

TOWN OF KEENESBURG, COLORADO
FINANCIAL STATEMENTS
YEAR ENDED DECEMBER 31, 2021

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CERTIFIED PUBLIC ACCOUNTANTS

INDEPENDENT AUDITORS' REPORT

Honorable Mayor and Members of the Board of Trustees
Town of Keenesburg
Keenesburg, Colorado

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 the Town of Keenesburg (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 referred to above present fairly, in all material respects, the respective financial position of the governmental activities, business-type activities, each major fund, and the aggregate remaining fund information of the Town of Keenesburg, as of December 31, 2021, 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.

Basis for Opinions

We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Our responsibilities under those standards are further described in the Auditors' 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

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.

Auditors' 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 auditors' 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 generally accepted auditing standards 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 generally accepted auditing standards, 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 budgetary comparison schedules and GASB required pension schedules 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.

Supplementary 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 budgetary comparison schedules and local highway finance report are presented for purposes of additional analysis and are not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The 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, budgetary comparison schedules and local highway finance report are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

The Adams Group, LLC

Denver, Colorado
June 7, 2022

TOWN OF KEENESBURG
MANAGEMENT'S DISCUSSION AND ANALYSIS

Town of Keenesburg, Colorado's (the Town) discussion and analysis offers readers of the Town's financial statements a narrative overview and analysis of the Town's financial activities for the fiscal year ended December 31, 2021. We encourage readers to consider the information presented here in conjunction with additional information that we have furnished in the financial statements and the notes to the financial statements.

Financial Highlights

- The Town's assets exceeded its liabilities and deferred inflows of resources at December 31, 2021 by \$25,915,702. Of this amount, \$15,295,291 (unrestricted net position) may be used to meet the Town's ongoing obligations to citizens, creditors, and enterprise fund customers.
- The Town's total net position increased by \$7,318,551 over the previous year. The increase was a result of significant increases in building permit revenue and capital grants and contributions when compared to the prior year.
- At December 31, 2021, the Town's governmental fund balance sheet reported a combined ending fund balance of \$6,681,960, an increase of \$2,859,392 when compared to the prior year.
- The General Fund reported a fund balance of \$3,343,481, an increase of \$1,333,688 from the prior fiscal year as a result of increased tax revenues.
- The Town's total outstanding long-term debt decreased by \$133,248 (including compensated absences) in fiscal year 2021 as a result of scheduled principal payments on outstanding debt.

Overview of the Financial Statements

This discussion and analysis is intended to serve as an introduction to the Town's basic financial statements. The basic financial statements are comprised of three components: (1) government-wide financial statements, (2) fund financial statements, and (3) notes to the financial statements. This report also contains required supplementary information and other supplementary information in addition to the basic financial statements themselves.

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 of the Town's assets and liabilities and deferred inflows of resources, with the difference between the two reported as net position. Over time, increases or decreases in net position may serve as a useful indicator of whether the financial position of the Town is improving or deteriorating.

The statement of activities presents information showing how the Town's net position changed during the most recent fiscal year.

TOWN OF KEENESBURG
MANAGEMENT'S DISCUSSION AND ANALYSIS

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 are reported in this statement for some items that will only result in cash flows in future fiscal periods (such as, uncollected taxes and earned but unused vacation leave).

Both of the government-wide financial statements distinguish functions of the Town that are principally supported by taxes and intergovernmental revenues (governmental activities) from other functions that are intended to recover all or a significant portion of their costs through user fees and charges (business-type activities). The Town's governmental activities include general government, public safety, public works, health and welfare, and park and recreation. The Town's business-type activities include a water and wastewater utility system.

Fund financial statements. A fund is a grouping of related accounts that are used to maintain control over resources that have been segregated for specific activities or objectives. The Town, like other state and local governments, uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. All of the funds of the Town 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 near-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 near-term financing requirements.

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 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 near-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 four individual governmental funds. Information is presented separately in the governmental funds balance sheet and in the governmental fund statement of revenues, expenditures, and changes in fund balances for the General Fund, Impact Fee Fund, Capital Improvements Fund, and the Conservation Trust Fund. The General Fund, Impact Fee Fund and the Capital Improvements Fund are all considered to be major funds in the current year.

The Town adopts an annual appropriated budget for all funds, as required by State Statutes. Budgetary comparison statements have been provided for governmental funds to demonstrate compliance with the budget.

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 enterprise funds to account for its water and wastewater utility system.

TOWN OF KEENESBURG
MANAGEMENT'S DISCUSSION AND ANALYSIS

Financial statements of proprietary funds provide the same type of information as the government wide financial statements, but in greater detail. The proprietary fund financial statements provide separate information for the Town's water and wastewater, each of which is considered to be major fund of the Town.

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

Other information. In addition to the basic financial statements and accompanying notes, this report also presents certain supplementary information concerning budgetary comparison information.

Government-wide Financial Analysis

As noted earlier, net position may serve over time as a useful indication of a government's financial position. The Town's assets exceeded its liabilities and deferred inflows of resources by \$25,915,702 at the close of the most recent fiscal year, representing an increase in total net position for the year amounting to \$7,318,551.

One of the largest portions of the Town's net position (39.8%) reflects its investment in capital assets (for example, land, buildings, infrastructure, and machinery and equipment); less any related debt used to acquire those assets that is still outstanding. The Town uses these capital assets to provide services to citizens; consequently, these assets are not available for future spending. Although the Town's investment in its capital assets is reported net of related debt, it should be noted that the resources needed to repay this debt must be provided from other sources because the capital assets themselves cannot be used to liquidate these liabilities.

Town of Keenesburg Net Position

	Governmental Activities		Business-Type Activities		Total	
	2021	2020	2021	2020	2021	2020
Assets						
Current and other assets	\$ 8,062,061	\$ 4,792,207	\$ 9,088,890	\$ 6,650,428	\$ 17,150,951	\$ 11,442,635
Capital assets	4,227,229	3,565,760	7,514,315	6,399,652	11,741,544	9,965,412
Total assets	<u>12,289,290</u>	<u>8,357,967</u>	<u>16,603,205</u>	<u>13,050,080</u>	<u>28,892,495</u>	<u>21,408,047</u>
Liabilities						
Current liabilities	280,326	654,152	171,092	283,803	451,418	937,955
Long-term liabilities	478,075	549,063	947,525	1,008,391	1,425,600	1,557,454
Total liabilities	<u>758,401</u>	<u>1,203,215</u>	<u>1,118,617</u>	<u>1,292,194</u>	<u>1,877,018</u>	<u>2,495,409</u>
Deferred inflows of resources						
Deferred property taxes	1,099,775	315,487	-	-	1,099,775	315,487
Net position:						
Net investment in capital assets	3,752,229	3,020,760	6,572,766	5,398,267	10,324,995	8,419,027
Restricted	289,087	254,299	6,329	4,276	295,416	258,575
Unrestricted	6,389,798	3,564,206	8,905,493	6,355,343	15,295,291	9,919,549
Total net position	<u>\$ 10,431,114</u>	<u>\$ 6,839,265</u>	<u>\$ 15,484,588</u>	<u>\$ 11,757,886</u>	<u>\$ 25,915,702</u>	<u>\$ 18,597,151</u>

TOWN OF KEENESBURG
MANAGEMENT'S DISCUSSION AND ANALYSIS

An additional portion of the Town's net position (1.2%) represents resources that are subject to restrictions on how they may be used, most of which are restrictions imposed from external sources. The remaining 59% of total net position, \$15,295,291, represents unrestricted net position that may be used to meet the government's ongoing obligations to citizens, creditors, and customers within the respective governmental and business-type activities.

At the end of the current fiscal year, as in the prior year, the Town is able to report positive balances in all three categories of net position as a whole and individually within the governmental and business-type activities. Unrestricted net position increased by \$5,375,742 compared with the prior year, largely due to a significant increase in revenues associated with building permits and raw water acquisition revenue. Despite the struggling economy, the Town's finances are strong, sound, and stable because of solid, dedicated and committed financial management.

The changes in net position displayed subsequently shows the governmental and business-type activities during the previous two fiscal years. The increase in net position for each year represents the extent to which expenses were less than revenues during the year.

Town of Keenesburg Changes in Net Position

	Governmental Activities		Business-Type Activities		Total	
	2021	2020	2021	2020	2021	2020
Revenues:						
Program revenues:						
Charges for services	\$ 179,410	\$ 224,192	\$ 2,778,091	\$ 3,134,201	\$ 2,957,501	\$ 3,358,393
Operating grants and contributions	-	95,971	-	-	-	95,971
Capital grants and contributions	1,732,487	1,185,528	2,334,261	3,289,293	4,066,748	4,474,821
General revenues:						
Property taxes	1,109,056	312,204	-	-	1,109,056	312,204
Other taxes	1,805,761	1,901,063	-	-	1,805,761	1,901,063
Other	656,860	548,208	5,447	153,809	662,307	702,017
Total revenues	<u>5,483,574</u>	<u>4,267,166</u>	<u>5,117,799</u>	<u>6,577,303</u>	<u>10,601,373</u>	<u>10,844,469</u>
Expenses:						
General government	773,616	574,598	-	-	773,616	574,598
Public safety	432,640	440,574	-	-	432,640	440,574
Public works	592,472	310,913	-	-	592,472	310,913
Health and welfare	44,484	121,189	-	-	44,484	121,189
Culture and recreation	32,599	28,954	-	-	32,599	28,954
Depreciation	-	-	-	-	-	-
Interest on long-term debt	15,914	17,812	-	-	15,914	17,812
Sales tax rebate	-	-	-	-	-	-
Water and sewer	-	-	1,391,097	1,048,998	1,391,097	1,048,998
Total expenses	<u>1,891,725</u>	<u>1,494,040</u>	<u>1,391,097</u>	<u>1,048,998</u>	<u>3,282,822</u>	<u>2,543,038</u>
Change in net position	3,591,849	2,773,126	3,726,702	5,528,305	7,318,551	8,301,431
Net position, January 1,	<u>6,839,265</u>	<u>4,066,139</u>	<u>11,757,886</u>	<u>6,229,581</u>	<u>18,597,151</u>	<u>10,295,720</u>
Net position, December 31,	<u>\$ 10,431,114</u>	<u>\$ 6,839,265</u>	<u>\$ 15,484,588</u>	<u>\$ 11,757,886</u>	<u>\$ 25,915,702</u>	<u>\$ 18,597,151</u>

Graphic presentations of selected data from the summary tables follow to assist in the analysis of the Town's activities for fiscal years 2021 and 2020.

TOWN OF KEENESBURG
MANAGEMENT'S DISCUSSION AND ANALYSIS

GOVERNMENTAL REVENUES



As portrayed above and discussed earlier, the Town is heavily reliant on sales and use taxes as well as property taxes to support governmental operations. These tax revenue streams accounted for 53% of total revenues as compared to 52% in the prior year. The biggest increase is related to property taxes which increased 13% as a result of significant increases in assessed valuations within the Town.

GOVERNMENTAL FUNCTIONAL EXPENSES



Total expenses for governmental activities was \$1,891,725 in 2021 when compared to the 2020 balance of \$1,494,040. General government was the largest operating service for 2021 for the Town with the main increase relating to salaries and professional services. Total general government expenses was \$773,616 in 2021 as compared to \$574,598 in 2020. Public works was the second largest functional expense in 2021 with total expenses of \$592,472 as compared to \$310,913 in 2020. The most significant change was related to costs of repairs and maintenance during 2021.

Financial Analysis of the Town's Funds

As noted earlier, the Town uses fund accounting to ensure and demonstrate compliance with

TOWN OF KEENESBURG
MANAGEMENT'S DISCUSSION AND ANALYSIS

finance-related legal requirements.

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

As of December 31, 2021, the Town's governmental funds reported combined fund balances of \$6,681,960, an increase of \$2,859,392 compared with the prior year balances. There is \$2,638,790 of unassigned fund balance, which is available for spending at the Town's discretion. The remainder of fund balance falls into the categories of either nonspendable, restricted, committed or assigned.

These categories indicate that the funds are not available for new spending because they have already been designated for a specific purpose either by action of the Town, statutory or debt-based requirements.

The General Fund is the chief operating fund of the Town. At December 31, 2021, total fund balance in the General Fund was \$3,343,481. As a measure of the General Fund's liquidity, the total fund balance amount exceeds total general fund expenditures at December 31, 2021. The fund balance of the General Fund increased by \$1,333,688 during the current fiscal year due to an increase in property tax revenues.

The Impact Fund has a total fund balance of \$2,105,386. This fund was started in 2017 and in 2021, the funds only expenditures were related to capital outlay. The main sources of revenue are impact fees assessed by the Town.

The Capital Improvement has a total fund balance of \$1,137,006 of which \$48,000 is restricted for payment of debt service. The \$663,342 increase in fund balance for the year is due to \$625,000 of intergovernmental revenues received and an increase in sales tax revenues.

The Conservation Trust special revenue fund has a total restricted fund balance of \$96,0887. This fund balance increased \$15,033 during the current fiscal year as the fund reported no expenditures for 2021.

Proprietary Funds. The Town's proprietary funds provide the same type of information found in the government-wide financial statements, but in greater detail. At December 31, 2021, total net position amounted to \$15,484,588 for enterprise funds, an increase of \$3,726,702 from the prior year.

Total net position of the Wastewater Fund amounted to \$3,894,498 at the end of the fiscal year, representing a \$1,232,214 increase from the prior year amount of \$2,662,284. Operating revenues increased 27%, or \$97,016, compared to fiscal year 2020 due to an increase in usage by customers within the Town. Operating expenditures had an increase of \$133,543, which is directly related to an increase in salaries and maintenance on the system during 2021.

The Waterworks Fund total net position increased by \$2,494,488 during the year. The largest portion of the fund's net position (43%) reflects its investment in capital assets, less any related

TOWN OF KEENESBURG
MANAGEMENT'S DISCUSSION AND ANALYSIS

outstanding debt used to acquire those assets.

Unrestricted net position of the fund increased by \$4,406,035 to \$6,569,764. This increase was a result of charges for services received from customers during 2021.

General Fund Budgetary Highlights

A budget to actual statement is provided for the General Fund. Columns for both the original budget adopted for fiscal year 2021 as well as the final budget are presented.

Budgeted taxes revenue represents the full levy of property taxes for the year, whereas actual results reflect a small number of delinquent accounts. There were positive revenue variances totaling \$105,668 across all revenue streams. Expenditures for general government, public safety, public works, health and welfare, and culture and recreation were under budget by a total of \$217,993 due mostly to less professional service expenditures compared to budget in 2021.

Capital Assets and Debt Administration

Capital assets. The Town's investment in capital assets for its governmental and business-type activities as of December 31, 2021, amounts to \$11,741,544 (net of accumulated depreciation). This investment in capital assets includes land and water rights, buildings and systems, machinery and equipment, infrastructure, and vehicles. The overall net increase in the Town's capital assets for the current fiscal year was 18% due to depreciation and construction of the assets. Major capital asset events in the current fiscal year included the following:

- Purchase of police cars - \$78,850
- New public works vehicles and trailers - \$360,013
- Community center improvements - \$111,700
- Playground improvements and upgrades to ball fields - \$126,590
- Enterprise fund plant upgrades - \$757,729

	Governmental Activities		Business-Type Activities		Total	
	2021	2020	2021	2020	2021	2020
Land	\$ 179,928	\$ 179,928	\$ 168,677	\$ 168,677	\$ 348,605	\$ 348,605
Construction in process	111,700	400	757,731	-	869,431	400
Buildings and system	768,959	634,193	1,539	1,695	770,498	635,888
Machinery and equipment	457,195	68,147	32,924	14,482	490,119	82,629
Infrastructure	2,709,447	2,683,092	-	-	2,709,447	2,683,092
Wastewater system	-	-	967,173	897,636	967,173	897,636
Waterworks system	-	-	4,441,782	4,172,673	4,441,782	4,172,673
Water rights	-	-	1,144,489	1,144,489	1,144,489	1,144,489
	<u>\$ 4,227,229</u>	<u>\$ 3,565,760</u>	<u>\$ 7,514,315</u>	<u>\$ 6,399,652</u>	<u>\$ 11,741,544</u>	<u>\$ 9,965,412</u>

TOWN OF KEENESBURG
MANAGEMENT'S DISCUSSION AND ANALYSIS

Long-term debt. At the end of the current fiscal year, the Town had total debt outstanding of \$1,416,549. Of this amount, \$743,683 comprises bonded debt backed by the full faith and credit of the government. The remaining balance consists of a loan contract with the Colorado Water Conservation Board of \$672,866.

	Governmental Activities		Business-Type Activities		Total	
	2021	2020	2021	2020	2021	2020
Revenue bonds	\$ 475,000	\$ 545,000	\$ 268,683	\$ 281,561	\$ 743,683	\$ 826,561
Notes payable	-	-	672,866	719,824	672,866	719,824
	<u>\$ 475,000</u>	<u>\$ 545,000</u>	<u>\$ 941,549</u>	<u>\$ 1,001,385</u>	<u>\$ 1,416,549</u>	<u>\$ 1,546,385</u>

Economic Factors and Next Year's Budget and Rates

- The unemployment rate for the Town increased to 3.9%. This is higher than the State's average unemployment of 3.7% and the national average of 3.6%.
- Taxable property valuation increased from \$14.340 million in 2020 to \$49.989 million in 2021. 2021 valuation is based on collections to be received by the Town in 2022.
- Sales tax revenues were significantly higher than 2021 budgeted amounts as a result of the Covid-19 pandemic slowing at the end of 2021. As a result, the Town has budgeted sales tax revenues of \$1,025,000 for fiscal year 2022 (General Fund and Capital Improvement Fund combined).

The Town has appropriated \$3,307,008 for the general fund in the 2022 fiscal year budget in accordance with the requirements of state statute. Property tax revenues for 2022 are budgeted at \$1,099,775 in the general fund. All municipal services provided in 2020 will be continued in 2021.

Requests 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 this report or requests for additional information should be addressed to the Town Treasurer.

BASIC FINANCIAL STATEMENT

TOWN OF KEENESBURG
STATEMENT OF NET POSITION
DECEMBER 31, 2021

	Governmental Activities	Business-Type Activities	Total
<u>Assets</u>			
Cash and cash equivalents	\$ 6,533,173	\$ 9,029,419	\$ 15,562,592
Cash and cash equivalents - restricted	48,000	-	48,000
Accounts receivable	256,121	124,283	380,404
Property taxes receivable	1,099,775	-	1,099,775
Inventories	-	51,110	51,110
Prepaid items	4,258	4,812	9,070
Capital assets, not depreciated	291,628	2,070,897	2,362,525
Capital assets, net of depreciation	3,935,601	5,443,418	9,379,019
Internal balances	120,734	(120,734)	-
Total Assets	<u>12,289,290</u>	<u>16,603,205</u>	<u>28,892,495</u>
<u>Liabilities</u>			
Accounts payable	114,144	134,145	248,289
Other liabilities	20,201	17,338	37,539
Unearned revenue	144,981	6,109	151,090
Deposits	1,000	13,500	14,500
Noncurrent liabilities:			
Due within one year	73,075	69,944	143,019
Due in more than one year	405,000	877,581	1,282,581
Total Liabilities	<u>758,401</u>	<u>1,118,617</u>	<u>1,877,018</u>
<u>Deferred Inflows of Resources</u>			
Unavailable property taxes	1,099,775	-	1,099,775
Total Deferred Outflows of Resources	<u>1,099,775</u>	<u>-</u>	<u>1,099,775</u>
<u>Net Position</u>			
Net investment in capital assets	3,752,229	6,572,766	10,324,995
Restricted			
Emergency reserves	145,000	-	145,000
Debt service	48,000	-	48,000
Culture and recreation	96,087	-	96,087
Capital projects	-	6,329	6,329
Unrestricted	6,389,798	8,905,493	15,295,291
Total Net Position	<u>\$ 10,431,114</u>	<u>\$ 15,484,588</u>	<u>\$ 25,915,702</u>

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

TOWN OF KEENESBURG
STATEMENT OF ACTIVITIES
YEAR ENDED DECEMBER 31, 2021

Functions/Programs	Program Revenues				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
Primary government:							
Governmental Activities:							
General government	\$ 773,616	\$ 179,410	\$ -	\$ 258,477	\$ (335,729)	\$ -	\$ (335,729)
Public safety	432,640	-	-	38,119	(394,521)	-	(394,521)
Public works	592,472	-	-	1,057,867	465,395	-	465,395
Health and welfare	44,484	-	-	-	(44,484)	-	(44,484)
Culture and recreation	32,599	-	-	378,024	345,425	-	345,425
Interest and fiscal charges	15,914	-	-	-	(15,914)	-	(15,914)
Total governmental activities	1,891,725	179,410	-	1,732,487	20,172	-	20,172
Business-Type Activities:							
Waterworks	843,754	2,320,565	-	1,012,445	-	2,489,256	2,489,256
Wastewater	547,343	457,526	-	1,321,816	-	1,231,999	1,231,999
Total business-type activities	1,391,097	2,778,091	-	2,334,261	-	3,721,255	3,721,255
Total primary government	3,282,822	2,957,501	-	4,066,748	20,172	3,721,255	3,741,427
GENERAL REVENUES:							
Taxes							
General property					1,109,056	-	1,109,056
Specific ownership taxes					15,830	-	15,830
Franchise					272,905	-	272,905
Sales					865,227	-	865,227
Use					559,482	-	559,482
Severance					10,620	-	10,620
Highway users					74,129	-	74,129
Other					7,568	-	7,568
Investment earnings					503	725	1,228
Miscellaneous					656,357	4,722	661,079
Total general revenues					3,571,677	5,447	3,577,124
Change in net position					3,591,849	3,726,702	7,318,551
Net position - beginning					6,839,265	11,757,886	18,597,151
Net position - ending					\$ 10,431,114	\$ 15,484,588	\$ 25,915,702

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

TOWN OF KEENESBURG
BALANCE SHEET – GOVERNMENTAL FUNDS
DECEMBER 31, 2021

				Non-Major	
	General	Impact Fee	Capital Improvements	Conservation Trust	Total Governmental Funds
<u>Assets</u>					
Cash and investments	\$ 3,366,264	\$ 2,124,801	\$ 946,021	\$ 96,087	\$ 6,533,173
Cash and investments - restricted	-	-	48,000	-	48,000
Accounts receivable	105,414	-	150,707	-	256,121
Property taxes receivable	1,099,775	-	-	-	1,099,775
Prepaid items	4,258	-	-	-	4,258
Due from other funds	125,819	-	-	-	125,819
Total assets	<u>\$ 4,701,530</u>	<u>\$ 2,124,801</u>	<u>\$ 1,144,728</u>	<u>\$ 96,087</u>	<u>\$ 8,067,146</u>
<u>Liabilities, deferred inflows of resources and fund balance</u>					
Liabilities:					
Accounts payable	\$ 92,092	\$ 16,500	\$ 5,552	\$ -	\$ 114,144
Other liabilities	20,201	-	-	-	20,201
Deposits	1,000	-	-	-	1,000
Unearned revenue	144,981	-	-	-	144,981
Due to other funds	-	2,915	2,170	-	5,085
Total liabilities	<u>258,274</u>	<u>19,415</u>	<u>7,722</u>	<u>-</u>	<u>285,411</u>
<u>Deferred inflows of resources</u>					
Unavailable property taxes	<u>1,099,775</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>1,099,775</u>
Total deferred inflows of resources	<u>1,099,775</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>1,099,775</u>
<u>Fund balance:</u>					
Nonspendable					
Prepaid items	4,258	-	-	-	4,258
Restricted					
Emergencies	145,000	-	-	-	145,000
Debt service	-	-	48,000	-	48,000
Culture and recreation	-	-	-	96,087	96,087
Committed					
Debt service	-	-	85,914	-	85,914
Impact fund	-	2,105,386	-	-	2,105,386
Assigned for					
Capital improvements	-	-	1,003,092	-	1,003,092
Subsequent years budget	555,433	-	-	-	555,433
Unassigned	2,638,790	-	-	-	2,638,790
Total fund balances	<u>3,343,481</u>	<u>2,105,386</u>	<u>1,137,006</u>	<u>96,087</u>	<u>6,681,960</u>
Total liabilities, deferred inflows of resources and fund balances	<u>\$ 4,701,530</u>	<u>\$ 2,124,801</u>	<u>\$ 1,144,728</u>	<u>\$ 96,087</u>	<u>\$ 8,067,146</u>

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

TOWN OF KEENESBURG
RECONCILIATION OF THE GOVERNMENTAL FUNDS
BALANCE SHEET TO THE STATEMENT OF NET POSITION
DECEMBER 31, 2021

Total fund balance, governmental funds	\$ 6,681,960
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Amounts reported for governmental activities in the statement of net position are different because:

Capital assets used in governmental activities are not financial resources and therefore, are not reported in the governmental funds.	4,227,229
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Long-term liabilities, including loans payable are not due and payable in the current period, and therefore, are not reported in governmental funds.

Bonds payable	(475,000)
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Compensated absences	(3,075)
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Total net position of governmental activities	<u>\$ 10,431,114</u>
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The accompanying notes are an integral part of the financial statements.

TOWN OF KEENESBURG
STATEMENT OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCES – GOVERNMENTAL FUNDS
YEAR ENDED DECEMBER 31, 2021

				Non-Major	Total
	General	Impact Fee	Capital Improvements	Conservation Trust	Governmental Funds
<u>Revenues</u>					
Taxes	\$ 2,174,590	\$ -	\$ 740,227	\$ -	\$ 2,914,817
Licenses and permits	470,940	-	-	-	470,940
Intergovernmental	18,840	1,073,623	625,000	15,024	1,732,487
Charges for services	179,410	-	-	-	179,410
Investment earnings	228	161	105	9	503
Miscellaneous	144,943	-	-	-	144,943
Total revenues	<u>2,988,951</u>	<u>1,073,784</u>	<u>1,365,332</u>	<u>15,033</u>	<u>5,443,100</u>
<u>Expenditures</u>					
Current:					
General government	653,840	-	-	-	653,840
Public safety	430,568	-	-	-	430,568
Public works	457,824	-	-	-	457,824
Health and environment	44,484	-	-	-	44,484
Culture and recreation	20,171	-	-	-	20,171
Miscellaneous	-	-	17,484	-	17,484
Capital outlay	88,850	226,455	598,592	-	913,897
Debt service:					
Principal	-	-	70,000	-	70,000
Interest and fiscal charges	-	-	15,914	-	15,914
Total expenditures	<u>1,695,737</u>	<u>226,455</u>	<u>701,990</u>	<u>-</u>	<u>2,624,182</u>
Excess revenues over expenditures	<u>1,293,214</u>	<u>847,329</u>	<u>663,342</u>	<u>15,033</u>	<u>2,818,918</u>
<u>Other financing sources</u>					
Insurance recoveries	40,474	-	-	-	40,474
Total other financing sources	<u>40,474</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>40,474</u>
Net change in fund balances	1,333,688	847,329	663,342	15,033	2,859,392
Fund balances - beginning of year	2,009,793	1,258,057	473,664	81,054	3,822,568
Fund balances - end of year	<u>\$ 3,343,481</u>	<u>\$ 2,105,386</u>	<u>\$ 1,137,006</u>	<u>\$ 96,087</u>	<u>\$ 6,681,960</u>

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

TOWN OF KEENESBURG
RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCES – GOVERNMENTAL FUNDS –
TO THE STATEMENT OF ACTIVITIES
YEAR ENDED DECEMBER 31, 2021

Net change in fund balance - total governmental funds:	\$	2,859,392
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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 these assets is allocated over their estimated
useful lives and reported as depreciation expense.

Capital outlay		869,019
Depreciation expense		(207,150)
Loss on disposal		(400)

Governmental funds report principal payments as expenditures. However, in the statement of activities these payments are reflected as a reduction in long-term debt obligations.		70,000
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Some expenses reported in the statement of activities do not require the use of
current financial resources and, therefore, are not reported as expenditures
in the governmental funds

Change in accrued compensated absences		988
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Change in net position of governmental activities	\$	3,591,849
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The accompanying notes are an integral part of the financial statements.

TOWN OF KEENESBURG
PROPRIETARY FUNDS
STATEMENT OF NET POSITION
DECEMBER 31, 2021

	<u>Waterworks</u>	<u>Wastewater</u>	<u>Total</u>
<u>Assets</u>			
Current assets:			
Cash and investments	\$ 6,698,441	\$ 2,330,978	\$ 9,029,419
Accounts receivable, net	57,372	66,911	124,283
Inventories	51,110	-	51,110
Prepaid items	3,353	1,459	4,812
Due from other funds	99	182	281
Total current assets	<u>6,810,375</u>	<u>2,399,530</u>	<u>9,209,905</u>
Noncurrent assets:			
Capital assets, not being depreciated	1,229,876	841,021	2,070,897
Capital assets, net of depreciation	4,463,316	980,102	5,443,418
Total noncurrent assets	<u>5,693,192</u>	<u>1,821,123</u>	<u>7,514,315</u>
Total assets	<u><u>12,503,567</u></u>	<u><u>4,220,653</u></u>	<u><u>16,724,220</u></u>
<u>Liabilities</u>			
Current liabilities:			
Accounts payable	128,623	5,522	134,145
Customer deposits	13,500	-	13,500
Other liabilities	10,524	6,814	17,338
Due to other funds	80,958	40,057	121,015
Unearned revenues	3,706	2,403	6,109
Compensated absences, current portion	3,300	2,676	5,976
Loans payable, current portion	50,479	13,489	63,968
Total current liabilities	<u>291,090</u>	<u>70,961</u>	<u>362,051</u>
Noncurrent liabilities:			
Loans payable	622,387	255,194	877,581
Total noncurrent liabilities	<u>622,387</u>	<u>255,194</u>	<u>877,581</u>
Total liabilities	<u>913,477</u>	<u>326,155</u>	<u>1,239,632</u>
<u>Net Position</u>			
Net investment in capital assets	5,020,326	1,552,440	6,572,766
Restricted - capital projects	-	6,329	6,329
Unrestricted	6,569,764	2,335,729	8,905,493
Total net position	<u><u>\$ 11,590,090</u></u>	<u><u>\$ 3,894,498</u></u>	<u><u>\$ 15,484,588</u></u>

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

TOWN OF KEENESBURG
PROPRIETARY FUNDS
STATEMENT OF REVENUES, EXPENSES AND
CHANGES IN NET POSITION
YEAR ENDED DECEMBER 31, 2021

	<u>Waterworks</u>	<u>Wastewater</u>	<u>Total</u>
Operating revenues			
Charges for services	\$ 2,320,565	\$ 457,526	\$ 2,778,091
Miscellaneous	4,722	-	4,722
Total operating revenues	<u>2,325,287</u>	<u>457,526</u>	<u>2,782,813</u>
Operating expenses			
Operations and maintenance	406,266	258,496	664,762
Administration and general	232,641	210,293	442,934
Depreciation	177,854	70,906	248,760
Total operating expenses	<u>816,761</u>	<u>539,695</u>	<u>1,356,456</u>
Operating income (loss)	1,508,526	(82,169)	1,426,357
Nonoperating revenues (expenses)			
Intergovernmental	-	155,460	155,460
Investment earnings	510	215	725
Interest expense	(26,993)	(7,648)	(34,641)
Total non-operating revenues (expenses)	<u>(26,483)</u>	<u>148,027</u>	<u>121,544</u>
Income (loss) before contributions	1,482,043	65,858	1,547,901
Capital contributions	<u>1,012,445</u>	<u>1,166,356</u>	<u>2,178,801</u>
Change in net position	2,494,488	1,232,214	3,726,702
Net position, beginning of year	9,095,602	2,662,284	11,757,886
Net position, end of year	<u>\$ 11,590,090</u>	<u>\$ 3,894,498</u>	<u>\$ 15,484,588</u>

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

TOWN OF KEENESBURG
PROPRIETARY FUNDS
STATEMENT OF CASH FLOWS
YEAR ENDED DECEMBER 31, 2021

	<u>Waterworks</u>	<u>Wastewater</u>	<u>Total</u>
Cash Flows From Operating Activities			
Cash received from customers	\$ 2,564,963	\$ 548,163	\$ 3,113,126
Cash paid to suppliers	(392,304)	(164,196)	(556,500)
Cash paid to employees	(385,188)	(308,105)	(693,293)
Other operating receipts	7,166	-	7,166
Net cash provided by operating activities	<u>1,794,637</u>	<u>75,862</u>	<u>1,870,499</u>
Cash Flows From Capital and Related Financing Activities			
Acquisition of capital assets	(461,655)	(901,768)	(1,363,423)
Tap fees received	1,012,445	1,166,356	2,178,801
Loan principal payments	(46,958)	(12,878)	(59,836)
Loan interest payment	(26,993)	(7,648)	(34,641)
Net cash provided by capital and related financing activities	<u>476,839</u>	<u>244,062</u>	<u>720,901</u>
Cash Flows From Noncapital Financing Activities			
Transfers to/from other funds	714,755	280,818	995,573
Net cash provided by noncapital financing activities	<u>1,020,156</u>	<u>436,278</u>	<u>995,573</u>
Cash Flows From Investing Activities			
Interest received	510	215	725
Net cash provided by investing activities	<u>510</u>	<u>215</u>	<u>725</u>
Net change in cash and cash equivalents	3,292,142	756,417	3,587,698
Cash and cash equivalents and restricted cash, beginning of year	<u>3,395,775</u>	<u>1,567,747</u>	<u>4,963,522</u>
Cash and cash equivalents and restricted cash, end of year	<u>\$ 6,687,917</u>	<u>\$ 2,324,164</u>	<u>\$ 8,551,220</u>
Reconciliation of Net Operating Income to Net Cash Provided by Operating Activities			
Net operating income	\$ 1,508,526	\$ (82,169)	\$ 1,426,357
Adjustments to reconcile net operating income to cash provided by operating activities			
Depreciation expense	177,854	70,906	248,760
Changes in assets and liabilities related to operations			
(Increase) Decrease in:			
Accounts receivable	247,898	89,152	337,050
Inventory	(9,056)	-	(9,056)
Prepaid items	(1,191)	(342)	(1,533)
Increase (Decrease) in:			
Accounts payable	(127,844)	(2,634)	(130,478)
Unearned revenue	2,444	1,485	3,929
Deposits	(3,500)	-	(3,500)
Compensated absences payable	(494)	(536)	(1,030)
Net cash provided (used) by operating activities	<u>\$ 1,794,637</u>	<u>\$ 75,862</u>	<u>\$ 1,870,499</u>

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

TOWN OF KEENESBURG
NOTE TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2021

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Financial Reporting Entity

The Town of Keenesburg, Colorado (the Town), was incorporated in 1919, and is governed by a Mayor and seven-member Board of Trustees elected by the residents. The Town provides the following services: public safety, public works, sanitation, health and welfare, culture and recreation, public improvements, planning and zoning, and general administrative services.

The accounting policies of the Town conform to generally accepted accounting principles as applicable to government entities. The Governmental Accounting Standard Board (GASB) is the accepted standard-setting body for establishing governmental accounting and financial reporting principles. Following is a summary of the more significant policies.

The financial reporting entity consists of the Town, organizations for which the Town is financially accountable, and organizations that raise and hold economic resources for the direct benefit of the Town. All funds, organizations, institutions, agencies, departments, and offices that are not legally separate are part of the Town. Legally separate organizations for which the Town is financially accountable are considered part of the reporting entity. Financial accountability exists if the Town appoints a voting majority of the organization's governing board and is able to impose its will on the organization, or if there is a potential for the organization to provide benefits to or impose financial burdens on the Town. The Town includes no component units, nor is the Town a component of any other governmental entity.

Government-Wide and Fund Financial Statements

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

The statement of net position presents the financial position of the governmental and business-type activities of the Town at year-end.

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

TOWN OF KEENESBURG
NOTE TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2021

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Government-Wide and Fund Financial Statements (Continued)

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

Measurement Focus, Basis of Accounting, and Financial Statement Presentation

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

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

Taxes, intergovernmental revenues, and interest associated with the current year are considered to be susceptible to accrual and so have been recognized as revenues of the current year. Expenditure-driven grants are recognized when the qualifying expenditures have been incurred and all other eligibility requirements have been met. All other revenues are considered to be measurable and available only when cash is received by the Town.

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

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

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

The *Impact Fee Fund* is used to address the impacts of growth and development, providing a funding mechanism to address the impact of new development. The main revenue sources are impact fees that include: park impact, roadway impact, drainage impact, town hall impact and police impact.

TOWN OF KEENESBURG
NOTE TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2021

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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

The *Capital Improvement Fund* is used to account for and report financial resources that are restricted, committed or assigned to expenditure for capital outlays, including the acquisition, construction or improvement of major capital facilities and other capital assets other than those financed by proprietary funds or for assets that will be held in trust for individuals, private organizations, or other governments. The fund is also used to accumulate funds to finance a capital improvement plan. The budget is adopted on a project basis which is multi-year.

Proprietary 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 a proprietary fund's principal ongoing operations. Operating expenses for enterprise funds include the cost of sales and services, administrative expenses, and depreciation on capital assets. All revenues and expenses not meeting this definition are reported as nonoperating revenues and expenses.

The Town reports the following major proprietary funds:

The *Waterworks Fund* accounts for the revenues and expenses related to the provision of water service.

The *Wastewater Fund* accounts for the revenues and expenses related to the provision of sewer service.

Amounts reported as program revenues include: 1) charges to customers or applicants for goods, services, or privileges provided; 2) operating grants and contributions, and; 3) capital grants and contributions, including special assessments. General revenues include all taxes, interest and investment earnings, and miscellaneous revenues.

Interfund transactions are treated and classified as revenues, expenditures, or expenses. These include interfund transfers from one fund to another for the purchase of goods or services. In the government-wide statement of activities, interfund transactions are eliminated unless the transfer is between the governmental and business-type activities.

Assets, Deferred Outflows of Resources, Liabilities, Deferred Inflows of Resources and Net Position/Fund Balance

Cash and Investments— The Town's cash and cash equivalents are considered to be unrestricted cash on hand, demand deposits, and short-term investments with original maturities of three months or less from the date of acquisition.

TOWN OF KEENESBURG
NOTE TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2021

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Assets, Deferred Outflows of Resources, Liabilities, Deferred Inflows of Resources and Net Position/Fund Balance (Continued)

Investments were reported in accordance with GASB Statement No. 72, as amended.

Receivables – All receivables are reported at their gross value and, where appropriate, are reduced by the estimated portion that is expected to be uncollectible. At December 31, 2021, the Town believes all amounts recorded are fully collectible.

Activities between funds that represent lending/borrowing arrangements at the end of the fiscal year are referred to as either “due (to)/from other funds.” Any residual balances outstanding between governmental activities and business-type activities are reported in the government-wide financial statements as internal balances.

By December 15 of each year, property taxes for the Town are levied by the Board and certified to Weld County for collection in the subsequent year. These taxes attach as an enforceable lien on property as of January 1 of the succeeding year and are payable in full by April 30 or in two installments by June 15 in the year of collection. The taxes are collected by Weld County on behalf of the Town.

Property taxes levied in the General Fund are included in receivables and deferred inflows at December 31, 2021. These taxes are classified as deferred inflows since they are not normally available to the Town until mid-2022 and are budgeted for in 2021.

Inventories – Business-type fund inventory consists of supplies held for consumption. Inventory is carried at cost using the first-in, first-out method. The cost is recorded as an expenditure at the time individual inventory items are consumed (consumption method).

Prepaid Items – Certain payments to vendors and other third parties reflect costs applicable to future accounting periods and are recorded as prepaid items in both the government-wide and fund financial statements. Expenditures/expenses are recorded when the service underlying the prepaid item is provided (consumption method).

Capital Assets – Capital assets, which include land, construction in process, water rights, water and wastewater systems, buildings, equipment, and streets constructed or contributed since January 1, 2004, are reported in the applicable governmental or business-type activities columns in the government-wide financial statements and the proprietary fund in the fund financial statements. Capital assets are defined 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 acquisition cost or estimated acquisition cost if purchased or constructed. Donated capital assets are recorded at the acquisition value on the date of donation.

TOWN OF KEENESBURG
NOTE TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2021

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Assets, Deferred Outflows of Resources, Liabilities, Deferred Inflows of Resources and Net Position/Fund Balance (Continued)

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

All capital assets except land, water rights, and construction in progress are depreciated using the straight-line method over the following estimated useful lives:

<u>Description</u>	<u>Estimated Lives</u>
Buildings and improvements	10 - 50 years
Infrastructure and improvements	10 - 50 years
Equipment, machinery and furniture	5 - 20 years

Compensated Absences – It is the policy of the Town to permit employees to accumulate a limited amount of earned but unused leave benefits which will be paid to employees upon separation from service. Unpaid compensated absences are recorded as a liability when the benefits are earned in the proprietary fund financial statements. For governmental funds, there is no legal requirement to accumulate expendable available financial resources to liquidate the obligation; thus expenditures are recognized in the governmental funds when payments are made to employees. The liability is typically liquidated with resources of the same fund that has paid the applicable employee's regular salaries and fringe benefits.

Deposits – Developer deposits held in escrow and security deposits received from customers are reported as liabilities in the financial statements.

Long-Term Obligations – In government-wide financial statements and the proprietary funds in the fund financial statements, long-term debt and other long-term obligations are reported as liabilities. Debt premiums, discounts and losses on debt refunding are deferred and amortized over the life of the debt using the straight-line method. In the governmental fund financial statements, the face amount of debt issued is reported as other financing sources. Premiums received on debt issuances are reported as other financing sources while discounts are reported as other financing uses.

Issuance costs, whether or not withheld from the debt proceeds, are reported as current expenses or expenditures.

Deferred Outflows and Inflows of Resources – In addition to assets and liabilities, the statement of net position will sometimes report separate sections for deferred outflows of resources and deferred inflows of resources. A deferred outflow of resources is a consumption of net position by the Town that is applicable to a future reporting period, and a deferred inflow of resources is an acquisition of net position by the Town that is applicable to a future reporting period.

TOWN OF KEENESBURG
NOTE TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2021

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Assets, Deferred Outflows of Resources, Liabilities, Deferred Inflows of Resources and Net Position/Fund Balance (Continued)

Both deferred outflows and inflows are reported in the statement of net position but are recognized in the financial statements as revenues and expenses until the period(s) to which they relate.

Deferred inflows of resources for the Town consist of property taxes receivable. Property tax revenue is considered a deferred inflow of resources in the year the taxes are levied and measurable and are recognized as an inflow of resources in the period they are collected.

Net Position – Net position is classified and displayed in three components:

Net investment in capital assets – consists of capital assets including restricted capital assets, net of accumulated depreciation and reduced by the outstanding balances of any bonds, mortgages, notes, or other borrowings that are attributable to the acquisition, construction, or improvement of those assets.

Restricted – consists of net position with constraints placed on the use either by (1) external groups, such as creditors, grantors, or laws or regulations of other governments; or (2) law through constitutional provisions or enabling legislation.

Unrestricted – all other net position that does not meet the definition of “restricted” or “net investment in capital assets.”

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

Fund Balance - Fund balances of governmental funds are reported in various categories, based primarily on the extent to which the Town is bound to observe constraints imposed upon the use of the resources for specific purposes.

Nonspendable fund balance – The amount of fund balance that is not in spendable form (such as inventory or prepaids) or is legally or contractually required to be maintained intact.

Restricted fund balance – The 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 the Town itself, using its highest level of decision-making authority (i.e., Board of Trustees).

TOWN OF KEENESBURG
NOTE TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2021

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Assets, Deferred Outflows of Resources, Liabilities, Deferred Inflows of Resources and Net Position/Fund Balance (Continued)

To be reported as committed, amounts cannot be used for any other purpose unless the Town takes the same highest-level action to remove or change the constraint. Commitments may be established, modified, or rescinded only through ordinances or resolutions approved by the Board.

Assigned fund balance – Amounts are intended to be used by the Town for specific purposes but do not meet the criteria to be classified as restricted or committed. In governmental funds other than the general fund, assigned fund balance represents the remaining amount that is not restricted or committed. In the general fund assigned amounts represent intended used established by the Board, as it does when appropriating fund balance to cover a gap between estimated revenue and appropriations in the subsequent year's appropriated budget.

Unassigned fund balance – Is the residual classification for the general fund and includes all spendable amounts not contained in the other classifications. In other governmental funds, the unassigned classification is used only to report a deficit balance resulting from overspending for specific purposes for which amounts had been restricted, committed, or assigned.

When expenditures are incurred for purposes for which both restricted and unrestricted fund balances are available, the Town's policy is to use restricted amounts first, followed by committed, assigned and unassigned amounts.

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

NOTE 2 - STEWARDSHIP, COMPLIANCE, AND ACCOUNTABILITY

Budgets are adopted for all funds of the Town as required by State statutes. Budgets for the governmental funds are adopted on a basis consistent with generally accepted accounting principles (GAAP). Budgetary comparisons for the proprietary fund are presented on a non-GAAP budgetary basis. Capital outlay and debt principal are budgeted as expenditures and depreciation is not budgeted. All annual appropriations lapse at fiscal year-end.

On or before October 15 of each year, the Town Manager submits to the Town Board a proposed operating budget for the fiscal year commencing on the following January 1. Public hearings are conducted to obtain input from elected officials, residents, and other interested parties. By December 31, the final budget is adopted.

TOWN OF KEENESBURG
NOTE TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2021

NOTE 2 - STEWARDSHIP, COMPLIANCE, AND ACCOUNTABILITY (CONTINUED)

The appropriated budget is adopted by fund. Management is authorized to transfer budgeted amounts between departments within any fund. However, any revisions that alter the total expenditures of any fund must be approved by the Board.

NOTE 3 - CASH AND CASH EQUIVALENTS

Cash and investments are classified in the financial statements as follows:

Cash and investments	\$ 15,562,592
Cash and investments - restricted	48,000
Total cash and investments	<u>\$ 15,610,592</u>

Cash and cash equivalents at December 31, 2021, consisted of the following:

Cash with County Treasurer	\$ 2,091
Cash deposits	4,488,161
Investments	11,120,340
Total	<u>\$ 15,610,592</u>

Custodial Credit Risk

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

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

At December 31, 2021, the carrying amount of the Town's deposits was \$4,488,161 and the bank balance was \$4,864,462 of which \$250,000 was covered by FDIC insurance and the remainder covered by the PDPA.

Investments

The Town has not adopted a formal investment policy; however, the Town follows state statutes regarding investments.

TOWN OF KEENESBURG
NOTE TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2021

NOTE 3 - CASH AND CASH EQUIVALENTS (CONTINUED)

Investments (continued)

The Town generally limits its concentration of investments to those noted with an asterisk (*) below, which are believed to have minimal credit risk, minimal interest rate risk, and no foreign currency risk. Additionally, the Town is not subject to concentration risk disclosure requirements or subject to investment custodial risk for investments that are in the possession of another party.

Colorado revised statutes limits investment maturities to five years or less unless formally approved by the Board of Directors. Such actions are generally associated with a debt service reserve or sinking fund requirement. Colorado statutes specify investment instruments meeting defined rating and risk criteria in which local governments may invest, which include:

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

ColoTrust

As of December 31, 2021, the Town had \$11,120,340 invested in the Colorado Local Government Liquid Asset Trust (ColoTrust), an investment vehicle established for local government entities in Colorado to pool surplus funds. The State Securities Commissioner administers and enforces all State statutes governing ColoTrust. ColoTrust operates similarly to a money market fund and each share is equal in value to \$1.00. ColoTrust offers shares in two portfolios, ColoTrust Prime and ColoTrust Plus+.

Both portfolios may invest in U.S. Treasury securities and repurchase agreements collateralized by U.S. Treasury securities. ColoTrust Plus+ may also invest in certain obligations of U.S. government agencies, highest rated commercial paper, and repurchase agreements collateralized by certain obligations of U.S. government agencies.

TOWN OF KEENESBURG
NOTE TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2021

NOTE 3 - CASH AND CASH EQUIVALENTS (CONTINUED)

Investments (continued)

A designated custodial bank serves as custodial for ColoTrust's portfolios pursuant to a custodian agreement. The custodian acts as safekeeping agent for ColoTrust's investment portfolios and provides services as the depository in connection with direct investments and withdrawals.

Investment Valuation

Certain investments that are measured at fair value on a recurring basis are categorized within the fair value hierarchy established by generally accepted accounting principles. The hierarchy is based on the valuation inputs used to measure an asset's fair value: Level 1 inputs are quoted prices in active markets for identical assets; Level 2 inputs are significant other observable inputs; and Level 3 inputs are significant unobservable inputs.

However, the Town's investments are not measured at fair value and are therefore not categorized within the fair value hierarchy. These investments include 2a7-like external investment pools. The Town is permitted in certain circumstances to establish the fair value of an investment that does not have a readily determinable fair value by using the net asset value (NAV) per share (or its equivalent) of the investment.

Colotrust determines the NAV of the shares of each portfolio as of the close of business on each day. The NAV per share of each portfolio is computed by dividing the total value of the securities and other assets of the portfolios, less any liabilities, by the total outstanding shares of the portfolios. Liabilities, which include all expenses and fees of Colotrust, are accrued daily. The NAV is calculated at fair value using various inputs in determine value in accordance with GASB guidance. It is the goal of Colotrust to maintain a NAV of \$1.00 per share, however changes in interest rates may affect the fair value of the securities held by Colotrust and there can be no assurance that the NAV will not vary from \$1.00 per share. There are no unfunded commitments, the redemption frequency is daily and there is no redemption notice period.

Restricted Cash and Investments – At December 31, 2021, the Capital Improvement Fund reported \$48,000 of restricted cash which matches the bond debt service requirement for the Series 2014 Revenue Bonds.

TOWN OF KEENESBURG
NOTE TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2021

NOTE 4 - CAPITAL ASSETS

Capital assets for governmental activities for the year ended December 31, 2021, is summarized below:

	Balances December 31, 2020	Additions	Deletions	Balances December 31, 2021
<i>Governmental Activities:</i>				
Capital Assets, not being depreciated				
Land	\$ 179,928	\$ -	\$ -	\$ 179,928
Construction in process	400	111,700	(400)	111,700
Total capital assets, not depreciated	180,328	111,700	(400)	291,628
Capital Assets, being depreciated				
Buildings	1,317,150	191,576	-	1,508,726
Equipment	740,651	438,863	(6,720)	1,172,794
Streets	3,354,441	126,880	-	3,481,321
Total capital assets, depreciated	5,412,242	757,319	(6,720)	6,162,841
Accumulated depreciation				
Buildings	(682,957)	(56,810)	-	(739,767)
Equipment	(672,504)	(49,815)	6,720	(715,599)
Streets	(671,349)	(100,525)	-	(771,874)
Total accumulated depreciation	(2,026,810)	(207,150)	6,720	(2,227,240)
Net capital assets, depreciated	3,385,432	550,169	-	3,935,601
Governmental Activities Capital Assets, net	\$ 3,565,760	\$ 661,869	\$ (400)	\$ 4,227,229

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

Governmental activities	
General government	\$ 58,002
Public safety	2,072
Public works	134,648
Culture and recreation	12,428
Total	\$ 207,150

TOWN OF KEENESBURG
NOTE TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2021

NOTE 4 - CAPITAL ASSETS (CONTINUED)

Capital assets for business-type activities for the year ended December 31, 2021, is summarized below:

	Balances December 31, 2020	Additions	Deletions	Balances December 31, 2021
<i>Business-Type Activities:</i>				
Capital Assets, not being depreciated				
Land	\$ 168,677	\$ -	\$ -	\$ 168,677
Construction in progress	-	757,731	-	757,731
Water rights	1,144,489	-	-	1,144,489
Total capital assets, not depreciated	<u>1,313,166</u>	<u>757,731</u>	<u>-</u>	<u>2,070,897</u>
Capital Assets, being depreciated				
Buildings	40,907	-	-	40,907
Equipment	153,149	27,956	(3,712)	177,393
Improvements - lagoons	427,771	24,612	(21,131)	431,252
Lagoon discharge rights	11,904	-	-	11,904
Wastewater system	878,691	111,040	-	989,731
Waterworks system	6,181,273	442,084	-	6,623,357
Total capital assets, depreciated	<u>7,693,695</u>	<u>605,692</u>	<u>(24,843)</u>	<u>8,274,544</u>
Accumulated depreciation				
Buildings	(39,212)	(156)	-	(39,368)
Equipment	(138,667)	(9,514)	3,712	(144,469)
Improvements - lagoons	(247,293)	(19,572)	21,131	(245,734)
Lagoon discharge rights	(11,903)	-	-	(11,903)
Wastewater system	(161,534)	(46,543)	-	(208,077)
Waterworks system	(2,008,600)	(172,975)	-	(2,181,575)
Total accumulated depreciation	<u>(2,607,209)</u>	<u>(248,760)</u>	<u>24,843</u>	<u>(2,831,126)</u>
Net capital assets, depreciated	<u>5,086,486</u>	<u>356,932</u>	<u>-</u>	<u>5,443,418</u>
Business-Type Activities				
Capital Assets, net	<u>\$ 6,399,652</u>	<u>\$ 1,114,663</u>	<u>\$ -</u>	<u>\$ 7,514,315</u>

Depreciation expense was charged to business-type activities of the Town as follows:

Business-type activities:

Waterworks	\$ 177,854
Wastewater	<u>70,906</u>
Total	<u><u>\$ 248,760</u></u>

TOWN OF KEENESBURG
NOTE TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2021

NOTE 5 - INTERFUND RECEIVABLES AND PAYABLES

Interfund receivable and payable balances at December 31, 2021 are as follows:

Fund	Interfund Receivable	Interfund Payable
General	\$ 125,819	\$ -
Capital Improvement	-	2,170
Impact Fee	-	2,915
Waterworks	99	80,958
Wastewater	182	40,057
	<u>\$ 126,100</u>	<u>\$ 126,100</u>

The residual balances of governmental funds and the proprietary funds is shown as internal balances on the government-wide statement of net position.

NOTE 6 - LONG-TERM DEBT

Following is a summary of long-term debt transactions for the governmental activities for the year ended December 31, 2021.

	Balances December 31, 2020	Additions	Deletions	Balances December 31, 2021	Due In One Year
<i>Governmental Activities:</i>					
Series 2014, Sales Tax					
Revenue Bonds	\$ 545,000	\$ -	\$ (70,000)	\$ 475,000	\$ 70,000
Compensated absences	4,063	406	(1,394)	3,075	3,075
Total	<u>\$ 549,063</u>	<u>\$ 406</u>	<u>\$ (71,394)</u>	<u>\$ 478,075</u>	<u>\$ 73,075</u>

\$960,000 Sales Tax Revenue Refunding Bonds, Series 2014 (the 2014 Bonds), were issued to fund street improvements within the Town. Interest payments are due semi-annually on June 1 and December 1, with interest accruing at 2.92% per annum. Principal payments are due annually on December 1, through 2026. The Bonds are subject to redemption prior to maturity at the option of the Town as provided in the Sale Certificate.

The 2014 Bonds are payable from pledged revenues and the Town has established a 3% municipal sales tax of which 1/12th is pledged monthly to be used to pay principal and interest on the 2014 bonds. The pledge revenues are accounted for in the Capital Improvements Fund.

To provide additional security for the payment of the 2014 Bonds, sales tax collections in excess of the required annual amounts shall be maintained in a reserve account. The amount of the reserve at December 31, 2021, is \$48,000, which means the requirement as set in the 2014 Official Statement.

TOWN OF KEENESBURG
NOTE TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2021

NOTE 6 - LONG-TERM DEBT (CONTINUED)

Remaining debt service at December 31, 2021, was as follows:

<i>2014 Revenue Refunding Bonds</i>			
<u>Year ended December 31,</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2022	\$ 70,000	\$ 13,870	\$ 83,870
2023	75,000	11,826	86,826
2024	105,000	9,636	114,636
2025	110,000	6,570	116,570
2026	115,000	3,358	118,358
Total	<u>\$ 475,000</u>	<u>\$ 45,260</u>	<u>\$ 520,260</u>

Compensated Absences – The liability is typically liquidated with resources of the same fund that has paid the applicable employee's regular salaries and fringe benefits.

Following is a summary of long-term debt transactions for the business-type activities for the year ended December 31, 2021:

	<u>Balances</u> <u>December 31, 2020</u>	<u>Additions</u>	<u>Deletions</u>	<u>Balances</u> <u>December 31, 2021</u>	<u>Due In</u> <u>One Year</u>
<i>Business-Type Activities:</i>					
Series 2018, Wastewater Revenue Bonds	\$ 281,561	\$ -	\$ (12,878)	\$ 268,683	\$ 13,489
CWCB Note Payable - Waterworks	719,824	-	(46,958)	672,866	50,479
Compensated absences	7,006	988	(2,018)	5,976	5,976
Total	<u>\$ 1,008,391</u>	<u>\$ 988</u>	<u>\$ (61,854)</u>	<u>\$ 947,525</u>	<u>\$ 69,944</u>

\$496,000 Wastewater Revenue Bonds, Series 2018 (the 2018 Bonds), were issued for the purpose of financing the repair and replacement of existing sewer collection lines and expansion of the Town's aerated lagoon. Principal installments are due annually on December 1 with semiannual interest payments due on June 1 and December 1, at an annual interest rate of 2.75%. Payment of principal and interest are derived from the fees charged by the Wastewater Fund.

In 2006, the Town entered into a loan with the Colorado Water Conservation Board (CWCB), for the purchase of an existing well and to construct a raw water pipeline from the well to the Town. The original loan amount was \$1,523,080. In 2008, an amendment to the original loan was made and the loan was adjusted to a new loan balance of \$1,127,968. Principal and interest installments are due annually on July 1, at an annual interest rate of 3.75%, maturing on June 30, 2038. The original maturity date was based on annual loan payments of \$63,265. In fiscal year 2021 and in prior years, the Town has made an annual debt service payment of \$73,951.

TOWN OF KEENESBURG
NOTE TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2021

NOTE 6 - LONG-TERM DEBT (CONTINUED)

Annual debt service requirements for the outstanding 2018 Bonds and the CWCB loan at December 31, 2021, are as follows. The CWCB loan maturity schedule shown below is based on continued debt service payments of \$73,951 made by the Town.

<i>Series 2018 Revenue Bonds</i>			
<u>Year ended December 31,</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2022	\$ 13,489	\$ 7,037	\$ 20,526
2023	13,508	7,018	20,526
2024	13,880	6,646	20,526
2025	14,261	6,265	20,526
2026	14,654	5,872	20,526
2027 - 2031	79,538	23,092	102,630
2032 - 2036	91,093	11,537	102,630
2037 - 2038	28,260	1,011	29,271
Total	<u>\$ 268,683</u>	<u>\$ 68,478</u>	<u>\$ 337,161</u>

<i>CWCB Note Payable</i>			
<u>Year ended December 31,</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2022	\$ 50,479	\$ 23,472	\$ 73,951
2023	50,612	23,339	73,951
2024	52,509	21,442	73,951
2025	54,479	19,472	73,951
2026	56,521	17,430	73,951
2027 - 2031	316,036	53,719	369,755
2032 - 2033	92,230	4,274	96,504
Total	<u>\$ 672,866</u>	<u>\$ 163,148</u>	<u>\$ 836,014</u>

Compensated Absences – Compensated absences of the business-type activities are expected to be liquidated with resources of the same fund that has paid the applicable employee's regular salaries and fringe benefits.

NOTE 7 - RETIREMENT PLAN

The Town provides retirement benefits for all full-time employees through individual SEP accounts of the employee's choosing. The current year covered payroll of eligible employees amounted to \$638,615. The Town contributes 5% of the employees' compensation; however, the total contribution for each employee may not exceed 15% of annual earnings or \$30,000, whichever is less. Contributions by the Town on behalf of the employees amounted to \$39,944 and \$35,855 for 2021 and 2020, respectively. All contributions are 100% vested for the benefit of each employee immediately upon deposit.

TOWN OF KEENESBURG
NOTE TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2021

NOTE 8 - RISK MANAGEMENT

The Town is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; injuries to employees; and natural disasters.

The Town is a member of the Colorado Intergovernmental Risk Sharing Agency (CIRSA). CIRSA is a joint self-insurance pool created by intergovernmental agreement of 275 members to provide property and liability and/or workers' compensation coverage to its members.

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

The Town maintains commercial insurance for workmen's compensation coverage. Claims have not exceeded coverage in any of the past three fiscal years.

NOTE 9 - COMMITMENTS AND CONTINGENCIES

Claims and Judgements

The Town participates in a number of federal and state programs that are fully or partially funded by grants received from other governmental entities. Expenditures financed by grants are subject to audit by the appropriate grantor government. If expenditures are disallowed due to noncompliance with grant program regulations, the Town may be required to reimburse the grantor government.

At December 31, 2021, certain grant expenditures have not been audited but management believes that disallowed expenditures, if any, based on subsequent audits will not have a material effect on the overall financial position of the Town.

NOTE 10 - RELATED ORGANIZATION

The Timberwood Housing Authority (the Authority) is an autonomous municipal entity governed by a board approved by the Mayor, but there is no continuing relationship between the Authority and the Town. The management of the Authority is selected by the governing board and operations are the exclusive responsibility of the Authority's management.

TOWN OF KEENESBURG
NOTE TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2021

NOTE 10 - RELATED ORGANIZATION (CONTINUED)

The Authority is responsible for its financial affairs including the funding of deficits and the disposition of surpluses, also the Town does not guarantee the Authority's outstanding debt.

The Authority operates within the geographical boundaries of the Town. The Authority is treated as a related organization rather than a component unit since there is not financial interdependency, control, or oversight responsibility.

NOTE 11 - TAX AND SPENDING LIMITATIONS

Tabor Amendment

Colorado voters passed an amendment to the State Constitution, Article X, Section 20, which has several limitations, including revenue raising, spending abilities, and other specific requirements of state and local governments. The Amendment is complex and subject to judicial interpretation. In accordance with the amendment, the registered electors of the Town of Keenesburg, Colorado, passed an ordinance in 1995 allowing the collection, retention, and expenditure of the full proceeds of the Town's revenues, without any increase in any tax rate, from January 1, 1994 and thereafter. The Town believes it is in compliance with the requirements of the Amendment. The Town has made certain interpretations of the amendment's language in order to determine its compliance. The effect, if any, on the future operations of the Town is not determinable at this time.

The Amendment requires that Emergency Reserves be established. These reserves must be at least 3 percent of "fiscal Year Spending" (as defined in the Amendment). As of December 31, 2021, the Reserved Fund Balance for this purpose is \$145,000.

REQUIRED SUPPLEMENTARY INFORMATION

TOWN OF KEENESBURG
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES
IN FUND BALANCE – BUDGET AND ACTUAL – GENERAL FUND
YEAR ENDED DECEMBER 31, 2021

	Original Budget	Final Budget	Actual	Variance Positive (Negative)
<u>Revenues</u>				
Property taxes				
General property tax	\$ 315,489	\$ 1,110,507	\$ 1,109,056	\$ (1,451)
Specific ownership taxes	16,500	15,000	15,830	830
Penalties and interest	200	100	2,010	1,910
Total property taxes	<u>332,189</u>	<u>1,125,607</u>	<u>1,126,896</u>	<u>1,289</u>
Other taxes				
Cigarette tax	1,650	1,700	2,862	1,162
Sales tax	125,000	125,000	125,000	-
Franchise tax	220,000	220,000	272,905	52,905
Severance tax	20,000	20,000	10,620	(9,380)
Highway users' tax	54,000	54,000	74,129	20,129
Use tax	550,000	550,000	559,482	9,482
Payment in lieu of taxes	2,500	2,700	2,696	(4)
Total other taxes	<u>973,150</u>	<u>973,400</u>	<u>1,047,694</u>	<u>74,294</u>
Intergovernmental				
Motor vehicle registration	7,000	7,000	9,261	2,261
County road and bridge	8,500	8,500	9,579	1,079
Total intergovernmental	<u>15,500</u>	<u>15,500</u>	<u>18,840</u>	<u>3,340</u>
License and fees				
Liquor license	1,500	1,500	800	(700)
Occupation fees	450	450	387	(63)
Building permits	375,000	375,000	462,914	87,914
Business licenses and permits	8,000	8,000	6,239	(1,761)
Street cut fees	500	500	600	100
Total license and fees	<u>385,450</u>	<u>385,450</u>	<u>470,940</u>	<u>85,490</u>
Charges for services				
Development fees - consulting	100,000	100,000	100,540	540
Development fees - legal	80,000	80,000	61,663	(18,337)
Animal control fees	3,000	4,300	4,857	557
Municipal court fees	10,000	4,500	12,350	7,850
Total charges for services	<u>193,000</u>	<u>188,800</u>	<u>179,410</u>	<u>(9,390)</u>
Miscellaneous				
Investment earnings	1,500	-	228	228
Miscellaneous revenues	30,000	235,000	185,417	(49,583)
Total miscellaneous	<u>31,500</u>	<u>235,000</u>	<u>185,645</u>	<u>(49,355)</u>
Total revenues	<u>1,930,789</u>	<u>2,923,757</u>	<u>3,029,425</u>	<u>105,668</u>

TOWN OF KEENESBURG
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES
IN FUND BALANCE – BUDGET AND ACTUAL – GENERAL FUND
(CONTINUED)
YEAR ENDED DECEMBER 31, 2021

	Original Budget	Final Budget	Actual	Variance Positive (Negative)
<u>Expenditures</u>				
Legislative				
Mayor salary	6,000	6,000	6,000	-
Payroll taxes - mayor/trustees	1,300	1,300	1,258	42
Worker's compensation	180	200	186	14
Miscellaneous	2,000	1,500	7,294	(5,794)
Director/trustee fees	10,800	10,800	9,825	975
Total legislative	<u>20,280</u>	<u>19,800</u>	<u>24,563</u>	<u>(4,763)</u>
General administration				
Salaries	146,725	169,100	190,897	(21,797)
Payroll taxes	12,200	14,050	15,988	(1,938)
Telephone	3,000	3,000	2,878	122
Utilities	6,500	6,000	5,023	977
Office expense	15,000	18,000	20,973	(2,973)
Maintenance and repairs	6,500	20,000	11,692	8,308
Insurance and bonds	13,000	12,350	13,690	(1,340)
Audit and accounting	9,000	9,000	9,000	-
Professional services	265,000	215,000	70,957	144,043
Legal	60,000	40,000	38,609	1,391
Publishing	3,000	1,200	999	201
Dues and subscriptions	18,675	16,000	15,669	331
Health and insurance	22,300	16,500	17,513	(1,013)
Planning and zoning	45,000	9,000	18,443	(9,443)
Capital outlay	20,000	30,500	10,000	20,500
Employee benefits	7,400	12,000	12,022	(22)
Worker's compensation	400	450	373	77
Miscellaneous	13,000	6,000	12,015	(6,015)
Treasurer's fees	4,500	9,000	11,111	(2,111)
Legal/development/planning	180,000	125,000	161,425	(36,425)
Total general administration	<u>851,200</u>	<u>732,150</u>	<u>639,277</u>	<u>92,873</u>
Public safety				
Legal - judge and court attorney	10,000	4,500	4,938	(438)
Law enforcement	110,000	122,255	118,018	4,237
Inspection services	300,000	325,000	306,484	18,516
Capital outlay	-	150,000	78,850	71,150
Miscellaneous	2,000	1,000	1,128	(128)
Total public safety	<u>422,000</u>	<u>602,755</u>	<u>509,418</u>	<u>93,337</u>

TOWN OF KEENESBURG
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES
IN FUND BALANCE – BUDGET AND ACTUAL – GENERAL FUND
(CONTINUED)
YEAR ENDED DECEMBER 31, 2021

	Original Budget	Final Budget	Actual	Variance Positive (Negative)
Public works				
Salaries	94,475	117,325	142,348	(25,023)
Payroll taxes	7,800	9,200	10,303	(1,103)
Telephone	2,200	2,800	2,934	(134)
Utilities	6,500	4,500	2,507	1,993
Office expense	3,800	5,000	5,800	(800)
Maintenance and repair - equipment	40,000	45,000	58,532	(13,532)
Maintenance and repair - streets	228,000	228,000	160,269	67,731
Street lighting	18,000	13,500	13,859	(359)
Gas and oil	6,500	9,000	10,209	(1,209)
Shop supplies	7,000	7,000	6,060	940
Trash service fees	9,000	8,000	8,725	(725)
Capital outlay	-	-	6,600	(6,600)
Employee benefits	4,700	6,400	6,084	316
Health insurance	17,400	16,800	14,221	2,579
Worker's compensation	8,000	6,000	4,422	1,578
Miscellaneous	3,000	4,500	4,951	(451)
Total public works	456,375	483,025	457,824	25,201
Health and welfare				
Code enforcement	21,000	30,000	34,743	26,500
Mosquito spraying	4,800	3,500	3,500	436
Animal control	3,500	3,500	3,064	(31,243)
Covid expenditures	-	-	3,177	(3,177)
Total health and welfare	29,300	37,000	44,484	(7,484)
Culture and recreation				
Utilities	500	500	508	(8)
Maintenance and repair	9,000	9,000	2,922	6,078
Miscellaneous	13,000	13,000	3,760	9,240
Miscellaneous contributions	10,500	10,500	8,600	1,900
Tree USA / Arbor Dat	6,000	6,000	4,381	1,619
Total culture and recreation	39,000	39,000	20,171	18,829
Total expenditures	1,818,155	1,913,730	1,695,737	217,993
Net change in fund balance	\$ 112,634	\$ 1,010,027	1,333,688	\$ 323,661
Fund balance - beginning of year			2,009,793	
Fund balance - end of year			\$ 3,343,481	

TOWN OF KEENESBURG
SCHEDULE OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCE – BUDGET AND ACTUAL –
IMPACT FEE FUND
YEAR ENDED DECEMBER 31, 2021

	Original Budget	Final Budget	Actual	Variance Positive (Negative)
<u>Revenues</u>				
Police impact fee	\$ 35,000	\$ 35,000	\$ 38,119	\$ 3,119
Town Hall impact fee	170,100	275,000	258,477	(16,523)
Roadway impact fee	207,775	340,000	332,314	(7,686)
Drainage impact fee	65,000	65,000	81,713	16,713
Park impact fee	236,900	400,000	363,000	(37,000)
Investment earnings	-	-	161	161
Total revenues	<u>714,775</u>	<u>1,115,000</u>	<u>1,073,784</u>	<u>(41,216)</u>
<u>Expenditures</u>				
Capital outlay	<u>755,000</u>	<u>875,000</u>	<u>226,455</u>	<u>648,545</u>
Total expenditures	<u>755,000</u>	<u>875,000</u>	<u>226,455</u>	<u>648,545</u>
Net change in fund balance	<u>\$ (40,225)</u>	<u>\$ 240,000</u>	847,329	<u>\$ 607,329</u>
Fund balance - beginning of year			<u>1,258,057</u>	
Fund balance - end of year			<u>\$ 2,105,386</u>	

OTHER SUPPLEMENTARY INFORMATION

TOWN OF KEENESBURG
SCHEDULE OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCE – BUDGET AND ACTUAL –
CAPITAL IMPROVEMENTS FUND
YEAR ENDED DECEMBER 31, 2021

	Original Budget	Final Budget	Actual	Variance Positive (Negative)
<u>Revenues</u>				
Sales tax	\$ 650,000	\$ 675,000	\$ 740,227	\$ 65,227
Intergovernmental	-	725,000	625,000	(100,000)
Investment earnings	750	750	105	(645)
Total revenues	<u>650,750</u>	<u>1,400,750</u>	<u>1,365,332</u>	<u>(35,418)</u>
<u>Expenditures</u>				
Miscellaneous	-	-	17,484	(17,484)
Capital outlay	655,000	770,000	598,592	171,408
Debt service				
Principal	70,000	70,000	70,000	-
Interest	15,914	15,914	15,914	-
Total expenditures	<u>740,914</u>	<u>855,914</u>	<u>701,990</u>	<u>153,924</u>
Net change in fund balance	<u>\$ (90,164)</u>	<u>\$ 544,836</u>	663,342	<u>\$ 118,506</u>
Fund balance - beginning of year			<u>473,664</u>	
Fund balance - end of year			<u>\$ 1,137,006</u>	

See the accompanying independent auditors' report

TOWN OF KEENESBURG
SCHEDULE OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCE – BUDGET AND ACTUAL –
CONSERVATION TRUST FUND
YEAR ENDED DECEMBER 31, 2021

	Original and Final Budget	Actual	Variance Positive (Negative)
<u>Revenues</u>			
Lotto contributions/donations	\$ 14,000	\$ 15,024	\$ 1,024
Investment earnings	100	9	(91)
Total revenues	<u>14,100</u>	<u>15,033</u>	<u>933</u>
Net change in fund balance	<u>\$ 14,100</u>	15,033	<u>\$ 933</u>
Fund balance - beginning of year		<u>81,054</u>	
Fund balance - end of year		<u>\$ 96,087</u>	

See the accompanying independent auditors' report

TOWN OF KEENESBURG
SCHEDULE OF REVENUES, EXPENSES AND
CHANGES IN FUND NET POSITION – BUDGET AND ACTUAL –
NON – GAAP BUDGETARY BASIS
WATERWORKS FUND
YEAR ENDED DECEMBER 31, 2021

	Original Budget	Final Budget	Actual	Variance Positive (Negative)
<u>Revenues</u>				
Water sales	\$ 488,000	\$ 415,000	\$ 544,603	\$ 129,603
Water tap fees	1,025,420	928,070	1,012,445	84,375
Raw water acquisition fee	1,723,780	1,571,040	1,712,863	141,823
Water pipeline use income	63,099	63,099	63,099	-
Investment earnings	800	800	510	(290)
Miscellaneous revenues	102,270	20,000	4,722	(15,278)
Total revenues	<u>3,403,369</u>	<u>2,998,009</u>	<u>3,338,242</u>	<u>340,233</u>
<u>Expenditures</u>				
Public works				
Salaries	196,284	186,125	164,754	21,371
Payroll taxes	15,800	15,800	14,566	1,234
Utilities	48,000	40,000	44,633	(4,633)
Maintenance and repair equipment	155,000	155,000	101,093	53,907
Gas and oil	4,800	6,000	5,559	441
Operating supplies	35,000	25,000	24,905	95
Health insurance	31,185	25,000	25,598	(598)
Employee benefits	9,850	10,600	10,278	322
Worker's compensation	17,000	11,500	8,320	3,180
Water testing	5,000	7,000	6,471	529
Miscellaneous	1,000	800	89	711
Capital outlay	485,000	520,000	461,655	58,345
Total public works	<u>1,003,919</u>	<u>1,002,825</u>	<u>867,921</u>	<u>134,904</u>
Administration				
Salaries	122,835	135,012	126,537	8,475
Payroll taxes	10,000	11,250	10,645	605
Telephone	2,300	2,000	2,882	(882)
Utilities	3,800	3,000	2,741	259
Office expense	3,500	3,500	3,672	(172)
Maintenance and repairs	2,500	2,500	1,897	603
Insurance and bonds	6,700	6,200	6,845	(645)
Audit and accounting	4,200	4,400	4,335	65
Professional services	41,000	41,000	38,885	2,115
Dues and subscriptions	11,750	10,000	10,054	(54)
Health insurance	14,850	12,500	13,877	(1,377)
Employee benefits	6,150	9,400	9,933	(533)
Worker's compensation	250	250	186	64
Miscellaneous	1,000	1,000	152	848
Total administration	<u>230,835</u>	<u>242,012</u>	<u>232,641</u>	<u>9,371</u>

See the accompanying independent auditors' report

TOWN OF KEENESBURG
SCHEDULE OF REVENUES, EXPENSES AND
CHANGES IN FUND NET POSITION – BUDGET AND ACTUAL –
NON – GAAP BUDGETARY BASIS
WATERWORKS FUND (CONTINUED)
YEAR ENDED DECEMBER 31, 2021

	Original Budget	Final Budget	Actual	Variance Positive (Negative)
Debt service				
Principal	44,536	44,536	46,958	(2,422)
Interest and fiscal charges	29,415	29,415	26,993	2,422
Total debt service	<u>73,951</u>	<u>73,951</u>	<u>73,951</u>	<u>-</u>
 Total expenditures	 <u>1,308,705</u>	 <u>1,318,788</u>	 <u>1,174,513</u>	 <u>144,275</u>
 Change in net position, budgetary basis	 <u>\$ 2,094,664</u>	 <u>\$ 1,679,221</u>	 2,163,729	 <u>484,508</u>
Reconciliation to GAAP basis				
Capital outlay			461,655	
Depreciation			(177,854)	
Debt principal payments			<u>46,958</u>	
 Change in net position, GAAP basis			 2,494,488	
 Net position, beginning of year			 <u>9,095,602</u>	
 Net position, end of year			 <u>\$ 11,590,090</u>	

See the accompanying independent auditors' report

TOWN OF KEENESBURG
SCHEDULE OF REVENUES, EXPENSES AND
CHANGES IN FUND NET POSITION – BUDGET AND ACTUAL –
NON – GAAP BUDGETARY BASIS
WASTEWATER FUND
YEAR ENDED DECEMBER 31, 2021

	Original Budget	Final Budget	Actual	Variance Positive (Negative)
<u>Revenues</u>				
Water sales	\$ 420,000	\$ 420,000	457,526	\$ 37,526
Water tap fees	1,173,782	1,210,927	1,166,356	(44,571)
Intergovernmental	1,000,000	-	155,460	155,460
Investment earnings	550	-	215	215
Miscellaneous revenues	500	-	-	-
Total revenues	<u>2,594,832</u>	<u>1,630,927</u>	<u>1,779,557</u>	<u>148,630</u>
<u>Expenditures</u>				
Public works				
Salaries	139,696	115,750	108,994	6,756
Payroll taxes	11,200	9,800	9,439	361
Utilities	34,000	35,000	33,092	1,908
Maintenance and repair equipment	70,000	70,000	48,964	21,036
Gas and oil	5,000	4,800	4,649	151
Operating supplies	15,000	16,000	18,846	(2,846)
Health insurance	20,790	18,000	17,066	934
Employee benefits	7,000	7,500	7,035	465
Worker's compensation	5,500	7,400	4,957	2,443
Water testing	6,500	6,500	5,454	1,046
Miscellaneous	1,000	1,000	-	1,000
Capital outlay	3,282,250	832,000	901,768	(69,768)
Total public works	<u>3,597,936</u>	<u>1,123,750</u>	<u>1,160,264</u>	<u>(36,514)</u>
Administration				
Salaries	122,634	135,062	125,865	9,197
Payroll taxes	10,000	11,300	10,592	708
Telephone	2,800	3,000	2,882	118
Utilities	3,500	3,500	2,522	978
Office expense	3,500	3,500	3,683	(183)
Maintenance and repairs	2,500	3,500	2,186	1,314
Insurance and bonds	6,700	6,200	6,845	(645)
Audit and accounting	4,200	4,400	4,332	68
Professional services	80,000	80,000	21,496	58,504
Dues and subscriptions	8,700	8,700	6,269	2,431
Health insurance	14,850	14,850	13,591	1,259
Employee benefits	6,150	8,200	9,844	(1,644)
Worker's compensation	250	250	186	64
Total administration	<u>265,784</u>	<u>282,462</u>	<u>210,293</u>	<u>72,169</u>

See the accompanying independent auditors' report

TOWN OF KEENESBURG
SCHEDULE OF REVENUES, EXPENSES AND
CHANGES IN FUND NET POSITION – BUDGET AND ACTUAL –
NON – GAAP BUDGETARY BASIS
WASTEWATER FUND (CONTINUED)
YEAR ENDED DECEMBER 31, 2020

	Original Budget	Final Budget	Actual	Variance Positive (Negative)
Debt service				
Principal	7,125	7,125	12,878	(5,753)
Interest and fiscal charges	13,401	13,401	7,648	5,753
Total debt service	<u>20,526</u>	<u>20,526</u>	<u>20,526</u>	<u>-</u>
 Total expenditures	 <u>3,884,246</u>	 <u>1,426,738</u>	 <u>1,391,083</u>	 <u>35,655</u>
 Change in net position, budgetary basis	 <u>\$ (1,289,414)</u>	 <u>\$ 204,189</u>	 388,474	 <u>\$ 184,285</u>
Reconciliation to GAAP basis				
Capital outlay			901,768	
Depreciation			(70,906)	
Debt principal payments			<u>12,878</u>	
 Change in net position, GAAP basis			 1,232,214	
 Net position, beginning of year			 <u>2,662,284</u>	
 Net position, end of year			 <u>\$ 3,894,498</u>	

See the accompanying independent auditors' report

COMPLIANCE SECTION

LOCAL HIGHWAY FINANCE REPORT		City or County: Keenesburg
		YEAR ENDING : December 2021
This Information From The Records Of (example - City of _ or County of _) Town of Keenesburg		Prepared By: Shawna Finkenbinder Phone: 303-732-4281

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

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

II. RECEIPTS FOR ROAD AND STREET PURPOSES

ITEM	AMOUNT
A. Receipts from local sources:	
1. Local highway-user taxes	
a. Motor Fuel (from Item I.A.5.)	
b. Motor Vehicle (from Item I.B.5.)	
c. Total (a.+b.)	
2. General fund appropriations	228,000
3. Other local imposts (from page 2)	1,072,541
4. Miscellaneous local receipts (from page 2)	105
5. Transfers from toll facilities	
6. Proceeds of sale of bonds and notes:	
a. Bonds - Original Issues	
b. Bonds - Refunding Issues	
c. Notes	
d. Total (a. + b. + c.)	0
7. Total (1 through 6)	1,300,647
B. Private Contributions	
C. Receipts from State government (from page 2)	83,390
D. Receipts from Federal Government (from page 2)	0
E. Total receipts (A.7 + B + C + D)	1,384,036

III. DISBURSEMENTS FOR ROAD AND STREET PURPOSES

ITEM	AMOUNT
A. Local highway disbursements:	
1. Capital outlay (from page 2)	185,474
2. Maintenance:	104,876
3. Road and street services:	
a. Traffic control operations	
b. Snow and ice removal	
c. Other	
d. Total (a. through c.)	0
4. General administration & miscellaneous	48,235
5. Highway law enforcement and safety	32,920
6. Total (1 through 5)	371,505
B. Debt service on local obligations:	
1. Bonds:	
a. Interest	15,914
b. Redemption	70,000
c. Total (a. + b.)	85,914
2. Notes:	
a. Interest	
b. Redemption	
c. Total (a. + b.)	0
3. Total (1.c + 2.c)	85,914
C. Payments to State for highways	
D. Payments to toll facilities	
E. Total disbursements (A.6 + B.3 + C + D)	457,419

IV. LOCAL HIGHWAY DEBT STATUS

(Show all entries at par)

	Opening Debt	Amount Issued	Redemptions	Closing Debt
A. Bonds (Total)	545,000		70,000	475,000
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
	731,339	1,384,036	457,419	1,657,957	(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		a. Interest on investments	105
b. Other local imposts:		b. Traffic Fines & Penalties	
1. Sales Taxes	740,227	c. Parking Garage Fees	
2. Infrastructure & Impact Fees	332,314	d. Parking Meter Fees	
3. Liens		e. Sale of Surplus Property	
4. Licenses		f. Charges for Services	
5. Specific Ownership &/or Other		g. Other Misc. Receipts	
6. Total (1. through 5.)	1,072,541	h. Other	
c. Total (a. + b.)	1,072,541	i. Total (a. through h.)	105
	(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	74,129	1. FHWA (from Item I.D.5.)	
2. State general funds		2. Other Federal agencies:	
3. Other State funds:		a. Forest Service	
a. State bond proceeds		b. FEMA	
b. Project Match		c. HUD	
c. Motor Vehicle Registrations	9,261	d. Federal Transit Admin	
d. Other (Specify) - DOLA Grant		e. U.S. Corps of Engineers	
e. Other (Specify)		f. Other Federal	
f. Total (a. through e.)	9,261	g. Total (a. through f.)	0
4. Total (1. + 2. + 3.f)	83,390	3. Total (1. + 2.g)	
			(Carry forward to page 1)

III. DISBURSEMENTS FOR ROAD AND STREET PURPOSES - DETAIL			
	ON NATIONAL HIGHWAY SYSTEM (a)	OFF NATIONAL HIGHWAY SYSTEM (b)	TOTAL (c)
A.1. Capital outlay:			
a. Right-Of-Way Costs			0
b. Engineering Costs			0
c. Construction:			
(1). New Facilities		13,330	13,330
(2). Capacity Improvements		58,250	58,250
(3). System Preservation		113,894	113,894
(4). System Enhancement & Operation			0
(5). Total Construction (1) + (2) + (3) + (4)	0	185,474	185,474
d. Total Capital Outlay (Lines 1.a. + 1.b. + 1.c.5)	0	185,474	185,474
			(Carry forward to page 1)

Notes and Comments: