

TOWN OF CALHAN, COLORADO

FINANCIAL STATEMENTS

December 31, 2019



Logan and Associates, LLC  
CERTIFIED PUBLIC ACCOUNTANTS

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

## INDEPENDENT AUDITOR'S REPORT

### Report on the Financial Statements

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 Calhan (the "Town") as of and for the year ended December 31, 2019, and the related notes to the financial statements, which collectively comprise the Town's basic financial statements as listed in the table of contents.

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

Management is responsible for the preparation and fair presentation of these financial statements in accordance with the 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*

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

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the 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 Town'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 Town's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

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

## *Opinions*

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the Town of Calhan 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 management's discussion and analysis, and budgetary comparison schedule on pages i – viii and on pages 25 - 26 be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the GASB who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

### *Supplementary Information and Other Information*

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Town's basic financial statements as a whole. The accompanying supplementary information and other information 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 relate directly to the underlying accounting and other records used to prepare the basic financial statements.

The supplementary information and other information have 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 supplementary information and other information are fairly stated, in all material respects, in relation to the basic financial statements taken as a whole.

*Logan and Associates, LLC*

Aurora, Colorado  
June 24, 2020

**TOWN OF CALHAN**  
**El Paso County, Calhan, Colorado**  
**Management's Discussion and Analysis**  
**December 31, 2019**

Management of the Town of Calhan offers readers of the basic financial statements this narrative overview and analysis of the financial activities of the Town for the fiscal year ended December 31, 2019. The focus of the information contained herein is on the primary government.

**Financial Highlights**

- The Town's assets exceeded liabilities at the close of the fiscal year by \$3,692,364 (net position). Of this amount \$323,369 (unrestricted net position) may be used to meet the Town's ongoing obligations.
- The Town's total net position increased by \$135,623.
- As of the close of the current fiscal year, the Town's governmental funds reported combined ending fund balances of \$55,095, a decrease of \$52,183 from the prior year.
- The Town's governmental activities debt decreased by \$14,504 and the business-type activities debt decreased by \$14,526.

**Overview of the Financial Statements**

This discussion and analysis is intended as an introduction to the Town's basic financial statements. The basic financial statements comprise three components: 1) government-wide financial statements, 2) fund financial statements, and 3) notes to the basic financial statements. In addition to the basic financial statements, also provided is other supplementary information.

**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 focus of the Statement of Net Position (the "Unrestricted Net Position") is designed to be similar to a bottom line for the Town and its governmental and business-type activities. This statement reports all of the governmental fund's current financial resources (short-term spendable resources) with capital assets and long term obligations. 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 illustrating how the Town's net position changed during the most recent 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 (e.g., uncollected taxes).

The governmental activities reflect the Town's basic services, including police, judicial, administrative, parks and recreation, streets, building division, cemetery and public works. Sales and property taxes finance the majority of these services.

The business-type activities reflect private sector type operations, which include operation and maintenance of the Town's water and sewer facilities, where fees for services cover all or most of the cost of operations, including depreciation.

**TOWN OF CALHAN**  
**Calhan, Colorado**  
**Management's Discussion and Analysis**  
**December 31, 2019**

**Fund Financial Statements**

A fund is a grouping of related accounts used to maintain control over resources that have been segregated for specific activities or objectives. The Town 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* are used to account for the same functions as governmental activities in the government-wide financial statements. Governmental fund financial statements focus on financial position and change in financial position, not on income determination, and use the flow of current financial resources measurement focus and the modified accrual basis of accounting. Under the modified accrual basis of accounting, revenues are recognized when susceptible to accrual (when they are “measurable and available”). The Town considers all revenues available if they are collected within sixty days following the year end. Expenditures are recorded when the related fund liability is incurred.

The General Fund 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.

The Town maintains two *proprietary funds*. These 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 sewer operations.

The *notes to the basic financial statements* provide additional information that is essential to a full understanding of the data provided in the government-wide fund financial statements.

*Other information*, in addition to the basic financial statements and accompanying notes, is presented in the form of certain required supplementary information.

**Government-wide Financial Analysis**

As noted earlier, net position may serve over time as a useful indicator of a government’s financial position. In the case of the Town of Calhan, assets exceeded liabilities by \$3,692,364

Of the Town’s net position, 8.8% is unrestricted and may be used to meet the Town’s ongoing financial obligations. These are net assets that are not restricted by external requirements nor invested in capital assets.

Of the Town’s \$4,186,683 in assets, \$3,523,161 (84.2%) reflects investment in capital assets (e.g. land, buildings, infrastructure, machinery and equipment) less any related debt used to acquire those assets that is still outstanding which \$3,241,230 is reported as net investment in capital assets in the net position. 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, since the capital assets themselves cannot be used to liquidate these liabilities.

**TOWN OF CALHAN**  
**Calhan, Colorado**  
**Management's Discussion and Analysis**  
**December 31, 2019**

The following table reflects the Town's Net Position:

	Government Activities		Business-type Activities		Total	
	12/31/2018	12/31/2019	12/31/2018	12/31/2019	12/31/2018	12/31/2019
Current and other assets	278,967	249,965	361,363	413,557	640,330	663,522
Capital assets	1,522,811	1,656,363	1,892,598	1,866,798	3,415,409	3,523,161
Total Assets	1,801,778	1,906,328	2,253,961	2,280,355	4,055,739	4,186,683
Current liabilities	88,324	99,955	19,513	20,015	107,837	119,970
Long-term liabilities	46,379	33,880	235,552	221,694	281,931	255,574
Total Liabilities	134,703	133,835	255,065	241,709	389,768	375,544
Deferred Inflow of Resources						
Deferred Property Tax Revenue	109,230	118,775			109,230	118,775
Net Position						
Invested in capital assets	1,464,015	1,609,984	1,642,520	1,631,246	3,106,535	3,241,230
Restricted for bond redemption	0	0	11,460	11,460	11,460	11,460
Restricted for TABOR	16,600	23,300	0	0	16,600	23,300
Restricted - Other	93,806	93,005	0	0	93,806	93,005
Unrestricted	(16,576)	(72,571)	344,916	395,940	328,340	323,369
Total Net Position	1,557,845	1,653,718	1,998,896	2,038,646	3,556,741	3,692,364

**TOWN OF CALHAN**  
**Calhan, Colorado**  
**Management's Discussion and Analysis**  
**December 31, 2019**

The following reflects the Town's Changes in Net Position:

	Government Activities		Business-type Activities		Total	
	12/31/2018	12/31/2019	12/31/2018	12/31/2019	12/31/2018	12/31/2019
Revenues						
Program Revenues						
Charges for service	68,876	71,039	503,378	486,635	572,254	557,674
Grants & contributions	24,116	162,628	16,000	0	40,116	162,628
General Revenues						
Property taxes	112,322	121,480			112,322	121,480
Sales Taxes	244,132	331,649			244,132	331,649
Other taxes	71,444	71,806			71,444	71,806
Investment interest	1,184	1,649	1,582	2,997	1,184	4,646
Other to include ins claim	31,382	17,976	9,728	2,728	41,110	20,704
Total Revenues	553,456	778,227	530,688	492,360	1,084,144	1,270,587
Expenses						
General Government	78,981	90,704			78,981	90,704
Judicial	15,408	14,212			15,408	14,212
Public Safety	320,493	326,577			320,493	326,577
Public Works	122,003	198,710			122,003	198,710
Culture & Recreation	48,590	49,892			48,590	49,892
Interest on Long-Term Debt	1,996	2,259	11,838	10,971	13,834	13,230
Sewer	0	0	181,298	178,217	181,298	178,217
Water	0	0	256,487	263,422	256,487	263,422
Total Expenses	587,471	682,354	449,623	452,610	1,037,094	1,134,964
Increase (decrease) in net position	(34,015)	95,873	81,065	39,750	47,050	135,623
Net Position - Beginning	1,591,860	1,557,845	1,917,831	1,998,896	3,509,691	3,556,741
Net Position - Ending	1,557,845	1,653,718	1,998,896	2,038,646	3,556,741	3,692,364

Business-type activities increased the Town's net position by \$39,750 for the year ended December 31, 2019. Key elements of the increase are as follows:

\* Water and Sewer expenses remain lower than revenues.

**TOWN OF CALHAN**  
**Calhan, Colorado**  
**Management's Discussion and Analysis**  
**December 31, 2019**

Intergovernmental revenues are grants and other revenues received from the county, state and federal government. Licenses and permits include amounts collected from the issuance of licenses and permits required by the Town for various purposes. Revenues from fees collected by the Town for a variety of services provided to the public are recorded as miscellaneous revenues, which include cemetery revenues, park and recreation fees, court and traffic fines. Interest income reflects revenues from property taxes and investment activity.

Governmental activities increased the Town's net position by \$95,873. Key elements are as follows:

- \* Grant revenues increased
- \* tax revenue, specifically sales tax, increased substantially offsetting an increase in expenses

**Financial Analysis of the Government'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 current year revenue, expenditures and balances of spendable resources. Such information is useful in assessing the Town's financial requirements. In particular, unreserved fund balance may serve as a useful measure of a government's net resources available for spending at the end of the fiscal year.

As of the year ended December 31, 2019, the Town's governmental funds reported combined ending fund balances of \$55,095 a decrease of \$52,183. This is due in large part to quite a few street projects. The Town does not have any unassigned fund balance due to restrictions and commitments.

**TOWN OF CALHAN**  
**Calhan, Colorado**  
**Management's Discussion and Analysis**  
**December 31, 2019**

Proprietary Funds      The Town's proprietary funds provide the same type of information found in the government-wide financial statements, but in more detail.

Total net position of the Water Fund amounted to \$1,368,201 and those for the Sewer Fund amounted to \$670,445. Total increase in net position for all enterprise funds was \$39,750

Significant factors for Water and Sewer Funds:

- \*      While the revenues stayed flat, the expenses remained below the revenues. This enabled the funds to increase the reserves.

**General Fund Budgetary Highlights**

There were no budget amendments in 2019.

**TOWN OF CALHAN**  
**Calhan, Colorado**  
**Management's Discussion and Analysis**  
**December 31, 2019**

**Capital Asset and Debt Administration**

Capital assets

The Town's capital assets for its governmental and business type activities as of December 31, 2019 amount to \$3,523,161 (net of accumulated depreciation). This investment in capital assets includes land, buildings and improvements, equipment and other, park facilities, infrastructure (including streets, alleys, signs and bridges), water system infrastructure, and wastewater infrastructure. The Town's capital assets by activity at December 31, 2019 were as follows:

	Prior Year			As of December 31, 2019		
	Government	Business-type	Total	Government	Business-type	Total
	Activities	Activities		Activities	Activities	
Land	1,346	49,840	51,186	1,346	49,840	51,186
Infrastructure	1,242,600		1,242,600	1,452,772		1,452,772
Improvements	179,902	3,143,773	3,323,678	179,902	3,199,673	3,379,575
Buildings	547,081	210,113	757,194	547,081	210,113	757,194
Equipment and vehicles	390,753	378,836	769,589	396,092	389,405	785,497
Parks	124,082		124,082	124,082		124,082
Less accumulated depreciation	(962,953)	(1,889,964)	(2,852,917)	(1,044,912)	(1,982,233)	(3,027,145)
Total	1,522,811	1,892,598	3,415,409	1,656,363	1,866,798	3,523,161

Debt

At December 31, 2019, the Town had a total indebtedness of \$293,292 which is outlined below:

	Prior Year			At December 31, 2019		
	Government	Business-type	Total	Government	Business-type	Total
	Activities	Activities		Activities	Activities	
Leases payable	58,796	142,878	201,674	46,379	133,452	179,831
Accrued Compensated Absences	13,448		13,448	11,361		11,361
Loans payable	0	107,200	107,200	0	102,100	102,100
Total	72,244	250,078	322,322	57,740	235,552	293,292

**TOWN OF CALHAN**  
**Calhan, Colorado**  
**Management's Discussion and Analysis**  
**December 31, 2019**

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

The 2020 budget represents an attempt to maintain both core services and a sufficient fund balance. Increasing reserves is a large priority for the foreseeable future as the current reserves are not sufficient for our needs. The following factors were considered in compiling the 2020 budget:

- \* Most revenue line items were budgeted slightly higher, with sales tax having a larger percentage increase
- \* Expenditures have been budgeted close to the same for the last 3 years as the town tries to build reserves.
- \* Water and Sewer funds have budgeted improvements to the infrastructure.
- \* Grant funds have been budgeted for grants awarded but not yet expended in both the general fund and the sewer fund.
- \* Salaries will be increased minimally.
- \* Water and sewer revenue will be increased due to a rate increase. The priority of the board is to build reserves for both the water and sewer funds.

It is the hope of the Board of Trustees and the employees of the Town of Calhan that 2020 will keep improving as 2019 did.

While COVID-19 was not part of the 2020 budget discussions, the board understands the uncertainty this situation may have on the 2020 budget - revenues and expenses.

**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 the information provided in this report or requests for additional financial information should be addressed to the Town Treasurer, Town of Calhan, P.O. Box 236, Calhan, CO 80808.

## **BASIC FINANCIAL STATEMENTS**

TOWN OF CALHAN, COLORADO

STATEMENT OF NET POSITION  
December 31, 2019

	GOVERNMENTAL ACTIVITIES	BUSINESS TYPE ACTIVITIES	TOTAL
<b>ASSETS</b>			
Cash and Investments	\$ 55,366	\$ 204,703	\$ 260,069
Receivables			
Property Taxes	118,775	-	118,775
Other Governments	69,381	-	69,381
Accounts	6,443	40,783	47,226
Grants	-	-	-
Inventory	-	29,258	29,258
Investments - Long-term	-	138,813	138,813
Capital Assets, Not Depreciated	1,346	49,840	51,186
Capital Assets, Depreciated Net of Accumulated Depreciation	<u>1,655,017</u>	<u>1,816,958</u>	<u>3,471,975</u>
<b>TOTAL ASSETS</b>	<u>1,906,328</u>	<u>2,280,355</u>	<u>4,186,683</u>
<b>LIABILITIES</b>			
Accounts Payable	63,352	-	63,352
Accrued Salaries and Benefits	12,743	-	12,743
Customer Deposits	-	6,157	6,157
Noncurrent Liabilities			
Due in One Year	23,860	13,858	37,718
Due in More Than One Year	<u>33,880</u>	<u>221,694</u>	<u>255,574</u>
<b>TOTAL LIABILITIES</b>	<u>133,835</u>	<u>241,709</u>	<u>375,544</u>
<b>DEFERRED INFLOW OF RESOURCES</b>			
Deferred Property Tax Revenue	<u>118,775</u>	<u>-</u>	<u>118,775</u>
<b>NET POSITION</b>			
Net Investment in Capital Assets	1,609,984	1,631,246	3,241,230
Restricted for Debt Service	-	11,460	11,460
Restricted for Emergencies	23,300	-	23,300
Restricted for Parks and Recreation	16,389	-	16,389
Restricted for Street Improvements	76,616	-	76,616
Unrestricted, Unreserved	<u>(72,571)</u>	<u>395,940</u>	<u>323,369</u>
<b>TOTAL NET POSITION</b>	<u>\$ 1,653,718</u>	<u>\$ 2,038,646</u>	<u>\$ 3,692,364</u>

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

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TOWN OF CALHAN, COLORADO

STATEMENT OF ACTIVITIES  
Year Ended December 31, 2019

FUNCTIONS/PROGRAMS	EXPENSES	CHARGES FOR SERVICES	PROGRAM REVENUES	
			OPERATING GRANTS AND CONTRIBUTIONS	CAPITAL GRANTS AND CONTRIBUTIONS
<b>PRIMARY GOVERNMENT</b>				
<b>Governmental Activities</b>				
General Government	\$ 90,704	\$ 5,672	\$ -	\$ -
Judicial	14,212	-	-	-
Public Safety	326,577	29,162	6,215	-
Public Works	198,710	35,905	-	146,916
Parks and Recreation	49,892	300	9,497	-
Interest on Long-Term Debt	2,259	-	-	-
Total Governmental Activities	682,354	71,039	15,712	146,916
<b>Business-Type Activities</b>				
Water	263,422	297,571	-	-
Sewer	178,217	189,064	-	-
Interest on Long-Term Debt	10,971	-	-	-
Total Business-Type Activities	452,610	486,635	-	-
Total Primary Government	\$ 1,134,964	\$ 557,674	\$ 15,712	\$ 146,916

GENERAL REVENUES

Property Taxes

Sales Taxes

Franchise Taxes

Other Taxes

Interest

Miscellaneous

SPECIAL ITEMS

Insurance Claim Proceeds

TOTAL GENERAL REVENUES  
AND SPECIAL ITEMS

CHANGE IN NET POSITION

NET POSITION, Beginning

NET POSITION, Ending

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

NET (EXPENSE) REVENUE AND  
CHANGE IN NET POSITION

GOVERNMENTAL ACTIVITIES	BUSINESS-TYPE ACTIVITIES	TOTALS
\$ (85,032)	\$ -	\$ (85,032)
(14,212)	-	(14,212)
(291,200)	-	(291,200)
(15,889)	-	(15,889)
(40,095)	-	(40,095)
(2,259)	-	(2,259)
<u>(448,687)</u>	<u>-</u>	<u>(448,687)</u>
-	34,149	34,149
-	10,847	10,847
-	(10,971)	(10,971)
<u>-</u>	<u>34,025</u>	<u>34,025</u>
(448,687)	34,025	(414,662)
121,480	-	121,480
331,649	-	331,649
26,116	-	26,116
45,690	-	45,690
1,649	2,997	4,646
12,288	2,728	15,016
<u>5,688</u>	<u>-</u>	<u>5,688</u>
<u>544,560</u>	<u>5,725</u>	<u>550,285</u>
95,873	39,750	135,623
<u>1,557,845</u>	<u>1,998,896</u>	<u>3,556,741</u>
<u>\$ 1,653,718</u>	<u>\$ 2,038,646</u>	<u>\$ 3,692,364</u>

TOWN OF CALHAN, COLORADO

BALANCE SHEET  
GOVERNMENTAL FUNDS  
December 31, 2019

	GENERAL FUND	NONMAJOR GOVERNMENTAL CONSERVATION TRUST FUND	TOTALS
<b>ASSETS</b>			
Cash and Investments	\$ 38,977	\$ 16,389	\$ 55,366
Property Taxes Receivable	118,775	-	118,775
Due from Other Governments	69,381	-	69,381
Accounts Receivable	6,443	-	6,443
Grants Receivable	-	-	-
<b>TOTAL ASSETS</b>	<b>233,576</b>	<b>16,389</b>	<b>249,965</b>
<b>LIABILITIES, DEFERRED INFLOWS AND FUND EQUITY</b>			
<b>LIABILITIES</b>			
Accounts Payable	63,352	-	63,352
Accrued Salaries and Benefits	12,743	-	12,743
<b>TOTAL LIABILITIES</b>	<b>76,095</b>	<b>-</b>	<b>76,095</b>
<b>DEFERRED INFLOW OF RESOURCES</b>			
Deferred Property Tax Revenue	118,775	-	118,775
<b>FUND EQUITY</b>			
Fund Balance (Deficit)			
Restricted for Emergencies	23,300	-	23,300
Restricted for Parks and Recreation	-	16,389	16,389
Restricted for Street Improvements	76,616	-	76,616
Committed for Cemetery Improvements	14,983	-	14,983
Unassigned	(76,193)	-	(76,193)
<b>TOTAL FUND EQUITY</b>	<b>38,706</b>	<b>16,389</b>	<b>55,095</b>
<b>TOTAL LIABILITIES, DEFERRED INFLOWS, AND FUND EQUITY</b>	<b>\$ 233,576</b>	<b>\$ 16,389</b>	<b>\$ 249,965</b>

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

Total Fund Balances of Governmental Funds	55,095
Capital assets used in governmental activities are not financial resources and therefore, are not reported in the funds.	1,656,363
Long-term liabilities and related items are not due and payable in the current period and are not reported in the funds. These include capital leases (\$46,379) and accrued compensated absences (\$11,361).	(57,740)
<b>Net position of governmental activities</b>	<b>\$ 1,653,718</b>

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

TOWN OF CALHAN, COLORADO

STATEMENT OF REVENUES, EXPENDITURES  
AND CHANGES IN FUND BALANCES - GOVERNMENTAL FUNDS  
Year Ended December 31, 2019

	GENERAL FUND	NONMAJOR GOVERNMENTAL CONSERVATION TRUST FUND	TOTALS
REVENUES			
Taxes	\$ 479,245	\$ -	\$ 479,245
Licenses and Permits	15,437	-	15,437
Fines and Forfeitures	30,382	-	30,382
Charges for Services	25,220	-	25,220
Intergovernmental	198,821	9,497	208,318
Interest	1,592	57	1,649
Miscellaneous	17,976	-	17,976
TOTAL REVENUES	<u>768,673</u>	<u>9,554</u>	<u>778,227</u>
EXPENDITURES			
Current			
General Government	86,287	-	86,287
Judicial	14,212	-	14,212
Public Safety	313,976	-	313,976
Public Works	162,198	-	162,198
Parks and Recreation	16,755	6,795	23,550
Capital Outlay	215,511	-	215,511
Debt Service			
Principal	12,417	-	12,417
Interest	2,259	-	2,259
TOTAL EXPENDITURES	<u>823,615</u>	<u>6,795</u>	<u>830,410</u>
NET CHANGE IN FUND BALANCES	(54,942)	2,759	(52,183)
FUND BALANCES, Beginning	<u>93,648</u>	<u>13,630</u>	<u>107,278</u>
FUND BALANCES, Ending	<u>\$ 38,706</u>	<u>\$ 16,389</u>	<u>\$ 55,095</u>

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

TOWN OF CALHAN, COLORADO

RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES  
AND CHANGES IN FUND BALANCES - GOVERNMENTAL FUNDS  
TO THE STATEMENT OF ACTIVITIES  
Year Ended December 31, 2019

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

Net Changes in Fund Balances - Total Governmental Funds	\$ (52,183)
Governmental funds report capital outlays as expenditures. However, in the statement of activities, the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense. This is the amount by which capital outlay \$215,511 exceeded depreciation (\$81,959), in the current period.	133,552
Repayment of long-term debt principal is an expenditure in the governmental funds, but the repayment reduces long-term liabilities in the statement of net position. This includes payments of capital leases.	12,417
Some expense reported in the statement of activities do not require the use of current financial resources and, therefore, are not reported as expenditures in the governmental funds. This includes the change in accrued compensated absences.	<u>2,087</u>
Change in Net Position of Governmental Activities	<u>\$ 95,873</u>

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

TOWN OF CALHAN, COLORADO

STATEMENT OF NET POSITION  
 PROPRIETARY FUND TYPE  
 December 31, 2019

	WATER FUND	SEWER FUND	TOTALS
<b>ASSETS</b>			
<b>Current Assets</b>			
Cash and Investments	\$ 204,703	\$ -	\$ 204,703
Accounts Receivable, Net	19,117	21,666	40,783
Inventory	28,904	354	29,258
<b>Total Current Assets</b>	<b>252,724</b>	<b>22,020</b>	<b>274,744</b>
<b>Noncurrent Assets</b>			
Investments - Long-term	72,182	66,631	138,813
Capital Assets, Not Being Depreciated	-	49,840	49,840
Capital Assets, Net of Accumulated Depreciation	1,218,278	598,680	1,816,958
<b>Total Noncurrent Assets</b>	<b>1,290,460</b>	<b>715,151</b>	<b>2,005,611</b>
<b>TOTAL ASSETS</b>	<b>1,543,184</b>	<b>737,171</b>	<b>2,280,355</b>
<b>LIABILITIES</b>			
<b>Current Liabilities</b>			
Customer Deposits	6,157	-	6,157
Bonds Payable - Current Portion	5,500	-	5,500
Leases Payable - Current Portion	4,179	4,179	8,358
<b>Total Current Liabilities</b>	<b>15,836</b>	<b>4,179</b>	<b>20,015</b>
<b>Noncurrent Liabilities</b>			
Bonds Payable	96,600	-	96,600
Leases Payable	62,547	62,547	125,094
<b>Total Noncurrent Liabilities</b>	<b>159,147</b>	<b>62,547</b>	<b>221,694</b>
<b>TOTAL LIABILITIES</b>	<b>174,983</b>	<b>66,726</b>	<b>241,709</b>
<b>NET POSITION</b>			
Net Investment in Capital Assets Restricted for Debt Service	1,049,452	581,794	1,631,246
Unreserved	11,460	-	11,460
	307,289	88,651	395,940
<b>TOTAL NET POSITION</b>	<b>\$ 1,368,201</b>	<b>\$ 670,445</b>	<b>\$ 2,038,646</b>

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

TOWN OF CALHAN, COLORADO

STATEMENT OF REVENUES, EXPENSES  
AND CHANGES IN NET POSITION  
PROPRIETARY FUND TYPES  
Year Ended December 31, 2019

	WATER FUND	SEWER FUND	TOTALS
OPERATING REVENUES			
Charges for Services	\$ 287,814	\$ 189,064	\$ 476,878
Connection and Late Fees	9,757	-	9,757
Miscellaneous	1,604	1,124	2,728
	<hr/>	<hr/>	<hr/>
TOTAL OPERATING REVENUES	299,175	190,188	489,363
OPERATING EXPENSES			
Operations and Maintenance	177,808	138,831	316,639
Administrative and General	19,536	13,195	32,731
Depreciation	66,078	26,191	92,269
	<hr/>	<hr/>	<hr/>
TOTAL OPERATING EXPENSES	263,422	178,217	441,639
OPERATING INCOME	<hr/>	<hr/>	<hr/>
	35,753	11,971	47,724
NON-OPERATING REVENUES (EXPENSES)			
Interest Income	1,661	1,336	2,997
Interest Expense	(8,399)	(2,572)	(10,971)
	<hr/>	<hr/>	<hr/>
TOTAL NON-OPERATING REVENUES (EXPENSES)	(6,738)	(1,236)	(7,974)
CHANGE IN NET POSITION	<hr/>	<hr/>	<hr/>
	29,015	10,735	39,750
NET POSITION, Beginning	<hr/>	<hr/>	<hr/>
	1,339,186	659,710	1,998,896
NET POSITION, Ending	<hr/>	<hr/>	<hr/>
	\$ 1,368,201	\$ 670,445	\$ 2,038,646

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

TOWN OF CALHAN, COLORADO

STATEMENT OF CASH FLOWS  
 PROPRIETARY FUND TYPES  
 Year Ended December 31, 2019  
 Increase (Decrease) in Cash and Cash Equivalents

	WATER FUND	SEWER FUND	TOTALS
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>			
Cash Received from Customers	\$ 302,330	\$ 190,767	\$ 493,097
Cash Received from Others	1,604	1,124	2,728
Cash Paid to Suppliers	(101,751)	(62,188)	(163,939)
Cash Paid to Employees	(103,507)	(89,879)	(193,386)
Net Cash Provided by Operating Activities	<u>98,676</u>	<u>39,824</u>	<u>138,500</u>
<b>CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES</b>			
Purchase of Capital Assets	(47,776)	(18,699)	(66,475)
Loan Payments	(9,813)	(4,713)	(14,526)
Interest Payments	(8,399)	(2,566)	(10,965)
Net Cash (Used) by Capital and Related Financing Activities	<u>(65,988)</u>	<u>(25,978)</u>	<u>(91,966)</u>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>			
Interest Received	1,661	1,336	2,997
Sale (Purchase) of Investments	(40,649)	(15,182)	(55,831)
Net Cash Provided (Used) by Investing Activities	<u>(38,988)</u>	<u>(13,846)</u>	<u>(52,834)</u>
Net Increase (Decrease) in Cash and Cash Equivalents	(6,300)	-	(6,300)
CASH AND CASH EQUIVALENTS, Beginning	<u>211,003</u>	<u>-</u>	<u>211,003</u>
CASH AND CASH EQUIVALENTS, Ending	<u>\$ 204,703</u>	<u>\$ -</u>	<u>\$ 204,703</u>
<b>RECONCILIATION OF OPERATING INCOME TO NET CASH PROVIDED BY OPERATING ACTIVITIES</b>			
Operating Income	\$ 35,753	\$ 11,971	\$ 47,724
Adjustments to Reconcile Operating Income to Net Cash Provided by Operating Activities			
Depreciation and Amortization	66,078	26,191	92,269
Changes in Assets and Liabilities			
Accounts Receivable	3,589	1,703	5,292
Inventory	(7,914)	(41)	(7,955)
Customer Deposits	1,170	-	1,170
Total Adjustments	<u>62,923</u>	<u>27,853</u>	<u>90,776</u>
Net Cash Provided by Operating Activities	<u>\$ 98,676</u>	<u>\$ 39,824</u>	<u>\$ 138,500</u>

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

TOWN OF CALHAN, COLORADO

NOTES TO FINANCIAL STATEMENTS

December 31, 2019

**NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

**Nature of Operations**

The Town of Calhan (the "Town") is a Colorado statutory town (a municipal corporation), incorporated in 1919 and is governed by a Mayor and six member Board of Trustees elected by the residents. The Town provides public safety, public works, municipal court, parks and recreation, water, sewer, and general administrative services to its residents.

The accounting policies of the Town conform to generally accepted accounting principles 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. A summary of the Town's more significant accounting policies follows.

**Reporting Entity**

In accordance with governmental accounting standards, the Town has considered the possibility of including additional entities in its financial statements.

The definition of the reporting entity is based primarily on financial accountability. The Town is financially accountable for organizations that make up its legal entity. It is also financially accountable for legally separate organizations if the Town officials appoint a voting majority of the organization's governing body and either it is able to impose its will on that organization or there is a potential for the organization to provide specific financial benefits to, or to impose specific financial burdens on, the Town. The Town may also be financially accountable for organizations that are fiscally dependent upon it. Based on the application of the criteria, the Town does not include additional organizations in its report 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 nonfiduciary 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 net position reports all financial, capital and debt resources of the Town. The difference between assets plus deferred outflows, and liabilities plus deferred inflows of the Town is reported as net position.

TOWN OF CALHAN, COLORADO

NOTES TO FINANCIAL STATEMENTS

December 31, 2019

**NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES** (Continued)

**Government-Wide and Fund Financial Statements** (Continued)

The statement of activities demonstrates the degree to which the direct expenses and allocated indirect expenses of a 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.

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

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

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

Taxes, intergovernmental revenue and interest associated with the current fiscal year are considered to be susceptible to accrual and so have been recognized as revenues of the current fiscal year. Grant and similar revenues are recorded as revenues when all eligibility requirements are met, including any time requirements. Expenditure-driven grants are recognized as revenue when the qualifying expenditures have been incurred and all other eligibility requirements have been met. All other revenues are considered to be measurable and available only when cash is received by the Town.

TOWN OF CALHAN, 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)

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 proprietary fund's principal ongoing operations. Operating expenses for enterprise funds include the cost of sales and services, administrative expenses, and depreciation on capital assets. All revenues and expenses not meeting this definition are reported as nonoperating revenues and expenses or capital contributions.

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

The Town reports the following major governmental fund in the fund financial statements:

General Fund – The General Fund is used to account for the general operations and specific programs of the Town.

The Town reports the following major proprietary funds:

Water Fund – The Water Fund accounts for the financial activities associated with providing water services.

Sewer Fund – The Sewer Fund accounts for the financial activities associated with providing sewer services.

**Assets, Liabilities, Fund Balance/Net Assets**

*Cash and Investments* – For the purposes of reporting in the statement of cash flows, cash equivalents include certificates of deposit and investments with original maturities of three months or less. Investments are reported at fair value.

*Receivables* – Due from other governments and accounts receivable are reported at their gross value, and where appropriate, are reduced by the estimated portion that is expected to be uncollectible.

TOWN OF CALHAN, COLORADO

NOTES TO FINANCIAL STATEMENTS

December 31, 2019

**NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES** (Continued)

**Assets, Liabilities, Fund Balance/Net Assets** (Continued)

*Inventory* – Inventory is valued at cost using the first-in, first-out method in the proprietary funds. The cost of inventory is recorded as expense when consumed rather than when purchased.

*Capital Assets* – Capital assets, which include property, plant, buildings and related improvements, equipment, vehicles, and all infrastructure owned by the Town, are reported in the applicable government-wide or business-type activities columns of 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 more than \$2,500 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 estimated fair market value at the date of donation.

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

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

Land Improvements	10 – 20 years
Buildings	20 – 50 years
Infrastructure	40 years
Park Equipment and Improvements	10 – 20 years
Collection and Distribution Systems	10 – 50 years
Equipment, Machinery, and Vehicles	5 – 20 years

General infrastructure assets acquired prior to January 1, 2002 are not being reported in the basic financial statements. General infrastructure assets include all roads, bridges, and other infrastructure acquired subsequent to January 1, 2002.

*Compensated Absences* – Full-time employees of the Town are allowed to accumulate unused vacation and sick time. Vacation accumulates based on years of service. Sick time is accrued at a rate of twelve (12) days per year, up to a maximum of 36 days accumulation. Employees who accumulate in excess of 36 days are paid 50% of the days in excess at their current rate at the end of each year. Employees will be paid for all accrued vacation time, but not accumulated sick time, upon separation of employment. Therefore, no liability for accumulated sick time is reported in the financial statements. Accrued vacation time is recognized as current salary costs when earned in the proprietary funds and when due in the governmental funds. A long-term liability is reported in the government-wide financial statements for accrued compensated absences.

TOWN OF CALHAN, COLORADO

NOTES TO FINANCIAL STATEMENTS

December 31, 2019

**NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

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

*Long-Term Debt* - In the government-wide financial statements, and the proprietary funds financial statements, long-term debt and other long-term obligations are reported as liabilities in the applicable governmental activities, business-type activities, or proprietary fund statement of net position.

In the governmental fund financial statements, the face amount of debt issued is reported as other financing sources. Debt premiums and discounts are reported as other financing sources and uses, respectively. Issuance costs, whether or not withheld from the actual debt proceeds received, are reported as debt service expenditures. In the government-wide and proprietary funds, debt premiums and discounts are deferred and amortized over the life of the bonds using the straight-line method.

*Net Position* - In the government-wide and proprietary fund financial statements, net position is restricted when constraints placed on the net position are externally imposed.

- Net Investment in Capital Assets - this classification is intended to report the portion of net position which is associated with non-liquid, capital assets less outstanding debt related to those capital assets.
- Restricted Net Position - this classification includes liquid assets which have third party limitations on their use.
- Unrestricted Net Position - this classification includes assets that do not have any third party limitation on their use.

*Fund Balance Classification* - The governmental fund financial statements present fund balances based on classifications that comprise a hierarchy that is based primarily on the extent to which the Town is bound to honor constraints on the specific purposes for which amounts in the respective governmental funds can be spent. The classifications used in the governmental fund financial statements are as follows:

- Nonspendable - This classification includes amounts that cannot be spent because they are either (a) not in spendable form (such as prepaid items) or (b) are legally or contractually required to be maintained intact.
- Restricted - This classification includes amounts for which constraints have been placed on the use of the resources either (a) externally imposed by creditors (such as through a debt covenant), grantors, contributors or laws or regulations of other governments, or (b) imposed by law through constitutional provisions or enabling legislation.

TOWN OF CALHAN, COLORADO

NOTES TO FINANCIAL STATEMENTS

December 31, 2019

**NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

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

- Committed – This classification includes amounts that can be used only for specific purposes pursuant to constraints imposed by formal action of the Town’s highest level of decision-making authority, the Town Board of Trustees. The constraint may be removed or changed only through formal action of the Town Board of Trustees.
- Assigned – This classification includes amounts that are constrained by the Town’s intent to be used for specific purposes, but is neither restricted nor committed. Intent is expressed by the Town Board of Trustees to be used for a specific purpose. Constraints imposed on the use of assigned amounts are more easily removed or changed than those imposed on committed amounts.
- Unassigned – This classification includes the residual fund balance for the General Fund. The unassigned classification also includes negative residual fund balance of any other governmental fund that cannot be eliminated by offsetting of assigned fund balance amounts.

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

**Property Taxes**

Property taxes attach as an enforceable lien on property on January 1, are levied the following December, and are 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, a receivable and corresponding deferred inflow of resources are reported at December 31.

**Use of Estimates**

The preparation of the basic financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results could differ from those estimates.

TOWN OF CALHAN, COLORADO

NOTES TO FINANCIAL STATEMENTS

December 31, 2019

**NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

**Subsequent Events**

The Town has evaluated events subsequent to the year ended December 31, 2019 through June 24, 2020, the date of these financial statements were issued, and has incorporated any required recognition into these financial statements.

In addition, On January 30, 2020, the World Health Organization declared the coronavirus outbreak a "Public Health Emergency of International Concern" and on March 10, 2020, declared it to be a pandemic. Actions taken around the world to help mitigate the spread of the coronavirus include restrictions on travel, quarantines in certain areas, and forced closures of certain types of public places and businesses. The coronavirus and actions taken to mitigate it have had and are expected to continue to have an adverse impact on the economies and financial markets of many countries, including the geographical area in which the Town is located. It is unknown how long these conditions will last and what the complete financial effect will be to the Town.

**NOTE 2: CASH AND INVESTMENTS**

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

Cash Deposits	\$ 376,605
Investments	<u>22,277</u>
Total	<u>\$ 398,882</u>

Cash is reported in the financial statements as follows:

Cash and Investments	\$ 260,069
Investments – Long-term	<u>138,813</u>
Total	<u>\$ 398,882</u>

**Cash Deposits**

The Colorado Public Deposit Protection Act (PDPA) requires that all local government entities deposit cash in eligible public depositories. Eligibility is determined by State regulations. Amounts on deposit in excess of Federal Deposit Insurance Corporation (FDIC) levels must be collateralized by eligible collateral as determined by the PDPA. The FDIC insures depositors up to \$250,000 for each financial institution. 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

TOWN OF CALHAN, COLORADO

NOTES TO FINANCIAL STATEMENTS

December 31, 2019

**NOTE 2: CASH AND INVESTMENTS (Continued)**

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 totaling \$383,166 of which \$250,000 were insured by FDIC, and \$133,166 were collateralized with securities held by the financial institution's agent but not in their name.

**Investments**

The Town has not adopted a formal investment policy; however, the Town follows State statutes regarding investments. The Town generally limits its concentration of investments to Local Government Investment Pools, obligations of the United States and certain U.S. government agency securities, which are believed to have a minimal credit risk; minimal interest rate risk and no foreign currency risk. Additionally, the Town is not subject to concentration risk disclosure requirements or subject to investment custodial credit risk for investments that are in the possession of another party.

Colorado revised statutes limit investment maturities to five years or less unless formally approved by the Town Board of Trustees, such actions are generally associated with debt service reserve or sinking fund requirements.

State statutes specify investment instruments meeting defined rating, maturity and concentration risk criteria in which local governments may invest which include the following:

- 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
- Banker's acceptances of certain banks
- Commercial paper
- Local government investment pools
- Written repurchase agreements collateralized by certain authorized securities
- Certain money market funds
- Guaranteed investment contracts

The Town measures and records its investments using fair market value measurement guidelines established by generally accepted accounting principles, except for local government investment pools, which are recorded using the net asset value method. These guidelines recognize a three-tiered fair value hierarchy, as follows:

- Level 1: Quoted prices for identical investment in active markets;
- Level 2: Observable inputs other than quoted market prices; and,
- Level 3: Unobservable inputs.

TOWN OF CALHAN, COLORADO

NOTES TO FINANCIAL STATEMENTS

December 31, 2019

**NOTE 2: CASH AND INVESTMENTS (Continued)**

**Investments (Continued)**

The Town had \$20,419 invested through a secondary market in a liquid insured deposit that is FDIC insured. The investment in the liquid insured deposit is categorized as a Level 1 investment.

At December 31, 2019, the Town had the following investment:

	<u>Maturity</u>	<u>2019</u>
Colorado Liquid Asset Trust (COLOTRUST)	Weighted Average under 60 days	<u>\$ 1,858</u>

The Town invested in the Colorado Local Government Liquid Asset Trust (COLOTRUST) (the "Trust"), an investment vehicle established for local government entities in Colorado to pool surplus funds. The State Securities Commissioner administers and enforces all State statutes governing the Trust. The Trust operates similarly to a money market fund and each share is equal in value to \$1.00. The Trust offers share in two portfolios, COLOTRUST PRIME and COLOTRUST PLUS+. Both portfolios may invest in U.S. Treasury and repurchase agreements collateralized by U.S. Treasury securities. COLOTRUST PLUS+ may also invest in certain obligations of U.S. government agencies, highest rated commercial paper and any security allowed under CRS 24-75-601. A designated custodial bank serves as custodian for the Trust's portfolios pursuant to a custodian agreement. The custodian acts as the safekeeping agent for the Trust's investment portfolios and provides services as the depository in connection with direct investments and withdrawals. The custodian's internal records segregate investments owned by the Trust. COLOTRUST is rated AAA by Standard and Poor's. COLOTRUST records its investments at fair value and the Town records its investments in COLOTRUST using the net asset value method. There are no unfunded commitments, the redemption frequency is daily and there is no redemption notice period.

TOWN OF CALHAN, COLORADO

NOTES TO FINANCIAL STATEMENTS  
December 31, 2019

**NOTE 3: CAPITAL ASSETS**

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

	Balances 12/31/2018	Additions	Deletions	Balances 12/31/2019
<b>Governmental Activities:</b>				
Capital Assets, not being depreciated				
Land	\$ 1,346	\$ -	\$ -	\$ 1,346
Capital Assets, being depreciated				
Land Improvements	179,902	-	-	179,902
Buildings	547,081	-	-	547,081
Infrastructure	1,242,600	210,172	-	1,452,772
Park Equipment and Improvements	124,082	-	-	124,082
Equipment and Vehicles	390,753	5,339	-	396,092
Total Capital Assets, being depreciated	<u>2,484,418</u>	<u>215,511</u>	<u>-</u>	<u>2,699,929</u>
Less accumulated depreciation				
Land Improvements	(81,932)	(8,476)	-	(90,408)
Buildings	(335,241)	(8,484)	-	(343,725)
Infrastructure	(196,849)	(35,456)	-	(232,305)
Park Equipment and Improvements	(79,649)	(6,254)	-	(85,903)
Equipment and Vehicles	(269,282)	(23,289)	-	(292,571)
Total accumulated depreciation	<u>(962,953)</u>	<u>(81,959)</u>	<u>-</u>	<u>(1,044,912)</u>
Total Capital Assets, being depreciated, net	<u>1,521,465</u>	<u>133,552</u>	<u>-</u>	<u>1,655,017</u>
Governmental Activities Capital Assets, net	<u>\$ 1,522,811</u>	<u>\$ 133,552</u>	<u>\$ -</u>	<u>\$ 1,656,363</u>

Depreciation expense was charged to the functions/programs as follows:

General Government	\$ 4,417
Public Safety	14,688
Public Works	36,512
Parks and Recreation	<u>26,342</u>
<b>Total</b>	<b><u>\$ 81,959</u></b>

TOWN OF CALHAN, COLORADO

NOTES TO FINANCIAL STATEMENTS  
December 31, 2019

**NOTE 3: CAPITAL ASSETS (Continued)**

	Balances 12/31/2018	Additions	Deletions	Balances 12/31/2019
<b>Business-type Activities:</b>				
Capital Assets, not being depreciated				
Land	\$ 49,840	\$ -	\$ -	\$ 49,840
Capital Assets, being depreciated				
Collection and Distribution Systems	3,143,773	55,900		3,199,673
Buildings	210,113	-	-	210,113
Machinery and Equipment	378,836	10,569	-	389,405
Total Capital Assets, being depreciated	<u>3,732,722</u>	<u>66,469</u>	<u>-</u>	<u>3,799,191</u>
Less accumulated depreciation				
Collection and Distribution Systems	(1,638,868)	(67,082)		(1,705,950)
Buildings	(41,618)	(4,380)	-	(45,998)
Machinery and Equipment	(209,478)	(20,807)	-	(230,285)
Total accumulated depreciation	<u>(1,889,964)</u>	<u>(92,269)</u>	<u>-</u>	<u>(1,982,233)</u>
Total Capital Assets, being depreciated, net	<u>1,842,758</u>	<u>(25,800)</u>	<u>-</u>	<u>1,816,958</u>
Business-type Activities Capital Assets, net	<u><u>\$ 1,892,598</u></u>	<u><u>\$ (25,800)</u></u>	<u><u>\$ -</u></u>	<u><u>\$ 1,866,798</u></u>

Depreciation expense for the Business-type Activities was charged to the functions/programs as follows:

Water Fund	\$ 66,078
Sewer Fund	<u>26,191</u>
Total	<u><u>\$ 92,269</u></u>

TOWN OF CALHAN, COLORADO

NOTES TO FINANCIAL STATEMENTS

December 31, 2019

**NOTE 4: LONG-TERM DEBT**

**Governmental Activities**

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

	<u>Balance</u> <u>12/31/2018</u>	<u>Additions</u>	<u>Deletions</u>	<u>Balance</u> <u>12/31/2019</u>	<u>Due Within</u> <u>One Year</u>
<b>Governmental Activities</b>					
Capital Leases	\$ 58,796	\$ -	\$ 12,417	\$ 46,379	\$ 12,499
Accrued Compensated Absences	13,448	9,911	11,998	11,361	11,361
	<u><u>\$ 72,244</u></u>	<u><u>\$ 9,911</u></u>	<u><u>\$ 24,415</u></u>	<u><u>\$ 57,740</u></u>	<u><u>\$ 23,860</u></u>

Compensated absences are expected to be liquidated primarily with revenues of the General Fund.

**Capital Leases**

The Town has entered into capital lease agreements to purchase a building and police vehicles. These leases bear interest at rates ranging from 3.50% to 3.85% per annum, and mature between September 2021 and September 2032. Capital assets totaling \$75,747 less accumulated depreciation of \$12,819 are reported in the financial statements under these lease agreements. Following is a schedule of future minimum lease payments required under the outstanding capital leases at December 31, 2019.

Year Ended December 31

2020	\$ 14,067
2021	9,426
2022	2,930
2023	2,930
2024	2,930
2025 - 2029	15,099
2030 - 2032	8,132
Total Minimum Lease Payments	55,514
Less: Interest	(9,135)
Present Value of Future Minimum Lease Payments	<u><u>\$ 46,379</u></u>

TOWN OF CALHAN, COLORADO

NOTES TO FINANCIAL STATEMENTS  
December 31, 2019

**NOTE 4: LONG-TERM DEBT (Continued)**

	Balance 12/31/2018	Additions	Deletions	Balance 12/31/2019	Due Within One Year
<b>Business-type Activities</b>					
1992 Water Revenue Bonds	\$ 107,200	\$ -	5,100	\$ 102,100	\$ 5,500
Capital Leases	142,878	-	9,426	133,452	8,358
	<u>\$ 250,078</u>	<u>\$ -</u>	<u>\$ 14,526</u>	<u>\$ 235,552</u>	<u>\$ 13,858</u>

**Water Revenue Bonds**

During 1992, the Town issued Water Revenue Bonds in the principal amount of \$175,200 for the construction of certain water system improvements. Principal and interest payments are due semi-annually on February 1, and August 1, through August 1, 2032. Interest accrues at a rate of 5.5% per annum. The bonds required a reserve fund be established in the total amount of \$11,460, which is reported as restricted net position in the water fund. The bonds are payable solely from revenues of the Town's water utility system, after deducting operation and maintenance costs. During the year ended December 31, 2019, net revenues of \$119,763 were available to pay annual debt service of \$11,041. Remaining debt service at December 31, 2019 was \$144,445. Following is a summary of the water revenue bonds future debt service requirements for the business-type activities for the year ended December 31, 2019.

<u>Year Ended December 31</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2020	\$ 5,500	\$ 5,541	\$ 11,041
2021	5,700	5,236	10,936
2022	6,100	4,917	11,017
2023	6,500	4,576	11,076
2024	6,900	4,213	11,113
2025 - 2029	40,800	14,842	55,642
2030 - 2032	30,600	3,020	33,620
	<u>\$ 102,100</u>	<u>\$ 42,345</u>	<u>\$ 144,445</u>

TOWN OF CALHAN, COLORADO

NOTES TO FINANCIAL STATEMENTS

December 31, 2019

**NOTE 4: LONG-TERM DEBT (Continued)**

**Business-type Activities (Continued)**

**Capital Leases**

The Town has entered into capital lease agreements to purchase a building and an auto-dialer system for the water and sewer systems. The building lease bears interest at rates of 3.75% per annum, and matures September, 2032. Capital assets totaling \$174,680 less accumulated depreciation of \$25,622 are reported in the financial statements under these lease agreements. Following is a schedule of future minimum lease payments required under the outstanding capital leases at December 31, 2019.

Year Ended December 31

2020	\$ 13,347
2021	13,684
2022	13,684
2023	13,696
2024	13,700
2025 - 2029	66,734
2030 - 2032	<u>35,491</u>
Total Minimum Lease Payments	170,336
Less: Interest	<u>(36,884)</u>
Present Value of Future Minimum Lease Payments	<u><u>\$ 133,452</u></u>

**NOTE 5: 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 is involved with 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 provision of 24-10-115.5, Colorado Revised Statutes (1982 Replacement Volume) and 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 in preventing and reducing 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.

TOWN OF CALHAN, COLORADO

NOTES TO FINANCIAL STATEMENTS

December 31, 2019

**NOTE 5: PUBLIC ENTITY RISK POOL (Continued)**

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. CIRSA is a separate legal entity and the Town does not approve budgets nor does it have the ability to significantly affect the operations of entity.

**NOTE 6: PENSION PLANS**

**Defined Contribution Pension Plan**

The Town contributes to a single employer defined contribution money purchase pension plan on behalf of its employees. The contribution requirements of the Plan participants and the Town are established and may be amended by the Town Board of Trustees. The Plan is administered by Pershing, LLC. Employees are eligible to participate after one year of service. The Town will match up to 3% of the employee's contribution. Employees are fully vested in the Town's contributions immediately. During the year ended December 31, 2019, employee contributions totaled \$9,371 and the Town recognized pension expense of \$9,441.

**NOTE 7: COMMITMENTS AND CONTINGENCIES**

**Tabor Amendment**

Colorado voters passed an amendment to the State Constitution, Article X, Section 20 (the "Amendment"), which has several limitations, including revenue raising, spending abilities, and other specific requirements of state and local government. The Amendment requires, with certain exceptions, advance voter approval for any new tax, tax rate increase, mill levy above that for the prior year, extension of an expiring tax, or tax policy change directly causing a net tax revenue gain to the Town. Revenue in excess of the fiscal spending limit must be refunded in the next fiscal year unless voters approve retention of such revenue.

TOWN OF CALHAN, COLORADO

NOTES TO FINANCIAL STATEMENTS

December 31, 2019

**NOTE 7: COMMITMENTS AND CONTINGENCIES (Continued)**

**Tabor Amendment (Continued)**

In April 1996, voters within the Town authorized the Town to levy a mill of 17.683 mills and to collect, retain and expend the full amount of revenues generated during 1995 and each subsequent year, and to spend such revenues for (a) snow removal, (b) street sweeping, (c) street construction, repair and maintenance, (d) capital improvements, (e) police protection, (f) storm drainage, (g) parks and recreation, and (h) other municipal services, without limiting in any year the amount of other revenues that may be collected and spent by the Town under provisions of the Amendment.

In November 2012, the voters approved collection and spending of a one (1) percent sales and use tax, commencing January 1, 2013, without any limitations of the Amendment.

The Town's management believes it is in compliance with the provisions of the Amendment. However, the Amendment is complex and subject to interpretation. Many of its provisions may require judicial interpretation.

The Town has established an emergency reserve, representing 3% of qualifying expenditures, as required by the Amendment. At December 31, 2019, the emergency reserve of \$23,300 was reported as restricted fund balance in the General Fund.

**Claims and Judgments**

The Town participates in a number of federal, state, and local programs that are fully or partially funded by grants received from other governmental entities. Expenses financed by grants are subject to audit by the appropriate grantor government. If expenses are disallowed due to noncompliance with grant program regulations, the Town may be required to reimburse the grantor government. At December 31, 2019, significant amounts of grant expenses have not been audited but management believes that subsequent audits will not have a material effect on the overall financial position of the Town.

## REQUIRED SUPPLEMENTARY INFORMATION

TOWN OF CALHAN, COLORADO

GENERAL FUND  
 BUDGETARY COMPARISON SCHEDULE  
 Year Ended December 31, 2019  
 (With Comparative Totals for December 31, 2018)

	2019			2018
	ORIGINAL AND FINAL BUDGET	ACTUAL	VARIANCE Positive (Negative)	ACTUAL
REVENUES				
Taxes	\$ 392,230	\$ 479,245	\$ 87,015	\$ 382,477
Licenses and Permits	14,100	15,437	1,337	12,473
Fines and Forfeitures	50,960	30,382	(20,578)	50,033
Charges for Services	9,425	25,220	15,795	6,370
Intergovernmental	176,747	198,821	22,074	61,032
Interest	1,100	1,592	492	1,125
Miscellaneous	12,500	17,976	5,476	31,382
TOTAL REVENUES	657,062	768,673	111,611	544,892
EXPENDITURES				
Current				
General Government	87,531	86,287	1,244	74,564
Judicial	10,862	14,212	(3,350)	15,408
Public Safety	307,577	313,976	(6,399)	300,958
Public Works	229,061	162,198	66,863	90,685
Parks and Recreation	13,959	16,755	(2,796)	13,028
Capital Outlay	120,000	215,511	(95,511)	37,327
Debt Service				
Principal	14,878	12,417	2,461	24,437
Interest	-	2,259	(2,259)	1,996
TOTAL EXPENDITURES	783,868	823,615	(39,747)	558,403
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	(126,806)	(54,942)	71,864	(13,511)
OTHER FINANCING SOURCES				
Capital Lease Proceeds	-	-	-	31,500
NET CHANGE IN FUND BALANCE	(126,806)	(54,942)	71,864	17,989
FUND BALANCE, Beginning	126,806	93,648	(33,158)	75,659
FUND BALANCE, Ending	\$ -	\$ 38,706	\$ 38,706	\$ 93,648

See the accompanying Independent Auditor's Report.

TOWN OF CALHAN, COLORADO

NOTES TO REQUIRED SUPPLEMENTARY INFORMATION  
December 31, 2019

**NOTE 1: STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY**

**Budgets**

Budgets are legally adopted for all funds of the Town. Budgets for 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 long-term debt principal are budgeted as expenditures and depreciation is not budgeted.

The Town follows these procedures in establishing the budgetary data reflected in the financial statements:

- In September, Management submits to the Town 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 and public comments.
- Prior to December 31, the budget is legally enacted through passage of an ordinance.
- Management is authorized to transfer budgeted amounts between departments within any fund. However, any revisions that alter the total expenditures must be approved by the Town Board of Trustees.
- All budget appropriations lapse at year end. Colorado governments may not exceed budgeted appropriations at the fund level.

**Legal Compliance**

For the year ended December 31, 2019, the General Fund actual expenditures exceeded budgeted expenditures by \$39,747. This may be a violation of State statutes.

## **SUPPLEMENTARY INFORMATION**

TOWN OF CALHAN, COLORADO  
 CONSERVATION TRUST FUND  
 BUDGETARY COMPARISON SCHEDULE  
 Year Ended December 31, 2019  
 (With Comparative Totals for December 31, 2018)

	2019		VARIANCE Positive (Negative)	2018
	ORIGINAL AND FINAL BUDGET	ACTUAL		ACTUAL
REVENUES				
Lottery Revenues	\$ 8,000	\$ 9,497	\$ 1,497	\$ 8,505
Interest	50	57	7	59
TOTAL REVENUES	<u>8,050</u>	<u>9,554</u>	<u>1,504</u>	<u>8,564</u>
EXPENDITURES				
Parks and Recreation	<u>15,920</u>	<u>6,795</u>	<u>9,125</u>	<u>8,897</u>
TOTAL EXPENDITURES	<u>15,920</u>	<u>6,795</u>	<u>9,125</u>	<u>8,897</u>
NET CHANGE IN FUND BALANCE	(7,870)	2,759	10,629	(333)
FUND BALANCE, Beginning	<u>7,870</u>	<u>13,630</u>	<u>5,760</u>	<u>13,963</u>
FUND BALANCE, Ending	<u>\$ -</u>	<u>\$ 16,389</u>	<u>\$ 16,389</u>	<u>\$ 13,630</u>

See the accompanying Independent Auditor's Report.

TOWN OF CALHAN, COLORADO  
WATER FUND  
BUDGETARY COMPARISON SCHEDULE  
Year Ended December 31, 2019  
(With Comparative Totals for December 31, 2018)

	2019		VARIANCE Positive (Negative)	2018
	ORIGINAL AND FINAL BUDGET	ACTUAL		ACTUAL
<b>REVENUES</b>				
Charges for Services	\$ 285,000	\$ 287,814	\$ 2,814	\$ 299,517
Connection and Late Fees	7,000	9,757	2,757	10,133
Tap Fees	2,200	-	(2,200)	4,400
System Development Fees	800	-	(800)	1,600
Investment Income	300	1,661	1,361	1,045
Grant Revenue	-	-	-	10,000
Miscellaneous	-	1,604	1,604	6,728
<b>TOTAL REVENUES</b>	<b>295,300</b>	<b>300,836</b>	<b>5,536</b>	<b>333,423</b>
<b>EXPENDITURES</b>				
Operations and Maintenance	316,618	177,808	138,810	177,250
Administration and General	17,650	19,536	(1,886)	19,281
Capital Outlay	10,000	47,776	(37,776)	98,309
Debt Service				
Principal	4,900	9,813	(4,913)	12,437
Interest	13,524	8,399	5,125	8,968
<b>TOTAL EXPENDITURES</b>	<b>362,692</b>	<b>263,332</b>	<b>99,360</b>	<b>316,245</b>
<b>NET INCOME, Budget Basis</b>	<b>\$ (67,392)</b>	<b>37,504</b>	<b>\$ 37,504</b>	<b>17,178</b>
<b>GAAP BASIS ADJUSTMENTS</b>				
Capital Outlay		47,776		98,309
Depreciation		(66,078)		(59,956)
Principal Paid on Long-Term Debt		9,813		12,437
<b>NET INCOME, GAAP Basis</b>		<b>29,015</b>		<b>67,968</b>
<b>NET POSITION, Beginning</b>		<b>1,339,186</b>		<b>1,271,218</b>
<b>NET POSITION, Ending</b>		<b>\$ 1,368,201</b>		<b>\$ 1,339,186</b>

See the accompanying Independent Auditor's Report.

TOWN OF CALHAN, COLORADO  
 SEWER FUND  
 BUDGETARY COMPARISON SCHEDULE  
 Year Ended December 31, 2019  
 (With Comparative Totals for December 31, 2018)

	2019		VARIANCE Positive (Negative)	2018
	ORIGINAL AND FINAL BUDGET	ACTUAL		ACTUAL
<b>REVENUES</b>				
Charges for Services	\$ 194,000	\$ 189,064	\$ (4,936)	\$ 193,728
Tap Fees	2,200	-	(2,200)	-
System Development Fees	800	-	(800)	-
Investment Income	200	1,336	1,136	537
Grants	40,000	-	(40,000)	-
Miscellaneous	-	1,124	1,124	3,000
<b>TOTAL REVENUES</b>	<b>237,200</b>	<b>191,524</b>	<b>(45,676)</b>	<b>197,265</b>
<b>EXPENDITURES</b>				
Operations and Maintenance	148,189	138,831	9,358	142,095
Administration and General	14,250	13,195	1,055	14,581
Capital Outlay	40,000	18,699	21,301	44,895
Debt Service				
Principal	7,424	4,713	2,711	7,535
Interest	-	2,572	(2,572)	2,870
Contingency Reserve	82,173	-	82,173	-
<b>TOTAL EXPENDITURES</b>	<b>292,036</b>	<b>178,010</b>	<b>114,026</b>	<b>211,976</b>
<b>NET INCOME, Budget Basis</b>	<b>\$ (54,836)</b>	<b>13,514</b>	<b>\$ 68,350</b>	<b>(14,711)</b>
<b>GAAP BASIS ADJUSTMENTS</b>				
Capital Outlay		18,699		44,895
Depreciation		(26,191)		(24,622)
Principal Paid on Long-term Debt		4,713		7,535
<b>NET INCOME, GAAP Basis</b>		<b>10,735</b>		<b>13,097</b>
<b>NET POSITION, Beginning</b>		<b>659,710</b>		<b>646,613</b>
<b>NET POSITION, Ending</b>		<b>\$ 670,445</b>		<b>\$ 659,710</b>

See the accompanying Independent Auditor's Report.

## OTHER INFORMATION

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

<b>LOCAL HIGHWAY FINANCE REPORT</b>	City or County: Calhan
	YEAR ENDING : December 2019
This Information From The Records Of Town of Calhan:	Prepared By: Cindy Tompkins Phone:

**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)	295,822
a. Motor Fuel (from Item I.A.5.)		2. Maintenance:	18,219
b. Motor Vehicle (from Item I.B.5.)		3. Road and street services:	
c. Total (a.+b.)		a. Traffic control operations	0
2. General fund appropriations		b. Snow and ice removal	4,500
3. Other local imposts (from page 2)	273,074	c. Other	14,928
4. Miscellaneous local receipts (from page 2)	9,762	d. Total (a. through c.)	19,428
5. Transfers from toll facilities		4. General administration & miscellaneous	43,084
6. Proceeds of sale of bonds and notes:		5. Highway law enforcement and safety	96,617
a. Bonds - Original Issues		6. Total (1 through 5)	473,170
b. Bonds - Refunding Issues		<b>B. Debt service on local obligations:</b>	
c. Notes		1. Bonds:	
d. Total (a. + b. + c.)	0	a. Interest	
7. Total (1 through 6)	282,836	b. Redemption	
<b>B. Private Contributions</b>		c. Total (a. + b.)	0
<b>C. Receipts from State government</b> (from page 2)	43,417	2. Notes:	
<b>D. Receipts from Federal Government</b> (from page 2)	146,916	a. Interest	
<b>E. Total receipts (A.7 + B + C + D)</b>	473,170	b. Redemption	
		c. Total (a. + b.)	0
		3. Total (1.c + 2.c)	0
		<b>C. Payments to State for highways</b>	
		<b>D. Payments to toll facilities</b>	
		<b>E. Total disbursements (A.6 + B.3 + C + D)</b>	473,170

**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
		473,170	473,170		(0)

**Notes and Comments:**

See the accompanying Independent Auditor's Report.

<b>LOCAL HIGHWAY FINANCE REPORT</b>		STATE: Colorado	
		YEAR ENDING (mm/yy): December 2019	
<b>II. RECEIPTS FOR ROAD AND STREET PURPOSES - DETAIL</b>			
<b>ITEM</b>	<b>AMOUNT</b>	<b>ITEM</b>	<b>AMOUNT</b>
<b>A.3. Other local imposts:</b>		<b>A.4. Miscellaneous local receipts:</b>	
a. Property Taxes and Assessments	32,502	a. Interest on investments	
b. Other local imposts:		b. Traffic Fines & Penalties	8,749
1. Sales Taxes	227,432	c. Parking Garage Fees	
2. Infrastructure & Impact Fees		d. Parking Meter Fees	
3. Liens		e. Sale of Surplus Property	
4. Licenses		f. Charges for Services	
5. Specific Ownership &/or Other	13,140	g. Other Misc. Receipts	
6. Total (1. through 5.)	240,572	h. Other road and bridge	1,014
c. Total (a. + b.)	273,074	i. Total (a. through h.)	9,762
	(Carry forward to page 1)		(Carry forward to page 1)
<b>III. DISBURSEMENTS FOR ROAD AND STREET PURPOSES - DETAIL</b>			
<b>ITEM</b>	<b>AMOUNT</b>	<b>ITEM</b>	<b>AMOUNT</b>
<b>C. Receipts from State Government</b>		<b>D. Receipts from Federal Government</b>	
1. Highway-user taxes	39,750	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	3,667	d. Federal Transit Admin	
d. Other (Specify) - DOLA Grant		e. U.S. Corps of Engineers	
e. Other (Specify)		f. Other Federal - CDBG	146,916
f. Total (a. through e.)	3,667	g. Total (a. through f.)	146,916
4. Total (1. + 2. + 3.f)	43,417	3. Total (1. + 2.g)	
			(Carry forward to page 1)
		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		295,822	295,822
(3). System Preservation			0
(4). System Enhancement & Operation			0
(5). Total Construction (1) + (2) + (3) + (4)		0	295,822
d. Total Capital Outlay (Lines 1.a. + 1.b. + 1.c.5)		0	295,822
			(Carry forward to page 1)
<b>Notes and Comments:</b>			

See the accompanying Independent Auditor's Report.