

# Town of Dillon, Colorado



## Financial Statements December 31, 2015



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Honorable Mayor and Town Council  
Town of Dillon  
Dillon, Colorado

## INDEPENDENT AUDITORS' REPORT

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 Dillon as of and for the year ended December 31, 2015, and the related notes to the financial statements, which collectively comprise the basic financial statements of the Town of Dillon, 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 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 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 Dillon as of December 31, 2015, and the respective changes in financial position and cash flows, where applicable, for the year then ended in accordance with accounting principles generally accepted in the United States of America.

**Other Matters (Required Supplementary Information)**

Accounting principles generally accepted in the United States of America require that the management’s discussion and analysis and the required supplementary information listed in the table of contents 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 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 Matters (Other Information)**

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Town of Dillon’s basic financial statements. The supplementary information and the local highway finance report listed in the table of contents are presented for purposes of additional analysis and are not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling the information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated, in all material respects, in relation to the basic financial statements as a whole.



June 10, 2016

## Management's Discussion and Analysis

As management of the Town of Dillon, we offer readers of the Town of Dillon's financial statements this narrative overview and analysis of the financial activities of the Town of Dillon for the fiscal year ended December 31, 2015.

### Financial Highlights

- The assets of the Town of Dillon exceeded its liabilities at the close of fiscal year 2015 by \$23,461,937 (*net position*). Of this amount, \$6,142,579 (*unrestricted net position*) may be used to meet the Town of Dillon's ongoing obligations to citizens and creditors.
- The government's total net position increased by \$1,502,876.
- As of the close of the fiscal year 2015, the Town of Dillon's governmental activities reported ending net position of \$9,838,037 an increase of \$1,143,468 compared with the prior year. Approximately 37% of this total amount, \$3,645,058, is available for spending at the Town's discretion (*unrestricted net position*).
- At the end of the fiscal year ended December 31, 2015, unrestricted fund balance for the General Fund was \$2,313,720, or 58% of the total general fund expenditures.
- The Town of Dillon's total debt increased by \$3,159,131 during the fiscal year ended December 31, 2015.

### Overview of the Financial Statements

This discussion and analysis are intended to serve as an introduction to the Town of Dillon's basic financial statements, which are comprised of three components: 1) government-wide financial statements, 2) fund financial statements, and 3) notes to the financial statements. This report also contains other supplementary information in addition to the basic financial statements themselves.

**Government-wide financial statements.** The *government-wide financial statements* are designed to provide readers with a broad overview of the Town of Dillon's finances, in a manner similar to a private-sector business.

The *statement of net position* presents information on all of the Town of Dillon's assets and liabilities, with the difference between the two reported as *net position*. Over time, increases or decreases in net position may serve as a useful indicator of whether the financial position of the Town of Dillon is improving or deteriorating.

The *statement of activities* presents information showing how the Town's net position changed during the most recent fiscal year. All changes in net position are reported as soon as the underlying event giving rise to the change occurs, *regardless of the timing of related cash flows*. Thus, revenues and expenses are reported in this statement for some items that will only result in cash flows in future fiscal periods (e.g., uncollected taxes and earned but unused vacation leave).

Both of the government-wide financial statements distinguish functions of the Town of Dillon that are principally supported by taxes and intergovernmental revenues (*governmental activities*) from other functions that are intended to recover all or a significant portion of their costs through user fees and charges (*business-type activities*). The governmental activities of the Town of Dillon include general government, public safety, public works, community development, culture and recreation, housing and the Dillon Urban Renewal Authority. The business-type activities of the Town of Dillon include a water utility that treats and distributes water (the Water Fund), a sewer utility that maintains the sewer collection system (the Sewer Fund) and a marina program (the Marina Fund) that operates and maintains the Dillon Marina.

**Fund financial statements.** A *fund* is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. The Town of Dillon, like other state and local governments, uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. All of the funds of the Town of Dillon can be divided into three categories: governmental funds, proprietary funds, and fiduciary funds.

**Governmental funds.** *Governmental funds* are used to account for essentially the same functions reported as *governmental activities* in the government-wide financial statements. However, unlike the government-wide financial statements, governmental fund financial statements focus on *near-term inflows and outflows of spendable resources*, as well as on *balances of spendable resources* available at the end of the fiscal year. Such information may be useful in evaluating a government's short-term financing requirements. This accounting method is called modified accrual accounting.

Because the focus of governmental funds is narrower than that of the government-wide financial statements, it is useful to compare the information presented for *governmental funds* with similar information presented for *governmental activities* in the government-wide financial statements. By doing so, readers may better understand the long-term impact of the government's short-term financing decisions. Both the governmental fund balance sheet and the governmental fund statement of revenues, expenditures, and changes in fund balances provide a reconciliation to facilitate this comparison between *governmental funds* and *governmental activities*.

The Town of Dillon maintains eight individual governmental funds. Information is presented separately in the governmental fund balance sheet and in the governmental fund statement of revenues, expenditures, and changes in fund balances for the General Fund, Capital Improvement Fund and Street Improvement Fund, which are considered to be major funds. Data from the other five governmental funds are combined into a single, aggregated presentation. Individual fund data for each of these nonmajor governmental funds is provided in the form of *combining statements* elsewhere in this report.

The Town of Dillon adopts an annual appropriated budget for its General Fund. A budgetary comparison statement has been provided for the General Fund to demonstrate compliance with this budget.

**Proprietary funds.** The Town of Dillon maintains one type of proprietary fund. *Enterprise funds* are used to report the same functions presented as *business-type activities* in the government-wide financial statements. The Town of Dillon uses enterprise funds to account for its water and sewer utilities and marina operations.

Proprietary funds provide the same type of information as the government-wide financial statements, only in more detail. The proprietary fund financial statements provide separate information for the Water, Sewer and Marina Funds, all of which are considered to be major funds of the Town of Dillon.

**Fiduciary funds.** The Town of Dillon has one fiduciary fund, the Summit County Telecommunications Consortium (SCTC). The activities of the SCTC are reported in a separate Statement of Fiduciary Assets and Liabilities and Changes in Fiduciary Assets and Liabilities. Fiduciary funds are used to account for resources held for the benefit of parties outside the government. Fiduciary funds are not reflected in the government-wide financial statement because the resources of those funds are *not* available to support the Town of Dillon's own programs. The accounting used for fiduciary funds is much like that used for proprietary funds. The fiduciary fund financial statements are found on pages 22 and 54 of this report.

**Notes to the financial statements.** The notes provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements. The notes to the financial statements can be found immediately following the basic financial statements.

**Other information.** The combining statements referred to earlier in connection with nonmajor governmental funds are presented following the notes to the financial statements and the required supplementary information. The combining fund statements can be found on pages 42-43.

### **Government-Wide Financial Analysis**

As noted earlier, net position may serve over time as a useful indicator of a government's financial position. In the case of the Town of Dillon, assets exceeded liabilities by \$23,461,937 at the close of the fiscal year 2015.



The net position of the Town at December 31, 2015 was:

**Town of Dillon's Net Position**

	Governmental Activities		Business-Type Activities		Total	
	2015	2014	2015	2014	2015	2014
Current and Other Assets	\$ 6,338,582	\$ 4,509,410	\$ 4,845,790	\$ 4,341,702	\$ 11,184,372	\$ 8,851,112
Capital Assets	<u>13,546,712</u>	<u>12,586,541</u>	<u>14,337,034</u>	<u>12,844,342</u>	<u>27,883,746</u>	<u>25,430,883</u>
<b>Total Assets</b>	<u>19,885,294</u>	<u>17,095,951</u>	<u>19,182,824</u>	<u>17,186,044</u>	<u>39,068,118</u>	<u>34,281,995</u>
Other Liabilities	210,352	168,871	262,786	200,222	473,138	369,093
Noncurrent Liabilities	<u>9,607,921</u>	<u>8,023,598</u>	<u>5,296,138</u>	<u>3,721,330</u>	<u>14,904,059</u>	<u>11,744,928</u>
<b>Total Liabilities</b>	<u>9,818,273</u>	<u>8,192,469</u>	<u>5,558,924</u>	<u>3,921,552</u>	<u>15,377,197</u>	<u>12,114,021</u>
<b>Total Deferred Inflows of Resources</b>	<u>228,984</u>	<u>208,913</u>	<u>-</u>	<u>-</u>	<u>228,984</u>	<u>208,913</u>
<b>Net Position:</b>						
Invested in Capital Assets, Net of Related Debt	4,029,779	4,656,194	11,126,379	10,895,505	15,156,158	15,551,699
Restricted	2,163,200	1,204,050	-	-	2,163,200	1,204,050
Unrestricted	<u>3,645,058</u>	<u>2,834,325</u>	<u>2,497,521</u>	<u>2,368,987</u>	<u>6,142,579</u>	<u>5,203,312</u>
<b>Total Net Position</b>	<u>\$ 9,838,037</u>	<u>\$ 8,694,569</u>	<u>\$ 13,623,900</u>	<u>\$ 13,264,492</u>	<u>\$ 23,461,937</u>	<u>\$ 21,959,061</u>

A large portion of the Town of Dillon's net position (64.6%) reflects its investment in capital assets (e.g. land, buildings, machinery, and equipment), less any related debt used to acquire those assets to provide services to citizens; consequently, these assets are *not* available for future spending. Although the Town of Dillon's investment in its capital assets is reported net of related debt, it should be noted that the resources needed to repay this debt must be provided from other sources, since the capital assets themselves cannot be used to liquidate these liabilities. An additional portion of the Town of Dillon's net position (5.5%) represents resources that are subject to external restrictions on how they may be used. The remaining balance of *unrestricted net position* (\$6,142,579) may be used to meet the Town's ongoing obligations to citizens and creditors.

At the end of the current fiscal year, the Town of Dillon is able to report positive balances in all three categories of net position, both for the Town as a whole, as well as for its separate governmental and business-type activities.

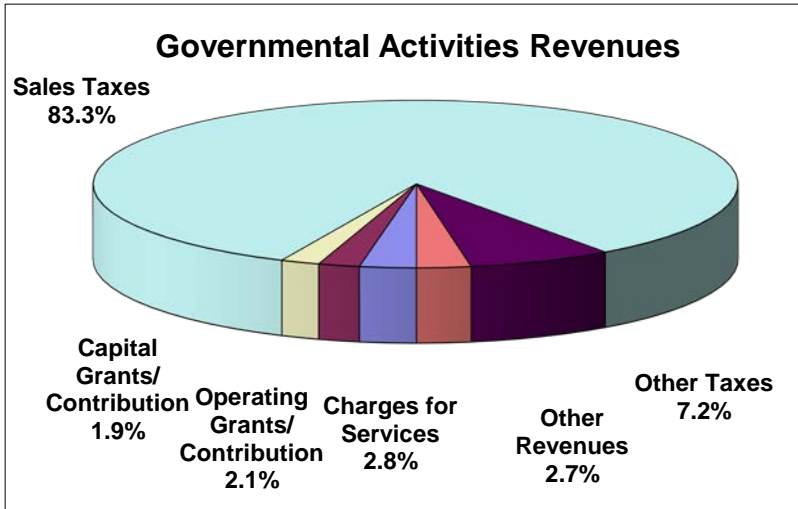
The Town of Dillon's net position increased by \$1,502,876 during the fiscal year 2015. The net position of Governmental Activities increased by \$1,143,468 which can be attributed to an increase in revenues including sales tax, lodging tax and recreational marijuana excise tax. Net position of Business-Type Activities increased by \$359,408 which is the result of an increase in marina fees and an increase in the investment in the Joint Sewer Authority.

**Town of Dillon's Changes in Net Position**

	Governmental		Business Type		Total	
	Activities		Activities			
	2015	2014	2015	2014	2015	2014
<b>Program Revenues</b>						
Charges for Services	\$ 205,633	\$ 274,798	\$ 3,037,105	\$ 2,867,625	\$ 3,242,738	\$ 3,142,423
Operating Grants and Contributions	150,202	123,774	-	-	150,202	123,774
Capital Grants and Contributions	141,426	136,481	57,021	17,767	198,447	154,248
<b>General Revenues</b>						
Sales Tax	6,073,888	5,366,684	-	-	6,073,888	5,366,684
Property Tax	208,401	209,397	-	-	208,401	209,397
Lodging Tax	168,239	148,883	-	-	168,239	148,883
Other Tax	148,486	154,377	-	-	148,486	154,377
Grants & Contributions not Restricted to Specific Programs	15,576	19,029	-	-	15,576	19,029
Other General Revenues	181,682	94,100	157,098	316,870	338,780	410,970
<b>Total Revenues</b>	<u>7,293,533</u>	<u>6,527,523</u>	<u>3,251,224</u>	<u>3,202,262</u>	<u>10,544,757</u>	<u>9,729,785</u>
<b>Program Expenses</b>						
General Government	1,484,572	1,288,675	-	-	1,484,572	1,288,675
Public Safety	1,279,465	1,208,103	-	-	1,279,465	1,208,103
Public Works	2,108,356	1,998,470	-	-	2,108,356	1,998,470
Community Development	223,642	260,218	-	-	223,642	260,218
Culture and Recreation	662,434	604,387	-	-	662,434	604,387
Housing	20,899	28,764	-	-	20,899	28,764
Urban Renewal	181	-	-	-	181	-
Interest on Long-Term Debt	408,583	392,322	-	-	408,583	392,322
Water	-	-	789,382	752,633	789,382	752,633
Sewer	-	-	872,200	701,742	872,200	701,742
Marina	-	-	1,192,167	1,076,142	1,192,167	1,076,142
Total Expenses	<u>6,188,132</u>	<u>5,780,939</u>	<u>2,853,749</u>	<u>2,530,517</u>	<u>9,041,881</u>	<u>8,311,456</u>
Transfers	38,067	38,067	(38,067)	(38,067)	-	-
Changes in Net Position	1,143,468	784,651	359,408	633,678	1,502,876	1,418,329
Net Position-Beginning of Year	<u>8,694,569</u>	<u>7,909,918</u>	<u>13,264,492</u>	<u>12,630,814</u>	<u>21,959,061</u>	<u>20,540,732</u>
Net Position-End of Year	<u>\$9,838,037</u>	<u>\$8,694,569</u>	<u>\$13,623,900</u>	<u>\$13,264,492</u>	<u>\$23,461,937</u>	<u>\$21,959,061</u>

**Governmental activities.** Governmental activities increased the Town of Dillon's net position by \$1,143,468. The following are illustrative summaries of Governmental Activities breaking out revenues and expenses:

- Sales tax, the primary source of revenues to the General Fund (83.3% of governmental revenues), increased \$707,204 from 2014 due to new retail marijuana businesses and growth in the economy in all sectors.
- Property tax decreased .5% over 2014 due to decreases in assessed valuation.
- Lodging tax collections increased 13% over 2014.
- Charges for services decreased 25.2% over 2014 due to decreases in fines and forfeitures offset by increases in zoning fees and rentals of town facilities.
- Operating grants and contributions were up 21.4% due to grant proceeds from the Colorado Department of Transportation for DUI and Click It or Ticket campaigns.
- Capital grants and contributions were up 3.6% due to increases in collections for affordable housing.



- Expenses for governmental activities are up 7%. The chart to the left (see *Governmental Activities Expenses*) represents department expenses as a percentage of the total expenses for governmental activities.

- General government expenses are up 15.2% due to additional events spending, economic development efforts and salary and benefit increases.

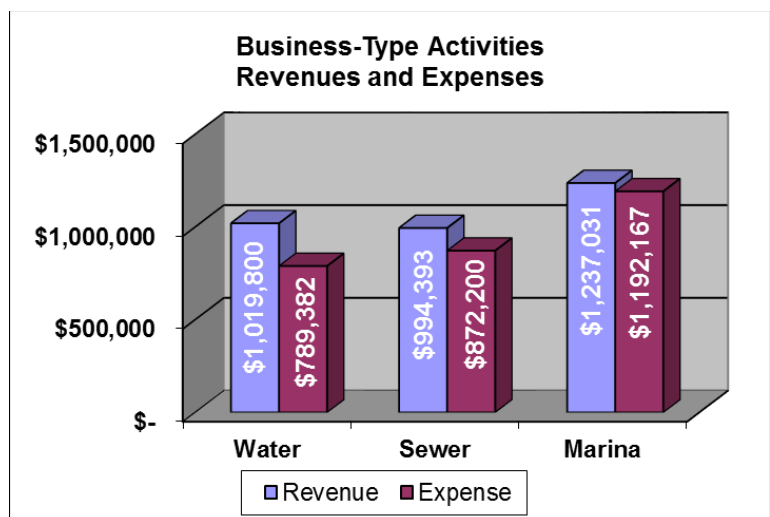
- Public safety expenses

increased 5.9% due to salary and benefit increase staff vacancies.

- Public works expenses increased 5.5% due to the increase in spending on pavement maintenance and salary and benefits.
- Community Development expenses decreased 14% due to a reduction in spending planning consultants.
- Culture and Recreation increased 9.6% due to an increase in spending on Town Park and Marina Park improvements.
- Core Services (public safety, public works and culture and recreation) make up 65.5% of the expenses. General Government consists of Town Council, general administration, economic development, marketing, communications and events.

**Business-type activities.** Business-type activities increased the Town of Dillon’s net position by \$359,408, accounting for 23.9% of growth in the Town’s net position. Key elements of this increase are as follows:

- Charges for services increased 5.9% due to increases in marina revenues from slips, boat rentals, fuel sales and sailing school.
- Water and Sewer and Marina Funds reflect net incomes as shown in the chart to the right.



## **Financial Analysis of the Town of Dillon's Funds**

As noted earlier, the Town of Dillon uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements.

**Governmental funds.** The focus of the Town of Dillon's governmental funds is to provide information on short-term inflows, outflows, and balances of spendable resources. Such information is useful in assessing the Town of Dillon's financing requirements. In particular, unrestricted fund balance may serve as a useful measure of a government's net resources available for spending at the end of the fiscal year.

As of the end of the fiscal year 2015, the Town of Dillon's governmental funds reported combined ending fund balances of \$5,941,410, an increase of \$1,772,431 (42.5%) over 2014. Approximately 38.8% of this total amount constitutes unassigned fund balance (\$2,302,865), which is available for spending at the Town's discretion. The remainder of fund balance is restricted or assigned to indicate that it is not available for new spending because it has already been either restricted for 1) emergencies (\$217,613), 2) parks and open space projects (\$21,890), 3) affordable housing projects (\$489,108), 4) streets (\$1,364,087) or assigned for 1) cemetery purposes (\$9,311), 2) capital projects (\$1,425,111) or nonspendable for notes receivable (\$4,529), prepaid expenditures (\$36,394) and cemetery perpetual care balances (\$70,502).

The General Fund is the chief operating fund of the Town of Dillon. At the end of the fiscal year 2015, unassigned fund balance of the General Fund was \$2,313,720, while the total fund balance was \$2,572,256. As a measure of the General Fund's liquidity, it may be useful to compare both unassigned fund balance and total fund balance to total fund expenditures. Unassigned and total fund balance represents 58% and 64.6% of the total general fund expenditures, respectively.

The Capital Improvement Fund ended the year with a fund balance of \$1,425,111. The net increase in fund balance during the fiscal year 2015 was \$909,847 as a result of a delay in the amphitheatre master plan project that is anticipated to begin in the Fall 2016.

The Street Improvement Fund was created in 2008 to account for the issuance of debt for funding street reconstruction projects that were approved by the voters in 2008. The funding source for the debt repayment is the voter approved .5% sales tax. The fund balance at December 31, 2015 is \$1,364,087. The net increase in the fund balance for 2015 was \$958,258 as a result of the delay in the Lodgepole Street reconstruction project that will be completed in the summer of 2017.

The nonmajor special revenue funds include the Conservation Trust Fund, Housing Initiative 5A Fund, Cemetery Perpetual Care Fund and the Dillon Urban Renewal Authority. The fund balance in the Conservation Trust Fund (\$21,890) is restricted by the State of Colorado for parks and open space projects as approved by Great Outdoors Colorado (GOCO). The Housing Initiative 5A Fund was created in 2007 to collect the voter approved sales tax of .125% and the impact fee. All expenditures must be used for affordable housing and the current fund balance is \$489,108. The Cemetery Perpetual Care Fund has a current fund balance of \$79,813 and only the donations, capital fee and interest earnings can be expended for cemetery purposes only. The Cemetery Advisory Committee is charged with obtaining donations and make recommendations for future projects. The Dillon Urban Renewal Authority (DURA) was established by the Town

for the purposes of revitalizing blighted areas. The Town Council serves as the governing body for DURA.

The nonmajor debt service fund is the Special Improvement District #1, Anemone Trail Fund, which will be eliminated in 2016 as the debt was paid in full in 2015.

***Proprietary funds.*** The Town of Dillon's proprietary funds provide the same type of information found in the government-wide financial statements, but in more detail.

Unrestricted net position of the Water, Sewer and Marina Funds at the end of the year amounted to \$2,497,521. The changes in unrestricted net position for all three funds were an increase of \$301,391 for Water, a decrease of \$184,564 for Sewer and an increase of \$11,707 for Marina. Other factors concerning the finances of these three funds have already been addressed in the discussion of the Town of Dillon's business-type activities.

### **General Fund Budgetary Highlights**

The fund balance of the Town of Dillon's General Fund decreased by \$76,973 (2.9%) during the current fiscal year. Revenues were over budget by \$472,372 due to the growth in the economy. Expenditures were under budget by \$214,234 (5.1%) due to staff vacancies in public safety and public works and reduction in spending in snow removal and planning consultant fees. Supplemental appropriations were approved by Town Council for vehicle replacements, capital projects and administrative spending.

### **Capital Asset and Debt Administration**

**Capital assets.** The Town of Dillon's investment in capital assets for its governmental and business-type activities as of December 31, 2015, amounts to \$27,883,746 (net of accumulated depreciation). This investment in capital assets includes land, streets, sidewalks, buildings, equipment and vehicles, parks and amphitheatre, furniture and fixtures, water plant, water and sewer lines, marina facilities and other improvements.

### Town of Dillon's Capital Assets

	Governmental Activities		Business Type Activities		Total	
	2015	2014	2015	2014	2015	2014
Land	\$ 2,091,562	\$ 2,091,562	\$ 219,652	\$ 219,652	\$ 2,311,214	\$ 2,311,214
Water Rights	-	-	2,738,830	2,738,830	\$ 2,738,830	\$ 2,738,830
Construction in Progress	79,052	-	1,914,573	163,722	\$ 1,993,625	\$ 163,722
Infrastructure	18,310,132	16,664,564	8,227,146	8,227,146	\$26,537,278	\$24,891,710
Buildings	1,614,670	1,529,659	480,243	480,243	\$ 2,094,913	\$ 2,009,902
Equipment & Vehicles	3,096,571	2,919,817	933,258	760,235	\$ 4,029,829	\$ 3,680,052
Parks & Amphitheatre	3,057,850	2,770,498	-	-	\$ 3,057,850	\$ 2,770,498
Furniture & Fixtures	288,947	288,947	-	-	\$ 288,947	\$ 288,947
Water Plant	-	-	3,738,488	3,694,699	\$ 3,738,488	\$ 3,694,699
Improvements	-	-	4,646,981	4,639,139	\$ 4,646,981	\$ 4,639,139
<b>Total</b>	<u>\$28,538,784</u>	<u>\$26,265,047</u>	<u>\$22,899,171</u>	<u>\$20,923,666</u>	<u>\$51,437,955</u>	<u>\$47,188,713</u>

Major capital asset events during the current fiscal year included the following:

- Amphitheatre Stage Lighting (\$42k).
- Town Hall Improvements (\$31k).
- Maintenance Shop Fencing (\$20k).
- Marina Park Landscaping/Path Improvements (\$274k).
- Tennis Court Resurfacing (\$27k).
- Disc Golf Course Improvements (\$17k).
- Purchase of Equipment/Vehicles (\$234k).
- Electronic Sign Board (\$120k).
- Water storage tank replacement project (\$1.75m).
- Water corrosion control system (\$15k).
- Marina rental boats (\$84k)
- Marina Dock improvements (\$10k)

**Long-term debt.** At the end of the current fiscal year, the Town of Dillon had total long term debt outstanding of \$14,904,059. Of this amount, \$3,167,215 in water utility loans, \$288,368 in sewer utility loans, \$1,821,000 for the marina shoreline replacement project, and \$9,415,000 in bonds secured solely by specified revenue sources (i.e. revenue bonds). Additionally, the Town of Dillon has \$121,717 in lease financing for capital assets, \$110,543 in compensated absences and a bond discount (\$19,784). The Town of Dillon's total debt increased by \$3,159,131 during the current fiscal year due to a new loan for the water storage tank and a new bond issue for the Ensign Drive street reconstruction project.

### Town of Dillon's Outstanding Debt

	Governmental		Business Type		Total	
	Activities		Activities			
	2015	2014	2015	2014	2015	2014
Water Utility Loans	\$ -	\$ -	\$ 3,167,215	\$ 1,373,352	\$ 3,167,215	\$ 1,373,352
Sewer Utility Loans	-	-	288,368	423,605	\$ 288,368	\$ 423,605
Marina Facility Loans	-	-	1,821,000	1,904,000	\$ 1,821,000	\$ 1,904,000
Revenue Bonds	9,415,000	7,713,146	-	-	\$ 9,415,000	\$ 7,713,146
Capital Lease Obligations	121,717	238,471	-	-	\$ 121,717	\$ 238,471
Compensated Absences	90,988	93,251	19,555	20,373	\$ 110,543	\$ 113,624
Bond Discount	(19,784)	(21,270)	-	-	\$ (19,784)	\$ (21,270)
<b>Total</b>	<u>\$ 9,607,921</u>	<u>\$ 8,023,598</u>	<u>\$ 5,296,138</u>	<u>\$ 3,721,330</u>	<u>\$ 14,904,059</u>	<u>\$ 11,744,928</u>

### Economic Factors and Next Year's Budget and Rates

- Sales tax revenues account for 85.1% of total governmental fund revenues and is the primary source for providing funds for general operations, maintenance, debt payments and capital projects of the Town of Dillon.
- Sales tax collections in 2016 were projected to be flat to 2015. Sales tax collections in 2015 were up by 14% from 2014.
- Assessed valuations have increased 4.8% from 2015 to 2016.
- Capital spending represents 35% of the 2016 budget of all expenditures appropriated for capital projects in the Capital Improvement Fund, Street Improvement Fund, Water Fund, Sewer Fund and Marina Fund.
- Paving of a section of the rec path from Lodgepole to the Dam Rd, overlay of LaBonte Street, installation of stairs from the rec path to the marina, cemetery master plan improvements, park identification signage, Nature Preserve signage and picnic shelters, continuing work on the Amphitheatre master plan improvements, emergency power at the water plant, demolition of the old storage tank, replacement of sewer manholes and replacement of a portion of the marina rental boat fleet are the major capital projects for 2016.

All of these factors were considered in the preparation for the Town of Dillon's budget for the 2016 fiscal year.

### Requests for Information

This financial report is designed to provide a general overview of the Town of Dillon's finances. Questions concerning any of the information provided in this report or requests for additional financial information should be addressed to Carri McDonnell, Finance Director, Town of Dillon, P.O. Box 8, Dillon, CO 80435, or to [carrim@townofdillon.com](mailto:carrim@townofdillon.com), or (970) 262-3404.

TOWN OF DILLON, COLORADO  
**STATEMENT OF NET POSITION**  
December 31, 2015

	Primary Government		
	Governmental Activities	Business-Type Activities	Total
<b>ASSETS</b>			
Cash and Investments	\$ 4,852,547	\$ 1,323,818	\$ 6,176,365
Restricted Cash and Investments	-	1,691,841	1,691,841
Accounts Receivable	46,537	56,520	103,057
Current Taxes Receivable	2,099	-	2,099
Intergovernmental Receivable	1,167,492	-	1,167,492
Property Taxes Receivable	228,984	-	228,984
Notes Receivable	4,529	-	4,529
Prepaid Expenses	36,394	-	36,394
Investment in Joint Sewer Authority	-	1,773,611	1,773,611
Capital Assets			
Non-Depreciable Assets	2,170,614	4,873,055	7,043,669
Depreciable Assets, Net	11,376,098	9,463,979	20,840,077
Total Assets	19,885,294	19,182,824	39,068,118
<b>LIABILITIES</b>			
Accounts Payable	80,529	100,916	181,445
Retainage Payable	-	78,364	78,364
Interest Payable	42,164	70,113	112,277
Accrued Liabilities	64,309	13,393	77,702
Unearned Revenues	23,350	-	23,350
Noncurrent Liabilities			
Due Within One Year	596,717	336,844	933,561
Due in More Than One Year	9,011,204	4,959,294	13,970,498
Total Liabilities	9,818,273	5,558,924	15,377,197
<b>DEFERRED INFLOWS OF RESOURCES</b>			
Property Taxes	228,984	-	228,984
<b>NET POSITION</b>			
Net Investment in Capital Assets	4,029,779	11,126,379	15,156,158
Restricted for:			
Cemetery, Nonexpendable	70,502	-	70,502
Emergencies	217,613	-	217,613
Parks and Open Space	21,890	-	21,890
Housing	489,108	-	489,108
Streets	1,364,087	-	1,364,087
Unrestricted	3,645,058	2,497,521	6,142,579
Total Net Position	\$ 9,838,037	\$ 13,623,900	\$ 23,461,937

The accompanying notes are an integral part of the financial statements.



TOWN OF DILLON, COLORADO  
**STATEMENT OF ACTIVITIES**  
For the Year Ended December 31, 2015

FUNCTIONS/PROGRAMS	EXPENSES	PROGRAM REVENUES		
		CHARGES FOR SERVICES	OPERATING GRANTS AND CONTRIBUTIONS	CAPITAL GRANTS AND CONTRIBUTIONS
<b>PRIMARY GOVERNMENT</b>				
<b>Governmental Activities</b>				
General Government	\$ 1,484,572	\$ 66,760	\$ -	\$ -
Public Safety	1,279,465	96,310	35,748	-
Public Works	2,108,356	-	114,454	-
Community Development	223,642	14,523	-	-
Culture and Recreation	662,434	28,040	-	28,794
Housing	20,899	-	-	112,632
Urban Renewal	181	-	-	-
Interest on Long-Term Debt	408,583	-	-	-
<b>Total Governmental Activities</b>	<b>6,188,132</b>	<b>205,633</b>	<b>150,202</b>	<b>141,426</b>
<b>Business-Type Activities</b>				
Water	789,382	980,002	-	32,149
Sewer	872,200	843,886	-	24,872
Marina	1,192,167	1,213,217	-	-
<b>Total Business-Type Activities</b>	<b>2,853,749</b>	<b>3,037,105</b>	<b>-</b>	<b>57,021</b>
<b>TOTAL PRIMARY GOVERNMENT</b>	<b>\$ 9,041,881</b>	<b>\$ 3,242,738</b>	<b>\$ 150,202</b>	<b>\$ 198,447</b>

GENERAL REVENUES  
Sales Taxes  
Property Taxes  
Lodging Tax  
Other Tax  
Grants & Contributions Not Restricted to Specific Programs  
Interest  
Miscellaneous

TOTAL GENERAL REVENUES

TRANSFERS

CHANGE IN NET POSITION

NET POSITION, Beginning

NET POSITION, Ending

The accompanying notes are an integral part of the financial statements

NET (EXPENSE) REVENUE AND CHANGES IN NET POSITION

PRIMARY GOVERNMENT

GOVERNMENTAL ACTIVITIES	BUSINESS-TYPE ACTIVITIES	TOTAL
\$ (1,417,812)	\$ -	\$ (1,417,812)
(1,147,407)	-	(1,147,407)
(1,993,902)	-	(1,993,902)
(209,119)	-	(209,119)
(605,600)	-	(605,600)
91,733	-	91,733
(181)	-	(181)
<u>(408,583)</u>	<u>-</u>	<u>(408,583)</u>
<u>(5,690,871)</u>	<u>-</u>	<u>(5,690,871)</u>
-	222,769	222,769
-	(3,442)	(3,442)
-	21,050	21,050
<u>-</u>	<u>21,050</u>	<u>21,050</u>
-	240,377	240,377
<u>-</u>	<u>240,377</u>	<u>240,377</u>
<u>(5,690,871)</u>	<u>240,377</u>	<u>(5,450,494)</u>
6,073,888	-	6,073,888
208,401	-	208,401
168,239	-	168,239
148,486	-	148,486
15,576	-	15,576
17,873	7,854	25,727
<u>163,809</u>	<u>149,244</u>	<u>313,053</u>
6,796,272	157,098	6,953,370
<u>38,067</u>	<u>(38,067)</u>	<u>-</u>
1,143,468	359,408	1,502,876
<u>8,694,569</u>	<u>13,264,492</u>	<u>21,959,061</u>
<u>\$ 9,838,037</u>	<u>\$ 13,623,900</u>	<u>\$ 23,461,937</u>

TOWN OF DILLON, COLORADO  
**BALANCE SHEET**  
**GOVERNMENTAL FUNDS**  
December 31, 2015

	General	Capital Improvement	Street Improvement	Other Governmental Funds	Total Governmental Funds
<b>ASSETS</b>					
Assets					
Cash and Investments	\$ 1,881,506	\$ 1,192,281	\$ 1,206,839	\$ 571,921	\$ 4,852,547
Accounts Receivable	46,537	-	-	-	46,537
Current Taxes Receivable	2,099	-	-	-	2,099
Intergovernmental Receivable	724,692	263,183	157,248	22,369	1,167,492
Property Taxes Receivable	183,425	31,230	-	14,329	228,984
Notes Receivable	4,529	-	-	-	4,529
Due from Other Funds	10,855	-	-	-	10,855
Prepaid Expenditures	36,394	-	-	-	36,394
Total Assets	\$ 2,890,037	\$ 1,486,694	\$ 1,364,087	\$ 608,619	\$ 6,349,437
<b>LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES</b>					
Liabilities					
Accounts Payable	\$ 46,697	\$ 30,353	\$ -	\$ 3,479	\$ 80,529
Accrued Liabilities	64,309	-	-	-	64,309
Unearned Revenues	23,350	-	-	-	23,350
Due to Other Funds	-	-	-	10,855	10,855
Total Liabilities	134,356	30,353	-	14,334	179,043
Deferred Inflows of Resources					
Property Taxes	183,425	31,230	-	14,329	228,984
Fund Balances					
Nonspendable:					
Notes Receivable	4,529	-	-	-	4,529
Prepaid Expenditures	36,394	-	-	-	36,394
Cemetery	-	-	-	70,502	70,502
Restricted for:					
Emergencies	217,613	-	-	-	217,613
Parks and Open Space	-	-	-	21,890	21,890
Housing	-	-	-	489,108	489,108
Streets	-	-	1,364,087	-	1,364,087
Assigned to:					
Cemetery	-	-	-	9,311	9,311
Capital Projects	-	1,425,111	-	-	1,425,111
Unassigned	2,313,720	-	-	(10,855)	2,302,865
Total Fund Balances	2,572,256	1,425,111	1,364,087	579,956	5,941,410
Total Liabilities, Deferred Inflows of Resources and Fund Balances	\$ 2,890,037	\$ 1,486,694	\$ 1,364,087	\$ 608,619	

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.	13,546,712
Long-term liabilities, including bonds payable (\$9,415,000), leases payable (\$121,717), interest payable (\$42,164), accrued compensated absences (\$90,988) offset by bond discount \$19,784, are not due and payable in the current period and, therefore, not reported in the funds.	(9,650,085)
<b>Total Net Position of Governmental Activities</b>	<b>\$ 9,838,037</b>

The accompanying notes are an integral part of the financial statements.

TOWN OF DILLON, COLORADO  
**STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES**  
**GOVERNMENTAL FUNDS**

For the Year Ended December 31, 2015

	General	Capital Improvement	Street Improvement	Other Governmental Funds	Total Governmental Funds
<b>REVENUES</b>					
Taxes	\$ 4,261,860	\$ 1,429,766	\$ 858,312	\$ 49,076	\$ 6,599,014
Charges for Services	46,821	-	-	2,340	49,161
Licenses and Permits	60,943	-	-	-	60,943
Intergovernmental	165,778	20,000	-	120,165	305,943
Fines and Forfeitures	95,529	-	-	-	95,529
Interest	14,949	591	1,373	960	17,873
Miscellaneous	10,194	147,200	-	7,676	165,070
Total Revenues	4,656,074	1,597,557	859,685	180,217	7,293,533
<b>EXPENDITURES</b>					
Current					
General Government	1,418,736	-	-	-	1,418,736
Public Safety	1,202,532	-	-	-	1,202,532
Public Works	628,510	-	95,021	-	723,531
Community Development	219,022	-	-	-	219,022
Culture and Recreation	514,247	-	-	34,512	548,759
Housing	-	-	-	20,899	20,899
Urban Renewal	-	-	-	181	181
Capital Outlay	-	1,348,888	1,259,435	-	2,608,323
Debt Service					
Principal	-	116,754	210,000	138,146	464,900
Interest	-	10,135	386,971	5,180	402,286
Total Expenditures	3,983,047	1,475,777	1,951,427	198,918	7,609,169
Excess of Revenues Over (Under) Expenditures	673,027	121,780	(1,091,742)	(18,701)	(315,636)
<b>OTHER FINANCING SOURCES (USES)</b>					
Bonds Issued	-	-	2,050,000	-	2,050,000
Transfer In	-	788,067	-	-	788,067
Transfer Out	(750,000)	-	-	-	(750,000)
Total Other Financing Sources (Uses)	(750,000)	788,067	2,050,000	-	2,088,067
Net Change in Fund Balances	(76,973)	909,847	958,258	(18,701)	1,772,431
Fund Balances, Beginning of Year	2,649,229	515,264	405,829	598,657	4,168,979
Fund Balances, End of Year	\$ 2,572,256	\$ 1,425,111	\$ 1,364,087	\$ 579,956	\$ 5,941,410

The accompanying notes are an integral part of the financial statements.

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

Amounts Reported for Governmental Activities in the Statement of Activities are Different Because:

Net Change in Fund Balances of Governmental Funds	\$ 1,772,431
Capital outlays to purchase or build capital assets \$2,535,100 are reported in governmental funds as expenditures. However, for governmental activities those costs are capitalized in the statement of net position and allocated over their estimated useful lives as annual depreciation expense (\$1,527,666).	1,007,434
The net effect of various miscellaneous transactions involving capital assets (i.e. disposal of assets) are not reported in the governmental funds.	(47,263)
Repayments of bond principal \$348,146 and lease payments of \$116,754 are expenditures in the governmental funds, but they decrease long-term liabilities in the statement of net position and do not affect the statement of activities.	464,900
Some expenses reported in the statement of activities do not require the use of current financial resources and, therefore, are not reported as expenditures in governmental funds. This includes the changes in accrued compensated absences \$2,263 and accrued interest payable (\$4,811).	(2,548)
Debt proceeds provide current financial resources to governmental funds, but issuing debt increases long-term liabilities in the statement of net position and does not affect the statement of activities. This amount is the net effect of these differences in the treatment of long-term debt and related items: bonds issued (\$2,050,000) and amortization of bond discount (\$1,486).	<u>(2,051,486)</u>
Change in Net Position of Governmental Activities	<u><u>\$ 1,143,468</u></u>

The accompanying notes are an integral part of the financial statements.

TOWN OF DILLON, COLORADO  
**STATEMENT OF NET POSITION**  
**PROPRIETARY FUNDS**  
December 31, 2015

	Water Fund	Sewer Fund	Marina Fund	Total Business-Type Activities
<b>ASSETS</b>				
Current Assets				
Cash and Investments	\$ 273,081	\$ 826,591	\$ 224,146	\$ 1,323,818
Restricted Cash and Investments	1,691,841	-	-	1,691,841
Accounts Receivable	43,553	10,273	2,694	56,520
Total Current Assets	2,008,475	836,864	226,840	3,072,179
Noncurrent Assets				
Investment in Joint Sewer Authority	-	1,773,611	-	1,773,611
Capital Assets				
Non-Depreciable Assets	4,873,055	-	-	4,873,055
Depreciable Assets, Net	4,125,777	2,057,883	3,280,319	9,463,979
Total Noncurrent Assets	8,998,832	3,831,494	3,280,319	16,110,645
Total Assets	11,007,307	4,668,358	3,507,159	19,182,824
<b>LIABILITIES</b>				
Current Liabilities				
Accounts Payable	93,150	772	6,994	100,916
Retainage Payable	78,364	-	-	78,364
Interest Payable	53,160	6,368	10,585	70,113
Accrued Liabilities	5,963	2,000	5,430	13,393
Leases and Loans Payable	108,728	141,116	87,000	336,844
Total Current Liabilities	339,365	150,256	110,009	599,630
Noncurrent Liabilities				
Compensated Absences	4,315	2,032	13,208	19,555
Leases and Loans Payable	3,058,487	147,252	1,734,000	4,939,739
Total Noncurrent Liabilities	3,062,802	149,284	1,747,208	4,959,294
Total Liabilities	3,402,167	299,540	1,857,217	5,558,924
<b>NET POSITION</b>				
Net Investment in Capital Assets	6,123,934	3,543,126	1,459,319	11,126,379
Unrestricted	1,481,206	825,692	190,623	2,497,521
<b>TOTAL NET POSITION</b>	<b>\$ 7,605,140</b>	<b>\$ 4,368,818</b>	<b>\$ 1,649,942</b>	<b>\$ 13,623,900</b>

The accompanying notes are an integral part of the financial statements.

TOWN OF DILLON, COLORADO  
**STATEMENT OF REVENUES, EXPENSES AND CHANGES IN FUND NET POSITION**  
**PROPRIETARY FUNDS**

For the Year Ended December 31, 2015

	Water Fund	Sewer Fund	Marina Fund	Total Business-Type Activities
<b>OPERATING REVENUES</b>				
Charges for Services	\$ 980,002	\$ 843,886	\$ 1,213,217	\$ 3,037,105
Total Operating Revenues	980,002	843,886	1,213,217	3,037,105
<b>OPERATING EXPENSES</b>				
Operations	404,702	104,098	844,282	1,353,082
Maintenance	43,246	30,458	36,952	110,656
Distribution	19,409	-	-	19,409
Treatment	35,861	446,595	-	482,456
Depreciation	230,004	79,849	223,832	533,685
Total Operating Expenses	733,222	661,000	1,105,066	2,499,288
Operating Income (Loss)	246,780	182,886	108,151	537,817
<b>NONOPERATING REVENUES (EXPENSES)</b>				
Interest Revenue	3,675	1,322	2,857	7,854
Miscellaneous Revenue	3,974	-	20,957	24,931
Interest Expense	(56,160)	(15,427)	(87,101)	(158,688)
Joint Sewer Authority Shared Maintenance	-	(195,773)	-	(195,773)
Joint Sewer Authority	-	124,313	-	124,313
Total Nonoperating Revenues (Expenses)	(48,511)	(85,565)	(63,287)	(197,363)
Net Income (Loss) Before Transfers and Capital Contributions	198,269	97,321	44,864	340,454
Transfer Out	-	-	(38,067)	(38,067)
Capital Contributions-Tap Fees	32,149	24,872	-	57,021
<b>CHANGE IN NET POSITION</b>	230,418	122,193	6,797	359,408
<b>NET POSITION, Beginning</b>	7,374,722	4,246,625	1,643,145	13,264,492
<b>NET POSITION, Ending</b>	\$ 7,605,140	\$ 4,368,818	\$ 1,649,942	\$ 13,623,900

The accompanying notes are an integral part of the financial statements.

TOWN OF DILLON, COLORADO  
**STATEMENT OF CASH FLOWS**  
**PROPRIETARY FUNDS**  
**Increase (Decrease) in Cash and Cash Equivalents**  
For the Year Ended December 31, 2015

	Water Fund	Sewer Fund	Marina Fund	Total Business-Type Activities
<b>CASH FLOW FROM OPERATING ACTIVITIES</b>				
Cash Received from Customers	\$ 989,770	\$ 824,793	\$ 1,215,465	\$ 3,030,028
Cash Paid to Suppliers	(246,712)	(501,842)	(356,610)	(1,105,164)
Cash Paid to Employees	(256,850)	(82,749)	(525,909)	(865,508)
Net Cash Provided by Operating Activities	<u>486,208</u>	<u>240,202</u>	<u>332,946</u>	<u>1,059,356</u>
<b>CASH FLOW FROM CAPITAL AND RELATED FINANCING ACTIVITIES</b>				
Purchases of Capital Assets	(1,632,779)	(95,815)	(135,922)	(1,864,516)
Debt Principal Payments	(6,137)	(135,237)	(83,000)	(224,374)
Interest Payments	(147,737)	(18,414)	(87,583)	(253,734)
Tap Fees Received	32,149	24,872	-	57,021
Loan Proceeds	1,800,000	-	-	1,800,000
Transfer Out	-	-	(38,067)	(38,067)
Net Cash Provided (Used) by Capital and Related Financing Activities	<u>45,496</u>	<u>(224,594)</u>	<u>(344,572)</u>	<u>(523,670)</u>
<b>CASH FLOW FROM NONCAPITAL FINANCING ACTIVITIES</b>				
Miscellaneous	3,974	-	20,957	24,931
Joint Sewer Authority Shared Maintenance	-	(195,773)	-	(195,773)
Net Cash Provided by Noncapital Financing Activities	<u>3,974</u>	<u>(195,773)</u>	<u>20,957</u>	<u>(170,842)</u>
<b>CASH FLOW FROM INVESTING ACTIVITIES</b>				
Interest Received	3,675	1,322	2,857	7,854
Net Increase (Decrease) in Cash & Cash Equivalents	539,353	(178,843)	12,188	372,698
CASH AND CASH EQUIVALENTS, Beginning of Year	<u>1,425,569</u>	<u>1,005,434</u>	<u>211,958</u>	<u>2,642,961</u>
<b>CASH AND CASH EQUIVALENTS, End of Year</b>	<u><u>\$ 1,964,922</u></u>	<u><u>\$ 826,591</u></u>	<u><u>\$ 224,146</u></u>	<u><u>\$ 3,015,659</u></u>
<b>RECONCILIATION OF OPERATING INCOME (LOSS) TO NET CASH PROVIDED BY OPERATING ACTIVITIES</b>				
Operating Income (Loss)	\$ 246,780	\$ 182,886	\$ 108,151	\$ 537,817
Adjustments to Reconcile Operating Income (Loss) to Net Cash Provided by Operating Activities				
Depreciation	230,004	79,849	223,832	533,685
Net Gain from Joint Venture	-	(31,241)	-	(31,241)
Changes in Assets and Liabilities				
Accounts Receivable	9,768	12,148	2,248	24,164
Accounts Payable	(2,845)	(3,875)	(18)	(6,738)
Accrued Liabilities	1,784	194	509	2,487
Compensated Absences	717	241	(1,776)	(818)
Net Cash Provided by Operating Activities	<u><u>\$ 486,208</u></u>	<u><u>\$ 240,202</u></u>	<u><u>\$ 332,946</u></u>	<u><u>\$ 1,059,356</u></u>

The accompanying notes are an integral part of the financial statements.



TOWN OF DILLON, COLORADO  
**STATEMENT OF ASSETS AND LIABILITIES**  
**AGENCY FUND**  
December 31, 2015

	Summit County Telecommunications Consortium
<b>ASSETS</b>	
Current Assets	
Cash and Investments	\$ 110,238
Accounts Receivable	<u>9,232</u>
Total Current Assets	<u><u>\$ 119,470</u></u>
<b>LIABILITIES</b>	
Liabilities	
Accrued Liabilities	\$ 1,707
Funds Held for Others	<u>117,763</u>
Total Liabilities	<u><u>\$ 119,470</u></u>

The accompanying notes are an integral part of the financial statements.

TOWN OF DILLON, COLORADO  
NOTES TO THE FINANCIAL STATEMENTS  
December 31, 2015

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The Town of Dillon, Colorado (the Town) is a home-rule municipality governed by a mayor-manager form of government through a Mayor and six-member Town Council elected by the citizens.

The accounting policies of the Town conform to generally accepted accounting principles as applicable to governments. The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting and financial reporting principles. The following is a summary of the more significant policies.

Reporting Entity

The definition of the reporting entity is based primarily on financial accountability. The Town is financially accountable for organizations that make up its legal entity. It is also financially accountable for legally separate organizations if Town officials appoint a voting majority of the organization's governing body and either it is able to impose its will on that organization or there is a potential for the organization to provide specific financial benefits to, or to impose specific financial burdens on, the Town. The Town may also be financially accountable for organizations that are fiscally dependent upon it.

The Dillon Urban Renewal Authority (Authority) was established in 2009 along with the Dillon Urban Renewal Plan to assist with revitalization of blighted areas in the Town. The Town amended the Dillon Urban Renewal Plan in 2012 to allow for tax increment financing. The Town Council serves as the governing board for the Authority and management of the Town has operational responsibility for the Authority. Although the Authority is legally separate from the Town, the Authority's primary revenue source, tax increment financing, can only be established by the Town. The Authority does not issue separate financial statements and is reported as a special revenue fund in the Town's financial statements.

For financial reporting purposes, the Town includes all funds, agencies, boards and commissions, which are controlled by, or are dependent on, the Town. No additional entities are included in the Town's reporting entity.

Government-Wide and Fund Financial Statements

The government-wide financial statements (i.e. the statement of net position and the statement of activities) report information on all of the non-fiduciary activities of the Town. For the most part, the effect of interfund activity has been removed from these statements. Exceptions to this general rule are charges for interfund services that are reasonably equivalent to the services provided. *Governmental activities*, which normally are supported by taxes and intergovernmental revenues are reported separately from *business-type activities*, which rely on fees and charges for services.

The statement of activities demonstrates the degree to which the direct expenses of the given function or segment are offset by program revenues. *Direct expenses* are those that are clearly identifiable with a specific function or segment. *Program revenues* include 1) charges to customers or applicants who purchase, use or directly benefit from goods, services or privileges provided by a given function or segment and 2) grants and contributions that are restricted to meeting the operational or capital requirements of a particular function or segment. Taxes and other items not properly included among program revenues are reported instead as *general revenues*.

Separate financial statements are provided for governmental funds, proprietary funds and fiduciary funds, even though the latter are excluded from the Town's government-wide financial statements. Major individual governmental and proprietary funds are reported as separate columns in the fund financial statements.

TOWN OF DILLON, COLORADO  
NOTES TO THE FINANCIAL STATEMENTS  
December 31, 2015

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Measurement Focus, Basis of Accounting and Financial Statement Presentation

The government-wide financial statements are reported using the economic resources measurement focus and the accrual basis of accounting, as are the proprietary fund financial statements. The agency fund uses the accrual basis of accounting. Revenues are recorded in the period in which they are earned and expenses are recognized when the 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.

Governmental fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Revenues are recognized as soon as they are both measurable and available. Revenues are considered to be available when they are collected within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the Town considers revenues to be available if they are collected within sixty days of the end of the current fiscal period.

Taxes, intergovernmental revenues and interest associated with the current fiscal period are all considered to be susceptible to accrual and so have been recognized as revenues of the current fiscal period. All other revenue items are considered to be measurable and available only when cash is received by the Town.

Expenditures generally are recorded when a liability is incurred, as under accrual accounting. However, debt service expenditures, as well as expenditures related to compensated absences, are recorded only when payment is due.

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. Operating expenses for enterprise funds include the cost of sales and services, administrative expenses and depreciation on capital assets. All revenues and expenses not meeting this definition are reported as nonoperating revenues and expenses.

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

In the fund financial statements, the Town reports the following major governmental funds:

The *General Fund* is the Town's primary operating fund. It accounts for all financial resources of the Town, except those accounted for in another fund.

The *Capital Improvement Fund* accounts for financial resources to be used for the acquisition or construction of major capital facilities and/or assets (other than those financed by proprietary funds and fiduciary funds). Major capital projects are funded with a portion of sales and property taxes as approved by the Town Council in the annual budget.

The *Street Fund* accounts for the reconstruction of streets funded by the dedicated sales tax of .5% and through the issuance of bonds.

TOWN OF DILLON, COLORADO  
NOTES TO THE FINANCIAL STATEMENTS  
December 31, 2015

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Measurement Focus, Basis of Accounting and Financial Statement Presentation (Continued)

The Town reports the following major proprietary funds:

The *Water Fund* accounts for the financial activities associated with the provision of water services.

The *Sewer Fund* accounts for the financial activities associated with the provision of sewer services.

The *Marina Fund* accounts for the financial activities associated with the operations of the Dillon Marina.

Additionally, the Town reports the following Fiduciary Fund:

The Summit County Telecommunications Consortium Agency Fund (SCTC) accounts for assets that are held on behalf of the participating public entities. The SCTC was established through an intergovernmental agreement with the Towns of Dillon, Breckenridge, Frisco and Silverthorne and Summit County Government. The responsibilities of the SCTC include the oversight of the public access channel. The Town of Dillon holds the resources in a fiduciary capacity.

Cash and Investments

Cash equivalents include investments with original maturities of three months or less. Investments in pooled cash are considered cash equivalents. Investments are recorded at fair value.

Receivables

Receivables are reported at their gross value and, where appropriate, are reduced by the estimated portion that is expected to be uncollectable. The Town has a down payment assistance program for employees. The Town records a note and deed of trust on the property purchased by the employee. Outstanding balances are recorded under notes receivable.

Prepaid Expenses

Payments to vendors for services that will benefit subsequent years are reported as prepaid expenses.

Interfund Receivables and Payables

During the course of operations, certain transactions occur between individual funds. The resulting receivables and payables are classified in the fund financial statements as *due from other funds* and *due to other funds*.

TOWN OF DILLON, COLORADO  
NOTES TO THE FINANCIAL STATEMENTS  
December 31, 2015

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Capital Assets

Capital assets, which include property, equipment and all infrastructure owned by the Town, are reported in the applicable governmental or business-type activities columns in the government-wide financial statements and the proprietary fund financial statements. Capital assets are defined by the Town as assets with an initial, individual cost of \$5,000 or more and an estimated useful life in excess of one year. Such assets are recorded at historical cost or estimated historical cost if purchased or constructed. Donated capital assets are recorded at estimated fair market value at the date of donation.

The costs of normal maintenance and repairs that do not add to the value of the asset or materially extend the life of the asset are not capitalized.

Property and equipment of the Town is depreciated using the straight-line method over the following estimated useful lives.

Buildings and improvements	10-50 years
Equipment and Vehicles	3-15 years
Parks and Amphitheatre	3-50 years
Furniture and Fixtures	3-20 years
Infrastructure	10-40 years
Plant, Lines and Reservoirs	15-40 years

Unearned Revenues

Unearned revenues arise when business license fees are received in advance for the next fiscal year. In subsequent periods, the liability for the unearned revenue is removed from the balance sheet and the revenue is recognized.

Compensated Absences

Employees of the Town are allowed to accumulate unused vacation time. Upon termination of employment from the Town, an employee will be compensated for all accrued vacation time.

These compensated absences are recognized as current salary costs when earned in the proprietary fund types and when due in the governmental fund types. A long-term liability has been recorded in the government-wide financial statements for the accrued compensated absences.

Long-Term Obligations

In the government-wide financial statements, and the proprietary funds in the fund financial statements, long-term debt and other long-term obligations are reported as liabilities in the applicable governmental activities, business-type activities, or proprietary fund statement of net position. Bond premiums, discounts and accounting losses from debt refundings are deferred and amortized over the life of the bonds using the straight-line method. In the fund financial statements, governmental fund types recognize the face amount of debt issued as other financing sources. Premiums received on debt issuances are reported as other financing sources while discounts on debt issuances are reported as other financing uses. Issuance costs, whether or not withheld from the actual debt proceeds received, are reported as debt service expenses or expenditures when paid.

Deferred Inflows of Resources

Deferred inflows of resources include property taxes earned but levied for a subsequent year.

TOWN OF DILLON, COLORADO  
NOTES TO THE FINANCIAL STATEMENTS  
 December 31, 2015

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Net Position/Fund Balance

In the government-wide financial statements and fund financial statements, net position and fund balances are restricted when constraints placed on the use of resources are externally imposed. The Town Council establishes a fund balance commitment through passage of an ordinance. The Town Council has assigned the fund balance of the Capital Improvement Fund for capital projects and related capital equipment in its fund balance policies, and has authorized by resolution the authority to the Town Manager to assign amounts to a specific purpose. In circumstances where an expenditure is to be made for a purpose for which amounts are available in multiple fund balance classifications, the Town's policy is to use restricted amounts first, followed by committed, assigned and unassigned amounts.

Property Taxes

Property taxes attach as an enforceable lien on the property as of January 1. Taxes are levied the subsequent January 1 and are payable in full on April 30 of the subsequent year, or in two installments on February 28 and June 15. The County Treasurer collects and remits the taxes to the Town monthly.

NOTE 2: CASH AND INVESTMENTS

A summary of cash and investments as of December 31, 2015 follows:

Deposits	\$1,825,105
Petty Cash	700
Investments	4,460,798
Cash Held by Third Party	<u>1,691,841</u>
Total Cash on Hand and Investments	<u>\$7,978,444</u>

Cash and investments are reported in the financial statements as follows:

Cash and Investments	\$6,176,365
Restricted Cash and Investments	1,691,841
Agency Fund Cash and Investments	<u>110,238</u>
Total Cash and Investments	<u>\$7,978,444</u>

Deposits

The Colorado Public Deposit Protection Act (PDPA) requires all local government entities to deposit cash in eligible public depositories. Eligibility is determined by state regulations. Amounts on deposit in excess of federal insurance levels must be collateralized by eligible collateral as determined by the PDPA. PDPA allows the financial institution to create a single collateral pool for all public funds held. The pool is 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 equal to the 102% of the uninsured deposits. At December 31, 2015, the Town had bank deposits of \$1,290,365 collateralized with securities held by the financial institutions' agents but not in the Town's name.

TOWN OF DILLON, COLORADO  
NOTES TO THE FINANCIAL STATEMENTS  
 December 31, 2015

NOTE 2: CASH AND INVESTMENTS (Continued)

Investments

At December 31, 2015, the Town had the following investments:

<u>Investment Type</u>	<u>S&amp;P Rating</u>	<u>Investment in Maturities (in Years)</u>		
		<u>Less than 1</u>	<u>1-5</u>	<u>Fair Value</u>
Federated Prime Cash Obligation	AAAm	\$2,212,492	\$ --	\$2,212,492
Local Government Investment Pools	AAAm	1,256,306	--	1,256,306
Brokered Certificates of Deposit	N/A	-----	<u>992,000</u>	<u>992,000</u>
Total		<u>\$3,468,798</u>	<u>\$992,000</u>	<u>\$4,460,798</u>

The Town has a formal investment policy that limits its investment choices and the length of maturity to five years. Custodial risk is not addressed by State Statutes or the Town’s investment policy. The investment choices are within the limitations of state laws and include:

- Obligations of the United States and certain U.S. agency securities
- Money market funds that consist entirely of U.S. government securities
- Local government investment pools
- Written repurchase agreements collateralized by certain authorized securities

*Credit Risk* – State statutes limit investments in money market funds to those that maintain a constant share price, with a maximum remaining maturity in accordance with Securities and Exchange Commission’s Rule 2a-7, and either have assets of one billion dollars or the highest rating issued by one or more Nationally Recognized Statistical Rating Organizations (NRSRO).

*Custodial Risk* – The Town has purchased brokered certificates of deposits that are not held in the Town’s name. However, they are held in financial institutions that participate in the Public Deposit Protection Act.

*Concentration of Credit Risk* – State statutes do not limit the amount the Town may invest in a single issuer, except for corporate securities.

*Interest Rate Risk* – The Town has an investment policy adopted by the Town Council that limits investment maturities as a means of managing its exposure to fair value losses arising from increasing interest rates. The Town’s policy is to buy and hold investments to maturity and limits the maturities to five years. The Town’s investment portfolio will be designed with the objective of attaining a market rate of return throughout budgetary and economic cycles, taking into account the Town’s investment risk constraints and the cash flow characteristics of the portfolio.

*Local Government Investment Pools* – At December 31, 2015 the Town had \$518,111 invested in the Colorado Surplus Asset Fund Trust (CSAFE) and \$738,195 in the Colorado Local Government Liquid Asset Trust (Colotrust). The trusts are investment vehicles established for local government entities in Colorado to pool surplus funds. The Colorado Division of Securities administers and enforces the requirements of creating and operating the Trusts. The trusts operate in conformity with the Securities and Exchange Commission’s Rule 2a-7 as promulgated under the Investment Company Act of 1940, as amended. The Trusts are rated AAAm by Standard and Poor’s. Investments of the Trusts are limited to those allowed by State statutes. A designated custodial bank provides safekeeping and depository services in connection with the direct investment and withdrawal functions. The custodian’s internal records identify the investments owned by the participating governments.

TOWN OF DILLON, COLORADO  
NOTES TO THE FINANCIAL STATEMENTS  
December 31, 2015

NOTE 2: CASH AND INVESTMENTS (Continued)

Investments (Continued)

Restricted Cash and Investments

Cash of \$1,691,841 is being held by the Colorado Water Resources and Power Development Authority from loan proceeds. The loan proceeds are reported in the Water Fund and will be used in 2016 for the Water Storage Tank.

NOTE 3: CAPITAL ASSETS

Governmental Activities

Capital assets activity for governmental activities for the year ended December 31, 2015 is summarized below:

	Balance <u>12/31/14</u>	<u>Additions</u>	<u>Deletions</u>	Balance <u>12/31/15</u>
<b>Governmental Activities</b>				
Capital Assets, Not Being Depreciated				
Land	\$ 2,091,562	\$ --	\$ --	\$ 2,091,562
Construction in Progress	<u>          --</u>	<u>79,052</u>	<u>          --</u>	<u>79,052</u>
Total Capital Assets, Not Being Depreciated	<u>2,091,562</u>	<u>79,052</u>	<u>          --</u>	<u>2,170,614</u>
Capital Assets, Being Depreciated				
Infrastructure	16,664,564	1,645,568	--	18,310,132
Buildings	1,529,659	94,698	(9,687)	1,614,670
Equipment & Vehicles	2,919,817	397,030	(220,276)	3,096,571
Parks & Amphitheatre	2,770,498	318,752	(31,400)	3,057,850
Furniture & Fixtures	<u>288,947</u>	<u>          --</u>	<u>          --</u>	<u>288,947</u>
Total Capital Assets, Being Depreciated	<u>24,173,485</u>	<u>2,456,048</u>	<u>(261,363)</u>	<u>26,368,170</u>
Less: Accumulated Depreciation For				
Infrastructure	9,126,949	1,063,310	--	10,190,259
Buildings	1,145,057	51,684	(9,687)	1,187,054
Equipment & Vehicles	1,685,805	275,487	(147,417)	1,813,875
Parks & Amphitheatre	1,406,152	137,185	(31,400)	1,511,937
Furniture & Fixtures	<u>314,543</u>	<u>          --</u>	<u>(25,596)</u>	<u>288,947</u>
Total Accumulated Depreciation	<u>13,678,506</u>	<u>1,527,666</u>	<u>(214,100)</u>	<u>14,992,072</u>
Total Capital Assets, Being Depreciated, Net	<u>10,494,979</u>	<u>928,382</u>	<u>(47,263)</u>	<u>11,376,098</u>
Governmental Activities Capital Assets, Net	<u>\$12,586,541</u>	<u>\$1,007,434</u>	<u>\$ (47,263)</u>	<u>\$13,546,712</u>



TOWN OF DILLON, COLORADO  
NOTES TO THE FINANCIAL STATEMENTS  
December 31, 2015

NOTE 3: CAPITAL ASSETS (Continued)

Business-Type Activities

Capital assets activity for business-type activities for the year ended December 31, 2015 is summarized below:

	Balance <u>12/31/14</u>	<u>Additions</u>	<u>Deletions</u>	Balance <u>12/31/15</u>
<b>Business-Type Activities</b>				
Capital Assets, Not Being Depreciated				
Land	\$ 219,652	--	--	\$ 219,652
Water Rights	2,738,830	--	--	2,738,830
Construction in Progress	<u>163,722</u>	<u>1,750,851</u>	<u>--</u>	<u>1,914,573</u>
Total Capital Assets, Not Being Depreciated	<u>3,122,204</u>	<u>1,750,851</u>	<u>--</u>	<u>4,873,055</u>
Capital Assets, Being Depreciated				
Water Plant	3,694,699	43,789	--	3,738,488
Lines	5,765,968	--	--	5,765,968
Buildings	480,243	--	--	480,243
Equipment & Vehicles	760,235	220,895	(47,872)	933,258
Lift Station	903,298	--	--	903,298
Reservoirs	1,557,880	--	--	1,557,880
Improvements	<u>4,639,139</u>	<u>10,842</u>	<u>--</u>	<u>4,646,981</u>
Total Capital Assets, Being Depreciated	<u>17,798,462</u>	<u>275,526</u>	<u>(47,872)</u>	<u>18,026,116</u>
Less: Accumulated Depreciation For				
Water Plant	2,046,425	112,304	--	2,158,729
Lines	3,224,930	115,146	--	3,340,076
Buildings	408,564	11,610	--	420,174
Equipment & Vehicles	590,658	90,667	(47,872)	633,453
Lift Station	183,364	24,712	--	208,076
Reservoirs	157,421	38,947	--	196,368
Improvements	<u>1,464,962</u>	<u>140,299</u>	<u>--</u>	<u>1,605,261</u>
Total Accumulated Depreciation	<u>8,076,324</u>	<u>533,685</u>	<u>(47,872)</u>	<u>8,562,137</u>
Total Capital Assets, Being Depreciated, Net	<u>9,722,138</u>	<u>(258,159)</u>	<u>--</u>	<u>9,463,979</u>
Business-Type Activities				
Capital Assets, Net	<u>\$12,844,342</u>	<u>\$1,492,692</u>	<u>\$ --</u>	<u>\$14,337,034</u>

TOWN OF DILLON, COLORADO  
NOTES TO THE FINANCIAL STATEMENTS  
 December 31, 2015

NOTE 3: CAPITAL ASSETS (Continued)

Depreciation expense was charged to functions as follows:

Governmental Activities:	
General Government	\$ 36,385
Public Safety	26,845
Public Works	1,311,611
Culture and Recreation	<u>152,825</u>
Total Governmental Activities Depreciation Expense	<u>\$1,527,666</u>
Business-Type Activities	
Water Fund	\$ 230,004
Sewer Fund	79,849
Marina Fund	<u>223,832</u>
Total Business-Type Activities Depreciation Expense	<u>\$ 533,685</u>

NOTE 4: INVESTMENT IN SILVERTHORNE/DILLON JOINT SEWER AUTHORITY

The Town is a participant in the Silverthorne/Dillon Joint Sewer Authority (Authority) which was formed to construct and operate a sewage treatment facility. Participants in the Authority are the Towns of Silverthorne and Dillon, Dillon Valley District, Buffalo Mountain Metropolitan District, Mesa Cortina Water and Sanitation District, and Yale Investments, Inc.

Construction costs are paid by each participant based on their share of the available capacity in each phase of the project. Operating costs are funded by quarterly billings to the participants, which are based on the number of taps each participant has connected to the system.

The Town records its investments in the Authority and its share of operating costs in the Sewer Fund. The investment is accounted for under the equity method in accordance with generally accepted accounting principles.

The Town had an investment in the Authority at December 31, 2015 of \$1,773,611, which represents a 13.10% share in the joint venture. At December 31, 2015, the Town was responsible for 20.08% of the Authority's operating expenses.

Financial information about the Joint Sewer Authority can be obtained in a separate audit report at the Silverthorne Town Hall, 601 Center Circle, Silverthorne, Colorado 80498.

TOWN OF DILLON, COLORADO  
NOTES TO THE FINANCIAL STATEMENTS  
December 31, 2015

NOTE 5: LONG-TERM DEBT

Governmental Activities

Following is a summary of long-term debt transactions for the governmental activities for the year ended December 31, 2015:

	Beginning <u>12/31/14</u>	<u>Additions</u>	<u>Retirement</u>	Ending <u>12/31/15</u>	<u>Due Within One Year</u>
Excise Tax Revenue Bond-05	\$ 138,146	\$ --	\$(138,146)	--	--
Capital Project Lease-06	238,471	--	(116,754)	121,717	121,717
Excise Tax Revenue Bonds-08	4,745,000	--	(125,000)	4,620,000	270,000
Excise Tax Revenue Bonds-10	2,830,000	--	(85,000)	2,745,000	90,000
Excise Tax Revenue Bonds-15	--	2,050,000	--	2,050,000	115,000
08 Bond Discount	(21,270)	--	1,486	(19,784)	--
Compensated Absences	<u>93,251</u>	<u>          </u>	<u>(2,263)</u>	<u>90,988</u>	<u>          </u>
Total	<u>\$ 8,023,598</u>	<u>\$2,050,000</u>	<u>\$(465,677)</u>	<u>\$9,607,921</u>	<u>\$596,717</u>

Compensated absences are expected to be paid with revenues of the General Fund.

On March 25, 2005, the Town advance refunded its Excise Tax Bonds, Series 1996 with its Excise Tax Refunding Bonds Series 2005. This refunding was undertaken in order to take advantage of favorable interest rates. The bonds accrued interest at 3.75% per annum, payable on June 1 and December 1 of each year. Principal payments were due on December 1 of each year through 2015. At December 31, 2015, the bonds were paid in full.

On June 4, 2008, the Town issued the Excise Tax Revenue Bonds, Series 2008 for the reconstruction of Town streets. The interest rate on the bonds ranges from 3.25% to 5% and is payable on June 1 and December 1 of each year. Principal payments are due on December 1 of each year through 2028.

On April 8, 2010, the Town issued the Excise Tax Revenue Bonds, Series 2010 for the reconstruction of Town streets. The interest rate on the bonds ranges from 1.25% to 5.125% and is payable on June 1 and December 1 of each year. Principal payments are due on December 1 of each year through 2030.

On April 15, 2015, the Town issued the Excise Tax Revenue Bonds, Series 2015 for the reconstruction of Town streets. The interest rate on the bonds is 2.73% and are payable on June 1 and December 1 of each year. Principal payments are due on December 1 of each year through 2030.

The Excise Tax Revenue Bonds, Series 2005, Series 2008, Series 2010 and Series 2015 are payable solely from the Town's sales and lodging taxes. During the year ended December 31, 2015, revenues of \$6,138,351 were available to pay annual debt service of \$740,297 for all four bonds. The outstanding debt service at December 31, 2015 for all four bonds is \$13,063,445.

On March 30, 2006, the Town entered into a lease purchase agreement with Wells Fargo Brokerage Services, LLC for capital projects and heavy equipment. The interest rate is 4.25%. Annual payments of \$126,890 are required through March 30, 2016. At December 31, 2015, capital assets of \$1,048,021 have been recorded using the lease proceeds.

TOWN OF DILLON, COLORADO  
NOTES TO THE FINANCIAL STATEMENTS  
 December 31, 2015

NOTE 5: LONG-TERM DEBT (Continued)

Business-Type Activities

Following is a summary of long-term debt transactions for the business-type activities for the year ended December 31, 2015:

	Beginning <u>12/31/14</u>	<u>Additions</u>	<u>Retirement</u>	Ending <u>12/31/15</u>	Due Within <u>One Year</u>
Marina Lease-10	\$1,904,000	--	(83,000)	1,821,000	87,000
CWCB Loan-09	1,373,352	--	--	1,373,352	32,679
CWRPDA Loan-15	--	1,800,000	(6,137)	1,793,863	76,049
Sewer Revenue Note 1-07	224,449	--	(71,689)	152,760	74,772
Sewer Revenue Note 2-07	199,156	--	(63,548)	135,608	66,344
Compensated Absences	<u>20,373</u>	<u>--</u>	<u>(818)</u>	<u>19,555</u>	<u>--</u>
Total	<u>\$3,721,330</u>	<u>\$1,800,000</u>	<u>\$(225,192)</u>	<u>\$5,296,138</u>	<u>\$336,844</u>

On December 9, 2010, the Town entered into a site and improvement lease with UMB Bank, N.A. for the slope stabilization project at the Dillon Marina. The Town provided Dillon Town Hall as collateral. The Marina Enterprise Fund will repay the lease. The interest rate is 4.65% and matures on December 1, 2030 with semi-annual payments due in June and December, beginning in 2011.

On July 15, 2009, The Town entered into a loan contract with the Department of Natural Resources, Colorado Water Conservation Board for the Old Dillon Reservoir enlargement project. The interest rate is 4% and matures on April 1, 2041. Principal and interest payments are due on April 1 of each year.

On September 1, 2015, the Town entered into loan contract with the Colorado Water Resources and Power Development Authority for the construction of a water storage tank. The interest rate is 2% and matures on March 1, 2035. Principal and interest payments are due on March 1 and September 1 of each year.

The CWCB Loan and CWRPDA Loan are payable solely from revenues from the Town's water utility system after the deduction of operating maintenance costs. During the year ended December 31, 2015, net revenues of \$516,582 were available to pay annual debt service of \$153,874. The outstanding debt service at December 31, 2015 for both loans is \$4,378,424.

On May 4, 2007, the Town entered into a loan agreement with Wells Fargo Brokerage Services, LLC for the construction of the Gold Run Lift Station. The interest rate is 4.3% and matures May 4, 2017 with annual payments in May.

On August 24, 2007, the Town entered into a loan agreement with Wells Fargo Brokerage Services, LLC for the rehabilitation of various sewer lines throughout Town. The interest rate is 4.4% and matures August 24, 2017 with annual payments in August.

The Sewer Revenue Note 1-07 and 2-07 are payable solely from revenues from the Town's sewer utility system after deduction of operating and maintenance costs. During the year ended December 31, 2015, net revenues of \$288,929 were available to pay annual debt service of \$153,651. The outstanding debt service at December 31, 2015 for both loans is \$307,305.

TOWN OF DILLON, COLORADO  
NOTES TO THE FINANCIAL STATEMENTS  
 December 31, 2015

NOTE 5: LONG-TERM DEBT (Continued)

Future Debt Service Requirements

**Governmental Activities**

Annual debt service requirements for the outstanding revenue bonds at December 31, 2015 are as follows:

Year Ended December 31,	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2016	\$ 475,000	\$ 400,593	\$875,593
2017	485,000	383,954	868,954
2018	505,000	366,114	871,114
2019	520,000	347,119	867,119
2020	545,000	326,927	871,927
2021-2025	3,075,000	1,280,742	4,355,742
2026-2030	<u>3,810,000</u>	<u>542,996</u>	<u>4,352,996</u>
Total	<u>\$9,415,000</u>	<u>\$3,648,445</u>	<u>\$13,063,445</u>

Following is a schedule of the future minimum lease payments required under the outstanding capital lease obligation at December 31, 2015:

Year Ended December 31, 2016	
Total Minimum Lease Payments	126,890
Less: Interest	<u>(5,173)</u>
Present Value of Future Minimum Lease Payments	<u>\$121,717</u>

**Business-Type Activities**

Annual debt service requirements for the outstanding loans at December 31, 2015 are as follows:

Year Ended December 31,	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2016	\$ 249,844	\$ 102,969	\$ 352,813
2017	258,816	93,998	352,814
2018	114,482	84,678	199,160
2019	117,487	81,674	199,161
2020	120,579	78,581	199,160
2021-2025	652,602	343,202	995,804
2026-2030	745,002	250,802	995,804
2031-2035	796,524	143,505	940,029
2036-2040	387,823	50,240	438,063
2041	<u>12,424</u>	<u>497</u>	<u>12,921</u>
Total	<u>\$3,455,583</u>	<u>\$1,230,146</u>	<u>\$4,685,729</u>

TOWN OF DILLON, COLORADO  
NOTES TO THE FINANCIAL STATEMENTS  
 December 31, 2015

NOTE 5: LONG-TERM DEBT (Continued)

Future Debt Service Requirements (Continued)

**Business-Type Activities (Continued)**

Following is a schedule of the future minimum lease payments required under the outstanding capital lease obligation for the Marina Fund at December 31, 2015:

Year Ended December 31,	
2016	170,677
2017	170,585
2018	170,307
2019	169,843
2020	169,193
2021-2025	849,168
2026-2030	<u>849,115</u>
Total Minimum Lease Payments	2,548,888
Less: Interest	<u>(727,888)</u>
Present Value of Future Minimum Lease Payments	<u>\$1,821,000</u>

Operating Lease

The Town entered into a lease agreement with the Denver Water Department effective January 1, 1994 and terminating December 21, 2019 for the use of Dillon Reservoir and land at the Dillon Marina. The Town pays 4% of annual gross revenues to the Denver Water Department, which totaled \$49,084 for the year ended December 31, 2015.

NOTE 6: INTERFUND BALANCES AND TRANSFERS

The Town has an agreement with the Dillon Urban Renewal Authority to repay the Town any amounts owed the Town when tax increment financing revenues are collected by the Authority. The outstanding balance of this interfund loan at December 31, 2015, was \$10,855.

The Marina Fund transferred \$38,067 to the Capital Improvement Fund to assist in the payment of the equipment lease.

The General Fund transferred \$750,000 to the Capital Improvement Fund to assist with the amphitheatre master plan improvements.

NOTE 7: STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY

At December 31, 2015, the Dillon Urban Renewal Authority had a negative fund balance of \$10,855, primarily because start-up costs are expected to be paid with tax increment revenues collected in the future.

TOWN OF DILLON, COLORADO  
NOTES TO THE FINANCIAL STATEMENTS  
December 31, 2015

NOTE 8: RETIREMENT COMMITMENTS

Town employees participate in the Colorado County Officials and Employees Retirement Association (CCOERA) defined contribution plan. Full-time employees are required to contribute 5% of their gross salary and the Town matches the contribution, as required by plan documents. The Town has a defined contribution plan through International City/County Management Association (ICMA) for full-time police officers and department heads. These employees also contribute 5% of gross salaries with the Town matching their contribution. Employee and Town contributions vest at a rate of 20% each year and employees become fully vested after five years for either pension plan. Plan provisions and contribution requirements of the Town and the employees are established and may be amended by the Town Council. Total contributions of the CCOERA and ICMA retirement plans made by the Town for the year ended December 31, 2015 were \$75,199 and \$35,537 respectively, which equals the required contributions.

In addition to the retirement plans, the Town also contributes to a 457 deferred compensation plan through ICMA for the benefit of the sworn police officers. The Town and the employee each contribute 5% of gross wages. The Town contributions for the year ended December 31, 2015 were \$25,477 which equals the required contributions. All plan assets are held in trust for the exclusive benefit of the employees.

NOTE 9: RISK MANAGEMENT

Public Entity Risk Pool

The Town is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; injuries to employees; and natural disasters. For these risks of loss, the Town is a member of the Colorado Intergovernmental Risk Sharing Agency (CIRSA), a separate and independent governmental and legal entity formed by intergovernmental agreement by member municipalities pursuant to the provision of 24-10-115.5, Colorado Revised Statutes (1982 Replacement Volume) and Colorado Constitution, Article XIV, section 18(2).

The purposes of CIRSA are to provide members defined liability and property and workers' compensation coverages and to assist members to prevent and reduce losses and injuries to municipal property and to persons or property which might result in claims being made against members of CIRSA, their employees or officers.

It is the intent of the members of CIRSA to create an entity in perpetuity which will administer and use funds contributed by the members to defend and indemnify, in accordance with the bylaws, any member of CIRSA against stated liability of loss, to the limit of the financial resources of CIRSA. It is also the intent of the members to have CIRSA provide continuing stability and availability of needed coverages at reasonable costs. All income and assets of CIRSA shall be at all times dedicated to the exclusive benefit of its members. CIRSA is a separate legal entity and the Town does not approve budgets nor does it have ability to significantly affect the operations of CIRSA.

TOWN OF DILLON, COLORADO  
NOTES TO THE FINANCIAL STATEMENTS  
December 31, 2015

NOTE 10: COMMITMENTS AND CONTINGENCIES

Tabor Amendment

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.

In November 1996, Town voters authorized the Town to collect and retain all revenues from all sources in 1996 and each subsequent year and to spend the same, notwithstanding the limitations of the amendment. The Town believes it is in compliance with the requirements of the amendment. However, the Town has made certain interpretations of the amendment's language in order to determine its compliance. The amendment requires a reserve for emergencies equal to 3% of qualifying expenditures of the Town. At December 31, 2015 the Town had restricted \$217,613 to comply with this requirement.

Litigation

From time to time, the Town is involved in various litigation. Management believes the outcome of any litigation will not have a significant impact on the Town's financial position.

Economic Development Agreements

The Town entered into an Economic Development Agreement with Petco Animal Supplies Stores, Inc. on October 15, 2013. Petco Animal Supplies Stores, Inc. opened a store at 264 Dillon Ridge Road in July 2014. The Town agreed to rebate \$400,000 in sales tax revenues to Petco Animal Supplies Stores, Inc. at a rate of 50% of their sales tax revenues per year. For the year ended December 31, 2015 the Town paid \$42,280 leaving an outstanding balance of \$347,739.

The Town entered into an Economic Development Agreement with Finger Lickin' Brands LLC on May 19, 2015. Finger Lickin' Brands LLC opened a store at 324 Dillon Ridge Road Unit 19 in August 2015. The Town agreed to rebate \$44,943 in sales tax revenues to Finger Lickin' Brands LLC at a rate of 25% of their sales tax revenues per year. Payments are due 60 days following the operating year for Finger Lickin' Brands LLC, therefore no payment was made in 2015. For the year ended December 31, 2015 the outstanding balance is \$44,943.



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TOWN OF DILLON, COLORADO  
**GENERAL FUND**  
**BUDGETARY COMPARISON SCHEDULE**  
For the Year Ended December 31, 2015

	Original Budget	Final Budget	Actual	Variance Positive (Negative)
<b>REVENUES</b>				
Taxes	\$ 3,722,563	\$ 3,725,563	\$ 4,261,860	\$ 536,297
Charges for Services	31,657	31,657	46,821	15,164
Licenses and Permits	82,558	82,558	60,943	(21,615)
Intergovernmental	124,295	124,295	165,778	41,483
Fines and Forfeitures	204,592	204,592	95,529	(109,063)
Interest	9,626	9,626	14,949	5,323
Miscellaneous	5,411	5,411	10,194	4,783
Total Revenues	<u>4,180,702</u>	<u>4,183,702</u>	<u>4,656,074</u>	<u>472,372</u>
<b>EXPENDITURES</b>				
General Government	1,319,510	1,337,510	1,418,736	(81,226)
Public Safety	1,287,737	1,287,737	1,202,532	85,205
Public Works	811,239	811,239	628,510	182,729
Community Development	284,857	284,857	219,022	65,835
Culture and Recreation	475,938	475,938	514,247	(38,309)
Total Expenditures	<u>4,179,281</u>	<u>4,197,281</u>	<u>3,983,047</u>	<u>214,234</u>
Excess of Revenue Over (Under) Expenditures	1,421	(13,579)	673,027	686,606
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfer Out	<u>(750,000)</u>	<u>(750,000)</u>	<u>(750,000)</u>	<u>-</u>
Net Change in Fund Balance	(748,579)	(763,579)	(76,973)	686,606
Fund Balance, Beginning of Year	<u>1,905,332</u>	<u>1,905,332</u>	<u>2,649,229</u>	<u>743,897</u>
Fund Balance, End of Year	<u>\$ 1,156,753</u>	<u>\$ 1,141,753</u>	<u>\$ 2,572,256</u>	<u>\$ 1,430,503</u>

See the accompanying Independent Auditors' Report.

TOWN OF DILLON, COLORADO  
NOTES TO REQUIRED SUPPLEMENTARY INFORMATION  
December 31, 2015

NOTE 1: STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY

Budgets and Budgetary Accounting

The Town follows these procedures in establishing the budgetary data reflected in the financial statements:

1. Prior to the October Council meeting, the Town Manager submits to the Town Council a proposed operating budget for the fiscal year commencing the following January 1. The operating budget includes proposed expenditures and the means of financing them.
2. Public hearings are conducted to obtain taxpayer comments.
3. Prior to December 31, the budget is legally enacted through passage of a resolution.
4. Formal budgetary integration is employed as a management control device during the year for all of the Town's funds.
5. The budgets of the governmental funds are adopted on a basis consistent with generally accepted accounting principles. The proprietary fund budgets are prepared on a non-GAAP basis. Capital outlay and debt service payments are budgeted as expenditures. Depreciation is not budgeted. The fiduciary fund budget is adopted by the member board established through the Intergovernmental Agreement for the Summit County Telecommunications Consortium (SCTC) and is not presented in the Town's financial statements.
6. Budgeted amounts are as originally adopted or as amended by the Town Council. All appropriations lapse at year end. Colorado governments may not exceed budgeted appropriations at the fund level.

## **Nonmajor Governmental Funds**

### **Special Revenue Funds**

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

**Conservation Trust Fund** – This fund is used to account for the Town’s share of lottery funds distributed by the State of Colorado. Funds are to be used for Parks, Trails and Open Space.

**Housing Initiative 5A Fund** - The voters of Summit County, including the Town of Dillon approved a ballot question in November 2006 that authorized a sales tax of .125% and an impact fee of no more than \$2 per square foot on new development. The revenue collections must be used for attainable housing.

**Cemetery Perpetual Care Fund** – This fund is used to account for the sale of cemetery spaces at the Dillon Cemetery and donations received specifically for the Dillon Cemetery. Funds are to be used for Dillon Cemetery maintenance and capital projects.

**Dillon Urban Renewal Authority** – The Dillon Urban Renewal Authority was established and the Dillon Urban Renewal Plan was approved in 2009 in order to revitalize blighted areas in the Town. The Town Council amended the Dillon Urban Renewal Plan in 2012 to allow for tax increment financing.

### **Debt Service Funds**

*Debt Service Funds are used to account for the annual debt payments on the issuance of bonds for capital projects other than those financed by proprietary funds.*

**Improvement District, #1, Anemone Trail Fund** – This fund accounts for the payment of bonds issued for the construction of the streets in the Anemone Trail Improvement District. Special assessments and governmental resources will finance the bond repayments. The bonds were paid in full in 2015.

**TOWN OF DILLON, COLORADO**  
**COMBINING BALANCE SHEET**  
**NONMAJOR GOVERNMENTAL FUNDS**  
December 31, 2015

	Special Revenue				Debt Service	Total
	Conservation Trust	Housing Initiative 5A	Cemetery Perpetual Care	Dillon Urban Renewal Authority	Special Improvement District	Nonmajor Governmental Funds
<b>ASSETS</b>						
Cash and Investments	\$ 21,890	\$ 470,218	\$ 79,813	\$ -	\$ -	\$ 571,921
Intergovernmental Receivable	-	22,369	-	-	-	22,369
Property Tax Receivable	-	-	-	14,329	-	14,329
Total Assets	<u>\$ 21,890</u>	<u>\$ 492,587</u>	<u>\$ 79,813</u>	<u>\$ 14,329</u>	<u>\$ -</u>	<u>\$ 608,619</u>
<b>LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES</b>						
Liabilities						
Accounts Payable	\$ -	\$ 3,479	\$ -	\$ -	\$ -	\$ 3,479
Due to Other Funds	-	-	-	10,855	-	10,855
Total Liabilities	<u>-</u>	<u>3,479</u>	<u>-</u>	<u>10,855</u>	<u>-</u>	<u>14,334</u>
Deferred Inflows of Resources						
Property Taxes	-	-	-	14,329	-	14,329
Fund Balances						
Nonspendable:						
Cemetery	-	-	70,502	-	-	70,502
Restricted for:						
Parks and Open Space	21,890	-	-	-	-	21,890
Housing	-	489,108	-	-	-	489,108
Assigned to:						
Cemetery	-	-	9,311	-	-	9,311
Unassigned	-	-	-	(10,855)	-	(10,855)
Total Fund Balances	<u>21,890</u>	<u>489,108</u>	<u>79,813</u>	<u>(10,855)</u>	<u>-</u>	<u>579,956</u>
Total Liabilities, Deferred Inflows of Resources and Fund Balances						
	<u>\$ 21,890</u>	<u>\$ 492,587</u>	<u>\$ 79,813</u>	<u>\$ 14,329</u>	<u>\$ -</u>	<u>\$ 608,619</u>

See the Accompanying Independent Auditors' Report

TOWN OF DILLON, COLORADO  
**COMBINING STATEMENT OF REVENUES, EXPENDITURES  
AND CHANGES IN FUND BALANCES  
NONMAJOR GOVERNMENTAL FUNDS**  
For the Year Ended December 31, 2015

	Special Revenue			Dillon Urban Renewal Authority	Debt Service	Total Nonmajor Governmental Funds
	Conservation Trust	Housing Initiative 5A	Cemetery Perpetual Care		Special Improvement District	
<b>REVENUES</b>						
Taxes	\$ -	\$ -	\$ -	\$ -	\$ 49,076	\$ 49,076
Charges for Services	-	-	2,340	-	-	2,340
Intergovernmental	8,794	111,371	-	-	-	120,165
Interest	47	215	660	-	38	960
Miscellaneous	-	1,261	6,415	-	-	7,676
Total Revenues	<u>8,841</u>	<u>112,847</u>	<u>9,415</u>	<u>-</u>	<u>49,114</u>	<u>180,217</u>
<b>EXPENDITURES</b>						
Culture and Recreation	29,662	-	4,850	-	-	34,512
Housing	-	20,899	-	-	-	20,899
Urban Renewal	-	-	-	181	-	181
Debt Service						
Principal	-	-	-	-	138,146	138,146
Interest	-	-	-	-	5,180	5,180
Total Expenditures	<u>29,662</u>	<u>20,899</u>	<u>4,850</u>	<u>181</u>	<u>143,326</u>	<u>198,918</u>
Net Change in Fund Balances	(20,821)	91,948	4,565	(181)	(94,212)	(18,701)
Fund Balances, Beginning of Year	<u>42,711</u>	<u>397,160</u>	<u>75,248</u>	<u>(10,674)</u>	<u>94,212</u>	<u>598,657</u>
Fund Balances, End of Year	<u>\$ 21,890</u>	<u>\$ 489,108</u>	<u>\$ 79,813</u>	<u>\$ (10,855)</u>	<u>\$ -</u>	<u>\$ 579,956</u>

See the accompanying Independent Auditors' Report.

TOWN OF DILLON, COLORADO  
**CAPITAL IMPROVEMENT FUND**  
**BUDGETARY COMPARISON SCHEDULE**  
For the Year Ended December 31, 2015

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Positive (Negative)</u>
<b>REVENUES</b>				
Taxes	\$ 1,255,434	\$ 1,255,434	\$ 1,429,766	\$ 174,332
Interest	1,000	1,000	591	(409)
Intergovernmental	-	-	20,000	20,000
Miscellaneous	39,800	39,800	147,200	107,400
Total Revenues	<u>1,296,234</u>	<u>1,296,234</u>	<u>1,597,557</u>	<u>301,323</u>
<b>EXPENDITURES</b>				
Capital Outlay	1,473,763	1,523,763	1,348,888	174,875
Debt Service				
Principal	116,754	116,754	116,754	-
Interest	10,135	10,135	10,135	-
Total Expenditures	<u>1,600,652</u>	<u>1,650,652</u>	<u>1,475,777</u>	<u>174,875</u>
Excess of Revenues Over (Under) Expenditures	(304,418)	(354,418)	121,780	476,198
<b>OTHER FINANCING SOURCES</b>				
Transfer In	<u>788,067</u>	<u>788,067</u>	<u>788,067</u>	<u>-</u>
Net Change in Fund Balance	483,649	433,649	909,847	476,198
Fund Balance, Beginning	<u>203,982</u>	<u>203,982</u>	<u>515,264</u>	<u>311,282</u>
Fund Balance, Ending	<u>\$ 687,631</u>	<u>\$ 637,631</u>	<u>\$ 1,425,111</u>	<u>\$ 787,480</u>

See the accompanying Independent Auditors' Report.

TOWN OF DILLON, COLORADO  
**STREET IMPROVEMENT FUND**  
**BUDGETARY COMPARISON SCHEDULE**  
For the Year Ended December 31, 2015

	<u>Original and Final Budget</u>	<u>Actual</u>	<u>Variance Positive (Negative)</u>
<b>REVENUES</b>			
Taxes	\$ 717,184	\$ 858,312	\$ 141,128
Interest	<u>2,000</u>	<u>1,373</u>	<u>(627)</u>
Total Revenues	<u>719,184</u>	<u>859,685</u>	<u>140,501</u>
<b>EXPENDITURES</b>			
Public Works	20,000	95,021	(75,021)
Capital Outlay	2,000,000	1,259,435	740,565
Debt Service			
Principal	322,030	210,000	112,030
Interest	<u>386,973</u>	<u>386,971</u>	<u>2</u>
Total Expenditures	<u>2,729,003</u>	<u>1,951,427</u>	<u>777,576</u>
Excess of Revenues Over (Under) Expenditures	(2,009,819)	(1,091,742)	918,077
<b>OTHER FINANCING SOURCES</b>			
Bonds Issued	<u>2,000,000</u>	<u>2,050,000</u>	<u>50,000</u>
Net Change in Fund Balance	(9,819)	958,258	968,077
Fund Balance, Beginning	<u>261,791</u>	<u>405,829</u>	<u>144,038</u>
Fund Balance, Ending	<u>\$ 251,972</u>	<u>\$ 1,364,087</u>	<u>\$ 1,112,115</u>

See the accompanying Independent Auditors' Report.



TOWN OF DILLON, COLORADO  
**CONSERVATION TRUST FUND**  
**BUDGETARY COMPARISON SCHEDULE**  
For the Year Ended December 31, 2015

	<u>Original and Final Budget</u>	<u>Actual</u>	<u>Variance Positive (Negative)</u>
<b>REVENUES</b>			
Intergovernmental	\$ 69,300	\$ 8,794	\$ (60,506)
Interest	<u>50</u>	<u>47</u>	<u>(3)</u>
Total Revenues	<u>69,350</u>	<u>8,841</u>	<u>(60,509)</u>
 <b>EXPENDITURES</b>			
Culture and Recreation	<u>88,000</u>	<u>29,662</u>	<u>58,338</u>
Net Change in Fund Balance	(18,650)	(20,821)	(2,171)
Fund Balance, Beginning of Year	<u>44,775</u>	<u>42,711</u>	<u>(2,064)</u>
Fund Balance, End of Year	<u><u>\$ 26,125</u></u>	<u><u>\$ 21,890</u></u>	<u><u>\$ (4,235)</u></u>

See the accompanying Independent Auditors' Report.

TOWN OF DILLON, COLORADO  
**HOUSING INITIATIVE 5A FUND**  
**BUDGETARY COMPARISON SCHEDULE**  
For the Year Ended December 31, 2015

	<u>Original and Final Budget</u>	<u>Actual</u>	<u>Variance Positive (Negative)</u>
<b>REVENUES</b>			
Intergovernmental	\$ 93,086	\$ 111,371	\$ 18,285
Interest	30	215	185
Miscellaneous	-	1,261	1,261
Total Revenues	<u>93,116</u>	<u>112,847</u>	<u>19,731</u>
<b>EXPENDITURES</b>			
Housing	<u>20,899</u>	<u>20,899</u>	<u>-</u>
Net Change in Fund Balance	72,217	91,948	19,731
Fund Balance, Beginning of Year	<u>377,394</u>	<u>397,160</u>	<u>19,766</u>
Fund Balance, End of Year	<u><u>\$ 449,611</u></u>	<u><u>\$ 489,108</u></u>	<u><u>\$ 39,497</u></u>

See the accompanying Independent Auditors' Report.

TOWN OF DILLON, COLORADO  
**CEMETERY PERPETUAL CARE FUND**  
**BUDGETARY COMPARISON SCHEDULE**  
For the Year Ended December 31, 2015

	Original Budget	Final Budget	Actual	Variance Positive (Negative)
<b>REVENUES</b>				
Charges for Services	\$ 1,500	\$ 1,500	\$ 2,340	\$ 840
Interest	580	580	660	80
Miscellaneous	-	2,350	6,415	4,065
Total Revenues	<u>\$ 2,080</u>	<u>4,430</u>	<u>9,415</u>	<u>4,985</u>
<b>EXPENDITURES</b>				
Culture and Recreation	<u>\$ 2,000</u>	<u>4,850</u>	<u>4,850</u>	<u>-</u>
Net Change in Fund Balance	80	(420)	4,565	4,985
Fund Balance, Beginning of Year	<u>72,593</u>	<u>72,593</u>	<u>75,248</u>	<u>2,655</u>
Fund Balance, End of Year	<u><u>\$ 72,673</u></u>	<u><u>\$ 72,173</u></u>	<u><u>\$ 79,813</u></u>	<u><u>\$ 7,640</u></u>

See the accompanying Independent Auditors' Report.

TOWN OF DILLON, COLORADO  
**DILLON URBAN RENEWAL AUTHORITY**  
**BUDGETARY COMPARISON SCHEDULE**  
For the Year Ended December 31, 2015

	<u>Original and Final Budget</u>	<u>Actual</u>	<u>Variance Positive (Negative)</u>
<b>REVENUES</b>			
Miscellaneous	\$ 5,000	\$ -	\$ (5,000)
<b>EXPENDITURES</b>			
Urban Renewal	<u>4,850</u>	<u>181</u>	<u>4,669</u>
Net Change in Fund Balance	150	(181)	(331)
Fund Balance, Beginning of Year	<u>-</u>	<u>(10,674)</u>	<u>(10,674)</u>
Fund Balance, End of Year	<u>\$ 150</u>	<u>\$ (10,855)</u>	<u>\$ (11,005)</u>

See the accompanying Independent Auditors' Report.

TOWN OF DILLON, COLORADO  
**IMPROVEMENT DISTRICT #1, ANEMONE TRAIL FUND**  
**BUDGETARY COMPARISON SCHEDULE**  
For the Year Ended December 31, 2015

	<u>Original and Final Budget</u>	<u>Actual</u>	<u>Variance Positive (Negative)</u>
<b>REVENUES</b>			
Taxes	\$ 68,577	\$ 49,076	\$ (19,501)
Interest	20	38	18
Total Revenues	<u>68,597</u>	<u>49,114</u>	<u>(19,483)</u>
<b>EXPENDITURES</b>			
Debt Service			
Principal	138,146	138,146	-
Interest	<u>5,180</u>	<u>5,180</u>	<u>-</u>
Total Expenditures	<u>143,326</u>	<u>143,326</u>	<u>-</u>
Net Change in Fund Balance	(74,729)	(94,212)	(19,483)
Fund Balance, Beginning of Year	<u>74,729</u>	<u>94,212</u>	<u>19,483</u>
Fund Balance, End of Year	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

See the accompanying Independent Auditors' Report.

TOWN OF DILLON, COLORADO  
**WATER FUND**  
**BUDGETARY COMPARISON SCHEDULE**  
For the Year Ended December 31, 2015

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Positive (Negative)</u>
<b>REVENUES</b>				
Utility Sales	\$ 963,238	\$ 963,238	\$ 980,002	\$ 16,764
Tap Fees	16,876	16,876	32,149	15,273
Interest	6,500	6,500	3,675	(2,825)
Miscellaneous	846	846	3,974	3,128
Loan Proceeds	<u>1,800,000</u>	<u>1,800,000</u>	<u>1,800,000</u>	<u>-</u>
Total Revenues	<u>2,787,460</u>	<u>2,787,460</u>	<u>2,819,800</u>	<u>32,340</u>
<b>EXPENDITURES</b>				
Current				
Operations	401,284	401,284	404,702	(3,418)
Maintenance	43,582	43,582	43,246	336
Distribution	25,000	25,000	19,409	5,591
Treatment	32,132	32,132	35,861	(3,729)
Capital Outlay	2,303,247	2,333,247	1,794,640	538,607
Debt Service				
Principal	6,137	6,137	6,137	-
Interest	<u>56,160</u>	<u>56,160</u>	<u>56,160</u>	<u>-</u>
Total Expenditures	<u>2,867,542</u>	<u>2,897,542</u>	<u>2,360,155</u>	<u>537,387</u>
<b>CHANGE IN NET POSITION, Budget Basis</b>	<u>\$ (80,082)</u>	<u>\$ (110,082)</u>	459,645	<u>\$ 569,727</u>
<b>ADJUSTMENTS TO GAAP BASIS</b>				
Loan Proceeds			(1,800,000)	
Principal Payments on Debt			6,137	
Capital Outlay			1,794,640	
Depreciation			<u>(230,004)</u>	
<b>CHANGE IN NET POSITION, GAAP Basis</b>			230,418	
<b>NET POSITION, Beginning</b>			<u>7,374,722</u>	
<b>NET POSITION, Ending</b>			<u>\$7,605,140</u>	

See the accompanying Independent Auditors' Report.

TOWN OF DILLON, COLORADO  
**SEWER FUND**  
**BUDGETARY COMPARISON SCHEDULE**  
For the Year Ended December 31, 2015

	Original and Final Budget	<u>Actual</u>	Variance Positive (Negative)
<b>REVENUES</b>			
Utility Sales	\$ 868,902	\$ 843,886	\$ (25,016)
Tap Fees	13,056	24,872	11,816
Interest	700	<u>1,322</u>	<u>622</u>
Total Revenues	<u>882,658</u>	<u>870,080</u>	<u>(12,578)</u>
<b>EXPENDITURES</b>			
Current			
Operations	122,530	104,098	18,432
Maintenance	32,150	30,458	1,692
Treatment	477,647	446,595	31,052
JSA Shared Maintenance	195,000	195,773	(773)
Capital Outlay	197,281	95,815	101,466
Debt Service			
Principal	129,603	135,237	(5,634)
Interest	<u>24,048</u>	<u>15,427</u>	<u>8,621</u>
Total Expenditures	<u>1,178,259</u>	<u>1,023,403</u>	<u>154,856</u>
<b>CHANGE IN NET POSITION, Budget Basis</b>	<u>\$ (295,601)</u>	(153,323)	<u>\$ 142,278</u>
<b>ADJUSTMENTS TO GAAP BASIS</b>			
Principal Payments on Debt		135,237	
Capital Outlay		95,815	
Depreciation		(79,849)	
Investment in Joint Sewer Authority		<u>124,313</u>	
<b>CHANGE IN NET POSITION, GAAP Basis</b>		122,193	
<b>NET POSITION, Beginning</b>		<u>4,246,625</u>	
<b>NET POSITION, Ending</b>		<u>\$ 4,368,818</u>	

See the accompanying Independent Auditors' Report.

TOWN OF DILLON, COLORADO  
**MARINA FUND**  
**BUDGETARY COMPARISON SCHEDULE**  
For the Year Ended December 31, 2015

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Positive (Negative)</u>
<b>REVENUES</b>				
Charges for Services	\$ 1,050,000	\$ 1,178,000	\$ 1,213,217	\$ 35,217
Interest	2,000	2,000	2,857	857
Miscellaneous	<u>59,000</u>	<u>59,000</u>	<u>20,957</u>	<u>(38,043)</u>
Total Revenues	<u>1,111,000</u>	<u>1,239,000</u>	<u>1,237,031</u>	<u>(1,969)</u>
<b>EXPENDITURES</b>				
Current				
Operations	709,616	826,616	844,282	(17,666)
Maintenance	34,400	34,400	36,952	(2,552)
Capital Outlay	154,400	161,900	135,922	25,978
Debt Service				
Principal	83,000	83,000	83,000	-
Interest	87,583	87,583	87,101	482
Transfer Out	<u>38,067</u>	<u>38,067</u>	<u>38,067</u>	<u>-</u>
Total Expenditures	<u>1,107,066</u>	<u>1,231,566</u>	<u>1,225,324</u>	<u>6,242</u>
<b>CHANGE IN NET POSITION, Budget Basis</b>	<u>\$ 3,934</u>	<u>\$ 7,434</u>	11,707	<u>\$ 4,273</u>
<b>ADJUSTMENTS TO GAAP BASIS</b>				
Principal Payments on Debt			83,000	
Capital Outlay			135,922	
Depreciation			<u>(223,832)</u>	
<b>CHANGE IN NET POSITION, GAAP Basis</b>			6,797	
<b>NET POSITION, Beginning</b>			<u>1,643,145</u>	
<b>NET POSITION, Ending</b>			<u>\$ 1,649,942</u>	

See the accompanying Independent Auditors' Report.



TOWN OF DILLON, COLORADO  
**STATEMENT OF CHANGES IN ASSETS AND LIABILITIES**  
**AGENCY FUND**

For the Year Ended December 31, 2015

	<u>Balance</u> <u>January 1, 2015</u>	<u>Increases</u>	<u>Decreases</u>	<u>Balance</u> <u>December 31, 2015</u>
<b>Summit County Telecommunications Consortium</b>				
<b>ASSETS</b>				
Cash and Investments	\$ 90,762	\$ 180,126	160,650	\$ 110,238
Accounts Receivable	<u>9,076</u>	<u>9,232</u>	<u>9,076</u>	<u>9,232</u>
<b>Total Assets</b>	<b><u>\$ 99,838</u></b>	<b><u>\$ 189,358</u></b>	<b><u>\$ 169,726</u></b>	<b><u>\$ 119,470</u></b>
<b>LIABILITIES</b>				
Accrued Liabilities	\$ 1,173	\$ 1,707	\$ 1,173	\$ 1,707
Funds Held for Others	<u>98,665</u>	<u>117,763</u>	<u>98,665</u>	<u>117,763</u>
<b>Total Liabilities</b>	<b><u>\$ 99,838</u></b>	<b><u>\$ 119,470</u></b>	<b><u>\$ 99,838</u></b>	<b><u>\$ 119,470</u></b>

See the accompanying Independent Auditors' Report.

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 Dillon
		YEAR ENDING : December 2015
This Information From The Records Of (example - City of _ or County of _ Town of Dillon	Prepared By: Phone:	Carri McDonnell 970-262-3404

**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)	1,447,594
a. Motor Fuel (from Item I.A.5.)		2. Maintenance:	42,332
b. Motor Vehicle (from Item I.B.5.)		3. Road and street services:	
c. Total (a.+b.)		a. Traffic control operations	16,470
2. General fund appropriations	0	b. Snow and ice removal	21,252
3. Other local imposts (from page 2)	2,342,516	c. Other	
4. Miscellaneous local receipts (from page 2)	95,529	d. Total (a. through c.)	37,722
5. Transfers from toll facilities		4. General administration & miscellaneous	29,281
6. Proceeds of sale of bonds and notes:		5. Highway law enforcement and safety	229,906
a. Bonds - Original Issues		6. Total (1 through 5)	1,786,835
b. Bonds - Refunding Issues		<b>B. Debt service on local obligations:</b>	
c. Notes		1. Bonds:	
d. Total (a. + b. + c.)	0	a. Interest	392,151
7. Total (1 through 6)	2,438,045	b. Redemption	348,146
<b>B. Private Contributions</b>		c. Total (a. + b.)	740,297
<b>C. Receipts from State government</b> (from page 2)	89,087	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>	2,527,132	b. Redemption	
		c. Total (a. + b.)	0
		3. Total (1.c + 2.c)	740,297
		<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>	
			2,527,132

**IV. LOCAL HIGHWAY DEBT STATUS**

(Show all entries at par)

	Opening Debt	Amount Issued	Redemptions	Closing Debt
<b>A. Bonds (Total)</b>	7,713,146	2,050,000	348,146	9,415,000
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
		2,527,132	2,527,132		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	208,401	a. Interest on investments	
b. Other local imposts:		b. Traffic Fines & Penalties	95,529
1. Sales Taxes	2,134,115	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.)	2,134,115	h. Other	
c. Total (a. + b.)	2,342,516	i. Total (a. through h.)	95,529
	(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	79,092	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	9,995	d. Federal Transit Admin	
d. Other (Specify) - DOLA Grant		e. U.S. Corps of Engineers	
e. Other (Specify)		f. Other Federal	
f. Total (a. through e.)	9,995	g. Total (a. through f.)	0
4. Total (1. + 2. + 3.f)	89,087	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		1,447,594	1,447,594
(4). System Enhancement & Operation			0
(5). Total Construction (1) + (2) + (3) + (4)	0	1,447,594	1,447,594
d. Total Capital Outlay (Lines 1.a. + 1.b. + 1.c.5)	0	1,447,594	1,447,594
			(Carry forward to page 1)

Notes and Comments: