

TOWN OF KEENESBURG, COLORADO

ANNUAL FINANCIAL REPORT

YEAR ENDED DECEMBER 31, 2018

Town of Keenesburg, Colorado
Annual Financial Report
For the Year Ended December 31, 2018

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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, 2018, 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, 2018, 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.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis and budgetary comparison information on pages 3-10 and 16-17 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 our 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 us 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 our 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.

Rose E Melville, CPA

Loveland Colorado

July 15, 2019

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, 2018. 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, 2018 by \$8.3 million (*net position*). Of this amount, \$2.1 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 \$505,919 over the previous year, with 39 percent of the increase resulting from governmental activities and 43 percent resulting from business-type activities.
- At December 31, 2018 the Town's governmental fund balance sheet reported a combined ending fund balance of \$1.1 million, an increase of \$182 thousand compared to the previous fiscal year. A total of \$128,729 of the fund balance is unassigned.
- The General Fund reported a fund balance of \$648,189, an increase of \$92,828 from last fiscal year. This ending fund balance equated to 101 percent of General Fund expenditures for the year.
- The Town's total debt increased by \$353,904 in fiscal year 2018, due to a new revenue bond for sewer repairs.

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 2018 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 \$8.3 million at the close of the most recent fiscal year, representing an increase in total net position for the year amounting to \$505,919.

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	
	2018	2017	2018	2017	2018	2017
Current and other assets	\$ 1,418,130	\$ 1,220,107	\$ 1,428,413	\$ 839,999	\$ 2,846,543	\$ 2,060,106
Capital assets	2,835,690	2,865,464	5,265,101	4,873,378	8,100,791	7,738,842
Total assets	4,253,820	4,085,571	6,693,514	5,713,377	10,947,334	9,798,948
Long-term liabilities outstanding	675,000	740,000	1,304,708	886,804	1,979,708	1,626,804
Other liabilities	79,390	73,355	322,214	48,251	401,604	121,606
Total liabilities	754,390	813,355	1,626,922	935,055	2,381,312	1,748,410
Deferred inflows of resources						
Deferred property taxes	225,676	216,111			225,676	216,111
Net position:						
Net investment in capital assets	2,160,690	2,125,464	3,960,393	3,986,575	6,121,083	6,112,039
Restricted	95,101	91,738	171		95,272	91,738
Unrestricted	1,017,963	838,903	1,106,028	791,747	2,123,991	1,630,650
Total net position	\$ 3,273,754	\$ 3,056,105	\$ 5,066,592	\$ 4,778,322	\$ 8,340,346	\$ 7,834,427

An additional portion of the Town's net position (1 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 26 percent of total net position (\$2.1 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 \$493 thousand compared with the prior year, largely due to an increase in capital debt. Despite the struggling economy, the Town's finances are strong, sound and stable because of solid, dedicated and committed financial management.

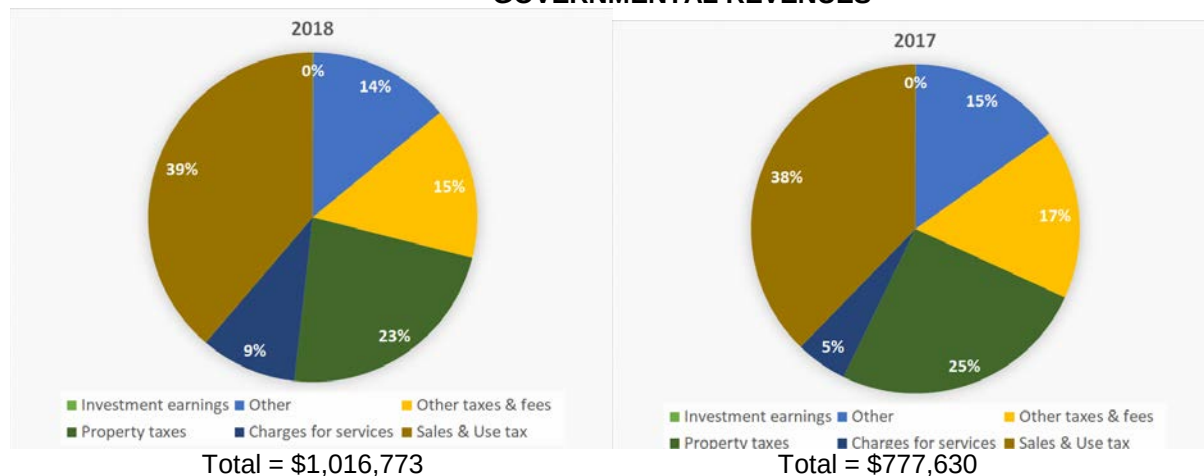
The changes in net position displayed subsequently shows the governmental and business-type activities during the previous two fiscal years. The decrease in net position for each year represents the extent to which expenses exceeded revenues during the year.

Town of Keenesburg, Colorado Changes in Net Position

	Governmental Activities		Business-type Activities		Total	
	2018	2017	2018	2017	2018	2017
Revenues:						
Program revenues:						
Charges for services	\$ 93,551	\$ 39,483	\$ 817,538	\$ 691,266	\$ 911,089	\$ 730,749
Grants and contributions			292,737	306,109	292,737	306,109
General revenues:						
Property taxes	232,685	197,371			232,685	197,371
Other taxes	547,669	422,403			547,669	422,403
Other	142,868	118,373	405	255	143,273	118,628
Total revenues	<u>1,016,773</u>	<u>777,630</u>	<u>1,110,680</u>	<u>997,630</u>	<u>2,127,453</u>	<u>1,775,260</u>
Expenses:						
General government	322,014	263,353			322,014	263,353
Public safety	136,515	112,199			136,515	112,199
Public works	111,050	112,576			111,050	112,576
Health and welfare	18,648	13,279			18,648	13,279
Culture and recreation	16,200	12,875			16,200	12,875
Depreciation	173,089	179,984	173,103	175,857	346,192	355,841
Interest on long-term debt	21,608	23,360	33,556	35,346	55,164	58,706
Water and sewer			615,751	452,587	615,751	452,587
Total expenses	<u>799,124</u>	<u>717,626</u>	<u>822,410</u>	<u>663,790</u>	<u>1,621,534</u>	<u>1,381,416</u>
Change in net position	217,649	60,004	288,270	333,840	505,919	393,844
Net position, January 1	<u>3,056,105</u>	<u>2,996,101</u>	<u>4,778,322</u>	<u>4,444,482</u>	<u>7,834,427</u>	<u>7,440,583</u>
Net position, December 31	<u>\$ 3,273,754</u>	<u>\$ 3,056,105</u>	<u>\$ 5,066,592</u>	<u>\$ 4,778,322</u>	<u>\$ 8,340,346</u>	<u>\$ 7,834,427</u>

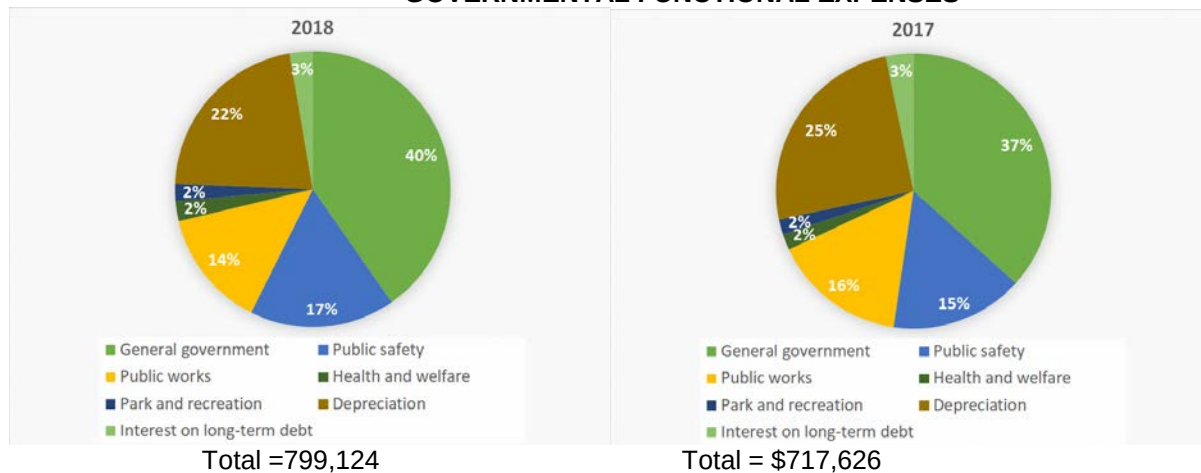
Graphic presentations of selected data from the summary tables follow to assist in the analysis of the town's activities for fiscal years 2018 and 2017.

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 62 and 63 percent of the Town's governmental revenues in fiscal years 2018 and 2017.

GOVERNMENTAL FUNCTIONAL EXPENSES



This graph shows the total governmental activities cost of \$799,124 for this year. Of this amount, general government was the largest operating service cost, at 40 percent, or \$322,014 of total cost of services in 2018, primarily funded by the town's taxing power. Public works absorbed \$111,050 in taxes to citizens and other general revenues. Other governmental activities with significant tax-based funding include public safety.

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, 2018, the Town's governmental funds reported combined fund balances of \$1,114,694, an increase of \$182,198 compared with the prior year balances. There is \$128,729 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, 2018, total fund balance in the General Fund was \$648,189. As a measure of the General Fund's liquidity, the total fund balance amount equates to approximately 101 percent of total fund expenditures. The fund balance of the General Fund increased by \$92,928 during the current fiscal year due to an increase in revenues.

The Conservation Trust special revenue fund has a total assigned fund balance of \$54,264. This fund balance increased \$12,267 during the current fiscal year due to a decrease in expenditures.

The Capital Improvement debt service fund has a total fund balance of \$372,776 of which \$48,000 is reserved for payment of debt service. The \$50,130 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 2018.

The Impact fund has a total fund balance of \$39,465. This fund was started in 2017 and had no expenditures in 2018.

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, 2018, total net position amounted to \$5,066,592 for enterprise funds, as compared to \$4,778,322 at December 31, 2017.

Total net position of the Wastewater Fund amounted to \$986,821 at the end of the fiscal year, representing a \$274,524 increase from the prior year amount of \$712,297. This was almost entirely due to the new revenue bond. Operating revenues increased 3 percent, or \$9,599, compared to fiscal year 2017 due to an increase in sewer rates. Operating expenditures showed an increase of \$33,131, approximately 12 percent, due to an increase in salaries. Unrestricted net positions increased to \$357,631.

The Waterworks Fund total net position increased by \$13,746 during the year. The largest portion of the fund's net position (84 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 \$104,393 to \$748,397 from a balance of \$644,004 the previous year, mostly due to an increase in water revenues.

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 2018 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 \$11,629. Expenditures for general government, public safety, public works, health and welfare, and culture and recreation were under budget by a total of \$187,776 due mostly to the decrease in professional services required during the year and the decision to lease instead of purchase new equipment.

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, 2018, amounts to \$8,100,791 (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 4 percent (a decrease of 1 percent for

governmental activities and an increase of 7 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:

- Land purchase \$31,424
- Sound system upgrade \$3,985
- Sidewalk and street replacements \$107,905
- Muffin monster replacement \$13,456
- Sewer line replacement \$555,681

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

	Governmental Activities		Business-type Activities		Total	
	2018	2017	2018	2017	2018	2017
Land	\$ 180,078	\$ 148,654	\$ 169,054	\$ 169,054	\$ 349,132	\$ 317,708
Buildings and system	297,704	339,889	2,007	2,163	299,711	342,052
Machinery and equipment	74,033	120,587	29,047	23,126	103,080	143,713
Infrastructure	2,283,875	2,256,334			2,283,875	2,256,334
Wastewater system			1,018,387	502,290	1,018,387	502,290
Waterworks system			2,902,118	3,032,256	2,902,118	3,032,256
Water rights			1,144,489	1,144,489	1,144,489	1,144,489
Total	<u>\$ 2,835,690</u>	<u>\$ 2,865,464</u>	<u>\$ 5,265,101</u>	<u>\$ 4,873,378</u>	<u>\$ 8,100,791</u>	<u>\$ 7,738,842</u>

Long-term debt. At the end of the current fiscal year, the Town had total debt outstanding of \$1,979,708. Of this amount, \$1,171,000 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 \$808,708.

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

	Governmental Activities		Business-type Activities		Total	
	2018	2017	2018	2017	2018	2017
Revenue bonds	\$ 675,000	\$ 740,000	\$ 496,000		\$ 1,171,000	\$ 740,000
Notes payable			\$ 808,708	\$ 886,804	808,708	886,804
Total	<u>\$ 675,000</u>	<u>\$ 740,000</u>	<u>\$ 1,304,708</u>	<u>\$ 886,804</u>	<u>\$ 1,979,708</u>	<u>\$ 1,626,804</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 \$307,740.

Economic Factors and Next Year's Budget and Rates

- The unemployment rate for the Town increased to 3.4 percent. This is lower than the state's average unemployment rate of 3.8 percent and lower than the national average of 3.9 percent at December 31, 2018.
- Taxable property valuation increased, \$.4 million to \$10.258 million in 2019.
- Sales tax revenues are expected to increase from \$341,804 in 2018 to \$1,997,204 in 2019.

All of these factors were considered in preparing the Town's budget for the 2019 fiscal year.

At December 31, 2018, assigned fund balance in the General Fund was \$470,932. The Town has appropriated \$1,053,510 in the 2019 fiscal year budget in accordance with the requirements of state statute. Property tax rates remain unchanged for the 2019 fiscal year. All municipal services provided in 2018 will be continued in 2019.

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, 2018

	Governmental Activities	Business-type Activities	Total
Assets			
Cash and cash equivalents	\$ 1,057,161	\$ 941,236	\$ 1,998,396
Receivables, net	295,315	291,013	586,329
Due from other funds	16,227	160,626	176,853
Inventories and prepaid costs	1,427	35,367	36,794
Restricted assets	48,000	171	48,171
Nondepreciable capital assets	180,078	1,313,543	1,493,621
Depreciable capital assets, net	2,655,612	3,951,558	6,607,170
Total assets	4,253,820	6,693,514	10,947,334
Liabilities			
Accounts payable and accrued liabilities	57,448	127,879	185,327
Due to other funds		176,852	176,852
Unearned revenue	15,942	4,982	20,924
Customer deposits	6,000	12,500	18,500
Long-term liabilities			
Portion due within one year	65,000	50,557	115,557
Portion due after one year	610,000	1,254,151	1,864,151
Total liabilities	754,390	1,626,922	2,381,311
Deferred inflows of resources			
Deferred property taxes	225,676		225,676
Net Position			
Net investment in capital assets	2,160,690	3,960,393	6,121,084
Restricted	95,101	171	95,272
Unrestricted	1,017,964	1,106,028	2,123,992
Total net position	3,273,754	5,066,592	8,340,346
Total liabilities and net position	\$ 4,253,820	\$ 6,693,514	\$ 10,947,334

Town of Keenesburg, Colorado

Statement of Activities Year Ended December 31, 2018

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
Governmental activities:							
General government	\$ 322,014	\$ 93,551			\$ (228,464)		\$ (228,464)
Public safety	136,515				(136,515)		(136,515)
Public works	111,050				(111,050)		(111,050)
Health and welfare	18,648				(18,648)		(18,648)
Park and recreation	16,200				(16,200)		(16,200)
Depreciation	173,088				(173,088)		(173,088)
Interest on long-term debt	21,608				(21,608)		(21,608)
Total governmental activities	<u>799,124</u>	<u>93,551</u>			<u>(705,573)</u>		<u>(705,573)</u>
Business-type activities:							
Waterworks	539,503	541,004		\$ 11,910		13,411	
Wastewater	282,907	276,534	\$ 269,467	11,360		274,454	
Total business-type activities	<u>822,410</u>	<u>817,538</u>	<u>269,467</u>	<u>23,270</u>		<u>287,865</u>	
Total	<u>\$ 1,621,534</u>	<u>\$ 911,089</u>	<u>\$ 269,467</u>	<u>\$ 23,270</u>	<u>(705,573)</u>	<u>287,865</u>	<u>(417,708)</u>
General Revenues							
Taxes							
General property					215,919		215,919
Specific ownership					16,766		16,766
Franchise					54,610		54,610
Sales					341,804		341,804
Use					53,268		53,268
Severance					29,684		29,684
Highway users					63,951		63,951
Interest					554		554
Other					3,228		3,228
Earnings on investments					571	405	976
Other revenues					142,868		142,868
Total general revenues					<u>923,222</u>	<u>405</u>	<u>923,627</u>
Change in net position					217,649	288,270	505,919
Net position - January 1					<u>3,056,105</u>	<u>4,778,322</u>	<u>7,834,427</u>
Net position - December 31					<u>\$ 3,273,754</u>	<u>\$ 5,066,592</u>	<u>\$ 8,340,346</u>

The notes to the financial statements are an integral part of this statement.

Town of Keenesburg, Colorado

**Balance Sheet
Governmental Funds
December 31, 2018**

	<u>General</u>	<u>Conservation Trust</u>	<u>Capital Improvements</u>	<u>Impact</u>	<u>Total Governmental</u>
Assets					
Cash and cash equivalents	\$ 668,211	\$ 54,264	\$ 295,220	\$ 39,465	\$ 1,057,161
Due from other funds	16,227				16,227
Receivables					
Accounts	39,372		30,267		69,639
Property taxes	225,676				225,676
Prepays	1,427				1,427
Restricted asset					
Bond reserve account			48,000		48,000
Total assets	<u>\$ 950,913</u>	<u>\$ 54,264</u>	<u>\$ 373,488</u>	<u>\$ 39,465</u>	<u>\$ 1,418,130</u>
Liabilities and fund balances					
Liabilities					
Accounts payable	\$ 61,106		\$ 712		\$ 61,106
Due to other funds					
Unearned revenue	15,942				15,942
Total liabilities	<u>77,048</u>		<u>712</u>		<u>77,760</u>
Deferred inflows of resources					
Deferred property taxes	225,676				225,676
Fund balances:					
Non-spendable:					
Prepaid expenditures	1,427				1,427
Restricted:					
Emergencies(TABOR)	47,101				47,101
Bond reserve			48,000		48,000
Committed:					
Debt service			84,710		84,710
Impact fund				\$ 39,465	
Assigned, reported in					
General fund	470,932				470,932
Conservation trust fund		\$ 54,264			54,264
Capital improvements fund			240,066		240,066
Unassigned:	128,729				128,729
Total fund balances	<u>648,189</u>	<u>54,264</u>	<u>372,776</u>	<u>39,465</u>	<u>1,114,694</u>
Total liabilities and fund balances	<u>\$ 950,913</u>	<u>\$ 54,264</u>	<u>\$ 373,488</u>	<u>\$ 39,465</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. 2,835,690

Long-term liabilities, including bonds payable, are not due and payable in the current period and therefore are not reported in the funds. (676,630)

Total net position of governmental activities \$ 3,273,754

Town of Keenesburg, Colorado

**Statement of Revenues, Expenditures, and Changes in Fund Balance
Governmental Funds
Year Ended December 31, 2018**

	<u>General</u>	<u>Conservation Trust</u>	<u>Capital Improvements</u>	<u>Impact</u>	<u>Total</u>
Revenues					
Taxes	\$ 538,221		\$ 241,561		\$ 779,783
Licenses and fees	58,105				58,105
Intergovernmental	15,739	\$ 12,242		\$ 26,961	54,942
Charges for service	93,551				93,551
Earnings on investments	347	25	186	13	571
Miscellaneous revenue	29,821				29,821
Total revenues	<u>735,784</u>	<u>12,267</u>	<u>241,747</u>	<u>26,975</u>	<u>1,016,772</u>
Expenditures					
Current operating					
General government	322,237				322,237
Public safety	136,516				136,516
Public works	111,050				111,050
Health and welfare	18,648				18,648
Culture and recreation	16,200				16,200
Capital outlay	38,305		105,009		143,314
Debt service					
Principal			65,000		65,000
Interest			21,608		21,608
Total expenditures	<u>642,956</u>	<u></u>	<u>191,617</u>	<u></u>	<u>834,574</u>
Revenues over(under) expenditures	92,828	12,267	50,130	26,975	182,198
Fund balances - January 1	<u>555,361</u>	<u>41,997</u>	<u>322,646</u>	<u>12,490</u>	
Fund balances - December 31	<u>\$ 648,189</u>	<u>\$ 54,264</u>	<u>\$ 372,776</u>	<u>\$ 39,465</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. (29,772)

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. 223

Change in net position of governmental activities \$ 217,649

Town of Keenesburg, Colorado

**Statement of Revenues, Expenditures, and Changes in Fund Balance
Budget and Actual
General Fund
Year Ended December 31, 2018**

	<u>Budget</u>			Variance with Final Budget Positive (Negative)
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	<u>(Negative)</u>
Revenues				
Taxes				
General property taxes	\$ 216,111	\$ 216,111	\$ 215,919	\$ (192)
Specific ownership taxes	15,000	15,000	16,766	1,766
Interest on delinquent taxes	200	200	554	354
Total taxes	<u>231,311</u>	<u>231,311</u>	<u>233,239</u>	<u>1,928</u>
All other taxes	316,944	316,944	304,982	(11,962)
Intergovernmental	11,500	11,500	15,739	4,239
License and permits	83,200	83,200	58,105	(25,095)
Charges for service	68,000	68,000	93,551	25,551
Miscellaneous	13,200	13,200	30,168	16,968
Total	<u>492,844</u>	<u>492,844</u>	<u>502,545</u>	<u>9,701</u>
Total revenues	<u>724,155</u>	<u>724,155</u>	<u>735,784</u>	<u>11,629</u>
Expenditures				
Legislative	21,460	22,117	23,480	(1,363)
Administration	406,720	413,820	302,741	111,079
Public safety	154,652	154,652	136,516	18,136
Public works	135,743	135,743	111,050	24,693
Health and welfare	24,300	24,300	18,648	5,652
Culture and recreation	123,100	80,100	50,520	29,580
Total expenditures	<u>865,975</u>	<u>830,732</u>	<u>642,956</u>	<u>187,776</u>
Net change in fund balance	(141,820)	(106,577)	92,828	199,405
Fund balance - January 1	<u>525,718</u>	<u>525,718</u>	<u>555,361</u>	<u>29,643</u>
Fund balance - December 31	<u>\$ 383,898</u>	<u>\$ 419,141</u>	<u>\$ 648,189</u>	<u>\$ 229,048</u>

Town of Keenesburg, Colorado

**Statement of Revenues, Expenditures, and Changes in Fund Balance
Budget and Actual
Conservation Trust Fund
Year Ended December 31, 2018**

	<u>Budget</u>			Variance with Final Budget Positive (Negative)
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	
Revenues				
Lotto contributions/donation	\$ 12,000	\$ 12,000	\$ 12,242	\$ 242
Earnings on investments	20	20	25	5
Total revenues	<u>12,020</u>	<u>12,020</u>	<u>12,267</u>	<u>247</u>
Expenditures				
Maintenance and repairs				
Capital outlay	30,000			
Total expenditures	<u>30,000</u>			
Net change in fund balance	(17,980)	12,020	12,267	247
Fund balance - January 1	<u>39,385</u>	<u>39,385</u>	<u>41,997</u>	<u>2,612</u>
Fund balance - December 31	<u>\$ 21,405</u>	<u>\$ 51,405</u>	<u>\$ 54,264</u>	<u>\$ 2,859</u>

Town of Keenesburg, Colorado

**Statement of Net Position
Proprietary Funds
December 31, 2018**

	<u>Waterworks</u>	<u>Wastewater</u>	<u>Total</u>
Assets			
Cash and cash equivalents	\$ 591,304	\$ 350,103	\$ 941,407
Accounts receivable, net	11,803	279,211	291,013
Due from other funds	146,900	13,726	160,626
Inventories	33,950		33,950
Prepays	1,165	251	1,416
Capital assets			
Land	85,762	83,292	169,054
Other capital assets, net of depreciation	4,054,321	1,041,726	5,096,047
Total assets	<u>4,925,205</u>	<u>1,768,309</u>	<u>6,693,514</u>
Liabilities			
Accounts payable	6,393	118,244	124,637
Current portion of long-term debt	43,624	6,933	50,557
Due to other funds	13,726	163,126	176,852
Deposits	12,500		12,500
Compensated absences, non-current	1,637	1,604	3,241
Unearned revenue	2,469	2,515	4,982
Notes payable, non-current	765,084	489,067	1,254,151
Total liabilities	<u>845,434</u>	<u>781,489</u>	<u>1,626,922</u>
Net position			
Net investment in capital assets	3,331,375	629,019	3,960,393
Net position - restricted for capital projects		171	171
Net position - unrestricted	748,397	357,631	1,106,028
Total new position	<u>4,079,771</u>	<u>986,821</u>	<u>5,066,592</u>
Total liabilities and net position	<u>\$ 4,925,205</u>	<u>\$ 1,768,309</u>	<u>\$ 6,693,514</u>

Town of Keenesburg, Colorado

Statement of Revenues, Expenses, and Changes in Fund Net Position
Proprietary Funds
Year Ended December 31, 2018

	<u>Waterworks</u>	<u>Wastewater</u>	<u>Total</u>
Operating revenues			
Charges for service	\$ 537,471	\$ 276,534	\$ 814,005
Miscellaneous	3,532	0	3,532
Total operating revenues	<u>541,004</u>	<u>276,534</u>	<u>817,537</u>
Operating expenses			
Operations and maintenance	238,383	114,880	353,263
Administration and general	<u>136,523</u>	<u>125,965</u>	<u>262,488</u>
Total operating expenses	<u>374,906</u>	<u>240,845</u>	<u>615,751</u>
Operating income(loss) before depreciation	166,098	35,690	201,787
Depreciation	<u>132,694</u>	<u>40,409</u>	<u>173,103</u>
Operating income(loss)	<u>33,404</u>	<u>(4,720)</u>	<u>28,684</u>
Nonoperating revenues(expenses)			
State grants		269,467	269,467
Earnings on investments	335	70	405
Interest on debt	<u>(31,903)</u>	<u>(1,652)</u>	<u>(33,556)</u>
Total nonoperating revenues(expenses)	<u>(31,568)</u>	<u>267,884</u>	<u>236,316</u>
Income(loss) before contributions	1,836	263,164	265,001
Capital contributions	<u>11,910</u>	<u>11,360</u>	<u>23,270</u>
Change in net position	13,746	274,524	288,270
Total net position - January 1	<u>4,066,027</u>	<u>712,297</u>	<u>4,778,322</u>
Total net position - December 31	<u>\$ 4,079,771</u>	<u>\$ 986,821</u>	<u>\$ 5,066,592</u>

Town of Keenesburg, Colorado

Statement of Cash Flows

Proprietary Fund

Year Ended December 31, 2018

	<u>Waterworks</u>	<u>Wastewater</u>	<u>Total</u>
Cash flows from operating activities:			
Cash received from customers	\$ 537,471	\$ 276,534	\$ 814,005
Cash payments to employees for services	(146,591)	(122,606)	(269,197)
Cash payments to suppliers for goods and services	(334,483)	(125,823)	(460,306)
Other operating receipts	3,533		3,533
Net cash provided(used) by operating activities	<u>59,930</u>	<u>28,105</u>	<u>88,035</u>
Cash flows from noncapital financing activities:			
Sewer connection fees received		11,360	11,360
Grants received		269,467	269,467
Net cash provided(used) by noncapital financing activities		<u>280,827</u>	<u>280,827</u>
Cash flows from capital and related financing activities:			
Principal payments on long-term debt	(42,048)	(36,048)	(78,096)
Interest paid on long-term debt	(31,903)	(1,652)	(33,555)
Acquisition and construction of capital assets		(564,826)	(564,826)
Increase in capital debt		496,000	496,000
Capital contributions	11,910		11,910
Net cash used by capital and related financing activities	<u>(62,041)</u>	<u>(106,526)</u>	<u>(168,567)</u>
Cash flows from investing activities:			
Interest on investments	335	70	405
Net cash provided by investing activities	<u>335</u>	<u>70</u>	<u>405</u>
Net increase(decrease) in cash and cash equivalents	(1,776)	202,476	200,700
Cash and cash equivalents - January 1	<u>593,080</u>	<u>147,627</u>	<u>740,707</u>
Cash and cash equivalents - December 31	<u><u>\$ 591,304</u></u>	<u><u>\$ 350,103</u></u>	<u><u>\$ 941,407</u></u>
Reconciliation of operating income(loss) to net cash provided(used) by operating activities			
Operating income	\$ 33,404	\$ (4,720)	\$ 28,684
Adjustments to reconcile operating income to net cash provided (used) by operating activities:			
Depreciation	132,694	40,409	173,103
Change in assets and liabilities			
Accounts receivable	14,675	(252,507)	(237,832)
Prepaid expenses	24	114	138
Inventories	8,774		8,774
Accounts payable and accrued expenses	327	110,471	110,798
Due to (from) other funds	(135,054)	132,955	(2,099)
Deferred revenue	586	1,383	1,969
Deposits	4,500		4,500
Net cash provided (used) by operating activities	<u><u>\$ 59,930</u></u>	<u><u>\$ 28,105</u></u>	<u><u>\$ 88,035</u></u>

NOTES TO THE FINANCIAL STATEMENTS

Town of Keenesburg, Colorado

Notes to Basic Financial Statements December 31, 2018

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, 2018

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, 2018

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, 2018

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 \$95,272 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, 2018

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, 2018, and reported at fair value, are shown below:

<u>Type</u>	<u>Rating</u>	<u>Carrying Value</u>
Deposits:		
Checking/Demand Deposits	N/A	\$ 293,340
Investments:		
Savings	N/A	1,753,227
Total deposits and investments		<u>\$ 2,046,567</u>
Reconciliation to Statement of Net Position		
Current unrestricted		\$ 1,951,295
Current restricted		95,272
		<u><u>\$ 2,046,567</u></u>

Custodial Credit Risk

Deposits in financial institutions, reported as cash, cash equivalents, and investments, had a bank balance of \$2,046,567 at December 31, 2018, 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, 2018, the Town had no concentration of credit risk.

Town of Keenesburg, Colorado

**Notes to Basic Financial Statements
December 31, 2018**

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, 2018 are fully collectible. Accordingly, no reserve for bad debts exists at December 31, 2018.

NOTE 4: Interfund Receivable/Payable

Interfund receivable and payable balances at December 31, 2018 are as follows:

<u>Fund</u>	<u>Interfund Receivable</u>	<u>Interfund Payable</u>
General	\$163,126	\$146,900
Waterworks Operating	146,900	13,726
Wastewater Operating	13,726	163,126
Other Funds		
Total	<u>\$ 323,752</u>	<u>\$323,752</u>

Town of Keenesburg, Colorado

**Notes to Basic Financial Statements
December 31, 2018**

NOTE 5: Capital Assets

A summary of changes in capital assets for the year ended December 31, 2018 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	<u>\$ 148,654</u>	<u>\$ 31,424</u>		<u>\$ 180,078</u>
Other capital assets:				
Buildings	895,255			895,255
Equipment	718,835	3,985		722,820
Streets	<u>2,672,002</u>	<u>107,905</u>		<u>2,779,907</u>
Total other capital assets as historical cost	<u>4,286,092</u>	<u>111,890</u>		<u>4,397,982</u>
Less accumulated depreciation for:				
Buildings	555,366	42,185		597,551
Equipment	598,248	50,539		648,787
Streets	<u>415,668</u>	<u>80,364</u>		<u>496,032</u>
Total accumulated depreciation	<u>1,569,282</u>	<u>173,088</u>		<u>1,742,370</u>
Other capital assets, net	<u>2,716,810</u>	<u>(61,198)</u>		<u>2,655,612</u>
Governmental activities capital assets, net	<u>\$2,865,464</u>	<u>\$ (29,774)</u>		<u>\$2,835,690</u>
Depreciation expense was charged to functions as follows:				
Governmental activities:				
Legislative		\$ 6,722		
General government		85,522		
Public safety		39,079		
Public works		31,789		
Health and welfare		5,338		
Culture and recreation		<u>4,638</u>		
Total governmental activities depreciation expense		<u>\$ 173,088</u>		

Town of Keenesburg, Colorado

**Notes to Basic Financial Statements
December 31, 2018**

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	1,313,543			1,313,543
Other capital assets:				
Buildings	41,662			41,662
Equipment	146,364	\$ 13,456		159,820
Improvements - lagoons	429,150			429,150
Lagoon discharge rights	11,904			11,904
Waste water system	405,666	555,681	\$ 86,655	874,692
Water works system	4,649,559			4,649,559
Total other capital assets at historical cost	5,684,304	569,137	86,655	6,166,786
Less accumulated depreciation for:				
Buildings	39,500	156		39,655
Equipment	123,237	7,535		130,772
Improvements - lagoons	192,106	19,011		211,117
Lagoon discharge rights	11,903			11,903
Waste water system	140,419	16,263	82,344	74,338
Water works system	1,617,303	130,138		1,747,441
Total accumulated depreciation	2,124,468	173,103	82,344	2,215,226
Other capital assets, net	3,559,835	396,034	4,311	3,951,558
Business-type activities capital assets, net	<u>\$4,873,378</u>	<u>\$ 396,034</u>	<u>\$ 4,311</u>	<u>\$5,265,101</u>
Depreciation expense was charged to functions as follows:				
Business-type activities:				
Water works		\$ 132,694		
Waste water		<u>40,409</u>		
Total business-type activities depreciation expense		<u>\$ 173,103</u>		

Town of Keenesburg, Colorado

**Notes to Basic Financial Statements
December 31, 2018**

NOTE 6: Long-term obligations

The following is a summary of transactions affecting the Town's long-term obligations for the year ended December 31, 2018:

	Beginning Balance	Increases	Decreases	Ending Balance	Amounts Due Within 1 Year
Governmental activities					
Bonds payable:					
Sales Tax Revenue and Refunding Bonds	\$ 740,000		\$ 65,000	\$ 675,000	\$ 65,000
Compensated absences	1,853		223	1,630	
Governmental activities long-term liabilities	<u>\$ 741,853</u>		<u>\$ 60,223</u>	<u>\$ 676,630</u>	<u>\$ 65,000</u>
Business-type activities					
Bonds payable:					
Wastewater Revenue		\$496,000		\$ 496,000	\$ 6,933
Notes Payable	\$ 886,803		\$ 78,095	808,708	43,624
Compensated absences	3,056	184		3,240	
Business-type activities long-term liabilities	<u>\$ 889,859</u>	<u>\$496,184</u>	<u>\$ 78,095</u>	<u>\$1,307,948</u>	<u>\$ 50,557</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, 2018 amounted to \$1,838. Of this amount, \$1,228 is recorded as a liability in the government-wide financial statements for governmental activities, and \$610 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, 2018 amounted to \$3,033 in total. Of this amount, \$402 is recorded as a liability in the government-wide financial statements for governmental activities, and \$2,631 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, 2018**

Bonds and notes payable

Bonds and notes payable at December 31, 2018 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.	\$ 808,708	\$ 43,624
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%	496,000	6,933
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>675,000</u>	<u>65,000</u>
Total bonds, leases and notes payable	<u>\$1,979,708</u>	<u>\$ 115,558</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 2018 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 2018, sales taxes of \$341,803 were received in the Capital Improvements Fund and \$86,608 was required for debt service. Debt service is anticipated to require approximately 20% 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 2018 has been met by the Town.

Town of Keenesburg, Colorado

Notes to Basic Financial Statements December 31, 2018

The annual debt service requirements for all bonds and notes outstanding as of December 31, 2018, are as follows:

<u>Years</u>	<u>Principal</u>	<u>Interest</u>
2019	\$ 115,558	\$ 63,629
2020	117,386	59,903
2021	124,280	56,111
2022	126,244	52,103
2023	133,279	48,024
Subtotal	616,747	279,770
2024-2028	654,623	167,326
2029-2033	339,128	84,498
2034-2038	55,193	47,437
2039-2043	63,270	39,360
2044-2048	72,528	30,102
2049-2053	83,140	19,490
2054-2058	95,079	7,324
Total	<u>\$1,979,708</u>	<u>\$ 579,031</u>

NOTE 7: 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, 2018, 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)	\$ 104,391	\$ 210,060
Adjustments:		
Equipment, buildings, and system improvements		564,826
Depreciation and amortization	(132,694)	(40,409)
Proceeds of new revenue bond		(496,000)
Principal on debt	42,048	36,048
Excess of revenues and other sources of financial resources over expenditures and other uses of financial resources (GAAP basis)	<u>\$ 13,746</u>	<u>\$ 274,524</u>

Town of Keenesburg, Colorado

Notes to Basic Financial Statements December 31, 2018

NOTE 8: 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 \$300,288. 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 \$15,014 for 2018. All contributions are 100% vested for the benefit of each employee immediately upon deposit.

NOTE 9: 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 230 municipalities and 47 special districts 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 10: 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 11: 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, 2018, the Reserved Fund Balance for this purpose is \$47,101.

SUPPLEMENTARY INFORMATION

Town of Keenesburg, Colorado

**Schedule of Revenues, Expenditures, and Changes in Fund Balance
Budget and Actual - General Fund
Year Ended December 31, 2018**

	<u>Budget</u>		<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
Revenues				
General property tax	\$ 216,111	\$ 216,111	\$ 215,919	\$ (192)
Specific ownership tax	15,000	15,000	16,766	1,766
Penalties and interest	200	200	554	354
Taxes	<u>231,311</u>	<u>231,311</u>	<u>233,239</u>	<u>1,928</u>
Cigarette tax	1,000	1,000	1,178	178
Sales tax	100,000	100,000	100,242	242
Franchise tax	40,000	40,000	54,610	14,610
Severance tax	35,000	35,000	29,684	(5,316)
Highway users' tax	48,944	48,944	63,951	15,007
Use tax	90,000	90,000	53,268	(36,732)
Payment in lieu of taxes	2,000	2,000	2,049	49
Other taxes	<u>316,944</u>	<u>316,944</u>	<u>304,982</u>	<u>(11,962)</u>
Motor vehicle registration	6,500	6,500	6,952	452
County road and bridge	5,000	5,000	8,787	3,787
Donations				
Intergovernmental	<u>11,500</u>	<u>11,500</u>	<u>15,739</u>	<u>4,239</u>
Liquor license	1,000	1,000	1,399	399
Occupation fees	500	500	441	(59)
Building permits	75,000	75,000	48,040	(26,960)
Business licenses and permits	6,000	6,000	7,125	1,125
Street cut fees	700	700	1,100	400
Park fees				
License and fees	<u>83,200</u>	<u>83,200</u>	<u>58,105</u>	<u>(25,095)</u>
Development fees engineering	30,000	30,000	53,481	23,481
Development fees legal	30,000	30,000	20,688	(9,312)
Animal control fees	3,000	3,000	3,922	922
Municipal court fees	5,000	5,000	15,460	10,460
Charges for service	<u>68,000</u>	<u>68,000</u>	<u>93,551</u>	<u>25,551</u>
Earnings on investments	200	200	347	147
Miscellaneous revenues	13,000	13,000	29,821	16,821
Miscellaneous	<u>13,200</u>	<u>13,200</u>	<u>30,168</u>	<u>16,968</u>
Total revenues	<u>724,155</u>	<u>724,155</u>	<u>735,784</u>	<u>11,629</u>

Town of Keenesburg, Colorado

Schedule of Revenues, Expenditures, and Changes in Fund Balance
Budget and Actual - General Fund
Year Ended December 31, 2018

	<u>Budget</u>			Variance with Final Budget Positive (Negative)
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	
Expenditures				
Mayor salary	8,250	9,500	10,000	(500)
Payroll taxes mayor/trustees	875	1,502	1,519	(17)
Publishing	250	100	76	24
Election Judges	500	330	330	
Workmen's compensation	85	85	77	8
Miscellaneous	4,300	2,000	2,354	(354)
Director/trustee fees	7,200	8,600	9,125	(525)
Legislative	21,460	22,117	23,480	(1,363)
Salaries	65,471	65,471	66,990	(1,519)
Payroll taxes	5,425	5,425	5,572	(147)
Telephone	2,100	2,100	1,828	272
Utilities	1,900	1,900	1,830	70
Office expense	10,500	10,500	13,736	(3,236)
Maintenance and repairs	2,300	5,000	5,301	(301)
Insurance and bonds	9,600	10,000	9,654	346
Audit and accounting	5,300	5,300	5,253	47
Professional services	100,000	100,000	13,672	86,328
Legal	35,000	35,000	31,077	3,923
Publishing	8,000	8,000	1,628	6,372
Dues and subscriptions	14,520	14,520	13,313	1,207
Health insurance	10,250	10,250	9,560	690
Planning and zoning	42,000	42,000	29,491	12,509
Capital outlay		4,000	3,985	15
Employee benefits	3,274	3,274	3,383	(109)
Workmen's compensation	180	180	154	26
Miscellaneous	8,500	8,500	9,143	(643)
Treasurer's fees	2,400	2,400	2,168	232
Legal/development/planning	80,000	80,000	75,002	4,998
General administration	406,720	413,820	302,741	111,079
Legal- judge and court attorney	6,500	6,500	6,153	347
Law enforcement	95,352	95,352	88,786	6,566
Inspection services	52,000	52,000	39,492	12,508
Miscellaneous	800	800	2,084	(1,284)
Public safety	154,652	154,652	136,516	18,136

Town of Keenesburg, Colorado

Schedule of Revenues, Expenditures, and Changes in Fund Balance
Budget and Actual - General Fund
Year Ended December 31, 2018

	<u>Budget</u>			Variance with Final Budget Positive (Negative)
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	
Salaries	39,850	39,850	39,478	372
Payroll taxes	3,500	3,500	3,195	305
Telephone	2,100	2,100	1,828	272
Utilities	1,700	1,700	1,771	(71)
Office expense	1,000	1,000	570	430
Maintenance and repair - equipment	15,000	15,000	13,573	1,427
Maintenance and repair - streets	25,000	25,000	16,452	8,548
Street lighting	15,000	15,000	14,098	902
Gas and oil	4,000	4,000	4,219	(219)
Shop supplies	7,000	7,000	2,691	4,309
Trash service fees	4,000	4,000	3,918	82
Capital outlay				
Employee benefits	1,993	1,993	1,336	657
Health insurance	9,100	9,100	3,983	5,117
Workmen's compensation	2,500	2,500	1,826	674
Miscellaneous	4,000	4,000	2,110	1,890
Public works	<u>135,743</u>	<u>135,743</u>	<u>111,050</u>	<u>24,693</u>
Code enforcement	4,800	4,800	12,118	(7,318)
Mosquito spraying	17,000	17,000	3,468	13,532
Animal control	2,500	2,500	3,062	(562)
Health and welfare	<u>24,300</u>	<u>24,300</u>	<u>18,648</u>	<u>5,652</u>
Utilities	600	600	268	332
Maintenance and repair	3,500	7,500	6,912	588
Capital outlay	110,000	63,000	34,320	28,680
Miscellaneous	1,500	1,500	1,413	87
Miscellaneous contributions	7,500	7,500	7,608	(108)
Culture and recreation	<u>123,100</u>	<u>80,100</u>	<u>50,520</u>	<u>29,580</u>
Total expenditures	<u>865,975</u>	<u>830,732</u>	<u>642,956</u>	<u>187,776</u>
Net change in fund balance	<u>\$ (141,820)</u>	<u>\$ (106,577)</u>	92,828	199,405
Fund balance - beginning			<u>555,361</u>	<u>448,784</u>
Fund balance - ending			<u>\$ 648,189</u>	<u>\$ 648,189</u>

Town of Keenesburg, Colorado

Schedule of Revenues, Expenditures, and Changes in Fund Balance
Budget and Actual - Capital Improvement Fund
Year Ended December 31, 2018

	<u>Budget</u>			
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
Revenues				
Sales Tax	105,000	158,000	241,561	83,561
Street impact fees				
Earnings on investments	75	75	186	111
Total revenues	<u>105,075</u>	<u>158,075</u>	<u>241,747</u>	<u>83,672</u>
Expenditures				
Capital expenditures	25,000	120,000	105,009	14,991
Street bond debt principal	65,000	65,000	65,000	
Street bond debt interest	21,608	21,608	21,608	
Street debt paying fee				
Total expenditures	<u>111,608</u>	<u>206,608</u>	<u>191,617</u>	<u>14,991</u>
Net change in fund balance	<u>\$ (6,533)</u>	<u>\$ (48,533)</u>	50,130	68,681
Fund balance - beginning			<u>322,646</u>	<u>304,095</u>
Fund balance - ending			<u><u>\$ 372,776</u></u>	<u><u>\$ 372,776</u></u>

Town of Keenesburg, Colorado

**Schedule of Revenues, Expenditures, and Changes in Fund Balance
Budget and Actual - Impact Fund
Year Ended December 31, 2018**

	<u>Budget</u>			<i>Variance with Final Budget Positive (Negative)</i>
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	
Revenues				
Police impact fee	\$ 1,950	\$ 1,950	\$ 2,517	567
Town Hall impact fee	15,450	15,450	6,180	(9,270)
Roadway impact fee	19,050	19,050	9,807	(9,243)
Drainage impact fee	4,800	4,800	1,813	(2,987)
Park impact fee	22,150	22,150	6,645	(15,505)
Earnings on investments			13	13
Total revenues	<u>63,400</u>	<u>63,400</u>	<u>26,975</u>	<u>(36,425)</u>
Expenditures				
Police capital outlay				
Town Hall capital outlay				
Roadway capital outlay				
Drainage capital outlay				
Park capital outlay				
Total expenditures	<u></u>	<u></u>	<u></u>	<u></u>
Net change in fund balance	<u>\$ 63,400</u>	<u>\$ 63,400</u>	26,975	(36,425)
Fund balance - beginning			<u>12,490</u>	<u>75,890</u>
Fund balance - ending			<u>\$ 39,465</u>	<u>\$ 39,465</u>

Town of Keenesburg, Colorado

**Schedule of Revenues and Expenditures - Budget and Actual -
(Non-GAAP Basis) Enterprise Fund - Waterworks
Year Ended December 31, 2018**

	<i>Budget</i>	<i>Actual</i>	<i>Variance with Final Budget Positive (Negative)</i>
Revenues			
Earnings on investments	\$ 240	\$ 335	\$ 95
Miscellaneous revenues	80,000	3,533	(76,467)
Water pipeline use income	63,099	63,099	(0)
Water sales	295,000	474,372	179,372
Water tap fees	59,550	11,910	(47,640)
Raw water acquisition fee	102,000		(102,000)
Total revenues	<u>599,889</u>	<u>553,249</u>	<u>(46,640)</u>
Expenditures			
Salaries	71,730	70,340	1,390
Payroll taxes	6,200	5,803	397
Utilities	38,000	32,798	5,202
Maintenance and repair equipment	165,000	98,772	66,228
Gas and oil	2,300	2,109	191
Operating supplies	18,000	12,497	5,503
Health insurance	16,400	7,170	9,230
Employee benefits	3,587	2,447	1,140
Workmen's compensation	4,500	3,433	1,067
Miscellaneous	500	35	465
Water testing	6,500	2,982	3,518
Public Works	<u>332,717</u>	<u>238,384</u>	<u>94,333</u>
Salaries	72,257	70,719	1,538
Payroll taxes	6,000	5,898	102
Telephone	2,100	1,769	331
Utilities	925	728	197
Office expense	3,000	1,517	1,483
Maintenance and repairs	1,000	1,380	(380)
Insurance and bonds	4,800	4,827	(27)
Audit and accounting	2,750	2,627	123
Professional services	22,000	30,111	(8,111)
Dues and subscriptions	6,550	5,255	1,295
Health insurance	18,300	8,378	9,922
Employee benefits	3,613	3,086	527
Workmen's compensation	90	77	13
Miscellaneous	1,800	151	1,649
Capital outlay	25,000		25,000
Administration	<u>170,185</u>	<u>136,523</u>	<u>25,000</u>
Excess of revenues over expenditures	<u>96,987</u>	<u>178,342</u>	<u>81,355</u>

Town of Keenesburg, Colorado

**Schedule of Revenues and Expenditures - Budget and Actual -
(Non-GAAP Basis) Enterprise Fund - Waterworks
Year Ended December 31, 2018**

	<i>Budget</i>	<i>Actual</i>	<i>Variance with Final Budget Positive (Negative)</i>
Other financing uses			
Interest on CWCB loan	(32,951)	(31,903)	1,048
Principal on CWCB loan	(41,000)	(42,048)	
System improvements			
Total other financing uses	<u>(73,951)</u>	<u>(73,951)</u>	<u>1,048</u>
Transfers from water to waste	(50,000)		50,000
Excess of revenues over expenditures and other financing uses	(26,964)	104,391	
Fund balance appropriated	<u>\$ 626,853</u>		<u>\$ 626,853</u>
Excess of revenues over expenditures and other financing uses		<u>\$ 104,391</u>	

Town of Keenesburg, Colorado

**Schedule of Revenues and Expenditures - Budget and Actual -
(Non-GAAP Basis) Enterprise Fund - Wastewater
Year Ended December 31, 2018**

	<i>Budget</i>	<i>Actual</i>	<i>Variance with Final Budget Positive (Negative)</i>
Revenues			
Earnings on investments	\$ 15	\$ 70	\$ 55
Loan proceeds	496,000	496,000	-
State funds - grants	300,000	269,467	(30,533)
Transfers from general and water	50,000		(50,000)
Sewer sales	275,000	276,534	1,534
Sewer tap fees	17,826	11,360	(6,466)
Total revenues	<u>1,138,841</u>	<u>1,053,431</u>	<u>(85,410)</u>
Expenditures			
Salaries	47,820	47,117	703
Payroll taxes	4,200	3,661	539
Utilities	38,000	30,139	7,861
Maintenance and repair	15,000	8,271	6,729
Gas and oil	2,300	2,109	191
Operating supplies	6,000	6,766	(766)
Health insurance	11,000	4,780	6,220
Employee benefits	2,391	1,525	866
Workmen's compensation	2,800	2,045	755
Miscellaneous	500		500
Sewer testing and permits	5,500	4,156	1,344
Public Works	<u>135,511</u>	<u>110,569</u>	<u>24,942</u>
Salaries	72,258	70,719	1,539
Payroll taxes	5,900	6,104	(204)
Telephone	2,200	1,828	372
Utilities	850	728	122
Office expense	3,500	1,582	1,918
Maintenance and repairs	850	783	67
Insurance and bonds	4,800	4,827	(27)
Audit and accounting	2,750	2,627	123
Professional services	38,000	22,177	15,823
Dues and subscriptions	4,350	2,866	1,484
Health insurance	18,300	8,378	9,922
Employee benefits	3,613	3,244	369
Workmen's compensation	100	77	23
Miscellaneous		25	(25)
Capital outlay	25,000	13,456	11,544
Administration	<u>182,471</u>	<u>139,421</u>	<u>43,075</u>
Excess of revenues over expenditures	<u>820,859</u>	<u>803,441</u>	<u>(17,418)</u>

Town of Keenesburg, Colorado

Schedule of Revenues and Expenditures - Budget and Actual -
(Non-GAAP Basis) Enterprise Fund - Wastewater
Year Ended December 31, 2018

	<i>Budget</i>	<i>Actual</i>	<i>Variance with Final Budget Positive (Negative)</i>
Other financing uses			
Interest on debt	(7,840)	(1,652)	
Principal on debt	(39,491)	(36,048)	
System improvements	(796,000)	(555,681)	240,319
Total other financing uses	<u>(843,331)</u>	<u>(593,381)</u>	<u>240,319</u>
Excess of revenues over expenditures and other financing uses	(22,472)	210,060	222,901
Fund balance appropriated	<u>\$ 1,161,313</u>		<u>\$ 1,161,313</u>
Excess of revenues over expenditures and other financing uses		<u>\$ 210,060</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 :
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)	139,329
a. Motor Fuel (from Item I.A.5.)		2. Maintenance:	16,452
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	74,467	b. Snow and ice removal	
3. Other local imposts (from page 2)	241,561	c. Other	
4. Miscellaneous local receipts (from page 2)	186	d. Total (a. through c.)	0
5. Transfers from toll facilities		4. General administration & miscellaneous	94,598
6. Proceeds of sale of bonds and notes:		5. Highway law enforcement and safety	
a. Bonds - Original Issues		6. Total (1 through 5)	250,379
b. Bonds - Refunding Issues		B. Debt service on local obligations:	
c. Notes		1. Bonds:	
d. Total (a. + b. + c.)	0	a. Interest	21,608
7. Total (1 through 6)	316,214	b. Redemption	65,000
B. Private Contributions		c. Total (a. + b.)	86,608
C. Receipts from State government (from page 2)	70,903	2. Notes:	
D. Receipts from Federal Government (from page 2)	0	a. Interest	
E. Total receipts (A.7 + B + C + D)	387,117	b. Redemption	
		c. Total (a. + b.)	0
		3. Total (1.c + 2.c)	86,608
		C. Payments to State for highways	
		D. Payments to toll facilities	
		E. Total disbursements (A.6 + B.3 + C + D)	336,987

IV. LOCAL HIGHWAY DEBT STATUS

(Show all entries at par)

	Opening Debt	Amount Issued	Redemptions	Closing Debt
A. Bonds (Total)	740,000		65,000	675,000
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
	322,646	387,117	336,987	372,776	0

Notes and Comments:

LOCAL HIGHWAY FINANCE REPORT		STATE: Colorado YEAR ENDING (mm/yy): December 2018	
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	186
b. Other local imposts:		b. Traffic Fines & Penalties	
1. Sales Taxes	241,561	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.)	241,561	h. Other	
c. Total (a. + b.)	241,561	i. Total (a. through h.)	186
(Carry forward to page 1)		(Carry forward to page 1)	
III. DISBURSEMENTS FOR ROAD AND STREET PURPOSES - DETAIL			
ITEM	AMOUNT	ITEM	AMOUNT
C. Receipts from State Government		D. Receipts from Federal Government	
1. Highway-user taxes	63,951	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	6,952	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.)	6,952	g. Total (a. through f.)	0
4. Total (1. + 2. + 3.f)	70,903	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		50,600	50,600
b. Engineering Costs			0
c. Construction:			
(1). New Facilities		31,424	31,424
(2). Capacity Improvements			0
(3). System Preservation		57,305	57,305
(4). System Enhancement & Operation			0
(5). Total Construction (1) + (2) + (3) + (4)	0	88,729	88,729
d. Total Capital Outlay (Lines 1.a. + 1.b. + 1.c.5)	0	139,329	139,329
		(Carry forward to page 1)	
Notes and Comments:			