

**TOWN OF DEL NORTE**  
**FINANCIAL STATEMENTS**  
**December 31, 2018**



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

**TOWN OF DEL NORTE**  
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**December 31, 2018**

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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, 2018, 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, 2018, and the respective changes in financial position and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

**Certified Public Accountants**

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## **Other Matters**

### *Required Supplementary Information*

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

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

### *Other Information*

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

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

*Wall, Smith, Bateman Inc.*

Wall, Smith, Bateman Inc.  
Alamosa, Colorado

June 10, 2019

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

**TOWN OF DEL NORTE**  
**STATEMENT OF NET POSITION**  
**December 31, 2018**

	<b>Primary Government</b>		
	<b>Governmental Activities</b>	<b>Business-Type Activities</b>	<b>TOTAL</b>
<b>ASSETS</b>			
<b>Current Assets</b>			
Cash and Cash Equivalents	\$ 2,638,792	\$ 1,217,639	\$ 3,856,431
Accounts Receivable	6,055	125,680	131,735
Due from Other Governments	113,824	105,736	219,560
Property Taxes Receivable	121,301	-	121,301
Inventories	-	62,169	62,169
Other Assets	555	-	555
<b>Total Current Assets</b>	<b>2,880,527</b>	<b>1,511,224</b>	<b>4,391,751</b>
<b>Capital Assets</b>			
Land and Land Improvements	498,356	-	498,356
Construction in Progress	102,855	1,015,939	1,118,794
Buildings and Improvements	1,013,230	-	1,013,230
Utility System	-	3,477,261	3,477,261
Infrastructure	371,493	1,119,994	1,491,487
Machinery and Equipment	551,664	472,938	1,024,602
Vehicles	363,463	-	363,463
Less: Accumulated Depreciation	(1,507,942)	(2,705,911)	(4,213,853)
<b>Total Capital Assets</b>	<b>1,393,119</b>	<b>3,380,221</b>	<b>4,773,340</b>
<b>TOTAL ASSETS</b>	<b>4,273,646</b>	<b>4,891,445</b>	<b>9,165,091</b>
<b>LIABILITIES</b>			
<b>Current Liabilities</b>			
Accounts Payable	16,321	528,587	544,908
CDPHE Settlement Payable	-	105,000	105,000
Notes Payable	-	45,635	45,635
Sales Tax Revenue Bonds	45,000	-	45,000
<b>Total Current Liabilities</b>	<b>61,321</b>	<b>679,222</b>	<b>740,543</b>
<b>Long-Term Liabilities</b>			
Compensated Absences	34,625	26,151	60,776
Notes Payable	-	415,196	415,196
Sales Tax Revenue Bonds	95,000	-	95,000
<b>Total Long-Term Liabilities</b>	<b>129,625</b>	<b>441,347</b>	<b>570,972</b>
<b>TOTAL LIABILITIES</b>	<b>190,946</b>	<b>1,120,569</b>	<b>1,311,515</b>
<b>DEFERRED INFLOWS OF RESOURCES - CURRENT</b>			
Unavailable Revenue - Grant Revenue	7,794	-	7,794
Unavailable Revenue - Property Tax	121,301	-	121,301
<b>TOTAL DEFERRED INFLOWS OF RESOURCES</b>	<b>129,095</b>	<b>-</b>	<b>129,095</b>
<b>NET POSITION</b>			
Net Investment in Capital Assets	1,253,119	2,919,390	4,172,509
Restricted for:			
TABOR	28,735	-	28,735
Debt Service	102,069	-	102,069
Unrestricted	2,569,682	851,486	3,421,168
<b>TOTAL NET POSITION</b>	<b>\$ 3,953,605</b>	<b>\$ 3,770,876</b>	<b>\$ 7,724,481</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, 2018**

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	\$ 177,472	\$ 37,685	\$ -	\$ -	\$ (139,787)	\$ -	\$ (139,787)
Public Safety	337,139	26,572	-	-	(310,567)	-	(310,567)
Highways and Streets	235,525	-	85,236	-	(150,289)	-	(150,289)
Health and Welfare	11,174	6,025	-	-	(5,149)	-	(5,149)
Culture and Recreation	19,622	-	16,150	-	(3,472)	-	(3,472)
Interest Expense	10,950	-	-	-	(10,950)	-	(10,950)
<b>Total Governmental Activities</b>	<b>791,882</b>	<b>70,282</b>	<b>101,386</b>	<b>-</b>	<b>(620,214)</b>	<b>-</b>	<b>(620,214)</b>
<b>Business-Type Activities</b>							
Water	455,656	455,258	-	2,982	-	2,584	2,584
Sewer	321,053	445,947	-	117,758	-	242,652	242,652
<b>Total Business-Type Activities</b>	<b>776,709</b>	<b>901,205</b>	<b>-</b>	<b>120,740</b>	<b>-</b>	<b>245,236</b>	<b>245,236</b>
<b>Total Primary Government</b>	<b>\$ 1,568,591</b>	<b>\$ 971,487</b>	<b>\$ 101,386</b>	<b>\$ 120,740</b>	<b>(620,214)</b>	<b>245,236</b>	<b>(374,978)</b>
<b>General Revenues:</b>							
Taxes:							
General Property Taxes - Net					113,559	-	113,559
Sales Taxes					700,080	-	700,080
Franchise Taxes					56,322	-	56,322
Other Taxes					15,655	-	15,655
Interest on Investments					18,648	21,316	39,964
Gain on Sale of Capital Assets					69,982	-	69,982
Miscellaneous					17,221	5,000	22,221
<b>Total General Revenues</b>					<b>991,467</b>	<b>26,316</b>	<b>1,017,783</b>
Change in Net Position					371,253	271,552	642,805
<b>Net Position - Beginning</b>					<b>3,582,352</b>	<b>3,499,324</b>	<b>7,081,676</b>
<b>Net Position - Ending</b>					<b>\$ 3,953,605</b>	<b>\$ 3,770,876</b>	<b>\$ 7,724,481</b>

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

**TOWN OF DEL NORTE**  
**GOVERNMENTAL FUNDS**  
**BALANCE SHEET**  
**December 31, 2018**

	<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	\$ 1,469,179	\$ 946,306	\$ 223,307	\$ 2,638,792
Accounts Receivable	6,055	-	-	6,055
Due from Other Governments	65,835	47,989	-	113,824
Property Taxes Receivable	121,301	-	-	121,301
Other Assets	-	-	555	555
<b>TOTAL ASSETS</b>	<b>\$ 1,662,370</b>	<b>\$ 994,295</b>	<b>\$ 223,862</b>	<b>\$ 2,880,527</b>
<b>LIABILITIES</b>				
Accounts Payable	\$ 16,321	\$ -	\$ -	\$ 16,321
<b>TOTAL LIABILITIES</b>	<b>16,321</b>	<b>-</b>	<b>-</b>	<b>16,321</b>
<b>DEFERRED INFLOWS OF RESOURCES</b>				
Unavailable Revenue - Grant Revenue	7,794	-	-	7,794
Unavailable Revenue - Property Tax	121,301	-	-	121,301
<b>TOTAL DEFERRED INFLOWS OF RESOURCES</b>	<b>129,095</b>	<b>-</b>	<b>-</b>	<b>129,095</b>
<b>FUND BALANCE</b>				
Restricted:				
TABOR	28,735	-	-	28,735
Debt Service	-	-	102,069	102,069
Committed:				
Capital Improvements	-	994,295	-	994,295
Culture and Recreation	-	-	121,793	121,793
Assigned:				
Subsequent Years	45,000	-	-	45,000
Unassigned	1,443,219	-	-	1,443,219
<b>TOTAL FUND BALANCE</b>	<b>1,516,954</b>	<b>994,295</b>	<b>223,862</b>	<b>2,735,111</b>
<b>TOTAL LIABILITIES, DEFERRED INFLOWS, OF RESOURCES AND FUND BALANCE</b>	<b>\$ 1,662,370</b>	<b>\$ 994,295</b>	<b>\$ 223,862</b>	<b>\$ 2,880,527</b>

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, 2018**

<b>Total Governmental Fund Balances</b>	<b>\$ 2,735,111</b>
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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.	1,393,119
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Long-term liabilities are not due and payable in the current period and therefore are not reported in the funds.

Revenue Bonds	\$ (140,000)	
Compensated Absences	<u>(34,625)</u>	
		<u>(174,625)</u>

<b>Net Position of Governmental Activities</b>	<b><u>\$ 3,953,605</u></b>
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**TOWN OF DEL NORTE**  
**GOVERNMENTAL FUNDS**  
**STATEMENT OF REVENUES, EXPENDITURES,**  
**AND CHANGES IN FUND BALANCES**  
**For the Year Ended December 31, 2018**

	<b>GENERAL FUND</b>	<b>CAPITAL IMPROVEMENT FUND</b>	<b>OTHER GOVERNMENTAL FUNDS</b>	<b>TOTAL GOVERNMENTAL FUNDS</b>
<b>REVENUES</b>				
Taxes	\$ 563,361	\$ 271,305	\$ 50,950	\$ 885,616
Licenses and Permits	4,311	-	-	4,311
Intergovernmental Revenue	85,236	-	16,150	101,386
Charges for Services	30,829	-	-	30,829
Fines and Forfeits	26,572	-	-	26,572
Interest on Accounts	11,765	5,627	1,256	18,648
Miscellaneous Revenue	20,416	5,375	-	25,791
<b>TOTAL REVENUES</b>	<b>742,490</b>	<b>282,307</b>	<b>68,356</b>	<b>1,093,153</b>
<b>EXPENDITURES</b>				
General Government	153,703	8,050	-	161,753
Public Safety	332,062	-	-	332,062
Highways and Streets	147,455	27,793	-	175,248
Health and Welfare	5,586	-	-	5,586
Culture and Recreation	10,080	-	8,349	18,429
Debt Service	-	-	50,950	50,950
Capital Outlay	-	50,000	-	50,000
<b>TOTAL EXPENDITURES</b>	<b>648,886</b>	<b>85,843</b>	<b>59,299</b>	<b>794,028</b>
Excess (deficiency) of revenues over expenditures	93,604	196,464	9,057	299,125
<b>OTHER FINANCING SOURCES (USES)</b>				
Sale of Land	69,982	-	-	69,982
<b>TOTAL OTHER FINANCING SOURCES (USES)</b>	<b>69,982</b>	<b>-</b>	<b>-</b>	<b>69,982</b>
Change in Fund Balances	163,586	196,464	9,057	369,107
<b>Fund Balance at Beginning of Year</b>	<b>1,353,368</b>	<b>797,831</b>	<b>214,805</b>	<b>2,366,004</b>
<b>Fund Balance at End of Year</b>	<b>\$ 1,516,954</b>	<b>\$ 994,295</b>	<b>\$ 223,862</b>	<b>\$ 2,735,111</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, 2018**

<b>Net Changes in Fund Balances - Total Governmental Funds</b>	<b>\$ 369,107</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	\$	50,000	
Depreciation expense		(87,854)	(37,854)

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		40,000
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<b>Change in Net Position of Governmental Activities</b>	<b>\$ 371,253</b>
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**TOWN OF DEL NORTE**  
**PROPRIETARY FUNDS**  
**STATEMENT OF NET POSITION**  
**December 31, 2018**

	<b>WATER FUND</b>	<b>SEWER FUND</b>	<b>TOTAL</b>
<b>ASSETS</b>			
<b>Current Assets</b>			
Cash and Cash Equivalents	\$ 598,954	\$ 618,685	\$ 1,217,639
Accounts Receivable	53,039	72,641	125,680
Due from Other Governments	-	105,736	105,736
Inventories	54,993	7,176	62,169
<b>Total Current Assets</b>	<u>706,986</u>	<u>804,238</u>	<u>1,511,224</u>
<b>Capital Assets</b>			
Construction in Progress	-	1,015,939	1,015,939
Utility System	2,427,787	1,049,474	3,477,261
Machinery and Equipment	325,733	147,205	472,938
Infrastructure	1,119,994	-	1,119,994
Less: Accumulated Depreciation	(1,962,975)	(742,936)	(2,705,911)
<b>Total Capital Assets</b>	<u>1,910,539</u>	<u>1,469,682</u>	<u>3,380,221</u>
<b>TOTAL ASSETS</b>	<u>2,617,525</u>	<u>2,273,920</u>	<u>4,891,445</u>
<b>LIABILITIES</b>			
<b>Current Liabilities</b>			
Accounts Payable	13,111	515,476	528,587
CDPHE Settlement Payable	-	105,000	105,000
Notes Payable	36,236	9,399	45,635
<b>Total Current Liabilities</b>	<u>49,347</u>	<u>629,875</u>	<u>679,222</u>
<b>Noncurrent Liabilities</b>			
Compensated Absences	14,891	11,260	26,151
Notes Payable	344,237	70,959	415,196
<b>Total Noncurrent Liabilities</b>	<u>359,128</u>	<u>82,219</u>	<u>441,347</u>
<b>TOTAL LIABILITIES</b>	<u>408,475</u>	<u>712,094</u>	<u>1,120,569</u>
<b>NET POSITION</b>			
Net Investment in Capital Assets	1,530,066	1,389,324	2,919,390
Unrestricted	678,984	172,502	851,486
<b>TOTAL NET POSITION</b>	<u>\$ 2,209,050</u>	<u>\$ 1,561,826</u>	<u>\$ 3,770,876</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, 2018**

	<u>WATER FUND</u>	<u>SEWER FUND</u>	<u>TOTAL</u>
<b>OPERATING REVENUES</b>			
Charges for Services			
Service Charges	\$ 435,240	\$ 445,947	\$ 881,187
Miscellaneous Revenue	20,018	5,000	25,018
<b>Total Operating Revenues</b>	<u>455,258</u>	<u>450,947</u>	<u>906,205</u>
<b>OPERATING EXPENSES</b>			
Salaries	112,239	97,680	209,919
Benefits	38,938	28,971	67,909
Supplies	45,163	18,032	63,195
Engineering Services	60,295	65,425	125,720
Utilities, Gas and Oil	47,004	45,657	92,661
Equipment Repairs & Maintenance	6,984	5,431	12,415
Insurance and Bonds	17,131	15,389	32,520
Administration - Police Department	20,991	-	20,991
Miscellaneous	711	436	1,147
Depreciation	106,200	39,544	145,744
<b>Total Operating Expenses</b>	<u>455,656</u>	<u>316,565</u>	<u>772,221</u>
Operating Income (Loss)	<u>(398)</u>	<u>134,382</u>	<u>133,984</u>
<b>NONOPERATING REVENUES (EXPENSES)</b>			
Interest on Accounts	18,152	3,164	21,316
Grant Revenue	2,982	117,758	120,740
Interest Expense	-	(4,488)	(4,488)
<b>Total Nonoperating Revenues (Expenses)</b>	<u>21,134</u>	<u>116,434</u>	<u>137,568</u>
Net Income (Loss)	20,736	250,816	271,552
<b>Net Position at Beginning of Year</b>	<u>2,188,314</u>	<u>1,311,010</u>	<u>3,499,324</u>
<b>Net Position at End of Year</b>	<u>\$ 2,209,050</u>	<u>\$ 1,561,826</u>	<u>\$ 3,770,876</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, 2018**

	<b>WATER FUND</b>	<b>SEWER FUND</b>	<b>TOTAL</b>
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>			
Cash Received from Customers	\$ 455,032	\$ 346,168	\$ 801,200
Cash Payments to Suppliers for Goods and Services	(189,317)	350,341	161,024
Cash Payments to Employees	(112,239)	(97,680)	(209,919)
Cash Payments for Employee Benefits and Taxes	(32,375)	(25,061)	(57,436)
<b>NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES</b>	<u>121,101</u>	<u>573,768</u>	<u>694,869</u>
<b>CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES</b>	<u>-</u>	<u>-</u>	<u>-</u>
<b>CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES</b>			
Purchase of Fixed Assets	(213,889)	(600,955)	(814,844)
Grant Proceeds	66,302	117,758	184,060
Interest Paid on Notes and Bonds	-	(4,488)	(4,488)
Principal Paid on Notes and Bonds	(36,236)	(9,399)	(45,635)
<b>NET CASH PROVIDED (USED) FOR CAPITAL AND RELATED FINANCING ACTIVITIES</b>	<u>(183,823)</u>	<u>(497,084)</u>	<u>(680,907)</u>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>			
Interest Income	18,152	3,164	21,316
<b>NET CASH PROVIDED (USED) BY INVESTING ACTIVITIES</b>	<u>18,152</u>	<u>3,164</u>	<u>21,316</u>
<b>NET INCREASE IN CASH AND CASH EQUIVALENTS</b>	(44,570)	79,848	35,278
<b>CASH AND CASH EQUIVALENTS, BEGINNING OF YEAR</b>	<u>643,524</u>	<u>538,837</u>	<u>1,182,361</u>
<b>CASH AND CASH EQUIVALENTS, END OF YEAR</b>	<u><u>\$ 598,954</u></u>	<u><u>\$ 618,685</u></u>	<u><u>\$ 1,217,639</u></u>
<b>OPERATING INCOME (LOSS)</b>	\$ (398)	\$ 134,382	\$ 133,984
<b>Adjustments to Reconcile Operating Income to Net Cash Provided by Operating Activities</b>			
Depreciation Expense	106,200	39,544	145,744
Change in Assets and Liabilities			
(Increase) Decrease in Accounts Receivable	(226)	(104,779)	(105,005)
Increase (Decrease) in Accounts Payable	8,962	500,711	509,673
Increase (Decrease) in Compensated Absences	6,563	3,910	10,473
<b>NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES</b>	<u><u>\$ 121,101</u></u>	<u><u>\$ 573,768</u></u>	<u><u>\$ 694,869</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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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 2018 property tax levy due January 1, 2019, has been recorded in the financial statements as a receivable and corresponding deferred inflows of resources in the financial statements.

***Inventory***

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

***Capital Assets***

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

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

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

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

***Compensated Absences***

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

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

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

***Unearned Revenue***

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

***Deferred Inflows of Resources***

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

***Interest Capitalization***

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

***Encumbrances***

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

***Net Position***

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

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

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

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

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

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

***Use of Estimates***

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

***Reclassifications***

Certain reclassifications were made to fiscal year 2017 financial statements in order to conform to the fiscal year 2018 financial statement presentation.

**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 adopt supplemental appropriations during 2018. All budget amounts presented in the accompanying supplementary information reflect the original budget and the final amended budget.

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

At December 31, 2018 cash, deposits, and investments consisted of the following:

Cash on Hand	\$ 804
Cash in Banks	2,676,239
Investment in ColoTrust	1,179,388
	<u>\$ 3,856,431</u>

**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 2018 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, 2018, \$1,993,385 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

**TOWN OF DEL NORTE**  
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- 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, 2018, 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, 2018, the Town had \$219,560 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 CAPITAL ASSETS**

Capital asset activity for the year ended December 31, 2018, was as follows:

	Balance 12/31/2017	Additions	Deletions	Balance 12/31/2018
<i>Governmental Activities</i>				
Capital assets not being depreciated				
Land and Land Improvements	\$ 498,356	\$ -	\$ -	\$ 498,356
Construction In Progress	102,855	-	-	102,855
Total capital assets not being depreciated	601,211	-	-	601,211
Capital assets being depreciated				
Buildings and Improvements	1,013,230	-	-	1,013,230
Infrastructure	371,493	-	-	371,493
Machinery and Equipment	551,664	-	-	551,664
Vehicles	313,463	50,000	-	363,463
Total capital assets being depreciated	2,249,850	50,000	-	2,299,850
Less accumulated depreciation for:				
Buildings and Improvements	465,399	25,155	-	490,554
Infrastructure	208,133	24,116	-	232,249
Machinery and Equipment	480,384	26,985	-	507,369
Vehicles	266,172	11,598	-	277,770
Total accumulated depreciation	1,420,088	87,854	-	1,507,942
Total capital assets being depreciated, net	829,762	(37,854)	-	791,908
Governmental Activities Capital Assets, Net	<u>\$ 1,430,973</u>	<u>\$ (37,854)</u>	<u>\$ -</u>	<u>\$ 1,393,119</u>
<i>Business-type Activities</i>				
Capital assets not being depreciated				
Construction in Progress	\$ 414,984	\$ 600,955	\$ -	\$ 1,015,939
Total capital assets not being depreciated	414,984	600,955	-	1,015,939
Capital assets being depreciated				
Property, Plant and Equipment	4,856,304	214,689	800	5,070,193
Accumulated Depreciation	(2,560,167)	(145,744)	-	(2,705,911)
Total capital assets being depreciated, net	2,296,137	68,945	800	2,364,282
Business-type Capital Assets, Net	<u>\$ 2,711,121</u>	<u>\$ 669,900</u>	<u>\$ 800</u>	<u>\$ 3,380,221</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	\$ 15,718
Public Safety	5,077
Highways and Streets	60,277
Health and Welfare	5,588
Culture and Recreation	1,194
Total depreciation expense – governmental activities	<u>\$ 87,854</u>

*Business-type Activities*

Water Services	\$ 106,200
Sewer Services	39,544
Total depreciation expense – business-type activities	<u>\$ 145,744</u>

**NOTE 6 LONG-TERM LIABILITIES**

*Changes in Long-term Liabilities*

	Balance 12/31/2017	Additions	Deletions	Balance 12/31/2018	Due Within One Year
<i>Governmental Activities</i>					
2001 Sales Tax Revenue Bonds	\$ 180,000	\$ -	\$ 40,000	\$ 140,000	\$ 45,000
Compensated Absences	34,625	-	-	34,625	-
Governmental Activities Total	<u>\$ 214,625</u>	<u>\$ -</u>	<u>\$ 40,000</u>	<u>\$ 174,625</u>	<u>\$ 45,000</u>
<i>Business-type Activities</i>					
Notes Payable					
DOLA Loan	\$ 89,757	\$ -	\$ 9,399	\$ 80,358	\$ 9,869
CWRPDA Loan	416,709	-	36,236	380,473	36,236
Compensated Absences	15,678	10,473	-	26,151	-
Business-type Activities Total	<u>\$ 522,144</u>	<u>\$ 10,473</u>	<u>\$ 45,635</u>	<u>\$ 486,982</u>	<u>\$ 46,105</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**  
**NOTES TO THE BASIC FINANCIAL STATEMENTS**  
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The annual debt service for the 2001 bonds is as follows:

	Principal October 15	Interest April 15	Interest October 15	Total
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>\$ 140,000</u>	<u>\$ 8,550</u>	<u>\$ 8,550</u>	<u>\$ 157,100</u>

***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
2019	\$ 9,869	\$ 4,018	\$ 13,887
2020	10,363	3,524	13,887
2021	10,881	3,006	13,887
2022	11,425	2,462	13,887
2023	11,996	1,891	13,887
2024-2025	25,824	1,952	27,776
	<u>\$ 80,358</u>	<u>\$ 16,853</u>	<u>\$ 97,211</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.



**TOWN OF DEL NORTE**  
**NOTES TO THE BASIC FINANCIAL STATEMENTS**  
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The annual debt service for the note payable is as follows:

	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2019	\$ 36,236	\$ -	\$ 36,236
2020	36,236	-	36,236
2021	36,236	-	36,236
2022	36,236	-	36,236
2023	36,236	-	36,236
2024-2028	181,179	-	181,179
2029	18,114	-	18,114
	<u>\$ 380,473</u>	<u>\$ -</u>	<u>\$ 380,473</u>

On February 10, 2016, the Town entered into a loan with the United States Department of Agriculture (USDA), in the amount of \$4,479,000 with an interest rate of 0.0% annually to complete the wastewater capital improvement project. As of December 31, 2018 the Town had not drawn on this loan.

**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, 2018, the Town recognized pension expense of \$22,301.

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, 2018, 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

**TOWN OF DEL NORTE**  
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compensation to the Plan. For the year ended December 31, 2018, employee contributions totaled \$10,842 and the Town recognized pension expense of \$10,842.

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, 2018, 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, 2018, the employees contributed \$4,950. 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 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 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.

**TOWN OF DEL NORTE**  
**NOTES TO THE BASIC FINANCIAL STATEMENTS**  
**December 31, 2018**

***CDPHE Settlement***

On September 17, 2015 the Town was issued a letter reporting the findings of a sanitary survey of its wastewater collection system conducted on August 18, 2015. During the survey two “significant deficiencies” were documented. The Town was assessed a penalty by the Colorado Department of Public Health and Environment in the amount of \$105,000. This amount has been recorded as accounts payable and will be paid during 2019.

***Construction Projects***

On March 9, 2016 the Town entered into a grant agreement with the State of Colorado Department of Local Affairs for \$2,000,000, a USDA loan of \$4,479,000, and USDA Grant for \$2,792,796 for the purpose of improving the Town’s wastewater collection system. The Town has spent \$1,015,939 as of December 31, 2018 towards the project and is expecting to finish in 2020 with a total cost of \$9,271,796. The Town will begin drawing down on the loan in January 2019 for expenses incurred to date.

**TOWN OF DEL NORTE**

**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**  
**SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN**  
**FUND BALANCE - BUDGET AND ACTUAL**  
**GENERAL FUND**  
**For the Year Ended December 31, 2018**

	<b>BUDGETED AMOUNTS</b>		<b>ACTUAL</b>	<b>VARIANCE WITH FINAL BUDGET POSITIVE (NEGATIVE)</b>
	<b>ORIGINAL</b>	<b>FINAL</b>		
<b>REVENUES</b>				
Taxes	\$ 513,095	\$ 513,095	\$ 563,361	\$ 50,266
Licenses and Permits	3,050	3,050	4,311	1,261
Intergovernmental Revenue				
Highway Users Tax	59,615	59,615	73,520	13,905
Additional Motor Vehicle Fees	7,000	7,000	5,324	(1,676)
County Road and Bridge Fund	8,200	8,200	6,392	(1,808)
Charges for Services	29,995	29,995	30,829	834
Fines and Forfeits	66,500	66,500	26,572	(39,928)
Interest on Accounts	6,450	6,450	11,765	5,315
Miscellaneous Revenue	9,204	9,204	20,416	11,212
<b>TOTAL REVENUE</b>	<b>703,109</b>	<b>703,109</b>	<b>742,490</b>	<b>39,381</b>
<b>EXPENDITURES</b>				
General Government	187,455	187,455	153,703	33,752
Public Safety	390,089	390,089	332,062	58,027
Highways and Streets	163,973	163,973	147,455	16,518
Health and Welfare	6,166	6,166	5,586	580
Culture and Recreation	13,875	13,875	10,080	3,795
<b>TOTAL EXPENDITURES</b>	<b>761,558</b>	<b>761,558</b>	<b>648,886</b>	<b>112,672</b>
Excess (deficiency) of revenues over expenditures	(58,449)	(58,449)	93,604	(73,291)
<b>OTHER FINANCING SOURCES (USES)</b>				
Sale of Land	-	-	69,982	69,982
<b>TOTAL OTHER FINANCING SOURCES (USES)</b>	<b>-</b>	<b>-</b>	<b>69,982</b>	<b>69,982</b>
Change in Fund Balance	(58,449)	(58,449)	163,586	(3,309)
<b>Fund Balance at Beginning of Year</b>	<b>1,274,807</b>	<b>1,274,807</b>	<b>1,353,368</b>	<b>78,561</b>
<b>Fund Balance at End of Year</b>	<b>\$ 1,216,358</b>	<b>\$ 1,216,358</b>	<b>\$ 1,516,954</b>	<b>\$ 75,252</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, 2018**

	Special Revenue Fund		
	CONSERVATION TRUST FUND	DEBT SERVICE FUND	TOTAL NONMAJOR GOVERNMENTAL
<b>ASSETS</b>			
Cash and Cash Equivalents	\$ 121,238	\$ 102,069	\$ 223,307
Other Assets	555	-	555
<b>TOTAL ASSETS</b>	<u>\$ 121,793</u>	<u>\$ 102,069</u>	<u>\$ 223,862</u>
<b>LIABILITIES AND FUND BALANCE</b>			
<b>LIABILITIES</b>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
<b>TOTAL LIABILITIES</b>	<u>-</u>	<u>-</u>	<u>-</u>
<b>FUND BALANCE</b>			
Restricted for:			
Debt Service	-	102,069	102,069
Committed:			
Culture and Recreation	121,793	-	121,793
<b>TOTAL FUND BALANCE</b>	<u>121,793</u>	<u>102,069</u>	<u>223,862</u>
<b>TOTAL LIABILITIES AND FUND BALANCE</b>	<u>\$ 121,793</u>	<u>\$ 102,069</u>	<u>\$ 223,862</u>



**TOWN OF DEL NORTE**  
**NONMAJOR GOVERNMENTAL FUNDS**  
**COMBINING SCHEDULE OF REVENUES, EXPENDITURES,**  
**AND CHANGES IN FUND BALANCES**  
**For the Year Ended December 31, 2018**

	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	\$ -	\$ 50,950	\$ 50,950
Intergovernmental Revenue	16,150	-	16,150
Interest on Accounts	1,256	-	1,256
<b>TOTAL REVENUES</b>	<u>17,406</u>	<u>50,950</u>	<u>68,356</u>
<b>EXPENDITURES</b>			
Culture and Recreation	8,349	-	8,349
Debt Service	-	50,950	50,950
<b>TOTAL EXPENDITURES</b>	<u>8,349</u>	<u>50,950</u>	<u>59,299</u>
Change in Fund Balances	9,057	-	9,057
<b>Fund Balance at Beginning of Year</b>	<u>112,736</u>	<u>102,069</u>	<u>214,805</u>
<b>Fund Balance at End of Year</b>	<u><u>\$ 121,793</u></u>	<u><u>\$ 102,069</u></u>	<u><u>\$ 223,862</u></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, 2018**

	<b>BUDGETED AMOUNTS</b>		<b>ACTUAL</b>	<b>VARIANCE WITH FINAL BUDGET POSITIVE (NEGATIVE)</b>
	<b>ORIGINAL</b>	<b>FINAL</b>		
<b>REVENUES</b>				
Taxes	\$ 241,000	\$ 241,000	\$ 271,305	\$ 30,305
Interest on Accounts	2,690	2,690	5,627	2,937
Miscellaneous Revenue	-	-	5,375	5,375
<b>TOTAL REVENUES</b>	<b>243,690</b>	<b>243,690</b>	<b>282,307</b>	<b>38,617</b>
<b>EXPENDITURES</b>				
General Government	-	-	8,050	(8,050)
Highways and Streets	133,690	133,690	27,793	105,897
Capital Outlay	160,000	160,000	50,000	110,000
<b>TOTAL EXPENDITURES</b>	<b>293,690</b>	<b>293,690</b>	<b>85,843</b>	<b>207,847</b>
Change in Fund Balance	(50,000)	(50,000)	196,464	(169,230)
<b>Fund Balance at Beginning of Year</b>	<b>712,074</b>	<b>712,074</b>	<b>797,831</b>	<b>85,757</b>
<b>Fund Balance at End of Year</b>	<b>\$ 662,074</b>	<b>\$ 662,074</b>	<b>\$ 994,295</b>	<b>\$ (83,473)</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, 2018**

	<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	\$ 15,500	\$ 15,500	\$ 16,150	\$ 650
Interest on Accounts	635	635	1,256	621
<b>TOTAL REVENUES</b>	<b>16,135</b>	<b>16,135</b>	<b>17,406</b>	<b>1,271</b>
<b>EXPENDITURES</b>				
Culture and Recreation	22,535	22,535	8,349	14,186
Capital Outlay	4,250	4,250	-	4,250
<b>TOTAL EXPENDITURES</b>	<b>26,785</b>	<b>26,785</b>	<b>8,349</b>	<b>18,436</b>
Change in Fund Balance	(10,650)	(10,650)	9,057	(17,165)
<b>Fund Balance at Beginning of Year</b>	<b>103,220</b>	<b>103,220</b>	<b>112,736</b>	<b>9,516</b>
<b>Fund Balance at End of Year</b>	<b>\$ 92,570</b>	<b>\$ 92,570</b>	<b>\$ 121,793</b>	<b>\$ 29,223</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, 2018**

	<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	\$ 50,950	\$ 50,950	\$ 50,950	\$ -
<b>TOTAL REVENUES</b>	<u>50,950</u>	<u>50,950</u>	<u>50,950</u>	<u>-</u>
<b>EXPENDITURES</b>				
Debt Service				
Debt Service Principal	40,000	40,000	40,000	-
Debt Service Interest	10,800	10,800	10,800	-
Trustee Fees	150	150	150	-
Total Debt Service	<u>50,950</u>	<u>50,950</u>	<u>50,950</u>	<u>-</u>
<b>TOTAL EXPENDITURES</b>	<u>50,950</u>	<u>50,950</u>	<u>50,950</u>	<u>-</u>
Change in Fund Balance	-	-	-	-
<b>Fund Balance at Beginning of Year</b>	<u>102,069</u>	<u>102,069</u>	<u>102,069</u>	<u>-</u>
<b>Fund Balance at End of Year</b>	<u>\$ 102,069</u>	<u>\$ 102,069</u>	<u>\$ 102,069</u>	<u>\$ -</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, 2018**

	<b>BUDGETED AMOUNTS</b>		<b>ACTUAL</b>	<b>VARIANCE WITH FINAL BUDGET POSITIVE (NEGATIVE)</b>
	<b>ORIGINAL</b>	<b>FINAL</b>		
<b>OPERATING REVENUES</b>				
Charges for Services				
Service Charges	\$ 426,610	\$ 426,610	\$ 435,240	\$ 8,630
Miscellaneous Revenue	2,860	2,860	20,018	17,158
<b>Total Operating Revenues</b>	<b>429,470</b>	<b>429,470</b>	<b>455,258</b>	<b>25,788</b>
<b>OPERATING EXPENSES</b>				
Salaries	102,276	102,276	112,239	(9,963)
Benefits	40,796	40,796	38,938	1,858
Operating Supplies	18,500	18,500	45,163	(26,663)
Other Professional Services	44,950	44,950	60,295	(15,345)
Utilities, Gas and Oil	50,925	50,925	47,004	3,921
Equipment Repairs & Maintenance	17,142	17,142	6,984	10,158
Insurance and Bonds	18,600	18,600	17,131	1,469
Administration - Police Department	23,350	23,350	20,991	2,359
Miscellaneous	3,425	3,425	711	2,714
Capital Outlay	-	260,000	210,144	49,856
Depreciation	91,870	91,870	106,200	(14,330)
<b>Total Operating Expenses</b>	<b>411,834</b>	<b>671,834</b>	<b>665,800</b>	<b>6,034</b>
Operating Income (Loss)	17,636	(242,364)	(210,542)	31,822
<b>NONOPERATING REVENUES (EXPENSES)</b>				
Interest on Accounts	13,600	13,600	18,152	4,552
Grant Revenue	5,000	5,000	2,982	(2,018)
Debt Payments	(36,236)	(36,236)	(36,236)	-
<b>Total Nonoperating Revenues (Expenses)</b>	<b>(17,636)</b>	<b>(17,636)</b>	<b>(15,102)</b>	<b>2,534</b>
Net Income - Budget Basis	-	(260,000)	(225,644)	\$ 34,356
Add: Capital Outlay			210,144	
Add: Principal Payment on Debt			36,236	
Change in Net Position			20,736	
<b>Net Position at Beginning of Year</b>	<b>1,608,370</b>	<b>1,608,370</b>	<b>2,188,314</b>	
<b>Net Position at End of Year</b>	<b>\$ 1,608,370</b>	<b>\$ 1,348,370</b>	<b>\$ 2,209,050</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, 2018**

	<b>BUDGETED AMOUNTS</b>		<b>ACTUAL</b>	<b>VARIANCE WITH FINAL BUDGET POSITIVE (NEGATIVE)</b>
	<b>ORIGINAL</b>	<b>FINAL</b>		
<b>OPERATING REVENUES</b>				
Charges for Services				
Service Charges	\$ 446,000	\$ 446,000	\$ 445,947	\$ (53)
Miscellaneous Revenue	50	50	5,000	4,950
<b>Total Operating Revenues</b>	<b>446,050</b>	<b>446,050</b>	<b>450,947</b>	<b>4,897</b>
<b>OPERATING EXPENSES</b>				
Salaries	109,184	109,184	97,680	11,504
Benefits	30,115	30,115	28,971	1,144
Operating Supplies	9,600	9,600	18,032	(8,432)
Professional Services	31,084	31,084	65,425	(34,341)
Utilities, Gas and Oil	37,000	37,000	45,657	(8,657)
Equipment Repairs and Maintenance	5,400	5,400	5,431	(31)
Insurance and Bonds	16,500	16,500	15,389	1,111
Miscellaneous	1,850	1,850	436	1,414
Depreciation	49,766	49,766	39,544	10,222
Capital Outlay	9,203,959	9,203,959	600,955	8,603,004
Reserve/Contingency	143,395	143,395	-	143,395
<b>Total Operating Expenses</b>	<b>9,637,853</b>	<b>9,637,853</b>	<b>917,520</b>	<b>8,720,333</b>
Operating Income (Loss)	(9,191,803)	(9,191,803)	(466,573)	8,725,230
<b>NONOPERATING REVENUES (EXPENSES)</b>				
Interest on Accounts	1,731	1,731	3,164	1,433
Grant Revenue	9,203,959	9,203,959	117,758	(9,086,201)
Debt Payments	(13,887)	(13,887)	(13,887)	-
<b>Total Nonoperating Revenues (Expenses)</b>	<b>9,191,803</b>	<b>9,191,803</b>	<b>107,035</b>	<b>(9,084,768)</b>
Net Income - Budget Basis	-	-	(359,538)	<u><u>\$ (359,538)</u></u>
Add: Capital Outlay			600,955	
Add: Principal Payment on Debt			9,399	
Change in Net Position			250,816	
<b>Net Position at Beginning of Year</b>	<b>892,948</b>	<b>892,948</b>	<b>1,311,010</b>	
<b>Net Position at End of Year</b>	<b><u><u>\$ 892,948</u></u></b>	<b><u><u>\$ 892,948</u></u></b>	<b><u><u>\$ 1,561,826</u></u></b>	

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

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

<b>LOCAL HIGHWAY FINANCE REPORT</b>		City or County:	Town of Del Norte Rio Grande County
		YEAR ENDING :	December 2018
This Information From The Records Of Town of Del Norte:		Prepared By:	Ramona Dordan
		Phone:	719-657-2708

**I. DISPOSITION OF HIGHWAY-USER REVENUES AVAILABLE FOR LOCAL GOVERNMENT EXPENDITURE**

ITEM	A. Local Motor-Fuel Taxes	B. Local Motor-Vehicle Taxes	C. Receipts from State Highway-User Taxes	D. Receipts from Federal Highway Administration
1. Total receipts available				
2. Minus amount used for collection expenses				
3. Minus amount used for nonhighway purposes				
4. Minus amount used for mass transit				
5. Remainder used for highway purposes				

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

ITEM	AMOUNT
<b>A. Receipts from local sources:</b>	
1. Local highway-user taxes	
a. Motor Fuel (from Item I.A.5.)	
b. Motor Vehicle (from Item I.B.5.)	
c. Total (a.+b.)	
2. General fund appropriations	
3. Other local imposts (from page 2)	242,615
4. Miscellaneous local receipts (from page 2)	0
5. Transfers from toll facilities	
6. Proceeds of sale of bonds and notes:	
a. Bonds - Original Issues	
b. Bonds - Refunding Issues	
c. Notes	
d. Total (a. + b. + c.)	0
7. Total (1 through 6)	242,615
<b>B. Private Contributions</b>	
<b>C. Receipts from State government</b> (from page 2)	85,056
<b>D. Receipts from Federal Government</b> (from page 2)	0
<b>E. Total receipts (A.7 + B + C + D)</b>	327,671

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

ITEM	AMOUNT
<b>A. Local highway disbursements:</b>	
1. Capital outlay (from page 2)	50,000
2. Maintenance:	31,349
3. Road and street services:	
a. Traffic control operations	
b. Snow and ice removal	
c. Other	25,258
d. Total (a. through c.)	25,258
4. General administration & miscellaneous	90,847
5. Highway law enforcement and safety	130,217
6. Total (1 through 5)	327,671
<b>B. Debt service on local obligations:</b>	
1. Bonds:	
a. Interest	
b. Redemption	
c. Total (a. + b.)	0
2. Notes:	
a. Interest	
b. Redemption	
c. Total (a. + b.)	0
3. Total (1.c + 2.c)	0
<b>C. Payments to State for highways</b>	
<b>D. Payments to toll facilities</b>	
<b>E. Total disbursements (A.6 + B.3 + C + D)</b>	327,671

**IV. LOCAL HIGHWAY DEBT STATUS**

(Show all entries at par)

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

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

	A. Beginning Balance	B. Total Receipts	C. Total Disbursements	D. Ending Balance	E. Reconciliation
		327,671	327,671		0

Notes and Comments:



**LOCAL HIGHWAY FINANCE REPORT**

STATE:  
Colorado  
YEAR ENDING (mm/yy):  
December 2018

**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	242,615	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.)	242,615	h. Other	
c. Total (a. + b.)	242,615	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	73,340	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	5,324	d. Federal Transit Admin	
d. Other (Specify) - DOLA Grant		e. U.S. Corps of Engineers	
e. Other (Specify) Road&Bridge	6,392	f. Other Federal	
f. Total (a. through e.)	11,716	g. Total (a. through f.)	0
4. Total (1. + 2. + 3.f)	85,056	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	0
(3). System Preservation		0	0
(4). System Enhancement & Operation	29,220	20,780	50,000
(5). Total Construction (1) + (2) + (3) + (4)	29,220	20,780	50,000
d. Total Capital Outlay (Lines 1.a. + 1.b. + 1.c.5)	29,220	20,780	50,000
			(Carry forward to page 1)

Notes and Comments: