

**Town of Berthoud, Colorado**

**Financial Statements**  
with Independent Auditors' Report

**December 31, 2019**

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# Town of Berthoud, Colorado

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**Town of Berthoud, Colorado**

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**HINKLE &  
COMPANY**  
Strategic <sup>PC</sup>  
Business Advisors

## Independent Auditors' Report

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

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

### **Management's Responsibility for the Financial Statements**

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

### **Auditors' Responsibility**

Our responsibility is to express opinions on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free 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 auditors' 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 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 internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

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

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### **Opinions**

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the Town of Berthoud as of December 31, 2019, and the respective changes in financial position and cash flows, where applicable, 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 required supplementary information listed in the table of contents be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

The Town of Berthoud has omitted the management's discussion and analysis that accounting principles generally accepted in the United States of America require to be presented to supplement the basic financial statements. Such missing 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. Our opinion on the basic financial statements is not affected by this missing information.

### **Other Information**

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Town of Berthoud's basic financial statements. The supplementary information and the local highway finance report listed in the table of contents are presented for purposes of additional analysis and are not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling the information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated, in all material respects, in relation to the basic financial statements as a whole.

Greenwood Village, Colorado  
May 21, 2020

*Hick & Company, PC*



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## **Basic Financial Statements**

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**Town of Berthoud, Colorado**  
**Statement of Net Position**  
**December 31, 2019**

	Governmental Activities	Business-type Activities	Totals
<b>Assets</b>			
Cash	\$ 24,709,909	\$ 50,571,814	\$ 75,281,723
Accounts Receivable	42,838	671,800	714,638
Taxes Receivable	3,275,957	-	3,275,957
Restricted Cash	-	4,126	4,126
Capital Assets, <i>Not Being Depreciated</i>	8,307,241	17,351,308	25,658,549
Capital Assets, <i>Net of Accumulated Depreciation</i>	<u>11,894,885</u>	<u>26,536,884</u>	<u>38,431,769</u>
 Total Assets	 <u>48,230,830</u>	 <u>95,135,932</u>	 <u>143,366,762</u>
<b>Deferred Outflows of Resources</b>			
Loss on Debt Refunding, <i>Net of Accumulated Amortization</i>	<u>-</u>	<u>119,621</u>	<u>119,621</u>
<b>Liabilities</b>			
Accounts Payable	1,252,590	235,514	1,488,104
Accrued Liabilities	89,574	23,414	112,988
Retainage Payable	-	100,992	100,992
Accrued Interest Payable	-	96,003	96,003
Noncurrent Liabilities			
Due within one year	134,517	206,975	341,492
Due in More Than One Year	<u>-</u>	<u>9,132,639</u>	<u>9,132,639</u>
 Total Liabilities	 <u>1,476,681</u>	 <u>9,795,537</u>	 <u>11,272,218</u>
<b>Deferred Inflows of Resources</b>			
Property Taxes	<u>2,262,449</u>	<u>-</u>	<u>2,262,449</u>
<b>Net Positions</b>			
Net Investment in Capital Assets	20,202,126	34,495,425	54,697,551
Restricted for:			
Debt Service	-	9,411,396	9,411,396
Street Paving and Maintenance	6,284,819	-	6,284,819
Open Space and Parks	1,634,316	-	1,634,316
Emergencies	191,484	-	191,484
Unrestricted	<u>16,178,955</u>	<u>41,553,195</u>	<u>57,732,150</u>
 Total Net Position	 <u>\$ 44,491,700</u>	 <u>\$ 85,460,016</u>	 <u>\$ 129,951,716</u>

**Town of Berthoud, Colorado**  
**Statement of Activities**  
For the Year Ended December 31, 2019

Functions/Programs	Expenses	Program Revenues			Net (Expense) Revenue and Change in Net Position		
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Governmental Activities	Business-type Activities	Totals
<b>Primary Government</b>							
<i>Governmental Activities</i>							
General Government	\$ 1,783,923	\$ 1,339,338	\$ -	\$ -	\$ (444,585)	\$ -	\$ (444,585)
Public Safety	1,235,062	30,416	-	-	(1,204,646)	-	(1,204,646)
Public Works	1,630,909	935,445	462,812	153,121	(79,531)	-	(79,531)
Parks and Recreation	1,381,584	1,518,607	293,890	-	430,913	-	430,913
Planning	725,051	1,048,152	-	-	323,101	-	323,101
Transportation	152,883	96,199	-	-	(56,684)	-	(56,684)
Total Governmental Activities	6,909,412	4,968,157	756,702	153,121	(1,031,432)	-	(1,031,432)
<i>Business-Type Activities</i>							
Water Utility	2,784,134	3,433,185	-	18,952,630	-	19,601,681	19,601,681
Wastewater Utility	2,465,935	2,791,321	-	2,524,069	-	2,849,455	2,849,455
Storm Water Utility	214,776	1,132,810	-	200,000	-	1,118,034	1,118,034
Total Business-Type	5,464,845	7,357,316	-	21,676,699	-	23,569,170	23,569,170
Total Primary Government	\$ 12,374,257	\$ 12,325,473	\$ 756,702	\$ 21,829,820	(1,031,432)	23,569,170	22,537,738
<b>General Revenues</b>							
Property Taxes					1,873,191	-	1,873,191
Specific Ownership Taxes					244,739	-	244,739
Sales and Use Taxes					7,319,038	-	7,319,038
Occupation Taxes					8,700	-	8,700
Franchise Taxes					92,096	-	92,096
Lodging Taxes					3,419	-	3,419
Grants and Contributions not Restricted to Specific Programs					60,688	-	60,688
Investment Income					391,085	707,146	1,098,231
Miscellaneous					100,468	-	100,468
<b>Transfers</b>					290,000	(290,000)	-
Total General Revenues and Transfers					10,383,424	417,146	10,800,570
<b>Change in Net Position</b>							
					9,351,992	23,986,316	33,338,308
<b>Net Position, Beginning of year</b>							
					35,139,708	61,473,700	96,613,408
<b>Net Position, End of year</b>							
					\$ 44,491,700	\$ 85,460,016	\$ 129,951,716

See Notes to Financial Statements.

**Town of Berthoud, Colorado**  
**Balance Sheet**  
**Governmental Funds**  
**December 31, 2019**

	General	1% Sales Tax	Park Development	Road Impact	Nonmajor Governmental Funds	Totals
<b>Assets</b>						
Cash	\$ 7,754,308	\$ 4,341,715	\$ 2,620,644	\$ 2,723,151	\$ 7,270,091	\$ 24,709,909
Accounts Receivable	19,025	60	-	702	23,051	42,838
Taxes Receivable	2,773,181	232,850	-	-	269,926	3,275,957
Total Assets	<u>\$ 10,546,514</u>	<u>\$ 4,574,625</u>	<u>\$ 2,620,644</u>	<u>\$ 2,723,853</u>	<u>\$ 7,563,068</u>	<u>\$ 28,028,704</u>
<b>Liabilities</b>						
Accounts Payable	\$ 766,215	\$ 49,839	\$ 34,974	\$ 211,906	\$ 189,656	\$ 1,252,590
Accrued Liabilities	82,866	-	-	-	6,708	89,574
Total Liabilities	<u>849,081</u>	<u>49,839</u>	<u>34,974</u>	<u>211,906</u>	<u>196,364</u>	<u>1,342,164</u>
<b>Deferred Inflows of Resources</b>						
Property Taxes	2,262,449	-	-	-	-	2,262,449
<b>Fund Balances</b>						
Restricted for:						
Street Paving and Maintenance	-	4,524,786	-	-	1,760,033	6,284,819
Open Space and Parks	-	-	-	-	1,634,316	1,634,316
Emergencies	191,484	-	-	-	-	191,484
Committed to:						
Capital Improvements	-	-	2,585,670	2,511,947	3,497,205	8,594,822
Assigned to:						
Cemetery	-	-	-	-	39,569	39,569
Transportation	-	-	-	-	435,581	435,581
Unrestricted, Unassigned	7,243,500	-	-	-	-	7,243,500
Total Fund Balances	<u>7,434,984</u>	<u>4,524,786</u>	<u>2,585,670</u>	<u>2,511,947</u>	<u>7,366,704</u>	<u>24,424,091</u>
Total Liabilities, Deferred Inflows of Resources and Fund Balances	<u>\$ 10,546,514</u>	<u>\$ 4,574,625</u>	<u>\$ 2,620,644</u>	<u>\$ 2,723,853</u>	<u>\$ 7,563,068</u>	<u>\$ 28,028,704</u>

**Town of Berthoud, Colorado**  
**Reconciliation of the Balance Sheet of Governmental Funds**  
**to the Statement of Net Position**  
**December 31, 2019**

**Amounts Reported for Governmental Activities in the Statement of Net Position are Different Because:**

Total Fund Balances of Governmental Funds	\$ 24,424,091
Capital assets used in governmental activities are not financial resources and, therefore, are not reported in governmental funds	20,202,126
Long-term liabilities and related items are not due and payable in the current year and, therefore, are not reported in governmental funds:	
Compensated absences payable	<u>(134,517)</u>
Total Net Position of Governmental Activities	<u>\$ 44,491,700</u>

**Town of Berthoud, Colorado**  
**Statement of Revenues, Expenditures and Changes in Fund Balances**  
**Governmental Funds**  
**For the Year Ended December 31, 2019**

	General	1% Sales Tax	Park Development	Road Impact	Nonmajor Governmental Funds	Totals
<b>Revenues</b>						
Taxes	\$ 5,789,202	\$ 1,760,531	\$ -	\$ -	\$ 1,991,450	\$ 9,541,183
Licenses and Permits	202,182	-	-	-	-	202,182
Intergovernmental	523,500	-	-	153,121	293,890	970,511
Charges for Services	1,696,234	-	1,116,365	935,445	987,515	4,735,559
Fines and Forfeitures	30,416	-	-	-	-	30,416
Investment Income	111,430	75,186	48,115	56,249	100,105	391,085
Miscellaneous	71,012	-	-	-	29,456	100,468
<b>Total Revenues</b>	<b>8,423,976</b>	<b>1,835,717</b>	<b>1,164,480</b>	<b>1,144,815</b>	<b>3,402,416</b>	<b>15,971,404</b>
<b>Expenditures</b>						
Current						
General Government	1,428,454	-	-	-	386,840	1,815,294
Public Safety	1,227,308	-	-	-	-	1,227,308
Public Works	1,043,045	1,213,202	-	1,455,613	19,181	3,731,041
Parks and Recreation	1,007,712	-	1,326,631	-	255,526	2,589,869
Planning	725,051	-	-	-	-	725,051
Transportation	-	-	-	-	152,883	152,883
Contributions	20,852	-	-	-	-	20,852
Capital Outlay	1,198,425	-	-	-	-	1,198,425
<b>Total Expenditures</b>	<b>6,650,847</b>	<b>1,213,202</b>	<b>1,326,631</b>	<b>1,455,613</b>	<b>814,430</b>	<b>11,460,723</b>
<b>Excess of Revenues Over (Under) Expenditures</b>	<b>1,773,129</b>	<b>622,515</b>	<b>(162,151)</b>	<b>(310,798)</b>	<b>2,587,986</b>	<b>4,510,681</b>
<b>Other Financing Sources (Uses)</b>						
Transfers In	323,063	-	-	-	127,100	450,163
Transfers Out	(55,000)	(72,100)	-	(28,063)	(5,000)	(160,163)
<b>Total Other Financing Sources (Uses)</b>	<b>268,063</b>	<b>(72,100)</b>	<b>-</b>	<b>(28,063)</b>	<b>122,100</b>	<b>290,000</b>
<b>Net Change in Fund Balances</b>	<b>2,041,192</b>	<b>550,415</b>	<b>(162,151)</b>	<b>(338,861)</b>	<b>2,710,086</b>	<b>4,800,681</b>
<b>Fund Balances, Beginning of year</b>	<b>5,393,792</b>	<b>3,974,371</b>	<b>2,747,821</b>	<b>2,850,808</b>	<b>4,656,618</b>	<b>19,623,410</b>
<b>Fund Balances, End of year</b>	<b>\$ 7,434,984</b>	<b>\$ 4,524,786</b>	<b>\$ 2,585,670</b>	<b>\$ 2,511,947</b>	<b>\$ 7,366,704</b>	<b>\$ 24,424,091</b>

**Town of Berthoud, Colorado**  
**Reconciliation of the Statement of Revenues, Expenditures and Changes in**  
**Fund Balances of Governmental Funds to the Statement of Activities**  
**Governmental Funds**  
**For the Year Ended December 31, 2019**

**Amounts Reported for Governmental Activities in the Statement of Activities are Different Because:**

Net Change in Fund Balances of Governmental Funds	\$ 4,800,681
<p>Capital outlays to purchase or construct capital assets are reported in governmental funds as expenditures. However, for governmental activities those costs are capitalized in the statement of net position and are allocated over their estimated useful lives as annual depreciation expense in the statement of activities.</p>	
Capital outlay	5,327,220
Depreciation expense	(775,385)
<p>Some expenses reported in the statement of activities do not require the use of current financial resources and, therefore, are not reported as expenditures in governmental funds.</p>	
Compensated absences payable	<u>(524)</u>
Change in Net Position of Governmental Activities	<u>\$ 9,351,992</u>

**Town of Berthoud, Colorado**  
**Statement of Net Position**  
**Proprietary Funds**  
**December 31, 2019**

	Water	Wastewater	Storm Water	Totals
<b>Assets</b>				
<i>Current Assets</i>				
Cash	\$ 35,481,997	\$ 12,775,703	\$ 2,314,114	\$ 50,571,814
Accounts Receivable	372,336	257,502	41,962	671,800
Restricted Cash	1,231	2,895	-	4,126
<b>Total Current Assets</b>	<b>35,855,564</b>	<b>13,036,100</b>	<b>2,356,076</b>	<b>51,247,740</b>
<i>Noncurrent Assets</i>				
Capital Assets, <i>Not Being Depreciated</i>	14,380,705	2,837,118	133,485	17,351,308
Capital Assets, <i>Net of Accumulated Depreciation</i>	11,604,532	14,271,066	661,286	26,536,884
<b>Total Noncurrent Assets</b>	<b>25,985,237</b>	<b>17,108,184</b>	<b>794,771</b>	<b>43,888,192</b>
<b>Total Assets</b>	<b>61,840,801</b>	<b>30,144,284</b>	<b>3,150,847</b>	<b>95,135,932</b>
<b>Deferred Outflows of Resources</b>				
Loss on Debt Refunding, <i>Net of Accumulated Amortization</i>	-	119,621	-	119,621
<b>Liabilities</b>				
<i>Current Liabilities</i>				
Accounts Payable	135,802	83,259	16,453	235,514
Accrued Liabilities	19,006	2,118	2,290	23,414
Retainage Payable	-	99,682	1,310	100,992
Accrued Interest Payable	15,111	80,892	-	96,003
Current Portion of Noncurrent Liabilities				
Compensated Absences Payable	9,577	-	-	9,577
Note Payable	47,398	-	-	47,398
Bonds Payable	-	150,000	-	150,000
<b>Total Current Liabilities</b>	<b>226,894</b>	<b>415,951</b>	<b>20,053</b>	<b>662,898</b>
<i>Noncurrent Liabilities</i>				
Compensated Absences	10,535	2,310	1,799	14,644
Note Payable	454,057	-	-	454,057
Bonds Payable	-	8,663,938	-	8,663,938
<b>Total Noncurrent Liabilities</b>	<b>464,592</b>	<b>8,666,248</b>	<b>1,799</b>	<b>9,132,639</b>
<b>Total Liabilities</b>	<b>691,486</b>	<b>9,082,199</b>	<b>21,852</b>	<b>9,795,537</b>
<b>Net Position</b>				
Net Investment in Capital Assets	25,468,671	8,233,293	793,461	34,495,425
Restricted for Debt Service	516,566	8,894,830	-	9,411,396
Unrestricted	35,164,078	4,053,583	2,335,534	41,553,195
<b>Total Net Position</b>	<b>\$ 61,149,315</b>	<b>\$ 21,181,706</b>	<b>\$ 3,128,995</b>	<b>\$ 85,460,016</b>

See Notes to Financial Statements.

**Town of Berthoud, Colorado**  
**Statement of Revenues, Expenses and Changes in Net Position**  
**Proprietary Funds**  
**For the Year Ended December 31, 2019**

	Water	Wastewater	Storm Water	Totals
<b>Operating Revenues</b>				
Charges for Services	\$ 3,433,185	\$ 2,791,321	\$ 1,132,810	\$ 7,357,316
Total Operating Revenues	<u>3,433,185</u>	<u>2,791,321</u>	<u>1,132,810</u>	<u>7,357,316</u>
<b>Operating Expenses</b>				
Operations and Maintenance	2,279,414	1,258,961	160,204	3,698,579
Depreciation	474,119	810,192	54,572	1,338,883
Total Operating Expenses	<u>2,753,533</u>	<u>2,069,153</u>	<u>214,776</u>	<u>5,037,462</u>
<b>Net Operating Income</b>	<u>679,652</u>	<u>722,168</u>	<u>918,034</u>	<u>2,319,854</u>
<b>Nonoperating Revenues (Expenses)</b>				
Investment Income	474,061	202,154	30,931	707,146
Miscellaneous	32,721	-	-	32,721
Debt Interest and Fiscal Charges	(30,601)	(396,782)	-	(427,383)
Total Nonoperating Revenues (Expenses)	<u>476,181</u>	<u>(194,628)</u>	<u>30,931</u>	<u>312,484</u>
<b>Net Income Before Capital Contributions and Transfers</b>	<u>1,155,833</u>	<u>527,540</u>	<u>948,965</u>	<u>2,632,338</u>
<b>Capital Contributions</b>				
Developer Contributions	-	-	200,000	200,000
Water Dedication Fees	16,033,448	-	-	16,033,448
System Investment Fees	2,886,461	2,524,069	-	5,410,530
Transfer In	2,510,000	-	-	2,510,000
Transfers Out	(2,650,000)	(140,000)	(10,000)	(2,800,000)
<b>Change in Net Position</b>	<u>19,935,742</u>	<u>2,911,609</u>	<u>1,138,965</u>	<u>23,986,316</u>
<b>Net Position, Beginning of year</b>	<u>41,213,573</u>	<u>18,270,097</u>	<u>1,990,030</u>	<u>61,473,700</u>
<b>Net Position, End of year</b>	<u>\$ 61,149,315</u>	<u>\$ 21,181,706</u>	<u>\$ 3,128,995</u>	<u>\$ 85,460,016</u>

**Town of Berthoud, Colorado**  
**Statement of Cash Flows**  
**Proprietary Funds**  
**For the Year Ended December 31, 2019**

	Water	Wastewater	Storm Water	Totals
<b>Cash Flows From Operating Activities</b>				
Cash Received from Customers	\$ 3,369,433	\$ 2,780,699	\$ 1,120,297	\$ 7,270,429
Cash Payments to Employees	(350,580)	(43,786)	(46,004)	(440,370)
Cash Payments to Vendors and Suppliers	(2,213,082)	(1,103,141)	(99,984)	(3,416,207)
Net Cash Provided by Operating Activities	<u>805,771</u>	<u>1,633,772</u>	<u>974,309</u>	<u>3,413,852</u>
<b>Cash Flows From Noncapital Financing Activities</b>				
Transfers to Other Funds	(140,000)	(140,000)	(10,000)	(290,000)
Net Cash Used in Noncapital Financing Activities	<u>(140,000)</u>	<u>(140,000)</u>	<u>(10,000)</u>	<u>(290,000)</u>
<b>Cash Flows From Capital and Related Financing Activities</b>				
Purchases of Capital Assets	(546,575)	(1,774,331)	(129,976)	(2,450,882)
Developer Contributions Received	-	-	200,000	200,000
Water Dedication Fees Received	16,033,448	-	-	16,033,448
System Investment Fees Received	2,886,461	2,524,069	-	5,410,530
Debt Principal Payments	(2,744,532)	(160,687)	-	(2,905,219)
Debt Interest Payments	(56,535)	(367,763)	-	(424,298)
Net Cash Provided by (Used in) Capital and Related Financing Activities	<u>15,572,267</u>	<u>221,288</u>	<u>70,024</u>	<u>15,863,579</u>
<b>Cash Flows From Investing Activities</b>				
Interest Received	474,061	202,154	30,931	707,146
<b>Net Increase in Cash</b>	16,712,099	1,917,214	1,065,264	19,694,577
<b>Cash, Beginning of Year</b>	18,771,129	10,861,384	1,248,850	30,881,363
<b>Cash, End of Year</b>	<u>\$ 35,483,228</u>	<u>\$ 12,778,598</u>	<u>\$ 2,314,114</u>	<u>\$ 50,575,940</u>
<b>Reconciliation of Net Operating Income to Net Cash Provided by (Used in) Operating Activities</b>				
Net Operating Income	\$ 712,373	\$ 722,168	\$ 918,034	\$ 2,352,575
Adjustments to Reconcile Net Operating Income to Net Cash Provided by (Used in) Operating Activities				
Depreciation	442,832	883,749	55,882	1,382,463
Changes in Assets and Liabilities				
Accounts Receivable	(96,473)	(10,622)	(12,513)	(119,608)
Accounts Payable	(256,435)	38,663	13,555	(204,217)
Accrued Liabilities	7,618	1,066	(77)	8,607
Compensated Absences Payable	(4,144)	(1,252)	(572)	(5,968)
Net Cash Provided by (Used in) Operating Activities	<u>\$ 805,771</u>	<u>\$ 1,633,772</u>	<u>\$ 974,309</u>	<u>\$ 3,413,852</u>

See Notes to Financial Statements.

**Town of Berthoud, Colorado**  
Notes to Financial Statements  
December 31, 2019

**Note 1: Summary of Significant Accounting Policies**

The financial statements of the Town of Berthoud (the Town) have been prepared in conformity with generally accepted accounting principles (GAAP) as applicable to governmental entities. The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting and financial reporting principles. The more significant of the Town's accounting policies are described below.

**Reporting Entity**

The financial reporting entity consists of the Town, organizations for which the Town is financially accountable and organizations that raise and hold economic resources for the direct benefit of the Town. All funds, organizations, institutions, agencies, departments and offices that are not legally separate are part of the Town. Legally separate organizations for which the Town is financially accountable are considered part of the reporting entity. Financial accountability exists if the Town appoints a voting majority of the organization's governing board and is able to impose its will on the organization, or if there is a potential for the organization to provide benefits to, or impose financial burdens on, the Town.

Based on the application of this criteria, the Town does not include additional organizations in its reporting entity.

**Government-wide and Fund Financial Statements**

The government-wide financial statements (i.e., the statement of net position and the statement of activities) report information on all activities of the Town. For the most part, the effect of interfund activity has been removed from these statements. Exceptions to this general rule are charges for interfund services that are reasonably equivalent to the services provided. *Governmental activities*, which normally are supported by taxes and intergovernmental revenues, are reported separately from *business-type activities*, which rely to a significant extent on fees and charges for support.

The statement of activities demonstrates the degree to which the direct expenses of the given function or segment are offset by program revenues. *Direct expenses* are those that are clearly identifiable with a specific function or segment. *Program revenues* include 1) charges to customers or applicants who purchase, use, or directly benefit from goods, services, or privileges provided by a given function or segment and 2) grants and contributions that are restricted to meeting the operational or capital requirements of a particular function or segment. Taxes and other items not properly included among program revenues are reported instead as *general revenues*. Internally dedicated resources are reported as general revenues rather than as program revenues.

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

**Town of Berthoud, Colorado**  
Notes to Financial Statements  
December 31, 2019

**Note 1: Summary of Significant Accounting Policies** (Continued)

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

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

Governmental fund financial statements are reported using the *current financial resources measurement focus* and the *modified accrual basis of accounting*. Revenues are recognized as soon as they are both measurable and available. Revenues are considered to be *available* when they are collected within the current year or soon enough thereafter to pay liabilities of the current year. For this purpose, the Town considers revenues to be available if they are collected within 60 days of the end of the current year.

Taxes, intergovernmental revenues, and interest associated with the current year are considered to be susceptible to accrual and so have been recognized as revenues of the current year. All other revenues are considered measurable and available only when cash is received by the Town.

Expenditures generally are recorded when a liability is incurred, as under accrual accounting. However, debt service expenditures, as well as expenditures related to compensated absences, are recorded only when payment is due.

Proprietary funds distinguish operating revenues and expenses from nonoperating items. Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with a fund's principal ongoing operations. Operating expenses for enterprise funds include the cost of sales and services, administrative expenses, and depreciation on capital assets. All revenues and expenses not meeting this definition are reported as nonoperating revenues and expenses.

When both restricted and unrestricted resources are available for a specific use, it is the Town's practice to use restricted resources first, then unrestricted resources as they are needed.

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

The *General Fund* is the Town's primary operating fund. It accounts for all financial resources of the Town, except those accounted for in another fund.

The *1% Sales Tax Fund* accounts for 1% sales and use tax restricted by election to maintain streets, purchase land and construct a recreation center, purchase open space, and operate and maintain the Berthoud Public Library and the Berthoud Area Transportation System.

**Town of Berthoud, Colorado**  
Notes to Financial Statements  
December 31, 2019

**Note 1: Summary of Significant Accounting Policies (Continued)**

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

The *Park Development Fund* accounts for park development investment fee collected from development in the Town.

The *Road Impact Fund* accounts for development fees on new construction collected in accordance with the Town Code for repair and replacement of streets.

In addition, the Town reports the following major proprietary funds:

The *Water Fund* accounts for the financial activities associated with the provision of water services to the Town residents.

The *Wastewater Fund* accounts for the financial activities associated with the operation and maintenance of the sewer system.

**Assets, Liabilities and Net Position/Fund Balances**

*Cash Equivalents* - For purposes of the statement of cash flows, cash equivalents include investment with original maturities of three months or less.

*Receivables* - Receivables are reported at their gross value and, where appropriate, are reduced by the estimated portion that is expected to be uncollectible.

*Prepaid Expenses* - Certain payments to vendors reflect costs applicable to future years and are reported as prepaid expenses using the consumption method.

*Capital Assets* - Capital assets, which include land, buildings, utility systems, equipment, and all infrastructure owned by the Town, are reported in the applicable governmental or business-type activities columns in the government-wide financial statements and the proprietary funds in the fund financial statements. Capital assets are defined by the Town as assets with an initial, individual cost of \$5,000 or more and an estimated useful life in excess of one year. Such assets are recorded at historical cost or estimated historical cost if purchased or constructed. Donated capital assets are recorded at the acquisition value on the date of donation. The costs of normal maintenance and repairs that do not add to the value of the assets or materially extend asset lives are not capitalized.

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

Buildings, Improvements and Plants	10 - 50 years
Collection and Distribution Systems	5 - 50 years
Infrastructure	15 - 40 years
Vehicles and Equipment	5 - 20 years

**Town of Berthoud, Colorado**  
Notes to Financial Statements  
December 31, 2019

**Note 1: Summary of Significant Accounting Policies** (Continued)

**Assets, Liabilities and Net Position/Fund Balances** (Continued)

*Deferred Inflows of Resources* - Property taxes earned but levied for a subsequent year are reported as deferred inflows of resources in the financial statements.

*Compensated Absences* - Employees of the Town are allowed to accumulate unused vacation and sick leave up to a maximum based on years of service. Upon termination of employment from the Town, employees with at least ten years of service will be paid for one-third of their accumulated sick leave up to a maximum of 320 hours, and for all accumulated vacation leave up to a maximum of 240 hours, at their current pay rate.

A liability for these compensated absences is reported when earned in the proprietary funds and when due in the governmental funds. A long-term liability has been reported in the government-wide financial statement for the accrued compensated absences.

*Long-Term Debt* - In the government-wide financial statements and the proprietary funds in the fund financial statements, long-term debt and other long-term obligations are reported as liabilities. Debt premiums, discounts and accounting losses resulting from debt refunding's are deferred and amortized over the life of the debt using the straight-line method. In the governmental fund financial statements, the face amount of debt issued is reported as other financing sources. Premiums received on debt issuances are reported as other financing sources while discounts are reported as other financing uses.

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

*Net Position/Fund Balances* - In the government-wide and fund financial statements, net position and fund balances are restricted when constraints placed on the use of resources are externally imposed. In the fund financial statements, governmental funds report committed fund balances when the Board of Trustees approves an ordinance that places constraints on the use of resources for a specific purpose. Assigned fund balances arise from an informal action of the Board of Trustees.

The Town has not established a formal policy for its use of restricted and unrestricted fund balances. However, if both restricted and unrestricted fund balances are available for a specific purpose, the Town uses restricted fund balances first, followed by committed, assigned, and unassigned balances.

**Property Taxes**

Property taxes attach as an enforceable lien on property on January 1, are levied the following December, and collected in the subsequent calendar year. Taxes are payable in full on April 30 or in two installments on February 28 and June 15. The County Treasurer's Office collects property taxes and remits to the Town on a monthly basis. Since property tax revenues are collected in arrears during the succeeding year, receivables and corresponding deferred inflows of resources are reported at year end.

**Town of Berthoud, Colorado**  
**Notes to Financial Statements**  
**December 31, 2019**

**Note 1: Summary of Significant Accounting Policies (Continued)**

**Subsequent Event**

We have evaluated subsequent events through May 21, 2020. The date the financial statements were available to be issued.

**Note 2: Cash and Investments**

A summary of cash at December 31, 2019, follows:

Petty Cash	\$ 640
Cash Deposits	<u>75,285,209</u>
Total	<u>\$ 75,285,849</u>

Cash is reported in the financial statements as follows:

Cash	\$ 75,281,723
Restricted Cash	<u>4,126</u>
Total	<u>\$ 75,285,849</u>

**Cash Deposits**

The Colorado Public Deposit Protection Act (PDPA) requires all local government entities to deposit cash in eligible public depositories. Eligibility is determined by State regulations. Amounts on deposit in excess of federal insurance levels must be collateralized by eligible collateral as determined by the PDPA. The PDPA allows the financial institution to create a single collateral pool for all public funds held. The pool is to be maintained by another institution or held in trust for all uninsured public deposits as a group. The market value of the collateral must be at least equal to 102% of the uninsured deposits. At December 31, 2019, the Town had bank deposits of \$44,700,961 collateralized with securities held by the financial institution's agent but not in the Town's name.

**Investments**

The Town is required to comply with State statutes which specify investment instruments meeting defined rating, maturity, and concentration risk criteria in which the Town may invest, which include the following. State statutes do not address custodial risk.

- Obligations of the United States and certain U.S. Agency securities
- Certain international agency securities
- General obligation and revenue bonds of U.S. local government entities
- Bankers' acceptances of certain banks

**Town of Berthoud, Colorado**  
Notes to Financial Statements  
December 31, 2019

**Note 2: Cash and Investments (Continued)**

**Investments** (Continued)

- Commercial paper
- Local government investment pools
- Written repurchase agreements collateralized by certain authorized securities
- Certain money market funds
- Guaranteed investment contracts (GICs)

*Interest Rate Risk* - State statutes generally limit the maturity of investment securities to five years from the date of purchase, unless the governing board authorizes the investment for a period in excess of five years.

*Credit Risk* - State statutes limit certain investments to those with specified ratings from nationally recognized statistical rating organizations, depending on the type of investment.

*Concentration of Credit Risk* - State statutes do not limit the amount the Town may invest in one issuer of investment securities, except for corporate securities.

At December 31, 2019, the Town had no investments.

**Restricted Cash and Investments**

At December 31, 2019, the Town reported restricted cash of \$1,231 and \$2,895 in the Water and Wastewater Funds, respectively. The restricted cash represents contributions from developers for the construction of water and wastewater infrastructure along Interstate 25.

**Note 3: Capital Assets**

Capital asset activity for the year ended December 31, 2019, is summarized below.

**Town of Berthoud, Colorado**  
**Notes to Financial Statements**  
**December 31, 2019**

**Note 3: Capital Assets (Continued)**

<b>Governmental Activities</b>	<b>Balance</b>			<b>Balance</b>
Capital Assets, <i>Not Being Depreciated</i>	<b>12/31/18</b>	<b>Additions</b>	<b>Deletions</b>	<b>12/31/19</b>
Land	\$ 5,587,370	\$ 910,000	\$ -	\$ 6,497,370
Construction in Progress	26,357	1,783,514	-	1,809,871
<b>Total Capital Assets, <i>Not Being Depreciated</i></b>	<b>5,613,727</b>	<b>2,693,514</b>	<b>-</b>	<b>8,307,241</b>
<b>Capital Assets, <i>Being Depreciated</i></b>				
Buildings and Improvements	4,676,026	200,687	-	4,876,713
Infrastructure	9,693,320	2,301,999	-	11,995,319
Vehicles and Equipment	3,427,829	131,020	-	3,558,849
<b>Total Capital Assets, <i>Being Depreciated</i></b>	<b>17,797,175</b>	<b>2,633,706</b>	<b>-</b>	<b>20,430,881</b>
<b>Less Accumulated Depreciation</b>				
Buildings and Improvements	(1,955,231)	(153,114)	-	(2,108,345)
Infrastructure	(3,629,289)	(342,183)	-	(3,971,472)
Vehicles and Equipment	(2,176,091)	(280,088)	-	(2,456,179)
<b>Total Accumulated Depreciation</b>	<b>(7,760,611)</b>	<b>(775,385)</b>	<b>-</b>	<b>(8,535,996)</b>
<b>Total Capital Assets, <i>Being Depreciated, net</i></b>	<b>10,036,564</b>	<b>1,858,321</b>	<b>-</b>	<b>11,894,885</b>
<b>Governmental Activities Capital Assets, <i>net</i></b>	<b>\$ 15,650,291</b>	<b>\$ 4,551,835</b>	<b>\$ -</b>	<b>\$ 20,202,126</b>
<b>Business-Type Activities</b>				
<b>Capital Assets, <i>Not Being Depreciated</i></b>				
Land	\$ 2,347,542	\$ -	\$ -	\$ 2,347,542
Water Rights	10,610,391	432,000	-	11,042,391
Drainage System	1,046,772	-	-	1,046,772
Construction in Progress	4,654,462	1,697,700	(3,437,559)	2,914,603
<b>Total Capital Assets, <i>not being Depreciated</i></b>	<b>18,659,167</b>	<b>2,129,700</b>	<b>(3,437,559)</b>	<b>17,351,308</b>
<b>Capital Assets, <i>being depreciated</i></b>				
Buildings and Plants	21,706,840	3,552,133	-	25,258,973
Collection and Distribution Systems	15,859,162	164,032	-	16,023,194
Drainage Systems	1,536,349	5,075	-	1,541,424
Equipment	1,758,729	37,502	-	1,796,231
<b>Total Capital Assets, <i>Being Depreciated</i></b>	<b>40,861,080</b>	<b>3,758,742</b>	<b>-</b>	<b>44,619,822</b>
<b>Less Accumulated Depreciation</b>				
Buildings and Plants	(8,724,219)	(624,855)	-	(9,349,074)
Collection and Distribution Systems	(5,855,105)	(549,924)	-	(6,405,029)
Drainage Systems	(1,111,574)	(31,119)	-	(1,142,693)
Equipment	(1,053,157)	(132,985)	-	(1,186,142)
<b>Total Accumulated Depreciation</b>	<b>(16,744,055)</b>	<b>(1,338,883)</b>	<b>-</b>	<b>(18,082,938)</b>
<b>Total Capital Assets, <i>Being Depreciated, net</i></b>	<b>24,117,025</b>	<b>2,419,859</b>	<b>-</b>	<b>26,536,884</b>
<b>Business - Type Activities Capital Assets, <i>net</i></b>	<b>\$ 42,776,192</b>	<b>\$ 4,549,559</b>	<b>\$ (3,437,559)</b>	<b>\$ 43,888,192</b>

**Town of Berthoud, Colorado**  
**Notes to Financial Statements**  
**December 31, 2019**

**Note 3: Capital Assets (Continued)**

Depreciation expense was charged to programs of the Town as follows:

Governmental Activities	
General Government	\$ 77,538
Public Safety	7,754
Public Works	511,754
Parks and Recreation	<u>178,339</u>
 Total	 \$ <u><u>775,385</u></u>

**Note 4: Long-Term Debt**

**Governmental Activities**

Following is a summary of long-term debt transactions of the governmental activities for the year ended December 31, 2019:

	<u>Balance</u> <u>12/31/18</u>	<u>Additions</u>	<u>Payments</u>	<u>Balance</u> <u>12/31/19</u>	<u>Due Within</u> <u>One Year</u>
Compensated Absences	\$ <u>133,993</u>	\$ <u>126,726</u>	\$ <u>(126,202)</u>	\$ <u>134,517</u>	\$ <u>134,517</u>

Compensated absences are expected to be liquidated primarily with revenues of the General and Berthoud Area Transportation Funds.

**Business-type Activities**

Following are the changes in long-term debt of the business-type activities for the year ended December 31, 2019:

	<u>Balance</u> <u>12/31/18</u>	<u>Additions</u>	<u>Payments</u>	<u>Balance</u> <u>12/31/19</u>	<u>Due Within</u> <u>One Year</u>
2006 Water Refunding Bonds	\$ 165,000	\$ -	\$ (165,000)	\$ -	\$ -
Premium	6,316	-	(6,316)	-	-
2007 Water Revenue Bonds	1,535,000	-	(1,535,000)	-	-
Discount	(11,084)	-	11,084	-	-
2012 Water Revenue Bonds	965,000	-	(965,000)	-	-
Premium	38,724	-	(38,724)	-	-
2012 Wastewater Refunding Bonds	8,755,000	-	(145,000)	8,610,000	150,000
Premium	219,625	-	(15,687)	203,938	-
Note Payable	547,030	-	(45,575)	501,455	47,398
Compensated Absences	<u>30,190</u>	<u>34,435</u>	<u>(40,404)</u>	<u>24,221</u>	<u>9,577</u>
 Total	 \$ <u><u>12,250,801</u></u>	 \$ <u><u>34,435</u></u>	 \$ <u><u>(2,945,622)</u></u>	 \$ <u><u>9,339,614</u></u>	 \$ <u><u>206,975</u></u>

**Town of Berthoud, Colorado**  
**Notes to Financial Statements**  
**December 31, 2019**

**Note 4: Long-Term Debt (Continued)**

**Business-Type Activities** (Continued)

During 2006, the Town issued \$2,870,000 Water Revenue Refunding Bonds to refund the 1997 Water Revenue Bonds and the 1982 General Obligation Water Bonds. Interest payments are due semi-annually on October 15 and April 15, with interest accruing at rates ranging from 3.75% to 4.5%. Principal payments are due annually on October 15, through 2021. During the year ended December 31, 2019, the bonds were called and paid in full.

During 2007, the Town issued \$2,015,000 Water Revenue Bonds to construct improvements to the water system. Interest payments are due semi-annually on October 15 and April 15, with interest accruing at rates ranging from 4% to 4.4%. Principal payments are due annually on October 15, through 2036. During the year ended December 31, 2019, the bonds were called and paid in full.

During 2012, the Town issued \$1,110,000 Water Revenue Bonds to finance the reconfiguration and upgrade of the water treatment plant. Interest payments are due semi-annually on October 15 and April 15, with interest accruing at rates ranging from 3% to 5%. Principal payments are due annually on October 15, through 2023. During the year ended December 31, 2019, the bonds were called and paid in full.

During 2012, the Town issued \$9,485,000 Wastewater Revenue Refunding and Improvement Bonds to refund the outstanding 2002 and 2004 Colorado Water Resources and Power Development Authority loans and to finance the expansion and upgrade of the wastewater treatment plant. Interest payments are due semi-annually on October 15 and April 15, with interest accruing at rates ranging from 3% to 5%. Principal payments are due annually on October 15, through 2032.

Annual debt service requirements for the outstanding bonds at December 31, 2019, were as follows.

<u>Year Ended December 31,</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2020	\$ 150,000	\$ 379,100	\$ 529,100
2021	150,000	373,100	523,100
2022	375,000	367,100	742,100
2023	560,000	348,350	908,350
2024	585,000	320,350	905,350
2025-2029	3,410,000	1,137,900	4,547,900
2030-2032	<u>3,380,000</u>	<u>311,400</u>	<u>3,691,400</u>
Total	<u>\$ 8,610,000</u>	<u>\$ 3,237,300</u>	<u>\$ 11,847,300</u>

**Town of Berthoud, Colorado**  
**Notes to Financial Statements**  
**December 31, 2019**

**Note 4: Long-Term Debt (Continued)**

**Business-Type Activities** (Continued)

During 2013, the Town entered into an agreement to purchase water rights as part of a contract to buy and sell real estate with a local property owner. The purchase of the water rights will be financed by the seller. Principal and interest payments are due annually each April 1, through 2028, with interest accruing at 4% per annum.

Following is a summary of debt service requirements under the agreement.

<u>Year Ended December 31,</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2019	\$ 47,398	\$ 20,058	\$ 67,456
2020	49,294	18,162	67,456
2021	51,265	16,191	67,456
2022	53,316	14,140	67,456
2023	55,449	12,007	67,456
2024 - 2028	<u>244,733</u>	<u>24,945</u>	<u>269,678</u>
Total	<u>\$ 501,455</u>	<u>\$ 105,503</u>	<u>\$ 606,958</u>

**Note 5: Interfund Transactions**

Interfund transfers for the year ended December 31, 2019, were comprised of the following:

<u>Transfers In</u>	<u>Transfers Out</u>	<u>Amount</u>
General Fund	Road Impact Fund	\$ 28,063
General Fund	Water Fund	140,000
General Fund	Wastewater Fund	140,000
General Fund	Storm Water Fund	10,000
General Fund	Berthoud Area Transportation Fund	5,000
Conservation Trust Fund	General Fund	55,000
Berthoud Area Transportation Fund	1% Sales Tax Fund	<u>72,100</u>
Total		<u>\$ 450,163</u>

The Road Impact, Water, Wastewater, Storm Water, and Berthoud Area Transportation Funds reimbursed the General Fund for services provided, including administration, payroll, and billing. The 1% Sales Tax Fund contributed to the maintenance and operations of the Berthoud Area Transportation System as allowed by the election that authorized the 1% sales tax. Transfers from the General Fund to the Conservation Trust Fund were used for tools and pond maintenance.

**Town of Berthoud, Colorado**  
Notes to Financial Statements  
December 31, 2019

**Note 6: Risk Management**

**Public Entity Risk Pool**

The Town is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; injuries to employees; and natural disasters. For these risks of loss, the Town participates in the Colorado Intergovernmental Risk Sharing Agency (CIRSA), a separate and independent governmental and legal entity formed by intergovernmental agreement by member municipalities pursuant to the provisions of 24-10-115.5, Colorado Revised Statutes, and the Colorado Constitution, Article XIV, Section 18(2).

The purposes of CIRSA are to provide members defined liability, property, and workers compensation coverages and to assist members to prevent and reduce losses and injuries to municipal property and to persons or property which might result in claims being made against members of CIRSA, their employees and officers.

It is the intent of the members of CIRSA to create an entity in perpetuity which will administer and use funds contributed by the members to defend and indemnify, in accordance with the bylaws, any member of CIRSA against stated liability of loss, to the limit of the financial resources of CIRSA. It is also the intent of the members to have CIRSA provide continuing stability and availability of needed coverages at reasonable costs. All income and assets of CIRSA shall be at all times dedicated to the exclusive benefit of its members.

**Note 7: Retirement Commitments**

**Defined Contribution Money Purchase Pension Plan**

The Town contributes to a single-employer defined contribution money purchase pension plan on behalf of its employees. The Plan is administered by the International City/County Management Association (ICMA). All employees are eligible to participate in the Plan after one full year of employment. The Town is required to contribute 5% of each participating employee's compensation. No employee contributions are required. Employees become vested in the Town's contributions at 20% annually after one year of employment. Participants become fully vested after five years of service. The contribution requirements of the Town and eligible employees are established and may be amended by the Board of Trustees.

For the year ended December 31, 2019, the Town contributed \$84,031 to the Plan, equal to the required contributions. All Plan assets are held and managed by ICMA.

**Note 8: Commitments and Contingencies**

**Litigation**

The Town is from time to time involved in various threatened and pending litigation. However, the outcome of this litigation cannot be determined at this time.

**Town of Berthoud, Colorado**  
Notes to Financial Statements  
December 31, 2019

**Note 8: Commitments and Contingencies** (Continued)

**TABOR Amendment**

In November 1992, Colorado voters passed the TABOR Amendment to the State Constitution which limits state and local government taxing powers and imposes spending limitations. The Town is subject to the TABOR Amendment. Fiscal year 1992 provides the basis for limits in future years, to which may be applied allowable increases for inflation and property valuation. Revenue received in excess of the limitations may be required to be refunded unless the Town's electorate vote to retain the revenue. The TABOR Amendment is subject to many interpretations, but the Town believes it is in substantial compliance with the Amendment.

In November, 1994, voters permitted the Town, without increasing or adding any taxes of any kind, to collect, retain or expend revenues generated from all sources during 1994 and each subsequent year for trails, parks, and open space, storm water facilities and drainage, street, curb and sidewalk construction, repair and maintenance, police services, and for other basic municipal services and lawful purposes, without limitation.

The Town has established an emergency reserve, representing 3% of qualifying expenditures, as required by the Amendment. At December 31, 2019, the emergency reserve was reported as restricted fund balance in the General Fund, in the amount of \$191,484.

**Note 9: Subsequent Events**

In March 2020, the Town has entered a Certificate of Participation Agreement of \$20,715,000, which are committed to build Berthoud Recreation Center.

Subsequent to year-end, the United State of America and the State of Colorado have declared an emergency associated with the Coronavirus pandemic. The Organization has been economically impacted by the event, however the full economic effect has yet to be determined.

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## Required Supplementary Information

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**Town of Berthoud, Colorado**  
**Budgetary Comparison Schedule**  
**General Fund**  
**For the Year Ended December 31, 2019**

	Original Budget	Final Budget	Actual	Variance Positive (Negative)
<b>Revenues</b>				
<b>Taxes</b>				
Property Taxes	\$ 1,909,870	\$ 1,909,870	\$ 1,873,191	\$ (36,679)
Specific Ownership Taxes	142,000	142,000	244,739	102,739
Sales and Use Taxes	2,463,500	2,463,500	3,567,057	1,103,557
Occupation Taxes	8,000	8,000	8,700	700
Franchise Taxes	88,000	88,000	92,096	4,096
Lodging Taxes	3,500	3,500	3,419	(81)
<b>Total Taxes</b>	<b>4,614,870</b>	<b>4,614,870</b>	<b>5,789,202</b>	<b>1,174,332</b>
<b>Licenses and Permits</b>				
Passports	55,000	55,000	57,363	2,363
Liquor Licenses	84,000	84,000	104,541	20,541
Medical Marijuana Licenses	30,000	30,000	38,818	8,818
Animal Licenses	2,000	2,000	1,460	(540)
<b>Total Licenses and Permits</b>	<b>171,000</b>	<b>171,000</b>	<b>202,182</b>	<b>31,182</b>
<b>Intergovernmental</b>				
Highway Users Taxes	248,000	248,000	327,976	79,976
Severance Taxes	15,000	15,000	53,577	38,577
Road and Bridge Fees	46,000	46,000	131,671	85,671
Cigarette Taxes	5,800	5,800	7,111	1,311
Grants	-	400,000	-	(400,000)
Utility Road Cut Permit	2,000	2,000	3,165	1,165
<b>Total Intergovernmental</b>	<b>316,800</b>	<b>716,800</b>	<b>523,500</b>	<b>(193,300)</b>
<b>Charges for Services</b>				
Development Review Fees & Application Fees	44,500	44,500	(24,895)	(69,395)
Building and Plan Check Fees	650,000	650,000	1,073,047	423,047
Recreation Fees	169,200	169,200	159,113	(10,087)
Municipal Fees	345,600	345,600	374,800	29,200
Other Charges for Services	108,829	108,829	114,169	5,340
<b>Total Charges for Services</b>	<b>1,318,129</b>	<b>1,318,129</b>	<b>1,696,234</b>	<b>378,105</b>
Fines and Forfeitures	20,000	20,000	30,416	10,416
Investment Income	24,000	24,000	111,430	87,430
Miscellaneous	65,784	65,784	71,012	5,228
<b>Total Revenues</b>	<b>6,530,583</b>	<b>6,930,583</b>	<b>8,423,976</b>	<b>1,493,393</b>

(Continued)

**Town of Berthoud, Colorado**  
**Budgetary Comparison Schedule**  
**General Fund**  
**For the Year Ended December 31, 2019**  
*(Continued)*

	Original Budget	Final Budget	Actual	Variance Positive (Negative)
<b>Expenditures</b>				
Current				
General Government	\$ 1,511,242	\$ 1,557,242	\$ 1,428,454	\$ 128,788
Public Safety	1,073,503	1,217,503	1,227,308	(9,805)
Public Works	917,264	917,264	1,043,045	(125,781)
Parks and Recreation	1,295,748	1,295,748	1,007,712	288,036
Planning	1,054,173	1,129,173	725,051	404,122
Contributions	19,350	19,350	20,852	(1,502)
Capital Outlay	1,178,912	1,724,112	1,198,425	525,687
Emergency Reserves	205,428	217,428	-	217,428
Total Expenditures	<u>7,255,620</u>	<u>8,077,820</u>	<u>6,650,847</u>	<u>1,426,973</u>
<b>Excess of Revenues Over (Under) Expenditures</b>	<u>(725,037)</u>	<u>(1,147,237)</u>	<u>1,773,129</u>	<u>2,920,366</u>
<b>Other Financing Sources (Uses)</b>				
Transfers In	317,006	317,006	323,063	6,057
Transfers Out	-	-	(55,000)	(55,000)
<b>Total Other Financing Sources (Uses)</b>	<u>317,006</u>	<u>317,006</u>	<u>268,063</u>	<u>(48,943)</u>
<b>Net Change in Fund Balance</b>	(408,031)	(830,231)	2,041,192	2,871,423
<b>Fund Balance, Beginning of year</b>	<u>3,764,930</u>	<u>5,393,793</u>	<u>5,393,792</u>	<u>(1)</u>
<b>Fund Balance, End of year</b>	<u>\$ 3,356,899</u>	<u>\$ 4,563,562</u>	<u>\$ 7,434,984</u>	<u>\$ 2,871,422</u>

**Town of Berthoud, Colorado**  
Notes to Required Supplementary Information  
December 31, 2019

**Note 1: Stewardship, Compliance and Accountability**

**Budgets and Budgetary Accounting**

Budgets are adopted for all funds of the Town in accordance with State statutes. Budgets for the governmental funds are adopted on a basis consistent with generally accepted accounting principles (GAAP). Budgetary comparisons for the enterprise funds are presented on a non-GAAP budgetary basis. Capital outlay and debt principal are budgeted as expenditures but depreciation is not budgeted.

The Town follows these procedures to establish the budgetary information reflected in the financial statements:

- Management submits to the Board of Trustees a proposed operating budget for the fiscal year commencing the following January 1. The operating budget includes proposed expenditures and the means of financing them.
- Public hearings are conducted to obtain taxpayer comments.
- Prior to December 31, the budget is legally adopted through passage of a resolution.
- Town management is authorized to transfer budgeted amounts between departments within any fund. However, revisions that alter the total expenditures of any fund must be approved by the Board of Trustees. State statutes stipulate that expenditures may not exceed budget appropriations at the fund level.
- All appropriations lapse at year end.

**Legal Compliance**

For the year ended December 31, 2019, the expenditures of the 1% Sales Tax Fund exceeded the amounts budgeted by \$550. This may be a violation of State statutes.

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## **Supplementary Information**

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**Town of Berthoud, Colorado**  
**Combining Balance Sheet**  
**Nonmajor Governmental Funds**  
**December 31, 2019**

	Public Facility	Park Dedication	Conservation Trust	Larimer County Open Space	Cemetery	Berthoud Area Transportation	Recreation MJ Tax	2019 1% sales Tax	Totals
<b>Assets</b>									
Cash	\$ 2,401,060	\$ 1,134,153	\$ 119,190	\$ 1,480,816	\$ 39,602	\$ 356,988	\$ 209,753	\$ 1,528,529	\$ 7,270,091
Accounts Receivable	-	-	-	-	-	-	22,991	60	23,051
Taxes Receivables	-	-	-	37,076	-	-	-	232,850	269,926
Total Assets	\$ 2,401,060	\$ 1,134,153	\$ 119,190	\$ 1,517,892	\$ 39,602	\$ 356,988	\$ 232,744	\$ 1,761,439	\$ 7,563,068
<b>Liabilities</b>									
Accounts Payable	\$ 38,008	-	-	91	33	118	150,000	1,406	\$ 189,656
Accrued Liabilities	-	-	2,675	-	-	4,033	-	-	6,708
Total Liabilities	38,008	-	2,675	91	33	4,151	150,000	1,406	196,364
<b>Fund Balances</b>									
Restricted for Street Paving and Maintenance	-	-	-	-	-	-	-	1,760,033	1,760,033
Restricted for Open Space and Parks	-	-	116,515	1,517,801	-	-	-	-	1,634,316
Committed to Capital Improvements	2,363,052	1,134,153	-	-	-	-	-	-	3,497,205
Assigned to Cemetery	-	-	-	-	39,569	-	-	-	39,569
Assigned to Transportation	-	-	-	-	-	352,837	82,744	-	435,581
Total Fund Balances	2,363,052	1,134,153	116,515	1,517,801	39,569	352,837	82,744	1,760,033	7,366,704
Total Liabilities and Fund Balances	\$ 2,401,060	\$ 1,134,153	\$ 119,190	\$ 1,517,892	\$ 39,602	\$ 356,988	\$ 232,744	\$ 1,761,439	\$ 7,563,068

**Town of Berthoud, Colorado**  
**Budgetary Comparison Schedule**  
**Park Development Fund**  
**For the Year Ended December 31, 2019**

	Original Budget	Final Budget	Actual	Variance Positive (Negative)
<b>Revenues</b>				
Charges for Services	\$ 707,850	\$ 707,850	\$ 1,116,365	\$ 408,515
Investment Income	10,000	10,000	48,115	38,115
Total Revenues	<u>717,850</u>	<u>717,850</u>	<u>1,164,480</u>	<u>446,630</u>
<b>Expenditures</b>				
Parks and Recreation	2,435,750	2,806,750	1,326,631	1,480,119
Emergency Reserves	21,535	21,535	-	21,535
Total Expenditures	<u>2,457,285</u>	<u>2,828,285</u>	<u>1,326,631</u>	<u>1,501,654</u>
<b>Net Change in Fund Balance</b>	(1,739,435)	(2,110,435)	(162,151)	1,948,284
<b>Fund Balance, Beginning of year</b>	<u>2,032,935</u>	<u>2,787,926</u>	<u>2,747,821</u>	<u>(40,105)</u>
<b>Fund Balance, End of year</b>	<u>\$ 293,500</u>	<u>\$ 677,491</u>	<u>\$ 2,585,670</u>	<u>\$ 1,908,179</u>

**Town of Berthoud, Colorado**  
**Budgetary Comparison Schedule**  
**Road Impact Fund**  
**For the Year Ended December 31, 2019**

	Original Budget	Final Budget	Actual	Variance Positive (Negative)
<b>Revenues</b>				
Intergovernmental	\$ -	\$ -	\$ 153,121	\$ 153,121
Road Impact Fees	2,233,525	2,233,525	935,445	(1,298,080)
Investment Income	4,000	4,000	56,249	52,249
	<u>2,237,525</u>	<u>2,237,525</u>	<u>1,144,815</u>	<u>(1,092,710)</u>
<b>Total Revenues</b>				
<b>Expenditures</b>				
Public Works	3,133,250	3,153,250	1,455,613	1,697,637
Emergency Reserves	67,126	67,126	-	67,126
	<u>3,200,376</u>	<u>3,220,376</u>	<u>1,455,613</u>	<u>1,764,763</u>
<b>Total Expenditures</b>				
<b>Excess Revenues Over (Under) Expenditures</b>	(962,851)	(982,851)	(310,798)	672,053
<b>Other Financing Sources (Uses)</b>				
Transfers Out	(22,006)	(22,006)	(28,063)	(6,057)
	<u>(22,006)</u>	<u>(22,006)</u>	<u>(28,063)</u>	<u>(6,057)</u>
<b>Net Change in Fund Balance</b>	(984,857)	(1,004,857)	(338,861)	665,996
<b>Fund Balance, Beginning of year</b>	<u>2,122,203</u>	<u>2,850,809</u>	<u>2,850,808</u>	<u>(1)</u>
<b>Fund Balance, End of year</b>	<u>\$ 1,137,346</u>	<u>\$ 1,845,952</u>	<u>\$ 2,511,947</u>	<u>\$ 665,995</u>

**Town of Berthoud, Colorado**  
**Budgetary Comparison Schedule**  
**Park Dedication Fund**  
**For the Year Ended December 31, 2019**

	Original Budget	Final Budget	Actual	Variance Positive (Negative)
<b>Revenues</b>				
Park Dedication Fees	\$ 211,250	\$ 211,250	\$ 226,144	\$ 14,894
Investment Income	4,000	4,000	17,088	13,088
Total Revenues	<u>215,250</u>	<u>215,250</u>	<u>243,232</u>	<u>27,982</u>
<b>Expenditures</b>				
Parks and Recreation	15,250	30,250	9,662	20,588
Emergency Reserves	6,457	6,457	-	6,457
Total Expenditures	<u>21,707</u>	<u>36,707</u>	<u>9,662</u>	<u>27,045</u>
<b>Net Change in Fund Balance</b>	193,543	178,543	233,570	55,027
<b>Fund Balance, Beginning of year</b>	<u>854,170</u>	<u>900,583</u>	<u>900,583</u>	<u>-</u>
<b>Fund Balance, End of year</b>	<u>\$ 1,047,713</u>	<u>\$ 1,079,126</u>	<u>\$ 1,134,153</u>	<u>\$ 55,027</u>

**Town of Berthoud, Colorado**  
**Budgetary Comparison Schedule**  
**Public Facility Fund**  
**For the Year Ended December 31, 2019**

	Original Budget	Final Budget	Actual	Variance Positive (Negative)
<b>Revenues</b>				
Charges for Services	\$ 495,300	\$ 495,300	\$ 648,187	\$ 152,887
Investment Income	7,000	7,000	37,455	30,455
<b>Total Revenues</b>	<u>502,300</u>	<u>502,300</u>	<u>685,642</u>	<u>183,342</u>
<b>Expenditures</b>				
General Government	700,250	888,250	236,784	651,466
Emergency Reserves	15,069	15,069	-	15,069
<b>Total Expenditures</b>	<u>715,319</u>	<u>903,319</u>	<u>236,784</u>	<u>666,535</u>
<b>Net Change in Fund Balance</b>	(213,019)	(401,019)	448,858	849,877
<b>Fund Balance, Beginning of year</b>	<u>1,601,768</u>	<u>1,914,193</u>	<u>1,914,194</u>	<u>1</u>
<b>Fund Balance, End of year</b>	<u>\$ 1,388,749</u>	<u>\$ 1,513,174</u>	<u>\$ 2,363,052</u>	<u>\$ 849,878</u>

**Town of Berthoud, Colorado**  
**Budgetary Comparison Schedule**  
**Conservation Trust Fund**  
**For the Year Ended December 31, 2019**

	Original Budget	Final Budget	Actual	Variance Positive (Negative)
<b>Revenues</b>				
Intergovernmental	\$ 60,000	\$ 60,000	\$ 78,194	\$ 18,194
Investment Income	500	500	2,326	1,826
Miscellaneous	-	-	1,000	1,000
<b>Total Revenues</b>	<u>60,500</u>	<u>60,500</u>	<u>81,520</u>	<u>21,020</u>
<b>Expenditures</b>				
Parks and Recreation	180,815	199,815	169,901	29,914
Emergency Reserves	3,465	3,465	-	3,465
<b>Total Expenditures</b>	<u>184,280</u>	<u>203,280</u>	<u>169,901</u>	<u>33,379</u>
<b>Excess of Revenues Over (Under) Expenditures</b>	(123,780)	(142,780)	(88,381)	54,399
<b>Other Financing Sources / Uses</b>				
Transfers In	55,000	55,000	55,000	-
<b>Net Change in Fund Balance</b>	(68,780)	(87,780)	(33,381)	54,399
<b>Fund Balance, Beginning of year</b>	<u>122,688</u>	<u>149,897</u>	<u>149,896</u>	<u>(1)</u>
<b>Fund Balance, End of year</b>	<u>\$ 53,908</u>	<u>\$ 62,117</u>	<u>\$ 116,515</u>	<u>\$ 54,398</u>

**Town of Berthoud, Colorado**  
**Budgetary Comparison Schedule**  
**Larimer County Open Space Fund**  
**For the Year Ended December 31, 2019**

	Original Budget	Final Budget	Actual	Variance Positive (Negative)
<b>Revenues</b>				
Intergovernmental	\$ 210,000	\$ 210,000	\$ 215,696	\$ 5,696
Investment Income	6,000	6,000	23,737	17,737
<b>Total Revenues</b>	<u>216,000</u>	<u>216,000</u>	<u>239,433</u>	<u>23,433</u>
<b>Expenditures</b>				
Parks and Recreation	435,050	460,050	28,628	431,422
Emergency Reserves	6,480	6,480	-	6,480
<b>Total Expenditures</b>	<u>441,530</u>	<u>466,530</u>	<u>28,628</u>	<u>437,902</u>
<b>Net Change in Fund Balance</b>	(225,530)	(250,530)	210,805	461,335
<b>Fund Balance, Beginning of year</b>	<u>1,267,470</u>	<u>1,306,996</u>	<u>1,306,996</u>	<u>-</u>
<b>Fund Balance, End of year</b>	<u>\$ 1,041,940</u>	<u>\$ 1,056,466</u>	<u>\$ 1,517,801</u>	<u>\$ 461,335</u>

**Town of Berthoud, Colorado**  
**Budgetary Comparison Schedule**  
**Cemetery Fund**  
**For the Year Ended December 31, 2019**

	Original Budget	Final Budget	Actual	Variance Positive (Negative)
<b>Revenues</b>				
Charges for Services	\$ 48,000	\$ 48,000	\$ 16,985	\$ (31,015)
Investment Income	200	200	765	565
Miscellaneous	-	-	22,989	22,989
<b>Total Revenues</b>	<u>48,200</u>	<u>48,200</u>	<u>40,739</u>	<u>(7,461)</u>
<b>Expenditures</b>				
Parks and Recreation	67,327	67,327	47,335	19,992
Emergency Reserves	1,446	1,446	-	1,446
<b>Total Expenditures</b>	<u>68,773</u>	<u>68,773</u>	<u>47,335</u>	<u>21,438</u>
<b>Net Change in Fund Balance</b>	(20,573)	(20,573)	(6,596)	13,977
<b>Fund Balance, Beginning of year</b>	<u>30,817</u>	<u>46,165</u>	<u>46,165</u>	<u>-</u>
<b>Fund Balance, End of year</b>	<u>\$ 10,244</u>	<u>\$ 25,592</u>	<u>\$ 39,569</u>	<u>\$ 13,977</u>

**Town of Berthoud, Colorado**  
**Budgetary Comparison Schedule**  
**Berthoud Area Transportation Fund**  
**For the Year Ended December 31, 2019**

	Original Budget	Final Budget	Actual	Variance Positive (Negative)
<b>Revenues</b>				
Charges for Services	\$ 28,000	\$ 28,000	\$ 96,199	\$ 68,199
Investment Income	1,200	1,200	5,354	4,154
Miscellaneous	5,000	5,000	5,467	467
<b>Total Revenues</b>	<u>34,200</u>	<u>34,200</u>	<u>107,020</u>	<u>72,820</u>
<b>Expenditures</b>				
Transportation	172,928	186,128	152,883	33,245
Emergency Reserves	3,189	3,189	-	3,189
<b>Total Expenditures</b>	<u>176,117</u>	<u>189,317</u>	<u>152,883</u>	<u>36,434</u>
<b>Excess of Revenues Over (Under) Expenditures</b>	<u>(141,917)</u>	<u>(155,117)</u>	<u>(45,863)</u>	<u>109,254</u>
<b>Other Financing Sources (Uses)</b>				
Transfers In	72,100	72,100	72,100	-
Transfers Out	(5,000)	(5,000)	(5,000)	-
<b>Total Other Financing Sources (Uses)</b>	<u>67,100</u>	<u>67,100</u>	<u>67,100</u>	<u>-</u>
<b>Net Change in Fund Balance</b>	(74,817)	(88,017)	21,237	109,254
<b>Fund Balance, Beginning of year</b>	<u>300,432</u>	<u>331,601</u>	<u>331,600</u>	<u>(1)</u>
<b>Fund Balance, End of year</b>	<u>\$ 225,615</u>	<u>\$ 243,584</u>	<u>\$ 352,837</u>	<u>\$ 109,253</u>

**Town of Berthoud, Colorado**  
**Budgetary Comparison Schedule**  
**Recreation MJ Tax Fund**  
**For the Year Ended December 31, 2019**

	Original Budget	Final Budget	Actual	Variance Positive (Negative)
<b>Revenues</b>				
Sales Tax	\$ 350,000	\$ 350,000	\$ 223,885	\$ (126,115)
Investment Income	-	-	1,731	1,731
Total Revenues	<u>350,000</u>	<u>350,000</u>	<u>225,616</u>	<u>(124,384)</u>
<b>Expenditures</b>				
General Government	300,250	300,250	150,056	150,194
Emergency Reserves	10,500	10,500	-	10,500
Total Expenditures	<u>310,750</u>	<u>310,750</u>	<u>150,056</u>	<u>160,694</u>
<b>Net Change in Fund Balance</b>	<u>39,250</u>	<u>39,250</u>	<u>75,560</u>	<u>36,310</u>
<b>Fund Balance, Beginning of year</b>	<u>46,434</u>	<u>46,434</u>	<u>7,184</u>	<u>(39,250)</u>
<b>Fund Balance, End of year</b>	<u>\$ 85,684</u>	<u>\$ 85,684</u>	<u>\$ 82,744</u>	<u>\$ (2,940)</u>

**Town of Berthoud, Colorado**  
**Budgetary Comparison Schedule**  
**2019 1% Sales Tax Fund**  
**For the Year Ended December 31, 2019**

	Original Budget	Final Budget	Actual	Variance Positive (Negative)
<b>Revenues</b>				
Sales Tax	\$ 1,231,750	\$ 1,231,750	\$ 1,767,565	\$ 535,815
Investment Income	3,000	3,000	11,649	8,649
<b>Total Revenues</b>	<u>1,234,750</u>	<u>1,234,750</u>	<u>1,779,214</u>	<u>544,464</u>
<b>Expenditures</b>				
Public Works	900,250	900,250	19,181	881,069
Emergency Reserves	37,042	37,042	-	37,042
<b>Total Expenditures</b>	<u>937,292</u>	<u>937,292</u>	<u>19,181</u>	<u>918,111</u>
<b>Net Changes in Fund Balance</b>	<u>297,458</u>	<u>297,458</u>	<u>1,760,033</u>	<u>1,462,575</u>
<b>Fund Balance, Beginning of year</b>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<b>Fund Balance, End of year</b>	<u>\$ 297,458</u>	<u>\$ 297,458</u>	<u>\$ 1,760,033</u>	<u>\$ 1,462,575</u>

**Town of Berthoud, Colorado**  
**Budgetary Comparison Schedule**  
**Water Fund**  
**For the Year Ended December 31, 2019**

	Original Budget	Final Budget	Actual	Variance Positive (Negative)
<b>Revenues</b>				
Charges for Services	\$ 2,937,200	\$ 2,937,200	\$ 3,433,185	\$ 495,985
Water Dedication Fees	2,708,225	2,708,225	16,033,448	13,325,223
System Investment Fees	2,136,875	2,136,875	2,886,461	749,586
Investment Income	95,800	95,800	474,061	378,261
Miscellaneous	-	-	32,721	32,721
Transfer In	2,495,000	2,495,000	2,510,000	15,000
	<u>10,373,100</u>	<u>10,373,100</u>	<u>25,369,876</u>	<u>14,996,776</u>
<b>Total Revenues</b>				
<b>Expenditures</b>				
Operations and Maintenance	9,254,509	9,985,509	2,279,414	7,706,095
Capital Outlay	3,350,000	3,390,000	577,861	2,812,139
Debt Principal	-	-	2,710,575	(2,710,575)
Debt Interest and Fiscal Charges	-	-	30,601	(30,601)
Transfers Out	140,000	140,000	2,650,000	(2,510,000)
	<u>12,744,509</u>	<u>13,515,509</u>	<u>8,248,451</u>	<u>5,267,058</u>
<b>Total Expenditures</b>				
<b>Change in Net Position, Budgetary Basis</b>	<u>\$ (2,371,409)</u>	<u>\$ (3,142,409)</u>	17,121,425	<u>\$ 20,263,834</u>
Adjustments to GAAP Basis				
Depreciation			(474,119)	
Capital Outlay			577,861	
Debt Principal			2,710,575	
<b>Change in Net Position, GAAP Basis</b>			<u>\$ 19,935,742</u>	

**Town of Berthoud, Colorado**  
**Budgetary Comparison Schedule**  
**Wastewater Fund**  
For the Year Ended December 31, 2019

	Original Budget	Final Budget	Actual	Variance Positive (Negative)
<b>Revenues</b>				
Charges for Services	\$ 2,591,100	\$ 2,591,100	\$ 2,791,321	\$ 200,221
System Investment Fees	1,907,500	1,907,500	2,524,069	616,569
Investment Income	43,870	43,870	202,154	158,284
<b>Total Revenues</b>	<u>4,542,470</u>	<u>4,542,470</u>	<u>5,517,544</u>	<u>975,074</u>
<b>Expenditures</b>				
Operations and Maintenance	2,430,032	3,325,032	1,258,961	2,066,071
Capital Outlay	842,000	1,332,000	1,774,331	(442,331)
Debt Principal	528,450	528,450	145,000	383,450
Debt Interest and Fiscal Charges	-	-	396,782	(396,782)
Transfers Out	-	-	140,000	(140,000)
<b>Total Expenditures</b>	<u>3,800,482</u>	<u>5,185,482</u>	<u>3,715,074</u>	<u>1,470,408</u>
<b>Change in Net Position, Budgetary Basis</b>	<u>\$ 741,988</u>	<u>\$ (643,012)</u>	1,802,470	<u>\$ 2,445,482</u>
Adjustments to GAAP Basis				
Depreciation			(810,192)	
Capital Outlay			1,774,331	
Debt Principal			145,000	
<b>Change in Net Position, GAAP Basis</b>			<u>\$ 2,911,609</u>	

**Town of Berthoud, Colorado**  
**Budgetary Comparison Schedule**  
**Storm Water Fund**  
**For the Year Ended December 31, 2019**

	Original Budget	Final Budget	Actual	Variance Positive (Negative)
<b>Revenues</b>				
Charges for Services	\$ 841,400	\$ 841,400	\$ 1,132,810	\$ 291,410
Developer Contribution	-	842,400	200,000	(642,400)
Investment Income	3,000	3,000	30,931	27,931
Total Revenues	844,400	1,686,800	1,363,741	(323,059)
<b>Expenditures</b>				
Operations and Maintenance	266,899	266,899	160,204	106,695
Capital Outlay	1,180,250	1,195,250	129,976	1,065,274
Transfers Out	10,000	10,000	10,000	-
Total Expenditures	1,457,149	1,472,149	300,180	1,171,969
<b>Change in Net Position, Budgetary Basis</b>	<b>\$ (612,749)</b>	<b>\$ 214,651</b>	1,063,561	<b>\$ 848,910</b>
Adjustments to GAAP Basis				
Depreciation			(54,572)	
Capital Outlay			129,976	
<b>Change in Net Position, GAAP Basis</b>			<b>\$ 1,138,965</b>	

## **Compliance Section**

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

<b>LOCAL HIGHWAY FINANCE REPORT</b>	City or County: Berthoud, Colorado
	YEAR ENDING : 12/31/2019 December 2019

This Information From The Records Of Town of Berthoud	Prepared By: Cindy Leach Phone: 970-532-2643
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**I. DISPOSITION OF HIGHWAY-USER REVENUES AVAILABLE FOR LOCAL GOVERNMENT EXPENDITURE**

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

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

**III. DISBURSEMENTS FOR ROAD AND STREET PURPOSES**

ITEM	AMOUNT	ITEM	AMOUNT
<b>A. Receipts from local sources:</b>		<b>A. Local highway disbursements:</b>	
1. Local highway-user taxes		1. Capital outlay (from page 2)	914,475
a. Motor Fuel (from Item I.A.5.)		2. Maintenance:	157,843
b. Motor Vehicle (from Item I.B.5.)		3. Road and street services:	
c. Total (a.+b.)		a. Traffic control operations	33,766
2. General fund appropriations	681,089	b. Snow and ice removal	87,914
3. Other local imposts (from page 2)	1,193,444	c. Other	95,842
4. Miscellaneous local receipts (from page 2)	56,249	d. Total (a. through c.)	217,522
5. Transfers from toll facilities	0	4. General administration & miscellaneous	479,050
6. Proceeds of sale of bonds and notes:		5. Highway law enforcement and safety	587,104
a. Bonds - Original Issues		6. Total (1 through 5)	2,355,994
b. Bonds - Refunding Issues		<b>B. Debt service on local obligations:</b>	
c. Notes		1. Bonds:	
d. Total (a. + b. + c.)	0	a. Interest	0
7. Total (1 through 6)	1,930,782	b. Redemption	0
<b>B. Private Contributions</b>		c. Total (a. + b.)	0
<b>C. Receipts from State government</b> (from page 2)	425,212	2. Notes:	
<b>D. Receipts from Federal Government</b> (from page 2)	0	a. Interest	0
<b>E. Total receipts (A.7 + B + C + D)</b>	2,355,994	b. Redemption	0
		c. Total (a. + b.)	0
		3. Total (1.c + 2.c)	0
		<b>C. Payments to State for highways</b>	0
		<b>D. Payments to toll facilities</b>	0
		<b>E. Total disbursements (A.6 + B.3 + C + D)</b>	2,355,994

**IV. LOCAL HIGHWAY DEBT STATUS**

(Show all entries at par)

	Opening Debt	Amount Issued	Redemptions	Closing Debt
<b>A. Bonds (Total)</b>				0
1. Bonds (Refunding Portion)				
<b>B. Notes (Total)</b>				0

**V. LOCAL ROAD AND STREET FUND BALANCE**

	A. Beginning Balance	B. Total Receipts	C. Total Disbursements	D. Ending Balance	E. Reconciliation
		2,355,994	2,355,994		0

Notes and Comments:

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**LOCAL HIGHWAY FINANCE REPORT**

STATE:  
Colorado  
YEAR ENDING (mm/yy):  
December 2019

**II. RECEIPTS FOR ROAD AND STREET PURPOSES - DETAIL**

ITEM	AMOUNT	ITEM	AMOUNT
<b>A.3. Other local imposts:</b>		<b>A.4. Miscellaneous local receipts:</b>	
a. Property Taxes and Assessments	0	a. Interest on investments	56,249
b. Other local imposts:		b. Traffic Fines & Penalties	0
1. Sales Taxes	914,475	c. Parking Garage Fees	0
2. Infrastructure & Impact Fees	0	d. Parking Meter Fees	0
3. Specific Ownership Tax	278,969	e. Sale of Surplus Property	0
		f. Charges for Services	0
5. From Cities/Counties	0	g. Other Misc. Receipts	0
6. Total (1. through 5.)	1,193,444	h. Other	0
c. Total (a. + b.)	1,193,444	i. Total (a. through h.)	56,249
	(Carry forward to page 1)		(Carry forward to page 1)

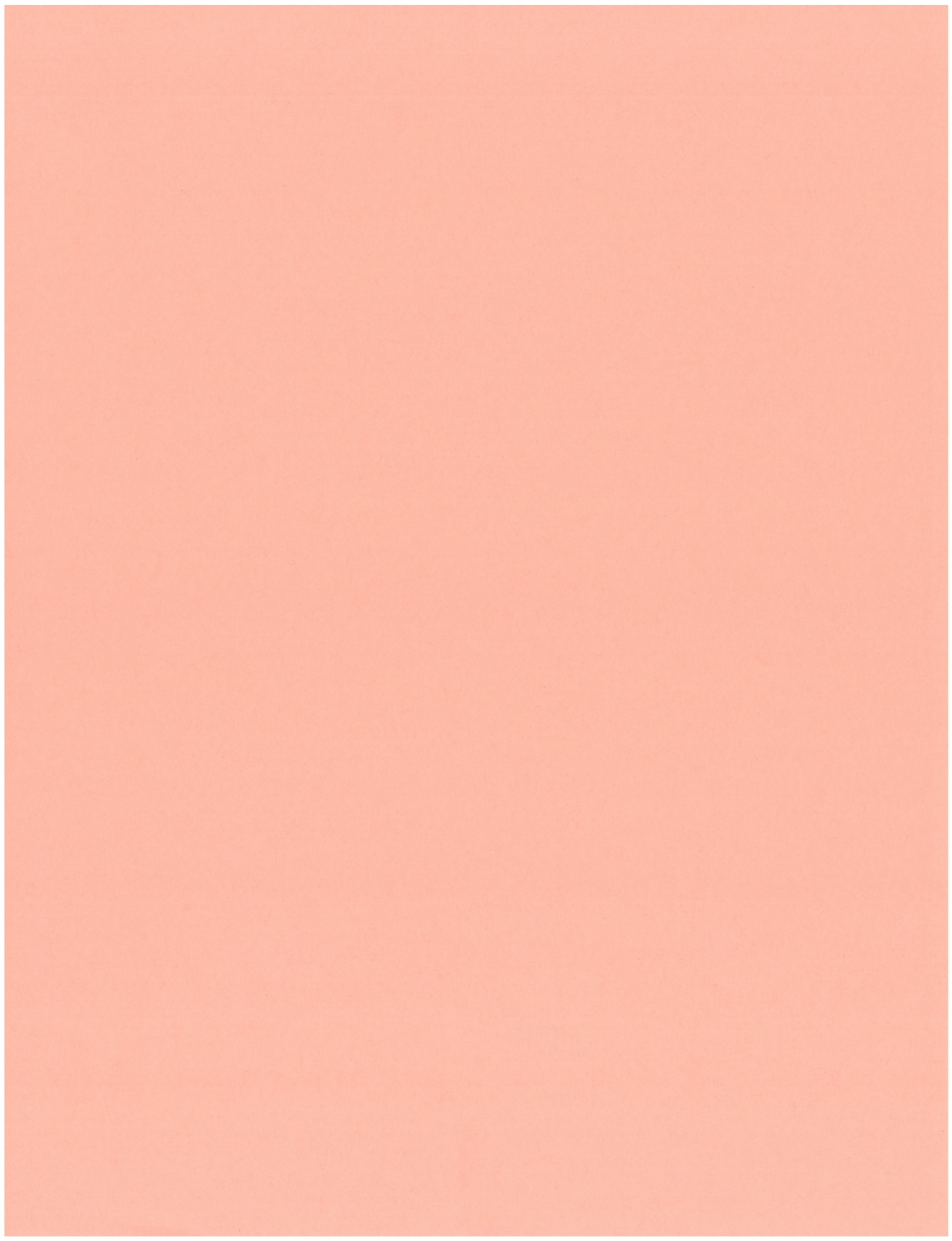
ITEM	AMOUNT	ITEM	AMOUNT
<b>C. Receipts from State Government</b>		<b>D. Receipts from Federal Government</b>	
1. Highway-user taxes	307,300	1. FHWA (from Item I.D.5.)	
2. State general funds		2. Other Federal agencies:	
3. Other State funds:		a. Forest Service	0
a. State bond proceeds		b. FEMA	0
b. Project Match		c. HUD	0
c. Motor Vehicle Registrations	97,236	d. Federal Transit Admin	0
d. Other (Specify) - DOLA Grant	0	e. U.S. Corps of Engineers	0
e. Other (Specify)	20,676	f. Other Federal	0
f. Total (a. through e.)	117,912	g. Total (a. through f.)	0
4. Total (1. + 2. + 3.f)	425,212	3. Total (1. + 2.g)	
			(Carry forward to page 1)

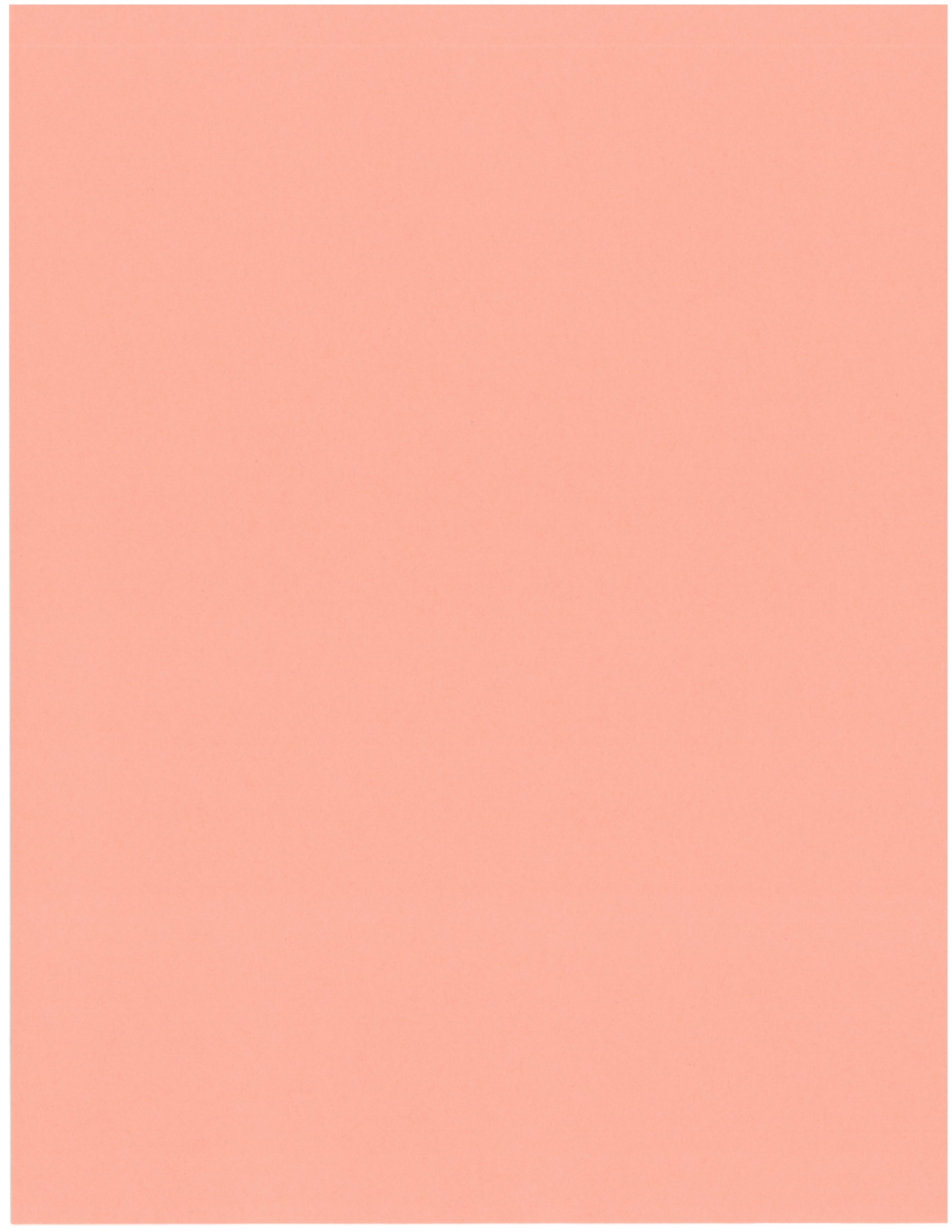
**III. DISBURSEMENTS FOR ROAD AND STREET PURPOSES - DETAIL**

	ON NATIONAL HIGHWAY SYSTEM (a)	OFF NATIONAL HIGHWAY SYSTEM (b)	TOTAL (c)
<b>A.1. Capital outlay:</b>			
a. Right-Of-Way Costs			0
b. Engineering Costs			0
c. Construction:			
(1). New Facilities			0
(2). Capacity Improvements			0
(3). System Preservation		914,475	914,475
(4). System Enhancement & Operation			0
(5). Total Construction (1) + (2) + (3) + (4)	0	914,475	914,475
d. Total Capital Outlay (Lines I.a. + I.b. + I.c.5)	0	914,475	914,475
			(Carry forward to page 1)

Notes and Comments:

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**HINKLE &  
COMPANY**  
*Strategic* PC  
*Business Advisors*

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

We have audited the financial statements of the Town of Berthoud, Colorado (the Town) as of and for the year ended December 31, 2019 and have issued our report thereon dated May 21, 2020. Professional standards require that we provide you with the following information related to our audit.

### **Our Responsibility under Generally Accepted Auditing Standards**

As communicated in our engagement letter dated December 6, 2019, our responsibility, as described by professional standards, is to form and express an opinion(s) about whether the financial statements that have been prepared by management with your oversight are presented fairly, in all material respects, in accordance with accounting principles generally accepted in the United States of America. Our audit of the financial statements does not relieve you or management of your respective responsibilities.

Our responsibility, as prescribed by professional standards, is to plan and perform our audit to obtain reasonable, rather than absolute, assurance about whether the financial statements are free of material misstatement. An audit of financial statements includes consideration of internal control over financial reporting as a basis for designing 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 over financial reporting. Accordingly, as part of our audit, we considered the internal control of the Town solely for the purpose of determining our audit procedures and not to provide any assurance concerning such internal control.

We are responsible for communicating significant matters related to the audit that are, in our professional judgment, relevant to your responsibilities in overseeing the financial reporting process. However, we are not required to design procedures for the purpose of identifying other matters to communicate to you.

We applied certain limited procedures to the required supplementary information (RSI). However, we did not audit the RSI and do not express an opinion or provide any assurance on the RSI. With respect to the supplementary information accompanying the financial statements, we performed procedures to determine that the information complies with accounting principles generally accepted in the United States of America, the method of preparing the information has not changed from the prior year, and the information is appropriate and complete in relation to our audit of the financial statements.

### **Compliance with All Ethics Requirements Regarding Independence**

The engagement team, others in our firm, as appropriate, and our firm have complied with all relevant ethical requirements regarding independence.

### **Significant Accounting Policies**

Management has the responsibility to select and use appropriate accounting policies. A summary of the significant accounting policies adopted by the Town is included in Note 1 to the financial statements. There have been no initial selection of accounting policies and no changes in significant accounting policies or their application during 2019. No matters have come to our attention that would require us, under professional standards, to inform you about (1) the methods used to account for significant unusual transactions and (2) the effect of significant accounting policies in controversial or emerging areas for which there is a lack of authoritative guidance or consensus.

### **Accounting Estimates**

Accounting estimates are an integral part of the financial statements prepared by management and are based on management's knowledge and experience about past and current events and assumptions about future events. Certain accounting estimates are particularly sensitive because of their significance to the financial statements and because of the possibility that future events affecting them may differ significantly from those expected. We evaluated the key factors and assumptions used to develop the significant estimates in determining that they are reasonable in relation to the financial statements as a whole.

### **Corrected and Uncorrected Misstatements**

For purposes of this communication, professional standards require us to accumulate all known and likely misstatements identified during the audit, other than those that are clearly trivial, and communicate them to the appropriate level of management. Further, professional standards require us to also communicate the effect of uncorrected misstatements related to prior periods on the relevant classes of transactions, account balances or disclosures, and the financial statements as a whole and each applicable opinion unit. We proposed no uncorrected adjustments to the financial statements as a result of our audit procedures.

In addition, professional standards require us to communicate to you all material, corrected adjustments that were brought to the attention of management as a result of our audit procedures. The financial statement adjustments in the attached schedule summarize material adjustments that we identified as a result of our audit procedures were brought to the attention of, and corrected by, management.

### **Disagreements with Management**

For purposes of this letter, a disagreement with management is a financial accounting, reporting, or auditing matter, whether or not resolved to our satisfaction, that could be significant to the financial statements or the auditors' report. We are pleased to report that no such disagreements arose during the course of our audit.



### **Difficulties Encountered in Performing the Audit**

We encountered no difficulties dealing with management during the audit process. We have requested certain representations from management that are included in the management representation letter.

### **Representations Requested from Management**

We have requested certain written representations from management, which are included in the attached letter dated May 21, 2020.

### **Management Consultations with Other Independent Accountants**

In some cases, management may decide to consult with other accountants about auditing and accounting matters. Management informed us that, and to our knowledge, there were no consultations with other accountants regarding auditing and accounting matters.

### **Other Audit Issues**

We generally discuss a variety of matters, including the application of accounting principles and auditing standards, with management each year prior to retention as the Town's auditors. However, these discussions occurred in the normal course of our professional relationship and the responses were not a condition to our retention.

### **Conclusion**

This report is intended solely for the information and use of the Board of Trustees and management of the Town of Berthoud, Colorado and is not intended to be, and should not be, used by anyone other than these specified parties.

Greenwood Village, Colorado  
May 21, 2020

*Hick & Company, PC*



Client: **Berthoud, Town of**  
 Engagement: **2019 AUD - Town of Berthoud, Colorado**  
 Period Ending: **12/31/2019**  
 Trial Balance: **02-01 - Government Fund Trial Balance**  
 Workpaper: **04-01 - AJEs**  
 Fund Level: **All**  
 Index: **All**

Account	Description	Debit	Credit
<b>Adjusting Journal Entries</b>			
<b>Adjusting Journal Entries JE # 101</b>			
To record PY AJE, that was not recorded in 2019			
300100-00-31	Fund Balance	40,106.00	
524801-00-31	Berthoud Reservoir Trails		40,106.00
<b>Total</b>		<b>40,106.00</b>	<b>40,106.00</b>
	<b>Total Adjusting Journal Entries</b>	<b>40,106.00</b>	<b>40,106.00</b>
	<b>Total All Journal Entries</b>	<b>40,106.00</b>	<b>40,106.00</b>