Annual Financial Report

Town of Kersey

Kersey, Colorado

For the Year Ended December 31, 2021

Tim Chavies & Associates, Inc.

Certified Public Accountants
1707 61st Avenue, Suite 101
Greeley, Colorado 80634
(970) 356-2284 / Fax (970) 353-9701

TOWN OF KERSEY, COLORADO

Table of Contents

December 31, 2021

	Page
Financial Section	
Independent Auditor's Report	1-3
Management's Discussion and Analysis	4-8
Basic Financial Statements:	
Statement of Net Position	9
Statement of Activities	10
Balance Sheet - Governmental Funds	11
Statement of Revenues, Expenditures, and Changes in Fund Balances - Governmental Funds	12
Statement of Net Position - Proprietary Funds	13
Statement of Revenues, Expenses, and Changes in Net Position - Proprietary Funds	14
Statement of Cash Flows - Proprietary Funds	15
Notes to the Basic Financial Statements	16-33
Required Supplemental Information:	
Schedule of Revenues - Budget to Actual - General Fund	34-35
Schedule of Expenditures - Budget to Actual - General Fund	36-39
Reconciliation of Budgetary Basis to GAAP Basis - Budget to Actual - General Fund	40
Schedule of Revenues - Budget to Actual - Street Fund	41
Schedule of Expenditures - Budget to Actual - Street Fund	42
Reconciliation of Budgetary Basis to GAAP Basis - Budget to Actual - Street Fund	43
Schedule of Proportionate Share of Net Pension Liability and Schedule of Contributions - Fire and Police Pension Association of Colorado (FPPA)	44
Other Supplemental Information:	
Combining Balance Sheet - Governmental Funds - Nonmajor	45
Combining Statement of Revenues, Expenditures, and Changes in Fund Balances - Governmental Funds - Nonmajor	46
Budgetary Comparison Schedule - Budget to Actual - Conservation Trust Fund	47
Budgetary Comparison Schedule - Budget to Actual - Capital Fund	48
Schedule of Revenues - Budget to Actual - Water Fund	49
Schedule of Expenditures - Budget to Actual - Water Fund	50-51
Reconciliation of Budgetary Basis to GAAP Basis - Budget to Actual - Water Fund	52
Schedule of Revenues - Budget to Actual - Sewer Fund	53
Schedule of Expenditures - Budget to Actual - Sewer Fund	54-55
Reconciliation of Budgetary Basis to GAAP Basis - Budget to Actual - Sewer Fund	56
Colorado Department of Highways Report - Local Highway Finance Report	57-58

Tim Chavies & Associates, Inc.

Certified Public Accountants
1707 61st Avenue, Suite 101
Greeley, Colorado 80634
(970) 356-2284 / Fax (970) 353-9701

INDEPENDENT AUDITOR'S REPORT

To the Board of Trustees
Town of Kersey
Kersey, Colorado

Opinions

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the Town of Kersey, State of Colorado, as of and for the year ended December 31, 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 financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, and each major fund, and the aggregate remaining fund information of the Town of Kersey, State of Colorado as of December 31, 2021, and the respective changes in financial position for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinions

We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the Town of Kersey, State of Colorado, 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 these 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 the 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 of Kersey, State of Colorado's ability to continue as a going concern for twelve months beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.

Auditor's Responsibility for the Audit of the Financial Statements
Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinions. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with 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 of Kersey, State of Colorado'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 of Kersey, State of Colorado's ability to continue as a going concern for a reasonable period of time.

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

Required Supplementary Information
Accounting principles generally accepted in the United States of America require that the management's discussion and analysis on pages 4-8, budgetary comparison information on pages 34-43, and the Schedule of Proportionate Share of Pension Liability and Schedule of Contributions on page 44 be presented to supplement the basic financial statements. Such information 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 inquires, 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 of Kersey, State of Colorado's basic financial statements. The combining nonmajor fund financial statements on pages 45-46, the budgetary comparisons on pages 47-56 and the local highway finance report on pages 57-58 are presented for purposes of additional analysis and are not a required part of the 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, the combining nonmajor financial statements on page 45-46, the budgetary comparisons on pages 47-56, and local highway finance report on pages 57-58 are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

Tim Chavies & Associates, Inc.

Tim Chavies & Associates, Inc.
Certified Public Accountants

Greeley, Colorado
July 22, 2022

MANAGEMENT'S DISCUSSION AND ANALYSIS
December 31, 2021

This section of Town of Kersey, State of Colorado's (the "Town") 2021 annual financial report presents management's discussion and analysis of the Town's financial performance for the year ended December 31, 2021. The Management Discussion and Analysis ("MD&A") should be read in conjunction with the Town's financial statements, including the notes to financial statements and supplemental information that immediately follow this section.

ORGANIZATION AND PURPOSE

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

FINANCIAL HIGHLIGHTS

The property tax revenue for 2021 was generated from taxable property with the 2020 gross total assessed value certification of $28,391,150 in Weld County, Colorado. The Town established a mill levy of 17.205 for the General Fund. Other significant matters are as follows:

- The net position of the Town increased by $1,631,547 during 2021, compared to prior year increase of $2,174,462. The 2021 increase is due to an increase of property taxes, sales taxes, capital assets, contributions, grant money received, and sale of assets.

- The Town capitalized $1,128,162 of capital assets, and recorded depreciation of $564,316 during 2021. In 2020 the Town capitalized $4,073,372 and recorded depreciation of $420,829.

- The Town made debt payments of $192,897 during 2021, compared to $813,020 in 2020.

OVERVIEW OF THE FINANCIAL STATEMENTS

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

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

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

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

Both government-wide financial statements distinguish functions of the Town that are principally supported by taxes and intergovernmental revenues (governmental activities) from other functions that are intended to recover all or a significant portion of their costs through user fees and charges (business-type activities). The governmental activities of the Town include the General Fund, Street Fund, Conservation Trust Fund and Capital Fund. The business-type activities of the Town include the Water Fund and Sewer Fund. The Town does not have any component units.

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

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

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

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

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

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

FINANCIAL ANALYSIS OF THE DISTRICT AS A WHOLE

Condensed financial information from the **Statement of Net Position** at December 31, 2021:

	Governmental Activities	Business-Type Activities	Total
Current assets	$ 3,713,058	$ 30,263	$ 3,743,321
Noncurrent assets	7,296,255	4,849,891	12,146,146
Total Assets	**11,009,313**	**4,880,154**	**15,889,467**
Total Deferred Outflows	**42,378**	**-**	**42,378**
Current liabilities	26,217	9,473	35,690
Noncurrent liabilities	844,866	6,715	851,581
Total Liabilities	**871,083**	**16,188**	**887,271**
Total Deferred Inflows	**431,009**	**-**	**431,009**
Net investment in capital assets	6,244,693	4,849,891	11,094,584
Restricted	4,159,068	-	4,159,068
Unrestricted	(654,162)	14,075	(640,087)
Total Net Position	**$ 9,749,599**	**$ 4,863,966**	**$ 14,613,565**

The restricted portion of net position ($4,159,068) represents resources that are subject to external restrictions on how they may be used. The remaining balance of unrestricted net position ($640,087) may be used to meet the Town's obligations to citizens and creditors.

Condensed financial information from the **Statement of Activities** at December 31, 2021:

Revenues	Governmental Activities	Business-Type Activities	Total
Program Revenues:			
Charges for services	$ 130,386	$ 775,359	$ 905,745
General Revenues:			
Taxes	2,155,331	-	2,155,331
Licenses and permits	39,697	-	39,697
Intergovermental revenues	135,403	-	135,403
Fines and forfeitures	125,532	-	125,532
Earnings on investment	539	737	1,276
Other	1,434,635	-	1,434,635
Total Revenues	**4,021,523**	**776,096**	**4,797,619**
Expenses:			
General government	684,017	-	684,017
Public safety	602,569	-	602,569
Public works	382,561	-	382,561
Parks and recreation	290,382	-	290,382
Other	158,869	103,884	262,753
Water	-	529,248	529,248
Sewer	-	414,542	414,542
Total Expenses	**2,118,398**	**1,047,674**	**3,166,072**
Change in Net Position	**1,903,125**	**(271,578)**	**1,631,547**
Net Position - beginning	7,846,474	5,135,544	12,982,018
Net Position - ending	**$ 9,749,599**	**$ 4,863,966**	**$ 14,613,565**

Net position increased to $14,613,565, an increase of $1,631,547 from 2020. The increase was affected by the Town capital assets, contributions, grants, property tax, sales tax increases, permits and sale of assets.

FINANCIAL ANALYSIS OF THE FUNDS

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

As of December 31, 2021, the Town's governmental funds reported combined ending fund balances of $3,501,893, an increase of $979,810 in comparison with 2020. Approximately 18.77% of this total amount ($657,175) constitutes *unrestricted* fund balance, which is available for spending at the government's discretion. The reminder of the fund balance is *restricted* to indicate that it is not available for new spending because it has already been committed for encumbrances or Tabor.

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

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

Budgetary Highlights

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

CAPITAL ASSETS AND DEBT ADMINISTRATION

Capital Assets (Net of Depreciation)

	Governmental Activities	Business-Type Activities	Total
Land	$ 363,090	$ 4,826	$ 367,916
Water rights	-	2,283,665	2,283,665
Utility system	-	5,571,907	5,571,907
Equipment	1,276,080	373,654	1,649,734
Buildings and improvements	6,688,332	-	6,688,332
Streets and improvements	4,810,289	-	4,810,289
Construction in progress	-	-	-
Total Capital Assets	**13,137,791**	**8,234,052**	**21,371,843**
Less: Accumulated depreciation	(6,085,995)	(3,384,161)	(9,470,156)
Net Capital Assets	**$ 7,051,796**	**$ 4,849,891**	**$ 11,901,687**

Capital assets – net of depreciation increased $563,846 during 2021 due to capital outlay (assets acquired) less depreciation (See Note 5 for further discussion).

DEBT ADMINISTRATION

The Town has outstanding capital lease obligations with a financial institution. As of December 31, 2021, the capital lease obligation was $807,103 compared to $1,000,000 in 2020, a decrease of $192,897 (See Note 7 for further discussion).

ECONOMIC FACTORS

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

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

FINANCIAL CONTACT

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

BASIC FINANCIAL STATEMENTS

TOWN OF KERSEY, COLORADO

Statement of Net Position

Government-Wide

December 31, 2021

	Governmental Activities	Business-Type Activities	Total
ASSETS			
Current Assets:			
Cash on hand and in checking	$ 1,418,999	$ (1,188,803)	**$ 230,196**
Cash on deposit - county treasurer	4,558	-	**4,558**
Cash in savings	1,184,795	1,003,535	**2,188,330**
Total Cash	2,608,352	(185,268)	**2,423,084**
Certificates of deposit	-	145,576	**145,576**
Local government investment pools	4,575	-	**4,575**
Total Investments	4,575	145,576	**150,151**
Property taxes receivable	396,694	-	**396,694**
Accounts receivable	703,437	61,118	**764,555**
Accrued interest receivable	-	97	**97**
Prepaid expenses	-	8,740	**8,740**
Total Current Assets	3,713,058	30,263	**3,743,321**
Noncurrent Assets:			
Net pension asset	33,280	-	**33,280**
Restricted assets:			
Local government investment pools	211,179	-	**211,179**
Total Restricted Assets	211,179	-	**211,179**
Capital Assets:			
Land	363,090	4,826	**367,916**
Water rights	-	2,283,665	**2,283,665**
Utility system	-	5,571,907	**5,571,907**
Equipment	1,276,080	373,654	**1,649,734**
Buildings and improvements	6,688,332	-	**6,688,332**
Streets and improvements	4,810,289	-	**4,810,289**
Construction in progress	-	-	**-**
Total Capital Assets	13,137,791	8,234,052	**21,371,843**
Less: accumulated depreciation	(6,085,995)	(3,384,161)	**(9,470,156)**
Net Capital Assets	7,051,796	4,849,891	**11,901,687**
Total Noncurrent Assets	7,296,255	4,849,891	**12,146,146**
Total Assets	11,009,313	4,880,154	**15,889,467**
DEFERRED OUTFLOWS			
Deferred outflows related to pensions	42,378	-	**42,378**
LIABILITIES			
Current Liabilities:			
Accounts payable	21,951	9,473	**31,424**
Payroll taxes payable	3,699	-	**3,699**
Accrued interest payable	567	-	**567**
Current portion of long-term debt	-	-	**-**
Total Current Liabilities	26,217	9,473	**35,690**
Noncurrent Liabilities:			
Compensated absences	37,763	6,715	**44,478**
Capital lease obligations	807,103	-	**807,103**
Less: portion due within one year	-	-	**-**
Net pension liability	-	-	**-**
Total Noncurrent Liabilities	844,866	6,715	**851,581**
Total Liabilities	871,083	16,188	**887,271**
DEFERRED INFLOWS			
Unearned revenue - property taxes	396,694	-	**396,694**
Deferred inflows related to pensions	34,315	-	**34,315**
Total Deferred Inflows	431,009	-	**431,009**
NET POSITION			
Net investment in capital assets	6,244,693	4,849,891	**11,094,584**
Restricted	4,159,068	-	**4,159,068**
Unrestricted	(654,162)	14,075	**(640,087)**
Total Net Position	$ 9,749,599	$ 4,863,966	**$ 14,613,565**

See accompanying notes to the basic financial statements

TOWN OF KERSEY, COLORADO

Statement of Activities

Government-Wide

December 31, 2021

Functions / Programs	Expenses	Program Revenues: Charges for Services	Program Revenues: Capital Contributions	Net (Expense) Revenue and Changes in Net Position — Primary Government: Governmental Activities	Business-Type Activities	Total
Primary Government						
Governmental Activities:						
General government	$ (684,017)	$ -	$ -	$ (684,017)	$ -	**$ (684,017)**
Public safety	(602,569)	-	-	(602,569)	-	**(602,569)**
Public works	(382,561)	72,928	-	(309,633)	-	**(309,633)**
Parks and recreation	(290,382)	57,458	-	(232,924)	-	**(232,924)**
Health and welfare	(5,390)	-	-	(5,390)	-	**(5,390)**
Legislative	(23,618)	-	-	(23,618)	-	**(23,618)**
Judicial	(12,638)	-	-	(12,638)	-	**(12,638)**
Library	(6,183)	-	-	(6,183)	-	**(6,183)**
Seniors	(70,463)	-	-	(70,463)	-	**(70,463)**
Interest on debt	(40,577)	-	-	(40,577)	-	**(40,577)**
Total Governmental Activities	(2,118,398)	130,386	-	(1,988,012)	-	**(1,988,012)**
Business-Type Activities:						
Water fund	(529,248)	385,764	-	-	(143,484)	**(143,484)**
Sewer fund	(414,542)	389,595	-	-	(24,947)	**(24,947)**
Total Business-Type Activities	(943,790)	775,359	-	-	(168,431)	**(168,431)**
Total Primary Government	$ (3,062,188)	$ 905,745	$ -	(1,988,012)	(168,431)	**(2,156,443)**
General Revenues:						
Taxes				2,155,331	-	**2,155,331**
Licenses and permits				39,697	-	**39,697**
Intergovernmental revenue				135,403	-	**135,403**
Fines and forfeitures				125,532	-	**125,532**
Miscellaneous income				77,392	-	**77,392**
Sale of assets				5,389	-	**5,389**
Earnings on investments				539	737	**1,276**
Grants				1,238,213	-	**1,238,213**
Transfers				103,884	(103,884)	**-**
Contributions				11,380	-	**11,380**
Pension net increase (decrease)				(1,623)	-	**(1,623)**
Total General Revenues				3,891,137	(103,147)	**3,787,990**
Change in Net Position				1,903,125	(271,578)	**1,631,547**
Net Position-beginning of year				7,846,474	5,135,544	**12,982,018**
Net Position-End of Year				$ 9,749,599	$ 4,863,966	**$ 14,613,565**

TOWN OF KERSEY, COLORADO

Balance Sheet

Governmental Funds

December 31, 2021

	General	Street	Nonmajor	Total
ASSETS				
Current Assets:				
Cash on hand and in checking	$ (1,612,918)	$ 1,326,690	$ 1,705,227	**$ 1,418,999**
Cash on deposit - county treasurer	1,677	2,881	-	**4,558**
Cash in savings	602,099	200,707	381,989	**1,184,795**
Total Cash	(1,009,142)	1,530,278	2,087,216	**2,608,352**
Certificates of deposit	-	-	-	**-**
Local government investment pools	4,575	-	-	**4,575**
Total Investments	4,575	-	-	**4,575**
Property taxes receivable	396,694	-	-	**396,694**
Accounts receivable	450,527	41,651	211,259	**703,437**
Accrued interest receivable	-	-	-	**-**
Due from other funds	-	-	-	**-**
Total Current Assets	(157,346)	1,571,929	2,298,475	**3,713,058**
Noncurrent Assets:				
Restricted local government investment pools	-	-	211,179	**211,179**
Total Noncurrent Assets	-	-	211,179	**211,179**
Total Assets	(157,346)	1,571,929	2,509,654	**3,924,237**
DEFERRED OUTFLOWS				
Grant expenditures paid in advance of meeting timing requirements	-	-	-	**-**
Total Assets & Deferred Outflows	$ (157,346)	$ 1,571,929	$ 2,509,654	**$ 3,924,237**
LIABILITIES				
Current Liabilities:				
Accounts payable	$ 19,453	$ 2,498	$ -	**$ 21,951**
Payroll taxes payable	3,699	-	-	**3,699**
Due to other funds	-	-	-	**-**
Total Current Liabilities	23,152	2,498	-	**25,650**
Total Liabilities	23,152	2,498	-	**25,650**
DEFERRED INFLOWS				
Unearned revenue - property taxes	396,694	-	-	**396,694**
Total Liabilities & Deferred Inflows	419,846	2,498	-	**422,344**
FUND BALANCE				
Non-spendable	-	-	-	**-**
Restricted:				
Tabor	79,983	-	-	**79,983**
Streets	-	1,569,431	-	**1,569,431**
Parks and recreation	-	-	87,550	**87,550**
Capital projects	-	-	2,210,925	**2,210,925**
SLRFR program	-	-	211,179	**211,179**
Committed	-	-	-	**-**
Assigned	-	-	-	**-**
Unassigned	(657,175)	-	-	**(657,175)**
Total Fund Balance	(577,192)	1,569,431	2,509,654	**3,501,893**
Total Fund Balance, Liabilities & Deferred Inflows	$ (157,346)	$ 1,571,929	$ 2,509,654	**$ 3,924,237**

Reconciliation of the Balance Sheet to the Statement of Net Position

Total Governmental Fund Balance	**$ 3,501,893**
Amounts reported for governmental activities in the statement of net position are different because:	
Capital assets used in governmental activities are not financial resources and therefore are not reported in the funds:	
Capital assets	**13,137,791**
Less: accumulated depreciation	**(6,085,995)**
Long-term liabilities, including capital leases, are not due and payable in the current period, therefore, they are not reported in the funds:	
Capital lease obligation	**(807,103)**
Compensated absences	**(37,763)**
Net pension asset and deferred outflows/inflows of resources related to pension plan is not recorded in the governmental funds but is recorded in the statement of net position	**41,343**
Interest is accrued on outstanding debt in the government-wide financial statements, whereas in the governmental fund financial statements, an interest expenditure is reported when due:	
Accrued interest payable	**(567)**
Net Position of Governmental Activities	**$ 9,749,599**

TOWN OF KERSEY, COLORADO

Statement of Revenues, Expenditures, and Changes in Fund Balances

Governmental Funds

December 31, 2021

	General	Street	Nonmajor	Total
Revenues:				
Taxes	$ 1,596,018	$ 539,344	$ 19,969	**$ 2,155,331**
Licenses and permits	39,697	-	-	**39,697**
Intergovernmental revenue	22,200	93,321	19,882	**135,403**
Charges for services	72,928	-	-	**72,928**
Parks and recreation	57,458	-	-	**57,458**
Judicial	125,532	-	-	**125,532**
Earnings on investments	327	106	106	**539**
Miscellaneous revenues	62,262	13,100	2,030	**77,392**
Total Revenues	1,976,422	645,871	41,987	**2,664,280**
Expenditures:				
General government	418,938	22,783	-	**441,721**
Public safety	575,964	-	-	**575,964**
Public works	83,374	231,194	-	**314,568**
Parks and recreation	215,479	-	44,443	**259,922**
Health and welfare	5,390	-	-	**5,390**
Legislative	23,618	-	-	**23,618**
Judicial	12,638	-	-	**12,638**
Library	6,183	-	-	**6,183**
Seniors	70,463	-	-	**70,463**
Capital outlay	1,099,962	-	-	**1,099,962**
Debt service	232,907	-	-	**232,907**
Total Expenditures	2,744,916	253,977	44,443	**3,043,336**
Excess (Deficiency) of Revenues over Expenditures	(768,494)	391,894	(2,456)	**(379,056)**
Other Financing Sources (Uses):				
Sale of assets	5,389	-	-	**5,389**
Contributions	11,380	-	-	**11,380**
Grants	815,694	-	422,519	**1,238,213**
Transfers in	6,194	-	130,967	**137,161**
Transfers out	-	(27,083)	(6,194)	**(33,277)**
Total Other Financing Sources (Uses)	838,657	(27,083)	547,292	**1,358,866**
Net Change in Fund Balance	70,163	364,811	544,836	**979,810**
Fund Balance - beginning of year	(647,355)	1,204,620	1,964,818	**2,522,083**
Fund Balance - End of Year	$ (577,192)	$ 1,569,431	$ 2,509,654	**$ 3,501,893**

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

Net Change in Fund Balance - Total Governmental Funds		**$ 979,810**
Amounts reported for governmental activities in the statement of activities are different because:		
Governmental funds report capital outlays as expenditures while governmental activities report depreciation expense to allocate to those expenditures over the life of the assets.		
Capital assets sold	**$ -**	
Capital asset purchased	**1,099,962**	
Depreciation expense	**(371,969)**	
The net effect of transactions involving capital assets (sales, trade-ins)		**727,993**
Loan proceeds provide current financial resources to the governmental funds and repayment of debt principal is an expenditure in the governmental funds, but the proceeds increase and repayment reduces long-term liabilities in the statement to net position:		
Long-term debt payments		**192,897**
Long-term debt proceeds		**-**
Some expenses reported in statement of activities do not require the use of current financial resources and therefore are not reported as expenditures in the governmental funds:		
Change in compensated absences		**4,615**
Capital lease obligations		**-**
Accrued interest		**(567)**
Net pension asset and deferred outflows/inflows of resources related to pension plan is not recorded in the governmental funds but is recorded in the statement of net position		**(1,623)**
Change in Net Position of Governmental Activities		**$ 1,903,125**

TOWN OF KERSEY, COLORADO

Statement of Net Position

Proprietary Funds

December 31, 2021

	Business-Type Activities		
	Water	Sewer	Total
ASSETS			
Current Assets:			
Cash on hand and in checking	$ (856,194)	$ (332,609)	**$ (1,188,803)**
Cash on deposit - county treasurer	-	-	**-**
Cash in savings	401,419	602,116	**1,003,535**
Total Cash	(454,775)	269,507	**(185,268)**
Certificates of deposit	145,576	-	**145,576**
Local government investment pools	-	-	**-**
Total Investments	145,576	-	**145,576**
Accounts receivable	22,284	38,834	**61,118**
Accrued interest receivable	97	-	**97**
Prepaid expenses	8,740	-	**8,740**
Due from other funds	-	-	**-**
Total Current Assets	(278,078)	308,341	**30,263**
Capital Assets:			
Land	600	4,226	**4,826**
Water rights	2,283,665	-	**2,283,665**
Utility system	2,184,462	3,387,445	**5,571,907**
Equipment	111,800	261,854	**373,654**
Total Capital Assets	4,580,527	3,653,525	**8,234,052**
Less: Accumulated depreciation	(1,213,815)	(2,170,346)	**(3,384,161)**
Net Capital Assets	3,366,712	1,483,179	**4,849,891**
Total Assets	3,088,634	1,791,520	**4,880,154**
DEFERRED OUTFLOWS			
Grant expenditures paid in advance of meeting timing requirements	-	-	**-**
Total Assets & Deferred Outflows	3,088,634	1,791,520	**4,880,154**
LIABILITIES			
Current Liabilities:			
Accounts payable	2,158	7,315	**9,473**
Payroll taxes payable	-	-	**-**
Accrued interest payable	-	-	**-**
Due to other funds	-	-	**-**
Current portion of long-term debt	-	-	**-**
Total Current Liabilities	2,158	7,315	**9,473**
Long Term Liabilities:			
Compensated absences	3,616	3,099	**6,715**
Less: portion due within one year	-	-	**-**
Total Long Term Liabilities	3,616	3,099	**6,715**
Total Liabilities	5,774	10,414	**16,188**
DEFERRED INFLOWS			
Unearned revenue	-	-	**-**
Total Liabilities & Deferred Inflows	5,774	10,414	**16,188**
NET POSITION			
Net investment in capital assets	3,366,712	1,483,179	**4,849,891**
Restricted for operations and maintenance	-	-	**-**
Unrestricted:			
Designated for subsequent year's expenditures	-	-	**-**
Undesignated	(283,852)	297,927	**14,075**
Total Net Position	$ 3,082,860	$ 1,781,106	**$ 4,863,966**

See accompanying notes to the basic financial statements

TOWN OF KERSEY, COLORADO

Statement of Revenues, Expenses, and Changes in Net Position

Proprietary Funds

December 31, 2021

	Business-Type Activities		
	Water	**Sewer**	**Total**
Operating Revenues:			
Charges for services	$ 378,764	$ 384,306	**$ 763,070**
Other operating revenues	7,000	5,289	**12,289**
Total Operating Revenues	385,764	389,595	**775,359**
Operating Expenses:			
General	39,214	38,192	**77,406**
Administrative	84,646	73,270	**157,916**
System operations	339,961	176,160	**516,121**
Depreciation	65,427	126,920	**192,347**
Total Operating Expenses	529,248	414,542	**943,790**
Operating Income (Loss)	(143,484)	(24,947)	**(168,431)**
Non-Operating Revenues (Expenses)			
Earnings on investments	420	317	**737**
Miscellaneous revenues	-	-	**-**
Interest expense	-	-	**-**
Proceeds from sale of assets	-	-	**-**
Total Non-operating Revenues (Expenses)	420	317	**737**
Income (Loss) before contributions and transfers	(143,064)	(24,630)	**(167,694)**
Contributions	-	-	**-**
Transfers In (Out)	(103,884)	-	**(103,884)**
Change in Net Position	(246,948)	(24,630)	**(271,578)**
Total Net Position - beginning of year	3,329,808	1,805,736	**5,135,544**
Total Net Position - End of Year	$ 3,082,860	$ 1,781,106	**$ 4,863,966**

See accompanying notes to the basic financial statements

TOWN OF KERSEY, COLORADO

Statement of Cash Flows

Proprietary Funds

December 31, 2021

	Business-Type Activities		
	Water	Sewer	Total
Cash Flows From Operating Activities:			
Cash received from customers	$ 389,919	$ 384,013	**$ 773,932**
Cash payments to employees	(89,225)	(82,074)	**(171,299)**
Cash payments to suppliers	(382,389)	(203,949)	**(586,338)**
Internal activity - payments to other funds	-	-	**-**
Net Cash Flows From Operating Activities	(81,695)	97,990	**16,295**
Cash Flows From Non-capital Financing Activities:			
Operating transfers in	-	-	**-**
Operating transfers out	(103,884)	-	**(103,884)**
Grants	-	-	**-**
Net Cash Flows From Non-capital Financing Activities	(103,884)	-	**(103,884)**
Cash Flows From Capital and Related Financing Activities:			
Acquisition of capital assets	(5,500)	(22,700)	**(28,200)**
Proceeds from long-term debt	-	-	**-**
Contributions	-	-	**-**
Capital lease obligation payments	-	-	**-**
Principal payments on long-term debt	-	-	**-**
Interest payments on long-term debt	-	-	**-**
Net Cash Flows From Capital and Related Financing Activities	(5,500)	(22,700)	**(28,200)**
Cash Flows From Investing Activities:			
Interest on investments	420	317	**737**
Change in investments	(581)	-	**(581)**
Net Cash Flows From Investing Activities	(161)	317	**156**
Net Increase (Decrease) in Cash and Cash Equivalents	(191,240)	75,607	**(115,633)**
Cash and Cash Equivalents - January 1	(263,535)	193,900	**(69,635)**
Cash and Cash Equivalents - December 31	$ (454,775)	$ 269,507	**$ (185,268)**
Reconciliation of Operating Income (Loss) to Net Cash Provided by (Used for) Operating Activities:			
Operating income (loss)	$ (143,484)	$ (24,947)	**$ (168,431)**
Adjustments to reconcile operating income (loss) to net cash provided by operating activities:			
Depreciation and amortization	65,427	126,920	**192,347**
Changes in assets and liabilities:			
Receivables	4,155	(5,582)	**(1,427)**
Prepaid expenses	(8,740)	-	**(8,740)**
Due from other funds	-	-	**-**
Payables and other accrued expenses	947	1,599	**2,546**
Due to other funds	-	-	**-**
Net Cash Flows From Operating Activities	$ (81,695)	$ 97,990	**$ 16,295**

See accompanying notes to the basic financial statements

NOTES TO THE BASIC FINANCIAL STATEMENTS

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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

The financial statements of the Town have been prepared in conformity with accounting principles generally accepted in the United States of America (GAAP) as applicable to state and local governments. The Governmental Accounting Standards Board (GASB) is the accepted standard setting body for establishing governmental accounting and financial reporting principles. The more significant accounting and reporting policies and practices are described below.

Reporting Entity

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

New Accounting Pronouncements

GASB Statement No 89, *Accounting for Interest Cost Incurred Before the End of a Construction Period.* This statement establishes accounting requirements for interest cost incurred before the end of construction period to be expensed in the period in which the cost is incurred. Implementation had no impact on the Town's financial statements.

GASB Implementation Guide No. 2019-1, addressing topics ranging from irrevocable split-interest agreements and tax abatements to derivative instruments and postemployment benefits. Implementation had no impact on the Town's financial statements.

Basic Financial Statements

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

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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

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

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

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

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

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

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

Budgets and Budgetary Accounting

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

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

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Budgets and Budgetary Accounting (continued)

The following is a summary of the original, total revisions and revised budgets for those funds with amended budgets in year 2021:

Governmental Funds	Original Budget	Total Revisions	Revised Budget
General Fund	$ 1,483,774	$ 159,597	$ 1,643,371
Street Fund	370,947	-	370,947
Conservation Trust Fund	13,500	3,500	17,000
Capital Projects Fund	444,270	-	444,270
Business-Type:			
Water Fund	473,969	115,000	588,969
Sewer Fund	292,233	-	292,233
Total	**$ 3,078,693**	**$ 278,097**	**$ 3,356,790**

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

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

The Town incurred expenditures in excess of appropriations in the General & Sewer Funds for the year ended December 31, 2021, which may be in violation of the Local Government Budget Law.

Designated for Subsequent Year's Expenditures

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

Compensated Absences

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

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Compensated Absences (continued)

Amounts of vested or accumulated vacation pay that are not expected to be liquidated with expendable available financial resources are reported on the government-wide financial statements. The Town has recorded a liability of $37,763 at December 31, 2021. There is no accrual in the fund financial statements.

Cash and Cash Equivalents

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

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

Restricted Cash and Investments

The Town received funds from the Coronavirus State and Local Fiscal Recovery Funds (SLFRF) program. This program is intended to provide support to State, territorial, local and Tribal governments in responding to the economic and public health impacts of COVID-19 and in their efforts to contain impacts on their communities, residents and businesses. These funds may only be used in compliance with section 603(c.) of the Social Security Act, Treasury's regulations implementing that section, and guidance issued by the Treasury.

Investments

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

Inventory

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

Prepaid Expenses

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

Capital Assets

Capital assets, which include land, buildings and improvements, equipment, and infrastructure assets, are reported in the governmental-wide financial statements. The Town records its property and equipment at historical cost. Contributed capital assets are valued at their estimated fair value on the date donated. Maintenance and repairs are charged to current period operating expenses, whereas additions and improvements are capitalized. Upon retirement or other disposition of property and equipment, the costs and related accumulated depreciation are removed from the respective accounts and any gains or losses are included in operations. Interest costs relating to construction are capitalized. During year ended December 31, 2021, no interest was capitalized. The Town's capitalization level is $2,500 for capital assets.

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Capital Assets (continued)

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

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

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

Use of Estimates

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

Receivables

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

Equity - Net Position

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

Equity - Fund Balance

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

(1) ***Nonspendable Fund Balance*** – the portion of fund balance that cannot be spent because it is either not in spendable form (such as prepaid amounts or inventory) or legally or contractually required to be maintained intact.

(2) ***Restricted Fund Balance*** – the portion of fund balance that is constrained to be used for a specific purpose by external parties (creditors, grantors, or contributors), enabling legislation or constitutional provisions. The Town's fund balance is restricted for tabor, street improvement, parks and recreation and capital projects.

(3) ***Committed Fund Balance*** – the portion of fund balance that can only be used for specific purposes pursuant to constraints imposed by formal action of the government's highest level of decision-making, the Town Board. The constraint may be removed or changed only through formal action of the Town's Board through approval of resolutions.

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Equity - Fund Balance (continued)

(4) ***Assigned Fund Balance*** – the portion of fund balance that is constrained by the government's intent to be used for specific purposes, but is neither restricted nor committed. Intent is expressed by the Town Board to be used for a specific purpose. Constraints imposed on the use of assigned amounts are more easily removed or modified than those imposed on amounts that are classified as committed.

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

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

NOTE 2 – STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY

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

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

Fiscal year spending and revenue limits are determined based on the prior years' spending adjusted for inflation and local growth. Revenue in excess of the limit must be refunded unless the voters approve retention of such revenue. On April 7, 1998, voters approved Ordinance 1-1998 regarding the Town's retention of revenues collected in excess of the fiscal spending limits for 1998, also to be effective for all years thereafter. In addition, voters approved to allow the Town to maintain its operating mill levy at 17.205 mills in 2008 (for 2009 collection) and for a period not to exceed 10 years, qualifying as a TABOR voter approved revenue change and, if applicable, an authorized exception to the statutory 5.5% tax revenue growth limitation. Then in 2016, voters approved to extend operating mill levy for another period not to exceed 10 years. Considering the above interpretation of TABOR, the governing board believes that it is in compliance with its fiscal requirements for the year December 31, 2021.

The Amendment requires that Emergency Reserves be established. The reserves must be at least three percent of the fiscal year spending (excluding bonded debt service). The Town is not allowed to use the emergency reserves to compensate for economic conditions, revenue shortfalls, or salary or benefit increases. The Town has restricted $79,983 for this purpose.

NOTE 3 - CASH DEPOSITS AND INVESTMENTS

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

	Governmental Activities	Business-Type Activities	Total
Cash on hand and in checking	$ 1,418,999	$ (1,188,803)	$ 230,196
Cash with county treasurer	4,558	-	4,558
Cash in savings	1,184,795	1,003,535	2,188,330
Investments:			
Certificates of deposit	-	145,576	145,576
Local government investment pools	4,575	-	4,575
Restricted: Local government investment pools	211,179	-	211,179
Total	**$ 2,824,106**	**$ (39,692)**	**$ 2,784,414**

Cash deposits and investments consist of the following:

	Governmental Activities	Business-Type Activities	Total
Cash on hand and deposit	$ 4,758	$ -	$ 4,758
Bank accounts	2,603,594	(185,268)	2,418,326
Investments	215,754	145,576	361,330
Total	**$ 2,824,106**	**$ (39,692)**	**$ 2,784,414**

Cash Deposits

As of December 31, 2021, the carrying amount of the Town's deposits was $2,418,326 and the corresponding bank balance was $2,938,238.

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

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

Investments

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

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

NOTE 3 - CASH DEPOSITS AND INVESTMENTS

Investments (continued)

- Certain money market funds
- Guaranteed investment contracts
- Local government investment pools

As of December 31, 2021, the Town had the following investments:

	S&P Rating	Investment Maturities in Years: Less than 1	1 to 5	6 to 10	More than 10	Total
Certificates of deposit	-	$ 145,576	$ -	$ -	$ -	$ 145,576
Local govt investment pools:						
Colotrust Prime and Plus+	AAAm	4,575	-	-	-	4,575
Colotrust EDGE	AAAf	211,179	-	-	-	211,179
Total		**$ 361,330**	**$ -**	**$ -**	**$ -**	**$ 361,330**

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

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

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

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

Custodial Credit Risk is the risk that, in the event of the failure of the issuer or counterparty, the Town will not be able to recover the value of its investment or related collateral securities that are in the possession of an outside party. The Town had custodial credit risk for its investments at December 31, 2021.

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

NOTE 3 - CASH DEPOSITS AND INVESTMENTS (CONTINUED)

Investments (continued)

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

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

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

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

Level 3: Unobservable inputs for an asset or liability.

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

Investment Income

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

Investment Income:	Governmental Activities	Business-Type Activities	Total
Interest income	$ 750	$ 737	$ 1,487
Net increase (decrease) in the fair value of investments	(211)	-	(211)
Total	**$ 539**	**$ 737**	**$ 1,276**

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

NOTE 4 - PROPERTY TAXES RECEIVABLE

Under Colorado law, all property taxes become due and payable in the calendar year following that in which they are levied. Property taxes levied by the General Fund in the current year, 2021, to be collected in the subsequent year, 2022 are accrued as a receivable as of December 31, 2021 and offset by an unearned revenue account.

NOTE 4 - PROPERTY TAXES RECEIVABLE (CONTINUED)
The Town's property tax calendar for 2021 is as follows:

Lien Date	January 1, 2021
Levy Date	November 1, 2021
Tax bills mailed	January 1, 2022
First installment due	February 28, 2022
Second installment due	June 15, 2022
If paid in full, due	April 30, 2022
Tax sale – delinquent taxes	November 15, 2022

NOTE 5 – CAPITAL ASSETS
The following is a summary of capital assets for the Governmental Activities as of December 31, 2021:

Governmental Activities	Beg Balance	Additions	Retirements	End Balance
Non-Depreciable Assets:				
Land	$ 363,090	$ -	$ -	$ 363,090
Total Non-Depreciable Assets	363,090	-	-	363,090
Depreciable Assets:				
Buildings and improvements	5,032,025	1,656,307	-	6,688,332
Street and improvements	4,810,289	-	-	4,810,289
Equipment	1,180,914	95,166	-	1,276,080
Construction in progress	651,511	-	(651,511)	-
Total Depreciable Assets	11,674,739	1,751,473	(651,511)	12,774,701
Total at Historical Cost	12,037,829	1,751,473	(651,511)	13,137,791
Less: Accumulated Depreciation for:				
Buildings and improvements	(303,402)	(233,968)	-	(537,370)
Street and improvements	(4,676,612)	(48,148)	-	(4,724,760)
Equipment	(734,012)	(89,853)	-	(823,865)
Total Accumulated Depreciation	(5,714,026)	(371,969)	-	(6,085,995)
Governmental Activities				
Capital Assets - Net	**$ 6,323,803**	**$ 1,379,504**	**$ (651,511)**	**$ 7,051,796**

Depreciation expense was charged to Governmental Activities as follows:	
General government	$ 246,911
Public safety	26,605
Public works	67,993
Health and welfare	-
Parks and recreation	30,460
Total Depreciation Expense - Governmental Activities	**$ 371,969**

NOTE 5 – CAPITAL ASSETS (CONTINUED)

The following is a summary of capital assets for the Business-Type Activities as of December 31, 2021:

Business-Type Activities	Beg Balance	Additions	Retirements	End Balance
Non-Depreciable Assets:				
Land	$ 4,826	$ -	$ -	$ 4,826
Water rights	2,283,665	-	-	2,283,665
Total Non-Depreciable Assets	2,288,491	-	-	2,288,491
Depreciable Assets:				
Utility system	5,543,707	28,200	-	5,571,907
Equipment	373,654	-	-	373,654
Total Depreciable Assets	5,917,361	28,200	-	5,945,561
Total at Historical Cost	8,205,852	28,200	-	8,234,052
Less: Accumulated Depreciation for:				
Utility system	(2,890,257)	(164,171)	-	(3,054,428)
Equipment	(301,557)	(28,176)	-	(329,733)
Total Accumulated Depreciation	(3,191,814)	(192,347)	-	(3,384,161)
Business-Type Activities				
Capital Assets - Net	**$ 5,014,038**	**$ (164,147)**	**$ -**	**$ 4,849,891**

Depreciation expense was charged to Business-Type Activities as follows:	
Water fund	$ 65,427
Sewer fund	126,920
Total Depreciation Expense - Business-Type Activities	**$ 192,347**

NOTE 6 - INTERFUND RECEIVABLES AND PAYABLES AND INTERFUND TRANSFERS

A summary of interfund activities at December 31, 2021 were as follows:

	Interfund Receivable	Interfund Payable	Transfers In	Transfers Out
Governmental Activities				
General Fund	$ -	$ -	$ 6,194	$ -
Street Fund	-	-	-	27,083
Conservation Trust Fund	-	-	-	6,194
Capital Fund	-	-	130,967	-
Total Governmental Activities	-	-	137,161	33,277
Business-Type Activities				
Water Fund	-	-	-	103,884
Sewer Fund	-	-	-	-
Total Business-Type Activities	-	-	-	103,884
Total	**$ -**	**$ -**	**$ 137,161**	**$ 137,161**

NOTE 7 – LONG-TERM DEBT

Lease Purchase Agreement

On July 22, 2020, the Town entered into a Lease Purchase Agreement and a Purchase and Sale Agreement with a financial institution for the Town Hall Center located at 446 1st Street, Kersey, Colorado. The agreement was duly approved and authorized by the Board of Trustees on April 28, 2020. The Lease Purchase agreement provides for a ten-year lease in the principal amount of $1,000,000 at an annual effective interest rate is 2.850%, with a bargain purchase option of $1 at the end of the lease term. Upon purchase of 446 1st Street, Kersey, Colorado, the Town transferred title to the financial institution. The first payment of $116,579 is due on June 24, 2021, with annual payments thereafter until June 24, 2030.

During 2021, the Town made two payments towards this purchase agreement.

Future minimum payments under the Lease Purchase Agreement:

Year	Principal	Interest	Total
2022	$ -	$ -	$ -
2023	92,824	23,755	116,579
2024	95,448	21,131	116,579
2025	98,264	18,315	116,579
2026	101,104	15,475	116,579
2027-2030	419,463	47,334	466,797
Total	**$ 807,103**	**$ 126,010**	**$ 933,113**

Other Debt and Line of Credit

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

Changes in Long-Term Debt

Notes for Direct Borrowings	12/31/2020	Additions	Reductions	12/31/2021	Due Within One Year
Governmental Activities:					
Lease/Purchase Agreement	$ 1,000,000	$ -	$ (192,897)	$ 807,103	$ -
Total Governmental Activities	1,000,000	-	(192,897)	807,103	-
Business-Type Activities:					
Water Fund	-	-	-	-	-
Sewer Fund	-	-	-	-	-
Total Business-Type Activities	-	-	-	-	-
Total	**$ 1,000,000**	**$ -**	**$ (192,897)**	**$ 807,103**	**$ -**

NOTE 8 - RISK MANAGEMENT

The Town is exposed to various risks of loss related to torts, theft of, damage to, and destruction of assets; errors and omissions; injuries to employees and subcontractors; and natural disasters. The Town is a member of the Colorado Intergovernmental Risk Sharing Agency (CIRSA). CIRSA is a joint self-insurance pool created by intergovernmental agreement to provide property, liability, and workers' compensation coverage to its members. CIRSA is governed by a seven-member Board elected by and from its members.

NOTE 8 - RISK MANAGEMENT (CONTINUED)

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

As of December 31, 2021, the Town did not have any liabilities in excess of insurance limits. Claims have not exceeded insurance coverage in the prior three years.

NOTE 9 – CONTINGENCIES

In the opinion of the Town's management and counsel, there is no material pending or threatened litigation, claims, and assessments. Furthermore, the Town's management and counsel are unaware of any unasserted possible claims or assessments that are probable of assertion and must be disclosed as of December 31, 2021.

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

NOTE 10 – RETIREMENT PLAN

Plan Description

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

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

Funding Policy

The 457 Plan is funded by voluntary member contributions up to a maximum limit set by the IRS ($19,500 for the calendar year 2021). Catch-up contributions up to $6,500 for the calendar year 2021 were allowed for participants who had attained age 50 before the close of the plan year, subject to the limitations of IRS Section 414(v). The Town contributes 3% of the employee's salary into this plan. The Town's cost under the Plan as of December 31, 2021 was $12,980.

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

NOTE 11 – DEFINED BENEFIT PENSION PLAN

Plan Description

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

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

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

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

Benefits

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

The annual normal retirement benefit is 2% of the average of the member's highest 3 years' pensionable earnings for each year of credited service up to 10 years, plus 2.5% for each year of service thereafter. The benefit earned prior to January 1, 2007 for members of affiliated Social Security employers will be reduced by the amount of Social Security income payable to the member annually. Effective January 1, 2007, members covered Statewide Defined Benefit Social Security Component will receive half the benefit when compared to the SWDB plan. Benefit adjustments paid to retired members are evaluated annually and may be re-determined every October 1. The amount of any increase is based on the Board's discretion and can range from 0 to the higher of 3 percent or the Consumer Price Index for Urban Wage Earners and Clerical Workers (CPI-W).

A member is eligible for an early retirement after completion of 30 years of service or attainment of age 50 with at least 5 years of credited service. The early retirement benefit equals the normal retirement benefit reduced on an actuarially equivalent basis. Upon termination, an employee may elect to have member contributions, along with 5 percent as interest, returned as a lump sum distribution. Alternatively, a member with at least 5 years of accredited service may leave contributions with the Plan and remain eligible for a retirement pension at age 55 equal to 2% of the member's average highest 3 years' pensionable earnings for each year of credited service up to 10 years, plus 2.5% for each year of service thereafter.

NOTE 11 – DEFINED BENEFIT PENSION PLAN (CONTINUED)

Plan Contributions

Through December 31, 2020, contribution rates for the SWDB plan are set by state statute. Employer contribution rates can only be amended by state statute. Effective January 1, 2021, contribution rates for employers and members may be increased equally by the FPPA Board of Director's upon approval through an election by both the employers and members. Contribution rates at December 31, 2020 are as follows:

	Member	Employer
Statewide Defined Benefit Plan (SWBD)	11.50%	8.50%
Statewide Death and Disability Plan (SWD&D) *	1.40%	1.40%
	12.90%	9.90%

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

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

	Member	Employer
Statewide Defined Benefit Plan (SWBD)	5.75%	4.25%
Statewide Death and Disability Plan (SWD&D) *	1.40%	1.40%
	7.15%	5.65%

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

Pension Liability (Asset)

At December 31, 2020, the Town reported $(33,280) for its proportionate share of the net pension liability (asset). The net pension liability (asset) was measured as of December 31, 2020, and the total net pension liability used to calculate the net pension liability was determined by an actuarial valuation as of that date. The Town's proportion of the net pension liability was based on the Town's share of contributions relative to the contributions of all participants.

Deferred Outflows/Inflows of Resources by Source

	Deferred Outflows of Resources	Deferred Inflows of Resources	Net Deferred Outflows/ (Inflows) of Resources
Contributions subsequent to measurement date	$ 9,698	$ -	$ 9,698
Difference between expected and actual experiences	28,224	132	28,092
Assumption changes	14,154	-	14,154
Net difference between projected and actual earnings on pension plan investments	-	34,183	(34,183)
Total	**$ 52,076**	**$ 34,315**	**$ 17,761**

NOTE 11 – DEFINED BENEFIT PENSION PLAN (CONTINUED)

Deferred Outflows/Inflows of Resources by Source (continued)

The $9,698 reported as deferred outflows of resources related to contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the year ended December 31, 2021.

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

Year Ending December 31		Net Deferred Outflows/ (Inflows) of Resources
2021	$	(3,739)
2022		695
2023		(5,056)
2024		759
2025		6,107
Thereafter		9,297
Total	**$**	**8,063**

Actuarial Assumptions

The actuarial valuations for the Statewide Defined Benefit Plan were used to determine the total pension liability (asset) and actuarially determined contributions for the fiscal year ending December 31, 2020. The valuations used the following actuarial assumption and other inputs:

	Total Pension Liability	Actuarial Determined Contributions
Actuarial Valuation Date	January 1, 2021	January 1, 2020
Actuarial method	Entry age normal	Entry age normal
Amortization method	N/A	Level % of Payroll, Open
Amortization period	N/A	30 Years
Long-term investment rate of return *	7.00%	7.00%
Projected salary increases *	4.25% - 11.25%	4.25% - 11.25%
Cost of living adjustments (COLA)	0.00%	0.00%
* Includes inflation at	2.50%	2.50%

For determining the total pension liability and actuarially determined contributions, the post-retirement mortality tables for non-disabled retires uses the 2006 central rates from the RP-2014 Annuitant Mortality Tables projected to 2018 using the MP-2017 projection scales, and the projected prospectively using the ultimate rates of the scale for all years. The pre-retirement off-duty mortality tables are adjusted to 50% of the RP-2014 mortality tables for active employees. The on-duty mortality rate is 0.00015.

At least every five years the FPPA's Board of Directors, in accordance with best practices, reviews its economic and demographic actuarial assumptions. At its July, 2018 meeting, the Board of Directors, reviewed and approved recommended changes to the actuarial assumptions. The recommendations were made by the FPPA's actuaries, Gabriel, Roeder, Smith & Co. based upon their analysis of past experience and expectations of the future. The assumption changes were effective for actuarial valuations beginning January 1, 2019. The actuarial assumptions impact actuarial factors for benefit purposes such as purchases of service credit and other benefits where actuarial factors are used.

NOTE 11 – DEFINED BENEFIT PENSION PLAN (CONTINUED)

Investments

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

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

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

Asset Class	Target Allocation	Long-Term Expected Real Rate of Return
Global Equity	39.0%	8.23%
Equity Long/Short	8.0%	6.87%
Private Markets	26.0%	10.63%
Fixed Income - Rates	10.0%	4.01%
Fixed Income - Credit	5.0%	5.25%
Absolute Return	10.0%	5.60%
Cash	2.0%	2.32%
Total	100.0%	

Discount Rate

Projected benefit payments are required to be discounted to their actuarial present values using a Single Discount Rate that reflects 1) a long-term expected rate of return on pension plan investments (to the extent that the plan's fiduciary net position is projected to be sufficient to pay benefits) and 2) tax-exempt municipal bond rate based on an index of 20-year general obligation bonds with an average AA credit rating as of the measurement date (to the extent that the plan's projected fiduciary net position is not sufficient to pay benefits). The long-term expected rate of return on pension plan investments is 7.00%; the municipal bond rate is 2.00% (based on the weekly rate closest to but not later than the measurement date of the "state & local bonds" rate from Federal Reserve statistical release (H.15)); and the resulting Single Discount Rate is 7.00%.

NOTE 11 – DEFINED BENEFIT PENSION PLAN (CONTINUED)

Sensitivity to Single Discount Rate Assumption

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

	1% Decrease **6.00%**	Current Rate **7.00%**	1% Increase **8.00%**
Pension Plan's Net Pension Liability / (Asset)	$ 33,491	$ (33,280)	$ (88,574)

Pension Plan Fiduciary Net Position

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

NOTE 12 – SHORT-TERM DEBT

The Town had no short-term debt obligations and had no borrowing during the year ending December 31, 2021.

	12/31/2020	Additions	Reductions	12/31/2021
Short-Term Debt	$ -	$ -	$ -	$ -
Total	**$ -**	**$ -**	**$ -**	**$ -**

Other Debt and Line of Credit

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

NOTE 13 – RELATED PARTY TRANSACTIONS

The Town does business with a company that is owned and operated by a new board of director's family member. Shady Grove Tree Services, is a tree care and removal company within the Kersey area. The Town utilized this company's services prior to the board of director coming onto the board. The amount paid to Shady Grove Tree Services was $325 in 2021. There were no balances due to Shady Grove Tree Services at December 31, 2021.

NOTE 14 – SUBSEQUENT EVENTS

The Town has evaluated events and transactions occurring subsequent to the end of the fiscal year for potential recognition or disclosure through July 22, 2022, the date on which the financial statements were issued, and did identify events or transactions that would have a material impact on the financial statements.

On March 8, 2022, the Town was offered by the Federal Highway Safety Improvement Program a grant award in the amount of $270,000 for the Hill Street and 1st Street Intersection Improvements.

On April 26, 2022, the Town was offered by the Colorado Department of Local Affairs a grant award in the amount of $145,000 for the Kersey Affordable Housing Toolkit.

REQUIRED SUPPLEMENTAL INFORMATION

TOWN OF KERSEY, COLORADO

Schedule of Revenues

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

Year Ended December 31, 2021

With Comparative Actual Amounts For the Year Ended December 31, 2020

	2021				
Non-GAAP Budgetary Basis	Original Budget	Final Budget	**Actual**	Variance - Favorable (Unfavorable)	**2020** Actual
Taxes:					
General property taxes	$ 488,469	$ 488,469	**$ 488,263**	$ (206)	$ 844,523
Interest on delinquent taxes	300	300	**1,032**	732	711
Sales tax	575,000	575,000	**1,023,668**	448,668	673,362
Franchise tax	55,000	55,000	**54,788**	(212)	55,453
Lodging tax	35,000	35,000	**28,267**	(6,733)	18,925
Total Taxes	1,153,769	1,153,769	**1,596,018**	442,249	1,592,974
Licenses, Permits and Fees:					
Amusement machine tax	-	-	**275**	275	275
Employment occupation tax	1,500	1,500	**1,500**	-	1,500
Business license	4,000	4,000	**4,790**	790	6,875
Liquor license	1,500	1,500	**767**	(733)	829
Mosquito control fee	6,000	6,000	**5,959**	(41)	5,943
Animal license	1,000	1,000	**760**	(240)	500
Impound fee	700	700	**125**	(575)	140
Development fee	-	-	**-**	-	-
Building permits	25,000	25,000	**25,521**	521	133,486
Total Licenses, Permits and Fees	39,700	39,700	**39,697**	(3)	149,548
Intergovernmental Revenues:					
Cigarette taxes	3,000	3,000	**3,986**	986	3,601
Severance tax	40,000	40,000	**18,214**	(21,786)	70,250
Total Intergovernmental Revenues	43,000	43,000	**22,200**	(20,800)	73,851
Charges for Services:					
Refuse collection charge	72,720	72,720	**70,034**	(2,686)	72,231
Late fees	3,250	3,250	**2,894**	(356)	1,806
Total Charges for Services	75,970	75,970	**72,928**	(3,042)	74,037
Parks and Recreation:					
Park reservations	750	750	**2,180**	1,430	80
Adult education	-	-	**-**	-	-
Baseball registration	9,000	9,000	**7,680**	(1,320)	2,952
Softball registration	1,500	1,500	**520**	(980)	1,520
Basketball registration	5,500	5,500	**9,495**	3,995	4,440
Soccer registration	4,500	4,500	**7,672**	3,172	(280)
Swimming registration	2,000	2,000	**3,161**	1,161	606
Youth volleyball	4,000	4,000	**6,191**	2,191	2,615
Flag football	800	800	**1,491**	691	486
Summer activities	800	800	**1,784**	984	(660)
Winter activities	800	800	**500**	(300)	(6)
United way	1,200	1,200	**-**	(1,200)	1,143
Miscellaneous rec programs	5,550	5,550	**16,784**	11,234	7,364
Total Parks and Recreation	36,400	36,400	**57,458**	21,058	20,260

(continued on next page)

TOWN OF KERSEY, COLORADO

Schedule of Revenues

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

Year Ended December 31, 2021

With Comparative Actual Amounts For the Year Ended December 31, 2020

	2021				
Non-GAAP Budgetary Basis	Original Budget	Final Budget	**Actual**	Variance - Favorable (Unfavorable)	**2020** Actual
Judicial:					
Fines and forfeitures	$ 75,000	$ 75,000	**$ 105,395**	$ 30,395	$ 71,247
Traffic calming surcharge	6,750	6,750	**14,106**	7,356	6,127
ATV registrations	500	500	**450**	(50)	540
Police reports	500	500	**386**	(114)	510
SOE fees	1,000	1,000	**225**	(775)	580
Court costs	2,500	2,500	**4,645**	2,145	3,205
Surcharge	-	-	**325**	325	7,605
Total Judicial	86,250	86,250	**125,532**	39,282	89,814
Earnings on Investments:					
Earnings on investments	1,500	1,500	**327**	(1,173)	943
Net Increase (decrease) in the fair market of investments	-	-	**-**	-	-
Total Earnings on Investments	1,500	1,500	**327**	(1,173)	943
Miscellaneous Revenues:					
Donations	300	300	**11,380**	11,080	45,185
Miscellaneous revenues	22,250	22,250	**32,746**	10,496	23,275
Oil and gas royalties	25,000	25,000	**12,636**	(12,364)	8,567
Insurance proceeds	-	-	**12,221**	12,221	9,282
Park tree fund	-	-	**-**	-	-
Building rental	1,500	1,500	**4,659**	3,159	2,275
Contributions	-	-	**-**	-	-
Sale of assets	-	-	**5,389**	5,389	405,503
Loan proceeds	-	-	**-**	-	1,000,000
Grant proceeds	425,520	425,520	**815,694**	390,174	1,293,944
Total Miscellaneous Revenue	474,570	474,570	**894,725**	420,155	2,788,031
Total Revenue	$ 1,911,159	$ 1,911,159	**$ 2,808,885**	$ 897,726	$ 4,789,458

Schedule of Expenditures

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

Year Ended December 31, 2021

With Comparative Actual Amounts For the Year Ended December 31, 2020

	2021				
Non-GAAP Budgetary Basis	Original Budget	Final Budget	**Actual**	Variance - Favorable (Unfavorable)	**2020** Actual
General Government:					
General:					
Workmen's compensation	$ 11,157	$ 11,157	**$ 11,842**	$ (685)	$ 21,006
Auditing	4,283	4,283	**4,283**	-	4,080
Bank charges	550	550	**2,655**	(2,105)	18,412
Credit card charges	2,500	2,500	**2,540**	(40)	2,180
Treasurer's fee	4,885	4,885	**4,893**	(8)	8,452
Insurance	11,172	11,172	**12,873**	(1,701)	14,428
Professional services	-	-	**-**	-	-
Bookkeeping services	-	-	**-**	-	-
IT services	4,500	4,500	**9,519**	(5,019)	8,810
Total General	39,047	39,047	**48,605**	(9,558)	77,368
Administrative:					
Salaries	192,064	192,064	**199,521**	(7,457)	188,727
Payroll taxes	14,595	14,595	**14,296**	299	14,702
Health insurance	30,679	30,679	**21,797**	8,882	34,987
Dental insurance	2,402	2,402	**9**	2,393	1,315
AFLAC coverage	395	395	**400**	(5)	1,167
Life insurance	82	82	**42**	40	(14)
Short-term disability insurance	628	628	**663**	(35)	718
Long-term disability insurance	1,019	1,019	**1,070**	(51)	1,130
E 457 retirement contribution	5,712	5,712	**5,826**	(114)	5,781
Cont. education, seminars, training	2,750	2,750	**4,825**	(2,075)	1,380
Administrative transfer	-	-	**(14,400)**	14,400	(14,400)
Legal services	15,000	15,000	**18,704**	(3,704)	23,687
Publishing	1,000	1,000	**511**	489	563
Web publishing	636	636	**717**	(81)	-
Online code	500	500	**785**	(285)	2,357
Dues and subscriptions	1,500	1,500	**3,120**	(1,620)	2,598
Miscellaneous	10,000	10,000	**35,732**	(25,732)	16,542
Postage	600	600	**280**	320	612
Professional services	6,900	6,900	**12,844**	(5,944)	6,295
Repairs and maintenance - building	5,000	5,000	**5,470**	(470)	1,249
Repairs and maintenance - equip/mach	300	300	**63**	237	240
Repairs and maintenance - office equip	300	300	**595**	(295)	46
Repairs and maintenance - vehicles	2,500	2,500	**2,570**	(70)	2,253
TH cleaning	2,400	2,400	**2,800**	(400)	2,120
Supplies - general	5,000	5,000	**6,320**	(1,320)	16,575
Supplies - office	5,000	5,000	**4,390**	610	34,578
Telephone expense	900	900	**2,935**	(2,035)	1,992
Travel and meetings	5,000	5,000	**2,759**	2,241	2,229
Utility expense	3,000	3,000	**5,723**	(2,723)	3,214
Bad debt	-	-	**20,132**	(20,132)	15,654
Total Administrative	315,862	315,862	**360,499**	(44,637)	368,297
Elections:					
Legal services	-	-	**-**	-	21
Publishing	-	-	**-**	-	101
Election judges	-	-	**-**	-	300
Meals	-	-	**-**	-	48
Supplies - general	-	-	**-**	-	1,193
Total Elections	-	-	**-**	-	1,663

(continued on next page)

TOWN OF KERSEY, COLORADO

Schedule of Expenditures

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

Year Ended December 31, 2021

With Comparative Actual Amounts For the Year Ended December 31, 2020

	2021				
Non-GAAP Budgetary Basis	Original Budget	Final Budget	**Actual**	Variance - Favorable (Unfavorable)	**2020** Actual
General Government: (continued)					
Planning and Zoning:					
Legal services	$ 1,000	$ 1,000	$ **224**	$ 776	$ 538
Publishing	200	200	**-**	200	-
Professional services	34,575	34,575	**8,753**	25,822	11,507
Recording fees	200	200	**-**	200	128
Supplies - general	150	150	**-**	150	-
Dues and subscriptions	1,822	1,822	**857**	965	-
Total Planning and Zoning	37,947	37,947	**9,834**	28,113	12,173
Total General Government	392,856	392,856	**418,938**	(26,082)	459,501
Public Safety:					
Police:					
Salaries	311,667	311,667	**336,833**	(25,166)	313,454
Holiday pay	9,600	9,600	**5,752**	3,848	650
Payroll taxes	22,750	22,750	**25,933**	(3,183)	23,599
Health insurance	34,528	34,528	**39,625**	(5,097)	35,234
Dental insurance	1,447	1,447	**1,118**	329	1,452
AFLAC coverage	-	-	**-**	-	-
Life insurance	40	40	**15**	25	36
Short-term disability insurance	205	205	**166**	39	181
Long-term disability insurance	250	250	**202**	48	227
E 457 retirement contribution	33,000	33,000	**38,087**	(5,087)	18,055
Cont. education, seminars, training	1,000	1,000	**3,485**	(2,485)	684
Pre-employment exams	5,000	5,000	**5,006**	(6)	2,713
Publishing	1,390	1,390	**906**	484	-
Clothing and uniforms	5,500	5,500	**7,535**	(2,035)	5,854
Crime prevention	-	-	**1,093**	(1,093)	84
Juvenile assessment center	500	500	**470**	30	282
Dues and subscriptions	500	500	**1,117**	(617)	883
Gas, oil, diesel fuel, etc.	10,000	10,000	**12,556**	(2,556)	10,555
Investigations	2,500	2,500	**2,896**	(396)	892
Weld county communications	20,935	20,935	**17,646**	3,289	17,306
Postage	196	196	**110**	86	150
Professional services	7,500	7,500	**9,801**	(2,301)	15,716
Record management	2,300	2,300	**1,500**	800	4,361
Repairs and maintenance - building	1,000	1,000	**221**	779	155
Repairs and maintenance - equip/mach	1,000	1,000	**2,086**	(1,086)	1,179
Repairs and maintenance - office equip	1,000	1,000	**774**	226	-
Repairs and maintenance - vehicles	5,000	5,000	**14,130**	(9,130)	23,258
Supplies - general	14,000	14,000	**14,604**	(604)	15,324
Supplies - office	5,000	5,000	**3,609**	1,391	1,279
Telephone expense	5,000	5,000	**6,453**	(1,453)	7,120
Travel and meetings	2,000	2,000	**3,002**	(1,002)	151
Utility expense	800	800	**1,984**	(1,184)	1,659
Total Police	505,608	505,608	**558,715**	(53,107)	502,493
Other Protection					
Publishing	150	150	**-**	150	-
Animal shelter fees	500	500	**419**	81	698
Supplies - general	100	100	**-**	100	62
Building inspection fees	25,000	25,000	**16,830**	8,170	104,769
Total Other Protection	25,750	25,750	**17,249**	8,501	105,529
Total Public Safety	531,358	531,358	**575,964**	(44,606)	608,022

(continued on next page)

TOWN OF KERSEY, COLORADO

Schedule of Expenditures

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

Year Ended December 31, 2021

With Comparative Actual Amounts For the Year Ended December 31, 2020

Non-GAAP Budgetary Basis	2021 Original Budget	Final Budget	Actual	Variance - Favorable (Unfavorable)	2020 Actual
Public Works:					
Sanitation					
Administrative transfer	$ 5,400	$ 5,400	$ **5,400**	$ -	$ 5,400
Operation transfer	3,500	3,500	**3,500**	-	3,500
Auditing	1,428	1,428	**1,428**	-	1,360
Postage	500	500	**517**	(17)	504
Trash collection	70,000	70,000	**68,379**	1,621	58,614
Clean-up day roll operations	4,000	4,000	**4,150**	(150)	3,925
Total Sanitation	84,828	84,828	**83,374**	1,454	73,303
Total Public Works	84,828	84,828	**83,374**	1,454	73,303
Parks and Recreation:					
Parks:					
Salaries	30,739	30,739	**21,834**	8,905	15,136
Payroll taxes	4,078	4,078	**1,664**	2,414	1,157
Health insurance	4,275	4,275	**3,000**	1,275	2,248
Dental insurance	311	311	**295**	16	252
Life insurance	20	20	**4**	16	8
Short-term disability insurance	70	70	**76**	(6)	62
Long-term disability insurance	80	80	**92**	(12)	76
E 457 retirement contribution	520	520	**453**	67	347
Repairs and maintenance - parks	24,300	24,300	**32,441**	(8,141)	19,444
Total Parks	64,393	64,393	**59,859**	4,534	38,730
Recreation:					
Salaries - part-time	60,237	60,237	**77,197**	(16,960)	72,104
Payroll taxes	4,343	4,343	**5,783**	(1,440)	5,320
Health and dental insurance	14,053	14,053	**16,984**	(2,931)	15,115
E 457 retirement contribution	1,808	1,808	**2,260**	(452)	1,930
Cont. education, seminar, training	1,000	1,000	**391**	609	709
Publishing	100	100	**-**	100	-
Web publishing	637	637	**717**	(80)	-
Dues and subscriptions	115	115	**785**	(670)	542
Miscellaneous	1,150	1,150	**5,117**	(3,967)	10,869
Postage	-	-	**-**	-	-
IT services	1,000	1,000	**4,586**	(3,586)	5,586
Building rental fees	6,500	6,500	**4,838**	1,662	2,612
Baseball - supplies and fees	4,500	4,500	**8,127**	(3,627)	4,178
Softball - supplies and fees	1,000	1,000	**-**	1,000	1,327
Basketball - supplies and fees	1,800	1,800	**5,896**	(4,096)	3,861
Supplies - concession	250	250	**227**	23	241
Supplies - general	500	500	**494**	6	2,119
Supplies - office	1,000	1,000	**1,021**	(21)	1,307
Soccer - supplies and fees	4,000	4,000	**5,360**	(1,360)	922
Flag football - supplies and fees	700	700	**1,686**	(986)	375
Volleyball - supplies and fees	3,000	3,000	**4,005**	(1,005)	2,819
Summer activities	2,000	2,000	**2,735**	(735)	2,895
Winter/Spring activities	1,200	1,200	**1,050**	150	3,006
Swim classes	2,200	2,200	**3,295**	(1,095)	-
Telephone expense	600	600	**1,786**	(1,186)	573
Travel and meetings	200	200	**-**	200	78
Repairs and maintenance	1,500	1,500	**1,280**	220	391
Total Recreation	115,393	115,393	**155,620**	(40,227)	138,879
Total Parks and Recreation	179,786	179,786	**215,479**	(35,693)	177,609

(continued on next page)

TOWN OF KERSEY, COLORADO

Schedule of Expenditures

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

Year Ended December 31, 2021

With Comparative Actual Amounts For the Year Ended December 31, 2020

	2021				
Non-GAAP Budgetary Basis	Original Budget	Final Budget	**Actual**	Variance - Favorable (Unfavorable)	**2020** Actual
Health and Welfare:					
Chemicals	$ 5,390	$ 5,390	**$ 5,390**	$ -	$ 5,390
Total Health and Welfare	5,390	5,390	**5,390**	-	5,390
Legislative:					
Payroll taxes	490	490	**951**	(461)	851
Legal services	7,000	7,000	**6,968**	32	6,437
Publishing	150	150	**-**	150	-
Mayor and trustee fees	16,200	16,200	**12,425**	3,775	11,125
Public relations	500	500	**1,167**	(667)	795
Supplies - office	300	300	**300**	-	107
Travel and meetings	3,000	3,000	**1,807**	1,193	-
Donation	300	300	**-**	300	-
Total Legislative	27,940	27,940	**23,618**	4,322	19,315
Judicial:					
Legal services	7,000	7,000	**5,850**	1,150	4,575
Municipal judge	4,200	4,200	**4,200**	-	3,500
Payroll taxes	350	350	**-**	350	-
Dues and subscriptions	-	-	**-**	-	20
Juror fees	-	-	**-**	-	-
Postage	200	200	**241**	(41)	206
Professional services	1,200	1,200	**2,000**	(800)	700
Supplies - office	500	500	**347**	153	436
Total Judicial	13,450	13,450	**12,638**	812	9,437
Library:					
Salaries	-	-	**-**	-	-
Payroll taxes	-	-	**-**	-	-
Building rent	3,000	3,000	**3,000**	-	3,000
Repairs and maintenance - building	2,000	2,000	**632**	1,368	63
Repairs and maintenance - office equip	-	-	**-**	-	-
Supplies - general	-	-	**-**	-	-
Supplies - office	-	-	**-**	-	205
Utility expense	2,500	2,500	**2,551**	(51)	2,633
Total Library	7,500	7,500	**6,183**	1,317	5,901
Seniors:					
Salaries	35,287	35,287	**19,299**	15,988	18,026
Payroll taxes	2,076	2,076	**1,446**	630	1,330
Health and dental insurance	13,360	13,360	**4,246**	9,114	3,779
E 457 retirement contribution	1,043	1,043	**565**	478	483
Repairs and maintenance - building	1,000	1,000	**6,981**	(5,981)	1,429
Supplies - general	3,500	3,500	**5,295**	(1,795)	6,256
Utility expense	4,600	4,600	**8,212**	(3,612)	8,206
Professional services	20,300	20,300	**24,419**	(4,119)	17,592
Total Seniors	81,166	81,166	**70,463**	10,703	57,101
Capital Outlay					
General government	22,500	22,500	**1,027,150**	(1,004,650)	3,827,278
Public safety - police	20,000	63,000	**72,812**	(9,812)	106,350
Parks and recreation	-	-	**-**	-	41,342
Total Capital Outlay	42,500	85,500	**1,099,962**	(1,014,462)	3,974,970
Debt Service					
Principal	117,000	233,597	**192,897**	40,700	-
Interest	-	-	**40,010**	(40,010)	-
Total Debt Service	117,000	233,597	**232,907**	690	-
Total Expenditures	$ 1,483,774	$ 1,643,371	**$ 2,744,916**	$ (1,101,545)	$ 5,390,549

TOWN OF KERSEY, COLORADO

Reconciliation of Budgetary Basis to GAAP Basis

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

Year Ended December 31, 2021

With Comparative Actual Amounts For the Year Ended December 31, 2020

	2021				
Non-GAAP Budgetary Basis	Original Budget	Final Budget	**Actual**	Variance - Favorable (Unfavorable)	**2020** Actual
Revenues:					
Taxes	$ 1,153,769	$ 1,153,769	**$ 1,596,018**	$ 442,249	$ 1,592,974
Licenses and permits	39,700	39,700	**39,697**	(3)	149,548
Intergovernmental revenues	43,000	43,000	**22,200**	(20,800)	73,851
Charges for services	75,970	75,970	**72,928**	(3,042)	74,037
Parks and recreation	36,400	36,400	**57,458**	21,058	20,260
Judicial	86,250	86,250	**125,532**	39,282	89,814
Earnings on investments	1,500	1,500	**327**	(1,173)	943
Miscellaneous revenues	474,570	474,570	**894,725**	420,155	2,788,031
Total Revenues	1,911,159	1,911,159	**2,808,885**	897,726	4,789,458
Transfers In:					
Street Fund	-	-	**-**	-	-
Conservation Trust Fund	-	-	**6,194**	6,194	-
Capital Fund	-	-	**-**	-	-
Total Transfers In	-	-	**6,194**	6,194	-
Total Revenues and Transfers	1,911,159	1,911,159	**2,815,079**	903,920	4,789,458
Expenditures:					
General government	392,856	392,856	**418,938**	(26,082)	459,501
Public safety	531,358	531,358	**575,964**	(44,606)	608,022
Public works	84,828	84,828	**83,374**	1,454	73,303
Parks and recreation	179,786	179,786	**215,479**	(35,693)	177,609
Health and welfare	5,390	5,390	**5,390**	-	5,390
Legislative	27,940	27,940	**23,618**	4,322	19,315
Judicial	13,450	13,450	**12,638**	812	9,437
Library	7,500	7,500	**6,183**	1,317	5,901
Seniors	81,166	81,166	**70,463**	10,703	57,101
Capital outlay	42,500	85,500	**1,099,962**	(1,014,462)	3,974,970
Debt service	117,000	233,597	**232,907**	690	-
Total Expenditures	1,483,774	1,643,371	**2,744,916**	(1,101,545)	5,390,549
Transfers Out:					
Street Fund	-	-	**-**	-	-
Conservation Trust Fund	-	-	**-**	-	-
Capital Fund	-	-	**-**	-	414,893
Water Fund	-	-	**-**	-	40,573
Sewer Fund	-	-	**-**	-	677,091
Total Transfers Out	-	-	**-**	-	1,132,557
Total Expenditures and Transfers	1,483,774	1,643,371	**2,744,916**	(1,101,545)	6,523,106
Excess (Deficit) of Revenues and Transfers over Expenditures and Transfers	$ 427,385	$ 267,788	**70,163**	$ (197,625)	(1,733,648)
Reconciliation of Budgetary Basis to GAAP Basis:					
Capital asset purchases capitalized			**1,099,962**		3,974,970
Capital assets sold			**-**		(138,595)
Depreciation expense			**(303,976)**		(161,845)
Long term debt - payments			**192,897**		-
Long term debt - proceeds			**-**		(1,000,000)
Compensated absences			**4,615**		(8,094)
Accrued interest payable			**(567)**		-
Net pension liability (asset)			**(1,623)**		5,972
Change in Net Position			**$ 1,061,471**		$ 938,760

TOWN OF KERSEY, COLORADO

Schedule of Revenues

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

Year Ended December 31, 2021

With Comparative Actual Amounts For the Year Ended December 31, 2020

	2021				
Non-GAAP Budgetary Basis	Original Budget	Final Budget	**Actual**	Variance - Favorable (Unfavorable)	**2020** Actual
Taxes:					
Motor vehicle sales and use tax	$ 3,500	$ 3,500	**$ 3,030**	$ (470)	$ 3,416
Sales tax	250,000	250,000	**511,831**	261,831	336,676
Specific ownership tax	25,500	25,500	**24,483**	(1,017)	40,344
Total Taxes	279,000	279,000	**539,344**	260,344	380,436
Intergovernmental Revenues:					
Highway users tax	54,237	54,237	**65,081**	10,844	54,339
Motor vehicles registration fee	5,000	5,000	**9,275**	4,275	8,660
County road and bridge	38,302	38,302	**18,965**	(19,337)	38,200
Total Intergovernmental Revenues	97,539	97,539	**93,321**	(4,218)	101,199
Earnings on Investments:					
Earnings on investments	200	200	**106**	(94)	303
Net Increase (decrease) in the fair market of investments	-	-	**-**	-	-
Total Earnings on Investments	200	200	**106**	(94)	303
Miscellaneous Revenues:					
Streets reimbursements	500	500	**-**	(500)	-
Traffic calming surcharge	3,000	3,000	**10,664**	7,664	2,450
Maintenance income	-	-	**1,723**	1,723	840
Other income	1,000	1,000	**713**	(287)	2,209
Grants	-	-	**-**	-	-
Contributions	-	-	**-**	-	13,573
Sale of assets	-	-	**-**	-	-
Total Miscellaneous Revenue	4,500	4,500	**13,100**	8,600	19,072
Total Revenues	$ 381,239	$ 381,239	**$ 645,871**	$ 264,632	$ 501,010

TOWN OF KERSEY, COLORADO

Schedule of Expenditures

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

Year Ended December 31, 2021

With Comparative Actual Amounts For the Year Ended December 31, 2020

	2021				
Non-GAAP Budgetary Basis	Original Budget	Final Budget	**Actual**	Variance - Favorable (Unfavorable)	**2020** Actual
General Government:					
General:					
Workmen's compensation	$ 2,840	$ 2,840	**$ 2,840**	$ -	$ 4,574
Auditing	2,141	2,141	**2,141**	-	2,040
Legal services	2,000	2,000	**-**	2,000	-
Publishing	100	100	**-**	100	-
Professional services	3,000	3,000	**1,666**	1,334	1,491
IT services	1,020	1,020	**3,857**	(2,837)	5,755
Total General	11,101	11,101	**10,504**	597	13,860
Administrative:					
Administrative fee allocation	9,000	9,000	**8,990**	10	8,990
Professional services	299	299	**785**	(486)	662
Repairs and maintenance	1,000	1,000	**-**	1,000	50
TH cleaning	2,400	2,400	**2,300**	100	520
Supplies - office	500	500	**204**	296	631
Total Administrative	13,199	13,199	**12,279**	920	10,853
Total General Government	24,300	24,300	**22,783**	1,517	24,713
Public Works:					
Operations:					
Salaries	56,427	56,427	**64,490**	(8,063)	38,565
Payroll taxes	6,388	6,388	**4,907**	1,481	2,947
Health insurance	11,178	11,178	**11,343**	(165)	6,745
Dental insurance	695	695	**1,179**	(484)	757
AFLAC coverage	125	125	**-**	125	-
Life insurance	23	23	**17**	6	24
Short-term disability insurance	184	184	**287**	(103)	187
Long-term disability insurance	226	226	**348**	(122)	227
E 457 retirement coverage	1,151	1,151	**1,715**	(564)	1,041
Cont. education, seminars, training	1,000	1,000	**30**	970	867
Administrative transfer	-	-	**(1,165)**	1,165	(1,165)
Clothing and uniforms	334	334	**694**	(360)	138
Gas, oil, diesel fuel, etc.	3,000	3,000	**3,818**	(818)	1,150
Repairs and maintenance - building	1,000	1,000	**280**	720	-
Repairs and maintenance - equip/mach	4,000	4,000	**4,169**	(169)	2,205
Repairs and maintenance - signs	3,000	3,000	**2,962**	38	2,747
Repairs and maintenance - streets	3,500	3,500	**3,684**	(184)	3,819
Repairs and maintenance - marking	11,000	11,000	**137**	10,863	-
Repairs and maintenance - vehicles	3,500	3,500	**15,213**	(11,713)	3,512
Repairs and maintenance - cr 55	15,000	15,000	**5,962**	9,038	10,321
Street improvements	150,000	150,000	**77,668**	72,332	136,973
Street cleaning	15,000	15,000	**8,644**	6,356	5,702
Street sweeping	-	-	**-**	-	-
Snow removal	12,000	12,000	**1,999**	10,001	-
Street lights	15,000	15,000	**16,546**	(1,546)	15,578
Supplies - general	1,500	1,500	**1,096**	404	1,214
Telephone expense	1,000	1,000	**1,305**	(305)	827
Travel and meetings	200	200	**196**	4	86
Utility expense	2,000	2,000	**2,503**	(503)	1,313
Asset management	1,133	1,133	**1,167**	(34)	1,133
Total Operations	319,564	319,564	**231,194**	88,370	236,913
Total Public Works	319,564	319,564	**231,194**	88,370	236,913
Capital Outlay	-	-	**-**	-	25,108
Total Capital Outlay	-	-	**-**	-	25,108
Total Expenditures	$ 343,864	$ 343,864	**$ 253,977**	$ 89,887	$ 286,734

TOWN OF KERSEY, COLORADO

Reconciliation of Budgetary Basis to GAAP Basis

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

Year Ended December 31, 2021

With Comparative Actual Amounts For the Year Ended December 31, 2020

Non-GAAP Budgetary Basis	2021 Original Budget	2021 Final Budget	2021 **Actual**	2021 Variance - Favorable (Unfavorable)	**2020** Actual
Revenues:					
Taxes	$ 279,000	$ 279,000	**$ 539,344**	$ 260,344	$ 380,436
Licenses and permits	-	-	**-**	-	-
Intergovernmental revenues	97,539	97,539	**93,321**	(4,218)	101,199
Charges for services	-	-	**-**	-	-
Parks and recreation	-	-	**-**	-	-
Judicial	-	-	**-**	-	-
Earnings on investments	200	200	**106**	(94)	303
Miscellaneous revenues	4,500	4,500	**13,100**	8,600	19,072
Total Revenues	381,239	381,239	**645,871**	264,632	501,010
Transfers In:					
General Fund	-	-	**-**	-	-
Capital Fund	-	-	**-**	-	2,822
Water Fund	-	-	**-**	-	-
Total Transfers In	-	-	**-**	-	2,822
Total Revenues and Transfers	381,239	381,239	**645,871**	264,632	503,832
Expenditures:					
General government	24,300	24,300	**22,783**	1,517	24,713
Public safety	-	-	**-**	-	-
Public works	319,564	319,564	**231,194**	88,370	236,913
Parks and recreation	-	-	**-**	-	-
Health and welfare	-	-	**-**	-	-
Legislative	-	-	**-**	-	-
Judicial	-	-	**-**	-	-
Library	-	-	**-**	-	-
Seniors	-	-	**-**	-	-
Capital outlay	-	-	**-**	-	25,108
Total Expenditures	343,864	343,864	**253,977**	89,887	286,734
Transfers Out:					
General Fund	-	-	**-**	-	-
Capital Fund	27,083	27,083	**27,083**	-	29,750
Water Fund	-	-	**-**	-	-
Total Transfers Out	27,083	27,083	**27,083**	-	29,750
Total Expenditures and Transfers	370,947	370,947	**281,060**	89,887	316,484
Excess (Deficit) of Revenues and Transfers over Expenditures and Transfers	$ 10,292	$ 10,292	**364,811**	$ 354,519	187,348
Reconciliation of Budgetary Basis to GAAP Basis:					
Capital asset purchases capitalized			**-**		25,108
Capital assets sold			**-**		-
Depreciation expense			**(67,993)**		(71,292)
Change in Net Position			**$ 296,818**		$ 141,164

TOWN OF KERSEY, COLORADO

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

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

SCHEDULE OF PROPORTIONATE SHARE OF THE NET PENSION LIABILITY

Fiscal Year Ending December 31	2020	2019	2018	2017 *	2016	2015	2014	2013	2012	2011
Town's proportion of the net pension liability (asset)	0.0153290%	0.0161900%	0.0144200%	0.0175200%	N/A	N/A	N/A	N/A	N/A	N/A
Town's proportionate share of the net pension liability (asset)	$ (33,280)	$ (9,158)	$ 18,230	$ -	N/A	N/A	N/A	N/A	N/A	N/A
Town's covered payroll	$ 246,550	$ 238,700	$ 193,175	$ 153,692	N/A	N/A	N/A	N/A	N/A	N/A
Town's proportionate share of the net pension liability (asset) as a percentage of its covered payroll	-13.50%	-3.84%	9.44%	0.00%	N/A	N/A	N/A	N/A	N/A	N/A
Plan fiduciary net position as a percentage of total pension liability (asset)	106.70%	101.90%	95.20%	106.30%	N/A	N/A	N/A	N/A	N/A	N/A

SCHEDULE OF CONTRIBUTIONS

Fiscal Year Ending December 31	2020	2019	2018	2017 *	2016	2015	2014	2013	2012	2011
Contractually required contribution	9,850	9,548	7,727	6,148	N/A	N/A	N/A	N/A	N/A	N/A
Contribution in relation to the contractually required contribution	(9,850)	(9,548)	(7,727)	(6,148)	N/A	N/A	N/A	N/A	N/A	N/A
Contribution deficiency (excess)	-	-	-	-	-	-	-	-	-	-
Town's covered payroll	$ 246,550	$ 238,700	$ 193,175	$ 153,692	N/A	N/A	N/A	N/A	N/A	N/A
Contributions as a percentage of covered payroll	4.00%	4.00%	4.00%	4.00%	N/A	N/A	N/A	N/A	N/A	N/A

* year started with FPPA

SUPPLEMENTAL INFORMATION

TOWN OF KERSEY, COLORADO

Combining Balance Sheet

Governmental Funds - Nonmajor

December 31, 2021

	Conservation Trust	Capital	Total Nonmajor
ASSETS			
Current Assets:			
Cash on hand and in checking	$ (93,736)	$ 1,798,963	**$ 1,705,227**
Cash on deposit - county treasurer	-	-	**-**
Cash in savings	181,286	200,703	**381,989**
Total Cash	87,550	1,999,666	**2,087,216**
Certificates of deposit	-	-	**-**
Local government investment pools	-	-	**-**
Total Investments	-	-	**-**
Property taxes receivable	-	-	**-**
Accounts receivable	-	211,259	**211,259**
Accrued interest receivable	-	-	**-**
Prepaid expenses	-	-	**-**
Due from other funds	-	-	**-**
Total Current Assets	87,550	2,210,925	**2,298,475**
Noncurrent Assets:			
Restricted local government investment pools	-	211,179	**211,179**
Total Noncurrent Assets	-	211,179	**211,179**
Total Assets	87,550	2,422,104	**2,509,654**
DEFERRED OUTFLOWS			
Grant expenditures paid in advance of meeting timing requirements	-	-	**-**
Total Assets & Deferred Outflows	$ 87,550	$ 2,422,104	**$ 2,509,654**
LIABILITIES			
Current Liabilities:			
Accounts payable	$ -	$ -	**$ -**
Payroll taxes payable	-	-	**-**
Accrued interest payable	-	-	**-**
Due to other funds	-	-	**-**
Total Current Liabilities	-	-	**-**
Total Liabilities	-	-	**-**
DEFERRED INFLOWS			
Unearned revenue	-	-	**-**
Total Liabilities & Deferred Inflows	-	-	**-**
FUND BALANCE			
Non-spendable	-	-	**-**
Restricted	87,550	2,422,104	**2,509,654**
Committed	-	-	**-**
Assigned	-	-	**-**
Unassigned	-	-	**-**
Total Fund Balance	87,550	2,422,104	**2,509,654**
Total Fund Balance, Liabilities & Deferred Inflows	$ 87,550	$ 2,422,104	**$ 2,509,654**

Reconciliation of the Balance Sheet to the Statement of Net Position	
Total Governmental Fund Balance	**$ 2,509,654**
Amounts reported for governmental activities in the statement of net position are different because:	
Capital assets used in governmental activities are not financial resources and therefore are not reported in the funds:	
Capital assets	**-**
Less: accumulated depreciation	**-**
Long-term liabilities, including capital leases, are not due and payable in the current period, therefore, they are not reported in the funds:	
Capital leases	**-**
Compensated absences	**-**
Net Position of Governmental Activities	**$ 2,509,654**

See accompanying notes to the basic financial statements

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

Governmental Funds - Nonmajor

December 31, 2021

	Conservation Trust	Capital	Total Nonmajor
Revenues:			
Taxes	$ -	$ 19,969	$ 19,969
Licenses and permits	-	-	-
Intergovernmental revenue	19,882	-	19,882
Charges for services	-	-	-
Parks and recreation	-	-	-
Judicial	-	-	-
Earnings on investments	81	25	106
Miscellaneous revenues	-	2,030	2,030
Total Revenues	19,963	22,024	41,987
Expenditures:			
Current:			
General government	-	-	-
Public safety	-	-	-
Public works	-	-	-
Parks and recreation	10,380	34,063	44,443
Health and welfare	-	-	-
Legislative	-	-	-
Judicial	-	-	-
Library	-	-	-
Seniors	-	-	-
Capital outlay	-	-	-
Total Expenditures	10,380	34,063	44,443
Excess (Deficiency) of Revenues over Expenditures	9,583	(12,039)	(2,456)
Other Financing Sources (Uses):			
Sale of assets	-	-	-
Contributions	-	-	-
Grants	-	422,519	422,519
Transfers in	-	130,967	130,967
Transfers out	(6,194)	-	(6,194)
Total Other Financing Sources (Uses)	(6,194)	553,486	547,292
Net Change in Fund Balance	3,389	541,447	544,836
Fund Balance - beginning of year	84,161	1,880,657	1,964,818
Fund Balance - End of Year	$ 87,550	$ 2,422,104	$ 2,509,654

Reconciliation of Statement of Revenues, Expenditures and Changes in Fund Balance to the Statement of Activities:	
Net Change in Fund Balance - Total Governmental Funds	$ 544,836
Amounts reported for governmental activities in the statement of activities are different because:	
Governmental funds report capital outlays as expenditures while governmental activities report depreciation expense to allocate those expenditures over the life of the assets:	
Capital asset purchases capitalized	-
Depreciation expense	-
Change in Net Position of Governmental Activities	$ 544,836

TOWN OF KERSEY, COLORADO

Budgetary Comparison Schedule

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

Year Ended December 31, 2021

With Comparative Actual Amounts For the Year Ended December 31, 2020

	2021				
Non-GAAP Budgetary Basis	Original Budget	Final Budget	**Actual**	Variance - Favorable (Unfavorable)	**2020** Actual
Revenues:					
Intergovernmental Revenue:					
State lottery funds	$ 15,000	$ 15,000	**$ 19,882**	$ 4,882	$ 16,823
Total Intergovernmental Revenue	15,000	15,000	**19,882**	4,882	16,823
Earnings on Investment:					
Earnings on investments	300	300	**81**	(219)	36
Net increase (decrease) in fair value of investments	-	-	**-**	-	-
Total Earnings on Investment	300	300	**81**	(219)	36
Miscellaneous Revenues:					
Park fees	-	-	**-**	-	-
Total Miscellaneous Revenues	-	-	**-**	-	-
Transfers In:					
General Fund	-	-	**-**	-	-
Total Transfers In	-	-	**-**	-	-
Total Revenues and Transfers	15,300	15,300	**19,963**	4,663	16,859
Expenditures:					
Parks:					
Chemicals	1,000	1,000	**418**	582	248
Professional services	-	-	**-**	-	-
Repairs and maintenance - building	1,000	1,000	**343**	657	716
Repairs and maintenance - equip	1,000	1,000	**1,343**	(343)	1,066
Repairs and maintenance - turf	2,500	2,500	**3,892**	(1,392)	2,473
Tree trimming	1,000	1,000	**650**	350	5,625
Park Equipment	-	-	**-**	-	-
Supplies - general	1,000	1,000	**3,734**	(2,734)	2,574
Supplies - office	-	-	**-**	-	-
Capital outlay	6,000	9,500	**-**	9,500	-
Total Parks	13,500	17,000	**10,380**	6,620	12,702
Community Center:					
Repairs and maintenance - building	-	-	**-**	-	-
Repairs and maintenance - equip	-	-	**-**	-	-
Supplies - general	-	-	**-**	-	-
Supplies - office	-	-	**-**	-	-
Total Parks	-	-	**-**	-	-
Total Expenditures	13,500	17,000	**10,380**	6,620	12,702
Transfers Out:					
General Fund	-	-	**6,194**	(6,194)	-
Total Transfers Out	-	-	**6,194**	(6,194)	-
Total Expenditures and Transfers	13,500	17,000	**16,574**	426	12,702
Excess (Deficit) of Revenues Over Expenditures and Transfers	$ 1,800	$ (1,700)	**3,389**	$ 5,089	4,157
Reconciliation of Budgetary Basis to GAAP Basis:					
Capital asset purchases capitalized			**-**		-
Depreciation expense			**-**		-
Change in Net Position			**$ 3,389**		$ 4,157

TOWN OF KERSEY, COLORADO

Budgetary Comparison Schedule

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

Year Ended December 31, 2021

With Comparative Actual Amounts For the Year Ended December 31, 2020

	2021				
Non-GAAP Budgetary Basis	Original Budget	Final Budget	**Actual**	Variance - Favorable (Unfavorable)	**2020** Actual
Revenues:					
Taxes:					
Use tax	$ 30,000	$ 30,000	**$ 19,969**	$ (10,031)	$ 27,280
Total Taxes	30,000	30,000	**19,969**	(10,031)	27,280
Earnings on Investment:					
Earnings on investments	500	500	**236**	(264)	303
Net increase (decrease) in fair value of investments	-	-	**(211)**	(211)	-
Total Earnings on Investment	500	500	**25**	(475)	303
Miscellaneous Revenues:					
Road development fees	4,250	4,250	**880**	(3,370)	3,938
Drainage fees	1,500	1,500	**300**	(1,200)	1,050
Park fees	-	-	**850**	850	-
Contributions	-	-	**-**	-	-
Grant proceeds	425,520	425,520	**422,519**	(3,001)	-
Total Miscellaneous Revenues	431,270	431,270	**424,549**	(6,721)	4,988
Transfers In:					
General Fund	15,813	15,813	**-**	(15,813)	414,893
Street Fund	27,083	27,083	**27,083**	-	29,750
Sewer Fund	-	-	**-**	-	2,667
Water Fund	103,884	103,884	**103,884**	-	46,000
Total Transfers In	146,780	146,780	**130,967**	(15,813)	493,310
Total Revenues and Transfers	608,550	608,550	**575,510**	(33,040)	525,881
Expenditures:					
Park planning	-	-	**-**	-	-
Capital Outlay:					
Equipment	-	-	**-**	-	-
Projects	444,270	444,270	**34,063**	(410,207)	-
Vehicles & machinery	-	-	**-**	-	-
Total Expenditures	444,270	444,270	**34,063**	(410,207)	-
Transfers Out:					
General Fund	-	-	**-**	-	-
Street Fund	-	-	**-**	-	2,822
Sewer Fund	-	-	**-**	-	2,822
Water Fund	-	-	**-**	-	2,821
Total Transfers Out	-	-	**-**	-	8,465
Total Expenditures and Transfers	444,270	444,270	**34,063**	(410,207)	8,465
Excess (Deficit) of Revenues Over Expenditures and Transfers	$ 164,280	$ 164,280	**541,447**	$ (443,247)	517,416
Reconciliation of Budgetary Basis to GAAP Basis:					
Capital asset purchases capitalized			**-**		-
Depreciation expense			**-**		-
Change in Net Position			**$ 541,447**		$ 517,416

TOWN OF KERSEY, COLORADO

Schedule of Revenues

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

Year Ended December 31, 2021

With Comparative Actual Amounts For the Year Ended December 31, 2020

	2021				
Non-GAAP Budgetary Basis	Original Budget	Final Budget	**Actual**	Variance - Favorable (Unfavorable)	**2020** Actual
Operating Revenues:					
Water sales	$ 420,000	$ 420,000	**$ 346,207**	$ (73,793)	$ 359,431
Tap fees	35,000	35,000	**7,000**	(28,000)	9,500
Bulk water sales	5,000	5,000	**17,061**	12,061	6,501
Water purchased	-	-	**-**	-	-
Hydrant fees	1,500	1,500	**(1,500)**	(3,000)	3,594
Late fees	10,000	10,000	**3,240**	(6,760)	8,523
Meter charges	2,500	2,500	**13,756**	11,256	-
Miscellaneous	-	-	**-**	-	-
Total Operating Revenues	474,000	474,000	**385,764**	(88,236)	387,549
Earnings on Investment:					
Earnings on investments	4,000	4,000	**420**	(3,580)	4,377
Net Increase (decrease) in the fair market of investments	-	-	**-**	-	-
Total Earnings on Investment	4,000	4,000	**420**	(3,580)	4,377
Miscellaneous Revenues:					
Contributions from customers	-	-	**-**	-	-
Contributions from subdividers	-	-	**-**	-	13,573
Sale of assets	-	-	**-**	-	-
Loan proceeds	-	-	**-**	-	-
Grants	-	-	**-**	-	-
Total Miscellaneous Revenues	-	-	**-**	-	13,573
Total Revenues	$ 478,000	$ 478,000	**$ 386,184**	$ (91,816)	$ 405,499

TOWN OF KERSEY, COLORADO

Schedule of Expenditures

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

Year Ended December 31, 2021

With Comparative Actual Amounts For the Year Ended December 31, 2020

	2021				
Non-GAAP Budgetary Basis	Original Budget	Final Budget	**Actual**	Variance - Favorable (Unfavorable)	**2020** Actual
Operating Expenditures:					
General:					
Workmen's compensation	$ 4,057	$ 4,057	**$ 4,057**	$ -	$ 6,535
Auditing	2,855	2,855	**2,855**	-	2,720
Bank charges	250	250	**168**	82	185
Credit card charges	2,200	2,200	**2,545**	(345)	2,095
Legal services	500	500	**-**	500	-
Publishing	600	600	**349**	251	528
Web publishing	796	796	**717**	79	-
Insurance	16,534	16,534	**17,155**	(621)	14,602
Dues and subscriptions	300	300	**660**	(360)	424
Professional services	4,500	4,500	**3,945**	555	4,293
Bookkeeping services	-	-	**-**	-	-
IT services	4,000	4,000	**6,763**	(2,763)	5,823
Total General	36,592	36,592	**39,214**	(2,622)	37,205
Administrative:					
Salaries	65,062	65,062	**62,657**	2,405	60,519
Payroll taxes	4,353	4,353	**4,043**	310	4,307
Health insurance	13,596	13,596	**9,956**	3,640	12,466
Dental insurance	870	870	**-**	870	546
AFLAC coverage	612	612	**-**	612	193
Life insurance	42	42	**18**	24	34
Short-term disability insurance	289	289	**210**	79	233
Long-term disability insurance	411	411	**301**	110	338
E 457 retirement contribution	1,728	1,728	**1,834**	(106)	1,694
Cont. education, seminars, training	300	300	**100**	200	-
Online code	299	299	**785**	(486)	662
Dues and subscriptions	600	600	**470**	130	332
Postage	900	900	**919**	(19)	863
Professional services	300	300	**325**	(25)	275
Repairs and maintenance	1,000	1,000	**-**	1,000	70
TH cleaning	2,400	2,400	**2,400**	-	1,320
Supplies - office	500	500	**588**	(88)	820
Travel and meetings	300	300	**40**	260	-
Total Administrative	93,562	93,562	**84,646**	8,916	84,672

(continued on next page)

Schedule of Expenditures

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

Year Ended December 31, 2021

With Comparative Actual Amounts For the Year Ended December 31, 2020

	2021				
Non-GAAP Budgetary Basis	Original Budget	Final Budget	**Actual**	Variance - Favorable (Unfavorable)	**2020** Actual
Operating Expenditures:					
System Operations:					
Salaries	$ 24,376	$ 24,376	**$ 26,568**	$ (2,192)	$ 37,073
Payroll taxes	2,855	2,855	**2,017**	838	2,960
Health insurance	7,535	7,535	**5,234**	2,301	6,745
Dental insurance	689	689	**-**	689	757
AFLAC coverage	17	17	**-**	17	-
Life insurance	23	23	**7**	16	24
Short-term disability insurance	182	182	**131**	51	187
Long-term disability insurance	22	22	**160**	(138)	228
E 457 retirement coverage	999	999	**766**	233	1,041
Cont. education, seminars, training	200	200	**50**	150	117
Pre-employment exam	-	-	**-**	-	-
Administrative transfer	-	-	**(1,165)**	1,165	(1,165)
Clothing and uniforms	600	600	**339**	261	366
Gas, oil, diesel fuel, etc.	2,000	2,000	**1,374**	626	1,206
Postage	100	100	**314**	(214)	95
Professional services	1,600	1,600	**3,173**	(1,573)	150
Repairs and maintenance - building	500	500	**280**	220	-
Repairs and maintenance - equip/mach	4,000	4,000	**557**	3,443	2,276
Repairs and maintenance - hydrant	1,000	1,000	**121**	879	6,298
Repairs and maintenance - office equip	500	500	**-**	500	-
Repairs and maintenance - valve box	-	-	**-**	-	-
Repairs and maintenance - vehicles	2,500	2,500	**2,761**	(261)	478
Repairs and maintenance - water lines	3,500	3,500	**33,936**	(30,436)	1,674
Repairs and maintenance - water tower	5,800	5,800	**532**	5,268	2,557
Supplies - general	1,150	1,150	**2,186**	(1,036)	766
Telephone expense	1,500	1,500	**2,662**	(1,162)	1,866
Travel and meetings	150	150	**(43)**	193	28
Utility expense	4,500	4,500	**5,780**	(1,280)	5,218
Water (potable) - testing	3,500	3,500	**4,514**	(1,014)	2,454
Water assessments	24,000	24,000	**15,971**	8,029	24,256
Water usage	145,000	260,000	**199,003**	60,997	176,120
Bad debt	-	-	**31,566**	(31,566)	-
Asset management	1,133	1,133	**1,167**	(34)	1,133
Total System Operation & Maintenance	239,931	354,931	**339,961**	14,970	274,908
Total Operating Expenditures	370,085	485,085	**463,821**	21,264	396,785
Non-Operating Expenditures:					
Capital Outlay	-	-	**5,500**	(5,500)	56,899
Debt Service:					
Principal	-	-	**-**	-	39,470
Interest	-	-	**-**	-	328
Total Non-Operating Expenditures	-	-	**5,500**	(5,500)	96,697
Total Expenditures	$ 370,085	$ 485,085	**$ 469,321**	$ 15,764	$ 493,482

TOWN OF KERSEY, COLORADO

Reconciliation of Budgetary Basis to GAAP Basis

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

Year Ended December 31, 2021

With Comparative Actual Amounts For the Year Ended December 31, 2020

	2021				
Non-GAAP Budgetary Basis	Original Budget	Final Budget	**Actual**	Variance - Favorable (Unfavorable)	**2020** Actual
Revenues:					
Operating revenues	$ 474,000	$ 474,000	**$ 385,764**	$ (88,236)	$ 387,549
Earnings on investment	4,000	4,000	**420**	(3,580)	4,377
Miscellaneous revenues	-	-	**-**	-	13,573
Total Revenues	478,000	478,000	**386,184**	(91,816)	405,499
Transfers In:					
General Fund	-	-	**-**	-	40,573
Capital Fund	-	-	**-**	-	2,821
Water Fund	-	-	**-**	-	-
Total Transfers In	-	-	**-**	-	43,394
Total Revenues and Transfers	478,000	478,000	**386,184**	(91,816)	448,893
Expenditures:					
General	36,592	36,592	**39,214**	(2,622)	37,205
Administrative	93,562	93,562	**84,646**	8,916	84,672
System operations	239,931	354,931	**339,961**	14,970	274,908
Non-operating expenditures	-	-	**5,500**	(5,500)	96,697
Total Expenditures	370,085	485,085	**469,321**	15,764	493,482
Transfers Out:					
General Fund	-	-	**-**	-	-
Capital Fund	103,884	103,884	**103,884**	-	46,000
Sewer Fund	-	-	**-**	-	-
Total Transfers Out	103,884	103,884	**103,884**	-	46,000
Total Expenditures and Transfers	473,969	588,969	**573,205**	15,764	539,482
Excess (Deficiency) of Revenues over Expenditures	$ 4,031	$ (110,969)	**(187,021)**	$ (76,052)	(90,589)
Reconciliation of Budgetary Basis to GAAP Basis:					
Capital assets purchases capitalized			**5,500**		56,899
Capital assets sold			**-**		-
Depreciation expense			**(65,427)**		(62,764)
Capital lease obligation payments			**-**		-
Long-term debt - proceeds			**-**		-
Long-term debt - payments			**-**		39,470
Change in Net Position			**$ (246,948)**		$ (56,984)

Schedule of Revenues

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

Year Ended December 31, 2021

With Comparative Actual Amounts For the Year Ended December 31, 2020

Non-GAAP Budgetary Basis	2021 Original Budget	2021 Final Budget	2021 **Actual**	2021 Variance - Favorable (Unfavorable)	**2020** Actual
Operating Revenues:					
Sewer service	$ 385,000	$ 385,000	**$ 384,306**	$ (694)	$ 385,086
Tap fees	20,000	20,000	**4,000**	(16,000)	-
Late fees	2,200	2,200	**1,289**	(911)	-
Miscellaneous	-	-	**-**	-	-
Total Operating Revenues	407,200	407,200	**389,595**	(17,605)	385,086
Earnings on Investment:					
Earnings on investments	3,000	3,000	**317**	(2,683)	2,551
Net Increase (decrease) in the fair market of investments	-	-	**-**	-	-
Total Earnings on Investment	3,000	3,000	**317**	(2,683)	2,551
Miscellaneous Revenues:					
Contributions from customers	-	-	**-**	-	-
Contributions from subdividers	-	-	**-**	-	13,573
Sale of assets	-	-	**-**	-	-
Grants	-	-	**-**	-	-
Total Miscellaneous Revenues	-	-	**-**	-	13,573
Total Revenues	$ 410,200	$ 410,200	**$ 389,912**	$ (20,288)	$ 401,210

TOWN OF KERSEY, COLORADO

Schedule of Expenditures

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

Year Ended December 31, 2021

With Comparative Actual Amounts For the Year Ended December 31, 2020

	2021				
Non-GAAP Budgetary Basis	Original Budget	Final Budget	**Actual**	Variance - Favorable (Unfavorable)	**2020** Actual
Operating Expenditures:					
General:					
Workmen's compensation	$ 2,231	$ 2,231	**$ 2,232**	$ (1)	$ 3,594
Auditing	3,569	3,569	**3,569**	-	3,400
Bank charges	350	350	**174**	176	184
Credit card charges	1,000	1,000	**2,545**	(1,545)	2,095
Legal services	500	500	**-**	500	-
Publishing	200	200	**298**	(98)	220
Web publishing	637	637	**716**	(79)	-
Insurance	16,981	16,981	**17,619**	(638)	14,752
Dues and subscriptions	-	-	**660**	(660)	423
Professional services	4,800	4,800	**3,616**	1,184	4,293
Bookkeeping services	-	-	**-**	-	-
IT services	4,000	4,000	**6,763**	(2,763)	5,823
Total General	34,268	34,268	**38,192**	(3,924)	34,784
Administrative:					
Salaries	56,506	56,506	**55,531**	975	53,157
Payroll taxes	3,731	3,731	**3,757**	(26)	3,837
Health insurance	10,439	10,439	**7,163**	3,276	9,647
Dental insurance	739	739	**-**	739	468
AFLAC coverage	317	317	**-**	317	97
Life insurance	32	32	**14**	18	28
Short-term disability insurance	229	229	**191**	38	203
Long-term disability insurance	337	337	**286**	51	305
E 457 retirement contribution	1,488	1,488	**1,620**	(132)	1,519
Cont. education, seminars, training	-	-	**-**	-	-
Online code	299	299	**784**	(485)	662
Dues and subscriptions	150	150	**100**	50	71
Postage	600	600	**570**	30	494
Professional services	300	300	**325**	(25)	275
Repairs and maintenance	1,000	1,000	**-**	1,000	70
TH cleaning	2,400	2,400	**2,400**	-	1,320
Supplies - office	938	938	**489**	449	802
Travel and meetings	250	250	**40**	210	33
Total Administrative	79,755	79,755	**73,270**	6,485	72,988

(continued on next page)

TOWN OF KERSEY, COLORADO

Schedule of Expenditures

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

Year Ended December 31, 2021

With Comparative Actual Amounts For the Year Ended December 31, 2020

	2021				
Non-GAAP Budgetary Basis	Original Budget	Final Budget	**Actual**	Variance - Favorable (Unfavorable)	**2020** Actual
Operating Expenditures:					
System Operations:					
Salaries	$ 24,376	$ 24,376	**$ 26,543**	$ (2,167)	$ 37,312
Payroll taxes	2,897	2,897	**2,063**	834	3,006
Health insurance	7,656	7,656	**5,349**	2,307	6,850
Dental insurance	709	709	**-**	709	767
AFLAC coverage	17	17	**-**	17	-
Life insurance	24	24	**8**	16	24
Short-term disability insurance	188	188	**138**	50	194
Long-term disability insurance	230	230	**167**	63	236
E 457 retirement coverage	998	998	**766**	232	1,040
Cont. education, seminars, training	500	500	**130**	370	117
Pre-employment exam	-	-	**-**	-	-
Administrative transfer	-	-	**(1,160)**	1,160	(1,160)
Chemicals	-	-	**-**	-	-
Clothing and uniforms	500	500	**264**	236	367
Gas, oil, diesel fuel, etc.	2,000	2,000	**1,854**	146	1,406
Postage	200	200	**74**	126	95
Professional services	9,600	9,600	**11,281**	(1,681)	13,060
Repairs and maintenance - building	1,000	1,000	**4,627**	(3,627)	7,373
Repairs and maintenance - equip/mach	2,000	2,000	**2,832**	(832)	1,088
Repairs and maintenance - office equip	-	-	**-**	-	-
Repairs and maintenance - sewer lines	750	750	**1,013**	(263)	1,203
Repairs and maintenance - sewer plant	15,000	15,000	**13,197**	1,803	5,466
Repairs and maintenance - vehicles	2,000	2,000	**2,674**	(674)	368
Sewer discharge permit	3,000	3,000	**2,825**	175	2,920
Sewer testing	6,832	6,832	**8,754**	(1,922)	7,788
Sludge removal	25,000	25,000	**15,834**	9,166	16,432
Supplies - general	1,100	1,100	**3,154**	(2,054)	1,644
Chemicals - treatment	25,000	25,000	**14,952**	10,048	20,889
Telephone expense	5,400	5,400	**6,554**	(1,154)	6,014
Travel and meetings	100	100	**-**	100	11
Utility expense	40,000	40,000	**51,100**	(11,100)	55,518
Asset management	1,133	1,133	**1,167**	(34)	1,133
Total System Operation & Maintenance	178,210	178,210	**176,160**	2,050	191,161
Total Operating Expenditures	292,233	292,233	**287,622**	4,611	298,933
Non-Operating Expenditures:					
Capital Outlay	-	-	**22,700**	(22,700)	16,395
Debt Service:					
Principal	-	-	**-**	-	773,550
Interest	-	-	**-**	-	24,646
Total Non-Operating Expenditures	-	-	**22,700**	(22,700)	814,591
Total Expenditures	$ 292,233	$ 292,233	**$ 310,322**	$ (18,089)	$ 1,113,524

TOWN OF KERSEY, COLORADO

Reconciliation of Budgetary Basis to GAAP Basis

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

Year Ended December 31, 2021

With Comparative Actual Amounts For the Year Ended December 31, 2020

Non-GAAP Budgetary Basis	2021 Original Budget	Final Budget	**Actual**	Variance - Favorable (Unfavorable)	**2020** Actual
Revenues:					
Operating revenues	$ 407,200	$ 407,200	**$ 389,595**	$ (17,605)	$ 385,086
Earnings on investment	3,000	3,000	**317**	(2,683)	2,551
Miscellaneous revenues	-	-	**-**	-	13,573
Total Revenues	410,200	410,200	**389,912**	(20,288)	401,210
Transfers In:					
General Fund	-	-	**-**	-	677,091
Capital Fund	-	-	**-**	-	2,822
Water Fund	-	-	**-**	-	-
Total Transfers In	-	-	**-**	-	679,913
Total Revenues and Transfers	410,200	410,200	**389,912**	(20,288)	1,081,123
Expenditures:					
General	34,268	34,268	**38,192**	(3,924)	34,784
Administrative	79,755	79,755	**73,270**	6,485	72,988
System operations	178,210	178,210	**176,160**	2,050	191,161
Non-operating expenditures	-	-	**22,700**	(22,700)	814,591
Total Expenditures	292,233	292,233	**310,322**	(18,089)	1,113,524
Transfers Out:					
General Fund	-	-	**-**	-	-
Capital Fund	-	-	**-**	-	2,667
Water Fund	-	-	**-**	-	-
Total Transfers Out	-	-	**-**	-	2,667
Total Expenditures and Transfers	292,233	292,233	**310,322**	(18,089)	1,116,191
Excess (Deficiency) of Revenues over Expenditures	$ 117,967	$ 117,967	**79,590**	$ (38,377)	(35,068)
Reconciliation of Budgetary Basis to GAAP Basis:					
Capital assets purchases capitalized			**22,700**		16,395
Capital assets sold			**-**		-
Depreciation expense			**(126,920)**		(124,928)
Capital lease obligation payments			**-**		-
Long-term debt - proceeds			**-**		-
Long-term debt - payments			**-**		773,550
Change in Net Position			**$ (24,630)**		$ 629,949

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

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

LOCAL HIGHWAY FINANCE REPORT		City or County: **TOWN OF KERSEY, COLORADO**
		YEAR ENDING : **December 2021**
This Information From The Records Of (example - City of _ or County of	Prepared By: Phone:	**JULIE PIPER, TOWN CLERK** ***(970) 353-1681**

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

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

II. RECEIPTS FOR ROAD AND STREET PURPOSES

ITEM	AMOUNT
A. Receipts from local sources:	
1. Local highway-user taxes	
a. Motor Fuel (from Item I.A.5.)	
b. Motor Vehicle (from Item I.B.5.)	
c. Total (a.+b.)	
2. General fund appropriations	0
3. Other local imposts (from page 2)	565,038
4. Miscellaneous local receipts (from page 2)	106
5. Transfers from toll facilities	0
6. Proceeds of sale of bonds and notes:	
a. Bonds - Original Issues	0
b. Bonds - Refunding Issues	0
c. Notes	0
d. Total (a. + b. + c.)	0
7. Total (1 through 6)	565,144
B. Private Contributions	0
C. Receipts from State government (from page 2)	73,749
D. Receipts from Federal Government (from page 2)	0
E. Total receipts (A.7 + B + C + D)	638,893

III. DISBURSEMENTS FOR ROAD AND STREET PURPOSES

ITEM	AMOUNT
A. Local highway disbursements:	
1. Capital outlay (from page 2)	0
2. Maintenance:	216,589
3. Road and street services:	
a. Traffic control operations	0
b. Snow and ice removal	0
c. Other **Street Lighting**	16,546
d. Total (a. through c.)	16,546
4. General administration & miscellaneous	22,783
5. Highway law enforcement and safety	0
6. Total (1 through 5)	255,918
B. Debt service on local obligations:	
1. Bonds:	
a. Interest	0
b. Redemption	0
c. Total (a. + b.)	0
2. Notes:	
a. Interest	0
b. Redemption	0
c. Total (a. + b.)	0
3. Total (1.c + 2.c)	0
C. Payments to State for highways	0
D. Payments to toll facilities	0
E. Total disbursements (A.6 + B.3 + C + D)	255,918

IV. LOCAL HIGHWAY DEBT STATUS

(Show all entries at par)

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

V. LOCAL ROAD AND STREET FUND BALANCE

A. Beginning Balance	B. Total Receipts	C. Total Disbursements	D. Ending Balance	E. Reconciliation
1,299,486	638,893	255,918	1,682,461	0

Notes and Comments:

LOCAL HIGHWAY FINANCE REPORT	STATE: **Colorado**
	YEAR ENDING (mm/yy): **December 2021**

II. RECEIPTS FOR ROAD AND STREET PURPOSES - DETAIL

ITEM	AMOUNT	ITEM	AMOUNT
A.3. Other local imposts:		**A.4. Miscellaneous local receipts:**	
a. Property Taxes and Assessments	0	a. Interest on investments	106
b. Other local imposts:		b. Traffic Fines & Penalities	0
1. Sales Taxes	504,430	c. Parking Garage Fees	0
2. Infrastructure & Impact Fees	0	d. Parking Meter Fees	0
3. Liens	0	e. Sale of Surplus Property	0
4. Licenses	0	f. Charges for Services	0
5. Specific Ownership &/or Other	60,608	g. Other Misc. Receipts	0
6. Total (1. through 5.)	565,038	h. Other	0
c. Total (a. + b.)	565,038	i. Total (a. through h.)	106
	(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	64,479	1. FHWA (from Item I.D.5.)	
2. State general funds		2. Other Federal agencies:	
3. Other State funds:		a. Forest Service	0
a. State bond proceeds		b. FEMA	0
b. Project Match		c. HUD	0
c. Motor Vehicle Registrations	9,270	d. Federal Transit Admin	0
d. Other	0	e. U.S. Corps of Engineers	0
e. Other (Specify)	0	f. Other Federal	0
f. Total (a. through e.)	9,270	g. Total (a. through f.)	0
4. Total (1. + 2. + 3.f)	73,749	3. Total (1. + 2.g)	
			(Carry forward to page 1)

III. DISBURSEMENTS FOR ROAD AND STREET PURPOSES - DETAIL

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

Notes and Comments:

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