

TOWN OF CHEYENNE WELLS, COLORADO

FINANCIAL STATEMENTS

DECEMBER 31, 2020

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INDEPENDENT AUDITOR'S REPORT

Honorable Mayor and Members
of the Town Council
Town of Cheyenne Wells
Cheyenne Wells, Colorado

I have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of Town of Cheyenne Wells, 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.

Auditor's Responsibility

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

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, I express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my audit opinions.

Opinion

In my opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the Town of Cheyenne Wells, 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 accordance with accounting principles generally accepted in the United States of America.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis and budgetary comparison information listed in the table of contents be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. I have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to my inquiries, the basic financial statements, and other knowledge I obtained during my audit of the basic financial statements. I do not express an opinion or provide any assurance on the information because the limited procedures do not provide me with sufficient evidence to express an opinion or provide any assurance.

Other Information

My audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise Town of Cheyenne Wells, Colorado's basic financial statements. The other budgetary comparison schedules along with the Local Highway Finance Report listed in the table of contents are presented for purposes of additional analysis and are not a required part of the financial statements.

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

Amanda L. Brown, CPA

Fads, Colorado
July 8, 2021

TOWN OF CHEYENNE WELLS, COLORADO
FINANCIAL STATEMENTS
 DECEMBER 31, 2020

TABLE OF CONTENTS

| | PAGE |
|--|-------|
| Auditor's Opinion | 1-2 |
| Table of Contents | 3-4 |
| Management's Discussion and Analysis | 5-11 |
| Basic Financial Statements | |
| Government-wide Financial Statements: | |
| Statement of Net Position | 12 |
| Statement of Activities | 13-14 |
| Fund Financial Statements: | |
| Balance Sheet – Governmental Funds | 15-16 |
| Statement of Revenues, Expenditures, and Changes in Fund Balances – Governmental Funds | 17-18 |
| Statement of Net Position – Proprietary Fund | 19 |
| Statements of Revenues, Expenditures and Changes in Net Position – Proprietary Fund | 20 |
| Statements of Cash Flows – Proprietary Fund | 21 |
| Notes to Financial Statements | 22-32 |
| Required Supplementary Information | |
| Schedule of Revenues, Expenditures, and Changes in Fund Balances – Budget and Actual – General Fund | 33 |

TOWN OF CHEYENNE WELLS, COLORADO
FINANCIAL STATEMENTS
DECEMBER 31, 2020

TABLE OF CONTENTS CONTINUED

Other Supplementary Information

| | |
|---|-------|
| Schedule of Revenues and Expenditures - Budget and Actual - Capital Projects Fund | 34 |
| Schedule of Revenues and Expenditures - Budget and Actual - Conservation Trust Fund | 35 |
| Schedule of Revenues and Expenditures - Budget and Actual (Non GAAP Basis) - Utility Fund | 36 |
| Miscellaneous Section | |
| Local Highway Finance Report | 37-38 |

TOWN OF CHEYENNE WELLS, COLORADO
MANAGEMENT'S DISCUSSION AND ANALYSIS
DECEMBER 31, 2020

The discussion and analysis of the Town of Cheyenne Wells financial performance provides an overview and analysis of the Town's financial activities for the year ended on December 31, 2020. It should be read in conjunction with the accompanying basic financial statements.

FINANCIAL HIGHLIGHTS

- The Town's total net position increased by \$386,000 or 4.82%.
- The Governmental activities net position increased by \$330,013.
- The Town's Business-type activities net position increased by \$55,987.

OVERVIEW OF THE FINANCIAL STATEMENTS

This annual report consists of four parts – management's discussion and analysis, the basic financial statements, required supplementary information, and a section that presents combining statements for nonmajor governmental funds.

Basic financial statements - include two kinds of statements that present different views of the Town.

- **Government-wide financial statements** provide both long-term and short-term information about the Town's overall financial status. The required financial statements include statement of net position, and statement of activities. The measurement focus is on economic resources and accrual accounting is used. Assets and liabilities include both financial and capital and are reported as short and long term. Revenues and expenses are included regardless of when cash is received or paid.
- **Fund Financial Statements** focus on the individual parts of the Town reporting in more detail the Town's operations.
 1. **Government Funds** show how general government services like public safety, public works, recreation, and general government administration were financed in the short term and what remains for future spending. The required financial statements are a balance sheet and statement of revenues, expenditures and changes in fund balance. Only assets expected to be used and liabilities that come due during the year or soon thereafter are included. Capital assets are not included as assets. The measurement focus is on current financial resources and modified accrual accounting is used to report revenues and expenses that are received during the year or soon thereafter.
 2. **Proprietary Funds** include activities, such as the water system, are operated similar to private business with an economic resource focus and accrual accounting. The

TOWN OF CHEYENNE WELLS, COLORADO
MANAGEMENT'S DISCUSSION AND ANALYSIS
DECEMBER 31, 2020

required financial statements include Statement of Net Position, Statement of Revenues, expenses, and changes in Net Position, and Statement of cash flows. All assets and liabilities, both financial and capital, long and short-term are provided and all revenues and expenses are included regardless of when cash is received or paid.

Notes to the basic Financial Statements provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements.

Required Supplementary Information includes budgetary comparison schedules for the General Fund and major special revenue funds.

Other Supplementary Information includes combining statements for nonmajor governmental funds and budget comparison schedules for all nonmajor special revenue funds, capital project funds, and proprietary funds.

GOVERNMENT-WIDE FINANCIAL ANALYSIS

The government-wide statements report information about the Town as a whole using accounting methods similar to those used by private-sector companies. The statement of net position includes 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 it has changed. Net position—the difference between the Town's assets and liabilities—is one way to measure the Town's financial health, or position.

- Over time, increases or decreases in the Town's net position are an indicator of whether its financial health is improving or deteriorating, respectively.
- To assess the overall health of the Town, additional nonfinancial factors need to be considered, such as changes in the Town's property tax base and the condition of the Town's roads.

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

Governmental Activities – Most of the Town's basic services are included here, such as police, streets, parks and recreation departments, and general administration. Sales taxes, property taxes, franchise fees, and charges for services finance most of these activities.

Business-type Activities – The Town charges fees to customers to recover most of the costs of certain activities. The Town's water system is included here.

TOWN OF CHEYENNE WELLS, COLORADO
MANAGEMENT'S DISCUSSION AND ANALYSIS
DECEMBER 31, 2020

FUND FINANCIAL STATEMENTS

The fund financial statements provide more detailed information about the Town's most significant funds – not the Town as a whole. Funds are accounting devices that a Town uses to account for specific sources of funding and spending for particular purposes.

- Some funds are required by State law and by bond covenants.
- The Town Council establishes other funds to control and manage money for particular purposes or to show that it is properly using certain taxes and grants, such as the Capital Projects Fund.

The Town has two kinds of funds:

- **Governmental Funds** – Most of the Town's basic services are included in the governmental funds, which focus on the flow of cash in and out and how balances remaining at the end of the year are available for spending. Consequently, the governmental funds statements provide a detailed short-term view that helps you determine the change in financial resources that can be spent in the near future to finance the Town's programs. Because this information does not encompass the additional long-term focus of the government-wide statements, additional information is provided on the subsequent page that explains the differences between them.
- **Proprietary Funds** – Services for which the Town charges customers a fee are generally reported in proprietary funds. Proprietary funds, like the government-wide statements, provide both long and short-term financial information. The Town's Water Enterprise Fund is a proprietary fund accounting for its water system activities.

FINANCIAL ANALYSIS OF THE TOWN'S FUNDS

The Town uses fund accounting to comply with finance-related legal requirements.

