625</u>	<u>\$ 35,000</u>
<b><i>Business-type Activities</i></b>					
Notes Payable					
DOLA Loan	\$ 115,354	\$ -	\$ 8,120	\$ 107,234	\$ 8,526
CWRPDA Loan	525,417	-	36,236	489,181	36,236
Business-type Activities Total	<u>\$ 640,771</u>	<u>\$ -</u>	<u>\$ 44,356</u>	<u>\$ 596,415</u>	<u>\$ 44,762</u>

***Governmental Activities***

***Sales Tax Revenue Bonds –2001***

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

**TOWN OF DEL NORTE**  
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Presented below are the annual requirements for repayments of the 2001 Bonds:

	Principal October 15	Interest April 15	Interest October 15	Total
2016	\$ 35,000	\$ 7,650	\$ 7,650	\$ 50,300
2017	40,000	6,600	6,600	53,200
2018	40,000	5,400	5,400	50,800
2019	45,000	4,200	4,200	53,400
2020	45,000	2,850	2,850	50,700
2021	50,000	1,500	1,500	53,000
	<u>\$ 255,000</u>	<u>\$ 28,200</u>	<u>\$ 28,200</u>	<u>\$ 311,400</u>

*Lease Purchase Agreement*

The Town entered into a \$204,845 lease purchase agreement with John Deere Credit, payable in annual installments of \$37,192, beginning April 10, 2010, at 3.50% interest, for the purchase of a motor grader. Final payment was made April 10, 2015. Principal and interest payments are paid from the Capital Improvement Fund. This item is recorded in fixed assets of the government-wide financial statements at \$204,845 less accumulated depreciation of \$122,907.

***Business-type Activities***

*Notes Payable*

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

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

	Principal	Interest	Total
2016	\$ 8,526	\$ 5,362	\$ 13,888
2017	8,952	4,935	13,887
2018	9,399	4,488	13,887
2019	9,869	4,018	13,887
2020	10,363	3,524	13,887
2021-2025	60,125	9,311	69,436
	<u>\$ 107,234</u>	<u>\$ 31,638</u>	<u>\$ 138,872</u>

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.

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

	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2016	\$ 36,236	\$ -	\$ 36,236
2017	36,236	-	36,236
2018	36,236	-	36,236
2019	36,236	-	36,236
2020	36,236	-	36,236
2021-2025	181,179	-	181,179
2026-2029	126,822	-	126,822
	<u>\$ 489,181</u>	<u>\$ -</u>	<u>\$ 489,181</u>

**NOTE 8 DEFINED CONTRIBUTION PENSION PLANS**

***Profit-Sharing Plan***

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

Benefit terms, including contribution requirements, for the Plan are established and may be amended by the Town Board of Trustees. For each employee in the pension plan, the Town is required to contribute three percent of compensation to an individual employee account. Employees are not permitted to make contributions to the Plan. For the year ended December 31, 2015, the Town recognized pension expense of \$11,370.

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, 2015, 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, 2015, employee contributions totaled \$11,244 and the Town recognized pension expense of \$11,244.

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

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**NOTES TO THE BASIC FINANCIAL STATEMENTS**  
**December 31, 2015**

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, 2015, forfeitures reduced the Town's pension expense by \$0.

**NOTE 9 DEFERRED COMPENSATION PLAN**

The Town offers its employees a deferred compensation plan created in accordance with Internal Revenue Code Section 457. The Plan is administered by the Town of Del Norte and investment funds are managed by Security Benefit, Inc. The plan, available to all Town employees, upon hire, permits them to defer a portion of their salary until future years. During the year ended December 31, 2015, the employees contributed \$3,600. The deferred compensation is not available to employees until termination, retirement, death, or unforeseeable emergencies.

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

**NOTE 10 TABOR EMERGENCY RESERVE**

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

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

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

**NOTE 11 COMMITMENTS AND CONTINGENCIES**

***Grant Programs***

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

**TOWN OF DEL NORTE**  
**NOTES TO THE BASIC FINANCIAL STATEMENTS**  
**December 31, 2015**

**NOTE 12 SUBSEQUENT EVENTS**

On March 9, 2016 the Town entered into a grant agreement with the State of Colorado Department of Local Affairs for \$2,000,000, a USDA loan for \$4,475,000, and a USDA Grant for \$2,792,796 for the purpose of improving the Town's wastewater collection system. The project will begin in 2016, and is expected to be completed in 2018. The total cost of the project is expected to be \$9,271,796.

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

**TOWN OF DEL NORTE**  
**SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN**  
**FUND BALANCE - BUDGET AND ACTUAL**  
**GENERAL FUND**  
**For the Year Ended December 31, 2015**

	<b>BUDGETED AMOUNTS</b>			<b>VARIANCE WITH FINAL BUDGET POSITIVE (NEGATIVE)</b>
	<b>ORIGINAL</b>	<b>FINAL</b>	<b>ACTUAL</b>	
<b>REVENUES</b>				
Taxes	\$ 466,177	\$ 466,177	\$ 497,918	\$ 31,741
Licenses and Permits	2,500	2,500	2,895	395
Intergovernmental Revenue				
Highway Users Tax	57,996	57,996	60,198	2,202
Additional Motor Vehicle Fees	7,000	7,000	7,006	6
County Road and Bridge Fund	7,800	7,800	8,203	403
Charges for Services	29,735	29,735	31,426	1,691
Fines and Forfeits	104,900	104,900	81,004	(23,896)
Interest on Accounts	1,800	1,800	1,625	(175)
Miscellaneous Revenue	8,690	8,690	12,668	3,978
<b>TOTAL REVENUE</b>	<b>686,598</b>	<b>686,598</b>	<b>702,943</b>	<b>16,345</b>
<b>EXPENDITURES</b>				
General Government	125,765	125,765	118,568	7,197
Public Safety	400,885	400,885	350,390	50,495
Highways and Streets	151,712	151,712	141,870	9,842
Health and Welfare	6,257	6,257	5,508	749
Culture and Recreation	9,479	9,479	7,004	2,475
<b>TOTAL EXPENDITURES</b>	<b>694,098</b>	<b>694,098</b>	<b>623,340</b>	<b>70,758</b>
Excess (deficiency) of revenues over expenditures	(7,500)	(7,500)	79,603	87,103
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfer to Other Funds	-	-	(49)	(49)
<b>TOTAL OTHER FINANCING SOURCES (USES)</b>	<b>-</b>	<b>-</b>	<b>(49)</b>	<b>(49)</b>
Change in Fund Balance	(7,500)	(7,500)	79,554	87,054
<b>Fund Balance at Beginning of Year</b>	<b>1,045,990</b>	<b>1,045,990</b>	<b>1,084,963</b>	<b>38,973</b>
<b>Fund Balance at End of Year</b>	<b>\$ 1,038,490</b>	<b>\$ 1,038,490</b>	<b>\$ 1,164,517</b>	<b>\$ 126,027</b>

**Notes to Required Supplementary Information**

The basis of budgeting is the same as GAAP.

This schedule is presented on the GAAP basis.

## **TOWN OF DEL NORTE**

### **OTHER SUPPLEMENTARY INFORMATION**

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

**TOWN OF DEL NORTE  
NONMAJOR GOVERNMENTAL FUNDS**

**SPECIAL REVENUE FUNDS**

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

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

**DEBT SERVICE FUND**

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

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

**TOWN OF DEL NORTE**  
**NONMAJOR GOVERNMENTAL FUNDS**  
**COMBINING BALANCE SHEET**  
**December 31, 2015**

	Nonmajor Special Revenue Fund		
	CONSERVATION TRUST FUND	DEBT SERVICE FUND	TOTAL NONMAJOR GOVERNMENTAL
<b>ASSETS</b>			
Cash and Cash Equivalents	\$ 89,706	\$ 102,069	\$ 191,775
Due from Other Governments	-	-	-
Other Assets	555	-	555
<b>TOTAL ASSETS</b>	<b>\$ 90,261</b>	<b>\$ 102,069</b>	<b>\$ 192,330</b>
<b>LIABILITIES AND FUND BALANCE</b>			
<b>LIABILITIES</b>			
Accounts Payable	\$ -	\$ -	\$ -
<b>TOTAL LIABILITIES</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>FUND BALANCE</b>			
Restricted for:			
Debt Service	-	102,069	102,069
Assigned:			
Capital Improvements	-	-	-
Culture and Recreation	90,261	-	90,261
<b>TOTAL FUND BALANCE</b>	<b>90,261</b>	<b>102,069</b>	<b>192,330</b>
<b>TOTAL LIABILITIES AND FUND BALANCE</b>	<b>\$ 90,261</b>	<b>\$ 102,069</b>	<b>\$ 192,330</b>

**TOWN OF DEL NORTE**  
**NONMAJOR GOVERNMENTAL FUNDS**  
**COMBINING SCHEDULE OF REVENUES, EXPENDITURES,**  
**AND CHANGES IN FUND BALANCES**  
**For the Year Ended December 31, 2015**

	Nonmajor Special Revenue Fund <u>CONSERVATION</u> <u>TRUST</u> <u>FUND</u>	<u>DEBT</u> <u>SERVICE</u> <u>FUND</u>	<u>TOTAL</u> <u>NONMAJOR</u> <u>GOVERNMENTAL</u>
<b>REVENUES</b>			
Taxes	\$ -	\$ 52,550	\$ 52,550
Intergovernmental Revenue	15,895	-	15,895
Interest on Accounts	120	-	120
<b>TOTAL REVENUES</b>	<u>16,015</u>	<u>52,550</u>	<u>68,565</u>
<b>EXPENDITURES</b>			
Culture and Recreation	6,791	-	6,791
Debt Service	-	52,579	52,579
Capital Outlay	9,775	-	9,775
<b>TOTAL EXPENDITURES</b>	<u>16,566</u>	<u>52,579</u>	<u>69,145</u>
<b>OTHER FINANCING SOURCES (USES)</b>			
Transfer from Other Funds	49	-	49
<b>TOTAL OTHER FINANCING SOURCES (USES)</b>	<u>49</u>	<u>-</u>	<u>49</u>
Change in Fund Balances	(502)	(29)	(531)
<b>Fund Balance at Beginning of Year</b>	<u>90,763</u>	<u>102,098</u>	<u>192,861</u>
<b>Fund Balance at End of Year</b>	<u>\$ 90,261</u>	<u>\$ 102,069</u>	<u>\$ 192,330</u>

**TOWN OF DEL NORTE**  
**SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN**  
**FUND BALANCE - BUDGET AND ACTUAL**  
**CAPITAL IMPROVEMENT FUND**  
**For the Year Ended December 31, 2015**

	<b>BUDGETED AMOUNTS</b>			<b>VARIANCE WITH FINAL BUDGET POSITIVE (NEGATIVE)</b>
	<b>ORIGINAL</b>	<b>FINAL</b>	<b>ACTUAL</b>	
<b>REVENUES</b>				
Taxes	\$ 202,331	\$ 202,331	\$ 222,799	\$ 20,468
Interest on Accounts	1,035	1,035	988	(47)
<b>TOTAL REVENUES</b>	<b>203,366</b>	<b>203,366</b>	<b>223,787</b>	<b>20,421</b>
<b>EXPENDITURES</b>				
General Government	11,000	11,000	6,667	4,333
Public Safety	1,000	1,000	988	12
Highways and Streets	6,000	6,000	2,862	3,138
Capital Outlay	148,174	148,174	137,034	11,140
Debt Service	37,192	37,192	37,192	-
<b>TOTAL EXPENDITURES</b>	<b>203,366</b>	<b>203,366</b>	<b>184,743</b>	<b>18,623</b>
Change in Fund Balance	-	-	39,044	39,044
<b>Fund Balance at Beginning of Year</b>	<b>591,942</b>	<b>591,942</b>	<b>590,766</b>	<b>(1,176)</b>
<b>Fund Balance at End of Year</b>	<b>\$ 591,942</b>	<b>\$ 591,942</b>	<b>\$ 629,810</b>	<b>\$ 37,868</b>

**TOWN OF DEL NORTE**  
**SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN**  
**FUND BALANCE - BUDGET AND ACTUAL**  
**CONSERVATION TRUST FUND**  
**For the Year Ended December 31, 2015**

	<b>BUDGETED AMOUNTS</b>			<b>VARIANCE WITH FINAL BUDGET POSITIVE (NEGATIVE)</b>
	<b>ORIGINAL</b>	<b>FINAL</b>	<b>ACTUAL</b>	
<b>REVENUES</b>				
Intergovernmental Revenue				
Lottery Proceeds	\$ 16,500	\$ 16,500	\$ 15,895	\$ (605)
Interest on Accounts	95	95	120	25
<b>TOTAL REVENUES</b>	<b>16,595</b>	<b>16,595</b>	<b>16,015</b>	<b>(580)</b>
<b>EXPENDITURES</b>				
Culture and Recreation	16,595	16,595	6,791	9,804
Capital Outlay	7,000	7,000	9,775	(2,775)
<b>TOTAL EXPENDITURES</b>	<b>23,595</b>	<b>23,595</b>	<b>16,566</b>	<b>7,029</b>
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfer to Pension Fund	-	-	49	49
<b>TOTAL OTHER FINANCING SOURCES (USES)</b>	<b>-</b>	<b>-</b>	<b>49</b>	<b>49</b>
Change in Fund Balance	(7,000)	(7,000)	(502)	6,498
<b>Fund Balance at Beginning of Year</b>	<b>69,463</b>	<b>69,463</b>	<b>90,763</b>	<b>21,300</b>
<b>Fund Balance at End of Year</b>	<b>\$ 62,463</b>	<b>\$ 62,463</b>	<b>\$ 90,261</b>	<b>\$ 27,798</b>

**TOWN OF DEL NORTE**  
**SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN**  
**FUND BALANCE - BUDGET AND ACTUAL**  
**DEBT SERVICE FUND**  
**For the Year Ended December 31, 2015**

	<b>BUDGETED AMOUNTS</b>			<b>VARIANCE WITH FINAL BUDGET POSITIVE (NEGATIVE)</b>
	<b>ORIGINAL</b>	<b>FINAL</b>	<b>ACTUAL</b>	
<b>REVENUES</b>				
Sales Tax	\$ 52,550	\$ 52,550	\$ 52,550	\$ -
<b>TOTAL REVENUES</b>	<u>52,550</u>	<u>52,550</u>	<u>52,550</u>	<u>-</u>
<b>EXPENDITURES</b>				
Debt Service				
Debt Service Principal	35,000	35,000	35,000	-
Debt Service Interest	17,400	17,400	17,400	-
Trustee Fees	150	150	179	(29)
Total Debt Service	<u>52,550</u>	<u>52,550</u>	<u>52,579</u>	<u>(29)</u>
<b>TOTAL EXPENDITURES</b>	<u>52,550</u>	<u>52,550</u>	<u>52,579</u>	<u>(29)</u>
Change in Fund Balance	-	-	(29)	(29)
<b>Fund Balance at Beginning of Year</b>	<u>102,123</u>	<u>102,123</u>	<u>102,098</u>	<u>(25)</u>
<b>Fund Balance at End of Year</b>	<u>\$ 102,123</u>	<u>\$ 102,123</u>	<u>\$ 102,069</u>	<u>\$ (54)</u>

**TOWN OF DEL NORTE**  
**SCHEDULE OF REVENUES, EXPENSES, AND CHANGES IN**  
**NET POSITION - BUDGET AND ACTUAL (NON-GAAP)**  
**WATER FUND**

**For the Year Ended December 31, 2015**

	<b>BUDGETED AMOUNTS</b>			<b>VARIANCE WITH FINAL BUDGET POSITIVE (NEGATIVE)</b>
	<b>ORIGINAL</b>	<b>FINAL</b>	<b>ACTUAL</b>	
<b>OPERATING REVENUES</b>				
Charges for Services				
Service Charges	\$ 388,467	\$ 388,467	\$ 422,924	\$ 34,457
Miscellaneous Revenue	2,927	2,927	955	(1,972)
<b>Total Operating Revenues</b>	<b>391,394</b>	<b>391,394</b>	<b>423,879</b>	<b>32,485</b>
<b>OPERATING EXPENSES</b>				
Clerk Salary	18,096	18,096	18,268	(172)
Deputy Clerk Salary	17,216	17,216	17,383	(167)
Administration - Water	6,426	6,426	5,513	913
Maintenance Crew Salaries	46,606	46,606	46,473	133
FICA/Medicare	7,321	7,321	7,035	286
Workman's Compensation	1,600	1,600	1,285	315
Health Insurance	25,618	25,618	23,676	1,942
Retirement	4,910	4,910	4,471	439
Operating Supplies	17,600	17,600	14,648	2,952
Postage	2,500	2,500	2,154	346
Other Professional Services	26,500	26,500	16,464	10,036
Gas and Oil	6,000	6,000	3,851	2,149
Utilities	55,375	55,375	40,380	14,995
Equipment Repairs & Maintenance	7,000	7,000	6,509	491
Insurance and Bonds	16,800	16,800	16,191	609
Administration - Police Department	17,745	17,745	20,029	(2,284)
Miscellaneous	2,925	2,925	2,474	451
Depreciation	92,870	92,870	84,251	8,619
<b>Total Operating Expenses</b>	<b>373,108</b>	<b>373,108</b>	<b>331,055</b>	<b>42,053</b>
Operating Income (Loss)	18,286	18,286	92,824	74,538
<b>NONOPERATING REVENUES (EXPENSES)</b>				
Interest on Accounts	9,350	9,350	10,961	1,611
Debt Payments	(36,236)	(36,236)	(36,236)	-
<b>Total Nonoperating Revenues (Expenses)</b>	<b>(26,886)</b>	<b>(26,886)</b>	<b>(25,275)</b>	<b>1,611</b>
Net Income - Budget Basis	(8,600)	(8,600)	67,549	\$ 76,149
Add: Principal Payment on Debt			36,236	
Change in Net Position			103,785	
<b>Net Position at Beginning of Year</b>	<b>1,724,194</b>	<b>1,724,194</b>	<b>1,865,026</b>	
<b>Net Position at End of Year</b>	<b>\$ 1,715,594</b>	<b>\$ 1,715,594</b>	<b>\$ 1,968,811</b>	

**TOWN OF DEL NORTE**  
**SCHEDULE OF REVENUES, EXPENSES, AND CHANGES IN**  
**NET POSITION - BUDGET AND ACTUAL (NON-GAAP)**  
**SEWER FUND**  
**For the Year Ended December 31, 2015**

	<b>BUDGETED AMOUNTS</b>			<b>VARIANCE WITH FINAL BUDGET POSITIVE (NEGATIVE)</b>
	<b>ORIGINAL</b>	<b>FINAL</b>	<b>ACTUAL</b>	
<b>OPERATING REVENUES</b>				
Charges for Services				
Service Charges	\$ 284,200	\$ 284,200	\$ 333,835	\$ 49,635
Miscellaneous Revenue	50	50	-	(50)
<b>Total Operating Revenues</b>	<b>284,250</b>	<b>284,250</b>	<b>333,835</b>	<b>49,585</b>
<b>OPERATING EXPENSES</b>				
Clerk Salary	24,522	24,522	22,556	1,966
Deputy Clerk Salary	17,216	17,216	17,383	(167)
Maintenance Crew Salaries	36,859	36,859	36,787	72
FICA/Medicare	5,910	5,910	5,690	220
Workman's Compensation	1,200	1,200	924	276
Health Insurance	16,831	16,831	16,141	690
Retirement	2,494	2,494	2,389	105
Supplies	9,106,624	9,106,624	591	9,106,033
Postage	2,600	2,600	2,150	450
Engineering Services	10,000	10,000	14,069	(4,069)
Other Professional Services	17,500	17,500	21,903	(4,403)
Discharge Permit Fees	4,134	4,134	3,251	883
Gas and Oil	7,000	7,000	3,535	3,465
Utilities	28,000	28,000	33,911	(5,911)
Equipment Repairs and Maintenance	4,400	4,400	4,746	(346)
System Repairs and Maintenance	28,546	28,546	12,945	15,601
Insurance and Bonds	13,135	13,135	14,955	(1,820)
Miscellaneous	2,350	2,350	1,289	1,061
Depreciation	40,886	40,886	41,643	(757)
<b>Total Operating Expenses</b>	<b>9,370,207</b>	<b>9,370,207</b>	<b>256,858</b>	<b>9,113,349</b>
Operating Income (Loss)	(9,085,957)	(9,085,957)	76,977	9,162,934
<b>NONOPERATING REVENUES (EXPENSES)</b>				
Interest on Accounts	1,221	1,221	802	(419)
State Grant	9,098,624	9,098,624	10,000	(9,088,624)
Debt Payments	(13,888)	(13,888)	(13,888)	-
<b>Total Nonoperating Revenues (Expenses)</b>	<b>9,085,957</b>	<b>9,085,957</b>	<b>(3,086)</b>	<b>(9,089,043)</b>
Net Income - Budget Basis	-	-	73,891	\$ 73,891
Add: Principal Payment on Debt			8,120	
Change in Net Position			82,011	
<b>Net Position at Beginning of Year</b>	<b>758,089</b>	<b>758,089</b>	<b>865,277</b>	
<b>Net Position at End of Year</b>	<b>\$ 758,089</b>	<b>\$ 758,089</b>	<b>\$ 947,288</b>	

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

<b>LOCAL HIGHWAY FINANCE REPORT</b>		City or County: Town of Del Norte	
		YEAR ENDING : December 2015	
This Information From The Records Of Town of Del Norte		Prepared By: Ramona Dordan Phone: 719-657-2708	

I. DISPOSITION OF HIGHWAY-USER REVENUES AVAILABLE FOR LOCAL GOVERNMENT EXPENDITURE				
ITEM	A. Local Motor-Fuel Taxes	B. Local Motor-Vehicle Taxes	C. Receipts from State Highway-User Taxes	D. Receipts from Federal Highway Administration
1. Total receipts available				
2. Minus amount used for collection expenses				
3. Minus amount used for nonhighway purposes				
4. Minus amount used for mass transit				
5. Remainder used for highway purposes				

II. RECEIPTS FOR ROAD AND STREET PURPOSES		III. DISBURSEMENTS FOR ROAD AND STREET PURPOSES	
ITEM	AMOUNT	ITEM	AMOUNT
<b>A. Receipts from local sources:</b>		<b>A. Local highway disbursements:</b>	
1. Local highway-user taxes		1. Capital outlay (from page 2)	70,936
a. Motor Fuel (from Item I.A.5.)		2. Maintenance:	34,186
b. Motor Vehicle (from Item I.B.5.)		3. Road and street services:	
c. Total (a.+b.)		a. Traffic control operations	
2. General fund appropriations		b. Snow and ice removal	
3. Other local imposts (from page 2)	278,247	c. Other	26,652
4. Miscellaneous local receipts (from page 2)	0	d. Total (a. through c.)	26,652
5. Transfers from toll facilities		4. General administration & miscellaneous	81,033
6. Proceeds of sale of bonds and notes:		5. Highway law enforcement and safety	140,847
a. Bonds - Original Issues		6. Total (1 through 5)	353,654
b. Bonds - Refunding Issues		<b>B. Debt service on local obligations:</b>	
c. Notes		1. Bonds:	
d. Total (a. + b. + c.)	0	a. Interest	
7. Total (1 through 6)	278,247	b. Redemption	
<b>B. Private Contributions</b>		c. Total (a. + b.)	0
<b>C. Receipts from State government</b> (from page 2)	75,407	2. Notes:	
<b>D. Receipts from Federal Government</b> (from page 2)	0	a. Interest	
<b>E. Total receipts (A.7 + B + C + D)</b>	353,654	b. Redemption	
		c. Total (a. + b.)	0
		3. Total (1.c + 2.c)	0
		<b>C. Payments to State for highways</b>	
		<b>D. Payments to toll facilities</b>	
		<b>E. Total disbursements (A.6 + B.3 + C + D)</b>	353,654

IV. LOCAL HIGHWAY DEBT STATUS (Show all entries at par)			
	Opening Debt	Amount Issued	Closing Debt
<b>A. Bonds (Total)</b>			0
1. Bonds (Refunding Portion)			
<b>B. Notes (Total)</b>			0

V. LOCAL ROAD AND STREET FUND BALANCE				
	A. Beginning Balance	B. Total Receipts	C. Total Disbursements	D. Ending Balance
		353,654	353,654	
<b>E. Reconciliation</b>				0

**Notes and Comments:**

# LOCAL HIGHWAY FINANCE REPORT

STATE:  
Colorado  
YEAR ENDING (mm/yy):  
December 2015

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

ITEM	AMOUNT	ITEM	AMOUNT
<b>A.3. Other local imposts:</b>		<b>A.4. Miscellaneous local receipts:</b>	
a. Property Taxes and Assessments		a. Interest on investments	
b. Other local imposts:		b. Traffic Fines & Penalties	
1. Sales Taxes	278,247	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.)	278,247	h. Other	
c. Total (a. + b.)	278,247	i. Total (a. through h.)	0
(Carry forward to page 1)		(Carry forward to page 1)	

ITEM	AMOUNT	ITEM	AMOUNT
<b>C. Receipts from State Government</b>		<b>D. Receipts from Federal Government</b>	
1. Highway-user taxes	60,198	1. FHWA (from Item I.D.5.)	
2. State general funds		2. Other Federal agencies:	
3. Other State funds:		a. Forest Service	
a. State bond proceeds		b. FEMA	
b. Project Match		c. HUD	
c. Motor Vehicle Registrations	7,006	d. Federal Transit Admin	
d. Other (Specify)		e. U.S. Corps of Engineers	
e. Other (Specify) - Cty R&B	8,203	f. Other Federal	
f. Total (a. through e.)	15,209	g. Total (a. through f.)	0
4. Total (1. + 2. + 3.f)	75,407	3. Total (1. + 2.g)	
		(Carry forward to page 1)	

## III. DISBURSEMENTS FOR ROAD AND STREET PURPOSES - DETAIL

	ON NATIONAL HIGHWAY SYSTEM (a)	OFF NATIONAL HIGHWAY SYSTEM (b)	TOTAL (c)
<b>A.1. Capital outlay:</b>			
a. Right-Of-Way Costs			0
b. Engineering Costs			0
c. Construction:			
(1). New Facilities			0
(2). Capacity Improvements			0
(3). System Preservation		70,936	70,936
(4). System Enhancement & Operation			0
(5). Total Construction (1) + (2) + (3) + (4)	0	70,936	70,936
d. Total Capital Outlay (Lines 1.a. + 1.b. + 1.c.5)	0	70,936	70,936
			(Carry forward to page 1)

Notes and Comments: