Town of Norwood
Financial Statements and
Independent Auditor's Report
as of
December 31, 2020

Town of Norwood
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Blair and Associates, P.C.

INDEPENDENT AUDITOR'S REPORT

To the Town Council
Town of Norwood, 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 Town of Norwood, Colorado (the Town), 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, each major fund, and the aggregate remaining fund information of the Town of Norwood, 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.

Certified Public Accountants

105 S.E. Frontier Ave, Suite A Cedaredge, CO 81413 | 970-856-7550 | 970-856-2122 | www.bandacpas.com

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis and budgetary comparison information on pages 3 through 10 and 33 through 34 be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Other Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Town's basic financial statements. The combining and individual fund financial statements and Local Highway Finance Report are presented for purposes of additional analysis and are not a required part of the basic financial statements.

The combining and individual fund financial statements 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 and individual fund financial statements and Local Highway Finance Report are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

Blair and Associates, P.C.

Cedaredge, Colorado
September 14, 2021

TOWN OF NORWOOD
Management's Discussion and Analysis
Fiscal Year Ended December 31, 2020

As management of the Town of Norwood (the "Town"), we offer readers of the Town's basic financial statements this narrative overview and analysis of the financial activities of the Town for the fiscal year ended December 31, 2020. We encourage readers to consider the information presented here in conjunction with additional information provided in the financial statements.

FINANCIAL HIGHLIGHTS

- The Town's assets exceeded its liabilities and deferred inflows of resources by \$ 6,915,874 (i.e. net position) as of December 31, 2020 an increase of \$ 156,140 in comparison to the prior year.
- Governmental funds reported combined ending fund balances of \$ 1,181,249, an increase of \$ 165,245 in comparison with the prior year.
- The Town's fund balance for the General Fund was \$ 708,117, an increase of \$ 167,197 in comparison to the prior year.
- Total long-term liabilities decreased by \$ 46,710 during the 2020 fiscal year with no new debt issued.
- General property tax, sales tax, and other tax totaled \$ 509,854, or 68% of general revenues.

OVERVIEW OF FINANCIAL STATEMENTS

This discussion and analysis is intended to serve as an introduction to the Town's basic financial statements. The basic statements are comprised of three components: 1) government-wide financial statements, 2) fund financial statements, and 3) notes to the financial statements.

Government-wide Financial Statements

The government-wide financial statements are designed to provide readers with a broad overview of the Town's finances in a manner similar to a private-sector business.

The **statement of net position** presents information on all the Town's assets, liabilities and deferred inflows of resources, with the difference being reported as net position. Over time, the 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 related cash flows.* Thus, revenues and expenses reported in this statement for some items will result in cash flows in future periods (e.g. uncollected taxes and earned but unused personal time).

The government-wide financial statements distinguish functions of the Town that are principally supported by taxes and intergovernmental revenues (*Governmental Activities*) from other functions that are intended to recover all or a significant portion of their costs through user fees and charges (*Business-type Activities*). The Governmental Activities of the Town include general government administration, police, fire, public works, and community center. The Business-type Activities of the Town include a water fund.

Fund Financial Statements

A *fund* is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. Fund accounting is used to ensure and demonstrate compliance with finance-related legal requirements. The Town's funds can be divided into two categories: Governmental Funds and Proprietary Funds.

Governmental 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, governmental fund financial statements focus on *short-term inflows and outflows of spendable resources*, as well as on *balances of spendable resources* available at the end of the fiscal year. Such information may be useful in evaluating a government's short-term financing requirements. The accounting method is called *modified accrual* accounting.

Because the focus of governmental funds is narrower than that of the government-wide financial statements, it is useful to compare the information presented for governmental activities in the *governmental funds* with similar information presented for *governmental activities* in the government-wide financial statements. By doing so, readers may better understand the long-term impact of the government's short-term financing decisions. Both the governmental fund balance sheet and the governmental fund statement of revenues, expenditures, and changes in fund balances provide a reconciliation to facilitate this comparison between *governmental funds* and *governmental activities*.

The Town maintains two major government funds, the General and Contingency Funds. Information is presented separately in the governmental fund balance sheet and in the governmental fund statement of revenues, expenditures, and changes in fund balances for the General and Contingency Funds.

Proprietary Funds – The Town maintains one type of proprietary fund. *Enterprise Funds* are used to report the same functions presented as *business-type activities* in the government-wide financial statements. The Town uses a separate enterprise funds to account for its utility funds: Water and Raw Water Irrigation System Funds.

Notes to Financial Statements

The notes provide additional information that is essential to a full understanding of the data provided in the financial statements.

GOVERNMENT-WIDE FINANCIAL ANALYSIS

Net Position

As noted previously, net position may serve over time as a useful indicator of the Town's financial position. For the year ended December 31, 2020, the Town's combined assets exceed liabilities and deferred inflows of resources by $ 6,915,874. Of this amount, $ 1,415,400 is unrestricted and available to meet the Town's ongoing financial obligations.

By far the largest portion of net position is the investment in capital assets (net of related debt) of $ 5,002,125 (72% of net position). This amount reflects the investment in all capital assets (e.g. infrastructure, land, buildings, and equipment) less any related debt used to acquire those assets that are still outstanding. These capital assets are used to provide services to citizens; consequently, these assets are not available for future spending. Although the investment in capital assets is reported net of debt, it should be noted that the resources needed to repay this debt must be provided from other sources since capital assets themselves cannot be used to liquidate these liabilities.

The following table summarizes the Town's governmental and business-type net position for 2019 and 2020:

	Governmental Activities		Business-Type Activities		Total	
	2019	2020	2019	2020	2019	2020
Assets						
Current and other assets	$ 1,102,833	$ 1,279,892	$ 647,862	$ 775,181	$ 1,750,695	$ 2,055,073
Capital assets	1,271,573	1,211,073	4,212,458	4,090,307	5,484,031	5,301,380
Total assets	2,374,406	2,490,965	4,860,320	4,865,488	7,234,726	7,356,453
Current liabilities	16,432	21,050	25,742	29,634	42,174	50,684
Non-current liabilities						
Loans payable	-	-	352,473	299,435	352,473	299,435
Total liabilities	16,432	21,050	378,215	329,069	394,647	350,119
Deferred inflow of resources						
Deferred property taxes	80,345	90,640	-	-	80,345	90,640
Net position						
Investment in capital assets,						
net of related debt	1,271,573	1,211,073	3,859,985	3,790,872	5,131,558	5,001,945
Restricted	502,846	498,349	-		502,846	498,349
Unrestricted	503,210	669,853	622,120	745,547	1,125,330	1,415,400
Total net position	$ 2,277,629	$ 2,379,275	$ 4,482,105	$ 4,536,419	$ 6,759,734	$ 6,915,694

An additional portion of net position, $ 498,349, represents resources that are subject to external restrictions on how they may be used. The remaining balance of unrestricted net position, $ 1,415,400 (20% of net position), may be used to meet the government's ongoing obligations to citizens and creditors.

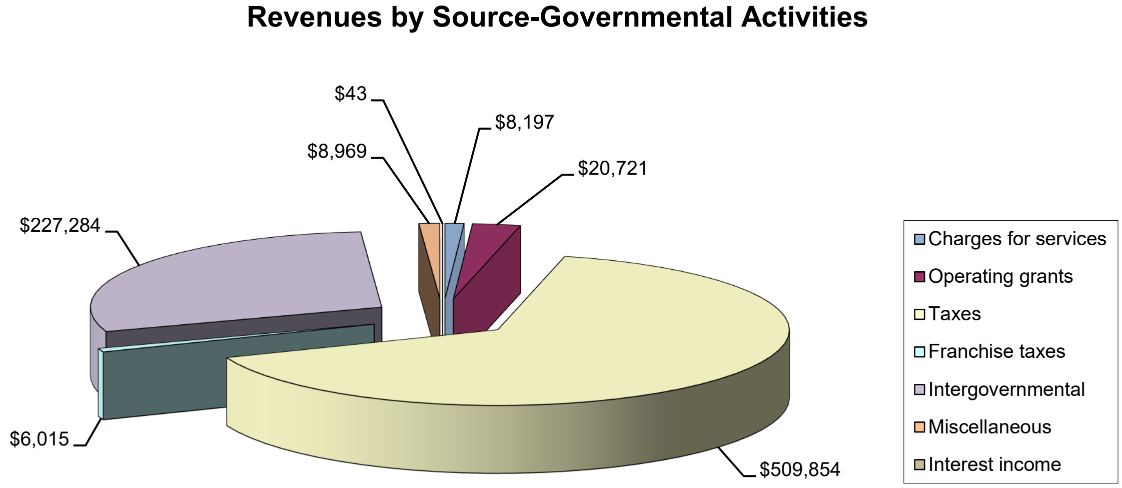
Change in Net Position

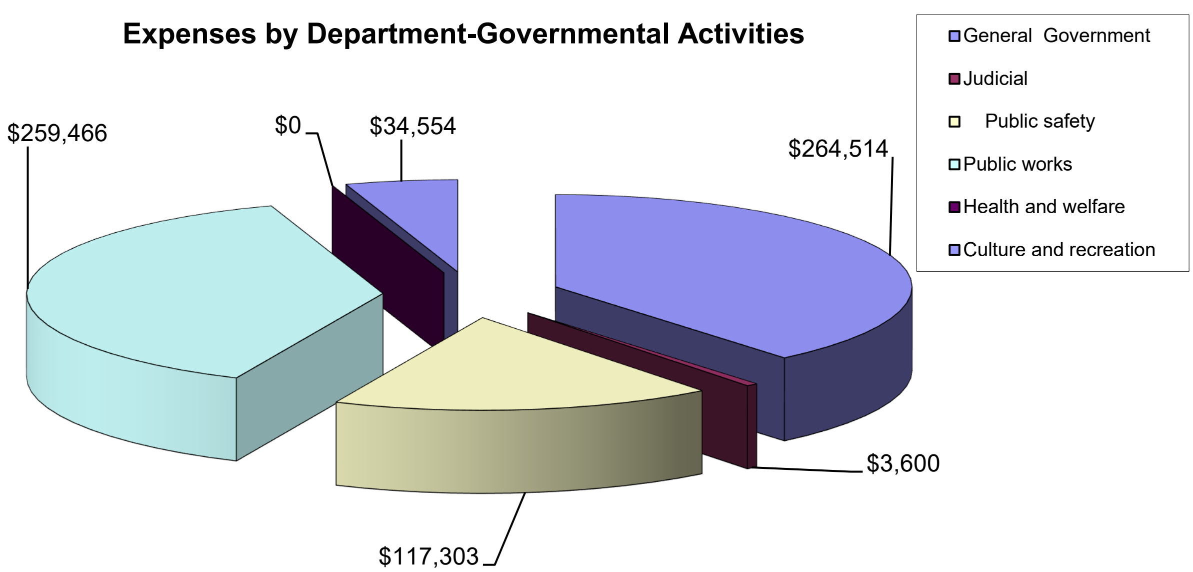
Governmental and business-type activities increased the Town's net position by $ 156,140 in 2020.

	Governmental Activities		Business-Type Activities		Totals	
	2019	2020	2019	2020	2019	2020
Revenues						
Program revenues						
Charges for services	$ 10,169	$ 8,197	$ 413,277	$ 489,744	$ 423,446	$ 497,941
Operating grants	23,827	20,721	-	-	23,827	20,721
Capital contributions	88,245	-	232,844	49,513	321,089	49,513
General Revenues						
Property taxes	71,043	77,567	-	-	71,043	77,567
Specific ownership	3,621	3,645	-	-	3,621	3,645
Sales taxes and other	325,281	428,642	-	-	325,281	428,642
Franchise taxes	6,694	6,015	-	-	6,694	6,015
Miscellaneous	1,064	8,969	110	2,534	1,174	11,503
Intergovernmental	351,293	227,284	980	8,120	352,273	235,404
Interest income	37	43	74	39	111	82
Transfers	250,000	-	(250,000)	-	-	-
Totals	1,131,274	781,083	397,285	549,950	1,528,559	1,331,033
Expenses						
General Government	268,963	264,514	-	-	268,963	264,514
Judicial	3,600	3,600	-	-	3,600	3,600
Public safety	94,669	117,303	-	-	94,669	117,303
Public works	243,708	259,466	483,097	495,636	726,805	755,102
Health and Welfare	1,000	-	-	-	1,000	-
Culture and recreation	35,360	34,554	-	-	35,360	34,554
Total Expenses	647,300	679,437	483,097	495,636	1,130,397	1,175,073
Increase in net position	483,974	101,646	(85,812)	54,314	398,162	155,960
Beginning	1,793,655	2,277,629	4,567,917	4,482,105	5,507,255	6,759,734
Ending	$ 2,277,629	$ 2,379,275	$ 4,482,105	$ 4,536,419	$ 5,905,417	$ 6,915,694

Governmental Activities

Governmental activities increased the Town's net position by $ 483,974.





Business-type Activities

Business-type activities for the year resulted an increase in net position of $ 54,494. Charges for services accounted for 89% of total revenues.

FINANCIAL ANALYSIS OF GOVERNMENT'S FUNDS

Governmental funds - The focus of the Town's governmental 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, unreserved fund balance may serve as a useful measure of the Town's net resources available for spending at the end of the fiscal year.

As of the end of 2020, the Town's governmental funds reported combined ending fund balances of $ 1,181,249, an increase of $ 165,245 in comparison with the prior year. Of the combined ending fund balances for all governmental funds 58% of this total amount, $ 682,900, constitutes unreserved fund balance, which is available for appropriation at the Town's discretion. The remainder of the fund balance is reserved to indicate that it is not available for new spending because it is already committed to meet a State constitution mandated emergency reserve, $ 25,217, restricted for parks and recreation $16,576 and $ 456,556 for other purposes.

The Town has two major governmental funds, the General and Contingency Funds. At the end of 2020, unreserved fund balance of the General Fund was $ 682,900, while the total fund balance was $ 708,117. As a measure of the General Fund's liquidity, it may be useful to compare both unreserved fund balance and total fund balance to total fund expenditures. The fund balance of the Town's General Fund increased by $ 167,197 during 2020.

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

The Town has one enterprise fund: Water Fund. At the end of 2020, the fund represented the following net position amounts:

Fund:	Water	Raw Water Irrigation System
Unrestricted net position	$ 684,923	$ 60,624
Total net position	$ 2,933,550	$ 1,603,049
Increase or (decrease) in net position	$ 23,827	$ 30,667

GENERAL FUND BUDGETARY HIGHLIGHTS

The Town budgeted $ 738,214 for 2020 expenditures. Actual expenditures were $ 610,774. There was no amendment to the original budget for General Fund.

CAPITAL ASSET AND DEBT ADMINISTRATION

The Town's investment in capital assets for its governmental and business-type activities as of December 31, 2020, was $ 5,301,380. As required by GASB 34, the investment in capital assets includes land, buildings, building improvements, and equipment.

Governmental Activities	Balance January 1, 2020	Additions	Dispositions	Balance December 31, 2020
Capital assets not being depreciated				
Land	$ 545,901	$ -	$ -	$ 545,901
	545,901	-	-	545,901
Capital assets being depreciated				
Buildings	385,962	-	-	385,962
Equipment	331,897		-	331,897
Park Expansion	216,507		-	216,507
Infrastrucure	272,764		-	272,764
	1,207,130	-	-	1,207,130
Less accumulated depreciation				
Buildings	(82,297)	(9,054)	-	(91,351)
Equipment	(241,262)	(15,307)	-	(256,569)
Park Expansion	(30,659)	(22,159)	-	(52,818)
Infrastrucure	(127,240)	(13,980)	-	(141,220)
	(481,458)	(60,500)	-	(541,958)
Capital assets being depreciated, net	725,672	(60,500)	-	665,172
Total Governmental Activities Capital Assets	$ 1,271,573	$ (60,500)	$ -	$ 1,211,073

Business - Type Activities	Balance January 1, 2020	Additions	Dispositions	Balance December 31, 2020
Capital assets not being depreciated				
Land and source of supply	$ 290,207	$ -	$ -	$ 290,207
Capital assets being depreciated				
Utility plant	6,669,359	-	-	6,669,359
Vehicles and equipment	23,027	8,000	-	31,027
Less accumulated depreciation	(2,770,135)	(130,152)	-	(2,900,287)
Capital assets being depreciated, net	3,922,251	(122,152)	-	3,800,099
Total Business-Type Activities Capital Assets	$ 4,212,458	$ (122,152)	$ -	$ 4,090,306

Long-term Debt

As of December 31, 2020, the Town had long-term debt as follows:

Enterprise Activities	Balance 1/1/2020	Additions	Reductions	Balance 12/31/2020	Due Within One Year
State of Colorado-EIA	$ 26,333	$ -	$ (14,683)	$ 11,650	$ 11,650
Loans-CWCB	326,139	-	(38,354)	287,785	39,889
Totals	$ 352,472	$ -	$ (53,037)	$ 299,435	$ 51,539

Management's Discussion and Analysis
Economic Factors and Next Year's Budget

- The Town of Norwood is in good financial condition.
- The Town's CD has a fund balance that will cover twelve months of the normal expenditures.
- The service levels for Building Inspection, Community Center and Park are budgeted to remain thesame. The streets budget has increased due to the rising costs of fuel and employee wages.
- The Town of Norwood has contracted with University of Colorado Denver, DOLA, and Colorado,to prepare a Master Park Plan and Open Space Study/Assessment.
- The capital Improvement plan for 2022 is to continue to resurface the streets systematically andimprove drainage on our streets and alleys.
- The Town of Norwood budgeted to hire a full-time Deputy position to the Marshal's Departmentwhich provides protective services to ensure the health, safety and welfare of our community.
- The Town Board continues to actively work toward replacement of equipment for the Public Works Department.
- The Town of Norwood continues to budget for donations to various non-profit organizationsproviding services to the citizens of our community.
- The Town of Norwood is working with Telluride Foundation for a 24-unit project to providehousing, for purchase at an affordable price, by the local workforce.
- The Norwood Water Commission has filed for due diligence on the 5cfs on the San Miguel Riverand will actively seek engineering for the project to bring the water up from the San Miguel and engineering for the construction of a third 33,000,000-gallon reservoir.

Request for Information:

This financial report is designed to provide a general overview of the Town's finances for all those with an interest in the government's finances. Questions concerning any of the information provided in the report or requests for additional financial information should be addressed to :

Patti Grafmyer, Administrator
P.O. Box 528
Norwood, CO 81423

Town of Norwood
Statement of Net Position
December 31, 2020

	Governmental Activities	Business -Type Activities	Total
ASSETS			
Cash and cash equivalents	$ 1,129,067	$ 631,281	$ 1,760,348
Property taxes receivable	90,640	-	90,640
Accounts receivables	60,185	89,233	149,418
Advance water assessments-net	-	54,668	54,668
Capital assets, net	1,211,073	4,090,307	5,301,380
Total assets	2,490,965	4,865,489	7,356,454
LIABILITIES			
Accounts payable	2,469	23,995	26,464
Customer deposits	-	4,485	4,485
Accrued payroll taxes	5,534	-	5,534
Accrued compensated absences	13,047	-	13,047
Accrued interest payable	-	1,154	1,154
Non current liabilities			
Due within one year	-	51,539	51,539
Due in more than one year	-	247,896	247,896
Total liabilities	21,050	329,069	350,119
DEFERRED INFLOWS OF RESOURCES			
Property taxes revenues	90,640	-	90,640
NET POSITION			
Invested in capital assets, net of related debt	1,211,073	3,790,872	5,001,945
Restricted for:			
Emergencies	25,217	-	25,217
Other purposes	473,132	-	473,132
Unrestricted	669,853	745,548	1,415,401
Total net position	$ 2,379,275	$ 4,536,419	$ 6,915,694

The accompanying notes are an integral part of this statement.

Town of Norwood
Statement of Activities
For the Year Ended December 31, 2020

Functions/Programs	Expenses	Program Revenues: Charges for Service and Fees	Program Revenues: Operating Grants and Contributions	Program Revenues: Capital Grants and Contributions
Primary government:				
Governmental activities:				
General government	$ 264,514	4,520	$ -	$ -
Judicial	3,600	-	-	-
Public Safety	117,303	1,151	-	-
Public Works	259,466	321	17,752	-
Culture and Recreation	34,554	2,205	2,969	-
Total governmental activities	679,437	8,197	20,721	-
Business-type activities:				
Water	486,684	450,125	-	49,513
Raw Water Irrigation System	8,952	39,619	-	-
Total business- type activities	495,636	489,744	-	49,513
Total primary government	$ 1,175,073	$ 497,941	$ 20,721	$ 49,513

General Revenues
Taxes:
Property taxes
Specific ownership
Sales taxes and miscellaneous
Franchise taxes
Mineral leasing and severance taxes
Miscellaneous
Intergovernmental
Investment earnings
Total General Revenues

Changes in Net Position
Net Position-January 1
Net Position-December 31

Net (Expense) Revenue and Changes in Net Position		
Primary Government		
Governmental Activities	Business-Type Activities	Total
$ (259,994)	$ -	$ (259,994)
(3,600)	-	(3,600)
(116,152)	-	(116,152)
(241,393)	-	(241,393)
(29,380)	-	(29,380)
(650,519)	-	(650,519)
-	12,954	12,954
-	30,667	30,667
-	43,621	43,621
(650,519)	43,621	(606,898)
77,567	-	77,567
3,645	-	3,645
428,642	-	428,642
6,015	-	6,015
355	-	355
8,969	2,534	11,503
226,929	8,120	235,049
43	39	82
752,165	10,693	762,858
101,646	54,314	155,960
2,277,629	4,482,105	6,759,734
$ 2,379,275	$ 4,536,419	$ 6,915,694

The accompanying notes are an integral part of this statement.

Town of Norwood
Governmental Funds
Balance Sheet
December 31, 2020

	General Fund	Contingency Fund	Non Major Funds	Total Governmental Funds
Assets				
Cash and cash equivalents	655,935	456,555	16,576	$ 1,129,066
Taxes receivable	90,640	-	-	90,640
Accounts receivable	60,185	-	-	60,185
Total assets	806,760	456,555	16,576	1,279,891
Liabilities				
Accounts payable	2,469	-	-	2,469
Accrued payroll taxes	5,534	-	-	5,534
Total liabilities	8,003		-	8,003
Deferred inflows of resources				
Deferred property taxes	90,640	-	-	90,640
Fund balance				
Restricted for emergencies	25,217		-	25,217
Restricted for Parks and Recreation	-	-	16,576	16,576
Committed for capital Improvements	-	456,556	-	456,556
Unassigned	682,900	-	-	682,900
Total fund balance	$ 708,117	$ 456,556	$ 16,576	$ 1,181,249

The accompanying notes are an integral part of this statement.

Town of Norwood
Reconciliation of the Governmental Funds Balance
Sheet to the Statement of Net Position
December 31, 2020

Total fund balance, governmental funds		$ 1,181,249
Amounts reported for governmental activities in the Statement of Net Position are different because:		
Capital assets used in governmental activities are not current period expenditures and therefore are not reported in this fund financial statement, but are reported in the governmental activities of the Statement of Net Position.		
Cost of capital assets	1,753,031	
Less accumulated depreciation	(541,958)	1,211,073
Some liabilities, (such as Notes Payable, Capital Lease Contract Payable, Long-term Compensated Absences, and Bonds Payable), are not due and payable in the current period and are not included in the fund financial statement, but are included in the governmental activities of the Statement of Net Position.		
Compensated absences		(13,047)
Net Position of Governmental Activities in the Statement of Net Position		$ 2,379,275

The accompanying notes are an integral part of this statement.

Town of Norwood
Governmental Funds
Statement of Revenues, Expenditures and Changes in Fund Balances
For the Year Ended December 31, 2020

	General Fund	Contingency Fund	Non Major Funds	Total Governmental Funds
Revenues				
Taxes	$ 529,976			$ 529,976
Licenses and permits	1,225		-	1,225
Intergovernmental	223,576		2,969	226,545
Charges for services	171		-	171
Fines and forfeitures	1,151		-	1,151
Miscellaneous	21,872	42	101	22,015
Total revenues	777,971	42	3,070	781,083
Expenditures				
Current:				
General government	261,180	-	-	261,180
Judicial	3,600	-	-	3,600
Police department	115,754	-	-	115,754
Public works	222,909	-	-	222,909
Culture and recreation	7,331	-	5,064	12,395
Total expenditures	610,774	-	5,064	615,838
Excess of revenues over expenditures	167,197	42	(1,994)	165,245
Fund balance, January 1	540,920	456,514	18,570	1,016,004
Fund balance, December 31	$ 708,117	$456,556	$ 16,576	$ 1,181,249

The accompanying notes are an integral part of this statement.

Town of Norwood
Reconciliation of the Governmental Funds Statement of Revenues, Expenditures, and Changes in Fund Balances to the Statement of Activities
For the Year Ended December 31, 2020

Net change in fund balances - total governmental funds		$ 165,245
Amounts reported for governmental activities in the statement of activities are different because:		
Governmental funds report capital outlays as expenditures. However, in the statement of activities the cost of those assets is allocated over their estimated useful lives and reported as deprecation expense. This is the amount by which capital outlays exceeded depreciation in the current period.		
Fixed assets current additions	$ -	
Depreciation expense	(60,500)	
Excess of capital outlay over depreciation		(60,500)
Payments of compensated absences are reported as expenditures in the governmental funds when actually paid. However, on the government-wide statement of activities compensated absences are expensed as they are accrued. Changes in the compensated absences liability are a reconciling item.		(3,099)
Change in net position of governmental funds		$ 101,646

The accompanying notes are an integral part of this statement.

Town of Norwood
Statement of Net Position
Enterprise Funds
December 31, 2020

	Enterprise Funds		
	Water Fund	**Raw Water Irrigation System Fund**	**Totals**
ASSETS			
Current Assets			
Cash and cash equivalents	$ 570,657	$ 60,624	$ 631,281
Accounts receivable, net	89,233	-	89,233
Total Current Assets	659,890	60,624	720,514
Other Assets			
Advance water assessments-net	54,668	-	54,668
Noncurrent Assets			
Capital assets			
Water rights	290,207	-	290,207
Utility system	5,126,935	1,542,425	6,669,360
Equipment and furniture	31,028	-	31,028
Less accumulated depreciation	(2,900,288)	-	(2,900,288)
Total Noncurrent Assets	2,547,882	1,542,425	4,090,307
Total Assets	$ 3,262,440	$ 1,603,049	$ 4,865,489
LIABILITIES			
Current Liabilities			
Accounts payable	$ 23,995	$ -	$ 23,995
Customer deposits	4,485	-	4,485
Accrued interest payable	1,154	-	1,154
Current portion on long-term debt	51,539	-	51,539
Total Current Liabilities	81,173	-	81,173
Long-Term Debt			
Loans payable	247,896	-	247,896
Total Long-Term Debt	247,896	-	247,896
Net Position			
Invested in capital assets, net of related debt	2,248,447	1,542,425	3,790,872
Unrestricted	684,924	60,624	745,548
Total Net Position	$ 2,933,370	$ 1,603,049	$ 4,536,419

The accompanying notes are an integral part of this statement.

Town of Norwood
Statement of Revenues, Expenses and Changes in Net Position
Enterprise Funds
Year Ended December 31, 2020

	Enterprise Funds		
	Water Fund	Raw Water Irrigation System Fund	Totals
Operating revenues:			
Charges for services	$ 450,125	$ 39,619	$ 489,744
Total operating revenues	450,125	39,619	489,744
Operating expenses:			
Salaries and benefits	170,427	-	170,427
Maintenance and supplies	67,861	-	67,861
Water assessments	26,790	-	26,790
Utilities	31,113	-	31,113
Other expenses	46,960	8,952	55,912
Depreciation	131,485	-	131,485
Total operating expenses	474,636	8,952	483,588
Operating income (loss)	(24,511)	30,667	6,156
Nonoperating revenues (expenses):			
Grants and contributions	8,120	-	8,120
Miscellaneous	2,534	-	2,534
Interest expense	(12,048)	-	(12,048)
Total nonoperating revenues (expenses)	(1,355)	-	(1,355)
Income (loss) before transfers and capital contributions	(25,866)	30,667	4,801
Capital contributions-Tap fees	49,513	-	49,513
Change in net position	23,647	30,667	54,314
Total net position, January 1	2,909,723	1,572,382	4,482,105
Total net position, December 31	$ 2,933,370	$ 1,603,049	$4,536,419

The accompanying notes are an integral part of this statement.

Town of Norwood
Statement of Cash Flows
Enterprise Funds
Year Ended December 31, 2020

	Enterprise Funds		
	Water Fund	**Raw Water Irrigation System Fund**	**Totals**
Cash Flows From Operating Activities			
Cash received from charges for services	$ 437,806	$ 39,619	$ 477,425
Cash payments for salaries and benefits	(170,427)	-	(170,427)
Cash payments for goods and services	(168,833)	(8,952)	(177,785)
Net cash provided (used) by operating activities	98,546	30,667	129,213
Cash Flows from Noncapital Financing Activities			
Grants and contributions	8,120	-	8,120
Miscellaneous revenues	2,534	-	2,534
Net cash provided (used) by noncapital financing activities	10,654	-	10,654
Cash Flows from Capital and Related Financing Activities			
Tap fees	49,513	-	49,513
Purchase of capital assets	(8,000)		(8,000)
Principal paid on loans and leases	(53,037)	-	(53,037)
Interest expense	(12,048)	-	(12,048)
Net cash provided (used) by capital and related financing activities	(23,572)	-	(23,572)
Cash Flows from Investing Activities			
Interest on investments	39	-	39
Net increase (decrease) in cash and equivalents	85,667	30,667	116,334
Cash balances, January 1	484,990	29,957	514,947
Cash balances, December 31	$ 570,657	$ 60,624	$ 631,281
Reconciling of operating income (loss) to net cash provided (used) by operating activities:			
Operating income (loss)	$ (24,511)	$ 30,667	$ 6,156
Adjustments to reconcile operating income (loss) to net cash provided (used) by operating activities:			
Depreciation expense	131,485	-	131,485
Assets (increase) decrease:			
Accounts receivables	(12,319)	-	(12,319)
Liabilities increase (decrease):			
Accounts payable	6,472	-	6,472
Customer deposits	(265)	-	(265)
Accrued interest payable	(2,316)	-	(2,316)
Total adjustments	123,057	-	123,057
Net cash provided (used) by operating activities	$ 98,546	$ 30,667	$ 129,213

The accompanying notes are an integral part of this statement.

Note 1 – Summary of Significant Accounting Policies

The financial statements of the Town of Norwood, Colorado (the Town) have been prepared in conformity with accounting principles generally accepted in the United States of America (GAAP) as applied to government units. The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting and financial reporting principles.

The more significant of the Town's accounting policies are described below:

A. Financial Reporting Entity

The Town is a statutory municipality with a mayor – council form of government with five elected Council members. As required by accounting principles generally accepted in the United States of America, these financial statements present the Town of Norwood (the primary government). The Town has no oversight responsibility for any other governmental entity since no other entities are considered to be controlled by or dependent on the Town. Control or dependence is determined on the basis of budget adoption, taxing authority, funding, and appointment of the respect governing body.

B. Government-wide Financial Statements

The government-wide financial statements (i.e., the statement of net position and the statement of changes in net position) report information on all of the activities of the Town. For the most part, the effect of inter-fund activity has been removed from these statements. Governmental activities, which normally are supported by taxes, charges for services and intergovernmental revenues, are reported separately from business-type activities, which rely to a significant extent on user charges for support.

The statement of activities demonstrates the degree to which the direct expenses of a given function or segment is offset by program revenues. Direct expenses are those that are clearly identifiable with a specific function or segment. Program revenues include 1) charges to those who purchase, use, or directly benefit from goods, services, or privileges provided by a given function or segment, and 2) grants and contributions that are restricted to meeting the operational or capital requirements of a particular function or segment. Taxes and other items not properly included among program revenues are reported instead as general revenues.

C. Fund Financial Statements

The accounts of the Town are organized on the basis of funds and account groups, each of which is considered a separate accounting entity. The operations of each fund are accounted for with a separate set of self-balancing accounts that comprise its assets, liabilities, fund equity, revenues, and expenditures, or expenses, as appropriate. Government resources are allocated to and accounted for in individual funds based upon the purposes for which they are to be spent and the means by which spending activities are controlled.

All governmental funds are accounted for on a flow of current financial resources basis. Balance sheets for these funds generally include only current assets and current liabilities. Reported fund balances are considered a measure of available, spendable resources. Operating statements for these funds present a summary of available, spendable resources and expenditures for the period.

Note 1 – Summary of Significant Accounting Policies – (continued)

C. Fund Financial Statements – (continued)

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

The Town reports the following major governmental fund:

- The General Fund is the Town's primary operating fund. It accounts for all financial resources of the Town, except those required to be accounted for in another fund.

The remaining governmental funds are aggregated and presented as non-major funds. Those funds include:

- Contingency Fund, which accounts for expenditures that could not have been reasonably foreseen.

- The Conservation Trust Fund, which accounts for State of Colorado lottery funds to be used for parks and recreation services and capital investment.

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

Enterprise funds distinguish operating revenues and expenses from nonoperating items. Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with an enterprise fund's principal ongoing operations. The principal operating revenues of the Town are charges for water fees. Operating expenses for the enterprise funds include purchased services, utilities, repairs and maintenance, supplies, insurance and depreciation cost. All revenues and expenses not meeting this definition are reported as nonoperating revenues and expenses. When both restricted and unrestricted resources are available for use, it is the Town's policy to use restricted resources first, then unrestricted resources as needed.

The Town reports the following major enterprise fund business-type activity:

- Water Fund, which account for all operations of the Town's water services. This is primarily financed by user charges.
- Raw Water Irrigation System Fund, which account for all operations of the Town's raw water irrigation services. This is primarily financed by grants and contributions and by user charges.

D. Measurement Focus and Basis of Accounting

The government-wide financial statements are reported using the economic resources measurement focus and the accrual basis of accounting, as are the enterprise fund financial statements. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows. Property taxes are recognized as revenues in the year for which they are levied. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met.

Note 1 – Summary of Significant Accounting Policies – (continued)

D. Measurement Focus and Basis of Accounting – (continued)

The modified accrual basis of accounting is used by all governmental funds. Under the modified accrual basis of accounting, revenues are recognized when susceptible to accrual (i.e., when they become both measurable and available). "Measurable" means the amount of the transaction can be determined and "available" means collectible within the current period or soon enough thereafter to be used to pay liabilities of the current period. For this purpose, the government considers revenues to be available if they are collected within 60 days at the end of the current fiscal period. Expenditures are recorded when the related fund liability is incurred. Exceptions to this general rule include principal and interest on general long-term debt which is recognized when due, and compensated absences which are recognized when the obligations are expected to be liquidated with expendable available resources.

Those revenues susceptible to accrual are interest revenue and charges for services. Entitlement revenues are not susceptible to accrual because generally, they are not measurable until received. Grant revenues are recognized as they are earned.

The accrual basis of accounting is utilized by enterprise funds. Under this method, revenues are recorded when earned and expenses are recorded at the time liabilities are incurred.

Deferred Outflows / Inflows of Resources

In addition to assets, the statement of net position will sometimes report a separate section of deferred outflows of resources. This separate financial statement element, deferred outflows of resources, represents a consumption of net position that applies to a future period(s) and will not recognized as an outflow of resources (expense/ expenditure) until then.

In addition to liabilities, the statement of net position will sometimes report a separate section of deferred inflows of resources. This separate financial statement element, deferred inflows of resources, represents an acquisition of net position that applies to a future period(s) and will not be recognized as an inflow of resources (revenue) until that time. Property taxes revenue that are related to a future period have been recorded as deferred inflows. Grants and entitlements received before eligibility requirements are met (e.g., cash advances) are recorded as deferred inflows. These amounts are deferred and will be recognized as an inflow of resources in the period that the amounts become available.

E. Cash and Cash Equivalents

For the purposes of the statement of cash flows of the enterprise funds, cash and cash equivalents consist of operating and restricted cash and highly liquid securities with an initial maturity of three months or less.

Note 1 – Summary of Significant Accounting Policies – (continued)

F. Use of Estimates

The preparation of 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 reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

G. Property Taxes

Property taxes for the current year are levied and attach as a lien on property the following January 1. They are payable in full by April 30 or in two equal installments due February 28 and June 15. Property taxes levied in the current year and collected in the following year are reported as a receivable at December 31. However, since the taxes are not available to pay current liabilities, the receivable is recorded as deferred inflows of resources in the governmental and enterprise funds.

H. Capital Assets

Capital assets, which include property, equipment and infrastructure assets, are reported in the applicable governmental or business-type activities columns in the government-wide financial statements. Capitalized assets are defined by the Town as assets that have a useful life of one or more years, and for which the initial, individual value equals or exceeds $ 5,000.

All purchased assets are valued at cost where historical records are available and at an estimated historical cost where no historical records exist. Donated assets are valued at their estimated fair market value on the date received. The cost of normal maintenance and repairs that does not add to the value of an asset or materially extend asset life is not capitalized.

Depreciation on all assets is provided on the straight-line basis over the following estimated useful lives:

Asset Class	Useful Life
Utility Plant and System	50 years
Machinery and Equipment	5-10 years
Infrastructure assets	15-40 years

Public domain assets consisting of roads, bridges, curbs and gutters, streets and sidewalks, drainage systems and lighting systems are examples of infrastructure assets. Infrastructure assets are distinguished from other capitalized assets as their useful life often extends beyond most other capital assets and are stationary in nature. General infrastructure assets are those associated with or arising from governmental activities.

Under GASB 34 the town is not required to retroactively report on infrastructure assets before June 30, 2004. Therefore, infrastructure assets before that date are not shown on the financial statements.

Note 1 – Summary of Significant Accounting Policies – (continued)

I. Long-Term Liabilities

In the government-wide financial statements, and enterprise fund types in the fund financial statements, long-term debt and other long-term obligations are reported as liabilities in the applicable government activities, business-type activities, or enterprise fund type statement of net position.

The long-term compensated absences are serviced from revenues of the General Fund from future appropriations.

J. Compensated Absences

A total of 15 days of vacation for the 1 to 9 years of service and 20 days for 10 years of service may be accrued by each employee. Employees are paid for the accumulated vacation leave upon retirement or other termination. Employees are encouraged to use accumulated vacation by the end of each year and are not allowed to accumulate more than 20 days.

K. Net Position

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

L. Interfund Transactions

Interfund receivables and payables arise from interfund transactions and are recorded by all funds affected in the period in which transactions are executed. At year end, outstanding balances between funds are reported as “due to/from other funds.” Nonrecurring or nonroutine permanent transfers of equity are reported as residual equity transfers. All other interfund transfers are reported as operating transfers. Any residual balances outstanding between the governmental activities and business-type activities are reported in the government-wide financial statements as “internal balances.”

M. Encumbrances

The Town does not use an encumbrance system for budgetary control.

N. Accounts Receivable

The Town considers accounts receivable for the water fund to be fully collectible because the Town can place liens on the individual properties; accordingly, no allowance for doubtful accounts is required. If amounts become uncollectible, they will be charged to operations when that determination is made.

Note 1 – Summary of Significant Accounting Policies – (continued)

O. Fund Equity

In the fund financial statements, governmental funds report the following classifications of fund balance:

- Non-spendable fund balance-amounts that are not in spendable form (such as inventory) or are required to be maintained intact;
- Restricted fund balance-amounts constrained to specific purposes by their providers (such as grantors, bondholders, and higher levels of government), through constitutional provisions or by enabling legislation;
- Committed fund balance-amounts constrained to specific purposes by a government itself, using its highest level of decision-making authority; to be reported as committed, amounts cannot be used for any other purpose unless the government takes the same highest-level action to remove or change the constraint;
- Assigned fund balance-amounts a government intends to use for a specific purpose; intent can be expressed by the governing body or by an official or body to which the governing body delegates the authority;
- Unassigned fund balance-amounts that are available for any purpose; positive amounts are reported only in the general fund.

When an expenditure is incurred for purposes for which both restricted and unrestricted fund balance is available, the Town considers restricted funds to have been spent first. When an expenditure is incurred for which committed, assigned, or unassigned fund balances are available, the Town considers amounts to have been spent first out of committed funds, then assigned funds, and finally unassigned funds, as needed, unless Town Council has provided otherwise in its commitment or assignment actions.

Note 2 – Reconciliation of Government-wide and Fund Financial Statements

The governmental funds balance sheet includes reconciliation between fund balances total governmental funds and net position - governmental activities as reported in the government-wide statement of net position. Additionally, the governmental fund statement of revenues, expenditures, and changes in fund balances includes reconciliation between net change in fund balances - total governmental funds and changes in net position of governmental activities as reported in the government-wide statement of activities. The enterprise fund statement of net position and statement of revenues, expenses and changes in net position also includes reconciliation to the government-wide statement of net position and activities.

These reconciliations detail items that require adjustment to convert from the current resources measurement and modified accrual basis for governmental fund statements to the economic resources measurement and full accrual basis used for government-wide statements. However, certain items having no effect on measurement and basis of accounting were eliminated from the governmental fund statements during the consolidation of governmental activities.

Note 3 – Tax, Spending and Debt Limitations

Colorado voters passed an amendment to the State Constitution, Article X, Section 20, which has several limitations, including revenue raising, spending abilities, and other specific requirements of state and local governments. The amendment is complex and subject to judicial interpretation. However, the Town had made certain interpretations of the amendment's language in order to determine its compliance.

On the November 8, 1994 municipal election ballot, the voters authorized the Town, without any increase in the Town's Current tax mill levy rate of 15.129 mills or any increase in the Town's current sales tax and use tax rate of 2.0%, except by prior voter approval, to be authorized to generate, collect and retain all revenues from and in fiscal year 1993 and subsequent years and increase fiscal year spending up to the amount of such revenues generated and collected without limitation under Article X, Section 20, Colorado Constitution, or any other law, and without limiting in any year the amount of all lawful sources of Town revenues that may be collected and spent by the Town of Norwood for street improvements and maintenance, capital improvements and construction, and all other lawfully authorized municipal; purposes, including but not limited to property taxes at current level of 15.129 mills, sales and use tax of 2.0%, and any state, federal or other grants; provided that such voter-approved revenue change for fiscal year 1993 shall be in the amount of $ 10,000.

Note 4 – Budgets

The Town adheres to the following procedures in establishing budgetary data reflected in the financial statements:

A. By October of each year, the Finance Officer gives public notice of the budget calendar for the next fiscal year. The Finance Officer asks that all Town departments, boards, commissions or citizens submit within thirty days from the notice, any request for funds under the budget being prepared. The Finance Officer then prepares a proposed budget for the ensuing fiscal year and submits it to the Council no later than forty-five days prior to any date required by state law for the certification to the County of the tax levy.

B. The budget provides a complete financial plan of all Town funds and activities for the ensuing fiscal year indicating anticipated revenues, proposed operating and capital expenditures, a provision for contingencies, and anticipated net surplus or deficit for the ensuing fiscal year.

C. A public hearing on the proposed budget is held by the Council in early December.

D. The Council adopts the budget by resolution on or before the final day established by law for the certification of the ensuing year's tax levy to the County. Adoption of the budget by the Council shall constitute appropriations of the amounts specified therein as expenditures from the funds indicated and shall constitute a levy of the property tax therein proposed.

E. If during the fiscal year the Finance Officer determines that there are expenses in excess of those estimated in the budget, the Council by resolution may make supplemental appropriations for the year up to the amount of such excess. To meet an emergency affecting public property, health, peace or safety, the Council may make emergency appropriations. If at any time during the fiscal year it appears probable to the Finance Officer that the revenues available will be insufficient to meet the amount appropriated, the Finance Officer reports to the Council, indicating the estimated amount of deficit, any remedial action already taken, and a recommendation as to any other steps to be taken. Any time during the fiscal year the Finance Officer may transfer part or all of any unencumbered appropriation balance within a department.

Note 4 – Budgets – (continued)

F. Budget appropriations lapse at the end of each year.

G. Expenditures may not exceed appropriations at the fund level. Budget amounts included in the financial statements are based on the final amended budget. No revisions were made to the original budget.

H. Budgets for governmental funds are adopted on a basis consistent with accounting principles generally accepted in the United States of America (GAAP), except for long-term receivables and advances and capital lease financing which are budgeted when liquidated rather than when the receivable/liability is incurred. Budgets for enterprise funds are adopted on a basis consistent with the spending measurement focus of the governmental funds. The Town could be in violation of Colorado Budget Law because the following funds actual expenditures exceeded budgetary amounts in the Raw Water Irrigation System Funds.

Note 5 – Deposits and Investments

The Colorado Public Deposit Protection Act (PDPA) requires that all units of local government deposit cash in eligible public depositories; eligibility is determined by state regulators. Amounts on deposit in excess of federal insurance levels must be collateralized. The eligible collateral is determined by the PDPA. PDPA allows the institution to create a single collateral pool for all public funds. The pool is to be maintained by another institution or held in trust for all the uninsured public deposits as a group. The market value of the collateral must be at least equal to the aggregate uninsured deposits. Collateral in the pool is considered to be equal to depository insurance pursuant to definitions listed in GASB Statement No. 40. At December 31, 2020, the bank balance of the Town's deposits was $1,775,759 of which $250,000 was covered by federal depository insurance and $1,525,759 was collateralized under PDPA.

The composition of all cash and cash investments held by the Town at December 31, 2020 is as follows

Cash on hand and with the County Treasurer	$ 1,026
Cash in bank and savings accounts	1,759,321
Total cash and investments	$ 1,760,347

Interest rate risk-The town does not have a formal policy limiting investment maturities, other than that established by the state statue of five years, which would help manage its exposure to fair value losses from increasing interest rates.

Credit risk-Credit risk is the risk that the issuer or other counterparty to an investment will not fulfill its obligations. It is the Town’s policy to limit its investments to U.S. Treasury obligations, certain U.S. government agencies securities, commercial paper, local government investment pools, repurchase agreements and money market funds.

Custodial Credit Risk- For an investment, custodial credit risk is the risk that, in the event of the failure of the counterparty, the Town will not be able to recover the value of its investment or collateral securities that are in the possession of an outside party.

Note 6 – Long-Term Liabilities

Enterprise Activites	Balance 1/1/2020	Additions	Reductions	Balance 12/31/2020	Due Within One Year
State of Colorado- EIA	$ 26,333	$ -	$ (14,683)	$ 11,650	$ 11,650
Loans- CWCB	326,139		(38,354)	287,785	39,889
Totals	$ 352,472	$ -	$ (53,037)	$ 299,435	$ 51,539

The Town obtained a loan from the Colorado Department of Local Affairs for the purpose of upgrading the Town's water system. The loan was obtained on June 21, 2007 and bears interest at 5% per year. Payments begin on September 1, 2008 and are due annually for 15 years. The following is the annual maturities for the years subsequent to 2020:

Year	Principal	Interest	Total
2021	$ 11,650	$ 582	$ 12,232
Total	$ 11,650	$ 582	$ 12,232

Note Payable- CWCB - The Town obtained loans from the Colorado Water Conservation Board (CWCB) in the amount of $950,000, to build a 92 acre-foot reservoir. The remaining loan of $630,000 will be at an annual interest rate of 4% over 40 years at $ 31,830 with an additional payment of $19,570. The first payments are due January 1, 1998 and are due annually on the first of each year. The following is the annual maturities for the years subsequent to 2020:

Year	**Principal**	**Interest**	**Total**
2021	39,889	11,511	51,400
2022	41,484	9,916	51,400
2023	43,144	8,256	51,400
2024	44,869	6,531	51,400
2025	46,664	4,736	51,400
2026 - 2027	71,735	3,798	75,533
Total	$ 287,785	$ 44,748	$ 332,533

Note 7 – Proprietary Fund Type Non-GAAP Budgetary Basis

The accompanying schedules of revenues, expenditures and changes in available resources, budget and actual (Non-GAAP budgetary basis) for the proprietary fund types, presents comparisons of the legally adopted budget with actual data on a budgetary basis. Since accounting principles applied for purposes of developing data on a budgetary basis differ significantly from those used to present financial statements in conformity with generally accepted accounting principles, a reconciliation of resultant basis, timing, perspective and entity differences in the excess (deficiency) of financial resources over expenditures and other uses of financial resources for the year ended December 31, 2020 is presented below:

Expenses (GAAP Basis)	$ 495,456
Adjustments	
Add:	
Capital assets purchased	8,000
Principal payments	53,217
Less:	
Depreciation expense	(131,485)
Expenditures (Budgetary Basis)	$ 425,188

Note 8 – State Impact Assistance Grant

During 1988, the Town applied for and received a grant from the Colorado Department of Local Affairs in the amount of $100,000. The grant proceeds were passed through to the Farmers Water Development Company (FWDC) to finance improvements to the Gurley Reservoir, which the FWDC owns and operates and from which the Town draws its water.

In order for public financing of improvements to the Gurley Reservoir to be legal, the funds must be used for public purposes. Since the grant proceeds were passed through to the FWDC, which is privately owned, the terms of the grant agreement include the stipulation that the FWDC will not charge the Town its yearly water assessment until the amount of $100,000 is exceeded. The Town's yearly assessment in past years had been $ 500 to $ 600. The Town has recorded the $100,000 grant receipts as contributed capital and the resulting prepayment of water assessments as an asset. A period of seventy-five years was used to amortize the prepaid water assessments based on the estimated life of the improvements financed by the grant. Amortization began in 1989 and amounts to $ 1,333 per year. At December 31, 2020, a total of $ 45,332 had been amortized, leaving a balance of $ 54,668 of advanced water assessments remaining unamortized.

Note 9 – Contingent Liabilities

Risk Management

The Town is exposed to various risks of loss related to torts; theft of, damages to, and destruction of assets; errors and omissions; injuries to employees; and natural disasters. The Town pays an annual premium to CIRSA Property/Casualty and Workers' Compensation for its general liability and workmen's compensation insurance coverage. The agreement with CIRSA will be self-sustaining through member premiums. CIRSA rate-setting policies are established by the Board of Directors, in consultation with independent actuaries. The Board of Directors may credit member municipalities' future contributions in the event of a surplus. Although it has never occurred, CIRSA member municipalities are subject to a supplemental assessment in the event of a deficiency.

Note 10 – Capital Assets

Governmental Activities	Balance 1/1/2020	Additions	Dispositions	Balance 12/31/2020
Capital assets not being depreciated				
Land and improvements	$ 545,901	$ -	$ -	$ 545,901
	545,901	-	-	545,901
Capital assets being depreciated				
Buildings	385,962	-	-	385,962
Equipment	331,897	-	-	331,897
Park Expansion	216,507	-	-	216,507
Infrastructure	272,764	-	-	272,764
	1,207,130	-	-	1,207,130
Less accumulated depreciation				
Buildings	(82,297)	(9,054)	-	(91,351)
Equipment	(241,262)	(15,307)	-	(256,569)
Park Expansion	(30,659)	(22,159)	-	(52,818)
Infrastructure	(127,240)	(13,980)	-	(141,220)
	(481,458)	(60,500)	-	(541,958)
Capital assets being depreciated, net	725,672	(60,500)	-	665,172
Total governmental Activities capital assets	$ 1,271,573	$ (60,500)	$ -	$ 1,211,073

Business-type Activities	Balance 1/1/2020	Addition	Disposition	Balance 12/31/2020
Capital assets not being depreciated				
Land and source of supply	$ 290,207	$ -	$ -	$ 290,207
Capital assets being depreciated				
Utility plant	6,669,359	-	-	6,669,359
Vehicles and equipment	23,027	8,000	-	31,027
Less accumulated depreciation	(2,770,135)	(130,152)	-	(2,900,287)
Capital assets being depreciated, net	3,922,251	(122,152)	-	3,800,099
				-
Total business-type activities capital assets	$ 4,212,458	$ (122,152)	$ -	$ 4,090,306

Note 10 – Capital Assets – (continued)

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

General government	$	1,784
Culture and recreation		22,159
Public works, including depreciation of general infrastructure assets		36,557
Total depreciation expenses	$	60,500
Water - depreciation	$	130,152
Total	$	130,152

Required Supplementary Information

Town of Norwood
Schedule of Revenues, Expenditures and Changes in Fund Balance-Budget and Actual
General Fund
For the Year Ended December 31, 2020

	Budgeted			Favorable
Revenues	**Original**	**Final**	**Actual**	**(Unfavorable)**
Taxes	$ 375,589	$ 375,589	**529,976**	$ 154,387
Licenses and permits	1,600	1,600	**1,225**	(375)
Intergovernmental revenues	237,145	237,145	**223,576**	(13,569)
Charges for services	10,000	10,000	**171**	(9,829)
Fines and forfeitures	3,000	3,000	**1,151**	(1,849)
Miscellaneous revenue	15,500	15,500	**21,872**	6,372
Total revenues	642,834	642,834	**777,971**	135,137
Expenditures				
General government	316,907	316,907	**261,180**	55,727
Judicial	3,675	3,675	**3,600**	75
Police department	142,333	142,333	**115,754**	26,579
Public works	256,439	256,439	**222,909**	33,530
Health and welfare	1,000	1,000	**-**	1,000
Culture and recreation	17,860	17,860	**7,331**	10,529
Total Expenditures	738,214	738,214	**610,774**	127,440
Excess of revenues over (under) expenditures	(95,380)	(95,380)	167,197	262,577
Fund balance, January 1	398,027	398,027	**540,920**	142,893
Fund balance, December 31	$ 302,647	$ 302,647	**$ 708,117**	$ 405,470

The accompanying notes are an integral part of this statement.

Town of Norwood
Contingency Fund
Schedule of Revenues, Expenditures and Changes in Fund Balance
Budget and Actual
Year Ended December 31, 2020

	Original Budget	Final Budget	Actual	Favorable (Unfavorable)
Revenues				
Interest income	$ -	$ -	**$ 42**	$ 42
Total revenues	-	-	**42**	42
Expenditures				
Capital outlay	58,933	58,933	**-**	58,933
Total expenditures	58,933	58,933	**-**	58,933
Excess of revenues over (under) expenditures	(58,933)	(58,933)	**42**	58,975
Other financing sources				
Transfers in (out)	456,480	456,480	**-**	(456,480)
Excess of revenues and sources over (under) expenditures and other (uses)	397,547	397,547	**42**	(397,505)
Fund balance, January 1	456,480	456,480	**456,514**	34
Fund balance, December 31	$ 854,027	$ 854,027	**$ 456,556**	$ (397,471)

Town of Norwood
Conservation Trust Fund
Schedule of Revenues, Expenditures and Changes in Fund Balance
Budget and Actual
Year Ended December 31, 2020

	Original Budget	Final Budget	Actual	Favorable (Unfavorable)
Revenues				
Lottery	$ 3,200	$ 3,200	**$ 2,969**	$ (231)
Interest income	5	5	**1**	(4)
Miscellaneous income	-	-	**100**	100
Total revenues	3,205	3,205	3,070	(135)
Expenditures				
Parks	6,500	6,500	**5,064**	1,436
Total expenditures	6,500	6,500	**5,064**	1,436
Excess of revenues over (under) expenditures	(3,295)	(3,295)	**(1,994)**	1,301
Fund balance, January 1	17,329	17,329	**18,570**	1,241
Fund balance, December 31	$ 14,034	$ 14,034	**$ 16,576**	$ 2,542

Town of Norwood
Water Fund
Schedule of Revenues, Expenditures and Changes in Available Resources-Budget and Actual
(Non-GAAP Budgetary Basis)
Year Ended December 31, 2020

Available resources	Original Budget	Final Budget	Actual	Favorable (Unfavorable)
January 1	$ 628,366	$ 628,366	$ 592,163	$ (36,203)
Revenues				
Water fees	410,000	410,000	441,474	31,474
Tap fees	36,000	36,000	49,513	13,513
Public Water Meter/shack	9,000	9,000	8,651	(349)
Interest Income	-	-	39	39
Grants and loans	6,980	6,980	8,120	1,140
Miscellaneous	14,900	14,900	2,534	(12,366)
Total revenues	476,880	476,880	510,331	33,451
Total available resources	1,105,246	1,105,246	1,102,494	(2,752)
Expenditures				
Salaries and benefits	190,452	190,452	170,427	20,025
Maintenance and supplies	64,800	64,800	67,861	(3,061)
Water assessments	25,000	25,000	26,790	(1,790)
Utilities	34,000	34,000	31,113	2,887
Other expenses	68,800	68,800	46,960	21,840
Capital Outlay	20,861	20,861	8,000	12,861
Debt service	82,967	82,967	65,265	17,702
Total expenditures	486,880	486,880	416,416	70,464
Available resources				
December 31	$ 618,366	$ 618,366	$ 686,078	$ 67,712

Town of Norwood
Raw Water Irrigation System Fund
Schedule of Revenues, Expenditures and Changes in Available Resources-Budget and Actual
(Non-GAAP Budgetary Basis)
Year Ended December 31, 2020

	Original Budget	Final Budget	Actual	Favorable (Unfavorable)
Available resources				
January 1	$ -	$ -	$ 29,957	$ 29,957
Revenues				
Charges for services	-	-	39,619	39,619
Total revenues	-	-	39,619	39,619
Total available resources	-	-	69,576	69,576
Expenditures				
Miscellaneous	-	-	8,952	(8,952)
Total expenditures	-	-	8,952	(8,952)
Available resources				
December 31	$ -	$ -	$ 60,624	$ 60,624

6-2-20

ANNUAL HIGHWAY FINANCE REPORT - CY19

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Email address: grafmyer@norwoodtown.com

City/County: Norwood

II - RECEIPTS FOR ROAD AND STREET PURPOSES

Please no commas or dollar signs for the input

A. Receipts from local sources

2. General Fund Appropriations:	$	0.00
3. Other local imposts: *from A.3. 'Total' below)*	$	93,779.00
4. Miscellaneous local receipts: *from A.4. 'Total' below)*	$	5,796.00
5. Transfers from toll facilities	$	0.00
6. Proceeds of sale of bonds and notes		
a. Bonds - Original Issues:	$	0.00
b. Bonds - Refunding Issues:	$	0.00
c. Notes:	$	0.00
SubTotal:	$	99,575.00

B. Private Contributions	$	0.00

Comments: undefined $ 0.00

Total: *(1+3c,d,e)* $ 28,009.00

D. Receipts from Federal Government

Please no commas or dollar signs for the input

2. Other Federal Agencies

a. Forest Service:	$ 0.00
b. FEMA:	$ 0.00
c. HUD:	$ 0.00
d. Federal Transit Administration:	$ 0.00
e. U.S. Corp of Engineers	$ 0.00
f. Other Federal:	$ 0.00

Total: *(2a-f)* $ 0.00

II - RECEIPTS FOR ROAD AND STREET PURPOSES (Detail)

Please no commas or dollar signs for the input

A.3. Other local imposts

a. Property Taxes and Assessments	$ 18000.00
b. Other Local Imposts	
1. Sales Taxes:	$ 72158.00
2. Infrastructure and Impact Fees:	$ 0.00
3. Liens:	$ 0.00
4. Licenses:	$ 0.00
5. Specific Ownership and/or Other:	$ 3621.00
Total: *(a + b) carried to 'Other local imposts' above)*	$ 93,779.00

A.4. Miscellaneous local receipts

Please no commas or dollar signs for the input

a. Interest on Investments:	$ 0.00
b. Traffic fines & Penalities:	$ 1252.00
c. Parking Garage Fees:	$ 0.00
d. Parking Meter Fees:	$ 0.00
e. Sale of Surplus Property:	$ 0.00
f. Charges for Services:	$ 0.00
g. Other Misc. Receipts:	$ 4544.00
h. Other:	$ 0.00
Total: *(a through h) carried to 'Misc local receipts' above)*	$ 5,796.00

C. Receipts from State Government

Please no commas or dollar signs for the input

1. Highway User Taxes:	$ 23683.00
3. Other State funds:	
c. Motor Vehicle Registrations:	$ 4326.00
d. Other (Specify):	

II - RECEIPTS FOR ROAD AND STREET PURPOSES (Detail)

Please no commas or dollar signs for the input

A.3. Other local imposts

a. Property Taxes and Assessments	$ 18000.00
b. Other Local Imposts	
1. Sales Taxes:	$ 72158.00
2. Infrastructure and Impact Fees:	$ 0.00
3. Liens:	$ 0.00
4. Licenses:	$ 0.00
5. Specific Ownership and/or Other:	$ 3621.00
Total: *(a + b) carried to 'Other local imposts' above)*	$ 93,779.00

A.4. Miscellaneous local receipts

Please no commas or dollar signs for the input

a. Interest on Investments:	$ 0.00
b. Traffic fines & Penalities:	$ 1252.00
c. Parking Garage Fees:	$ 0.00
d. Parking Meter Fees:	$ 0.00
e. Sale of Surplus Property:	$ 0.00
f. Charges for Services:	$ 0.00
g. Other Misc. Receipts:	$ 4544.00
h. Other:	$ 0.00
Total: *(a through h) carried to 'Misc local receipts' above)*	$ 5,796.00

C. Receipts from State Government

Please no commas or dollar signs for the input

1. Highway User Taxes:	$ 23683.00
3. Other State funds:	
c. Motor Vehicle Registrations:	$ 4326.00
d. Other (Specify):	
Comments: undefined	$ 0.00

A. Local highway disbursements

1. Capital outlay: *(from A.1.d. 'Total Capital Outlay' below)*	$ 0.00
2. Maintenance:	$ 24007.00
3. Road and street services	
a. Traffic control operations:	$ 0.00
b. Snow and ice removal:	$ 4438.00
c. Other:	$ 7210.00
4. General administration & miscellaneous	$ 53600.00
5. Highway law enforcement and safety	$ 38329.00
Total: *(A.1-5)*	$ 127,584.00

Please no commas or dollar signs for the input

B. Debt service on local obligations

1. Bonds	
a. Interest	$ 0.00

III - DISBURSEMENTS FOR ROAD AND STREET PURPOSES - (Detail)

Please no commas or dollar signs for the input

	A. ON NATIONAL HIGHWAY SYSTEM	B. OFF NATIONAL HIGHWAY SYSTEM	C. TOTAL
A.1. Capital Outlay			
a. Right-Of-Way Costs:	$ 0.00	$ 0.00	$ 0.00
b. Engineering Costs:	$ 0.00	$ 0.00	$ 0.00
c. Construction			
1. New Facilities:	$ 0.00	$ 0.00	$ 0.00
2. Capacity Improvements:	$ 0.00	$ 0.00	$ 0.00
3. System Preservation:	$ 0.00	$ 0.00	$ 0.00
4. System Enhancement:	$ 0.00	$ 0.00	$ 0.00
5. Total Construction:			$ 0.00
d. Total Capital Outlay: *(Lines A.1.a. + 1.b. + 1.c.5)*			$ 0.00

IV. LOCAL HIGHWAY DEBT STATUS

Please no commas or dollar signs for the input

	OPENING DEBT	AMOUNT ISSUED	REDEMPTIONS	CLOSING DEBT
A. Bonds (Total)	$ 0.00	$ 0.00	$ 0.00	$ 0.00
1. Bonds (Refunding Portion)		$ 0.00	$ 0.00	$ 0.00

A. Bonds (Total)	$ 0.00	$ 0.00	$ 0.00	$ 0.00
1. Bonds (Refunding Portion)		$ 0.00	$ 0.00	$ 0.00
B. Notes (Total):	$ 0.00	$ 0.00	$ 0.00	$ 0.00

V - LOCAL ROAD AND STREET FUND BALANCE

Please no commas or dollar signs for the input

A. Beginning Balance	B. Total Receipts	C.Total Disbursements	D. Ending Balance	E. Reconciliation
$ 0.00	$ 127,584.00	$ 127,584.00	$ 0.00	$ 0.00

Notes & Comments:

undefined

Please enter your name: Patti Grafmyer

Please provide a telephone number where you may be reached: 970-327-4288

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