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

A summary of the Town's net position for the year is as follows:

**TOWN OF CHEYENNE WELLS, COLORADO
MANAGEMENT'S DISCUSSION AND ANALYSIS
DECEMBER 31, 2020**

| | Governmental Activities | | Business-Type Activities | | Total | |
|----------------------------------|-------------------------|--------------------|--------------------------|--------------------|--------------------|--------------------|
| | 2020 | 2019 | 2020 | 2019 | 2020 | 2019 |
| Current assets | \$2,820,123 | \$2,792,972 | \$1,152,752 | \$1,020,621 | \$3,982,885 | \$3,813,563 |
| Capital assets-net | 2,493,333 | 2,559,576 | 2,259,718 | 2,337,482 | 4,753,051 | 4,897,058 |
| Total assets | 5,313,456 | 5,352,548 | 3,412,470 | 3,358,103 | 8,735,936 | 8,710,621 |
| Current Liabilities | 27,285 | 99,282 | 58,989 | 50,484 | 84,274 | 149,766 |
| Non-current Liabilities | 15,074 | 24,146 | 6,255 | 4,370 | 21,329 | 29,116 |
| Total liabilities | 42,359 | 123,428 | 65,244 | 54,854 | 105,603 | 178,882 |
| Deferred Inflows | 239,155 | 226,561 | - | - | 239,155 | 226,561 |
| Net Position | \$5,031,942 | \$4,701,929 | \$3,359,236 | \$3,303,249 | \$8,591,178 | \$8,005,178 |
| Net Position | | | | | | |
| Net Investment in Capital Assets | 2,493,333 | 2,559,576 | 2,259,718 | 2,337,482 | 4,753,051 | 4,897,058 |
| Restricted | 75,239 | 71,123 | 20,000 | 20,000 | 95,239 | 91,123 |
| Unrestricted | 2,463,370 | 2,071,230 | 1,079,518 | 945,767 | 3,542,888 | 3,016,997 |
| Net Position | \$5,031,942 | \$4,701,929 | \$3,359,236 | \$3,303,249 | \$8,591,178 | \$8,005,178 |

The net position of the Town's governmental funds as of December 31, 2020 was \$5,031,942 of which \$2,463,370 was unrestricted and is available for spending at the government's discretion. The remainder is restricted for Tabor reserve in the amount of \$24,000, restricted for culture and recreation in the amount of \$51,239 and \$2,493,333 is invested in capital assets.

The General Fund is the main operating fund of the Town. As of December 31, 2020, the General Fund balance was \$1,198,539 of which \$1,173,419 was unassigned. Unassigned fund balance represents 330% of 2020 General Fund expenditures.

A summary of the Town's change in net position for the year is as follows:

**TOWN OF CHEYENNE WELLS, COLORADO
MANAGEMENT'S DISCUSSION AND ANALYSIS
DECEMBER 31, 2020**

| | Governmental Activities | | Business-Type Activities | | Total | |
|--|-------------------------|--------------------|--------------------------|--------------------|--------------------|--------------------|
| | 2020 | 2019 | 2020 | 2019 | 2020 | 2019 |
| Program Revenues | | | | | | |
| Operating Grants and Contributions | \$ 78,507 | \$ 82,218 | \$ - | \$ - | \$ 78,507 | \$ 82,218 |
| Capital Grants and Contributions | - | - | - | - | - | - |
| Charges for services | 32,007 | 39,616 | 356,003 | 341,863 | 388,010 | 381,479 |
| Total Program Revenue | <u>110,514</u> | <u>121,834</u> | <u>356,003</u> | <u>341,863</u> | <u>466,517</u> | <u>463,697</u> |
| General Revenues: | | | | | | |
| Taxes | 627,750 | 541,262 | | | 627,750 | 541,262 |
| Investment earnings | 17,529 | 12,282 | 7,336 | 4,601 | 25,535 | 16,883 |
| Total General Revenue | <u>645,279</u> | <u>553,544</u> | <u>7,336</u> | <u>4,601</u> | <u>653,285</u> | <u>558,145</u> |
| Total Revenue | <u>755,913</u> | <u>675,378</u> | <u>363,339</u> | <u>346,464</u> | <u>1,119,802</u> | <u>1,021,842</u> |
| Expenses | | | | | | |
| General government | 170,937 | 171,170 | | | 170,937 | 171,170 |
| Judicial | 1,349 | 2,848 | | | 1,349 | 2,848 |
| Public safety | 44,787 | 38,562 | | | 44,787 | 38,562 |
| Highways and Streets | 208,545 | 317,117 | | | 208,545 | 317,117 |
| Culture and recreation | 13,577 | 13,480 | | | 13,577 | 13,480 |
| Water | | | 307,902 | 312,391 | 307,902 | 312,391 |
| Total expenses | <u>439,195</u> | <u>543,177</u> | <u>307,902</u> | <u>312,391</u> | <u>747,067</u> | <u>855,568</u> |
| Change in net position before transfers and special items | <u>316,718</u> | <u>132,201</u> | <u>55,987</u> | <u>34,073</u> | <u>372,735</u> | <u>166,277</u> |
| Transfers | - | - | | | - | - |
| Insurance proceeds | 2,060 | 29,096 | | | 2,060 | 29,096 |
| Sale of Fixed Assets | 11,205 | 4,850 | | | 11,205 | 4,850 |
| Capital Contributions | - | - | | | - | - |
| Change in net position | <u>330,013</u> | <u>166,147</u> | <u>55,987</u> | <u>34,073</u> | <u>386,000</u> | <u>200,223</u> |
| Beginning net position | <u>4,701,929</u> | <u>4,535,782</u> | <u>3,303,249</u> | <u>3,269,176</u> | <u>8,005,178</u> | <u>7,804,953</u> |
| Ending net position | <u>\$5,031,942</u> | <u>\$4,701,929</u> | <u>\$3,359,236</u> | <u>\$3,303,249</u> | <u>\$8,391,178</u> | <u>\$8,005,178</u> |

Total revenues, insurance proceeds, and sale of fixed assets exceeded total expenses in both the Government and Business activities by \$386,000.

The Governmental activities net position increased by \$330,013. This change in net position is \$163,866 more than the prior year change in net position. This is due to a increase in revenue and sale of fixed assets for the current year as well as an decrease in expenses.

Business-type activities net position increased by \$55,987 which is \$21,914 more than the prior year's change in net position.

TOWN OF CHEYENNE WELLS, COLORADO
MANAGEMENT'S DISCUSSION AND ANALYSIS
DECEMBER 31, 2020

BUDGETARY HIGHLIGHTS

General Fund actual revenues of \$421,212 were \$36,438 more than budgeted revenues and actual expenditures of \$354,864 were \$30,854 less than budgeted expenditures.

Capital Projects fund actual revenues of \$329,555 were \$589,945 less than budgeted revenues and actual expenditures of \$26,700 were \$873,300 less than budgeted expenditures, due to budgeted grants that were not received.

CAPITAL ASSETS AND DEBT ADMINISTRATION

As of December 31, 2020, Cheyenne Wells investment in capital assets for its governmental and business type activities net of accumulated depreciation was \$4,753,051. This included infrastructure assets of \$2,586,291 acquired since 1990. Capital assets including buildings, streets, water system, equipment, and infrastructure are as follows:

| | Governmental Activities | | Business-Type Activities | | Total | |
|--------------------------|-------------------------|-------------|--------------------------|-------------|-------------|-------------|
| | 2020 | 2019 | 2020 | 2019 | 2020 | 2019 |
| Land | \$ 46,383 | \$ 46,383 | \$ 23,889 | \$ 23,889 | \$ 69,272 | \$ 69,272 |
| Buildings & Improvements | 779,416 | 779,416 | 3,792,293 | 3,775,848 | 4,571,809 | 4,555,264 |
| Equipment | 938,381 | 898,881 | 65,922 | 73,155 | 1,004,303 | 972,036 |
| Infrastructure | 2,586,291 | 2,586,291 | - | - | 2,586,291 | 2,586,291 |
| Total | \$4,349,471 | \$4,309,971 | \$3,882,204 | \$3,872,932 | \$8,231,675 | \$8,182,903 |
| Accumulated Depreciation | (3,856,138) | (4,750,395) | (1,622,786) | (1,535,450) | (3,478,624) | (3,285,845) |
| Capital Assets, Net | \$2,493,333 | \$2,559,576 | \$2,259,418 | \$2,337,482 | \$4,753,051 | \$4,897,058 |

Major fixed asset additions for the year include:

- Utility Tractor \$39,500
- Well Motor \$6,354
- Fencing \$10,861

The Town does not have any debt or capitalized leases.

TOWN OF CHEYENNE WELLS, COLORADO
MANAGEMENT'S DISCUSSION AND ANALYSIS
DECEMBER 31, 2020

ECONOMIC FACTORS AND 2021 BUDGET AND RATES

Governmental activities revenues were budgeted at \$1,275,890 for year 2021, a \$506,712 increase from 2020 actual revenues and sale of fixed assets. Expenditures for governmental activities are projected to be \$1,264,989 for year 2021, which is an increase from the 2020 actual expenditures which were \$382,594. Increases in the governmental activities revenues and expenditure are mainly a result of an increase in budgeted grants for the year 2021.

The main business-type activity for the Town is the water utility. Revenues for year 2021 were budgeted at \$339,100, which represents a decrease from the 2020 actual revenues which were \$363,889. Year 2021 budgeted expenditures of \$338,926 represent an increase over current year actual expenditures which were \$230,138.

REQUESTS FOR INFORMATION

This financial report is designed to provide the citizens, taxpayers, customers and investors and creditors of the Town of Cheyenne Wells, Colorado a general overview of the Town's finances and to demonstrate the Town's accountability. If you have questions about this report or need additional financial information, contact the Town of Cheyenne Wells, Town Clerk, P.O. Box 125, Cheyenne Wells, Colorado 80810.

TOWN OF CHEYENNE WELLS, COLORADO
STATEMENT OF NET POSITION
DECEMBER 31, 2020

| ASSETS | PRIMARY GOVERNMENT | | |
|---|------------------------------------|-------------------------------------|---------------------|
| | GOVERNMENTAL ACTIVITIES | BUSINESS-TYPE ACTIVITIES | TOTAL |
| Current Assets: | | | |
| Cash and Cash Equivalents | \$ 1,512,577 | \$ 694,294 | \$ 2,206,871 |
| Cash with County Treasurer | 1,976 | - | 1,976 |
| Investments | 1,020,000 | 130,513 | 1,120,415 |
| Intergovernmental Receivable | 17,202 | - | 17,202 |
| Accounts Receivable | 28,093 | 16,243 | 44,333 |
| Taxes Receivable | 239,155 | - | 239,155 |
| Internal Balances | - | - | - |
| Inventory | - | 34,679 | 34,679 |
| Prepaid Expenses | 1,120 | 17,506 | 18,626 |
| Total Current Assets | 2,820,123 | 1,022,622 | 3,982,885 |
| Non-Current Assets: | | | |
| Capital Assets: | | | |
| Land | 45,383 | 23,889 | 69,272 |
| Buildings, Improvements & Water Systems -equipment | 779,416 | 3,792,393 | 4,571,809 |
| Infrastructure | 938,331 | 66,922 | 1,004,305 |
| Infrastructure | 2,586,291 | - | 2,586,291 |
| Accumulated Depreciation | (1,356,138) | (1,622,486) | (3,178,524) |
| Total Non-Current Assets | 2,493,333 | 2,259,718 | 4,753,051 |
| TOTAL ASSETS | 5,313,456 | 3,422,480 | 8,735,936 |
| LIABILITIES | | | |
| Current Liabilities: | | | |
| Accounts Payable | 26,936 | 18,785 | 45,721 |
| Payroll Liabilities | 349 | 773 | 1,122 |
| Water Deposits | - | 37,431 | 37,431 |
| Total Current Liabilities | 27,285 | 56,989 | 84,274 |
| Long-Term Liabilities: | | | |
| Compensated absences | 15,074 | 6,255 | 21,329 |
| TOTAL LIABILITIES | 42,359 | 63,244 | 105,603 |
| DEFERRED INFLOWS | | | |
| Deferred Revenue - Property Taxes | 239,155 | - | 239,155 |
| NET POSITION | | | |
| Net Investment in Capital Assets | 2,493,333 | 2,259,718 | 4,753,051 |
| Restricted for Emergency Reserve | 24,000 | 20,000 | 44,000 |
| Restricted for Culture & Recreation | 51,239 | - | 51,239 |
| Unrestricted | 2,463,370 | 1,079,518 | 3,542,888 |
| TOTAL NET POSITION | \$ 5,031,942 | \$ 3,359,235 | \$ 8,391,178 |

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

**TOWN OF CHEYENNE WELLS, COLORADO
STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED DECEMBER 31, 2020**

| <u>FUNCTIONS / PROGRAMS</u> | <u>EXPENSES</u> | <u>PROGRAM REVENUES</u> | | |
|---------------------------------------|-------------------|-----------------------------|---|---|
| | | <u>CHARGES FOR SERVICES</u> | <u>OPERATING GRANTS AND CONTRIBUTIONS</u> | <u>CAPITAL GRANTS AND CONTRIBUTIONS</u> |
| PRIMARY GOVERNMENT: | | | | |
| Governmental activities: | | | | |
| General government | \$ 170,907 | \$ 29,060 | \$ 18,115 | \$ - |
| Judicial | 1,349 | - | - | - |
| Public safety | 44,787 | 2,947 | - | - |
| Highways and streets | 208,545 | - | 56,065 | - |
| Culture and recreation | 13,577 | - | 4,327 | - |
| Total Governmental Activities | <u>439,165</u> | <u>32,007</u> | <u>78,507</u> | <u>-</u> |
| Business-Type Activities: | | | | |
| Water | 307,902 | 356,003 | - | - |
| Total Business-Type Activities | <u>307,902</u> | <u>356,003</u> | <u>-</u> | <u>-</u> |
| Total Primary Government | <u>\$ 747,067</u> | <u>\$ 388,010</u> | <u>\$ 78,507</u> | <u>\$ -</u> |

Taxes:
Property Tax
Sales Tax
Franchise Tax
Insurance Proceeds
Sale of Fixed Assets
Interest
Total general revenues
Change in net position
Net Position beginning
Net Position ending

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

**NET (EXPENSE) REVENUE AND CHANGES IN NET ASSETS
PRIMARY GOVERNMENT**

| GOVERNMENTAL ACTIVITIES | BUSINESS-TYPE ACTIVITIES | TOTAL |
|------------------------------------|-------------------------------------|---------------------|
| \$ (123,732) | | \$ (123,732) |
| (1,349) | | (1,349) |
| (41,840) | | (41,840) |
| (52,480) | | (52,480) |
| (9,250) | | (9,250) |
| <u>(328,651)</u> | <u>-</u> | <u>(328,651)</u> |
| | 48,101 | 48,101 |
| <u>-</u> | <u>48,101</u> | <u>48,101</u> |
| <u>\$ (328,651)</u> | <u>\$ 48,101</u> | <u>\$ (280,550)</u> |
| | | |
| \$ 251,484 | | \$ 251,484 |
| 319,850 | | 319,850 |
| 56,416 | | 56,416 |
| 2,060 | | 2,060 |
| 11,205 | | 11,205 |
| 17,649 | \$ 7,886 | 25,535 |
| <u>658,664</u> | <u>7,886</u> | <u>666,550</u> |
| <u>330,013</u> | <u>55,987</u> | <u>386,000</u> |
| <u>4,701,929</u> | <u>3,303,279</u> | <u>8,005,178</u> |
| <u>\$ 5,031,942</u> | <u>\$ 3,359,236</u> | <u>\$ 8,391,178</u> |

TOWN OF CHEYENNE WELLS, COLORADO
BALANCE SHEET
GOVERNMENTAL FUNDS
DECEMBER 31, 2020

| ASSETS | <u>GENERAL</u> | <u>CAPITAL PROJECTS</u> | <u>NONMAJOR GOVERNMENTAL FUND</u> | <u>TOTAL GOVERNMENTAL FUNDS</u> |
|---|---------------------|-----------------------------|---|---|
| Cash and Cash Equivalents | \$ 503,332 | \$ 998,006 | \$ 51,239 | \$ 1,512,577 |
| Cash with County Treasurer | 1,976 | | | 1,976 |
| Investments | 700,000 | 230,000 | 40,000 | 1,020,000 |
| Intergovernmental Receivable | 17,202 | | | 17,202 |
| Accounts Receivable | 6,289 | 21,304 | | 28,093 |
| Taxes Receivable | 239,155 | | | 239,155 |
| Due From Other Funds | - | 4,095 | | 4,095 |
| Prepaid Expenses | 1,120 | | | 1,120 |
| TOTAL ASSETS | <u>\$ 1,469,074</u> | <u>\$ 1,303,905</u> | <u>\$ 51,239</u> | <u>\$ 2,824,218</u> |
| LIABILITIES, DEFERRED INFLOWS & FUND BALANCES | | | | |
| LIABILITIES | | | | |
| Accounts Payable | \$ 26,936 | | | \$ 26,936 |
| Due To Other Funds | 4,095 | | | 4,095 |
| Payroll Liabilities | 319 | | | 319 |
| TOTAL LIABILITIES | <u>31,380</u> | <u>-</u> | <u>-</u> | <u>31,380</u> |
| DEFERRED INFLOWS | | | | |
| Deferred Revenue - Property Taxes | 239,155 | - | - | 239,155 |
| FUND BALANCES | | | | |
| Nonspendable: | | | | |
| Prepaid Expenses | 1,120 | | | 1,120 |
| Restricted for: | | | | |
| Emergencies (FAROR) | 24,000 | | | 24,000 |
| Culture & Recreation | | | 51,239 | 51,239 |
| Assigned to: | | | | |
| Capital Projects | | 1,303,905 | | 1,303,905 |
| Subsequent Year's Expenses | - | | | - |
| Unassigned: | | | | |
| General Fund | 1,173,419 | | | 1,173,419 |
| TOTAL FUND BALANCES | <u>1,198,539</u> | <u>1,303,905</u> | <u>51,239</u> | <u>2,553,683</u> |
| TOTAL LIABILITY, DEFERRED INFLOWS, AND FUND BALANCES | <u>\$ 1,469,074</u> | <u>\$ 1,303,905</u> | <u>\$ 51,239</u> | <u>\$ 2,824,218</u> |

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

TOWN OF CHEYENNE WELLS, COLORADO
RECONCILIATION OF THE GOVERNMENTAL FUNDS BALANCE SHEET
TO THE GOVERNMENT-WIDE STATEMENT OF NET POSITION
DECEMBER 31, 2020

| | |
|--|--------------|
| Total Fund Balances - Total Governmental Funds | \$ 2,553,683 |
|--|--------------|

The following amounts reported for governmental activities are not current financial resources. Therefore, they are not reported in the Governmental Funds Balance Sheet.

| | |
|-----------------------------|-------------|
| Governmental Capital assets | 4,349,471 |
| Accumulated Depreciation | (1,856,138) |

The following amounts reported for governmental activities are not due and payable in the current period. Therefore, they are not reported in the Governmental Funds Balance Sheet.

| | |
|----------------------|----------|
| Compensated Absences | (15,074) |
|----------------------|----------|

| | |
|---|--------------|
| Net Position of Governmental Activities | \$ 5,031,942 |
|---|--------------|

TOWN OF CHEYENNE WELLS, COLORADO
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
GOVERNMENTAL FUNDS
FOR THE YEAR ENDED DECEMBER 31, 2020

| | <u>GENERAL</u> | <u>CAPITAL PROJECTS</u> | <u>NONMAJOR GOVERNMENTAL FUND</u> | <u>TOTAL GOVERNMENTAL FUNDS</u> |
|--|---------------------|-----------------------------|---|---|
| REVENUES: | | | | |
| Taxes | \$ 307,900 | \$ 319,850 | | \$ 627,750 |
| Licenses and Permits | 13,649 | | | 13,649 |
| Intergovernmental Revenue | 77,180 | | \$ 4,327 | 81,507 |
| Charges For Services | 302 | | | 302 |
| Fees and Fines | 2,917 | | | 2,917 |
| Interest Income | 11,966 | 4,864 | 819 | 17,649 |
| Miscellaneous | 10,268 | 4,841 | | 15,109 |
| TOTAL REVENUES | <u>421,212</u> | <u>329,555</u> | <u>5,146</u> | <u>755,913</u> |
| EXPENDITURES: | | | | |
| Current | | | | |
| General Government | 161,249 | - | | 161,249 |
| Judicial | 1,349 | | | 1,349 |
| Public Safety | 43,251 | | | 43,251 |
| Highways and Streets | 132,637 | - | | 132,637 |
| Culture and Recreation | 3,578 | | 1,030 | 4,608 |
| Capital Outlay | 12,800 | 26,700 | - | 39,500 |
| TOTAL EXPENDITURES | <u>354,864</u> | <u>26,700</u> | <u>1,030</u> | <u>382,594</u> |
| EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES | 66,348 | 302,855 | 4,116 | 373,319 |
| OTHER FINANCIAL SOURCES (USES): | | | | |
| Operating Transfers In (Out) | - | - | - | - |
| Insurance Proceeds | 2,060 | | | 2,060 |
| Sale of Fixed Assets | 11,205 | - | - | 11,205 |
| NET CHANGE IN FUND BALANCE | 79,613 | 302,855 | 4,116 | 386,584 |
| FUND BALANCES, BEGINNING OF YEAR | <u>1,118,976</u> | <u>1,007,050</u> | <u>47,123</u> | <u>2,167,099</u> |
| FUND BALANCES, END OF YEAR | <u>\$ 1,198,539</u> | <u>\$ 1,309,905</u> | <u>\$ 51,239</u> | <u>\$ 2,553,683</u> |

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

**TOWN OF CHEYENNE WELLS, COLORADO
RECONCILIATION OF THE STATEMENT OF REVENUES,
EXPENDITURES, AND CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS
TO THE STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED DECEMBER 31, 2020**

Net change in fund balances - total governmental funds \$ 336,584

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

Governmental funds report capital outlays as expenditures. However, in the statement of activities the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense.

| | |
|----------------------|-----------|
| Capital outlay | 39,500 |
| Depreciation expense | (105,745) |

Some expenses reported in the statement of activities do not require the use of current financial resources and therefore are not reported as expenditures in governmental funds.

| | |
|---|-------|
| Current-period change in the liability for compensated absences | 9,672 |
|---|-------|

| | |
|---|-------------------|
| | \$ 330,013 |
| Change in net position of governmental activities | |

TOWN OF CHEYENNE WELLS, COLORADO
PROPRIETARY FUND
STATEMENT OF NET POSITION
DECEMBER 31, 2020

| | UTILITY FUND |
|----------------------------------|-------------------------|
| ASSETS | |
| Current Assets: | |
| Cash and Cash Equivalents | \$ 694,294 |
| Investments | 400,043 |
| Accounts Receivable | 16,240 |
| Inventory | 34,679 |
| Prepaid Expenses | 17,506 |
| Total Current Assets | 1,162,762 |
| Non-Current Assets: | |
| Capital Assets | |
| Land | 23,889 |
| Buildings, Water Systems | 3,792,393 |
| Equipment | 65,922 |
| Less Accumulated Depreciation | (1,622,486) |
| Total Non-Current Assets | 2,259,718 |
| TOTAL ASSETS | 3,422,480 |
| LIABILITIES | |
| Current Liabilities: | |
| Accounts Payable | \$ 18,785 |
| Payroll Liabilities | 773 |
| Meter Deposits | 37,431 |
| Total Current Liabilities | 56,989 |
| Long-Term Liabilities: | |
| Compensated absences | 6,255 |
| TOTAL LIABILITIES | 63,244 |
| NET POSITION | |
| Net Investment in Capital Assets | 2,259,718 |
| Restricted for Emergency Reserve | 20,000 |
| Unrestricted | 1,079,518 |
| TOTAL NET POSITION | \$ 3,359,236 |

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

**TOWN OF CHEYENNE WELLS, COLORADO
 PROPRIETARY FUND
 STATEMENT OF REVENUES, EXPENSES
 AND CHANGES IN NET POSITION
 FOR THE YEAR ENDED DECEMBER 31, 2020**

| | UTILITY FUND |
|--|-------------------------|
| OPERATING REVENUES | |
| Charges for Services | \$ 356,003 |
| Miscellaneous | - |
| Total Operating Revenues | 356,003 |
| OPERATING EXPENSES | |
| Salaries | 67,346 |
| Employee Benefits | 20,389 |
| Chemicals and Supplies | 15,517 |
| Utilities | 45,763 |
| Depreciation | 94,979 |
| Payroll Taxes | 5,071 |
| Repairs | 32,189 |
| Outside Services | 4,756 |
| Office Supplies | 17,619 |
| Durations | 3,000 |
| Miscellaneous | 1,273 |
| Total Operating Expenses | 307,902 |
| Net Operating Income (Loss) | 48,101 |
| NON-OPERATING REVENUES (EXPENSES) | |
| Grant | - |
| Interest Income | 7,886 |
| Total Non-operating Revenues | 7,886 |
| Income Before Operating Transfers | 55,987 |
| Operating Transfers In | - |
| CHANGE IN NET POSITION | 55,987 |
| NET POSITION, BEGINNING OF YEAR | 3,303,249 |
| NET POSITION, END OF YEAR | \$ 3,359,236 |

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

TOWN OF CHEYENNE WELLS, COLORADO
PROPRIETARY FUND
STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED DECEMBER 31, 2020

| | |
|--|-------------------|
| CASH FLOWS FROM OPERATING ACTIVITIES: | |
| Receipts From Customers | \$ 364,500 |
| Payments to Suppliers for Goods and Services | (171,626) |
| Payments to Employees | <u>(65,461)</u> |
| Net Cash Provided (Used) by Operating Activities: | <u>127,413</u> |
| CASH FLOWS FROM NON CAPITAL FINANCING ACTIVITIES: | |
| Grants | - |
| Transfer from Other Funds | <u>-</u> |
| Net Cash From Non Capital Financing Activities | <u>-</u> |
| CASH FLOWS FROM CAPITAL AND FINANCING ACTIVITIES: | |
| Acquisition of Capital Assets | <u>(17,215)</u> |
| Net Cash Provided (Used) By Capital and Financing Activities | <u>(17,215)</u> |
| CASH FLOWS FROM INVESTING ACTIVITIES: | |
| Redemption (Purchase) of Investments | - |
| Interest on Investments | <u>7,886</u> |
| Net Cash Provided (Used) By Investing Activities | <u>7,886</u> |
| Net Increase (Decrease) in Cash and Cash Equivalents | 118,084 |
| CASH AND CASH EQUIVALENTS | |
| Beginning of Year | <u>576,210</u> |
| End of Year | <u>\$ 694,294</u> |
| Reconciliation of Operating Income (Loss) to Net Cash Provided by (Used) Operating Activities | |
| Net Operating Income (Loss) | \$ 48,101 |
| Depreciation | 94,979 |
| Changes in Assets and Liabilities | |
| (Increase) Decrease in Accounts Receivable | 7,427 |
| (Increase) Decrease in Allowance for Doubtful Accounts | - |
| (Increase) Decrease in Due From Other Funds | - |
| (Increase) Decrease in Inventory | (24,509) |
| (Increase) Decrease in Prepaid Expense | (6,975) |
| Increase (Decrease) in Accounts Payable | 5,203 |
| Increase (Decrease) in Payroll Liabilities | 232 |
| Increase (Decrease) in Compensated Absences | 1,885 |
| Increase (Decrease) in Customer Meter Deposits | <u>1,070</u> |
| Net Cash Provided By Operating Activities | <u>\$ 127,413</u> |

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

TOWN OF CHEYENNE WELLS, COLORADO
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2020

(1) Summary of Significant Accounting Policies

The financial statements of Town of Cheyenne Wells, Colorado have been prepared in conformity with generally accepted accounting principles as applicable to governmental entities. The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting and financial reporting principles.

A. Reporting Entity

The Town of Cheyenne Wells operates under a council-mayor form of government. The Town has no component units using the criteria as set forth in generally accepted accounting principles.

There is a housing authority within the Town of Cheyenne Wells. The authority operates as an independent entity and does not meet the criteria to be a component unit.

B. Government-wide and Fund Financial Statements

The government-wide financial statements (the statement of net position and the statement of activities) report information on all of the nonfiduciary 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 revenue, are reported separately from business-type activities, which rely to a significant extent on fees and charges for support.

The statement of activities demonstrates the degree to which the direct expenses of a given function or activity are offset by program revenues. Direct expenses are those that are clearly identifiable with a specific function. 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 as general revenues.

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

C. Measurement Focus, Basis of Accounting, and Financial Statement Presentations

The government-wide financial statements are reported using the economic resources measurement focus and the accrual basis of accounting, as are the proprietary fund statements. Revenues are recorded when earned and expenses are recorded when a liability is incurred,

TOWN OF CHEYENNE WELLS, COLORADO
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2020

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.

As a general rule the effect of interfund activity has been eliminated from the government-wide financial statements. Exceptions to this general rule are charges between the Town's governmental and business-type activities. Elimination of these charges would distort the direct costs and program revenues reported for the various functions concerned.

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. "Measurable" means the amount of the transaction can be determined and "available" means collectible within the current period, or soon enough thereafter, to pay liabilities of the current period. For this purpose, revenues are considered to be available if collected within 60 days after year-end. Expenditures generally are recorded when a liability is incurred, as under accrual accounting. However, debt service expenditures, as well as expenditures related to compensated absences and claims and judgments, are recorded only when payment is due.

Property taxes, franchise fees, licenses, 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. Sales tax collected and held at year end on behalf of the Town is also recognized as revenue if collected within 60 days after year end. Expenditure-driven grants are recognized as revenue when qualifying expenditures have been incurred and all other grant requirements have been met. All other revenue items are considered to be measurable and available only when cash is received by the government.

Enterprise funds distinguish operating revenues and expenses from nonoperating items. Operating revenues and expenses generally result from providing goods and services in connection with an enterprise fund's ongoing operations. The principal operating revenues of the Town's enterprise funds are charges to customers for sales and services. Operating expenses for enterprise funds include the cost of sales and services, administrative expenses, and depreciation on capital assets. All revenue and expenses not meeting this definition are reported as nonoperating revenues and expenses.

D. Fund Accounting

The accounts of the Town are organized on the basis of funds and account groups, each of which is considered a separate accounting entity. The operations of each fund are accounted for with a separate set of self-balancing accounts that comprise its assets, liabilities, fund equity, revenues, and expenditures or expenses, as appropriate. Government resources are

TOWN OF CHEYENNE WELLS, COLORADO
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2020

allocated to and accounted for in individual funds based upon the purposes for which they are to be spent and the means by which spending activities are controlled. 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.

Capital Projects Fund - Capital projects funds are used to account for the financial resources to be used for the acquisition of or construction of major capital facilities (other than those financed by proprietary funds, special assessment funds, and trust funds).

The Town also has the following non-major special revenue fund:

Conservation Trust Fund - This fund is used to account for lottery proceeds required to be expended solely on park and recreation improvements.

Enterprise funds are used to account for operations that are financed and operated in a manner similar to private business enterprises, where the intent of the governing body is that the costs (including depreciation) of providing goods or services to the general public on a continuing basis be financed or recovered primarily through user charges. Enterprise funds are considered major funds because of community interests in the activities and sources of funding supporting these operations.

Water Fund - The water fund accounts for all financial activities associated with the Town's water service.

B. Short-term interfund receivables payables

The Town from time to time authorizes advances between Town funds. Interfund receivables and payables are classified as internal balances on the government-wide statement of net position, and are classified as due to/from other funds on the balance sheet.

F. Receivables

For all revenue the Town uses sixty days as receivable under the modified accrual basis of accounting.

TOWN OF CHEYENNE WELLS, COLORADO
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2020

G. Inventory

Inventory of materials and supplies within the enterprise fund are valued at lower of cost (first in, first out) or market.

H. Prepayments

Certain payments to vendors reflect costs applicable to future accounting periods and are recorded as prepaid items in both government-wide and fund financial statements.

I. Capital Assets

Capital assets, which include property, plant, vehicles, equipment, and infrastructure assets (e.g. roads, bridges, sidewalks, and similar items), are capitalized at actual or estimated costs. Donations of such assets are recorded at estimated fair value at the time of donation. Capital assets are reported in the applicable governmental or business-type activities columns in the government-wide financial statements.

Maintenance, repairs, and minor renovations are recorded as expenditures when incurred. Major additions and improvements are capitalized. When assets used in the operation of a government fund type are sold, the proceeds of the sale are recorded as revenues in the appropriate government fund. The Town reports gains and losses on the disposal of capital assets (carrying value less sale proceeds, if any) in the government-wide statement of activities and enterprise fund operating statement. Interest incurred during the construction phase of capital assets of business-type activities is included in the capitalized value of the assets constructed.

Capital assets are defined by the government as assets with an initial, individual cost of more than \$5,000 and an estimated useful life in excess of one year. The Town's capital assets are depreciated using the straight-line method over the estimated useful lives of the fixed assets. Depreciation of all capital assets used in governmental activities and by proprietary funds is charged as an expense against their operations. Estimated useful lives are

| | | |
|-----------------------------|----------|-------|
| Equipment | 5 to 40 | years |
| Buildings and water systems | 30 to 50 | years |
| Infrastructure | 25 to 50 | years |

The government-wide financial statements include infrastructure assets reported retroactively back to 1990.

TOWN OF CHEYENNE WELLS, COLORADO
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2020

J. Property Taxes

Property taxes are levied, assessed, become due and attach as an enforceable lien on property as of January 1. Taxpayers have the option of paying their taxes in full on or before April 30, or in paying in two installments of one half due by February 28 with the remaining one half due by June 15. Unpaid taxes become delinquent as of August 1 and are subject to collection procedures on or after October 1. The County bills and collects property taxes for the Town. The dollar amount of property taxes receivable is included as a receivable and a deferred inflow on the balance sheet of the General Fund.

K. Compensated Absences

Vacation and sick pay is accrued in the appropriate fund accounts according to the Town's vacation and sick pay policy at the employee's prevailing wage as of the last day of the year. The liability for compensated absences does not exceed a normal year's accumulation.

L. Fund Equity

In the fund financial statements the following classifications describe the relative strength of spending constraints.

- *Non-spendable fund balance* – The portion of fund balance that cannot be spent because it is either not in spendable form (such as inventory and prepaid amounts) or is legally or contractually required to be maintained intact.
- *Restricted fund balance* – The portion of fund balance constrained to being used for a specific purpose by external parties (such as grantors or bondholders), constitutional provisions or enabling legislation.
- *Committed fund balance* – The portion of fund balance constrained for specific purposes according to the limitations imposed by the Town's highest level of decision making authority, the Town Council, prior to the end of the current fiscal year. The constraint may be removed or changed only through formal action of the Town Council.
- *Assigned fund balance* – The portion of fund balance set aside for planned or intended purposes but are neither restricted nor committed. The intended use may be expressed by the Town Council or other individuals authorized to assign funds to be used for a specific purpose. Assigned fund balances in special revenue funds will also include any remaining fund balance that is not restricted or committed. This classification is necessary to indicate that those funds are, at a minimum intended to be used for the purpose of that particular fund.

TOWN OF CHEYENNE WELLS, COLORADO
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2020

- *Unassigned fund balance* – The residual portion of fund balance that does not meet any of the above criteria. The Town will only report a positive unassigned fund balance in the General Fund.

When both restricted and unrestricted fund balance are available for use, it is the Town's policy to use restricted amounts first. Unrestricted fund balance will be used in the following order: committed, assigned, and unassigned.

(2) Budgetary Information

The town follows these procedures in establishing the budgetary data reflected in the financial statements.

1. Prior to October 15, the town council begins preparing an operating budget for the fiscal year commencing the following January 1. The operating budget includes proposed expenditures.
2. A public hearing is conducted at the town hall to obtain taxpayers comments.
3. Prior to January 1, the budget is legally enacted through passage of a resolution. Budgets may be amended by supplemental appropriation after notice and public hearing. Both the original and final budgets are reflected in the financial statements. All appropriations lapse at year end.
4. Budgets for the general, special revenue, and capital projects funds are adopted on a basis consistent with generally accepted accounting principles (GAAP). The enterprise funds are budgeted on a non-GAAP basis of accounting.

The legal level of budgetary control (that is, the level at which expenditures cannot legally exceed the appropriated amount) is established at the individual fund level for all funds.

(3) Deposits and Investments

For the purposes of the statement of cash flows, the Town considers all highly liquid investments (including restricted assets) with a maturity of three months or less when purchased to be cash equivalents.

Deposits

The Town's deposits and cash on hand at December 31, 2020 are as follows:

TOWN OF CHEYENNE WELLS, COLORADO
 NOTES TO FINANCIAL STATEMENTS
 DECEMBER 31, 2020

| | |
|---------------------------------------|--------------------|
| Cash on hand | \$ 270 |
| Cash with County Treasurer | 1,976 |
| Cash in savings and checking accounts | 2,206,601 |
| Certificates of Deposit | <u>1,420,043</u> |
| Total | <u>\$3,628,890</u> |

A reconciliation of the Town's deposits as shown on the Statement of Net Position follows:

| | |
|----------------------------|--------------------|
| Cash and Cash Equivalents | \$2,206,871 |
| Cash with County Treasurer | 1,976 |
| Investments | <u>1,420,043</u> |
| Total | <u>\$3,628,890</u> |

Custodial Credit Risk. Deposits are exposed to custodial credit risk (the risk that, in the event of the failure of a depository financial institution, the government would not be able to recover deposits or would not be able to recover collateral securities that are in the possession of an outside party), if they are not covered by depository insurance and are collateralized with securities held by the pledging financial institution, except for deposits collateralized by certain types of collateral pools including a single financial institution collateral pool where the fair value of the pool is equal to or exceeds all uninsured public deposits held by the financial institution (e.g. deposits insured by The Public Deposit Protection Act (PDPA)). Accordingly, none of the Town's deposits and investments as of December 31, 2020 are deemed to be exposed to custodial credit risk. The Town has no policy regarding custodial credit risk for deposits.

All Town investments are held in bank certificates of deposits. These certificates are either insured by FDIC or are covered under The Public Deposit Protection Act and are not exposed to any other investment risks.

Colorado statutes specify in which instruments the local government may invest, which include:

1. Repurchase agreements in obligations of the United States;
2. Obligations of the United States or obligations unconditionally guaranteed by the United States;
3. General obligation or revenue bonds of any state, District of Columbia, U.S. territory or any of their subdivisions, with certain limitations;
4. Bankers acceptance issued by a state or national bank, with certain limitations;
5. Commercial paper, with certain limitations;
6. Any obligation, certificate of participation or lease/purchase of the investing public entity;

TOWN OF CHEYENNE WELLS, COLORADO
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2020

- 7. Money market fund, with certain limitations, which invest in the types of securities listed above;
- 8. Guaranteed investment contracts, with certain limitations;
- 9. Participation with other local governments in pooled investment funds (trusts). These trusts are supervised by participating governments, and must comply with the same restrictions on cash deposits and investments.

(4) Capital Assets

Governmental Activities

A summary of changes in governmental activity capital assets is as follows:

| | <u>Dec. 31, 2019</u> | <u>Additions</u> | <u>Transfers Deletions</u> | <u>Dec. 31, 2020</u> |
|------------------------------------|-----------------------|---------------------|--------------------------------|-----------------------|
| Non-depreciable assets: | | | | |
| Land | \$ 45,383 | \$ - | \$ - | \$ 45,383 |
| Depreciable assets: | | | | |
| Buildings & Improvements | 779,416 | - | - | 779,416 |
| Equipment | 898,881 | 39,500 | - | 938,381 |
| Infrastructure | 2,586,291 | - | - | 2,586,291 |
| Total depreciable assets | <u>\$ 4,264,588</u> | <u>\$ 39,500</u> | <u>\$ -</u> | <u>\$ 4,304,088</u> |
| Less accumulated depreciation for: | | | | |
| Buildings | \$ (297,789) | \$ (18,853) | \$ - | \$ (316,642) |
| Equipment | (714,428) | (16,560) | - | (730,988) |
| Infrastructure | (738,178) | (70,330) | - | (808,508) |
| Total accumulated depreciation | <u>\$ (1,750,395)</u> | <u>\$ (105,743)</u> | <u>\$ -</u> | <u>\$ (1,856,138)</u> |
| Total capital assets, net | <u>\$ 2,559,576</u> | <u>\$ (66,243)</u> | <u>\$ -</u> | <u>\$ 2,493,333</u> |

Depreciation Expense was charge to functions/programs of the Town as follows:

| | |
|--|-------------------|
| General Government | \$ 8,671 |
| Public Safety | 1,536 |
| Highways and Streets | 86,477 |
| Culture and Recreation | <u>8,969</u> |
| Total depreciation expense – governmental activities | <u>\$ 105,743</u> |

TOWN OF CHEYENNE WELLS, COLORADO
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2020

Business-Type Activities

A summary of changes in Enterprise Funds capital assets is as follows:

| | Dec. 31, 2019 | Additions | Transfers Deletions | Dec. 31, 2020 |
|--------------------------------|-----------------------|--------------------|------------------------|---------------------|
| Non-depreciable assets: | | | | |
| Land | \$ 23,889 | \$ - | - | \$ 23,889 |
| Construction in Progress | - | - | - | - |
| Total non-depreciable assets | <u>\$ 23,889</u> | <u>\$ -</u> | <u>\$ -</u> | <u>\$ 23,889</u> |
| Depreciable assets: | | | | |
| Buildings & Water System | \$ 3,775,848 | \$ 17,215 | (670) | \$ 3,792,393 |
| Equipment | 73,195 | - | (7,273) | 65,922 |
| Total depreciable assets | <u>\$ 3,849,043</u> | <u>\$ 17,215</u> | <u>\$ (7,943)</u> | <u>\$ 3,858,315</u> |
| Total capital assets | <u>\$ 3,872,932</u> | <u>\$ 17,215</u> | <u>\$ (7,943)</u> | <u>\$ 3,882,204</u> |
| Less accumulated depreciation: | <u>\$ (1,535,450)</u> | <u>\$ (94,979)</u> | <u>\$ 7,943</u> | <u>(1,622,486)</u> |
| Total capital assets, net | <u>\$ 2,337,482</u> | <u>\$ (77,764)</u> | <u>\$ -</u> | <u>\$ 2,259,718</u> |

Depreciation Expense was charge to functions/programs of the Town as follows:

Water \$ 94,979

(5) Long Term Debt

The changes in long term debt during 2020 are summarized as follows:

| | Balance Dec. 31, 2019 | Additions | Payments | Balance Dec. 31, 2020 | Due Within One Year |
|---------------------------|--------------------------|-----------------|-------------------|--------------------------|------------------------|
| Governmental Activities: | | | | | |
| Compensated Absences | \$ 24,746 | \$ - | \$ (9,672) | \$ 15,074 | \$ - |
| Business-Type Activities: | | | | | |
| Compensated Absences | \$ 4,370 | \$ 1,885 | \$ - | \$ 6,255 | \$ - |
| Total | <u>\$ 29,116</u> | <u>\$ 1,885</u> | <u>\$ (9,672)</u> | <u>\$ 21,329</u> | <u>\$ -</u> |

Compensated absences related to governmental activities are normally paid by the General Fund.

TOWN OF CHEYENNE WELLS, COLORADO
 NOTES TO FINANCIAL STATEMENTS
 DECEMBER 31, 2020

(6) Interfund Transactions

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

| | <u>Interfund Receivable</u> | <u>Interfund Payables</u> |
|-----------------------|---------------------------------|-------------------------------|
| Capital Projects Fund | \$ 4,095 | |
| General Fund | | \$ 4,095 |
| | <u>\$ 4,095</u> | <u>\$ 4,095</u> |

All balances resulted from Capital Projects Fund sales tax revenues being deposited into General Fund by the State of Colorado. All interfund receivables and payables at year end are planned to be eliminated in the subsequent year.

(7) Pension Plans

The Town maintains a SEP prototype plan with Edward Jones. In 2020 all eligible employees were included in the plan. Total wages paid in 2020 were \$177,537. Eligible wages in 2020 were \$132,973 resulting in employer contribution of \$6,649 which was 5% of eligible wages. Voluntary contributions in the amount of \$2,400 were made to the plan by employees in 2020.

Yearly contributions to the plan are at the discretion of the Town but cannot exceed 15% of compensation.

(8) Risk Management

The Town is exposed to various risks of loss related to torts; thefts of, damage to, and destruction of assets; errors and omissions; injuries to employees; and natural disasters. The Town is managing these risks as explained below.

CIRSA Workers Compensation Pool

The Town joined together with other municipalities in the State of Colorado to participate in the Colorado Intergovernmental Risk Sharing Agency Worker's Compensation Pool (CIRSAWCP), a public entity risk pool currently operating as a common risk management and insurance program for member municipalities. The intergovernmental agreement of formation of CIRSAWCP provides that the pool will be financially self-sustaining through member contributions and additional assessments, if necessary, and that the Pool will purchase insurance through commercial companies for members' claim in excess of specified self-insured retention, which is determined each policy year. There have been no significant reductions in coverage from the prior year and settled claims have not exceeded coverage in any of the past three fiscal years.

TOWN OF CHEYENNE WELLS, COLORADO
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2020

CIRSA Property and Casualty Pool

The Town has joined together with other municipalities in the State of Colorado to participate in the Colorado Intergovernmental Risk Sharing Agency Property and Casualty Pool (CIRSAPC), a public entity risk pool currently operating as a common risk management and insurance program for member municipalities. The Town pays an annual contribution to CIRSAPC for its property and casualty insurance coverage. The intergovernmental agreement of formation of CIRSAPC provides that the pool will be financially self-sustaining through member contributions and additional assessments, if necessary, and that the Pool will purchase insurance through commercial companies for member's claims in excess of a specified self-insured retention, which is determined each policy year. There have been no significant reductions in coverage from the prior year and settled claims have not exceeded coverage in any of the past three fiscal years.

(9) Contingency

Tabor Amendment

In November 1992, the Colorado voters passed a constitutional amendment (Tabor Amendment) to the State Constitution (Article X, Section 20) which requires voter approval for any increases in mill levies, revenue limits, spending limits and creation of multi-year debt. In addition, the amendment requires that a reserve be established for emergencies of 3%.

The Town has reserved \$24,000 within the General Fund and \$20,000 within the Utility Fund for the emergency reserve under the Tabor Amendment.

In 1996 the voters of Cheyenne Wells approved a ballot issue allowing the Town to collect, retain and expend revenues it generates in 1995 and each subsequent year. Based upon the approval, the Town considers the revenue and spending limitations imposed by the Amendment no longer apply to the Town.

The Town believes that it is in compliance with the provisions of the Tabor Amendment. However, many provisions of the Tabor Amendment are complex and subject to further interpretation and will require judicial interpretation.

TOWN OF CHEYENNE WELLS, COLORADO
GENERAL FUND
SCHEDULE OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCES - BUDGET AND ACTUAL
FOR THE YEAR ENDED DECEMBER 31, 2020

| | BUDGETED AMOUNTS | | ACTUAL | VARIANCE WITH |
|---|-------------------------|-------------------|---------------------|----------------------|
| | ORIGINAL | FINAL | | FINAL BUDGET |
| | | | | POSITIVE |
| | | | | (NEGATIVE) |
| REVENUES | | | | |
| Taxes | \$ 310,964 | \$ 310,964 | \$ 307,900 | \$ (3,064) |
| Licenses and Permits | 6,000 | 6,000 | 13,649 | 7,649 |
| Intergovernmental Revenues | 61,700 | 61,700 | 74,180 | 13,080 |
| Charges for Services | 910 | 910 | 302 | (608) |
| Fines and Forfeits | 300 | 300 | 2,947 | 2,647 |
| Interest | 3,000 | 3,000 | 1,966 | 8,966 |
| Miscellaneous | 2,500 | 2,500 | 10,268 | 7,768 |
| TOTAL REVENUES | 384,774 | 384,774 | 421,212 | 36,438 |
| EXPENDITURES | | | | |
| Current | | | | |
| General Government | 156,549 | 156,549 | 161,243 | (4,700) |
| Judicial | 2,798 | 2,798 | 1,319 | 1,479 |
| Public Safety | 44,200 | 44,200 | 43,251 | 949 |
| Highways and Streets | 176,171 | 176,171 | 132,637 | 43,834 |
| Culture and Recreation | 5,700 | 5,700 | 3,578 | 2,122 |
| Capital Outlay | - | - | 12,800 | (12,800) |
| TOTAL EXPENDITURES | 385,718 | 385,718 | 354,861 | 30,857 |
| EXCESS (DEFICIENCY) OF REVENUES | | | | |
| OVER EXPENDITURES | (944) | (944) | 66,348 | 67,292 |
| OTHER FINANCIAL SOURCES (USES) | | | | |
| Insurance Proceeds | 1,000 | 1,000 | 2,060 | 1,060 |
| Sale of Fixed Assets | - | - | 11,205 | 11,205 |
| NET CHANGE IN FUND BALANCE | 56 | 56 | 79,613 | 79,557 |
| FUND BALANCES, BEGINNING OF YEAR | 664,891 | 664,891 | \$ 1,118,926 | 454,030 |
| FUND BALANCES, END OF YEAR | \$ 664,947 | \$ 664,947 | \$ 1,198,539 | \$ 533,587 |

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

**TOWN OF CHEYENNE WELLS, COLORADO
CAPITAL PROJECTS FUND
SCHEDULE OF REVENUES, EXPENDITURES,
AND CHANGES IN FUND BALANCES - BUDGET AND ACTUAL
FOR THE YEAR ENDING DECEMBER 31, 2020**

| | BUDGETED AMOUNTS | | ACTUAL | VARIANCE WITH |
|--|-------------------------|-------------------|---------------------|--------------------------------|
| | ORIGINAL | FINAL | | FINAL BUDGET |
| | | | | POSITIVE (NEGATIVE) |
| REVENUES | | | | |
| Taxes | \$ 140,000 | \$ 140,000 | \$ 319,850 | \$ 179,850 |
| Intergovernmental Revenue: | 727,000 | 727,000 | - | (727,000) |
| Miscellaneous | 50,000 | 50,000 | 4,841 | (45,159) |
| Interest: | 2,500 | 2,500 | 4,864 | 2,364 |
| TOTAL REVENUES | 919,500 | 919,500 | 329,555 | (589,945) |
| EXPENDITURES | | | | |
| Current: | | | | |
| General Government | - | - | - | - |
| Highways and Streets | 900,000 | 900,000 | - | 900,000 |
| Culture & Recreation | - | - | - | - |
| Capital Outlay | - | - | 26,700 | (26,700) |
| TOTAL EXPENDITURES | 900,000 | 900,000 | 26,700 | 873,300 |
| EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES | 19,500 | 19,500 | 302,855 | 283,355 |
| OTHER FINANCIAL SOURCES (USES) | | | | |
| Operating Transfers (Out) | (17,500) | (17,500) | - | 17,500 |
| Sale of Fixed Assets | - | - | - | - |
| NET CHANGE IN FUND BALANCE | 2,000 | 2,000 | 302,855 | 300,855 |
| FUND BALANCES, BEGINNING OF YEAR | 430,681 | 430,681 | 1,001,050 | 570,369 |
| FUND BALANCES, END OF YEAR | \$ 432,681 | \$ 432,681 | \$ 1,303,905 | \$ 871,224 |

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

TOWN OF CHEYENNE WELLS, COLORADO
SPECIAL REVENUE FUND - CONSERVATION TRUST FUND
SCHEDULE OF REVENUES, EXPENDITURES,
AND CHANGES IN FUND BALANCES - BUDGET AND ACTUAL
FOR THE YEAR ENDED DECEMBER 31, 2020

| | <u>BUDGETED AMOUNTS</u> | | <u>ACTUAL</u> | VARIANCE WITH FINAL BUDGET |
|---|-------------------------|------------------|------------------|---------------------------------------|
| | <u>ORIGINAL</u> | <u>FINAL</u> | | POSITIVE (NEGATIVE) |
| REVENUES | | | | |
| Intergovernmental Revenues | \$ 4,200 | \$ 4,200 | \$ 4,327 | \$ 127 |
| Interests | 70 | 70 | 819 | 749 |
| TOTAL REVENUES | <u>4,270</u> | <u>4,270</u> | <u>5,146</u> | <u>876</u> |
| EXPENDITURES | | | | |
| Current: | | | | |
| Culture and Recreation | 4,000 | 4,000 | 1,030 | 2,970 |
| Capital Outlay | | - | - | - |
| TOTAL EXPENDITURES | <u>4,000</u> | <u>4,000</u> | <u>1,030</u> | <u>2,970</u> |
| NET CHANGE IN FUND BALANCE | 270 | 270 | 4,116 | 3,646 |
| FUND BALANCES, BEGINNING OF YEAR | <u>32,125</u> | <u>32,125</u> | <u>47,123</u> | <u>14,998</u> |
| FUND BALANCES, END OF YEAR | <u>\$ 32,395</u> | <u>\$ 32,395</u> | <u>\$ 51,239</u> | <u>\$ 18,644</u> |

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

TOWN OF CHEYENNE WELLS, COLORADO
UTILITY FUND
SCHEDULE OF REVENUES AND EXPENDITURES
BUDGET (NON-GAAP BASIS) AND ACTUAL
FOR THE YEAR ENDED DECEMBER 31, 2020

| REVENUES: | BUDGETED AMOUNTS | | ACTUAL | VARIANCE WITH |
|--|------------------|-----------------|------------------|------------------------|
| | ORIGINAL | FINAL | | FINAL BUDGET |
| | | | | POSITIVE (NEGATIVE) |
| Charges for Services | \$ 293,700 | \$ 293,700 | \$ 356,003 | \$ 62,303 |
| Interest | 3,900 | 3,900 | 7,886 | 3,986 |
| Miscellaneous | - | - | - | - |
| Transfers | 17,500 | 17,500 | - | (17,500) |
| TOTAL REVENUES | 315,100 | 315,100 | 363,889 | 48,789 |
| EXPENDITURES: | | | | |
| Salaries | 105,375 | 105,375 | 67,346 | 38,029 |
| Employee Benefits | 31,708 | 31,708 | 20,389 | 14,319 |
| Chemicals and Supplies | 14,200 | 14,200 | 15,517 | (1,317) |
| Utilities | 53,500 | 53,500 | 45,763 | 7,737 |
| Payroll Taxes | 7,550 | 7,550 | 5,071 | 2,479 |
| Repairs | 29,300 | 29,300 | 32,189 | (2,889) |
| Outside Services | 9,000 | 9,000 | 4,756 | 4,244 |
| Office Supplies | 16,200 | 16,200 | 17,619 | (1,419) |
| Donations | 3,000 | 3,000 | 3,000 | - |
| Miscellaneous | 3,000 | 3,000 | 1,273 | 1,727 |
| Capital Outlay | 30,000 | 30,000 | 17,215 | 12,785 |
| TOTAL EXPENDITURES | 305,833 | 305,833 | 230,138 | 75,695 |
| EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES | \$ 9,267 | \$ 9,267 | 133,751 | \$ 124,484 |
| RECONCILIATION TO GAAP BASIS | | | | |
| Add: Capital Outlay | | | 17,215 | |
| Deduct: Depreciation | | | (94,979) | |
| CHANGE IN NET POSITION | | | \$ 55,987 | |

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

The prior report burden for this information for collection is estimated to average 550 hours annually.

| | | |
|--|-------------------------------|---|
| LOCAL HIGHWAY FINANCE REPORT | | City or County: Town of Cheyenne Wells |
| | | YEAR ENDING: December 2020 |
| This Information From The Records Of (example - City of _ or County of _ Town of Cheyenne Wells | Prepared By: Grady Heffner | Phone: 719-767-5865 |

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 non-highway purposes | | | | |
| 4. Minus amount used for mass transit | | | | |
| 5. Remainder used for Highway purposes | | | | |

II. RECEIPTS FOR ROAD AND STREET PURPOSES

III. DISBURSEMENTS FOR ROAD AND STREET PURPOSES

| ITEM | AMOUNT | ITEM | AMOUNT |
|--|---------|---|---------|
| A. Receipts from local sources: | | A. Local highway disbursements: | |
| 1. Local highway-user taxes | | 1. Capital outlay (from page 2) | 0 |
| a. Motor Fuel (from Item I.A.5.) | | 2. Maintenance: | 140,547 |
| a. Motor Vehicle (from Item I.B.5.) | | 3. Road and street services: | |
| c. Total (a. + b.) | | a. Traffic control operations | |
| 2. General fund appropriations | 51,993 | b. Snow and ice removal | |
| 3. Other local deposits (from page 2) | 63,977 | c. Other LIGHTING | 18,790 |
| 4. Miscellaneous local receipts (from page 2) | 0 | d. Total (a. through c.) | 18,790 |
| 5. Transfers from toll facilities | | 4. General administration & miscellaneous | |
| 6. Proceeds of sale of bonds and notes: | | 5. Highway law enforcement and safety | |
| a. Bonds - Original Issues | | 6. Total (1 through 3) | 159,337 |
| a. Bonds - Refunding Issues | | B. Debt service on local obligations: | |
| c. Notes | | 1. Bonds: | |
| d. Total (a. + b. + c.) | 0 | a. Interest | |
| 7. Total (1 through 6) | 115,970 | b. Redemption | |
| B. Private Contributions | | c. Total (a. + b.) | 0 |
| C. Receipts from State government (from page 2) | 43,367 | 2. Notes: | |
| D. Receipts from Federal Government (from page 2) | 0 | a. Interest | |
| E. Total receipts (A.7 + B + C + D) | 159,337 | b. Redemption | |
| | | c. Total (a. + b.) | 0 |
| | | 3. Total (1.e + 2.c) | 0 |
| | | C. Payments to State for highways | |
| | | D. Payments to toll facilities | |
| | | F. Total disbursements (A.6 + B.3 + C + D) | 159,337 |

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. Recconciliation |
|--|----------------------|-------------------|------------------------|-------------------|--------------------|
| | 0 | 159,337 | 159,337 | 0 | 0 |

Notes and Comments:

| | |
|-------------------------------------|--|
| LOCAL HIGHWAY FINANCE REPORT | STATE: Colorado |
| | YEAR ENDING (mrr 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 | | a. Interest on Investments | |
| b. Other local imposts: | | b. Traffic Fines & Penalties | |
| 1. Sales Taxes | 26,700 | c. Parking Garage Fees | |
| 2. Infrastructure & Impact Fees | | d. Parking Meter Fees | |
| 3. Liens | | e. Sale of Surplus Property | |
| 4. Licenses | | f. Charges for Services | |
| 5. Specific Ownership &/or Other | 37,277 | g. Other Misc. Receipts | |
| 6. Total (1. through 5.) | 63,977 | h. Other | |
| c. Total (a. - b.) | 63,977 | i. Total (a. through h.) | 0 |
| | (Carry forward to page 1) | | (Carry forward to page 1) |

| ITEM | AMOUNT | ITEM | AMOUNT |
|--|--------|--|---------------------------|
| C. Receipts from State Government | | D. Receipts from Federal Government | |
| 1. Highway-user taxes | 39,391 | 1. F.I.W.A. (Form I.D.S.) | |
| 2. State general funds | | 2. Other Federal agencies: | |
| 3. Other State funds: | | a. Forest Service | |
| c. State bond proceeds | | b. FEMA | |
| b. Project Match | | c. HUD | |
| c. Motor Vehicle Registrations | 3,976 | d. Federal Transp. Admin. | |
| d. Other (Specify) | | e. U.S. Corps of Engineers | |
| e. Other (Specify) | | f. Other Federal | |
| f. Total (c. through e.) | 3,976 | g. Total (a. through f.) | 0 |
| 4. Total (1. + 2. + 3.f) | 43,367 | 3. Total (1. - 2.g) | 0 |
| | | | (Carry forward to page 1) |

III. DISBURSEMENTS FOR ROAD AND STREET PURPOSES - DETAIL

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

Notes and Comments: