

**TOWN OF BLUE RIVER**  
**SUMMIT COUNTY, COLORADO**

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FINANCIAL STATEMENTS  
WITH  
INDEPENDENT AUDITORS' REPORT

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December 31, 2016



**Crady, Puca & Associates**  
*Certified Public Accountants & Consultants*

**TOWN OF BLUE RIVER  
SUMMIT COUNTY, COLORADO**

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## INDEPENDENT AUDITORS' REPORT

Board of Directors  
Town of Blue River  
Summit County, Colorado

We have audited the accompanying financial statements of the governmental activities and each major fund of the Town of Blue River (the "Town"), as of and for the year ended December 31, 2016, which collectively comprise the Town's basic financial statements as listed in the table of contents and the related notes to the financial statements.

### ***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.

### ***Auditor's Responsibility***

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

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

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

### ***Opinions***

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities and each major fund of the Town of Blue River, as of December 31, 2016, and the respective changes in financial position and the respective budgetary comparison for the general fund for the year then ended in accordance with accounting principles generally accepted in the United States of America.

### ***Prior period adjustment***

As described in Note 5 to the financial statements, beginning fund balance for the general fund and net position were restated to reflect the correction of accounting errors. Our opinions were not modified with respect to the restatement.

### ***Other-Matters***

#### ***Required Supplementary Information***

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis on pages iii through ix 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 appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

#### ***Other Information***

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

The Local Highway and Finance Report is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the 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 financial statements as a whole.

***Crady, Puca & Associates***

Centennial, Colorado  
June 20, 2017

# **Town of Blue River**

## **Management Discussion and Analysis**

### **December 31, 2016**

As management of the Town of Blue River, we offer readers the Town of Blue River's financial statements, this narrative overview and analysis of the Town's financial activities for the year ended December 31, 2016. The intent of this discussion and analysis is to look at the Town's financial performance as a whole. Readers should also review the financial statements and the notes to the financial statements to broaden their understanding of the Town's financial performance.

#### **Financial Highlights**

- The assets of the Town of Blue River exceeded the total of its liabilities and deferred inflows of resources at the close of the most recent fiscal year by \$3,888,243 (*net position*). Of this amount, \$1,667,248 represents unrestricted net position, which may be used to meet the government's ongoing obligations to citizens and creditors.
- The Town of Blue River's total net position decreased \$250,858 due to sales tax adjustments and obligations of repayment of the misappropriation of sales tax revenue to the Town of Breckenridge.
- At the close of the current fiscal year, the Town of Blue River's governmental funds reported combined fund balances of **\$1,778,382**, a decrease of **\$369,724** in comparison with the prior year.

#### **Overview of the Financial Statements**

The discussion and analysis provided here are intended to serve as an introduction to the Town of Blue River's basic financial statements. The Town of Blue River's basic financial statements consist of three components: 1) government-wide financial statements, 2) fund financial statements, and 3) the notes to financial statements.

#### **Government-wide Financial Statements**

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

The *statement of net position* presents financial information on all of the Town of Blue River's assets, liabilities, and deferred inflows/outflows of resources, with the difference 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 Blue River is improving or deteriorating.

The *statement of activities* presents information showing how the Town of Blue River'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 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 Blue River 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 Blue River include general government, judicial, planning and zoning, and public works. The Town of Blue River has no business-type activities.

The government-wide financial statements can be found on pages 1-2 of this report.

**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 Blue River, 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 Blue River are governmental 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 assessing a government's near-term financing requirements.

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 near-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 Blue River maintains one governmental fund, the general fund. 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 all major funds.

The Town of Blue River 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.

The basic governmental fund financial statements can be found on pages 3-6 of this report.

**Notes to the Financial Statements.** The notes provide additional information that is necessary to acquire a full understanding of the data provided in the government-wide and fund financial statements.

The notes to the financial statements can be found on pages 7-16 of this report.

**Other Information.** In addition to the basic financial statements and accompanying notes, this report also includes the State Required Local Highway Finance Report which can be found on pages 17-18 of this report.

## Government-wide Overall Financial Analysis

As noted earlier, net position over time, may serve as a useful indicator of a government's financial position. In the case of the Town of Blue River, assets exceeded liabilities and deferred inflows of resources by \$3,888,243, at the close of the most recent fiscal year.

General Government; Judicial; Planning & Zoning; Public Safety; and Public Works

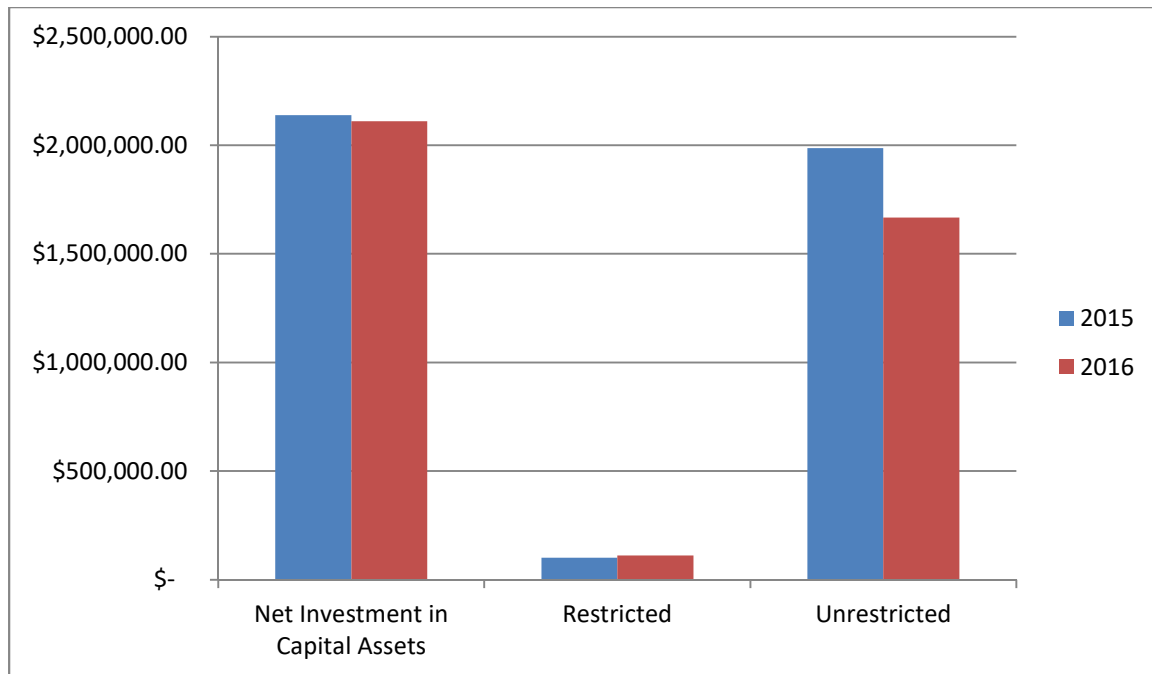
### Town of Blue River's Net Position

	2016	2015 Restated
<b><u>Assets:</u></b>		
Current and other assets	\$ 2,312,190	\$ 2,660,308
Capital assets	2,109,861	1,990,995
<b>Total assets</b>	<b>4,422,051</b>	<b>4,651,303</b>
<b><u>Liabilities:</u></b>		
Other liabilities	25,039	4,753
<b>Total liabilities</b>	<b>25,039</b>	<b>4,753</b>
<b><u>Deferred inflows of resources:</u></b>		
Unavailable revenue-property taxes	508,769	507,449
<b>Total deferred inflow of resources</b>	<b>508,769</b>	<b>507,449</b>
<b><u>Net position:</u></b>		
Net investment in capital assets	2,109,861	2,137,719
Restricted	111,134	101,238
Unrestricted	1,667,248	1,900,144
<b>Total net position</b>	<b>\$ 3,888,243</b>	<b>\$ 4,139,101</b>

The largest portion of the Town of Blue River's net position (54%) reflects its investment in capital assets (e.g. land, buildings, cisterns, vehicles, and roads). The Town of Blue River uses these capital assets to provide a variety of services to its citizens. Accordingly, these assets are not available for future spending.

An additional portion of the Town of Blue River's net position (2.9%) represents resources that are subject to external restrictions on how they may be used. The remaining balance of \$1,667,248 is unrestricted and may be used to meet the government's ongoing obligations to its citizens and creditors.

At the end of the current fiscal year, the Town of Blue River is able to report a positive balances in net position. The same situation held true for the prior fiscal year.



However, the Town of Blue River's overall net position decreased \$250,858 from the prior fiscal year. The reasons for this overall decrease are discussed in the following sections for governmental activities.



## Town of Blue River's Change in Net Position

<b>Revenues:</b>	<b>2016</b>	<b>2015 restated</b>
Program revenues:		
General government	\$ 30,803	\$ 40,188
Judicial	63,871	78,211
Planning and zoning	101,905	98,906
<b>Public works</b>	119,642	116,357
<b>General revenues:</b>		
<b>\$Property and specific ownership tax</b>	533,436	499,065
Sales, lodging, and other tax	469,879	717,481
Franchise fees	85,626	71,176
Other income	4,567	14,452
<b>Total Revenue</b>	<b>1,409,729</b>	<b>1,635,836</b>
<b>Expenditures/expenses:</b>		
Operating expenses:		
General government	251,450	242,307
Judicial	24,879	25,681
Planning and zoning	26,897	25,421
Public safety	122,541	133,154
Public works	510,517	537,685
<b>Total expenditures and expenses</b>	<b>936,284</b>	<b>964,248</b>
<b>Excess before extraordinary item</b>	<b>473,445</b>	<b>671,588</b>
Extraordinary item	(724,303)	-
<b>Change in net position</b>	<b>(250,858)</b>	<b>671,588</b>
<b>Net position, beginning of the year, restated</b>	<b>4,139,101</b>	<b>3,467,513</b>
<b>\$Net position, end of the year</b>	<b>\$ 3,888,243</b>	<b>\$ 4,139,101</b>

**Governmental Activities.** During the current fiscal year, net position for governmental activities decreased \$250,858 from the prior fiscal year for an ending balance of \$3,888,243. This was primarily due to the repayment of sales tax revenue received in error.

## Financial Analysis of Governmental Funds

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

**Governmental Funds.** The focus of the Town of Blue River's *governmental funds* is to provide information on near-term inflows, outflows, and balances of spendable resources. Such information is useful in assessing the Town of Blue River's financing requirements. In particular, unassigned fund balance may serve as a useful measure of a government's net resources available for discretionary use as they represent the portion of fund balance which has not yet been limited to use for a particular purpose by either an external party, the Town of Blue River itself, or a group or individual that has been delegated authority to assign resources for use for particular purposes by the Town of Blue River's Trustees.

The general fund is the chief operating fund of the Town of Blue River. At the end of the current fiscal year, unassigned fund balance of the general fund was \$1,667,248, while total fund balance decreased to \$1,778,382.

As a measure of the general funds liquidity, it may be useful to compare both unassigned fund balance and total fund balance to total general fund expenditures.

The fund balance of the Town of Blue River's general fund decreased during the current fiscal year. As discussed earlier the decrease was primarily due to the repayment of sales tax revenue received in error.

### **General Fund Budgetary Highlights**

***Original budget compared to final budget.*** During the year, there were no significant amendments to increase either the original estimated revenues or original budgeted appropriations. The most significant differences between estimated revenues and actual revenues were as follows:

<b>Revenue Source</b>	<b>Estimated</b>	<b>Actual</b>	<b>Difference</b>
Sales, Lodging & Other Taxes	\$607,450	\$469,879	\$(137,571)
Licenses & Permits	\$69,000	\$111,012	\$42,012
Other Income	\$10,060	\$30,058	\$19,998
<b>Total Revenues</b>	<b>\$1,482,578</b>	<b>\$1,409,729</b>	<b>\$(72,849)</b>

The short falls in the above revenue were due to the sales tax adjustment. Licenses and permits saw a significant increase.

A review of actual expenditures compared to the appropriations in the final budget yields no significant variances with a few exceptions. Actual expenditures for capital outlay were significantly less due to the cancellation of the Sherwood Forest Road Project. Expenditures were planned for \$752,000. Actual expenditures for cisterns and the cancellation of the road project were \$240,601. A decrease in \$511,399 of planned capital expenses. Public works expenses were down \$110,000.

### **Capital Assets**

The Town of Blue River's investment in capital assets for its governmental activities amounts to \$2,109,861 (net of accumulated depreciation). This investment in capital assets includes land, buildings, cisterns, vehicles, park facilities, roads, and bridges. The total increase in capital assets for the current fiscal year was 63%.

Additional information as well as detailed classification of the Town's net capital assets can be found in the notes to the financial statements starting on page 13.

### **Next Year's Budget**

The following economic factors currently affect the Town and were considered in developing the 2017 fiscal year budget.

- Building and construction in the Town of Blue River continues to be strong looking into 2017.

- More homes are participating and registering for short-term rentals adding to the sales and lodging taxes.
- In a continuing effort to address drainage issues in the Town of Blue River, work is planned on Blue River Road. The goal is to address the drainage issues, potholing and reduce the maintenance cost on the road.
- As part of the community outreach plan, the Town of Blue River, has budgeted and will be installing gateway signage at each end of town.
- As the Town of Blue River grows, so has the staff. A grant has been received to assist with the Town Hall expansion. The expansion will include office space and garage storage.
- During the current fiscal year, the unassigned fund balance was \$1,667,248. The Town of Blue River has appropriated \$576,388 for spending in the capital fund for 2017.

**Request for Information**

This financial report is designed to provide a general overview of the Town of Blue River's finances for all those with an interest in the government's finances. Questions concerning any of the information provided in this report or requests for additional financial information should be addressed to the Town Administrator, 0110 Whispering Pines Circle, Blue River or PO Box 1784, Breckenridge, CO 80424.

## **GOVERNMENT-WIDE FINANCIAL STATEMENTS**

**THE TOWN OF BLUE RIVER**  
**Statement of Net Position**  
**December 31, 2016**

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	<b><u>Total Governmental Activities</u></b>
<b>Assets:</b>	
Cash and investments	\$ 1,750,618
Accounts receivable - taxes and fees	50,049
Due from county treasurer	2,754
Property tax receivable	508,769
Capital assets:	
Non-depreciable	231,135
Depreciable, net	<u>1,878,726</u>
<b>Total assets</b>	<u><u>4,422,051</u></u>
<b>Liabilities:</b>	
Accounts payable	15,311
Accrued liabilities	<u>9,728</u>
<b>Total liabilities</b>	<u><u>25,039</u></u>
<b>Deferred inflows of resources:</b>	
Unavailable revenue - property taxes	<u>508,769</u>
<b>Total deferred inflows of resources</b>	<u><u>508,769</u></u>
<b>Net position:</b>	
Net investment in capital assets	2,109,861
Restricted for enabling legislation	46,804
Restricted for conservation trust fund	64,330
Unrestricted	<u>1,667,248</u>
<b>Total net position</b>	<u><u>\$ 3,888,243</u></u>

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

**THE TOWN OF BLUE RIVER**  
**Statement of Activities**  
**For the Year Ended December 31, 2016**

Functions/Programs:	Expenses	Program Revenues			Net (Expense) Revenue and Changes in Net Position	
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Governmental Activities	Total
<b>Governmental activities:</b>						
General government	\$ 251,450	\$ 10,716	\$ 20,087	\$ -	\$ (220,647)	\$ (220,647)
Judicial	24,879	63,871	-	-	38,992	38,992
Planning and zoning	26,897	101,905	-	-	75,008	75,008
Public safety	122,541	-	-	-	(122,541)	(122,541)
Public works	510,517	25,491	31,016	63,135	(390,875)	(390,875)
<b>Total governmental activities</b>	<b>936,284</b>	<b>201,983</b>	<b>51,103</b>	<b>63,135</b>	<b>(620,063)</b>	<b>(620,063)</b>
<b>General revenues:</b>						
Property and specific ownership taxes					533,436	533,436
Sales, lodging and other taxes					469,879	469,879
Franchise fees					85,626	85,626
Other income					4,567	4,567
<b>Extraordinary item:</b>						
Repayment of sales tax revenue received in error					(724,303)	(724,303)
<b>Total general revenues and extraordinary item</b>					<b>369,205</b>	<b>369,205</b>
<b>Change in net position</b>					<b>(250,858)</b>	<b>(250,858)</b>
<b>Net position - beginning of year, as restated (Note 5)</b>					<b>4,139,101</b>	<b>4,139,101</b>
<b>Net position - end of year</b>					<b>\$ 3,888,243</b>	<b>\$ 3,888,243</b>

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

## **FUND FINANCIAL STATEMENTS**

**THE TOWN OF BLUE RIVER**  
**Balance Sheet**  
**Governmental Funds**  
**December 31, 2016**

	<b>Total Governmental Funds</b>
<b>Assets:</b>	
Cash and investments	\$ 1,750,618
Accounts receivable - taxes and fees	50,049
Due from county treasurer	2,754
Property tax receivable	508,769
<b>Total assets</b>	<b>\$ 2,312,190</b>
<b>Liabilities:</b>	
Accounts payable	\$ 15,311
Accrued liabilities	9,728
<b>Total liabilities</b>	<b>25,039</b>
<b>Deferred inflows of resources:</b>	
Unavailable revenue - property taxes	508,769
<b>Total deferred inflows of resources</b>	<b>508,769</b>
<b>Fund balance:</b>	
Restricted for enabling legislation	46,804
Restricted for conservation trust fund	64,330
Unassigned	1,667,248
<b>Total fund balance</b>	<b>1,778,382</b>
<b>Total liabilities, deferred inflows of resources, and fund balances</b>	<b>\$ 2,312,190</b>
<b>Amounts reported for governmental activities in the statement of net position are different because:</b>	
Total fund balance - governmental funds	1,778,382
Capital assets used in governmental activities are not financial resources and therefore, are not reported in the funds.	2,109,861
<b>Net position of governmental activities</b>	<b>\$ 3,888,243</b>

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



**THE TOWN OF BLUE RIVER**  
**Statement of Revenues, Expenditures, and Changes in Fund Balance**  
**Governmental Funds**  
**For the Year Ended December 31, 2016**

	<b>Total Governmental Funds</b>
<b>Revenues:</b>	
Property and specific ownership tax	\$ 533,436
Sales, lodging and other taxes	469,879
Intergovernmental	114,238
Franchise fees	85,626
Licenses and permits	111,012
Fines and fees	65,480
Other income	30,058
<b>Total revenues</b>	<u>1,409,729</u>
<b>Expenditures:</b>	
Current:	
General government	221,588
Judicial	24,879
Planning and zoning	26,897
Public safety	115,764
Public works	425,421
Capital outlay	240,601
<b>Total expenditures</b>	<u>1,055,150</u>
<b>Excess of revenues over expenditures</b>	<u>354,579</u>
<b>Extraordinary items:</b>	
Repayment of sales tax revenue received in error	(724,303)
<b>Total extraordinary items</b>	<u>(724,303)</u>
<b>Net change in fund balance</b>	(369,724)
<b>Fund balance, beginning of year, as restated (note 5)</b>	2,148,106
<b>Fund balance, end of year</b>	<u><u>\$ 1,778,382</u></u>

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

**THE TOWN OF BLUE RIVER**

**Reconciliation of the Statement of Revenues, Expenditures and Changes in Fund**

**Balance of the Governmental Fund to the Statement of Activities**

**For the Year Ended December 31, 2016**

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	<b>Total Governmental Funds</b>
	<hr/>
<b>Net change in fund balance of the governmental fund</b>	\$ (369,724)
 Amounts reported for governmental activities in the statement of activities are different because:	
 Governmental funds report capital outlays as expenditures. However, in the statement of activities, the cost of those assets is allocated over their estimated useful lives as depreciation expense. This is the amount by which depreciation exceeds capital outlay in the current year.	
	118,866
	<hr/>
<b>Change in net position of governmental activities</b>	<b>\$ (250,858)</b>
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The accompanying notes are an integral part of this financial statement.

**THE TOWN OF BLUE RIVER****Statement of Revenues, Expenditures, and Changes in Fund Balance - Budget and Actual****General Fund****For the Year Ended December 31, 2016**

	<b>Original and Final Budget</b>	<b>Actual</b>	<b>Variance Positive (Negative)</b>
<b>Revenues:</b>			
Property and specific ownership tax	\$ 532,268	\$ 533,436	\$ 1,168
Sales, lodging and other taxes	607,450	469,879	(137,571)
Intergovernmental	120,000	114,238	(5,762)
Franchise fees	80,000	85,626	5,626
Licenses and permits	69,000	111,012	42,012
Fines and fees	63,800	65,480	1,680
Other income	10,060	30,058	19,998
<b>Total revenues</b>	<b>1,482,578</b>	<b>1,409,729</b>	<b>(72,849)</b>
<b>Expenditures:</b>			
General government	226,691	221,588	5,103
Judicial	24,200	24,879	(679)
Planning and zoning	13,400	26,897	(13,497)
Public safety	114,750	115,764	(1,014)
Public works	535,800	425,421	110,379
Capital outlay	752,000	240,601	511,399
<b>Total expenditures</b>	<b>1,666,841</b>	<b>1,055,150</b>	<b>611,691</b>
<b>Excess of revenues over expenditures</b>	<b>(184,263)</b>	<b>354,579</b>	<b>538,842</b>
<b>Extraordinary items:</b>			
Repayment of sales tax revenue received in error	-	(724,303)	(724,303)
<b>Total extraordinary items</b>	<b>(184,263)</b>	<b>(369,724)</b>	<b>(185,461)</b>
<b>Fund balance, beginning of year</b>	<b>1,877,821</b>	<b>2,148,106</b>	<b>270,285</b>
<b>Fund balance, end of year</b>	<b>\$ 1,693,558</b>	<b>\$ 1,778,382</b>	<b>\$ 84,824</b>

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

## **NOTES TO FINANCIAL STATEMENTS**

**1. Summary of Significant Accounting Policies**

The accounting policies of the Town of Blue River (the Town) conform to accounting principles generally accepted in the United States of America as applicable to governments (US GAAP). 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 such significant policies consistently applied in the preparation of the Town's financial statements.

**Reporting Entity**

The Town is a statutory town (a municipal corporation), as defined by Colorado Revised Statutes, and is governed by an elected six-member Board of Trustees and an elected Mayor. The Town provides general government, judicial, public safety and public works (roads and streets).

The Town complies with GASB, Statement No. 61, "*The Financial Reporting Entity: Omnibus an amendment of GASB Statements No. 14 and No. 34*" and GASB Statement No. 39, "*Determining Whether Certain Organizations Are Component Units*". These statements establish standards for defining and reporting on the financial reporting entity. It defines component units as legally separate entities for which the officials of the primary government are financially accountable and other organizations for which the nature and significance of their relationship with the primary government are such that exclusion would cause the reporting entity's financial statements to be misleading or incomplete. The Town has no component units as defined by the GASB.

**Basis of Presentation**

While separate government-wide and fund financial statements are presented, they are interrelated. The government-wide financial statements (i.e. the statement of net position and the statement of activities) report information on all of the governmental activities of the Town which are financed primarily by taxes such as property and sales taxes, franchise fees, and charges for services.

The Statement of Activities demonstrates the degree to which the direct expenses of a given function or segment are offset by general and program revenues. Direct expenses are those that are clearly identifiable within a specific function or program. Program revenues include 1) fees or charges to citizens and other governmental entities that receive or directly benefit from services provided by a given function or program, and 2) grants, contributions and other revenues that are restricted to use in the operational or capital requirements of a specific function or program. Other revenues not directly related to a particular function or program, if any, are reported separately as general revenues. The Town does not have proprietary or fiduciary funds.

The fund financial statements provide information about the government's funds.

**Measurement Focus, Basis of Accounting and Financial Statement Presentation**

The accounting and financial reporting treatment is determined by the applicable measurement focus and basis of accounting. Measurement focus indicates the type of resources being measured such as current financial resources or economic resources. The basis of accounting indicates the timing of transactions or events for recognition in the financial statements.

1. **Summary of Significant Accounting Policies (continued)**

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

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

Governmental fund financial statements are reported using the *current financial resources measurement focus* and the *modified accrual basis of accounting*. Revenues are recognized as soon as they are both measurable and available. Revenues are considered *available* when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the Town considers revenues available if they are collected within 60 days of the end of the current fiscal period. Expenditures generally are recorded when a liability is incurred, as under accrual accounting. The exceptions to this general rule are that principal and interest on general long-term debt and expenditures related to compensated absences are recognized when due.

The Town reports the following governmental fund:

**General Fund** – is the Town's primary operating fund. It accounts for all financial resources of the Town.

**Assets, Liabilities, Deferred Outflows/Inflows of Resources, and Net Position/Fund Balance**

**Deposits and Investments**

Investments are reported at fair value.

**Accounts Receivable**

Accounts receivable consist of sales and lodging tax and franchise fees due as of December 31, 2016. The Town's policy is to establish an allowance for uncollectible accounts based on historical experience and individual analysis of accounts. The Town considers all receivables collectible as of December 31, 2016.

**Property Taxes**

Property taxes are levied annually and attach as an enforceable lien on property as of January 1. At the option of the taxpayer, property taxes may be paid in full or in two equal installments. The first of such installment is to be paid as of February 28 and the second installment is to be paid no later than June 15. If elected to be paid in full, the amount is to be paid no later than April 30. If payments are not made timely, delinquent interest accrues. If the taxes are not paid within subsequent statutory periods, the property tax lien will be sold at public auction. The County bills and collects the property taxes and remits collections to the Town on a monthly basis. No provision has been made for uncollected taxes, as all taxes are deemed collectible.

1. **Summary of Significant Accounting Policies (continued)**

**Assets, Liabilities, Deferred Outflows/Inflows of Resources, and Net Position/Fund Balance (continued)**

**Property Taxes (continued)**

Property taxes are recorded initially as deferred inflows in the year they are levied and measurable since they are not normally available nor are they budgeted as a resource until the subsequent year. These amounts are recorded as revenue in the subsequent year when they are available or collected.

**Capital Assets**

Capital assets, which include land, buildings, improvements other than buildings, furnishings, vehicles and equipment, and infrastructure, are reported in the applicable governmental column in the government-wide financial statements. Capital assets are defined by the Town as assets with an initial cost of \$5,000 or more and an estimated useful life in excess of one year. Such assets are recorded at historical cost. Donated capital assets are recorded at the estimated fair value at the date of donation. Capital expenditures for projects are capitalized as constructed.

Normal maintenance and repairs that do not add value to assets or materially extend the life of assets are not capitalized. Improvements are capitalized and depreciated over the remaining useful lives of the capital assets. Depreciation is reported as a current charge in the statement of activities.

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

<b><u>Assets</u></b>	<b><u>Years</u></b>
Buildings	40
Improvements other than buildings	20
Furnishings, vehicles and equipment	5-7
Infrastructure	40-59

**Deferred Outflows/Inflows of Resources**

In addition to assets, the statement of net position will sometimes report a separate section for deferred outflows of resources. This separate financial statement element, *deferred outflows of resources*, represents a consumption of net position that applies to a future period(s) and so will *not* be recognized as an outflow of resources (expense/expenditure) until then. In the current year, the Town did not have any items in this reporting category.

In addition to liabilities, the statement of net position will sometimes report a separate section for deferred inflows of resources. This separate financial statement element, *deferred inflows of resources*, represents an acquisition of net position that applies to a future period(s) and so will *not* be recognized as inflow of resources (revenue) until that time frame. The Town has one item that qualifies for reporting in this category, *unavailable revenue-property taxes*. These amounts are deferred and recognized as an inflow of resources in the period that the amount becomes available.

1. **Summary of Significant Accounting Policies (continued)**

**Assets, Liabilities, Deferred Outflows/Inflows of Resources, and Net Position/Fund Balance (continued)**

**Fund Balance**

In the fund financial statements, governmental funds report aggregate amounts for five classes of fund balances on the constraints imposed on the use of these resources. The nonspendable fund balance classification includes amounts that cannot be spent because they are either (a) not spendable in form which include items such as prepaid items or inventories; or (b) legally or contractually required to be maintained intact.

The spendable portion of the fund balance comprises the remaining four classifications: restricted, committed, assigned, and unassigned.

*Restricted fund balance.* This classification reflects the constraints imposed on resources either (a) externally by creditors, grantors, contributors, or laws or regulations of other governments; or (b) imposed by law through constitutional provisions or enabling legislation.

*Committed fund balance.* These amounts can only be used for specific purposes pursuant to constraints imposed by formal resolutions of the Town's highest level of decision making authority. As of December 31, 2016, the Town had not adopted a policy for committed fund balance.

*Assigned fund balance.* This classification reflects the amounts constrained by the Town's intent to be used for specific purposes, but are neither restricted nor committed. Assigned fund balances include all remaining amounts (except negative balances) that are reported in governmental funds, other than the General Fund, that are not classified as nonspendable and are neither restricted nor committed. As of December 31, 2016, the Town had not adopted a policy designating Town personnel to determine amounts that may be assigned.

*Unassigned fund balance.* This fund balance is the residual classification for the General Fund. It is also used to report negative fund balances in other governmental funds.

When an expenditure is incurred for purposes for which both restricted and unrestricted fund balance is available, the Town considers restricted funds to have been spent first. Although not included in a formal policy, the Town considers decreases in fund balance to first reduce committed, then assigned, and then unassigned balances, in that order.

**Net Position**

Net position represents the difference between assets and deferred outflows of resources, and liabilities and deferred inflows of resources. Net investment in capital assets consists of capital assets, net of accumulated depreciation, reduced by the outstanding balances of any borrowing used for the acquisition, construction or improvement of those assets. Net position is reported as restricted when there are limitations imposed on their use either through enabling legislation or through external restrictions imposed by creditors, grantors, laws or regulations of other governments.

Sometimes the government will fund outlays for a particular purpose from both restricted and unrestricted resources. In order to calculate the amounts to report as restricted-net position and unrestricted-net position in the government-wide financial statements, a flow assumption must be made about the order in which resources are considered to be applied. It is the Town's policy to consider restricted-net position to have been depleted before unrestricted-net position is applied.



**1. Summary of Significant Accounting Policies (continued)**

**Assets, Liabilities, Deferred Outflows/Inflows of Resources, and Net Position/Fund Balance (continued)**

**Use of Estimates**

The preparation of financial statements in conformity with US GAAP requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amount of revenues and expenses during the reporting period. Actual results could differ from those estimates.

**2. Stewardship, Compliance, and Accountability**

**Budgets and Budgetary Accounting**

Budgets are adopted on a basis consistent with US GAAP. State law requires the Town to adopt annual appropriated budgets for all funds.

The Town conforms to the following procedures, in compliance with Colorado Revised Statutes, in establishing the budgetary data reflected in the financial statements:

On or before October 15 of each year, the Town's administrator submits to the Board of Trustees a recommended budget which details the necessary property taxes needed along with other available revenues to meet the Town's operating requirements.

After a required publication of "Notice of Proposed Budget" and a public hearing, the Town adopts the proposed budget and an appropriating resolution, which legally appropriates expenditures for the upcoming year.

After adoption of the budget resolution, the Town may make the following changes: (a) it may transfer appropriated monies between funds or between spending agencies within a fund, as determined by the original appropriation level; (b) it may approve supplemental appropriations to the extent of revenues in excess of the estimated revenues in the budget; (c) it may approve emergency appropriations; and (d) it may approve the reduction of appropriations for which originally estimated revenues are insufficient. The budget is only amended in conformity with Colorado Revised Statutes which allows the Town to amend the budget and adopt a supplementary appropriation if money for a specific purpose, other than ad valorem taxes, becomes available to meet a contingency.

The level of control in the budget at which expenditures exceeded appropriations is at the fund level. All appropriations lapse at year end.

**3. Detailed Notes on the Funds**

**Deposits and Investments**

The following is a summary of deposits and investments held by the Town as of December 31, 2016:

<b>Type</b>	<b>Ratings per Standards &amp; Poor's</b>	<b>Fair Value as of December 31, 2016</b>
Deposits		\$ 1,749,579
CSAFE	AAAm	100
COLOTRUST	AAAm	939
Total		\$ 1,750,618

**Cash Deposits**

The Colorado Public Deposit Protection Act (PDPA) requires that all units of local government deposit cash in eligible public depositories. State regulators determine eligibility. Amounts on deposit in excess of federal insurance levels must be collateralized. The eligible collateral is determined by the PDPA. PDPA allows the institution to create a single collateral pool for all public funds. 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 a minimum of 102% of the aggregate uninsured deposits.

The State Commissioners for banks and financial services are required by state statute to monitor the naming of eligible depositories and reporting the uninsured deposits and assets maintained in collateral pools.

**Investments**

The Town had not adopted a formal investment policy; however, it follows state statutes regarding investments. The Town did adopt an investment policy subsequent to year end.

As of December 31, 2016, the Town invested in the Colorado Local Governmental Liquid Asset Trust (COLOTRUST), a local government investment vehicle established for local governmental entities in Colorado to pool surplus funds. As an investment pool, COLOTRUST operates under the Colorado Revised Statutes (24-75-701) and is overseen by the Colorado Securities Commissioner. COLOTRUST limits its investments to those allowed by State statutes. Purchases and redemptions are available daily at a net asset value (NAV) of \$1.00. A designated custodial bank provides safekeeping and depository services to COLOTRUST in connection with the direct investment and withdrawal function of COLOTRUST. The custodian's internal records segregate investments owned by the participating governments. COLOTRUST records its investments at fair value and the District records its investment in COLOTRUST using the net asset value method. There are no unfunded commitments, the redemption frequency is daily and there is no redemption notice period.

As of December 31, 2016, the Town also invested in Colorado Surplus Asset Fund Trust (CSAFE) which is an investment vehicle established by state statute for local governmental entities to pool surplus assets. The Trust is similar to a money market fund with each share valued at \$1.00. CSAFE limits its investments to those allowed by state statute. A designated custodial bank provides safekeeping and depository services to CSAFE in connection with the direct investment and withdrawal function of CSAFE. The custodian's internal records segregate investments owned by the participating governments. CSAFE records its investments at amortized cost.

3. **Detailed Notes on the Funds (continued)**

**Investments (continued)**

**Custodial Credit Risk:** As of December 31, 2016, all of the Town's deposits and investments were insured by the Federal Deposit Insurance Corporation or held in eligible public depositories as required by PDPA.

**Interest Rate Risk:** Colorado Revised Statutes (CRS) limit investment maturities to five years or less unless formally approved by the Board of Trustees.

**Credit Risk:** Generally, credit risk is the risk that an issuer of an investment will not fulfill its obligation to the holder of the investment. The Town follows the general provisions of the Colorado Revised Statutes (CRS) which limits the Town's exposure to credit risk. CRS specify investment instruments meeting defined rating and risk criteria in which local governmental entities may invest. The allowed investments may include but are not limited to the following:

- Certain money market funds
- Certain certificates of deposit
- Local government investment pools

**Capital Assets**

Capital asset activity for the year ended December 31, 2016 was as follows:

	Beginning Balance, restated	Increases	Decreases	Ending Balance
Capital assets not being depreciated:				
Land	\$ 231,135	\$ -	\$ -	\$ 231,135
Total capital assets, not being depreciated	231,135	-	-	231,135
Capital assets being depreciated:				
Buildings	379,297	-	-	379,297
Improvements other than buildings	44,882	-	-	44,882
Furnishings, vehicles and equipment	177,730	-	-	177,730
Infrastructure	1,557,977	186,558	-	1,744,535
Total capital assets being depreciated	2,159,886	186,558	-	2,346,444
Less accumulated depreciation for:				
Buildings	(120,837)	(9,482)	-	(130,319)
Improvements other than buildings	(10,098)	(2,244)	-	(12,342)
Furnishings, vehicles and equipment	(155,517)	(34,545)	-	(190,062)
Infrastructure	(113,574)	(21,421)	-	(134,995)
Total accumulated depreciation	(400,026)	(67,692)	-	(467,718)
Total capital assets being depreciated, net	1,759,860	118,866	-	1,878,726
<b>Capital assets, net</b>	<b>\$ 1,990,995</b>	<b>\$ 118,866</b>	<b>\$ -</b>	<b>\$ 2,109,861</b>

**3. Detailed Notes on the Funds (continued)**

**Capital Assets (continued)**

Depreciation expense was charged to the functions of the District as follows:

Governmental activities:	
General government	\$ 26,372
Public works	34,544
Public safety	6,776
Total depreciation expense – governmental activities	\$ <u>67,692</u>

**4. Other Information**

**TABOR Amendment - Revenue and Spending Limitation Amendment**

In November 1992, Colorado voters amended Article X of the Colorado Constitution by adding Section 20 commonly known as the Taxpayer's Bill of Rights ("TABOR"). TABOR contains revenue, spending, tax and debt limitations that apply to the State of Colorado and local governments. Spending and revenue limits are determined based upon inflation and local growth. Fiscal Year Spending is generally defined as expenditures plus reserve increases with certain exceptions. Revenue in excess of the Fiscal Year Spending limit must be refunded unless the voters approve retention of such revenue.

On November 7, 1995, a majority of the Town's electors passed a ballot question. The ballot question authorized the Town to "collect and increase fiscal year spending such that the full revenue generated during 1994 and each subsequent year thereafter by its existing mill levy, without any increase in general property taxes, may be expended without any limitation under Article X, Section 20 of the Colorado Constitution for (a) snow removal; (b) road maintenance; (c) police protection; (d) other municipal services; and without limiting in any year the amount of other revenues that may be collected and spent by the Town of Blue River, Colorado under Article X, Section 20 to the Colorado Constitution or any other law provided there shall be no increase in the Town's present mill levy of 12.325 mills, unless approved by a majority of voters voting on any such increase.

TABOR also requires local governments to establish emergency reserves to be used for declared emergencies only. Emergencies, as defined by TABOR, exclude economic conditions, revenue shortfalls, or salary or fringe benefit increases. These reserves must be at least 3% of Fiscal Year Spending (excluding bonded debt service, federal grants and sales of assets). The Town has reserved a portion of its December 31, 2016 year-end fund balance in the General Fund for emergencies as required under TABOR of \$46,804 which is the approximate required reserve as of December 31, 2016.

The Town's management believes it is in compliance with the provisions of TABOR, as it is currently understood. However, TABOR is complex and subject to interpretation. Many of the provisions may not become fully understood without judicial review.

**Risk Management**

The Town is exposed to various risks of loss related to workers compensation, general liability, unemployment, torts, theft of, damage to, and destruction of assets, and errors and omissions. The Town has acquired commercial coverage for these risks and claims, if any, and are not expected to exceed the commercial insurance coverage.

**4. Other Information (continued)**

**Related Parties**

For the year ended December, 31, 2016, one member of the board of trustees was paid \$63,733 for building official services for the year ended December 31, 2016. As of December 31, 2016, no amounts were due under this agreement. The related trustee was a trustee through May 2016.

**Conservation Trust**

The Town receives funds from the Colorado state lottery which are restricted to expenditures related to parks, trails, etc. For the year ended December 31, 2016, the Town received \$9,890 in conservation trust revenue. The Town properly restricts the unspent conservation trust funds. The amount restricted as of December 31, 2016 amounted to \$64,330.

**5. Prior period adjustments**

The accompanying financial statements reflect adjustments resulting from a restatement of beginning fund balance of the general fund and of the statement of net position as of December 31, 2015, as follows:

- (a) An increase in fund balance of the general fund and the statement of net position of \$59,614 to reflect an adjustment for an accounting error. The Town did not properly accrue for grant fund revenue earned as of December 31, 2015. This resulted in the Town understating the receivable and revenue balance as of December 31, 2015 in the amount of \$59,614.
- (b) A decrease in the statement of net position of \$146,723 to reflect an adjustment for an accounting error. The Town did not properly reflect capital assets as of December 31, 2015. The Town inadvertently had not depreciated certain assets such as streets and playground equipment. This resulted in the Town overstating net capital assets in the amount of \$146,723 as of December 31, 2015.

The following schedule summarizes the effect of the prior period adjustments to the beginning fund balance and net position as of December 31, 2015:

	<b><u>General Fund</u></b>	<b><u>Net Position</u></b>
Beginning of year, as previously reported	\$ 2,088,492	\$ 4,226,210
Increase for grant revenue error	59,614	59,614
Decrease for capital asset error	-	(146,723)
Net prior period adjustments	<u>59,614</u>	<u>(87,109)</u>
Beginning of year, as restated	\$ <u>2,148,106</u>	\$ <u>4,139,101</u>

**6. Reconciliation of Government-Wide and Fund Financial Statements**

**Explanation of Differences between the Governmental Funds Balance Sheet and the Government-Wide Statement of Net Position**

The governmental funds balance sheet includes reconciliation between fund balance-total governmental funds and net position-governmental activities as reported in the government-wide statement of net position. Explanation of the reconciling item is as follows:

Capital assets of \$2,577,579, less accumulated depreciation of \$467,718 or a net book value of \$2,109,861 are not financial resources and therefore are not reported in the funds.

**Explanation of Differences between the Governmental Funds Statement of Revenues, Expenditures and Changes in Fund Balances and the Government-Wide Statement of Activities**

The governmental fund statement of revenues, expenditures, and changes in fund balances includes a reconciliation between net changes in fund balances – total governmental funds and changes in net position of governmental activities as reported in the government-wide statement of activities. Explanation of the reconciling item is as follows:

Governmental funds report capital outlay as expenditures. However, in the statement of activities, the cost of those assets is allocated over their estimated useful lives as depreciation expense. The details of this difference are as follows:

Depreciation expense	\$ (67,692)
Capital outlay	186,558
Net adjustment	<u>\$ 118,866</u>

<b>LOCAL HIGHWAY FINANCE REPORT</b>	STATE: Colorado YEAR ENDING (mm/yy): 12/16
This Information From The Records Of: Town of Blue River	Prepared By: Michelle Eddy

**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		2,530	33,358	
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		2,530	33,358	

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

ITEM	AMOUNT	ITEM	AMOUNT
<b>A. Receipts from local sources:</b>		<b>A. Local highway expenditures:</b>	
1. Local highway-user taxes		1. Capital outlay (from page 2)	35,307
a. Motor Fuel (from Item I.A.5.)		2. Maintenance:	127,783
b. Motor Vehicle (from Item I.B.5.)	2,530	3. Road and street services:	
c. Total (a.+b.)	2,530	a. Traffic control operations	
2. General fund appropriations		b. Snow and ice removal	171,333
3. Other local imposts (from page 2)	324,816	c. Other	1,641
4. Miscellaneous local receipts (from page 2)	63,871	d. Total (a. through c.)	172,974
5. Transfers from toll facilities		4. General administration & miscellaneous	24,079
6. Proceeds of sale of bonds and notes:		5. Highway law enforcement and safety	66,962
a. Bonds - Original Issues		6. Total (1 through 5)	427,106
b. Bonds - Refunding Issues		<b>B. Debt service on local obligations:</b>	
c. Notes		1. Bonds:	
d. Total (a. + b. + c.)		a. Interest	
7. Total (1 through 6)	391,217	b. Redemption	
<b>B. Private Contributions</b>		c. Total (a. + b.)	
<b>C. Receipts from State government</b> (from page 2)	35,889	2. Notes:	
<b>D. Receipts from Federal Government</b> (from page 2)		a. Interest	
<b>E. Total receipts (A.7 + B + C + D)</b>	427,106	b. Redemption	
		c. Total (a. + b.)	
		3. Total (1.c + 2.c)	
		<b>C. Payments to State for highways</b>	
		<b>D. Payments to toll facilities</b>	
		<b>E. Total expenditures (A.6 + B.3 + C + D)</b>	427,106

**IV. LOCAL HIGHWAY DEBT STATUS**

(Show all entries at par)

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

Notes and Comments:

<b>LOCAL HIGHWAY FINANCE REPORT</b>		STATE: <a href="#">Colorado</a>	
		YEAR ENDING (mm/yy): <a href="#">12/16</a>	

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	267,460	a. Interest on investments	
b. Other local imposts:		b. <a href="#">Traffic Fines/Penalties</a>	63,871
1. Sales Taxes		c. (Specify)	
2. <a href="#">Specific Ownership Tax</a>	26,606	d. (Specify)	
3. <a href="#">County Road/Bridge</a>		e. (Specify)	
4. <a href="#">Road/Bridge</a>	30,750	f. (Specify)	
5. (Specify)		g. (Specify)	
6. Total (1. through 5.)	57,356	h. (Specify)	
c. Total (a. + b.)	324,816	i. Total (a. through h.)	63,871
(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 (from Item I.C.5.)	33,358	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. <a href="#">Motor Vehicle Registrations</a>	2,530	c. HUD	
c. (Specify)		d. (Specify)	
d. (Specify)		e. (Specify)	
e. (Specify)		f. (Specify)	
f. Total (a. through e.)	2,530	g. Total (a. through f.)	
4. Total (1. + 2. + 3.f)	35,889	3. Total (1. + 2.g)	
(Carry forward to page 1)		(Carry forward to page 1)	

III. EXPENDITURES 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			
b. Engineering Costs		35,307	35,307
c. Construction:			
(1). New Facilities			
(2). Capacity Improvements			
(3). System Preservation			
(4). System Enhancement And Operation			
(5). Total Construction (1)+(2)+(3)+(4)			
d. Total Capital Outlay (Lines 1.a. + 1.b. + 1.c.4)		35,307	35,307
	(Carry forward to page 1)		

**Notes and Comments:**