

TOWN OF BENNETT, COLORADO

FINANCIAL STATEMENTS

DECEMBER 31, 2022

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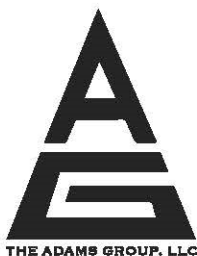
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CERTIFIED PUBLIC ACCOUNTANTS

INDEPENDENT AUDITORS' REPORT

Honorable Mayor and Members
of Board of Trustees
Town of Bennett
Bennett, 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 Bennett, Colorado (the Town) as of and for the year ended December 31, 2022, 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, each major fund, and the aggregate remaining fund information of the Town, as of December 31, 2022, and the respective changes in financial position and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Emphasis of a Matter

As described in Note 11 to the financial statements, the Town's financial statements were restated as a result of errors identified from prior periods related to developer agreements and grant activities. Our opinions are not modified with respect to this matter.

Basis for Opinions

We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Our responsibilities under those standards are further described in the Auditors' Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the Town, and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in the United States of America, and for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

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

Auditors' Responsibilities for the Audit of the Financial Statements

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

In performing an audit in accordance with generally accepted auditing standards, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Town's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the Town's ability to continue as a going concern for a reasonable period of time.

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

Required Supplementary Information

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

We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Supplementary Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Town's basic financial statements. The combining and individual nonmajor fund financial statements, budgetary comparison schedules, and the local highway finance report are presented for purposes of additional analysis and are not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the combining and individual nonmajor fund financial statements, budgetary comparison schedules, and the local highway finance report are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

The Adams Group, LLC

Denver, Colorado
June 20, 2023

TOWN OF BENNETT, COLORADO

Management's Discussion and Analysis

December 31, 2022

HISTORY

The Town of Bennett (the Town) is a statutory town located in both Adams and Arapahoe Counties. The Town is governed by a Board of Trustees elected for four-year terms. Bennett was incorporated on September 25, 1929.

Our local historical society has done a great deal of research to delve into the origins of our Town. Documents from the Bureau of Land Management show that four Bennet brothers (Hiram, John, Uriah and one un-named brother) filed homestead papers in 1862 for two sections (34 and 24), these two homesteads are now incorporated into the Town Bennett. These two sections were adjacent diagonally on the north and south to the current location of the Post Office in Bennett and, together with other sections homesteaded by the Bennet brothers, formed the Bennet Ranch.

One of these brothers, Hiram Pitt Bennet, was a respected judge in the early territory of Colorado. Mr. Bennet was elected the first Territorial Representative for Colorado in 1862 and was instrumental in obtaining statehood for Colorado. Mr. H. P. Bennet went on to become the third Postmaster of Denver in 1869 and began developing a method of delivering mail to all the new pioneer people in rural areas. Through the years, the English name of Bennet was Americanized to Bennett, first noted in railroad records; thus, the Town name evolved from the old Bennet Ranch.

The Town was not incorporated until 1930, but long before that time, the family that originally homesteaded the Town and for whom the Town was named were leaders in the development of the State of Colorado and in forging communications for the original settlers of the area.

INTRODUCTION

As management of the Town, we offer the readers of the Town's financial statements this narrative overview and analysis of the financial activities of the Town for the year ended December 31, 2022. We encourage readers to consider the information presented here in conjunction with the Town's financial statements, which follow this section. We are pleased to present to the Mayor, Board of Trustees, and the residents, the 2022 Management Discussion and Analysis (MD&A) for the Town. This analysis represents our continued commitment to prudent fiscal management and has proposed several innovations in the organization of government, thereby advancing our ongoing efforts to continuously improve the efficient and effective delivery of Town services.

The type of government is a Town Board with the seven (7) elected officials being responsible for all policy decisions that affect the Town's financial condition. The Board of Trustees of the Town has

appointed Danette Ruvalcaba, Town Treasurer to prepare and submit a budget to our governing body in December for annual appropriation of sums of money to the various funds. The Town Treasurer is also responsible for financial reporting to the Town Board and to the public-at-large.

The Town maintains six (6) major funds, as follows:

1. General Fund
2. Grants Fund
3. Sales Tax Capital Improvement Fund
4. Use Tax Fund
5. Water Fund
6. Wastewater Fund

The Town of Bennett also maintains the following non-major funds which account for specific projects:

1. Road & Bridge Fund
2. Conservation Fund
3. Open Space Fund
4. Impact Fee Fund
5. Antelope Hills GID Fund

2022 HIGHLIGHT ACCOMPLISHMENTS

We are pleased and proud of our accomplishments in 2022 and look forward to continued community growth and development in subsequent years. The following achievements are certainly noteworthy and reflect a lot of hard work by the entire Town staff, as our unity reflects our thorough commitment to the future of the Town of Bennett.

- **Water Storage Tank-** In 2022, the Town of Bennett completed the construction of a 1M gallon water storage tank. This tank will be the largest water storage tank within the Town's current water system. This tank stands as a beacon to the growth of Bennett and is a healthy fiscal position. This storage tank will receive an artistic mural created by Some Girls and A Mural. There will also be related project placed throughout the parks and open space in Bennett. This mural was made possible through a partnership with Adams County Open Space through their Open Space Grant program.
- **Park Security-** The Town began the installation of parks security in 2022. This large-scale camera project was made possible through an Adams County Open Space Grant.
- **Bennett Regional Park and Open Space Fishing Pond-** In partnership with Arapahoe County Open Space through their annual grant program and the Fishing is Fun Grant from the State of Colorado the Town continued work to convert the existing storm drainage pond in the Bennett Regional Park Open Space (BRPOS) into a fishing pond. This new amenity is in the center of the Antelope Hills subdivision. When the fishing pond is complete, it will be stocked and monitored by the Colorado Department of Wildlife.

This fishing pond will provide a valuable outdoor recreation opportunity for Bennett residents and many other residents along the Eastern I-70 Corridor.

- **Reuse Water Distribution Station-** The Town completed the Phase Two of our reuse water system. This will allow our eastern parks and open spaces in Adams County to be irrigated by reuse water in spring of 2023. In addition, the Town began the repurposing of the second decommissioned wastewater lagoon for the storage reuse water. This water can then be purchased for bulk use in construction applications at a distribution station. Reuse water is a particularly important milestone for the Town as we are experiencing significant growth and development within the Town. The Reuse Water Distribution Station will help relieve the demand for our potable water resources. Reuse water is an important component of the Town's Water Portfolio.
- **Trupp Park Phase V-** The Town continued work on Trupp Park in 2022. These improvements included drainage improvements, concrete and a new playfield on the west.
- **North Municipal Complex (NOMCOM)-** In 2022, construction continued at the North Municipal Complex. Our Public Works team was able to move into the facility in December in 2022. This new state-of-the-art facility will allow for the continued and growing public works operations that support all the valuable infrastructure for our Town residents.
- **Transportation Improvements-** In 2022, the Town continued construction on two major road improvements. The first was the signalization of the Market Place and First Street intersection. This traffic signal will add much-needed traffic control to this busy commercial district in the Town. The second is for the improvement of the 304-exit ramp. These transportation improvements will allow more efficient traffic flow from Interstate 70 into Bennett. Both projects are critical to the economic growth and stability of the Town.
- **Bennett Days-** In September, the Town hosted our annual Bennett Days Celebration. 2022 proved to be a rainy year. Despite the weather the Town of Bennett staff planned and executed a great day of fun and celebration. Although the weather decreased our usual attendance the event was still a great success.

OVERVIEW OF THE FINANCIAL STATEMENTS

This discussion and analysis are intended to serve as an introduction to the Town's basic financial statements. The Town's basic financial statements consist of the following three components: 1) Government-wide Financial Statements, 2) Fund Financial Statements and 3) Notes to the Basic Financial Statements. This report also includes supplementary information intended to furnish additional detail to support the basic financial statements themselves.

Government-wide Financial Statements

The government-wide statements are designed to provide readers with a broad overview of the Town's finances using the accrual basis of accounting, which is the basis of accounting used by most private-sector businesses.

The statement of net position presents information on all the Town's assets and liabilities and deferred inflows of resources, with the difference reported as net position. Over time, increases and decreases in net position may provide an indication of whether the Town's financial position is improving or deteriorating.

The statement of activities presents information reflecting how the Town's net position has changed during the previous 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 only result in cash flows in future periods (e.g., uncollected taxes and earned but unused compensated leave).

The government-wide financial statements distinguish functions of the Town that are principally supported by taxes and intergovernmental revenues (governmental activities) from other functions that are intended to recover all or a significant portion of their costs through user fees and charges (business-type activities). The governmental activities of the Town include general government, public safety, public works, cultural, parks and recreation, and community planning development services. The business-type activities of the Town include water and wastewater.

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. The Town, like other state and local governments, uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. All the funds of the Town can be divided into two categories governmental funds and proprietary funds.

Governmental Funds

Governmental funds are used to report those same functions reported as governmental activities in the government-wide financial statements. However, unlike the government-wide statements, the governmental fund financial statements are prepared on the modified accrual basis of accounting. Under the modified accrual basis of accounting, revenues are recognized when they become measurable and available, and expenditures are recognized when the related fund liability is incurred, except for long-term debt and similar long-term items which are recorded when due. Most of the Town's basic services are reported in governmental funds, which focus on cash flows. The unrestricted balances left at year-end are available for spending in future years. The governmental funds statements provide a detailed short-term view as to cash, operations, and basic services provided.

The Town maintains several governmental funds as stated above. An internal service department within the General Fund is an accounting device used to accumulate and allocate costs internally among the Town's various functions. Information is presented in the Balance Sheet-Governmental Funds; and the Statement of Revenues and Expenditures; and Changes in Fund Balances-Governmental Funds. Annual budget appropriations are adopted for each of these funds. Budgetary comparison statements are provided to demonstrate compliance with budgets.

Proprietary Funds

The Town maintains one type of proprietary fund. Enterprise funds are used to report the same functions presented as business-type activities in the government-wide financial statements. The Town uses enterprises funds to account for its water and wastewater operations. The proprietary fund financial statements are prepared on the accrual basis of accounting.

Enterprise funds are used to report the same functions presented in business-type activities in the governmental-wide financial statements, only in more detail. Information is presented in the Statement

of Net Position- Enterprise Funds; Statement of Revenues, Expenses; Changes in Net Position – Enterprise Funds; and the Statement of Cash Flows – Enterprise funds.

The Town adopts an annual appropriated budget for each of its enterprise funds. A budgetary comparison schedule has been provided for each enterprise fund to demonstrate compliance with this budget.

Component Unit Funds

General Improvement District (GID) services are reported in the component unit funds.

The notes provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements. The notes to the financial statements can be found immediately after the basic financial statements.

GOVERNMENT-WIDE FINANCIAL ANALYSIS

The Town's net position for the governmental and business-type activities exceeded liabilities by \$61,532,130 at the close of 2022. The following tables illustrate the present condensed statement of net position for both of the Town's fund categories.

Table 1
Net Position

	Governmental Activities		Business-type Activities		Total	
	2021	2022	2021	2022	2021	2022
Assets						
Current Assets	\$ 13,134,308	\$ 13,788,338	\$ 18,993,579	\$ 15,030,486	\$ 32,127,887	\$ 28,818,824
Capital Assets	25,906,532	30,282,902	28,086,588	32,102,021	53,993,120	62,384,923
Total Assets	39,040,840	44,071,240	47,080,167	47,132,507	86,121,007	91,203,747
Liabilities						
Other	2,663,269	4,448,670	2,598,213	1,134,721	5,261,482	5,583,391
Long-Term	10,377,717	9,857,854	13,913,401	13,329,977	24,291,118	23,187,831
Total Liabilities	13,040,986	14,306,524	16,511,614	14,464,698	29,552,600	28,771,222
Deferred Inflows of Resources	825,257	900,395	-	-	825,257	900,395
Net Position						
Net Investment in Capital Assets	18,941,039	21,863,996	13,646,060	18,231,903	32,587,099	40,095,899
Restricted	6,520,518	4,433,702	1,047,928	377,021	7,568,446	4,810,723
Unrestricted	(286,960)	2,566,623	15,874,565	14,058,885	15,587,605	16,625,508
Total Net Position	\$ 25,174,597	\$ 28,864,321	\$ 30,568,553	\$ 32,667,809	\$ 55,743,150	\$ 61,532,130

The Town uses its capital assets to provide services to the citizens. At the end of 2022, the investment in capital assets of \$62,384,923 (land, buildings, improvements, equipment, etc.), net of debt used to acquire those assets of \$22,289,024 which amounts to \$40,095,899, or 65% of the Town's total net position of \$61,532,130. During the current fiscal year, the Town's net position increased by \$5,748,152. This increase represents the degree to which increases in ongoing revenues have surpassed similar increases in ongoing expenses as well as infrastructure contributions made by developers.

An additional portion of the Town's net position of \$4,810,723 (8%) represents resources that are subject to external restrictions on how they may be used. Unrestricted net position of \$16,625,508 (27%) reflects the amount that may be used to meet the Town's ongoing obligations to citizens and creditors. Certain assets of the Town's Water and Wastewater funds are classified as restricted assets on the balance sheet because their use is limited by applicable debt covenants.

Changes in Net Position

As presented in Table 2, the Town's overall net position increased by \$5,748,152 during 2022.

Table 2
Changes in Net Position

	Governmental Activities		Business-type Activities		Total	
	2021	2022	2021	2022	2021	2022
Revenues						
Program Revenues						
Permits, Fees, Fines						
Charges for Services	\$ 1,881,531	\$ 987,819	\$ 2,472,572	\$ 2,935,354	\$ 4,354,103	\$ 3,923,173
Operating Grants and Contributions	931,592	2,516,680	-	-	931,592	2,516,680
Capital Grants and Contributions	748,954	464,550	5,326,242	1,798,159	6,075,196	2,262,709
General Revenues and Taxes	5,866,090	6,863,230	-	-	5,866,090	6,863,230
Net Investment Income	4,634	164,482	5,768	269,393	10,402	433,875
Unrestricted Grant	52,416	76,145	1,658,280	248,106	1,710,696	324,251
Miscellaneous	474,790	235,361	-	-	474,790	235,361
Transfers	46,574	261,141	(46,574)	(261,141)	-	-
Total Revenues	10,006,581	11,569,408	9,416,288	4,989,871	19,422,869	16,559,279
Expenses						
General Government	2,777,082	3,244,328	-	-	2,777,082	3,244,328
Public Safety	522,956	608,076	-	-	522,956	608,076
Public Works	2,267,964	2,824,927	-	-	2,267,964	2,824,927
Interest on Debt	521,709	328,779	-	-	521,709	328,779
Unallocated Depreciation	848,041	914,402	-	-	848,041	914,402
Water	-	-	1,734,577	1,744,693	1,734,577	1,744,693
Wastewater	-	-	1,204,194	1,145,922	1,204,194	1,145,922
Total Expenses	6,937,752	7,920,512	2,938,771	2,890,615	9,876,523	10,811,127
Change in Net position	3,068,829	3,648,896	6,477,517	2,099,256	9,546,346	5,748,152
Net Position-Beginning						
As Restated	22,105,768	25,215,425	24,091,036	30,568,553	46,196,804	55,783,978
Net Position-Ending	\$ 25,174,597	\$ 28,864,321	\$ 30,568,553	\$ 32,667,809	\$ 55,743,150	\$ 61,532,130

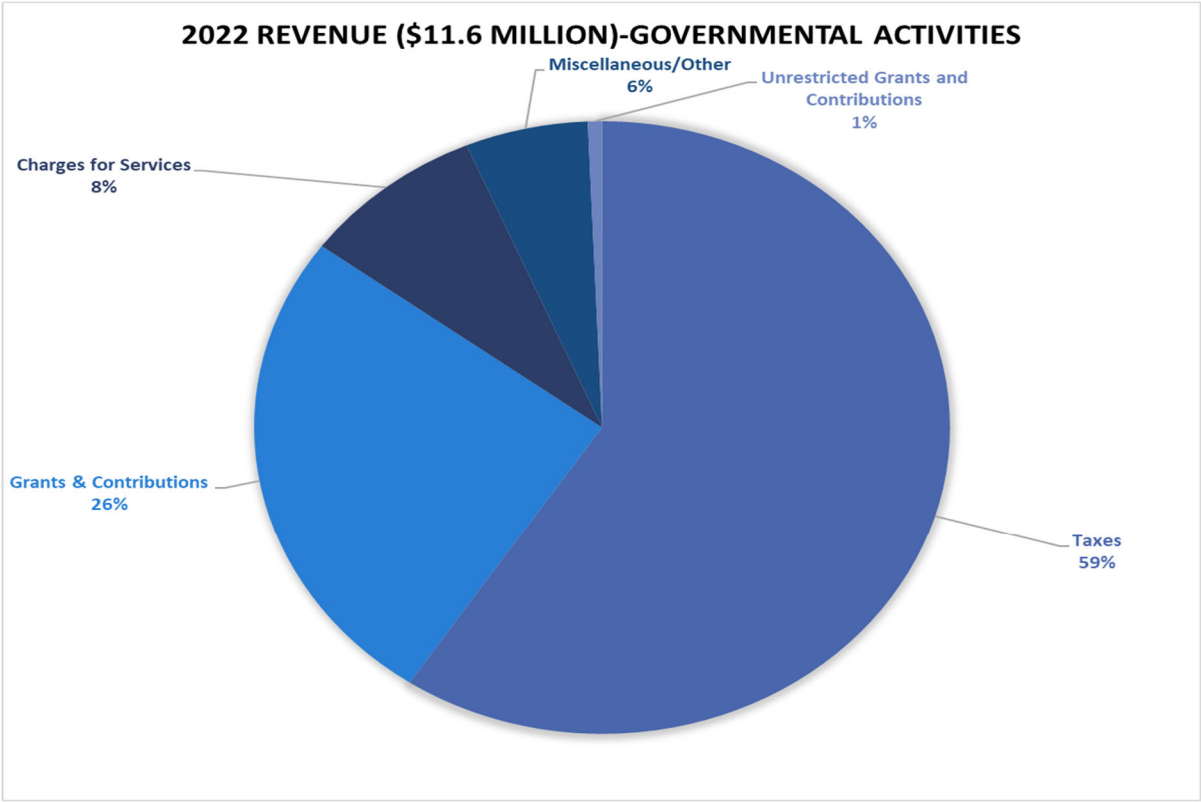
Governmental Activities

Governmental activities increased the Town's net position by \$3,648,896. The major influences causing the change are the following:

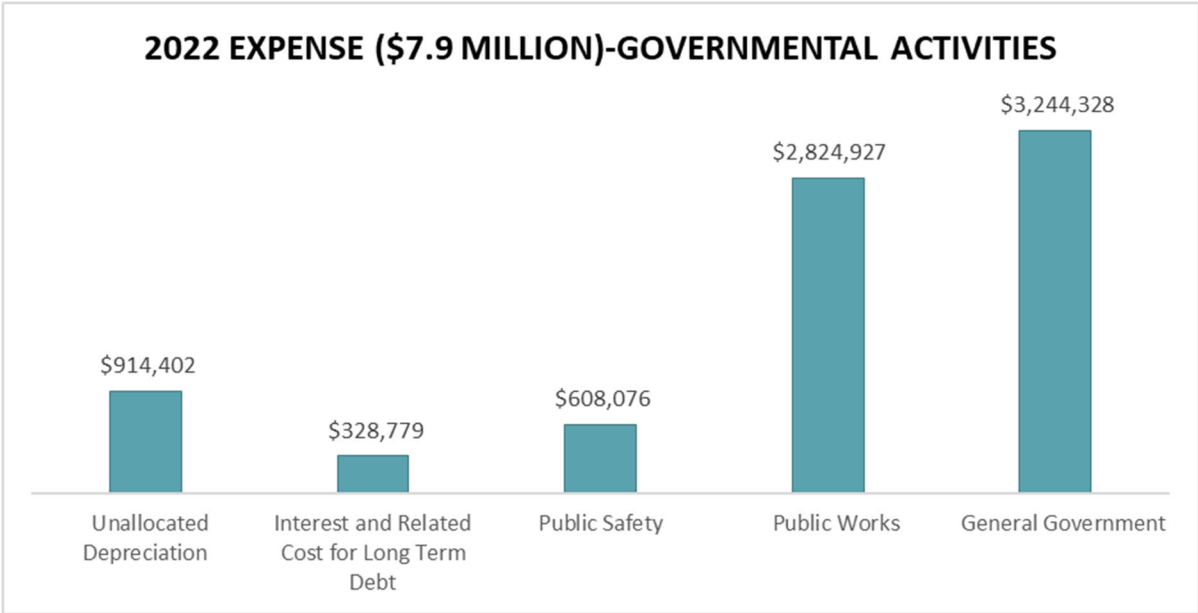
The most notable change in Net Position is due to increased revenues in Operating Grants and Contributions, Taxes, and Investment Income. Operating Grants and Contributions revenue increased due to several large grants completed in 2022. Taxes increased by \$997,140 (17%), and the Town has seen an increase in this revenue source year after year; however, in 2022, the increase was more substantial. The contributing factor is population growth, new businesses, and the requirement for sales tax to be collected on all online orders shipped into Bennett. Additionally, the Town’s property tax revenue increased in 2022. Management believes the sales tax growth will stabilize causing a more moderate increase of 3%.

Property taxes revenue will continue to increase as residential and commercial construction continues. Investment income has increased by approximately \$160,000. During the pandemic years investment income was limited due to the Federal Reserve keeping rates low. However, in 2022 the Federal Reserve began to raise rates to slow the market. This resulted in significant increases in investment rates and in turn increased income. Management anticipates the investment income will remain consistent through 2023.

Graph 1. Governmental Activities Revenue Sources



Graph 2. Governmental Activities Expenses



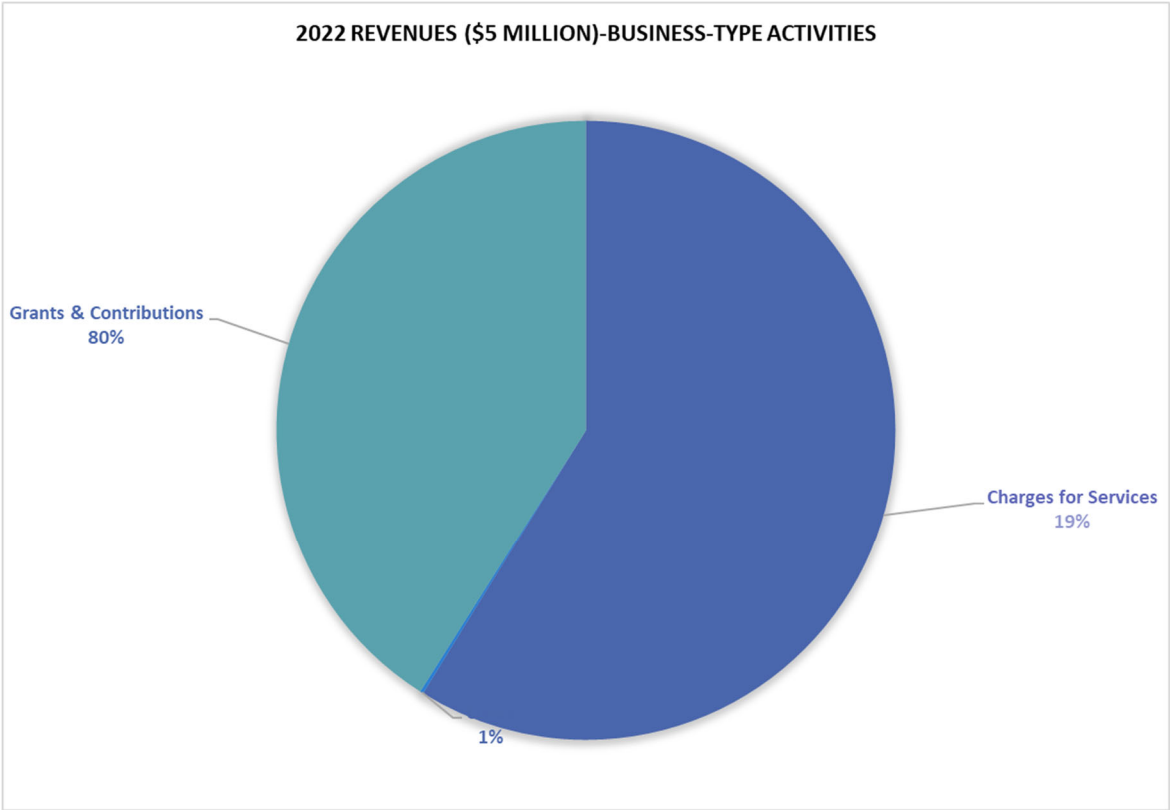
Expenses for governmental activities in 2022 increased by \$982,760 or 14%. The increase can be primarily attributed to expenditures in General Government, Public Works, and Public Safety. This increase is attributed to the North Municipal Complex (NOMCOM) construction. NOMCOM opened at the end of 2022 as the new headquarters for Public Works. The increase in General Government expenses can be attributed to personnel expense. Salaries received market adjustments as well as additional staff such as an Assistant to the Town Manager and a Planning and Economic Development Director. The increase in Public Safety is directly related to the creation of the Community Services Department which has two full-time Community Service Officers. Community Service Officers assist with Code Enforcement, Animal Control, and overall Town safety. This department was created to bolster the contracts between the Town and the Adams and Arapahoe County Sheriff’s departments.

Business-Type Activities

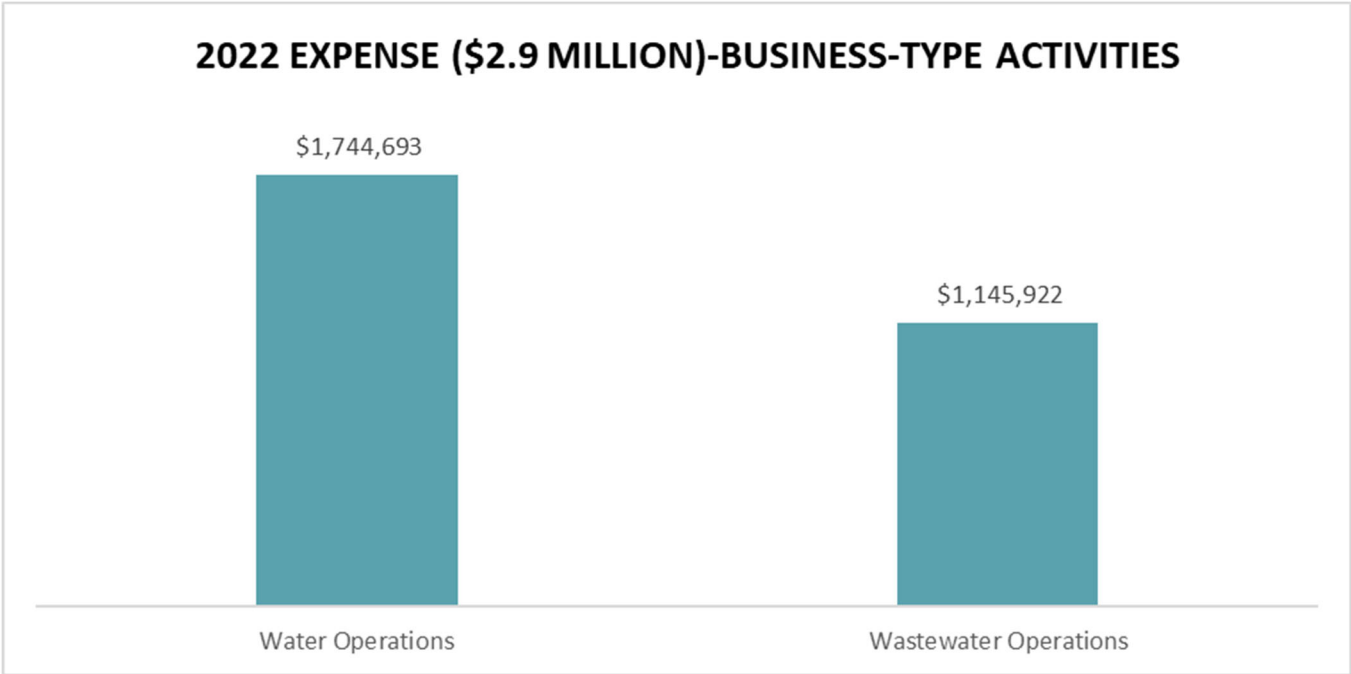
The net position of Business-Type Activities increased by \$2,099,256 for 2022. While the fund did recognize an increase, the increase was more moderate when compared to the \$6.4 million increase in 2021. The major influences are due to the following:

The Town received did not receive any utility capital contributions from developers in 2022. However, management anticipates that in 2023 these contributions will again increase due to several developments completing infrastructure in early 2023. Additionally, in 2022 grant revenue did decrease from the revenue in 2021. The Town did experience a 19% increase in charges for services, and this can be primarily attributed to the sale of bulk water for construction. The other significant increase in revenue was investment income. As stated above this is due to the changes in the market since the end of the COVID pandemic.

Graph 1. Business-Type Activities Revenue Sources



Graph 2. Business-Type Activities Expenses



In 2022, the water expense increased by \$10,116, or 1%. This can be attributed to inflation related to operations. In wastewater the expenses decreased by \$58,272, or 5%. While operations expenses increased a significant decrease in capital expense occurred in 2022 which offset this expense netting to an overall decrease in the fund.

Revenue for the wastewater and water utility is derived from service charges and other miscellaneous sources such as late fees. Projected wastewater and water service revenue under existing rates were not adequate to meet revenue requirements and sustain minimum reserves in 2022. Therefore, a rate increase was proposed and adopted for 2023. Additionally, our water rates were tiered and adjusted across all three of our water sources, potable water, untreated water, and reuse water. The fees were adjusted to encourage use of our reuse water by making the use of potable water cost prohibitive.

FINANCIAL ANALYSIS OF THE TOWN’S FUNDS

As noted previously, the Town of Bennett uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements.

Governmental Funds

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

At the end of 2022, the Town’s governmental funds reported a combined fund balance of \$8,094,149, a decrease of \$1,214,573 (13%) over 2021. This can be attributed to the completion of the North Municipal Complex. In 2021 the Town had funding for the construction in fund balance, this was expended in 2022. \$3,115,876 constitutes an unassigned fund balance, which is available for spending at the Town’s discretion. \$506,003 of the fund balance is assigned to road maintenance.

The remainder of fund balance is restricted to indicate that it is not available for new spending as follows:

Restricted for TABOR Emergencies	\$315,000
Parks and Recreation	\$4,850
Restricted for Capital Projects	\$3,419,216
Restricted for Debt Service	\$733,204

The General Fund is the primary operating fund of the Town. At the end of 2022, unassigned fund balance of the General Fund was \$4,051,235, while the total fund balance was \$4,366,235. As a measure of the General Fund’s liquidity, it may be useful to compare unassigned fund balance to total fund expenditures. Unassigned fund balance represents 93% of total General Fund expenditures. This is a 26% increase from 2021.

The fund balance of the Town’s General Fund increased by \$1,001,355 during 2022. Key factors are as follows:

- Increase in Sales and Use Tax Revenue in the amount of \$904,532, and a property tax increase of \$113,059.

Other Governmental Funds

The Conservation Trust Fund was created to account for the money received from Lottery sales and is earmarked for specific purposes by the State, including parks and recreation equipment and capital projects. The Conservation Trust Fund had a fund balance of \$4,750 at the end of 2022. \$16,930 was expended on park and open space improvements.

The Road and Bridge Fund is used to account for state highway users trust funds, county road and bridge taxes, and other revenues designated for the construction and maintenance of roads and bridges. The Road and Bridge Fund had a fund balance of \$506,003, an increase in the amount of \$164,814 in 2021.

The Sales Tax Capital Improvement Fund was created to account for the money received from the 1% sales tax increase which became effective on January 1, 2016. The Sales Tax Capital Improvement Fund had a fund balance of \$1,976,374 at the end of 2022. \$2,134,250 was expended from the Sales Tax Capital Improvement Fund for the road capital projects and maintenance, as well as the principal and interest on the 2016 Sales Tax Revenue Bonds.

Proprietary Funds

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

Net position of the enterprise operations on December 31 follows:

	2021	2022	Change
Net Position - Beginning of the Year	<u>\$ 24,091,036</u>	<u>\$ 30,568,553</u>	<u>\$ 6,477,517</u>
Net Position- End of the Year	<u>\$ 30,568,553</u>	<u>\$ 32,667,809</u>	<u>\$ 2,099,256</u>

Other factors concerning the finances of the enterprise funds have already been addressed in the discussion of the Town's business-type activities.

CAPITAL ASSETS AND DEBT ADMINISTRATION

Capital Assets

This investment in capital assets includes land, water rights, buildings and improvements, machinery, equipment, water, wastewater, and storm drainage infrastructure, as well as street system infrastructure.

The Town has a five-year Capital Improvement Plan that is updated yearly to assist the Town in long-term planning and budgeting for capital assets.

Major capital asset events during 2022 included the following:

- Converse Pump Station
- Design of the Kiowa Bennett Road Safety Improvements
- New Well Site and LFH 14

- Market Place and 1st intersection Improvements
- North Municipal Complex
- 1 million Gallon Water Storage Tank
- Design of the Water Resource Recovery and Reclamation Facility Expansion
- Exit 304 Improvements

The following table provides comparative information on the Town's capital assets for 2021 and 2022:

	Governmental Activities		Business -type Activities		Total	
	2021	2022	2021	2022	2021	2022
Land and Land Improvements	\$ 2,758,194	\$ 2,758,194	\$ 67,138	\$ 67,138	\$ 2,825,332	\$ 2,825,332
Water Rights	-	-	1,205,799	1,205,799	1,205,799	1,205,799
Construction in Process	2,577,939	7,178,162	3,546,485	8,243,562	6,124,424	15,421,724
Buildings and Improvements	3,774,358	4,150,494	7,204,664	7,204,664	10,979,022	11,355,158
IT/Software	108,035	140,199	-	-	108,035	140,199
Infrastructure	14,189,073	13,980,521	-	-	14,189,073	13,980,521
Parks and Ballfields	5,176,772	6,015,634	-	-	5,176,772	6,015,634
Public Art	40,989	40,989	-	-	40,989	40,989
Vehicle and Equipment	1,273,444	925,383	1,559,460	1,683,310	2,832,904	2,608,693
Ponds	-	-	656,605	656,605	656,605	656,605
Water System	-	-	11,540,032	11,619,543	11,540,032	11,619,543
Sewer Lines	-	-	7,792,745	7,792,745	7,792,745	7,792,745
Accumulated Depreciation	(3,992,272)	(4,906,674)	(5,486,340)	(6,371,345)	(9,478,612)	(11,278,019)
Net Capital Assets	<u>\$ 25,906,532</u>	<u>\$ 30,282,902</u>	<u>\$ 28,086,588</u>	<u>\$ 32,102,021</u>	<u>\$ 53,993,120</u>	<u>\$ 62,384,923</u>

Additional information on the Town's capital assets can be found in Note 4 of the financial statements.

Debt Administration

As of December 31, 2022, the Town had outstanding long-term obligations of \$24,166,431, as follows:

	2021	Additions	Payments	2022
Governmental Activities	\$ 10,720,169	\$ 65,434	\$ 499,813	\$ 10,285,790
Business-type Activities	14,451,880	4,764	576,003	13,880,641
	<u>\$ 25,172,049</u>	<u>\$ 70,198</u>	<u>\$ 1,075,816</u>	<u>\$ 24,166,431</u>

Additional information on the Town's long-term obligations can be found in Note 4 of the financial statements.

ECONOMIC FACTORS

As the next incorporated area east of Aurora, Bennett, Colorado, is experiencing significant pressure from ongoing and future development. Bennett's community leaders are visionary and willing to take bold steps to secure the Town's future. The Town has identified a 91.4 square mile "Area of Planning Interest." Bennett's growth intentions are reflected by its objective to introduce public improvements related to development for job creation and retention. It is becoming increasingly vital that our infrastructure improvements have the capacity to support this anticipated development.

The projections for economic development in the Town show significant growth between 2010 and 2035.

These projections were completed in 2005 by the Denver Regional Council of Governments (DRCOG), prior to the recent recession, and have been modified by Economic Planning Systems (EPS) to account for regional employment contraction. Notwithstanding this contraction, the future growth of the Bennett planning area remains strong.

The planning area is estimated to grow by 6,454 housing units and 2,568 new jobs. This projected growth in housing units and employment creates the demand for 1,382 acres. Furthermore, 1,149 acres of land are needed to allow for the projected growth in housing. There is a projected demand for 43 acres of office, 71 acres of retail, and 118 acres of industrial land. These base numbers were forecasted using DRCOG's growth rates (with modifications by EPS) to reflect more current projections made by the Colorado Department of Local Affairs (DOLA) and the Center for Business and Economic Forecasts (CBEF).

2023 BUDGET OUTLOOK

The principal general revenue sources for the Town are sales taxes, grant revenue, water sales and property taxes. The local, state, and national economies are always a consideration for projecting the revenues for the coming year. The economy for Bennett has shown moderate growth during 2022. Residential growth for Bennett does not exceed the national average but has benefited from the addition of many new commercial businesses. Therefore, conservative attainable revenue estimates have been projected in all funds.

Sales Tax - The General Fund anticipated sales tax revenues for 2023 are based on an economic growth projection rate of 3% over 2022 projected revenues. Sales tax equals \$4.3 million of the total \$6.9 million in General Fund revenues.

In 2022 sales tax revenues exceeded our budgeted amounts by \$929,384. On November 3, 2015, the Town successfully passed an additional 1.00% sales tax to be collected, retained, and spent to finance the construction and maintenance of existing and planned street and other street related capital improvements within the Town. In 2022, the 1% sales tax exceeded our budget by over \$270,448 and we anticipate seeing a similar increase in 2023.

Water & Wastewater Sales – 2023 will see the addition of an estimated 100 new users to our water and wastewater system. Wastewater base and usage rates were increased in 2023, the new base rate is \$40.00, and the usage rate is \$8.05/1000 gallons. Additionally, the water base rate was increased to \$34.46 and usage rates for water were restructured to make the utilization of potable bulk water cost prohibitive as the Town offers reuse water for construction. Furthermore, the Town will see a continued increase in water and wastewater development fees in 2023 as new development takes place in Bennett. These development funds will ensure the Town has funds reserved for continued and sustained improvement and expansion of the existing infrastructure in both water and wastewater.

Grant Revenue – When viewed comprehensively, grant revenue is an ongoing effort to establish and research the highest level of resources available to us for capital improvement projects the Town cannot fund solely. Grant revenue in 2023 is projected to be \$2,610,000 for new parks, facility improvements, and trails. The Town of Bennett has limited revenue sources and an abundance of capital improvement projects forthcoming. That, of course, raises the questions of where those resources will come from, and who will do the work. As the Town of Bennett works to develop other financing options in the future, the opportunity to obtain Assistance Grant Funds would supplement the cost of some of our major

infrastructure projects. We have the funds available to provide a match but are unable to complete the project without additional monetary support.

Property Tax – Revenues in Adams County assessed valuations have increased for 2023, 16%. Arapahoe County had a decrease of 5%. We are noticing a trend of increasing property tax revenue, and this is very positive news for the Town as a predictor for growth in the housing market for Bennett for this assessment year.

Overall, the 2023 budget revenues represent a 7% increase over the 2022 projected revenue. This increase is reflected in the sales tax projected increase. As the next incorporated area east of Aurora, Bennett, Colorado is experiencing significant pressure from ongoing and future development. Bennett's community leaders are visionary and willing to take bold steps to secure the Town's future. In 2023 the Town will see houses going vertical in at least three new housing developments. Additionally, the completion of at least two commercial projects.

2023 HIGHLIGHT PROJECTS

Looking forward to 2023, The Board philosophy places an emphasis on the construction and procurement of necessary assets to ensure that Bennett remains a stable and successful community now and into the future. Items that will be the focus of 2023 are public relations, Kiowa Bennett Road improvements and Purple Pipe. Through the development of our Capital Asset and Inventory Master Plan, C.A.I.M.P. completed in 2019, the Town was able to identify capital needs of the Town in all major infrastructure categories. It then allowed for the prioritization of these projects based on capacity, condition, and criticality. This list was then balanced against expected revenue to help us identify the major projects in 2023.

CAPITAL PROJECT	2023 BUDGET	FUND
REDRILL WELL 7	600,000	WATER
CUSTER STREET WATER LINE EXTENSION	763,757	WATER
NORTH SHOP FENCING/GRADING	50,000	BUILDING
OLD PW RENOVATION	200,000	CIP
TRUMAN BYPASS PHASE I	850,000	WASTEWATER
WEST REGIONAL INTERCEPTOR DESIGN	375,000	WASTEWATER
LAGOON COVER	400,000	WATER
SANITARY SEWER WHOLE SYSTEM MONITORING	160,000	WASTEWATER
KIOWA STREET STORM SEWER IMPROVEMENTS-ROADS	112,500	ROADS
KIOWA STREET STORM SEWER IMPROVEMENTS-ROADS	112,500	STORMWATER
TIP TRAIL CONNCECTION PHASE I	885,000	GRANT
EVENT BLEACHERS	50,000	GRANT
HIGHWAY 79 TRAIL REPLACEMENT	200,000	GRANT
SKATE PARK EXPANSION	300,000	GRANT
CIVIC CENTER PARK DESING	50,000	GRANT
CODE UPDATES	75,000	GRANT
FUTURE PARK PHASE III	300,000	GRANT
CEMETERY LANDSCAPING AND TRAILHEAD	500,000	GRANT
TOTAL CAPITAL EXPENDITURES	\$5,983,757	

At the heart of government finance is the concept of fund accounting. Governments create funds to account for related expenses and revenues. For example, the Water and Sewer Operating Fund contains the budget to run the Town's water supply and wastewater system and the revenues collected (primarily user charges) to pay for the system. The use of fund accounting is one of the basic requirements of generally accepted accounting principles (GAAP) for government and one of the major differences between governmental and commercial accounting. It requires separate record keeping for each individual fund a government uses.

Like prior budgets, the 2023 budget relies on projections regarding available revenue, thereby accepting the limits of the Town's financial resources. The budget is based upon an established ceiling of revenue derived from local property taxes and three-year projection averages of sales tax.

REQUESTS FOR INFORMATION

This financial report is designed to provide our residents, taxpayers, customers, investors, and creditors with a general overview of the Town's finances and to show the Town's accountability for the funds and assets it receives. If you have questions about this report or need additional information, contact the Town Treasurer, 207 Muegge Way, Bennett, CO, 80102 or call (303) 644-3249.

BASIC FINANCIAL STATEMENTS

TOWN OF BENNETT, COLORADO
STATEMENT OF NET POSITION
DECEMBER 31, 2022

	Governmental Activities	Business-Type Activities	Total
<u>Assets</u>			
Cash and cash equivalents	\$ 9,325,605	\$ 14,437,695	\$ 23,763,300
Cash and cash equivalents - restricted	1,186,730	433,852	1,620,582
Accounts receivable	2,375,608	131,098	2,506,706
Property taxes receivable	900,395	-	900,395
Prepaid items	-	27,841	27,841
Capital assets, not depreciated	9,977,345	9,516,499	19,493,844
Capital assets, net of depreciation	20,305,557	22,585,522	42,891,079
Total Assets	<u>44,071,240</u>	<u>47,132,507</u>	<u>91,203,747</u>
<u>Liabilities</u>			
Accounts payable	1,668,806	494,738	2,163,544
Other liabilities	1,643,607	32,489	1,676,096
Accrued interest payable	38,568	56,831	95,399
Unearned revenue	391,936	-	391,936
Deposits	277,817	-	277,817
Noncurrent liabilities:			
Due within one year	427,936	550,663	978,599
Due in more than one year	9,857,854	13,329,977	23,187,831
Total Liabilities	<u>14,306,524</u>	<u>14,464,698</u>	<u>28,771,222</u>
<u>Deferred Inflows of Resources</u>			
Unavailable property taxes	900,395	-	900,395
Total Deferred Inflows of Resources	<u>900,395</u>	<u>-</u>	<u>900,395</u>
<u>Net Position</u>			
Net investment in capital assets	21,863,996	18,231,903	40,095,899
Restricted			
Emergency reserves	315,000	-	315,000
Debt service	694,636	377,021	1,071,657
Parks and recreation	4,850	-	4,850
Capital projects	3,419,216	-	3,419,216
Unrestricted	2,566,623	14,058,885	16,625,508
Total Net Position	<u>\$ 28,864,321</u>	<u>\$ 32,667,809</u>	<u>\$ 61,532,130</u>

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

TOWN OF BENNETT, COLORADO
STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED DECEMBER 31, 2022

Functions/Programs	Expenses	Program Revenues			Net (Expense) Revenue and Changes in Net Position		
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Governmental Activities	Business-Type Activities	Total
Primary government:							
Governmental Activities:							
General government	\$ 3,244,328	\$ 799,828	\$ 399,938	\$ -	\$ (2,044,562)	\$ -	\$ (2,044,562)
Public safety	608,076	-	-	-	(608,076)	-	(608,076)
Public works	2,824,927	187,991	2,116,742	464,550	(55,644)	-	(55,644)
Interest and fiscal charges	328,779	-	-	-	(328,779)	-	(328,779)
Unallocated depreciation	914,402	-	-	-	(914,402)	-	(914,402)
Total governmental activities	<u>7,920,512</u>	<u>987,819</u>	<u>2,516,680</u>	<u>464,550</u>	<u>(3,951,463)</u>	<u>-</u>	<u>(3,951,463)</u>
Business-Type Activities:							
Water utility	1,744,693	1,763,452	-	1,668,030	-	1,686,789	1,686,789
Wastewater utility	1,145,922	1,171,902	-	130,129	-	156,109	156,109
Total business-type activities	<u>2,890,615</u>	<u>2,935,354</u>	<u>-</u>	<u>1,798,159</u>	<u>-</u>	<u>1,842,898</u>	<u>1,842,898</u>
Total primary government	<u>10,811,127</u>	<u>3,923,173</u>	<u>2,516,680</u>	<u>2,262,709</u>	<u>(3,951,463)</u>	<u>1,842,898</u>	<u>(2,108,565)</u>
GENERAL REVENUES:							
Taxes							
General property					831,798	-	831,798
Specific ownership taxes					56,254	-	56,254
Sales and use taxes					5,852,163	-	5,852,163
Franchise and other taxes					123,015	-	123,015
Investment earnings					164,482	269,393	433,875
Grants and contributions, not restricted					76,145	248,106	324,251
Miscellaneous					235,361	-	235,361
Transfers					261,141	(261,141)	-
Total general revenues					<u>7,600,359</u>	<u>256,358</u>	<u>7,856,717</u>
Change in net position					3,648,896	2,099,256	5,748,152
Net position - beginning, as restated					<u>25,215,425</u>	<u>30,568,553</u>	<u>55,783,978</u>
Net position - ending					<u>\$ 28,864,321</u>	<u>\$ 32,667,809</u>	<u>\$ 61,532,130</u>

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

TOWN OF BENNETT, COLORADO
BALANCE SHEET – GOVERNMENTAL FUNDS
DECEMBER 31, 2022

	General	Grants	Sales Tax Capital Improvements	Use Tax Capital Improvements	Non-Major Governmental Funds	Total Governmental Funds
<u>Assets</u>						
Cash and cash equivalents	\$ 4,400,880	\$ -	\$ 1,902,797	\$ 928,874	\$ 2,093,054	\$ 9,325,605
Cash and cash equivalents - restricted	-	-	733,204	453,526	-	1,186,730
Accounts receivable	650,074	1,494,600	229,640	0	1,294	2,375,608
Property taxes receivable	629,570	-	-	-	270,825	900,395
Due from other funds	1,538,678	-	-	-	-	1,538,678
Total assets	<u>\$ 7,219,202</u>	<u>\$ 1,494,600</u>	<u>\$ 2,865,641</u>	<u>\$ 1,382,400</u>	<u>\$ 2,365,173</u>	<u>\$ 15,327,016</u>
<u>Liabilities, deferred inflows of resources and fund balance</u>						
<u>Liabilities:</u>						
Accounts payable	\$ 289,973	\$ 91,653	\$ 889,267	\$ 339,155	\$ 58,758	\$ 1,668,806
Other liabilities	1,643,607	-	-	-	-	1,643,607
Deposits	277,817	-	-	-	-	277,817
Unearned revenue	-	-	-	-	391,936	391,936
Due to other funds	-	1,538,678	-	-	-	1,538,678
Total liabilities	<u>2,211,397</u>	<u>1,630,331</u>	<u>889,267</u>	<u>339,155</u>	<u>450,694</u>	<u>5,520,844</u>
<u>Deferred inflows of resources</u>						
Unavailable property taxes	629,570	-	-	-	270,825	900,395
Unavailable revenue	12,000	799,628	-	-	-	811,628
Total deferred inflows of resources	<u>641,570</u>	<u>799,628</u>	<u>-</u>	<u>-</u>	<u>270,825</u>	<u>1,712,023</u>
<u>Fund balance:</u>						
Restricted						
Parks and recreation	-	-	-	-	4,850	4,850
Capital projects	-	-	1,243,170	1,043,245	1,132,801	3,419,216
Debt service	-	-	733,204	-	-	733,204
Emergencies	315,000	-	-	-	-	315,000
Assigned for						
Road maintenance	-	-	-	-	506,003	506,003
Unassigned	4,051,235	(935,359)	-	-	-	3,115,876
Total fund balances	<u>4,366,235</u>	<u>(935,359)</u>	<u>1,976,374</u>	<u>1,043,245</u>	<u>1,643,654</u>	<u>8,094,149</u>
Total liabilities, deferred inflows of resources and fund balance	<u>\$ 7,219,202</u>	<u>\$ 1,494,600</u>	<u>\$ 2,865,641</u>	<u>\$ 1,382,400</u>	<u>\$ 2,365,173</u>	<u>\$ 15,327,016</u>

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

TOWN OF BENNETT, COLORADO
RECONCILIATION OF THE GOVERNMENTAL FUNDS
BALANCE SHEET TO THE STATEMENT OF NET POSITION
DECEMBER 31, 2022

Total fund balance, governmental funds	\$ 8,094,149
Amounts reported for governmental activities in the statement of net position are different because:	
Capital assets used in governmental activities are not financial resources and therefore, are not reported in the governmental funds.	30,282,902
Long-term liabilities, including loans payable are not due and payable in the current period, and therefore, are not reported in governmental funds.	
Bonds and notes payable	(9,510,139)
Bond premium	(707,432)
Interest payable	(38,568)
Compensated absences	(68,219)
Certain revenues not available to pay liabilities of the current period are deferred in the governmental funds	811,628
Total net position of governmental activities	<u>\$ 28,864,321</u>

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

TOWN OF BENNETT, COLORADO
STATEMENT OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCES – GOVERNMENTAL FUNDS
FOR THE YEAR ENDED DECEMBER 31, 2022

	General	Grants	Sales Tax Capital Improvements	Use Tax Capital Improvements	Non-Major Governmental Funds	Total Governmental Funds
Revenues						
Taxes	\$ 4,972,152	\$ -	\$ 1,438,484	\$ 116,072	\$ 336,522	\$ 6,863,230
Intergovernmental	378,669	1,534,107	120,753	464,550	432,477	2,930,556
Licenses and permits	328,559	-	-	-	-	328,559
Charges for services	471,269	-	-	-	-	471,269
Impact fees	23,971	-	-	-	164,020	187,991
Bennett Arts & Cultural Fund	73,224	-	-	-	-	73,224
Contributions	2,921	-	-	-	-	2,921
Investment earnings	64,853	-	34,214	28,485	36,930	164,482
Miscellaneous	223,211	-	175,000	-	45,702	443,913
Total revenues	<u>6,538,829</u>	<u>1,534,107</u>	<u>1,768,451</u>	<u>609,107</u>	<u>1,015,651</u>	<u>11,466,145</u>
Expenditures						
Current:						
General government	3,225,240	-	-	-	4,246	3,229,486
Public safety	608,076	-	-	-	-	608,076
Public works	1,233,724	-	101,132	-	245,985	1,580,841
Miscellaneous	18,363	-	-	712	-	19,075
Capital outlay	94,010	2,396,857	1,692,318	2,476,120	84,105	6,743,410
Debt service:						
Principal	-	-	150,000	95,000	123,474	368,474
Interest and fiscal charges	-	-	190,800	120,900	80,797	392,497
Total expenditures	<u>5,179,413</u>	<u>2,396,857</u>	<u>2,134,250</u>	<u>2,692,732</u>	<u>538,607</u>	<u>12,941,859</u>
Excess revenues over (under) expenditures	<u>1,359,416</u>	<u>(862,750)</u>	<u>(365,799)</u>	<u>(2,083,625)</u>	<u>477,044</u>	<u>(1,475,714)</u>
Other financing sources						
Transfers in	357,239	673,048	-	545,900	-	1,576,187
Transfers out	(715,300)	-	-	(88,129)	(511,617)	(1,315,046)
Total other financing sources	<u>(358,061)</u>	<u>673,048</u>	<u>-</u>	<u>457,771</u>	<u>(511,617)</u>	<u>261,141</u>
Net change in fund balances	1,001,355	(189,702)	(365,799)	(1,625,854)	(34,573)	(1,214,573)
Fund balances - beginning, as restated	3,364,880	(745,657)	2,342,173	2,669,099	1,678,227	9,308,722
Fund balances - ending	<u>\$ 4,366,235</u>	<u>\$ (935,359)</u>	<u>\$ 1,976,374</u>	<u>\$ 1,043,245</u>	<u>\$ 1,643,654</u>	<u>\$ 8,094,149</u>

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

TOWN OF BENNETT, COLORADO
RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS
TO THE STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED DECEMBER 31, 2022

Net change in fund balance - total governmental funds: \$ (1,214,573)

Amounts reported for governmental activities in the statement of activities
are different because:

Governmental funds report capital outlays as expenditures. However, in the
statement of activities the cost of these assets is allocated over their estimated
useful lives and reported as depreciation expense.

Capital outlay	5,499,324
Depreciation expense	(914,402)
Loss on disposal	(208,552)

The issuance of long-term debt provides current financial resources, while
the repayment of the principal of long-term debt consumes the current
financial resources of governmental funds. Neither transaction, however,
has any effect on net position

Principal payments	368,474
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Some expenses reported in the statement of activities do not require the use of
current financial resources and, therefore, are not reported as expenditures
in the governmental funds

Amortization of bond premium	61,672
Change in accrued interest	2,046
Change in accrued compensated absences	4,233

Revenues in the statement of activities that do not provide current
financial resources are not reported as revenues in governmental funds

Change in unavailable revenue	50,674
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Change in net position of governmental activities	\$ 3,648,896
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The accompanying notes are an integral part of the financial statements.

TOWN OF BENNETT, COLORADO
STATEMENT OF NET POSITION
PROPRIETARY FUNDS
DECEMBER 31, 2022

	Water Fund	Wastewater Fund	Total
<u>Assets</u>			
Current assets:			
Cash and cash equivalents	\$ 10,484,785	\$ 3,952,910	\$ 14,437,695
Cash and cash equivalents - restricted	282,559	151,293	433,852
Accounts receivable, net	46,998	84,100	131,098
Prepaid items	27,841	-	27,841
Total current assets	<u>10,842,183</u>	<u>4,188,303</u>	<u>15,030,486</u>
Noncurrent assets:			
Capital assets, not being depreciated	9,202,519	313,980	9,516,499
Capital assets, net of depreciation	8,791,145	13,794,377	22,585,522
Total noncurrent assets	<u>17,993,664</u>	<u>14,108,357</u>	<u>32,102,021</u>
Total assets	<u><u>28,835,847</u></u>	<u><u>18,296,660</u></u>	<u><u>47,132,507</u></u>
<u>Liabilities</u>			
Current liabilities:			
Accounts payable	412,391	82,347	494,738
Other liabilities	31,895	594	32,489
Accrued interest	41,738	15,093	56,831
Notes payable, current	151,199	179,415	330,614
Bonds payable, current	135,000	-	135,000
Capital leases, current	37,264	37,263	74,527
Compensated absences, current	6,065	4,457	10,522
Total current liabilities	<u>815,552</u>	<u>319,169</u>	<u>1,134,721</u>
Noncurrent liabilities:			
Notes payable	3,063,593	5,065,165	8,128,758
Bonds payable	5,120,996	-	5,120,996
Capital leases	40,111	40,112	80,223
Total noncurrent liabilities	<u>8,224,700</u>	<u>5,105,277</u>	<u>13,329,977</u>
Total liabilities	<u><u>9,040,252</u></u>	<u><u>5,424,446</u></u>	<u><u>14,464,698</u></u>
<u>Net Position</u>			
Net investment in capital assets	9,445,501	8,786,402	18,231,903
Restricted - debt service	240,821	136,200	377,021
Unrestricted	10,109,273	3,949,612	14,058,885
Total net position	<u><u>\$ 19,795,595</u></u>	<u><u>\$ 12,872,214</u></u>	<u><u>\$ 32,667,809</u></u>

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

TOWN OF BENNETT, COLORADO
STATEMENT OF REVENUES, EXPENSES AND
CHANGES IN NET POSITION – PROPRIETARY FUNDS
FOR THE YEAR ENDED DECEMBER 31, 2022

	Water Fund	Wastewater Fund	Total
Operating revenues			
Charges for services	\$ 1,763,452	\$ 1,171,902	\$ 2,935,354
Total operating revenues	<u>1,763,452</u>	<u>1,171,902</u>	<u>2,935,354</u>
Operating expenses			
Operations and maintenance	1,130,234	605,173	1,735,407
Depreciation	410,028	474,977	885,005
Total operating expenses	<u>1,540,262</u>	<u>1,080,150</u>	<u>2,620,412</u>
Operating income (loss)	223,190	91,752	314,942
Nonoperating revenues (expenses)			
Investment earnings	202,922	66,471	269,393
Intergovernmental	301,886	-	301,886
Interest expense and fiscal charges	(204,431)	(65,772)	(270,203)
Other revenue	70,422	177,684	248,106
Total non-operating revenues (expenses)	<u>370,799</u>	<u>178,383</u>	<u>549,182</u>
Income (loss) before contributions and transfers	593,989	270,135	864,124
Capital contributions and transfers			
Capital contributions	1,366,144	130,129	1,496,273
Transfers in	351,640	-	351,640
Transfers out	(441,878)	(170,903)	(612,781)
Total capital contributions and transfers	<u>1,275,906</u>	<u>(40,774)</u>	<u>1,235,132</u>
Change in net position	1,869,895	229,361	2,099,256
Net position, beginning	17,925,700	12,642,853	30,568,553
Net position, ending	<u>\$ 19,795,595</u>	<u>\$ 12,872,214</u>	<u>\$ 32,667,809</u>

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

TOWN OF BENNETT, COLORADO
STATEMENT OF CASH FLOWS
PROPRIETARY FUNDS
FOR THE YEAR ENDED DECEMBER 31, 2022

	Water Fund	Wastewater Fund	Total
Cash Flows From Operating Activities			
Cash received from customers	\$ 1,860,600	\$ 1,163,555	\$ 3,024,155
Cash paid to employees	(252,220)	(210,013)	(462,233)
Cash paid to suppliers	(2,204,752)	(558,214)	(2,762,966)
Net cash provided (used) by operating activities	<u>(596,372)</u>	<u>395,328</u>	<u>(201,044)</u>
Cash Flows From Capital and Related Financing Activities			
Acquisition of capital assets	(4,181,401)	(277,446)	(4,458,847)
System investment fees received	924,553	307,813	1,232,366
Debt principal payments	(312,298)	(210,279)	(522,577)
Debt interest payments	(252,265)	(65,772)	(318,037)
Net cash provided by capital and related financing activities	<u>(3,821,411)</u>	<u>(245,684)</u>	<u>(4,067,095)</u>
Cash Flows From Noncapital Financing Activities			
Grant and related cash receipts	475,851	-	475,851
Other cash receipts	70,422	-	70,422
Transfers to/from other funds	(90,238)	(170,903)	(261,141)
Net cash provided by noncapital financing activities	<u>456,035</u>	<u>(170,903)</u>	<u>285,132</u>
Cash Flows From Investing Activities			
Interest received	202,922	66,471	269,393
Net cash provided by investing activities	<u>202,922</u>	<u>66,471</u>	<u>269,393</u>
Net change in cash and cash equivalents	(3,758,826)	45,212	(3,713,614)
Cash and cash equivalents and restricted cash, beginning of year	<u>14,526,170</u>	<u>4,058,991</u>	<u>18,585,161</u>
Cash and cash equivalents and restricted cash, end of year	<u>\$ 10,767,344</u>	<u>\$ 4,104,203</u>	<u>\$ 14,871,547</u>
Reconciliation of Net Operating Income to Net Cash Provided by Operating Activities			
Net operating income	\$ 223,190	\$ 91,752	\$ 314,942
Adjustments to reconcile net operating income to cash provided by operating activities			
Depreciation expense	410,028	474,977	885,005
Changes in assets and liabilities related to operations			
(Increase) Decrease in:			
Accounts receivable	83,245	(8,941)	74,304
Prepaid items	1,210	-	1,210
Increase (Decrease) in:			
Accounts payable	(1,328,575)	(161,598)	(1,490,173)
Other liabilities	13,903	594	14,497
Compensated absences payable	627	(1,456)	(829)
Net cash provided (used) by operating activities	<u>\$ (596,372)</u>	<u>\$ 395,328</u>	<u>\$ (201,044)</u>

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

TOWN OF BENNETT, COLORADO
NOTE TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2022

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Financial Reporting Entity

The Town of Bennett, Colorado (the Town), was incorporated in 1930, and is governed by a Mayor and seven-member Board of Trustees elected by the residents. The Town provides the following services: public safety, public works, water and sanitation, parks and recreation, public improvements, planning and zoning, and general administrative services.

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

The financial reporting entity consists of the Town, organizations for which the Town is financially accountable, and organizations that raise and hold economic resources for the direct benefit of the Town. All funds, organizations, institutions, agencies, departments, and offices that are not legally separate are part of the Town. Legally separate organizations for which the Town is financially accountable are considered part of the reporting entity. Financial accountability exists if the Town appoints a voting majority of the organization's governing board and is able to impose its will on the organization, or if there is a potential for the organization to provide benefits to or impose financial burdens on the Town.

The Town includes the Antelope Hills General Improvement District (the District) within its reporting entity. The District is a legally separate entity from the Town and the Town Trustees sit as the Board of Directors of the District. The District has the power to acquire, construct or install public improvements within its own boundaries and to finance such improvements by levying a general property tax upon the benefiting property. The District is reported as a blended component unit in the Town's financial statements due to Town Board control and does not issue separate financial statements.

Government-Wide and Fund Financial Statements

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

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

TOWN OF BENNETT, COLORADO
NOTE TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2022

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Government-Wide and Fund Financial Statements (Continued)

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

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

Measurement Focus, Basis of Accounting, and Financial Statement Presentation

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

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

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

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

TOWN OF BENNETT, COLORADO
NOTE TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2022

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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

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

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

The *Grants Fund* accounts for revenues and expenditures of specific local, state, and federal grant awards.

The *Sales Tax Capital Improvement Fund* accounts for the proceeds of the Town's 2016 Sales Tax Revenue Bonds and the additional 1% sales tax approved by the voters in November 2015 restricted to construction and maintenance of the Town's roads.

The *Use Tax Capital Improvement Fund* accounts for the proceeds of the Town's 2021 General Obligation Bonds and the 2% use tax assessed on construction permits.

Proprietary funds distinguish operating revenues and expenses from nonoperating items. Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with a proprietary fund's principal ongoing operations. Operating expenses for enterprise funds include the cost of sales and services, administrative expenses, and depreciation on capital assets. All revenues and expenses not meeting this definition are reported as nonoperating revenues and expenses.

The Town reports the following major proprietary funds:

The *Water Fund* accounts for the financial activities associated with the provision of water services to Town residents.

The *Wastewater Fund* accounts for the financial activities associated with the operation and maintenance of the sewer system.

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

Interfund transactions are treated and classified as revenues, expenditures, or expenses. These include interfund transfers and billings from one fund to another for the purchase of goods or services.

TOWN OF BENNETT, COLORADO
NOTE TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2022

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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

In the government-wide statement of activities, interfund transactions are eliminated unless the transfer is between the governmental and business-type activities.

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

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

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

Receivables – All receivables are reported at their gross value and, where appropriate, are reduced by the estimated portion that is expected to be uncollectible. At December 31, 2022, the Town believes all amounts recorded are fully collectible.

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

By December 15 of each year, property taxes for the Town are levied by the Board and certified to Adams and Arapahoe County for collection in the subsequent year. These taxes attach as an enforceable lien on property as of January 1 of the succeeding year and are payable in full by April 30 or in two installments by June 15 in the year of collection. The taxes are collected by Adams and Arapahoe County on behalf of the Town. Property taxes levied in the General Fund and by the Antelope Hills General Improvement District are included in receivables and deferred inflows at December 31, 2022. These taxes are classified as deferred inflows since they are not normally available to the Town until the subsequent fiscal year.

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

Capital Assets – Capital assets, which include land, construction in process, water rights, water and wastewater systems, buildings, equipment, and all infrastructure of the Town, are reported in the applicable governmental or business-type activities columns in the government-wide financial statements and the proprietary fund in the fund financial statements.

TOWN OF BENNETT, COLORADO
NOTE TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2022

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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

Capital assets are defined as assets with an initial, individual cost of \$5,000 or more and an estimated useful life in excess of one year. Such assets are recorded at acquisition cost or estimated acquisition cost if purchased or constructed. Donated capital assets are recorded at the acquisition value on the date of donation.

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

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

<u>Description</u>	<u>Estimated Lives</u>
Buildings	40 years
Buildings and improvements	15 years
Streets, curbs, and gutters	15 - 30 years
Parks and ball fields	10 - 40 years
Water and wastewater systems	15 - 50 years
Furniture and equipment	5 - 10 years

Compensated Absences – Vacation leave is based on an employee's length of employment and is earned ratably during the span of employment. Unpaid compensated absences are recorded as a liability when the benefits are earned in the proprietary fund financial statements. For governmental funds, there is no legal requirement to accumulate expendable available financial resources to liquidate the obligation; thus expenditures are recognized in the governmental funds when payments are made to employees. The liability is typically liquidated with resources of the same fund that has paid the applicable employee's regular salaries and fringe benefits.

Unearned revenues – Unearned revenues include funds received in advance and the Town has not met certain eligibility requirements to recognize revenue.

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

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

TOWN OF BENNETT, COLORADO
NOTE TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2022

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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

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

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

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

Deferred inflows of resources for the Town consist of property taxes receivable and unavailable revenue as of December 31, 2022. Property tax revenue is considered a deferred inflow of resources in the year the taxes are levied and measurable and are recognized as an inflow of resources in the period they are collected.

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

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

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

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

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

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

TOWN OF BENNETT, COLORADO
NOTE TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2022

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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

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

Restricted fund balance – The amounts constrained to specific purposes by their providers (such as grantors, bondholders, and higher levels of government), through constitutional provisions, or by enabling legislation.

Committed fund balance – Amounts constrained to specific purposes by the Town itself, using its highest level of decision-making authority (i.e., Board of Trustees). To be reported as committed, amounts cannot be used for any other purpose unless the Town takes the same highest-level action to remove or change the constraint. Commitments may be established, modified, or rescinded only through ordinances or resolutions approved by the Board.

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

Unassigned fund balance – Is the residual classification for the general fund and includes all spendable amounts not contained in the other classifications. In other governmental funds, the unassigned classification is used only to report a deficit balance resulting from overspending for specific purposes for which amounts had been restricted, committed, or assigned. As of December 31, 2022, the Grant Fund had a deficit unassigned fund balance of \$935,359.

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

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

TOWN OF BENNETT, COLORADO
NOTE TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2022

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Current Year GASB Pronouncement

For the year ended December 31, 2022, the Town adopted the provisions of GASB Statement No. 87, *Leases*, which is effective for financial statement periods beginning after June 15, 2021. GASB Statement No. 87 establishes a single model for lease accounting based on the foundation principle that leases are refinancings of the right to use an underlying asset. For the year ended December 31, 2022, the implementation of the new standard had no material impact on the Town.

NOTE 2 - STEWARDSHIP, COMPLIANCE, AND ACCOUNTABILITY

Budgets are adopted for all funds of the Town as required by State statutes. Budgets for the governmental funds are adopted on a basis consistent with generally accepted accounting principles (GAAP). Budgetary comparisons for the proprietary fund are presented on a non-GAAP budgetary basis.

Capital outlay and debt principal are budgeted as expenditures and depreciation is not budgeted. All annual appropriations lapse at fiscal year-end. On or before October 15 of each year, the Finance Department submits to the Town Board a proposed operating budget for the fiscal year commencing on the following January 1. Public hearings are conducted to obtain input from elected officials, residents, and other interested parties. By December 31, the final budget is adopted.

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

NOTE 3 - CASH AND CASH EQUIVALENTS

Cash and cash equivalents are classified in the financial statements as follows:

Cash and cash equivalents	\$ 23,763,300
Cash and cash equivalents - restricted	1,620,582
Total cash and cash equivalents	<u>\$ 25,383,882</u>

Cash and cash equivalents at December 31, 2022, consisted of the following:

Cash deposits	\$ 1,047,208
Investments	24,336,674
Total	<u>\$ 25,383,882</u>

TOWN OF BENNETT, COLORADO
NOTE TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2022

NOTE 3 - CASH AND CASH EQUIVALENTS (CONTINUED)

Custodial Credit Risk

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

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

At December 31, 2022, the carrying amount of the Town's deposits was \$1,047,208 and the bank balance was \$1,120,203 of which \$250,000 was covered by FDIC insurance and the remainder covered by the PDPA.

Investments

The Town's investment policy complies with Colorado State Statutes which specify investment instruments meeting defined rating, maturity, and concentration risk criteria in which the Town may invest.

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

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

- Obligations of the United States and certain U.S. government agency securities and the World Bank
- General obligation and revenue bonds of U.S. local government entities
- Bankers' acceptances of certain banks
- Commercial paper
- Certain reverse repurchase agreements
- Certain securities lending agreements

TOWN OF BENNETT, COLORADO
NOTE TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2022

NOTE 3 - CASH AND CASH EQUIVALENTS (CONTINUED)

Investments (continued)

- Certain corporate bonds
- Written repurchase agreements collateralized by certain authorized securities
- Certain money market funds
- Guaranteed investment contracts
- * Local government investment pools

ColoTrust

As of December 31, 2022, the Town had \$24,336,674 invested in the Colorado Local Government Liquid Asset Trust (ColoTrust), an investment vehicle established for local government entities in Colorado to pool surplus funds. The State Securities Commissioner administers and enforces all State statutes governing ColoTrust. ColoTrust operates similarly to a money market fund and each share is equal in value to \$1.00. ColoTrust offers shares in two portfolios, ColoTrust Prime and ColoTrust Plus+. Both portfolios may invest in U.S. Treasury securities and repurchase agreements collateralized by U.S. Treasury securities.

ColoTrust Plus+ may also invest in certain obligations of U.S. government agencies, highest rated commercial paper, and repurchase agreements collateralized by certain obligations of U.S. government agencies. Colotruster is rated AAAM by Standard and Poor's.

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

Investment Valuation

Certain investments that are measured at fair value on a recurring basis are categorized within the fair value hierarchy established by generally accepted accounting principles. The hierarchy is based on the valuation inputs used to measure an asset's fair value: Level 1 inputs are quoted prices in active markets for identical assets; Level 2 inputs are significant other observable inputs; and Level 3 inputs are significant unobservable inputs. However, the Town's investments are not measured at fair value and are therefore not categorized within the fair value hierarchy. These investments include 2a7-like external investment pools. Colotruster is measured at net asset value. There are no unfunded commitments, the redemption frequency is daily and there is no redemption notice period.

TOWN OF BENNETT, COLORADO
NOTE TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2022

NOTE 3 - CASH AND CASH EQUIVALENTS (CONTINUED)

Restricted Cash and Cash Equivalents – At December 31, 2022, the Town reported restricted cash and cash equivalents of \$733,204 and \$453,526 in the Sales Tax Capital Improvement Fund and Use Tax Capital Improvements Fund, respectively. In addition, the Town reported restricted cash and investments of \$282,559 and \$151,293 in the Water Fund and Wastewater Fund, respectively. Restricted balances are restricted for capital projects and debt service.

NOTE 4 - CAPITAL ASSETS

Capital assets for governmental activities for the year ended December 31, 2022, is summarized below:

	Balances 12/31/21	Additions	Deletions	Balances 12/31/22
<i>Governmental Activities:</i>				
Capital Assets, not being depreciated				
Land and improvements	\$ 2,758,194	\$ -	\$ -	\$ 2,758,194
Public art	40,989	-	-	40,989
Construction in process	2,577,939	5,218,610	618,387	7,178,162
Total capital assets, not being depreciated	5,377,122	5,218,610	618,387	9,977,345
Capital Assets, being depreciated				
Buildings	3,774,358	376,136	-	4,150,494
Infrastructures	14,189,073	-	208,552	13,980,521
Parks and ballfields	5,176,772	364,427	-	5,541,199
Vehicle and equipment	868,670	56,713	-	925,383
Information technology	108,035	32,164	-	140,199
Steet and park equipment	404,774	69,661	-	474,435
Total capital assets, being depreciated	24,521,682	899,101	208,552	25,212,231
Accumulated depreciation				
Buildings	(842,922)	(119,140)	-	(962,062)
Infrastructures	(1,330,381)	(458,212)	-	(1,788,593)
Parks and ballfields	(1,218,730)	(208,667)	-	(1,427,397)
Vehicle and equipment	(386,362)	(64,763)	-	(451,125)
Information technology	(66,626)	(17,189)	-	(83,815)
Steet and park equipment	(147,251)	(46,431)	-	(193,682)
Total accumulated depreciation	(3,992,272)	(914,402)	-	(4,906,674)
Net capital assets, being depreciated	20,529,410	(15,301)	208,552	20,305,557
Governmental Activities Capital Assets, net	\$ 25,906,532	\$ 5,203,309	\$ 826,939	\$ 30,282,902

TOWN OF BENNETT, COLORADO
NOTE TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2022

NOTE 4 - CAPITAL ASSETS (CONTINUED)

Capital assets for business-type activities for the year ended December 31, 2022, is summarized below:

	Balances 12/31/21	Additions	Deletions	Balances 12/31/22
<i>Business-Type Activities:</i>				
Capital Assets, not being depreciated				
Land and improvements	\$ 67,138	\$ -	\$ -	\$ 67,138
Water rights	1,205,799	-	-	1,205,799
Construction in progress	3,546,485	4,697,077	-	8,243,562
Total capital assets, not depreciated	4,819,422	4,697,077	-	9,516,499
Capital Assets, being depreciated				
Buildings and plants	7,204,664	-	-	7,204,664
Collection systems	7,792,745	-	-	7,792,745
Water system	11,540,032	79,511	-	11,619,543
Ponds	656,605	-	-	656,605
Equipment	1,559,460	123,850	-	1,683,310
Total capital assets, being depreciated	28,753,506	203,361	-	28,956,867
Accumulated depreciation				
Buildings and plants	(568,229)	(179,362)	-	(747,591)
Collection systems	(750,784)	(240,995)	-	(991,779)
Water system	(3,280,147)	(343,145)	-	(3,623,292)
Ponds	(315,752)	(16,304)	-	(332,056)
Equipment	(571,428)	(105,199)	-	(676,627)
Total accumulated depreciation	(5,486,340)	(885,005)	-	(6,371,345)
Net capital assets, being depreciated	23,267,166	(681,644)	-	22,585,522
Business-Type Activities Capital Assets, net	\$ 28,086,588	\$ 4,015,433	\$ -	\$ 32,102,021

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

Business-type activities:

Water Fund	\$ 410,028
Wastewater Fund	474,977
Total	\$ 885,005

TOWN OF BENNETT, COLORADO
NOTE TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2022

NOTE 5 - LONG-TERM DEBT

Governmental Activities

Following is a summary of long-term debt transactions of the governmental activities for the year ended December 31, 2022:

	Balances 12/31/21	Additions	Deletions	Balances 12/31/22	Due In One Year
<i>Governmental Activities:</i>					
Series 2016, Sales Tax					
Revenue Bonds	\$ 4,770,000	\$ -	\$ 150,000	\$ 4,620,000	\$ 175,000
Series 2016 Premium	364,980	-	31,220	333,760	30,222
Series 2017, GO Refunding					
Note (Antelope Hills)	1,468,613	-	123,474	1,345,139	25,000
Series 2021, GO Bonds	3,640,000	-	95,000	3,545,000	100,000
Series 2021 Premium	404,124	-	30,452	373,672	29,495
Compensated absences	72,452	65,434	69,667	68,219	68,219
Total	<u>\$ 10,720,169</u>	<u>\$ 65,434</u>	<u>\$ 499,813</u>	<u>\$ 10,285,790</u>	<u>\$ 427,936</u>

During 2016, the Town issued \$5,700,000 Sales Tax Revenue Bond to finance the construction and maintenance of existing and planned street-related capital improvements within the Town. Interest payments are due semi-annually on June 1 and December 1, with interest accruing at rates ranging from 2% to 4%. Principal payments are due annually on December 1, through 2040.

The bonds maturing on and after December 2025 are subject to redemption prior to maturity, at the option of the Town, in whole or in part. If in part, the Town shall determine and by lot within a maturity, on December 2024 and on any date thereafter at a redemption price equal to the principal amount with the accrued interest to the redemption date.

Following is a summary of debt service requirements under the agreement:

Year ended December 31,	Principal	Interest	Total
2023	\$ 175,000	\$ 184,800	\$ 359,800
2024	175,000	177,800	352,800
2025	175,000	170,800	345,800
2026	195,000	163,800	358,800
2027	200,000	156,000	356,000
2028 - 2032	1,085,000	657,200	1,742,200
2033 - 2037	1,325,000	421,000	1,746,000
2038 - 2040	1,290,000	118,400	1,408,400
Total	<u>\$ 4,620,000</u>	<u>\$ 2,049,800</u>	<u>\$ 6,669,800</u>

In 2017, the Town entered into a lease purchase agreement to provide funds for the construction of a new Town Hall. The 2017 lease purchase agreement was refunded through a current refunding in 2021. See additional notes below related to the Series 2021, GO Bonds.

TOWN OF BENNETT, COLORADO
NOTE TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2022

NOTE 5 - LONG-TERM DEBT (CONTINUED)

Governmental Activities (continued)

During 2017, the Antelope Hills General Improvement District issued \$1,995,000 General Obligation Refunding Note to refund and pay the outstanding Series 2006 bond. Interest payments are due semi-annually on June 1 and December 1, with interest accruing at rate of 5.50%. Principal payments are due annually on December 1, through 2040. The District has pledged its net revenue derived from the District, after payment of any costs of collection to pay the principal on the Note as they become due. The Note is subject to redemption prior to maturity, at the option of the District, as a whole or in part, on any date thereafter, upon payment of par and accrued interest to the date of redemption.

The 2017 Note is secured by and payable solely from and to the extent of the Net Pledged Revenue, which includes the following, after the payment of costs for Allowable Operations Expenses which are limited to an initial amount of \$12,500, which may be increased 2% per year (up to a maximum of \$15,000):

- a) the District's covenant to levy the Limited Mill Levy on all taxable property in the District
- b) any specific ownership tax revenues attributable to the Limited Mill Levy
- c) revenues collected from the Facilities Fees imposed by the District
- d) any other legally available funds of the District

The Limited Mill Levy is defined as an ad valorem mill levy not less than 35 mills and not in excess of 36.71 mills. Such minimum and maximum mill levies are subject to adjustment due to changes in the method of calculating assessed valuation after the issuance of the 2017 Note. For the purposes of this provision, collection year 2017 is the base year for the ratio for assessment to actual valuation and for making any determination of mill levy equivalency.

Following is a summary of debt service requirements under the agreement:

<u>Year ended December 31,</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2023	\$ 25,000	\$ 86,460	\$ 111,460
2024	25,000	85,085	110,085
2025	25,000	83,710	108,710
2026	25,000	82,335	107,335
2027	25,000	80,960	105,960
2028 - 2032	125,000	384,173	509,173
2033 - 2037	125,000	349,798	474,798
2038 - 2040	970,139	193,379	1,163,518
Total	<u>\$ 1,345,139</u>	<u>\$ 1,345,900</u>	<u>\$ 2,691,039</u>

TOWN OF BENNETT, COLORADO
NOTE TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2022

NOTE 5 - LONG-TERM DEBT (CONTINUED)

Governmental Activities (continued)

During 2021, the Town issued \$3,685,000 Refunding and Improvement Certificates of Participation. Proceeds were used to: i) current refund the outstanding 2017 lease purchase agreement in the amount of \$1,797,000; ii) finance the acquisition, construction, installation, and equipping of various public improvements to be used as the Town's new North Municipal Complex; and iii) pay the costs of issuing the certificates. Interest payments are due semi-annually on June 1 and December 1, with interest accruing at a rate of 4%. Principal payments are due annually on December 1, through 2045.

The certificates maturing on and after December 1, 2034 are subject to redemption prior to their respective maturity dates, in whole or in part, at a redemption price equal to the principal amount of the certificates, plus accrued interest to the redemption date.

Following is a summary of debt service requirements:

<u>Year ended December 31,</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2023	\$ 100,000	\$ 120,900	\$ 220,900
2024	110,000	117,100	227,100
2025	110,000	113,100	223,100
2026	115,000	108,700	223,700
2027	115,000	104,300	219,300
2028 - 2032	670,000	423,900	1,093,900
2033 - 2037	790,000	302,400	1,092,400
2038 - 2042	915,000	177,000	1,092,000
2043 - 2045	620,000	37,350	657,350
Total	<u>\$ 3,545,000</u>	<u>\$ 1,504,750</u>	<u>\$ 5,049,750</u>

TOWN OF BENNETT, COLORADO
NOTE TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2022

NOTE 5 - LONG-TERM DEBT (CONTINUED)

Business-type Activities

Following are the changes in long-term debt of the business-type activities for the year ended December 31, 2022:

	Balances 12/31/21	Additions	Deletions	Balances 12/31/22	Due In One Year
<i>Business-Type Activities:</i>					
CWCB					
2015 Water Loan	\$ 1,363,451	\$ -	\$ 32,308	\$ 1,331,143	\$ 33,358
CWRPDA					
2016 Water Loan	1,999,168	-	115,519	1,883,649	117,841
2017 Wastewater Loan	2,200,019	-	83,020	2,116,999	83,020
2018 Wastewater Loan	3,220,368	-	92,787	3,127,581	96,395
2019 Capital Lease	223,693	-	68,943	154,750	74,527
Series 2020, Water Revenue Bonds	4,780,000	-	130,000	4,650,000	135,000
Series 2020 Premium	653,829	-	47,833	605,996	-
Compensated absences	11,351	4,764	5,593	10,522	10,522
Total	<u>\$ 14,451,879</u>	<u>\$ 4,764</u>	<u>\$ 576,003</u>	<u>\$ 13,880,640</u>	<u>\$ 550,663</u>

During 2015, the Town issued \$1,454,000 Water Loan through the Colorado Water Conservation Board to replace two wells. Interest payments are due annually on August 1, with interest accruing at a rate of 3.25%. Principal payments are due annually on August 1, through 2048. The Town must maintain a reserve of \$7,662 annually, with a maximum of \$76,620. The Town has funded these reserves through restrictions of its cash balances in the Water Fund. As of December 31, 2022, the Town has met all reserve requirements.

Following is a summary of debt service requirements under the agreement:

Year ended December 31,	Principal	Interest	Total
2023	\$ 33,358	\$ 43,262	\$ 76,620
2024	34,442	42,178	76,620
2025	35,562	41,059	76,621
2026	36,717	39,903	76,620
2027	37,911	38,710	76,621
2028 - 2032	208,856	174,245	383,101
2033 - 2037	245,074	138,028	383,102
2038 - 2042	287,573	95,529	383,102
2043 - 2047	337,441	45,661	383,102
2048	74,209	2,412	76,621
Total	<u>\$ 1,331,143</u>	<u>\$ 660,987</u>	<u>\$ 1,992,130</u>

TOWN OF BENNETT, COLORADO
NOTE TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2022

NOTE 5 - LONG-TERM DEBT (CONTINUED)

Business-type Activities (continued)

During 2016, the Town issued \$2,500,000 Drinking Water Revolving Fund Loan with CWRPDA to replace existing water system storage. Interest payments are due semi-annually on May 1 and November 1, with interest accruing at a rate of 2%. Principal payments are due semiannually on May 1 and November 1, through 2036. The loan contains net revenue pledge Water Fund revenues towards repayment. The Town is required to maintain an operations and reserve fund in an amount equal to three months of operations and maintenance expenses, excluding depreciation. At December 31, 2022, \$282,559 has been reserved for this purpose.

During 2017, the Town issued \$2,500,000 Water Pollution Control Revolving Fund Loan with CWRPDA to construct a new mechanical wastewater treatment facility to replace the existing lagoon system. Principal payments are due semi-annually on May 1 and November 1, through 2038. The loan contains a net revenue pledge of Wastewater Fund revenues towards repayment. The Town is required to maintain an operations and reserve fund in an amount equal to three months of operations and maintenance expenses, excluding depreciation. At December 31, 2022, \$151,293 has been reserved for this purpose.

During 2018, the Town issued \$3,500,000 Water Pollution Control Revolving Fund Loan with CWRPDA to construct a new mechanical wastewater treatment facility to replace the existing lagoon system. Interest payments are due semi-annually on May 1 and November 1, with interest accruing at a rate of 1.89%. Principal payments are due semi-annually on May 1 and November 1, through 2048. The loan contains a net revenue pledge of Wastewater Fund revenues towards repayment.

Annual debt service requirements for all CWRPDA outstanding loans at December 31, 2022 are as follows:

<u>Year ended December 31,</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2023	\$ 297,256	\$ 95,692	\$ 392,948
2024	301,455	91,493	392,948
2025	305,736	87,212	392,948
2026	310,102	82,846	392,948
2027	314,553	78,395	392,948
2028 - 2032	1,642,647	322,093	1,964,740
2033 - 2037	1,612,072	197,740	1,809,812
2038 - 2042	1,078,934	111,166	1,190,100
2043 - 2047	1,144,403	45,697	1,190,100
2048	121,071	724	121,795
Total	<u>\$ 7,128,229</u>	<u>\$ 1,113,058</u>	<u>\$ 8,241,287</u>

TOWN OF BENNETT, COLORADO
NOTE TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2022

NOTE 5 - LONG-TERM DEBT (CONTINUED)

Business-type Activities (continued)

In 2019, the Town entered into a lease purchase agreement for a Vac-Con Jetvac Truck in the original principal amount of \$361,055. Lease payments are due annually on August 15, with interest accruing at a rate of 3.97%, through 2024.

Annual debt service requirements are as follows:

<u>Year ended December 31,</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2023	\$ 74,527	\$ 6,035	\$ 80,562
2024	80,223	3,076	83,299
Total	<u>\$ 154,750</u>	<u>\$ 9,111</u>	<u>\$ 163,861</u>

During 2020, the Town issued \$4,905,000 Water Revenue Bonds to finance the acquisition of renewable water rights and the construction of well and well field improvements. Interest payments are due semiannually on June 1 and December 1, with interest accruing at rates ranging from 3% to 4%. Principal payments are due annually on December 1, through 2045.

Annual debt service requirements for the bonds are as follows:

<u>Year ended December 31,</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2023	\$ 135,000	\$ 157,050	\$ 292,050
2024	140,000	153,000	293,000
2025	140,000	148,800	288,800
2026	145,000	144,600	289,600
2027	150,000	138,800	288,800
2028 - 2032	860,000	597,800	1,457,800
2033 - 2037	1,040,000	414,350	1,454,350
2038 - 2042	1,220,000	235,050	1,455,050
2043 - 2045	820,000	49,650	869,650
Total	<u>\$ 4,650,000</u>	<u>\$ 2,039,100</u>	<u>\$ 6,689,100</u>

TOWN OF BENNETT, COLORADO
NOTE TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2022

NOTE 6 - INTERFUND TRANSACTIONS

Interfund receivable and payable balances at December 31, 2022 are as follows:

Fund	Interfund Receivable	Interfund Payable
General Fund	\$ 1,538,678	\$ -
Grants Fund	-	1,538,678
	<u>\$ 1,538,678</u>	<u>\$ 1,538,678</u>

Interfund transfers for the year ended December 31, 2022, were comprised of the following:

Fund	Transfers In	Transfers Out
General Fund	\$ 357,239	\$ 715,300
Grants Fund	673,048	-
Sales Tax Capital Improvement Fund	-	-
Use Tax Capital Improvement Fund	545,900	88,129
Water Fund	351,640	441,878
Wastewater Fund	-	170,903
Other Aggregate Remaining	-	511,617
	<u>\$ 1,927,827</u>	<u>\$ 1,927,827</u>

The Water and Wastewater Fund reimburse the General Fund for services provided, including administration, finance, clerk and IT costs for use and employee time. Other transfers shown were for purposes of capital asset expenditures and matching expenses for the year ended December 31, 2022.

NOTE 7 - RISK MANAGEMENT

The Town is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; injuries to employees; and natural disasters. The Town is a member of the Colorado Intergovernmental Risk Sharing Agency (CIRSA). CIRSA is a joint self-insurance pool created by intergovernmental agreement of 275 members to provide property and liability and/or workers' compensation coverage to its members.

Coverage is provided through pooling of self-insured losses and the purchase of excess insurance coverage. CIRSA has a legal obligation for claims against its members to the extent that funds are available in its annually established loss fund, and those amounts are available from insurance providers under excess specific and aggregate insurance contracts.

TOWN OF BENNETT, COLORADO
NOTE TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2022

NOTE 7 - RISK MANAGEMENT (CONTINUED)

Losses incurred in excess of loss funds and amounts recoverable from excess insurance are direct liabilities of the participating members. CIRSA has indicated that the amount of any excess losses would be billed to members in proportion to their contributions in the year such excess occurs, although it is not legally required to do so. The Town maintains commercial insurance for workmen's compensation coverage. Claims have not exceeded coverage in any of the past three fiscal years.

NOTE 8 - RETIREMENT COMMITMENTS

Defined Contribution Pension Plan

The Town participates in the Colorado County Officials and Employees Retirement Association (CCOERA), a multiple employer defined contribution plan, to which permanent employees contribute. In a defined contribution plan, benefits depend solely on amounts contributed to the plan plus investment earnings. Employees become plan members after one year of regular fulltime, or regular part-time service. Under this plan, 3% of the plan members' compensation is withheld and remitted to the Plan Administrator along with a matching payment of 3% from the Town. Employees are immediately vested in their own contributions and earnings on those contributions.

For the year ended December 31, 2022, the Town recognized contributions of \$66,052.

Deferred Compensation Plan

The Town has a deferred compensation plan created in accordance with Internal Revenue Code Section 457. The plan is administered by CCOERA. Participation in the plan is optional for all employees. The plan allows employees to defer a portion of their salary until future years.

NOTE 9 - COMMITMENTS AND CONTINGENCIES

Tabor Amendment

In November 1992, Colorado voters passed the TABOR Amendment to the State Constitution which limits state and local government taxing powers and imposes spending limitations. The Town is subject to the TABOR Amendment. Fiscal year 1992 provides the basis for limits in future years, to which may be applied allowable increases for inflation and property valuation. Revenue received in excess of the limitations may be required to be refunded unless the Town's electorate vote to retain the revenue. The TABOR Amendment is subject to many interpretations, but the Town believes it is in substantial compliance with the Amendment.

TOWN OF BENNETT, COLORADO
NOTE TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2022

NOTE 9 - COMMITMENTS AND CONTINGENCIES (CONTINUED)

In November 1994, voters permitted the Town, without increasing or adding any taxes of any kind, to collect, retain or expend revenues generated from all sources during 1994 and each subsequent year for trails, parks, and open space, storm water facilities and drainage, street, curb and sidewalk construction, repair and maintenance, police services, and for other basic municipal services and lawful purposes, without limitation.

The Town has established an emergency reserve of 3%, as required by the Amendment. At December 31, 2022, the emergency reserve was reported as restricted fund balance in the General Fund, in the amount of \$315,000.

NOTE 10 - RATE MAINTENANCE

All the Colorado Water Resources and Power Development Authority loans require that net revenues represent a sum equal to 110% of the amount necessary to pay, when due, the principal and interest on the loans coming due during the fiscal year. The Town believes that it is in compliance with the requirements as of December 31, 2022.

NOTE 11 - PRIOR PERIOD ADJUSTMENT

During the year ended December 31, 2022, the Town recorded a prior period adjustment in the Use Tax Capital Improvement Fund and at the Governmental Activities level to properly account for developer agreements and grant activities that occurred in prior periods. The impact of the prior period adjustment is shown below:

	<u>Use Tax Capital Improvement Fund</u>	<u>Governmental Activities</u>
Fund balance/net position, December 31, 2021	\$ 2,628,271	\$ 25,174,597
Prior period adjustment	<u>40,828</u>	<u>40,828</u>
Fund balance/net position, December 31, 2021, as restated	<u>\$ 2,669,099</u>	<u>\$ 25,215,425</u>

REQUIRED SUPPLEMENTARY INFORMATION

TOWN OF BENNETT, COLORADO
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES
IN FUND BALANCE – BUDGET AND ACTUAL – GENERAL FUND
FOR THE YEAR ENDED DECEMBER 31, 2022

	Original Budget	Final Budget	Actual	Variance Positive (Negative)
<u>Revenues</u>				
Taxes				
Property tax	\$ 547,645	\$ 547,645	\$ 551,530	\$ 3,885
Sales and use tax	3,367,790	3,367,790	4,297,607	929,817
Lodging tax	14,600	14,600	16,956	2,356
Cigarette tax	6,910	6,910	6,682	(228)
Franchise tax	80,870	80,870	84,938	4,068
Severance tax	-	-	14,439	14,439
Total taxes	<u>4,017,815</u>	<u>4,017,815</u>	<u>4,972,152</u>	<u>954,337</u>
Intergovernmental				
Grants	351,640	351,640	378,669	27,029
Total intergovernmental	<u>351,640</u>	<u>351,640</u>	<u>378,669</u>	<u>27,029</u>
Licenses and permits				
Building permits	285,875	285,875	101,954	(183,921)
Plan reviews	66,650	66,650	63,396	(3,254)
Animal licenses	1,295	1,295	1,501	206
Liquor licenses	1,435	1,435	1,948	513
Infrastructure inspection fee	50,000	50,000	126,932	76,932
Miscellaneous	59,135	59,135	32,828	(26,307)
Total licenses and permits	<u>464,390</u>	<u>464,390</u>	<u>328,559</u>	<u>(135,831)</u>
Charges for services				
Rentals	61,200	61,200	66,603	5,403
Internal department charges	331,765	331,765	388,466	56,701
Cemetery charges	8,025	8,025	16,200	8,175
Other charges for services	210	210	-	(210)
Total charges for services	<u>401,200</u>	<u>401,200</u>	<u>471,269</u>	<u>70,069</u>
Other revenues				
Fines and forfeitures	5,815	5,815	-	(5,815)
Impact fees	27,920	27,920	23,971	(3,949)
Capital credits	30	30	-	(30)
Bennett arts & cultural fund	156,320	156,320	73,224	(83,096)
Contributions	15,000	15,000	2,921	(12,079)
Investment earnings	1,825	1,825	64,853	63,028
Miscellaneous revenues	27,585	27,585	223,211	195,626
Total other revenues	<u>234,495</u>	<u>234,495</u>	<u>388,180</u>	<u>153,685</u>
Total revenues	<u>5,469,540</u>	<u>5,469,540</u>	<u>6,538,829</u>	<u>1,069,289</u>

See the accompanying independent auditors' report

TOWN OF BENNETT, COLORADO
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES
IN FUND BALANCE – BUDGET AND ACTUAL – GENERAL FUND
(CONTINUED)
FOR THE YEAR ENDED DECEMBER 31, 2022

	Original Budget	Final Budget	Actual	Variance Positive (Negative)
<u>Expenditures</u>				
General government				
Administration	1,055,740	1,355,840	1,207,305	148,535
Finance	303,950	303,950	387,399	(83,449)
Boards and commissions	189,535	189,535	174,050	15,485
Town clerk	70,065	70,065	76,604	(6,539)
Municipal court	32,510	32,510	31,031	1,479
Community development	376,310	376,310	378,197	(1,887)
Bennett arts & cultural fund	183,650	183,650	165,048	18,602
Economic development	249,585	249,585	303,305	(53,720)
Information technology	124,945	124,945	143,404	(18,459)
Internal services	321,745	321,745	358,897	(37,152)
Total general government	<u>2,908,035</u>	<u>3,208,135</u>	<u>3,225,240</u>	<u>(17,105)</u>
Public safety	1,156,180	1,156,180	608,076	548,104
Public works	550,700	550,700	1,233,724	(683,024)
Miscellaneous expenditures	474,908	474,908	18,363	456,545
Capital outlay	-	-	94,010	(94,010)
Total other expenditures	<u>2,181,788</u>	<u>2,181,788</u>	<u>1,954,173</u>	<u>227,615</u>
Total expenditures	<u>5,089,823</u>	<u>5,389,923</u>	<u>5,179,413</u>	<u>210,510</u>
Excess of revenues over (under) expenditures	<u>379,717</u>	<u>79,617</u>	<u>1,359,416</u>	<u>1,279,799</u>
Other financing sources (uses)				
Transfers in	310,940	310,940	357,239	46,299
Transfers out	<u>(717,987)</u>	<u>(717,987)</u>	<u>(715,300)</u>	<u>2,687</u>
Total other financing sources (uses)	<u>(407,047)</u>	<u>(407,047)</u>	<u>(358,061)</u>	<u>48,986</u>
Net change in fund balance	<u>\$ (27,330)</u>	<u>\$ (327,430)</u>	1,001,355	<u>\$ 1,328,785</u>
Fund balance - beginning			<u>3,364,880</u>	
Fund balance - ending			<u>\$ 4,366,235</u>	

See the accompanying independent auditors' report

TOWN OF BENNETT, COLORADO
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES
IN FUND BALANCE – BUDGET AND ACTUAL – GRANT FUND
YEAR ENDED DECEMBER 31, 2022

	Original and Final Budget	Actual	Variance Positive (Negative)
<u>Revenues</u>			
Intergovernmental	\$ 5,425,000	\$ 1,534,107	\$ (3,890,893)
Total revenues	<u>5,425,000</u>	<u>1,534,107</u>	<u>(3,890,893)</u>
<u>Expenditures</u>			
Capital outlay	<u>5,660,000</u>	<u>2,396,857</u>	<u>3,263,143</u>
Total expenditures	<u>5,660,000</u>	<u>2,396,857</u>	<u>3,263,143</u>
Excess of revenues over (under) expenditures	<u>(235,000)</u>	<u>(862,750)</u>	<u>(627,750)</u>
Other financing sources (uses)			
Transfers in	<u>235,000</u>	<u>673,048</u>	<u>438,048</u>
Total other financing sources (uses)	<u>235,000</u>	<u>673,048</u>	<u>438,048</u>
Net change in fund balance	<u>\$ -</u>	<u>(189,702)</u>	<u>\$ (189,702)</u>
Fund balance - beginning		<u>(745,657)</u>	
Fund balance - ending		<u>\$ (935,359)</u>	

See the accompanying independent auditors' report

SUPPLEMENTARY INFORMATION

TOWN OF BENNETT, COLORADO
COMBINING BALANCE SHEET
NONMAJOR GOVERNMENTAL FUNDS
DECEMBER 31, 2022

	Road & Bridge Fund	Conservation Fund	Open Space Fund	Impact Fees Fund	Antelope Hills GID Fund	Total Non-Major Governmental Funds
<u>Assets</u>						
Cash and investments	\$ 956,697	\$ 4,750	\$ 100	\$ 932,623	\$ 198,884	\$ 2,093,054
Accounts receivable	-	-	-	-	1,294	1,294
Property tax receivable	-	-	-	-	270,825	270,825
Total assets	<u>\$ 956,697</u>	<u>\$ 4,750</u>	<u>\$ 100</u>	<u>\$ 932,623</u>	<u>\$ 471,003</u>	<u>\$ 2,365,173</u>
<u>Liabilities, deferred inflows of resources and fund balance</u>						
Liabilities:						
Accounts payable	\$ 58,758	\$ -	\$ -	\$ -	\$ -	\$ 58,758
Unearned revenue	391,936	-	-	-	-	391,936
Total liabilities	<u>450,694</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>450,694</u>
<u>Deferred inflows of resources</u>						
Unavailable property taxes	-	-	-	-	270,825	270,825
Total deferred inflows of resources	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>270,825</u>	<u>270,825</u>
Fund balance:						
Restricted						
Park and recreation	-	4,750	100	-	-	4,850
Capital projects	-	-	-	932,623	200,178	1,132,801
Assigned						
Road maintenance	506,003	-	-	-	-	506,003
Total fund balances	<u>506,003</u>	<u>4,750</u>	<u>100</u>	<u>932,623</u>	<u>200,178</u>	<u>1,643,654</u>
Total liabilities, deferred inflows of resources and fund balances	<u>\$ 956,697</u>	<u>\$ 4,750</u>	<u>\$ 100</u>	<u>\$ 932,623</u>	<u>\$ 471,003</u>	<u>\$ 2,365,173</u>

See the accompanying independent auditors' report

TOWN OF BENNETT, COLORADO
COMBINING STATEMENT OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCES
NONMAJOR GOVERNMENTAL FUNDS
FOR THE YEAR ENDED DECEMBER 31, 2022

	Road & Bridge Fund	Conservation Fund	Open Space Fund	Impact Fees Fund	Antelope Hills GID Fund	Total Non-Major Governmental Funds
<u>Revenues</u>						
Taxes	\$ 38,731	\$ -	\$ -	\$ -	\$ 297,791	\$ 336,522
Intergovernmental	357,301	21,269	53,907	-	-	432,477
Impact fees	-	-	-	164,020	-	164,020
Investment earnings	14,065	411	-	21,066	1,388	36,930
Miscellaneous	702	-	-	45,000	-	45,702
Total revenues	<u>410,799</u>	<u>21,680</u>	<u>53,907</u>	<u>230,086</u>	<u>299,179</u>	<u>1,015,651</u>
<u>Expenditures</u>						
Current:						
General government	-	-	-	-	4,246	4,246
Public works	245,985	-	-	-	-	245,985
Capital outlay	-	-	-	84,105	-	84,105
Debt service:						
Principal	-	-	-	-	123,474	123,474
Interest and fiscal charges	-	-	-	-	80,797	80,797
Total expenditures	<u>245,985</u>	<u>-</u>	<u>-</u>	<u>84,105</u>	<u>208,517</u>	<u>538,607</u>
Excess revenues over expenditures	164,814	21,680	53,907	145,981	90,662	477,044
<u>Other financing sources (uses)</u>						
Transfers out	-	(16,930)	(65,095)	(429,592)	-	(511,617)
Total other financing sources (uses)	<u>-</u>	<u>(16,930)</u>	<u>(65,095)</u>	<u>(429,592)</u>	<u>-</u>	<u>(511,617)</u>
Net change in fund balances	164,814	4,750	(11,188)	(283,611)	90,662	(34,573)
Fund balances - beginning	341,189	-	11,288	1,216,234	109,516	1,678,227
Fund balances - ending	<u>\$ 506,003</u>	<u>\$ 4,750</u>	<u>\$ 100</u>	<u>\$ 932,623</u>	<u>\$ 200,178</u>	<u>\$ 1,643,654</u>

See the accompanying independent auditors' report

TOWN OF BENNETT, COLORADO
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES
IN FUND BALANCE – BUDGET AND ACTUAL –
SALES TAX CAPITAL IMPROVEMENT FUND
FOR THE YEAR ENDED DECEMBER 31, 2022

	Original Budget	Final Budget	Actual	Variance Positive (Negative)
<u>Revenues</u>				
Sales tax	\$ 1,122,245	\$ 1,122,245	\$ 1,438,484	\$ 316,239
Intergovernmental	-	-	120,753	120,753
Investment earnings	405	405	34,214	33,809
Miscellaneous	-	-	175,000	175,000
Total revenues	<u>1,122,650</u>	<u>1,122,650</u>	<u>1,768,451</u>	<u>645,801</u>
<u>Expenditures</u>				
Public works	188,664	1,144,664	101,132	1,043,532
Capital outlay	629,320	629,320	1,692,318	(1,062,998)
Debt service				
Principal	150,000	150,000	150,000	-
Interest	210,300	210,300	190,800	19,500
Total expenditures	<u>1,178,284</u>	<u>2,134,284</u>	<u>2,134,250</u>	<u>34</u>
Excess of revenues over (under) expenditures	<u>(55,634)</u>	<u>(1,011,634)</u>	<u>(365,799)</u>	<u>645,835</u>
Net change in fund balance	<u>\$ (55,634)</u>	<u>\$ (1,011,634)</u>	<u>(365,799)</u>	<u>\$ 645,835</u>
Fund balance - beginning			<u>2,342,173</u>	
Fund balance - ending			<u>\$ 1,976,374</u>	

See the accompanying independent auditors' report

TOWN OF BENNETT, COLORADO
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES
IN FUND BALANCE – BUDGET AND ACTUAL –
USE TAX CAPITAL IMPROVEMENT FUND
FOR THE YEAR ENDED DECEMBER 31, 2022

	Original Budget	Final Budget	Actual	Variance Positive (Negative)
<u>Revenues</u>				
Use tax	\$ 373,400	\$ 373,400	\$ 116,072	\$ (257,328)
Intergovernmental	-	-	464,550	464,550
Investment earnings	270	270	28,485	28,215
Total revenues	<u>373,670</u>	<u>373,670</u>	<u>609,107</u>	<u>235,437</u>
<u>Expenditures</u>				
Capital outlay	84,000	2,565,000	2,476,120	88,880
Miscellaneous	-	-	712	(712)
Debt service				
Principal	95,000	95,000	95,000	-
Interest	120,900	120,900	120,900	-
Total expenditures	<u>299,900</u>	<u>2,780,900</u>	<u>2,692,732</u>	<u>88,168</u>
Excess of revenues over (under) expenditures	<u>73,770</u>	<u>(2,407,230)</u>	<u>(2,083,625)</u>	<u>323,605</u>
Other financing sources (uses)				
Transfers in	215,900	215,900	545,900	330,000
Transfers out	-	-	(88,129)	(88,129)
Total other financing sources (uses)	<u>215,900</u>	<u>215,900</u>	<u>457,771</u>	<u>241,871</u>
Net change in fund balance	<u>\$ 289,670</u>	<u>\$ (2,191,330)</u>	<u>(1,625,854)</u>	<u>\$ 565,476</u>
Fund balance - beginning, as restated			<u>2,669,099</u>	
Fund balance - ending			<u>\$ 1,043,245</u>	

See the accompanying independent auditors' report

TOWN OF BENNETT, COLORADO
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES
IN FUND BALANCE – BUDGET AND ACTUAL –
ROAD AND BRIDGE FUND
FOR THE YEAR ENDED DECEMBER 31, 2022

	Original and Final Budget	Actual	Variance Positive (Negative)
<u>Revenues</u>			
Specific ownership tax	\$ 29,625	\$ 38,731	\$ 9,106
Highway user tax	83,000	92,884	9,884
County road and bridge tax	158,915	258,193	99,278
Motor vehicle registration fees	9,360	6,224	(3,136)
Investment earnings	430	14,065	13,635
Miscellaneous	-	702	702
Total revenues	<u>281,330</u>	<u>410,799</u>	<u>129,469</u>
<u>Expenditures</u>			
Public works	<u>198,390</u>	<u>245,985</u>	<u>(47,595)</u>
Total expenditures	<u>198,390</u>	<u>245,985</u>	<u>(47,595)</u>
Excess of revenues over (under) expenditures	<u>82,940</u>	<u>164,814</u>	<u>81,874</u>
Other financing sources (uses)			
Transfers out	<u>(82,940)</u>	<u>-</u>	<u>82,940</u>
Total other financing sources (uses)	<u>(82,940)</u>	<u>-</u>	<u>82,940</u>
Net change in fund balance	<u>\$ -</u>	<u>164,814</u>	<u>\$ 164,814</u>
Fund balance - beginning		<u>341,189</u>	
Fund balance - ending		<u>\$ 506,003</u>	

See the accompanying independent auditors' report

TOWN OF BENNETT, COLORADO
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES
IN FUND BALANCE – BUDGET AND ACTUAL –
CONSERVATION TRUST FUND
FOR THE YEAR ENDED DECEMBER 31, 2022

	Original and Final Budget	Actual	Variance Positive (Negative)
<u>Revenues</u>			
Intergovernmental	\$ 16,930	\$ 21,269	\$ 4,339
Investment earnings	-	411	411
Total revenues	<u>16,930</u>	<u>21,680</u>	<u>4,750</u>
<u>Expenditures</u>			
Emergency reserves	<u>16,930</u>	<u>-</u>	<u>16,930</u>
Total expenditures	<u>16,930</u>	<u>-</u>	<u>16,930</u>
Excess of revenues over (under) expenditures	<u>-</u>	<u>21,680</u>	<u>21,680</u>
Other financing sources (uses)			
Transfers out	<u>-</u>	<u>(16,930)</u>	<u>(16,930)</u>
Total other financing sources (uses)	<u>-</u>	<u>(16,930)</u>	<u>(16,930)</u>
Net change in fund balance	<u>\$ -</u>	<u>4,750</u>	<u>\$ 4,750</u>
Fund balance - beginning		<u>-</u>	
Fund balance - ending		<u>\$ 4,750</u>	

See the accompanying independent auditors' report

TOWN OF BENNETT, COLORADO
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES
IN FUND BALANCE – BUDGET AND ACTUAL –
OPEN SPACE FUND
FOR THE YEAR ENDED DECEMBER 31, 2022

	Original and Final Budget	Actual	Variance Positive (Negative)
<u>Revenues</u>			
Intergovernmental	\$ 66,655	\$ 53,907	\$ (12,748)
Total revenues	<u>66,655</u>	<u>53,907</u>	<u>(12,748)</u>
<u>Expenditures</u>			
Capital outlay	15,000	-	15,000
Emergency reserves	80,605	-	80,605
Total expenditures	<u>95,605</u>	<u>-</u>	<u>95,605</u>
Excess of revenues over (under) expenditures	<u>(28,950)</u>	<u>53,907</u>	<u>82,857</u>
Other financing sources (uses)			
Transfers out	<u>(30,000)</u>	<u>(65,095)</u>	<u>(35,095)</u>
Total other financing sources (uses)	<u>(30,000)</u>	<u>(65,095)</u>	<u>(35,095)</u>
Net change in fund balance	<u>\$ (58,950)</u>	<u>(11,188)</u>	<u>\$ 47,762</u>
Fund balance - beginning		<u>11,288</u>	
Fund balance - ending		<u>\$ 100</u>	

See the accompanying independent auditors' report

TOWN OF BENNETT, COLORADO
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES
IN FUND BALANCE – BUDGET AND ACTUAL –
IMPACT FEES FUND
FOR THE YEAR ENDED DECEMBER 31, 2022

	Original Budget	Final Budget	Actual	Variance Positive (Negative)
<u>Revenues</u>				
Impact fees	\$ 538,825	\$ 538,825	\$ 164,020	\$ (374,805)
Investment earnings	-	-	21,066	21,066
Miscellaneous	-	-	45,000	45,000
Total revenues	<u>538,825</u>	<u>538,825</u>	<u>230,086</u>	<u>(308,739)</u>
<u>Expenditures</u>				
Capital outlay	258,830	258,830	84,105	174,725
Emergency reserves	<u>398,456</u>	<u>398,456</u>	<u>-</u>	<u>398,456</u>
Total expenditures	<u>657,286</u>	<u>657,286</u>	<u>84,105</u>	<u>573,181</u>
Excess of revenues over (under) expenditures	<u>(118,461)</u>	<u>(118,461)</u>	<u>145,981</u>	<u>264,442</u>
Other financing sources (uses)				
Transfers out	<u>(185,000)</u>	<u>(399,600)</u>	<u>(429,592)</u>	<u>(29,992)</u>
Total other financing sources (uses)	<u>(185,000)</u>	<u>(399,600)</u>	<u>(429,592)</u>	<u>(29,992)</u>
Net change in fund balance	<u>\$ (303,461)</u>	<u>\$ (518,061)</u>	<u>(283,611)</u>	<u>\$ 234,450</u>
Fund balance - beginning			<u>1,216,234</u>	
Fund balance - ending			<u>\$ 932,623</u>	

See the accompanying independent auditors' report

TOWN OF BENNETT, COLORADO
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES
IN FUND BALANCE – BUDGET AND ACTUAL –
ANTELOPE HILLS GENERAL IMPROVEMENT DISTRICT
FOR THE YEAR ENDED DECEMBER 31, 2022

	Original and Final Budget	Actual	Variance Positive (Negative)
<u>Revenues</u>			
Property taxes	\$ 277,568	\$ 280,268	\$ 2,700
Specific ownership taxes	15,000	17,523	2,523
Building permits	17,500	-	(17,500)
Investment earnings	100	1,388	1,288
Total revenues	<u>310,168</u>	<u>299,179</u>	<u>(10,989)</u>
<u>Expenditures</u>			
General government			
Finance	13,950	4,246	9,704
Debt service			
Principal	192,681	123,474	69,207
Interest	97,500	80,797	16,703
Total expenditures	<u>304,131</u>	<u>208,517</u>	<u>95,614</u>
Excess of revenues over (under) expenditures	<u>6,037</u>	<u>90,662</u>	<u>84,625</u>
Net change in fund balance	<u>\$ 6,037</u>	<u>90,662</u>	<u>\$ 84,625</u>
Fund balance - beginning		<u>109,516</u>	
Fund balance - ending		<u>\$ 200,178</u>	

See the accompanying independent auditors' report

TOWN OF BENNETT, COLORADO
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES
IN FUND BALANCE – BUDGET AND ACTUAL –
NON – GAAP BUDGET BASIS – WATER FUND
FOR THE YEAR ENDED DECEMBER 31, 2022

	Original Budget	Final Budget	Actual	Variance Positive (Negative)
<u>Revenues</u>				
Water sales	\$ 1,294,980	\$ 1,294,980	\$ 1,604,888	\$ 309,908
Bulk water	214,225	214,225	158,564	(55,661)
Water development fees and contributions	2,174,115	2,174,115	1,366,144	(807,971)
Intergovernmental	-	-	301,886	301,886
Investment earnings	2,060	2,060	202,922	200,862
Other	67,965	67,965	70,422	2,457
Total revenues	<u>3,753,345</u>	<u>3,753,345</u>	<u>3,704,826</u>	<u>(48,519)</u>
<u>Expenditures</u>				
Operations and maintenance	627,900	627,900	1,130,234	(502,334)
Capital outlay	1,977,500	5,242,600	4,622,994	619,606
Total operating expenditures	<u>2,605,400</u>	<u>5,870,500</u>	<u>5,753,228</u>	<u>117,272</u>
Debt service				
Principal	312,298	312,298	312,298	-
Interest and fiscal charges	249,552	249,552	204,431	45,121
Total debt service	<u>561,850</u>	<u>561,850</u>	<u>516,729</u>	<u>45,121</u>
Total expenditures	<u>3,167,250</u>	<u>6,432,350</u>	<u>6,269,957</u>	<u>162,393</u>
Other financing sources (uses)				
Transfers in	-	-	351,640	351,640
Transfers out	<u>(279,880)</u>	<u>(279,880)</u>	<u>(441,878)</u>	<u>(161,998)</u>
Total other financing sources (uses)	<u>(279,880)</u>	<u>(279,880)</u>	<u>(90,238)</u>	<u>189,642</u>
Change in net position, budgetary basis	<u>\$ 306,215</u>	<u>\$ (2,958,885)</u>	<u>(2,655,369)</u>	<u>303,516</u>
Reconciliation to GAAP basis				
Capital outlay			4,622,994	
Depreciation			(410,028)	
Debt principal payments			<u>312,298</u>	
Change in net position, GAAP basis			1,869,895	
Net position, beginning			<u>17,925,700</u>	
Net position, ending			<u>\$ 19,795,595</u>	

See the accompanying independent auditors' report

TOWN OF BENNETT, COLORADO
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES
IN FUND BALANCE – BUDGET AND ACTUAL –
NON – GAAP BUDGET BASIS – WASTEWATER FUND
FOR THE YEAR ENDED DECEMBER 31, 2022

	Original and Final Budget	Actual	Variance Positive (Negative)
<u>Revenues</u>			
Charges for services	\$ 1,299,773	\$ 1,171,902	\$ (127,871)
Wastewater development fees	611,505	130,129	(481,376)
Investment earnings	6,762	66,471	59,709
Other revenue	200,000	177,684	(22,316)
Total revenues	<u>2,118,040</u>	<u>1,546,186</u>	<u>(571,854)</u>
<u>Expenditures</u>			
Operations and maintenance	430,590	605,173	(174,583)
Capital outlay	1,200,000	277,445	922,555
Total operating expenditures	<u>1,630,590</u>	<u>882,618</u>	<u>747,972</u>
Debt service			
Principal	210,279	210,279	-
Interest and fiscal charges	89,181	65,772	23,409
Total debt service	<u>299,460</u>	<u>276,051</u>	<u>23,409</u>
Total expenditures	<u>1,930,050</u>	<u>1,158,669</u>	<u>771,381</u>
Other financing sources (uses)			
Transfers out	<u>(226,600)</u>	<u>(170,903)</u>	<u>55,697</u>
Total other financing sources (uses)	<u>(226,600)</u>	<u>(170,903)</u>	<u>55,697</u>
Change in net position, budgetary basis	<u>\$ (38,610)</u>	216,614	<u>255,224</u>
Reconciliation to GAAP basis			
Capital outlay		277,445	
Depreciation		(474,977)	
Debt principal payments		<u>210,279</u>	
Change in net position, GAAP basis		229,361	
Net position, beginning		<u>12,642,853</u>	
Net position, ending		<u>\$ 12,872,214</u>	

See the accompanying independent auditors' report

COMPLIANCE SECTION

LOCAL HIGHWAY FINANCE REPORT	City or County:
	YEAR ENDING : December 2022
This Information From The Records Of (example - City of _ or County of _)	
Prepared By:	Phone:

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

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

II. RECEIPTS FOR ROAD AND STREET PURPOSES**III. DISBURSEMENTS FOR ROAD AND STREET PURPOSES**

ITEM	AMOUNT	ITEM	AMOUNT
A. Receipts from local sources:		A. Local highway disbursements:	
1. Local highway-user taxes		1. Capital outlay (from page 2)	1,725,196
a. Motor Fuel (from Item I.A.5.)		2. Maintenance:	62,562
b. Motor Vehicle (from Item I.B.5.)		3. Road and street services:	
c. Total (a.+b.)		a. Traffic control operations	
2. General fund appropriations		b. Snow and ice removal	
3. Other local imposts (from page 2)	1,735,409	c. Other	25,985
4. Miscellaneous local receipts (from page 2)	48,279	d. Total (a. through c.)	25,985
5. Transfers from toll facilities		4. General administration & miscellaneous	222,785
6. Proceeds of sale of bonds and notes:		5. Highway law enforcement and safety	
a. Bonds - Original Issues		6. Total (1 through 5)	2,036,529
b. Bonds - Refunding Issues		B. Debt service on local obligations:	
c. Notes		1. Bonds:	
d. Total (a. + b. + c.)	0	a. Interest	190,800
7. Total (1 through 6)	1,783,687	b. Redemption	150,000
B. Private Contributions		c. Total (a. + b.)	340,800
C. Receipts from State government (from page 2)	99,108	2. Notes:	
D. Receipts from Federal Government (from page 2)	0	a. Interest	
E. Total receipts (A.7 + B + C + D)	1,882,796	b. Redemption	
		c. Total (a. + b.)	0
		3. Total (1.c + 2.c)	340,800
		C. Payments to State for highways	
		D. Payments to toll facilities	
		E. Total disbursements (A.6 + B.3 + C + D)	2,377,329

IV. LOCAL HIGHWAY DEBT STATUS

(Show all entries at par)

	Opening Debt	Amount Issued	Redemptions	Closing Debt
A. Bonds (Total)	5,478,179		150,000	5,328,179
1. Bonds (Refunding Portion)				
B. Notes (Total)				0

V. LOCAL ROAD AND STREET FUND BALANCE

	A. Beginning Balance	B. Total Receipts	C. Total Disbursements	D. Ending Balance	E. Reconciliation
	2,699,118	1,882,796	2,377,329	2,204,585	0

Notes and Comments:

LOCAL HIGHWAY FINANCE REPORT		STATE: Colorado	
		YEAR ENDING (mm/yy): December 2022	

II. RECEIPTS FOR ROAD AND STREET PURPOSES - DETAIL			
ITEM	AMOUNT	ITEM	AMOUNT
A.3. Other local imposts:		A.4. Miscellaneous local receipts:	
a. Property Taxes and Assessments		a. Interest on investments	48,279
b. Other local imposts:		b. Traffic Fines & Penalties	
1. Sales Taxes	1,438,484	c. Parking Garage Fees	
2. Infrastructure & Impact Fees		d. Parking Meter Fees	
3. Liens		e. Sale of Surplus Property	
4. Licenses		f. Charges for Services	
5. Specific Ownership &/or Other	296,924	g. Other Misc. Receipts	
6. Total (1. through 5.)	1,735,409	h. Other	
c. Total (a. + b.)	1,735,409	i. Total (a. through h.)	48,279
(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	92,884	1. FHWA (from Item I.D.5.)	
2. State general funds		2. Other Federal agencies:	
3. Other State funds:		a. Forest Service	
a. State bond proceeds		b. FEMA	
b. Project Match		c. HUD	
c. Motor Vehicle Registrations	6,224	d. Federal Transit Admin	
d. Other (Specify) - DOLA Grant		e. U.S. Corps of Engineers	
e. Other (Specify)		f. Other Federal	
f. Total (a. through e.)	6,224	g. Total (a. through f.)	0
4. Total (1. + 2. + 3.f)	99,108	3. Total (1. + 2.g)	
		(Carry forward to page 1)	

III. DISBURSEMENTS FOR ROAD AND STREET PURPOSES - DETAIL			
	ON NATIONAL HIGHWAY SYSTEM (a)	OFF NATIONAL HIGHWAY SYSTEM (b)	TOTAL (c)
A.1. Capital outlay:			
a. Right-Of-Way Costs			0
b. Engineering Costs		35,784	35,784
c. Construction:			
(1). New Facilities			0
(2). Capacity Improvements			0
(3). System Preservation		1,635,527	1,635,527
(4). System Enhancement & Operation		53,885	53,885
(5). Total Construction (1) + (2) + (3) + (4)	0	1,689,412	1,689,412
d. Total Capital Outlay (Lines 1.a. + 1.b. + 1.c.5)	0	1,725,196	1,725,196
			(Carry forward to page 1)

Notes and Comments: