

**TOWN OF AULT
AULT, COLORADO**

**FINANCIAL STATEMENTS
WITH
INDEPENDENT AUDITORS' REPORT**

**FOR THE YEAR ENDED
DECEMBER 31, 2020**

TOWN OF AULT, COLORADO

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DECEMBER 31, 2020

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Town of Ault
Management's Discussion and Analysis
December 31, 2020

The discussion and analysis of the Town of Ault's financial performance provides an overall review of the Town's financial activities for the year ended December 31, 2020. The intent of this discussion and analysis is to look at the Town's financial performance as a whole. Readers should also review the financial statements and the notes to the financial statements to broaden their understanding of the Town's financial performance.

The Management Discussion and Analysis (MD&A) is an element of the new reporting model adopted by the Governmental Accounting Standards Board (GASB) in their Statement No. 34, Basic Financial Statements and Management's Discussion and Analysis for State and Local Governments, issued June 1999. Certain comparative information between the current year and the prior year is required to be presented in the MD&A.

Financial Highlights

The Town of Ault's overall net position increased by \$4,187,587 with its governmental net position increasing by \$2,235,072 and business-type net position increasing by \$1,952,515 for the year, with the large increase mainly due to construction.

- The assets of the Town exceeded its liabilities at the close of fiscal year 2020 by \$19,467,629 (*net position*). Of this amount, \$6,672,586 (*unrestricted net position*) may be used to meet the Town's ongoing obligations or unforeseen expenses.
- At the end of 2020, the unrestricted net position for the governmental funds was \$3,228,650 and proprietary funds (business-type activities) were \$3,443,936.
- As of the close of fiscal year 2020, the Town's General Fund reported an ending fund balance of \$3,164,604 compared to the fiscal year 2019 balance of \$2,415,574.
- General Fund 2020 revenues increased by \$294,982 to \$1,987,535.
- General Fund expenditures increased in 2020 by \$252,312 to \$1,264,896.

Using the Basic Financial Statements

The Basic Financial Statements consists of the Management's Discussion and Analysis (this section) and a series of financial statements and notes to those statements. These statements are organized so that the reader can understand the Town of Ault as an entire operating entity. The statements then proceed to provide an increasingly detailed look at specific financial activities.

The first two statements are government-wide financial statements - the Statement of Net Position and the Statement of Activities. Both provide long and short-term information about the Town's overall financial status.

Town of Ault
Management's Discussion and Analysis
December 31, 2020

The remaining statements are fund financial statements that focus on individual parts of the Town's operations in more detail. The governmental fund statements tell how general Town services were financed in the short term as well as what remains for future spending. The Town has two major governmental funds, the General Fund and the Street Systems Fund.

Proprietary fund statements offer short and long-term financial information about the activities that the Town operates as a business. The Town operates two proprietary funds as follows:

- Water Fund
- Sanitation Fund

The financial statements also include notes that explain some of the information in the financial statements and provide more detailed data.

Financial Analysis of the Town as a Whole

The Town's total net position was \$19,467,629 as of December 31, 2020 compared to \$15,298,303 as of December 31, 2019. This represents an increase of \$4,169,226.

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 businesses. The statements of net position include all of the government's assets and liabilities. All of the current year's revenues and expenses are accounted for in the statement of activities regardless of when cash is received or paid.

The two government-wide statements report the Town's net position and how they have changed. The change in net position is important because it tells the reader that for the Town as a whole, the financial position of the Town has improved or diminished. The causes of this change may be the result of various factors, some financial, some not. Non-financial factors include facility conditions, and state or federal government required programs.

Both of the government-wide financial statements distinguish functions of the Town that are principally supported by taxes and intergovernmental revenues (*Governmental Activities*) from other functions that are intended to recover all or a significant portion of their costs through user fees and charges (*Business-type Activities*). The Governmental Activities of the Town include: general government, public safety (police), public works, parks and recreation, and health and welfare. The Business-type Activities of the Town of Ault consists of water and sanitation services.

Town of Ault
Management's Discussion and Analysis
December 31, 2020

Net Position

Net position might serve over time as a useful indicator of a government's financial position. In the case of the Town of Ault, assets exceeded liabilities by approximately \$19 million overall at the close of 2020.

Net position of the Town at December 31 was as follows:

	Governmental Activities		Business-type Activities		Total	
	2020	2019	2020	2019	2020	2019
ASSETS						
Current and Other Assets	\$ 4,612,729	\$ 3,415,730	\$ 3,776,033	\$ 4,832,974	\$ 8,388,762	\$ 8,248,704
Capital Assets, net	2,691,286	1,600,901	10,526,453	7,680,958	13,217,739	9,281,859
TOTAL ASSETS	7,304,015	5,016,631	14,302,486	12,513,932	21,606,501	17,530,563
Deferred Outflows	239,385	216,504	-	-	239,385	216,504
LIABILITIES						
Current Liabilities	99,241	76,913	199,867	188,598	299,108	265,511
Non-Current Liabilities	102,822	48,201	1,755,423	1,942,129	1,858,245	1,990,330
TOTAL LIABILITIES	202,063	125,114	1,955,290	2,130,727	2,157,353	2,255,841
Deferred Inflows	220,904	210,207	-	-	220,904	210,207
Net Position						
Net Investment in Capital Assets	2,613,926	1,600,264	8,789,599	5,756,113	11,403,525	7,356,377
Restricted Net Position	1,277,857	876,490	113,661	102,631	1,391,518	979,121
Unrestricted	3,228,650	2,421,060	3,443,936	4,541,745	6,672,586	6,962,805
TOTAL NET POSITION	\$ 7,120,433	\$ 4,897,814	\$ 12,347,196	\$ 10,400,489	\$ 19,467,629	\$ 15,298,303

The statement of net position reflects a cash position totaling \$8,388,762 of total assets. The bulk of the Town's resources, \$13.2 million, are invested in capital assets. These assets consist of land and improvements, buildings, equipment, and utility system assets. The remaining assets represent receivables.

The Town of Ault uses these capital assets to provide services to citizens; consequently, these assets are not available for future spending. Although the Town of Ault's investment in its capital assets is reported net of related debt, it should be noted that the funds needed to repay this debt must be provided from other sources since; in general, the capital assets themselves cannot be used to liquidate these liabilities. Unrestricted net position may be used to meet the Town's ongoing obligations to citizens and creditors.

Town of Ault
Management's Discussion and Analysis
December 31, 2020

Changes in Net Position

Governmental activities increased the Town of Ault's net position by \$2,235,072. Business activities increased the Town's net position by \$1,952,515.

A summary of the changes in net position is as follows:

	Governmental Activities		Business-type Activities		Total	
	2020	2019	2020	2019	2020	2019
Program Revenues						
Charges for Services	\$ 795,667	\$ 460,754	\$ 1,209,184	\$ 1,050,060	\$ 2,004,851	\$ 1,510,814
Operating Grants and Contrib.	150,818	204,637	-	-	150,818	204,637
Capital Grants and Contrib.	984,918	-	2,140,355	2,345,400	3,125,273	2,345,400
Total Program Revenues	<u>1,931,403</u>	<u>665,391</u>	<u>3,349,539</u>	<u>3,395,460</u>	<u>5,280,942</u>	<u>4,060,851</u>
General Revenues:						
Taxes	1,475,220	1,278,969	-	-	1,475,220	1,278,969
Other General Revenues	<u>22,527</u>	<u>26,273</u>	<u>24,935</u>	<u>37,986</u>	<u>47,462</u>	<u>64,259</u>
Total General Revenues	<u>1,497,747</u>	<u>1,305,242</u>	<u>24,935</u>	<u>37,986</u>	<u>1,522,682</u>	<u>1,343,228</u>
Total Revenues	<u>3,429,150</u>	<u>1,970,633</u>	<u>3,374,474</u>	<u>3,433,446</u>	<u>6,803,624</u>	<u>5,404,079</u>
Program Expenses						
General Government	176,767	219,709	-	-	176,767	219,709
Public Safety	679,119	675,448	-	-	679,119	675,448
Public Works	247,487	190,216	-	-	247,487	190,216
Parks and Recreation	66,395	49,433	-	-	66,395	49,433
Health & Welfare	53,815	49,453	-	-	53,815	49,453
Economic development/assistance	495	495	-	-	495	495
Water Operations	-	-	644,714	543,340	644,714	543,340
Sanitation Operations	-	-	747,245	690,336	747,245	690,336
Total Expenses	<u>1,224,078</u>	<u>1,184,754</u>	<u>1,391,959</u>	<u>1,233,676</u>	<u>2,616,037</u>	<u>2,418,430</u>
Transfers	<u>30,000</u>	<u>30,000</u>	<u>(30,000)</u>	<u>(30,000)</u>	<u>-</u>	<u>-</u>
Change in Net Position	2,235,072	815,879	1,952,515	2,169,770	4,187,587	2,985,649
Net Position, Beginning	<u>4,897,814</u>	<u>4,081,935</u>	<u>10,400,489</u>	<u>8,230,719</u>	<u>15,298,303</u>	<u>12,312,654</u>
Prior Period Restatement	<u>(12,453)</u>	<u>-</u>	<u>(5,808)</u>	<u>-</u>	<u>(18,261)</u>	<u>-</u>
Net Position, Beginning (As Restated)	<u>4,885,361</u>	<u>4,081,935</u>	<u>10,394,681</u>	<u>8,230,719</u>	<u>15,280,042</u>	<u>12,312,654</u>
Net Position, Ending	<u>\$ 7,120,433</u>	<u>\$ 4,897,814</u>	<u>\$ 12,347,196</u>	<u>\$ 10,400,489</u>	<u>\$ 19,467,629</u>	<u>\$ 15,298,303</u>

For 2020, the Town's Governmental Activities show a increase of \$334,913 in total revenues and a increase of \$39,324 in expenses, resulting in an increase in net position of \$2,235,072 over 2019. The Business-type Activities show an increase of \$494,037 in revenues and an increase of \$197,607 in expenses resulting in an increase in net position of \$1,952,515 over 2019.

Town of Ault
Management's Discussion and Analysis
December 31, 2020

Financial Analysis of the Town's Funds

The Town uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements.

Governmental Funds - The focus of the Town's governmental fund is to provide information on near-term inflows, outflows, and balance of spendable resources. Such information is useful in assessing the Town's financing requirements. The unreserved fund balance may serve as a useful measure of a government's net resources available for spending at the end of the year.

General Fund – The General Fund went from a balance of \$2,415,574 to \$3,164,604. This increase is principally the result of increasing revenues and maintaining expenditures below budget. Total revenues increased by \$294,982. Expenditures increased by \$252,312.

Proprietary Funds - Proprietary funds have historically operated as enterprise funds using the same basis of accounting as business-type activities; therefore, these statements will essentially match the information provided in the statements for the business-type activities of the Town as a whole. The proprietary fund statements, however, will provide a greater level of detail than the information found in the government-wide statements.

Water Fund – The net position increased by \$1,288,407 in 2020, which less than the increase of \$2,042,900 in 2019. Capital Contributions and development slowed from the prior year.

Sanitation Fund – The net position increased by \$664,108 in 2020, above the increase of \$139,580. in 2019.

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Management's Discussion and Analysis
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Capital Assets

Approximately 34% of the Town's capital assets support governmental activities. The majority of the value is invested in land, buildings, infrastructure, and improvements.

	Balance January 1, 2020	Additions	Deletions	Balance December 31, 2020
GOVERNMENTAL ACTIVITIES:				
Capital assets not being depreciated:				
Land	\$ 219,806	\$ -	\$ -	\$ 219,806
Capital assets being depreciated:				
Buildings and improvements	240,490	-	-	240,490
Land improvements	421,732	87,800	-	509,532
Vehicles and equipment	339,461	103,227	-	442,688
Infrastructure	2,419,618	984,918	-	3,404,536
Total capital assets being depreciated	<u>3,421,301</u>	<u>1,175,945</u>	<u>-</u>	<u>4,597,246</u>
Less accumulated depreciation:				
Buildings and improvements	187,219	3,673	-	190,892
Land improvements	312,303	10,271	-	322,574
Vehicles and equipment	253,446	25,923	-	279,369
Infrastructure	1,287,238	65,606	-	1,352,844
Total accumulated depreciation	<u>2,040,206</u>	<u>105,473</u>	<u>-</u>	<u>2,145,679</u>
Total capital assets, net	<u><u>\$ 1,600,901</u></u>	<u><u>\$ 1,070,472</u></u>	<u><u>\$ -</u></u>	<u><u>\$ 2,671,373</u></u>

Town of Ault
Management's Discussion and Analysis
December 31, 2020

Approximately 67% of the Town's capital assets support business-type activities. The Town's business-type activities capital assets consist of its investments in its utility systems and related equipment.

	Balance January 1, 2020	Additions	Deletions	Balance December 31, 2020
BUSINESS-TYPE ACTIVITIES:				
Capital assets not being depreciated:				
Land	\$ 15,338	\$ -	\$ -	\$ 15,338
Water rights	<u>1,060,908</u>	<u>2,767,500</u>	<u>-</u>	<u>3,828,408</u>
Total capital assets not being depreciated	<u>1,076,246</u>	<u>2,767,500</u>	<u>-</u>	<u>3,843,746</u>
Capital assets being depreciated:				
Water and sewer systems	9,541,052	442,616	-	9,983,668
Equipment	<u>97,262</u>	<u>36,236</u>	<u>-</u>	<u>133,498</u>
Total capital assets being depreciated	<u>9,638,314</u>	<u>478,852</u>	<u>-</u>	<u>10,117,166</u>
Less accumulated depreciation:				
Water and sewer systems	2,957,857	394,940	-	3,352,797
Equipment	<u>75,745</u>	<u>5,916</u>	<u>-</u>	<u>81,661</u>
Total accumulated depreciation	<u>3,033,602</u>	<u>400,856</u>	<u>-</u>	<u>3,434,458</u>
Total Capital Assets, net	<u>\$ 7,680,958</u>	<u>\$ 2,845,496</u>	<u>\$ -</u>	<u>\$ 10,526,454</u>

The Town's Governmental Activities reported depreciation expense of \$105,473 in the Government-Wide Financial Statements. The Town's Business-Type Activities reported \$400,856 in depreciation expense allocated to the Water and Sanitation Funds at \$55,746 and \$345,110, respectively.

Long-Term Debt

The Town's governmental and business-type activities for long-term debt consist of various capital leases, loans and notes payable that were used for capital asset acquisition and system improvements. Long-term debt transactions for the year were as follows:

	Balance January 1, 2020	Advances	Repayments	Balance December 31, 2020	Current Portion	Interest Expense
GOVERNMENTAL ACTIVITIES						
Capital Leases - Equipment	\$ 638	\$ 103,227	\$ 26,505	\$ 77,360	\$ 24,462	\$ 3,530
Compensated Absences	<u>32,906</u>	<u>-</u>	<u>7,444</u>	<u>25,462</u>	<u>-</u>	<u>-</u>
Total Obligations	<u>\$ 33,544</u>	<u>\$ 103,227</u>	<u>\$ 33,949</u>	<u>\$ 102,822</u>	<u>\$ 24,462</u>	<u>\$ 3,530</u>
BUSINESS -TYPE ACTIVITIES						
2006 CWRPDA Loan	\$ 508,333	\$ -	\$ 74,508	\$ 433,825	\$ 75,817	\$ 8,354
2015 CWRPDA Loan	1,583,120	-	102,137	1,480,983	102,137	-
Compensated Absences	<u>17,284</u>	<u>1,285</u>	<u>-</u>	<u>18,569</u>	<u>-</u>	<u>-</u>
Total Obligations	<u>\$ 2,108,737</u>	<u>\$ 1,285</u>	<u>\$ 176,645</u>	<u>\$ 1,933,377</u>	<u>\$ 177,954</u>	<u>\$ 8,354</u>

Town of Ault
Management's Discussion and Analysis
December 31, 2020

General Fund Budget

The General Fund accounts for all of the general government services provided by the Town of Ault including: public safety (police), public works, parks and recreation, and general government services. The Town's General Fund revenues were higher than budgeted by \$329,605, which is a slightly lower margin than last year. The Town's expenditures were \$132,936 more than budgeted.

Economic Factors and Future Budgets and Rates

The economy has improved, and the Town has seen an increase in new construction and sales tax revenue. It remains important to have stable, well-thought-out planning.

The Town is continuing to grow with current development and annexation requests. The comprehensive plan and land use code are under revision. The Town Board will continue to review the fee structure in the coming years to be sure to stay up with the demands of the infrastructure.

The Town must continue to strategize for growth and needs of the future. Steady yet smart growth is needed to continue with an upward trend.

Request for Information

The financial statements are designed to provide information for regulatory reporting to federal and state agencies and those with an interest in the Town's finances. Questions concerning this or any additional information should be addressed to Town Clerk/Treasurer, Town of Ault, 201 1st Street, P.O. Box 1098 Ault, CO 80610 or call (970) 834-2844.

FINANCIAL SECTION

Mayberry & Company, LLC

Certified Public Accountants

Member of the American Institute of Certified Public Accountants
Governmental Audit Quality Center
and Private Company Practice Section

Board of Trustees
Town of Ault
Ault, Colorado

INDEPENDENT AUDITORS' REPORT

Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities, the business-type activities, the discretely presented component unit, each major fund, and the aggregate remaining fund information of the Town of Ault, Colorado, as of and for the year ended December 31, 2020, 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 and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. 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 auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, 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.

Opinion

In our opinion, based on our audit the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, discretely presented component unit, each major funds, and the aggregate remaining fund information of the Town of Ault, Colorado, as of December 31, 2020, and the respective changes in financial position, and, where applicable, cash flows, thereof, for the year then ended in conformity with accounting principles generally accepted in the United States of America.

Report on Summarized Comparative Information

We have previously audited the Town of Ault's 2019 financial statements, and we expressed an unmodified audit opinion on those audited financial statements in our report dated June 3, 2019. In our opinion, the summarized comparative information presented herein as of and for the year ended December 31, 2019 is consistent, in all material respects, with the audited financial statements from which it has been derived.

Other Matters

Required Supplementary Information – Management Discussion and Analysis and Pension Schedules (Unaudited)

Accounting principles generally accepted in the United States of America require that the management, discussion and analysis on pages M1-M9 and pension schedules on pages 35-36 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.

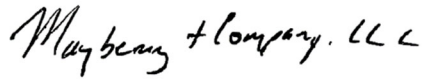
Required Supplementary Information – Budgetary Comparison Schedules and Other Supplementary Information

Our audit was conducted for the purpose of forming an opinion on the financial statements as a whole. Accounting principles generally accepted in the United States of America require that the budgetary comparison schedules on pages 37-38 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. In addition, the budgetary comparison schedules on pages 39-42 and listed as other supplementary information are presented for purposes of additional analysis and are not a required part of the financial statements. The information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements.

Such information has been subjected to the auditing procedures applied in the audit of the 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 financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America by us and other auditors. In our opinion, based on our audit, the procedures performed as described above, and the report of other auditors, the information is fairly stated, in all material respects, in relation to the financial statements as a whole.

Report on Other Legal and Regulatory Requirements

Our audit was conducted for the purpose of forming an opinion on the financial statements as a whole. The *Local Highway Finance Report* on pages 43-44 is presented for purposes of legal compliance and is not a required part of the financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the audit of the 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 information is fairly stated in all material respects in relation to the financial statements as a whole.

A handwritten signature in black ink that reads "Mayberry & Company, LLC". The signature is written in a cursive, flowing style.

Englewood, Colorado
September 28, 2021

BASIC FINANCIAL STATEMENTS

The Basic Financial Statements provide a financial overview of the Town's operations. These financial statements present the financial position, operating results, and cash flows, where applicable, of all funds and activities as of December 31, 2020.

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TOWN OF AULT, COLORADO

STATEMENT OF NET POSITION
December 31, 2020

	Primary Government			Component Unit
	Governmental Activities	Business - Type Activities	Total	Northern Plains Public Library
ASSETS				
Current Assets				
Cash and Investments	\$ 4,304,722	\$ 3,532,030	\$ 7,836,752	\$ 1,496,993
Accounts Receivable	165,795	112,479	278,274	38,400
Property Tax Receivable	142,212	-	142,212	-
Inventory	-	17,863	17,863	-
Prepaid Expenses	-	-	-	-
Restricted Cash and Investments	-	113,661	113,661	-
Total Current Assets	4,612,729	3,776,033	8,388,762	1,535,393
Noncurrent Assets				
Capital Assets not being depreciated	219,806	1,076,246	1,296,052	883,360
Capital Assets being depreciated (net)	2,451,567	9,450,207	11,901,774	501,944
Net Pension Asset	19,913	-	19,913	-
Total Noncurrent Assets	2,691,286	10,526,453	13,217,739	1,385,304
TOTAL ASSETS	7,304,015	14,302,486	21,606,501	2,920,697
DEFERRED OUTFLOWS OF FINANCIAL RESOURCES				
Net Pension Deferred Outflows	239,385	-	239,385	-
LIABILITIES				
Current Liabilities				
Accounts Payable	73,271	9,834	83,105	246,902
Accrued Payroll	16,968	7,538	24,506	5,414
Developer Tap Fees Payable	-	3,276	3,276	-
Accrued Interest Payable	1,185	1,265	2,450	-
Customer Deposits	3,717	-	3,717	-
Unearned Revenues	4,100	-	4,100	-
Current Portion of Noncurrent Liabilities	-	177,954	177,954	-
Total Current Liabilities	99,241	199,867	299,108	252,316
Noncurrent Liabilities				
Accrued Compensated Absences	25,462	18,569	44,031	-
Capital Leases Payable	77,360	-	77,360	-
Net Pension Liability	-	-	-	-
Notes Payable	-	1,736,854	1,736,854	-
Total Noncurrent Liabilities	102,822	1,755,423	1,858,245	-
TOTAL LIABILITIES	202,063	1,955,290	2,157,353	252,316
DEFERRED INFLOWS OF FINANCIAL RESOURCES				
Deferred Revenue - Property Taxes	142,212	-	142,212	-
Net Pension Deferred Inflows	78,692	-	78,692	-
TOTAL DEFERRED INFLOWS	220,904	-	220,904	-
NET POSITION				
Net Investment in Capital Assets	2,613,926	8,789,599	11,403,525	1,385,304
Restricted:				
for TABOR Emergencies	70,000	-	70,000	13,000
for Impact Related Improvements	1,117,393	-	1,117,393	-
for Parks and Recreation	90,464	-	90,464	-
for Operations and Maintenance Reserve	-	113,661	113,661	-
Unrestricted	3,228,650	3,443,936	6,672,586	1,270,076
TOTAL NET POSITION	\$ 7,120,433	\$ 12,347,196	\$ 19,467,629	\$ 2,668,380

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

TOWN OF AULT, COLORADO

STATEMENT OF ACTIVITIES

Year Ended December 31, 2020

FUNCTIONS/PROGRAMS	EXPENSES	PROGRAM REVENUES		
		CHARGES FOR SERVICES	OPERATING GRANTS AND CONTRIBUTIONS	CAPITAL GRANTS AND CONTRIBUTIONS
Governmental Activities:				
General Government	\$ 176,767	\$ 241,732	\$ 50,573	\$ -
Public Safety	679,119	176,685	1,006	-
Public Works	247,487	377,250	80,454	984,918
Culture, Parks and Recreation	66,395	-	18,785	-
Health & Welfare	53,815	-	-	-
Economic Development	495	-	-	-
TOTAL GOVERNMENTAL ACTIVITIES	<u>1,224,078</u>	<u>795,667</u>	<u>150,818</u>	<u>984,918</u>
Business - Type Activities:				
Water Operations	644,714	611,463	-	1,318,926
Sanitation Operations	747,245	597,721	-	821,429
TOTAL BUSINESS - TYPE ACTIVITIES	<u>1,391,959</u>	<u>1,209,184</u>	<u>-</u>	<u>2,140,355</u>
TOTAL PRIMARY GOVERNMENT	<u>\$ 2,616,037</u>	<u>\$ 2,004,851</u>	<u>\$ 150,818</u>	<u>\$ 3,125,273</u>
Component Unit				
Northern Plains Public Library	\$ 298,950	\$ 670	\$ 421,229	\$ 130,041

GENERAL REVENUES

Taxes

Investment Earnings

Other Revenues

TOTAL GENERAL REVENUES

TRANSFERS

TOTAL GENERAL REVENUES AND TRANSFERS

CHANGE IN NET POSITION

NET POSITION - Beginning of Year

PRIOR PERIOD RESTATEMENT

NET POSITION - Beginning of Year (As Restated)

NET POSITION - End of Year

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

**NET (EXPENSE) REVENUE AND
CHANGES IN NET POSITION -**

PRIMARY GOVERNMENT

GOVERNMENT ACTIVITIES	BUSINESS - TYPE ACTIVITIES	TOTAL	COMPONENT UNIT
\$ 115,538	\$ -	\$ 115,538	\$ -
(501,428)	-	(501,428)	-
1,195,135	-	1,195,135	-
(47,610)	-	(47,610)	-
(53,815)	-	(53,815)	-
(495)	-	(495)	-
<u>707,325</u>	<u>-</u>	<u>707,325</u>	<u>-</u>
-	1,285,675	1,285,675	-
-	<u>671,905</u>	<u>671,905</u>	-
-	1,957,580	1,957,580	-
<u>707,325</u>	<u>1,957,580</u>	<u>2,664,905</u>	<u>-</u>
-	-	-	252,990
1,475,220	-	1,475,220	-
22,709	24,680	47,389	10,257
(182)	<u>255</u>	<u>73</u>	<u>2,158</u>
1,497,747	24,935	1,522,682	12,415
30,000	<u>(30,000)</u>	<u>-</u>	<u>-</u>
<u>1,527,747</u>	<u>(5,065)</u>	<u>1,522,682</u>	<u>12,415</u>
2,235,072	1,952,515	4,187,587	265,405
<u>4,897,814</u>	<u>10,400,489</u>	<u>15,298,303</u>	<u>2,402,975</u>
(12,453)	(5,808)	(18,261)	-
<u>4,885,361</u>	<u>10,394,681</u>	<u>15,280,042</u>	<u>2,402,975</u>
<u>\$ 7,120,433</u>	<u>\$ 12,347,196</u>	<u>\$ 19,467,629</u>	<u>\$ 2,668,380</u>

TOWN OF AULT, COLORADO

BALANCE SHEET - GOVERNMENTAL FUNDS

December 31, 2020

With Comparative Totals for December 31, 2019

	GENERAL	SPECIAL REVENUE FUNDS	
		STREET SYSTEMS	NON-MAJOR CONSERVATION TRUST
ASSETS			
Cash and Investments	\$ 3,095,786	\$ 1,118,472	\$ 90,464
Accounts Receivable	165,795	-	-
Property Tax Receivable	142,212	-	-
Prepaid Expenses	-	-	-
TOTAL ASSETS	\$ 3,403,793	\$ 1,118,472	\$ 90,464
LIABILITIES, DEFERRED INFLOWS AND FUND BALANCE			
LIABILITIES			
Accounts Payable	\$ 72,959	\$ 312	\$ -
Accrued Payroll	16,201	767	-
Deposits	3,717	-	-
Unearned Revenue - Other	4,100	-	-
TOTAL LIABILITIES	96,977	1,079	-
DEFERRED INFLOWS			
Deferred Revenue - Property Taxes	142,212	-	-
FUND BALANCE			
Nonspendable:			
Prepays	-	-	-
Restricted Fund Balance			
Restricted for TABOR Emergencies	70,000	-	-
Restricted for Impact Related Projects	-	1,117,393	-
Restricted for Parks and Recreation	-	-	90,464
Committed:			
Committed for Martinez Memorial	6,083	-	-
Unassigned	3,088,521	-	-
TOTAL FUND BALANCE	3,164,604	1,117,393	90,464
TOTAL LIABILITIES, DEFERRED INFLOWS AND FUND BALANCE	\$ 3,403,793	\$ 1,118,472	\$ 90,464

The accompanying notes are an integral part of the financial statements

TOTALS

<u>2020</u>	<u>2019</u>
\$ 4,304,722	\$ 3,101,814
165,795	166,840
142,212	134,166
-	12,910
<u>\$ 4,612,729</u>	<u>\$ 3,415,730</u>
\$ 73,271	\$ 39,695
16,968	-
3,717	(3,538)
<u>4,100</u>	<u>7,850</u>
<u>98,056</u>	<u>44,007</u>
<u>142,212</u>	<u>134,166</u>
-	12,910
70,000	56,000
1,117,393	748,849
90,464	71,641
6,083	6,083
<u>3,088,521</u>	<u>2,342,074</u>
<u>4,372,461</u>	<u>3,237,557</u>
<u>\$ 4,612,729</u>	<u>\$ 3,415,730</u>

TOWN OF AULT, COLORADO

RECONCILIATION OF THE GOVERNMENTAL FUND BALANCE SHEET
TO THE STATEMENT OF NET POSITION GOVERNMENTAL ACTIVITIES
Year Ended December 31, 2020

FUND BALANCE - GOVERNMENTAL FUNDS

\$4,372,461

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

Capital assets used in governmental activities are not resources
and are not reported in the funds:

Capital Assets	\$ 4,817,052	
Accumulated Depreciation	<u>(2,145,679)</u>	2,671,373

Certain long-term pension related costs and adjustments are not available to pay
or are payable currently and are therefore not reported in the funds

FPPA Pension

Net pension deferred outflows	239,385	
Net pension asset/liability	19,913	
Net pension deferred Inflows	<u>(78,692)</u>	180,606

Long-term liabilities are not due and payable in the current period

Accrued Compensated Absences	(25,462)	
Accrued Interest Payable	(1,185)	
Capital Leases Payable	<u>(77,360)</u>	<u>(104,007)</u>

TOTAL NET POSITION - GOVERNMENTAL ACTIVITIES

\$ 7,120,433

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

TOWN OF AULT, COLORADO

**STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE -
GOVERNMENTAL FUNDS**

Year Ended December 31, 2020

With Comparative Totals for the Year Ended December 31, 2019

	SPECIAL REVENUE FUNDS			TOTALS	
			NON-MAJOR CONSERVATION		
	GENERAL	STREET SYSTEMS	TRUST	2020	2019
REVENUES					
Taxes	\$ 1,468,364	\$ 31,589	\$ -	\$ 1,499,953	\$ 1,299,914
Licenses and Permits	297,905	348,250	-	646,155	300,033
Intergovernmental	51,311	55,232	18,785	125,328	181,683
Charges for Services	12,717	-	-	12,717	5,515
Fines and Forfeits	136,695	-	-	136,695	154,844
Other	20,543	2,803	38	23,384	28,644
TOTAL REVENUES	1,987,535	437,874	18,823	2,444,232	1,970,633
EXPENDITURES					
Current					
General Government	168,244	2,692	-	170,936	208,352
Public Safety	744,438	-	-	744,438	615,294
Public Works	4,762	159,638	-	164,400	127,798
Culture, Parks and Recreation	54,991	2,876	-	57,867	48,669
Health & Welfare	42,861	-	-	42,861	41,413
Economic Development	495	-	-	495	495
Capital Outlay	219,611	-	-	219,611	97,039
Debt Service	29,494	-	-	29,494	2,575
TOTAL EXPENDITURES	1,264,896	165,206	-	1,430,102	1,141,635
REVENUES IN EXCESS (DEFICIENCY) OF EXPENDITURES	722,639	272,668	18,823	1,014,130	828,998
OTHER FINANCING SOURCES (USES)					
Lease Proceeds	103,227	-	-	103,227	-
Transfers In	-	95,000	-	95,000	95,000
Transfers Out	(65,000)	-	-	(65,000)	(65,000)
TOTAL OTHER FINANCING SOURCES (USES)	38,227	95,000	-	133,227	30,000
CHANGE IN FUND BALANCE	760,866	367,668	18,823	1,147,357	858,998
FUND BALANCE, Beginning	2,415,574	750,342	71,641	3,237,557	2,378,559
PRIOR PERIOD RESTATEMENT	(11,836)	(617)	-	(12,453)	-
FUND BALANCE, Beginning (As Restated)	2,403,738	749,725	71,641	3,225,104	2,378,559
FUND BALANCE, Ending	\$ 3,164,604	\$ 1,117,393	\$ 90,464	\$ 4,372,461	\$ 3,237,557

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

TOWN OF AULT, COLORADO

**RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES
AND CHANGE IN FUND BALANCE OF GOVERNMENTAL FUNDS
TO THE STATEMENT OF ACTIVITIES**
Year Ended December 31, 2020

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

Net Change in Fund Balance - Governmental Funds \$ 1,147,357

Principal payments on debt are reported as expenditures and debt proceeds are
reported as revenues in the funds:

Proceeds from debt issuances	\$ (103,227)	
Change in Accrued Interest Payable	(1,185)	
Principal Payments on Capital Leases Payable	<u>26,504</u>	(77,908)

Accrued Compensated Absences are expensed when paid in the funds:

Change in Accrued Leave		7,444
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Pension expense at the fund level represents cash contributions to the defined
benefit plan. For the activity level presentation, the amount represents the actuarial
cost of the benefits for the fiscal year.

FPPA Pension		
Change in deferred pension outflows	22,881	
Change in net pension asset/liability	67,477	
Change in deferred pension inflows	<u>(2,651)</u>	87,707

Purchases of capital assets are expensed in governmental funds and
depreciated on the statement of activities:

Capitalized assets	191,027	
Contributed infrastructure	984,918	
Depreciation Expense	<u>(105,473)</u>	<u>1,070,472</u>

Change in Net Position - Governmental Activities \$ 2,235,072

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

TOWN OF AULT, COLORADO

STATEMENT OF NET POSITION**PROPRIETARY FUNDS**

December 31, 2020

With Comparative Totals for December 31, 2019

	BUSINESS-TYPE ACTIVITIES		TOTALS	
	WATER	SANITATION	2020	2019
ASSETS				
I Current Assets				
Cash and Investments	\$ 1,898,878	\$ 1,633,152	\$ 3,532,030	\$ 4,624,009
Restricted Cash and Investments	-	113,661	113,661	102,631
Accounts Receivable	45,340	67,139	112,479	101,309
Inventory	17,863	-	17,863	-
Prepaid Expenses	-	-	-	5,025
Total Current Assets	1,962,081	1,813,952	3,776,033	4,832,974
Noncurrent Assets				
Land	-	15,338	15,338	15,338
Water Rights	3,828,408	-	3,828,408	1,060,908
Equipment	78,299	55,199	133,498	97,263
Improvements	2,356,851	7,626,817	9,983,668	9,541,052
Less Accumulated Depreciation	(866,426)	(2,568,033)	(3,434,459)	(3,033,603)
Total Noncurrent Assets	5,397,132	5,129,321	10,526,453	7,680,958
TOTAL ASSETS	7,359,213	6,943,273	14,302,486	12,513,932
LIABILITIES				
I Current Liabilities				
Accounts Payable	1,240	8,594	9,834	(52)
Accrued Payroll	3,529	4,009	7,538	-
Developer Tap Fees Payable	-	3,276	3,276	3,276
Accrued Interest Payable	-	1,265	1,265	1,483
Current Portion of Noncurrent Liabilities	-	177,954	177,954	176,644
Total Current Liabilities	4,769	195,098	199,867	181,351
II Noncurrent Liabilities				
Compensated Absences	7,272	11,297	18,569	17,284
Notes Payable	-	1,736,854	1,736,854	1,914,808
Total Noncurrent Liabilities	7,272	1,748,151	1,755,423	1,932,092
TOTAL LIABILITIES	12,041	1,943,249	1,955,290	2,113,443
NET POSITION				
Net Investment in Capital Assets	5,397,132	3,392,467	8,789,599	5,756,113
Restricted for Operations and Maintenance Reserve	-	113,661	113,661	102,631
Unrestricted	1,950,040	1,493,896	3,443,936	4,541,745
TOTAL NET POSITION	\$ 7,347,172	\$ 5,000,024	\$ 12,347,196	\$ 10,400,489

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

TOWN OF AULT, COLORADO

STATEMENT OF REVENUES, EXPENSES AND CHANGE IN FUND NET POSITION

PROPRIETARY FUNDS

Year Ended December 31, 2020

With Comparative Totals for the Year Ended December 31, 2019

	BUSINESS-TYPE ACTIVITIES		TOTALS	
	WATER	SANITATION	2020	2019
OPERATING REVENUES				
Charges for Services	\$ 611,463	\$ 597,721	\$ 1,209,184	\$ 1,050,060
OPERATING EXPENSES				
Personal Services	133,067	154,282	287,349	288,742
Supplies	(8,128)	26,046	17,918	27,738
Purchased Services	422,538	143,181	565,719	430,960
Other Operating Expenses	3,066	10,836	13,902	11,186
Fleet Maintenance	1,357	1,060	2,417	3,242
Repairs & Maintenance	33,229	52,912	86,141	46,373
Small Capital	3,839	5,464	9,303	25,353
Depreciation	55,746	345,110	400,856	390,437
TOTAL OPERATING EXPENSES	644,714	738,891	1,383,605	1,224,031
NET INCOME (LOSS) FROM OPERATIONS	(33,251)	(141,170)	(174,421)	(173,971)
NONOPERATING INCOME (EXPENSE)				
Investment Earnings	17,477	7,203	24,680	35,613
Miscellaneous Revenue	255	-	255	2,373
Interest Expense	-	(8,354)	(8,354)	(9,645)
NONOPERATING INCOME (EXPENSE)	17,732	(1,151)	16,581	28,341
NET INCOME (LOSS) BEFORE TRANSFERS AND CAPITAL CONTRIBUTIONS	(15,519)	(142,321)	(157,840)	(145,630)
TRANSFERS				
Transfers Out	(15,000)	(15,000)	(30,000)	(30,000)
CAPITAL CONTRIBUTIONS				
Capital Contributions	1,318,926	821,429	2,140,355	2,345,400
CHANGE IN NET POSITION	1,288,407	664,108	1,952,515	2,169,770
NET POSITION, Beginning	6,061,374	4,339,115	10,400,489	8,230,719
PRIOR PERIOD RESTATEMENT	(2,609)	(3,199)	(5,808)	-
NET POSITION, Beginning (As Restated)	6,058,765	4,335,916	10,394,681	8,230,719
NET POSITION, Ending	\$ 7,347,172	\$ 5,000,024	\$ 12,347,196	\$ 10,400,489

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

TOWN OF AULT, COLORADO

STATEMENT OF CASH FLOWS

PROPRIETARY FUNDS

Increase (Decrease) in Cash and Cash Equivalents

Year Ended December 31, 2020

With Comparative Totals for the Year Ended December 31, 2019

	BUSINESS-TYPE ACTIVITIES		TOTAL	
	WATER	SANITATION	2020	2019
Cash Flows From Operating Activities:				
Cash Received From Customers	\$ 589,913	\$ 596,204	\$ 1,186,117	\$ 1,042,011
Cash Payments to Suppliers	(454,279)	(228,086)	(682,365)	(630,287)
Cash Payments to Employees	(133,067)	(154,282)	(287,349)	(288,742)
Net Cash Provided by Operating Activities	2,567	213,836	216,403	122,982
Cash Flows From Capital and Related Financing Activities:				
Purchases of Property and Equipment	(3,055,770)	(190,583)	(3,246,353)	(306,008)
Debt Proceeds				
Capital Contributions	1,318,926	821,429	2,140,355	2,345,400
Principal Payments on Debt	-	(176,644)	(176,644)	(175,357)
Interest Payments on Debt	-	(9,645)	(9,645)	(9,645)
Net Cash Provided (Used) by Capital and Related Financing Activities	(1,736,844)	444,557	(1,292,287)	1,854,390
Cash Flows from Non-Capital Financing Activities:				
Other Revenues	255	-	255	2,373
Transfers - Net	(15,000)	(15,000)	(30,000)	(30,000)
Net Cash Provided (Used) by Non-Capital Financing Activities	(14,745)	(15,000)	(29,745)	(27,627)
Cash Flows From Investing Activities:				
Investment Income	17,477	7,203	24,680	35,613
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	(1,731,545)	650,596	(1,080,949)	1,985,358
CASH AND EQUIVALENTS, Beginning	3,630,423	1,096,217	4,726,640	2,741,282
CASH AND EQUIVALENTS, Ending	\$ 1,898,878	\$ 1,746,813	\$ 3,645,691	\$ 4,726,640
Reconciliation of Operating Income to Net Cash Provided by Operating Activities:				
Operating Income	\$ (33,251)	\$ (141,170)	\$ (174,421)	\$ (173,971)
Adjustments to Reconcile Operating Income to Net Cash Provided by Operating Activities:				
Depreciation and Amortization	55,746	345,110	400,856	390,437
Changes in Assets and Liabilities Related to Operations:				
(Increase) Decrease in:				
Accounts Receivable	(7,281)	(3,889)	(11,170)	(7,755)
Inventories	(17,863)	-	(17,863)	-
Prepaid Expenses	3,594	2,372	5,966	(294)
Increase (Decrease) in:				
Accounts Payable	678	8,268	8,946	(88,580)
Payroll Liabilities	944	3,145	4,089	3,145
Total Adjustments	35,818	355,006	390,824	296,953
Net Cash Provided by Operating Activities	\$ 2,567	\$ 213,836	\$ 216,403	\$ 122,982

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

TOWN OF AULT, COLORADO

BALANCE SHEET - NORTHERN PLAINS PUBLIC LIBRARY (COMPONENT UNIT)

December 31, 2020

With Comparative Totals for December 31, 2019

	COMPONENT UNIT	
	2020	2019
ASSETS		
Cash and Investments	\$ 1,496,993	\$ 1,839,763
Accounts Receivable	38,400	-
TOTAL ASSETS	\$ 1,535,393	\$ 1,839,763
LIABILITIES, DEFERRED INFLOWS AND FUND BALANCE		
LIABILITIES		
Accounts Payable	\$ 246,903	\$ 7,136
Accrued Payroll	5,414	4,197
TOTAL LIABILITIES	252,317	11,333
FUND BALANCE		
Restricted Fund Balance		
Restricted for TABOR Emergencies	14,000	13,000
Unassigned	1,269,076	1,815,430
TOTAL FUND BALANCE	1,283,076	1,828,430
TOTAL LIABILITIES, DEFERRED INFLOWS AND FUND BALANCE	\$ 1,535,393	\$ 1,839,763
FUND BALANCE- Governmental Funds	\$ 1,283,076	
Capital assets used in governmental activities are not financial resources and are therefore not reported in the funds		
Capital assets, not being depreciated	883,360	
Capital assets, being depreciated	1,336,231	
Accumulated depreciation	(834,288)	
TOTAL NET POSITION - Governmental Activities	\$ 2,668,379	

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

TOWN OF AULT, COLORADO**STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE -
NORTHERN PLAINS PUBLIC LIBRARY (COMPONENT UNIT)**

Year Ended December 31, 2020

With Comparative Totals for the Year Ended December 31, 2019

	COMPONENT UNIT	
	2020	2019
REVENUES		
Intergovernmental	\$ 420,375	\$ 385,600
Charges for Services	670	2,038
Investment Earnings	10,257	30,248
Other	133,053	10,879
TOTAL REVENUES	564,355	428,765
EXPENDITURES		
Current		
Culture, Parks and Recreation	237,506	251,063
Capital Outlay	872,203	52,735
Debt Service	-	53,224
TOTAL EXPENDITURES	1,109,709	357,022
CHANGE IN FUND BALANCE	(545,354)	71,743
FUND BALANCE, Beginning	1,828,430	1,756,687
FUND BALANCE, Ending	\$ 1,283,076	\$ 1,828,430
Change in Fund Balance - Governmental Funds	\$ (545,354)	
Capital assets used in governmental activities are expensed when purchased in the funds and depreciated at the activity level		
Capitalized Asset Purchases	860,278	
Depreciation Expense	(49,519)	
Change in Net Position - Governmental Activities	\$ 265,405	

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

TOWN OF AULT, COLORADO

NOTES TO THE FINANCIAL STATEMENTS

December 31, 2020

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The Town of Ault was incorporated in 1904 and is administered by a 7 member board of trustees, and provides municipal services to a population of 1,700 persons. The Town's basic financial statements include the accounts of all Town operations.

This summary of the Town of Ault'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 accounting policies of the Town of Ault conform to generally accepted accounting principles as applicable to governments. The following is a summary of the more significant policies.

Reporting Entity

In accordance with Governmental Accounting Standards, the Town has considered the possibility of inclusion of additional entities in its basic 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 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 benefits to, or to impose specific financial burdens on, the Town. The Town may also be financially accountable for governmental organizations that are fiscally dependent upon it.

Based upon the application of these criteria, the following component unit is included in the Town's reporting entity because of the significance of its operational or financial relationship to the Town.

Discretely Presented Component Unit

The Northern Plains Public Library – the Mayor appoints a board member to represent the Board of Trustees at Library meetings. New members for the Library Board are selected by the Library Board, and then presented to the Town Board of Trustees for approval. Currently, one member of the Town's Board of Trustees is a member of the Library Board. The Library serves the citizens of Weld County School District RE-9, which includes the Town of Ault. The Town Board of Trustees approves the annual budget for the Library and includes their audit into the Town's audited financial statements. The Library is presented as a governmental fund type discretely presented component unit. Complete financial statements of the Library can be obtained from the Northern Plains Public Library, 216 2nd Street, Ault, CO 80610.

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 of the non-fiduciary activities of the Town. For the most part, the effect of interfund activity has been removed from these statements. 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.

NOTES TO THE FINANCIAL STATEMENTS

December 31, 2020

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 of the given function or segment is 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, proprietary funds, and fiduciary funds, even though the latter are excluded from the government-wide financial statements. Major individual 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 provider have been met.

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

Property taxes, specific ownership taxes, sales and use taxes, franchise fees, state shared revenues, grants and interest associated with the current fiscal period are all considered to be susceptible to accrual and so have been recognized as revenues of the current fiscal period. All other revenue items are considered to be measurable and available only when cash is received by the Town.

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

Proprietary funds distinguish operating revenues and expenses from non-operating items. Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with the fund's principal ongoing operations. Operating expenses 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 non-operating revenues and expenses.

NOTES TO THE FINANCIAL STATEMENTS

December 31, 2020

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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

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

General Fund – The General Fund is the general operating fund of the Town. It is used to account for all financial resources, except those required to be accounted for in another fund.

Street Systems Fund – This is a special revenue fund that accounts for the financial resources related to improvements of the Town's streets and drainage systems. The Town has dedicated its specific ownership taxes, motor vehicle registration fees, Highway Users Tax Fund receipts and Road and Bridge tax revenue for this purpose.

The Town also reports the following major proprietary funds:

Water and Sanitation Funds – These funds account for the activities related to offering the respective services to the Town's residents.

Budgets

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

- (1) Prior to or by the regular Board meeting in December, the budget is legally enacted through passage of resolutions, after receiving input through public hearings.
- (2) The Town Clerk and Finance Committee reports monthly to the Town Board explaining any variance from the approved budget.
- (3) The Ault Municipal Code requires the adoption of a budget for proprietary funds. Depreciation expense is not a budgeted item.
- (4) The Town does not utilize encumbrance accounting and all appropriations lapse at year end.

Budgets are adopted based on the requirements of state statutes. The following timetable is used:

- (1) Submission of the proposed budget to the Board of Trustees by October 15 of each year.
- (2) Certification of mill levies to the County Commissioners by December 15 of each year.
- (3) Final adoption of the budget and appropriations by December 15 of each year.

Cash and Equivalents

For purposes of the statement of cash flows, cash equivalents are defined as investments with original maturities of three months or less.

Property Taxes

Property taxes for the Town are levied by the Town Board and certified for collection to Weld County by December 15 of each year. These taxes become due January 1 of the succeeding year and are payable in full by April 30 or in two installments by June 15 in the year of collection. Property taxes levied in the current year for collection in the subsequent year by the General Fund are included in receivables and deferred inflows at year end. These taxes are classified as deferred inflows since they were levied for and are not available to the Town until the subsequent year.

TOWN OF AULT, COLORADO

NOTES TO THE FINANCIAL STATEMENTS

December 31, 2020

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Inventory

Inventories are valued at cost, using the first-in, first-out (FIFO) method.

Property, Plant and Equipment

Capital Assets

Capital assets, which include property, plant, equipment, and infrastructure assets are reported in the applicable governmental or business-type activities columns in the government-wide financial statements. Capital assets are defined by the Town as assets with an initial, individual cost of more than \$5,000 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 assets lives are not capitalized.

Property and equipment of the Town is depreciated using the straight-line method over the following estimated useful lives.

	Primary	Component
	Government	Unit
Buildings and improvements	10 - 40 years	40 years
Infrastructure	3 - 15 years	N/A
Furniture and equipment	5 - 10 years	5 - 15 years
Utility systems	20 -50 years	N/A
Land improvements	15 25 years	N/A
Books	N/A	10 years

Compensated Absences

Employees of the Town are allowed to accumulate unused vacation, sick and compensatory time depending on length of employment. Upon termination of employment from the Town, an employee will be compensated for all accrued vacation time and compensatory time at their current rate of pay, and all accrued sick time at one half their current rate of pay.

Accumulated unpaid vacation, sick and compensatory time is accrued when earned. In the governmental fund types, accumulated compensated absences not expected to be paid with current available resources are reported as governmental activities liabilities, but not reported in the funds. Compensated absences relating to the Enterprise Funds are reported as a liability of those funds.

NOTES TO THE FINANCIAL STATEMENTS

December 31, 2020

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Deferred Outflows and Inflows of Resources

In addition to assets, the statement of financial position reports a separate section for deferred outflows of resources. This separate financial statement element 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 only has pension related items that qualify for reporting in this category.

In addition to liabilities, the statement of net position reports 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 one type of item, which arises both under the full accrual and modified accrual basis of accounting that qualifies for reporting in this category. Accordingly, the item, deferred property taxes, is reported in both the governmental activities statement of net position and in the governmental funds balance sheet. The governmental funds report unavailable revenues from property taxes. These amounts are deferred and recognized as an inflow of resources in the period that the amounts become available. Since property tax revenues are collected in arrears during the succeeding year, a receivable and corresponding deferred inflow is recorded at December 31. As the tax is collected in the succeeding year, the deferred inflow is recognized as revenue and the receivable is reduced. In addition, the Town also has pension related deferred inflows that are reported at the activity level.

Net Position/Fund Balance

In the government-wide financial statements and for the proprietary fund statements, Net Position are either shown as net investment in capital assets, with these assets essentially being nonexpendable; restricted when constraints placed on the net position are externally imposed; or unrestricted.

For the governmental fund presentation, fund balances that are classified as “nonspendable” include amounts that cannot be spent because they are either (a) not in spendable form or (b) legally or contractually required to be maintained intact. The “not in spendable form” criterion includes items that are not expected to be converted to cash, for example, inventories and prepaid amounts.

Fund balances are reported as “restricted” when constraints placed on the use of resources are either (a) externally imposed by creditors (such as through debt covenants), grantors, contributors, or laws or regulations of other governments; or (b) imposed by law through constitutional provisions or enabling legislation.

Amounts that can only be used for specific purposes pursuant to constraints imposed by the highest formal action, the adoption of an Ordinance, of the government's highest level of decision-making authority, the Town Board, are reported as “committed” fund balance. Those committed amounts cannot be used for any other purpose unless the government removes or changes the specified use by taking the same type of action (for example, legislation, resolution, ordinance) it employed to previously commit those amounts.

TOWN OF AULT, COLORADO

NOTES TO THE FINANCIAL STATEMENTS

December 31, 2020

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Net Position/Fund Balance (Continued)

Amounts that are constrained by the government's intent to be used for specific purposes, but are neither restricted nor committed, are reported as "assigned" fund balance. Intent should be expressed by (a) the governing body itself or (b) a body (a budget or finance committee, for example) or official to which the governing body has delegated the authority to assign amounts to be used for specific purposes.

All remaining fund balance in the General Fund or deficits in the other governmental funds are presented as unassigned.

Net Position/Fund Balance Flow Assumptions

Sometimes the government will fund outlays for a particular purpose from both restricted and unrestricted resources (the total of committed, assigned, and unassigned fund balance). In order to calculate the amounts to report as restricted, committed, assigned, and unassigned fund balance in the governmental fund financial statements a flow assumption must be made about the order in which the resources are considered to be applied. It is the government's policy to consider restricted fund balance to have been depleted before using any of the components of unrestricted fund balance, if allowed under the terms of the restriction. Further, when the components of unrestricted fund balance can be used for the same purpose, committed fund balance is depleted first, followed by assigned fund balance. Unassigned fund balance is applied last.

Comparative Data

Comparative total data for the prior year has been presented in the accompanying financial statements in order to provide an understanding of changes in the Town's financial position and operations. However, comparative (i.e., presentation of prior year totals by fund type) data has not been presented in each of the statements since their inclusion would make the statements unduly complex and difficult to read.

NOTE 2: CASH AND INVESTMENTS

A summary of cash and investments follows:

Cash and Investments	\$ 7,836,753
Restricted Cash and Investments	<u>113,661</u>
Total Cash and Investments	<u>\$ 7,950,414</u>

The Town's cash and investment balances are comprised of the following:

Cash	\$ 7,948,952
Investments	<u>1,462</u>
Total Cash and Investments	<u>\$ 7,950,414</u>

TOWN OF AULT, COLORADO

NOTES TO THE FINANCIAL STATEMENTS

December 31, 2020

NOTE 2: CASH AND INVESTMENTS (Continued)

Restricted cash and investment balances are comprised of the following:

Governmental Activities - Unrestricted	\$ 4,304,721
Business-type Activities - Unrestricted	3,532,032
Business-type Activities - Rest. (O&M Reserve)	113,661
Total Cash and Investments	<u>\$ 7,950,414</u>

Deposits

Custodial Credit Risk - Deposits

In the case of deposits, this is the risk that in the event of bank failure, the government's deposits may not be returned to it. The Town's deposit policy is in accordance with CRS 11-10.5-101, The Colorado Public Deposit Protection Act (PDPA), which governs the investment of public funds. PDPA requires that all units of local government deposit cash in eligible public depositories. Eligibility is determined by state regulations. Amounts on deposit in excess of federal insurance levels (\$250,000) must be collateralized by eligible collateral as determined by the PDPA. The financial institution is allowed to create a single collateral pool for all public funds held. The pool is to be maintained by another institution or held in trust for all the uninsured public deposits as a group. The market value of the collateral must be at least equal to 102% of the uninsured deposits. The institution's internal records identify collateral by depositor and as such, these deposits are considered uninsured but collateralized. The State Regulatory Commissions for banks and financial services are required by statute to monitor the naming of eligible depositories and reporting of the uninsured deposits and assets maintained in the collateral pools. At December 31, 2020, all of the Town's bank deposits as shown below were either insured by federal depository insurance or collateralized under PDPA. Uninsured deposits in financial institutions are placed into three categories depending on the custody credit risk.

The categories are as follows:

1. Uncollateralized
2. Collateralized with securities held by the pledging financial institution
3. Collateralized with securities held by the pledging financial institution's trust department, or agent but not in the entity's name

	Bank Balance	Book Balance
FDIC Insured	\$ 250,000	\$ 250,000
PDPA Secured (Not in Entity's Name)	7,941,498	7,698,801
Petty Cash	-	150
Total Cash	<u>\$ 8,191,498</u>	<u>\$ 7,948,951</u>

TOWN OF AULT, COLORADO

NOTES TO THE FINANCIAL STATEMENTS
December 31, 2020

NOTE 2: CASH AND INVESTMENTS (Continued)

Investments (Continued)

Credit Risk

The Town invests excess funds under the prudent investor rule. The criteria for selection of investments and their order of priority are: 1) Safety, 2) Liquidity, and 3) Yield. The Town Treasurer is responsible for all of the investments of the Town.

Eligible investments shall conform to state law and may include any of the following:

- Obligations of the United States and certain U.S. government agencies securities
- Certain international agency securities
- General obligation and revenue bonds of U.S. local government entities
- Bankers' acceptance of certain banks
- Commercial paper
- Local government investment pools
- Written repurchase agreements collateralized by certain authorized securities
- Certain money market funds
- Guaranteed investment contracts

As of December 31, 2020, the Town's investments consisted of the following:

	<u>Fair Value</u>	<u>Weighted Maturity</u>	<u>Rating</u>
Local Government Pool	\$ 1,462	-	AAAm

During the year ended December 31, 2020, the Town invested funds in Colotrust. As investment pool, it operates under the Colorado Revised Statutes (24-75-701) and is overseen by the Colorado Securities Commissioner. The pool invests in securities that are specified by Colorado Revised Statutes (24-75-601). Authorized securities include U.S. Treasuries, U.S. Agencies, commercial paper (rated A1 or better) and bank deposits (collateralized through PDPA). The pools operate similar to a 2a-7-like money market fund with a share value equal to \$1.00 and a maximum weighted average maturity of 60 days. These funds are rated AAAm by the Standard and Poor's Corporation.

Interest Rate Risk

The Town does not have a formal investment policy that limits investment maturities as a means of managing its exposure to fair value losses arising from increasing interest rates, other than those contained in state statutes. The Town's investment portfolio does not contain investments that exceed that limitation.

Concentration of Credit Risk

The Town places no limit on the amount that may be invested in any one issuer. The Town's sole investment is in Colotrust.

TOWN OF AULT, COLORADO

NOTES TO THE FINANCIAL STATEMENTS

December 31, 2020

NOTE 2: CASH AND INVESTMENTS (Continued)

Investments (Continued)

Custodial Credit Risk – Investments

For an investment, custodial credit risk is the risk that, in the event of the failure of the counterparty, the Town will not be able to recover the value of its investments or collateral securities that are in the possession of an outside party. The Town Board of Trustees approves a list of financial institutions and depositories authorized to provide investment services.

NOTE 3: CAPITAL ASSETS

A Summary of the Town's governmental activity capital assets is as follows:

	Balance January 1, 2020	Additions	Deletions	Balance December 31, 2020
GOVERNMENTAL ACTIVITIES:				
Capital assets not being depreciated:				
Land	\$ 219,806	\$ -	\$ -	\$ 219,806
Capital assets being depreciated:				
Buildings and improvements	240,490	-	-	240,490
Land improvements	421,732	87,800	-	509,532
Vehicles and equipment	339,461	103,227	-	442,688
Infrastructure	2,419,618	984,918	-	3,404,536
Total capital assets being depreciated	3,421,301	1,175,945	-	4,597,246
Less accumulated depreciation:				
Buildings and improvements	187,219	3,673	-	190,892
Land improvements	312,303	10,271	-	322,574
Vehicles and equipment	253,446	25,923	-	279,369
Infrastructure	1,287,238	65,606	-	1,352,844
Total accumulated depreciation	2,040,206	105,473	-	2,145,679
Total capital assets, net	<u>\$ 1,600,901</u>	<u>\$ 1,070,472</u>	<u>\$ -</u>	<u>\$ 2,671,373</u>

Depreciation is charged to the Town's Governmental Activities as follows:

General Government	\$ 2,207
Public Safety	13,260
Public Works	78,288
Health and Welfare	764
Culture and recreation	10,954
Total Depreciation	<u>\$ 105,473</u>

TOWN OF AULT, COLORADO

NOTES TO THE FINANCIAL STATEMENTS

December 31, 2020

NOTE 3: CAPITAL ASSETS (Continued)

The following schedule presents business-type activities capital assets at December 31, 2020:

	Balance January 1, 2020	Additions	Deletions	Balance December 31, 2020
BUSINESS-TYPE ACTIVITIES:				
Capital assets not being depreciated:				
Land	\$ 15,338	\$ -	\$ -	\$ 15,338
Water rights	1,060,908	2,767,500	-	3,828,408
Total capital assets not being depreciated	1,076,246	2,767,500	-	3,843,746
Capital assets being depreciated:				
Water and sewer systems	9,541,052	442,616	-	9,983,668
Equipment	97,262	36,236	-	133,498
Total capital assets being depreciated	9,638,314	478,852	-	10,117,166
Less accumulated depreciation:				
Water and sewer systems	2,957,857	394,940	-	3,352,797
Equipment	75,745	5,916	-	81,661
Total accumulated depreciation	3,033,602	400,856	-	3,434,458
Total Capital Assets, net	\$ 7,680,958	\$ 2,845,496	\$ -	\$ 10,526,454

Depreciation is charged to the Town's Business-type Activities as follows:

Water	\$ 55,746
Sewer	345,110
Total Depreciation	\$ 400,856

NOTE 4: LONG - TERM DEBT – GOVERNMENTAL ACTIVITIES

Changes in governmental activity long-term debt are as follows:

	Balance January 1, 2020	Advances	Repayments	Balance December 31, 2020	Current Portion	Interest Expense
GOVERNMENTAL ACTIVITIES						
Capital Leases - Equipment	\$ 638	\$ 103,227	\$ 26,505	\$ 77,360	\$ 24,462	\$ 3,530
Compensated Absences	32,906	-	7,444	25,462	-	-
Total Obligations	\$ 33,544	\$ 103,227	\$ 33,949	\$ 102,822	\$ 24,462	\$ 3,530

TOWN OF AULT, COLORADO

NOTES TO THE FINANCIAL STATEMENTS

December 31, 2020

NOTE 4: LONG - TERM DEBT – GOVERNMENTAL ACTIVITIES (Continued)

CAPITAL LEASE PAYABLE

In April 2012, the Town entered into a lease/purchase agreement for a copier. The copier lease requires 48 monthly payments of \$233 consisting of both principal and interest at an effective rate of 6%. The copier value of \$9,901 was capitalized and debt is serviced through the General Fund. The copier was traded in for a new copier in March 2016 on a new lease. The new lease requires 48 monthly payments of \$215 consisting of both principal and interest at an effect rate of 6.75%. The copier value of \$9,004 was capitalized and debt is serviced through the General Fund. The final lease payment was made during the current fiscal year.

Changes in business-type activity long-term debt are as follows:

BUSINESS -TYPE ACTIVITIES	Balance			Balance		
	January 1, 2020	Advances	Repayments	December 31, 2020	Current Portion	Interest Expense
2006 CWRPDA Loan	\$ 508,333	\$ -	\$ 74,508	\$ 433,825	\$ 75,817	\$ 8,354
2015 CWRPDA Loan	1,583,120	-	102,137	1,480,983	102,137	-
Compensated Absences	17,284	1,285	-	18,569	-	-
Total Obligations	<u>\$ 2,108,737</u>	<u>\$ 1,285</u>	<u>\$ 176,645</u>	<u>\$ 1,933,377</u>	<u>\$ 177,954</u>	<u>\$ 8,354</u>

NOTES PAYABLE

A governmental agency bond was issued to the Colorado Water Resources and Power Development Authority ("CWRPDA") in 2006 for the amount of \$1,396,850. Beginning November 2006, semi-annual payments of \$41,539 are required, including interest at a 1.75% annual rate, with a final payment due May 1, 2026. Both the principal and interest thereon are payable solely from the net revenue (gross revenue less operations and maintenance expenses) of the wastewater treatment system. The net revenue of the system is pledged as collateral on the bond. The proceeds of the bond were used to upgrade the Town's wastewater treatment facility from a facultative lagoon system to an aerated lagoon facility. The debt is serviced through the Sanitation Fund.

TOWN OF AULT, COLORADO

NOTES TO THE FINANCIAL STATEMENTS

December 31, 2020

NOTE 5: LONG - TERM DEBT – BUSINESS-TYPE ACTIVITIES (Continued)

NOTES PAYABLE (Continued)

In April 2015, the Town entered into a direct loan with CWRPDA for \$2,000,000. The term is for 20 years, interest at 0% per annum. Semi-annual payments of \$51,068.38 are due each November 1 and May 1, beginning May 2016. The first payment of \$8,333.33 was due and paid November 1, 2015. The proceeds are being used to upgrade the Town's wastewater treatment facilities. CWRPDA has designated the project as a 2015 Green Project. As such, the interest rate was reduced from the original 2% annual rate to 0%.

The Town must maintain an "operations and maintenance" reserve in the Sanitation Fund to report resources set aside to subsidize potential deficiencies from the Town's operations that could adversely affect debt service payments. The amount is equal to three months of operations and maintenance expenses (excluding depreciation) and may be represented by cash or securities or unrestricted Net Position. The Town has funded this reserve through restriction of its cash balances in the Sanitation Fund (Note 2), in the amount of \$113,661, as of December 31, 2020. The Town believes it is in compliance with all required covenants and obligations called for by the loan agreement.

The debt service requirements to maturity are as follows:

<u>Year</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2021	\$ 177,954	\$ 7,262	\$ 185,216
2022	179,286	5,929	185,215
2023	180,642	4,573	185,215
2024	182,022	3,193	185,215
2025	183,426	1,789	185,215
2026-2030	551,863	360	552,223
2031-2035	459,615	-	459,615
Total	<u>\$ 1,914,808</u>	<u>\$ 23,106</u>	<u>\$ 1,937,914</u>

NOTE 6: INTERFUND TRANSACTIONS

The Town has recorded the following routine transfers:

	<u>Transfers In</u>	<u>Transfers Out</u>
General Fund	\$ -	\$ 65,000
Street Systems Fund	95,000	-
Water Fund	-	15,000
Sanitation Fund	-	15,000
Total	<u>\$ 95,000</u>	<u>\$ 95,000</u>

NOTES TO THE FINANCIAL STATEMENTS

December 31, 2020

NOTE 5: PENSION OBLIGATIONS

STATEWIDE DEFINED BENEFIT PLAN (FPPA)

Summary of Significant Accounting Policies

Pensions. The Town participates in the Statewide Defined Benefit Plan (SWDB), a cost-sharing multiple-employer defined benefit pension fund administered by the Fire & Police Pension Association of Colorado ("FPPA"). The net pension asset or liability, deferred outflows of resources and deferred inflows of resources related to pensions, pension expense, information about the fiduciary net position and additions to/deductions from the fiduciary net position of the SWDB have been determined using the accrual basis of accounting as required by the accounting principles and reporting guidelines as set forth by the Governmental Accounting Standards Board. For this purpose, benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with the benefit terms. Investments are reported at fair value.

General Information about the Pension Plan

Plan description. Eligible employees of the Town are provided with pensions through the Statewide Defined Benefit Plan (SWDB) - a cost-sharing multiple-employer defined benefit pension plan administered by FPPA. Plan benefits are specified in Title 31, Articles 30, 30.5 and 31 of the Colorado Revised Statutes (C.R.S.), rules and regulations codified by the Fire and Police Pension Association, and applicable provisions of the federal Internal Revenue Code. Colorado State law provisions may be amended from time to time by the Colorado General Assembly. FPPA issues a publicly available comprehensive annual financial report, the most recent of which is for the fiscal year ended December 31, 2018, that can be obtained at <http://www.FPPAco.org>.

Benefits provided. A member is eligible for a normal retirement pension once the member has completed twenty-five years of credited service and has attained the age of 55.

The annual normal retirement benefit is 2 percent of the average of the member's highest three years' base salary for each year of credited service up to ten years, plus 2.5 percent for each year of service thereafter. The benefit earned prior to January 1, 2007 for members of affiliated Social Security employers will be reduced by the amount of Social Security income payable to the member annually. Effective January 1, 2007, members currently covered under Social Security will receive half the benefit when compared to the Statewide Defined Benefit Plan. Benefits paid to retired members are evaluated and may be re-determined every October 1. The amount of any increase is based on the Board's discretion and can range from 0 to the higher of 3 percent or the Consumer Price Index.

NOTES TO THE FINANCIAL STATEMENTS

December 31, 2020

NOTE 5: PENSION PLANS (Continued)

STATEWIDE DEFINED BENEFIT PLAN (FPPA) (Continued)

General Information about the Pension Plan (Continued)

A member is eligible for an early retirement after completion of 30 years of service or attainment of age 50 with at least five years of credited service. The early retirement benefit equals the normal retirement benefit reduced on an actuarially equivalent basis. Upon termination, an employee may elect to have member contributions, along with 5 percent as interest, returned as a lump sum distribution. Alternatively, a member with at least five years of accredited service may leave contributions with the Plan and remain eligible for a retirement pension at age 55 equal to 2 percent of the member's average highest three years' base salary for each year of credited service up to ten years, plus 2.5 percent for each year of service thereafter.

Contributions. Through December 31, 2020, contribution rates for the SWDB plan are set by state statute. Employer contribution rates can only be amended by state statute. Member contribution rates can be amended by state statute or election of the membership. Effective January 1, 2021, contribution rates for employers and members may be increased equally by the FPPA Board of Directors upon approval through an election by both the employers and members.

In 2014, the members elected to increase the member contribution rate to the SWDB plan beginning in 2015. Member contribution rates will increase 0.5 percent annually through 2022 to a total of 12 percent of pensionable earnings. Employer contributions are 8 percent in 2019 and 2020. Employer contributions will increase 0.5 percent annually beginning in 2021 through 2030 to a total of 13 percent of pensionable earnings. In 2019, members of the SWDB plan and their employers are contributing at the rate of 10.5 percent and 8 percent, respectively, of pensionable earnings for a total contribution rate of 18.5 percent.

Contributions from members and employers of departments reentering the system are established by resolution and approved by the FPPA Board of Directors. The reentry group has a combined contribution rate of 22.5 percent and 23.0 percent of pensionable earnings in 2019 and 2020, respectively. It is a local decision as to whether the member or employer pays the additional 4 percent contribution. The member and employer contribution rates will increase through 2030 as described above for non-reentering departments. Effective January 1, 2021, reentry departments may submit a resolution to the FPPA Board of Directors to reduce the additional 4 percent contribution, to reflect the actual cost of reentry by department, to the plan for reentry contributions. Each reentry department is responsible to remit contributions to the plan in accordance with their most recent FPPA Board of Directors approved resolutions.

The contribution rate for members and employers of affiliated social security employers is 5.25 percent and 4 percent, respectively, of pensionable earnings for a total contribution rate of 9.25 percent in 2019 and 9.50 percent in 2020. Per the 2014 member election, members of the affiliate social security group had their required contribution rate increase 0.25 percent annually beginning in 2015 through 2022 to a total of 6 percent of pensionable earnings. Employer contributions are 4 percent in 2019 and 2020. Employer contributions will increase 0.25 percent annually beginning in 2021 through 2030 to a total of 6.5 percent of pensionable earnings. The Town is not an affiliated social security employer.

TOWN OF AULT, COLORADO

NOTES TO THE FINANCIAL STATEMENTS

December 31, 2020

NOTE 5: PENSION PLANS (Continued)

STATEWIDE DEFINED BENEFIT PLAN (FPPA) (Continued)

General Information about the Pension Plan (Continued)

Employer contributions are recognized by FPPA in the period in which the compensation becomes payable to the member and the Town is statutorily committed to pay the contributions to FPPA. Employer contributions recognized by the FPPA from the Town were \$20,760 for the plan year ended December 31, 2019 and \$21,140 for the fiscal year ended December 31, 2020. The current year contributions will be expensed in 2021 for FPPA purposes, December 31, 2020 employer contributions for reporting as of December 31, 2021, and are a timing difference at year end.

Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions

At December 31, 2020, the Town reported an asset of \$19,913 for its proportionate share of the SWDB's net pension liability. The net pension asset or liability was measured as of December 31, 2019, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of January 1, 2020. The Town's proportion of the net pension liability was based on Town's contributions to the SWDB for the calendar year 2019 relative to the total contributions of participating employers to the SWDB.

At December 31, 2020, the Town's proportion was 0.03521%, which was a decrease of 0.00241% from its proportion measured as of December 31, 2019.

For the year ended December 31, 2020, the Town recognized pension expense of \$882. At December 31, 2020, the Town reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows	Deferred Inflows
Difference between expected and actual experience	\$ 74,791	\$ (546)
Changes of assumptions or other inputs	\$ 78,777	\$ -
Net difference between projected and actual earnings on pension plan investments	\$ 45,795	\$ (77,143)
Changes in proportion and differences between contributions recognized and proportionate share of contributions - Plan Basis	\$ 18,882	\$ (1,003)
Contributions subsequent to the measurement date	\$ 21,140	\$ -
Total	\$ 239,385	\$ (78,692)

TOWN OF AULT, COLORADO

NOTES TO THE FINANCIAL STATEMENTS

December 31, 2020

NOTE 5: PENSION PLANS (Continued)

STATEWIDE DEFINED BENEFIT PLAN (FPPA) (Continued)

Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions (Continued)

\$21,140 reported as deferred outflows of resources related to pensions, resulting from contributions subsequent to the measurement date, will be recognized as an adjustment of the net pension asset in the year ended December 31, 2021.

Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

Year Ended December 31:	Fiscal year Total
2021	\$ 15,299
2022	11,847
2023	23,782
2024	9,668
2025	23,141
2026-2029	55,816
Total	\$ 139,553

Actuarial assumptions. The total pension liability in the January 1, 2020 actuarial valuation was determined using the following actuarial assumptions and other inputs:

Actuarial method	Entry Age Normal
Amortization method	Level % of Payroll, Open
Amortization period	30 Years
Long-term investment rate of return, net of pension plan	7.00%
Salary increase, including wage inflation	4.25%-11.25%
Cost of Living Adjustments (COLA)	0.00%
* Includes inflation at	2.50%

For determining the total pension liability, the post-retirement mortality tables for non-disabled retirees uses the 2006 central rates from the RP-2014 Annuitant Mortality Tables projected to 2018 using the MP-2017 projection scales, and the projected prospectively using the ultimate rates of the scale for all years. The pre-retirement off-duty mortality tables are adjusted to 50% of the RP-2014 mortality tables for active employees. The on-duty mortality rate is 0.00015.

At least every five years the FPPA's Board of Directors, in accordance with best practices, reviews its economic and demographic actuarial assumptions. At its July 2018 meeting, the Board of Directors reviewed and approved recommended changes to the actuarial assumptions. The recommendations were made by the FPPA's actuaries, Gabriel, Roeder, Smith & Co., based upon their analysis of past experience and expectations of the future. The assumption changes were effective for actuarial valuations beginning January 1, 2019. The actuarial assumptions impact actuarial factors for benefit purposes such as purchases of service credit and other benefits where actuarial factors are used.

TOWN OF AULT, COLORADO

NOTES TO THE FINANCIAL STATEMENTS

December 31, 2020

NOTE 5: PENSION PLANS (Continued)

STATEWIDE DEFINED BENEFIT PLAN (FPPA) (Continued)

Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions (Continued)

The long-term expected rate of return on pension plan investments was determined using a building-block method in which best-estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighing the expected future real rates of return by the target asset allocation percentage and by adding expected inflation (assumed at 2.5 percent). Best estimates of arithmetic real rates of return for each major asset class included in the Fund's target asset allocation as of December 31, 2019 are summarized in the following table:

Asset Class	Target Allocation	Long-Term Expected Real Rate of Return
Global Equity	37.00%	8.03%
Equity Long/Short	9.00%	6.45%
Private Markets	24.00%	10.00%
Fixed Income	15.00%	2.90%
Absolute Return	9.00%	5.08%
Managed Futures	4.00%	5.35%
Cash	2.00%	2.52%
Total	100.00%	

The discount rate used to measure the total pension liability was 7.00 percent. The projection of cash flows used to determine the discount rate assumed that contributions from participating employers will be made based on the actuarially determined rates based on the Board's funding policy, which establishes the contractually required rates under Colorado statutes. Based on those assumptions, the SWDB plan fiduciary net position was projected to be available to make all the projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

Discount rate. Projected benefit payments are required to be discounted to their actuarial present values using a Single Discount Rate that reflects (1) a long-term expected rate of return on pension plan investments (to the extent that the plan's fiduciary net position is projected to be sufficient to pay benefits) and (2) tax-exempt municipal bond rate based on an index of 20-year general obligation bonds with an average AA cred it rating as of the measurement date (to the extent that the plan's projected fiduciary net position is not sufficient to pay benefits).

For the purpose of this valuation, the expected rate of return on pension plan investments is 7.00 percent; the municipal bond rate is 2.75 percent (based on the weekly rate closest to but not later than the measurement date of the "state & local bonds" rate from Federal Reserve statistical re lease (H .15)); and the resulting Single Discount Rate is 7.00 percent.

NOTES TO THE FINANCIAL STATEMENTS

December 31, 2020

NOTE 5: PENSION PLANS (Continued)**STATEWIDE DEFINED BENEFIT PLAN (FPPA)** (Continued)**Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions** (Continued)

Sensitivity of the proportionate share of the net pension asset (liability) to changes in the discount rate. Regarding the sensitivity of the net pension liability/(asset) to changes in the Single Discount Rate, the following presents the plan's net pension liability, calculated using a Single Discount Rate of 7.00 percent, as well as what the plan's net pension liability/(asset) would be if it were calculated using a Single Discount Rate that is one percent lower or one percent higher:

	1% Decrease (6.50%)	Current Discount Rate (7.50%)	1% Increase (8.50%)
Proportionate share of the net pension asset (liability)	\$ (120,735)	\$ 19,913	\$ 136,562

SIMPLE IRA EMPLOYEE BENEFIT PLAN

The Town has established an employer SIMPLE IRA Plan, which is a "money-purchase" plan under current law and U.S. Treasury regulations for all substantially full-time non-police employees. A contribution to each employee's account is made and all contributions vest immediately to the employee. The Town has no statutory or contractual liability for any individual's post-employment benefits under this plan. Employer contributions for the year ended December 31, 2020, 2019 and 2018 totaled \$12,486, \$13,298, and \$12,533, respectively.

NOTE 8: RISK MANAGEMENT

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. The Town purchases sufficient commercial insurance to cover losses from these events and does not self-insure or participate in a public entity risk pool. All risk management activities are allocated among the various funds according to actual or perceived risk as determined by management and the Board of Trustees. Settlement amounts have not exceeded insurance coverage for the three prior years. Expenditures and claims are recognized when it is probable that a loss has occurred and the amount of the loss can be reasonably estimated. In determining claims, events that might create claims, but which not have been reported, are considered. There are no outstanding claims or incurred but not reported liabilities (IBNR) for the year ended December 31, 2020.

TOWN OF AULT, COLORADO

NOTES TO THE FINANCIAL STATEMENTS

December 31, 2020

NOTE 9: COMMITMENTS AND CONTIGENCIES

TABOR Amendment

Colorado voters passed an amendment to the State Constitution, Article X, Section 20, which has several limitations, including revenue raising, spending abilities, and other specific requirements of state and local government. In November 1995, voters within the Town approved the collection, retention and expenditure of the full revenues generated by the Town in 1994 and subsequent years, notwithstanding the provisions of the Amendment.

The Town has established an emergency reserve, representing 3% of qualifying expenditures, as required by the Amendment. At December 31, 2020, the emergency reserve of \$70,000 was recorded in the General Fund.

In the normal course of operations, the Town receives grant funds from various Federal and State agencies. The grant programs are subject to audit by agents of the granting authority, the purpose of which is to ensure compliance with conditions precedent to granting funds. Any liability for reimbursement which may arise as the result of these audits is not believed to be material.

NOTE 10: RATE MAINTENANCE

The 2006 Colorado Water Resources and Power Development Authority sewer loan agreement requires that Net Revenues shall represent a sum equal to 110% of the amount necessary to pay when due the principal and interest on the loan and parity debt coming due. The computation of said rate maintenance is as follows:

	<u>Sanitation Fund</u>
Gross operating revenue	\$ 597,721
Investment earnings	7,203
Other revenue	-
Capital contributions	821,429
Total revenue	<u>1,426,353</u>
Operations and maintenance expense	738,891
Less: Depreciation	<u>(345,110)</u>
Adjusted O&M	<u>393,781</u>
Net revenue	<u>\$ 1,032,572</u>
Total debt service	
2006 CWRPDA Revenue Bonds	\$ 83,079
2015 CWRPDA Revenue Bonds	<u>102,137</u>
	185,216
Required rate	<u>110%</u>
Net revenue required	<u>203,738</u>
Excess (deficit)	<u>\$ 828,834</u>

TOWN OF AULT, COLORADO

NOTES TO THE FINANCIAL STATEMENTS

December 31, 2020

NOTE 11: JOINT VENTURE

The Town participates with various towns, cities, and Weld County, Colorado in the Weld 911 Emergency Telephone Service Authority (the Authority) which provides emergency 911 dialing services to customers within the Town limits. On dissolution of the Authority, the Net Position will be shared proportionately based on main telephone station access lines within the agency's jurisdiction. As of December 31, 2020, the Town has not made and is not required to contribute to the Authority. The Authority is governed by a seven-member board of directors, of which four are chosen by the Weld County, Colorado Board of Commissioners. The Authority is primarily funded through a \$.50 per month surcharge to each customer's telephone bill. Accounting responsibility has been placed with Weld County, Colorado and is included as a discretely presented component unit in its Annual Comprehensive Financial Report.

NOTE 12: PRIOR YEAR RESTATEMENT

The Town has restated the beginning fund balance and net position in the General, Street, Water and Sanitation Funds in the amount of \$(11,836), (617), (2,609) and (3,199) respectively. It was determined that accrued salaries as of December 31, 2020, were material to the financial statement presentation and should be recorded. In order to reflect salaries on a full accrual basis for the current fiscal year, the Town elected to adjust the beginning equity to reflect the accruals that would have been required as of December 31, 2019. These amounts had not been deemed material for reporting for the 2019 financial statement presentation.

NOTE 13: BUDGET VIOLATIONS

The expenditures in the General and Water Funds exceeded appropriations by \$29,709 and \$106,906, respectively. The General Fund excess is primarily related to increased professional services related to building inspections and dispatch services. In the Water Fund, the Town adopted a supplemental budget for the acquisition of water rights for \$2,626,375. The shares ultimately cost the Town \$2,767,500.

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REQUIRED SUPPLEMENTARY INFORMATION
(Pension Schedules Unaudited)

TOWN OF AULT

**SCHEDULE OF THE TOWN'S PROPORTIONATE SHARE OF THE
NET PENSION ASSET (LIABILITY)
FPPA SWDB Pension Plan
Last 10 Fiscal Years⁽¹⁾**

<u>Fiscal Year Ended</u>	<u>Town's proportion of the net pension asset (liability)</u>	<u>Town's proportionate share of the net pension asset (liability)</u>	<u>Town's covered payroll</u>	<u>Town's proportionate share of the net pension asset (liability) as a</u>	<u>Plan fiduciary net position as a percentage of the total pension liability</u>
December 31, 2014	0.046884%	\$ 41,923	\$ 203,638	20.59%	105.83%
December 31, 2015	0.049483%	\$ 55,845	\$ 222,525	25.10%	106.83%
December 31, 2016	0.049443%	\$ 872	\$ 239,688	0.36%	100.10%
December 31, 2017	0.044836%	\$ (16,201)	\$ 229,463	7.06%	98.21%
December 31, 2018	0.041264%	\$ 59,364	\$ 241,363	24.60%	106.34%
December 31, 2019	0.037622%	\$ (47,564)	\$ 252,013	-18.87%	95.20%
December 31, 2020	0.035209%	\$ 19,913	\$ 259,500	7.67%	101.94%

Note: All amounts are as of plan calculation dates which are one fiscal year prior to the date shown.

⁽¹⁾ - Additional years will be added to this schedule as they become available.

See the accompanying Independent Auditors' Report.

TOWN OF AULT

SCHEDULE OF TOWN CONTRIBUTIONS

FPPA SWDB Pension Plan

Last 10 Fiscal Years⁽¹⁾

<u>Fiscal Year Ended</u>	<u>Contractually required contributions</u>	<u>Actual contributions</u>	<u>Contribution deficiency (excess)</u>	<u>Town's covered payroll</u>	<u>Contributions as a percentage of covered payroll</u>
December 31, 2014	\$ 16,291	\$ (16,291)	\$ -	\$ 203,638	8.00%
December 31, 2015	\$ 17,802	\$ (17,802)	\$ -	\$ 222,525	8.00%
December 31, 2016	\$ 19,175	\$ (19,175)	\$ -	\$ 239,688	8.00%
December 31, 2017	\$ 18,357	\$ (18,357)	\$ -	\$ 229,463	8.00%
December 31, 2018	\$ 19,309	\$ (19,309)	\$ -	\$ 241,363	8.00%
December 31, 2019	\$ 20,161	\$ (20,161)	\$ -	\$ 252,013	8.00%
December 31, 2020	\$ 20,760	\$ (20,760)	\$ -	\$ 259,500	8.00%

Note: All amounts are as of plan calculation dates which are one fiscal year prior to the date shown.

⁽¹⁾ - Additional years will be added to this schedule as they become available.

See the accompanying Independent Auditors' Report.

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REQUIRED SUPPLEMENTARY INFORMATION

TOWN OF AULT, COLORADO

**BUDGETARY COMPARISON SCHEDULE FOR THE
GENERAL FUND**

Year Ended December 31, 2020

With Comparative Totals for the Year Ended December 31, 2019

	2020			
	ORIGINAL & FINAL BUDGET	ACTUAL	VARIANCE WITH FINAL BUDGET FAV (UNFAV)	2019 ACTUAL
REVENUES				
Property and Sales Taxes	\$ 1,172,952	\$ 1,398,050	\$ 225,098	\$ 1,205,599
Franchise Taxes	73,724	70,314	(3,410)	65,961
Licenses, Permits and Fees	151,970	297,905	145,935	149,933
Intergovernmental Revenue	54,100	50,305	(3,795)	78,990
Charges for Services	8,580	12,717	4,137	5,515
Fines and Forfeits	175,754	136,695	(39,059)	154,844
Investment Earnings	15,000	19,868	4,868	20,197
Miscellaneous Revenue	2,850	675	(2,175)	2,590
Grant Revenue	5,000	1,006	(3,994)	8,924
TOTAL REVENUES	<u>1,659,930</u>	<u>1,987,535</u>	<u>327,605</u>	<u>1,692,553</u>
EXPENDITURES				
Current:				
General Government	210,665	168,244	42,421	203,738
Public Safety	630,211	744,438	(114,227)	615,294
Public Works	3,400	4,762	(1,362)	3,361
Culture, Parks and Recreation	58,090	54,991	3,099	48,669
Health & Welfare	45,849	42,861	2,988	41,413
Economic Development	495	495	-	495
Capital Outlay	180,250	116,384	63,866	97,039
Debt Service	3,000	29,494	(26,494)	2,575
Contingency	-	-	-	-
TOTAL EXPENDITURES	<u>1,131,960</u>	<u>1,161,669</u>	<u>(29,709)</u>	<u>1,012,584</u>
REVENUES IN EXCESS (DEFICIENCY) OF EXPENDITURES	<u>527,970</u>	<u>825,866</u>	<u>297,896</u>	<u>679,969</u>
OTHER FINANCING SOURCES (USES)				
Transfers Out	<u>(65,000)</u>	<u>(65,000)</u>	<u>-</u>	<u>(65,000)</u>
TOTAL OTHER FINANCING SOURCES (USES)	<u>(40,000)</u>	<u>(65,000)</u>	<u>(25,000)</u>	<u>(65,000)</u>
CHANGE IN FUND BALANCE - BUDGET BASIS	<u>\$ 487,970</u>	<u>760,866</u>	<u>\$ 272,896</u>	<u>614,969</u>
BUDGET TO GAAP RECONCILIATION:				
Capital Lease Proceeds		103,227		-
Capital Lease Capital Outlay		<u>(103,227)</u>		<u>-</u>
CHANGE IN FUND BALANCE - GAAP BASIS		<u>760,866</u>		<u>614,969</u>
FUND BALANCE, Beginning		2,415,574		1,800,605
PRIOR PERIOD RESTATEMENT		<u>(11,836)</u>		<u>-</u>
FUND BALANCE, Beginning (As Restated)		<u>2,403,738</u>		<u>1,800,605</u>
FUND BALANCE, Ending		<u>\$ 3,164,604</u>		<u>\$ 2,415,574</u>

See the accompanying Independent Auditors' Report.

TOWN OF AULT, COLORADO

**BUDGETARY COMPARISON SCHEDULE FOR THE
STREET SYSTEMS FUND**

Year Ended December 31, 2020

With Comparative Totals for the Year Ended December 31, 2019

	2020			
	ORIGINAL & FINAL BUDGET	ACTUAL	VARIANCE WITH FINAL BUDGET FAV (UNFAV)	2019 ACTUAL
REVENUES				
Property and Sales Taxes	\$ 31,843	\$ 31,589	\$ (254)	\$ 28,354
Licenses, Permits and Fees	150,000	348,250	198,250	150,100
Intergovernmental Revenue	72,782	55,232	(17,550)	73,847
Investment Earnings	2,000	2,803	803	5,761
Miscellaneous Revenue	1,500	-	(1,500)	-
TOTAL REVENUES	258,125	437,874	179,749	258,062
EXPENDITURES				
Current:				
General Government	5,200	2,692	2,508	4,614
Public Works	315,848	159,638	156,210	124,437
Parks and Recreation	4,950	2,876	2,074	-
Capital Outlay	7,000	-	7,000	-
Contingency	32,271	-	32,271	-
TOTAL EXPENDITURES	365,269	165,206	200,063	129,051
REVENUES IN EXCESS (DEFICIENCY) OF EXPENDITURES	(107,144)	272,668	379,812	129,011
OTHER FINANCING SOURCES (USES)				
Transfers In	95,000	95,000	-	95,000
CHANGE IN FUND BALANCE	(12,144)	367,668	379,812	224,011
FUND BALANCE, Beginning	733,778	750,342	16,564	526,331
PRIOR PERIOD RESTATEMENT	-	(617)	-	-
FUND BALANCE, Beginning (As Restated)	733,778	749,725	16,564	526,331
FUND BALANCE, Ending	\$ 721,634	\$ 1,117,393	\$ 396,376	\$ 750,342

See the accompanying Independent Auditors' Report.

OTHER SUPPLEMENTARY INFORMATION

SPECIAL REVENUE FUND

Special Revenue Fund is established to account for the proceeds of specific revenue sources, other than special assessments, expendable trusts, or major capital projects that are legally restricted to expenditures for specified purposes.

The following is the Special Revenue Fund for the Town:

Conservation Trust Fund -- This fund accounts for lottery proceeds received from the State government. Expenditures are restricted to the development or improvement of Town parks.

TOWN OF AULT, COLORADO

BUDGETARY COMPARISON SCHEDULE FOR THE
CONSERVATION TRUST FUND - NONMAJOR

Year Ended December 31, 2020

With Comparative Totals for the Year Ended December 31, 2019

	2020			
	ORIGINAL & FINAL BUDGET	ACTUAL	VARIANCE WITH FINAL BUDGET FAV (UNFAV)	2019 ACTUAL
REVENUES				
Intergovernmental Revenue	\$ 17,500	\$ 18,785	\$ 1,285	\$ 19,922
Investment Earnings	100	38	(62)	96
TOTAL REVENUES	<u>17,600</u>	<u>18,823</u>	<u>1,223</u>	<u>20,018</u>
OTHER FINANCING SOURCES (USES)				
Transfers Out	<u>(25,000)</u>	<u>-</u>	<u>25,000</u>	<u>-</u>
CHANGE IN FUND BALANCE	(7,400)	18,823	26,223	20,018
FUND BALANCE, Beginning	<u>72,831</u>	<u>71,641</u>	<u>(1,190)</u>	<u>51,623</u>
FUND BALANCE, Ending	<u>\$ 65,431</u>	<u>\$ 90,464</u>	<u>\$ 25,033</u>	<u>\$ 71,641</u>

See the accompanying Independent Auditors' Report.

ENTERPRISE FUNDS

Enterprise Funds are used to account for operations that are financed in a manner similar to private business enterprises. The costs of providing goods or services to the general public on a continuing basis are recovered primarily from user charges.

The following are the Enterprise Funds of the Town:

Water Fund -- This fund accounts for the provision of water services to Town residents.

Sanitation Fund -- This fund accounts for the provision of waste water management services to Town residents.

TOWN OF AULT, COLORADO

WATER FUND

SCHEDULE OF REVENUES, EXPENSES

AND CHANGE IN FUND NET POSITION -

BUDGET AND ACTUAL

Year Ended December 31, 2020

With Comparative Totals for the Year Ended December 31, 2019

	2020			
	ORIGINAL & FINAL BUDGET	ACTUAL	VARIANCE WITH FINAL BUDGET FAV (UNFAV)	2019 ACTUAL
OPERATING REVENUES				
Charges for Services	\$ 503,132	\$ 611,463	\$ 108,331	\$ 517,889
OPERATING EXPENSES				
Personal Services	146,272	133,067	13,205	139,471
Supplies	9,600	(8,128)	17,728	6,827
Purchased Services	390,918	422,538	(31,620)	327,705
Other Operating Expenses	6,908	3,066	3,842	3,863
Fleet Maintenance	2,558	1,357	1,201	1,973
Repairs & Maintenance	15,804	33,229	(17,425)	7,818
Capital Outlay	2,677,125	2,834,990	(157,865)	259,224
Contingency	64,028	-	64,028	-
TOTAL OPERATING EXPENSES	3,313,213	3,420,119	(106,906)	746,881
OPERATING INCOME (LOSS)	(2,810,081)	(2,808,656)	1,425	(228,992)
NON-OPERATING REVENUE (EXPENSE)				
Investment Earnings	17,000	17,477	477	25,441
Miscellaneous Revenue	3,000	255	(2,745)	2,300
TOTAL NON-OPERATING REVENUE (EXPENSE)	20,000	17,732	(2,268)	27,741
NET INCOME (LOSS) BEFORE TRANSFERS AND CONTRIBUTIONS	(2,790,081)	(2,790,924)	(843)	(201,251)
TRANSFERS AND CONTRIBUTIONS				
Transfer Out	(15,000)	(15,000)	-	(15,000)
Capital Contributions	567,500	1,318,926	751,426	2,042,900
NET INCOME (LOSS) - BUDGET (GAAP) BASIS	\$ (2,237,581)	(1,486,998)	\$ 750,583	1,826,649
GAAP BASIS ADJUSTMENTS				
Capital Outlay		2,831,151		251,928
Depreciation		(55,746)		(48,387)
TOTAL GAAP BASIS ADJUSTMENTS		2,775,405		203,541
CHANGE IN FUND NET POSITION		1,288,407		2,030,190
NET POSITION, beginning		6,061,374		4,031,184
PRIOR PERIOD RESTATEMENT		(2,609)		-
TOTAL NET POSITION, Beginning of Year (as restated)		6,058,765		4,031,184
NET POSITION, ending		\$ 7,347,172		\$ 6,061,374

See the accompanying Independent Auditors' Report.

TOWN OF AULT, COLORADO

SANITATION FUND

SCHEDULE OF REVENUES, EXPENSES
AND CHANGE IN FUND NET POSITION -
BUDGET AND ACTUAL

Year Ended December 31, 2020

With Comparative Totals for the Year Ended December 31, 2019

	2020		
	ORIGINAL & FINAL BUDGET	ACTUAL	VARIANCE WITH FINAL BUDGET FAV (UNFAV)
			2019 ACTUAL
OPERATING REVENUES			
Charges for Services	\$ 575,000	\$ 597,721	\$ 22,721
			\$ 532,171
OPERATING EXPENSES			
Personal Services	151,579	154,282	(2,703)
Supplies	25,049	26,046	(997)
Purchased Services	165,013	151,777	13,236
Other Operating Expenses	3,423	2,241	1,182
Fleet Maintenance	1,545	1,060	485
Repairs & Maintenance	63,915	52,912	11,003
Capital Outlay	38,791	12,617	26,174
Contingency	63,785	-	63,785
TOTAL OPERATING EXPENSES	513,100	400,935	112,165
			392,721
OPERATING INCOME	61,900	196,786	134,886
			139,450
NON-OPERATING REVENUE (EXPENSE)			
Investment Earnings	9,500	7,203	(2,297)
Miscellaneous Revenue	-	-	-
Debt Service Principal	(175,500)	(176,644)	(1,144)
Interest Expense	(10,000)	(8,354)	1,646
TOTAL NON-OPERATING REVENUE (EXPENSE)	(176,000)	(177,795)	(1,795)
			(172,249)
NET INCOME (LOSS) BEFORE TRANSFERS AND CONTRIBUTIONS	(114,100)	18,991	133,091
			(32,799)
TRANSFERS AND CONTRIBUTIONS			
Transfer Out	(15,000)	(15,000)	-
Capital Contribution	275,000	821,429	546,429
			302,500
NET INCOME (LOSS) - BUDGET (GAAP) BASIS	\$ 145,900	825,420	\$ 679,520
			254,701
GAAP BASIS ADJUSTMENTS			
Capital Outlay		7,153	54,080
Debt Principal		176,644	172,849
Depreciation		(345,110)	(342,050)
TOTAL GAAP BASIS ADJUSTMENTS		(161,313)	(115,121)
CHANGE IN FUND NET POSITION		664,107	139,580
NET POSITION, beginning		4,339,115	4,199,535
PRIOR PERIOD RESTATEMENT		(3,199)	-
TOTAL NET POSITION, Beginning of Year (as restated)		4,335,916	4,199,535
NET POSITION, ending		\$ 5,000,023	\$ 4,339,115

See the accompanying Independent Auditors' Report.

COMPONENT UNIT

Component Units are legally separate entities that do not qualify as a primary government.

The Town has one Discretely Presented Component Unit:

Northern Plains Public Library -- The Library serves the citizens of Weld County School District RE-9, which includes the Town of Ault.

TOWN OF AULT, COLORADO

NORTHERN PLAINS PUBLIC LIBRARY (COMPONENT UNIT)

SCHEDULE OF REVENUES, EXPENSES

AND CHANGE IN FUND BALANCE -

BUDGET AND ACTUAL

Year Ended December 31, 2020

With Comparative Totals for the Year Ended December 31, 2019

	2020			
	ORIGINAL & FINAL BUDGET	ACTUAL	VARIANCE WITH FINAL BUDGET FAV (UNFAV)	2019 ACTUAL
REVENUES				
Charges for Service	\$ 1,970	\$ 670	\$ (1,300)	\$ 2,038
Intergovernmental Revenue	1,417,962	420,375	(997,587)	385,600
Other Revenue	3,150	133,053	129,903	10,879
Investment Earnings	<u>10,000</u>	<u>10,257</u>	<u>257</u>	<u>30,248</u>
TOTAL REVENUES	<u>1,433,082</u>	<u>564,355</u>	<u>(868,727)</u>	<u>428,765</u>
EXPENDITURES				
Operating Expenses	79,525	56,993	22,532	104,489
Salaries and Benefits	173,900	180,513	(6,613)	146,574
Debt Service	-	-	-	53,224
Capital Outlay	<u>2,502,500</u>	<u>872,203</u>	<u>1,630,297</u>	<u>52,735</u>
TOTAL EXPENDITURES	<u>2,755,925</u>	<u>1,109,709</u>	<u>1,646,216</u>	<u>357,022</u>
REVENUES IN EXCESS (DEFICIENCY) OF EXPENDITURES	(1,322,843)	(545,354)	777,489	71,743
FUND BALANCE, Beginning	<u>1,869,728</u>	<u>1,828,430</u>	<u>(41,298)</u>	<u>1,756,687</u>
FUND BALANCE, Ending	<u>\$ 546,885</u>	<u>\$ 1,283,076</u>	<u>\$ 736,191</u>	<u>\$ 1,828,430</u>

See the accompanying Independent Auditors' Report.

COMPLIANCE SECTION
State Compliance

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

LOCAL HIGHWAY FINANCE REPORT	City or County: Ault
	YEAR ENDING : Dec-20
This Information From The Records Of (example - City of _ or County of _)	Prepared By: Sharon Sullivan Phone: 970-834-2844

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

ITEM	AMOUNT
A. Receipts from local sources:	
1. Local highway-user taxes	
a. Motor Fuel (from Item I.A.5.)	
b. Motor Vehicle (from Item I.B.5.)	
c. Total (a.+b.)	
2. General fund appropriations	239,170
3. Other local imposts (from page 2)	370,072
4. Miscellaneous local receipts (from page 2)	97,803
5. Transfers from toll facilities	
6. Proceeds of sale of bonds and notes:	
a. Bonds - Original Issues	
b. Bonds - Refunding Issues	
c. Notes	
d. Total (a. + b. + c.)	0
7. Total (1 through 6)	707,045
B. Private Contributions	
C. Receipts from State government (from page 2)	65,009
D. Receipts from Federal Government (from page 2)	0
E. Total receipts (A.7 + B + C + D)	772,054

III. DISBURSEMENTS FOR ROAD AND STREET PURPOSES

ITEM	AMOUNT
A. Local highway disbursements:	
1. Capital outlay (from page 2)	89,953
2. Maintenance:	39,943
3. Road and street services:	
a. Traffic control operations	1,953
b. Snow and ice removal	773
c. Other Street Lighting	33,490
d. Total (a. through c.)	36,216
4. General administration & miscellaneous	2,400
5. Highway law enforcement and safety	236,770
6. Total (1 through 5)	405,283
B. Debt service on local obligations:	
1. Bonds:	
a. Interest	
b. Redemption	
c. Total (a. + b.)	0
2. Notes:	
a. Interest	
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)	405,283

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)				
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
	372,827	772,054	405,283	739,599	0
Notes and Comments:	532,884		166,113	366,771	

LOCAL HIGHWAY FINANCE REPORT		STATE: Colorado	
		YEAR ENDING (mm/yy): December 2020	

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	15,364	a. Interest on investments	2,803
b. Other local imposts:		b. Traffic Fines & Penalties	
1. Sales Taxes		c. Parking Garage Fees	
2. Infrastructure & Impact Fees	348,250	d. Parking Meter Fees	
3. Liens		e. Sale of Surplus Property	
4. Licenses		f. Charges for Services	
5. Specific Ownership &/or Other	6,458	g. Other Misc. Receipts	95,000
6. Total (1. through 5.)	354,708	h. Other	
c. Total (a. + b.)	370,072	i. Total (a. through h.)	97,803
	(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	55,288	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	9,721	d. Federal Transit Admin	
d. Other (Specify) - DOLA Grant		e. U.S. Corps of Engineers	
e. Other (Specify)		f. Other Federal	
f. Total (a. through e.)	9,721	g. Total (a. through f.)	0
4. Total (1. + 2. + 3.f)	65,009	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		2,670	2,670
c. Construction:			
(1). New Facilities			0
(2). Capacity Improvements		81,774	81,774
(3). System Preservation		5,509	5,509
(4). System Enhancement & Operation			0
(5). Total Construction (1) + (2) + (3) + (4)	0	87,283	87,283
d. Total Capital Outlay (Lines 1.a. + 1.b. + 1.c.5)	0	89,953	89,953
			(Carry forward to page 1)

Notes and Comments: