

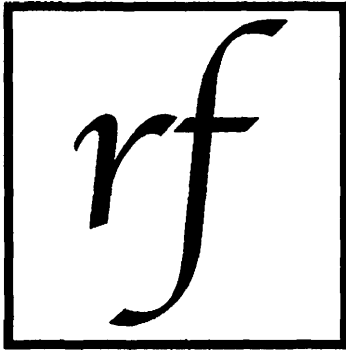
Town of Boone, Colorado
Financial Statements
December 31, 2021

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December 31, 2021**

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Independent Auditor's Report

Board of Trustees
Town of Boone

Report on the Audit of the Financial Statements

Opinions

We have audited the financial statements of the governmental activities, the business type activities, each major fund, and the aggregate remaining fund information of Town of Boone (the "Town"), as of and for the year ended December 31, 2021, and the related notes to the financial statements, which collectively comprise the Town's basic financial statements as listed in the table of contents.

In our opinion, the accompanying financial statements present fairly, in all material respects, the respective financial position of the governmental activities, each major fund, the aggregate discretely presented component unit, and the aggregate remaining fund information of the Town as of December 31, 2021, and the respective changes in financial position for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinions

We conducted our audit in accordance with auditing standards generally accepted in the United States of America (GAAS) and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. The financial statements of the aggregate discretely presented component unit was not audited in accordance with the Government Auditing Standards. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the Town and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Responsibilities of Management for the Financial Statements

The Town's management is responsible for the preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in the United States of America, and for 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.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the Town's ability to continue as a going concern for twelve months beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinions. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with GAAS, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit 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 Town's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the Town's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control-related matters that we identified during the audit.

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis and the additional required supplementary information on pages 23 through 26 be presented to supplement the basic financial statements. Such information is the responsibility of

management and, 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.

Management has elected to omit the management's discussion and analysis. The omission of this information does not affect our opinion on the financial statements.

Supplementary Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Towns basic financial statements. The supplemental information on pages 27 through 38, including the schedule of expenditures of federal awards, as required by Title 2 U.S. Code of Federal Regulations, Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards are presented for purposes of additional analysis and are not a required part of the basic financial statements.

The accompanying supplementary information is the responsibility of management and was derived from and relates 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 accompanying supplementary information is fairly stated, in all material respects, in relation to the basic financial statements as a whole.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated December 1, 2023, on our consideration of the Town's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Town's internal control over financial reporting and compliance.

rfarmer, llc

December 1, 2023

Town of Boone
Statement of Net Position
December 31, 2021

	<u>Governmental Activities</u>	<u>Business-type Activities</u>	<u>Total</u>
ASSETS			
Cash and Equivalents	\$ 180,057	\$ 240,973	\$ 421,030
Receivables	37,683	11,374	49,057
Capital Assets:			
Land	1,148	-	1,148
Distribution asset, net of depreciation	61,430	3,336,510	3,397,940
Total Capital Assets	<u>62,578</u>	<u>3,336,510</u>	<u>3,399,088</u>
Deferred Outflow of Resources	22,994	-	22,994
Total Assets	<u>303,312</u>	<u>3,588,857</u>	<u>3,892,169</u>
LIABILITIES			
Accounts payable and accrued expenses	5,818	22,264	28,082
Long-term liabilities:			
Due within one year:			
Notes payable	-	27,711	27,711
Due in more than one year:			
Notes payable	-	422,451	422,451
Net Pension Liability	19,315	-	19,315
Total liabilities	<u>25,133</u>	<u>472,426</u>	<u>497,559</u>
Deferred Inflow of Resources--property taxes	32,097	-	32,097
Deferred Inflow of Resources--pension plan	19,029	-	19,029
Total deferred inflow of resources	<u>51,126</u>	<u>-</u>	<u>51,126</u>
NET POSITION			
Net Investment in capital assets	77,777	2,886,347	2,964,124
Restricted for:			
TABOR	3,600	-	3,600
Unrestricted	145,676	230,084	375,760
Total net position	<u>\$ 227,053</u>	<u>\$ 3,116,431</u>	<u>\$ 3,343,484</u>

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

Town of Boone
Statement of Activities
For the Year Ended December 31, 2021

Functions/Programs Primary Government	Program Revenue			Net (Expense) Revenue and Changes in Net Position			
	Expenses	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Governmental Activities	Business-type Activities	Total
Governmental Activities							
General Government	\$ 76,356	\$ 3,898	\$ 46,209	\$ -	\$ (26,249)	\$ -	\$ (26,249)
Public Safety	41,000	835	-	-	(40,165)	-	(40,165)
Public Works	14,773	1,124	12,196	-	(1,453)	-	(1,453)
Culture and Recreation	8,798	-	4,362	-	(4,436)	-	(4,436)
Total Governmental Activities	140,927	5,857	62,767	-	(72,303)	-	(72,303)
Business-type activities:							
Water and sewer fund	233,092	126,357	-	1,458,125	-	1,351,390	1,351,390
Refuse Fund	44,707	40,374	-	-	-	(4,333)	(4,333)
Total Business-type Activities	277,799	166,731	-	1,458,125	-	1,347,057	1,347,057
Total Primary Government	\$ 418,726	\$ 172,588	\$ 62,767	\$ 1,458,125	\$ (72,303)	\$ 1,347,057	\$ 1,274,754
General Revenues:							
Taxes:							
Property taxes, levied for general purposes					34,153	-	34,153
Franchise and other taxes					19,475	-	19,475
Unrestricted investment earnings					-	17	17
Miscellaneous					33,460	33,092	66,552
Total general revenues, special items, and transfers					87,088	33,109	120,197
Change in net position					14,785	1,380,166	1,394,951
Net Position - Beginning					212,268	1,736,265	1,948,533
Net Position - Ending					\$ 227,053	\$ 3,116,431	\$ 3,343,484

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

**Town of Boone
Balance Sheet
Governmental Funds
December 31, 2021**

	<u>General Fund</u>	<u>Other Governmental Funds</u>	<u>Total Governmental Funds</u>
ASSETS			
Cash and cash equivalents	\$ 141,148	\$ 38,909	\$ 180,057
Other receivables	25,926	11,757	37,683
Total assets	<u>167,074</u>	<u>50,666</u>	<u>217,740</u>
 LIABILITIES AND FUND BALANCES			
Liabilities:			
Accounts payable	<u>5,818</u>	-	<u>5,818</u>
Total liabilities	<u>5,818</u>	-	<u>5,818</u>
 Deferred Cash Inflow of Resources			
Deferred property taxes	<u>24,455</u>	<u>7,642</u>	<u>32,097</u>
 Fund Balance:			
Reserved for:			
TABOR	3,600	-	3,600
Unassigned	133,201	-	133,201
Assigned, reported in non-major special revenue funds	<u>-</u>	<u>43,024</u>	<u>43,024</u>
Total fund balances	<u>136,801</u>	<u>43,024</u>	<u>179,825</u>
Total liabilities and fund balances	<u>\$ 167,074</u>	<u>\$ 50,666</u>	<u>\$ 217,740</u>

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

Town of Boone
Reconciliation of the Governmental Funds Balance Sheet to the Statement of Net Position
December 31, 2021

Total fund balance, governmental funds	\$ 179,825
Amounts reported for governmental activities in the Statement of Net Position are different because:	
Capital assets used in governmental activities are not current financial resources and therefore are not reported in this fund financial statement, but are reported in the governmental activities of the Statement of Net Position.	62,578
Defined Pension Benefit deferred outflow net of deferred inflows	3,965
Net Pension Liability	<u>(19,315)</u>
Net Position of Governmental Activities in the Statement of Net Position	<u>\$ 227,053</u>

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

Town of Boone
Statement of Revenues, Expenditures and Changes in Net Position
Governmental Funds
For the Year Ended December 31, 2021

	<u>General Fund</u>	<u>Other Governmental Funds</u>	<u>Total Governmental Funds</u>
REVENUES			
Property Taxes	\$ 26,879	\$ 7,274	\$ 34,153
Fees and fines	3,898	1,959	5,857
Intergovernmental and grants	46,209	16,558	62,767
Franchise fees	19,475	-	19,475
Miscellaneous	1,552	31,908	33,460
Total revenues	<u>98,013</u>	<u>57,699</u>	<u>155,712</u>
EXPENDITURES			
Current:			
Salaries and benefits	17,393	1,324	18,717
General expenditures	43,764	59,298	103,062
Total Expenditures	<u>61,157</u>	<u>60,622</u>	<u>121,779</u>
Excess (deficiency) of revenues over expenditures	<u>36,856</u>	<u>(2,923)</u>	<u>33,933</u>
Net change in fund balances	36,856	(2,923)	33,933
Fund balances - beginning	99,945	45,947	145,892
Fund balances - ending	<u>\$ 136,801</u>	<u>\$ 43,024</u>	<u>\$ 179,825</u>

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

Town of Boone
Reconciliation of the Statement of Revenues, Expenditures, and Changes in Net Positions of
Governmental Funds to the Statement of Activities
For the Year Ended December 31, 2021

Net change in fund balances - total governmental funds:	\$	33,933
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Amounts reported for Governmental Activities in the Statement of Activities are different because:

Adjustment for fixed assets.

Governmental funds report outlays for capital assets as expenditures because such outlays use current financial resources. In contrast, the Statement of Activities reports only a portion of the outlay as expense. The outlay is allocated over the assets' estimated useful lives as depreciation expense for the period.

This is the amount by which capital outlay of \$0 was less than depreciation of \$15,199 in the current period.

(15,199)

Adjustment for Volunteer Firemen Pension Plan expense

(3,949)

Change in net positions of governmental activities

\$ 14,785

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

**Town of Boone
Statement of Net Position
Proprietary Funds
December 31, 2021**

	<u>Water and Sewer Fund</u>	<u>Refuse Fund</u>	<u>Total</u>
ASSETS			
Current assets:			
Cash and cash equivalents	\$ 248,862	\$ (7,889)	\$ 240,973
Other receivables	11,374	-	11,374
Total current assets	<u>260,236</u>	<u>(7,889)</u>	<u>252,347</u>
Non-current assets:			
Capital Assets:			
Enterprise System Assets, net of depreciation	3,336,510	-	3,336,510
Total non-current assets	<u>3,336,510</u>	<u>-</u>	<u>3,336,510</u>
Total assets	<u>3,596,746</u>	<u>(7,889)</u>	<u>3,588,857</u>
LIABILITIES			
Current Liabilities:			
Accounts payable	22,264	-	22,264
Bonds and loans payable	27,711	-	27,711
Total current liabilities	<u>49,975</u>	<u>-</u>	<u>49,975</u>
Non-current liabilities:			
Bonds and loans payable	422,452	-	422,452
Total non-current liabilities	<u>422,452</u>	<u>-</u>	<u>422,452</u>
Total liabilities	<u>472,427</u>	<u>-</u>	<u>472,427</u>
NET POSITION			
Net Investment in capital assets	2,886,347	-	2,886,347
Unrestricted	237,972	(7,889)	230,083
Total Net Position	<u>\$ 3,124,319</u>	<u>\$ (7,889)</u>	<u>\$ 3,116,430</u>

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

Town of Boone
Statement of Revenues, Expenses and Changes in Fund Net Position
Proprietary Fund
For the Year Ended December 31, 2021

	Water and Sewer Fund	Refuse Fund	Total
REVENUES			
Charges for services	\$ 115,562	\$ 40,374	\$ 155,936
Levies for specific purposes	43,887	-	43,887
Total operating revenues	<u>159,449</u>	<u>40,374</u>	<u>199,823</u>
OPERATING EXPENSES			
Wastewater operations:			
Operating expenses	122,576	44,707	167,283
Depreciation	110,516	-	110,516
Total Operating Expenses	<u>233,092</u>	<u>44,707</u>	<u>277,799</u>
Operating income (loss)	<u>(73,643)</u>	<u>(4,333)</u>	<u>(77,976)</u>
NON-OPERATING REVENUES (EXPENSES)			
Interest income	17	-	17
Non-Operating grants and contributions	1,458,125	-	1,458,125
Total non-operating revenue (expenses)	<u>1,458,142</u>	<u>-</u>	<u>1,458,142</u>
Income (loss) before contributions and transfers	<u>1,384,499</u>	<u>(4,333)</u>	<u>1,380,166</u>
Change in net assets	1,384,499	(4,333)	1,380,166
Total net position - beginning	1,739,820	(3,556)	1,736,264
Total net position - ending	<u>\$ 3,124,319</u>	<u>\$ (7,889)</u>	<u>\$3,116,430</u>

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

Town of Boone
Statement of Cash Flows - Proprietary Fund
For the year ended December 31, 2021

	Business-Type Activities		
	Water and Sewer Fund	Refuse Fund	Total
Cash Flows from Operating Activities			
Receipts from customers	\$ 154,817	\$ 40,374	\$ 195,191
Payments to suppliers	(62,539)	(44,707)	(107,246)
Payments to employees	(50,638)	-	(50,638)
Net cash provided (used) in operating activities	<u>41,640</u>	<u>(4,333)</u>	<u>37,307</u>
Cash Flows from Capital Related Financing Activities			
Principal repayments on long-term debt	(30,713)	-	(30,713)
Grant funds received	1,458,125	-	1,458,125
Purchase of assets	(1,458,422)	-	(1,458,422)
Net cash provided (used) in financing activities	<u>(31,010)</u>	<u>-</u>	<u>(31,010)</u>
Cash Flows from Investing Activities			
Interest received on Investments	17	-	17
Net cash provided (used) in investing activities	<u>17</u>	<u>-</u>	<u>17</u>
Net Increase (Decrease) in cash and cash equivalents	10,647	(4,333)	6,314
Beginning of the year cash	238,215	(3,556)	234,659
Ending of the year cash	<u>248,862</u>	<u>(7,889)</u>	<u>240,973</u>
Reconciliation of Operating Income to Net Cash			
Provided by Operating Activities:			
Operating income (loss)	(73,643)	(4,333)	(77,976)
Adjustments to reconcile operating income (loss) to net cash provided by operating activities:			
Depreciation	110,516	-	110,516
Change in assets and liabilities:			
(Increase) Decrease in Accounts Receivable	(4,632)	-	(4,632)
Increase (Decrease) in Accounts Payable	9,399	-	9,399
Net cash provided (used) from operating activities	<u>\$ 41,640</u>	<u>\$ (4,333)</u>	<u>\$ 37,307</u>

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

Town of Boone, Colorado
Notes to the Financial Statements
December 31, 2021

Note 1 **Summary of Significant Accounting Policies**

The financial statements of the Town of Boone (the “Town”) have been prepared in conformity with accounting principles generally accepted in the United States of America, 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 following is a summary of the significant policies:

Reporting Entity

The Town applies the criteria set forth in GASB statements to determine which governmental organizations should be included in the reporting entity. The inclusion or exclusion of component units is based on the elected officials’ accountability to their constituents. The financial reporting entity follows the same accountability. In addition, the financial statements of the reporting entity should allow the user to distinguish between the primary government (including its blended component units, which are, in substance, part of the primary government) and discretely presented component units. Criteria for inclusion of an entity into the primary governmental unit (in blended or discrete presentation) includes, but is not limited to, legal standing, fiscal discrepancy, imposition of will and the primary recipient of services. The Town presently has no component units included within the reporting entity.

Government-wide and Fund Financial Statements

The Statement of Net Position and the Statement of Activities are government-wide financial statements. They report information on all of the Town’s activities with interfund activities removed.

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

These statements distinguish between governmental and business-type activities of the Town. Governmental activities are supported by taxes and intergovernmental revenues. Business-type activities are financed to a significant extent by fees and charges.

The Statement of Activities demonstrates the degree to which direct expenses of a given function are offset by program revenues. Direct expenses are those that are clearly identifiable with specific functions. Indirect expense allocations that have been made in

the funds have been reversed for the statement of activities. Program revenues include (1) charges to customers or applicants who purchase, use, or directly benefit from goods, services, or privileges provided by a given function and (2) grants and contributions that are restricted to meeting operational or capital requirements of a particular function. Revenues that are not classified as program revenues, including all taxes, are reported as general revenues.

Separate financial statements are provided for governmental funds and proprietary funds. Major individual governmental funds are reported as separate columns in the fund financial statements. All remaining governmental funds are aggregate and reported as non-major funds.

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 proprietary fund financial statements. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of the related cash flow. Property taxes are recognized as revenues in the year for which they are levied. Grants and similar items are recognized as revenue in the fiscal year in which all eligible requirements imposed by the provider have been met.

Interfund activities between governmental funds and proprietary funds appear as due to/ due from on the governmental funds balance sheet and proprietary fund statement of net position and as other resources and other uses on the governmental fund statement of revenues, expenditures, and changes in fund balance and on the proprietary fund statement of revenues, expenses, and changes in fund net position. All interfund transactions between governmental funds are eliminated on the government-wide financial statements.

The fund financial statements provide reports on the financial condition and results of operations for three fund categories: governmental, proprietary, and fiduciary. Since the resources in the fiduciary funds cannot be used for government operations, they are not included in the government-wide statements. The Town considers some governmental funds major and reports their financial condition and results of operations in a separate column.

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

Governmental funds are used to account for the Town's general governmental activities. Governmental fund financial statements are reported using the *current financial resources measurement focus* and the *modified accrual basis of accounting*. Revenues are recognized as soon as they are both measurable and available. Revenues are considered to be available when they are collectible within the period or soon enough thereafter to pay liabilities of the current fiscal period. For this purpose, the government considers revenues to be available if they are collected within 60 days of the end of the current fiscal period. Expenditures generally are recorded when a liability is incurred, as under accrual accounting. However, debt service expenditures, as well as expenditures related

to compensated absences and claims and judgments, are recorded only when payment is due. General capital asset acquisitions are reported as expenditures in governmental funds. Proceeds from long-term debt are reported as other financing sources, and acquisitions of capital leased assets are reported as other financing uses.

The Town considers property taxes as available if they are collected within 60 days after year-end. Property taxes are recognized as revenue in the fiscal period for which they are levied, providing the available criteria are met.

Those revenues susceptible to accrual are property taxes, interest revenue and charges for services. Specific ownership taxes collected and held by the County at year-end on behalf of the Town are also recognized as revenue.

Entitlements and shared revenues are recorded at the time of receipt or earlier if the accrual criteria are met. Expenditure-driven grants recognize revenue when the qualifying expenditures have been incurred and all other grant requirements have been met.

The proprietary fund types are accounted for on a *flow of economic resources measurement focus* and utilize the *accrual basis of accounting*. This basis of accounting recognizes revenues in the accounting period in which they are earned and become measurable and expenses in the accounting period in which they are incurred and become measurable. The Town applies all GASB pronouncements. With this measurement focus, all assets and all liabilities associated with the operation of these funds are included on the fund statement of net position. The fund equity is segregated into invested in capital assets net of related debt, restricted net position and unrestricted net position.

The accounts of the Town are organized and operated on the basis of funds. A fund is an independent fiscal accounting entity with a self-balancing set of accounts. Fund accounting segregates funds according to their intended purpose and is used to aid management in demonstrating compliance with finance-related legal and contractual provisions. The minimum number of funds maintained by the Town is consistent with legal and managerial requirements.

Fund Accounting

The Town reports the following major governmental fund:

General Fund: accounts for all financial resources except those required to be accounted for in another fund.

Proprietary Funds

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

The principal operating revenues of the Town's enterprise funds are charges for services. Operating expenses for enterprise funds include cost of sales and services, administrative expenses, and depreciation on capital assets. All revenues and expenses not meeting this definition are reported as non-operating revenues and expenses.

Enterprise funds are used to account for those operations financed and operated in a manner similar to private business or where the Town Council has decided that the determination of revenues earned, costs incurred and/or net income is necessary for management accountability.

Other Accounting Policies

Cash and Cash Equivalents

For purposes of the statement of cash flows for the proprietary fund, the Town considers highly liquid investments to be cash equivalents if they have a maturity of three months or less when purchased.

Property Taxes

Under Colorado Law, all property taxes become due and payable in the year following in which they are levied. Property taxes are recognized as revenue when collected by the County Treasurer. Property taxes levied in 2021 for collection in 2022 are identified as property taxes receivable and deferred revenues at December 31 and are presented net of an estimated allowance for uncollectible taxes. Property taxes become a lien on the property as of January 1 of each year. One-half of the property taxes are due by February 28 and one-half due by June 15 or all may be paid by April 30 to avoid penalties and interest.

Interfund Transactions

Interfund transactions are accounted for as expenditures/expenses when they constitute reimbursements from one fund to another. These transactions are recorded as reductions of expenditures/expenses in the fund receiving the reimbursement. All other interfund transactions are reported as transfers.

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 certain reported amounts and disclosures. Accordingly, actual results could differ from those estimates and the difference could be material.

Budgets & Budgetary Accounting

Annual budgets are adopted, and appropriation resolutions are made as required by Colorado Statutes for each fund. Formal budgetary integration is employed as a management control device during the year.

Budgets are adopted on a basis consistent with generally accepted accounting principles (GAAP).

Each year the Town Council shall cause to be prepared, a proposed budget for the ensuing fiscal year. A statement shall be submitted with the proposed budget describing

the major objectives of the Town to be undertaken by the Town Council during the ensuing fiscal year and the manner in which the budget proposes to fulfill such objectives. The proposed budget shall be submitted to the board by October 15. A public hearing is conducted by the Council to obtain taxpayer comments. The final adoption of the Town budget and appropriation resolution must be made by December 31.

Colorado law requires that all funds have legally adopted budgets and total expenditures for each fund cannot exceed the amount appropriated. All appropriations lapse at the end of each fiscal year. Supplemental budgets for the General and Enterprise Funds were adopted.

Appropriations are adopted by resolution for each fund in total. Over expenditures are not deemed to exist unless the fund as a total has expenditures in excess of appropriations.

All of the funds overspent their 2021 budgets. The over expenditures may be a violation of Colorado Revised Statutes.

Encumbrances

Encumbrance accounting, under which purchase orders, contracts, and other commitments for the expenditures of monies are recorded in order to reserve that portion of the applicable appropriation, is not utilized by the Town.

Investments

Under Colorado statutes the Town may lawfully invest eligible funds in the following securities:

- a. Obligations of the United States and certain U.S. government agencies' securities;
- b. Certain international agencies' securities;
- c. General obligation and revenue bonds of U.S. local government entities;
- d. Bankers' acceptances of certain banks;
- e. Commercial paper which holds the highest credit rating category and with a maturity within 180 days;
- f. Local government investment pools;
- g. Written repurchase agreements collateralized by certain authorized securities;
- h. Certain money market funds;
- i. Guaranteed investment contracts.

The Town may also deposit funds in Colorado financial institutions, which are members of the Federal Deposit Insurance Corporation. State law requires the Town Council to approve any investment with maturity in excess of five years.

Receivables and Payables

During the course of operations, numerous transactions occur between individual funds for goods provided or services rendered. In the fund financial statements, these receivables and payables are classified as "due from other funds" or "due to other funds"

on the balance sheet; however, in the government-wide financial statements all internal balances have been eliminated.

Capital Assets

Capital assets, which include land, buildings, furniture, and equipment, are reported in the applicable governmental or business-type activities columns in the government-wide financial statements. Capital assets are defined by the Town as assets with an initial individual cost of \$5,000 or more and an estimated useful life in excess of one year. Such assets are recorded at historical cost or estimated historical cost if purchased or constructed. Donated capital assets are recorded at estimated fair market value at the date of donation.

The costs of normal maintenance and repairs that do not add to the value of the asset or materially extend assets lives are not capitalized.

Land improvements, buildings, furniture, and equipment of the Town are depreciated using the straight-line method over the following estimated useful lives:

<u>Assets</u>	<u>Years</u>
Buildings	50
Building Improvements	20
Vehicles	5
Equipment	5

Fund Balances

The Town implemented GASB Statement No. 54 “Fund Balance Reporting and Governmental Fund Type Definitions.” In the fund financial statements, the following classifications describe the relative strength of spending constraints.

Non-Spendable Fund Balance

The portion of fund balance that cannot be spent because it is either not in spendable form (such as inventory and prepaid amounts) or is legally or contractually required to be maintained intact.

Restricted Fund Balance

The portion of fund balance constrained to being used for a specific purpose by external parties (such as grantors or bondholders), constitutional provisions or enabling legislation.

Committed Fund Balance

The portion of fund balance constrained for specific purposes according to the limitations imposed by the Town’s highest level of decision-making authority, the Town Council, or other individuals authorized to assign funds to be used for a specific purpose. This classification is necessary to indicate that those funds are, at a minimum, intended to be used for the purpose of that particular fund.

Assigned Fund Balance

The portion of fund balance set aside for planned or intended purposes but is neither restricted nor committed. The intended use may be expressed by the Town Council or other individuals authorized to assign funds to be used for a specific purpose. Assigned fund balances in special revenue funds will also include any remaining fund balance that is not restricted or committed. This classification is necessary to indicate that those funds are, at a minimum, intended to be used for the purpose of that particular fund.

Unassigned Fund Balance

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

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

Note 2 Deposits and Investments

Custodial Credit Risk - Deposits

Custodial credit risk is the risk that, in the event of a bank failure, the Town's deposits might not be recovered. However, the Colorado Public Deposit Protection Act (PDPA) requires that deposits of all units of local government be held at eligible public depositories, whose 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. The 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 102% of the aggregate uninsured deposits.

Cash and certificates of deposit are covered by federal insurance coverage and the provisions of the Colorado Public Deposit Protection Act.

Note 3 Capital Assets

Capital asset activity for the year ended December 31, 2021, was as follows:

Governmental Activities:	Beginning Balance	Additions	Deletions	Ending Balance
Non-Depreciable Assets:				
Land	\$ 1,148	\$ -	\$ -	\$ 1,148
Depreciable Assets:				
Buildings & Improvements	192,492	-	-	192,492
Equipment	412,070	-	-	412,070
Total Depreciable Assets	604,562	-	-	604,562
Less Accumulated Depreciation	(527,933)	(15,199)	-	(543,132)
Net Depreciable Assets	76,629	(15,199)	-	61,430
Net Capital Assets	\$ 77,777	\$ (15,199)	\$ -	\$ 62,578

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

General Government	\$ 9,625
Public Safety	<u>5,574</u>
Total	<u>\$ 15,199</u>

<u>Business-Type Activities:</u>	<u>Beginning Balance</u>	<u>Additions</u>	<u>Deletions</u>	<u>Ending Balance</u>
Non-Depreciable Assets:				
Land	\$ 8,785	\$ -	\$ -	\$ 8,785
Depreciable Assets:				
Equipment and Distribution Assets	3,492,466	1,457,622	-	4,950,088
Less Accumulated Depreciation	<u>(1,511,847)</u>	<u>(110,516)</u>	-	<u>(1,622,363)</u>
Net Depreciable Assets	<u>1,980,619</u>	<u>1,347,106</u>	-	<u>3,327,725</u>
Net Capital Assets	<u>\$ 1,989,404</u>	<u>\$ 1,347,106</u>	\$ -	<u>\$ 3,336,510</u>

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

Enterprise Fund	<u>\$ 110,516</u>
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Note 4 Public Entity Pool

The Town participates with Colorado Intergovernmental Risk Sharing Agency (CIRSA) which is an insurance risk pool. CIRSA is a separate legal entity established by the member municipalities pursuant to the provisions of Colorado Revised Statute and the Colorado Constitution.

It is the intent of the members of CIRSA to create an entity in perpetuity which will administer and use funds contributed by the members to defend and indemnify, in accordance with the bylaws, any member of CIRSA against stated liability or loss to the limit of the financial resources of CIRSA.

It is also the intent of the members to have CIRSA provide continuing stability and availability of needed coverage at reasonable costs. All income and assets of CIRSA shall be at all times dedicated to the exclusive benefit of its members.

CIRSA is a separate legal entity and the Town does not approve budgets nor does it have the ability to significantly affect the operations of the unit. Complete financial statements for CIRSA can be obtained at their offices.

Note 5 Risk Management

Colorado Intergovernmental Risk Sharing Agency (CIRSA) Property & Casualty Pool

The Town is exposed to various risks of loss related to property and casualty losses. The Town has joined together with other municipalities in the State of Colorado to form the Colorado Intergovernmental Risk Sharing Agency (CIRSA), a public entity risk pool currently operating as a common risk management and insurance program for member municipalities. The Town pays an annual contribution to CIRSA for its property and

casualty insurance coverage. The intergovernmental agreement of formation of CIRSA provides that the pool will be financially self-sustaining through member contributions and additional assessments, if necessary, and that the Pool will purchase insurance through commercial companies for members' claims in excess of a specified self-insured retention, which is determined each policy year.

Other Non-Pool Coverage

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; claims relating to professional liability; and natural disasters. These risks are covered by commercial insurance purchased from independent third parties. Settled claims for these risks have not exceeded commercial insurance coverage in the past two years.

Note 6 Long-Term Debt

During 2014, the Town entered into a water and sewer project borrowing \$410,723 for the water project and \$274,725 for the sewer project. The Town is required to make semi-annual payments of \$8,928 to retire the water project note and \$4,927 to retire the sewer project note. Neither note bears interest. The collateral for the loan is the monthly service fees.

	Principal Water	Principal Sewer	Total
2022	\$ 17,857	\$ 9,854	\$ 27,711
2023	17,857	9,854	27,711
2024	17,857	9,854	27,711
2025	17,857	9,854	27,711
2026	17,857	9,854	27,711
2027-2031	89,285	49,270	138,555
2032-2036	80,357	49,270	129,627
2037-2040	-	43,426	43,426
Total	\$ 258,927	\$ 191,236	\$ 450,163

Note 7 Tax, Spending and Debt Limitation

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. The Town believes 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 residents of the Town voted to authorize the Town to collect, retain and expend all revenue and other funds collected from any source each year notwithstanding the limitations of Article X, Section 20 of the Colorado Constitution, provided no sales and use tax rates, property tax mill levy or other tax rate be increased nor any tax be imposed without prior approval of the voters of the Town.

Note 8 Employee Retirement Plan

General Information about the Fire & Police Pension Association Old Hire and Volunteer Pension Plan Employers

Plan Description

The Plan is a cost-sharing multiple-employer defined benefit pension plan covering substantially all old hires and volunteer firemen.

Colorado Revised Statutes Title 31, Article 31 grants the authority to establish and amend the benefit terms to the Fire & Police Pension Association of Colorado Board of Directors. The Fire & Police Pension Association of Colorado issues a publicly available financial report that can be obtained at www.fppaco.org.

Benefits Provided

The annual normal retirement benefit is \$50 per month per qualifying retiree.

Contributions

The plan sets contribution rates at a level that enables all benefits to be fully funded at the retirement date of all members. Contribution rates for this Plan are set by state statute. Employer contribution rates can only be amended by state statute. Member contribution rates can be amended by state statute or by election of the membership.

No contributions were made by the Town or The State of Colorado for the year ended December 31, 2021.

**Sensitivity of Net Pension Liability/(Asset)
to the Single Discount Rate Assumption
for the Measurement Period ending December 31, 2021**

1% Decrease	Current Single Discount	1% Increase
1.19%	Rate Assumption	3.19%
\$ 25,701	\$ 19,315	\$ 14,116

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

At December 31, 2022, the Department reported a Net Pension Liability of \$25,350. The net pension liability was measured as of December 31, 2020, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of that date. The Department’s proportion of the net pension liability was based on a projection of the Department’s long-term share of contributions to the pension plan relative to the projected contributions of all participating Departments, actuarially determined.

General Information about the Fire & Police Statewide Defined Benefit Plan

For the year ended December 31, 2021, the Department recognized pension expense of \$3,949. At December 31, 2021, the Plan reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Differences between expected and actual experience	\$ 63	\$ 8,646
Changes in assumptions	22,017	7,738
Net difference between projected and actual earnings on pension plan investments	914	2,645
Total	<u>\$ 22,994</u>	<u>\$ 19,029</u>

Future Pension Expense/(Income) – Deferred Outflows and Deferred Inflows of Resources by Year to be Recognized in Future Pension Expense/(Income)

<u>Year Ending December 31,</u>	<u>Net Deferred Outflows/(Inflows) of Resources</u>
2022	\$ 403
2023	642
2024	522
2025	2,398
2026	-
Thereafter	-
Total	<u>\$ 3,965</u>

Valuation Date

Actuarial Valuation Date	January 1, 2020
Measurement Date of the Net Pension Liability (Asset)	December 31, 2020
Employer's Fiscal Year Ending Date (Reporting Date)	December 31, 2021

Methods and Assumptions Used to Determine Contribution Rates for the Year Ending December 31, 2021

Actuarial Cost Method	Entry age normal
Amortization Method	Level dollar, open*
Remaining Amortization Period	20 Years*
Asset Valuation Method	5-year smoothed fair value
Inflation	2.50%
Salary Increases	N/A
Investment Rate of Return	7.00%
Retirement Age	50% per year of eligibility until 100% at age 65
Mortality	Pre-retirement: 2006 central rates from the RP-2014 Employee Mortality Tables for males and females projected to 2018 using the MP-2017 projection scales, and then projected prospectively using the ultimate rates of the scale for all years, 50% multiplier for off-duty mortality. Post-retirement: 2006 central rates from the RP-2014 Annuitant Mortality Tables for males and females projected to 2018 using the MP-2017 projection scales, and then projected prospectively using the ultimate rates of the scale for all years. Disabled: 2006 central rates from the RP- 2014 Disabled Mortality Tables for males and females projected to 2018 using the MP-2017 projection scales, and then projected prospectively using the ultimate rates of the scale for all years.

*Plans that are heavily weighted with retiree liabilities use an amortization period based on the expected remaining lifetime of the participants.

FPPA System Description

The Fire & Police Pension Association (FPPA) administers an agent multiple-employer Public Employee Retirement System (PERS). The PERS represents the assets of numerous separate plans that have been pooled for investment purposes. The pension plans have elected to affiliate with FPPA for plan administration and investment only. FPPA issues a publicly available comprehensive annual financial report that can be obtained at www.FPPAco.org.

**Town of Boone
Budget and Actual
General Fund
For the year ended December 31, 2021**

	<u>Budgeted Amounts</u>		<u>Actual Amounts, Budgetary Basis</u>
	<u>Original</u>	<u>Final</u>	
REVENUES			
Property taxes	\$ 25,405	\$ 25,405	\$ 26,879
Fees and fines	60	60	3,898
Intergovernmental and grants	170	170	46,209
Franchise fees	18,500	18,500	19,475
Miscellaneous	1,620	1,620	1,552
Total revenues	<u>45,755</u>	<u>45,755</u>	<u>98,013</u>
EXPENDITURES			
Current:			
Salaries and benefits	17,920	17,920	17,393
General expenditures	30,600	30,600	43,764
Total Expenditures	<u>48,520</u>	<u>48,520</u>	<u>61,157</u>
Excess (deficiency) of revenues over expenditures	<u>(2,765)</u>	<u>(2,765)</u>	<u>36,856</u>
Net change in fund balances	(2,765)	(2,765)	36,856
Fund balances - beginning	99,945	99,945	99,945
Fund balances - ending	<u>\$ 97,180</u>	<u>\$ 97,180</u>	<u>\$ 136,801</u>

Boone Volunteer Fire Department Volunteer Pension Fund
Schedule of Contributions Multiyear
Last 10 Fiscal Years (to be Built Prospectively)

FYE Ending December 31,	Actuarially Determined Contribution	Actual Contribution*	Contribution Deficiency (Excess)	Covered Payroll	Actual Contribution as a % of Covered Payroll
2020	\$ 4,824	\$ -	\$ 4,824	N/A	N/A

* Includes both employer and State of Colorado Supplemental Discretionary Payment.

Town of Boone
Pension Expense/(Income) Under GASB Statement No. 68
Measurement Period Ending December 31, 2020
for the Employer Fiscal Year Ending December 31, 2021

Pension Expense/(Income)	
Service Cost	\$ 401
Interest on the Total Pension Liability	2,069
Current-Period Benefit Changes	-
Projected Earning on Plan Investments (made negative here to offset expense)	(1,748)
Pension Plan Administrative Expense	2,570
State of Colorado Supplemental Discretionary Payment	-
Recognition of Outflow (Inflow) of Resources due to Liabilities	1,148
Recognition of Outflow (Inflow) of Resources due to Assets	(491)
Total Pension Expense/(Income)	<u>\$ 3,949</u>

Town of Boone
Schedule of Changes in Net Pension Liability/(Asset)
and Related Ratios Current Period
Measurement Period Ended December 31, 2020

Total pension liability	
Service Cost	\$ 401
Interest on the Total Pension Liability	2,069
Benefit Changes	-
Difference between expected and actual experience of the	
Total Pension Liability	(3,913)
Changes of assumptions	18,050
Benefit payments	(2,550)
Net change in total pension liability	<u>14,057</u>
Total pension liability - beginning	<u>30,608</u>
Total pension liability - ending	<u><u>44,665</u></u>
Plan fiduciary net position	
Contributions - employer	-
Net investment income	2,987
Benefit payments	(2,550)
Pension Plan Administrative Expense	(2,570)
State of Colorado supplemental discretionary payment	-
Net change in plan fiduciary net position	<u>(2,133)</u>
Plan fiduciary net position - beginning	
(Market value of assets at beginning of year)	<u>27,483</u>
Plan fiduciary net position - ending	
(Market value of assets at end of year)	<u><u>25,350</u></u>
Net pension liability/(asset)	<u><u>\$ 19,315</u></u>
Plan fiduciary net position as a percentage of the total pension liability	56.76%
Covered-employee payroll	N/A
Net pension liability/(asset) as a percentage of covered payroll	N/A

**Town of Boone
Balance Sheet
Other Governmental Funds
December 31, 2021**

	<u>Conservation Trust Fund</u>	<u>Streets Fund</u>	<u>Fire Fund</u>	<u>Total Special Revenue Funds</u>
ASSETS				
Cash and cash equivalents	\$ 3,574	\$ 29,789	\$ 5,546	\$ 38,909
Other receivables	4,115	-	7,642	11,757
Total assets	<u>7,689</u>	<u>29,789</u>	<u>13,188</u>	<u>50,666</u>
LIABILITIES AND NET POSITIONS				
Liabilities:				
Total liabilities	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Deferred Cash Inflows:				
Property taxes	<u>-</u>	<u>-</u>	<u>7,642</u>	<u>7,642</u>
Net Positions:				
Assigned	<u>7,689</u>	<u>29,789</u>	<u>5,546</u>	<u>43,024</u>
Total net positions	<u>7,689</u>	<u>29,789</u>	<u>5,546</u>	<u>43,024</u>
Total liabilities and fund balances	<u>\$ 7,689</u>	<u>\$ 29,789</u>	<u>\$ 5,546</u>	<u>\$ 43,024</u>

Town of Boone
Statement of Revenues, Expenditures and Changes in Fund Balances
Governmental Funds
For the Year Ended December 31, 2021

	<u>Conservation Trust Fund</u>	<u>Streets Fund</u>	<u>Fire Fund</u>	<u>Total Special Revenue Funds</u>
REVENUES				
Property Taxes	\$ -	\$ -	\$ 7,274	\$ 7,274
Fees and fines	-	1,124	835	1,959
Intergovernmental	4,362	12,196	-	16,558
Miscellaneous	-	50	31,858	31,908
Total revenues	<u>4,362</u>	<u>13,370</u>	<u>39,967</u>	<u>57,699</u>
EXPENDITURES				
Current:				
Salaries and benefits	-	1,324	-	1,324
General expenditures	<u>8,798</u>	<u>13,449</u>	<u>37,051</u>	<u>59,298</u>
Total Expenditures	<u>8,798</u>	<u>14,773</u>	<u>37,051</u>	<u>60,622</u>
Excess (deficiency) of revenues over expenditures	<u>(4,436)</u>	<u>(1,403)</u>	<u>2,916</u>	<u>(2,923)</u>
Net change in fund balances	(4,436)	(1,403)	2,916	(2,923)
Fund balances - beginning	<u>12,125</u>	<u>31,192</u>	<u>2,630</u>	<u>45,947</u>
Fund balances - ending	<u>\$ 7,689</u>	<u>\$ 29,789</u>	<u>\$ 5,546</u>	<u>\$ 43,024</u>

**Town of Boone
Budget and Actual
Conservation Trust Fund
For the year ended December 31, 2021**

	Budgeted Amounts		Actual Amounts, Budgetary Basis
	Original	Final	
REVENUES			
Intergovernmental	\$ 3,300	\$ 3,300	\$ 4,362
Total revenues	<u>3,303</u>	<u>3,300</u>	<u>4,362</u>
EXPENDITURES			
Current:			
General expenditures	<u>3,000</u>	<u>3,000</u>	<u>8,798</u>
Total Expenditures	<u>3,000</u>	<u>3,000</u>	<u>8,798</u>
Excess (deficiency) of revenues over expenditures	<u>303</u>	<u>300</u>	<u>(4,436)</u>
Net change in fund balances	303	300	(4,436)
Fund balances - beginning	<u>12,125</u>	<u>12,125</u>	<u>12,125</u>
Fund balances - ending	<u>\$ 12,428</u>	<u>\$ 12,425</u>	<u>\$ 7,689</u>

**Town of Boone
Budget and Actual
Streets Fund
For the year ended December 31, 2021**

	<u>Budgeted Amounts</u>		<u>Actual Amounts, Budgetary Basis</u>
	<u>Original</u>	<u>Final</u>	
REVENUES			
Fees and fines	\$ 1,000	\$ 1,000	\$ 1,124
Intergovernmental	11,000	11,000	12,196
Miscellaneous	-	-	50
Total revenues	<u>12,000</u>	<u>12,000</u>	<u>13,370</u>
EXPENDITURES			
Current:			
Salaries and benefits	-	-	1,324
General expenditures	9,200	9,200	13,449
Total Expenditures	<u>9,200</u>	<u>9,200</u>	<u>14,773</u>
Excess (deficiency) of revenues over expenditures	<u>2,800</u>	<u>2,800</u>	<u>(1,403)</u>
Net change in fund balances	2,800	2,800	(1,403)
Fund balances - beginning	31,192	31,192	31,192
Fund balances - ending	<u>\$ 33,992</u>	<u>\$ 33,992</u>	<u>\$ 29,789</u>

**Town of Boone
Budget and Actual
Fire Fund
For the year ended December 31, 2021**

	<u>Budgeted Amounts</u>		<u>Actual Amounts, Budgetary Basis</u>
	<u>Original</u>	<u>Final</u>	
REVENUES			
Property Taxes	\$ 7,244	\$ 7,244	\$ 7,274
Fees and fines	-	-	835
Miscellaneous	4,700	4,700	31,858
Total revenues	<u>11,944</u>	<u>11,944</u>	<u>39,967</u>
EXPENDITURES			
Current:			
General expenditures	<u>11,240</u>	<u>11,240</u>	<u>37,051</u>
Total Expenditures	<u>11,240</u>	<u>11,240</u>	<u>37,051</u>
Excess (deficiency) of revenues over expenditures	<u>704</u>	<u>704</u>	<u>2,916</u>
Net change in fund balances	704	704	2,916
Fund balances - beginning	<u>2,560</u>	<u>2,560</u>	<u>2,630</u>
Fund balances - ending	<u>\$ 3,264</u>	<u>\$ 3,264</u>	<u>\$ 5,546</u>

**Town of Boone
Budget and Actual
Water and Sewer Fund
For the year ended December 31, 2021**

	<u>Budgeted Amounts</u>		<u>Actual Amounts, Budgetary Basis</u>
	<u>Original</u>	<u>Final</u>	
REVENUES			
Charges for Services	\$ 126,000	\$ 126,000	\$ 115,562
Investment earnings	22	22	17
Levies for specific purposes	43,000	43,000	43,887
Total revenues	<u>169,022</u>	<u>169,022</u>	<u>159,466</u>
OPERATING EXPENSES			
Personal services	99,300	99,300	122,576
Miscellaneous including debt service	27,712	27,712	27,711
Total Operating Expenses	<u>127,012</u>	<u>127,012</u>	<u>150,287</u>
Operating income (loss)	<u>42,010</u>	<u>42,010</u>	<u>9,179</u>
OTHER FINANCING SOURCES (USES)			
Non-operating grant	-	-	1,458,125
Total other financing sources and uses	<u>-</u>	<u>-</u>	<u>1,458,125</u>
Net change in fund balances	42,010	42,010	1,467,304
Fund balances - beginning	<u>1,739,820</u>	<u>1,739,820</u>	<u>1,739,820</u>
ADJUSTMENTS:			
Depreciation	-	-	(110,516)
Debt Service	-	-	27,711
Fund balances - ending	<u>\$ 1,781,830</u>	<u>\$ 1,781,830</u>	<u>\$ 3,124,319</u>

**Town of Boone
Budget and Actual
Refuse Fund
For the year ended December 31, 2021**

	<u>Budgeted Amounts</u>		<u>Actual Amounts, Budgetary Basis</u>
	<u>Original</u>	<u>Final</u>	
REVENUES			
Charges for Services	\$ 36,000	\$ 36,000	\$ 40,374
Total revenues	<u>36,000</u>	<u>36,000</u>	<u>40,374</u>
OPERATING EXPENSES			
Personal services	<u>36,900</u>	<u>36,900</u>	<u>44,707</u>
Total Operating Expenses	<u>36,900</u>	<u>36,900</u>	<u>44,707</u>
Operating income (loss)	<u>(900)</u>	<u>(900)</u>	<u>(4,333)</u>
Net change in fund balances	(900)	(900)	(4,333)
Fund balances - beginning	<u>(3,556)</u>	<u>(3,556)</u>	<u>(3,556)</u>
Fund balances - ending	<u>\$ (4,456)</u>	<u>\$ (4,456)</u>	<u>\$ (7,889)</u>

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

LOCAL HIGHWAY FINANCE REPORT	City or County: Boone
	YEAR ENDING : December 2021

This Information From The Records Of: Town of Boone	Prepared By: Phone:
---	------------------------

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

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

II. RECEIPTS FOR ROAD AND STREET PURPOSES

III. DISBURSEMENTS FOR ROAD AND STREET PURPOSES

ITEM	AMOUNT	ITEM	AMOUNT
A. Receipts from local sources:		A. Local highway disbursements:	
1. Local highway-user taxes		1. Capital outlay (from page 2)	0
a. Motor Fuel (from Item I.A.5.)		2. Maintenance:	14,772
b. Motor Vehicle (from Item I.B.5.)		3. Road and street services:	
c. Total (a.+b.)		a. Traffic control operations	0
2. General fund appropriations	0	b. Snow and ice removal	0
3. Other local imposts (from page 2)	0	c. Other	0
4. Miscellaneous local receipts (from page 2)	0	d. Total (a. through c.)	0
5. Transfers from toll facilities	0	4. General administration & miscellaneous	0
6. Proceeds of sale of bonds and notes:		5. Highway law enforcement and safety	0
a. Bonds - Original Issues	0	6. Total (1 through 5)	14,772
b. Bonds - Refunding Issues	0	B. Debt service on local obligations:	
c. Notes	0	1. Bonds:	
d. Total (a. + b. + c.)	0	a. Interest	0
7. Total (1 through 6)	0	b. Redemption	0
B. Private Contributions	0	c. Total (a. + b.)	0
C. Receipts from State government (from page 2)	13,370	2. Notes:	
D. Receipts from Federal Government (from page 2)	0	a. Interest	0
E. Total receipts (A.7 + B + C + D)	13,370	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)	14,772

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

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

V. LOCAL ROAD AND STREET FUND BALANCE

	A. Beginning Balance	B. Total Receipts	C. Total Disbursements	D. Ending Balance	E. Reconciliation
	31,192	13,370	14,772	29,790	0

Notes and Comments:

LOCAL HIGHWAY FINANCE REPORT

STATE:
Colorado
YEAR ENDING (mm/yy):
December 2021

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	0
b. Other local imposts:		b. Traffic Fines & Penalties	0
1. Sales Taxes	0	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	0	g. Other Misc. Receipts	0
6. Total (1. through 5.)	0	h. Other	0
c. Total (a. + b.)	0	i. Total (a. through h.)	0
	(Carry forward to page 1)		(Carry forward to page 1)

ITEM	AMOUNT	ITEM	AMOUNT
C. Receipts from State Government		D. Receipts from Federal Government	
1. Highway-user taxes	12,196	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	1,124	d. Federal Transit Admin	0
d. Other (Specify)	50	e. U.S. Corps of Engineers	0
e. Other (Specify)	0	f. Other Federal	0
f. Total (a. through e.)	1,174	g. Total (a. through f.)	0
4. Total (1. + 2. + 3.f)	13,370	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
b. Engineering Costs		0	0
c. Construction:			
(1). New Facilities		0	0
(2). Capacity Improvements		0	0
(3). System Preservation		0	0
(4). System Enhancement & Operation		0	0
(5). Total Construction (1) + (2) + (3) + (4)	0	0	0
d. Total Capital Outlay (Lines 1.a. + 1.b. + 1.c.5)	0	0	0
			(Carry forward to page 1)

Notes and Comments:

Town of Boone
Schedule of Expenditure of Federal Awards
For the Year Ended December 31, 2021

<u>GRANT TITLE</u>	<u>FEDERAL CFDA</u>	<u>AMOUNT OF AWARD EXPENDED</u>	
DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT:			
Community Development Block Grant	14.228	<u>\$ 800,000</u>	
Cluster Total			800,000
TOTAL FEDERAL FINANCIAL AWARDS			<u><u>\$800,000</u></u>

NOTES TO THE SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS

NOTE 1: BASIS OF PRESENTATION

The accompanying schedule of expenditures of federal awards includes the federal grant activity of Town of Boone and is presented on the accrual basis of accounting.

Town of Boone does not use the 10% de minimis cost rate.

Town of Boone did not have any sub-recipients for 2021.

Town of Boone
Schedule of Findings and Questioned Costs
For the year ended December 31, 2021

Section I: Summary of Auditor's Results

Financial Statements

Type of report the auditor issued on whether the financial statements audited were prepared in accordance with GAAP: **Unmodified**

Internal control over financial reporting:		
• Material weakness(es) identified?	___ Yes	_X_ No
• Significant deficiency(ies) identified?	___ Yes	_X_ None Reported
Noncompliance material to financial statements noted?	___ Yes	_X_ No

Federal Awards

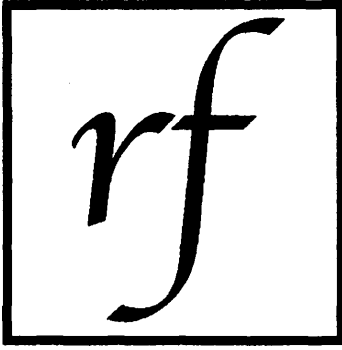
Internal control over major federal programs:		
• Material weakness(es) identified?	___ Yes	_X_ No
• Significant deficiency(ies) identified?	___ Yes	_X_ None Reported
Type of auditor's report issued on compliance for major federal programs:	Unmodified	
Any audit findings disclosed that are required to be reported in accordance with 2 CFR 200.516(a)?	___ Yes	_X_ No
Identification of major federal programs:		
Assistance Listing Number(s)	14.228	Name of Federal Program or Cluster CDBG
Dollar threshold used to distinguish between type A and type B programs:	\$ <u>750,000</u>	
Auditee qualified as a low-risk auditee?	___ Yes	_X_ No

Section II: Financial Statement Findings

There are no findings to report.

Section III: Federal Awards Findings

There are no findings to report.



Independent Auditor's Report

Board of Trustees
Town of Boone

We have audited, in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities, the business type activities, each major fund, and the aggregate remaining fund information of the Town of Boone (the "Town") as of and for the year ended December 31, 2021, and the related notes to the financial statements, which collectively comprise the Town's basic financial statements, and have issued our report thereon dated December 1, 2023.

Report on Internal Control over Financial Reporting

In planning and performing our audit of the financial statements, we considered the Town's internal control over financial reporting (internal control) as a basis for designing procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Town's internal control. Accordingly, we do not express an opinion on the effectiveness of the Town's internal control.

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees in the normal course of performing their assigned functions, to prevent, or detect and correct misstatements on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented or detected and corrected on a timely basis. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses or significant deficiencies may exist that were not identified.

Report on Compliance and Other Matters

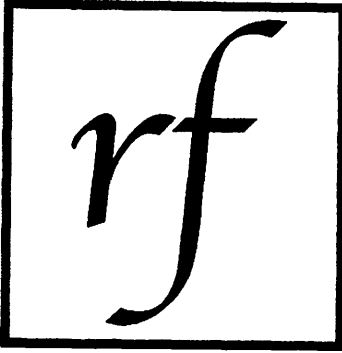
As part of obtaining reasonable assurance about whether the Town's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the financial statements. However, providing an opinion on compliance with those provisions was not an objective of our audit and, accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the entity's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

rfarmer, llc

December 1, 2023



Board of Trustees
Town of Boone

Report on Compliance for Each Major Federal Program

Opinion on Each Major Federal Program

We have audited Town of Boone’s compliance with the types of compliance requirements identified as subject to audit in the OMB *Compliance Supplement* that could have a direct and material effect on each of Town of Boone’s major federal programs for the year ended December 31, 2021. Town of Boone’s major federal programs are identified in the summary of auditor’s results section of the accompanying schedule of findings and questioned costs.

In our opinion, the Town of Boone complied, in all material respects, with the compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended December 31, 2021.

Basis for Opinion on Each Major Federal Program

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America (GAAS); the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States (*Government Auditing Standards*); and the audit requirements of Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Our responsibilities under those standards and Uniform Guidance are further described in the Auditor’s Responsibilities for the Audit of Compliance section of our report.

We are required to be independent of the Town of Boone and to meet our other ethical responsibilities, in accordance with relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion on compliance for each major federal program. Our audit does not provide a legal determination of Town of Boone’s compliance with the compliance requirements referred to above.

Responsibilities of Management for Compliance

Management is responsible for compliance with the requirements referred to above and for the design, implementation, and maintenance of effective internal control over compliance with the requirements of laws, statutes, regulations, rules and provisions of contracts or grant agreements applicable to Town of Boone's federal programs.

Auditor's Responsibilities for the Audit of Compliance

Our objectives are to obtain reasonable assurance about whether material noncompliance with the compliance requirements referred to above occurred, whether due to fraud or error, and express an opinion on Town of Boone's compliance based on our audit. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS, *Government Auditing Standards*, and the Uniform Guidance will always detect material noncompliance when it exists. The risk of not detecting material noncompliance resulting from fraud is higher than for that resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Noncompliance with the compliance requirements referred to above is considered material, if there is a substantial likelihood that, individually or in the aggregate, it would influence the judgment made by a reasonable user of the report on compliance about Town of Boone's compliance with the requirements of each major federal program as a whole.

In performing an audit in accordance with GAAS, *Government Auditing Standards*, and the Uniform Guidance, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material noncompliance, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the Town of Boone's compliance with the compliance requirements referred to above and performing such other procedures as we considered necessary in the circumstances.
- Obtain an understanding of Town of Boone's internal control over compliance relevant to the audit in order to design audit procedures that are appropriate in the circumstances and to test and report on internal control over compliance in accordance with the Uniform Guidance, but not for the purpose of expressing an opinion on the effectiveness of Town of Boone's internal control over compliance. Accordingly, no such opinion is expressed.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and any significant deficiencies and material weaknesses in internal control over compliance that we identified during the audit.

Report on Internal Control Over Compliance

A deficiency in internal control over compliance exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a type of compliance requirement of a federal program on a timely basis. *A material weakness in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of a federal

program will not be prevented, or detected and corrected, on a timely basis. A *significant deficiency in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance with a type of compliance requirement of a federal program that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance.

Our consideration of internal control over compliance was for the limited purpose described in the Auditor's Responsibilities for the Audit of Compliance section above and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies in internal control over compliance. Given these limitations, during our audit we did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses, as defined above. However, material weaknesses or significant deficiencies in internal control over compliance may exist that were not identified.

Our audit was not designed for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, no such opinion is expressed.

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of the Uniform Guidance. Accordingly, this report is not suitable for any other purpose.

rfarmer, llc

December 1, 2023