Annual Financial Report

Town of Kersey

Kersey, Colorado

For the Year Ended December 31, 2020

Tim Chavies & Associates, Inc.

Certified Public Accountants
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Greeley, Colorado 80634
(970) 356-2284 / Fax (970) 353-9701

TOWN OF KERSEY, COLORADO

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December 31, 2020

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INDEPENDENT AUDITOR'S REPORT

To the Board of Trustees
Town of Kersey
Kersey, Colorado

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the Town of Kersey, State of 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
Our responsibility is to express opinions on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the 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.

Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of the Town of Kersey, State of 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 on pages 3-7, budgetary comparison information on pages 34-43, and the Schedule of Proportionate Share of Pension Liability and Schedule of Contributions on page 44 be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Other Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Town of Kersey, State of Colorado's basic financial statements. The combining nonmajor fund financial statements on pages 45-46, the budgetary comparisons on pages 47-56 and the local highway finance report on pages 57-58 are presented for purposes of additional analysis and are not a required part of the financial statements.

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

Tim Chavies & Associates, Inc.

Greeley, Colorado
July 23, 2021

Tim Chavies & Associates, Inc.
Certified Public Accountants

MANAGEMENT'S DISCUSSION AND ANALYSIS
December 31, 2020

This section of Town of Kersey, State of Colorado's (the "Town") 2020 annual financial report presents management's discussion and analysis of the Town's financial performance for the year ended December 31, 2020. The Management Discussion and Analysis ("MD&A") should be read in conjunction with the Town's financial statements, including the notes to financial statements and supplemental information that immediately follow this section.

ORGANIZATION AND PURPOSE

The Town was incorporated in 1908 as a political subdivision of the State of Colorado and operated under a Town Board form of government. The following services are provided by the Town: public safety, public works (streets, trash, communicable disease control, street lighting), parks and recreation, water and sewer service and general administration.

FINANCIAL HIGHLIGHTS

The property tax revenue for 2020 was generated from taxable property with the 2019 gross total assessed value certification of $21,890,790 in Weld County, Colorado. The Town established a mill levy of 17.205 for the General Fund. Other significant matters are as follows:

- The net position of the Town increased by $2,174,462 during 2020, compared to prior year increase of $1,162,027. The 2020 increase is due to an increase of property taxes, sales taxes, capital assets, contributions, grant money received, loan proceeds and sale of assets.
- The Town capitalized $4,073,372 of capital assets, and recorded depreciation of $420,829 during 2020. In 2019 the Town capitalized $1,453,349 and recorded depreciation of $352,007.
- The Town made debt payments of $813,020 during 2020, compared to $134,255 in 2019. The Town paid off all outstanding debt during 2020.

OVERVIEW OF THE FINANCIAL STATEMENTS

The Town's financial statements are comprised of three components, government-wide financial statements, fund financial statements, and notes to the financial statements. This report also contains other supplementary information in addition to the financial statements themselves.

Government-Wide Financial Statements are comprised of the Statement of Net Position and the Statement of Activities. These two statements are designed to provide readers with a broad overview of the Town's finances utilizing the full accrual method of accounting.

The Statement of Net Position presents information on all of the Town's assets, deferred outflows of resources and liabilities and deferred inflows of resources, including capital assets and long-term liabilities with the difference being reported as net position. Over time, increases or decreases in net position may serve as a useful indicator of whether the financial position of the Town is improving or deteriorating.

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

Both 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 the General Fund, Street Fund, Conservation Trust Fund and Capital Fund. The business-type activities of the Town include the Water Fund and Sewer Fund. The Town does not have any component units.

Fund Financial Statements focus on current available resources and are organized and operated on the basis of funds. A fund is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. All of the funds of the Town can be divided into three categories: governmental funds, proprietary funds and fiduciary funds.

Governmental Funds are used to account for essentially the same functions reported as governmental activities in the government-wide financial statements. However, unlike the government-wide financial statements, the governmental funds financial statements utilize the modified accrual basis of accounting, which focuses on near-term inflow and outflow of spendable resources, as well as on balances on spendable resources available at the end of the fiscal year. Such information may be useful in evaluating a government's near-term financial requirements. The Town maintains four governmental funds (General, Street, Conservation Trust and Capital).

Proprietary Funds provide the same type of information as the government-wide financial statements, only in more detail. These funds are used to account for services in which the Town charges customers a fee. The Town maintains two proprietary funds (Water and Sewer).

The Town does not have any **Fiduciary Funds.**

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

Other Information includes certain required supplementary information containing budgetary comparison schedules of revenues, expenditures and changes in fund balances for all funds.

FINANCIAL ANALYSIS OF THE DISTRICT AS A WHOLE

Condensed financial information from the **Statement of Net Position** at December 31, 2020:

	Governmental Activities	Business-Type Activities	Total
Current assets	$ 3,019,665	$ 135,148	$ 3,154,813
Noncurrent assets	6,332,961	5,014,038	11,346,999
Total Assets	**9,352,626**	**5,149,186**	**14,501,812**
Total Deferred Outflows	**48,384**	**-**	**48,384**
Current liabilities	9,113	7,242	16,355
Noncurrent liabilities	1,042,378	6,400	1,048,778
Total Liabilities	**1,051,491**	**13,642**	**1,065,133**
Total Deferred Inflows	**503,045**	**-**	**503,045**
Net investment in capital assets	5,323,803	5,014,038	10,337,841
Restricted	3,245,239	-	3,245,239
Unrestricted	(722,568)	121,506	(601,062)
Total Net Position	**$ 7,846,474**	**$ 5,135,544**	**$ 12,982,018**

The restricted portion of net position ($3,245,239) represents resources that are subject to external restrictions on how they may be used. The remaining balance of unrestricted net position ($601,062) may be used to meet the Town's obligations to citizens and creditors.

Condensed financial information from the **Statement of Activities** at December 31, 2020:

Revenues	Governmental Activities	Business-Type Activities	Total
Program Revenues:			
Charges for services	$ 94,297	$ 772,635	$ 866,932
General Revenues:			
Taxes	2,000,690	-	2,000,690
Licenses and permits	149,548	-	149,548
Intergovermental revenues	191,873	-	191,873
Fines and forfeitures	89,814	-	89,814
Earnings on investment	1,585	6,928	8,513
Other	1,004,828	701,786	1,706,614
Total Revenues	**3,532,635**	**1,481,349**	**5,013,984**
Expenses:			
General government	604,917	-	604,917
Public safety	632,342	-	632,342
Public works	381,508	-	381,508
Parks and recreation	215,227	-	215,227
Other	97,144	-	97,144
Water	-	459,877	459,877
Sewer	-	448,507	448,507
Total Expenses	**1,931,138**	**908,384**	**2,839,522**
Change in Net Position	**1,601,497**	**572,965**	**2,174,462**
Net Position - beginning	6,244,977	4,562,579	10,807,556
Net Position - ending	**$ 7,846,474**	**$ 5,135,544**	**$ 12,982,018**

Net position increased to $12,982,018, an increase of $2,174,462 from 2020. The increase was affected by the Town capital assets, contributions, grants, property tax, sales tax increases, permits and sale of assets.

FINANCIAL ANALYSIS OF THE FUNDS

Governmental funds: The Town's functions are reported in the General Fund, Street Fund, Conservation Trust Fund and Capital Fund. The focus of these funds is to provide information on near-term inflows, outflows, and balances of spendable resources. Such information is useful in assessing the Town's financing requirements. In particular, unrestricted fund balance may serve as a useful measure of the Town's net resources available for spending at the end of its fiscal year.

As of December 31, 2020, the Town's governmental funds reported combined ending fund balances of $2,522,083, a decrease of $1,024,727 in comparison with 2020. Approximately 30.30% of this total amount ($764,213) constitutes *unrestricted* fund balance, which is available for spending at the government's discretion. The reminder of the fund balance is *restricted* to indicate that it is not available for new spending because it has already been committed for encumbrances or Tabor.

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

Fiduciary funds: As mentioned earlier, the Town does not have any of these types of funds.

Budgetary Highlights

The budgets are prepared in accordance with accounting principles generally accepted in the United States of America. Budget and actual comparison schedules are provided in the other supplementary information section of this report. The budget and actual comparison schedules show the original adopted budget, the final revised budget, actual results, and variance between the final budget and actual results for all funds.

CAPITAL ASSETS AND DEBT ADMINISTRATION

Capital Assets (Net of Depreciation)

	Governmental Activities	Business-Type Activities	Total
Land	$ 363,090	$ 4,826	$ 367,916
Water rights	-	2,283,665	2,283,665
Utility system	-	5,543,707	5,543,707
Equipment	1,180,914	373,654	1,554,568
Buildings and improvements	5,032,025	-	5,032,025
Streets and improvements	4,810,289	-	4,810,289
Construction in progress	651,511	-	651,511
Total Capital Assets	**12,037,829**	**8,205,852**	**20,243,681**
Less: Accumulated depreciation	(5,714,026)	(3,191,814)	(8,905,840)
Net Capital Assets	**$ 6,323,803**	**$ 5,014,038**	**$ 11,337,841**

Capital assets – net of depreciation increased $3,513,948 during 2020 due to capital outlay (assets acquired) less depreciation (See Note 5 for further discussion).

DEBT ADMINISTRATION

The Town has outstanding debt obligations with various entities and financial institutions. As of December 31, 2020, the debt was $0 compared to $813,020 in 2019, a decrease of $813,020 (See Note 7 for further discussion).

ECONOMIC FACTORS

- Through the budget, the Board of Trustees approved the direction of the Town and allocates and establishes priorities.

- The Town continues to pursue grant opportunities for capital construction projects, master planning, and equipment.

- In 2020, many of the Town's facilities were closed during the COVID restricted months. Although the Town's revenues and expenses were relatively flat in 2020, the Town continued to provide governmental services without interruption.

- The Town was able to pay off debt which held higher interest rates.

FINANCIAL CONTACT

This financial report is designed to provide a general overview of the Town's finances for those who have an interest in the Town. If you have any questions about the report or need additional financial information, please contact Town Clerk at 446 First Street, Kersey, Colorado 80644. Phone (970) 353-1681.

BASIC FINANCIAL STATEMENTS

TOWN OF KERSEY, COLORADO

Statement of Net Position

Government-Wide

December 31, 2020

	Governmental Activities	Business-Type Activities	Total
ASSETS			
Current Assets:			
Cash on hand and in checking	$ 1,593,506	$ (672,642)	$ **920,864**
Cash on deposit - county treasurer	3,906	-	**3,906**
Cash in savings	764,304	603,007	**1,367,311**
Total Cash	2,361,716	(69,635)	**2,292,081**
Certificates of deposit	-	144,995	**144,995**
Colotrust	4,566	-	**4,566**
Total Investments	4,566	144,995	**149,561**
Property taxes receivable	488,469	-	**488,469**
Accounts receivable	164,914	59,318	**224,232**
Accrued interest receivable	-	470	**470**
Prepaid expenses	-	-	**-**
Total Current Assets	3,019,665	135,148	**3,154,813**
Noncurrent Assets:			
Net pension asset	9,158	-	**9,158**
Capital Assets:			
Land	363,090	4,826	**367,916**
Water rights	-	2,283,665	**2,283,665**
Utility system	-	5,543,707	**5,543,707**
Equipment	1,180,914	373,654	**1,554,568**
Buildings and improvements	5,032,025	-	**5,032,025**
Streets and improvements	4,810,289	-	**4,810,289**
Construction in progress	651,511	-	**651,511**
Total Capital Assets	12,037,829	8,205,852	**20,243,681**
Less: accumulated depreciation	(5,714,026)	(3,191,814)	**(8,905,840)**
Net Capital Assets	6,323,803	5,014,038	**11,337,841**
Total Noncurrent Assets	6,332,961	5,014,038	**11,346,999**
Total Assets	9,352,626	5,149,186	**14,501,812**
DEFERRED OUTFLOWS			
Deferred outflows related to pensions	48,384	-	**48,384**
LIABILITIES			
Current Liabilities:			
Accounts payable	8,494	7,242	**15,736**
Payroll taxes payable	619	-	**619**
Accrued interest payable	-	-	**-**
Current portion of long-term debt	-	-	**-**
Total Current Liabilities	9,113	7,242	**16,355**
Noncurrent Liabilities:			
Compensated absences	42,378	6,400	**48,778**
Loan payable - TBK bank	-	-	**-**
Note payable - CWRPDA loan	-	-	**-**
Capital lease obligations	1,000,000	-	**1,000,000**
Less: portion due within one year	-	-	**-**
Net pension liability	-	-	**-**
Total Noncurrent Liabilities	1,042,378	6,400	**1,048,778**
Total Liabilities	1,051,491	13,642	**1,065,133**
DEFERRED INFLOWS			
Unearned revenue - property taxes	488,469	-	**488,469**
Deferred inflows related to pensions	14,576	-	**14,576**
Total Deferred Inflows	503,045	-	**503,045**
NET POSITION			
Net investment in capital assets	5,323,803	5,014,038	**10,337,841**
Restricted for tabor	116,858	-	**116,858**
Restricted for streets	1,163,563	-	**1,163,563**
Restricted for parks and recreation	84,161	-	**84,161**
Restricted for capital projects	1,880,657	-	**1,880,657**
Restricted for operations and maintenance	-	-	**-**
Unrestricted	(722,568)	121,506	**(601,062)**
Total Net Position	$ 7,846,474	$ 5,135,544	**$ 12,982,018**

See accompanying notes to the basic financial statements

TOWN OF KERSEY, COLORADO

Statement of Activities

Government-Wide

December 31, 2020

Functions / Programs	Expenses	Program Revenues: Charges for Services	Program Revenues: Capital Contributions	Net (Expense) Revenue and Changes in Net Position – Primary Government: Governmental Activities	Business-Type Activities	Total
Primary Government						
Governmental Activities:						
General government	$ (604,917)	$ -	$ -	$ (604,917)	$ -	**$ (604,917)**
Public safety	(632,342)	-	-	(632,342)	-	**(632,342)**
Public works	(381,508)	74,037	-	(307,471)	-	**(307,471)**
Parks and recreation	(215,227)	20,260	-	(194,967)	-	**(194,967)**
Health and welfare	(5,390)	-	-	(5,390)	-	**(5,390)**
Legislative	(19,315)	-	-	(19,315)	-	**(19,315)**
Judicial	(9,437)	-	-	(9,437)	-	**(9,437)**
Library	(5,901)	-	-	(5,901)	-	**(5,901)**
Seniors	(57,101)	-	-	(57,101)	-	**(57,101)**
Interest on debt	-	-	-	-	-	**-**
Total Governmental Activities	(1,931,138)	94,297	-	(1,836,841)	-	**(1,836,841)**
Business-Type Activities:						
Water fund	(459,877)	387,549	-	-	(72,328)	**(72,328)**
Sewer fund	(448,507)	385,086	-	-	(63,421)	**(63,421)**
Total Business-Type Activities	(908,384)	772,635	-	-	(135,749)	**(135,749)**
Total Primary Government	$ (2,839,522)	$ 866,932	$ -	(1,836,841)	(135,749)	**(1,972,590)**
General Revenues:						
Taxes				2,000,690	-	**2,000,690**
Licenses and permits				149,548	-	**149,548**
Intergovernmental revenue				191,873	-	**191,873**
Fines and forfeitures				89,814	-	**89,814**
Miscellaneous income				53,886	-	**53,886**
Sale of assets				266,908	-	**266,908**
Earnings on investments				1,585	6,928	**8,513**
Grants				1,293,944	-	**1,293,944**
Transfers				(674,640)	674,640	**-**
Contributions				58,758	27,146	**85,904**
Pension net increase (decrease)				5,972	-	**5,972**
Total General Revenues				3,438,338	708,714	**4,147,052**
Change in Net Position				1,601,497	572,965	**2,174,462**
Net Position-beginning of year				6,244,977	4,562,579	**10,807,556**
Net Position-End of Year				$ 7,846,474	$ 5,135,544	**$ 12,982,018**

See accompanying notes to the basic financial statements

TOWN OF KERSEY, COLORADO

Balance Sheet

Governmental Funds

December 31, 2020

	General	Street	Nonmajor	Total
ASSETS				
Current Assets:				
Cash on hand and in checking	$ (1,137,708)	$ 1,048,317	$ 1,682,897	**$ 1,593,506**
Cash on deposit - county treasurer	-	3,906	-	**3,906**
Cash in savings	361,782	120,601	281,921	**764,304**
Total Cash	(775,926)	1,172,824	1,964,818	**2,361,716**
Certificates of deposit	-	-	-	**-**
Colotrust	4,566	-	-	**4,566**
Total Investments	4,566	-	-	**4,566**
Property taxes receivable	488,469	-	-	**488,469**
Accounts receivable	131,266	33,648	-	**164,914**
Accrued interest receivable	-	-	-	**-**
Due from other funds	-	-	-	**-**
Total Current Assets	(151,625)	1,206,472	1,964,818	**3,019,665**
Total Assets	(151,625)	1,206,472	1,964,818	**3,019,665**
DEFERRED OUTFLOWS				
Grant expenditures paid in advance of meeting timing requirements	-	-	-	**-**
Total Assets & Deferred Outflows	$ (151,625)	$ 1,206,472	$ 1,964,818	**$ 3,019,665**
LIABILITIES				
Current Liabilities:				
Accounts payable	$ 6,642	$ 1,852	$ -	**$ 8,494**
Payroll taxes payable	619	-	-	**619**
Accrued interest payable	-	-	-	**-**
Due to other funds	-	-	-	**-**
Total Current Liabilities	7,261	1,852	-	**9,113**
Total Liabilities	7,261	1,852	-	**9,113**
DEFERRED INFLOWS				
Unearned revenue - property taxes	488,469	-	-	**488,469**
Total Liabilities & Deferred Inflows	495,730	1,852	-	**497,582**
FUND BALANCE				
Non-spendable	-	-	-	**-**
Restricted:				
Tabor	116,858	-	-	**116,858**
Streets	-	1,163,563	-	**1,163,563**
Parks and recreation	-	-	84,161	**84,161**
Capital projects	-	-	1,880,657	**1,880,657**
Committed	-	41,057	-	**41,057**
Assigned	-	-	-	**-**
Unassigned	(764,213)	-	-	**(764,213)**
Total Fund Balance	(647,355)	1,204,620	1,964,818	**2,522,083**
Total Fund Balance, Liabilities & Deferred Inflows	$ (151,625)	$ 1,206,472	$ 1,964,818	**$ 3,019,665**

Reconciliation of the Balance Sheet to the Statement of Net Position

Total Governmental Fund Balance		**$ 2,522,083**
Amounts reported for governmental activities in the statement of net position are different because:		
Capital assets used in governmental activities are not financial resources and therefore are not reported in the funds:		
Capital assets	$ 12,037,829	
Less: accumulated depreciation	(5,714,026)	**6,323,803**
Long-term liabilities, including capital leases, are not due and payable in the current period, therefore, they are not reported in the funds:		
Capital lease obligation	(1,000,000)	
Compensated absences	(42,378)	**(1,042,378)**
Net pension asset and deferred outflows/inflows of resources related to pension plan is not recorded in the governmental funds but is recorded in the statement of net position		**42,966**
Net Position of Governmental Activities		**$ 7,846,474**

TOWN OF KERSEY, COLORADO

Statement of Revenues, Expenditures, and Changes in Fund Balances

Governmental Funds

December 31, 2020

	General	Street	Nonmajor	Total
Revenues:				
Taxes	$ 1,592,974	$ 380,436	$ 27,280	**$ 2,000,690**
Licenses and permits	149,548	-	-	**149,548**
Intergovernmental revenue	73,851	101,199	16,823	**191,873**
Charges for services	74,037	-	-	**74,037**
Parks and recreation	20,260	-	-	**20,260**
Judicial	89,814	-	-	**89,814**
Earnings on investments	943	303	339	**1,585**
Miscellaneous revenues	43,399	5,499	4,988	**53,886**
Total Revenues	2,044,826	487,437	49,430	**2,581,693**
Expenditures:				
General government	459,501	24,713	-	**484,214**
Public safety	608,022	-	-	**608,022**
Public works	73,303	236,913	-	**310,216**
Parks and recreation	177,609	-	12,702	**190,311**
Health and welfare	5,390	-	-	**5,390**
Legislative	19,315	-	-	**19,315**
Judicial	9,437	-	-	**9,437**
Library	5,901	-	-	**5,901**
Seniors	57,101	-	-	**57,101**
Capital outlay	3,974,970	25,108	-	**4,000,078**
Total Expenditures	5,390,549	286,734	12,702	**5,689,985**
Excess (Deficiency) of Revenues over Expenditures	(3,345,723)	200,703	36,728	**(3,108,292)**
Other Financing Sources (Uses):				
Sale of assets	405,503	-	-	**405,503**
Contributions	45,185	13,573	-	**58,758**
Grants	1,293,944	-		**1,293,944**
Debt service	1,000,000	-	-	**1,000,000**
Transfers in	-	2,822	493,310	**496,132**
Transfers out	(1,132,557)	(29,750)	(8,465)	**(1,170,772)**
Total Other Financing Sources (Uses)	1,612,075	(13,355)	484,845	**2,083,565**
Net Change in Fund Balance	(1,733,648)	187,348	521,573	**(1,024,727)**
Fund Balance - beginning of year	1,086,293	1,017,272	1,443,245	**3,546,810**
Fund Balance - End of Year	$ (647,355)	$ 1,204,620	$ 1,964,818	**$ 2,522,083**

Reconciliation of Statement of Revenues, Expenditures and Changes in Fund Balance to the Statement of Activities:

Net Change in Fund Balance - Total Governmental Funds		**$ (1,024,727)**
Amounts reported for governmental activities in the statement of activities are different because:		
Governmental funds report capital outlays as expenditures while governmental activities report depreciation expense to allocate to those expenditures over the life of the assets.		
Capital assets sold	**$ (138,595)**	
Capital asset purchased	**4,000,078**	
Depreciation expense	**(233,137)**	
The net effect of transactions involving capital assets (sales, trade-ins)		**3,628,346**
Loan proceeds provide current financial resources to the governmental funds and repayment of debt principal is an expenditure in the governmental funds, but the proceeds increase and repayment reduces long-term liabilities in the statement to net position:		
Long-term debt payments		**-**
Long-term debt proceeds		**(1,000,000)**
Some expenses reported in statement of activities do not require the use of current financial resources and therefore are not reported as expenditures in the governmental funds:		
Change in compensated absences		**(8,094)**
Capital lease obligations		**-**
Net pension asset and deferred outflows/inflows of resources related to pension plan is not recorded in the governmental funds but is recorded in the statement of net position		**5,972**
Change in Net Position of Governmental Activities		**$ 1,601,497**

See accompanying notes to the basic financial statements

TOWN OF KERSEY, COLORADO

Statement of Net Position

Proprietary Funds

December 31, 2020

	Business-Type Activities		
	Water	Sewer	Total
ASSETS			
Current Assets:			
Cash on hand and in checking	$ (504,743)	$ (167,899)	$ **(672,642)**
Cash on deposit - county treasurer	-	-	**-**
Cash in savings	241,208	361,799	**603,007**
Total Cash	(263,535)	193,900	**(69,635)**
Certificates of deposit	144,995	-	**144,995**
Colotrust	-	-	**-**
Total Investments	144,995	-	**144,995**
Accounts receivable	26,066	33,252	**59,318**
Accrued interest receivable	470	-	**470**
Prepaid expenses	-	-	**-**
Due from other funds	-	-	**-**
Total Current Assets	(92,004)	227,152	**135,148**
Capital Assets:			
Land	600	4,226	**4,826**
Water rights	2,283,665	-	**2,283,665**
Utility system	2,178,962	3,364,745	**5,543,707**
Equipment	111,800	261,854	**373,654**
Total Capital Assets	4,575,027	3,630,825	**8,205,852**
Less: Accumulated depreciation	(1,148,388)	(2,043,426)	**(3,191,814)**
Net Capital Assets	3,426,639	1,587,399	**5,014,038**
Total Assets	3,334,635	1,814,551	**5,149,186**
DEFERRED OUTFLOWS			
Grant expenditures paid in advance of meeting timing requirements	-	-	-
Total Assets & Deferred Outflows	3,334,635	1,814,551	**5,149,186**
LIABILITIES			
Current Liabilities:			
Accounts payable	1,381	5,861	**7,242**
Payroll taxes payable	-	-	**-**
Accrued interest payable	-	-	**-**
Due to other funds	-	-	**-**
Current portion of long-term debt	-	-	**-**
Total Current Liabilities	1,381	5,861	**7,242**
Long Term Liabilities:			
Compensated absences	3,446	2,954	**6,400**
Loan payable - TBK bank	-	-	**-**
Note payable - CWRPDA loan	-	-	**-**
Less: portion due within one year	-	-	**-**
Total Long Term Liabilities	3,446	2,954	**6,400**
Total Liabilities	4,827	8,815	**13,642**
DEFERRED INFLOWS			
Unearned revenue	-	-	**-**
Total Liabilities & Deferred Inflows	4,827	8,815	**13,642**
NET POSITION			
Net investment in capital assets	3,426,639	1,587,399	**5,014,038**
Restricted for operations and maintenance	-	-	**-**
Unrestricted:			
Designated for subsequent year's expenditures	64,026	45,933	**109,959**
Undesignated	(160,857)	172,404	**11,547**
Total Net Position	$ 3,329,808	$ 1,805,736	**$ 5,135,544**

See accompanying notes to the basic financial statements

TOWN OF KERSEY, COLORADO

Statement of Revenues, Expenses, and Changes in Net Position

Proprietary Funds

December 31, 2020

	Business-Type Activities		
	Water	Sewer	Total
Operating Revenues:			
Charges for services	$ 378,049	$ 385,086	**$ 763,135**
Other operating revenues	9,500	-	**9,500**
Total Operating Revenues	387,549	385,086	**772,635**
Operating Expenses:			
General	37,205	34,784	**71,989**
Administrative	84,672	72,988	**157,660**
System operations	274,908	191,161	**466,069**
Depreciation	62,764	124,928	**187,692**
Total Operating Expenses	459,549	423,861	**883,410**
Operating Income (Loss)	(72,000)	(38,775)	**(110,775)**
Non-Operating Revenues (Expenses)			
Earnings on investments	4,377	2,551	**6,928**
Miscellaneous revenues	-	-	**-**
Interest expense	(328)	(24,646)	**(24,974)**
Proceeds from sale of assets	-	-	**-**
Total Non-operating Revenues (Expenses)	4,049	(22,095)	**(18,046)**
Income (Loss) before contributions and transfers	(67,951)	(60,870)	**(128,821)**
Contributions	13,573	13,573	**27,146**
Transfers In (Out)	(2,606)	677,246	**674,640**
Change in Net Position	(56,984)	629,949	**572,965**
Total Net Position - beginning of year	3,386,792	1,175,787	**4,562,579**
Total Net Position - End of Year	$ 3,329,808	$ 1,805,736	**$ 5,135,544**

See accompanying notes to the basic financial statements

TOWN OF KERSEY, COLORADO

Statement of Cash Flows

Proprietary Funds

December 31, 2020

	Business-Type Activities		
	Water	Sewer	Total
Cash Flows From Operating Activities:			
Cash received from customers	$ 379,030	$ 383,767	**$ 762,797**
Cash payments to employees	(97,592)	(90,469)	**(188,061)**
Cash payments to suppliers	(302,153)	(223,739)	**(525,892)**
Internal activity - payments to other funds	-	-	**-**
Net Cash Flows From Operating Activities	(20,715)	69,559	**48,844**
Cash Flows From Non-capital Financing Activities:			
Operating transfers in	43,394	679,913	**723,307**
Operating transfers out	(46,000)	(2,667)	**(48,667)**
Grants	-	-	**-**
Net Cash Flows From Non-capital Financing Activities	(2,606)	677,246	**674,640**
Cash Flows From Capital and Related Financing Activities:			
Acquisition of capital assets	(56,899)	(16,395)	**(73,294)**
Proceeds from long-term debt	-	-	**-**
Contributions	13,573	13,573	**27,146**
Capital lease obligation payments	-	-	**-**
Principal payments on long-term debt	(39,470)	(773,550)	**(813,020)**
Interest payments on long-term debt	(328)	(24,646)	**(24,974)**
Net Cash Flows From Capital and Related Financing Activities	(83,124)	(801,018)	**(884,142)**
Cash Flows From Investing Activities:			
Interest on investments	4,377	2,551	**6,928**
Change in investments	127,113	404,986	**532,099**
Net Cash Flows From Investing Activities	131,490	407,537	**539,027**
Net Increase (Decrease) in Cash and Cash Equivalents	25,045	353,324	**378,369**
Cash and Cash Equivalents - January 1	(288,580)	(159,424)	**(448,004)**
Cash and Cash Equivalents - December 31	$ (263,535)	$ 193,900	**$ (69,635)**
Reconciliation of Operating Income (Loss) to Net Cash Provided by (Used for) Operating Activities:			
Operating income (loss)	$ (72,000)	$ (38,775)	**$ (110,775)**
Adjustments to reconcile operating income (loss) to net cash provided by operating activities:			
Depreciation and amortization	62,764	124,928	**187,692**
Changes in assets and liabilities:			
Receivables	(8,519)	(1,319)	**(9,838)**
Prepaid expenses	-	-	**-**
Due from other funds	-	-	**-**
Payables and other accrued expenses	(2,960)	(15,275)	**(18,235)**
Due to other funds	-	-	**-**
Net Cash Flows From Operating Activities	$ (20,715)	$ 69,559	**$ 48,844**

NOTES TO THE BASIC FINANCIAL STATEMENTS

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The Town of Kersey, Colorado (Town), was incorporated in 1908 as a statutory town. The statutes provide that the mayor is the chief administrative officer and that the Board of Trustees shall be the policy-making authority. The following services are currently offered by the Town: General government, public safety, and public works (streets, trash, communicable disease control, street lighting), parks and recreation, and water and sewer service.

The financial statements of the Town have been prepared in conformity with accounting principles generally accepted in the United States of America. The Governmental Accounting Standards Board (GASB) is the acknowledged standard setting body for establishing governmental accounting and financial reporting standards followed by governmental entities.

Reporting Entity

The reporting entity consists of only the Town, a primary government that is a general-purpose local government. This primary government has a separately elected governing body and it is legally separate, as well as financially independent of other state and local governments. A component unit may be a financial benefit or burden to the primary government and which is a legally separate organization of which the elected officials of the primary government are financially accountable. The Town does not have any component units.

New Accounting Pronouncements

GASB Statement No 95, *Postponement of the Effective Dates of Certain Authoritative Guidance*. This statement provides temporary relief to governments and other stakeholders in light of the COVID-19 pandemic. Implementation had no impact on the Town's financial statements.

The following Accounting Pronouncements were early implemented in the prior year:

GASB Statement No 83, *Certain Asset Retirement Obligations.*
GASB Statement No 84, *Fiduciary Activities.*
GASB Statement No 88, *Certain Disclosures Related to Debt, including Direct Borrowings and Direct Placements.*
GASB Statement No 90, *Majority Equity Interests – an amendment of GASB Statements No. 14 and No.61.*

Basic Financial Statements

Government-Wide Financial Statements consist of Statement of Net Position and Statement of Activities, these statements report information about the reporting entity as a whole. These statements are presented on an "*economic resources*" measurement focus and the accrual basis of accounting. Accordingly, the assets, deferred outflows of resources, liabilities, and deferred inflows of resources, including capital assets, infrastructure assets, and long-term liabilities, are included in the accompanying Statement of Net Position. The Statement of Activities presents changes in net position. Under the accrual basis of accounting, revenues are recognized in the period earned while expenses are recognized in the period the liability is incurred, regardless of the timing of the related cash flows.

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Governmental Fund Financial Statements consist of Balance Sheet and Statement of Revenue, Expenditures and Changes in Fund Balance for all major governmental funds and non-major funds aggregated. These statements are presented on the "*current financial resources*" measurement focus and the modified accrual basis of accounting. Accordingly, revenues are recognized in the accounting period in which they become both measurable and available to finance expenditures of the current period. Revenues are recognized when received in cash, except for revenues subject to accrual (generally 60 days after year-end) are recognized when due.

The Town reports the following **Governmental Funds**:

- **General Fund (major)** 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 Fund (major)** is a special revenue fund of the Town. It is funded by sales tax, specific ownership tax, highway user's tax, motor vehicle fees and various other revenue sources. The expenditures represent the cost of maintaining the Town's streets.
- **Conservation Trust Fund (nonmajor)** is a special revenue fund used to account for revenues derived primarily from intergovernmental revenues (Colorado Lottery) and earnings on investments. The use of these funds is legally restricted to the following activities: acquisition, development and maintenance of new conservation sites or for capital improvements or maintenance for recreation purposes on any public site (parks, trails, sports facilities, arenas or community centers).
- **Capital Projects Fund (nonmajor)** are special revenue fund used to account for the proceeds of specific revenue sources (other than special assessments, expendable trust, or major capital projects) that are legally restricted to expenditures for specified purposes.

The Town reports the following **Proprietary Funds**:

- **Water Fund (major)** is used to account for the water use fees and the expenses associated with providing water services to Town residents.
- **Sewer Fund (major)** is used to account for the sewer use fees and the expenses associated with providing wastewater services to Town residents.

Required supplementary information includes Management's Discussion and Analysis which includes an analytical overview of the Town's financial activities. In addition, budgetary comparison schedules are presented for all funds that compare the adopted and modified budget with actual results.

The Town does not have any **Fiduciary Funds**.

Budgets and Budgetary Accounting

An annual budget and appropriation resolutions is adopted by the Town in accordance with the Colorado State Statutes. The budget for all funds is prepared on a basis consistent with generally accepted accounting principles (GAAP), except that bond and loan proceeds are treated as other financing sources and debt service principal payments and capital outlays are treated as expenditures.

Budgeted amounts are as originally adopted or as increased by supplemental appropriations. Budget appropriations lapse at year-end. Budgetary comparisons with actual revenues and expenditures are included as required supplemental information for the General and Street funds and as other supplemental information for the Conservation Trust Fund, Capital Projects Fund, Water Fund, and the Sewer Fund.

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Budgets and Budgetary Accounting (continued)

The following is a summary of the original, total revisions and revised budgets for those funds with amended budgets in year 2020:

Governmental Funds	Original Budget	Total Revisions	Revised Budget
General Fund	$ 3,834,432	$ -	$ 3,834,432
Street Fund	447,257	-	447,257
Conservation Trust Fund	15,000	-	15,000
Capital Projects Fund	4,241,262	-	4,241,262
Business-Type:			
Water Fund	474,857	47,352	522,209
Sewer Fund	459,934	666,366	1,126,300
Total	**$ 9,472,742**	**$ 713,718**	**$ 10,186,460**

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

- On or before August 25, the Weld County Assessor submits to the Town the new assessed valuation and other amounts needed to compute the statutory property tax revenue limit.
- On or before October 15, the Budget Committee submits to the Town Board of Trustees a proposed operating budget for the following fiscal year commencing January 1. The budget includes proposed expenditures and the means of financing them.
- Public hearings are conducted to obtain taxpayer comments.
- On or before December 15, the Town certifies the mill levy to the Board of County Commissioners.
- On or before December 22, the Board of County Commissioners certifies the levy against the assessed valuation on all taxable properties.
- Prior to December 31, the Town legally adopts the budget.

The Town incurred expenditures in excess of appropriations in the General & Water Funds for the year ended December 31, 2020, which may be in violation of the Local Government Budget Law.

Designated for Subsequent Year's Expenditures

Designated fund balance is the portion of the fund balance that is appropriated in the succeeding year's budget.

Compensated Absences

The Town reports compensated absences in accordance with the provisions of GASB Statement No. 16, *Accounting for Compensated Absences*. Under the terms of the Town's personnel policies, the Town employees are granted vacation, sick and compensatory time in varying amounts, depending upon the length of continuous service the employee has given the Town. Upon termination of employment from the Town, an employee will be compensated for all accrued vacation time at their current rate of pay. The liability for vested or accumulated vacation leave is recorded as compensated absences payable in the funds.

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Compensated Absences (continued)

Amounts of vested or accumulated vacation pay that are not expected to be liquidated with expendable available financial resources are reported on the government-wide financial statements. The Town has recorded a liability of $48,778 at December 31, 2020. There is no accrual in the fund financial statements.

Cash and Cash Equivalents

For purposes of the basic financial statements and the statement of cash flows, the Town considers all highly liquid debt instruments with maturities of three months or less to be cash equivalents.

The Town pools cash resources of its various funds to facilitate the management of cash. Cash applicable to a particular fund is readily identifiable. The balance in the pooled cash accounts is available to meet current operating requirements. Cash in excess of current requirements is invested in various interest-bearing securities and disclosed as part of the Town's investments.

Investments

Investments are carried at fair value plus accrued interest with net appreciation or depreciation on investments included in earnings on investments. Investments are reported in accordance with GASB Statement 72, as amended. See Note 3 for further discussion.

Inventory

Inventory is generally stated at cost in the Water Fund and Sewer Fund, applying the first-in, first-out inventory flow method.

Prepaid Expenses

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.

Capital Assets

Capital assets, which include land, buildings and improvements, equipment, and infrastructure assets, are reported in the governmental-wide financial statements. The Town records its property and equipment at historical cost. Contributed capital assets are valued at their estimated fair value on the date donated. Maintenance and repairs are charged to current period operating expenses, whereas additions and improvements are capitalized. Upon retirement or other disposition of property and equipment, the costs and related accumulated depreciation are removed from the respective accounts and any gains or losses are included in operations. Interest costs relating to construction are capitalized. During year ended December 31, 2020, no interest was capitalized. The Town's capitalization level is $2,500 for capital assets.

Depreciation is computed using the straight-line method over the following estimated useful lives:

	Years
Water rights	5 to 30
Buildings and improvements	5 to 20
Machinery and equipment	5 to 20
Utility systems	30 to 40

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Capital Assets (continued)

As a result of Statement No. 34, the Town is accounting for infrastructure and capital assets on its financial statements. The government-wide financial statements include those assets that were completed during the fiscal year-end, considered construction in progress or purchased or constructed in prior years.

The Town has elected to capture infrastructure assets with the implementation of Statement No. 34 (the retroactive approach).

Use of Estimates

The preparation of the financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the amounts reported in the financial statements and accompanying notes. Actual results could differ from those estimates.

Receivables

Receivables are considered fully collectible and therefore are reported at their gross value.

Equity - Net Position

For government-wide presentation purposes, when both restricted and unrestricted resources are available for use, it is the Town's practice to use restricted resources first, then unrestricted resources as they are needed.

Equity - Fund Balance

In the governmental funds, fund balances should be reported in classifications that comprise a hierarchy based on the extent to which the government is bound to honor constraints on the specific purposes for which spending can occur. Governmental funds report up to five classifications of fund balance: nonspendable, restricted, committed, assigned, or unassigned. The following classifications describe the relative strength of spending constraints:

(1) ***Nonspendable Fund Balance*** – the portion of fund balance that cannot be spent because it is either not in spendable form (such as prepaid amounts or inventory) or legally or contractually required to be maintained intact.
(2) ***Restricted Fund Balance*** – the portion of fund balance that is constrained to be used for a specific purpose by external parties (creditors, grantors, or contributors), enabling legislation or constitutional provisions. The Town's fund balance is restricted for tabor, street improvement, parks and recreation and capital projects.
(3) ***Committed Fund Balance*** – the portion of fund balance that can only be use for specific purposes pursuant to constraints imposed by formal action of the government's highest level of decision-making, the Town Board. The constraint may be removed or changed only through formal action of the Town's Board through approval of resolutions.
(4) ***Assigned Fund Balance*** – the portion of fund balance that is constrained by the government's intent to be used for specific purposes, but is neither restricted nor committed. Intent is expressed by the Town Board to be used for a specific purpose. Constraints imposed on the use of assigned amounts are more easily removed or modified than those imposed on amounts that are classified as committed.

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Equity - Fund Balance (continued)

(5) ***Unassigned Fund Balance*** – the residual portion of fund balance that does not meet any of the criteria described above. Negative unassigned fund balance in other governmental funds represents excess expenditures incurred over the amounts restricted, committed, or assigned to those purposes.

If more than one classification of fund balances is available for use when an expenditure is incurred, it is the Town's practice to use the most restrictive classification first.

NOTE 2 – STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY

Article X, Section 20, of the Colorado Constitution contains several limitations, including raising revenue, spending abilities and other specific requirements of state and local governments. The Amendment is complex and subject to judicial interpretation. The Town believes that it is in compliance with the requirements of the amendment. However, the Town has made certain interpretations of the amendment's language in order to determine its compliance.

The amendment excludes from its provisions Enterprises. Enterprises, defined as government-owned businesses authorized to issue revenue bonds and receiving less than ten percent of their annual revenue in grants from all state and local governments combined, are excluded from the provisions of the Amendment.

Fiscal year spending and revenue limits are determined based on the prior years' spending adjusted for inflation and local growth. Revenue in excess of the limit must be refunded unless the voters approve retention of such revenue. On April 7, 1998, voters approved Ordinance 1-1998 regarding the Town's retention of revenues collected in excess of the fiscal spending limits for 1998, also to be effective for all years thereafter. In addition, voters approved to allow the Town to maintain its operating mill levy at 17.205 mills in 2008 (for 2009 collection) and for a period not to exceed 10 years, qualifying as a TABOR voter approved revenue change and, if applicable, an authorized exception to the statutory 5.5% tax revenue growth limitation. Then in 2016, voters approved to extend operating mill levy for another period not to exceed 10 years. Considering the above interpretation of TABOR, the governing board believes that it is in compliance with its fiscal requirements for the year December 31, 2020.

The Amendment requires that Emergency Reserves be established. The reserves must be at least three percent of the fiscal year spending (excluding bonded debt service). The Town is not allowed to use the emergency reserves to compensate for economic conditions, revenue shortfalls, or salary or benefit increases. The Town has restricted $116,858 for this purpose.

NOTE 3 - CASH DEPOSITS AND INVESTMENTS

Cash deposits and investments are reported in the financial statements as follows:

	Governmental Activities	Business-Type Activities	Total
Cash on hand and in checking	$ 1,593,506	$ (672,642)	$ 920,864
Cash with county treasurer	3,906	-	3,906
Cash in savings	764,304	603,007	1,367,311
Certificates of deposit	-	144,995	144,995
ColoTrust	4,566	-	4,566
Total	**$ 2,366,282**	**$ 75,360**	**$ 2,441,642**

Cash deposits and investments consist of the following:

	Governmental Activities	Business-Type Activities	Total
Cash on hand and deposit	$ 4,106	$ -	$ 4,106
Bank accounts	2,357,610	(69,635)	2,287,975
Investments	4,566	144,995	149,561
Total	**$ 2,366,282**	**$ 75,360**	**$ 2,441,642**

Cash Deposits

As of December 31, 2020, the carrying amount of the Town's deposits was $2,287,975.

Custodial Credit Risk is the risk that, in the event of the failure of a bank failure, the government's deposits may not be returned to it. Town bank accounts at year-end were entirely covered by federal depository insurance or by eligible collateral maintained by another financial institution or held by the Town's custodial banks in its name under provisions of the Colorado Public Deposit Protection Act (CPDPA). The CPDPA requires financial institutions to pledge collateral having a market value of at least 102% of the aggregate uninsured deposits.

The State Regulatory Commissions for banks are required by statute to monitor the naming of eligible depositories and reporting of the uninsured deposits and assets maintained in the collateral pools.

Investments

Colorado statutes specify investment instruments meeting defined rating and risk criteria in which a political subdivision may invest, which include:

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

NOTE 3 - CASH DEPOSITS AND INVESTMENTS

Investments (continued)

As of December 31, 2020, the Town had the following investments:

	S&P	Investment Maturities in Years				
	Rating	Less than 1	1 to 5	6 to 10	More than 10	Total
Certificates of deposit	-	$ -	$ 144,995	$ -	$ -	$ 144,995
ColoTrust	AAAm	$ 4,566	$ -	$ -	$ -	$ 4,566
Total		**$ 4,566**	**$ 144,995**	**$ -**	**$ -**	**$ 149,561**

The Town's policy is to hold investments until maturity and to invest its funds in a manner which will provide for the highest investment return consistent with the preservation of principal and provision of the liquidity necessary for daily cash flow demands.

Interest Rate Risk is the risk that changes in interest rate will adversely affect the fair value of an investment. The Town investment portfolio does not contain investments that exceed the five-year limitation imposed by Colorado Statutes.

Credit Risk is the risk that an issuer or other counterparts to an investment in debt securities will not fulfill its obligations to the Town. The Town's investment policy follows Colorado Revised Statues.

Concentration of Credit Risk is the risk of loss attributed to the magnitude of a Town's investment in a single issuer. The Town has no such policy limiting how much can be with one financial institution.

Custodial Credit Risk is the risk that, in the event of the failure of the issuer or counterparty, the Town will not be able to recover the value of its investment or related collateral securities that are in the possession of an outside party. The Town had custodial credit risk for its investments at December 31, 2020.

Local Governmental Investment Pools, the Town had investments in the Colorado Local Government Liquid Asset Trust (COLOTRUST), a local government investment pool, comprised of two funds: COLOTRUST PRIME and COLOTRUST PLUS+. Prime invests only in U.S. Treasury and government agencies, while Plus invests in U.S. Treasury, government agencies and in the highest-rated commercial paper. Both investment pools are rated AAAm by S&P Global Ratings and operate similar to a money market fund with a share value equal to $1.00 and a maximum weighted average maturity of 60 days. As an investment pool, COLOTRUST operates under the Colorado Revised Statutes (24-75-701) and is overseen by the Colorado Securities Commissioner. The Trust is exempt from registration with the Securities and Exchange Commission. For more information on COLOTRUST call (303) 864-7474 or go to www.colotrust.com.

Fair Value of Investments, the Town categorizes its fair value measurements within the fair value hierarchy established by generally accepted accounting principles. Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. Fair value measurements must maximize the use of observable inputs and minimize the use of unobservable inputs.

NOTE 3 - CASH DEPOSITS AND INVESTMENTS (CONTINUED)

Investments (continued)

There is a hierarchy of three levels of inputs that may be used to measure fair value, as follows:

Level 1: Quoted prices in active markets for an identical asset or liability that a government can access at the measurement date.

Level 2: Inputs other than quoted prices included within Level 1 that are observable for an asset or liability, either directly or indirectly. Inputs include quoted prices for similar assets or liabilities, quoted prices for identical or similar assets or liabilities in markets that are not active, or other inputs that are observable or can be corroborated by observable market data for substantially the full term of the asset or liability.
Level 3: Unobservable inputs for an asset or liability.

The Town's investment in COLOTRUST is measured at net asset value, equal to $1.00 per share. There are no unfunded commitments, the redemption frequency is daily, and there is no redemption notice period. There is not an investment component to be valued under GASB Statement 72, *Fair Value Measurement and Application.*

Investment Income

Investment income, is reported in the financial statements as follows:

Investment Income:	Governmental Activities	Business-Type Activities	Total
Interest income	$ 1,585	$ 6,928	$ 8,513
Net increase (decrease) in the fair value of investments	-	-	-
Total	**$ 1,585**	**$ 6,928**	**$ 8,513**

The net increase (decrease) in the fair value of investments represents the difference in fair value from one year to the next.

NOTE 4 - PROPERTY TAXES RECEIVABLE

Under Colorado law, all property taxes become due and payable in the calendar year following that in which they are levied. Property taxes levied by the General Fund in the current year, 2020, to be collected in the subsequent year, 2021 are accrued as a receivable as of December 31, 2020 and offset by an unearned revenue account.

The Town's property tax calendar for 2020 is as follows:

Lien Date	January 1, 2020
Levy Date	November 1, 2020
Tax bills mailed	January 1, 2021
First installment due	February 28, 2021
Second installment due	June 15, 2021
If paid in full, due	April 30, 2021
Tax sale – delinquent taxes	November 15, 2021

NOTE 5 – CAPITAL ASSETS

The following is a summary of capital assets for the Governmental Activities as of December 31, 2020:

Governmental Activities	Beg Balance	Additions	Retirements	End Balance
Non-Depreciable Assets:				
Land	$ 377,490	$ -	$ (14,400)	$ 363,090
Total Non-Depreciable Assets	377,490	-	(14,400)	363,090
Depreciable Assets:				
Buildings and improvements	984,053	4,467,180	(419,208)	5,032,025
Street and improvements	4,810,289	-	-	4,810,289
Equipment	932,958	250,343	(2,387)	1,180,914
Construction in progress	1,368,956	452,806	(1,170,251)	651,511
Total Depreciable Assets	8,096,256	5,170,329	(1,591,846)	11,674,739
Total at Historical Cost	8,473,746	5,170,329	(1,606,246)	12,037,829
Less: Accumulated Depreciation for:				
Buildings and improvements	(487,747)	(110,668)	295,013	(303,402)
Street and improvements	(4,605,320)	(71,292)	-	(4,676,612)
Equipment	(685,222)	(51,177)	2,387	(734,012)
Total Accumulated Depreciation	(5,778,289)	(233,137)	297,400	(5,714,026)
Governmental Activities				
Capital Assets - Net	**$ 2,695,457**	**$ 4,937,192**	**$ (1,308,846)**	**$ 6,323,803**

Depreciation expense was charged to Governmental Activities as follows:	
General government	$ 112,609
Public safety	24,320
Public works	71,292
Health and welfare	-
Parks and recreation	24,916
Total Depreciation Expense - Governmental Activities	**$ 233,137**

NOTE 5 – CAPITAL ASSETS (CONTINUED)

The following is a summary of capital assets for the Business-Type Activities as of December 31, 2020:

Business-Type Activities	Beg Balance	Additions	Retirements	End Balance
Non-Depreciable Assets:				
Land	$ 4,826	$ -	$ -	$ 4,826
Water rights	2,283,665	-	-	2,283,665
Total Non-Depreciable Assets	2,288,491	-	-	2,288,491
Depreciable Assets:				
Utility system	5,503,202	40,505	-	5,543,707
Equipment	340,865	32,789	-	373,654
Total Depreciable Assets	5,844,067	73,294	-	5,917,361
Total at Historical Cost	8,132,558	73,294	-	8,205,852
Less: Accumulated Depreciation for:				
Utility system	(2,728,138)	(162,119)	-	(2,890,257)
Equipment	(275,984)	(25,573)	-	(301,557)
Total Accumulated Depreciation	(3,004,122)	(187,692)	-	(3,191,814)
Business-Type Activities				
Capital Assets - Net	**$ 5,128,436**	**$ (114,398)**	**$ -**	**$ 5,014,038**

Depreciation expense was charged to Business-Type Activities as follows:	
Water fund	$ 62,764
Sewer fund	124,928
Total Depreciation Expense - Business-Type Activities	**$ 187,692**

NOTE 6 - INTERFUND RECEIVABLES AND PAYABLES AND INTERFUND TRANSFERS

A summary of interfund activities at December 31, 2020 were as follows:

	Interfund Receivable	Interfund Payable	Transfers In	Transfers Out
Governmental Activities				
General Fund	$ -	$ -	$ -	$ 1,132,557
Street Fund	-	-	2,822	29,750
Conservation Trust Fund	-	-	-	-
Capital Fund	-	-	493,310	8,465
Total Governmental Activities	-	-	496,132	1,170,772
Business-Type Activities				
Water Fund	-	-	43,394	46,000
Sewer Fund	-	-	679,913	2,667
Total Business-Type Activities	-	-	723,307	48,667
Total	**$ -**	**$ -**	**$ 1,219,439**	**$ 1,219,439**

NOTE 7 – LONG-TERM DEBT

Direct Borrowings - Note Payable – CWRPDA

On February 1, 2006, the Town executed a loan with the Colorado Water Resources and Power Development Authority (CWRPDA) in the amount of $1,800,000. The loan proceeds will be used for upgrades to the sewer system. The terms of the loan require bi-annual payments of $62,778, including interest at a 3.50% annual rate, with final payment due November 1, 2026. Both the principal and interest thereon are payable solely from net revenues (gross revenues less operations and maintenance expenses) of the sewer distribution system.

The Town irrevocably pledged and granted a lien upon the source of repayment of this loan; Net Revenue, meaning the Gross Revenue after deducting the Operation and Maintenance expenses for the punctual payment of the principal and the interest on the loan, and all other amounts due under this Loan Agreement and the Governmental Agency Bond according to their respective terms. The loan may be prepaid in whole or in part without penalty upon prior written notice of not less than thirty (30) days to the Authority. Prepayments shall be applied first to accrued interest and then to principal on the loan. The Authority will amend loan repayment schedule to reflect any prepayment of principal amount of the loan.

The Loan shall be in default under this agreement upon certain events or conditions. Upon such default, the CWRPDA and the Governmental Agency Bond, shall have the right to take any action permitted or required pursuant to the Agreement and to take whatever other action at law or in equity may appear necessary or desirable to collect the amounts then due and thereafter to become due hereunder or to enforce the performance and observance of any duty, covenant, obligation or agreement of the Agency hereunder, including, without limitation, appointment exparte of a receiver of the System. The balance due on direct borrowings from Colorado Water Resources and Power Development Authority as of December 31, 2020 is $0. This direct borrowing was paid in full on December 15, 2020.

Direct Borrowings - Note Payable – TBK Bank SSB

On January 31, 2014, the Town executed a loan with TBK Bank SSB in the amount of $131,000. The loan proceeds were used to replace old meters with radio read water meters. The terms of the loan require an annual payment of $20,383, including interest at a 2.15% annual rate, with the first payment due February 1, 2015 and final payment due February 1, 2021.

The Town irrevocably pledged as collateral for this loan; checking account number ending 6002 with an approximate balance of $132,817 for the punctual payment of the principal and the interest on the loan, and all other amounts due under this Loan Agreement. The loan may be prepaid in whole or in part without penalty, Lender is entitled to a minimum interest charge of $25 if paid in full. Prepayments will not, unless agreed to by Lender in writing, relieve Town's obligation to make payments under the payment schedule. Prepayments shall be applied first to accrued interest and then to principal on the loan. The balance due on direct borrowings from TBK Bank SSB as of December 31, 2020 was $0. This direct borrowing was paid in full on December 11, 2020.

NOTE 7 – LONG-TERM DEBT (CONTINUED)

Lease Purchase Agreement

On July 22, 2020, the Town entered into a Lease Purchase Agreement and a Purchase and Sale Agreement with a financial institution for the Town Hall Center located at 446 1st Street, Kersey, Colorado. The agreement was duly approved and authorized by the Board of Trustees on April 28, 2020. The Lease Purchase agreement provides for a ten-year lease in the principal amount of $1,000.000 at an annual effective interest rate is 2.850%, with a bargain purchase option of $1 at the end of the lease term. Upon purchase of 446 1st Street, Kersey, Colorado, the Town transferred title to the financial institution. The first payment of $116,579 is due on June 24, 2021, with annual payments thereafter until June 24, 2030.

Future minimum payments under the Lease Purchase Agreement:

Year	Principal	Interest	Total
2021	$ 87,683	$ 28,896	$ 116,579
2022	90,217	26,362	116,579
2023	92,824	23,755	116,579
2024	95,448	21,131	116,579
2025	98,264	18,315	116,579
2026-2030	535,564	47,334	582,898
Total	**$ 1,000,000**	**$ 165,793**	**$ 1,165,793**

Other Debt and Line of Credit

The Town has no other debt or unused lines of credit.

Changes in Long-Term Debt

Notes for Direct Borrowings	12/31/2019	Additions	Reductions	12/31/2020	Due Within One Year
Governmental Activities:					
Lease/Purchase Agreement	$ -	$ 1,000,000	$ -	$ 1,000,000	$ -
Total Governmental Activities	-	1,000,000	-	1,000,000	-
Business-Type Activities:					
CWR&PDA Loan - 2006	773,550	-	(773,550)	-	-
TBK Bank SSB	39,470	-	(39,470)	-	-
Total Business-Type Activities	813,020	-	(813,020)	-	-
Total	**$ 813,020**	**$ 1,000,000**	**$ (813,020)**	**$ 1,000,000**	**$ -**

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 subcontractors; and natural disasters. The Town is a member of the Colorado Intergovernmental Risk Sharing Agency (CIRSA). CIRSA is a joint self-insurance pool created by intergovernmental agreement to provide property, liability, and workers' compensation coverage to its members. CIRSA is governed by a seven-member Board elected by and from its members.

NOTE 8 - RISK MANAGEMENT (CONTINUED)

Coverage is provided through pooling of self-insured losses and the purchase of excess insurance coverage. CIRSA has legal obligation for claims against its members to the extent of funds are available in its annually established loss fund and that amounts are available from insurance providers under excess specific and aggregate insurance contracts. Losses incurred in excess of loss funds and amounts recoverable from excess insurance are direct liabilities of the participating members. CIRSA has indicated that the amount of any excess loss would be billed to members in proportion to their contributions in the year such excess occurs, although it is not legally required to do so.

As of December 31, 2020, the Town did not have any liabilities in excess of insurance limits. Claims have not exceeded insurance coverage in the prior three years.

NOTE 9 – CONTINGENCIES

In the opinion of the Town's management and counsel, there is no material pending or threatened litigation, claims, and assessments. Furthermore, the District's management and counsel are unaware of any unasserted possible claims or assessments that are probable of assertion and must be disclosed as of December 31, 2020.

The Town has received federal and state grants for specific purpose that are subject to review and audit by the grantor agencies, as well as matching obligations from the Town. Such reviews and audits could lead to requests for reimbursements to the grantor agency for expenditures disallowed under terms of the grants. The Town believes that disallowed items, if any, will not have a material adverse effect on the Town's financial position.

NOTE 10 – RETIREMENT PLAN

Plan Description

Town employees may voluntarily contribute to the Voluntary Investment Program (457 Plan), an Internal Revenue Code Section 457 defined contribution plan administered by the ICMA-RC.

Investments are managed by the plan's administrator under several different investment options, or combinations thereof. The choice of the investment option(s) is made by the participants. The Town has no management control over the assets of the plan. Accordingly, the assets of the plan are not included in these financial statements.

Funding Policy

The 457 Plan is funded by voluntary member contributions up to a maximum limit set by the IRS ($19,000 for the calendar year 2020). Catch-up contributions up to $6,000 for the calendar year 2020 were allowed for participants who had attained age 50 before the close of the plan year, subject to the limitations of IRS Section 414(v). The Town contributes 3% of the employee's salary into this plan. The Town's cost under the Plan as of December 31, 2020 was $14,875.

All amounts of compensation deferred under the plan, all property and rights purchased with those amounts, and all income attributable to those amounts, property or rights are the solely the property and rights of the participants. The Town has no liability for losses under the plan and authorizes the benefits terms and authority to amend those terms.

NOTE 11 – DEFINED BENEFIT PENSION PLAN

Plan Description

The Statewide Defined Benefit Plan (SWDB) is a cost-sharing multiple-employer defined benefit pension plan covering substantially all full-time employees of participating fire or police departments in Colorado hired on or after April 8, 1978 (New Hires), provided that they are not already covered by a statutorily exempt plan. As of August 5, 2003, the Plan may include clerical and other personnel from fire districts whose service are auxiliary to fire protection. The Plan became effective January 1, 1980.

The Plan assets are included in the Fire & Police Members' Benefit Investment Fund and the Fire & Police Members' Self-Directed Investment Fund (for Deferred Retirement Option Plan (DROP) assets and Separate Retirement Account assets from eligible retired members.)

The Plan is administered by the Fire and Police Pension Association of Colorado (FPPA). FPPA issues a publicly available comprehensive annual financial report that can be obtained on FPPA's website at: http:/www.fppaco.org.

In March, 2017, the Town enrolled all full-time police officers of the Town in pension plans administered by the Fire and Police Pension Association of Colorado (FPPA).

Benefits

A member is eligible for a normal retirement pension once the member has completed 25 years of credited service and has attained the age of 55. Effective January 1, 2021, a member may also qualify for a normal retirement pension if the member's combined years of service and age equals at least 80, with a minimum age of 50 (Rule of 80).

The annual normal retirement benefit is 2% of the average of the member's highest 3 years' pensionable earnings for each year of credited service up to 10 years, plus 2.5% 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 covered Statewide Defined Benefit Social Security Component will receive half the benefit when compared to the SWDB plan. Benefit adjustments paid to retired members are evaluated annually 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 for Urban Wage Earners and Clerical Workers (CPI-W).

A member is eligible for an early retirement after completion of 30 years of service or attainment of age 50 with at least 5 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 5 years of accredited service may leave contributions with the Plan and remain eligible for a retirement pension at age 55 equal to 2% of the member's average highest 3 years' pensionable earnings for each year of credited service up to 10 years, plus 2.5% for each year of service thereafter.

NOTE 11 – DEFINED BENEFIT PENSION PLAN (CONTINUED)

Plan 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. Effective January 1, 2021, contribution rates for employers and members may be increased equally by the FPPA Board of Director's upon approval through an election by both the employers and members. Contribution rates at December 31, 2020 are as follows:

	Member	Employer
Statewide Defined Benefit Plan (SWBD)	11.00%	8.00%
Statewide Death and Disability Plan (SWD&D) *	1.40%	1.40%
	12.40%	9.40%

Member contributions to SWBD will increase 0.5% annually through 2022 to a total of 12.0% of pensionable earnings. Employer contributions to SWBD will increase 0.5% annually beginning in 2021 through 2030 to a total of 13.0% of pensionable earnings.

Contribution rates for members and employers of affiliated social security employers:

	Member	Employer
Statewide Defined Benefit Plan (SWBD)	5.50%	4.00%
Statewide Death and Disability Plan (SWD&D) *	1.40%	1.40%
	6.90%	5.40%

Member contributions to SWBD will increase 0.25% annually through 2022 to a total of 10.0% of pensionable earnings. Employer contributions to SWBD will increase 0.25% annually beginning in 2021 through 2030 to a total of 6.5% of pensionable earnings.

Pension Liability (Asset)

At December 31, 2020, the Town reported $(9,158) for its proportionate share of the net pension liability (asset). The net pension liability (asset) was measured as of December 31, 2019, and the total net pension liability used to calculate the net pension liability was determined by an actuarial valuation as of that date. The Town's proportion of the net pension liability was based on the Town's share of contributions relative to the contributions of all participants.

Deferred Outflows/Inflows of Resources by Source

	Deferred Outflows of Resources	Deferred Inflows of Resources	Net Deferred Outflows/ (Inflows) of Resources
Contributions subsequent to measurement date	$ 9,685	$ -	$ 9,685
Difference between expected and actual experiences	30,994	179	30,815
Assumption changes	17,390	-	17,390
Net difference between projected and actual earnings on pension plan investments	-	14,397	(14,397)
Total	**$ 58,069**	**$ 14,576**	**$ 43,493**

NOTE 11 – DEFINED BENEFIT PENSION PLAN (CONTINUED)

Deferred Outflows/Inflows of Resources by Source (continued)

The $9,685 reported as deferred outflows of resources related to contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the year ended December 31, 2020.

Deferred Outflows/Inflows of Resources by Year to be recognized in Future

Year Ending December 31	Net Deferred Outflows/ (Inflows) of Resources
2020	$ 3,215
2021	1,968
2022	6,652
2023	577
2024	6,720
Thereafter	14,676
Total	**$ 33,808**

Actuarial Assumptions

The actuarial valuations for the Statewide Defined Benefit Plan were used to determine the total pension liability (asset) and actuarially determined contributions for the fiscal year ending December 31, 2019. The valuations used the following actuarial assumption and other inputs:

	Total Pension Liability	Actuarial Determined Contributions
Actuarial Valuation Date	January 1, 2020	January 1, 2019
Actuarial method	Entry age normal	Entry age normal
Amortization method	N/A	Level % of Payroll, Open
Amortization period	N/A	30 Years
Long-term investment rate of return *	7.00%	7.00%
Projected salary increases *	4.25% - 11.25%	4.25% - 11.25%
Cost of living adjustments (COLA)	0.00%	0.00%
* Includes inflation at	2.50%	2.50%

For determining the total pension liability, the post-retirement mortality tables for non-disabled retires 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 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.

NOTE 11 – DEFINED BENEFIT PENSION PLAN (CONTINUED)

Investments

The FPPA Board Members serve as the fiduciaries for the Funds and are responsible for the investment of the Funds, or the selection of investment options available to defined contribution, deferred compensation and self-directed DROP plan members. As fiduciaries, the FPPA Board Members are required to discharge their duties solely in the interest of fund participants and beneficiaries. The Board has established investment policies and allocates assets, or selects investment options, based upon member characteristics, plan provisions, and the financial requirements of the Funds, in addition to considering the risk/reward trade-offs of various investments.

The Association has established long range statements of investment objectives and policies for managing and monitoring the Funds. The investment policies establish investment objectives and define the responsibilities of the fiduciaries with respect to the Funds, their investment authority under Colorado law, the level of acceptable risk for investments, investment allocation targets, investment performance objectives, and guidelines within which outside investment managers must operate.

The assets in the Fire & Police Members' Benefit Investment Fund are managed primarily by professional investment management firms. Similarly, investment options offered to defined contribution and deferred compensation plan members are typically pooled investment vehicles managed by professional money managers. Best estimates of arithmetic real rates of return for each major asset class included in the plans target asset allocation are as follow:

Asset Class	Target Allocation	Long-Term Expected Real Rate of Return
Global Equity	38.0%	7.00%
Equity Long/Short	8.0%	6.00%
Private Markets	25.0%	9.20%
Fixed Income	15.0%	5.20%
Absolute Return	8.0%	5.50%
Managed Futures	4.0%	5.00%
Cash	2.0%	2.52%
Total	100.0%	

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 credit rating as of the measurement date (to the extent that the plan's projected fiduciary net position is not sufficient to pay benefits). The long-term expected rate of return on pension plan investments is 7.00%; the municipal bond rate is 2.75%; and the resulting Single Discount Rate is 7.00%.

NOTE 11 – DEFINED BENEFIT PENSION PLAN (CONTINUED)

Sensitivity to Single Discount Rate Assumption

The following presents the Town's proportionate share of the net pension liability / (asset), calculated using a Single Discount Rate of 7.00%, as well as what the Town's plan's net pension liability / (asset) would be if it were calculated using a Single Discount Rate that is 1 percent lower or 1 percent higher:

	1% Decrease **6.00%**	Current Rate **7.00%**	1% Increase **8.00%**
Pension Plan's Net Pension Liability / (Asset)	$ 55,529	$ (9,158)	$ (62,808)

Pension Plan Fiduciary Net Position

Detailed information about FPPA's plan fiduciary net position is available in the separately issued comprehensive annual financial report of the FPPA plan.

NOTE 12 – SHORT-TERM DEBT

The Town had no short-term debt obligations and had no borrowing during the year ending December 31, 2020.

	12/31/2019	Additions	Reductions	12/31/2020
Short-Term Debt	$ -	$ -	$ -	$ -
Total	**$ -**	**$ -**	**$ -**	**$ -**

Other Debt and Line of Credit

The Town has no other debt or unused lines of credit.

NOTE 13 – SUBSEQUENT EVENTS

The Town has evaluated events and transactions occurring subsequent to the end of the fiscal year for potential recognition or disclosure through July 23, 2021, the date on which the financial statements were issued, and did identify events or transactions that would have a material impact on the financial statements.

On February 4, 2021, the Town was offered by the Colorado Department of Local Affairs a grant award in the amount of $250,000 for the 9th Street Interconnect Project.

On June 3, 2021, the Town was awarded funds from the American Rescue Plan Act of 2021, also called the COVID-19 Stimulus Package or American Rescue Plan (ARP) in the amount of $422,518, which will be distributed in two (2) separate tranches. The first tranche will be distributed within thirty (30) days of the funding being issued to the state. The second tranche will be distributed no earlier than one (1) year after the first tranche was received. On June 16, 2021, the Town received $211,259 as its first tranche distribution.

These funds may only be used in compliance with section 603(c.) of the Social Security Act, Treasury's regulations implementing that section, and guidance issued by the Treasury.

REQUIRED SUPPLEMENTAL INFORMATION

Schedule of Revenues

*Budget to Actual - **General Fund***

Year Ended December 31, 2020

With Comparative Actual Amounts For the Year Ended December 31, 2019

Non-GAAP Budgetary Basis	2020 Original Budget	2020 Final Budget	2020 Actual	2020 Variance - Favorable (Unfavorable)	2019 Actual
Taxes:					
General property taxes	$ 849,960	$ 849,960	**$ 844,523**	$ (5,437)	$ 376,538
Interest on delinquent taxes	300	300	**711**	411	346
Sales tax	500,000	500,000	**673,362**	173,362	760,120
Franchise tax	55,000	55,000	**55,453**	453	48,357
Lodging tax	35,000	35,000	**18,925**	(16,075)	29,383
Total Taxes	1,440,260	1,440,260	**1,592,974**	152,714	1,214,744
Licenses, Permits and Fees:					
Amusement machine tax	325	325	**275**	(50)	225
Employment occupation tax	1,500	1,500	**1,500**	-	1,250
Business license	2,500	2,500	**6,875**	4,375	2,810
Liquor license	2,000	2,000	**829**	(1,171)	1,229
Mosquito control fee	6,000	6,000	**5,943**	(57)	5,893
Animal license	1,100	1,100	**500**	(600)	1,260
Impound fee	700	700	**140**	(560)	420
Development fee	-	-	**-**	-	-
Building permits	25,000	25,000	**133,486**	108,486	56,232
Total Licenses, Permits and Fees	39,125	39,125	**149,548**	110,423	69,319
Intergovernmental Revenues:					
Cigarette taxes	3,000	3,000	**3,601**	601	3,545
Severance tax	100,000	100,000	**70,250**	(29,750)	114,940
Total Intergovernmental Revenues	103,000	103,000	**73,851**	(29,149)	118,485
Charges for Services:					
Refuse collection charge	72,720	72,720	**72,231**	(489)	64,868
Late fees	3,250	3,250	**1,806**	(1,444)	722
Total Charges for Services	75,970	75,970	**74,037**	(1,933)	65,590
Parks and Recreation:					
Park reservations	750	750	**80**	(670)	775
Adult education	-	-	**-**	-	-
Baseball registration	9,000	9,000	**2,952**	(6,048)	9,614
Softball registration	1,500	1,500	**1,520**	20	1,412
Basketball registration	5,500	5,500	**4,440**	(1,060)	10,770
Soccer registration	4,500	4,500	**(280)**	(4,780)	5,218
Swimming registration	2,000	2,000	**606**	(1,394)	2,005
Youth volleyball	4,000	4,000	**2,615**	(1,385)	7,472
Flag football	800	800	**486**	(314)	1,547
Summer activities	800	800	**(660)**	(1,460)	2,292
Winter activities	800	800	**(6)**	(806)	400
United way	1,200	1,200	**1,143**	(57)	1,200
Miscellaneous rec programs	5,550	5,550	**7,364**	1,814	-
Total Parks and Recreation	36,400	36,400	**20,260**	(16,140)	42,705

(continued on next page)

Schedule of Revenues

Budget to Actual - ***General Fund (continued)***

Year Ended December 31, 2020

With Comparative Actual Amounts For the Year Ended December 31, 2019

Non-GAAP Budgetary Basis	2020 Original Budget	2020 Final Budget	2020 Actual	2020 Variance - Favorable (Unfavorable)	2019 Actual
Judicial:					
Fines and forfeitures	$ 80,000	$ 80,000	$ 71,247	$ (8,753)	$ 85,476
Traffic calming surcharge	9,000	9,000	6,127	(2,873)	10,215
ATV registrations	250	250	540	290	290
Police reports	300	300	510	210	911
SOE fees	1,000	1,000	580	(420)	600
Court costs	2,500	2,500	3,205	705	2,385
Surcharge	6,500	6,500	7,605	1,105	8,167
Total Judicial	99,550	99,550	89,814	(9,736)	108,044
Earnings on Investments:					
Earnings on investments	1,500	1,500	943	(557)	3,125
Net Increase (decrease) in the fair market of investments	-	-	-	-	-
Total Earnings on Investments	1,500	1,500	943	(557)	3,125
Miscellaneous Revenues:					
Donations	300	300	45,185	44,885	132,260
Miscellaneous revenues	15,750	15,750	23,275	7,525	67,047
Oil and gas royalties	40,000	40,000	8,567	(31,433)	15,998
Insurance proceeds	-	-	9,282	9,282	4,818
Park tree fund	-	-	-	-	-
Building rental	200	200	2,275	2,075	-
Contributions	-	-	-	-	-
Sale of assets	400,000	400,000	405,503	5,503	1,506
Loan proceeds	-	-	1,000,000	1,000,000	-
Grant proceeds	1,762,020	1,762,020	1,293,944	(468,076)	242,318
Total Miscellaneous Revenue	2,218,270	2,218,270	2,788,031	569,761	463,947
Total Revenue	$ 4,014,075	$ 4,014,075	$ 4,789,458	$ 775,383	$ 2,085,959

Schedule of Expenditures

Budget to Actual - ***General Fund***

Year Ended December 31, 2020

With Comparative Actual Amounts For the Year Ended December 31, 2019

	2020				
Non-GAAP Budgetary Basis	Original Budget	Final Budget	**Actual**	Variance - Favorable (Unfavorable)	**2019** Actual
General Government:					
General:					
Workmen's compensation	$ 11,830	$ 11,830	**$ 21,006**	$ (9,176)	$ 10,418
Auditing	4,080	4,080	**4,080**	-	3,885
Bank charges	550	550	**18,412**	(17,862)	742
Credit card charges	2,500	2,500	**2,180**	320	2,256
Treasurer's fee	8,500	8,500	**8,452**	48	3,769
Insurance	9,308	9,308	**14,428**	(5,120)	8,857
Professional services	-	-	**-**	-	-
Bookkeeping services	-	-	**-**	-	-
IT services	3,500	3,500	**8,810**	(5,310)	4,018
Total General	40,268	40,268	**77,368**	(37,100)	33,945
Administrative:					
Salaries	170,795	170,795	**188,727**	(17,932)	175,414
Payroll taxes	14,595	14,595	**14,702**	(107)	13,858
Health insurance	33,893	33,893	**34,987**	(1,094)	35,921
Dental insurance	2,654	2,654	**1,315**	1,339	2,259
AFLAC coverage	436	436	**1,167**	(731)	172
Life insurance	90	90	**(14)**	104	93
Short-term disability insurance	694	694	**718**	(24)	705
Long-term disability insurance	1,125	1,125	**1,130**	(5)	1,135
E 457 retirement contribution	5,712	5,712	**5,781**	(69)	6,486
Cont. education, seminars, training	7,500	7,500	**1,380**	6,120	4,915
Administrative transfer	(14,400)	(14,400)	**(14,400)**	-	(14,400)
Legal services	25,000	25,000	**23,687**	1,313	19,805
Publishing	2,500	2,500	**563**	1,937	1,499
Web publishing	636	636	**-**	636	696
Online code	299	299	**2,357**	(2,058)	462
Dues and subscriptions	886	886	**2,598**	(1,712)	4,056
Miscellaneous	10,700	10,700	**16,542**	(5,842)	19,699
Postage	600	600	**612**	(12)	869
Professional services	6,900	6,900	**6,295**	605	6,186
Repairs and maintenance - building	5,000	5,000	**1,249**	3,751	4,365
Repairs and maintenance - equip/mach	300	300	**240**	60	858
Repairs and maintenance - office equip	300	300	**46**	254	-
Repairs and maintenance - vehicles	2,500	2,500	**2,253**	247	3,284
TH cleaning	2,300	2,300	**2,120**	180	1,920
Supplies - general	25,000	25,000	**16,575**	8,425	4,836
Supplies - office	50,000	50,000	**34,578**	15,422	2,146
Telephone expense	900	900	**1,992**	(1,092)	1,476
Travel and meetings	5,000	5,000	**2,229**	2,771	4,878
Utility expense	2,000	2,000	**3,214**	(1,214)	2,201
Bad debt	-	-	**15,654**	(15,654)	-
Total Administrative	363,915	363,915	**368,297**	(4,382)	305,794
Elections:					
Legal services	700	700	**21**	679	-
Publishing	100	100	**101**	(1)	-
Election judges	300	300	**300**	-	-
Meals	75	75	**48**	27	-
Supplies - general	3,000	3,000	**1,193**	1,807	-
Total Elections	4,175	4,175	**1,663**	2,512	-

(continued on next page)

Schedule of Expenditures

*Budget to Actual - **General Fund (continued)***

Year Ended December 31, 2020

With Comparative Actual Amounts For the Year Ended December 31, 2019

	2020				
Non-GAAP Budgetary Basis	Original Budget	Final Budget	**Actual**	Variance - Favorable (Unfavorable)	**2019** Actual
General Government: (continued)					
Planning and Zoning:					
Legal services	$ 1,000	$ 1,000	$ **538**	$ 462	$ -
Publishing	200	200	**-**	200	-
Professional services	32,000	32,000	**11,507**	20,493	24,858
Recording fees	200	200	**128**	72	201
Supplies - general	100	100	**-**	100	79
Dues and subscriptions	4,857	4,857	**-**	4,857	1,714
Total Planning and Zoning	38,357	38,357	**12,173**	26,184	26,852
Total General Government	446,715	446,715	**459,501**	(12,786)	366,591
Public Safety:					
Police:					
Salaries	355,417	355,417	**313,454**	41,963	302,823
Holiday pay	9,600	9,600	**650**	8,950	-
Payroll taxes	35,542	35,542	**23,599**	11,943	22,820
Health insurance	55,519	55,519	**35,234**	20,285	24,448
Dental insurance	5,180	5,180	**1,452**	3,728	5,458
AFLAC coverage	752	752	**-**	752	287
Life insurance	80	80	**36**	44	60
Short-term disability insurance	360	360	**181**	179	188
Long-term disability insurance	240	240	**227**	13	250
E 457 retirement contribution	40,309	40,309	**18,055**	22,254	9,261
Cont. education, seminars, training	5,000	5,000	**684**	4,316	2,715
Pre-employment exams	1,000	1,000	**2,713**	(1,713)	995
Publishing	676	676	**-**	676	901
Clothing and uniforms	5,500	5,500	**5,854**	(354)	1,918
Crime prevention	250	250	**84**	166	3,808
Juvenile assessment center	1,000	1,000	**282**	718	470
Dues and subscriptions	300	300	**883**	(583)	762
Gas, oil, diesel fuel, etc.	15,000	15,000	**10,555**	4,445	17,756
Investigations	2,500	2,500	**892**	1,608	4,604
Weld county communications	17,306	17,306	**17,306**	-	14,377
Postage	100	100	**150**	(50)	174
Professional services	2,500	2,500	**15,716**	(13,216)	8,068
Record management	4,581	4,581	**4,361**	220	1,367
Repairs and maintenance - building	1,000	1,000	**155**	845	1,038
Repairs and maintenance - equip/mach	1,000	1,000	**1,179**	(179)	1,090
Repairs and maintenance - office equip	1,000	1,000	**-**	1,000	417
Repairs and maintenance - vehicles	5,000	5,000	**23,258**	(18,258)	10,211
Supplies - general	21,000	21,000	**15,324**	5,676	8,239
Supplies - office	11,500	11,500	**1,279**	10,221	1,484
Telephone expense	5,000	5,000	**7,120**	(2,120)	5,686
Travel and meetings	2,000	2,000	**151**	1,849	1,325
Utility expense	800	800	**1,659**	(859)	974
Total Police	607,012	607,012	**502,493**	104,519	453,974
Other Protection					
Publishing	150	150	**-**	150	150
Animal shelter fees	300	300	**698**	(398)	838
Supplies - general	100	100	**62**	38	100
Building inspection fees	25,000	25,000	**104,769**	(79,769)	21,223
Total Other Protection	25,550	25,550	**105,529**	(79,979)	22,311
Total Public Safety	632,562	632,562	**608,022**	24,540	476,285

(continued on next page)

Schedule of Expenditures

Budget to Actual - ***General Fund (continued)***

Year Ended December 31, 2020

With Comparative Actual Amounts For the Year Ended December 31, 2019

Non-GAAP Budgetary Basis	2020 Original Budget	2020 Final Budget	2020 **Actual**	2020 Variance - Favorable (Unfavorable)	**2019** Actual
Public Works:					
Sanitation					
Administrative transfer	$ 5,400	$ 5,400	$ **5,400**	$ -	$ 5,400
Operation transfer	3,500	3,500	**3,500**	-	3,500
Auditing	1,360	1,360	**1,360**	-	1,295
Postage	500	500	**504**	(4)	614
Trash collection	52,000	52,000	**58,614**	(6,614)	65,659
Clean-up day roll operations	5,625	5,625	**3,925**	1,700	3,730
Total Sanitation	68,385	68,385	**73,303**	(4,918)	80,198
Total Public Works	68,385	68,385	**73,303**	(4,918)	80,198
Parks and Recreation:					
Parks:					
Salaries	56,177	56,177	**15,136**	41,041	17,167
Payroll taxes	4,078	4,078	**1,157**	2,921	1,314
Health insurance	4,275	4,275	**2,248**	2,027	2,392
Dental insurance	311	311	**252**	59	227
Life insurance	20	20	**8**	12	7
Short-term disability insurance	70	70	**62**	8	58
Long-term disability insurance	80	80	**76**	4	70
E 457 retirement contribution	520	520	**347**	173	317
Repairs and maintenance - parks	-	-	**19,444**	(19,444)	23,644
Total Parks	65,531	65,531	**38,730**	26,801	45,196
Recreation:					
Salaries - part-time	60,237	60,237	**72,104**	(11,867)	52,765
Payroll taxes	3,744	3,744	**5,320**	(1,576)	3,878
Health and dental insurance	12,790	12,790	**15,115**	(2,325)	10,367
E 457 retirement contribution	1,808	1,808	**1,930**	(122)	1,288
Cont. education, seminar, training	1,000	1,000	**709**	291	783
Publishing	100	100	**-**	100	-
Web publishing	637	637	**-**	637	696
Dues and subscriptions	115	115	**542**	(427)	1,292
Miscellaneous	8,075	8,075	**10,869**	(2,794)	-
Postage	-	-	**-**	-	99
IT services	1,000	1,000	**5,586**	(4,586)	3,537
Building rental fees	6,500	6,500	**2,612**	3,888	2,543
Baseball - supplies and fees	5,500	5,500	**4,178**	1,322	11,630
Softball - supplies and fees	1,000	1,000	**1,327**	(327)	672
Basketball - supplies and fees	5,250	5,250	**3,861**	1,389	10,361
Supplies - concession	250	250	**241**	9	109
Supplies - general	500	500	**2,119**	(1,619)	543
Supplies - office	1,500	1,500	**1,307**	193	1,285
Soccer - supplies and fees	4,000	4,000	**922**	3,078	7,055
Flag football - supplies and fees	700	700	**375**	325	1,266
Volleyball - supplies and fees	4,000	4,000	**2,819**	1,181	5,289
Summer activities	3,000	3,000	**2,895**	105	5,240
Winter/Spring activities	1,200	1,200	**3,006**	(1,806)	1,326
Swim classes	2,200	2,200	**-**	2,200	2,634
Telephone expense	600	600	**573**	27	688
Travel and meetings	200	200	**78**	122	49
Repairs and maintenance	1,500	1,500	**391**	1,109	4,229
Total Recreation	127,406	127,406	**138,879**	(11,473)	129,624
Total Parks and Recreation	192,937	192,937	**177,609**	15,328	174,820

(continued on next page)

TOWN OF KERSEY, COLORADO

Schedule of Expenditures

*Budget to Actual - **General Fund (continued)***

Year Ended December 31, 2020

With Comparative Actual Amounts For the Year Ended December 31, 2019

	2020				
Non-GAAP Budgetary Basis	Original Budget	Final Budget	**Actual**	Variance - Favorable (Unfavorable)	**2019** Actual
Health and Welfare:					
Chemicals	$ 5,390	$ 5,390	**$ 5,390**	$ -	$ 5,390
Total Health and Welfare	5,390	5,390	**5,390**	-	5,390
Legislative:					
Payroll taxes	490	490	**851**	(361)	505
Legal services	7,000	7,000	**6,437**	563	10,209
Publishing	150	150	**-**	150	-
Mayor and trustee fees	10,800	10,800	**11,125**	(325)	6,700
Public relations	500	500	**795**	(295)	779
Supplies - office	300	300	**107**	193	223
Travel and meetings	3,000	3,000	**-**	3,000	10,258
Donation	300	300	**-**	300	-
Total Legislative	22,540	22,540	**19,315**	3,225	28,674
Judicial:					
Legal services	7,000	7,000	**4,575**	2,425	7,147
Municipal judge	4,200	4,200	**3,500**	700	350
Payroll taxes	350	350	**-**	350	-
Dues and subscriptions	-	-	**20**	(20)	-
Juror fees	-	-	**-**	-	-
Postage	200	200	**206**	(6)	174
Professional services	1,200	1,200	**700**	500	900
Supplies - office	500	500	**436**	64	211
Total Judicial	13,450	13,450	**9,437**	4,013	8,782
Library:					
Salaries	-	-	**-**	-	-
Payroll taxes	-	-	**-**	-	-
Building rent	3,000	3,000	**3,000**	-	3,250
Repairs and maintenance - building	2,000	2,000	**63**	1,937	700
Repairs and maintenance - office equip	-	-	**-**	-	-
Supplies - general	-	-	**-**	-	-
Supplies - office	-	-	**205**	(205)	-
Utility expense	2,500	2,500	**2,633**	(133)	2,878
Total Library	7,500	7,500	**5,901**	1,599	6,828
Seniors:					
Salaries	33,197	33,197	**18,026**	15,171	20,457
Payroll taxes	2,076	2,076	**1,330**	746	1,524
Health and dental insurance	12,754	12,754	**3,779**	8,975	3,100
E 457 retirement contribution	993	993	**483**	510	-
Repairs and maintenance - building	2,000	2,000	**1,429**	571	1,252
Supplies - general	12,500	12,500	**6,256**	6,244	2,611
Utility expense	4,100	4,100	**8,206**	(4,106)	-
Professional services	72,000	72,000	**17,592**	54,408	10,213
Total Seniors	139,620	139,620	**57,101**	82,519	39,157
Capital Outlay					
General government	2,172,020	2,172,020	**3,827,278**	(1,655,258)	1,316,948
Public safety - police	80,000	80,000	**106,350**	(26,350)	-
Parks and recreation	37,500	37,500	**41,342**	(3,842)	20,720
Total Capital Outlay	2,289,520	2,289,520	**3,974,970**	(1,685,450)	1,337,668
Debt Service					
Principal	-	-	**-**	-	19,193
Interest	-	-	**-**	-	71
Total Debt Service	-	-	**-**	-	19,264
Total Expenditures	$ 3,818,619	$ 3,818,619	**$ 5,390,549**	$ (1,571,930)	$ 2,543,657

TOWN OF KERSEY, COLORADO

Reconciliation of Budgetary Basis to GAAP Basis

Budget to Actual - ***General Fund***

Year Ended December 31, 2020

With Comparative Actual Amounts For the Year Ended December 31, 2019

	2020				
Non-GAAP Budgetary Basis	Original Budget	Final Budget	**Actual**	Variance - Favorable (Unfavorable)	**2019** Actual
Revenues:					
Taxes	$ 1,440,260	$ 1,440,260	**$ 1,592,974**	$ 152,714	$ 1,214,744
Licenses and permits	39,125	39,125	**149,548**	110,423	69,319
Intergovernmental revenues	103,000	103,000	**73,851**	(29,149)	118,485
Charges for services	75,970	75,970	**74,037**	(1,933)	65,590
Parks and recreation	36,400	36,400	**20,260**	(16,140)	42,705
Judicial	99,550	99,550	**89,814**	(9,736)	108,044
Earnings on investments	1,500	1,500	**943**	(557)	3,125
Miscellaneous revenues	2,218,270	2,218,270	**2,788,031**	569,761	463,947
Total Revenues	4,014,075	4,014,075	**4,789,458**	775,383	2,085,959
Transfers In:					
Street Fund	-	-	**-**	-	-
Conservation Trust Fund	-	-	**-**	-	-
Capital Fund	-	-	**-**	-	-
Total Transfers In	-	-	**-**	-	-
Total Revenues and Transfers	4,014,075	4,014,075	**4,789,458**	775,383	2,085,959
Expenditures:					
General government	446,715	446,715	**459,501**	(12,786)	366,591
Public safety	632,562	632,562	**608,022**	24,540	476,285
Public works	68,385	68,385	**73,303**	(4,918)	80,198
Parks and recreation	192,937	192,937	**177,609**	15,328	174,820
Health and welfare	5,390	5,390	**5,390**	-	5,390
Legislative	22,540	22,540	**19,315**	3,225	28,674
Judicial	13,450	13,450	**9,437**	4,013	8,782
Library	7,500	7,500	**5,901**	1,599	6,828
Seniors	139,620	139,620	**57,101**	82,519	39,157
Capital outlay	2,289,520	2,289,520	**3,974,970**	(1,685,450)	1,337,668
Debt service	-	-	**-**	-	19,264
Total Expenditures	3,818,619	3,818,619	**5,390,549**	(1,571,930)	2,543,657
Transfers Out:					
Street Fund	-	-	**-**	-	-
Conservation Trust Fund	-	-	**-**	-	-
Capital Fund	15,813	15,813	**414,893**	(399,080)	394,305
Water Fund	-	-	**40,573**	(40,573)	-
Sewer Fund	-	-	**677,091**	(677,091)	-
Total Transfers Out	15,813	15,813	**1,132,557**	(1,116,744)	394,305
Total Expenditures and Transfers	3,834,432	3,834,432	**6,523,106**	(2,688,674)	2,937,962
Excess (Deficit) of Revenues and Transfers over Expenditures and Transfers	$ 179,643	$ 179,643	**(1,733,648)**	$ (1,913,291)	(852,003)
Reconciliation of Budgetary Basis to GAAP Basis:					
Capital asset purchases capitalized			**3,974,970**		1,337,668
Capital assets sold			**(138,595)**		-
Depreciation expense			**(161,845)**		(87,441)
Long term debt - payments			**-**		19,193
Long term debt - proceeds			**(1,000,000)**		-
Compensated absences			**(8,094)**		(9,669)
Capital lease obligations			**-**		-
Net pension liability (asset)			**5,972**		(1,342)
Change in Net Position			**$ 938,760**		$ 406,406

TOWN OF KERSEY, COLORADO

Schedule of Revenues

*Budget to Actual - **Street Fund***

Year Ended December 31, 2020

With Comparative Actual Amounts For the Year Ended December 31, 2019

	2020				
Non-GAAP Budgetary Basis	Original Budget	Final Budget	**Actual**	Variance - Favorable (Unfavorable)	**2019** Actual
Taxes:					
Motor vehicle sales and use tax	$ 3,500	$ 3,500	**$ 3,416**	$ (84)	$ 3,548
Sales tax	275,000	275,000	**336,676**	61,676	379,998
Specific ownership tax	25,500	25,500	**40,344**	14,844	25,292
Total Taxes	304,000	304,000	**380,436**	76,436	408,838
Intergovernmental Revenues:					
Highway users tax	54,198	54,198	**54,339**	141	71,710
Motor vehicles registration fee	5,000	5,000	**8,660**	3,660	9,137
County road and bridge	38,302	38,302	**38,200**	(102)	18,027
Total Intergovernmental Revenues	97,500	97,500	**101,199**	3,699	98,874
Earnings on Investments:					
Earnings on investments	200	200	**303**	103	884
Net Increase (decrease) in the fair market of investments	-	-	**-**	-	-
Total Earnings on Investments	200	200	**303**	103	884
Miscellaneous Revenues:					
Streets reimbursements	500	500	**-**	(500)	1,316
Traffic calming surcharge	3,000	3,000	**2,450**	(550)	3,255
Maintenance income	-	-	**840**	840	715
Other income	1,000	-	**2,209**	2,209	1,451
Grants	-	-	**-**	-	-
Contributions	-	-	**13,573**	13,573	-
Sale of assets	-	-	**-**	-	16,464
Total Miscellaneous Revenue	4,500	3,500	**19,072**	15,572	23,201
Total Revenues	$ 406,200	$ 405,200	**$ 501,010**	$ 95,810	$ 531,797

TOWN OF KERSEY, COLORADO

Schedule of Expenditures
*Budget to Actual - **Street Fund***
Year Ended December 31, 2020
With Comparative Actual Amounts For the Year Ended December 31, 2019

	2020				
Non-GAAP Budgetary Basis	Original Budget	Final Budget	**Actual**	Variance - Favorable (Unfavorable)	**2019** Actual
General Government:					
General:					
Workmen's compensation	$ 3,011	$ 3,011	**$ 4,574**	$ (1,563)	$ 2,173
Auditing	2,040	2,040	**2,040**	-	1,943
Legal services	2,000	2,000	**-**	2,000	61
Publishing	100	100	**-**	100	-
Professional services	3,000	3,000	**1,491**	1,509	1,806
IT services	1,020	1,020	**5,755**	(4,735)	3,645
Total General	11,171	11,171	**13,860**	(2,689)	9,628
Administrative:					
Administrative fee allocation	9,000	9,000	**8,990**	10	8,990
Professional services	299	299	**662**	(363)	462
Repairs and maintenance	1,000	1,000	**50**	950	47
TH cleaning	2,300	2,300	**520**	1,780	2,120
Supplies - office	500	500	**631**	(131)	906
Total Administrative	13,099	13,099	**10,853**	2,246	12,525
Total General Government	24,270	24,270	**24,713**	(443)	22,153
Public Works:					
Operations:					
Salaries	48,144	48,144	**38,565**	9,579	38,986
Payroll taxes	6,388	6,388	**2,947**	3,441	2,994
Health insurance	14,646	14,646	**6,745**	7,901	7,235
Dental insurance	1,095	1,095	**757**	338	662
AFLAC coverage	125	125	**-**	125	43
Life insurance	65	65	**24**	41	23
Short-term disability insurance	225	225	**187**	38	175
Long-term disability insurance	250	250	**227**	23	215
E 457 retirement coverage	1,151	1,151	**1,041**	110	951
Cont. education, seminars, training	1,000	1,000	**867**	133	201
Administrative transfer	(1,165)	(1,165)	**(1,165)**	-	(1,165)
Clothing and uniforms	334	334	**138**	196	234
Gas, oil, diesel fuel, etc.	3,000	3,000	**1,150**	1,850	3,990
Repairs and maintenance - building	1,000	1,000	**-**	1,000	2
Repairs and maintenance - equip/mach	4,000	4,000	**2,205**	1,795	8,152
Repairs and maintenance - signs	3,000	3,000	**2,747**	253	1,815
Repairs and maintenance - streets	3,500	3,500	**3,819**	(319)	4,741
Repairs and maintenance - marking	11,000	11,000	**-**	11,000	1,097
Repairs and maintenance - vehicles	3,500	3,500	**3,512**	(12)	2,660
Repairs and maintenance - cr 55	15,000	15,000	**10,321**	4,679	3,550
Street improvements	200,000	200,000	**136,973**	63,027	-
Street cleaning	15,000	15,000	**5,702**	9,298	4,438
Street sweeping	-	-	**-**	-	7,307
Snow removal	12,000	12,000	**-**	12,000	7,671
Street lights	15,000	15,000	**15,578**	(578)	15,866
Supplies - general	1,500	1,500	**1,214**	286	2,151
Telephone expense	1,000	1,000	**827**	173	1,000
Travel and meetings	200	200	**86**	114	91
Utility expense	2,000	2,000	**1,313**	687	1,985
Asset management	1,133	1,133	**1,133**	-	2,208
Total Operations	364,091	364,091	**236,913**	127,178	119,278
Total Public Works	364,091	364,091	**236,913**	127,178	119,278
Capital Outlay	5,000	5,000	**25,108**	(20,108)	62,298
Total Capital Outlay	5,000	5,000	**25,108**	(20,108)	62,298
Total Expenditures	$ 393,361	$ 393,361	**$ 286,734**	$ 106,627	$ 203,729

TOWN OF KERSEY, COLORADO

Reconciliation of Budgetary Basis to GAAP Basis

Budget to Actual - ***Street Fund***

Year Ended December 31, 2020

With Comparative Actual Amounts For the Year Ended December 31, 2019

	2020				
Non-GAAP Budgetary Basis	Original Budget	Final Budget	**Actual**	Variance - Favorable (Unfavorable)	**2019** Actual
Revenues:					
Taxes	$ 304,000	$ 304,000	**$ 380,436**	$ 76,436	$ 408,838
Licenses and permits	-	-	**-**	-	-
Intergovernmental revenues	97,500	97,500	**101,199**	3,699	98,874
Charges for services	-	-	**-**	-	-
Parks and recreation	-	-	**-**	-	-
Judicial	-	-	**-**	-	-
Earnings on investments	200	200	**303**	103	884
Miscellaneous revenues	4,500	3,500	**19,072**	15,572	23,201
Total Revenues	406,200	405,200	**501,010**	95,810	531,797
Transfers In:					
General Fund	-	-	**-**	-	-
Capital Fund	-	-	**2,822**	2,822	24,438
Water Fund	-	-	**-**	-	-
Total Transfers In	-	-	**2,822**	2,822	24,438
Total Revenues and Transfers	406,200	405,200	**503,832**	98,632	556,235
Expenditures:					
General government	24,270	24,270	**24,713**	(443)	22,153
Public safety	-	-	**-**	-	-
Public works	364,091	364,091	**236,913**	127,178	119,278
Parks and recreation	-	-	**-**	-	-
Health and welfare	-	-	**-**	-	-
Legislative	-	-	**-**	-	-
Judicial	-	-	**-**	-	-
Library	-	-	**-**	-	-
Seniors	-	-	**-**	-	-
Capital outlay	5,000	5,000	**25,108**	(20,108)	62,298
Total Expenditures	393,361	393,361	**286,734**	106,627	203,729
Transfers Out:					
General Fund	-	-	**-**	-	-
Capital Fund	53,896	53,896	**29,750**	24,146	53,896
Water Fund	-	-	**-**	-	-
Total Transfers Out	53,896	53,896	**29,750**	24,146	53,896
Total Expenditures and Transfers	447,257	447,257	**316,484**	130,773	257,625
Excess (Deficit) of Revenues and Transfers over Expenditures and Transfers	$ (41,057)	$ (42,057)	**187,348**	$ 229,405	298,610
Reconciliation of Budgetary Basis to GAAP Basis:					
Capital asset purchases capitalized			**25,108**		62,298
Capital assets sold			**-**		-
Depreciation expense			**(71,292)**		(78,043)
Change in Net Position			**$ 141,164**		$ 282,865

TOWN OF KERSEY, COLORADO

Schedule of Proportionate Share of the Net Pension Liability and
Schedule of Contributions

Fire and Police Pension Association of Colorado (FPPA)
For The Last 10 Years (to be built prospectively)

SCHEDULE OF PROPORTIONATE SHARE OF THE NET PENSION LIABILITY

Fiscal Year Ending December 31	2019	2018	2017 *	2016	2015	2014	2013	2012	2011	2010
Town's proportion of the net pension liability (asset)	0.0161900%	0.0144200%	0.0175200%	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Town's proportionate share of the net pension liability (asset)	$ (9,158)	$ 18,230	$ -	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Town's covered payroll	$ 238,700	$ 193,175	$ 153,692	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Town's proportionate share of the net pension liability (asset) as a percentage of its covered payroll	-3.84%	9.44%	0.00%	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Plan fiduciary net position as a percentage of total pension liability (asset)	101.90%	95.20%	106.30%	N/A	N/A	N/A	N/A	N/A	N/A	N/A

SCHEDULE OF CONTRIBUTIONS

Fiscal Year Ending December 31	2019	2018	2017 *	2016	2015	2014	2013	2012	2011	2010
Contractually required contribution	9,548	7,727	6,148	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Contribution in relation to the contractually required contribution	(9,548)	(7,727)	(6,148)	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Contribution deficiency (excess)	-	-	-	-	-	-	-	-	-	-
Town's covered payroll	$ 238,700	$ 193,175	$ 153,692	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Contributions as a percentage of covered payroll	4.00%	4.00%	4.00%	N/A	N/A	N/A	N/A	N/A	N/A	N/A

* year started with FPPA

OTHER SUPPLEMENTAL INFORMATION

TOWN OF KERSEY, COLORADO

Combining Balance Sheet

Governmental Funds - Nonmajor

December 31, 2020

	Conservation Trust	Capital	Total Nonmajor
ASSETS			
Current Assets:			
Cash on hand and in checking	$ (77,162)	$ 1,760,059	**$ 1,682,897**
Cash on deposit - county treasurer	-	-	**-**
Cash in savings	161,323	120,598	**281,921**
Total Cash	84,161	1,880,657	**1,964,818**
Certificates of deposit	-	-	**-**
Colotrust	-	-	**-**
Total Investments	-	-	**-**
Property taxes receivable	-	-	**-**
Accounts receivable	-	-	**-**
Accrued interest receivable	-	-	**-**
Prepaid expenses	-	-	**-**
Due from other funds	-	-	**-**
Total Current Assets	84,161	1,880,657	**1,964,818**
Total Assets	84,161	1,880,657	**1,964,818**
DEFERRED OUTFLOWS			
Grant expenditures paid in advance of meeting timing requirements	-	-	**-**
Total Assets & Deferred Outflows	$ 84,161	$ 1,880,657	**$ 1,964,818**
LIABILITIES			
Current Liabilities:			
Accounts payable	$ -	$ -	**$ -**
Payroll taxes payable	-	-	**-**
Accrued interest payable	-	-	**-**
Due to other funds	-	-	**-**
Total Current Liabilities	-	-	**-**
Total Liabilities	-	-	**-**
DEFERRED INFLOWS			
Unearned revenue	-	-	**-**
Total Liabilities & Deferred Inflows	-	-	**-**
FUND BALANCE			
Non-spendable	-	-	**-**
Restricted	84,161	1,880,657	**1,964,818**
Committed	-	-	**-**
Assigned	-	-	**-**
Unassigned	-	-	**-**
Total Fund Balance	84,161	1,880,657	**1,964,818**
Total Fund Balance, Liabilities & Deferred Inflows	$ 84,161	$ 1,880,657	**$ 1,964,818**

Reconciliation of the Balance Sheet to the Statement of Net Position	
Total Governmental Fund Balance	**$ 1,964,818**
Amounts reported for governmental activities in the statement of net position are different because:	
Capital assets used in governmental activities are not financial resources and therefore are not reported in the funds:	
Capital assets	**-**
Less: accumulated depreciation	**-**
Long-term liabilities, including capital leases, are not due and payable in the current period, therefore, they are not reported in the funds:	
Capital leases	**-**
Compensated absences	**-**
Net Position of Governmental Activities	**$ 1,964,818**

TOWN OF KERSEY, COLORADO

Combining Statement of Revenues, Expenditures, and Changes in Fund Balances

Governmental Funds - Nonmajor

December 31, 2020

	Conservation Trust	Capital	Total Nonmajor
Revenues:			
Taxes	$ -	$ 27,280	**$ 27,280**
Licenses and permits	-	-	**-**
Intergovernmental revenue	16,823	-	**16,823**
Charges for services	-	-	**-**
Parks and recreation	-	-	**-**
Judicial	-	-	**-**
Earnings on investments	36	303	**339**
Miscellaneous revenues	-	4,988	**4,988**
Total Revenues	16,859	32,571	**49,430**
Expenditures:			
Current:			
General government	-	-	**-**
Public safety	-	-	**-**
Public works	-	-	**-**
Parks and recreation	12,702	-	**12,702**
Health and welfare	-	-	**-**
Legislative	-	-	**-**
Judicial	-	-	**-**
Library	-	-	**-**
Seniors	-	-	**-**
Capital outlay	-	-	**-**
Total Expenditures	12,702	-	**12,702**
Excess (Deficiency) of Revenues over Expenditures	4,157	32,571	**36,728**
Other Financing Sources (Uses):			
Sale of assets	-	-	**-**
Contributions	-	-	**-**
Transfers in	-	493,310	**493,310**
Transfers out	-	(8,465)	**(8,465)**
Total Other Financing Sources (Uses)	-	484,845	**484,845**
Net Change in Fund Balance	4,157	517,416	**521,573**
Fund Balance - beginning of year	80,004	1,363,241	**1,443,245**
Fund Balance - End of Year	$ 84,161	$ 1,880,657	**$ 1,964,818**

Reconciliation of Statement of Revenues, Expenditures and Changes in Fund Balance to the Statement of Activities:	
Net Change in Fund Balance - Total Governmental Funds	**$ 521,573**
Amounts reported for governmental activities in the statement of activities are different because:	
Governmental funds report capital outlays as expenditures while governmental activities report depreciation expense to allocate those expenditures over the life of the assets:	
Capital asset purchases capitalized	**-**
Depreciation expense	**-**
Change in Net Position of Governmental Activities	**$ 521,573**

See accompanying notes to the basic financial statements

TOWN OF KERSEY, COLORADO

Budgetary Comparison Schedule

Budget to Actual - ***Conservation Trust Fund***

Year Ended December 31, 2020

With Comparative Actual Amounts For the Year Ended December 31, 2019

Non-GAAP Budgetary Basis	2020 Original Budget	2020 Final Budget	2020 Actual	2020 Variance - Favorable (Unfavorable)	2019 Actual
Revenues:					
Intergovernmental Revenue:					
State lottery funds	$ 15,000	$ 15,000	$ 16,823	$ 1,823	$ 18,295
Total Intergovernmental Revenue	15,000	15,000	16,823	1,823	18,295
Earnings on Investment:					
Earnings on investments	300	300	36	(264)	245
Net increase (decrease) in fair value of investments	-	-	-	-	-
Total Earnings on Investment	300	300	36	(264)	245
Miscellaneous Revenues:					
Park fees	-	-	-	-	-
Total Miscellaneous Revenues	-	-	-	-	-
Transfers In:					
General Fund	-	-	-	-	-
Total Transfers In	-	-	-	-	-
Total Revenues and Transfers	15,300	15,300	16,859	1,559	18,540
Expenditures:					
Parks:					
Chemicals	2,000	2,000	248	1,752	-
Professional services	-	-	-	-	-
Repairs and maintenance - building	1,500	1,500	716	784	2,694
Repairs and maintenance - equip	1,000	1,000	1,066	(66)	1,500
Repairs and maintenance - turf	2,500	2,500	2,473	27	-
Tree trimming	1,000	1,000	5,625	(4,625)	135
Park Equipment	1,000	1,000	-	1,000	-
Supplies - general	1,000	1,000	2,574	(1,574)	1,871
Supplies - office	-	-	-	-	-
Capital outlay	5,000	5,000	-	5,000	-
Total Parks	15,000	15,000	12,702	2,298	6,200
Community Center:					
Repairs and maintenance - building	-	-	-	-	-
Repairs and maintenance - equip	-	-	-	-	-
Supplies - general	-	-	-	-	-
Supplies - office	-	-	-	-	-
Total Parks	-	-	-	-	-
Total Expenditures	15,000	15,000	12,702	2,298	6,200
Transfers Out:					
General Fund	-	-	-	-	-
Total Transfers Out	-	-	-	-	-
Total Expenditures and Transfers	15,000	15,000	12,702	2,298	6,200
Excess (Deficit) of Revenues Over Expenditures and Transfers	$ 300	$ 300	4,157	$ 3,857	12,340
Reconciliation of Budgetary Basis to GAAP Basis:					
Capital asset purchases capitalized			-		-
Depreciation expense			-		-
Change in Net Position			$ 4,157		$ 12,340

TOWN OF KERSEY, COLORADO

Budgetary Comparison Schedule

Budget to Actual - ***Capital Fund***

Year Ended December 31, 2020

With Comparative Actual Amounts For the Year Ended December 31, 2019

	2020				
Non-GAAP Budgetary Basis	Original Budget	Final Budget	**Actual**	Variance - Favorable (Unfavorable)	**2019** Actual
Revenues:					
Taxes:					
Use tax	$ 30,000	$ 30,000	**$ 27,280**	$ (2,720)	$ 99,233
Total Taxes	30,000	30,000	**27,280**	(2,720)	99,233
Earnings on Investment:					
Earnings on investments	500	500	**303**	(197)	885
Net increase (decrease) in fair value of investments	-	-	**-**	-	-
Total Earnings on Investment	500	500	**303**	(197)	885
Miscellaneous Revenues:					
Road development fees	2,875	2,875	**3,938**	1,063	2,202
Drainage fees	1,500	1,500	**1,050**	(450)	1,200
Park fees	4,250	4,250	**-**	(4,250)	3,400
Contributions	2,060,492	2,060,492	**-**	(2,060,492)	-
Grant proceeds	2,162,020	2,162,020	**-**	(2,162,020)	-
Total Miscellaneous Revenues	4,231,137	4,231,137	**4,988**	(4,226,149)	6,802
Transfers In:					
General Fund	15,813	15,813	**414,893**	399,080	394,305
Street Fund	53,896	53,896	**29,750**	(24,146)	53,896
Sewer Fund	2,667	2,667	**2,667**	-	2,667
Water Fund	106,551	106,551	**46,000**	(60,551)	106,551
Total Transfers In	178,927	178,927	**493,310**	314,383	557,419
Total Revenues and Transfers	4,440,564	4,440,564	**525,881**	(3,914,683)	664,339
Expenditures:					
Park planning	-	-	**-**	-	-
Capital Outlay:					
Equipment	-	-	**-**	-	-
Projects	-	-	**-**	-	-
Vehicles & machinery	-	-	**-**	-	-
Total Expenditures	-	-	**-**	-	-
Transfers Out:					
General Fund	4,241,262	4,241,262	**-**	4,241,262	-
Street Fund	-	-	**2,822**	(2,822)	24,438
Sewer Fund	-	-	**2,822**	(2,822)	-
Water Fund	-	-	**2,821**	(2,821)	-
Total Transfers Out	4,241,262	4,241,262	**8,465**	4,232,797	24,438
Total Expenditures and Transfers	4,241,262	4,241,262	**8,465**	4,232,797	24,438
Excess (Deficit) of Revenues Over Expenditures and Transfers	$ 199,302	$ 199,302	**517,416**	$ 318,114	639,901
Reconciliation of Budgetary Basis to GAAP Basis:					
Capital asset purchases capitalized			**-**		-
Depreciation expense			**-**		-
Change in Net Position			**$ 517,416**		$ 639,901

TOWN OF KERSEY, COLORADO

Schedule of Revenues

*Budget to Actual - **Water Fund***

Year Ended December 31, 2020

With Comparative Actual Amounts For the Year Ended December 31, 2019

	2020				
Non-GAAP Budgetary Basis	Original Budget	Final Budget	**Actual**	Variance - Favorable (Unfavorable)	**2019** Actual
Operating Revenues:					
Water sales	$ 350,000	$ 350,000	**$ 359,431**	$ 9,431	$ 322,493
Tap fees	35,000	35,000	**9,500**	(25,500)	28,000
Bulk water sales	6,500	6,500	**6,501**	1	6,936
Water purchased	-	-	**-**	-	35,000
Hydrant fees	1,500	1,500	**3,594**	2,094	3,000
Late fees	10,000	10,000	**8,523**	(1,477)	13,080
Meter charges	2,500	2,500	**-**	(2,500)	2,800
Miscellaneous	500	500	-	(500)	-
Total Operating Revenues	406,000	406,000	**387,549**	(18,451)	411,309
Earnings on Investment:					
Earnings on investments	1,700	1,700	**4,377**	2,677	5,685
Net Increase (decrease) in the fair market of investments	-	-	**-**	-	-
Total Earnings on Investment	1,700	1,700	**4,377**	2,677	5,685
Miscellaneous Revenues:					
Contributions from customers	-	-	**-**	-	-
Contributions from subdividers	-	-	**13,573**	13,573	-
Sale of assets	-	-	**-**	-	-
Loan proceeds	-	-	**-**	-	-
Grants	-	-	**-**	-	-
Total Miscellaneous Revenues	-	-	**13,573**	13,573	-
Total Revenues	$ 407,700	$ 407,700	**$ 405,499**	$ (2,201)	$ 416,994

TOWN OF KERSEY, COLORADO

Schedule of Expenditures

*Budget to Actual - **Water Fund***

Year Ended December 31, 2020

With Comparative Actual Amounts For the Year Ended December 31, 2019

	2020				
Non-GAAP Budgetary Basis	Original Budget	Final Budget	**Actual**	Variance - Favorable (Unfavorable)	**2019** Actual
Operating Expenditures:					
General:					
Workmen's compensation	$ 4,302	$ 4,302	**$ 6,535**	$ (2,233)	$ 3,104
Auditing	2,720	2,720	**2,720**	-	2,590
Bank charges	700	700	**185**	515	217
Credit card charges	2,000	2,000	**2,095**	(95)	2,267
Legal services	1,000	1,000	**-**	1,000	-
Publishing	750	750	**528**	222	562
Web publishing	637	637	**-**	637	696
Insurance	13,775	13,775	**14,602**	(827)	13,048
Dues and subscriptions	300	300	**424**	(124)	290
Professional services	7,100	7,100	**4,293**	2,807	4,014
Bookkeeping services	-	-	**-**	-	-
IT services	1,500	1,500	**5,823**	(4,323)	3,645
Total General	34,784	34,784	**37,205**	(2,421)	30,433
Administrative:					
Salaries	58,677	58,677	**60,519**	(1,842)	58,731
Payroll taxes	4,034	4,034	**4,307**	(273)	4,353
Health insurance	10,917	10,917	**12,466**	(1,549)	12,949
Dental insurance	930	930	**546**	384	829
AFLAC coverage	700	700	**193**	507	709
Life insurance	45	45	**34**	11	40
Short-term disability insurance	300	300	**233**	67	275
Long-term disability insurance	410	410	**338**	72	391
E 457 retirement contribution	1,723	1,723	**1,694**	29	1,647
Cont. education, seminars, training	500	500	**-**	500	448
Online code	299	299	**662**	(363)	462
Dues and subscriptions	600	600	**332**	268	688
Postage	900	900	**863**	37	886
Professional services	300	300	**275**	25	325
Repairs and maintenance	1,000	1,000	**70**	930	48
TH cleaning	2,300	2,300	**1,320**	980	1,920
Supplies - office	500	500	**820**	(320)	1,062
Travel and meetings	300	300	**-**	300	300
Total Administrative	84,435	84,435	**84,672**	(237)	86,063

(continued on next page)

Schedule of Expenditures

Budget to Actual - ***Water Fund (continued)***

Year Ended December 31, 2020

With Comparative Actual Amounts For the Year Ended December 31, 2019

Non-GAAP Budgetary Basis	2020 Original Budget	2020 Final Budget	2020 Actual	2020 Variance - Favorable (Unfavorable)	2019 Actual
Operating Expenditures:					
System Operations:					
Salaries	$ 36,014	$ 36,014	**$ 37,073**	$ (1,059)	$ 38,620
Payroll taxes	4,869	4,869	**2,960**	1,909	2,855
Health insurance	7,952	7,952	**6,745**	1,207	10,105
Dental insurance	702	702	**757**	(55)	656
AFLAC coverage	25	25	**-**	25	17
Life insurance	31	31	**24**	7	22
Short-term disability insurance	203	203	**187**	16	173
Long-term disability insurance	263	263	**228**	35	212
E 457 retirement coverage	1,076	1,076	**1,041**	35	951
Cont. education, seminars, training	150	150	**117**	33	289
Pre-employment exam	-	-	**-**	-	-
Administrative transfer	(1,165)	(1,165)	**(1,165)**	-	(1,165)
Clothing and uniforms	334	334	**366**	(32)	57
Gas, oil, diesel fuel, etc.	2,500	2,500	**1,206**	1,294	1,032
Postage	150	150	**95**	55	40
Professional services	1,600	1,600	**150**	1,450	780
Repairs and maintenance - building	500	500	**-**	500	68
Repairs and maintenance - equip/mach	13,200	13,200	**2,276**	10,924	1,208
Repairs and maintenance - hydrant	500	500	**6,298**	(5,798)	-
Repairs and maintenance - office equip	300	300	**-**	300	-
Repairs and maintenance - valve box	3,000	3,000	**-**	3,000	-
Repairs and maintenance - vehicles	2,000	2,000	**478**	1,522	2,295
Repairs and maintenance - water lines	3,500	3,500	**1,674**	1,826	12,034
Repairs and maintenance - water tower	3,500	3,500	**2,557**	943	-
Supplies - general	1,000	1,000	**766**	234	1,874
Telephone expense	1,500	1,500	**1,866**	(366)	1,631
Travel and meetings	250	250	**28**	222	44
Utility expense	4,000	4,000	**5,218**	(1,218)	4,926
Water (potable) - testing	3,500	3,500	**2,454**	1,046	4,104
Water assessments	20,000	20,000	**24,256**	(4,256)	23,556
Water usage	110,000	110,000	**176,120**	(66,120)	142,597
Asset management	1,133	1,133	**1,133**	-	2,208
Total System Operation & Maintenance	222,587	222,587	**274,908**	(52,321)	251,189
Total Operating Expenditures	341,806	341,806	**396,785**	(54,979)	367,685
Non-Operating Expenditures:					
Capital Outlay	26,500	26,500	**56,899**	(30,399)	33,000
Debt Service:					
Principal	-	47,352	**39,470**	7,882	16,178
Interest	-	-	**328**	(328)	959
Total Non-Operating Expenditures	26,500	73,852	**96,697**	(22,845)	50,137
Total Expenditures	$ 368,306	$ 415,658	**$ 493,482**	$ (77,824)	$ 417,822

TOWN OF KERSEY, COLORADO

Reconciliation of Budgetary Basis to GAAP Basis

*Budget to Actual - **Water Fund***

Year Ended December 31, 2020

With Comparative Actual Amounts For the Year Ended December 31, 2019

	2020				
Non-GAAP Budgetary Basis	Original Budget	Final Budget	**Actual**	Variance - Favorable (Unfavorable)	**2019** Actual
Revenues:					
Operating revenues	$ 406,000	$ 406,000	**$ 387,549**	$ (18,451)	$ 411,309
Earnings on investment	1,700	1,700	**4,377**	2,677	5,685
Miscellaneous revenues	-	-	**13,573**	13,573	-
Total Revenues	407,700	407,700	**405,499**	(2,201)	416,994
Transfers In:					
General Fund	-	-	**40,573**	40,573	-
Capital Fund	-	-	**2,821**	2,821	-
Water Fund	-	-	**-**	-	-
Total Transfers In	-	-	**43,394**	43,394	-
Total Revenues and Transfers	407,700	407,700	**448,893**	41,193	416,994
Expenditures:					
General	34,784	34,784	**37,205**	(2,421)	30,433
Administrative	84,435	84,435	**84,672**	(237)	86,063
System operations	222,587	222,587	**274,908**	(52,321)	251,189
Non-operating expenditures	26,500	73,852	**96,697**	(22,845)	50,137
Total Expenditures	368,306	415,658	**493,482**	(77,824)	417,822
Transfers Out:					
General Fund	-	-	**-**	-	-
Capital Fund	106,551	106,551	**46,000**	60,551	106,551
Sewer Fund	-	-	**-**	-	-
Total Transfers Out	106,551	106,551	**46,000**	60,551	106,551
Total Expenditures and Transfers	474,857	522,209	**539,482**	(17,273)	524,373
Excess (Deficiency) of Revenues over Expenditures	$ (67,157)	$ (114,509)	**(90,589)**	$ 23,920	(107,379)
Reconciliation of Budgetary Basis to GAAP Basis:					
Capital assets purchases capitalized			**56,899**		33,000
Capital assets sold			**-**		-
Depreciation expense			**(62,764)**		(62,638)
Capital lease obligation payments			**-**		-
Long-term debt - proceeds			**-**		-
Long-term debt - payments			**39,470**		16,178
Change in Net Position			**$ (56,984)**		$ (120,839)

TOWN OF KERSEY, COLORADO

Schedule of Revenues

*Budget to Actual - **Sewer Fund***

Year Ended December 31, 2020

With Comparative Actual Amounts For the Year Ended December 31, 2019

Non-GAAP Budgetary Basis	2020 Original Budget	Final Budget	**Actual**	Variance - Favorable (Unfavorable)	**2019** Actual
Operating Revenues:					
Sewer service	$ 385,000	$ 385,000	**$ 385,086**	$ 86	$ 385,149
Tap fees	20,000	20,000	**-**	(20,000)	16,000
Late fees	6,000	6,000	**-**	(6,000)	-
Miscellaneous	-	-	**-**	-	-
Total Operating Revenues	411,000	411,000	**385,086**	(25,914)	401,149
Earnings on Investment:					
Earnings on investments	3,000	3,000	**2,551**	(449)	8,416
Net Increase (decrease) in the fair market of investments	-	-	**-**	-	-
Total Earnings on Investment	3,000	3,000	**2,551**	(449)	8,416
Miscellaneous Revenues:					
Contributions from customers	-	-	**-**	-	-
Contributions from subdividers	-	-	**13,573**	13,573	-
Sale of assets	-	-	**-**	-	-
Grants	-	-	**-**	-	-
Total Miscellaneous Revenues	-	-	**13,573**	13,573	-
Total Revenues	$ 414,000	$ 414,000	**$ 401,210**	$ (12,790)	$ 409,565

TOWN OF KERSEY, COLORADO

Schedule of Expenditures

*Budget to Actual - **Sewer Fund***

Year Ended December 31, 2020

With Comparative Actual Amounts For the Year Ended December 31, 2019

	2020				
Non-GAAP Budgetary Basis	Original Budget	Final Budget	**Actual**	Variance - Favorable (Unfavorable)	**2019** Actual
Operating Expenditures:					
General:					
Workmen's compensation	$ 2,366	$ 2,366	**$ 3,594**	$ (1,228)	$ 1,706
Auditing	3,400	3,400	**3,400**	-	3,238
Bank charges	500	500	**184**	316	232
Credit card charges	2,000	2,000	**2,095**	(95)	2,267
Legal services	1,000	1,000	**-**	1,000	263
Publishing	500	500	**220**	280	368
Web publishing	637	637	**-**	637	696
Insurance	14,148	14,148	**14,752**	(604)	13,400
Dues and subscriptions	-	-	**423**	(423)	290
Professional services	5,300	5,300	**4,293**	1,007	4,014
Bookkeeping services	-	-	**-**	-	-
IT services	4,000	4,000	**5,823**	(1,823)	3,645
Total General	33,851	33,851	**34,784**	(933)	30,119
Administrative:					
Salaries	50,940	50,940	**53,157**	(2,217)	50,387
Payroll taxes	4,328	4,328	**3,837**	491	3,731
Health insurance	11,533	11,533	**9,647**	1,886	9,941
Dental insurance	817	817	**468**	349	704
AFLAC coverage	368	368	**97**	271	365
Life insurance	35	35	**28**	7	30
Short-term disability insurance	253	253	**203**	50	218
Long-term disability insurance	372	372	**305**	67	322
E 457 retirement contribution	1,644	1,644	**1,519**	125	1,417
Cont. education, seminars, training	-	-	**-**	-	261
Online code	299	299	**662**	(363)	462
Dues and subscriptions	400	400	**71**	329	133
Postage	600	600	**494**	106	576
Professional services	300	300	**275**	25	325
Repairs and maintenance	1,000	1,000	**70**	930	48
TH cleaning	2,300	2,300	**1,320**	980	1,920
Supplies - office	700	700	**802**	(102)	1,069
Travel and meetings	500	500	**33**	467	300
Total Administrative	76,389	76,389	**72,988**	3,401	72,209

(continued on next page)

Schedule of Expenditures

*Budget to Actual - **Sewer Fund (continued)***

Year Ended December 31, 2020

With Comparative Actual Amounts For the Year Ended December 31, 2019

Non-GAAP Budgetary Basis	2020 Original Budget	2020 Final Budget	2020 Actual	2020 Variance - Favorable (Unfavorable)	2019 Actual
Operating Expenditures:					
System Operations:					
Salaries	$ 36,014	$ 36,014	**$ 37,312**	$ (1,298)	$ 38,414
Payroll taxes	3,863	3,863	**3,006**	857	2,897
Health insurance	8,150	8,150	**6,850**	1,300	7,291
Dental insurance	720	720	**767**	(47)	676
AFLAC coverage	25	25	**-**	25	17
Life insurance	32	32	**24**	8	23
Short-term disability insurance	209	209	**194**	15	179
Long-term disability insurance	259	259	**236**	23	219
E 457 retirement coverage	1,050	1,050	**1,040**	10	950
Cont. education, seminars, training	500	500	**117**	383	379
Pre-employment exam	-	-	**-**	-	-
Administrative transfer	(1,166)	(1,166)	**(1,160)**	(6)	(1,160)
Chemicals	-	-	**-**	-	-
Clothing and uniforms	333	333	**367**	(34)	57
Gas, oil, diesel fuel, etc.	3,000	3,000	**1,406**	1,594	719
Postage	200	200	**95**	105	50
Professional services	19,200	19,200	**13,060**	6,140	19,785
Repairs and maintenance - building	6,000	6,000	**7,373**	(1,373)	632
Repairs and maintenance - equip/mach	2,000	2,000	**1,088**	912	822
Repairs and maintenance - office equip	-	-	**-**	-	-
Repairs and maintenance - sewer lines	250	250	**1,203**	(953)	606
Repairs and maintenance - sewer plant	20,000	20,000	**5,466**	14,534	8,163
Repairs and maintenance - vehicles	2,000	2,000	**368**	1,632	1,945
Sewer discharge permit	3,000	3,000	**2,920**	80	2,905
Sewer testing	7,500	7,500	**7,788**	(288)	5,236
Sludge removal	20,000	20,000	**16,432**	3,568	31,434
Supplies - general	1,000	1,000	**1,644**	(644)	2,843
Chemicals - treatment	15,000	15,000	**20,889**	(5,889)	33,216
Telephone expense	3,500	3,500	**6,014**	(2,514)	5,069
Travel and meetings	200	200	**11**	189	43
Utility expense	40,000	40,000	**55,518**	(15,518)	44,663
Asset management	1,133	1,133	**1,133**	-	2,208
Total System Operation & Maintenance	193,972	193,972	**191,161**	2,811	210,281
Total Operating Expenditures	304,212	304,212	**298,933**	5,279	312,609
Non-Operating Expenditures:					
Capital Outlay	27,500	27,500	**16,395**	11,105	20,383
Debt Service:					
Principal	99,343	765,709	**773,550**	(7,841)	95,955
Interest	26,212	26,212	**24,646**	1,566	29,048
Total Non-Operating Expenditures	153,055	819,421	**814,591**	4,830	145,386
Total Expenditures	$ 457,267	$ 1,123,633	**$ 1,113,524**	$ 10,109	$ 457,995

TOWN OF KERSEY, COLORADO

Reconciliation of Budgetary Basis to GAAP Basis

*Budget to Actual - **Sewer Fund***

Year Ended December 31, 2020

With Comparative Actual Amounts For the Year Ended December 31, 2019

	2020				
Non-GAAP Budgetary Basis	Original Budget	Final Budget	**Actual**	Variance - Favorable (Unfavorable)	**2019** Actual
Revenues:					
Operating revenues	$ 411,000	$ 411,000	**$ 385,086**	$ (25,914)	$ 401,149
Earnings on investment	3,000	3,000	**2,551**	(449)	8,416
Miscellaneous revenues	-	-	**13,573**	13,573	-
Total Revenues	414,000	414,000	**401,210**	(12,790)	409,565
Transfers In:					
General Fund	-	-	**677,091**	677,091	-
Capital Fund	-	-	**2,822**	2,822	-
Water Fund	-	-	**-**	-	-
Total Transfers In	-	-	**679,913**	679,913	-
Total Revenues and Transfers	414,000	414,000	**1,081,123**	667,123	409,565
Expenditures:					
General	33,851	33,851	**34,784**	(933)	30,119
Administrative	76,389	76,389	**72,988**	3,401	72,209
System operations	193,972	193,972	**191,161**	2,811	210,281
Non-operating expenditures	153,055	819,421	**814,591**	4,830	145,386
Total Expenditures	457,267	1,123,633	**1,113,524**	10,109	457,995
Transfers Out:					
General Fund	-	-	**-**	-	-
Capital Fund	2,667	2,667	**2,667**	-	2,667
Water Fund	-	-	**-**	-	-
Total Transfers Out	2,667	2,667	**2,667**	-	2,667
Total Expenditures and Transfers	459,934	1,126,300	**1,116,191**	10,109	460,662
Excess (Deficiency) of Revenues over Expenditures	$ (45,934)	$ (712,300)	**(35,068)**	$ 677,232	(51,097)
Reconciliation of Budgetary Basis to GAAP Basis:					
Capital assets purchases capitalized			**16,395**		20,383
Capital assets sold			**-**		-
Depreciation expense			**(124,928)**		(123,885)
Capital lease obligation payments			**-**		-
Long-term debt - proceeds			**-**		-
Long-term debt - payments			**773,550**		95,955
Change in Net Position			**$ 629,949**		$ (58,644)

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

Financial Planning 02/01
Form # 350-050-36

LOCAL HIGHWAY FINANCE REPORT	City or County: **TOWN OF KERSEY, COLORADO**
	YEAR ENDING : **December 2020**
This Information From The Records Of (example - City of _ or County of	Prepared By: **JULIE PIPER, TOWN CLERK** Phone: ***(970) 353-1681**

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	0
3. Other local imposts (from page 2)	428,769
4. Miscellaneous local receipts (from page 2)	305
5. Transfers from toll facilities	0
6. Proceeds of sale of bonds and notes:	
a. Bonds - Original Issues	0
b. Bonds - Refunding Issues	0
c. Notes	0
d. Total (a. + b. + c.)	0
7. Total (1 through 6)	429,074
B. Private Contributions	0
C. Receipts from State government (from page 2)	53,470
D. Receipts from Federal Government (from page 2)	0
E. Total receipts (A.7 + B + C + D)	482,544

III. DISBURSEMENTS FOR ROAD AND STREET PURPOSES

ITEM	AMOUNT
A. Local highway disbursements:	
1. Capital outlay (from page 2)	7,278
2. Maintenance:	233,415
3. Road and street services:	
a. Traffic control operations	0
b. Snow and ice removal	0
c. Other **Street Lighting**	15,456
d. Total (a. through c.)	15,456
4. General administration & miscellaneous	59,606
5. Highway law enforcement and safety	0
6. Total (1 through 5)	315,755
B. Debt service on local obligations:	
1. Bonds:	
a. Interest	0
b. Redemption	0
c. Total (a. + b.)	0
2. Notes:	
a. Interest	0
b. Redemption	0
c. Total (a. + b.)	0
3. Total (1.c + 2.c)	0
C. Payments to State for highways	0
D. Payments to toll facilities	0
E. Total disbursements (A.6 + B.3 + C + D)	315,755

IV. LOCAL HIGHWAY DEBT STATUS

(Show all entries at par)

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

V. LOCAL ROAD AND STREET FUND BALANCE

A. Beginning Balance	B. Total Receipts	C. Total Disbursements	D. Ending Balance	E. Reconciliation
1,132,697	482,544	315,755	1,299,486	0

Notes and Comments:

FORM FHWA-536 (Rev. 1-05) PREVIOUS EDITIONS OBSOLETE (Next Page)

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	0	a. Interest on investments	305
b. Other local imposts:		b. Traffic Fines & Penalities	0
1. Sales Taxes	337,220	c. Parking Garage Fees	0
2. Infrastructure & Impact Fees	0	d. Parking Meter Fees	0
3. Liens	0	e. Sale of Surplus Property	0
4. Licenses	0	f. Charges for Services	0
5. Specific Ownership &/or Other	91,549	g. Other Misc. Receipts	0
6. Total (1. through 5.)	428,769	h. Other	0
c. Total (a. + b.)	428,769	i. Total (a. through h.)	305
	(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	50,253	1. FHWA (from Item I.D.5.)	
2. State general funds		2. Other Federal agencies:	
3. Other State funds:		a. Forest Service	0
a. State bond proceeds		b. FEMA	0
b. Project Match		c. HUD	0
c. Motor Vehicle Registrations	3,217	d. Federal Transit Admin	0
d. Other	0	e. U.S. Corps of Engineers	0
e. Other (Specify)	0	f. Other Federal	0
f. Total (a. through e.)	3,217	g. Total (a. through f.)	0
4. Total (1. + 2. + 3.f)	53,470	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	0	0
b. Engineering Costs	0	0	0
c. Construction:			
(1). New Facilities	0	0	0
(2). Capacity Improvements	0	0	0
(3). System Preservation	0	0	0
(4). System Enhancement & Operation	0	7,278	7,278
(5). Total Construction (1) + (2) + (3) + (4)	0	7,278	7,278
d. Total Capital Outlay (Lines 1.a. + 1.b. + 1.c.5)	0	7,278	7,278
			(Carry forward to page 1)

Notes and Comments: