

TOWN OF KEENESBURG, COLORADO

ANNUAL FINANCIAL REPORT

YEAR ENDED DECEMBER 31, 2019

Town of Keenesburg, Colorado
Annual Financial Report
For the Year Ended December 31, 2019

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INDEPENDENT AUDITOR'S REPORT

To the Board of Trustees
Town of Keenesburg, Colorado

I have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the Town of Keenesburg, Colorado, as of and for the year ended December 31, 2019, and the related notes to the financial statements, which collectively comprise the Town's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

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

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

I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my audit opinions.

Opinions

In my opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the Town of Keenesburg, Colorado as of December 31, 2019, and the respective changes in financial position, General Fund and Special Revenue Fund budgetary comparison and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis on pages 3-10 be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing

the basic financial statements in an appropriate operational, economic, or historical context. I 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 my inquiries, the basic financial statements, and other knowledge I obtained during my audit of the basic financial statements. I do not express an opinion or provide any assurance on the information because the limited procedures do not provide me with sufficient evidence to express an opinion or provide any assurance.

Other Information

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

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

The individual fund schedules and the Local Highway Finance Report have not been subjected to the auditing procedures applied in the audit of the basic financial statements and, accordingly, I do not express an opinion or provide any assurance on them.

Rose E Melville, CPA

Loveland Colorado

July 21, 2020

Management's Discussion and Analysis

Town of Keenesburg, Colorado's (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, 2019. We encourage readers to consider the information presented here in conjunction with additional information that we have furnished in the financial statements and notes to the financial statements.

Financial Highlights

- The Town's assets exceeded its liabilities at December 31, 2019 by \$10.2 million (*net position*). Of this amount, \$2.6 million (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 \$1,885,356 over the previous year, with 38 percent of the increase resulting from governmental activities and 62 percent resulting from business-type activities.
- At December 31, 2019 the Town's governmental fund balance sheet reported a combined ending fund balance of \$1.5 million, an increase of \$370 thousand compared to the previous fiscal year. A total of \$658,086 of the fund balance is unassigned.
- The General Fund reported a fund balance of \$831,281, an increase of \$183,092 from last fiscal year. This ending fund balance equated to 92 percent of General Fund expenditures for the year.
- The Town's total debt decreased by \$310,533 in fiscal year 2019, due to scheduled principal payments on outstanding debt.

Overview of the Financial Statements

This discussion and analysis is intended to serve as an introduction to the Town's basic financial statements. The basic financial statements are comprised of three components: (1) government-wide financial statements, (2) fund financial statements, and (3) notes to the financial statements. This report also contains 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, 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. All changes in net position are reported as soon as the underlying event giving rise to the change occurs, regardless of the timing of related cash flows. Thus, revenues and expenses are reported in this statement for some items that will only result in cash flows in future fiscal periods (such as, uncollected taxes and earned but unused vacation leave).

Both of the government-wide financial statements distinguish functions of the Town that are principally supported by taxes and intergovernmental revenues (governmental activities) from other functions that are intended to recover all or a significant portion of their costs through user fees and charges (business-type activities). The Town's governmental activities include general government, public safety, public works, health and welfare, and park and recreation. The Town's business-type activities include a water and wastewater utility system.

Fund financial statements. A fund is a grouping of related accounts that is 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, Conservation Trust Fund, Capital Improvements fund and Impact fund, each of which are considered to be major funds for the 2019 fiscal year.

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

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

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 liabilities by \$10.2 million at the close of the most recent fiscal year, representing an increase in total net position for the year amounting to \$1,885,356.

The largest portion of the Town's net position (73 percent) 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, Colorado Net Position

	Governmental Activities		Business-Type Activities		Total	
	2019	2018	2019	2018	2019	2018
Current and other assets	\$ 2,992,188	\$ 1,418,130	\$ 1,415,991	\$ 1,428,413	\$ 4,408,179	\$ 2,846,543
Capital assets	3,125,410	2,835,690	5,981,972	5,265,101	9,107,382	8,100,791
Total assets	<u>6,117,598</u>	<u>4,253,820</u>	<u>7,397,963</u>	<u>6,693,514</u>	<u>13,515,561</u>	<u>10,947,334</u>
Long-term liabilities outstanding	610,000	675,000	1,059,175	1,304,708	1,669,175	1,979,708
Other liabilities	1,198,047	79,390	109,204	322,214	1,307,251	401,604
Total liabilities	<u>1,808,047</u>	<u>754,390</u>	<u>1,168,379</u>	<u>1,626,922</u>	<u>2,976,426</u>	<u>2,381,312</u>
Deferred inflows of resources						
Deferred property taxes	315,126	225,676			315,126	225,676
Net position:						
Net investment in capital assets	2,515,410	2,160,690	4,922,797	3,960,393	7,438,207	6,121,083
Restricted	174,383	95,101	2,224	171	176,607	95,272
Unrestricted	1,304,631	1,017,963	1,304,563	1,106,028	2,609,194	2,123,991
Total net position	<u>\$ 3,994,424</u>	<u>\$ 3,273,754</u>	<u>\$ 6,229,584</u>	<u>\$ 5,066,592</u>	<u>\$ 10,224,007</u>	<u>\$ 8,340,346</u>

An additional portion of the Town's net position (1.7 percent) represents resources that are subject to restrictions on how they may be used, most of which are restrictions imposed from external sources. The remaining 25.3 percent of total net position (\$2.6 million) represents unrestricted net position that may be used to meet the government's ongoing obligations to citizens, creditors, and customers within the respective governmental and business-type activities.

At the end of the current fiscal year, as in the prior year, the Town is able to report positive balances in all three categories of net position as a whole and individually within the governmental and business-type activities. Unrestricted net position increased by \$487 thousand compared with the prior year, largely due to a decrease in capital debt. Despite the struggling economy, the Town's finances are strong, sound and stable because of solid, dedicated and committed financial management.

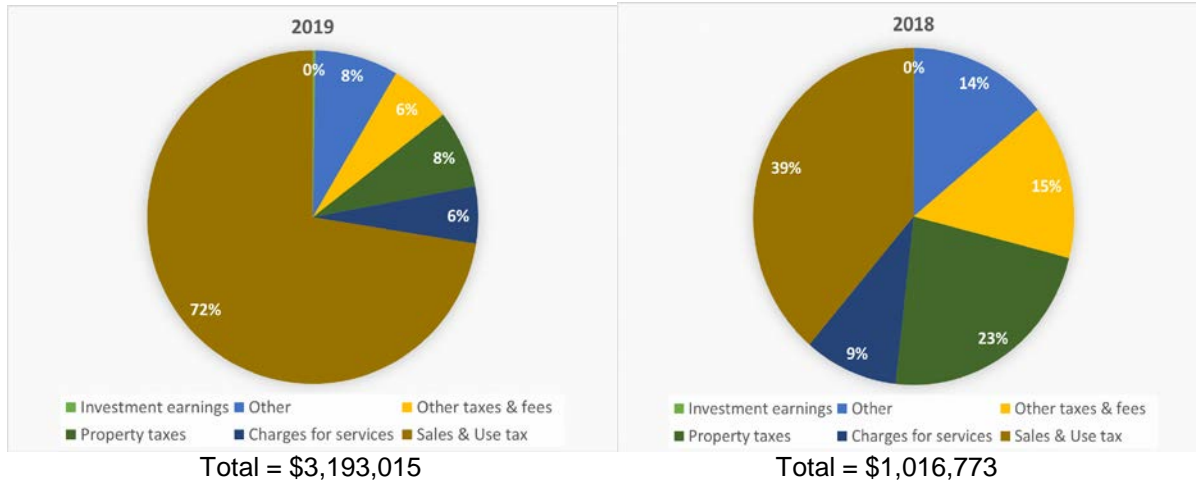
The changes in net position displayed subsequently shows the governmental and business-type activities during the previous two fiscal years. The increase in net position for each year represents the extent to which expenses were less than revenues during the year.

Town of Keenesburg, Colorado Changes in Net Position

	Governmental Activities		Business-type Activities		Total	
	2019	2018	2019	2018	2019	2018
Revenues:						
Program revenues:						
Charges for services	\$ 176,920	\$ 93,551	\$ 1,048,752	\$ 817,538	\$ 1,225,672	\$ 911,089
Grants and contributions			1,626,336	292,737	1,626,336	292,737
General revenues:						
Property taxes	240,776	232,685			240,776	232,685
Other taxes	2,516,265	547,669			2,516,265	547,669
Other	259,053	142,868	4,033	405	263,086	143,273
Total revenues	<u>3,193,014</u>	<u>1,016,773</u>	<u>2,679,121</u>	<u>1,110,680</u>	<u>5,872,135</u>	<u>2,127,453</u>
Expenses:						
General government	487,277	322,014			487,277	322,014
Public safety	174,350	136,515			174,350	136,515
Public works	161,515	111,050			161,515	111,050
Health and welfare	18,275	18,648			18,275	18,648
Culture and recreation	23,518	16,200			23,518	16,200
Depreciation	151,099	173,089	196,835	173,103	347,934	346,192
Interest on long-term debt	19,710	21,608	43,920	33,556	63,630	55,164
Sales tax rebate	1,434,905				1,434,905	
Water and sewer			1,275,375	615,751	1,275,375	615,751
Total expenses	<u>2,470,649</u>	<u>799,124</u>	<u>1,516,130</u>	<u>822,410</u>	<u>3,986,779</u>	<u>1,621,534</u>
Change in net position	722,365	217,649	1,162,991	288,270	1,885,356	505,919
Net position, January 1	<u>3,272,059</u>	<u>3,056,105</u>	<u>5,066,592</u>	<u>4,778,322</u>	<u>8,338,651</u>	<u>7,834,427</u>
Net position, December 31	<u>\$ 3,994,424</u>	<u>\$ 3,273,754</u>	<u>\$ 6,229,583</u>	<u>\$ 5,066,592</u>	<u>\$ 10,224,007</u>	<u>\$ 8,340,346</u>

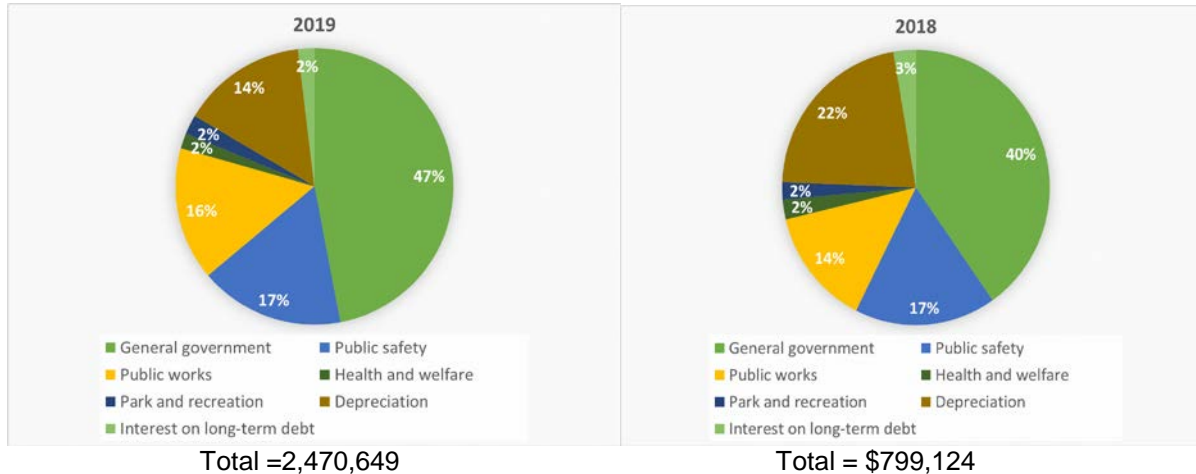
Graphic presentations of selected data from the summary tables follow to assist in the analysis of the town's activities for fiscal years 2019 and 2018.

GOVERNMENTAL REVENUES



As graphically portrayed above and discussed earlier, the town is heavily reliant on sales & use and property taxes to support governmental operations. Sales & use and property taxes provided 80 and 62 percent of the Town's governmental revenues in fiscal years 2019 and 2018.

GOVERNMENTAL FUNCTIONAL EXPENSES



This graph shows the total governmental activities cost of \$2,470,649 for this year. Of this amount, general government was the second largest operating service cost, at 20 percent, or \$487,277 of total cost of services in 2019, primarily funded by the town's taxing power. Public works absorbed \$161,515 in taxes to citizens and other general revenues. Other governmental activities with significant tax-based funding include public safety. In 2019, the Town paid Rocky Mountain Midstream the sales tax rebate of \$1,434,905 per the economic development incentive agreement.

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, unreserved 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, 2019, the Town's governmental funds reported combined fund balances of \$1,481,490, an increase of \$368,490 compared with the prior year balances. There is \$658,086 unassigned fund balance, which is available for spending at the Town's discretion. The remainder of fund balance falls into the categories of either not in spendable form, 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, 2019, total fund balance in the General Fund was \$831,281. As a measure of the General Fund's liquidity, the total fund balance amount equates to approximately 92 percent of total fund expenditures. The fund balance of the General Fund increased by \$183,092 during the current fiscal year due to an increase in revenues.

The Conservation Trust special revenue fund has a total assigned fund balance of \$68,333. This fund balance increased \$14,069 during the current fiscal year due to a decrease in expenditures.

The Capital Improvement debt service fund has a total fund balance of \$478,626 of which \$48,000 is reserved for payment of debt service. The \$107,544 increase in fund balance for the year is the result of servicing debt and sidewalk and roadway repairs being less than the sales tax revenues received in 2019.

The Impact fund has a total fund balance of \$103,250. This fund was started in 2017 and had no expenditures in 2019.

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, 2019, total net position amounted to \$6,229,583 for enterprise funds, as compared to \$5,066,592 at December 31, 2018.

Total net position of the Wastewater Fund amounted to \$1,155,543 at the end of the fiscal year, representing a \$168,722 increase from the prior year amount of \$986,821. Operating revenues increased 12 percent, or \$33,716, compared to fiscal year 2018 due to an increase in sewer rates. Operating expenditures showed an increase of \$525,562, approximately 218 percent, due to capital outlay. Unrestricted net positions increased to \$30,061.

The Waterworks Fund total net position increased by \$994,269 during the year. The largest portion of the fund's net position (82 percent) reflects its investment in capital assets, less any related outstanding debt used to acquire those assets. Unrestricted net position of the fund increased by \$168,470 to \$916,867 from a balance of 748,397 the previous year, mostly due to an increase in water revenues and a donation of the completed RMM waterline.

General Fund Budgetary Highlights

A budget to actual statement is provided for the General Fund. Columns for both the original budget adopted for fiscal year 2019 as well as the final budget are presented.

Budgeted taxes revenue represents the full levy of property taxes for the year, whereas actual results reflect a small amount of delinquent accounts. There were positive revenue variances totaling \$192,810. Expenditures for general government, public safety, public works, health and welfare, and culture and recreation were under budget by a total of \$151,416 due mostly to the decrease in professional services required during the year and less salaries than budgeted.

Capital Asset and Debt Administration

Capital assets. The Town's investment in capital assets for its governmental and business-type activities as of December 31, 2019, amounts to \$9,107,382 (net of accumulated depreciation). This investment in capital assets includes land, 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 12 percent (an increase of 10 percent for governmental activities and an increase of 14 percent for business-type activities for the year), due to depreciation and construction of the assets. Major capital asset events in the current fiscal year included the following:

- Building purchase \$321,622
- Construction of the band stand \$9,301
- Renovation of park restrooms \$2,359
- Electricity at park \$4,800
- Purchase of salt spreader \$12,145
- Parking lot at 50 S Elm \$4,065
- Gateway project \$17,479
- Sidewalk improvements \$69,039
- Chlorine Booster station design \$7,511
- Cedar St water line replacement \$41,882
- RMM waterline \$855,689
- Master Meter software \$4,325
- Slip line project \$4,299

Town of Keenesburg, Colorado Capital Assets (net of depreciation)

	Governmental Activities		Business-type Activities		Total	
	2019	2018	2019	2018	2019	2018
Land	\$ 180,078	\$ 180,078	\$ 169,054	\$ 169,054	\$ 349,132	\$ 349,132
Buildings and system	596,188	297,704	1,851	2,007	598,039	299,711
Machinery and equipment	58,205	74,033	24,069	29,047	82,274	103,080
Infrastructure	2,290,939	2,283,875			2,290,939	2,283,875
Wastewater system			960,270	1,018,387	960,270	1,018,387
Waterworks system			3,682,238	2,902,118	3,682,238	2,902,118
Water rights			1,144,489	1,144,489	1,144,489	1,144,489
Total	<u>\$ 3,125,410</u>	<u>\$ 2,835,690</u>	<u>\$ 5,981,971</u>	<u>\$ 5,265,101</u>	<u>\$ 9,107,381</u>	<u>\$ 8,100,791</u>

Long-term debt. At the end of the current fiscal year, the Town had total debt outstanding of \$1,669,176. Of this amount, \$904,092 comprises bonded debt backed by the full faith and credit of the government. The balance consists of a loan contract with the Colorado Water Conservation Board of \$765,084.

Town of Keenesburg, Colorado Outstanding Debt General Obligation, Revenue Bonds and Notes Payable

	Governmental Activities		Business-type Activities		Total	
	2019	2018	2019	2018	2019	2018
Revenue bonds	\$ 610,000	\$ 675,000	\$ 294,092	\$ 496,000	\$ 904,092	\$ 1,171,000
Notes payable			765,084	808,708	765,084	808,708
Total	<u>\$ 610,000</u>	<u>\$ 675,000</u>	<u>\$ 1,059,176</u>	<u>\$ 1,304,708</u>	<u>\$ 1,669,176</u>	<u>\$ 1,979,708</u>

State statutes limit the amount of general obligation debt a governmental entity may issue up to three percent of the total assessed valuation. The current debt limitation for the Town is \$429,718.

Economic Factors and Next Year's Budget and Rates

- The unemployment rate for the Town decreased to 2.3 percent. This is lower than the state's average unemployment rate of 2.4 percent and lower than the national average of 3.5 percent at December 31, 2019.
- Taxable property valuation increased, \$4 million to \$14.323 million in 2019.
- Sales tax revenues are expected to decrease from \$1,997,204 in 2019 to \$1,625,000 in 2020.

All of these factors were considered in preparing the Town's budget for the 2020 fiscal year.

At December 31, 2019, assigned fund balance in the General Fund was \$45,802. The Town has appropriated \$1,166,488 in the 2020 fiscal year budget in accordance with the requirements of state statute. Property tax rates remain unchanged for the 2020 fiscal year. All municipal services provided in 2019 will be continued in 2020.

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 STATEMENTS

Town of Keenesburg, Colorado
Statement of Net Position
December 31, 2019

	<u>Governmental Activites</u>	<u>Business-type Activities</u>	<u>Total</u>
Assets			
Cash and cash equivalents	\$ 2,331,990	\$ 1,307,505	\$ 3,639,495
Receivables, net	504,162	47,297	551,458
Due from other funds	107,026	17,192	124,218
Inventories and prepaid costs	1,010	41,773	42,783
Restricted assets	48,000	2,224	50,224
Nondepreciable capital assets	180,078	1,313,543	1,493,621
Depreciable capital assets, net	<u>2,945,332</u>	<u>4,668,429</u>	<u>7,613,761</u>
 Total assets	 <u>6,117,598</u>	 <u>7,397,963</u>	 <u>13,515,561</u>
 Accounts payable and accrued liabilities	 271,846	 66,806	 338,652
Due to other funds	112,220	11,998	124,218
Unearned revenue	812,482	2,899	815,381
Customer deposits	1,500	27,500	29,000
Long-term liabilities			
Portion due within one year	65,000	52,386	117,386
Portion due after one year	<u>545,000</u>	<u>1,006,789</u>	<u>1,551,789</u>
 Total liabilities	 <u>1,808,047</u>	 <u>1,168,379</u>	 <u>2,976,426</u>
Deferred inflows of resources			
Deferred property taxes	<u>315,126</u>		<u>315,126</u>
Net Position			
Net investment in capital assets	2,515,410	4,922,797	7,438,208
Restricted	174,383	2,224	176,607
Unrestricted	<u>1,304,631</u>	<u>1,304,563</u>	<u>2,609,194</u>
 Total net position	 <u>3,994,424</u>	 <u>6,229,583</u>	 <u>10,224,007</u>
 Total liabilities and net position	 <u>\$ 6,117,598</u>	 <u>\$ 7,397,963</u>	 <u>\$ 13,515,561</u>

Town of Keenesburg, Colorado
Statement of Activities
Year Ended December 31, 2019

Functions/Programs	Expenses	Program Revenues			Net(expenditure) Revenue and Changes in Net Position		
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Governmental Activities	Business -type Activities	Total
Governmental activities:							
General government	\$ 487,277	\$ 176,920			\$ (310,357)		\$ (310,357)
Public safety	174,350				(174,350)		(174,350)
Public works	161,515				(161,515)		(161,515)
Health and welfare	18,275				(18,275)		(18,275)
Park and recreation	23,518				(23,518)		(23,518)
Depreciation	151,099				(151,099)		(151,099)
Sales tax rebate	1,434,905				(1,434,905)		(1,434,905)
Interest on long-term debt	19,710				(19,710)		(19,710)
Total governmental activities	<u>2,470,649</u>	<u>176,920</u>			<u>(2,293,729)</u>		<u>(2,293,729)</u>
Business-type activities:							
Waterworks	666,530	738,502		\$ 918,989		990,960	
Wastewater	849,599	310,250	\$ 480,000	227,347		167,999	
Total business-type activities	<u>1,516,129</u>	<u>1,048,752</u>	<u>480,000</u>	<u>1,146,336</u>		<u>1,158,959</u>	
Total	<u>\$ 3,986,778</u>	<u>\$ 1,225,672</u>	<u>\$ 480,000</u>	<u>\$ 1,146,336</u>	<u>(2,293,729)</u>	<u>1,158,959</u>	<u>(1,134,771)</u>
General Revenues							
Taxes							
General property					225,615		225,615
Specific ownership					15,161		15,161
Franchise					60,479		60,479
Sales					2,177,519		2,177,519
Use					136,794		136,794
Severance					60,049		60,049
Highway users					68,477		68,477
Interest					720		720
Other					3,828		3,828
Earnings on investments					8,402	4,033	12,435
Other revenues					259,053		259,053
Total general revenues					<u>3,016,095</u>	<u>4,033</u>	<u>3,020,128</u>
Change in net position					722,365	1,162,991	1,885,356
Net position - January 1					<u>3,272,059</u>	<u>5,066,592</u>	<u>8,338,651</u>
Net position - December 31					<u>\$ 3,994,424</u>	<u>\$ 6,229,583</u>	<u>\$ 10,224,007</u>

Town of Keenesburg, Colorado

**Balance Sheet
Governmental Funds
December 31, 2019**

	<u>General</u>	<u>Conservation Trust</u>	<u>Capital Improvements</u>	<u>Impact</u>	<u>Total Governmental</u>
Assets					
Cash and cash equivalents	\$1,743,510	\$ 68,333	\$ 416,898	\$ 103,250	\$ 2,331,990
Due from other funds			107,026		107,026
Receivables					
Accounts	103,686		85,350		189,036
Property taxes	315,126				315,126
Prepays	1,010				1,010
Restricted asset					
Bond reserve account			48,000		48,000
Total assets	<u>\$2,163,332</u>	<u>\$ 68,333</u>	<u>\$ 657,273</u>	<u>\$ 103,250</u>	<u>\$ 2,992,188</u>
Liabilities and fund balances					
Liabilities					
Accounts payable	\$ 92,223		\$ 178,648		\$ 270,871
Due to other funds	112,220				112,220
Unearned revenue	812,482				812,482
Total liabilities	<u>1,016,924</u>		<u>178,648</u>		<u>1,195,572</u>
Deferred inflows of resources					
Deferred property taxes	315,126				315,126
Fund balances:					
Non-spendable:					
Prepaid expenditures	1,010				1,010
Restricted:					
Emergencies(TABOR)	126,383				126,383
Bond reserve			48,000		48,000
Committed:					
Debt service			84,710		84,710
Impact fund				\$ 103,250	103,250
Assigned, reported in					
General fund	45,802				45,802
Conservation trust fund		\$ 68,333			68,333
Capital improvements fund			345,916		345,916
Unassigned:					
Total fund balances	<u>831,281</u>	<u>68,333</u>	<u>478,626</u>	<u>103,250</u>	<u>1,481,490</u>
Total liabilities and fund balances	<u>\$2,163,332</u>	<u>\$ 68,333</u>	<u>\$ 657,273</u>	<u>\$ 103,250</u>	

Amounts reported for governmental activities in the statement of net position are different because:

Capital assets used in governmental activities are not financial resources, and therefore, are not reported in the funds.	3,125,410
Long-term liabilities, including bonds payable, are not due and payable in the current period and therefore are not reported in the funds.	<u>(612,476)</u>
Total net position of governmental activities	<u>\$ 3,994,424</u>

Town of Keenesburg, Colorado

**Statement of Revenues, Expenditures, and Changes in Fund Balance
Governmental Funds
Year Ended December 31, 2019**

	<u>General</u>	<u>Conservation Trust</u>	<u>Capital Improvements</u>	<u>Impact</u>	<u>Total</u>
Revenues					
Taxes	\$ 721,121		\$ 2,027,519		\$2,748,640
Licenses and fees	106,041				106,041
Intergovernmental	16,213	\$ 13,793		\$ 63,487	93,493
Charges for service	176,920				176,920
Earnings on investments	5,372	275	2,456	298	8,402
Miscellaneous revenue	59,518				59,518
Total revenues	<u>1,085,186</u>	<u>14,069</u>	<u>2,029,975</u>	<u>63,785</u>	<u>3,193,014</u>
Expenditures					
Current operating					
General government	486,432				486,432
Public safety	174,350				174,350
Public works	161,515				161,515
Health and welfare	18,275				18,275
Culture and recreation	23,518				23,518
Sales tax rebates			1,434,905		1,434,905
Capital outlay	38,004		402,815		440,819
Debt service					
Principal			65,000		65,000
Interest			19,710		19,710
Total expenditures	<u>902,094</u>	<u>14,069</u>	<u>1,922,430</u>	<u>63,785</u>	<u>2,824,524</u>
Revenues over(under) expenditures	183,092	14,069	107,544	63,785	368,490
Fund balances - January 1	<u>648,189</u>	<u>54,264</u>	<u>371,082</u>	<u>39,465</u>	
Fund balances - December 31	<u>\$ 831,281</u>	<u>\$ 68,333</u>	<u>\$ 478,626</u>	<u>\$103,250</u>	

Amounts reported for governmental activities in the statement of activities are different because:

Governmental funds report capital outlays as expenditures. However, in the statement of activities the cost of these assets is allocated over their estimated useful lives and reported as depreciation expense. This is the amount by which capital outlay exceeded depreciation in the current year.

289,720

The issuance of long-term debt provides current financial resources to governmental funds, while the repayment of the principal of long-term debt consumes the current financial resources of governmental funds. Neither transaction, however, has an effect on net position.

65,000

Change in long-term compensated absences.

(845)

Change in net position of governmental activities

\$ 722,365

Town of Keenesburg, Colorado

Statement of Revenues, Expenditures, and Changes in Fund Balance
 Budget and Actual
 General Fund
 Year Ended December 31, 2019

	Budget			Variance with Final Budget Positive (Negative)
	Original	Final	Actual	
Revenues				
Taxes				
General property taxes	\$ 225,676	\$ 225,676	\$ 225,615	\$ (61)
Specific ownership taxes	18,000	18,000	15,161	(2,839)
Interest on delinquent taxes	400	400	720	320
Total taxes	244,076	244,076	241,496	(2,580)
All other taxes	391,200	391,200	479,625	88,425
Intergovernmental	15,700	15,700	16,213	513
License and permits	112,700	112,700	106,041	(6,659)
Charges for service	104,200	104,200	176,920	72,720
Miscellaneous	25,300	25,300	64,891	39,591
Total	649,100	649,100	843,690	194,590
Total revenues	893,176	893,176	1,085,186	192,010
Expenditures				
Legislative	19,785	19,785	18,979	806
Administration	592,375	592,375	488,995	103,380
Public safety	188,500	188,500	174,351	14,149
Public works	179,900	179,900	161,515	18,385
Health and welfare	25,600	25,600	18,275	7,325
Culture and recreation	47,350	47,350	39,978	7,372
Total expenditures	1,053,510	1,053,510	902,094	151,416
Net change in fund balance	(160,334)	(160,334)	183,092	343,426
Fund balance - January 1	626,411	626,411	648,189	21,778
Fund balance - December 31	\$ 466,077	\$ 466,077	\$ 831,281	\$ 365,204

Town of Keenesburg, Colorado

Statement of Revenues, Expenditures, and Changes in Fund Balance
 Budget and Actual
 Conservation Trust Fund
 Year Ended December 31, 2019

	Budget			Variance with Final Budget Positive (Negative)
	Original	Final	Actual	
Revenues				
Lotto contributions/donation	\$ 13,000	\$ 13,000	\$ 13,793	\$ 793
Earnings on investments	30	30	275	245
Total revenues	13,030	13,030	14,069	1,039
Expenditures				
Maintenance and repairs				
Capital outlay				
Total expenditures				
Net change in fund balance	13,030	13,030	14,069	1,039
Fund balance - January 1	53,647	53,647	54,264	617
Fund balance - December 31	\$ 66,677	\$ 66,677	\$ 68,333	\$ 1,656

Town of Keenesburg, Colorado

**Statement of Net Position
Proprietary Funds
December 31, 2019**

	<u>Waterworks</u>	<u>Wastewater</u>	<u>Total</u>
Assets			
Cash and cash equivalents	\$ 948,791	\$ 360,938	\$ 1,309,729
Accounts receivable, net	14,099	33,199	47,297
Due from other funds		27,291	27,291
Inventories	40,298		40,298
Prepays	1,113	363	1,475
Capital assets			
Land	85,762	83,292	169,054
Other capital assets, net of depreciation	4,836,492	976,426	5,812,918
Total assets	<u>5,926,554</u>	<u>1,481,508</u>	<u>7,408,062</u>
Liabilities			
Accounts payable	34,597	29,349	63,946
Current portion of long-term debt	45,260	7,126	52,386
Due to other funds	22,100		22,100
Deposits	27,500		27,500
Compensated absences, non-current	1,456	1,404	2,860
Unearned revenue	1,779	1,121	2,899
Notes payable, non-current	719,824	286,966	1,006,789
Total liabilities	<u>852,516</u>	<u>325,965</u>	<u>1,178,481</u>
Net position			
Net investment in capital assets	4,157,171	765,627	4,922,797
Net position - restricted for capital projects		2,224	2,224
Net position - unrestricted	916,867	387,692	1,304,560
Total net position	<u>5,074,038</u>	<u>1,155,543</u>	<u>6,229,580</u>
Total liabilities and net position	<u>\$ 5,926,554</u>	<u>\$ 1,481,508</u>	<u>\$ 7,408,062</u>

Town of Keenesburg, Colorado

**Statement of Revenues, Expenses, and Changes in Fund Net Position
Proprietary Funds
Year Ended December 31, 2019**

	<u>Waterworks</u>	<u>Wastewater</u>	<u>Total</u>
Operating revenues			
Charges for service	\$ 730,424	\$ 308,770	\$ 1,039,194
Miscellaneous	863,765	1,481	865,246
Total operating revenues	<u>1,594,191</u>	<u>310,250</u>	<u>1,904,440</u>
Operating expenses			
Operations and maintenance	361,693	151,301	512,994
Administration and general	147,275	615,105	762,381
Total operating expenses	<u>508,968</u>	<u>766,407</u>	<u>1,275,375</u>
Operating income(loss) before depreciation	1,085,223	(456,156)	629,065
Depreciation	<u>127,236</u>	<u>69,599</u>	<u>196,835</u>
Operating income(loss)	<u>957,987</u>	<u>(525,756)</u>	<u>432,230</u>
Nonoperating revenues(expenses)			
State grants		480,000	480,000
Earnings on investments	3,309	724	4,033
Interest on debt	<u>(30,327)</u>	<u>(13,593)</u>	<u>(43,920)</u>
Total nonoperating revenues(expenses)	<u>(27,018)</u>	<u>467,131</u>	<u>440,114</u>
Income(loss) before contributions	930,969	(58,625)	872,345
Capital contributions	<u>63,300</u>	<u>227,347</u>	<u>290,647</u>
Change in net position	994,269	168,722	1,162,991
Total net position - January 1	<u>4,079,771</u>	<u>986,821</u>	<u>5,066,590</u>
Total net position - December 31	<u>\$ 5,074,038</u>	<u>\$ 1,155,543</u>	<u>\$ 6,229,581</u>

Town of Keenesburg, Colorado

**Statement of Cash Flows
Proprietary Fund
Year Ended December 31, 2019**

	<u>Waterworks</u>	<u>Wastewater</u>	<u>Total</u>
Cash flows from operating activities:			
Cash received from customers	\$ 1,648,424	\$ 308,770	\$ 1,957,194
Cash payments to employees for services	(181,642)	(135,779)	(317,421)
Cash payments to suppliers for goods and services	(1,056,315)	(651,907)	(1,708,222)
Other operating receipts	863,766	1,480	865,246
Net cash provided(used) by operating activities	<u>1,274,233</u>	<u>(477,436)</u>	<u>796,797</u>
Cash flows from noncapital financing activities:			
Sewer connection fees received		227,347	227,347
Grants received		480,000	480,000
Net cash provided(used) by noncapital financing activities		<u>707,347</u>	<u>707,347</u>
Cash flows from capital and related financing activities:			
Principal payments on long-term debt	(43,624)	(201,906)	(245,530)
Interest paid on long-term debt	(30,327)	(13,593)	(43,920)
Acquisition and construction of capital assets	(909,405)	(4,299)	(913,704)
Increase in capital debt			-
Capital contributions	63,300		63,300
Net cash used by capital and related financing activities	<u>(920,056)</u>	<u>(219,798)</u>	<u>(1,139,854)</u>
Cash flows from investing activities:			
Interest on investments	3,309	724	4,033
Net cash provided by investing activities	<u>3,309</u>	<u>724</u>	<u>4,033</u>
Net increase(decrease) in cash and cash equivalents	357,487	10,835	368,323
Cash and cash equivalents - January 1	<u>591,304</u>	<u>350,103</u>	<u>941,407</u>
Cash and cash equivalents - December 31	<u>\$ 948,791</u>	<u>\$ 360,938</u>	<u>\$ 1,309,730</u>
Reconciliation of operating income(loss) to net cash provided(used) by operating activities			
Operating income	\$ 957,987	\$ (525,756)	\$ 432,231
Adjustments to reconcile operating income to net cash provided (used) by operating activities:			
Depreciation	127,236	69,599	196,835
Change in assets and liabilities			
Accounts receivable	(2,297)	246,012	243,715
Prepaid expenses	52	(111)	(59)
Inventories	(6,348)		(6,348)
Accounts payable and accrued expenses	28,022	(89,095)	(61,073)
Due to (from) other funds	155,271	(176,692)	(21,421)
Deferred revenue	(690)	(1,393)	(2,083)
Deposits	15,000		15,000
Net cash provided (used) by operating activities	<u>\$ 1,274,233</u>	<u>\$ (477,436)</u>	<u>\$ 796,797</u>

NOTES TO THE FINANCIAL STATEMENTS

Town of Keenesburg, Colorado

Notes to Basic Financial Statements December 31, 2019

NOTE 1: Summary of Significant Accounting Policies

These financial statements of the Town of Keenesburg, Colorado (Town) were prepared in accordance with accounting principles generally accepted in the United States of America for governmental entities (GAAP). The following summary of the more significant accounting policies of the Town is presented to assist the reader in interpreting these financial statements, and should be viewed as an integral part of this report.

Reporting Entity

The Town is an autonomous municipal entity established pursuant to the laws of the State of Colorado and governed by an elected Mayor and Board of Trustees. The Town provides the following services as authorized by state law: public safety, public works, sanitation, health and welfare, culture and recreation, public improvements, planning and zoning, and general administrative services. The accompanying financial statements present the Town's primary government over which the Town exercises significant influence. Significant influence or accountability is based primarily on operational or financial relationships with the Town (as distinct from legal relationships).

Financial Statement Presentation

Government-wide Statements: The statement of net assets and the statement of activities display information about the nonfiduciary activities of the primary government. These statements distinguish between the governmental and business-type activities of the Town. Governmental activities are primarily financed through taxes and intergovernmental revenues, whereas business-type activities are primarily financed through charges for services to external parties.

The statement of activities presents a comparison between direct expenses and program revenues for each function of the Town's governmental activities, and for each of the business-type activities. Direct expenses are those that are clearly identified with a specific program or segment. Indirect expense allocations are displayed separately from the direct expenses. Program revenues include (a) fees, fines, and charges for service, and (b) grants and contributions that are restricted for operating or capital requirements of a specific program. All taxes and other revenues not meeting the criteria for classification as program revenues are reported as general revenues.

Fund Financial Statements: The fund financial statements report information about the Town's funds. Separate statements are presented for each major governmental and enterprise fund.

The Town reports the following major governmental funds:

General Fund. This is the Town's primary operating fund. It accounts for all financial resources of the general government, except those required to be accounted for in another fund.

Conservation Trust Fund. This fund is used to account for and report the financial resources acquired through the state of Colorado and the earnings of these financial resources and ensures the financial resources are used for conservation related operating and capital expenditures.

Capital Projects Fund. This 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 capital projects fund is also used to accumulate funds to finance a capital improvement plan. The capital projects fund budget is adopted on a project basis which is multi-year.

Impact Fund. The purpose of this fund is to address the impacts of growth and development, providing a funding mechanism to address the pro-rata share of the impact that new development will create. The only revenue source for this fund are impact fees that include: park impact, roadway impact, drainage impact, town hall impact and police impact.

Town of Keenesburg, Colorado

Notes to Basic Financial Statements December 31, 2019

The Town reports the following major enterprise funds:

Waterworks Fund. This fund accounts for the revenues and expenses related to the provision of water service.

Wastewater Fund. This fund accounts for the revenues and expenses related to the provision of sewer service.

Measurement Focus and Basis of Accounting

The government-wide and proprietary fund financial statements use a flow of economic resources measurement focus to determine net income and financial position. The accounting principles used are similar to those applicable to businesses in the private sector and, thus, these funds are maintained on the accrual basis of accounting. Revenues are recognized when earned and expenses are recognized when incurred.

Governmental fund financial statements use a current financial resources measurement focus, and are maintained on the modified accrual basis of accounting. Revenues are recognized when they become susceptible to accrual; that is, when they become both "measurable" and "available to finance expenditures of the current period." The Town considers amounts collected on grants within 120 days after year-end, and amounts collected within 60 days after year-end on all other governmental funds, to be available and thus recognizes them as revenues of the current year. Expenditures are recognized in the accounting period in which the related fund liability is incurred, if measurable. Principal and interest on general long-term debt are recorded as fund liabilities when due or when amounts have been accumulated in the debt service funds for payments to be made early the following year.

Revenues of the Town which are susceptible to accrual under the modified accrual basis include property taxes, grant revenues, interest revenue, and charges for services. In applying the "susceptible to accrual" concept to intergovernmental revenues (grants, entitlements and shared revenues), the legal and contractual requirements of the numerous individual programs are used as guidance. There are essentially two type of these revenues. In one, moneys must be expended on the specific purpose or project before any amounts will be earned by the Town; therefore, revenues are recognized based upon when the expenditures are made if they meet the criterion of availability. In the other, moneys are essentially unrestricted as to purpose of expenditure and revocable only for failure to comply with prescribed compliance requirements. These resources are reflected as revenue at the time of receipt or earlier if they meet the criterion of availability.

Fund Balance Presentation

Fund balances of the Governmental Funds are classified as follows:

Nonspendable. This classification includes amounts that cannot be spent because they are either (a) not in spendable form or (b) legally or contractually required to be maintained intact.

- Prepaid expenditures – portion of fund balance that is not an available resource because it represents the year-end balance of prepaid expenditures, which are not spendable resources.

Restricted. This classification includes amounts that can be spent only for specific purposes because of constitutional provisions or enabling legislation, or because of constraints that are externally imposed by creditors, grantors, contributors or the laws or regulations of other governments.

- Restricted for Emergency Reserves – portion of fund balance that is restricted by State Statute (amendment to the State Constitution, Article X, Section 20).

Town of Keenesburg, Colorado

Notes to Basic Financial Statements December 31, 2019

Committed. This classification includes amounts that can be spent only for specific purposes pursuant to constraints imposed by formal action of the Town. Such formal action may be in the form of an ordinance or resolution and may only be modified or rescinded by a subsequent formal action.

- Committed for debt service - portion of fund balance that can only be used for debt service.
- Committed for parks and recreation - portion of fund balance that can only be used for parks and recreation.

Assigned. This classification includes amounts that are intended by the Town to be used for specific purposes, but are neither restricted nor committed. Assignments may be made only by the governing body or official.

- Subsequent year's expenditures – portion of fund balance that is appropriated in the next year's budget that is not already classified in restricted or committed.

Unassigned. This classification represents the residual positive balance within the General Fund, which has not been restricted, committed or assigned. In funds other than the General Fund, unassigned fund balances are limited to negative residual balances.

The Town uses restricted amounts first when both restricted and unrestricted fund balances are available.

Budget and Budgetary Accounting

Local Government Budget law, requires that the annual fiscal year budget be legally adopted by the Board at the fund level, and that any expenditures or contract for expenditures in the fiscal year for an amount greater than the total fund budget is unlawful. Pursuant to this legal requirement, an annual appropriated budget is adopted by resolution subject to public hearing. Such resolution sets the budget appropriations in total by fund for each governmental fund and each proprietary fund of the Board. Budgetary information presented in this report is in a categorized format by revenue source, expenditure function, and expenditure reserves, which represents a detail level greater than the statutory level of control. At the close of the fiscal year, all budget appropriations lapse to the extent that they have not been expended.

The budgets for the proprietary funds are prepared on a accrual basis and are consistent with GAAP except that depreciation, amortization, noncash capital contributions, and gains/losses on the disposal of assets are not budgeted, capitalized net interest costs on funds borrowed to finance construction of capital assets are budgeted as interest income and interest expense, capital outlays are budgeted as expense, and proceeds and principal payments are respectively budgeted as revenue and expense.

Cash and Cash Equivalents

For purposes of reporting the statement of cash flows, the Town considers all cash accounts, which are not subject to withdrawal restrictions or penalties and all certificates of deposit to be cash equivalents.

Investments are stated at cost or amortized cost, which approximates market.

Inventories

Business-type fund inventory consist of supplies held for consumption. This 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).

Accounts Receivable

Amounts due from private individuals, organizations, or other governments which pertain to charges for services rendered by the departments are reported as accounts receivable.

Town of Keenesburg, Colorado

Notes to Basic Financial Statements December 31, 2019

Receivables are reviewed periodically to establish or update the provisions for uncollectible amounts. These provisions are estimated based on an analysis of the age of the various accounts. The Town records the amount of earned but unbilled service revenues for Waterworks and Wastewater enterprise funds.

Capital Assets

Capital assets are reported in the applicable governmental or business-type activities column in the government-wide financial statements. Constructed or purchased assets are recorded at historical cost or estimated historical cost. Donated assets are recorded at the estimated fair market value on the date of donation. The thresholds for capitalization of assets range from \$1000 to \$1 million, depending on the asset class. Costs of maintenance and repairs that do not add to the value of assets or extend their useful 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:

Buildings	10-50
Infrastructure and improvements	10-50
Mobile equipment, furniture, machinery and equipment	5-20

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 valuation of accrued leave benefits is calculated in accordance with GASB Statement No. 16, *Accounting for 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.

Net Position

The government-wide statement of net position reports a total of \$176,607 of restricted net position for governmental activities, all of which is restricted by enabling legislation.

Estimates

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

Town of Keenesburg, Colorado

**Notes to Basic Financial Statements
December 31, 2019**

NOTE 2: Deposits

The Colorado Public Deposit Protection Act (PDPA) requires that all units of local government deposit cash in eligible public depositories. Eligibility is determined by state regulators. Amounts on deposit in excess of federal insurance levels must be collateralized. The eligible collateral is determined by the PDPA. PDPA allows the institution to create a single collateral pool for all public funds. The pool for all the uninsured public deposits as a group is to be maintained by another institution or held in trust. The market value of the collateral must be at least equal to the aggregate uninsured deposits.

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 and are the co-agents for release of the collateralized assets.

The Town is governed by the deposit and investment limitations of state law. The deposits and investments held at December 31, 2019, and reported at fair value, are shown below:

<u>Type</u>	<u>Rating</u>	<u>Carrying Value</u>
Deposits:		
Checking/Demand Deposits	N/A	\$ 259,829
Investments:		
Savings	N/A	3,429,890
Total deposits and investments		<u>\$ 3,689,719</u>
Reconciliation to Statement of Net Position		
Current unrestricted		\$ 3,513,112
Current restricted		176,607
		<u>\$ 3,689,719</u>

Custodial Credit Risk

Deposits in financial institutions, reported as cash, cash equivalents, and investments, had a bank balance of \$3,689,719 at December 31, 2019, which was fully insured by depository insurance or secured with collateral held by Town's agent in its name. All investments, evidenced by individual securities, are registered in the name of the Town.

Investment Interest Rate Risk

The Town has no formal investment policy that limits investment maturities as a means of managing its exposure to fair value losses arising from increasing interest rates.

Investment Credit Risk

The Town has no investment policy that limits its investment choices other than the limitation of state law.

Concentration of Investment Credit Risk

The Town places no limit on the amount it may invest in any one issuer. At December 31, 2019, the Town had no concentration of credit risk.

Town of Keenesburg, Colorado

**Notes to Basic Financial Statements
December 31, 2019**

NOTE 3: Property Taxes

Property taxes are attached as an enforceable lien on property as of January 1. Taxes are certified by Weld County in October of the preceding year, levied on January 1 and paid in either one installment in April 30, or two installments on February 28 and June 15. Weld County bills and collects the Town's property tax. Property taxes are recognized as receivables and deferred revenues when levied and as revenue when due for collection in the following year. Management believes that all property tax receivable as of December 31, 2019 are fully collectible. Accordingly, no reserve for bad debts exists at December 31, 2019.

NOTE 4: Interfund Receivable/Payable

Interfund receivable and payable balances at December 31, 2019 are as follows:

<u>Fund</u>	<u>Interfund Receivable</u>	<u>Interfund Payable</u>
General	\$ 11,998	\$124,218
Waterworks Operating		10,100
Wastewater Operating	10,100	
Other Funds	112,220	
Total	<u>\$ 134,318</u>	<u>\$134,318</u>

NOTE 5: Prior Period Adjustment

In the prior year the Town estimated the sales tax receivable incorrectly. This caused a decrease in the beginning fund balance for the capital improvement fund that amounted to \$1,695.

Town of Keenesburg, Colorado

**Notes to Basic Financial Statements
December 31, 2019**

NOTE 6: Capital Assets

A summary of changes in capital assets for the year ended December 31, 2019 was as follows:

<u>Governmental Activities</u>	<u>Beginning Balance</u>	<u>Increases</u>	<u>Transfers/ Decreases</u>	<u>Ending Balance</u>
Nondepreciable capital assets:				
Land	\$ 180,078			\$ 180,078
Other capital assets:				
Buildings	895,255	\$338,092	\$ 612	1,232,735
Equipment	722,820	12,145		734,965
Streets	2,779,907	90,582		2,870,489
Total other capital assets as historical cost	<u>4,397,982</u>	<u>440,819</u>	<u>612</u>	<u>4,839,189</u>
Less accumulated depreciation for:				
Buildings	597,551	39,608	612	636,547
Equipment	648,787	27,973		676,760
Streets	496,032	83,518		579,550
Total accumulated depreciation	<u>1,742,370</u>	<u>151,099</u>	<u>612</u>	<u>1,892,857</u>
Other capital assets, net	<u>2,655,612</u>	<u>289,720</u>		<u>2,945,332</u>
Governmental activities capital assets, net	<u>\$2,835,690</u>	<u>\$ 289,720</u>		<u>\$3,125,410</u>
Depreciation expense was charged to functions as follows:				
Governmental activities:				
Legislative		\$ 3,319		
General government		81,741		
Public safety		30,488		
Public works		28,243		
Health and welfare		3,196		
Culture and recreation		<u>4,112</u>		
Total governmental activities depreciation expense		<u>\$ 151,099</u>		

Town of Keenesburg, Colorado

**Notes to Basic Financial Statements
December 31, 2019**

Business-type activities

	Beginning Balance	Increases	Transfers/ Decreases	Ending Balance
Nondepreciable Capital assets:				
Land	\$ 169,054			\$ 169,054
Water rights	1,144,489			1,144,489
Total capital assets not being depreciated	<u>1,313,543</u>			<u>1,313,543</u>
Other capital assets:				
Buildings	41,662			41,662
Equipment	159,820	\$ 4,325		164,145
Improvements - lagoons	429,150			429,150
Lagoon discharge rights	11,904			11,904
Waste water system	874,692	4,299		878,991
Water works system	4,649,559	905,082	\$4,044	5,550,597
Total other capital assets at historical cost	<u>6,166,786</u>	<u>913,706</u>	<u>4,044</u>	<u>7,076,448</u>
Less accumulated depreciation for:				
Buildings	39,655	156		39,811
Equipment	130,772	9,301		140,073
Improvements - lagoons	211,117	18,687		229,804
Lagoon discharge rights	11,903			11,903
Waste water system	74,338	43,729		118,067
Water works system	1,747,441	124,962	4,044	1,868,359
Total accumulated depreciation	<u>2,215,226</u>	<u>196,835</u>	<u>4,044</u>	<u>2,408,017</u>
Other capital assets, net	<u>3,951,558</u>	<u>716,871</u>		<u>4,668,429</u>
Business-type activities capital assets, net	<u>\$5,265,101</u>	<u>\$ 716,871</u>		<u>\$5,981,972</u>

Depreciation expense was charged to functions as follows:

Business-type activities:

Water works	\$ 127,236
Waste water	<u>69,599</u>

Total business-type activities depreciation expense \$ 196,835

Town of Keenesburg, Colorado

**Notes to Basic Financial Statements
December 31, 2019**

NOTE 7: Long-term obligations

The following is a summary of transactions affecting the Town's long-term obligations for the year ended December 31, 2019:

	Beginning Balance	Increases	Decreases	Ending Balance	Amounts Due Within 1 Year
Governmental activities					
Bonds payable:					
Sales Tax Revenue and Refunding Bonds	\$ 675,000		\$ 65,000	\$ 610,000	\$ 65,000
Compensated absences	1,630	\$ 845		2,475	
Governmental activities long-term liabilities	<u>\$ 741,853</u>	<u>\$ 845</u>	<u>\$ 60,223</u>	<u>\$ 612,475</u>	<u>\$ 65,000</u>
Business-type activities					
Bonds payable:					
Wastewater Revenue	\$ 496,000		\$ 201,908	\$ 294,092	\$ 7,126
Notes Payable	808,708		43,624	765,084	45,260
Compensated absences	3,240		380	2,860	
Business-type activities long-term liabilities	<u>\$1,307,948</u>	<u></u>	<u>\$ 245,912</u>	<u>\$1,062,036</u>	<u>\$ 52,386</u>

Permanent employees of the Town can earn vacation leave at the rate of 5 days per year for the first three years up to a maximum of 20 days per year after ten years. Part-time employees working 20-31 hours per week earn vacation leave prorated based on the average number of hours worked each month based on the same years of service as permanent employees. Employees are encouraged to take the full amount of vacation each year. Vacation may be carried over into subsequent calendar years after three years of service. No more than 40 hours may be carried over on any given year. At termination, employees are paid for any accumulated vacation leave. Accumulated vacation leave and salary related payments at December 31, 2019 amounted to \$3,747. Of this amount, \$1,874 is recorded as a liability in the government-wide financial statements for governmental activities, and \$1,874 is recorded as a liability in the proprietary fund financial statements and the government-wide financial statements for business-type activities.

Permanent employees of the Town earn sick leave at the rate of 12 days per year. The maximum permissible accumulation is 60 days. Upon separation from the Town, employees are paid for one fourth of any accumulated sick leave. Accumulated sick leave for the Town at December 31, 2019 amounted to \$1,588 in total. Of this amount, \$602 is recorded as a liability in the government-wide financial statements for governmental activities, and \$986 is recorded as a liability in the proprietary fund financial statements and the government-wide financial statements for business-type activities.

Town of Keenesburg, Colorado

**Notes to Basic Financial Statements
December 31, 2019**

Bonds and notes payable

Bonds and notes payable at December 31, 2019 are comprised of the following issues:

	<u>Total Payable</u>	<u>Current Portion</u>
Business-type activities:		
A loan from Colorado Water Conservation Board (CWCB), issued for purchase of an existing well and to construct a raw water pipeline from the well to the Town. Principal and interest installments are due annually on July 1, at an annual interest rate of 3.75%, maturity date of June 30, 2038.	\$ 765,084	\$ 45,260
The \$496,000 Wastewater Revenue Bonds, Series 2018, issued for sewer improvements. 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%	294,092	7,125
Governmental activities:		
The \$960,000 Sales Tax Revenue Bonds, Series 2014, issued for street improvements. 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 2.92%	<u>610,000</u>	<u>65,000</u>
Total bonds, leases and notes payable	<u>\$1,669,176</u>	<u>\$ 117,385</u>

To provide additional security for the payment of the Sales Tax Bonds, sales tax collections that are in excess of the required annual amounts to fund the Bond requirements shall be maintained in a Reserve Account. The amount of the reserve shall be \$48,000. The requirement for 2019 has been met by the Town.

The Town has established a 3% municipal sales tax of which 1/12th is pledged monthly to be used to pay principal and interest on this indebtedness. These pledged revenues are accounted for in the Capital Improvements Fund. In 2019, sales taxes of \$2,027,519 were received in the Capital Improvements Fund and \$84,710 was required for debt service. Debt service is anticipated to require approximately 5% of pledged revenues.

The Wastewater revenue bond has a required reserve defined as follows: The amount to be deposited is \$171 monthly commencing December 1, 2018 until such time as the amount in the reserve account equals an average annual installment of \$20,526. The requirement for 2019 has been met by the Town.

Town of Keenesburg, Colorado

**Notes to Basic Financial Statements
December 31, 2019**

The annual debt service requirements for all bonds and notes outstanding as of December 31, 2019, are as follows:

<u>Years</u>	<u>Principal</u>	<u>Interest</u>
2020	\$ 117,386	\$ 59,903
2021	124,280	56,111
2022	126,244	52,103
2023	133,279	48,024
2024	165,389	43,724
Subtotal	666,578	259,865
2025-2029	561,385	145,928
2030-2034	277,422	72,253
2035-2039	56,722	45,909
2040-2044	65,021	37,609
2045-2047	42,048	18,083
Total	<u>\$1,669,175</u>	<u>\$ 523,955</u>

NOTE 8: Budgets

State law requires that all funds be budgeted. The Waterworks Operating Fund and Wastewater Operating Fund budgets are on a comprehensive basis of accounting other than GAAP. Because accounting principles applied for purposes of developing data on a budgetary basis differ significantly from those used to present financial statements in conformity with GAAP, a reconciliation of resultant basis, timing, perspective and entity differences in the excess of revenues and other sources in financial resources over expenditures and other uses of financial resources for the year ended December 31, 2019, is presented below:

	<u>Waterworks Operating Fund</u>	<u>Wastewater Operating Fund</u>
Excess of revenues and other sources of financial resources over expenditures and other uses of financial resources (Budget basis)	\$ 168,473	\$ 32,115
Adjustments:		
Equipment, buildings, and system improvements	909,407	4,299
Depreciation and amortization	(127,236)	(69,599)
Principal on debt	43,624	201,909
	<u> </u>	<u> </u>
Excess of revenues and other sources of financial resources over expenditures and other uses of financial resources (GAAP basis)	<u>\$ 994,269</u>	<u>\$ 168,722</u>

Town of Keenesburg, Colorado

**Notes to Basic Financial Statements
December 31, 2019**

NOTE 9: 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 \$487,160. 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 \$31,243 for 2019. All contributions are 100% vested for the benefit of each employee immediately upon deposit.

NOTE 10: Risk Management

The Town is exposed to various risks of loss related to torts; thefts of, damage to, or destruction of assets; errors or omissions; injuries to employees; or acts of God.

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 11: Related Organization

The Timberwood Housing 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 12: Tax and Spending Limitations

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, 2019, the Reserved Fund Balance for this purpose is \$126,383.

SUPPLEMENTARY INFORMATION

Town of Keenesburg, Colorado

Schedule of Revenues, Expenditures, and Changes in Fund Balance
 Budget and Actual - General Fund
 Year Ended December 31, 2019

	<u>Budget</u>			<i>Variance with Final Budget Positive (Negative)</i>
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	
Revenues				
General property tax	\$ 225,676	\$ 225,676	\$ 225,615	\$ (61)
Specific ownership tax	18,000	18,000	15,161	(2,839)
Penalties and interest	400	400	720	320
Taxes	<u>244,076</u>	<u>244,076</u>	<u>241,496</u>	<u>(2,580)</u>
Cigarette tax	1,000	1,000	1,475	475
Sales tax	150,000	150,000	150,000	-
Franchise tax	53,000	53,000	60,479	7,479
Severance tax	40,000	40,000	60,049	20,049
Highway users' tax	55,000	55,000	68,477	13,477
Use tax	90,000	90,000	136,794	46,794
Payment in lieu of taxes	2,200	2,200	2,352	152
Other taxes	<u>391,200</u>	<u>391,200</u>	<u>479,625</u>	<u>88,425</u>
Motor vehicle registration	7,000	7,000	7,765	765
County road and bridge	8,700	8,700	8,447	(253)
Donations				
Intergovernmental	<u>15,700</u>	<u>15,700</u>	<u>16,213</u>	<u>513</u>
Liquor license	1,500	1,500	1,854	354
Occupation fees	500	500	349	(151)
Building permits	100,000	100,000	97,742	(2,258)
Business licenses and permits	9,500	9,500	5,497	(4,003)
Street cut fees	1,200	1,200	600	(600)
Park fees				
License and fees	<u>112,700</u>	<u>112,700</u>	<u>106,041</u>	<u>(6,659)</u>
Development fees engineering	55,000	55,000	97,706	42,706
Development fees legal	30,000	30,000	62,000	32,000
Animal control fees	4,200	4,200	1,939	(2,261)
Municipal court fees	15,000	15,000	15,274	274
Charges for service	<u>104,200</u>	<u>104,200</u>	<u>176,920</u>	<u>72,720</u>
Earnings on investments	300	300	5,372	5,072
Miscellaneous revenues	25,000	25,000	59,518	34,518
Miscellaneous	<u>25,300</u>	<u>25,300</u>	<u>64,891</u>	<u>39,591</u>
Total revenues	<u>893,176</u>	<u>893,176</u>	<u>1,085,186</u>	<u>192,010</u>

Town of Keenesburg, Colorado

Schedule of Revenues, Expenditures, and Changes in Fund Balance
 Budget and Actual - General Fund
 Year Ended December 31, 2019

	<u>Budget</u>			Variance with Final Budget Positive (Negative)
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	
Expenditures				
Mayor salary	6,000	6,000	6,000	-
Payroll taxes mayor/trustees	1,400	1,400	1,282	118
Publishing			0	-
Election Judges			0	
Workmen's compensation	85	85	97	(12)
Miscellaneous	1,500	1,500	1,475	25
Director/trustee fees	10,800	10,800	10,125	675
Legislative	<u>19,785</u>	<u>19,785</u>	<u>18,979</u>	<u>806</u>
Salaries	156,060	156,060	109,721	46,339
Payroll taxes	12,800	12,800	9,207	3,593
Telephone	2,000	2,000	2,135	(135)
Utilities	2,000	2,000	2,333	(333)
Office expense	15,000	15,000	12,456	2,544
Maintenance and repairs	6,300	6,300	5,392	908
Insurance and bonds	10,000	10,000	9,397	603
Audit and accounting	6,000	6,000	5,739	261
Professional services	136,000	136,000	14,990	121,010
Legal	45,000	45,000	42,405	2,595
Publishing	3,500	3,500	4,114	(614)
Dues and subscriptions	14,000	14,000	8,669	5,331
Health insurance	19,512	19,512	12,930	6,582
Planning and zoning	40,000	40,000	52,824	(12,824)
Capital outlay	20,000	20,000	21,544	(1,544)
Employee benefits	7,803	7,803	5,751	2,052
Workmen's compensation	250	250	194	56
Miscellaneous	8,500	8,500	6,700	1,800
Treasurer's fees	2,650	2,650	2,263	387
Legal/development/planning	85,000	85,000	160,232	(75,232)
General administration	<u>592,375</u>	<u>592,375</u>	<u>488,995</u>	<u>103,380</u>
Legal- judge and court attorney	8,500	8,500	7,938	563
Law enforcement	103,000	103,000	93,341	9,659
Inspection services	75,000	75,000	70,994	4,006
Miscellaneous	2,000	2,000	2,078	(78)
Public safety	<u>188,500</u>	<u>188,500</u>	<u>174,351</u>	<u>14,149</u>

Town of Keenesburg, Colorado

Schedule of Revenues, Expenditures, and Changes in Fund Balance
 Budget and Actual - General Fund
 Year Ended December 31, 2019

	<u>Budget</u>			Variance with Final Budget Positive (Negative)
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	
Salaries	63,000	63,000	52,149	10,851
Payroll taxes	5,300	5,300	4,381	919
Telephone	2,100	2,100	2,135	(35)
Utilities	2,000	2,000	2,220	(220)
Office expense	2,500	2,500	2,434	66
Maintenance and repair - equipment	20,600	20,600	18,703	1,897
Maintenance and repair - streets	30,000	30,000	36,172	(6,172)
Street lighting	16,000	16,000	14,063	1,937
Gas and oil	5,500	5,500	5,234	266
Shop supplies	4,500	4,500	4,106	394
Trash service fees	8,000	8,000	5,368	2,632
Capital outlay				
Employee benefits	3,150	3,150	4,685	(1,535)
Health insurance	11,250	11,250	5,631	5,619
Workmen's compensation	3,000	3,000	2,301	699
Miscellaneous	3,000	3,000	1,933	1,067
Public works	<u>179,900</u>	<u>179,900</u>	<u>161,515</u>	<u>18,385</u>
Code enforcement	18,000	18,000	13,520	4,480
Mosquito spraying	3,600	3,600	3,537	63
Animal control	4,000	4,000	1,218	2,782
Health and welfare	<u>25,600</u>	<u>25,600</u>	<u>18,275</u>	<u>7,325</u>
Utilities	350	350	258	92
Maintenance and repair	6,500	6,500	2,519	3,981
Capital outlay	20,000	20,000	16,460	3,540
Miscellaneous	2,000	2,000	1,306	694
Miscellaneous contributions	18,500	18,500	19,434	(934)
Culture and recreation	<u>47,350</u>	<u>47,350</u>	<u>39,978</u>	<u>7,372</u>
Total expenditures	<u>1,053,510</u>	<u>1,053,510</u>	<u>902,094</u>	<u>151,416</u>
Net change in fund balance	<u>\$ (160,334)</u>	<u>\$ (160,334)</u>	183,092	343,426
Fund balance - beginning			<u>648,189</u>	<u>487,855</u>
Fund balance - ending			<u>\$ 831,281</u>	<u>\$ 831,281</u>

Town of Keenesburg, Colorado

Schedule of Revenues, Expenditures, and Changes in Fund Balance
 Budget and Actual - Capital Improvement Fund
 Year Ended December 31, 2019

	<u>Budget</u>			<i>Variance with Final Budget Positive (Negative)</i>
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	
Revenues				
Sales Tax	1,847,204	\$ 1,847,204	\$ 2,027,519	\$ 180,315
Grants	162,500			
Street impact fees				
Earnings on investments			2,456	2,456
Total revenues	<u>2,009,704</u>	<u>1,847,204</u>	<u>2,029,975</u>	<u>182,771</u>
Expenditures				
Sales tax rebates	1,547,204	1,547,204	1,434,905	112,299
Capital expenditures	475,000	475,000	402,815	72,185
Street bond debt principal	65,000	65,000	65,000	
Street bond debt interest	19,710	19,710	19,710	
Street debt paying fee				
Total expenditures	<u>2,106,914</u>	<u>2,106,914</u>	<u>1,922,430</u>	<u>184,484</u>
Net change in fund balance	<u>\$ (97,210)</u>	<u>\$ (259,710)</u>	107,544	(1,713)
Fund balance - beginning			<u>371,082</u>	<u>480,439</u>
Fund balance - ending			<u>\$ 478,626</u>	<u>\$ 478,726</u>

Town of Keenesburg, Colorado

Schedule of Revenues, Expenditures, and Changes in Fund Balance
 Budget and Actual - Impact Fund
 Year Ended December 31, 2019

	<u>Budget</u>			<i>Variance with Final Budget Positive (Negative)</i>
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	
Revenues				
Police impact fee	\$ 3,560	\$ 3,560	\$ 7,090	\$ 3,530
Town Hall impact fee	15,450	15,450	12,360	(3,090)
Roadway impact fee	25,000	25,000	33,740	8,740
Drainage impact fee	3,500	3,500	1,437	(2,063)
Park impact fee	22,150	22,150	8,860	(13,290)
Earnings on investments	22	22	298	276
Total revenues	<u>69,682</u>	<u>69,682</u>	<u>63,785</u>	<u>(5,898)</u>
Expenditures				
Police capital outlay				
Town Hall capital outlay				
Roadway capital outlay				
Drainage capital outlay				
Park capital outlay				
Total expenditures				
Net change in fund balance	<u>\$ 69,682</u>	<u>\$ 69,682</u>	63,785	(5,898)
Fund balance - beginning			<u>39,465</u>	<u>109,148</u>
Fund balance - ending			<u>\$ 103,250</u>	<u>\$ 103,250</u>

Town of Keenesburg, Colorado

Schedule of Revenues and Expenditures - Budget and Actual -
(Non-GAAP Basis) Enterprise Fund - Waterworks
Year Ended December 31, 2019

	<u>Budget</u>	<u>Actual</u>	<i>Variance with Final Budget Positive (Negative)</i>
Revenues			
Earnings on investments	\$ 440	\$ 3,309	\$ 2,869
Miscellaneous revenues	120,000	863,766	743,766
Water pipeline use income	63,099	63,099	(0)
Water sales	340,000	565,326	225,326
Water tap fees	59,550	63,300	3,750
Raw water acquisition fee	102,000	102,000	-
Total revenues	<u>685,089</u>	<u>1,660,800</u>	<u>975,711</u>
Expenditures			
Salaries	112,850	96,116	16,734
Payroll taxes	9,250	8,558	692
Utilities	38,000	42,427	(4,427)
Maintenance and repair equipment	168,000	159,092	8,908
Gas and oil	2,500	2,617	(117)
Operating supplies	16,000	22,873	(6,873)
Health insurance	20,250	10,135	10,115
Capital outlay	12,000	909,407	(897,407)
Employee benefits	5,643	8,301	(2,658)
Workmen's compensation	7,150	4,327	2,823
Miscellaneous	1,000	50	950
Water testing	7,000	7,196	(196)
Public Works	<u>399,643</u>	<u>1,271,101</u>	<u>(871,458)</u>
Salaries	105,396	73,422	31,974
Payroll taxes	8,700	5,981	2,719
Telephone	2,100	2,135	(35)
Utilities	1,000	1,033	(33)
Office expense	2,500	2,889	(389)
Maintenance and repairs	1,800	2,149	(349)
Insurance and bonds	5,500	4,698	802
Audit and accounting	2,875	2,870	5
Professional services	30,000	27,200	2,800
Dues and subscriptions	7,300	11,473	(4,173)
Health insurance	14,100	9,525	4,575
Employee benefits	5,270	3,803	1,467
Workmen's compensation	150	97	53
Miscellaneous	1,000	-	1,000
Capital outlay			-
Administration	<u>187,691</u>	<u>147,275</u>	<u>40,416</u>
Excess of revenues over expenditures	<u>97,755</u>	<u>242,424</u>	<u>144,669</u>

Town of Keenesburg, Colorado

Schedule of Revenues and Expenditures - Budget and Actual -
 (Non-GAAP Basis) Enterprise Fund - Waterworks
 Year Ended December 31, 2019

	<u>Budget</u>	<u>Actual</u>	<i>Variance with Final Budget Positive (Negative)</i>
Other financing uses			
Interest on CWCB loan	(30,383)	(30,327)	56
Principal on CWCB loan	(43,568)	(43,624)	(56)
System improvements			
Total other financing uses	<u>(73,951)</u>	<u>(73,951)</u>	<u>0</u>
 Excess of revenues over expenditures and other financing uses	 23,805	 168,473	
 Fund balance appropriated	 <u>\$ 661,285</u>		 <u>\$ 661,285</u>
 Excess of revenues over expenditures and other financing uses		 <u>\$ 168,473</u>	

Town of Keenesburg, Colorado

Schedule of Revenues and Expenditures - Budget and Actual -
 (Non-GAAP Basis) Enterprise Fund - Wastewater
 Year Ended December 31, 2019

	<u>Budget</u>	<u>Actual</u>	<i>Variance with Final Budget Positive (Negative)</i>
Revenues			
Earnings on investments		\$ 724	\$ 724
State funds - grants	\$ 480,000	480,000	-
Sewer sales	305,000	310,250	5,250
Sewer tap fees	28,490	227,347	198,857
Total revenues	<u>813,490</u>	<u>1,018,322</u>	<u>204,832</u>
Expenditures			
Salaries	76,500	63,979	12,521
Payroll taxes	6,600	5,600	1,000
Utilities	34,000	30,887	3,113
Maintenance and repair	35,000	16,032	18,968
Gas and oil	3,000	2,617	383
Operating supplies	9,500	11,015	(1,515)
Health insurance	9,000	6,757	2,243
Capital outlay		4,299	(4,299)
Employee benefits	6,000	5,534	466
Workmen's compensation	3,000	2,578	422
Miscellaneous	1,000	50	950
Sewer testing and permits	7,500	6,252	1,248
Public Works	<u>191,100</u>	<u>155,599</u>	<u>35,501</u>
Salaries	75,600	63,097	12,503
Payroll taxes	6,520	5,265	1,255
Telephone	2,200	2,135	65
Utilities	1,000	1,073	(73)
Office expense	3,000	2,889	111
Maintenance and repairs	750	1,553	(803)
Insurance and bonds	5,000	4,698	302
Audit and accounting	3,200	2,870	330
Professional services	35,000	37,204	(2,204)
Dues and subscriptions	4,800	3,226	1,574
Health insurance	11,400	7,830	3,570
Employee benefits	3,800	3,168	632
Workmen's compensation	115	97	18
Miscellaneous	480,000	480,000	-
Capital outlay			-
Administration	<u>632,385</u>	<u>615,105</u>	<u>17,280</u>
Excess of revenues over expenditures	<u>(9,995)</u>	<u>247,617</u>	<u>257,612</u>

Town of Keenesburg, Colorado

Schedule of Revenues and Expenditures - Budget and Actual -
 (Non-GAAP Basis) Enterprise Fund - Wastewater
 Year Ended December 31, 2019

	<u>Budget</u>	<u>Actual</u>	<i>Variance with Final Budget Positive (Negative)</i>
Other financing uses			
Interest on debt	(13,593)	(13,593)	
Principal on debt	(201,909)	(201,909)	
System improvements			
Total other financing uses	<u>(215,502)</u>	<u>(215,502)</u>	-
Excess of revenues over expenditures and other financing uses	(225,497)	32,115	257,612
Fund balance appropriated	<u>\$ 1,038,987</u>		<u>\$ 1,038,987</u>
Excess of revenues over expenditures and other financing uses		<u>\$ 32,115</u>	

COMPLIANCE SECTION

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

LOCAL HIGHWAY FINANCE REPORT		City or County: Keenesburg
		YEAR ENDING : December 2019
This Information From The Records Of (example - City of _ or County of _)	Prepared By: Debra Chumley	Phone: (303) 732-4281

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

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

II. RECEIPTS FOR ROAD AND STREET PURPOSES

III. DISBURSEMENTS FOR ROAD AND STREET PURPOSES

ITEM	AMOUNT	ITEM	AMOUNT
A. Receipts from local sources:		A. Local highway disbursements:	
1. Local highway-user taxes		1. Capital outlay (from page 2)	428,674
a. Motor Fuel (from Item I.A.5.)		2. Maintenance:	36,172
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	453,240	b. Snow and ice removal	
3. Other local imposts (from page 2)	2,027,519	c. Other	
4. Miscellaneous local receipts (from page 2)	2,456	d. Total (a. through c.)	0
5. Transfers from toll facilities		4. General administration & miscellaneous:	1,902,357
6. Proceeds of sale of bonds and notes:		5. Highway law enforcement and safety	
a. Bonds - Original Issues		6. Total (1 through 5)	2,367,203
b. Bonds - Refunding Issues		B. Debt service on local obligations:	
c. Notes		1. Bonds:	
d. Total (a. + b. + c.)	0	a. Interest	19,710
7. Total (1 through 6)	2,483,215	b. Redemption	65,000
B. Private Contributions		c. Total (a. + b.)	84,710
C. Receipts from State government (from page 2)	76,242	2. Notes:	
D. Receipts from Federal Government (from page 2)	0	a. Interest	
E. Total receipts (A.7 + B + C + D)	2,559,457	b. Redemption	
		c. Total (a. + b.)	0
		3. Total (1.c + 2.c)	84,710
		C. Payments to State for highways	
		D. Payments to toll facilities	
		E. Total disbursements (A.6 + B.3 + C + D)	2,451,913

IV. LOCAL HIGHWAY DEBT STATUS

(Show all entries at par)

	Opening Debt	Amount Issued	Redemptions	Closing Debt
A. Bonds (Total)	675,000		65,000	610,000
1. Bonds (Refunding Portion)				
B. Notes (Total)				0

V. LOCAL ROAD AND STREET FUND BALANCE

	A. Beginning Balance	B. Total Receipts	C. Total Disbursements	D. Ending Balance	E. Reconciliation
	371,081	2,559,457	2,451,913	478,625	0

Notes and Comments:

LOCAL HIGHWAY FINANCE REPORT	STATE: Colorado
	YEAR ENDING (mm/yy): December 2019

II. RECEIPTS FOR ROAD AND STREET PURPOSES - DETAIL

ITEM	AMOUNT	ITEM	AMOUNT
A.3. Other local imposts:		A.4. Miscellaneous local receipts:	
a. Property Taxes and Assessments		a. Interest on investments	2,456
b. Other local imposts:		b. Traffic Fines & Penalties	
1. Sales Taxes	2,027,519	c. Parking Garage Fees	
2. Infrastructure & Impact Fees	0	d. Parking Meter Fees	
3. Liens		e. Sale of Surplus Property	
4. Licenses		f. Charges for Services	
5. Specific Ownership &/or Other		g. Other Misc. Receipts	
6. Total (1. through 5.)	2,027,519	h. Other	
c. Total (a. + b.)	2,027,519	i. Total (a. through h.)	2,456
	(Carry forward to page 1)		(Carry forward to page 1)

ITEM	AMOUNT	ITEM	AMOUNT
C. Receipts from State Government		D. Receipts from Federal Government	
1. Highway-user taxes	68,477	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	7,765	d. Federal Transit Admin	
d. Other (Specify) - DOLA Grant		e. U.S. Corps of Engineers	
e. Other (Specify)		f. Other Federal	
f. Total (a. through e.)	7,765	g. Total (a. through f.)	0
4. Total (1. + 2. + 3.f)	76,242	3. Total (1. + 2.g)	
			(Carry forward to page 1)

III. DISBURSEMENTS FOR ROAD AND STREET PURPOSES - DETAIL

	ON NATIONAL HIGHWAY SYSTEM (a)	OFF NATIONAL HIGHWAY SYSTEM (b)	TOTAL (c)
A.1. Capital outlay:			
a. Right-Of-Way Costs			0
b. Engineering Costs			0
c. Construction:			
(1). New Facilities		338,092	338,092
(2). Capacity Improvements			0
(3). System Preservation		90,582	90,582
(4). System Enhancement & Operation			0
(5). Total Construction (1) + (2) + (3) + (4)	0	428,674	428,674
d. Total Capital Outlay (Lines 1.a. + 1.b. + 1.c.5)	0	428,674	428,674
			(Carry forward to page 1)

Notes and Comments: