

TOWN OF KEENESBURG, COLORADO

FINANCIAL STATEMENTS  
YEAR ENDED DECEMBER 31, 2022

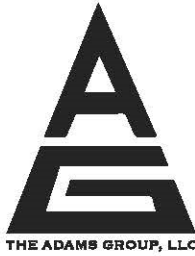
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CERTIFIED PUBLIC ACCOUNTANTS

## INDEPENDENT AUDITORS' REPORT

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

### **Report on the Audit of the Financial Statements**

#### ***Opinions***

We have audited the financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the Town of Keenesburg (the Town) as of and for the year ended December 31, 2022, and the related notes to the financial statements, which collectively comprise the Town's basic financial statements as listed in the table of contents.

In our opinion, the accompanying financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, business-type activities, each major fund, and the aggregate remaining fund information of the Town of Keenesburg, as of December 31, 2022, 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.

#### ***Basis for Opinions***

We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Our responsibilities under those standards are further described in the Auditors' Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the Town, and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

#### ***Responsibilities of Management for the Financial Statements***

Management is responsible for the preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in the United States of America, and for 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.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the Town's ability to continue as a going concern for twelve months beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.

### ***Auditors' Responsibilities for the Audit of the Financial Statements***

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinions. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with generally accepted auditing standards will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with generally accepted auditing standards, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit 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 Town's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the Town's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control-related matters that we identified during the audit.

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

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis and budgetary comparison schedules be presented to supplement the basic financial statements. Such information is the responsibility of management and, 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.

***Supplementary 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 local highway finance report are presented for purposes of additional analysis and are not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, budgetary comparison schedules and local highway finance report are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

*The Adorno Group, LLC*

Denver, Colorado  
August 14, 2023

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, 2022. 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, 2022 by \$27,583,509. Of this amount, \$14,212,733 (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 \$1,667,807 over the previous year. The increase was a result of tax revenues and utility revenues collected sufficient to cover operating expenses.
- At December 31, 2022, the Town's governmental fund balance sheet reported a combined ending fund balance of \$7,235,179, an increase of \$553,219 when compared to the prior year.
- The General Fund reported a fund balance of \$3,865,176, an increase of \$521,695 from the prior fiscal year as a result of increased tax revenues.
- The Town's total outstanding long-term debt decreased by \$508,331 in fiscal year 2022 as a result of paying off a loan recorded in the water fund in advance.

**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 parks 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 Statues. 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 \$27,583,509 at the close of the most recent fiscal year, representing an increase in total net position for the year amounting to \$1,667,807.

One of the largest portions of the Town's net position (47.5%) 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 Net Position**

	Governmental		Business-Type		Total	
	Activities		Activities			
	2022	2021	2022	2021	2022	2021
<b>Assets</b>						
Current and other assets	\$ 18,276,340	\$ 8,062,061	\$ 7,925,115	\$ 9,088,890	\$ 26,201,455	\$ 17,150,951
Capital assets and lease assets	5,152,188	4,227,229	8,858,712	7,514,315	14,010,900	11,741,544
Total assets	<u>23,428,528</u>	<u>12,289,290</u>	<u>16,783,827</u>	<u>16,603,205</u>	<u>40,212,355</u>	<u>28,892,495</u>
<b>Liabilities</b>						
Current liabilities	8,208,210	280,326	691,211	171,092	8,899,421	451,418
Long-term liabilities	673,090	478,075	268,804	947,525	941,894	1,425,600
Total liabilities	<u>8,881,300</u>	<u>758,401</u>	<u>960,015</u>	<u>1,118,617</u>	<u>9,841,315</u>	<u>1,877,018</u>
<b>Deferred inflows of resources</b>						
Deferred property taxes	2,787,531	1,099,775	-	-	2,787,531	1,099,775
<b>Net position:</b>						
Net investment in capital assets	4,499,003	3,752,229	8,603,518	6,572,776	13,102,521	10,325,005
Restricted	259,874	289,087	8,381	6,329	268,255	295,416
Unrestricted	7,000,820	6,389,798	7,211,913	8,905,483	14,212,733	15,295,281
Total net position	<u>\$ 11,759,697</u>	<u>\$ 10,431,114</u>	<u>\$ 15,823,812</u>	<u>\$ 15,484,588</u>	<u>\$ 27,583,509</u>	<u>\$ 25,915,702</u>

TOWN OF KEENESBURG  
MANAGEMENT'S DISCUSSION AND ANALYSIS

An additional portion of the Town's net position (1%) represents resources that are subject to restrictions on how they may be used, most of which are restrictions imposed from external sources. The remaining 52% of total net position, \$14,212,733, 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 decreased by \$1,082,558 compared with the prior year, largely due to a significant decrease in revenues associated with building permits and raw water acquisition revenue, as well as a decrease in state grant revenues. 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 Changes in Net Position**

	Governmental Activities		Business-Type Activities		Total	
	2022	2021	2022	2021	2022	2021
Revenues:						
Program revenues:						
Charges for services	\$ 398,041	\$ 179,410	\$ 1,706,798	\$ 2,778,091	\$ 2,104,839	\$ 2,957,501
Operating grants and contributions	138,821	-	-	-	138,821	-
Capital grants and contributions	139,382	1,732,487	227,425	2,334,261	366,807	4,066,748
General revenues:						
Property taxes	1,101,783	1,109,056	-	-	1,101,783	1,109,056
Other taxes	1,620,729	1,805,761	-	-	1,620,729	1,805,761
Other	628,973	656,860	110,508	5,447	739,481	662,307
Total revenues	<u>4,027,729</u>	<u>5,483,574</u>	<u>2,044,731</u>	<u>5,117,799</u>	<u>6,072,460</u>	<u>10,601,373</u>
Expenses:						
General government	1,028,441	773,616	-	-	1,028,441	773,616
Public safety	693,954	432,640	-	-	693,954	432,640
Public works	776,482	592,472	-	-	776,482	592,472
Health and welfare	63,036	44,484	-	-	63,036	44,484
Culture and recreation	66,039	32,599	-	-	66,039	32,599
Interest on long-term debt	20,847	15,914	-	-	20,847	15,914
Loss on disposal of assets	50,347	-	31,031	-	81,378	-
Water and sewer	-	-	1,674,476	1,391,097	1,674,476	1,391,097
Total expenses	<u>2,699,146</u>	<u>1,891,725</u>	<u>1,705,507</u>	<u>1,391,097</u>	<u>4,404,653</u>	<u>3,282,822</u>
Change in net position	1,328,583	3,591,849	339,224	3,726,702	1,667,807	7,318,551
Net position, January 1,	<u>10,431,114</u>	<u>6,839,265</u>	<u>15,484,588</u>	<u>11,757,886</u>	<u>25,915,702</u>	<u>18,597,151</u>
Net position, December 31,	<u>\$ 11,759,697</u>	<u>\$ 10,431,114</u>	<u>\$ 15,823,812</u>	<u>\$ 15,484,588</u>	<u>\$ 27,583,509</u>	<u>\$ 25,915,702</u>

TOWN OF KEENESBURG  
MANAGEMENT’S DISCUSSION AND ANALYSIS

Graphic presentations of selected data from the summary tables follow to assist in the analysis of the Town’s activities for fiscal years 2022 and 2021.

**GOVERNMENTAL REVENUES**



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 67% of total revenues as compared to 53% in the prior year. The biggest increase is related to sales tax which increased 18.7 % as a result of significant increases in economic activity within the Town.

**GOVERNMENTAL FUNCTIONAL EXPENSES**



Total expenses for governmental activities was \$2,648,799 in 2022 when compared to the 2021 balance of \$1,891,725. General government was the largest operating service for 2022 for the Town with the main increase relating to salaries and professional services. Total general government expenses was \$1,028,441 in 2022 as compared to \$773,616 in 2021. Public works was the second largest functional expense in 2022 with total expenses of \$776,482 as compared to \$592,472 in 2021. The most significant change was related to costs for repairs and maintenance during 2022.

TOWN OF KEENESBURG  
MANAGEMENT'S DISCUSSION AND ANALYSIS

**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, 2022, the Town's governmental funds reported combined fund balances of \$7,235,179, an increase of \$553,219 compared with the prior year balances. There is \$3,682,516 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.

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, 2022, total fund balance in the General Fund was \$3,865,176. As a measure of the General Fund's liquidity, the total fund balance amount exceeds total general fund expenditures at December 31, 2022. The fund balance of the General Fund increased by \$521,695 during the current fiscal year due to an increase in sales tax and other tax revenues.

The Impact Fund has a total fund balance of \$1,905,159. This fund was started in 2017 and in 2022, the funds only expenditures were related to capital outlay. The main sources of revenue are impact fees assessed by the Town.

The Capital Improvement has a total fund balance of \$1,371,970 of which \$48,000 is restricted for payment of debt service. The \$234,964 increase in fund balance for the year is due to an increase in sales tax revenues.

The Conservation Trust special revenue fund has a total restricted fund balance of \$92,874. This fund balance decreased \$3,213 during the current fiscal year as the fund reported \$19,316 of capital outlay for 2022.

*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, 2022, total net position amounted to \$15,823,812 for enterprise funds, an increase of \$339,224 from the prior year.

Total net position of the Wastewater Fund amounted to \$4,212,488 at the end of the fiscal year, representing a \$317,990 increase from the prior year amount of \$3,894,498. Operating revenues increased 56%, or \$256,044, compared to fiscal year 2021 due to an increase in sewer rates and usage by customers within the Town. Operating expenditures had an increase of \$61,312, which is directly related to an increase in salaries and maintenance on the system during 2022.

TOWN OF KEENESBURG  
MANAGEMENT’S DISCUSSION AND ANALYSIS

The Waterworks Fund total net position increased by \$21,234 during the year. The largest portion of the fund's net position (54%) reflects its investment in capital assets, less any related outstanding debt used to acquire those assets.

Unrestricted net position of the fund decreased by \$1,182,239 to \$5,387,525. This decrease was a result of decrease in tap fee collections during 2022..

**General Fund Budgetary Highlights**

A budget to actual statement is provided for the General Fund.

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 \$382,158 across all revenue streams. Expenditures for general government, public safety, public works, health and welfare, and culture and recreation were under budget by a total of \$669,764 due mostly to less salary expenditures compared to the budget in 2022.

**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, 2022, amounts to \$13,102,521 (net of accumulated depreciation and related debt). 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 19% due to depreciation and construction of the assets. Major capital asset events in the current fiscal year included the following:

- Purchase of police cars - \$275,916
- New public works vehicles and equipment - \$96,325
- Community center improvements - \$349,843
- Playground and park improvements - \$196,838
- Enterprise fund plant upgrades - \$1,671,310

	Governmental Activities		Business-Type Activities		Total	
	2022	2021	2022	2021	2022	2021
Land	\$ 179,928	\$ 179,928	\$ 168,677	\$ 168,677	\$ 348,605	\$ 348,605
Construction in process	617,619	111,700	1,733,133	757,731	2,350,752	869,431
Buildings and system	787,418	768,959	1,383	1,539	788,801	770,498
Machinery and equipment	719,013	457,195	98,039	32,924	817,052	490,119
Infrastructure	2,602,632	2,709,447	-	-	2,602,632	2,709,447
Lease assets	245,578	-	-	-	245,578	-
Wastewater system	-	-	896,933	967,173	896,933	967,173
Waterworks system	-	-	4,816,058	4,441,782	4,816,058	4,441,782
Water rights	-	-	1,144,489	1,144,489	1,144,489	1,144,489
	<u>\$ 5,152,188</u>	<u>\$ 4,227,229</u>	<u>\$ 8,858,712</u>	<u>\$ 7,514,315</u>	<u>\$ 14,010,900</u>	<u>\$ 11,741,544</u>

TOWN OF KEENESBURG  
MANAGEMENT'S DISCUSSION AND ANALYSIS

**Long-term debt.** At the end of the current fiscal year, the Town had total debt outstanding of \$908,218. Of this amount, \$660,194 comprises bonded debt backed by the full faith and credit of the government. The remaining balance consists of long-term lease liabilities recorded due to the implementation of GASB Statement No. 87, *Leases*.

	Governmental Activities		Business-Type Activities		Total	
	2022	2021	2022	2021	2022	2021
Revenue bonds	\$ 405,000	\$ 475,000	\$ 255,194	\$ 268,683	\$ 660,194	\$ 743,683
Lease liabilities	248,024		-		248,024	
Notes payable	-	-	-	672,866	-	672,866
	<u>\$ 653,024</u>	<u>\$ 475,000</u>	<u>\$ 255,194</u>	<u>\$ 941,549</u>	<u>\$ 908,218</u>	<u>\$ 1,416,549</u>

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

- Taxable property valuation increased from \$49,989 million in 2021 to \$126.985 million in 2022. 2022 valuation is based on collections to be received by the Town in 2023.
- Sales tax revenues were significantly higher than 2022 budgeted amounts as a result of the new commercial entities beginning operations in the Town. As a result, the Town has budgeted sales tax revenues of \$1,250,000 for fiscal year 2022 (General Fund and Capital Improvement Fund combined).

The Town has appropriated \$45,704 for the general fund in the 2023 fiscal year budget in accordance with the requirements of state statute. Property tax revenues for 2022 are budgeted at \$2,793,679 in the general fund. All municipal services provided in 2022 will be continued in 2023.

**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, 2022

	Governmental Activities	Business-Type Activities	Total
<u>Assets</u>			
Cash and cash equivalents	\$ 14,155,168	\$ 8,361,339	\$ 22,516,507
Cash and cash equivalents - restricted	48,000	-	48,000
Accounts receivable	617,232	174,329	791,561
Property taxes receivable	2,787,531	-	2,787,531
Inventories	-	36,678	36,678
Prepaid items	17,956	3,222	21,178
Capital assets, not depreciated	797,547	3,046,299	3,843,846
Capital assets, net of depreciation	4,109,063	5,812,413	9,921,476
Right to use lease assets, net of amortization	245,578	-	245,578
Internal balances	650,453	(650,453)	-
Total Assets	23,428,528	16,783,827	40,212,355
<u>Liabilities</u>			
Accounts payable	105,080	644,935	750,015
Accrued interest	407	-	407
Other liabilities	51,284	30,413	81,697
Unearned revenue	8,043,939	4,863	8,048,802
Deposits	7,500	11,000	18,500
Noncurrent liabilities:			
Due within one year	121,917	27,489	149,406
Due in more than one year	551,173	241,315	792,488
Total Liabilities	8,881,300	960,015	9,841,315
<u>Deferred Inflows of Resources</u>			
Unavailable property taxes	2,787,531	-	2,787,531
Total Deferred Outflows of Resources	2,787,531	-	2,787,531
<u>Net Position</u>			
Net investment in capital assets	4,499,003	8,603,518	13,102,521
Restricted			
Emergency reserves	119,000	-	119,000
Debt service	48,000	-	48,000
Culture and recreation	92,874	-	92,874
Capital projects	-	8,381	8,381
Unrestricted	7,000,820	7,211,913	14,212,733
Total Net Position	\$ 11,759,697	\$ 15,823,812	\$ 27,583,509

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



**TOWN OF KEENESBURG**  
**STATEMENT OF ACTIVITIES**  
**YEAR ENDED DECEMBER 31, 2022**

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
<b>Primary government:</b>							
<b>Governmental Activities:</b>							
General government	\$ 1,028,441	\$ 361,525	\$ 138,821	\$ 5,531	\$ (522,564)	\$ -	\$ (522,564)
Public safety	693,954	36,516	-	1,427	(656,011)	-	(656,011)
Public works	776,482	-	-	108,508	(667,974)	-	(667,974)
Health and welfare	63,036	-	-	-	(63,036)	-	(63,036)
Culture and recreation	66,039	-	-	23,916	(42,123)	-	(42,123)
Interest and fiscal charges	20,847	-	-	-	(20,847)	-	(20,847)
Total governmental activities	<u>2,648,799</u>	<u>398,041</u>	<u>138,821</u>	<u>139,382</u>	<u>(1,972,555)</u>	<u>-</u>	<u>(1,972,555)</u>
<b>Business-Type Activities:</b>							
Waterworks	1,066,432	993,228	-	33,557	-	(39,647)	(39,647)
Wastewater	608,044	713,570	-	193,868	-	299,394	299,394
Total business-type activities	<u>1,674,476</u>	<u>1,706,798</u>	<u>-</u>	<u>227,425</u>	<u>-</u>	<u>259,747</u>	<u>259,747</u>
Total primary government	<u>4,323,275</u>	<u>2,104,839</u>	<u>138,821</u>	<u>366,807</u>	<u>(1,972,555)</u>	<u>259,747</u>	<u>(1,712,808)</u>
<b>GENERAL REVENUES:</b>							
<b>Taxes</b>							
General property					1,101,783	-	1,101,783
Specific ownership taxes					65,090	-	65,090
Franchise					308,115	-	308,115
Sales					1,027,049	-	1,027,049
Use					48,305	-	48,305
Severance					84,463	-	84,463
Highway users					81,526	-	81,526
Other					6,181	-	6,181
Investment earnings					69,917	99,425	169,342
Loss on disposal of assets					(50,347)	(31,031)	(81,378)
Miscellaneous					559,056	11,083	570,139
Total general revenues					<u>3,301,138</u>	<u>79,477</u>	<u>3,380,615</u>
Change in net position					1,328,583	339,224	1,667,807
Net position - beginning					10,431,114	15,484,588	25,915,702
Net position - ending					<u>\$ 11,759,697</u>	<u>\$ 15,823,812</u>	<u>\$ 27,583,509</u>

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

TOWN OF KEENESBURG  
BALANCE SHEET – GOVERNMENTAL FUNDS  
DECEMBER 31, 2022

	General	Impact Fee	Capital Improvements	Non-Major Conservation Trust	Total Governmental Funds
<u>Assets</u>					
Cash and investments	\$ 11,032,384	\$ 1,905,534	\$ 1,124,376	\$ 92,874	\$ 14,155,168
Cash and investments - restricted	-	-	48,000	-	48,000
Accounts receivable	473,121	-	144,111	-	617,232
Property taxes receivable	2,787,531	-	-	-	2,787,531
Prepaid items	17,956	-	-	-	17,956
Due from other funds	585,803	-	65,124	-	650,927
Total assets	<u>\$ 14,896,795</u>	<u>\$ 1,905,534</u>	<u>\$ 1,381,611</u>	<u>\$ 92,874</u>	<u>\$ 18,276,814</u>
<u>Liabilities, deferred inflows of resources and fund balance</u>					
Liabilities:					
Accounts payable	\$ 95,538	\$ -	\$ 9,542	\$ -	\$ 105,080
Other liabilities	51,284	-	-	-	51,284
Deposits	7,500	-	-	-	7,500
Unearned revenue	8,043,939	-	-	-	8,043,939
Due to other funds	-	375	99	-	474
Total liabilities	<u>8,198,261</u>	<u>375</u>	<u>9,641</u>	<u>-</u>	<u>8,208,277</u>
<u>Deferred inflows of resources</u>					
Unavailable property taxes	2,787,531	-	-	-	2,787,531
Unavailable grant revenues	45,827	-	-	-	45,827
Total deferred inflows of resources	<u>2,833,358</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>2,833,358</u>
Fund balance:					
Nonspendable					
Prepaid items	17,956	-	-	-	17,956
Restricted					
Emergencies	119,000	-	-	-	119,000
Debt service	-	-	48,000	-	48,000
Culture and recreation	-	-	-	92,874	92,874
Committed					
Debt service	-	-	85,914	-	85,914
Impact fund	-	1,905,159	-	-	1,905,159
Assigned for					
Capital improvements	-	-	1,238,056	-	1,238,056
Subsequent years budget	45,704	-	-	-	45,704
Unassigned	3,682,516	-	-	-	3,682,516
Total fund balances	<u>3,865,176</u>	<u>1,905,159</u>	<u>1,371,970</u>	<u>92,874</u>	<u>7,235,179</u>
Total liabilities, deferred inflows of resources and fund balances	<u>\$ 14,896,795</u>	<u>\$ 1,905,534</u>	<u>\$ 1,381,611</u>	<u>\$ 92,874</u>	<u>\$ 18,276,814</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, 2022

Total fund balance, governmental funds	\$	7,235,179
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Amounts reported for governmental activities in the statement of net position are different because:

Capital assets used in governmental activities are not financial resources and therefore, are not reported in the governmental funds.

Right to use lease assets, net of accumulated amortization		245,578
Capital assets, net of accumulated depreciation		4,906,610

Long-term liabilities, including loans and leases payable, and accrued interest are not due and payable in the current period, and therefore, are not reported in governmental funds.

Bonds payable		(405,000)
Lease liabilities		(248,024)
Accrued interest		(407)
Compensated absences		(20,066)

Certain revenues not available to pay liabilities of the current period are deferred in the governmental funds		45,827
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Total net position of governmental activities	\$	<u>11,759,697</u>
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TOWN OF KEENESBURG  
STATEMENT OF REVENUES, EXPENDITURES AND  
CHANGES IN FUND BALANCES – GOVERNMENTAL FUNDS  
YEAR ENDED DECEMBER 31, 2022

<u>Revenues</u>	General	Impact Fee	Capital Improvements	Non-Major	Total Governmental Funds
				Conservation Trust	
Taxes	\$ 1,945,463	\$ -	\$ 777,049	\$ -	\$ 2,722,512
Licenses and permits	84,875	-	-	-	84,875
Intergovernmental	217,131	35,774	-	15,987	268,892
Charges for services	361,525	-	-	-	361,525
Investment earnings	50,558	18,194	1,049	116	69,917
Miscellaneous	474,181	-	-	-	474,181
Total revenues	<u>3,133,733</u>	<u>53,968</u>	<u>778,098</u>	<u>16,103</u>	<u>3,981,902</u>
<u>Expenditures</u>					
Current:					
General government	930,203	-	-	-	930,203
Public safety	691,164	-	-	-	691,164
Public works	818,666	-	-	-	818,666
Health and environment	63,036	-	-	-	63,036
Culture and recreation	49,301	-	-	-	49,301
Capital outlay	301,122	254,195	459,264	19,316	1,033,897
Debt service:					
Principal	24,837	-	70,000	-	94,837
Interest and fiscal charges	6,570	-	13,870	-	20,440
Total expenditures	<u>2,884,899</u>	<u>254,195</u>	<u>543,134</u>	<u>19,316</u>	<u>3,701,544</u>
Excess revenues over expenditures	<u>248,834</u>	<u>(200,227)</u>	<u>234,964</u>	<u>(3,213)</u>	<u>280,358</u>
<u>Other financing sources</u>					
Proceeds from lease liabilities	<u>272,861</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>272,861</u>
Total other financing sources	<u>272,861</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>272,861</u>
Net changes in fund balances	521,695	(200,227)	234,964	(3,213)	553,219
Fund balances - beginning of year	3,343,481	2,105,386	1,137,006	96,087	6,681,960
Fund balances - end of year	<u>\$ 3,865,176</u>	<u>\$ 1,905,159</u>	<u>\$ 1,371,970</u>	<u>\$ 92,874</u>	<u>\$ 7,235,179</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, 2022

Net changes in fund balance - total governmental funds:	\$	553,219
<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		1,008,691
Depreciation expense		(278,963)
Lease amortization expense		(27,283)
Loss on disposal		(50,347)
<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>		
Principal on bonds payable		70,000
Principal on leases payable		24,837
<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		(16,991)
Change in accrued interest payable		(407)
<p>Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in governmental funds.</p>		
Change in unavailable grant revenues		45,827
Change in net position of governmental activities	\$	<u>1,328,583</u>

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

TOWN OF KEENESBURG  
PROPRIETARY FUNDS  
STATEMENT OF NET POSITION  
DECEMBER 31, 2022

	<u>Waterworks</u>	<u>Wastewater</u>	<u>Total</u>
<u>Assets</u>			
Current assets:			
Cash and investments	\$ 6,582,216	\$ 1,779,123	\$ 8,361,339
Accounts receivable, net	94,896	79,433	174,329
Inventories	36,678	-	36,678
Prepaid items	2,494	728	3,222
Due from other funds	99	4,256	4,355
Total current assets	<u>6,716,383</u>	<u>1,863,540</u>	<u>8,579,923</u>
Noncurrent assets:			
Capital assets, not being depreciated	1,339,526	1,706,773	3,046,299
Capital assets, net of depreciation	<u>4,884,273</u>	<u>928,140</u>	<u>5,812,413</u>
Total noncurrent assets	<u>6,223,799</u>	<u>2,634,913</u>	<u>8,858,712</u>
 Total assets	 <u>12,940,182</u>	 <u>4,498,453</u>	 <u>17,438,635</u>
<u>Liabilities</u>			
Current liabilities:			
Accounts payable	635,677	9,258	644,935
Customer deposits	11,000	-	11,000
Other liabilities	16,635	13,778	30,413
Due to other funds	654,808	-	654,808
Unearned revenues	2,989	1,874	4,863
Compensated absences, current portion	7,749	5,861	13,610
Loans payable, current portion	-	13,879	13,879
Total current liabilities	<u>1,328,858</u>	<u>44,650</u>	<u>1,373,508</u>
Noncurrent liabilities:			
Loans payable	-	241,315	241,315
Total noncurrent liabilities	<u>-</u>	<u>241,315</u>	<u>241,315</u>
 Total liabilities	 <u>1,328,858</u>	 <u>285,965</u>	 <u>1,614,823</u>
<u>Net Position</u>			
Net investment in capital assets	6,223,799	2,379,719	8,603,518
Restricted - capital projects	-	8,381	8,381
Unrestricted	<u>5,387,525</u>	<u>1,824,388</u>	<u>7,211,913</u>
Total net position	<u>\$ 11,611,324</u>	<u>\$ 4,212,488</u>	<u>\$ 15,823,812</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, 2022

	<u>Waterworks</u>	<u>Wastewater</u>	<u>Total</u>
Operating revenues			
Charges for services	\$ 993,228	\$ 713,570	\$ 1,706,798
Miscellaneous	11,083	-	11,083
Total operating revenues	<u>1,004,311</u>	<u>713,570</u>	<u>1,717,881</u>
Operating expenses			
Operations and maintenance	507,209	290,931	798,140
Administration and general	305,429	233,069	538,498
Depreciation	218,874	77,007	295,881
Total operating expenses	<u>1,031,512</u>	<u>601,007</u>	<u>1,632,519</u>
Operating income (loss)	(27,201)	112,563	85,362
Nonoperating revenues (expenses)			
Intergovernmental	-	155,460	155,460
Investment earnings	80,713	18,712	99,425
Interest expense	(34,920)	(7,037)	(41,957)
Loss on disposal of capital assets	(30,915)	(116)	(31,031)
Total non-operating revenues (expenses)	<u>14,878</u>	<u>167,019</u>	<u>181,897</u>
Income (loss) before contributions	(12,323)	279,582	267,259
Capital contributions	<u>33,557</u>	<u>38,408</u>	<u>71,965</u>
Changes in net position	21,234	317,990	339,224
Net position, beginning of year	<u>11,590,090</u>	<u>3,894,498</u>	<u>15,484,588</u>
Net position, end of year	<u>\$ 11,611,324</u>	<u>\$ 4,212,488</u>	<u>\$ 15,823,812</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, 2022

	<u>Waterworks</u>	<u>Wastewater</u>	<u>Total</u>
<b>Cash Flows From Operating Activities</b>			
Cash received from customers	\$ 953,204	\$ 700,519	\$ 1,653,723
Cash paid to suppliers	175,745	(182,082)	(6,337)
Cash paid to employees	(455,478)	(327,302)	(782,780)
Other operating receipts	10,366	-	10,366
Net cash provided by operating activities	<u>683,837</u>	<u>191,135</u>	<u>874,972</u>
<b>Cash Flows From Capital and Related Financing Activities</b>			
Acquisition of capital assets	(749,481)	(890,797)	(1,640,278)
Tap fees received	33,557	38,408	71,965
Loan principal payments	(672,866)	(13,489)	(686,355)
Loss on sale of asset	(30,915)	(116)	(31,031)
Loan interest payment	(34,920)	(7,037)	(41,957)
Net cash (used) by capital and related financing activities	<u>(1,454,625)</u>	<u>(873,031)</u>	<u>(2,327,656)</u>
<b>Cash Flows From Noncapital Financing Activities</b>			
Grants received	-	155,460	155,460
Transfers to/from other funds	573,850	(44,131)	529,719
Net cash provided by noncapital financing activities	<u>573,850</u>	<u>111,329</u>	<u>685,179</u>
<b>Cash Flows From Investing Activities</b>			
Interest received	80,713	18,712	99,425
Net cash provided by investing activities	<u>80,713</u>	<u>18,712</u>	<u>99,425</u>
Net change in cash and cash equivalents	(116,225)	(551,855)	(668,080)
Cash and cash equivalents, beginning of year	<u>6,698,441</u>	<u>2,330,978</u>	<u>9,029,419</u>
Cash and cash equivalents, end of year	<u>\$ 6,582,216</u>	<u>\$ 1,779,123</u>	<u>\$ 8,361,339</u>
<b>Reconciliation of Net Operating Income (Loss) to Net Cash Provided by Operating Activities</b>			
Net operating income (loss)	\$ (27,201)	\$ 112,563	\$ 85,362
Adjustments to reconcile net operating income (loss) to cash provided by operating activities			
Depreciation expense	218,874	77,007	295,881
Changes in assets and liabilities related to operations (Increase) Decrease in:			
Accounts receivable	(37,524)	(12,522)	(50,046)
Inventory	14,432	-	14,432
Prepaid items	859	731	1,590
Increase (Decrease) in:			
Accounts payable	513,165	10,700	523,865
Unearned revenue	(717)	(529)	(1,246)
Deposits	(2,500)	-	(2,500)
Compensated absences payable	4,449	3,185	7,634
Net cash provided by operating activities	<u>\$ 683,837</u>	<u>\$ 191,135</u>	<u>\$ 874,972</u>

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



TOWN OF KEENESBURG  
NOTE TO THE FINANCIAL STATEMENTS  
DECEMBER 31, 2022

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, 2022

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, 2022

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 Investments*— 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, 2022

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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

Investments were reported in accordance with GASB Statement No. 72, as amended.

*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, 2022, 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, 2022. These taxes are classified as deferred inflows since they are not normally available to the Town until mid-2023 and are budgeted for in 2022.

*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).

*Leased Assets* – In June 2017 the Governmental Accounting Standards Board (GASB) adopted Statement No. 87, Leases. This standard establishes a single model for lease accounting based on the foundational principle that leases are financing the right to use and underlying asset. The Town determines if an arrangement is a lease at inception. Lease assets represent the Town’s control of the right to use an underlying asset for the lease term, in an exchange-like transaction. Lease assets are recognized at the commencement date based on the initial measurement of the lease liability, plus any payment made to the lessor at or before the commencement of the lease term and certain direct costs. Lease assets are amortized in a systematic and rational manner over the useful life of the underlying asset.

TOWN OF KEENESBURG  
NOTE TO THE FINANCIAL STATEMENTS  
DECEMBER 31, 2022

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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

*Capital Assets* – Capital assets, which include land, construction in process, 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 \$5,000 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.

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.

TOWN OF KEENESBURG  
NOTE TO THE FINANCIAL STATEMENTS  
DECEMBER 31, 2022

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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

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.

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.

*Net Position* – Net position is classified and displayed in three components:

Net investment in capital assets – consists of capital assets including restricted capital assets, net of accumulated depreciation and reduced by the outstanding balances of any bonds, mortgages, notes, or other borrowings that are attributable to the acquisition, construction, or improvement of those assets.

Restricted – consists of net position with constraints placed on the use either by (1) external groups, such as creditors, grantors, or laws or regulations of other governments; or (2) law through constitutional provisions or enabling legislation.

Unrestricted – all other net position that does not meet the definition of “restricted” or “net investment in capital assets.”

For government-wide presentation purposes and enterprise funds, when both restricted and unrestricted resources are available for use, it is the Town’s practice to use restricted resources first, then unrestricted as they are needed.

*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.

TOWN OF KEENESBURG  
NOTE TO THE FINANCIAL STATEMENTS  
DECEMBER 31, 2022

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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

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.

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.

TOWN OF KEENESBURG  
NOTE TO THE FINANCIAL STATEMENTS  
DECEMBER 31, 2022

NOTE 2 - STEWARDSHIP, COMPLIANCE, AND ACCOUNTABILITY

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 investments are classified in the financial statements as follows:

Cash and investments	\$ 22,516,507
Cash and investments - restricted	48,000
Total cash and investments	<u>\$ 22,564,507</u>

Cash and cash equivalents at December 31, 2022, consisted of the following:

Cash with County Treasurer	\$ 7,085
Cash deposits	4,677,588
Investments	17,879,834
Total	<u>\$ 22,564,507</u>

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 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 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.



TOWN OF KEENESBURG  
NOTE TO THE FINANCIAL STATEMENTS  
DECEMBER 31, 2022

NOTE 3 - CASH AND CASH EQUIVALENTS (CONTINUED)

At December 31, 2022, the carrying amount of the Town's deposits was \$4,677,588 and the bank balance was \$5,555,737 of which \$250,000 was covered by FDIC insurance and the remainder covered by the PDPA.

Investments

The Town has not adopted a formal investment policy; however, the Town follows state statutes regarding investments.

The Town generally limits its concentration of investments to those noted with an asterisk (\*) below, which are believed to have minimal credit risk, minimal interest rate risk, and no foreign currency risk. Additionally, the Town is not subject to concentration risk disclosure requirements or subject to investment custodial risk for investments that are in the possession of another party.

Colorado revised statutes limits investment maturities to five years or less unless formally approved by the Board of Directors. Such actions are generally associated with a debt service reserve or sinking fund requirement. Colorado statutes specify investment instruments meeting defined rating and risk criteria in which local governments may invest, which include:

- Obligations of the United States and certain U.S. government agency securities and the World Bank
- General obligation and revenue bonds of U.S. local government entities
- Bankers' acceptances of certain banks
- Commercial paper
- Certain reverse repurchase agreements
- Certain securities lending agreements
- Certain corporate bonds
- Written repurchase agreements collateralized by certain authorized securities
- Certain money market funds
- Guaranteed investment contracts
- \* Local government investment pools

ColoTrust

As of December 31, 2022, the Town had \$17,879,834 invested in the Colorado Local Government Liquid Asset Trust (ColoTrust), an investment vehicle established for local government entities in Colorado to pool surplus funds. The State Securities Commissioner administers and enforces all State statutes governing ColoTrust. ColoTrust operates similarly to a money market fund and each share is equal in value to \$1.00. ColoTrust offers shares in two portfolios, ColoTrust Prime and ColoTrust Plus+.

TOWN OF KEENESBURG  
NOTE TO THE FINANCIAL STATEMENTS  
DECEMBER 31, 2022

NOTE 3 - CASH AND CASH EQUIVALENTS (CONTINUED)

Investments (continued)

Both portfolios may invest in U.S. Treasury securities and repurchase agreements collateralized by U.S. Treasury securities. ColoTrust Plus+ may also invest in certain obligations of U.S. government agencies, highest rated commercial paper, and repurchase agreements collateralized by certain obligations of U.S. government agencies.

A designated custodial bank serves as custodial for ColoTrust's portfolios pursuant to a custodian agreement. The custodian acts as safekeeping agent for ColoTrust's investment portfolios and provides services as the depository in connection with direct investments and withdrawals.

Investment Valuation

Certain investments that are measured at fair value on a recurring basis are categorized within the fair value hierarchy established by generally accepted accounting principles. The hierarchy is based on the valuation inputs used to measure an asset's fair value: Level 1 inputs are quoted prices in active markets for identical assets; Level 2 inputs are significant other observable inputs; and Level 3 inputs are significant unobservable inputs.

However, the Town's investments are not measured at fair value and are therefore not categorized within the fair value hierarchy. These investments include 2a7-like external investment pools. The Town is permitted in certain circumstances to establish the fair value of an investment that does not have a readily determinable fair value by using the net asset value (NAV) per share (or its equivalent) of the investment.

ColoTrust determines the NAV of the shares of each portfolio as of the close of business on each day. The NAV per share of each portfolio is computed by dividing the total value of the securities and other assets of the portfolios, less any liabilities, by the total outstanding shares of the portfolios. Liabilities, which include all expenses and fees of ColoTrust, are accrued daily. The NAV is calculated at fair value using various inputs in determine value in accordance with GASB guidance. It is the goal of ColoTrust to maintain a NAV of \$1.00 per share, however changes in interest rates may affect the fair value of the securities held by ColoTrust and there can be no assurance that the NAV will not vary from \$1.00 per share. There are no unfunded commitments, the redemption frequency is daily and there is no redemption notice period.

*Restricted Cash and Investments* – At December 31, 2022, 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, 2022

NOTE 4 - CAPITAL ASSETS

Capital assets for governmental activities for the year ended December 31, 2022, is summarized below:

	Balances December 31, 2021	Additions	Deletions	Balances December 31, 2022
<i>Governmental Activities:</i>				
Capital Assets, not being depreciated				
Land	\$ 179,928	\$ -	\$ -	\$ 179,928
Construction in process	111,700	505,919	-	617,619
Total capital assets, not depreciated	<u>291,628</u>	<u>505,919</u>	<u>-</u>	<u>797,547</u>
Capital Assets, being depreciated				
Buildings	1,508,726	84,092	(8,018)	1,584,800
Equipment	1,172,794	372,241	(50,429)	1,494,606
Streets	3,481,321	46,439	(72,840)	3,454,920
Total capital assets, depreciated	<u>6,162,841</u>	<u>502,772</u>	<u>(131,287)</u>	<u>6,534,326</u>
Accumulated depreciation				
Buildings	(739,767)	(64,714)	7,099	(797,382)
Equipment	(715,599)	(110,423)	50,429	(775,593)
Streets	(771,874)	(103,826)	23,412	(852,288)
Total accumulated depreciation	<u>(2,227,240)</u>	<u>(278,963)</u>	<u>80,940</u>	<u>(2,425,263)</u>
Net capital assets, depreciated	<u>3,935,601</u>	<u>223,809</u>	<u>(50,347)</u>	<u>4,109,063</u>
Governmental Activities Capital Assets, net	<u>\$ 4,227,229</u>	<u>\$ 729,728</u>	<u>\$ (50,347)</u>	<u>\$ 4,906,610</u>

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

Governmental activities	
General government	\$ 78,110
Public safety	2,790
Public works	181,325
Culture and recreation	16,738
Total	<u>\$ 278,963</u>

TOWN OF KEENESBURG  
NOTE TO THE FINANCIAL STATEMENTS  
DECEMBER 31, 2022

NOTE 4 - CAPITAL ASSETS (CONTINUED)

	Balances December 31, 2021	Additions	Deletions	Balances December 31, 2022
<i>Governmental Activities:</i>				
Leased assets, being amortized				
Equipment	\$ -	\$ 272,861	\$ -	\$ 272,861
Total leased assets being amortized	-	272,861	-	272,861
Accumulated amortization				
Equipment	-	(27,283)	-	(27,283)
Total accumulated amortization	-	(27,283)	-	(27,283)
Total lease assets, being amortized, net	<u>\$ -</u>	<u>\$ 245,578</u>	<u>\$ -</u>	<u>\$ 245,578</u>

\$3,137 of amortization expense was charged to the general government function and \$24,146 was charged to the public works function on the statement of activities.

Capital assets for business-type activities for the year ended December 31, 2022, is summarized below:

	Balances December 31, 2021	Additions	Deletions	Balances December 31, 2022
<i>Business-Type Activities:</i>				
Capital Assets, not being depreciated				
Land	\$ 168,677	\$ -	\$ -	\$ 168,677
Construction in progress	757,731	975,402	-	1,733,133
Water rights	1,144,489	-	-	1,144,489
Total capital assets, not depreciated	<u>2,070,897</u>	<u>975,402</u>	<u>-</u>	<u>3,046,299</u>
Capital Assets, being depreciated				
Buildings	40,907	-	-	40,907
Equipment	177,393	84,196	(44,832)	216,757
Improvements - lagoons	431,252	-	(3,113)	428,139
Lagoon discharge rights	11,904	-	-	11,904
Wastewater system	989,731	-	(5,578)	984,153
Waterworks system	6,623,357	611,712	(355,061)	6,880,008
Total capital assets, depreciated	<u>8,274,544</u>	<u>695,908</u>	<u>(408,584)</u>	<u>8,561,868</u>
Accumulated depreciation				
Buildings	(39,368)	(156)	-	(39,524)
Equipment	(144,469)	(17,567)	43,318	(118,718)
Improvements - lagoons	(245,734)	(20,804)	3,113	(263,425)
Lagoon discharge rights	(11,903)	-	-	(11,903)
Wastewater system	(208,078)	(49,319)	5,462	(251,935)
Waterworks system	(2,181,575)	(208,035)	325,660	(2,063,950)
Total accumulated depreciation	<u>(2,831,127)</u>	<u>(295,881)</u>	<u>377,553</u>	<u>(2,749,455)</u>
Net capital assets, depreciated	<u>5,443,417</u>	<u>400,027</u>	<u>(31,031)</u>	<u>5,812,413</u>
Business-Type Activities				
Capital Assets, net	<u>\$ 7,514,314</u>	<u>\$ 1,375,429</u>	<u>\$ (31,031)</u>	<u>\$ 8,858,712</u>

TOWN OF KEENESBURG  
NOTE TO THE FINANCIAL STATEMENTS  
DECEMBER 31, 2022

NOTE 4 - CAPITAL ASSETS (CONTINUED)

Depreciation expense was charged to business-type activities of the Town as follows:

Business-type activities:

Waterworks	\$	218,874
Wastewater		77,007
Total	\$	<u>295,881</u>

NOTE 5 - INTERFUND RECEIVABLES AND PAYABLES

Interfund receivable and payable balances at December 31, 2022 are as follows:

<u>Fund</u>	<u>Interfund Receivable</u>	<u>Interfund Payable</u>
General	\$ 585,803	\$ -
Capital Improvement	65,124	99
Impact Fee	-	375
Waterworks	99	654,808
Wastewater	4,256	-
	<u>\$ 655,282</u>	<u>\$ 655,282</u>

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

NOTE 6 - LONG-TERM DEBT

Following is a summary of long-term debt transactions for the governmental activities for the year ended December 31, 2022.

	<u>Balances December 31, 2021</u>	<u>Additions</u>	<u>Deletions</u>	<u>Balances December 31, 2022</u>	<u>Due In One Year</u>
<i>Governmental Activities:</i>					
Series 2014, Sales Tax					
Revenue Bonds	\$ 475,000	\$ -	\$ (70,000)	\$ 405,000	\$ 75,000
Lease liabilities	-	272,861	(24,837)	248,024	26,851
Compensated absences	3,075	23,696	(6,705)	20,066	20,066
Total	<u>\$ 478,075</u>	<u>\$ 296,557</u>	<u>\$ (101,542)</u>	<u>\$ 673,090</u>	<u>\$ 121,917</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.

TOWN OF KEENESBURG  
NOTE TO THE FINANCIAL STATEMENTS  
DECEMBER 31, 2022

NOTE 6 - LONG-TERM DEBT (CONTINUED)

The 2014 Bonds are payable from pledged revenues and the Town has established a 3% municipal sales tax of which 1/12<sup>th</sup> 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, 2022, is \$48,000, which means the requirement as set in the 2014 Official Statement.

In May of 2022 the Town entered into a lease agreement for the use of copiers and a folding machine. The lease term is 63 months with fixed payments of \$415 due each month. The implicit borrowing rate on the lease was determined to be 1.37% and management utilized this rate to calculate the net present value of the right to use lease asset and lease liability recorded on the statement of net position. The Town paid \$2,712 of principal and \$192 of interest on the lease liability for the year ended December 31, 2022.

In January of 2022, the Town entered into a lease purchase agreement with WagnerCat Financial Services for the use of a motor grader. The lease purchase agreement term is 84 months and the payments under the agreement are fixed at \$2,375 per month. The lease purchase agreement carries a fixed interest rate of 2.99%. The Town used the fixed interest rate per the agreement to calculate the net present value of the right to use lease asset and lease liability recorded on the statement of net position. The Town plans to exercise the \$82,320 purchase option at the end of the agreement, so the right to use lease asset was amortized over the asset's useful life of 10 years, instead of the length of the lease purchase agreement. The Town paid \$22,125 of principal and \$6,378 of interest on the lease liability for the year ended December 31, 2022.

Remaining debt service at December 31, 2022, was as follows:

Year ended December 31,	<i>2014 Revenue Refunding Bonds</i>		
	Principal	Interest	Total
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	\$ 405,000	\$ 31,390	\$ 436,390

TOWN OF KEENESBURG  
NOTE TO THE FINANCIAL STATEMENTS  
DECEMBER 31, 2022

NOTE 6 - LONG-TERM DEBT (CONTINUED)

Year ended December 31,	<i>Lease Liability - Equipment</i>		Total
	Principal	Interest	
2023	\$ 26,851	\$ 6,631	\$ 33,482
2024	27,560	5,922	33,482
2025	28,324	5,157	33,481
2026	29,093	4,389	33,482
2027	28,219	3,602	31,821
2028	107,977	2,848	110,825
Total	\$ 248,024	\$ 28,549	\$ 276,573

*Compensated Absences* – The liability is typically liquidated with resources of the same fund that has paid the applicable employee's regular salaries and fringe benefits.

Following is a summary of long-term debt transactions for the business-type activities for the year ended December 31, 2022:

	Balances December 31, 2021	Additions	Deletions	Balances December 31, 2022	Due In One Year
<i>Business-Type Activities:</i>					
Series 2018, Wastewater Revenue Bonds	\$ 268,683	\$ -	\$ (13,489)	\$ 255,194	\$ 13,879
CWCB Note Payable - Waterworks	672,866	-	(672,866)	-	-
Compensated absences	5,976	10,896	(3,262)	13,610	13,610
Total	\$ 947,525	\$ 10,896	\$ (689,617)	\$ 268,804	\$ 27,489

\$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 2022, the Town paid the remaining principal balance of \$672,886.

TOWN OF KEENESBURG  
NOTE TO THE FINANCIAL STATEMENTS  
DECEMBER 31, 2022

NOTE 6 - LONG-TERM DEBT (CONTINUED)

Annual debt service requirements for the outstanding 2018 Bonds at December 31, 2022, are as follows.

Year ended December 31,	<i>Series 2018 Revenue Bonds</i>		
	Principal	Interest	Total
2023	\$ 13,879	\$ 6,647	\$ 20,526
2024	14,261	6,265	20,526
2025	14,653	5,873	20,526
2026	15,056	5,470	20,526
2027	15,470	5,056	20,526
2028 - 2032	83,970	18,660	102,630
2033 - 2037	96,169	6,461	102,630
2038	1,737	48	1,785
Total	\$ 255,194	\$ 54,481	\$ 309,675

*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 \$1,039,412. 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 \$49,302 and \$35,855 for 2022 and 2021, respectively. All contributions are 100% vested for the benefit of each employee immediately upon deposit.

During the year ended December 31, 2022 the Town began participating in the Statewide Defined Benefit Plan (SWDB), a cost-sharing multiple employer defined benefit pension plan. The plan is administered by the Fire and Police Pension Association of Colorado (FPPA). The plan provides retirement benefits for members and beneficiaries. Death and disability coverage is provided for members hired prior to January 1, 1997 through the Plan. All full-time, paid police officers of the Town are members of the SWDB and the Statewide Death and Disability Plan. Local revenue sources are responsible for funding of the Death and Disability benefits for firefighters hired on or after January 1, 1997.



TOWN OF KEENESBURG  
NOTE TO THE FINANCIAL STATEMENTS  
DECEMBER 31, 2022

NOTE 7 - RETIREMENT PLAN (CONTINUED)

The Town and eligible employees are required to contribute to the plan at rates established by State statutes. Employer contribution rates can only be amended by state statutes. Member contribution rates can be amended by state statute or election of the membership. In 2022, members of the SWDB plan and their employees contributed at a rate of 12 percent and 9 percent respectively, of pensionable earnings for a total contribution rate of 21 percent. The Town's contributions to the plan for the year ended December 31, 2022 were \$20,204, equal to the required contributions.

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.

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, 2022, 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.

TOWN OF KEENESBURG  
NOTE TO THE FINANCIAL STATEMENTS  
DECEMBER 31, 2022

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.

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, 2022, the Reserved Fund Balance for this purpose is \$119,000.

REQUIRED SUPPLEMENTARY INFORMATION

TOWN OF KEENESBURG  
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES  
IN FUND BALANCE – BUDGET AND ACTUAL – GENERAL FUND  
YEAR ENDED DECEMBER 31, 2022

	Original and Final Budget	Actual	Variance Positive (Negative)
<u>Revenues</u>			
Property taxes			
General property tax	\$ 1,099,775	\$ 1,101,783	\$ 2,008
Specific ownership taxes	17,000	65,090	48,090
Penalties and interest	1,200	1,133	(67)
Total property taxes	<u>1,117,975</u>	<u>1,168,006</u>	<u>50,031</u>
Other taxes			
Cigarette tax	2,800	2,234	(566)
Sales tax	250,000	250,000	-
Franchise tax	255,000	308,115	53,115
Severance tax	10,000	84,463	74,463
Highway users' tax	65,000	81,526	16,526
Use tax	375,000	48,305	(326,695)
Payment in lieu of taxes	2,500	2,814	314
Total other taxes	<u>960,300</u>	<u>777,457</u>	<u>(182,843)</u>
Intergovernmental			
Motor vehicle registration	8,500	10,475	1,975
County road and bridge	9,500	31,319	21,819
Grant proceeds	-	138,821	138,821
Intergovernmental agreements	-	36,516	36,516
Total intergovernmental	<u>18,000</u>	<u>217,131</u>	<u>199,131</u>
License and fees			
Liquor license	2,500	1,504	(996)
Occupation fees	400	10	(390)
Building permits	300,000	71,204	(228,796)
Business licenses and permits	7,000	11,057	4,057
Street cut fees	500	1,100	600
Total license and fees	<u>310,400</u>	<u>84,875</u>	<u>(225,525)</u>
Charges for services			
Development fees - consulting	100,000	114,733	14,733
Development fees - legal	75,000	69,617	(5,383)
Animal control fees	6,000	4,791	(1,209)
Municipal court fees	8,000	16,077	8,077
Solid waste fees	95,000	156,307	61,307
Total charges for services	<u>284,000</u>	<u>361,525</u>	<u>77,525</u>
Miscellaneous			
Investment earnings	900	50,558	49,658
Miscellaneous revenues	60,000	474,181	414,181
Total miscellaneous	<u>60,900</u>	<u>524,739</u>	<u>463,839</u>
Total revenues	<u>2,751,575</u>	<u>3,133,733</u>	<u>382,158</u>

TOWN OF KEENESBURG  
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES  
IN FUND BALANCE – BUDGET AND ACTUAL – GENERAL FUND (CONTINUED)  
YEAR ENDED DECEMBER 31, 2022

	Original and Final Budget	Actual	Variance Positive (Negative)
<u>Expenditures</u>			
Legislative			
Mayor salary	6,000	6,600	(600)
Payroll taxes - mayor/trustees	1,300	1,308	(8)
Worker's compensation	180	232	(52)
Miscellaneous	5,500	3,350	2,150
Director/trustee fees	10,800	10,450	350
Total legislative	<u>23,780</u>	<u>21,940</u>	<u>1,840</u>
General administration			
Salaries	362,400	293,341	69,059
Payroll taxes	29,900	23,148	6,752
Telephone	3,600	3,400	200
Utilities	9,000	5,952	3,048
Office expense	30,000	34,508	(4,508)
Maintenance and repairs	12,000	14,938	(2,938)
Insurance and bonds	18,000	20,316	(2,316)
Audit and accounting	10,000	9,061	939
Professional services	175,000	91,108	83,892
Legal	55,000	56,483	(1,483)
Publishing	1,500	1,974	(474)
Dues and subscriptions	21,550	24,953	(3,403)
Health and insurance	39,300	35,753	3,547
Planning and zoning	18,000	24,008	(6,008)
Capital outlay	75,000	25,206.00	49,794
Employee benefits	18,200	18,062	138
Worker's compensation	1,500	1,393	107
Miscellaneous	10,000	54,814	(44,814)
Treasurer's fees	13,000	11,011	1,989
Legal/development/planning	135,000	184,040	(49,040)
Total general administration	<u>1,037,950</u>	<u>933,469</u>	<u>104,481</u>
Public safety			
Salaries	620,745	354,012	266,733
Payroll taxes	45,000	21,934	23,066
FPPA contributions	47,663	38,940	8,723
Worker's compensation	19,000	18,338	662
Health Insurance	49,500	18,068	31,432
Training	20,000	9,219	10,781
Weld County dispatch	12,000	52	11,948
Victims advocate	1,000	-	1,000
Contract IT	30,510	4,270	26,240
Legal - judge & court attorney	12,000	18,383	(6,383)
Lab fees	3,500	-	3,500
Insurance and bonds	24,000	23,928	72
Licensing	700	30,308	(29,608)
Supplies	22,000	103,885	(81,885)
Repair and maintenance	2,500	601	1,899
Fuel and oil	12,000	109	11,891
Inspection services	165,000	40,121	124,879
Capital outlay	390,000	275,916	114,084
Miscellaneous	28,000	8,996	19,004
Total public safety	<u>1,505,118</u>	<u>967,080</u>	<u>538,038</u>

TOWN OF KEENESBURG  
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES  
IN FUND BALANCE – BUDGET AND ACTUAL – GENERAL FUND (CONTINUED)  
YEAR ENDED DECEMBER 31, 2022

	Original and Final Budget	Actual	Variance Positive (Negative)
Public works			
Salaries	205,360	158,754	46,606
Payroll taxes	15,700	12,332	3,368
Telephone	3,000	3,516	(516)
Utilities	4,500	2,386	2,114
Office expense	6,000	5,675	325
Maintenance and repair - equipment	84,200	56,555	27,645
Maintenance and repair - streets	175,000	221,073	(46,073)
Street lighting	15,000	13,747	1,253
Gas and oil	12,500	19,541	(7,041)
Shop supplies	7,000	6,152	848
Trash service fees	11,500	9,634	1,866
Capital outlay	-	254,329	(254,329)
Employee benefits	10,300	8,549	1,751
Health insurance	30,700	22,452	8,248
Worker's compensation	18,000	17,642	358
Miscellaneous	5,500	6,329	(829)
Total public works	<u>604,260</u>	<u>818,666</u>	<u>(214,406)</u>
Health and welfare			
Code enforcement	55,000	55,998	51,290
Mosquito spraying	4,800	3,710	1,530
Animal control	4,000	3,270	(51,998)
Miscellaneous	11,500	58	11,442
Total health and welfare	<u>75,300</u>	<u>63,036</u>	<u>12,264</u>
Culture and recreation			
Utilities	600	505	95
Maintenance and repair	12,000	4,008	7,992
Miscellaneous	15,000	20,300	(5,300)
Miscellaneous contributions	13,000	7,450	5,550
Tree USA / Arbor Dat	20,000	17,038	2,962
Total culture and recreation	<u>60,600</u>	<u>49,301</u>	<u>11,299</u>
Debt Service			
Principal - lease liabilities	-	24,837	(24,837)
Interest - lease liabilities	-	6,570	(6,570)
Total debt service	<u>-</u>	<u>31,407</u>	<u>(31,407)</u>
Total expenditures	<u>3,307,008</u>	<u>2,884,899</u>	<u>422,109</u>
Other financing sources and (uses)			
Proceeds from lease liabilities	-	272,861	272,861
Total other financing sources (uses)	<u>-</u>	<u>272,861</u>	<u>272,861</u>
Net changes in fund balance	<u>\$ (555,433)</u>	521,695	<u>\$ 1,077,128</u>
Fund balance - beginning of year		<u>3,343,481</u>	
Fund balance - end of year		<u>\$ 3,865,176</u>	

TOWN OF KEENESBURG  
SCHEDULE OF REVENUES, EXPENDITURES AND  
CHANGES IN FUND BALANCE – BUDGET AND ACTUAL –  
IMPACT FEE FUND  
YEAR ENDED DECEMBER 31, 2022

	Original and Final Budget	Actual	Variance Positive (Negative)
<u>Revenues</u>			
Police impact fee	\$ 20,900	\$ 1,427	\$ (19,473)
Town Hall impact fee	165,200	5,531	(159,669)
Roadway impact fee	200,370	14,255	(186,115)
Drainage impact fee	42,500	6,632	(35,868)
Park impact fee	236,900	7,929	(228,971)
Grants	700,000	-	(700,000)
Investment earnings	200	18,194	17,994
Total revenues	<u>1,366,070</u>	<u>53,968</u>	<u>(1,312,102)</u>
<u>Expenditures</u>			
Capital outlay	<u>2,115,000</u>	<u>254,195</u>	<u>1,860,805</u>
Total expenditures	<u>2,115,000</u>	<u>254,195</u>	<u>1,860,805</u>
Net changes in fund balance	<u>\$ (748,930)</u>	(200,227)	<u>\$ 548,703</u>
Fund balance - beginning of year		<u>2,105,386</u>	
Fund balance - end of year		<u>\$ 1,905,159</u>	

SUPPLEMENTARY INFORMATION



TOWN OF KEENESBURG  
SCHEDULE OF REVENUES, EXPENDITURES AND  
CHANGES IN FUND BALANCE – BUDGET AND ACTUAL –  
CAPITAL IMPROVEMENTS FUND  
YEAR ENDED DECEMBER 31, 2022

	Original and Final Budget	Actual	Variance Positive (Negative)
<u>Revenues</u>			
Sales tax	\$ 775,000	\$ 777,049	\$ 2,049
Intergovernmental	100,000	-	(100,000)
Investment earnings	100	1,049	949
Total revenues	<u>875,100</u>	<u>778,098</u>	<u>(97,002)</u>
<u>Expenditures</u>			
Capital outlay	1,357,156	459,264	897,892
Debt service			
Principal	70,000	70,000	-
Interest	<u>13,870</u>	<u>13,870</u>	<u>-</u>
Total expenditures	<u>1,441,026</u>	<u>543,134</u>	<u>897,892</u>
Net changes in fund balance	<u>\$ (565,926)</u>	234,964	<u>\$ 800,890</u>
Fund balance - beginning of year		<u>1,137,006</u>	
Fund balance - end of year		<u>\$ 1,371,970</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, 2022

	<u>Original and Final Budget</u>	<u>Actual</u>	<u>Variance Positive (Negative)</u>
<u>Revenues</u>			
Lotto contributions/donations	\$ 15,000	\$ 15,987	\$ 987
Investment earnings	10	116	106
Total revenues	<u>15,010</u>	<u>16,103</u>	<u>1,093</u>
<u>Expenditures</u>			
Capital outlay	<u>110,000</u>	<u>19,316</u>	<u>90,684</u>
Total expenditures	<u>110,000</u>	<u>19,316</u>	<u>90,684</u>
Net changes in fund balance	<u>\$ (94,990)</u>	<u>(3,213)</u>	<u>\$ 91,777</u>
Fund balance - beginning of year		<u>96,087</u>	
Fund balance - end of year		<u>\$ 92,874</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, 2022

	Original and Final Budget	Actual	Variance Positive (Negative)
<u>Revenues</u>			
Water sales	\$ 650,000	\$ 873,726	\$ 223,726
Water tap fees	713,900	33,557	(680,343)
Raw water acquisition fee	1,200,100	56,403	(1,143,697)
Water pipeline use income	63,099	63,099	-
Bulk water sales	25,000	-	(25,000)
Investment earnings	400	80,713	80,313
Miscellaneous revenues	3,000	11,083	8,083
Total revenues	2,655,499	1,118,581	(1,536,918)
<u>Expenditures</u>			
<u>Public works</u>			
Salaries	272,800	210,994	61,806
Payroll taxes	21,900	16,248	5,652
Utilities	50,000	56,144	(6,144)
Maintenance and repair equipment	75,000	130,743	(55,743)
Gas and oil	10,000	9,856	144
Operating supplies	28,000	26,336	1,664
Health insurance	38,600	32,489	6,111
Employee benefits	13,700	11,564	2,136
Worker's compensation	4,700	4,643	57
Water testing	8,000	8,181	(181)
Miscellaneous	1,000	11	989
Capital outlay	1,900,000	780,396	1,119,604
Total public works	2,423,700	1,287,605	1,136,095
<u>Administration</u>			
Salaries	183,400	145,324	38,076
Payroll taxes	14,700	11,384	3,316
Telephone	3,000	3,516	(516)
Utilities	3,000	3,252	(252)
Office expense	4,500	3,469	1,031
Maintenance and repairs	4,000	3,496	504
Insurance and bonds	11,000	12,317	(1,317)
Audit and accounting	5,000	4,531	469
Professional services	150,000	81,427	68,573
Dues and subscriptions	13,750	9,327	4,423
Health insurance	26,900	16,003	10,897
Employee benefits	9,200	10,582	(1,382)
Worker's compensation	725	696	29
Miscellaneous	300	105	195
Total administration	429,475	305,429	124,046

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 (CONTINUED)  
YEAR ENDED DECEMBER 31, 2022

	<u>Original and Final Budget</u>	<u>Actual</u>	<u>Variance Positive (Negative)</u>
Debt service			
Principal - notes payable	44,536	672,866	(628,330)
Interest - notes payable	29,415	34,920	(5,505)
Total debt service	<u>73,951</u>	<u>707,786</u>	<u>(633,835)</u>
 Total expenditures	 <u>2,927,126</u>	 <u>2,300,820</u>	 <u>626,306</u>
Other financing sources and (uses)			
Transfers out	(1,500,000)	-	1,500,000
Total other financing sources (uses)	<u>(1,500,000)</u>	<u>-</u>	<u>1,500,000</u>
 Changes in net position, budgetary basis	 <u>\$ (1,771,627)</u>	 (1,182,239)	 <u>589,388</u>
Reconciliation to GAAP basis			
Capital outlay		780,396	
Depreciation		(218,874)	
Loss on disposal of capital assets		(30,915)	
Debt principal payments		<u>672,866</u>	
Changes in net position, GAAP basis		21,234	
Net position, beginning of year		<u>11,590,090</u>	
Net position, end of year		<u>\$ 11,611,324</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  
WASTEWATER FUND  
YEAR ENDED DECEMBER 31, 2022

	Original and Final Budget	Actual	Variance Positive (Negative)
<u>Revenues</u>			
Sewer sales	\$ 573,000	713,570	\$ 140,570
Sewer tap fees	817,200	38,408	(778,792)
Intergovernmental	155,000	155,460	460
Investment earnings	50	18,712	18,662
Miscellaneous revenues	500	-	(500)
Total revenues	1,545,750	926,150	(619,600)
<u>Expenditures</u>			
Public works			
Salaries	163,900	127,608	36,292
Payroll taxes	13,200	9,796	3,404
Utilities	36,000	33,626	2,374
Maintenance and repair equipment	75,000	55,363	19,637
Gas and oil	2,500	9,856	(7,356)
Operating supplies	19,800	18,177	1,623
Health insurance	18,000	21,369	(3,369)
Employee benefits	8,200	7,067	1,133
Worker's compensation	2,900	2,786	114
Sewer testing	6,000	5,108	892
Miscellaneous	200	175	25
Capital outlay	3,895,000	890,914	3,004,086
Total public works	4,240,700	1,181,845	3,058,855
Administration			
Salaries	158,200	127,463	30,737
Payroll taxes	12,700	9,998	2,702
Telephone	3,000	3,515	(515)
Utilities	3,000	2,841	159
Office expense	4,500	3,359	1,141
Maintenance and repairs	4,000	3,503	497
Insurance and bonds	7,200	7,898	(698)
Audit and accounting	5,000	4,531	469
Professional services	25,000	32,912	(7,912)
Dues and subscriptions	10,700	5,220	5,480
Health insurance	23,000	15,335	7,665
Employee benefits	8,000	8,369	(369)
Worker's compensation	725	696	29
Miscellaneous	-	7,429	(7,429)
Total administration	265,025	233,069	31,956

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, 2022

	<u>Original and Final Budget</u>	<u>Actual</u>	<u>Variance Positive (Negative)</u>
Debt service			
Principal	7,125	13,489	(6,364)
Interest and fiscal charges	13,401	7,037	6,364
Total debt service	<u>20,526</u>	<u>20,526</u>	<u>-</u>
 Total expenditures	 <u>4,526,251</u>	 <u>1,435,440</u>	 <u>3,090,811</u>
 Other financing sources and (uses)			
Transfers in	1,500,000	-	(1,500,000)
	<u>1,500,000</u>	<u>-</u>	<u>(1,500,000)</u>
 Changes in net position, budgetary basis	 <u>\$ (1,480,501)</u>	 <u>\$ (509,290)</u>	 <u>\$ 971,211</u>
 Reconciliation to GAAP basis			
Capital outlay		890,914	
Depreciation		(77,007)	
Loss on disposal of assets		(116)	
Debt principal payments		<u>13,489</u>	
 Changes in net position, GAAP basis		 317,990	
 Net position, beginning of year		 <u>3,894,498</u>	
 Net position, end of year		 <u>\$ 4,212,488</u>	

See the accompanying independent auditors' report

## COMPLIANCE SECTION

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

<b>LOCAL HIGHWAY FINANCE REPORT</b>	STATE: COLORADO
	YEAR ENDING (mm/yy): 12/22

This Information From The Records Of: Town of Keenesburg	Prepared By: Shawna Finkenbinder, Treasurer 303-732-4281
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**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. EXPENDITURES FOR ROAD AND STREET PURPOSES	
ITEM	AMOUNT	ITEM	AMOUNT
<b>A. Receipts from local sources:</b>		<b>A. Local highway expenditures:</b>	
1. Local highway-user taxes		1. Capital outlay (from page 2)	\$ 13,096.00
a. Motor Fuel (from Item I.A.5.)		2. Maintenance:	\$ 221,072.79
b. Motor Vehicle (from Item I.B.5.)		3. Road and street services:	
c. Total (a.+b.)		a. Traffic control operations	
2. General fund appropriations	\$ 175,000.00	b. Snow and ice removal	
3. Other local imposts (from page 2)	\$ 791,303.79	c. Other	
4. Miscellaneous local receipts (from page 2)	\$ 1,051.42	d. Total (a. through c.)	\$ -
5. Transfers from toll facilities		4. General administration & miscellaneous	
6. Proceeds of sale of bonds and notes:		5. Highway law enforcement and safety	\$ 193,272.55
a. Bonds - Original Issues		6. Total (1 through 5)	\$ 427,441.34
b. Bonds - Refunding Issues		<b>B. Debt service on local obligations:</b>	
c. Notes		1. Bonds:	
d. Total (a. + b. + c.)	\$ -	a. Interest	\$ 13,870.02
7. Total (1 through 6)	\$ 967,355.21	b. Redemption	\$ 70,000.00
<b>B. Private Contributions</b>		c. Total (a. + b.)	\$ 83,870.02
<b>C. Receipts from State government</b> (from page 2)	\$ 92,000.78	2. Notes:	
<b>D. Receipts from Federal Government</b> (from page 2)	\$ -	a. Interest	
<b>E. Total receipts (A.7 + B + C + D)</b>	\$ 1,059,355.99	b. Redemption	
		c. Total (a. + b.)	\$ -
		3. Total (1.c + 2.c)	\$ 83,870.02
		<b>C. Payments to State for highways</b>	
		<b>D. Payments to toll facilities</b>	
		<b>E. Total expenditures (A.6 + B.3 + C + D)</b>	\$ 511,311.36

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

	Opening Debt	Amount Issued	Redemptions	Closing Debt
<b>A. Bonds (Total)</b>	\$ 475,000.00		\$ 70,000.00	\$ 405,000.00
1. Bonds (Refunding Portion)				\$ -
<b>B. Notes (Total)</b>				\$ -

**V. LOCAL ROAD AND STREET FUND BALANCE (RECEIPTS AND DISBURSEMENTS ONLY)**

	A. Beginning Balance	B. Total Receipts	C. Total Disbursements	D. Ending Balance	E. Reconciliation
	\$ 1,657,957.00	\$ 1,059,355.99	\$ 511,311.36	\$ 2,206,001.63	\$ -

Notes and Comments:



<b>LOCAL HIGHWAY FINANCE REPORT</b>	STATE: COLORADO YEAR ENDING (mm/yy): 12/22
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**II. RECEIPTS FOR ROAD AND STREET PURPOSES - DETAIL**

ITEM	AMOUNT	ITEM	AMOUNT
<b>A.3. Other local imposts:</b>		<b>A.4. Miscellaneous local receipts:</b>	
a. Property Taxes and Assessments		a. Interest on investments	\$ 1,051.42
b. Other local imposts:		b. Traffic Fines & Penalties	
1. Sales Taxes	\$ 777,048.79	c. Parking Garage Fees	
2. Infrastructure & Impact Fees	\$ 14,255.00	d. Parking Meter Fees	
3. Liens		e. Sale of Surplus Property	
4. Licenses		f. Charges for Services	
5. Specific Ownership &/or Other		g. Other Misc. Receipts	
6. Total (1. through 5.)	\$ 791,303.79	h. Other	
c. Total (a. + b.)	\$ 791,303.79	i. Total (a. through h.)	\$ 1,051.42
<i>(Carry forward to page 1)</i>		<i>(Carry forward to page 1)</i>	

ITEM	AMOUNT	ITEM	AMOUNT
<b>C. Receipts from State Government</b>		<b>D. Receipts from Federal Government</b>	
1. Highway-user taxes (from Item I.C.5.)	\$ 81,525.65	1. FHWA (from Item I.D.5.)	
2. State general funds		2. Other Federal agencies:	
3. Other State funds:		a. Forest Service	
a. State bond proceeds		b. FEMA	
b. Project Match		c. HUD	
c. Motor Vehicle Registrations	\$ 10,475.13	d. Federal Transit Administration	
d. DOLA Grant		e. U.S. Corps of Engineers	
e. Other		f. Other Federal	
f. Total (a. through e.)	\$ 10,475.13	g. Total (a. through f.)	\$ -
4. Total (1. + 2. + 3.f)	\$ 92,000.78	3. Total (1. + 2.g)	\$ -
<i>(Carry forward to page 1)</i>		<i>(Carry forward to page 1)</i>	

**III. EXPENDITURES FOR ROAD AND STREET PURPOSES - DETAIL**

	ON NATIONAL HIGHWAY SYSTEM (a)	OFF NATIONAL HIGHWAY SYSTEM (b)	TOTAL (c)
<b>A.1. Capital outlay:</b>			
a. Right-Of-Way Costs			\$ -
b. Engineering Costs			\$ -
c. Construction:			
(1). New Facilities			\$ -
(2). Capacity Improvements			\$ -
(3). System Preservation		\$ 13,096.00	\$ 13,096.00
(4). System Enhancement And Operation			\$ -
(5). Total Construction (1)+(2)+(3)+(4)	\$ -	\$ 13,096.00	\$ 13,096.00
d. Total Capital Outlay (Lines 1.a. + 1.b. + 1.c.4)	\$ -	\$ 13,096.00	\$ 13,096.00
<i>(Carry forward to page 1)</i>			

Notes and Comments: