

Town of Fleming, Colorado

Financial Statements

For the Year Ended December 31, 2019

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Independent Auditors' Report

To the Honorable Mayor and Members of Town Council
Town of Fleming
Fleming, 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 Fleming (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 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 entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, 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.

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 as of December 31, 2019, and the respective changes in financial position and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis and budgetary comparison information 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 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.

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. The other 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.

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

Lauer, Szabo & Associates, P.C.

Sterling, Colorado
April 1, 2020

MANAGEMENT DISCUSSION AND ANALYSIS

This section of the Town of Fleming, Colorado's annual financial report presents the discussion and analysis of the financial performance for the fiscal year that ended December 31, 2019.

FINANCIAL HIGHLIGHTS

- The Town of Fleming remains in good financial condition.
- The assets of the Town of Fleming exceeded its liabilities at the close of 2019 by \$2,007,957 (net position). Of this amount \$350,574 or 17% is unrestricted and may be used to meet the Town's ongoing obligations to citizens and creditors.
- During the year, the Town's revenue from taxes and other revenues for governmental activities were more than the expenses by \$64,754.

OVERVIEW OF THE FINANCIAL STATEMENTS

This discussion and analysis is intended to serve as an introduction to the Town of Fleming's basic financial statements. The Town of Fleming's basic financial statements are comprised of three components:

- Government-wide financial statements
- Fund financial statements.
- Notes to the financial statements.

This report also contains other supplementary information in addition to the basic financial statements themselves.

Government-wide financial statements

The government-wide statements report information about the Town as a whole using accounting methods similar to those used by private-sector companies.

The **statement of net position** presents information on all of the Town of Fleming's assets and liabilities, with the difference between the two reported as net position. Over time, increases or decreases in net position may serve as a useful indicator of whether the financial position of the Town of Fleming is improving or deteriorating.

The **statement of activities** presents information showing how the Town of Fleming's net position changed during the most recent fiscal year. All changes in net position are reported as soon as the underlying event giving rise to the change occurs, regardless of the timing of related cash flows. Thus, revenues and expenses reported in this statement for some items will result in cash flows in future fiscal periods (e.g., uncollected taxes.)

The government-wide financial statements of the Town are divided into two categories:

- **Governmental activities.** Most of the Town's basic services are included here, such as the public works, parks, recreation, and general administration. Property tax, franchise tax, intergovernmental revenue and charges for services finance most of these activities.
- **Business-type activities.** The Town charges fees to customers to recover most of the costs of certain services provided. The Town's electric, water, and sewer systems are included here.

The government-wide financial statements can be found starting on page 10 of this report.

Fund Financial Statements

A fund is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. Some funds are required to be established by State law; however, Town Council has established other funds to help control and manage money for particular purposes or to show that it is properly using certain revenue (the Conservation Trust Fund). All of the funds of the Town of Fleming can be divided into two categories: governmental funds and proprietary funds.

Governmental funds. Most of the Town's basic services are reported in governmental funds, which focus on how money flows into and out of those funds and the balances left at year-end are available for spending. The funds are reported using an accounting method called modified accrual accounting, which measures cash and all other financial assets that can readily be converted to cash. The governmental funds statement provides a detailed, short-term view to cash, the governmental fund operations and the basic services it provides. Governmental fund information helps you determine whether there are more or fewer financial resources that can be spent in the near future to finance the Town's programs. Because this information does not encompass the additional long-term focus of the government-wide statements, additional information at the bottom of the governmental funds statement is provided, or on the subsequent page, that explains the relationship (or differences) between them.

The basic governmental fund financial statements can be found starting on page 14 of this report.

Proprietary funds. When the Town charges customers for the services it provides, whether to outside customers or to other units of the Town, these services are generally reported in proprietary funds. Proprietary funds are reported in the same way that all activities are reported in the Statement of Net Position and the Statement of Activities. The Town's enterprise funds (a component of proprietary funds) are the same as the business-type activities reported in the government-wide statements but provide more detail and additional information, such as cash flows, for proprietary funds.

The basic proprietary fund financial statements can be found starting on page 18 of this report.

Notes to the Financial Statements

The notes provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements. The notes to the financial statements can be found starting on page 24 of this report.

FINANCIAL ANALYSIS OF THE TOWN AS A WHOLE

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 Fleming, assets exceed liabilities and deferred outflows of resources by \$1,2,007,957 at the close of 2019.

Net Position

Combined net position of the Town of Fleming as of December 31, 2019 and 2018 is shown in Table 1 below.

**Table 1
NET POSITION**

	Governmental Activities		Business-type Activities		Total	
	2019	2018	2019	2018	2019	2018
Current and other assets	\$ 222,368	\$ 147,972	\$ 1,569,676	\$ 528,131	\$ 1,792,044	\$ 676,103
Capital assets	373,775	380,394	2,205,281	587,020	2,579,056	967,414
Total assets	<u>\$ 596,143</u>	<u>\$ 528,366</u>	<u>\$ 3,774,957</u>	<u>\$ 1,115,151</u>	<u>\$ 4,371,100</u>	<u>\$ 1,643,517</u>
Long-term debt outstanding	\$ 2,222	\$ 1,399	\$ 1,636,447	\$ 101,697	\$ 1,638,669	\$ 103,096
Other liabilities	1,443	1,941	671,264	100,668	672,707	102,609
Total liabilities	<u>3,665</u>	<u>3,340</u>	<u>2,307,711</u>	<u>202,365</u>	<u>2,311,376</u>	<u>205,705</u>
Deferred property tax revenues	51,767	49,069	-	-	51,767	49,069
Total deferred inflows of resources	<u>51,767</u>	<u>49,069</u>	<u>-</u>	<u>-</u>	<u>51,767</u>	<u>49,069</u>
Net position:						
Net investment in capital assets	373,775	380,394	1,224,829	489,520	1,598,604	869,914
Restricted	16,457	19,208	42,322	-	58,779	19,208
Unrestricted	150,479	76,355	200,095	423,266	350,574	499,621
Total net position	<u>540,711</u>	<u>475,957</u>	<u>1,467,246</u>	<u>912,786</u>	<u>2,007,957</u>	<u>1,388,743</u>
Total liabilities, deferred inflow of resources and net position	<u>\$ 596,143</u>	<u>\$ 528,366</u>	<u>\$ 3,774,957</u>	<u>\$ 1,115,151</u>	<u>\$ 4,371,100</u>	<u>\$ 1,643,517</u>

The largest portion of the Town of Fleming’s net position, 80%, reflects its investment in capital assets (land, buildings and equipment). The Town of Fleming uses these capital assets to provide services to citizens; consequently these assets are not available for future spending. In addition, a portion of the Town of Fleming’s net position, 3%, represents resources that are subject to external restrictions on how they may be used. The remaining balance of unrestricted net position, 17%, may be used to meet the government’s ongoing obligations to citizens and creditors.

At the end of 2019, the Town of Fleming is able to report positive balances in all three categories of net position for the government as a whole and its business-type activities, but not for its governmental activities.

Changes in net position

The Town’s total revenue of \$1,315,679 was more than program expenses of \$696,465 for an increase in net position of \$619,214.

Table 2
CHANGES IN NET POSITION

	Governmental Activities		Business-type Activities		Total	
	2019	2018	2019	2018	2019	2018
Program revenues						
Charges for services	\$ 3,771	\$ 3,079	\$ 540,445	\$ 498,521	\$ 544,216	\$ 501,600
Operating grants and contributions	33,744	32,541	-	-	33,744	32,541
Capital grants and contributions	-	-	615,019	27,826	615,019	27,826
General revenues						
Property taxes	49,067	48,975	-	-	49,067	48,975
Specific ownership taxes	5,940	5,293	-	-	5,940	5,293
Sales taxes	44,479	18,044	-	-	44,479	18,044
Franchise taxes	2,453	1,909	-	-	2,453	1,909
Other taxes	2,042	2,827	-	-	2,042	2,827
Unrestricted interest	3,105	1,487	2,104	-	5,209	1,487
Miscellaneous	84	2,186	13,426	-	13,510	2,186
Transfers	29,750	30,000	(29,750)	(30,000)	-	-
Total revenues	174,435	146,341	1,141,244	496,347	1,315,679	642,688
Program expenses						
General government	68,279	70,464	-	-	68,279	70,464
Public safety	1,225	1,108	-	-	1,225	1,108
Public works	9,701	14,204	-	-	9,701	14,204
Health and welfare	5,921	7,728	-	-	5,921	7,728
Culture and recreation	24,555	21,325	-	-	24,555	21,325
Electric services	-	-	244,116	228,411	244,116	228,411
Water services	-	-	103,888	96,233	103,888	96,233
Sewer services	-	-	238,780	78,479	238,780	78,479
Total expenses	109,681	114,829	586,784	403,123	696,465	517,952
Change in net position	64,754	31,512	554,460	93,224	619,214	124,736
Net position at beginning of year	475,957	444,445	912,786	819,562	1,388,743	1,264,007
Net position at end of year	\$ 540,711	\$ 475,957	\$ 1,467,246	\$ 912,786	\$ 2,007,957	\$ 1,388,743

Governmental Activities

Revenue for the Town's governmental activities totaled \$174,435 for 2019. Tax revenue produced 60% of these revenues. Tax revenue includes property taxes, specific ownership taxes, franchise taxes and other taxes.

Table 3
GOVERNMENTAL ACTIVITIES

	Total cost of services		Net cost of services	
	2019	2018	2019	2018
General government	\$ 68,279	\$ 70,464	\$ 65,613	\$ 67,560
Public safety	1,225	1,108	1,225	1,108
Public works	9,701	14,204	(20,120)	(13,236)
Health and welfare	5,921	7,728	5,921	6,903
Culture and recreation	24,555	21,325	19,527	16,874

Table 3, above, presents the cost and revenue of each of the Town's six largest programs – general government, public safety, public works, health & welfare, culture and recreation and economic development – as well as each program's *net* cost (total cost less revenues generated by activities). The net cost shows the financial burden that was placed on the Town's taxpayers by each of these functions.

Business-type Activities

Net position in the Town's business-type activities increased by \$554,460 in 2019. Business-type activities include electric, water, and sewer services.

**Table 4
BUSINESS-TYPE ACTIVITIES**

	Total cost of services		Net cost of services	
	2019	2018	2019	2018
Electric services	\$ 244,116	\$ 228,411	\$ (105,687)	\$ (117,698)
Water services	103,888	96,233	19,336	5,570
Sewer services	238,780	78,479	(482,329)	(11,096)

Table 4, above, presents the cost and revenue of each of the Town's business-type activities – electric, water & sewer – as well as the program *net* cost (total cost less revenues generated by activities). The net cost shows the financial burden that was placed on the Town's taxpayers by each of these functions.

THE TOWN'S FUNDS

As the Town completed the year, its governmental funds (as presented on the balance sheet on page 14) reported a combined fund balance of \$169,158. The general fund and conservation trust fund reported fund balances of \$161,401 and \$7,757, respectively.

General Fund Budgetary Highlights

The actual charges to appropriations (expenditures) were \$1,714 below the final budget amounts, due in large part to costs related to public works and health and welfare costs.

Additionally, resources available for appropriation (revenues) were \$29,484 more than the final budgeted amounts, due in large part to tax revenues coming in higher than anticipated.

CAPITAL ASSETS AND DEBT ADMINISTRATION

Capital Assets. The Town of Fleming's investment in capital assets for its governmental and business-type activities as of December 31, 2019, amounts to \$2,579,056 (net of accumulated depreciation). This amount includes a broad range of capital assets, including public works equipment, electric, water, sewer, and other infrastructure.

The Town remains committed to the upkeep and maintenance of the Town's largest assets. More detailed information about the Town's capital assets is presented in Table 5.

Table 5
CAPITAL ASSETS ON DECEMBER 31, 2019

	Governmental Activities		Business-type Activities		Total	
	2019	2018	2019	2018	2019	2018
Land and improvements	\$ 237,699	\$ 244,424	\$ 65,053	\$ 65,145	\$ 302,752	\$ 309,569
Construction in progress	-	-	1,864,331	255,589	1,864,331	255,589
Buildings	59,232	61,332	-	-	59,232	61,332
Infrastructure	49,018	50,475	-	-	49,018	50,475
Equipment	27,826	24,163	19,629	2,657	47,455	26,820
Systems	-	-	256,268	263,629	256,268	263,629
Total	\$ 373,775	\$ 380,394	\$ 2,205,281	\$ 587,020	\$ 2,579,056	\$ 967,414

Long-term debt. The Town had \$1,638,669 in debt outstanding at year-end. More detailed information about the Town's long-term debt is presented in Table 6 and Note F to the financial statements.

Table
LONG-TERM DEBT ON DECEMBER 31, 2019

	Governmental Activities		Business-type Activities		Total	
	2019	2018	2019	2018	2019	2018
Compensated absences	\$ 2,222	\$ 1,399	\$ 6,666	\$ 4,197	\$ 8,888	\$ 5,596
Notes payable	-	-	1,629,781	97,500	1,629,781	97,500
Total	\$ 2,222	\$ 1,399	\$ 1,636,447	\$ 101,697	\$ 1,638,669	\$ 103,096

ECONOMIC FACTORS AND NEXT YEAR'S BUDGET AND RATES

During the next town council budget session, the town council will increase utility rates to pay for an increase in costs of services. It will also incur debt and increase utility rates to finance a new sewer project expected to begin in the next budget cycle. The town will consider increasing water rates to cover a shortfall in the next budget. The sewer project will have an overall cost of \$3,152,781. A rate increase of \$29.29 for the sewer project was added to each residence and business.

REQUESTS FOR INFORMATION

This financial report is designed to provide our citizens, taxpayers, customers, investors and creditors with a general overview of the Town's finances and to show the Town's accountability for the funds and assets it receives. If you have questions about this report, or should you need additional financial information, contact Town of Fleming, 114 N. Logan Avenue, PO Box 468, Fleming, Colorado 80728.

Basic Financial Statements

The basic financial statements of the Town include the following:

Government-wide financial statements. The government-wide statements display information about the reporting government as a whole, except for its fiduciary activities.

Fund financial statements. The fund financial statements display information about major funds individually and nonmajor funds in the aggregate for governmental and enterprise funds.

Notes to the financial statements. The notes communicate information essential for fair presentation of the financial statements that is not displayed on the face of the financial statements. As such, the notes are an integral part of the basic financial statements.

TOWN OF FLEMING, COLORADO
Statement of Net Position
December 31, 2019

	Governmental Activities	Business-type Activities	Total
Assets			
Cash	\$ 95,863	\$ 122,061	\$ 217,924
Cash with fiscal agent		649,329	649,329
Cash with county treasurer	605		605
Certificates of deposit	118,967	142,728	261,695
Receivables	65,863	581,777	647,640
Internal balances	(58,930)	58,930	-
Inventories		14,851	14,851
Capital assets, net of depreciation	373,775	2,205,281	2,579,056
Total assets	\$ 596,143	\$ 3,774,957	\$ 4,371,100
Liabilities			
Accounts payable	\$ 1,443	\$ 650,429	\$ 651,872
Refundable deposits		20,835	20,835
Noncurrent liabilities			
Due within one year		921,426	921,426
Due in more than one year	2,222	715,021	717,243
Total liabilities	3,665	2,307,711	2,311,376
Deferred inflows of resources			
Deferred property tax revenues	51,767		51,767
Total deferred inflows of resources	51,767	-	51,767
Net position			
Net investment in capital assets	373,775	1,224,829	1,598,604
Restricted for:			
Emergencies	8,700		8,700
Culture and recreation	7,757		7,757
Wastewater project		42,322	42,322
Unrestricted	150,479	200,095	350,574
Total net position	540,711	1,467,246	2,007,957
Total liabilities, deferred inflows of resources and net position	\$ 596,143	\$ 3,774,957	\$ 4,371,100

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

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TOWN OF FLEMING, COLORADO
Statement of Activities
For the Year Ended December 31, 2019

	Expenses	Program Revenues		
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions
Governmental activities				
General government	\$ 68,279	\$ 1,171	\$ 1,495	
Public safety	1,225			
Public works	9,701	2,200	27,621	
Health and welfare	5,921			
Culture and recreation	24,555	400	4,628	
Total governmental activities	109,681	3,771	33,744	\$ -
Business-type activities				
Electric	244,116	349,803		
Water	103,888	84,552		
Sewer	238,780	106,090		615,019
Total business-type activities	586,784	540,445	-	615,019
Total	\$ 696,465	\$ 544,216	\$ 33,744	\$ 615,019
General revenues and transfers				
Taxes				
Property taxes, levied for general purposes				
Specific ownership taxes				
Sales taxes				
Franchise taxes				
Other taxes				
Unrestricted earnings on investments				
Miscellaneous				
Transfers				
Total general revenues and transfers				
Change in net position				
Net position at beginning of year				
Net position at end of year				

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

Net (Expenses) Revenues and
Changes in Net Position

Governmental Activities	Business-type Activities	Total
\$ (65,613)		\$ (65,613)
(1,225)		(1,225)
20,120		20,120
(5,921)		(5,921)
(19,527)		(19,527)
(72,166)	\$ -	(72,166)
	105,687	105,687
	(19,336)	(19,336)
	482,329	482,329
-	568,680	568,680
(72,166)	568,680	496,514
49,067		49,067
5,940		5,940
44,479		44,479
2,453		2,453
2,042		2,042
3,105	2,104	5,209
84	13,426	13,510
29,750	(29,750)	-
136,920	(14,220)	122,700
64,754	554,460	619,214
475,957	912,786	1,388,743
<u>\$ 540,711</u>	<u>\$ 1,467,246</u>	<u>\$ 2,007,957</u>

TOWN OF FLEMING, COLORADO
Balance Sheet
Governmental Funds
December 31, 2019

	General Fund	Other Governmental Fund	Total Governmental Funds
Assets			
Cash	\$ 88,106	\$ 7,757	\$ 95,863
Cash with county treasurer	605		605
Certificates of deposit	118,967		118,967
Property taxes receivable	51,767		51,767
Accounts receivable	14,096		14,096
Total assets	\$ 273,541	\$ 7,757	\$ 281,298
Liabilities			
Accounts payable	\$ 1,443		\$ 1,443
Due to other funds	58,930		58,930
Total liabilities	60,373	\$ -	60,373
Deferred inflows of resources			
Deferred property tax revenues	51,767		51,767
Total deferred inflows of resources	51,767	-	51,767
Fund balance			
Restricted for:			
Emergencies	8,700		8,700
Culture and recreation		7,757	7,757
Unassigned	152,701		152,701
Total fund balance	161,401	7,757	169,158
Total liabilities, deferred inflows of resources and fund balance	\$ 273,541	\$ 7,757	\$ 281,298

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

TOWN OF FLEMING, 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 balance - governmental funds \$ 169,158

Capital assets used in governmental activities are not financial resources and therefore are not reported as assets in governmental funds. 373,775

Certain liabilities, such as accrued compensated absences, are not due and payable in the current period and therefore are not reported in the governmental funds. (2,222)

Net position of governmental activities \$ 540,711

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

TOWN OF FLEMING, COLORADO
Statement of Revenues, Expenditures and Changes in Fund Balance
Governmental Funds
For the Year Ended December 31, 2019

	General Fund	Other Governmental Fund	Total Governmental Funds
Revenues			
Taxes	\$ 102,489		\$ 102,489
Licenses and permits	1,171		1,171
Intergovernmental	29,113	\$ 4,628	33,741
Charges for services	2,600		2,600
Miscellaneous	4,642	42	4,684
Total revenues	140,015	4,670	144,685
Expenditures			
Current			
General government	66,106		66,106
Public safety	731		731
Public works	4,295		4,295
Health and welfare	4,503		4,503
Culture and recreation	14,183	12,421	26,604
Total expenditures	89,818	12,421	102,239
Excess of revenues over (under) expenditures	50,197	(7,751)	42,446
Other financing sources			
Transfers in	29,750		29,750
Net change in fund balance	79,947	(7,751)	72,196
Fund balance at beginning of year	81,454	15,508	96,962
Fund balance at end of year	\$ 161,401	\$ 7,757	\$ 169,158

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

TOWN OF FLEMING, COLORADO

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

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

Net change in fund balance - governmental funds	\$ 72,196
Capital outlays to purchase or build capital assets are reported in governmental funds as expenditures. However, for governmental activities, those costs are shown in the statement of net position and allocated over their estimated useful lives as annual depreciation expense in the statement of activities. This is the amount by which depreciation exceeded capital outlays in the current period.	(6,620)
In the statement of activities, compensated absences are measured by the amount earned during the year. In the governmental funds, however, expenditures for these items are measured by the amount of financial resources used (essentially, the amounts actually paid).	<u>(822)</u>
Change in net position of governmental activities	<u>\$ 64,754</u>

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

TOWN OF FLEMING, COLORADO
Statement of Net Position
Proprietary Funds
December 31, 2019

	Business-type Activities Enterprise Funds			Total
	Electric Fund	Water Fund	Sewer Fund	
Assets				
Current assets				
Cash	\$ 46,755	\$ 75,215	\$ 91	\$ 122,061
Cash with fiscal agent			649,329	649,329
Certificates of deposit	142,728			142,728
Accounts receivable	42,805	9,547	16,377	68,729
Grants receivable			513,048	513,048
Due from other funds	210,264	8,413		218,677
Inventories	11,465	3,105	281	14,851
Total current assets	454,017	96,280	1,179,126	1,729,423
Noncurrent assets				
Land and improvements		5,957	85,900	91,857
Buildings and improvements	10,500	1,863	2,410	14,773
Vehicles and equipment	100,356	12,000	46,625	158,981
Systems	159,197	689,708	70,229	919,134
Construction in progress			1,864,331	1,864,331
Accumulated depreciation	(248,113)	(455,586)	(140,096)	(843,795)
Total noncurrent assets	21,940	253,942	1,929,399	2,205,281
Total assets	\$ 475,957	\$ 350,222	\$ 3,108,525	\$ 3,934,704

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

	Business-type Activities Enterprise Funds			
	Electric Fund	Water Fund	Sewer Fund	Total
Liabilities				
Current liabilities				
Accounts payable	\$ 34,372	\$ 110	\$ 615,947	\$ 650,429
Due to other funds			159,747	159,747
Refundable deposits	13,450	3,750	3,635	20,835
Current portion of notes payable			921,426	921,426
Total current liabilities	47,822	3,860	1,700,755	1,752,437
Noncurrent liabilities				
Accrued compensated absences	2,222	2,222	2,222	6,666
Notes payable			708,355	708,355
Total noncurrent liabilities	2,222	2,222	710,577	715,021
Total liabilities	50,044	6,082	2,411,332	2,467,458
Net position				
Net investment in capital assets	21,940	253,942	948,947	1,224,829
Restricted for wastewater project			42,322	42,322
Unrestricted (deficit)	403,973	90,198	(294,076)	200,095
Total net position	425,913	344,140	697,193	1,467,246
Total liabilities and net position	\$ 475,957	\$ 350,222	\$ 3,108,525	\$ 3,934,704

TOWN OF FLEMING, COLORADO
Statement of Revenues, Expenses and Changes in Fund Net Position
Proprietary Funds
For the Year Ended December 31, 2019

	Business-type Activities Enterprise Funds			Total
	Electric Fund	Water Fund	Sewer Fund	
Operating revenues				
Charges for services	\$ 349,803	\$ 84,552	\$ 106,090	\$ 540,445
Operating expenses				
Salaries	36,264	36,264	36,264	108,792
Employee benefits	13,397	10,056	10,329	33,782
Operating leases		12,518		12,518
Office supplies	1,886	286	286	2,458
Professional services	2,078	2,326	29,020	33,424
Travel and education	716	745	965	2,426
Dues and licenses	5,194	1,443	1,829	8,466
Insurance and bonds	4,871	4,871	4,761	14,503
Repairs and maintenance	14,964	15,790	136,460	167,214
Cost of electricity	159,641			159,641
Utilities	2,537	2,537	3,872	8,946
Rent	300	300	300	900
Reimbursements		2,500	2,500	5,000
Testing and paperwork		595	1,228	1,823
Cost of service		1,478		1,478
Miscellaneous	1,309	868	23	2,200
Depreciation	959	11,311	552	12,822
Total operating expenses	244,116	103,888	228,389	576,393
Operating income (loss)	105,687	(19,336)	(122,299)	(35,948)

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

	Business-type Activities Enterprise Funds			Total
	Electric Fund	Water Fund	Sewer Fund	
Nonoperating revenues (expenses)				
Interest on investments	2,015		89	2,104
Miscellaneous	13,426			13,426
Grant revenues			615,019	615,019
Interest and fiscal charges			(10,391)	(10,391)
Total nonoperating revenues (expenses)	15,441	-	604,717	620,158
Net income (loss) before transfers	121,128	(19,336)	482,418	584,210
Transfers in		7,000		7,000
Transfers out	(36,750)			(36,750)
Change in net position	84,378	(12,336)	482,418	554,460
Net position at beginning of year	341,535	356,476	214,775	912,786
Net position at end of year	\$ 425,913	\$ 344,140	\$ 697,193	\$ 1,467,246

TOWN OF FLEMING, COLORADO
Statement of Cash Flows
Proprietary Funds
For the Year Ended December 31, 2019

	Business-type Activities Enterprise Funds			Total
	Electric Fund	Water Fund	Sewer Fund	
Cash flows from operating activities				
Receipts from customers	\$ 356,795	\$ 84,609	\$ 100,334	\$ 541,738
Internal activity - receipts from (payments to) other funds	(146,099)		146,099	-
Payments to suppliers	(184,811)	(56,401)	(187,711)	(428,923)
Payments to employees	(35,441)	(35,441)	(35,441)	(106,323)
Net cash provided (used) by operating activities	(9,556)	(7,233)	23,281	6,492
Cash flows from noncapital financing activities				
Miscellaneous receipts	13,426			13,426
Transfers from other funds		7,000		7,000
Transfers to other funds	(36,750)			(36,750)
Net cash provided (used) by noncapital financing activities	(23,324)	7,000	-	(16,324)
Cash flows from capital and related financing activities				
Purchase of capital assets	(18,000)	(4,340)	(1,001,735)	(1,024,075)
Proceeds from long-term debt			1,629,781	1,629,781
Grant revenues			44,503	44,503
Principal paid on long-term debt			(97,500)	(97,500)
Interest and fiscal charges paid			(10,879)	(10,879)
Net cash provided (used) by capital and related financing activities	(18,000)	(4,340)	564,170	541,830

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

	Business-type Activities Enterprise Funds			
	Electric Fund	Water Fund	Sewer Fund	Total
Cash flows from investing activities				
Interest on investments			89	89
Purchase of certificate of deposit	(140,713)			(140,713)
Net cash provided (used) by investing activities	(140,713)	-	89	(140,624)
Net change in cash	(191,593)	(4,573)	587,540	391,374
Cash at beginning of year	238,348	79,788	61,880	380,016
Cash at end of year	<u>\$ 46,755</u>	<u>\$ 75,215</u>	<u>\$ 649,420</u>	<u>\$ 771,390</u>
Reconciliation of operating income (loss) to net cash provided (used) by operating activities				
Operating income (loss)	\$ 105,687	\$ (19,336)	\$ (122,299)	\$ (35,948)
Adjustments to reconcile operating income (loss) to net cash provided (used) by operating activities				
Depreciation	959	11,311	552	12,822
Changes in assets and liabilities				
Accounts receivable	6,892	77	(5,731)	1,238
Interfund items	(146,099)		146,099	-
Inventories	4,522	(198)	42	4,366
Accounts payable	17,560	110	3,820	21,490
Refundable deposits	100	(20)	(25)	55
Compensated absences	823	823	823	2,469
Net cash provided (used) by operating activities	<u>\$ (9,556)</u>	<u>\$ (7,233)</u>	<u>\$ 23,281</u>	<u>\$ 6,492</u>
Cash and cash equivalents at end of year consist of:				
Cash	\$ 46,755	\$ 75,215	\$ 91	\$ 122,061
Cash with fiscal agent			649,329	649,329
Total	<u>\$ 46,755</u>	<u>\$ 75,215</u>	<u>\$ 649,420</u>	<u>\$ 771,390</u>

TOWN OF FLEMING, COLORADO
Notes to Financial Statements

Note A – Summary of significant accounting policies

This summary of the Town of Fleming’s significant accounting policies is presented to assist the reader in interpreting the financial statements and other data in this report. The policies are considered essential and should be read in conjunction with the accompanying financial statements.

The financial statements of the Town have been prepared in conformity with accounting principles generally accepted in the United States of America as applied to local government units. The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting and financial principles. The more significant of the Town’s accounting policies are described below.

A.1 – Reporting entity

The financial reporting entity consists of (1) the primary government, (2) organizations for which the primary government is financially accountable and (3) other organizations for which the nature and significance of their relationship with the primary government are such that exclusion would cause the reporting entity’s financial statements to be misleading or incomplete. The reporting entity’s financial statements should present the funds of the primary government (including its blended component units, which are, in substance, part of the primary government) and provide an overview of the discretely presented component units.

The Town has examined other entities that could be included as defined in number 2 and 3 above. Based on these criteria, the Town has no component units.

A.2 – Fund accounting

The Town uses funds to report its financial position and results of operations. Fund accounting is designed to demonstrate legal compliance and to aid financial management by segregating transactions related to certain government functions or activities. A fund is a separate accounting entity with a self-balancing set of accounts.

Funds are classified into three categories: governmental, proprietary and fiduciary. Each category, in turn, is divided into separate “fund types.”

Governmental funds are used to account for all or most of a government’s general activities, including the collection and disbursement of earmarked funds (special revenue funds), major capital projects (capital projects fund), and the servicing of general long-term debt (debt service fund). The following is the Town’s major governmental fund:

TOWN OF FLEMING, COLORADO
Notes to Financial Statements

Note A – Summary of significant accounting policies (Continued)

General Fund – The General Fund is the operating fund of the Town. It is used to account for most of the day-to-day operations of the Town which are financed from sales and use taxes, property taxes and other general revenues. Activities financed by the general fund include those of line and staff departments within the Town, except for activities of the enterprise funds.

The following is the Town’s nonmajor governmental fund:

Conservation Trust Fund – This fund is a special revenue fund established to account for state lottery proceeds and allowable expenditures.

Proprietary funds focus on the determination of the changes in net position, financial position and cash flows and are classified as either enterprise or internal service. Enterprise funds may be used to account for any activity for which a fee is charged to external users for goods or services. The following are the Town’s major proprietary funds:

Electric Fund – This fund was established to account for all operations of the electric utility services provided by the Town.

Water Fund – This fund was established to account for all operations of the water utility services provided by the Town.

Sewer Fund – This fund was established to account for all operations of the sewer utility services provided by the Town.

A.3 – Basis of presentation

Government-wide financial statements – The statement of net position and the statement of activities display information about the Town as a whole. These statements include the financial activities of the primary government except for fiduciary funds. The statements distinguish between those activities of the Town that are governmental and those that are considered business-type activities.

The government-wide statements are prepared using the economic resources measurement focus and the accrual basis of accounting. This is the same approach used in the preparation of the proprietary fund financial statements but differs from the manner in which governmental fund financial statements are prepared. Governmental fund financial statements therefore include reconciliations with a brief explanation to better identify the relationship between the government-wide statements and the statements for governmental funds.

TOWN OF FLEMING, COLORADO
Notes to Financial Statements

Note A – Summary of significant accounting policies (Continued)

The government-wide statement of activities presents a comparison between direct expenses and program revenues for each segment of the business-type activities of the Town and for each function or program of the Town's governmental activities. Direct expenses are those that are specifically associated with a service, program or department and therefore are clearly identifiable to a particular function. Program revenues include charges paid by the recipient of the goods or services offered by the program and grants and contributions that are restricted to meeting the operational or capital requirements of a particular program. Revenues, which are not classified as program revenues, are presented as general revenues of the Town, with certain limited exceptions. The comparison of direct expenses with program revenues identifies the extent to which each business segment or governmental function is self-financing or draws from the general revenues of the Town.

Fund financial statements – Fund financial statements report detailed information about the Town. The focus of governmental and enterprise fund financial statements is on major funds rather than reporting funds by type. Each major fund is presented in a separate column.

The accounting and financial reporting treatment applied to a fund is determined by its measurement focus. All governmental fund types are accounted for using a flow of current financial resources management focus. The financial statements for governmental funds are a balance sheet, which generally includes only current assets and current liabilities, and a statement of revenues, expenditures and changes in fund balance, which reports the sources (revenues and other financing sources) and uses (expenditures and other financing uses) of current financial resources.

All proprietary fund types are accounted for on a flow of economic resources measurement focus. With this measurement focus, all assets and all liabilities associated with the operations of these funds are included on the statement of net position. The statement of revenues, expenses and changes in fund net position presents increases (revenues) and decreases (expenses) in net total assets. The statement of cash flows provides information about how the Town finances and meets the cash flow needs of its proprietary activities.

A.4 – Basis of accounting

Basis of accounting determines when transactions are recorded in the financial records and reported on the financial statements. Government-wide financial statements are prepared using the accrual basis of accounting. Governmental funds use the modified accrual basis of accounting. Proprietary funds also use the accrual basis of accounting.

Revenues – exchange and nonexchange transactions – Revenues resulting from exchange transactions, in which each party gives and receives essentially equal value, are recorded on the accrual basis when the exchange takes place. On a modified accrual basis, revenues are recorded in the fiscal year in which the resources are measurable and become available.

TOWN OF FLEMING, COLORADO
Notes to Financial Statements

Note A – Summary of significant accounting policies (Continued)

Available means that the resources will be collected within the current fiscal year or are expected to be collected soon enough thereafter to be used to pay liabilities of the current fiscal year. For the Town, available means expected to be received within sixty days of fiscal year-end.

Nonexchange transactions, in which the Town receives value without directly giving equal value in return, include property taxes, grants, entitlements and donations. On an accrual basis, revenues from property taxes are recognized in the fiscal year for which the taxes are levied. Revenues from grants, entitlements and donations are recognized in the fiscal year in which all eligibility requirements have been satisfied. Eligibility requirements include timing requirements, which specify the year when the resources are required to be used or the fiscal year when use is first permitted, matching requirements, in which the Town must provide local resources to be used for a specified purpose, and expenditure requirements, in which the resources are provided to the Town on a reimbursement basis. On a modified accrual basis, revenue from nonexchange transactions must also be available before it can be recognized.

Unearned revenue – Unearned revenues arise when potential revenue does not meet both the “measurable” and “available” criteria for recognition in the current period. Unearned revenues also arise when resources are received by the Town before it has a legal claim to them, as when grant monies are received prior to meeting eligibility requirements. In subsequent periods, when both revenue recognition criteria are met, or when the Town has a legal claim to the resources, the liability for unearned revenue is removed and the revenue is recognized.

Deferred outflows/inflows of resources - In addition to assets, the statement of financial position will sometimes report a separate section for deferred outflows of resources. This separate financial statement element, deferred outflows of resources, represents a consumption of net position that applies to a future period(s) and so will not be recognized as an outflow of resources (expense/expenditure) until then. The government has no items that qualify for reporting in this category.

In addition to liabilities, the statement of financial position will sometimes report a separate section for deferred inflows of resources. This separate financial statement element, deferred inflows of resources, represents an acquisition of net position that applies to a future period(s) and so will not be recognized as an inflow of resources (revenue) until that time. The government has only one type of item that qualifies for reporting in this category. Accordingly, the item, deferred property tax revenues, is reported on both the statement of net position and the governmental funds balance sheet. These amounts are deferred and recognized as an inflow of resources in the period for which they are levied and that the amounts become available.

TOWN OF FLEMING, COLORADO
Notes to Financial Statements

Note A – Summary of significant accounting policies (Continued)

Expenses/expenditures – On the accrual basis of accounting, expenses are recognized at the time they are incurred. The measurement focus of governmental fund accounting is on decreases in net financial resources (expenditures) rather than expenses. Expenditures are generally recognized in the accounting period in which the related fund liability is incurred, if measurable. Allocations of cost, such as depreciation and amortization, are not recognized in the governmental funds.

A.5 – Encumbrances

Encumbrances outstanding at year-end are considered immaterial and thus are not reported as reservations of fund balance.

A.6 – Cash and cash equivalents

For the purposes of the statement of cash flows, the Town considers all highly liquid debt instruments with an original maturity of three months or less to be cash equivalents.

A.7 – Short-term interfund receivables/payables

During the course of operations, numerous transactions occur between individual funds for goods provided or services rendered. These receivables and payables are classified as internal balances on the government-wide statement of net position, and are classified as due from other funds or due to other funds on the balance sheet.

A.8 – Receivables

Monthly charges for electric, water and sewer services are included with monthly utility billings. No allowance for doubtful accounts has been provided in the accompanying financial statements since substantially all accounts are deemed by management to be collectible.

A.9 – Inventories

Inventories in the proprietary funds consist of supplies and are recorded at the lower of cost or market using the first-in, first-out method.

TOWN OF FLEMING, COLORADO
Notes to Financial Statements

Note A – Summary of significant accounting policies (Continued)

A.10 – Capital assets

General capital assets are those assets not specifically related to activities reported in the proprietary funds. These assets generally result from expenditures in the governmental funds. These assets are reported in the governmental activities column of the government-wide statement of net position, but are not reported in the fund financial statements. Capital assets utilized by the proprietary funds are reported both in the business-type activities column of the government-wide statement of net position and in the respective fund financial statements.

All capital assets with a unit cost greater than \$1,000 are capitalized at cost (or estimated historical cost, if actual cost is not available) and updated for additions and retirements during the year. Donated capital assets are recorded at their fair value on the date received. Improvements to assets are capitalized; the cost of normal maintenance and repairs that do not add to the value of the asset or materially extend the life of the asset are not. Infrastructure assets, consisting of certain improvements other than buildings (such as parking facilities, sidewalks, landscaping and lighting systems) will be capitalized on a prospective basis.

Interest is capitalized on proprietary fund assets acquired with tax-exempt debt. The amount of interest to be capitalized is calculated by offsetting interest expense incurred from the date of borrowing until project completion with interest earned on invested proceeds over the same period. No interest was capitalized during the year.

All reported capital assets are depreciated with the exception of land costs. Improvements are depreciated over the remaining useful lives of the related capital assets. Depreciation is computed using the straight-line method over the following useful lives:

<u>Description</u>	<u>Governmental Activities</u>	<u>Business-type Activities</u>
Buildings	50 years	40 years
Equipment	3-25 years	3-10 years
Improvements other than buildings	10-50 years	25-50 years
Infrastructure	50 years	n/a

A.11 – Compensated absences

Full-time, salaried employees earn and accrue sick leave at the rate of 2/3 of a day per month which can be accumulated to 30 days. Sick leave is not a vested benefit for all employees hired after January 1, 1987. As of year-end, all vested sick leave benefits have been used by Town employees.

TOWN OF FLEMING, COLORADO
Notes to Financial Statements

Note A – Summary of significant accounting policies (Continued)

Annual leave is earned at increasing rates based on longevity. In no event can an employee accumulate more than 1/2 of their annual leave at the end of each year. Employees are paid 100% of their annual leave balance upon leaving Town service.

A.12 – Accrued liabilities and long-term obligations

All payables, accrued liabilities and long-term obligations are reported in the government-wide financial statements, and all payables, accrued liabilities and long-term obligations payable from proprietary funds are reported on the proprietary fund financial statements.

In general, payables and accrued liabilities that will be paid from governmental funds are reported on the governmental fund financial statements regardless of whether they will be liquidated with current resources. However, the noncurrent portion of compensated absences and special termination benefits that will be paid from governmental funds are reported as a liability in the fund financial statements only to the extent that they will be paid with current, expendable, available financial resources. Bonds payable and other long-term obligations that will be paid from governmental funds are not recognized as a liability in the fund financial statements until due.

A.13 – Fund balance

The Governmental Accounting Standards Board (GASB) has issued Statement No. 54, *Fund Balance Reporting and Governmental Fund Type Definitions* (GASB 54). This Statement defines the different type of fund balances that a governmental entity must use for financial reporting purposes.

GASB 54 requires the fund balance amounts to be properly reported within one of the fund balance categories listed below.

- *Nonspendable*, such as fund balance associated with inventories, prepaid expenditures, long-term loans and notes receivable, and property held for resale (unless the proceeds are restricted, committed or assigned),
- *Restricted* fund balance category includes amounts that can be spent only for the specific purposes stipulated by constitution, external resource providers, or through enabling legislation,
- *Committed* fund balance classification includes amounts that can be used only for the specific purposes determined by a formal action of the town council (the Town's highest level of decision-making authority),
- *Assigned* fund balance classification are intended to be used by the government for specific purposes but do not meet the criteria to be classified as restricted or committed, and
- *Unassigned* fund balance is the residual classification for the Town's general fund and includes all spendable amounts not contained in the other classifications.

TOWN OF FLEMING, COLORADO
Notes to Financial Statements

Note A – Summary of significant accounting policies (Continued)

Committed fund balance is established by a formal passage of a resolution. This is typically done through the adoption and amendment of the budget. A fund balance commitment is further indicated in the budget document as a designation or commitment of the fund. Assigned fund balance is established by the town council through adoption or amendment of the budget as intended for specific purpose (such as purchase of fixed assets, construction, debt service or for other purposes).

When both restricted and unrestricted resources are available in governmental funds, the Town applies expenditures against restricted fund balance first, and followed by committed fund balance, assigned fund balance and unassigned fund balance.

A.14 – Net position

Net position represents the difference between assets and liabilities. Net investment in capital assets consists of capital assets, net of accumulated depreciation, reduced by the outstanding balances of any borrowings used for the acquisition, construction, or improvement of those assets. Net position is reported as restricted when there are liabilities imposed on their use either through the enabling legislation adopted by the Town or through external restrictions imposed by creditors, grantors or laws or regulations of other governments.

The Town applies restricted resources when an expense is incurred for purposes for which both restricted and unrestricted net position are available.

A.15 – Operating revenues and expenses

Operating revenues are those revenues that are generated directly from the primary activity of the proprietary funds. For the Town, these revenues are service charges for water utility services. Operating expenses are necessary costs incurred to provide the goods or services that are the primary activity of the fund. All revenues and expenses not meeting this definition are reported as nonoperating revenues and expenses.

A.16 – Interfund transactions

Quasi-external transactions are accounted for as revenues, expenditures or expenses. Transactions that constitute reimbursements to a fund for expenditures/expenses initially made from it that are properly applicable to another fund, are recorded as expenditures/expenses in the reimbursing fund and as reductions of expenditures/expenses in the fund that is reimbursed. All other interfund transactions, except quasi-external transactions and reimbursements, are reported as transfers. In general, the effect of interfund activity has been eliminated from the government-wide financial statements.

TOWN OF FLEMING, COLORADO
Notes to Financial Statements

Note A – Summary of significant accounting policies (Continued)

A.17 – Extraordinary and special items

Extraordinary items are transactions or events that are both unusual in nature and infrequent in occurrence. Special items are transactions or events that are within the control of the town council and that are either unusual in nature or infrequent in occurrence. The Town had no transactions that qualify as extraordinary or special items during the year.

Note B – Cash and investments

Cash and deposits

Colorado State statutes govern the Town's deposit of cash. The Public Deposit Protection Acts (PDPA) for banks and savings and loans require state regulators to certify eligible depositories for public deposits. The PDPA require eligible depositories with public deposits in excess of federal insurance levels to create a single institution collateral pool of defined eligible assets. Eligible collateral includes obligations of the United States, obligations of the State of Colorado or Colorado local governments and obligations secured by first lien mortgages on real property located in the state. The pool is to be maintained by another institution or held in trust for all uninsured public deposits as a group and not held in any individual government's name. The fair value of the assets in the pool must be at least equal to 102% of the aggregate uninsured deposits.

Custodial credit risk – deposits – Custodial credit risk is the risk that in the event of a bank failure, the Town's deposits may not be returned to it. The Town does not have a deposit policy for custodial credit risk. At year-end, the Town had total deposits of \$508,509, of which \$250,000 were insured and \$258,509 were collateralized with securities held by the pledging institution's trust department or agent in the Town's name.

Investments

Authorized investments – Investment policies are governed by Colorado State Statutes and the Town's own investment policies and procedures. Investments of the Town may include:

- Obligations of the United States Government such as treasury bills, notes and bonds
- Certain international agency securities
- General obligation and revenue bonds of United States local government entities
- Bankers 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

At year-end the Town did not have any investments.

TOWN OF FLEMING, COLORADO
Notes to Financial Statements

Note C – Receivables

Receivables at year-end consist of the following:

	<u>Governmental Activities</u>	<u>Business-type Activities</u>	<u>Total Receivables</u>
Property taxes receivable	\$ 51,767	\$ -	\$ 51,767
Accounts receivable	14,096	68,729	82,825
Grants receivable	<u>-</u>	<u>513,048</u>	<u>513,048</u>
Total	<u>\$ 65,863</u>	<u>\$ 581,777</u>	<u>\$ 647,640</u>

Property taxes are levied on December 15th and attach as a lien on property the following January 1st. They are payable in full by April 30th or are due in two equal installments on February 28th and June 15th. Logan County bills and collects property taxes for all taxing entities within the county. The tax receipts collected by the county are remitted to the Town in the subsequent month.

Note D – Interfund transactions

The following is a summary of interfund borrowings and transfers for the year as presented in the fund financial statements:

<u>Due From</u>	<u>Due To</u>	<u>Amount</u>
Electric Fund	General Fund	\$ 50,517
Water Fund	General Fund	8,413
Electric Fund	Sewer Fund	<u>159,747</u>
Total		<u>\$ 218,677</u>

All balances resulted from the time lag between the dates that (1) interfund reimbursable expenditures occur, (2) transactions are recorded in the accounting system, and (3) payments between funds are made.

<u>Transfers In</u>	<u>Transfers Out</u>	<u>Amount</u>
General Fund	Electric Fund	\$ 29,750
Water Fund	Electric Fund	<u>7,000</u>
Total		<u>\$ 36,750</u>

Transfers are used to move revenues from the fund that statute or budget requires to collect them to the fund that statute or budget requires to expend them.

TOWN OF FLEMING, COLORADO
Notes to Financial Statements

Note E – Capital assets

Capital asset activity for the year was as follows:

	<u>Beginning Balance</u>	<u>Additions</u>	<u>Deletions/ Transfers</u>	<u>Ending Balance</u>
Governmental activities				
Capital assets, not being depreciated:				
Land	\$ 4,247	\$ -	\$ -	\$ 4,247
Total capital assets, not being depreciated	4,247	-	-	4,247
Capital assets, being depreciated:				
Land improvements	362,613	-	-	362,613
Buildings	113,475	-	-	113,475
Infrastructure	70,237	-	-	70,237
Equipment	<u>88,818</u>	<u>9,044</u>	<u>-</u>	<u>97,862</u>
Total capital assets, being depreciated	<u>635,143</u>	<u>9,044</u>	<u>-</u>	<u>644,187</u>
Total capital assets	639,390	9,044	-	648,434
Less accumulated depreciation for:				
Land improvements	(122,435)	(6,726)	-	(129,161)
Buildings	(52,142)	(2,101)	-	(54,243)
Infrastructure	(19,763)	(1,456)	-	(21,219)
Equipment	<u>(64,655)</u>	<u>(5,381)</u>	<u>-</u>	<u>(70,036)</u>
Total accumulated depreciation	<u>(258,995)</u>	<u>(15,664)</u>	<u>-</u>	<u>(274,659)</u>
Governmental activities capital assets, net	<u>\$ 380,395</u>	<u>\$ (6,620)</u>	<u>\$ -</u>	<u>\$ 373,775</u>

TOWN OF FLEMING, COLORADO
Notes to Financial Statements

Note E – Capital assets (Continued)

	Beginning Balance	Additions	Deletions/ Transfers	Ending Balance
Business-type activities				
Capital assets, not being depreciated:				
Land	\$ 63,165	\$ -	\$ -	\$ 63,165
Construction in progress	<u>255,589</u>	<u>1,608,742</u>	<u>-</u>	<u>1,864,331</u>
Total capital assets, not being depreciated	318,754	1,608,742	-	1,927,496
Capital assets, being depreciated:				
Utility systems	914,794	4,340	-	919,134
Land improvements	28,692	-	-	28,692
Buildings	14,773	-	-	14,773
Equipment	<u>140,981</u>	<u>18,000</u>	<u>-</u>	<u>158,981</u>
Total capital assets, being depreciated	<u>1,099,240</u>	<u>22,340</u>	<u>-</u>	<u>1,121,580</u>
Total capital assets	1,417,994	1,631,082	-	3,049,076
Less accumulated depreciation for:				
Utility systems	(651,164)	(11,702)	-	(662,866)
Land improvements	(26,712)	(92)	-	(26,804)
Buildings	(14,773)	-	-	(14,773)
Equipment	<u>(138,324)</u>	<u>(1,028)</u>	<u>-</u>	<u>(139,352)</u>
Total accumulated depreciation	<u>(830,973)</u>	<u>(12,822)</u>	<u>-</u>	<u>(843,795)</u>
Business-type activities capital assets, net	<u>\$ 587,021</u>	<u>\$ 1,618,260</u>	<u>\$ -</u>	<u>\$ 2,205,281</u>

TOWN OF FLEMING, COLORADO
Notes to Financial Statements

Note E – Capital assets (Continued)

Depreciation expense was charged to programs of the primary government as follows:

Governmental activities	
General government	\$ 1,350
Public safety	495
Public works	5,406
Health and welfare	1,418
Culture and recreation	<u>6,995</u>
Total governmental activities	15,664
Business-type activities	
Electric	959
Water	11,311
Sewer	<u>552</u>
Total business-type activities	<u>12,822</u>
Total depreciation expense	<u>\$ 28,486</u>

Note F – Long-term debt

The following is a summary of the changes in long-term debt for the year:

	<u>Beginning Balances</u>	<u>Additions</u>	<u>Reductions</u>	<u>Ending Balances</u>	<u>Due within one year</u>
Governmental activities					
Compensated absences	\$ 1,399	\$ 823	\$ -	\$ 2,222	\$ -

The compensated absences attributable to the governmental activities will be liquidated primarily by the General Fund. The Town believes that the current portion of compensated absences is negligible and is therefore not reported.

TOWN OF FLEMING, COLORADO
Notes to Financial Statements

Note F – Long-term debt (Continued)

	<u>Beginning</u> <u>Balances</u>	<u>Additions</u>	<u>Reductions</u>	<u>Ending</u> <u>Balances</u>	<u>Due within</u> <u>one year</u>
Business-type Activities					
Compensated absences	\$ 4,197	\$ 2,469	\$ -	\$ 6,666	\$ -
Notes from direct borrowings and direct placements	<u>97,500</u>	<u>1,629,781</u>	<u>(97,500)</u>	<u>1,629,781</u>	<u>921,426</u>
Totals	<u>\$ 101,697</u>	<u>\$ 1,632,250</u>	<u>\$ (97,500)</u>	<u>\$ 1,636,447</u>	<u>\$ 921,426</u>

Notes payable

CWRPDA Note payable – Sewer Fund – The Town has entered into a \$732,781 note agreement with the Colorado Water Resources and Power Development Authority (the Authority) dated May 30, 2019, due in semi-annual installments of \$12,213 through 2049. The interest rate for the agreement is 0.0%. The agreement provides for the disbursement of funds at the Town’s request to facilitate installation of an influent pump station, three lined evaporative lagoons, yard piping and appurtenances.

\$ 732,781

CO Bank Note payable – Sewer Fund – The Town has entered into a \$897,000 note agreement with CO Bank (the Bank) dated August 21, 2018, due in one payment upon securing financing from USDA Rural Development. The interest rate for the agreement is variable and is equal to 2.00% above the higher of (1) 0.00% or (2) the rate reported at 11:00 a.m. London time for the offering of one-month U.S. dollar deposits. The agreement provides for the disbursement of funds at the Town’s request to facilitate installation of an influent pump station, three lined evaporative lagoons, yard piping and appurtenances.

897,000

Total

\$ 1,629,781

TOWN OF FLEMING, COLORADO
Notes to Financial Statements

Note F – Long-term debt (Continued)

The Town’s outstanding notes from direct borrowings related to business-type activities of \$1,629,781 include two individual borrowings as noted on the previous page.

The Town’s outstanding note with CWRPDA in the amount of \$732,781 is secured with collateral of the net revenue from operation and use of the system as defined in the loan agreement. This outstanding note contains (1) a provision that in an event of default as defined in the loan agreement, the Authority shall have the right to withhold disbursement of loan funds remaining, and take such other action at law or in equity as may appear necessary to enforce the performance and observance of any duty, covenant, obligation, or agreement including, without limitation, appointment ex parte of a receiver of the system.

The Town’s outstanding note with CO Bank in the amount of \$897,000 is unsecured. This outstanding note contains (1) a provision that in an event of default as defined in the loan agreement the lender shall have no obligation to extend or continue to extend credit to the Town and may discontinue doing so at any time without prior notice or other limitation and (2) a provision that if the Town is unable to make payment, outstanding amounts are due immediately. This outstanding note contains a subjective acceleration clause that allows the lender to accelerate payment of the entire principal amount to become immediately due if the lender determines that a material adverse change occurs.

The following schedule represents the Town’s debt service requirements to maturity for the outstanding notes from direct borrowings related to business-type activities at year-end:

<u>Year ended December 31,</u>	<u>Principal</u>	<u>Interest</u>
2020	\$ 921,426	\$ -
2021	24,426	-
2022	24,426	-
2023	24,426	-
2024	24,426	-
2025-2029	122,130	-
2030-2034	122,130	-
2035-2039	122,130	-
2040-2044	122,130	-
2045-2049	<u>122,131</u>	<u>-</u>
Totals	<u>\$ 1,629,781</u>	<u>\$ -</u>

TOWN OF FLEMING, COLORADO
Notes to Financial Statements

Note G – Risk management

The Town is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; error and omissions; injuries to employees; and natural disasters. The Town participates in the Colorado Intergovernmental Risk Sharing Agency (CIRSA/PC) and the Colorado Intergovernmental Risk Sharing Agency for Worker's Compensation (CIRSA/WC). CIRSA/PC and CIRSA/WC provide member municipalities within the State of Colorado, property, liability and workmen's compensation coverages and related services. CIRSA's general objectives are to provide member municipalities defined property and liability and/or worker's compensation coverages through self-insurance and excess insurance purchased from commercial companies. The Town pays an annual contribution to CIRSA for its insurance coverages. For the year ended, the Town's financial contribution to CIRSA/PC and CIRSA/WC was \$15,144 and \$3,584, respectively. Settled claims resulting from any of the above risks have not exceeded the coverages provided. There has been no significant reduction in insurance coverage from the prior year in any of the major categories of risk.

Note H - Defined Contribution Plan

The Town contributes to the Colorado County Officials and Employees Retirement Plan (the Plan), a defined contribution plan administered by the Colorado County Officials and Employees Retirement Association (CCOERA).

Benefit terms, including contribution requirements, for the Plan are established and may be amended by the Town Council. The Town's contribution is a minimum of three percent of covered salary, but may be increased beyond this amount. All eligible employees are required to contribute an amount equal to the contribution by the Town. For the year employee contributions totaled \$3,548, and the Town recognized pension expense of \$3,548.

Employees are immediately vested in their own contributions, Town contributions, and earnings on those contributions.

Note I – Deferred compensation plan

The Town has a deferred compensation plan created in accordance with the Internal Revenue Code Section 457. This plan is administered and held in trust by an independent plan administrator through an administrative service agreement. Employees defer a portion of their salary until future years. Deferred compensation is not available to employees until termination, retirement, death, or financial hardship.

Amendments to the laws governing Section 457 deferred compensation plans substantially became effective January 1, 1997 as the Town transferred the assets to the Colorado County Officials and Employees Retirement Association (CCOERA) Deferred Compensation Trust. These assets are held in trust for the exclusive benefit of the plan participants and their beneficiaries. The assets will not be diverted for any other purpose.

TOWN OF FLEMING, COLORADO
Notes to Financial Statements

Note J – Commitments and contingencies

Taxpayer’s Bill of Rights (TABOR)

In November 1992, Colorado voters passed an amendment, commonly known as the Taxpayer’s Bill of Rights (TABOR), to the State Constitution (Article X, Section 20) which limits the revenue raising and spending abilities of state and local governments. The limits on property taxes, revenue, and “fiscal year spending” include allowable annual increases tied to inflation and local growth. Fiscal year spending as defined by the amendment excludes spending from certain revenue and financing sources such as federal funds, gifts, property sales, fund transfers, damage awards, and fund reserves (balances). The amendment requires voter approval for any increase in mill levy or tax rates, new taxes, or creation of multi-year debt. Revenue earned in excess of the “spending limit” must be refunded or approved to be retained by the Town under specified voting requirements by the entire electorate. In April 1997, the voters of the Town approved a ballot initiative permitting the Town to retain, appropriate, and utilize, by retention for reserve, carryover fund balance, or expenditure, the full proceeds and revenues from every source whatsoever, without limitation, in this fiscal year and all subsequent fiscal years notwithstanding any limitation of Article X, Section 20 of the Colorado Constitution. TABOR is complex and subject to judicial interpretation. The Town believes it is in compliance with the requirements of TABOR. However, the Town has made certain interpretations of TABOR’s language in order to determine its compliance.

TABOR requires an emergency reserve to be set aside in the amount of 3% or more of its fiscal year spending for 1995 and subsequent years thereafter. At year-end, the Town has reserved funds in the General Fund in the amount of \$8,700 for the emergency reserve.

Budget Law

Expenses in the Electric and Water Funds exceeded their appropriations by \$21,836 and \$6,089, respectively, and may be in violation of Colorado Local Government Budget Laws.

Note K – Construction commitments

The Town began a construction project to renovate its waste water facility during 2019, financed in part with grant and loan funds, with an estimated project cost of \$3,152,781. At year-end, the District had approximately \$1,342,246 in uncompleted construction contracts, which will be paid from the remaining grant and loan funds.

Note L – Subsequent events

On February 3, 2020, the Town issued \$897,000 in Taxable Sewer Revenue Refunding Bonds to pay off the interim loan with CO Bank. The bonds bear interest at a rate of 1.625% and are due in equal amortized installments of principal and interest in the amount of \$2,548, beginning March 3, 2020 with final installment on February 3, 2060.

Required Supplementary Information

Budgetary comparison schedules are required to be presented for the General Fund and each major special revenue fund. The Town has no major special revenue funds.

- General Fund – The General Fund is the operating fund of the Town. It is used to account for most of the day-to-day operations of the Town which are financed from sales and use taxes, property taxes and other general revenues. Activities financed by the general fund include those of line and staff departments within the Town, except for activities of the enterprise funds.

TOWN OF FLEMING, COLORADO
General Fund
Budgetary Comparison Schedule
For the Year Ended December 31, 2019

	Budgeted Amounts		Actual	Variance with Final Budget Favorable (Unfavorable)
	Original	Final		
Revenues				
Taxes	\$ 79,245	\$ 79,245	\$ 102,489	\$ 23,244
Licenses and permits	284	284	1,171	887
Intergovernmental revenue	28,152	28,152	29,113	961
Charges for services	750	750	2,600	1,850
Miscellaneous revenue	2,100	2,100	4,642	2,542
Total revenues	110,531	110,531	140,015	29,484
Expenditures				
Current				
General government	66,605	66,605	66,106	499
Public safety	631	631	731	(100)
Public works	6,208	6,208	4,295	1,913
Health and welfare	6,069	6,069	4,503	1,566
Culture and recreation	12,019	12,019	14,183	(2,164)
Total expenditures	91,532	91,532	89,818	1,714
Excess of revenues over (under) expenditures	18,999	18,999	50,197	31,198
Other financing sources				
Transfers in	30,000	30,000	29,750	(250)
Net change in fund balance	\$ 48,999	\$ 48,999	79,947	\$ 30,948
Fund balance at beginning of year			81,454	
Fund balance at end of year			\$ 161,401	

TOWN OF FLEMING, COLORADO
Notes to the Required Supplementary Information

Note A – Budgetary data

Annual budgets are established for all funds of the Town. Budgets for all funds are adopted on a basis consistent with generally accepted accounting principles except for the enterprise funds (electric, water and sewer) in which capital and principal retirement expenses are treated as operating expenses and depreciation expense is not budgeted.

An appropriated budget for the entity as a whole is prepared on a detailed basis. Revenues are budgeted by source. Expenditures are budgeted by department and the major divisions thereof and by each independent office and agency and by the principal objects of expenditure. The legal level of control is considered to be the entity as a whole and expenditures may not exceed appropriations at this level. All budget revisions at this level are subject to final review and approval by Town council. Within these control levels, management may transfer appropriations without Town council approval.

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

- On or before October 15, the Town Clerk submits to the Town board of trustees, a proposed budget for the following calendar year.
- A proposed budget is made available for public inspection, and public hearings are conducted to obtain taxpayer comments.
- Prior to December 15, the Town must adopt the budget by formal resolution and certify the mill levies to the County Commissioners.
- On or before December 31, the Town must enact a resolution making appropriations for the following calendar year.

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Other Supplementary Information

Other supplementary information includes financial statements and schedules not required by the Governmental Accounting Standards Board, nor a part of the basic financial statements, but are presented for purposes of additional analysis.

Such statements and schedules include:

- Budgetary Comparison Schedules – General Fund Revenues and Expenditures
- Budgetary Comparison Schedule – Nonmajor Governmental Fund
- Budgetary Comparison Schedules – Enterprise Funds

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Budgetary Comparison Schedules – General Fund

The General Fund accounts for all transactions of the Town not required to be accounted for in other funds. This fund represents an accounting of the Town's ordinary operations financed primarily from tax dollars and intergovernmental aid. It is the most significant fund in relation to the Town's overall operations. The schedules of revenues and expenditures are included to provide a greater level of detail to the reader of the financial statements.

TOWN OF FLEMING, COLORADO
General Fund
Budgetary Comparison Schedule - Revenues
For the Year Ended December 31, 2019

	Budgeted Amounts		Actual	Variance with Final Budget Favorable (Unfavorable)
	Original	Final		
Taxes				
Property taxes	\$ 49,069	\$ 49,069	\$ 49,067	\$ (2)
Specific ownership taxes	5,284	5,284	5,940	656
Delinquent taxes and interest	1,552	1,552	550	(1,002)
Sales and use taxes	21,640	21,640	44,479	22,839
Franchise taxes	1,700	1,700	2,453	753
Total taxes	79,245	79,245	102,489	23,244
Licenses and permits	284	284	1,171	887
Intergovernmental revenues				
Highway users tax	24,000	24,000	24,208	208
Motor vehicle assessment	2,030	2,030	2,058	28
Road and bridge tax	1,170	1,170	1,253	83
Cigarette tax	72	72	102	30
Severance tax	380	380	1,012	632
Mineral lease funds	500	500	480	(20)
Total intergovernmental revenues	28,152	28,152	29,113	961
Charges for services				
General government	100	100		(100)
Health and welfare	400	400	2,200	1,800
Culture and recreation	250	250	400	150
Total charges for services	750	750	2,600	1,850
Miscellaneous revenues				
Interest on investments	2,000	2,000	3,063	1,063
Contributions			1,495	1,495
Other	100	100	84	(16)
Total miscellaneous revenues	2,100	2,100	4,642	2,542
Total revenues	\$ 110,531	\$ 110,531	\$ 140,015	\$ 29,484

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TOWN OF FLEMING, COLORADO
General Fund
Budgetary Comparison Schedule - Expenditures
For the Year Ended December 31, 2019

	Budgeted Amounts		Actual	Variance with Final Budget Favorable (Unfavorable)
	Original	Final		
General government				
Administrative salaries	\$ 37,091	\$ 37,091	\$ 35,522	\$ 1,569
Board of trustee fees	2,400	2,400	2,379	21
Employee benefits	10,500	10,500	10,606	(106)
Rent and leases	300	300	300	-
Operating supplies	1,367	1,367	986	381
Professional services	2,300	2,300	2,952	(652)
Telephone and postage	1,118	1,118	1,150	(32)
Travel and transportation	364	364	513	(149)
Insurance and bonds	4,810	4,810	4,474	336
Public utilities	1,515	1,515	1,482	33
Repairs and maintenance	715	715	1,547	(832)
Education	50	50	100	(50)
Treasurer's fees	1,040	1,040	1,017	23
Advertising and legal notices	700	700	253	447
Dues and subscriptions	435	435	963	(528)
Donations			1,557	(1,557)
Miscellaneous	1,900	1,900	305	1,595
Total general government	66,605	66,605	66,106	499
Public safety				
Supplies	631	631	731	(100)
Total public safety	631	631	731	(100)
Public works				
Streets and highways				
Salaries			673	(673)
Supplies	2,702	2,702	1,339	1,363
Repairs and maintenance	2,500	2,500	1,257	1,243
Rent and leases	1,006	1,006	1,026	(20)
Total public works	6,208	6,208	4,295	1,913

	Budgeted Amounts		Actual	Variance with Final Budget Favorable (Unfavorable)
	Original	Final		
Health and welfare				
Cemetery and parks				
Salaries			1,857	(1,857)
Supplies	3,900	3,900	1,757	2,143
Repairs and maintenance	402	402	675	(273)
Travel and transportation	100	100	14	86
Weed and pest control	1,625	1,625		1,625
Miscellaneous	42	42	200	(158)
Total health and welfare	6,069	6,069	4,503	1,566
Culture and recreation				
Salaries	10,551	10,551	11,765	(1,214)
Operating supplies			1,459	(1,459)
Utilities	1,426	1,426	770	656
Miscellaneous	42	42	189	(147)
Total culture and recreation	12,019	12,019	14,183	(2,164)
Total expenditures	\$ 91,532	\$ 91,532	\$ 89,818	\$ 1,714

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Budgetary Comparison Schedule – Nonmajor Governmental Fund

The Town reports the following nonmajor governmental fund:

Special Revenue Funds – These funds account for the proceeds of specific revenue sources that are legally restricted to expenditures for specified purposes.

- Conservation Trust Fund – This fund was established to account for the state lottery proceeds and allowable expenditures

TOWN OF FLEMING, COLORADO
Conservation Trust Fund
Budgetary Comparison Schedule
For the Year Ended December 31, 2019

	Budgeted Amounts		Actual	Variance with Final Budget Favorable (Unfavorable)
	Original	Final		
Revenues				
State lottery funds	\$ 3,890	\$ 3,890	\$ 4,628	\$ 738
Interest on investments	35	35	42	7
Total revenues	3,925	3,925	4,670	745
Expenditures				
Culture and recreation	9,000	15,500	12,421	3,079
Total expenditures	9,000	15,500	12,421	3,079
Net change in fund balance	\$ (5,075)	\$ (11,575)	(7,751)	\$ 3,824
Fund balance at beginning of year			15,508	
Fund balance at end of year			\$ 7,757	

Budgetary Comparison Schedules – Enterprise Funds

The Town reports the following major proprietary funds:

Enterprise Funds – These funds are used to account for operations that provide services that are financed primarily by user charges, or activities where periodic measurement of income is appropriate for capital maintenance, public policy, management control or other purposes.

- Electric Fund – This fund was established to account for all operations of the electric utility service provided by the Town.
- Water Fund – This fund was established to account for all operations of the water utility service provided by the Town.
- Sewer Fund – This fund was established to account for all operations of the sewer utility service provided by the Town.

TOWN OF FLEMING, COLORADO
Electric Fund
Budgetary Comparison Schedule
For the Year Ended December 31, 2019

	Budgeted Amounts		Actual	Variance with Final Budget Favorable (Unfavorable)
	Original	Final		
Operating revenues				
Charges for services	\$ 337,010	\$ 337,010	\$ 349,803	\$ 12,793
Operating expenses				
Salaries	37,569	37,569	36,264	1,305
Employee benefits	14,487	14,487	13,397	1,090
Operating leases	4,698	4,698		4,698
Office supplies	1,591	1,591	1,886	(295)
Professional services	1,000	1,000	2,078	(1,078)
Travel and education	776	776	716	60
Dues and licenses	785	785	5,194	(4,409)
Insurance	4,810	4,810	4,871	(61)
Repairs and maintenance	6,588	6,588	14,964	(8,376)
Cost of electricity	151,889	151,889	159,641	(7,752)
Utilities	2,578	2,578	2,537	41
Rent	300	300	300	-
Miscellaneous			1,309	(1,309)
Capital outlay	12,000	12,000	18,000	(6,000)
Total operating expenses	239,071	239,071	261,157	(22,086)
Operating income	97,939	97,939	88,646	(9,293)
Nonoperating revenues				
Interest on investments			2,015	2,015
Miscellaneous			13,426	13,426
Total nonoperating revenues	-	-	15,441	15,441
Income before transfers	97,939	97,939	104,087	6,148
Transfers out	(37,000)	(37,000)	(36,750)	250
Change in net position	\$ 60,939	\$ 60,939	67,337	\$ 6,398

	Budgeted Amounts		Actual	Variance with Final Budget Favorable (Unfavorable)
	Original	Final		
Adjustments to GAAP Basis				
Add capital outlay			18,000	
Deduct depreciation			(959)	
Change in net position - GAAP Basis			84,378	
Net position at beginning of year			341,535	
Net position at end of year			\$ 425,913	

TOWN OF FLEMING, COLORADO
Water Fund
Budgetary Comparison Schedule
For the Year Ended December 31, 2019

	Budgeted Amounts		Actual	Variance with Final Budget Favorable (Unfavorable)
	Original	Final		
Operating revenues				
Charges for services	\$ 85,000	\$ 85,000	\$ 84,552	\$ (448)
Operating expenses				
Salaries	37,569	37,569	36,264	1,305
Employee benefits	10,701	10,701	10,056	645
Office supplies	261	261	286	(25)
Operating leases	11,478	11,478	12,518	(1,040)
Professional services	1,000	1,000	2,326	(1,326)
Travel and education	593	593	745	(152)
Dues and licenses	1,426	1,426	1,443	(17)
Insurance and bonds	4,810	4,810	4,871	(61)
Repairs and maintenance	13,971	13,971	15,790	(1,819)
Utilities	2,633	2,633	2,537	96
Testing and paperwork	1,456	1,456	595	861
Rent	300	300	300	-
Reimbursements			2,500	(2,500)
Cost of service	1,367	1,367	1,478	(111)
Miscellaneous			868	(868)
Capital outlay			4,340	(4,340)
Contingency reserve		3,263		3,263
Total operating expenses	87,565	90,828	96,917	(6,089)
Operating loss	(2,565)	(5,828)	(12,365)	5,641
Transfers in	7,000	7,000	7,000	-
Change in net position	\$ 4,435	\$ 1,172	(5,365)	\$ (6,537)
Adjustments to GAAP Basis				
Add capital outlay			4,340	
Deduct depreciation			(11,311)	
Change in net position - GAAP Basis			(12,336)	
Net position at beginning of year			356,476	
Net position at end of year			\$ 344,140	

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TOWN OF FLEMING, COLORADO
Sewer Fund
Budgetary Comparison Schedule
For the Year Ended December 31, 2019

	Budgeted Amounts		Actual	Variance with Final Budget Favorable (Unfavorable)
	Original	Final		
Operating revenues				
Charges for services	\$ 116,400	\$ 116,400	\$ 106,090	\$ (10,310)
Operating expenses				
Salaries	37,569	37,569	36,264	1,305
Employee benefits	8,859	8,859	10,329	(1,470)
Office supplies			286	(286)
Professional services	25,000	25,000	29,020	(4,020)
Travel and education	600	600	965	(365)
Testing and paperwork	300	300	1,228	(928)
Insurance and bonds	4,810	4,810	4,761	49
Repairs and maintenance	3,000	3,000	136,460	(133,460)
Dues and licenses	137	137	1,829	(1,692)
Supplies	311	311		311
Utilities	2,633	2,633	3,872	(1,239)
Rent	300	300	300	-
Reimbursements			2,500	(2,500)
Miscellaneous			23	(23)
Capital outlay	2,574,300	2,574,300	1,608,741	965,559
Total operating expenses	2,657,819	2,657,819	1,836,578	821,241
Operating loss	(2,541,419)	(2,541,419)	(1,730,488)	810,931
Nonoperating revenues (expenses)				
Interest on investments			89	89
Grant and loan proceeds	2,696,735	2,696,735	2,244,800	(451,935)
Interest and fiscal charges			(10,391)	(10,391)
Loan principal	(62,176)	(62,176)	(97,500)	(35,324)
Total nonoperating revenues (expenses)	2,634,559	2,634,559	2,136,998	(497,561)
Change in net position	\$ 93,140	\$ 93,140	406,510	\$ 313,370

	Budgeted Amounts		Actual	Variance with Final Budget Favorable (Unfavorable)
	Original	Final		
Adjustments to GAAP Basis				
Add capital outlay			1,608,741	
Add loan principal			97,500	
Deduct loan proceeds			(1,629,781)	
Deduct depreciation			(552)	
Change in net position - GAAP Basis			482,418	
Net position at beginning of year			214,775	
Net position at end of year			\$ 697,193	

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**Colorado Department of Highways
Local Highway Finance Report**

This calendar-year report of receipts and expenditures is required by the Colorado Department of Highways to maintain Statewide accountability for moneys used for highway and street purposes. To ensure data accuracy, House Bill 1008 mandates that this report be included in the Town's financial statements.

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

LOCAL HIGHWAY FINANCE REPORT	City or County: Town of Fleming YEAR ENDING : December 31, 2019
This Information From The Records Of (example - City of _ or County of _)	Prepared By: Clayton F. Gorman Phone: 970-265-2692

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

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

II. RECEIPTS FOR ROAD AND STREET PURPOSES

III. DISBURSEMENTS FOR ROAD AND STREET PURPOSES

ITEM	AMOUNT	ITEM	AMOUNT
A. Receipts from local sources:		A. Local highway disbursements:	
1. Local highway-user taxes		1. Capital outlay (from page 2)	0
a. Motor Fuel (from Item I.A.5.)		2. Maintenance:	3,622
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	1,253	b. Snow and ice removal	0
3. Other local imposts (from page 2)	0	c. Other	0
4. Miscellaneous local receipts (from page 2)	0	d. Total (a. through c.)	0
5. Transfers from toll facilities		4. General administration & miscellaneous	25
6. Proceeds of sale of bonds and notes:		5. Highway law enforcement and safety	0
a. Bonds - Original Issues		6. Total (1 through 5)	3,647
b. Bonds - Refunding Issues		B. Debt service on local obligations:	
c. Notes		1. Bonds:	
d. Total (a. + b. + c.)	0	a. Interest	
7. Total (1 through 6)	1,253	b. Redemption	
B. Private Contributions		c. Total (a. + b.)	0
C. Receipts from State government (from page 2)	26,266	2. Notes:	
D. Receipts from Federal Government (from page 2)	0	a. Interest	
E. Total receipts (A.7 + B + C + D)	27,519	b. Redemption	
		c. Total (a. + b.)	0
		3. Total (1.c + 2.c)	0
		C. Payments to State for highways	
		D. Payments to toll facilities	
		E. Total disbursements (A.6 + B.3 + C + D)	3,647

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

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

V. LOCAL ROAD AND STREET FUND BALANCE

	A. Beginning Balance	B. Total Receipts	C. Total Disbursements	D. Ending Balance	E. Reconciliation
	64,547	27,519	3,647	88,419	0

Notes and Comments:

LOCAL HIGHWAY FINANCE REPORT

STATE:
Colorado
YEAR ENDING (mm/yy):
12/19

II. RECEIPTS FOR ROAD AND STREET PURPOSES - DETAIL

ITEM	AMOUNT	ITEM	AMOUNT
A.3. Other local imposts:		A.4. Miscellaneous local receipts:	
a. Property Taxes and Assessments		a. Interest on investments	
b. Other local imposts:		b. Traffic Fines & Penalties	0
1. Sales Taxes		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		g. Other Misc. Receipts	
6. Total (1. through 5.)	0	h. Other	
c. Total (a. + b.)	0	i. Total (a. through h.)	0
	(Carry forward to page 1)		(Carry forward to page 1)

ITEM	AMOUNT	ITEM	AMOUNT
C. Receipts from State Government		D. Receipts from Federal Government	
1. Highway-user taxes	24,208	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	2,058	d. Federal Transit Admin	
d. Other (Specify) - Faster bill		e. U.S. Corps of Engineers	
e. Other (Specify)		f. Other Federal	
f. Total (a. through e.)	2,058	g. Total (a. through f.)	0
4. Total (1. + 2. + 3.f)	26,266	3. Total (1. + 2.g)	
			(Carry forward to page 1)

III. DISBURSEMENTS FOR ROAD AND STREET PURPOSES - DETAIL

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

Notes and Comments: