

TOWN OF KEENESBURG, COLORADO
FINANCIAL STATEMENTS
YEAR ENDED DECEMBER 31, 2020

TABLE OF C O N T E N T S

Independent Auditors' Report	<i>i – ii</i>
Management's Discussion and Analysis	<i>iii - xi</i>
BASIC FINANCIAL STATEMENTS	
<u>Government-Wide Financial Statements</u>	
Statement of Net Position	1
Statement of Activities	2
FUND FINANCIAL STATEMENTS	
<u>Governmental Funds</u>	
Balance Sheet	3
Reconciliation of the Governmental Funds Balance Sheet to the Statement of Net Position	4
Statement of Revenues, Expenditures and Changes in Fund Balance	5
Reconciliation of the Statement of Revenues, Expenditures and Changes in Fund Balances of Governmental Funds to the Statement of Activities	6
<u>Proprietary Funds</u>	
Statement of Net Position	7
Statement of Revenues, Expenses and Changes in Net Position	8
Statement of Cash Flows	9
NOTES TO THE BASIC FINANCIAL STATEMENTS	10 - 24
REQUIRED SUPPLEMENTARY INFORMATION	
Schedule of Revenues, Expenditures and Changes in Fund Balance – Budget and Actual – GAAP Budget Basis – General Fund	25 - 27
Schedule of Revenues, Expenditures and Changes in Fund Balance – Budget and Actual – GAAP Budget Basis – Impact Fee Fund Special Revenue Fund	28

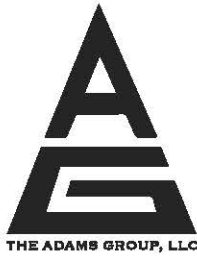
TABLE OF C O N T E N T S - (CONTINUED)

SUPPLEMENTARY INFORMATION

Schedule of Revenues, Expenditures and Changes in Fund Balance – Budget and Actual – GAAP Budget Basis – Capital Improvements Fund	29
Schedule of Revenues, Expenditures and Changes in Fund Balance – Budget and Actual – GAAP Budget Basis – Conservation Trust Fund Special Revenue Fund	30
Schedule of Revenues, Expenditures and Changes in Fund Balance – Budget and Actual – Non-GAAP Budget Basis – Waterworks Fund	31 - 32
Schedule of Revenues, Expenditures and Changes in Fund Balance – Budget and Actual – Non-GAAP Budget Basis – Wastewater Fund	33 - 34

Compliance Section

State Compliance Local Highway Finance Report	35 - 36
--	---------



CERTIFIED PUBLIC ACCOUNTANTS

INDEPENDENT AUDITORS' REPORT

Honorable Mayor and Members of the Board of Trustees
Town of Keenesburg
Keenesburg, Colorado

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the Town of Keenesburg, Colorado (the Town) as of and for the year ended December 31, 2020, and the related notes to the financial statements, which collectively comprise the Town's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

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

Auditors' Responsibility

Our responsibility is to express opinions on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free 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 auditors' judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

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

Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the Town as of December 31, 2020, and the respective changes in financial position and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Emphasis of a Matter

As discussed in Note 12 to the financial statements, an adjustment was made to the beginning net position balance of governmental activities and fund balance of the capital improvement fund to correct errors in the prior year financial statements related to sales tax receivables. Our opinions were not modified with respect to this restatement.

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 budgetary comparison schedules as 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 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 budgetary comparison schedules and the local highway finance report are presented for purposes of additional analysis and are not a required part of the financial statements.

The budgetary comparison schedules and the local highway finance report are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling 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 budgetary comparison schedules and the local highway finance report are fairly stated in all material respects in relation to the basic financial statements as a whole.

The Adams Group, LLC

June 2, 2021
Denver, Colorado

TOWN OF KEENESBURG
MANAGEMENT'S DISCUSSION AND ANALYSIS

Town of Keenesburg, Colorado's (the Town) discussion and analysis offers readers of the Town's financial statements a narrative overview and analysis of the Town's financial activities for the fiscal year ended December 31, 2020. We encourage readers to consider the information presented here in conjunction with additional information that we have furnished in the financial statements and the notes to the financial statements.

Financial Highlights

- The Town's assets exceeded its liabilities and deferred inflows of resources at December 31, 2020 by \$18,597,151. Of this amount, \$9,919,549 (unrestricted net position) may be used to meet the Town's ongoing obligations to citizens, creditors, and enterprise fund customers.
- The Town's total net position increased by \$8,301,431 over the previous year. The increase was a result of significant increases in building permit revenue, raw water acquisition revenue and other revenue streams directly related to capital development.
- At December 31, 2020, the Town's governmental fund balance sheet reported a combined ending fund balance of \$3,822,568, an increase of \$2,269,364 when compared to the prior year.
- The General Fund reported a fund balance of \$2,009,793, an increase of \$1,178,512 from the prior fiscal year as a result of increased tax revenues.
- The Town's total outstanding long-term debt decreased by \$122,791 in fiscal year 2020 as a result of scheduled principal payments on outstanding debt.

Overview of the Financial Statements

This discussion and analysis is intended to serve as an introduction to the Town's basic financial statements. The basic financial statements 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 required supplementary information and 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's finances, in a manner similar to a private-sector business.

The statement of net position presents information on all of the Town's assets and liabilities and deferred inflows of resources, 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 is improving or deteriorating.

The statement of activities presents information showing how the Town's net position changed during the most recent fiscal year.

TOWN OF KEENESBURG
MANAGEMENT'S DISCUSSION AND ANALYSIS

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 (such as, uncollected taxes and earned but unused vacation leave).

Both of the government-wide financial statements distinguish functions of the Town 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 Town's governmental activities include general government, public safety, public works, health and welfare, and park and recreation. The Town's business-type activities include a water and wastewater utility system.

Fund financial statements. A fund is a grouping of related accounts that are used to maintain control over resources that have been segregated for specific activities or objectives. The Town, 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 can be divided into two categories: governmental funds and proprietary 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 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 maintains four individual governmental funds. Information is presented separately in the governmental funds balance sheet and in the governmental fund statement of revenues, expenditures, and changes in fund balances for the General Fund, Impact Fee Fund, Capital Improvements Fund, and the Conservation Trust Fund. The General Fund, Impact Fee Fund and the Capital Improvements Fund are all considered to be major funds in the current year.

The Town adopts an annual appropriated budget for all funds, as required by State Statutes. Budgetary comparison statements have been provided for governmental funds to demonstrate compliance with the budget.

Proprietary funds. The Town 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 uses enterprise funds to account for its water and wastewater utility system.

TOWN OF KEENESBURG
MANAGEMENT'S DISCUSSION AND ANALYSIS

Financial statements of proprietary funds provide the same type of information as the government wide financial statements, but in greater detail. The proprietary fund financial statements provide separate information for the Town's water and wastewater, each of which is considered to be major fund of the Town.

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.

Other information. In addition to the basic financial statements and accompanying notes, this report also presents certain supplementary information concerning budgetary comparison information.

Government-wide Financial Analysis

As noted earlier, net position may serve over time as a useful indication of a government's financial position. The Town's assets exceeded its liabilities and deferred inflows of resources by \$18,597,151 at the close of the most recent fiscal year, representing an increase in total net position for the year amounting to \$8,301,431.

One of the largest portions of the Town's net position (45.2%) reflects its investment in capital assets (for example, land, buildings, infrastructure, and machinery and equipment); less any related debt used to acquire those assets that is still outstanding. The Town uses these capital assets to provide services to citizens; consequently, these assets are not available for future spending. Although the Town'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 because the capital assets themselves cannot be used to liquidate these liabilities.

TOWN OF KEENESBURG
MANAGEMENT'S DISCUSSION AND ANALYSIS

Town of Keenesburg Net Position

	Governmental Activities		Business-Type Activities		Total	
	2020	2019*	2020	2019	2020	2019
Assets						
Current and other assets	\$ 4,792,207	\$ 2,992,188	\$ 6,650,428	\$ 1,415,991	\$ 11,442,635	\$ 4,408,179
Capital assets	3,565,760	3,125,410	6,399,652	5,981,972	9,965,412	9,107,382
Total assets	<u>8,357,967</u>	<u>6,117,598</u>	<u>13,050,080</u>	<u>7,397,963</u>	<u>21,408,047</u>	<u>13,515,561</u>
Liabilities						
Current liabilities	654,152	1,198,048	283,803	109,207	937,955	1,307,255
Long-term liabilities	549,063	610,000	1,008,391	1,059,175	1,557,454	1,669,175
Total liabilities	<u>1,203,215</u>	<u>1,808,048</u>	<u>1,292,194</u>	<u>1,168,382</u>	<u>2,495,409</u>	<u>2,976,430</u>
Deferred inflows of resources						
Deferred property taxes	315,487	315,126	-	-	315,487	315,126
Net position:						
Net investment in capital assets	3,020,760	2,515,410	5,398,267	4,922,797	8,419,027	7,438,207
Restricted	254,299	174,383	4,276	2,224	258,575	176,607
Unrestricted	3,564,206	1,304,631	6,355,343	1,304,560	9,919,549	2,609,191
Total net position	<u>\$ 6,839,265</u>	<u>\$ 3,994,424</u>	<u>\$ 11,757,886</u>	<u>\$ 6,229,581</u>	<u>\$ 18,597,151</u>	<u>\$ 10,224,005</u>

*Prior year balances have not been restated as result of prior period adjustment. See Note 12.

An additional portion of the Town's net position (1.4%) represents resources that are subject to restrictions on how they may be used, most of which are restrictions imposed from external sources. The remaining 53% of total net position, \$9,919,549, represents unrestricted net position that may be used to meet the government's ongoing obligations to citizens, creditors, and customers within the respective governmental and business-type activities.

At the end of the current fiscal year, as in the prior year, the Town is able to report positive balances in all three categories of net position as a whole and individually within the governmental and business-type activities. Unrestricted net position increased by \$7,310,355 compared with the prior year, largely due to a significant increase in revenues associated with building permits and raw water acquisition revenue. Despite the struggling economy, the Town's finances are strong, sound, and stable because of solid, dedicated and committed financial management.

The changes in net position displayed subsequently shows the governmental and business-type activities during the previous two fiscal years. The increase in net position for each year represents the extent to which expenses were less than revenues during the year.

**TOWN OF KEENESBURG
MANAGEMENT'S DISCUSSION AND ANALYSIS**

Town of Keenesburg Changes in Net Position

	Governmental Activities		Business-Type Activities		Total	
	2020	2019*	2020	2019	2020	2019
Revenues:						
Program revenues:						
Charges for services	\$ 224,192	\$ 176,920	\$ 3,134,201	\$ 1,048,752	\$ 3,358,393	\$ 1,225,672
Operating grants and contributions	95,971	-	-	1,626,336	95,971	1,626,336
Capital grants and contributions	1,185,528	-	3,289,293	-	4,474,821	-
General revenues:						
Property taxes	312,204	240,776	-	-	312,204	240,776
Other taxes	1,901,063	2,516,265	-	-	1,901,063	2,516,265
Other	548,208	259,053	153,809	4,034	702,017	263,087
Total revenues	<u>4,267,166</u>	<u>3,193,014</u>	<u>6,577,303</u>	<u>2,679,122</u>	<u>10,844,469</u>	<u>5,872,136</u>
Expenses:						
General government	574,598	487,277	-	-	574,598	487,277
Public safety	440,574	174,350	-	-	440,574	174,350
Public works	310,913	161,515	-	-	310,913	161,515
Health and welfare	121,189	18,275	-	-	121,189	18,275
Culture and recreation	28,954	23,518	-	-	28,954	23,518
Depreciation*	-	151,099	-	196,835	-	347,934
Interest on long-term debt*	17,812	19,710	-	43,920	17,812	63,630
Sales tax rebate	-	1,434,905	-	-	-	1,434,905
Water and sewer	-	-	1,048,998	1,275,378	1,048,998	1,275,378
Total expenses	<u>1,494,040</u>	<u>2,470,649</u>	<u>1,048,998</u>	<u>1,516,133</u>	<u>2,543,038</u>	<u>3,986,782</u>
Change in net position	2,773,126	722,365	5,528,305	1,162,989	8,301,431	1,885,354
Net position, January 1, (as Restated)	4,066,139	3,272,059	6,229,581	5,066,592	10,295,720	8,338,651
Net position, December 31,	<u>\$ 6,839,265</u>	<u>\$ 3,994,424</u>	<u>\$ 11,757,886</u>	<u>\$ 6,229,581</u>	<u>\$ 18,597,151</u>	<u>\$ 10,224,005</u>

*2019 balances have not been restated as result of prior period adjustment. See Note 12.

Graphic presentations of selected data from the summary tables follow to assist in the analysis of the Town's activities for fiscal years 2020 and 2019.

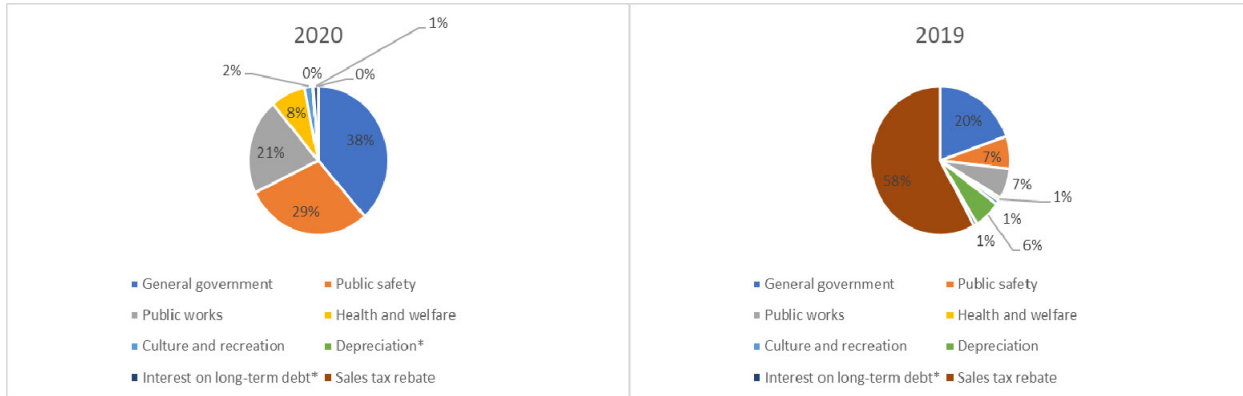
GOVERNMENTAL REVENUES



TOWN OF KEENESBURG
MANAGEMENT’S DISCUSSION AND ANALYSIS

As portrayed above and discussed earlier, the Town is heavily reliant on sales and use taxes as well as property taxes to support governmental operations. These tax revenue streams accounted for 52% of total revenues as compared to 87% in the prior year. The decrease is a result of capital and operating grants received in 2020 (0% amounts shown in the 2019 graphic is related to capital and operating grants in 2019).

GOVERNMENTAL FUNCTIONAL EXPENSES



*In 2020, depreciation expense was charges to functional expenses of the Town whereas in 2019, depreciation expense was shown as a separate function.

Total expenses for governmental activities was \$1,494,440 in 2020 when compared to the 2019 balance of \$2,470,648. General government was the largest operating services for 2020 as the Town did not have expenses related to sales tax rebates as was the case in the prior year. Total general government expenses was \$574,998 in 2020 as compared to \$487,277 in 2019. Public safety was the second largest functional expense in 2020 with total expenses of \$440,574 as compared to \$174,350 in 2019. The most significant change was related to sales tax rebates. In 2019, the Town paid Rocky Mountain Midstream sales tax rebates of \$1,434,905 per the economic development incentive agreement. In 2020, no such payments were made by the Town.

Financial Analysis of the Town’s Funds

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

Governmental Funds. The focus of the Town'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's financing requirements. In particular, unassigned fund balance may be a useful measure of a government's net resources available for spending at the end of the fiscal year.

As of December 31, 2020, the Town's governmental funds reported combined fund balances of \$3,822,568, an increase of \$2,269,364 compared with the prior year balances (after current year restatement). There is \$1,881,858 of unassigned fund balance, which is available for spending at the Town's discretion. The remainder of fund balance falls into the categories of either nonspendable, restricted, committed or assigned.

TOWN OF KEENESBURG
MANAGEMENT'S DISCUSSION AND ANALYSIS

These categories indicate that the funds are not available for new spending because they have already been designated for a specific purpose either by action of the Town, statutory or debt-based requirements.

The General Fund is the chief operating fund of the Town. At December 31, 2020, total fund balance in the General Fund was \$2,009,793. As a measure of the General Fund's liquidity, the total fund balance amount exceeds total general fund expenditures at December 31, 2020. The fund balance of the General Fund increased by \$1,178,512 during the current fiscal year due to an increase in revenues.

The Impact Fund has a total fund balance of \$1,258,057. This fund was started in 2017 and had no expenditures in 2020. The main sources of revenue are impact fees assessed by the Town.

The Capital Improvement has a total fund balance of \$473,664 of which \$48,000 is restricted for payment of debt service. The \$76,676 decrease in fund balance (after current year restatement) for the year is the result of servicing debt and capital expenditures during 2020.

The Conservation Trust special revenue fund has a total restricted fund balance of \$81,054. This fund balance increased \$12,721 during the current fiscal year as the fund reported no expenditures for 2020.

Proprietary Funds. The Town's proprietary funds provide the same type of information found in the government-wide financial statements, but in greater detail. At December 31, 2020, total net position amounted to \$11,757,886 for enterprise funds, an increase of \$5,528,305 from the prior year.

Total net position of the Wastewater Fund amounted to \$2,662,284 at the end of the fiscal year, representing a \$1,506,741 increase from the prior year amount of \$1,155,543. Operating revenues increased 16%, or \$50,228, compared to fiscal year 2019 due to an increase in charges to customers within the Town. Operating expenditures showed a decrease of \$360,287, which is directly related to a decrease in grants funds expended in 2020 when compared to 2019.

The Waterworks Fund total net position increased by \$4,021,564 during the year. The largest portion of the fund's net position (52%) reflects its investment in capital assets, less any related outstanding debt used to acquire those assets. Unrestricted net position of the fund increased by \$3,489,168 to \$4,406,035. This increase was a result of a significant increase in capital contributions of \$1,360,502 and increases in raw water acquisition revenue of \$2,171,350 when compared to 2019.

General Fund Budgetary Highlights

A budget to actual statement is provided for the General Fund. Columns for both the original budget adopted for fiscal year 2020 as well as the final budget are presented.

TOWN OF KEENESBURG
MANAGEMENT'S DISCUSSION AND ANALYSIS

Budgeted taxes revenue represents the full levy of property taxes for the year, whereas actual results reflect a small number of delinquent accounts. There were positive revenue variances totaling \$726,417. Expenditures for general government, public safety, public works, health and welfare, and culture and recreation were under budget by a total of \$82,277 due mostly to a decrease in planning and zoning expenditures in 2020 when compared to budget.

Capital Assets and Debt Administration

Capital assets. The Town's investment in capital assets for its governmental and business-type activities as of December 31, 2020, amounts to \$9,965,012 (net of accumulated depreciation). This investment in capital assets includes land and water rights, buildings and systems, machinery and equipment, infrastructure, and vehicles. The overall net increase in the Town's capital assets for the current fiscal year was 9% due to depreciation and construction of the assets. During 2020, the Town performed a review of their capital assets and disposed of assets that do not meet the Town's capitalization threshold. See Note 1 for additional information. Major capital asset events in the current fiscal year included the following:

- Construction of Storm Water drainage on Market Street - \$324,844
- Installation of new sidewalks on Market Street - \$68,659
- Paving of Woodward Ave. - \$86,771
- New roof on Town Hall - \$59,995
- AC and AC pipe replacement - \$623,320

	Governmental Activities		Business-Type Activities		Total	
	2020	2019	2020	2019	2020	2019
Land	\$ 179,928	\$ 180,078	\$ 168,677	\$ 169,054	\$ 348,605	\$ 349,132
Construction in process	400	-	-	-	400	-
Buildings and system	634,193	596,188	1,695	1,851	635,888	598,039
Machinery and equipment	68,147	58,205	14,482	24,069	82,629	82,274
Infrastructure	2,683,092	2,290,939	-	-	2,683,092	2,290,939
Wastewater system	-	-	897,636	960,270	897,636	960,270
Waterworks system	-	-	4,172,673	3,682,238	4,172,673	3,682,238
Water rights	-	-	1,144,489	1,144,489	1,144,489	1,144,489
	<u>\$ 3,565,760</u>	<u>\$ 3,125,410</u>	<u>\$ 6,399,652</u>	<u>\$ 5,981,971</u>	<u>\$ 9,965,412</u>	<u>\$ 9,107,381</u>

Long-term debt. At the end of the current fiscal year, the Town had total debt outstanding of \$1,546,385. Of this amount, \$826,561 comprises bonded debt backed by the full faith and credit of the government. The remaining balance consists of a loan contract with the Colorado Water Conservation Board of \$719,824.

	Governmental Activities		Business-Type Activities		Total	
	2020	2019	2020	2019	2020	2019
Revenue bonds	\$ 545,000	\$ 610,000	\$ 281,561	\$ 294,092	\$ 826,561	\$ 904,092
Notes payable	-	-	719,824	765,084	719,824	765,084
	<u>\$ 545,000</u>	<u>\$ 610,000</u>	<u>\$ 1,001,385</u>	<u>\$ 1,059,176</u>	<u>\$ 1,546,385</u>	<u>\$ 1,669,176</u>

TOWN OF KEENESBURG
MANAGEMENT'S DISCUSSION AND ANALYSIS

Economic Factors and Next Year's Budget and Rates

- The unemployment rate for the Town increased to 2.6%. This is lower than the State's average unemployment of 6.4% and the national average of 6.0%.
- Taxable property valuation increased from \$14.323 million in 2019 to \$14.340 million in 2020. 2020 valuation is based on collections to be received by the Town in 2021.
- Sales tax revenues were significantly lower than 2020 budgeted amounts as a result of the Covid-19 pandemic. As a result, the Town has budgeted sales tax revenues of \$775,000 in 2021 compared to a final budget balance of \$640,000 in 2020 (General Fund and Capital Improvement Fund combined).

The Town has appropriated \$1,818,155 in the 2021 fiscal year budget in accordance with the requirements of state statute. Property tax rates remain unchanged for the 2021 fiscal year. All municipal services provided in 2020 will be continued in 2021.

Requests for Information

This financial report is designed to provide a general overview of the Town'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 information should be addressed to the Town Treasurer.

BASIC FINANCIAL STATEMENT

TOWN OF KEENESBURG
STATEMENT OF NET POSITION
DECEMBER 31, 2020

	<u>Governmental</u> <u>Activities</u>	<u>Business-Type</u> <u>Activities</u>	<u>Total</u>
<u>Assets</u>			
Cash and cash equivalents	\$ 4,922,761	\$ 4,963,522	\$ 9,886,283
Cash and cash equivalents - restricted	48,000	-	48,000
Accounts receivable	378,108	766,734	1,144,842
Property taxes receivable	315,487	-	315,487
Inventories	-	42,054	42,054
Prepaid items	2,690	3,279	5,969
Capital assets, not depreciated	180,328	1,313,166	1,493,494
Capital assets, net of depreciation	3,385,432	5,086,486	8,471,918
Internal balances	(874,839)	874,839	-
Total Assets	<u>8,357,967</u>	<u>13,050,080</u>	<u>21,408,047</u>
<u>Liabilities</u>			
Accounts payable	342,788	264,623	607,411
Other liabilities	1,803	-	1,803
Unearned revenue	306,561	2,180	308,741
Deposits	3,000	17,000	20,000
Noncurrent liabilities:			
Due within one year	74,063	66,747	140,810
Due in more than one year	475,000	941,644	1,416,644
Total Liabilities	<u>1,203,215</u>	<u>1,292,194</u>	<u>2,495,409</u>
<u>Deferred Inflows of Resources</u>			
Unavailable property taxes	<u>315,487</u>	<u>-</u>	<u>315,487</u>
Total Deferred Outflows of Resources	<u>315,487</u>	<u>-</u>	<u>315,487</u>
<u>Net Position</u>			
Net investment in capital assets	3,020,760	5,398,267	8,419,027
Restricted			
Emergency reserves	125,245	-	125,245
Debt service	48,000	-	48,000
Culture and recreation	81,054	-	81,054
Capital projects	-	4,276	4,276
Unrestricted	<u>3,564,206</u>	<u>6,355,343</u>	<u>9,919,549</u>
Total Net Position	<u>\$ 6,839,265</u>	<u>\$ 11,757,886</u>	<u>\$ 18,597,151</u>

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

TOWN OF KEENESBURG
STATEMENT OF ACTIVITIES
YEAR ENDED DECEMBER 31, 2020

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	Business-Type Activities	Total
Primary government:							
Governmental Activities:							
General government	\$ 574,598	\$ 224,192	\$ 95,971	\$ 351,982	\$ 97,547	\$ -	\$ 97,547
Public safety	440,574	-	-	48,362	(392,212)	-	(392,212)
Public works	310,913	-	-	277,381	(33,532)	-	(33,532)
Health and welfare	121,189	-	-	-	(121,189)	-	(121,189)
Culture and recreation	28,954	-	-	507,803	478,849	-	478,849
Interest and fiscal charges	17,812	-	-	-	(17,812)	-	(17,812)
Total governmental activities	<u>1,494,040</u>	<u>224,192</u>	<u>95,971</u>	<u>1,185,528</u>	<u>11,651</u>	<u>-</u>	<u>11,651</u>
Business-Type Activities:							
Waterworks	634,851	2,773,691	-	1,729,203	-	3,868,043	3,868,043
Wastewater	414,147	360,510	-	1,560,090	-	1,506,453	1,506,453
Total business-type activities	<u>1,048,998</u>	<u>3,134,201</u>	<u>-</u>	<u>3,289,293</u>	<u>-</u>	<u>5,374,496</u>	<u>5,374,496</u>
Total primary government	<u>2,543,038</u>	<u>3,358,393</u>	<u>95,971</u>	<u>4,474,821</u>	<u>11,651</u>	<u>5,374,496</u>	<u>5,386,147</u>
GENERAL REVENUES:							
Taxes							
General property					312,204	-	312,204
Specific ownership taxes					14,958	-	14,958
Franchise					232,486	-	232,486
Sales					736,459	-	736,459
Use					814,252	-	814,252
Severance					40,700	-	40,700
Highway users					57,102	-	57,102
Other					5,106	-	5,106
Investment earnings					1,370	981	2,351
Miscellaneous					546,838	152,828	699,666
Total general revenues					<u>2,761,475</u>	<u>153,809</u>	<u>2,915,284</u>
Change in net position					2,773,126	5,528,305	8,301,431
Net position - beginning (as Restated)					4,066,139	6,229,581	10,295,720
Net position - ending					<u>\$ 6,839,265</u>	<u>\$ 11,757,886</u>	<u>\$ 18,597,151</u>

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

TOWN OF KEENESBURG
BALANCE SHEET – GOVERNMENTAL FUNDS
DECEMBER 31, 2020

	General	Impact Fee	Capital Improvements	Non-Major Conservation Trust	Total Governmental Funds
<u>Assets</u>					
Cash and cash equivalents	\$ 3,160,631	\$ 961,696	\$ 719,380	\$ 81,054	\$ 4,922,761
Cash and cash equivalents - restricted	-	-	48,000	-	48,000
Accounts receivable	158,308	90,372	129,428	-	378,108
Property taxes receivable	315,487	-	-	-	315,487
Prepaid items	2,690	-	-	-	2,690
Due from other funds	-	205,989	47,707	-	253,696
Total assets	<u>\$ 3,637,116</u>	<u>\$ 1,258,057</u>	<u>\$ 944,515</u>	<u>\$ 81,054</u>	<u>\$ 5,920,742</u>
<u>Liabilities, Deferred inflows of resources and fund balance</u>					
Liabilities:					
Accounts payable	\$ 82,113	\$ -	\$ 260,675	\$ -	\$ 342,788
Other liabilities	1,803	-	-	-	1,803
Deposits	3,000	-	-	-	3,000
Unearned revenue	306,561	-	-	-	306,561
Due to other funds	918,359	-	210,176	-	1,128,535
Total liabilities	<u>1,311,836</u>	<u>-</u>	<u>470,851</u>	<u>-</u>	<u>1,782,687</u>
<u>Deferred inflows of resources</u>					
Unavailable property taxes	315,487	-	-	-	315,487
Total deferred inflows of resources	<u>315,487</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>315,487</u>
Fund balance:					
Nonspendable					
Prepaid items	2,690	-	-	-	2,690
Restricted					
Emergencies	125,245	-	-	-	125,245
Debt service	-	-	48,000	-	48,000
Culture and recreation	-	-	-	81,054	81,054
Committed					
Debt service	-	-	82,212	-	82,212
Impact fund	-	1,258,057	-	-	1,258,057
Assigned for					
Capital improvements	-	-	343,452	-	343,452
Unassigned	1,881,858	-	-	-	1,881,858
Total fund balances	<u>2,009,793</u>	<u>1,258,057</u>	<u>473,664</u>	<u>81,054</u>	<u>3,822,568</u>
Total liabilities, deferred inflows of resources and fund balances	<u>\$ 3,637,116</u>	<u>\$ 1,258,057</u>	<u>\$ 944,515</u>	<u>\$ 81,054</u>	<u>\$ 5,920,742</u>

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

TOWN OF KEENESBURG
RECONCILIATION OF THE GOVERNMENTAL FUNDS
BALANCE SHEET TO THE STATEMENT OF NET POSITION
DECEMBER 31, 2020

Total fund balance, governmental funds	\$ 3,822,568
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 governmental funds.	3,565,760
Long-term liabilities, including loans payable are not due and payable in the current period, and therefore, are not reported in governmental funds.	
Bonds payable	(545,000)
Compensated absences	(4,063)
Total net position of governmental activities	<u>\$ 6,839,265</u>

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

TOWN OF KEENESBURG
STATEMENT OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCES – GOVERNMENTAL FUNDS
YEAR ENDED DECEMBER 31, 2020

	General	Impact Fee	Capital Improvements	Non-Major Conservation Trust	Total Governmental Funds
<u>Revenues</u>					
Taxes	\$ 1,599,988	\$ -	\$ 613,279	\$ -	\$ 2,213,267
Licenses and permits	506,271	-	-	-	506,271
Intergovernmental	114,133	1,154,684	-	12,682	1,281,499
Charges for services	224,192	-	-	-	224,192
Investment earnings	922	123	286	39	1,370
Miscellaneous	40,717	-	-	-	40,717
Total revenues	<u>2,486,223</u>	<u>1,154,807</u>	<u>613,565</u>	<u>12,721</u>	<u>4,267,316</u>
<u>Expenditures</u>					
Current:					
General government	499,977	-	-	-	499,977
Public safety	439,053	-	-	-	439,053
Public works	208,863	-	-	-	208,863
Health and environment	121,189	-	-	-	121,189
Culture and recreation	19,144	-	-	-	19,144
Miscellaneous	-	-	28,000	-	28,000
Capital outlay	19,485	-	579,429	-	598,914
Debt service:					
Principal	-	-	65,000	-	65,000
Interest and fiscal charges	-	-	17,812	-	17,812
Total expenditures	<u>1,307,711</u>	<u>-</u>	<u>690,241</u>	<u>-</u>	<u>1,997,952</u>
Net change in fund balances	1,178,512	1,154,807	(76,676)	12,721	2,269,364
Fund balances - beginning of year (as Restated)	831,281	103,250	550,340	68,333	1,553,204
Fund balances - end of year	<u>\$ 2,009,793</u>	<u>\$ 1,258,057</u>	<u>\$ 473,664</u>	<u>\$ 81,054</u>	<u>\$ 3,822,568</u>

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

TOWN OF KEENESBURG
RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCES – GOVERNMENTAL FUNDS –
TO THE STATEMENT OF ACTIVITIES
YEAR ENDED DECEMBER 31, 2020

Net change in fund balance - total governmental funds:	\$	2,269,364
<p>Amounts reported for governmental activities in the statement of activities are different because:</p>		
<p>Governmental funds report capital outlays as expenditures. However, in the statement of activities the cost of these assets is allocated over their estimated useful lives and reported as depreciation expense.</p>		
Capital outlay		597,171
Depreciation expense		(156,671)
Loss on disposal		(150)
<p>Governmental funds report principal payments as expenditures. However, in the statement of activities these payments are reflected as a reduction in long-term debt obligations.</p>		
		65,000
<p>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 the governmental funds</p>		
Change in accrued compensated absences		(1,588)
Change in net position of governmental activities	\$	<u><u>2,773,126</u></u>

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

TOWN OF KEENESBURG
PROPRIETARY FUNDS
STATEMENT OF NET POSITION
DECEMBER 31, 2020

	<u>Waterworks</u>	<u>Wastewater</u>	<u>Total</u>
<u>Assets</u>			
Current assets:			
Cash and cash equivalents	\$ 3,395,775	\$ 1,567,747	\$ 4,963,522
Accounts receivable, net	610,671	156,063	766,734
Inventories	42,054	-	42,054
Prepaid items	2,162	1,117	3,279
Due from other funds	721,329	240,943	962,272
Total current assets	<u>4,771,991</u>	<u>1,965,870</u>	<u>6,737,861</u>
Noncurrent assets:			
Capital assets, not being depreciated	1,229,874	83,292	1,313,166
Capital assets, net of depreciation	4,179,517	906,969	5,086,486
Total noncurrent assets	<u>5,409,391</u>	<u>990,261</u>	<u>6,399,652</u>
 Total assets	 <u>\$ 10,181,382</u>	 <u>\$ 2,956,131</u>	 <u>\$ 13,137,513</u>
<u>Liabilities</u>			
Current liabilities:			
Accounts payable	\$ 256,467	\$ 8,156	\$ 264,623
Customer deposits	17,000	-	17,000
Due to other funds	87,433	-	87,433
Unearned revenues	1,262	918	2,180
Compensated absences, current portion	3,794	3,212	7,006
Loans payable, current portion	46,958	12,783	59,741
Total current liabilities	<u>412,914</u>	<u>25,069</u>	<u>437,983</u>
Noncurrent liabilities:			
Loans payable	672,866	268,778	941,644
Total noncurrent liabilities	<u>672,866</u>	<u>268,778</u>	<u>941,644</u>
 Total liabilities	 <u>1,085,780</u>	 <u>293,847</u>	 <u>1,379,627</u>
<u>Net Position</u>			
Net investment in capital assets	4,689,567	708,700	5,398,267
Restricted - capital projects	-	4,276	4,276
Unrestricted	4,406,035	1,949,308	6,355,343
Total net position	<u>\$ 9,095,602</u>	<u>\$ 2,662,284</u>	<u>\$ 11,757,886</u>

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

TOWN OF KEENESBURG
PROPRIETARY FUNDS
STATEMENT OF REVENUES, EXPENSES AND
CHANGES IN NET POSITION
YEAR ENDED DECEMBER 31, 2020

	<u>Waterworks</u>	<u>Wastewater</u>	<u>Total</u>
Operating revenues			
Charges for services	\$ 2,773,691	\$ 360,510	\$ 3,134,201
Miscellaneous	152,828	-	152,828
Total operating revenues	<u>2,926,519</u>	<u>360,510</u>	<u>3,287,029</u>
Operating expenses			
Operations and maintenance	306,634	200,832	507,466
Administration and general	150,054	135,862	285,916
Depreciation	149,097	69,458	218,555
Total operating expenses	<u>605,785</u>	<u>406,152</u>	<u>1,011,937</u>
Operating income (loss)	2,320,734	(45,642)	2,275,092
Nonoperating revenues (expenses)			
Intergovernmental	305,401	-	305,401
Investment earnings	693	288	981
Interest expense	(28,691)	(7,995)	(36,686)
Loss on disposal of capital assets	(375)	-	(375)
Total non-operating revenues (expenses)	<u>277,028</u>	<u>(7,707)</u>	<u>269,321</u>
Income (loss) before contributions	2,597,762	(53,349)	2,544,413
Capital contributions	<u>1,423,802</u>	<u>1,560,090</u>	<u>2,983,892</u>
Change in net position	4,021,564	1,506,741	5,528,305
Net position, beginning of year	<u>5,074,038</u>	<u>1,155,543</u>	<u>6,229,581</u>
Net position, end of year	<u>\$ 9,095,602</u>	<u>\$ 2,662,284</u>	<u>\$ 11,757,886</u>

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

TOWN OF KEENESBURG
PROPRIETARY FUNDS
STATEMENT OF CASH FLOWS
YEAR ENDED DECEMBER 31, 2020

	<u>Waterworks</u>	<u>Wastewater</u>	<u>Total</u>
Cash Flows From Operating Activities			
Cash received from customers	\$ 2,482,002	\$ 237,443	\$ 2,719,445
Cash paid to suppliers	30,681	(123,958)	(93,277)
Cash paid to employees	(276,466)	(232,876)	(509,342)
Other operating receipts	152,828	-	152,828
Net cash provided (used) by operating activities	<u>2,389,045</u>	<u>(119,391)</u>	<u>2,269,654</u>
Cash Flows From Capital and Related Financing Activities			
Acquisition of capital assets	(636,609)	-	(636,609)
Tap fees received	1,423,802	1,560,090	2,983,892
Loan principal payments	(45,260)	(12,531)	(57,791)
Loan interest payment	(28,691)	(7,995)	(36,686)
Net cash provided by capital and related financing activities	<u>713,242</u>	<u>1,539,564</u>	<u>2,252,806</u>
Cash Flows From Noncapital Financing Activities			
Transfers to/from other funds	(655,996)	(213,652)	(869,648)
Net cash used by noncapital financing activities	<u>(655,996)</u>	<u>(213,652)</u>	<u>(869,648)</u>
Cash Flows From Investing Activities			
Interest received	693	288	981
Net cash provided by investing activities	<u>693</u>	<u>288</u>	<u>981</u>
Net change in cash and cash equivalents	2,446,984	1,206,809	3,653,793
Cash and cash equivalents and restricted cash, beginning of year	<u>948,791</u>	<u>360,938</u>	<u>1,309,729</u>
Cash and cash equivalents and restricted cash, end of year	<u>\$ 3,395,775</u>	<u>\$ 1,567,747</u>	<u>\$ 4,963,522</u>
Reconciliation of Net Operating Income to Net Cash Provided by Operating Activities			
Net operating income	\$ 2,320,734	\$ (45,642)	\$ 2,275,092
Adjustments to reconcile net operating income to cash provided by operating activities			
Depreciation expense	149,097	69,458	218,555
Changes in assets and liabilities related to operations			
(Increase) Decrease in:			
Accounts receivable	(291,171)	(122,864)	(414,035)
Inventory	(1,756)	-	(1,756)
Prepaid items	(1,049)	(755)	(1,804)
Increase (Decrease) in:			
Accounts payable	221,870	(21,193)	200,677
Unearned revenue	(518)	(203)	(721)
Deposits	(10,500)	-	(10,500)
Compensated absences payable	2,338	1,808	4,146
Net cash provided (used) by operating activities	<u>\$ 2,389,045</u>	<u>\$ (119,391)</u>	<u>\$ 2,269,654</u>

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

TOWN OF KEENESBURG
NOTE TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2020

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Financial Reporting Entity

The Town of Keenesburg, Colorado (the Town), was incorporated in 1919, and is governed by a Mayor and seven-member Board of Trustees elected by the residents. The Town provides the following services: public safety, public works, sanitation, health and welfare, culture and recreation, public improvements, planning and zoning, and general administrative services.

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

The financial reporting entity consists of the Town, organizations for which the Town is financially accountable, and organizations that raise and hold economic resources for the direct benefit of the Town. All funds, organizations, institutions, agencies, departments, and offices that are not legally separate are part of the Town. Legally separate organizations for which the Town is financially accountable are considered part of the reporting entity. Financial accountability exists if the Town appoints a voting majority of the organization's governing board and is able to impose its will on the organization, or if there is a potential for the organization to provide benefits to or impose financial burdens on the Town. The Town includes no component units, nor is the Town a component of any other governmental 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 activities of the Town. For the most part, the effect of interfund activity has been removed from these financial statements. *Government activities*, which normally are supported by taxes and intergovernmental revenues, are reported separately from *business-type activities*, which rely to a significant extent on fees and charges for support.

The statement of net position presents the financial position of the governmental and business-type activities of the Town at year-end.

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*.

TOWN OF KEENESBURG
NOTE TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2020

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Government-Wide and Fund Financial Statements (Continued)

Separate financial statements are provided for governmental funds and proprietary funds. Major individual funds are reported as separate columns in the fund financial statements.

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. Revenues are recorded when earned and expenses are recorded 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. Grants and similar items are recognized as revenues 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 to be available when they are collected within the current year or soon enough thereafter to pay liabilities of the current year. For this purpose, the Town considers revenues to be available if they are collected within 60 days of the end of the current fiscal period.

Taxes, intergovernmental revenues, and interest associated with the current year are considered to be susceptible to accrual and so have been recognized as revenues of the current year. Expenditure-driven grants are recognized when the qualifying expenditures have been incurred and all other eligibility requirements have been met. All other revenues 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.

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

The *General Fund* is the general operating fund of the Town. It is used to account for all financial resources except those accounted for in another fund.

The *Impact Fee Fund* is used to address the impacts of growth and development, providing a funding mechanism to address the impact of new development. The main revenue sources are impact fees that include: park impact, roadway impact, drainage impact, town hall impact and police impact.

TOWN OF KEENESBURG
NOTE TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2020

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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

The *Capital Improvement Fund* is used to account for and report financial resources that are restricted, committed or assigned to expenditure for capital outlays, including the acquisition, construction or improvement of major capital facilities and other capital assets other than those financed by proprietary funds or for assets that will be held in trust for individuals, private organizations, or other governments. The fund is also used to accumulate funds to finance a capital improvement plan. The budget is adopted on a project basis which is multi-year.

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.

The Town reports the following major proprietary funds:

The *Waterworks Fund* accounts for the revenues and expenses related to the provision of water service.

The *Wastewater Fund* accounts for the revenues and expenses related to the provision of sewer service.

Amounts reported as program revenues include: 1) charges to customers or applicants for goods, services, or privileges provided; 2) operating grants and contributions, and; 3) capital grants and contributions, including special assessments. General revenues include all taxes, interest and investment earnings, and miscellaneous revenues.

Interfund transactions are treated and classified as revenues, expenditures, or expenses. These include interfund transfers from one fund to another for the purchase of goods or services. In the government-wide statement of activities, interfund transactions are eliminated unless the transfer is between the governmental and business-type activities.

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

Cash and Cash Equivalents – The Town's cash and cash equivalents are considered to be unrestricted cash on hand, demand deposits, and short-term investments with original maturities of three months or less from the date of acquisition.

TOWN OF KEENESBURG
NOTE TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2020

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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

Receivables – All receivables are reported at their gross value and, where appropriate, are reduced by the estimated portion that is expected to be uncollectible. At December 31, 2020, the Town believes all amounts recorded are fully collectible.

Activities between funds that represent lending/borrowing arrangements at the end of the fiscal year are referred to as either “due (to)/from other funds.” Any residual balances outstanding between governmental activities and business-type activities are reported in the government-wide financial statements as internal balances.

By December 15 of each year, property taxes for the Town are levied by the Board and certified to Weld County for collection in the subsequent year. These taxes attach as an enforceable lien on property as of January 1 of the succeeding year and are payable in full by April 30 or in two installments by June 15 in the year of collection. The taxes are collected by Weld County on behalf of the Town.

Property taxes levied in the General Fund are included in receivables and deferred inflows at December 31, 2020. These taxes are classified as deferred inflows since they are not normally available to the Town until mid-2021 and are budgeted for in 2020.

Inventories – Business-type fund inventory consists of supplies held for consumption. Inventory is carried at cost using the first-in, first-out method. The cost is recorded as an expenditure at the time individual inventory items are consumed (consumption method).

Prepaid Items – Certain payments to vendors and other third parties reflect costs applicable to future accounting periods and are recorded as prepaid items in both the government-wide and fund financial statements. Expenditures/expenses are recorded when the service underlying the prepaid item is provided (consumption method).

Capital Assets – Capital assets, which include land, water rights, water and wastewater systems, buildings, equipment, and streets constructed or contributed since January 1, 2004, are reported in the applicable governmental or business-type activities columns in the government-wide financial statements and the proprietary fund in the fund financial statements. Capital assets are defined as assets with an initial, individual cost of \$1,000 or more and an estimated useful life in excess of one year. Such assets are recorded at acquisition cost or estimated acquisition cost if purchased or constructed. Donated capital assets are recorded at the acquisition value on the date of donation.

TOWN OF KEENESBURG
NOTE TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2020

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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

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

All capital assets except land, water rights, and construction in progress are depreciated using the straight-line method over the following estimated useful lives:

<u>Description</u>	<u>Estimated Lives</u>
Buildings and improvements	10 - 50 years
Infrastructure and improvements	10 - 50 years
Equipment, machinery and furniture	5 - 20 years

Compensated Absences – It is the policy of the Town to permit employees to accumulate a limited amount of earned but unused leave benefits which will be paid to employees upon separation from service. Unpaid compensated absences are recorded as a liability when the benefits are earned in the proprietary fund financial statements. For governmental funds, there is no legal requirement to accumulate expendable available financial resources to liquidate the obligation; thus expenditures are recognized in the governmental funds when payments are made to employees. The liability is typically liquidated with resources of the same fund that has paid the applicable employee's regular salaries and fringe benefits.

Deposits – Developer deposits held in escrow and security deposits received from customers are reported as liabilities in the financial statements.

Long-Term Obligations – In 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. Debt premiums, discounts and losses on debt refunding are deferred and amortized over the life of the debt using the straight-line method. In the governmental fund financial statements, the face amount of debt issued is reported as other financing sources. Premiums received on debt issuances are reported as other financing sources while discounts are reported as other financing uses.

Issuance costs, whether or not withheld from the debt proceeds, are reported as current expenses or expenditures.

Deferred Outflows and Inflows of Resources – In addition to assets and liabilities, the statement of net position will sometimes report separate sections for deferred outflows of resources and deferred inflows of resources. A deferred outflow of resources is a consumption of net position by the Town that is applicable to a future reporting period, and a deferred inflow of resources is an acquisition of net position by the Town that is applicable to a future reporting period.

TOWN OF KEENESBURG
NOTE TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2020

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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

Both deferred outflows and inflows are reported in the statement of net position but are recognized in the financial statements as revenues and expenses until the period(s) to which they relate.

Deferred inflows of resources for the Town consist of property taxes receivable. Property tax revenue is considered a deferred inflow of resources in the year the taxes are levied and measurable and are recognized as an inflow of resources in the period they are collected.

Fund Balance - Fund balances of governmental funds are reported in various categories, based primarily on the extent to which the Town is bound to observe constraints imposed upon the use of the resources for specific purposes.

Nonspendable fund balance – The amount of fund balance that is not in spendable form (such as inventory or prepaids) or is legally or contractually required to be maintained intact.

Restricted fund balance – The amounts constrained to specific purposes by their providers (such as grantors, bondholders, and higher levels of government), through constitutional provisions, or by enabling legislation.

Committed fund balance – Amounts constrained to specific purposes by the Town itself, using its highest level of decision-making authority (i.e., Board of Trustees). To be reported as committed, amounts cannot be used for any other purpose unless the Town takes the same highest-level action to remove or change the constraint. Commitments may be established, modified, or rescinded only through ordinances or resolutions approved by the Board.

Assigned fund balance – Amounts are intended to be used by the Town for specific purposes but do not meet the criteria to be classified as restricted or committed. In governmental funds other than the general fund, assigned fund balance represents the remaining amount that is not restricted or committed. In the general fund assigned amounts represent intended used established by the Board, as it does when appropriating fund balance to cover a gap between estimated revenue and appropriations in the subsequent year's appropriated budget.

Unassigned fund balance – Is the residual classification for the general fund and includes all spendable amounts not contained in the other classifications. In other governmental funds, the unassigned classification is used only to report a deficit balance resulting from overspending for specific purposes for which amounts had been restricted, committed, or assigned.

TOWN OF KEENESBURG
NOTE TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2020

NOTE 2 - STEWARDSHIP, COMPLIANCE, AND ACCOUNTABILITY

When expenditures are incurred for purposes for which both restricted and unrestricted fund balances are available, the Town's policy is to use restricted amounts first, followed by committed, assigned and unassigned amounts.

Estimates - The preparation of the financial statements, in conformity with accounting principles generally accepted in the United States, requires management to make estimates and assumptions that affect the amounts reported in the financial statements and accompanying notes. Actual results may differ from those estimates.

Budgets are adopted for all funds of the Town as required by State statutes. Budgets for the governmental funds are adopted on a basis consistent with generally accepted accounting principles (GAAP). Budgetary comparisons for the proprietary fund are presented on a non-GAAP budgetary basis. Capital outlay and debt principal are budgeted as expenditures and depreciation is not budgeted. All annual appropriations lapse at fiscal year-end.

On or before October 15 of each year, the Town Manager submits to the Town Board a proposed operating budget for the fiscal year commencing on the following January 1. Public hearings are conducted to obtain input from elected officials, residents, and other interested parties. By December 31, the final budget is adopted.

The appropriated budget is adopted by fund. Management is authorized to transfer budgeted amounts between departments within any fund. However, any revisions that alter the total expenditures of any fund must be approved by the Board.

NOTE 3 - CASH AND CASH EQUIVALENTS

Cash and cash equivalents at December 31, 2020, consisted of the following:

Cash with County Treasurer	\$ 1,668
Cash deposits	9,932,615
Total	\$ 9,934,283

Cash and cash equivalents are classified in the financial statements as follows:

Cash and cash equivalents	\$ 9,886,283
Cash and cash equivalents - restricted	48,000
Total cash and investments	\$ 9,934,283

Custodial Credit Risk

For deposits, custodial credit risk is the risk that in the event of a bank failure, the government's deposits may not be returned to it.

TOWN OF KEENESBURG
NOTE TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2020

NOTE 3 - CASH AND CASH EQUIVALENTS (CONTINUED)

Custodial Credit Risk (Continued)

Town bank accounts at year-end were entirely covered by federal depository insurance or by eligible collateral maintained by another financial institution or held by the Town's custodial banks in its name under provisions of the Colorado Public Deposit Protection Act (PDPA). The PDPA requires financial institutions to pledge collateral having a market value of at least 102% of the aggregate public deposits not insured by federal depository insurance. The institution's internal records identify collateral by depositor and as such, these deposits are considered uninsured but collateralized.

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

At December 31, 2020, the carrying amount of the Town's deposits was \$9,932,615 and the bank balance was \$9,993,823 of which \$250,000 was covered by FDIC insurance and the remainder covered by the PDPA.

Investments

As of December 31, 2020, the Town has no investments. In addition, the Town has no formal investment policy, however, the Town would follow State of Colorado Investment statute if investments were entered into. As of December 31, 2020, the Town has no investment interest rate risk, no investment credit risk, and no concentration of credit risk.

Restricted Cash and Investments – At December 31, 2020, the Capital Improvement Fund reported \$48,000 of restricted cash which matches the bond debt service requirement for the Series 2014 Revenue Bonds.

TOWN OF KEENESBURG
NOTE TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2020

NOTE 4 - CAPITAL ASSETS

Capital assets activity for the year ended December 31, 2020, is summarized below:

	Balances December 31, 2019	Additions	Deletions	Balances December 31, 2020
Governmental Activities:				
Capital Assets, Not Being Depreciated				
Land	\$ 180,078	\$ -	\$ (150)	\$ 179,928
Construction in process	-	400	-	400
Total capital assets, not depreciated	<u>180,078</u>	<u>400</u>	<u>(150)</u>	<u>180,328</u>
Capital Assets, Being Depreciated				
Buildings	1,232,735	88,164	(3,749)	1,317,150
Equipment	734,965	24,655	(18,969)	740,651
Streets	2,870,489	483,952	-	3,354,441
Total capital assets, depreciated	<u>4,838,189</u>	<u>596,771</u>	<u>(22,718)</u>	<u>5,412,242</u>
Accumulated depreciation				
Buildings	(636,547)	(50,159)	3,749	(682,957)
Equipment	(676,760)	(14,713)	18,969	(672,504)
Streets	(579,550)	(91,799)	-	(671,349)
Total accumulated depreciation	<u>(1,892,857)</u>	<u>(156,671)</u>	<u>22,718</u>	<u>(2,026,810)</u>
Net capital assets, depreciated	<u>2,945,332</u>	<u>440,100</u>	<u>-</u>	<u>3,385,432</u>
Governmental Activities				
Capital Assets, net	<u>\$ 3,125,410</u>	<u>\$ 440,500</u>	<u>\$ (150)</u>	<u>\$ 3,565,760</u>

Depreciation expense was charged to functions/program of the Town as follows:

Governmental activities	
General government	\$ 43,290
Public safety	1,521
Public works	102,050
Culture and recreation	9,810
Total	<u>\$ 156,671</u>
Business-type activities:	
Waterworks	\$ 149,097
Wastewater	69,458
Total	<u>\$ 218,555</u>

TOWN OF KEENESBURG
NOTE TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2020

NOTE 4 - CAPITAL ASSETS (CONTINUED)

	Balances <u>December 31, 2019</u>	Additions	Deletions	Balances <u>December 31, 2020</u>
Business-Type Activities:				
Capital Assets, Not Being Depreciated				
Land	\$ 169,054	\$ -	\$ (377)	\$ 168,677
Water rights	<u>1,144,489</u>	<u>-</u>	<u>-</u>	<u>1,144,489</u>
Total capital assets, not depreciated	1,313,543	-	(377)	1,313,166
Capital Assets, Being Depreciated				
Buildings	41,662	-	(755)	40,907
Equipment	164,145	-	(10,996)	153,149
Improvements - lagoons	429,150	-	(1,379)	427,771
Lagoon discharge rights	11,904	-	-	11,904
Wastewater system	878,991	-	(300)	878,691
Waterworks system	<u>5,550,597</u>	<u>636,609</u>	<u>(5,933)</u>	<u>6,181,273</u>
Total capital assets, depreciated	7,076,449	636,609	(19,363)	7,693,695
Accumulated depreciation				
Buildings	(39,811)	(156)	755	(39,212)
Equipment	(140,073)	(9,590)	10,996	(138,667)
Improvements - lagoons	(229,804)	(18,868)	1,379	(247,293)
Lagoon discharge rights	(11,903)	-	-	(11,903)
Wastewater system	(118,067)	(43,767)	300	(161,534)
Waterworks system	<u>(1,868,359)</u>	<u>(146,174)</u>	<u>5,933</u>	<u>(2,008,600)</u>
Total accumulated depreciation	(2,408,017)	(218,555)	19,363	(2,607,209)
Net capital assets, depreciated	<u>4,668,432</u>	<u>418,054</u>	<u>-</u>	<u>5,086,486</u>
Business-Type Activities				
Capital Assets, net	<u>\$ 5,981,975</u>	<u>\$ 418,054</u>	<u>\$ (377)</u>	<u>\$ 6,399,652</u>

NOTE 5 - INTERFUND RECEIVABLES AND PAYABLES

Interfund receivable and payable balances at December 31, 2020 are as follows:

<u>Fund</u>	<u>Interfund Receivable</u>	<u>Interfund Payable</u>
General	\$ -	\$ 918,358
Capital Improvement	47,707	210,176
Impact Fee	205,988	-
Waterworks	721,329	87,433
Wastewater	240,943	-
	<u>\$ 1,215,967</u>	<u>\$ 1,215,967</u>

The residual balances of governmental funds and the proprietary funds is shown as internal balances on the government-wide statement of net position.

TOWN OF KEENESBURG
NOTE TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2020

NOTE 6 - LONG-TERM DEBT

Governmental Activities

Following is a summary of long-term debt transactions for the governmental activities for the year ended December 31, 2020.

	Balances <u>December 31, 2019</u>	<u>Additions</u>	<u>Deletions</u>	Balances <u>December 31, 2020</u>	Due In <u>One Year</u>
Governmental Activities:					
Series 2014, Sales Tax Revenue Bonds	\$ 610,000	\$ -	\$ (65,000)	\$ 545,000	\$ 70,000
Compensated absences	2,475	1,713	(125)	4,063	4,063
Total	<u>\$ 612,475</u>	<u>\$ 1,713</u>	<u>\$ (65,125)</u>	<u>\$ 549,063</u>	<u>\$ 74,063</u>

\$960,000 Sales Tax Revenue Refunding Bonds, Series 2014 (the 2014 Bonds), were issued to fund street improvements within the Town. Interest payments are due semi-annually on June 1 and December 1, with interest accruing at 2.92% per annum. Principal payments are due annually on December 1, through 2026. The Bonds are subject to redemption prior to maturity at the option of the Town as provided in the Sale Certificate.

The 2014 Bonds are payable from pledged revenues and the Town has established a 3% municipal sales tax of which 1/12th is pledged monthly to be used to pay principal and interest on the 2014 bonds. The pledge revenues are accounted for in the Capital Improvements Fund.

To provide additional security for the payment of the 2014 Bonds, sales tax collections in excess of the required annual amounts shall be maintained in a reserve account. The amount of the reserve at December 31, 2020, is \$48,000, which means the requirement as set in the 2014 Official Statement.

Remaining debt service at December 31, 2020, was as follows:

Year ended December 31,	<i>2014 Revenue Refunding Bonds</i>			Total
	Principal	Interest		
2021	\$ 70,000	\$ 15,914		\$ 85,914
2022	70,000	13,870		83,870
2023	75,000	11,826		86,826
2024	105,000	9,636		114,636
2025	110,000	6,570		116,570
2026	115,000	3,358		118,358
Total	<u>\$ 545,000</u>	<u>\$ 61,174</u>		<u>\$ 606,174</u>

Compensated Absences – Compensated absences of the governmental activities are expected to be liquidated primarily with revenues of the General Fund.

TOWN OF KEENESBURG
NOTE TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2020

NOTE 6 - 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, 2020:

	Balances <u>December 31, 2019</u>	Additions	Deletions	Balances <u>December 31, 2020</u>	Due In <u>One Year</u>
Business-Type Activities:					
Series 2018, Wastewater Revenue Bonds	\$ 294,092	\$ -	\$ (12,531)	\$ 281,561	\$ 12,783
CWCB Note Payable - Waterworks	765,084	-	(45,260)	719,824	46,958
Compensated absences	2,860	4,331	(185)	7,006	7,006
Total	<u>\$ 1,062,036</u>	<u>\$ 4,331</u>	<u>\$ (57,976)</u>	<u>\$ 1,008,391</u>	<u>\$ 66,747</u>

\$496,000 Wastewater Revenue Bonds, Series 2018 (the 2018 Bonds), were issued for the purpose of financing the repair and replacement of existing sewer collection lines and expansion of the Town's aerated lagoon. Principal installments are due annually on December 1 with semiannual interest payments due on June 1 and December 1, at an annual interest rate of 2.75%. Payment of principal and interest are derived from the fees charged by the Wastewater Fund.

In 2006, the Town entered into a loan with the Colorado Water Conservation Board (CWCB), for the purchase of an existing well and to construct a raw water pipeline from the well to the Town. The original loan amount was \$1,523,080. In 2008, an amendment to the original loan was made and the loan was adjusted to a new loan balance of \$1,127,968. Principal and interest installments are due annually on July 1, at an annual interest rate of 3.75%, maturing on June 30, 2038. The original maturity date was based on annual loan payments of \$63,265. In fiscal year 2020 and in prior years, the Town has made an annual debt service payment of \$73,951.

Annual debt service requirements for the outstanding 2018 Bonds and the CWCB loan at December 31, 2020, are as follows. The CWCB loan maturity schedule shown below is based on continued debt service payments of \$73,951 made by the Town.

TOWN OF KEENESBURG
NOTE TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2020

NOTE 6 - LONG-TERM DEBT (CONTINUED)

Business-Type Activities (Continued)

<i>Series 2018 Revenue Bonds</i>			
<u>Year ended December 31,</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2021	\$ 12,783	\$ 7,743	\$ 20,526
2022	13,135	7,391	20,526
2023	13,496	7,030	20,526
2024	13,867	6,659	20,526
2025	14,248	6,278	20,526
2026 - 2030	77,339	25,291	102,630
2031 - 2035	88,574	14,056	102,630
2036 - 2038	48,119	2,371	50,490
Total	<u>\$ 281,561</u>	<u>\$ 76,819</u>	<u>\$ 358,380</u>

<i>CWCB Note Payable</i>			
<u>Year ended December 31,</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2021	\$ 46,958	\$ 26,993	\$ 73,951
2022	48,719	25,232	73,951
2023	50,545	23,406	73,951
2024	52,441	21,510	73,951
2025	54,407	19,544	73,951
2026 - 2030	304,215	65,540	369,755
2031 - 2033	162,539	10,556	173,095
Total	<u>\$ 719,824</u>	<u>\$ 192,781</u>	<u>\$ 912,605</u>

Compensated Absences – Compensated absences of the business-type activities are expected to be liquidated with resources of the same fund that has paid the applicable employee’s regular salaries and fringe benefits.

NOTE 7 - RETIREMENT PLAN

The Town provides retirement benefits for all full-time employees through individual SEP accounts of the employee’s choosing. The current year covered payroll of eligible employees amounted to \$628,815. The Town contributes 5% of the employees’ compensation; however, the total contribution for each employee may not exceed 15% of annual earnings or \$30,000, whichever is less. Contributions by the Town on behalf of the employees amounted to \$35,855 and \$31,243 for 2020 and 2019, respectively. All contributions are 100% vested for the benefit of each employee immediately upon deposit.

NOTE 8 - RISK MANAGEMENT

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.

TOWN OF KEENESBURG
NOTE TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2020

NOTE 8 - RISK MANAGEMENT (CONTINUED)

The Town is a member of the Colorado Intergovernmental Risk Sharing Agency (CIRSA). CIRSA is a joint self-insurance pool created by intergovernmental agreement of 275 members to provide property and liability and/or workers' compensation coverage to its members.

Coverage is provided through pooling of self-insured losses and the purchase of excess insurance coverage. CIRSA has a legal obligation for claims against its members to the extent that funds are available in its annually established loss fund, and those amounts are available from insurance providers under excess specific and aggregate insurance contracts. Losses incurred in excess of loss funds and amounts recoverable from excess insurance are direct liabilities of the participating members. CIRSA has indicated that the amount of any excess losses would be billed to members in proportion to their contributions in the year such excess occurs, although it is not legally required to do so.

The Town maintains commercial insurance for workmen's compensation coverage. Claims have not exceeded coverage in any of the past three fiscal years.

NOTE 9 - COMMITMENTS AND CONTINGENCIES

Claims and Judgements

The Town participates in a number of federal and state programs that are fully or partially funded by grants received from other governmental entities. Expenditures financed by grants are subject to audit by the appropriate grantor government. If expenditures are disallowed due to noncompliance with grant program regulations, the Town may be required to reimburse the grantor government.

At December 31, 2020, certain grant expenditures have not been audited but management believes that disallowed expenditures, if any, based on subsequent audits will not have a material effect on the overall financial position of the Town.

NOTE 10 - RELATED ORGANIZATION

The Timberwood Housing Authority (the Authority) is an autonomous municipal entity governed by a board approved by the Mayor, but there is no continuing relationship between the Authority and the Town. The management of the Authority is selected by the governing board and operations are the exclusive responsibility of the Authority's management.

The Authority is responsible for its financial affairs including the funding of deficits and the disposition of surpluses, also the Town does not guarantee the Authority's outstanding debt.

TOWN OF KEENESBURG
NOTE TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2020

NOTE 10 - RELATED ORGANIZATION (CONTINUED)

The Authority operates within the geographical boundaries of the Town. The Authority is treated as a related organization rather than a component unit since there is not financial interdependency, control, or oversight responsibility.

NOTE 11 - TAX AND SPENDING LIMITATIONS

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 accordance with the amendment, the registered electors of the Town of Keenesburg, Colorado, passed an ordinance in 1995 allowing the collection, retention, and expenditure of the full proceeds of the Town's revenues, without any increase in any tax rate, from January 1, 1994 and thereafter. The Town believes it is in compliance with the requirements of the Amendment. The Town has made certain interpretations of the amendment's language in order to determine its compliance. The effect, if any, on the future operations of the Town is not determinable at this time.

The Amendment requires that Emergency Reserves be established. These reserves must be at least 3 percent of "fiscal Year Spending" (as defined in the Amendment). As of December 31, 2020, the Reserved Fund Balance for this purpose is \$125,245.

NOTE 12 - PRIOR PERIOD ADJUSTMENT

A restatement was posted during 2020 to correct beginning fund balance related to the Capital Improvements Fund for sales tax receivables outstanding as of December 31, 2019. See effect of restatement below on the Capital Improvements Fund beginning fund balance and Governmental Activities beginning net position.

Governmental Activities	
Balance reported as of December 31, 2019	\$ 3,994,424
Prior Period Adjustment	71,715
Restated Balance as of December 31, 2019	\$ 4,066,139

Capital Improvement Fund	
Balance reported as of December 31, 2019	\$ 478,625
Prior Period Adjustment	71,715
Restated Balance as of December 31, 2019	\$ 550,340

REQUIRED SUPPLEMENTARY INFORMATION

TOWN OF KEENESBURG
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES
IN FUND BALANCE – BUDGET AND ACTUAL – GENERAL FUND
YEAR ENDED DECEMBER 31, 2020

	Original Budget	Final Budget	Actual	Variance Positive (Negative)
<u>Revenues</u>				
Property taxes				
General property tax	\$ 315,126	\$ 315,126	\$ 312,204	\$ (2,922)
Specific ownership taxes	16,000	12,000	14,958	2,958
Penalties and interest	400	100	616	516
Total property taxes	<u>331,526</u>	<u>327,226</u>	<u>327,778</u>	<u>552</u>
Other taxes				
Cigarette tax	1,000	1,000	2,011	1,011
Sales tax	125,000	125,000	123,180	(1,820)
Franchise tax	62,500	62,500	232,486	169,986
Severance tax	50,000	50,000	40,700	(9,300)
Highway users' tax	53,260	53,260	57,102	3,842
Use tax	150,000	605,020	814,252	209,232
Payment in lieu of taxes	2,400	2,400	2,479	79
Total other taxes	<u>444,160</u>	<u>899,180</u>	<u>1,272,210</u>	<u>373,030</u>
Intergovernmental				
Motor vehicle registration	6,500	6,500	7,145	645
County road and bridge	8,500	8,500	11,017	2,517
Grant proceeds	-	-	95,971	95,971
Donations	-	-	-	-
Total intergovernmental	<u>15,000</u>	<u>15,000</u>	<u>114,133</u>	<u>99,133</u>
License and fees				
Liquor license	1,500	1,500	400	(1,100)
Occupation fees	400	400	409	9
Building permits	120,000	347,600	498,065	150,465
Business licenses and permits	7,000	7,000	6,997	(3)
Street cut fees	400	400	400	-
Park fees	-	-	-	-
Total license and fees	<u>129,300</u>	<u>356,900</u>	<u>506,271</u>	<u>149,371</u>
Charges for services				
Development fees - engineering	80,000	80,000	131,580	51,580
Development fees - legal	80,000	61,700	70,694	8,994
Animal control fees	2,500	2,500	2,815	315
Municipal court fees	15,000	15,000	19,103	4,103
Total charges for services	<u>177,500</u>	<u>159,200</u>	<u>224,192</u>	<u>64,992</u>
Miscellaneous				
Investment earnings	3,200	2,000	922	(1,078)
Miscellaneous revenues	20,000	300	40,717	40,417
Total miscellaneous	<u>23,200</u>	<u>2,300</u>	<u>41,639</u>	<u>39,339</u>
Total revenues	<u>1,120,686</u>	<u>1,759,806</u>	<u>2,486,223</u>	<u>726,417</u>

TOWN OF KEENESBURG
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES
IN FUND BALANCE – BUDGET AND ACTUAL – GENERAL FUND
(CONTINUED)
YEAR ENDED DECEMBER 31, 2020

	Original Budget	Final Budget	Actual	Variance Positive (Negative)
<u>Expenditures</u>				
Legislative				
Mayor salary	6,000	6,000	6,000	-
Payroll taxes - mayor/trustees	1,300	1,300	1,211	89
Publishing	125	125	-	125
Election judges	330	330	300	30
Worker's compensation	100	100	165	(65)
Miscellaneous	3,500	3,500	1,662	1,838
Director/trustee fees	10,800	10,800	9,225	1,575
Total legislative	<u>22,155</u>	<u>22,155</u>	<u>18,563</u>	<u>3,592</u>
General administration				
Salaries	124,662	124,662	114,618	10,044
Payroll taxes	11,875	11,875	9,765	2,110
Telephone	1,900	1,900	2,692	(792)
Utilities	2,200	2,200	4,883	(2,683)
Office expense	15,000	15,000	13,738	1,262
Maintenance and repairs	9,000	9,000	4,577	4,423
Insurance and bonds	12,000	12,000	11,198	802
Audit and accounting	7,500	7,500	5,999	1,501
Professional services	12,000	12,000	15,589	(3,589)
Legal	55,000	55,000	33,289	21,711
Publishing	4,500	4,500	1,671	2,829
Dues and subscriptions	17,000	17,000	9,580	7,420
Health and insurance	18,100	18,100	12,140	5,960
Planning and zoning	140,000	140,000	27,774	112,226
Capital outlay	4,000	4,000	2,120	1,880
Employee benefits	6,233	6,233	8,228	(1,995)
Worker's compensation	250	250	329	(79)
Miscellaneous	10,000	10,000	13,142	(3,142)
Treasurer's fees	3,000	3,000	3,128	(128)
Legal/development/planning	160,000	160,000	189,074	(29,074)
Total general administration	<u>614,220</u>	<u>614,220</u>	<u>483,534</u>	<u>130,686</u>
Public safety				
Legal - judge and court attorney	9,000	9,000	6,975	2,025
Law enforcement	97,978	97,978	100,559	(2,581)
Inspection services	85,500	248,700	331,077	(82,377)
Miscellaneous	2,000	2,000	442	1,558
Total public safety	<u>194,478</u>	<u>357,678</u>	<u>439,053</u>	<u>(81,375)</u>

TOWN OF KEENESBURG
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES
IN FUND BALANCE – BUDGET AND ACTUAL – GENERAL FUND
(CONTINUED)
YEAR ENDED DECEMBER 31, 2020

	Original Budget	Final Budget	Actual	Variance Positive (Negative)
Public works				
Salaries	84,200	84,200	90,644	(6,444)
Payroll taxes	5,625	5,625	6,706	(1,081)
Telephone	2,000	2,000	2,331	(331)
Utilities	2,300	2,300	1,623	677
Office expense	3,500	3,500	1,261	2,239
Maintenance and repair - equipment	25,000	25,000	33,105	(8,105)
Maintenance and repair - streets	50,000	50,000	20,520	29,480
Street lighting	15,500	15,500	12,891	2,609
Gas and oil	6,000	6,000	4,944	1,056
Shop supplies	5,000	5,000	4,658	342
Trash service fees	8,000	8,000	7,292	708
Capital outlay	-	-	-	-
Employee benefits	4,210	4,210	3,839	371
Health insurance	13,500	13,500	11,693	1,807
Worker's compensation	3,000	3,000	3,908	(908)
Miscellaneous	3,000	3,000	3,448	(448)
Total public works	<u>230,835</u>	<u>230,835</u>	<u>208,863</u>	<u>21,972</u>
Health and welfare				
Code enforcement	15,000	15,000	22,003	11,500
Mosquito spraying	8,800	8,800	3,500	6,465
Animal control	3,500	3,500	2,335	(18,503)
Covid expenditures	-	60,300	93,351	(33,051)
Total health and welfare	<u>27,300</u>	<u>87,600</u>	<u>121,189</u>	<u>(33,589)</u>
Culture and recreation				
Utilities	350	350	484	(134)
Maintenance and repair	22,000	22,000	10,088	11,912
Capital outlay	37,000	37,000	17,365	19,635
Miscellaneous	9,650	9,650	4,163	5,487
Miscellaneous contributions	8,500	8,500	4,409	4,091
Total culture and recreation	<u>77,500</u>	<u>77,500</u>	<u>36,509</u>	<u>40,991</u>
Total expenditures	<u>1,166,488</u>	<u>1,389,988</u>	<u>1,307,711</u>	<u>82,277</u>
Net change in fund balance	<u>\$ (45,802)</u>	<u>\$ 369,818</u>	1,178,512	<u>\$ 808,694</u>
Fund balance - beginning of year			<u>831,281</u>	
Fund balance - end of year			<u>\$ 2,009,793</u>	

TOWN OF KEENESBURG
SCHEDULE OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCE – BUDGET AND ACTUAL –
IMPACT FEE FUND
YEAR ENDED DECEMBER 31, 2020

	Original Budget	Final Budget	Actual	Variance Positive (Negative)
<u>Revenues</u>				
Police impact fee	\$ 5,510	\$ 5,510	\$ 48,362	\$ 42,852
Town Hall impact fee	33,990	33,990	351,982	317,992
Roadway impact fee	41,510	41,510	171,064	129,554
Drainage impact fee	5,250	5,250	88,155	82,905
Park impact fee	44,300	44,300	495,121	450,821
Investment earnings	-	-	123	123
Total revenues	<u>130,560</u>	<u>130,560</u>	<u>1,154,807</u>	<u>1,024,247</u>
<u>Expenditures</u>				
Capital outlay	<u>38,100</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total expenditures	<u>38,100</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net change in fund balance	<u>\$ 92,460</u>	<u>\$ 130,560</u>	1,154,807	<u>\$ 1,024,247</u>
Fund balance - beginning of year			<u>103,250</u>	
Fund balance - end of year			<u>\$ 1,258,057</u>	

OTHER SUPPLEMENTARY INFORMATION

TOWN OF KEENESBURG
SCHEDULE OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCE – BUDGET AND ACTUAL –
CAPITAL IMPROVEMENTS FUND
YEAR ENDED DECEMBER 31, 2020

	Original Budget	Final Budget	Actual	Variance Positive (Negative)
<u>Revenues</u>				
Sales tax	\$ 1,500,000	\$ 515,000	\$ 613,279	\$ 98,279
Miscellaneous Revenues	-	625,000	-	(625,000)
Investment earnings	3,200	500	286	(214)
Total revenues	<u>1,503,200</u>	<u>1,140,500</u>	<u>613,565</u>	<u>(526,935)</u>
<u>Expenditures</u>				
Miscellaneous	-	-	28,000	(28,000)
Capital outlay	317,000	624,000	579,429	44,571
Debt service				
Principal	65,000	65,000	65,000	-
Interest	17,812	17,812	17,812	-
Total expenditures	<u>399,812</u>	<u>706,812</u>	<u>690,241</u>	<u>16,571</u>
Net change in fund balance	<u>\$ 1,103,388</u>	<u>\$ 433,688</u>	(76,676)	<u>\$ (510,364)</u>
Fund balance - beginning of year (as Restated)			<u>550,340</u>	
Fund balance - end of year			<u>\$ 473,664</u>	

See the accompanying independent auditors' report

TOWN OF KEENESBURG
SCHEDULE OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCE – BUDGET AND ACTUAL –
CONSERVATION TRUST FUND
YEAR ENDED DECEMBER 31, 2020

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Positive (Negative)</u>
<u>Revenues</u>				
Lotto contributions/donations	\$ 15,000	\$ 12,000	\$ 12,682	\$ 682
Investment earnings	<u>360</u>	<u>65</u>	<u>39</u>	<u>(26)</u>
Total revenues	<u>15,360</u>	<u>12,065</u>	<u>12,721</u>	<u>656</u>
<u>Expenditures</u>				
Capital outlay	<u>69,000</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total expenditures	<u>69,000</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net change in fund balance	<u>\$ (53,640)</u>	<u>\$ 12,065</u>	12,721	<u>\$ 656</u>
Fund balance - beginning of year			<u>68,333</u>	
Fund balance - end of year			<u>\$ 81,054</u>	

See the accompanying independent auditors' report

TOWN OF KEENESBURG
SCHEDULE OF REVENUES, EXPENSES AND
CHANGES IN FUND NET POSITION – BUDGET AND ACTUAL –
NON – GAAP BUDGETARY BASIS
WATERWORKS FUND
YEAR ENDED DECEMBER 31, 2020

	Original and Final Budget	Actual	Variance Positive (Negative)
<u>Revenues</u>			
Water sales	\$ 387,000	\$ 437,242	\$ 50,242
Water tap fees	142,780	1,423,802	1,281,022
Raw water acquisition fee	224,400	2,273,350	2,048,950
Water pipeline use income	63,099	63,099	-
Intergovernmental	329,000	305,401	(23,599)
Investment earnings	4,000	693	(3,307)
Miscellaneous revenues	53,000	152,828	99,828
Total revenues	1,203,279	4,656,415	3,453,136
<u>Expenditures</u>			
Public works			
Salaries	151,520	142,483	9,037
Payroll taxes	10,500	12,125	(1,625)
Utilities	40,000	44,065	(4,065)
Maintenance and repair equipment	140,200	34,742	105,458
Gas and oil	3,200	2,472	728
Operating supplies	25,000	25,232	(232)
Health insurance	24,300	21,048	3,252
Employee benefits	7,576	6,513	1,063
Worker's compensation	5,000	7,348	(2,348)
Water testing	14,500	4,295	10,205
Miscellaneous	1,000	-	1,000
Capital outlay	1,034,670	642,920	391,750
Total public works	1,457,466	943,243	514,223
Administration			
Salaries	97,560	87,376	10,184
Payroll taxes	8,800	7,475	1,325
Telephone	1,900	2,692	(792)
Utilities	1,000	2,611	(1,611)
Office expense	3,000	3,558	(558)
Maintenance and repairs	1,800	5,518	(3,718)
Insurance and bonds	6,000	5,599	401
Audit and accounting	3,750	3,000	750
Professional services	36,000	9,753	26,247
Dues and subscriptions	9,000	6,988	2,012
Health insurance	13,500	8,673	4,827
Employee benefits	4,878	6,646	(1,768)
Worker's compensation	150	165	(15)
Miscellaneous	1,000	-	1,000
Total administration	188,338	150,054	38,284

See the accompanying independent auditors' report

TOWN OF KEENESBURG
SCHEDULE OF REVENUES, EXPENSES AND
CHANGES IN FUND NET POSITION – BUDGET AND ACTUAL –
NON – GAAP BUDGETARY BASIS
WATERWORKS FUND
YEAR ENDED DECEMBER 31, 2020

	Original and Final Budget	Actual	Variance Positive (Negative)
Debt service			
Principal	45,051	45,260	(209)
Interest and fiscal charges	28,900	28,691	209
Total debt service	73,951	73,951	-
 Total expenses	1,719,755	1,167,248	552,507
 Change in net position, budgetary basis	\$ (516,476)	3,489,167	4,005,643
 Reconciliation to GAAP basis			
Capital outlay		636,609	
Depreciation		(149,097)	
Loss on disposal of capital assets		(375)	
Debt principal payments		45,260	
 Change in net position, GAAP basis		4,021,564	
 Net position, beginning of year		5,074,038	
 Net position, end of year		\$ 9,095,602	

See the accompanying independent auditors' report

TOWN OF KEENESBURG
SCHEDULE OF REVENUES, EXPENSES AND
CHANGES IN FUND NET POSITION – BUDGET AND ACTUAL –
NON – GAAP BUDGETARY BASIS
WASTEWATER FUND
YEAR ENDED DECEMBER 31, 2020

	Original and Final Budget	Actual	Variance Positive (Negative)
<u>Revenues</u>			
Water sales	\$ 319,000	360,510	\$ 41,510
Water tap fees	163,438	1,560,090	1,396,652
Intergovernmental	50,000	-	(50,000)
Investment earnings	800	288	(512)
Total revenues	533,238	1,920,888	1,387,650
<u>Expenditures</u>			
Public works			
Salaries	100,950	95,426	5,524
Payroll taxes	6,200	7,896	(1,696)
Utilities	34,000	31,552	2,448
Maintenance and repair equipment	36,500	19,584	16,916
Gas and oil	3,500	2,472	1,028
Operating supplies	14,690	13,740	950
Health insurance	16,200	14,032	2,168
Employee benefits	5,048	4,342	706
Worker's compensation	2,800	4,377	(1,577)
Water testing	9,500	3,887	5,613
Miscellaneous	1,000	-	1,000
Capital outlay	65,000	3,524	61,476
Total public works	295,388	200,832	94,556
Administration			
Salaries	97,560	84,757	12,803
Payroll taxes	8,420	10,094	(1,674)
Telephone	1,900	2,692	(792)
Utilities	1,000	2,319	(1,319)
Office expense	3,000	3,558	(558)
Maintenance and repairs	2,000	2,678	(678)
Insurance and bonds	6,000	5,599	401
Audit and accounting	3,750	3,000	750
Professional services	130,000	4,419	125,581
Dues and subscriptions	6,400	2,954	3,446
Health insurance	13,500	6,949	6,551
Employee benefits	4,878	6,646	(1,768)
Worker's compensation	200	165	35
Total administration	278,608	135,862	142,746

See the accompanying independent auditors' report

TOWN OF KEENESBURG
SCHEDULE OF REVENUES, EXPENSES AND
CHANGES IN FUND NET POSITION – BUDGET AND ACTUAL –
NON – GAAP BUDGETARY BASIS
WASTEWATER FUND (CONTINUED)
YEAR ENDED DECEMBER 31, 2020

	<u>Original and Final Budget</u>	<u>Actual</u>	<u>Variance Positive (Negative)</u>
Debt service			
Principal	7,125	12,531	(5,406)
Interest and fiscal charges	13,401	7,995	5,406
Total debt service	<u>20,526</u>	<u>20,526</u>	<u>-</u>
 Total expenses	 <u>594,522</u>	 <u>357,220</u>	 <u>237,302</u>
 Change in net position, budgetary basis	 <u>\$ (61,284)</u>	 1,563,668	 <u>\$ 1,624,952</u>
 Reconciliation to GAAP basis			
Depreciation		(69,458)	
Debt principal payments		<u>12,531</u>	
 Change in net position, GAAP basis		 1,506,741	
 Net position, beginning of year		 <u>1,155,543</u>	
 Net position, end of year		 <u>\$ 2,662,284</u>	

See the accompanying independent auditors' report

COMPLIANCE SECTION

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

LOCAL HIGHWAY FINANCE REPORT		City or County: Town of Keenesburg
		YEAR ENDING : December 2020
This Information From The Records Of : Town of Keenesburg	Prepared By: Phone:	Debra Chumley 303-732-4281

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
A. Receipts from local sources:		A. Local highway disbursements:	
1. Local highway-user taxes		1. Capital outlay (from page 2)	572,116
a. Motor Fuel (from Item I.A.5.)		2. Maintenance:	20,520
b. Motor Vehicle (from Item I.B.5.)		3. Road and street services:	
c. Total (a.+b.)		a. Traffic control operations	0
2. General fund appropriations	142,597	b. Snow and ice removal	0
3. Other local imposts (from page 2)	799,301	c. Other	0
4. Miscellaneous local receipts (from page 2)	286	d. Total (a. through c.)	0
5. Transfers from toll facilities		4. General administration & miscellaneous	216,343
6. Proceeds of sale of bonds and notes:		5. Highway law enforcement and safety	100,559
a. Bonds - Original Issues		6. Total (1 through 5)	909,538
b. Bonds - Refunding Issues		B. Debt service on local obligations:	
c. Notes		1. Bonds:	
d. Total (a. + b. + c.)	0	a. Interest	17,812
7. Total (1 through 6)	942,184	b. Redemption	65,000
B. Private Contributions		c. Total (a. + b.)	82,812
C. Receipts from State government (from page 2)	64,247	2. Notes:	
D. Receipts from Federal Government (from page 2)	95,971	a. Interest	
E. Total receipts (A.7 + B + C + D)	1,102,402	b. Redemption	
		c. Total (a. + b.)	0
		3. Total (1.c + 2.c)	82,812
		C. Payments to State for highways	
		D. Payments to toll facilities	
		E. Total disbursements (A.6 + B.3 + C + D)	992,350

IV. LOCAL HIGHWAY DEBT STATUS
(Show all entries at par)

	Opening Debt	Amount Issued	Redemptions	Closing Debt
A. Bonds (Total)	610,000		65,000	545,000
1. Bonds (Refunding Portion)				
B. Notes (Total)				0

V. LOCAL ROAD AND STREET FUND BALANCE

	A. Beginning Balance	B. Total Receipts	C. Total Disbursements	D. Ending Balance	E. Reconciliation
	478,352	1,102,402	992,350	588,404	0

Notes and Comments:

