Annual Financial Report

Town of Kersey

Kersey, Colorado

For the Year Ended December 31, 2022

Tim Chavies & Associates, Inc.

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

TOWN OF KERSEY, COLORADO

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December 31, 2022

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INDEPENDENT AUDITOR'S REPORT

To the Board of Trustees
Town of Kersey
Kersey, Colorado

Opinions
We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the Town of Kersey, State of Colorado, as of and for the year ended December 31, 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, and each major fund, and the aggregate remaining fund information of the Town of Kersey, State of Colorado as of December 31, 2022, and the respective changes in financial position for the year then ended in accordance with accounting principles generally accepted in the United States of America.

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

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

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

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

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

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

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

Required Supplementary Information
Accounting principles generally accepted in the United States of America require that the management's discussion and analysis on pages 4-8, budgetary comparison information on pages 35-44, and the Schedule of Proportionate Share of Pension Liability and Schedule of Contributions on page 45 be presented to supplement the basic financial statements. Such information is the responsibility of management and, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquires, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Supplementary Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Town of Kersey, State of Colorado's basic financial statements. The combining nonmajor fund financial statements on pages 46-47, the budgetary comparisons on pages 48-57 and the local highway finance report on pages 58-59 are presented for purposes of additional analysis and are not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the combining nonmajor financial statements on page 46-47, the budgetary comparisons on pages 48-57, and local highway finance report on pages 58-59 are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

Tim Chavies & Associates, Inc.

Tim Chavies & Associates, Inc.
Certified Public Accountants

Greeley, Colorado
July 21, 2023

MANAGEMENT'S DISCUSSION AND ANALYSIS
December 31, 2022

This section of Town of Kersey, State of Colorado's (the "Town") 2022 annual financial report presents management's discussion and analysis of the Town's financial performance for the year ended December 31, 2022. The Management Discussion and Analysis ("MD&A") should be read in conjunction with the Town's financial statements, including the notes to financial statements and supplemental information that immediately follow this section.

ORGANIZATION AND PURPOSE

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

FINANCIAL HIGHLIGHTS

The property tax revenue for 2022 was generated from taxable property with the 2021 gross total assessed value certification of $22,992,180 in Weld County, Colorado. The Town established a mill levy of 17.205 for the General Fund. Other significant matters are as follows:

- The net position of the Town increased by $1,259,556 during 2022, compared to prior year increase of $1,631,547. The 2022 increase is due to an increase of property taxes, sales taxes, capital assets, contributions, grant money received, and sale of assets.

- The Town capitalized $986,729 of capital assets, and recorded depreciation of $642,185 during 2022. In 2021 the Town capitalized $1,128,162 and recorded depreciation of $564,316.

- The Town made debt payments of $807,103 during 2022, compared to $192,897 in 2021. The Town is now debt free.

OVERVIEW OF THE FINANCIAL STATEMENTS

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

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

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

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

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

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

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

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

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

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

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

FINANCIAL ANALYSIS OF THE DISTRICT AS A WHOLE

Condensed financial information from the **Statement of Net Position** at December 31, 2022:

	Governmental Activities	Business-Type Activities	Total
Current assets	$ 4,012,849	$ (18,464)	$ 3,994,385
Noncurrent assets	7,304,917	5,117,384	12,422,301
Total Assets	**11,317,766**	**5,098,920**	**16,416,686**
Total Deferred Outflows	**32,369**	**-**	**32,369**
Current liabilities	16,914	598	17,512
Noncurrent liabilities	40,669	5,989	46,658
Total Liabilities	**57,583**	**6,587**	**64,170**
Total Deferred Inflows	**511,764**	**-**	**511,764**
Net investment in capital assets	7,128,847	5,117,384	12,246,231
Restricted	4,381,836	-	4,381,836
Unrestricted	(729,895)	(25,051)	(754,946)
Total Net Position	**$ 10,780,788**	**$ 5,092,333**	**$ 15,873,121**

The restricted portion of net position ($4,381,836) represents resources that are subject to external restrictions on how they may be used. The remaining balance of unrestricted net position ($754,946) may be used to meet the Town's obligations to citizens and creditors.

Condensed financial information from the **Statement of Activities** at December 31, 2022:

Revenues	Governmental Activities	Business-Type Activities	Total
Program Revenues:			
Charges for services	$ 128,230	$ 813,048	$ 941,278
General Revenues:			
Taxes	2,420,241	-	2,420,241
Licenses and permits	93,304	-	93,304
Intergovermental revenues	236,131	-	236,131
Fines and forfeitures	147,120	-	147,120
Earnings on investment	2,604	1,570	4,174
Other	230,774	390,000	620,774
Total Revenues	**3,258,404**	**1,204,618**	**4,463,022**
Expenses:			
General government	819,063	-	819,063
Public safety	613,324	-	613,324
Public works	347,996	-	347,996
Parks and recreation	308,357	-	308,357
Other	138,475	-	138,475
Water	-	557,198	557,198
Sewer	-	419,053	419,053
Total Expenses	**2,227,215**	**976,251**	**3,203,466**
Change in Net Position	**1,031,189**	**228,367**	**1,259,556**
Net Position - beginning	9,749,599	4,863,966	14,613,565
Net Position - ending	**$ 10,780,788**	**$ 5,092,333**	**$ 15,873,121**

Net position increased to $15,873,121, an increase of $1,259,556 from 2021. The increase was affected by the Town capital assets, contributions, grants, property tax, sales tax increases, permits and sale of assets.

FINANCIAL ANALYSIS OF THE FUNDS

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

As of December 31, 2022, the Town's governmental funds reported combined ending fund balances of $3,637,043, an increase of $135,150 in comparison with 2021. Approximately 20.48% of this total amount ($744,793) constitutes *unrestricted* fund balance, which is available for spending at the government's discretion. The reminder of the fund balance is *restricted* to indicate that it is not available for new spending because it has already been committed for encumbrances or Tabor.

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

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

Budgetary Highlights

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

CAPITAL ASSETS AND DEBT ADMINISTRATION

Capital Assets (Net of Depreciation)

	Governmental Activities	Business-Type Activities	Total
Land	$ 686,249	$ 4,826	$ 691,075
Water rights	-	2,673,665	2,673,665
Construction in progress	11,741	-	11,741
Utility system	-	5,603,247	5,603,247
Equipment	1,474,060	402,643	1,876,703
Buildings and improvements	6,688,332	-	6,688,332
Streets and improvements	4,810,289	-	4,810,289
Total Capital Assets	**13,670,671**	**8,684,381**	**22,355,052**
Less: Accumulated depreciation	(6,541,824)	(3,566,997)	(10,108,821)
Net Capital Assets	**$ 7,128,847**	**$ 5,117,384**	**$ 12,246,231**

Capital assets – net of depreciation increased $344,544 during 2022 due to capital outlay (assets acquired) less depreciation (See Note 5 for further discussion).

DEBT ADMINISTRATION

The Town had outstanding lease obligations with a financial institution. As of December 31, 2022, the lease obligation was $0 compared to $807,103 in 2021, a decrease of $807,103 (See Note 7 for further discussion).

ECONOMIC FACTORS

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

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

FINANCIAL CONTACT

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

BASIC FINANCIAL STATEMENTS

TOWN OF KERSEY, COLORADO

Statement of Net Position

Government-Wide

December 31, 2022

ASSETS	Governmental Activities	Business-Type Activities	Total
Current Assets:			
Cash on hand and in checking	$ 1,751,997	$ (1,617,108)	$ 134,889
Cash on deposit - county treasurer	2,998	-	2,998
Cash in savings	1,593,230	1,392,651	2,985,881
Total Cash	3,348,225	(224,457)	3,123,768
Certificates of deposit	-	146,159	146,159
Local government investment pools	4,655	-	4,655
Total Investments	4,655	146,159	150,814
Property taxes receivable	459,501	-	459,501
Accounts receivable	200,468	50,787	251,255
Accrued interest receivable	-	49	49
Prepaid expenses	-	8,998	8,998
Total Current Assets	4,012,849	(18,464)	3,994,385
Noncurrent Assets:			
Net pension asset	75,461	-	75,461
Restricted assets:			
Local government investment pools	100,609	-	100,609
Total Restricted Assets	100,609	-	100,609
Capital Assets:			
Land	686,249	4,826	691,075
Water rights	-	2,673,665	2,673,665
Construction in progress	11,741	-	11,741
Utility system	-	5,603,247	5,603,247
Equipment	1,474,060	402,643	1,876,703
Buildings and improvements	6,688,332	-	6,688,332
Streets and improvements	4,810,289	-	4,810,289
Total Capital Assets	13,670,671	8,684,381	22,355,052
Less: accumulated depreciation	(6,541,824)	(3,566,997)	(10,108,821)
Net Capital Assets	7,128,847	5,117,384	12,246,231
Total Noncurrent Assets	7,304,917	5,117,384	12,422,301
Total Assets	11,317,766	5,098,920	16,416,686
DEFERRED OUTFLOWS			
Deferred outflows related to pensions	32,369	-	32,369
LIABILITIES			
Current Liabilities:			
Accounts payable	3,986	598	4,584
Payroll taxes payable	12,928	-	12,928
Accrued interest payable	-	-	-
Current portion of long-term debt	-	-	-
Total Current Liabilities	16,914	598	17,512
Noncurrent Liabilities:			
Compensated absences	40,669	5,989	46,658
Lease obligations	-	-	-
Less: portion due within one year	-	-	-
Net pension liability	-	-	-
Total Noncurrent Liabilities	40,669	5,989	46,658
Total Liabilities	57,583	6,587	64,170
DEFERRED INFLOWS			
Unearned revenue - property taxes	459,501	-	459,501
Deferred inflows related to pensions	52,263	-	52,263
Total Deferred Inflows	511,764	-	511,764
NET POSITION			
Net investment in capital assets	7,128,847	5,117,384	12,246,231
Restricted	4,381,836	-	4,381,836
Unrestricted	(729,895)	(25,051)	(754,946)
Total Net Position	$ 10,780,788	$ 5,092,333	$ 15,873,121

See accompanying notes to the basic financial statements

TOWN OF KERSEY, COLORADO

Statement of Activities

Government-Wide

December 31, 2022

Functions / Programs	Expenses	Program Revenues: Charges for Services	Program Revenues: Capital Contributions	Net (Expense) Revenue and Changes in Net Position — Primary Government: Governmental Activities	Business-Type Activities	Total
Primary Government						
Governmental Activities:						
General government	$ (819,063)	$ -	$ -	$ (819,063)	$ -	**$ (819,063)**
Public safety	(613,324)	-	-	(613,324)	-	**(613,324)**
Public works	(347,996)	76,442	-	(271,554)	-	**(271,554)**
Parks and recreation	(308,357)	51,788	-	(256,569)	-	**(256,569)**
Health and welfare	(5,558)	-	-	(5,558)	-	**(5,558)**
Legislative	(20,234)	-	-	(20,234)	-	**(20,234)**
Judicial	(15,792)	-	-	(15,792)	-	**(15,792)**
Library	(5,621)	-	-	(5,621)	-	**(5,621)**
Seniors	(75,101)	-	-	(75,101)	-	**(75,101)**
Interest on debt	(16,169)	-	-	(16,169)	-	**(16,169)**
Total Governmental Activities	(2,227,215)	128,230	-	(2,098,985)	-	**(2,098,985)**
Business-Type Activities:						
Water fund	(557,198)	387,859	390,000	-	220,661	**220,661**
Sewer fund	(419,053)	425,189	-	-	6,136	**6,136**
Total Business-Type Activities	(976,251)	813,048	390,000	-	226,797	**226,797**
Total Primary Government	$ (3,203,466)	$ 941,278	$ 390,000	(2,098,985)	226,797	**(1,872,188)**
	General Revenues:					
	Taxes			2,420,241	-	**2,420,241**
	Licenses and permits			93,304	-	**93,304**
	Intergovernmental revenue			236,131	-	**236,131**
	Fines and forfeitures			147,120	-	**147,120**
	Miscellaneous income			87,731	-	**87,731**
	Sale of assets			21,302	-	**21,302**
	Earnings on investments			2,604	1,570	**4,174**
	Grants			107,517	-	**107,517**
	Transfers			-	-	**-**
	Contributions			-	-	**-**
	Pension net increase (decrease)			14,224	-	**14,224**
	Total General Revenues			3,130,174	1,570	**3,131,744**
	Change in Net Position			1,031,189	228,367	**1,259,556**
	Net Position-beginning of year			9,749,599	4,863,966	**14,613,565**
	Net Position-End of Year			$ 10,780,788	$ 5,092,333	**$ 15,873,121**

TOWN OF KERSEY, COLORADO

Balance Sheet

Governmental Funds

December 31, 2022

	General	Street	Nonmajor	Total
ASSETS				
Current Assets:				
Cash on hand and in checking	$ (1,658,000)	$ 1,765,984	$ 1,644,013	**$ 1,751,997**
Cash on deposit - county treasurer	736	2,262	-	**2,998**
Cash in savings	835,569	278,530	479,131	**1,593,230**
Total Cash	(821,695)	2,046,776	2,123,144	**3,348,225**
Certificates of deposit	-	-	-	**-**
Local government investment pools	4,655	-	-	**4,655**
Total Investments	4,655	-	-	**4,655**
Property taxes receivable	459,501	-	-	**459,501**
Accounts receivable	148,606	51,862	-	**200,468**
Accrued interest receivable	-	-	-	**-**
Due from other funds	-	-	-	**-**
Total Current Assets	(208,933)	2,098,638	2,123,144	**4,012,849**
Noncurrent Assets:				
Restricted local government investment pools	-	-	100,609	**100,609**
Total Noncurrent Assets	-	-	100,609	**100,609**
Total Assets	(208,933)	2,098,638	2,223,753	**4,113,458**
DEFERRED OUTFLOWS				
Grant expenditures paid in advance of meeting timing requirements	-	-	-	**-**
Total Assets & Deferred Outflows	$ (208,933)	$ 2,098,638	$ 2,223,753	**$ 4,113,458**
LIABILITIES				
Current Liabilities:				
Accounts payable	$ 3,687	$ 299	$ -	**$ 3,986**
Payroll taxes payable	12,928	-	-	**12,928**
Due to other funds	-	-	-	**-**
Total Current Liabilities	16,615	299	-	**16,914**
Total Liabilities	16,615	299	-	**16,914**
DEFERRED INFLOWS				
Unearned revenue - property taxes	459,501	-	-	**459,501**
Total Liabilities & Deferred Inflows	476,116	299	-	**476,415**
FUND BALANCE				
Non-spendable	-	-	-	**-**
Restricted:				
Tabor	59,744	-	-	**59,744**
Streets	-	2,098,339	-	**2,098,339**
Parks and recreation	-	-	99,950	**99,950**
Capital projects	-	-	2,023,194	**2,023,194**
SLRFR program	-	-	100,609	**100,609**
Committed	-	-	-	**-**
Assigned	-	-	-	**-**
Unassigned	(744,793)	-	-	**(744,793)**
Total Fund Balance	(685,049)	2,098,339	2,223,753	**3,637,043**
Total Fund Balance, Liabilities & Deferred Inflows	$ (208,933)	$ 2,098,638	$ 2,223,753	**$ 4,113,458**

Reconciliation of the Balance Sheet to the Statement of Net Position

Total Governmental Fund Balance	**$ 3,637,043**
Amounts reported for governmental activities in the statement of net position are different because:	
Capital assets used in governmental activities are not financial resources and therefore are not reported in the funds:	
Capital assets	**13,670,671**
Less: accumulated depreciation	**(6,541,824)**
Long-term liabilities, including capital leases, are not due and payable in the current period, therefore, they are not reported in the funds:	
Lease obligation	**-**
Compensated absences	**(40,669)**
Net pension asset and deferred outflows/inflows of resources related to pension plan is not recorded in the governmental funds but is recorded in the statement of net position	**55,567**
Interest is accrued on outstanding debt in the government-wide financial statements, whereas in the governmental fund financial statements, an interest expenditure is reported when due:	
Accrued interest payable	**-**
Net Position of Governmental Activities	**$ 10,780,788**

See accompanying notes to the basic financial statements

TOWN OF KERSEY, COLORADO

Statement of Revenues, Expenditures, and Changes in Fund Balances

Governmental Funds

December 31, 2022

	General	Street	Nonmajor	Total
Revenues:				
Taxes	$ 1,736,904	$ 649,109	$ 34,228	**$ 2,420,241**
Licenses and permits	93,304	-	-	**93,304**
Intergovernmental revenue	128,965	88,007	19,159	**236,131**
Charges for services	76,442	-	-	**76,442**
Parks and recreation	51,788	-	-	**51,788**
Judicial	147,120	-	-	**147,120**
Earnings on investments	701	207	1,696	**2,604**
Miscellaneous revenues	65,403	19,379	2,949	**87,731**
Total Revenues	2,300,627	756,702	58,032	**3,115,361**
Expenditures:				
General government	455,898	24,424	-	**480,322**
Public safety	586,629	-	-	**586,629**
Public works	82,538	198,420	-	**280,958**
Parks and recreation	257,802	-	20,774	**278,576**
Health and welfare	5,558	-	-	**5,558**
Legislative	20,234	-	-	**20,234**
Judicial	15,792	-	-	**15,792**
Library	5,621	-	-	**5,621**
Seniors	75,101	-	-	**75,101**
Capital outlay	531,450	4,950	-	**536,400**
Debt service	823,839	-	-	**823,839**
Total Expenditures	2,860,462	227,794	20,774	**3,109,030**
Excess (Deficiency) of Revenues over Expenditures	(559,835)	528,908	37,258	**6,331**
Other Financing Sources (Uses):				
Sale of assets	21,302	-	-	**21,302**
Contributions	-	-	-	**-**
Grants	107,517	-	-	**107,517**
Transfers in	323,159	-	-	**323,159**
Transfers out	-	-	(323,159)	**(323,159)**
Total Other Financing Sources (Uses)	451,978	-	(323,159)	**128,819**
Net Change in Fund Balance	(107,857)	528,908	(285,901)	**135,150**
Fund Balance - beginning of year	(577,192)	1,569,431	2,509,654	**3,501,893**
Fund Balance - End of Year	$ (685,049)	$ 2,098,339	$ 2,223,753	**$ 3,637,043**

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

Net Change in Fund Balance - Total Governmental Funds		**$ 135,150**
Amounts reported for governmental activities in the statement of activities are different because:		
Governmental funds report capital outlays as expenditures while governmental activities report depreciation expense to allocate to those expenditures over the life of the assets.		
Capital assets sold	**$ -**	
Capital asset purchased	**536,400**	
Depreciation expense	**(459,349)**	
The net effect of transactions involving capital assets (sales, trade-ins)		**77,051**
Loan proceeds provide current financial resources to the governmental funds and repayment of debt principal is an expenditure in the governmental funds, but the proceeds increase and repayment reduces long-term liabilities in the statement to net position:		
Long-term debt payments		**807,103**
Long-term debt proceeds		**-**
Some expenses reported in statement of activities do not require the use of current financial resources and therefore are not reported as expenditures in the governmental funds:		
Change in compensated absences		**(2,906)**
Lease obligations		**-**
Accrued interest		**567**
Net pension asset and deferred outflows/inflows of resources related to pension plan is not recorded in the governmental funds but is recorded in the statement of net position		**14,224**
Change in Net Position of Governmental Activities		**$ 1,031,189**

TOWN OF KERSEY, COLORADO

Statement of Net Position

Proprietary Funds

December 31, 2022

	Business-Type Activities		
	Water	**Sewer**	**Total**
ASSETS			
Current Assets:			
Cash on hand and in checking	$ (1,147,447)	$ (469,661)	**$ (1,617,108)**
Cash on deposit - county treasurer	-	-	**-**
Cash in savings	557,065	835,586	**1,392,651**
Total Cash	(590,382)	365,925	**(224,457)**
Certificates of deposit	146,159	-	**146,159**
Local government investment pools	-	-	**-**
Total Investments	146,159	-	**146,159**
Accounts receivable	18,544	32,243	**50,787**
Accrued interest receivable	49	-	**49**
Prepaid expenses	8,998	-	**8,998**
Due from other funds	-	-	**-**
Total Current Assets	(416,632)	398,168	**(18,464)**
Capital Assets:			
Land	600	4,226	**4,826**
Water rights	2,673,665	-	**2,673,665**
Utility system	2,215,802	3,387,445	**5,603,247**
Equipment	115,247	287,396	**402,643**
Total Capital Assets	5,005,314	3,679,067	**8,684,381**
Less: Accumulated depreciation	(1,280,688)	(2,286,309)	**(3,566,997)**
Net Capital Assets	3,724,626	1,392,758	**5,117,384**
Total Assets	3,307,994	1,790,926	**5,098,920**
DEFERRED OUTFLOWS			
Grant expenditures paid in advance of meeting timing requirements	-	-	**-**
Total Assets & Deferred Outflows	3,307,994	1,790,926	**5,098,920**
LIABILITIES			
Current Liabilities:			
Accounts payable	299	299	**598**
Payroll taxes payable	-	-	**-**
Accrued interest payable	-	-	**-**
Due to other funds	-	-	**-**
Current portion of long-term debt	-	-	**-**
Total Current Liabilities	299	299	**598**
Long Term Liabilities:			
Compensated absences	3,225	2,764	**5,989**
Less: portion due within one year	-	-	**-**
Total Long Term Liabilities	3,225	2,764	**5,989**
Total Liabilities	3,524	3,063	**6,587**
DEFERRED INFLOWS			
Unearned revenue	-	-	**-**
Total Liabilities & Deferred Inflows	3,524	3,063	**6,587**
NET POSITION			
Net investment in capital assets	3,724,626	1,392,758	**5,117,384**
Restricted for operations and maintenance	-	-	**-**
Unrestricted:			
Designated for subsequent year's expenditures	-	-	**-**
Undesignated	(420,156)	395,105	**(25,051)**
Total Net Position	$ 3,304,470	$ 1,787,863	**$ 5,092,333**

See accompanying notes to the basic financial statements

TOWN OF KERSEY, COLORADO

Statement of Revenues, Expenses, and Changes in Net Position

Proprietary Funds

December 31, 2022

	Business-Type Activities		
	Water	Sewer	Total
Operating Revenues:			
Charges for services	$ 373,859	$ 417,189	**$ 791,048**
Other operating revenues	14,000	8,000	**22,000**
Total Operating Revenues	387,859	425,189	**813,048**
Operating Expenses:			
General	43,962	42,729	**86,691**
Administrative	97,727	93,907	**191,634**
System operations	348,636	166,454	**515,090**
Depreciation	66,873	115,963	**182,836**
Total Operating Expenses	557,198	419,053	**976,251**
Operating Income (Loss)	(169,339)	6,136	**(163,203)**
Non-Operating Revenues (Expenses)			
Earnings on investments	949	621	**1,570**
Miscellaneous revenues	-	-	**-**
Interest expense	-	-	**-**
Proceeds from sale of assets	-	-	**-**
Total Non-operating Revenues (Expenses)	949	621	**1,570**
Income (Loss) before contributions and transfers	(168,390)	6,757	**(161,633)**
Contributions	390,000	-	**390,000**
Transfers In (Out)	-	-	**-**
Change in Net Position	221,610	6,757	**228,367**
Total Net Position - beginning of year	3,082,860	1,781,106	**4,863,966**
Total Net Position - End of Year	$ 3,304,470	$ 1,787,863	**$ 5,092,333**

See accompanying notes to the basic financial statements

TOWN OF KERSEY, COLORADO

Statement of Cash Flows

Proprietary Funds

December 31, 2022

	Business-Type Activities		
	Water	Sewer	Total
Cash Flows From Operating Activities:			
Cash received from customers	$ 391,647	$ 431,780	**$ 823,427**
Cash payments to employees	(91,546)	(88,036)	**(179,582)**
Cash payments to suppliers	(401,287)	(222,405)	**(623,692)**
Internal activity - payments to other funds	-	-	**-**
Net Cash Flows From Operating Activities	(101,186)	121,339	**20,153**
Cash Flows From Non-capital Financing Activities:			
Operating transfers in	-	-	**-**
Operating transfers out	-	-	**-**
Grants	-	-	**-**
Net Cash Flows From Non-capital Financing Activities	-	-	**-**
Cash Flows From Capital and Related Financing Activities:			
Acquisition of capital assets	(424,787)	(25,542)	**(450,329)**
Proceeds from long-term debt	-	-	**-**
Contributions	390,000	-	**390,000**
Capital lease obligation payments	-	-	**-**
Principal payments on long-term debt	-	-	**-**
Interest payments on long-term debt	-	-	**-**
Net Cash Flows From Capital and Related Financing Activities	(34,787)	(25,542)	**(60,329)**
Cash Flows From Investing Activities:			
Interest on investments	949	621	**1,570**
Change in investments	(583)	-	**(583)**
Net Cash Flows From Investing Activities	366	621	**987**
Net Increase (Decrease) in Cash and Cash Equivalents	(135,607)	96,418	**(39,189)**
Cash and Cash Equivalents - January 1	(454,775)	269,507	**(185,268)**
Cash and Cash Equivalents - December 31	$ (590,382)	$ 365,925	**$ (224,457)**
Reconciliation of Operating Income (Loss) to Net Cash Provided by (Used for) Operating Activities:			
Operating income (loss)	$ (169,339)	$ 6,136	**$ (163,203)**
Adjustments to reconcile operating income (loss) to net cash provided by operating activities:			
Depreciation and amortization	66,873	115,963	**182,836**
Changes in assets and liabilities:			
Receivables	3,788	6,591	**10,379**
Prepaid expenses	(258)	-	**(258)**
Due from other funds	-	-	**-**
Payables and other accrued expenses	(2,250)	(7,351)	**(9,601)**
Due to other funds	-	-	**-**
Net Cash Flows From Operating Activities	$ (101,186)	$ 121,339	**$ 20,153**

NOTES TO THE BASIC FINANCIAL STATEMENTS

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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

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

Reporting Entity

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

New Accounting Pronouncements

GASB Statement No 87, *Leases*. This statement establishes a single model for lease accounting based on the foundational principle that leases are financings of the right to use an underlying asset. Under this statement, a lessee is required to recognize a lease liability and intangible right-to-use lease asset, and a lessor is required to recognize a lease receivable and a deferred inflow of resources. The Town has leases, therefore, for year ended December 31, 2022 implementation had an impact to the Town's financial statements.

GASB Statement No 91, *Conduit Debt Obligations*. This statement establishes a single method of reporting conduit debt obligations by issuers and eliminate diversity in practice associated with (1) commitments extended by issuers, (2) arrangements associated with conduit debt obligations, and (3) related note disclosures. Implementation had no impact on the Town's financial statements.

GASB Statement No 92, *Omnibus 2022*. This statement enhances comparability in accounting and financial reporting and improve the consistency of authoritative literature by addressing practice issues that have been identified during implementation and application of certain GASB statements. Implementation had no impact on the Town's financial statements.

GASB Statement No 93, *Replacement of Interbank Offered Rates*. This statement replaces the Interbank Offered Rates, to amend GASB Statement No 53, *Accounting and Financial Reporting for Derivative Instruments*. Implementation had no impact on the Town's financial statements

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Basic Financial Statements

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

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

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

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

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

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

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

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

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Deferred Outflows/Inflows of Resources

In addition to assets and liabilities, the statement of net position will sometimes report a separate section for deferred outflows of resources and deferred inflows of resources. These separate financial statement elements represent a consumption or acquisition of net position that applies to a future period(s) and will not be recognized as an outflow of resources (expense) or an inflow of resources (revenue) until that time.

Lease-related amounts are recognized at the inception of the lease. The right of use asset is initially measured at an amount equal to the initial measurement of the related lease liability plus any lease payments made prior to the lease term, less incentives, and ancillary charges necessary to place the lease into service. The right-to-use assets are amortized on a straight-line basis over the lease term.

Leases

The Town recognizes and measures its leases in accordance with GASB Statement No 87, *Leases*. The Town was a lessee of the Town Hall subject to mutual covenants and conditions. The Town determines if an arrangement is a lease, or contains a lease, at inception of a contract and when the terms of an existing contract are changed. The Town recognizes a right-to-use asset and lease liability at the commencement date of the lease.

The Town has elected, for all underlying classes of assets, to not recognize right-to-use assets and lease liabilities for short-term leases that have a lease term of 12 months or less at lease commencement, and do not include an option to purchase the underlying asset that the Town is reasonably certain to exercise. The Town recognize lease cost associated with short-term leases on a straight-line basis over the lease term.

Beginning January 1, 2022, lease receivable and related deferred revenue of lease receivable have been presented.

Budgets and Budgetary Accounting

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

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

The following is a summary of the original, total revisions and revised budgets for those funds with amended budgets in year 2022:

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Budgets and Budgetary Accounting (continued)

Governmental Funds	Original Budget	Total Revisions	Revised Budget
General Fund	$ 1,481,101	$ 80,000	$ 1,561,101
Street Fund	388,715	-	388,715
Conservation Trust Fund	8,500	-	8,500
Capital Projects Fund	30,000	-	30,000
Business-Type:			
Water Fund	429,581	100,000	529,581
Sewer Fund	338,960	-	338,960
Total	**$ 2,676,857**	**$ 180,000**	**$ 2,856,857**

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

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

The Town incurred expenditures in excess of appropriations in the General Fund, Capital Projects Fund & Water Fund for the year ended December 31, 2022, which may be in violation of the Local Government Budget Law.

Designated for Subsequent Year's Expenditures

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

Compensated Absences

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

Amounts of vested or accumulated vacation pay that are not expected to be liquidated with expendable available financial resources are reported on the government-wide financial statements. The Town has recorded a liability of $46,658 at December 31, 2022. There is no accrual in the fund financial statements.

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Cash and Cash Equivalents

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

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

Restricted Cash and Investments

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

Investments

Investments are carried at fair value plus accrued interest with net appreciation or depreciation on investments included in earnings on investments. (See Note 3 for further discussion)

Inventory

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

Prepaid Expenses

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

Capital Assets

Capital assets, which include land, buildings and improvements, equipment, and infrastructure assets, are reported in the governmental-wide financial statements. The Town records its property and equipment at historical cost. Contributed capital assets are valued at their estimated fair value on the date donated. Maintenance and repairs are charged to current period operating expenses, whereas additions and improvements are capitalized. Upon retirement or other disposition of property and equipment, the costs and related accumulated depreciation are removed from the respective accounts and any gains or losses are included in operations. Interest costs relating to construction are capitalized. During year ended December 31, 2022, no interest was capitalized. The Town's capitalization level is $2,500 for capital assets.

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

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

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Capital Assets (continued)

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

Construction in Progress

Construction in progress includes design and construction costs that accumulate until completion or installation of the respective project, at which time the total cost is transferred to depreciate capital assets.

Use of Estimates

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

Receivables

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

Equity - Net Position

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

Equity - Fund Balance

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

(1) ***Nonspendable Fund Balance*** – the portion of fund balance that cannot be spent because it is either not in spendable form (such as prepaid amounts or inventory) or legally or contractually required to be maintained intact.
(2) ***Restricted Fund Balance*** – the portion of fund balance that is constrained to be used for a specific purpose by external parties (creditors, grantors, or contributors), enabling legislation or constitutional provisions. The Town's fund balance is restricted for tabor, street improvement, parks and recreation and capital projects.
(3) ***Committed Fund Balance*** – the portion of fund balance that can only be used for specific purposes pursuant to constraints imposed by formal action of the government's highest level of decision-making, the Town Board. The constraint may be removed or changed only through formal action of the Town's Board through approval of resolutions.
(4) ***Assigned Fund Balance*** – the portion of fund balance that is constrained by the government's intent to be used for specific purposes, but is neither restricted nor committed. Intent is expressed by the Town Board to be used for a specific purpose. Constraints imposed on the use of assigned amounts are more easily removed or modified than those imposed on amounts that are classified as committed.
(5) ***Unassigned Fund Balance*** – the residual portion of fund balance that does not meet any of the criteria described above. Negative unassigned fund balance in other governmental funds represents excess expenditures incurred over the amounts restricted, committed, or assigned to those purposes.

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Equity – Fund Balance (continued)

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

NOTE 2 – STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY

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

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

Fiscal year spending and revenue limits are determined based on the prior years' spending adjusted for inflation and local growth. Revenue in excess of the limit must be refunded unless the voters approve retention of such revenue. On April 7, 1998, voters approved Ordinance 1-1998 regarding the Town's retention of revenues collected in excess of the fiscal spending limits for 1998, also to be effective for all years thereafter. In addition, voters approved to allow the Town to maintain its operating mill levy at 17.205 mills in 2008 (for 2009 collection) and for a period not to exceed 10 years, qualifying as a TABOR voter approved revenue change and, if applicable, an authorized exception to the statutory 5.5% tax revenue growth limitation. Then in 2016, voters approved to extend operating mill levy for another period not to exceed 10 years. Considering the above interpretation of TABOR, the governing board believes that it is in compliance with its fiscal requirements for the year December 31, 2022.

The Amendment requires that Emergency Reserves be established. The reserves must be at least three percent of the fiscal year spending (excluding bonded debt service). The Town is not allowed to use the emergency reserves to compensate for economic conditions, revenue shortfalls, or salary or benefit increases. The Town has restricted $59,744 for this purpose.

NOTE 3 - CASH DEPOSITS AND INVESTMENTS

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

	Governmental Activities	Business-Type Activities	Total
Cash on hand and in checking	$ 1,751,997	$ (1,617,108)	$ 134,889
Cash with county treasurer	2,998	-	2,998
Cash in savings	1,593,230	1,392,651	2,985,881
Investments:			
Certificates of deposit	-	146,159	146,159
Local government investment pools	4,655	-	4,655
Restricted: Local government investment pools	100,609	-	100,609
Total	**$ 3,453,489**	**$ (78,298)**	**$ 3,375,191**

NOTE 3 - CASH DEPOSITS AND INVESTMENTS (CONTINUED)

Cash deposits and investments consist of the following:

	Governmental Activities	Business-Type Activities	Total
Cash on hand and deposit	$ 3,298	$ -	$ 3,298
Bank accounts	3,344,927	(224,457)	3,120,470
Investments	105,264	146,159	251,423
Total	**$ 3,453,489**	**$ (78,298)**	**$ 3,375,191**

Cash Deposits

As of December 31, 2022, the carrying amount of the Town's deposits was $3,120,470 and the corresponding bank balance was $3,242,272.

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

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

Investments

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

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

As of December 31, 2022, the Town had the following investments:

	S&P Rating	Investment Maturities in Years: Less than 1	1 to 5	6 to 10	More than 10	Total
Certificates of deposit	-	$ -	$ 146,159	$ -	$ -	$ 146,159
Local govt investment pools:						
Colotrust Prime and Plus+	AAAm	4,655	-	-	-	4,655
Colotrust EDGE	AAAf	100,609	-	-	-	100,609
Total		**$ 105,264**	**$ 146,159**	**$ -**	**$ -**	**$ 251,423**

NOTE 3 - CASH DEPOSITS AND INVESTMENTS (CONTINUED)

Investments (continued)

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

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

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

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

Custodial Credit Risk is the risk that, in the event of the failure of the issuer or counterparty, the Town will not be able to recover the value of its investment or related collateral securities that are in the possession of an outside party. The Town had custodial credit risk for its investments at December 31, 2022.

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

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

> *Level 1*: Observable inputs that reflect quoted prices (unadjusted) for identical assets or liabilities in active markets.
>
> *Level 2*: Inputs other than quoted prices in Level 1 that are observable for the asset or liability either directly or indirectly.
>
> *Level 3*: Unobservable inputs that cannot be corroborated by observable market data.

NOTE 3 - CASH DEPOSITS AND INVESTMENTS (CONTINUED)

Investments (continued)

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

Investment Income

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

Investment Income:	Governmental Activities	Business-Type Activities	Total
Interest income	$ 3,247	$ 1,570	$ 4,817
Net increase (decrease) in the fair value of investments	(643)	-	(643)
Total	**$ 2,604**	**$ 1,570**	**$ 4,174**

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

NOTE 4 - PROPERTY TAXES RECEIVABLE

Under Colorado law, all property taxes become due and payable in the calendar year following that in which they are levied. Property taxes levied by the General Fund in the current year, 2023, to be collected in the subsequent year, 2023 are accrued as a receivable as of December 31, 2022 and offset by an unearned revenue account.

The Town's property tax calendar for 2022 is as follows:

Lien Date	January 1, 2022
Levy Date	November 1, 2022
Tax bills mailed	January 1, 2023
First installment due	February 28, 2023
Second installment due	June 15, 2023
If paid in full, due	April 30, 2023
Tax sale – delinquent taxes	November 15, 2023

NOTE 5 – CAPITAL ASSETS

The following is a summary of capital assets for the Governmental Activities as of December 31, 2022:

Governmental Activities	Beg Balance	Additions	Retirements	End Balance
Capital Assets, not being depreciated:				
Land	$ 363,090	$ 323,159	$ -	$ 686,249
Construction in progress	-	11,741	-	11,741
Total Capital Assets, not being depreciated	**363,090**	**334,900**	**-**	**697,990**
Capital Assets, being depreciated:				
Buildings and improvements	6,688,332	-	-	6,688,332
Street and improvements	4,810,289	-	-	4,810,289
Equipment	1,276,080	201,500	(3,520)	1,474,060
Total Capital Assets, being depreciated	**12,774,701**	**201,500**	**(3,520)**	**12,972,681**
Less: Accumulated Depreciation for:				
Buildings and improvements	(537,372)	(314,808)	-	(852,180)
Street and improvements	(4,695,620)	(48,147)	-	(4,743,767)
Equipment	(853,003)	(96,394)	3,520	(945,877)
Total Accumulated Depreciation	**(6,085,995)**	**(459,349)**	**3,520**	**(6,541,824)**
Total Capital Assets, being depreciated - Net	**6,688,706**	**(257,849)**	**-**	**6,430,857**
Capital Assets - Net	**$ 7,051,796**	**$ 77,051**	**$ -**	**$ 7,128,847**

Depreciation expense was charged to Governmental Activities as follows:	
General government	$ 335,835
Public safety	26,695
Public works	67,038
Health and welfare	-
Parks and recreation	29,781
Total Depreciation Expense - Governmental Activities	**$ 459,349**

NOTE 5 – CAPITAL ASSETS (CONTINUED)
The following is a summary of capital assets for the Business-Type Activities as of December 31, 2022:

Business-Type Activities	Beg Balance	Additions	Retirements	End Balance
Capital Assets, not being depreciated				
Land	$ 4,826	$ -	$ -	$ 4,826
Water rights	2,283,665	390,000	-	2,673,665
Construction in progress	-	-	-	-
Total Capital Assets, not being depreciated	**2,288,491**	**390,000**	**-**	**2,678,491**
Capital Assets, being depreciated				
Utility system	5,571,907	31,340	-	5,603,247
Equipment	373,654	28,989	-	402,643
Total Capital Assets, being depreciated	**5,945,561**	**60,329**	**-**	**6,005,890**
Less: Accumulated Depreciation for:				
Utility system	(3,054,428)	(166,053)	-	(3,220,481)
Equipment	(329,733)	(16,783)	-	(346,516)
Total Accumulated Depreciation	**(3,384,161)**	**(182,836)**	**-**	**(3,566,997)**
Total Capital Assets, being depreciated - Net	**2,561,400**	**(122,507)**	**-**	**2,438,893**
Capital Assets - Net	**$ 4,849,891**	**$ 267,493**	**$ -**	**$ 5,117,384**

Depreciation expense was charged to Business-Type Activities as follows:	
Water fund	$ 66,873
Sewer fund	115,963
Total Depreciation Expense - Business-Type Activities	**$ 182,836**

NOTE 6 - INTERFUND RECEIVABLES AND PAYABLES AND INTERFUND TRANSFERS
A summary of interfund activities at December 31, 2022 were as follows:

Governmental Activities	Interfund Receivable	Interfund Payable	Transfers In	Transfers Out
General Fund	$ -	$ -	$ 323,159	$ -
Street Fund	-	-	-	
Conservation Trust Fund	-	-	-	-
Capital Fund	-	-	-	323,159
Total Governmental Activities	-	-	323,159	323,159
Business-Type Activities				
Water Fund	-	-	-	-
Sewer Fund	-	-	-	-
Total Business-Type Activities	-	-	-	-
Total	**$ -**	**$ -**	**$ 323,159**	**$ 323,159**

NOTE 7 – LONG-TERM DEBT

Lease Purchase Agreement

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

On September 15, 2022, the Town paid this agreement in full.

Future minimum payments under the Lease Purchase Agreement:

Year	Principal	Interest	Total
2023	$ -	$ -	$ -
2024	-	-	-
2025	-	-	-
2026	-	-	-
2027	-	-	-
2028-2030	-	-	-
Total	$ -	$ -	$ -

Other Debt and Line of Credit

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

Changes in Long-Term Debt

Notes for Direct Borrowings	12/31/2021	Additions	Reductions	12/31/2022	Due Within One Year
Governmental Activities:					
Lease/Purchase Agreement	$ 807,103	$ -	$ (807,103)	$ -	$ -
Total Governmental Activities	807,103	-	(807,103)	-	-
Business-Type Activities:					
Water Fund	-	-	-	-	-
Sewer Fund	-	-	-	-	-
Total Business-Type Activities	-	-	-	-	-
Total	**$ 807,103**	**$ -**	**$ (807,103)**	**$ -**	**$ -**

NOTE 8 - RISK MANAGEMENT

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

NOTE 8 - RISK MANAGEMENT (CONTINUED)

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

As of December 31, 2022, the Town did not have any liabilities in excess of insurance limits. Claims have not exceeded insurance coverage in the prior three years.

NOTE 9 – CONTINGENCIES

In the opinion of the Town's management and counsel, there is no material pending or threatened litigation, claims, and assessments. Furthermore, the Town's management and counsel are unaware of any unasserted possible claims or assessments that are probable of assertion and must be disclosed as of December 31, 2022.

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

NOTE 10 – RETIREMENT PLAN

Plan Description

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

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

Funding Policy

The 457 Plan is funded by voluntary member contributions up to a maximum limit set by the IRS ($20,500 for the calendar year 2022). Catch-up contributions up to $6,500 for the calendar year 2022 were allowed for participants who had attained age 50 before the close of the plan year, subject to the limitations of IRS Section 414(v). The Town contributes 3% of the employee's salary into this plan. The Town's cost under the Plan as of December 31, 2022 was $15,867.

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

NOTE 11 – DEFINED BENEFIT PENSION PLAN

Plan Description

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

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

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

Benefits

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

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

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

Plan Contributions

Contribution rates for employers and members may be increased equally by the FPPA Board of Directors upon approval through an election by both the employers and members.

NOTE 11 – DEFINED BENEFIT PENSION PLAN (CONTINUED)

Plan Contributions (continued)

Contribution rates at December 31, 2021 are as follows:

	Member	Employer
Statewide Defined Benefit Plan (SWBD)	11.50%	8.50%
Statewide Death and Disability Plan (SWD&D) *	1.50%	1.50%
	13.00%	10.00%

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

Plan Contributions (continued)

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

	Member	Employer
Statewide Defined Benefit Plan (SWBD)	5.75%	4.25%
Statewide Death and Disability Plan (SWD&D) *	1.50%	1.50%
	7.25%	5.75%

Member contributions to SWBD will increase 0.25% annually through 2022 to a total of 6.0% of pensionable earnings. Employer contributions to SWBD will increase 0.25% annually beginning in 2021 through 2030 to a total of 6.5% of pensionable earnings.

Pension Liability (Asset)

At December 31, 2022, the Town reported $(75,461) for its proportionate share of the net pension liability (asset). The net pension liability (asset) was measured as of December 31, 2021, and the total net pension liability used to calculate the net pension liability was determined by an actuarial valuation as of that date. The Town's proportion of the net pension liability was based on the Town's share of contributions relative to the contributions of all participants.

Deferred Outflows/Inflows of Resources by Source

	Deferred Outflows of Resources	Deferred Inflows of Resources	Net Deferred Outflows/ (Inflows) of Resources
Pension contributions subsequent to measurement date	$ 12,111	$ -	$ 12,111
Difference between expected and actual experiences	21,608	1,760	19,848
Assumption changes	10,761	-	10,761
Net difference between projected and actual earnings on pension plan investments	-	50,503	(50,503)
Total	**$ 44,480**	**$ 52,263**	**$ (7,783)**

The $12,111 reported as deferred outflows of resources related to contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the year ended December 31, 2021.

NOTE 11 – DEFINED BENEFIT PENSION PLAN (CONTINUED)

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

Year Ending December 31	Net Deferred Outflows/ (Inflows) of Resources
2022	$ (6,813)
2023	(12,037)
2024	(6,754)
2025	(1,897)
2026	4,499
Thereafter	3,108
Total	**$ (19,894)**

Actuarial Assumptions

The actuarial valuations for the Statewide Defined Benefit Plan were used to determine the total pension liability (asset) and actuarially determined contributions for the fiscal year ending December 31, 2021. The valuations used the following actuarial assumption and other inputs:

	Total Pension Liability	Actuarial Determined Contributions
Actuarial Valuation Date	January 1, 2022	January 1, 2021
Actuarial method	Entry Age Normal	Entry Age Normal
Amortization method	N/A	Level % of Payroll, Open
Amortization period	N/A	N/A
Long-term investment rate of return *	7.00%	7.00%
Projected salary increases *	4.25% - 11.25%	4.25% - 11.25%
Cost of living adjustments (COLA)	0.00%	0.00%
* Includes inflation at	2.50%	2.50%

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

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

NOTE 11 – DEFINED BENEFIT PENSION PLAN (CONTINUED)

Investments

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

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

The assets in the Fire & Police Members' Benefit Investment Fund are managed primarily by professional investment management firms. Similarly, investment options offered to defined contribution and deferred compensation plan members are typically pooled investment vehicles managed by professional money managers.

The long-term expected rate of return on pension plan investments was determined using a building-block method in which best-estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighing the expected future real rates of return by the target asset allocation percentage and by adding expected inflation (assumed at 2.5%). Best estimates of arithmetic real rates of return for each major asset class included in the plans target asset allocation as of December 31, 2021 are summarized in the following table:

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

Discount Rate

Projected benefit payments are required to be discounted to their actuarial present values using a single discount rate that reflects 1) a long-term expected rate of return on pension plan investments (to the extent that the plan's fiduciary net position is projected to be sufficient to pay benefits) and 2) tax-exempt municipal bond rate based on an index of 20-year general obligation bonds with an average AA credit rating as of the measurement date (to the extent that the plan's projected fiduciary net position is not sufficient to pay benefits). The long-term expected rate of return on pension plan investments is 7.00%; the municipal bond rate is 1.84% (based on the weekly rate closest to but not later than the measurement date of the "state & local bonds" rate from Federal Reserve statistical release (H.15)); and the resulting Single Discount Rate is 7.00%.

NOTE 11 – DEFINED BENEFIT PENSION PLAN (CONTINUED)

Sensitivity to Single Discount Rate Assumption

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

	1% Decrease **6.00%**	Current Rate **7.00%**	1% Increase **8.00%**
Pension Plan's Net Pension Liability / (Asset)	$ (10,407)	$ (75,461)	$ (129,355)

Pension Plan Fiduciary Net Position

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

NOTE 12 – SHORT-TERM DEBT

The Town had no short-term debt obligations and had no borrowing during the year ending December 31, 2022.

	12/31/2021	Additions	Reductions	12/31/2022
Short-Term Debt	$ -	$ -	$ -	$ -
Total	**$ -**	**$ -**	**$ -**	**$ -**

Other Debt and Line of Credit

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

NOTE 13 – RELATED PARTY TRANSACTIONS

The Town does business with a company that is owned and operated by a board of director's family member. Shady Grove Tree Services, is a tree care and removal company within the Kersey area. The Town utilized this company's services prior to the board of director coming onto the board. The amount paid to Shady Grove Tree Services was $650 in 2022. There were no balances due to Shady Grove Tree Services at December 31, 2022.

NOTE 14 – SUBSEQUENT EVENTS

The Town has evaluated events and transactions occurring subsequent to the end of the fiscal year for potential recognition or disclosure through July 21, 2023, the date on which the financial statements were issued, and did not identify events or transactions that would have a material impact on the financial statements.

REQUIRED SUPPLEMENTAL INFORMATION

TOWN OF KERSEY, COLORADO

Schedule of Revenues

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

Year Ended December 31, 2022

With Comparative Actual Amounts For the Year Ended December 31, 2021

Non-GAAP Budgetary Basis	2022 Original Budget	2022 Final Budget	2022 Actual	2022 Variance - Favorable (Unfavorable)	2021 Actual
Taxes:					
General property taxes	$ 396,694	$ 396,694	$ **394,810**	$ (1,884)	$ 488,263
Interest on delinquent taxes	350	350	**1,111**	761	1,032
Sales tax	625,000	625,000	**1,247,955**	622,955	1,023,668
Franchise tax	55,000	55,000	**61,987**	6,987	54,788
Lodging tax	25,000	25,000	**31,041**	6,041	28,267
Total Taxes	1,102,044	1,102,044	**1,736,904**	634,860	1,596,018
Licenses, Permits and Fees:					
Amusement machine tax	225	225	**225**	-	275
Employment occupation tax	1,500	1,500	**1,250**	(250)	1,500
Business license	4,000	4,000	**4,698**	698	4,790
Liquor license	1,200	1,200	**825**	(375)	767
Mosquito control fee	6,000	6,000	**6,080**	80	5,959
Animal license	1,000	1,000	**610**	(390)	760
Impound fee	700	700	**-**	(700)	125
Development fee	-	-	**-**	-	-
Building permits	25,000	25,000	**79,616**	54,616	25,521
Total Licenses, Permits and Fees	39,625	39,625	**93,304**	53,679	39,697
Intergovernmental Revenues:					
Cigarette taxes	3,500	3,500	**3,368**	(132)	3,986
Severance tax	50,000	50,000	**125,597**	75,597	18,214
Total Intergovernmental Revenues	53,500	53,500	**128,965**	75,465	22,200
Charges for Services:					
Refuse collection charge	72,720	72,720	**72,713**	(7)	70,034
Late fees	3,250	3,250	**3,729**	479	2,894
Total Charges for Services	75,970	75,970	**76,442**	472	72,928
Parks and Recreation:					
Park reservations	750	750	**1,460**	710	2,180
Adult education	-	-	**-**	-	-
Baseball registration	9,000	9,000	**11,281**	2,281	7,680
Softball registration	1,500	1,500	**2,040**	540	520
Basketball registration	6,000	6,000	**12,315**	6,315	9,495
Soccer registration	4,500	4,500	**9,832**	5,332	7,672
Swimming registration	-	-	**-**	-	3,161
Youth volleyball	3,500	3,500	**6,218**	2,718	6,191
Flag football	800	800	**2,062**	1,262	1,491
Summer activities	800	800	**250**	(550)	1,784
Winter activities	800	800	**834**	34	500
United way	1,200	1,200	**1,165**	(35)	-
Miscellaneous rec programs	2,750	2,750	**4,331**	1,581	16,784
Total Parks and Recreation	31,600	31,600	**51,788**	20,188	57,458

(continued on next page)

Schedule of Revenues

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

Year Ended December 31, 2022

With Comparative Actual Amounts For the Year Ended December 31, 2021

	2022				
Non-GAAP Budgetary Basis	Original Budget	Final Budget	**Actual**	Variance - Favorable (Unfavorable)	**2021** Actual
Judicial:					
Fines and forfeitures	$ 100,000	$ 100,000	**$ 125,943**	$ 25,943	$ 105,395
Traffic calming surcharge	26,000	26,000	**15,812**	(10,188)	14,106
ATV registrations	-	-	**-**	-	450
Police reports	500	500	**775**	275	386
SOE fees	1,000	1,000	**295**	(705)	225
Court costs	2,500	2,500	**4,280**	1,780	4,645
Surcharge	-	-	**15**	15	325
Total Judicial	130,000	130,000	**147,120**	17,120	125,532
Earnings on Investments:					
Earnings on investments	1,500	1,500	**701**	(799)	327
Net Increase (decrease) in the fair market of investments	-	-	**-**	-	-
Total Earnings on Investments	1,500	1,500	**701**	(799)	327
Miscellaneous Revenues:					
Donations	300	300	**-**	(300)	11,380
Miscellaneous revenues	34,350	34,350	**25,969**	(8,381)	32,746
Oil and gas royalties	10,000	10,000	**16,174**	6,174	12,636
Insurance proceeds	-	-	**17,850**	17,850	12,221
Park tree fund	-	-	**-**	-	-
Building rental	2,000	2,000	**5,410**	3,410	4,659
Contributions	-	-	**-**	-	-
Sale of assets	-	-	**21,302**	21,302	5,389
Loan proceeds	-	-	**-**	-	-
Grant proceeds	-	-	**107,517**	107,517	815,694
Total Miscellaneous Revenue	46,650	46,650	**194,222**	147,572	894,725
Total Revenue	$ 1,480,889	$ 1,480,889	**$ 2,429,446**	$ 948,557	$ 2,808,885

Schedule of Expenditures

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

Year Ended December 31, 2022

With Comparative Actual Amounts For the Year Ended December 31, 2021

	2022				
Non-GAAP Budgetary Basis	Original Budget	Final Budget	**Actual**	Variance - Favorable (Unfavorable)	**2021** Actual
General Government:					
General:					
Workmen's compensation	$ 13,357	$ 13,357	**$ 18,583**	$ (5,226)	$ 11,842
Auditing	4,500	4,500	**4,500**	-	4,283
Bank charges	750	750	**2,949**	(2,199)	2,655
Credit card charges	2,100	2,100	**3,909**	(1,809)	2,540
Treasurer's fee	3,967	3,967	**3,974**	(7)	4,893
Insurance	14,520	14,520	**14,830**	(310)	12,873
Professional services	-	-	**-**	-	-
Bookkeeping services	-	-	**-**	-	-
IT services	5,000	5,000	**6,852**	(1,852)	9,519
Total General	44,194	44,194	**55,597**	(11,403)	48,605
Administrative:					
Salaries	153,241	153,241	**209,980**	(56,739)	199,521
Payroll taxes	16,930	16,930	**15,272**	1,658	14,296
Health insurance	32,213	32,213	**12,157**	20,056	21,797
Dental insurance	2,522	2,522	**1,772**	750	9
AFLAC coverage	415	415	**647**	(232)	400
Life insurance	86	86	**70**	16	42
Short-term disability insurance	659	659	**741**	(82)	663
Long-term disability insurance	1,070	1,070	**977**	93	1,070
E 457 retirement contribution	6,626	6,626	**5,936**	690	5,826
Cont. education, seminars, training	2,750	2,750	**6,713**	(3,963)	4,825
Administrative transfer	-	-	**(14,400)**	14,400	(14,400)
Legal services	30,400	30,400	**37,163**	(6,763)	18,704
Publishing	1,000	1,000	**946**	54	511
Web publishing	696	696	**738**	(42)	717
Online code	500	500	**223**	277	785
Dues and subscriptions	1,500	1,500	**24,964**	(23,464)	3,120
Fuel	2,500	2,500	**3,128**	(628)	-
Miscellaneous	7,500	7,500	**23,331**	(15,831)	35,732
Postage	600	600	**1,226**	(626)	280
Professional services	6,900	6,900	**5,166**	1,734	12,844
Repairs and maintenance - building	5,000	5,000	**4,157**	843	5,470
Repairs and maintenance - equip/mach	300	300	**470**	(170)	63
Repairs and maintenance - office equip	300	300	**1,805**	(1,505)	595
Repairs and maintenance - vehicles	2,500	2,500	**3,116**	(616)	2,570
TH cleaning	2,400	2,400	**2,600**	(200)	2,800
Supplies - general	2,500	2,500	**2,428**	72	6,320
Supplies - office	2,500	2,500	**6,633**	(4,133)	4,390
Telephone expense	900	900	**2,056**	(1,156)	2,935
Travel and meetings	5,000	5,000	**11,240**	(6,240)	2,759
Utility expense	3,000	3,000	**3,537**	(537)	5,723
Electronic monitoring	1,500	1,500	**1,772**	(272)	20,132
Total Administrative	294,008	294,008	**376,564**	(82,556)	360,499
Elections:					
Legal services	700	700	**-**	700	-
Publishing	100	100	**43**	57	-
Election judges	300	300	**400**	(100)	-
Meals	75	75	**111**	(36)	-
Supplies - general	3,000	3,000	**909**	2,091	-
Total Elections	4,175	4,175	**1,463**	2,712	-

(continued on next page)

TOWN OF KERSEY, COLORADO

Schedule of Expenditures

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

Year Ended December 31, 2022

With Comparative Actual Amounts For the Year Ended December 31, 2021

	2022				
Non-GAAP Budgetary Basis	Original Budget	Final Budget	**Actual**	Variance - Favorable (Unfavorable)	**2021** Actual
General Government: (continued)					
Planning and Zoning:					
Salaries	$ 1,500	$ 1,500	$ **700**	$ 800	$ -
Payroll taxes	15	15	**54**	(39)	-
Professional services	5,400	5,400	**19,283**	(13,883)	8,977
Supplies - general	150	150	**140**	10	-
Ed marketing	4,000	4,000	**-**	4,000	857
Annexation incentives	25,000	25,000	**2,097**	22,903	-
Total Planning and Zoning	36,065	36,065	**22,274**	13,791	9,834
Total General Government	378,442	378,442	**455,898**	(77,456)	418,938
Public Safety:					
Police:					
Salaries	414,733	414,733	**342,221**	72,512	336,833
Holiday pay	9,600	9,600	**-**	9,600	5,752
Payroll taxes	22,750	22,750	**25,995**	(3,245)	25,933
Health insurance	45,868	45,868	**41,114**	4,754	39,625
Dental insurance	1,155	1,155	**1,386**	(231)	1,118
Life insurance	40	40	**1,068**	(1,028)	15
Short-term disability insurance	205	205	**-**	205	166
Long-term disability insurance	250	250	**-**	250	202
E 457 retirement contribution	33,000	33,000	**49,817**	(16,817)	38,087
Cont. education, seminars, training	6,000	6,000	**1,021**	4,979	3,485
Pre-employment exams	3,000	3,000	**738**	2,262	5,006
Legal	2,636	2,636	**4,946**	(2,310)	906
Clothing and uniforms	7,500	7,500	**6,155**	1,345	7,535
Crime prevention	1,000	1,000	**-**	1,000	1,093
Juvenile assessment center	600	600	**470**	130	470
Dues and subscriptions	5,500	5,500	**1,131**	4,369	1,117
Gas, oil, diesel fuel, etc.	10,000	10,000	**15,082**	(5,082)	12,556
Investigations	2,500	2,500	**143**	2,357	2,896
Weld county communications	21,713	21,713	**23,213**	(1,500)	17,646
Postage	150	150	**65**	85	110
Professional services	7,500	7,500	**7,567**	(67)	9,801
Record management	3,000	3,000	**1,909**	1,091	1,500
Repairs and maintenance - building	1,000	1,000	**877**	123	221
Repairs and maintenance - equip/mach	1,000	1,000	**250**	750	2,086
Repairs and maintenance - office equip	1,000	1,000	**10**	990	774
Repairs and maintenance - vehicles	8,000	8,000	**12,913**	(4,913)	14,130
Supplies - general	2,500	2,500	**6,712**	(4,212)	14,604
Supplies - office	2,500	2,500	**1,951**	549	3,609
Telephone expense	5,000	5,000	**6,304**	(1,304)	6,453
Travel and meetings	2,000	2,000	**30**	1,970	3,002
Utility expense	1,500	1,500	**2,278**	(778)	1,984
Ammunition, taser, bodycam	10,800	10,800	**5,233**	5,567	-
Total Police	634,000	634,000	**560,599**	73,401	558,715
Other Protection					
Publishing	150	150	**-**	150	-
Animal shelter fees	500	500	**275**	225	419
Supplies - general	100	100	**78**	22	-
Building inspection fees	25,000	25,000	**25,677**	(677)	16,830
Total Other Protection	25,750	25,750	**26,030**	(280)	17,249
Total Public Safety	659,750	659,750	**586,629**	73,121	575,964

(continued on next page)

Schedule of Expenditures

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

Year Ended December 31, 2022

With Comparative Actual Amounts For the Year Ended December 31, 2021

	2022				
Non-GAAP Budgetary Basis	Original Budget	Final Budget	**Actual**	Variance - Favorable (Unfavorable)	**2021** Actual
Public Works:					
Sanitation					
Administrative transfer	$ 5,400	$ 5,400	**$ 5,400**	$ -	$ 5,400
Operation transfer	3,500	3,500	**3,500**	-	3,500
Auditing	1,500	1,500	**1,500**	-	1,428
Postage	500	500	**665**	(165)	517
Trash collection	70,000	70,000	**65,956**	4,044	68,379
Clean-up day roll operations	4,750	4,750	**5,517**	(767)	4,150
Total Sanitation	85,650	85,650	**82,538**	3,112	83,374
Total Public Works	85,650	85,650	**82,538**	3,112	83,374
Parks and Recreation:					
Parks:					
Salaries	32,832	32,832	**30,185**	2,647	21,834
Payroll taxes	4,078	4,078	**2,227**	1,851	1,664
Health insurance	4,275	4,275	**3,977**	298	3,000
Dental insurance	311	311	**316**	(5)	295
Life insurance	20	20	**5**	15	4
Short-term disability insurance	70	70	**46**	24	76
Long-term disability insurance	80	80	**45**	35	92
E 457 retirement contribution	520	520	**727**	(207)	453
Repairs and maintenance - parks	24,800	24,800	**37,916**	(13,116)	32,441
Total Parks	66,986	66,986	**75,444**	(8,458)	59,859
Recreation:					
Salaries - part-time	68,233	68,233	**91,577**	(23,344)	77,197
Payroll taxes	4,343	4,343	**6,696**	(2,353)	5,783
Health and dental insurance	13,535	13,535	**13,285**	250	16,984
E 457 retirement contribution	1,808	1,808	**2,456**	(648)	2,260
Cont. education, seminar, training	1,000	1,000	**-**	1,000	391
Publishing	-	-	**-**	-	-
Web publishing	717	717	**738**	(21)	717
Dues and subscriptions	115	115	**660**	(545)	785
Miscellaneous	2,775	2,775	**3,998**	(1,223)	5,117
Postage	-	-	**-**	-	-
IT services	2,500	2,500	**5,649**	(3,149)	4,586
Building rental fees	3,500	3,500	**6,512**	(3,012)	4,838
Baseball - supplies and fees	4,500	4,500	**12,713**	(8,213)	8,127
Softball - supplies and fees	1,000	1,000	**1,558**	(558)	-
Basketball - supplies and fees	4,800	4,800	**11,568**	(6,768)	5,896
Supplies - concession	250	250	**30**	220	227
Supplies - general	500	500	**812**	(312)	494
Supplies - office	1,000	1,000	**691**	309	1,021
Soccer - supplies and fees	4,000	4,000	**7,280**	(3,280)	5,360
Flag football - supplies and fees	700	700	**1,988**	(1,288)	1,686
Volleyball - supplies and fees	3,000	3,000	**3,843**	(843)	4,005
Summer activities	3,000	3,000	**3,880**	(880)	2,735
Winter/Spring activities	1,700	1,700	**3,501**	(1,801)	1,050
Swim classes	-	-	**-**	-	3,295
Telephone expense	600	600	**1,581**	(981)	1,786
Travel and meetings	100	100	**104**	(4)	-
Repairs and maintenance	2,300	2,300	**1,238**	1,062	1,280
Total Recreation	125,976	125,976	**182,358**	(56,382)	155,620
Total Parks and Recreation	192,962	192,962	**257,802**	(64,840)	215,479

(continued on next page)

TOWN OF KERSEY, COLORADO

Schedule of Expenditures

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

Year Ended December 31, 2022

With Comparative Actual Amounts For the Year Ended December 31, 2021

	2022				
Non-GAAP Budgetary Basis	Original Budget	Final Budget	**Actual**	Variance - Favorable (Unfavorable)	**2021** Actual
Health and Welfare:					
Chemicals	$ 5,390	$ 5,390	**$ 5,558**	$ (168)	$ 5,390
Total Health and Welfare	5,390	5,390	**5,558**	(168)	5,390
Legislative:					
Payroll taxes	490	490	**917**	(427)	951
Legal services	7,000	7,000	**4,715**	2,285	6,968
Publishing	150	150	**-**	150	-
Mayor and trustee fees	16,200	16,200	**11,975**	4,225	12,425
Public relations	500	500	**690**	(190)	1,167
Supplies - office	300	300	**362**	(62)	300
Travel and meetings	3,000	3,000	**1,575**	1,425	1,807
Donation	300	300	**-**	300	-
Total Legislative	27,940	27,940	**20,234**	7,706	23,618
Judicial:					
Legal services	7,000	7,000	**9,511**	(2,511)	5,850
Municipal judge	4,200	4,200	**4,200**	-	4,200
Payroll taxes	300	300	**-**	300	-
Dues and subscriptions	-	-	**-**	-	-
Juror fees	-	-	**-**	-	-
Postage	200	200	**54**	146	241
Professional services	1,200	1,200	**1,039**	161	2,000
Supplies - office	500	500	**988**	(488)	347
Total Judicial	13,400	13,400	**15,792**	(2,392)	12,638
Library:					
Salaries	-	-	**-**	-	-
Payroll taxes	-	-	**-**	-	-
Building rent	3,000	3,000	**3,000**	-	3,000
Repairs and maintenance - building	2,000	2,000	**197**	1,803	632
Repairs and maintenance - office equip	-	-	**-**	-	-
Supplies - general	-	-	**-**	-	-
Supplies - office	-	-	**-**	-	-
Utility expense	2,500	2,500	**2,424**	76	2,551
Total Library	7,500	7,500	**5,621**	1,879	6,183
Seniors:					
Salaries	38,746	38,746	**22,894**	15,852	19,299
Payroll taxes	2,076	2,076	**1,674**	402	1,446
Health and dental insurance	13,360	13,360	**3,486**	9,874	4,246
E 457 retirement contribution	1,043	1,043	**614**	429	565
Repairs and maintenance - building	5,500	5,500	**6,661**	(1,161)	6,981
Supplies - general	4,000	4,000	**2,591**	1,409	5,295
Utility expense	5,100	5,100	**11,935**	(6,835)	8,212
Professional services	12,600	12,600	**25,246**	(12,646)	24,419
Total Seniors	82,425	82,425	**75,101**	7,324	70,463
Capital Outlay					
General government	22,142	102,142	**406,279**	(304,137)	1,027,150
Public safety - police	5,500	5,500	**125,171**	(119,671)	72,812
Parks and recreation	-	-	**-**	-	-
Total Capital Outlay	27,642	107,642	**531,450**	(423,808)	1,099,962
Debt Service					
Principal	-	-	**807,103**	(807,103)	192,897
Interest	-	-	**16,736**	(16,736)	40,010
Total Debt Service	-	-	**823,839**	(823,839)	232,907
Total Expenditures	$ 1,481,101	$ 1,561,101	**$ 2,860,462**	$ (1,299,361)	$ 2,744,916

TOWN OF KERSEY, COLORADO

Reconciliation of Budgetary Basis to GAAP Basis

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

Year Ended December 31, 2022

With Comparative Actual Amounts For the Year Ended December 31, 2021

Non-GAAP Budgetary Basis	2022 Original Budget	2022 Final Budget	2022 Actual	2022 Variance - Favorable (Unfavorable)	2021 Actual
Revenues:					
Taxes	$ 1,102,044	$ 1,102,044	**$ 1,736,904**	$ 634,860	$ 1,596,018
Licenses and permits	39,625	39,625	**93,304**	53,679	39,697
Intergovernmental revenues	53,500	53,500	**128,965**	75,465	22,200
Charges for services	75,970	75,970	**76,442**	472	72,928
Parks and recreation	31,600	31,600	**51,788**	20,188	57,458
Judicial	130,000	130,000	**147,120**	17,120	125,532
Earnings on investments	1,500	1,500	**701**	(799)	327
Miscellaneous revenues	46,650	46,650	**194,222**	147,572	894,725
Total Revenues	1,480,889	1,480,889	**2,429,446**	948,557	2,808,885
Transfers In:					
Street Fund	-	-	**-**	-	-
Conservation Trust Fund	-	-	**323,159**	323,159	6,194
Capital Fund	-	-	**-**	-	-
Total Transfers In	-	-	**323,159**	323,159	6,194
Total Revenues and Transfers	1,480,889	1,480,889	**2,752,605**	1,271,716	2,815,079
Expenditures:					
General government	378,442	378,442	**455,898**	(77,456)	418,938
Public safety	659,750	659,750	**586,629**	73,121	575,964
Public works	85,650	85,650	**82,538**	3,112	83,374
Parks and recreation	192,962	192,962	**257,802**	(64,840)	215,479
Health and welfare	5,390	5,390	**5,558**	(168)	5,390
Legislative	27,940	27,940	**20,234**	7,706	23,618
Judicial	13,400	13,400	**15,792**	(2,392)	12,638
Library	7,500	7,500	**5,621**	1,879	6,183
Seniors	82,425	82,425	**75,101**	7,324	70,463
Capital outlay	27,642	107,642	**531,450**	(423,808)	1,099,962
Debt service	-	-	**823,839**	(823,839)	232,907
Total Expenditures	1,481,101	1,561,101	**2,860,462**	(1,299,361)	2,744,916
Transfers Out:					
Street Fund	-	-	**-**	-	-
Conservation Trust Fund	-	-	**-**	-	-
Capital Fund	-	-	**-**	-	-
Water Fund	-	-	**-**	-	-
Sewer Fund	-	-	**-**	-	-
Total Transfers Out	-	-	**-**	-	-
Total Expenditures and Transfers	1,481,101	1,561,101	**2,860,462**	(1,299,361)	2,744,916
Excess (Deficit) of Revenues and Transfers over Expenditures and Transfers	$ (212)	$ (80,212)	**(107,857)**	$ (27,645)	70,163
Reconciliation of Budgetary Basis to GAAP Basis:					
Capital asset purchases capitalized			**531,450**		1,099,962
Capital assets sold			**-**		-
Depreciation expense			**(392,311)**		(303,976)
Long term debt - payments			**807,103**		192,897
Long term debt - proceeds			**-**		-
Compensated absences			**(2,906)**		4,615
Accrued interest payable			**567**		(567)
Net pension liability (asset)			**14,224**		(1,623)
Change in Net Position			**$ 850,270**		$ 1,061,471

TOWN OF KERSEY, COLORADO

Schedule of Revenues

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

Year Ended December 31, 2022

With Comparative Actual Amounts For the Year Ended December 31, 2021

	2022				
Non-GAAP Budgetary Basis	Original Budget	Final Budget	**Actual**	Variance - Favorable (Unfavorable)	**2021** Actual
Taxes:					
Motor vehicle sales and use tax	$ 3,500	$ 3,500	**$ 1,708**	$ (1,792)	$ 3,030
Sales tax	250,000	250,000	**623,989**	373,989	511,831
Specific ownership tax	28,000	28,000	**23,412**	(4,588)	24,483
Total Taxes	281,500	281,500	**649,109**	367,609	539,344
Intergovernmental Revenues:					
Highway users tax	59,879	59,879	**64,514**	4,635	65,081
Motor vehicles registration fee	5,000	5,000	**9,088**	4,088	9,275
County road and bridge	38,302	38,302	**14,405**	(23,897)	18,965
Total Intergovernmental Revenues	103,181	103,181	**88,007**	(15,174)	93,321
Earnings on Investments:					
Earnings on investments	200	200	**207**	7	106
Net Increase (decrease) in the fair market of investments	-	-	**-**	-	-
Total Earnings on Investments	200	200	**207**	7	106
Miscellaneous Revenues:					
Streets reimbursements	500	500	**-**	(500)	-
Traffic calming surcharge	3,000	3,000	**15,696**	12,696	10,664
Maintenance income	500	500	**2,170**	1,670	1,723
Other income	1,000	1,000	**1,513**	513	713
Grants	-	-	**-**	-	-
Contributions	-	-	**-**	-	-
Sale of assets	-	-	**-**	-	-
Total Miscellaneous Revenue	5,000	5,000	**19,379**	14,379	13,100
Total Revenues	$ 389,881	$ 389,881	**$ 756,702**	$ 366,821	$ 645,871

TOWN OF KERSEY, COLORADO

Schedule of Expenditures

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

Year Ended December 31, 2022

With Comparative Actual Amounts For the Year Ended December 31, 2021

	2022				
Non-GAAP Budgetary Basis	Original Budget	Final Budget	**Actual**	Variance - Favorable (Unfavorable)	**2021** Actual
General Government:					
General:					
Workmen's compensation	$ 3,400	$ 3,400	**$ 3,673**	$ (273)	$ 2,840
Auditing	2,250	2,250	**2,250**	-	2,141
Legal services	2,000	2,000	**-**	2,000	-
Publishing	100	100	**16**	84	-
Professional services	3,000	3,000	**3,544**	(544)	1,666
IT services	1,020	1,020	**2,321**	(1,301)	3,857
Total General	11,770	11,770	**11,804**	(34)	10,504
Administrative:					
Administrative fee allocation	9,000	9,000	**8,990**	10	8,990
Professional services	299	299	**223**	76	785
Repairs and maintenance	1,030	1,030	**30**	1,000	-
TH cleaning	2,400	2,400	**2,600**	(200)	2,300
Supplies - office	500	500	**777**	(277)	204
Total Administrative	13,229	13,229	**12,620**	609	12,279
Total General Government	24,999	24,999	**24,424**	575	22,783
Public Works:					
Operations:					
Salaries	80,297	80,297	**54,241**	26,056	64,490
Payroll taxes	6,388	6,388	**4,070**	2,318	4,907
Health insurance	11,178	11,178	**7,642**	3,536	11,343
Dental insurance	695	695	**646**	49	1,179
AFLAC coverage	125	125	**295**	(170)	-
Life insurance	24	24	**19**	5	17
Short-term disability insurance	184	184	**177**	7	287
Long-term disability insurance	226	226	**171**	55	348
E 457 retirement coverage	1,151	1,151	**1,298**	(147)	1,715
Cont. education, seminars, training	1,000	1,000	**-**	1,000	30
Administrative transfer	-	-	**(1,165)**	1,165	(1,165)
Dues and subscriptions	500	500	**292**	208	694
Clothing and uniforms	115	115	**25**	90	-
Gas, oil, diesel fuel, etc.	3,000	3,000	**3,902**	(902)	3,818
Repairs and maintenance - building	1,000	1,000	**114**	886	280
Repairs and maintenance - equip/mach	4,000	4,000	**1,078**	2,922	4,169
Repairs and maintenance - signs	3,000	3,000	**2,089**	911	2,962
Repairs and maintenance - streets	3,500	3,500	**2,244**	1,256	3,684
Repairs and maintenance - marking	11,000	11,000	**240**	10,760	137
Repairs and maintenance - vehicles	3,500	3,500	**9,374**	(5,874)	15,213
Repairs and maintenance - cr 55	15,000	15,000	**4,600**	10,400	5,962
Street improvements	150,000	150,000	**55,868**	94,132	77,668
Street cleaning	20,000	20,000	**6,868**	13,132	8,644
Snow removal	12,000	12,000	**18,093**	(6,093)	1,999
Street lights	15,000	15,000	**19,133**	(4,133)	16,546
Supplies - general	1,500	1,500	**963**	537	1,096
Telephone expense	1,000	1,000	**2,020**	(1,020)	1,305
Travel and meetings	200	200	**216**	(16)	196
Utility expense	2,000	2,000	**2,706**	(706)	2,503
Asset management	1,133	1,133	**1,201**	(68)	1,167
Total Operations	348,716	348,716	**198,420**	150,296	231,194
Total Public Works	348,716	348,716	**198,420**	150,296	231,194
Capital Outlay	15,000	15,000	**4,950**	10,050	-
Total Capital Outlay	15,000	15,000	**4,950**	10,050	-
Total Expenditures	$ 388,715	$ 388,715	**$ 227,794**	$ 160,921	$ 253,977

Reconciliation of Budgetary Basis to GAAP Basis

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

Year Ended December 31, 2022

With Comparative Actual Amounts For the Year Ended December 31, 2021

	2022				
Non-GAAP Budgetary Basis	Original Budget	Final Budget	**Actual**	Variance - Favorable (Unfavorable)	**2021** Actual
Revenues:					
Taxes	$ 281,500	$ 281,500	**$ 649,109**	$ 367,609	$ 539,344
Licenses and permits	-	-	**-**	-	-
Intergovernmental revenues	103,181	103,181	**88,007**	(15,174)	93,321
Charges for services	-	-	**-**	-	-
Parks and recreation	-	-	**-**	-	-
Judicial	-	-	**-**	-	-
Earnings on investments	200	200	**207**	7	106
Miscellaneous revenues	5,000	5,000	**19,379**	14,379	13,100
Total Revenues	389,881	389,881	**756,702**	366,821	645,871
Transfers In:					
General Fund	-	-	**-**	-	-
Capital Fund	-	-	**-**	-	-
Water Fund	-	-	**-**	-	-
Total Transfers In	-	-	**-**	-	-
Total Revenues and Transfers	389,881	389,881	**756,702**	366,821	645,871
Expenditures:					
General government	24,999	24,999	**24,424**	575	22,783
Public safety	-	-	**-**	-	-
Public works	348,716	348,716	**198,420**	150,296	231,194
Parks and recreation	-	-	**-**	-	-
Health and welfare	-	-	**-**	-	-
Legislative	-	-	**-**	-	-
Judicial	-	-	**-**	-	-
Library	-	-	**-**	-	-
Seniors	-	-	**-**	-	-
Capital outlay	15,000	15,000	**4,950**	10,050	-
Total Expenditures	388,715	388,715	**227,794**	160,921	253,977
Transfers Out:					
General Fund	-	-	**-**	-	-
Capital Fund	-	-	**-**	-	27,083
Water Fund	-	-	**-**	-	-
Total Transfers Out	-	-	**-**	-	27,083
Total Expenditures and Transfers	388,715	388,715	**227,794**	160,921	281,060
Excess (Deficit) of Revenues and Transfers over Expenditures and Transfers	$ 1,166	$ 1,166	**528,908**	$ 527,742	364,811
Reconciliation of Budgetary Basis to GAAP Basis:					
Capital asset purchases capitalized			**4,950**		-
Capital assets sold			**-**		-
Depreciation expense			**(67,038)**		(67,993)
Change in Net Position			**$ 466,820**		$ 296,818

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

Fire and Police Pension Association of Colorado (FPPA)

For The Last 10 Years (to be built prospectively)

SCHEDULE OF PROPORTIONATE SHARE OF THE NET PENSION LIABILITY

Fiscal Year Ending December 31	2021	2020	2019	2018	2017 *	2016	2015	2014	2013	2012
Town's proportion of the net pension liability (asset)	0.0139240%	0.0153290%	0.0161900%	0.0144200%	0.0175200%	N/A	N/A	N/A	N/A	N/A
Town's proportionate share of the net pension liability (asset)	$ (75,461)	$ (33,280)	$ (9,158)	$ 18,230	$ -	N/A	N/A	N/A	N/A	N/A
Town's covered payroll	$ 224,764	$ 246,550	$ 238,700	$ 193,175	$ 153,692	N/A	N/A	N/A	N/A	N/A
Town's proportionate share of the net pension liability (asset) as a percentage of its covered payroll	-33.57%	-13.50%	-3.84%	9.44%	0.00%	N/A	N/A	N/A	N/A	N/A
Plan fiduciary net position as a percentage of total pension liability (asset)	116.20%	106.70%	101.90%	95.20%	106.30%	N/A	N/A	N/A	N/A	N/A

SCHEDULE OF CONTRIBUTIONS

Fiscal Year Ending December 31	2021	2020	2019	2018	2017 *	2016	2015	2014	2013	2012
Contractually required contribution	9,528	9,850	9,548	7,727	6,148	N/A	N/A	N/A	N/A	N/A
Contribution in relation to the contractually required contribution	(9,528)	(9,850)	(9,548)	(7,727)	(6,148)	N/A	N/A	N/A	N/A	N/A
Contribution deficiency (excess)	-	-	-	-	-	-	-	-	-	-
Town's covered payroll	$ 224,764	$ 246,550	$ 238,700	$ 193,175	$ 153,692	N/A	N/A	N/A	N/A	N/A
Contributions as a percentage of covered payroll	4.24%	4.00%	4.00%	4.00%	4.00%	N/A	N/A	N/A	N/A	N/A

* year started with FPPA

SUPPLEMENTAL INFORMATION

Combining Balance Sheet

Governmental Funds - Nonmajor

December 31, 2022

	Conservation Trust	Capital	Total Nonmajor
ASSETS			
Current Assets:			
Cash on hand and in checking	$ (100,654)	$ 1,744,667	**$ 1,644,013**
Cash on deposit - county treasurer	-	-	**-**
Cash in savings	200,604	278,527	**479,131**
Total Cash	99,950	2,023,194	**2,123,144**
Certificates of deposit	-	-	**-**
Local government investment pools	-	-	**-**
Total Investments	-	-	**-**
Property taxes receivable	-	-	**-**
Accounts receivable	-	-	**-**
Accrued interest receivable	-	-	**-**
Prepaid expenses	-	-	**-**
Due from other funds	-	-	**-**
Total Current Assets	99,950	2,023,194	**2,123,144**
Noncurrent Assets:			
Restricted local government investment pools	-	100,609	**100,609**
Total Noncurrent Assets	-	100,609	**100,609**
Total Assets	99,950	2,123,803	**2,223,753**
DEFERRED OUTFLOWS			
Grant expenditures paid in advance of meeting timing requirements	-	-	**-**
Total Assets & Deferred Outflows	$ 99,950	$ 2,123,803	**$ 2,223,753**
LIABILITIES			
Current Liabilities:			
Accounts payable	$ -	$ -	**$ -**
Payroll taxes payable	-	-	**-**
Accrued interest payable	-	-	**-**
Due to other funds	-	-	**-**
Total Current Liabilities	-	-	**-**
Total Liabilities	-	-	**-**
DEFERRED INFLOWS			
Unearned revenue	-	-	**-**
Total Liabilities & Deferred Inflows	-	-	**-**
FUND BALANCE			
Non-spendable	-	-	**-**
Restricted	99,950	2,123,803	**2,223,753**
Committed	-	-	**-**
Assigned	-	-	**-**
Unassigned	-	-	**-**
Total Fund Balance	99,950	2,123,803	**2,223,753**
Total Fund Balance, Liabilities & Deferred Inflows	$ 99,950	$ 2,123,803	**$ 2,223,753**

Reconciliation of the Balance Sheet to the Statement of Net Position	
Total Governmental Fund Balance	$ 2,223,753
Amounts reported for governmental activities in the statement of net position are different because:	
Capital assets used in governmental activities are not financial resources and therefore are not reported in the funds:	
Capital assets	-
Less: accumulated depreciation	-
Long-term liabilities, including capital leases, are not due and payable in the current period, therefore, they are not reported in the funds:	
Capital leases	-
Compensated absences	-
Net Position of Governmental Activities	**$ 2,223,753**

See accompanying notes to the basic financial statements

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

Governmental Funds - Nonmajor

December 31, 2022

	Conservation Trust	Capital	Total Nonmajor
Revenues:			
Taxes	$ -	$ 34,228	**$ 34,228**
Licenses and permits	-	-	**-**
Intergovernmental revenue	19,159	-	**19,159**
Charges for services	-	-	**-**
Parks and recreation	-	-	**-**
Judicial	-	-	**-**
Earnings on investments	159	1,537	**1,696**
Miscellaneous revenues	-	2,949	**2,949**
Total Revenues	19,318	38,714	**58,032**
Expenditures:			
Current:			
General government	-	-	**-**
Public safety	-	-	**-**
Public works	-	-	**-**
Parks and recreation	6,918	13,856	**20,774**
Health and welfare	-	-	**-**
Legislative	-	-	**-**
Judicial	-	-	**-**
Library	-	-	**-**
Seniors	-	-	**-**
Capital outlay	-	-	**-**
Total Expenditures	6,918	13,856	**20,774**
Excess (Deficiency) of Revenues over Expenditures	12,400	24,858	**37,258**
Other Financing Sources (Uses):			
Sale of assets	-	-	**-**
Contributions	-	-	**-**
Grants	-	-	**-**
Transfers in	-	-	**-**
Transfers out	-	(323,159)	**(323,159)**
Total Other Financing Sources (Uses)	-	(323,159)	**(323,159)**
Net Change in Fund Balance	12,400	(298,301)	**(285,901)**
Fund Balance - beginning of year	87,550	2,422,104	**2,509,654**
Fund Balance - End of Year	$ 99,950	$ 2,123,803	**$ 2,223,753**

Reconciliation of Statement of Revenues, Expenditures and Changes in Fund Balance to the Statement of Activities:	
Net Change in Fund Balance - Total Governmental Funds	**$ (285,901)**
Amounts reported for governmental activities in the statement of activities are different because:	
Governmental funds report capital outlays as expenditures while governmental activities report depreciation expense to allocate those expenditures over the life of the assets:	
Capital asset purchases capitalized	**-**
Depreciation expense	**-**
Change in Net Position of Governmental Activities	**$ (285,901)**

TOWN OF KERSEY, COLORADO

Budgetary Comparison Schedule

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

Year Ended December 31, 2022

With Comparative Actual Amounts For the Year Ended December 31, 2021

	2022				
Non-GAAP Budgetary Basis	Original Budget	Final Budget	**Actual**	Variance - Favorable (Unfavorable)	**2021** Actual
Revenues:					
Intergovernmental Revenue:					
State lottery funds	$ 15,000	$ 15,000	**$ 19,159**	$ 4,159	$ 19,882
Total Intergovernmental Revenue	15,000	15,000	**19,159**	4,159	19,882
Earnings on Investment:					
Earnings on investments	300	300	**159**	(141)	81
Net increase (decrease) in fair value of investments	-	-	**-**	-	-
Total Earnings on Investment	300	300	**159**	(141)	81
Miscellaneous Revenues:					
Park fees	-	-	**-**	-	-
Total Miscellaneous Revenues	-	-	**-**	-	-
Transfers In:					
General Fund	-	-	**-**	-	-
Total Transfers In	-	-	**-**	-	-
Total Revenues and Transfers	15,300	15,300	**19,318**	4,018	19,963
Expenditures:					
Parks:					
Chemicals	1,000	1,000	**225**	775	418
Professional services	-	-	**-**	-	-
Repairs and maintenance - building	1,000	1,000	**553**	447	343
Repairs and maintenance - equip	1,000	1,000	**1,109**	(109)	1,343
Repairs and maintenance - turf	2,500	2,500	**2,857**	(357)	3,892
Tree trimming	1,000	1,000	**650**	350	650
Park Equipment	1,000	1,000	**21**	979	-
Supplies - general	1,000	1,000	**1,503**	(503)	3,734
Supplies - office	-	-	**-**	-	-
Capital outlay	-	-	**-**	-	-
Total Parks	8,500	8,500	**6,918**	1,582	10,380
Community Center:					
Repairs and maintenance - building	-	-	**-**	-	-
Repairs and maintenance - equip	-	-	**-**	-	-
Supplies - general	-	-	**-**	-	-
Supplies - office	-	-	**-**	-	-
Total Parks	-	-	**-**	-	-
Total Expenditures	8,500	8,500	**6,918**	1,582	10,380
Transfers Out:					
General Fund	-	-	**-**	-	6,194
Total Transfers Out	-	-	**-**	-	6,194
Total Expenditures and Transfers	8,500	8,500	**6,918**	1,582	16,574
Excess (Deficit) of Revenues Over Expenditures and Transfers	$ 6,800	$ 6,800	**12,400**	$ 5,600	3,389
Reconciliation of Budgetary Basis to GAAP Basis:					
Capital asset purchases capitalized			**-**		-
Depreciation expense			**-**		-
Change in Net Position			**$ 12,400**		$ 3,389

TOWN OF KERSEY, COLORADO

Budgetary Comparison Schedule

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

Year Ended December 31, 2022

With Comparative Actual Amounts For the Year Ended December 31, 2021

	2022				
Non-GAAP Budgetary Basis	Original Budget	Final Budget	**Actual**	Variance - Favorable (Unfavorable)	**2021** Actual
Revenues:					
Taxes:					
Use tax	$ 30,000	$ 30,000	**$ 34,228**	$ 4,228	$ 19,969
Total Taxes	30,000	30,000	**34,228**	4,228	19,969
Earnings on Investment:					
Earnings on investments	500	500	**2,180**	1,680	236
Net increase (decrease) in fair value of investments	-	-	**(643)**	(643)	(211)
Total Earnings on Investment	500	500	**1,537**	1,037	25
Miscellaneous Revenues:					
Road development fees	2,875	2,875	**880**	(1,995)	880
Drainage fees	1,500	1,500	**339**	(1,161)	300
Park fees	1,700	1,700	**1,730**	30	850
Contributions	-	-	**-**	-	-
Grant proceeds	-	-	**-**	-	422,519
Total Miscellaneous Revenues	6,075	6,075	**2,949**	(3,126)	424,549
Transfers In:					
General Fund	-	-	**-**	-	-
Street Fund	-	-	**-**	-	27,083
Sewer Fund	-	-	**-**	-	-
Water Fund	-	-	**-**	-	103,884
Total Transfers In	-	-	**-**	-	130,967
Total Revenues and Transfers	36,575	36,575	**38,714**	2,139	575,510
Expenditures:					
Park planning	-	-	**-**	-	-
Capital Outlay:					
Equipment	-	-	**-**	-	-
Projects	30,000	30,000	**13,856**	(16,144)	34,063
Vehicles & machinery	-	-	**-**	-	-
Total Expenditures	30,000	30,000	**13,856**	(16,144)	34,063
Transfers Out:					
General Fund	-	-	**323,159**	(323,159)	-
Street Fund	-	-	**-**	-	-
Sewer Fund	-	-	**-**	-	-
Water Fund	-	-	**-**	-	-
Total Transfers Out	-	-	**323,159**	(323,159)	-
Total Expenditures and Transfers	30,000	30,000	**337,015**	(339,303)	34,063
Excess (Deficit) of Revenues Over Expenditures and Transfers	$ 6,575	$ 6,575	**(298,301)**	$ (337,164)	541,447
Reconciliation of Budgetary Basis to GAAP Basis:					
Capital asset purchases capitalized			**-**		-
Depreciation expense			**-**		-
Change in Net Position			**$ (298,301)**		$ 541,447

TOWN OF KERSEY, COLORADO

Schedule of Revenues

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

Year Ended December 31, 2022

With Comparative Actual Amounts For the Year Ended December 31, 2021

	2022				
Non-GAAP Budgetary Basis	Original Budget	Final Budget	**Actual**	Variance - Favorable (Unfavorable)	**2021** Actual
Operating Revenues:					
Water sales	$ 420,000	$ 420,000	**$ 349,591**	$ (70,409)	$ 346,207
Tap fees	35,000	35,000	**14,000**	(21,000)	7,000
Bulk water sales	5,000	5,000	**8,088**	3,088	17,061
Water purchased	-	-	**-**	-	-
Hydrant fees	1,500	1,500	**2,350**	850	(1,500)
Late fees	10,000	10,000	**13,030**	3,030	3,240
Meter charges	2,500	2,500	**800**	(1,700)	13,756
Miscellaneous	-	-	**-**	-	-
Total Operating Revenues	474,000	474,000	**387,859**	(86,141)	385,764
Earnings on Investment:					
Earnings on investments	4,000	4,000	**949**	(3,051)	420
Net Increase (decrease) in the fair market of investments	-	-	**-**	-	-
Total Earnings on Investment	4,000	4,000	**949**	(3,051)	420
Miscellaneous Revenues:					
Contributions from customers	-	-	**390,000**	390,000	-
Contributions from subdividers	-	-	**-**	-	-
Sale of assets	-	-	**-**	-	-
Loan proceeds	-	-	**-**	-	-
Grants	-	-	**-**	-	-
Total Miscellaneous Revenues	-	-	**390,000**	390,000	-
Total Revenues	$ 478,000	$ 478,000	**$ 778,808**	$ 300,808	$ 386,184

TOWN OF KERSEY, COLORADO

Schedule of Expenditures

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

Year Ended December 31, 2022

With Comparative Actual Amounts For the Year Ended December 31, 2021

	2022				
Non-GAAP Budgetary Basis	Original Budget	Final Budget	**Actual**	Variance - Favorable (Unfavorable)	**2021** Actual
Operating Expenditures:					
General:					
Workmen's compensation	$ 4,857	$ 4,857	**$ 5,497**	$ (640)	$ 4,057
Auditing	3,000	3,000	**3,000**	-	2,855
Bank charges	250	250	**8**	242	168
Credit card charges	2,200	2,200	**2,889**	(689)	2,545
Legal services	500	500	**-**	500	-
Publishing	600	600	**571**	29	349
Web publishing	796	796	**738**	58	717
Insurance	21,490	21,490	**21,490**	-	17,155
Dues and subscriptions	300	300	**660**	(360)	660
Professional services	4,500	4,500	**3,544**	956	3,945
Bookkeeping services	-	-	**-**	-	-
IT services	4,000	4,000	**5,565**	(1,565)	6,763
Total General	42,493	42,493	**43,962**	(1,469)	39,214
Administrative:					
Salaries	85,893	85,893	**75,322**	10,571	62,657
Payroll taxes	4,353	4,353	**5,378**	(1,025)	4,043
Health insurance	13,596	13,596	**6,194**	7,402	9,956
Dental insurance	870	870	**414**	456	-
AFLAC coverage	612	612	**434**	178	-
Life insurance	42	42	**22**	20	18
Short-term disability insurance	289	289	**210**	79	210
Long-term disability insurance	411	411	**261**	150	301
E 457 retirement contribution	1,728	1,728	**2,091**	(363)	1,834
Cont. education, seminars, training	300	300	**-**	300	100
Online code	299	299	**222**	77	785
Dues and subscriptions	600	600	**1,320**	(720)	470
Postage	900	900	**833**	67	919
Professional services	300	300	**687**	(387)	325
Repairs and maintenance	1,000	1,000	**-**	1,000	-
TH cleaning	2,400	2,400	**2,600**	(200)	2,400
Hydrant deposit refund	3,000	3,000	**-**	3,000	-
Supplies - office	500	500	**1,476**	(976)	588
Travel and meetings	300	300	**263**	37	40
Total Administrative	117,393	117,393	**97,727**	19,666	84,646

(continued on next page)

TOWN OF KERSEY, COLORADO

Schedule of Expenditures

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

Year Ended December 31, 2022

With Comparative Actual Amounts For the Year Ended December 31, 2021

	2022				
Non-GAAP Budgetary Basis	Original Budget	Final Budget	**Actual**	Variance - Favorable (Unfavorable)	**2021** Actual
Operating Expenditures:					
System Operations:					
Salaries	$ 27,595	$ 27,595	**$ 16,224**	$ 11,371	$ 26,568
Payroll taxes	2,855	2,855	**1,280**	1,575	2,017
Health insurance	7,535	7,535	**2,415**	5,120	5,234
Dental insurance	689	689	**22**	667	-
AFLAC coverage	17	17	**-**	17	-
Life insurance	23	23	**8**	15	7
Short-term disability insurance	182	182	**78**	104	131
Long-term disability insurance	222	222	**76**	146	160
E 457 retirement coverage	999	999	**378**	621	766
Cont. education, seminars, training	200	200	**585**	(385)	50
Pre-employment exam	-	-	**-**	-	-
Administrative transfer	-	-	**(1,165)**	1,165	(1,165)
Clothing and uniforms	600	600	**201**	399	339
Gas, oil, diesel fuel, etc.	2,000	2,000	**2,229**	(229)	1,374
Postage	100	100	**-**	100	314
Professional services	1,600	1,600	**1,311**	289	3,173
Repairs and maintenance - building	500	500	**134**	366	280
Repairs and maintenance - equip/mach	4,000	4,000	**330**	3,670	557
Repairs and maintenance - hydrant	1,000	1,000	**2,840**	(1,840)	121
Repairs and maintenance - office equip	500	500	**-**	500	-
Repairs and maintenance - valve box	-	-	**234**	(234)	-
Repairs and maintenance - vehicles	2,500	2,500	**929**	1,571	2,761
Repairs and maintenance - water lines	10,500	10,500	**929**	9,571	33,936
Repairs and maintenance - water tower	5,800	5,800	**27,713**	(21,913)	532
Supplies - general	1,150	1,150	**1,570**	(420)	2,186
Telephone expense	1,500	1,500	**2,106**	(606)	2,662
Travel and meetings	150	150	**52**	98	(43)
Utility expense	4,500	4,500	**7,564**	(3,064)	5,780
Water (potable) - testing	3,500	3,500	**3,841**	(341)	4,514
Water assessments	24,000	24,000	**25,332**	(1,332)	15,971
Water usage	145,000	245,000	**250,218**	(5,218)	199,003
Bad debt	-	-	**-**	-	31,566
Asset management	1,133	1,133	**1,202**	(69)	1,167
Total System Operation & Maintenance	250,350	350,350	**348,636**	1,714	339,961
Total Operating Expenditures	410,236	510,236	**490,325**	19,911	463,821
Non-Operating Expenditures:					
Capital Outlay	19,345	19,345	**424,787**	(405,442)	5,500
Debt Service:					
Principal	-	-	**-**	-	-
Interest	-	-	**-**	-	-
Total Non-Operating Expenditures	19,345	19,345	**424,787**	(405,442)	5,500
Total Expenditures	$ 429,581	$ 529,581	**$ 915,112**	$ (385,531)	$ 469,321

TOWN OF KERSEY, COLORADO

Reconciliation of Budgetary Basis to GAAP Basis

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

Year Ended December 31, 2022

With Comparative Actual Amounts For the Year Ended December 31, 2021

	2022				
Non-GAAP Budgetary Basis	Original Budget	Final Budget	**Actual**	Variance - Favorable (Unfavorable)	**2021** Actual
Revenues:					
Operating revenues	$ 474,000	$ 474,000	**$ 387,859**	$ (86,141)	$ 385,764
Earnings on investment	4,000	4,000	**949**	(3,051)	420
Miscellaneous revenues	-	-	**390,000**	390,000	-
Total Revenues	478,000	478,000	**778,808**	300,808	386,184
Transfers In:					
General Fund	-	-	-	-	-
Capital Fund	-	-	-	-	-
Water Fund	-	-	-	-	-
Total Transfers In	-	-	-	-	-
Total Revenues and Transfers	478,000	478,000	**778,808**	300,808	386,184
Expenditures:					
General	42,493	42,493	**43,962**	(1,469)	39,214
Administrative	117,393	117,393	**97,727**	19,666	84,646
System operations	250,350	350,350	**348,636**	1,714	339,961
Non-operating expenditures	19,345	19,345	**424,787**	(405,442)	5,500
Total Expenditures	429,581	529,581	**915,112**	(385,531)	469,321
Transfers Out:					
General Fund	-	-	-	-	-
Capital Fund	-	-	-	-	103,884
Sewer Fund	-	-	-	-	-
Total Transfers Out	-	-	-	-	103,884
Total Expenditures and Transfers	429,581	529,581	**915,112**	(385,531)	573,205
Excess (Deficiency) of Revenues over Expenditures	$ 48,419	$ (51,581)	**(136,304)**	$ (84,723)	(187,021)
Reconciliation of Budgetary Basis to GAAP Basis:					
Capital assets purchases capitalized			**424,787**		5,500
Capital assets sold			-		-
Depreciation expense			**(66,873)**		(65,427)
Capital lease obligation payments			-		-
Long-term debt - proceeds			-		-
Long-term debt - payments			-		-
Change in Net Position			**$ 221,610**		$ (246,948)

Schedule of Revenues

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

Year Ended December 31, 2022

With Comparative Actual Amounts For the Year Ended December 31, 2021

	2022				
Non-GAAP Budgetary Basis	Original Budget	Final Budget	**Actual**	Variance - Favorable (Unfavorable)	**2021** Actual
Operating Revenues:					
Sewer service	$ 385,000	$ 385,000	**$ 417,189**	$ 32,189	$ 384,306
Tap fees	20,000	20,000	**8,000**	(12,000)	4,000
Late fees	2,200	2,200	**-**	(2,200)	1,289
Miscellaneous	-	-	**-**	-	-
Total Operating Revenues	407,200	407,200	**425,189**	17,989	389,595
Earnings on Investment:					
Earnings on investments	3,000	3,000	**621**	(2,379)	317
Net Increase (decrease) in the fair market of investments	-	-	**-**	-	-
Total Earnings on Investment	3,000	3,000	**621**	(2,379)	317
Miscellaneous Revenues:					
Contributions from customers	-	-	**-**	-	-
Contributions from subdividers	-	-	**-**	-	-
Sale of assets	-	-	**-**	-	-
Grants	-	-	**-**	-	-
Total Miscellaneous Revenues	-	-	**-**	-	-
Total Revenues	$ 410,200	$ 410,200	**$ 425,810**	$ 15,610	$ 389,912

TOWN OF KERSEY, COLORADO

Schedule of Expenditures

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

Year Ended December 31, 2022

With Comparative Actual Amounts For the Year Ended December 31, 2021

	2022				
Non-GAAP Budgetary Basis	Original Budget	Final Budget	**Actual**	Variance - Favorable (Unfavorable)	**2021** Actual
Operating Expenditures:					
General:					
Workmen's compensation	$ 2,671	$ 2,671	**$ 3,136**	$ (465)	$ 2,232
Auditing	3,750	3,750	**3,750**	-	3,569
Bank charges	350	350	**8**	342	174
Credit card charges	1,000	1,000	**2,901**	(1,901)	2,545
Legal services	500	500	**-**	500	-
Publishing	200	200	**331**	(131)	298
Web publishing	637	637	**738**	(101)	716
Insurance	22,071	22,071	**22,071**	-	17,619
Dues and subscriptions	-	-	**660**	(660)	660
Professional services	4,800	4,800	**3,569**	1,231	3,616
Bookkeeping services	-	-	**-**	-	-
IT services	4,000	4,000	**5,565**	(1,565)	6,763
Total General	39,979	39,979	**42,729**	(2,750)	38,192
Administrative:					
Salaries	76,497	76,497	**71,757**	4,740	55,531
Payroll taxes	3,731	3,731	**5,106**	(1,375)	3,757
Health insurance	10,439	10,439	**6,194**	4,245	7,163
Dental insurance	739	739	**414**	325	-
AFLAC coverage	317	317	**356**	(39)	-
Life insurance	32	32	**22**	10	14
Short-term disability insurance	229	229	**210**	19	191
Long-term disability insurance	337	337	**261**	76	286
E 457 retirement contribution	1,488	1,488	**1,989**	(501)	1,620
Cont. education, seminars, training	-	-	**-**	-	-
Online code	299	299	**222**	77	784
Dues and subscriptions	150	150	**20**	130	100
Postage	600	600	**833**	(233)	570
Professional services	300	300	**2,184**	(1,884)	325
Repairs and maintenance	1,000	1,000	**-**	1,000	-
TH cleaning	2,400	2,400	**2,600**	(200)	2,400
Supplies - office	624	624	**1,476**	(852)	489
Travel and meetings	250	250	**263**	(13)	40
Total Administrative	99,432	99,432	**93,907**	5,525	73,270

(continued on next page)

TOWN OF KERSEY, COLORADO

Schedule of Expenditures

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

Year Ended December 31, 2022

With Comparative Actual Amounts For the Year Ended December 31, 2021

	2022				
Non-GAAP Budgetary Basis	Original Budget	Final Budget	**Actual**	Variance - Favorable (Unfavorable)	**2021** Actual
Operating Expenditures:					
System Operations:					
Salaries	$ 27,595	$ 27,595	**$ 16,279**	$ 11,316	$ 26,543
Payroll taxes	2,897	2,897	**1,281**	1,616	2,063
Health insurance	7,656	7,656	**2,417**	5,239	5,349
Dental insurance	709	709	**22**	687	-
AFLAC coverage	17	17	**-**	17	-
Life insurance	24	24	**8**	16	8
Short-term disability insurance	188	188	**78**	110	138
Long-term disability insurance	230	230	**76**	154	167
E 457 retirement coverage	998	998	**378**	620	766
Cont. education, seminars, training	500	500	**-**	500	130
Pre-employment exam	-	-	**-**	-	-
Administrative transfer	-	-	**(1,160)**	1,160	(1,160)
Chemicals	-	-	**-**	-	-
Clothing and uniforms	500	500	**425**	75	264
Gas, oil, diesel fuel, etc.	2,000	2,000	**2,676**	(676)	1,854
Postage	200	200	**-**	200	74
Professional services	9,600	9,600	**14,806**	(5,206)	11,281
Repairs and maintenance - building	1,000	1,000	**4,989**	(3,989)	4,627
Repairs and maintenance - equip/mach	2,000	2,000	**1,471**	529	2,832
Repairs and maintenance - office equip	-	-	**-**	-	-
Repairs and maintenance - sewer lines	750	750	**5,955**	(5,205)	1,013
Repairs and maintenance - sewer plant	15,000	15,000	**4,723**	10,277	13,197
Repairs and maintenance - vehicles	2,000	2,000	**929**	1,071	2,674
Sewer discharge permit	3,000	3,000	**2,825**	175	2,825
Sewer testing	4,952	4,952	**5,512**	(560)	8,754
Sludge removal	25,000	25,000	**14,300**	10,700	15,834
Supplies - general	1,100	1,100	**1,029**	71	3,154
Chemicals - treatment	25,000	25,000	**27,645**	(2,645)	14,952
Telephone expense	5,400	5,400	**4,510**	890	6,554
Travel and meetings	100	100	**37**	63	-
Utility expense	40,000	40,000	**54,041**	(14,041)	51,100
Asset management	1,133	1,133	**1,202**	(69)	1,167
Total System Operation & Maintenance	179,549	179,549	**166,454**	13,095	176,160
Total Operating Expenditures	318,960	318,960	**303,090**	15,870	287,622
Non-Operating Expenditures:					
Capital Outlay	20,000	20,000	**25,542**	(5,542)	22,700
Debt Service:					
Principal	-	-	**-**	-	-
Interest	-	-	**-**	-	-
Total Non-Operating Expenditures	20,000	20,000	**25,542**	(5,542)	22,700
Total Expenditures	$ 338,960	$ 338,960	**$ 328,632**	$ 10,328	$ 310,322

TOWN OF KERSEY, COLORADO

Reconciliation of Budgetary Basis to GAAP Basis

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

Year Ended December 31, 2022

With Comparative Actual Amounts For the Year Ended December 31, 2021

	2022				
Non-GAAP Budgetary Basis	Original Budget	Final Budget	**Actual**	Variance - Favorable (Unfavorable)	**2021** Actual
Revenues:					
Operating revenues	$ 407,200	$ 407,200	**$ 425,189**	$ 17,989	$ 389,595
Earnings on investment	3,000	3,000	**621**	(2,379)	317
Miscellaneous revenues	-	-	-	-	-
Total Revenues	410,200	410,200	**425,810**	15,610	389,912
Transfers In:					
General Fund	-	-	-	-	-
Capital Fund	-	-	-	-	-
Water Fund	-	-	-	-	-
Total Transfers In	-	-	-	-	-
Total Revenues and Transfers	410,200	410,200	**425,810**	15,610	389,912
Expenditures:					
General	39,979	39,979	**42,729**	(2,750)	38,192
Administrative	99,432	99,432	**93,907**	5,525	73,270
System operations	179,549	179,549	**166,454**	13,095	176,160
Non-operating expenditures	20,000	20,000	**25,542**	(5,542)	22,700
Total Expenditures	338,960	338,960	**328,632**	10,328	310,322
Transfers Out:					
General Fund	-	-	-	-	-
Capital Fund	-	-	-	-	-
Water Fund	-	-	-	-	-
Total Transfers Out	-	-	-	-	-
Total Expenditures and Transfers	338,960	338,960	**328,632**	10,328	310,322
Excess (Deficiency) of Revenues over Expenditures	$ 71,240	$ 71,240	**97,178**	$ 25,938	79,590
Reconciliation of Budgetary Basis to GAAP Basis:					
Capital assets purchases capitalized			**25,542**		22,700
Capital assets sold			-		-
Depreciation expense			**(115,963)**		(126,920)
Capital lease obligation payments			-		-
Long-term debt - proceeds			-		-
Long-term debt - payments			-		-
Change in Net Position			**$ 6,757**		$ (24,630)

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

Form Approved
OMB No. 2125-0032

LOCAL HIGHWAY FINANCE REPORT	STATE: COLORADO YEAR ENDING (mm/yy): 12/22
This Information From The Records Of: TOWN OF KERSEY, COLORADO	Prepared By: JULIE PIPER, TOWN CLERK #970-353-1681

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

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

II. RECEIPTS FOR ROAD AND STREET PURPOSES

ITEM	AMOUNT
A. Receipts from local sources:	
1. Local highway-user taxes	
a. Motor Fuel (from Item I.A.5.)	
b. Motor Vehicle (from Item I.B.5.)	
c. Total (a.+b.)	
2. General fund appropriations	$ -
3. Other local imposts (from page 2)	$ 674,136.00
4. Miscellaneous local receipts (from page 2)	$ 207.00
5. Transfers from toll facilities	
6. Proceeds of sale of bonds and notes:	
a. Bonds - Original Issues	
b. Bonds - Refunding Issues	
c. Notes	
d. Total (a. + b. + c.)	$ -
7. Total (1 through 6)	$ 674,343.00
B. Private Contributions	
C. Receipts from State government (from page 2)	$ 72,768.00
D. Receipts from Federal Government (from page 2)	$ -
E. Total receipts (A.7 + B + C + D)	$ 747,111.00

III. EXPENDITURES FOR ROAD AND STREET PURPOSES

ITEM	AMOUNT
A. Local highway expenditures:	
1. Capital outlay (from page 2)	$ 4,950.00
2. Maintenance:	$ 165,458.00
3. Road and street services:	
a. Traffic control operations	
b. Snow and ice removal	
c. Other **STREET LIGHTING**	$ 19,134.00
d. Total (a. through c.)	$ 19,134.00
4. General administration & miscellaneous	$ 38,227.00
5. Highway law enforcement and safety	
6. Total (1 through 5)	$ 227,769.00
B. Debt service on local obligations:	
1. Bonds:	
a. Interest	
b. Redemption	
c. Total (a. + b.)	$ -
2. Notes:	
a. Interest	
b. Redemption	
c. Total (a. + b.)	$ -
3. Total (1.c + 2.c)	$ -
C. Payments to State for highways	
D. Payments to toll facilities	
E. Total expenditures (A.6 + B.3 + C + D)	$ 227,769.00

IV. LOCAL HIGHWAY DEBT STATUS

(Show all entries at par)

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

V. LOCAL ROAD AND STREET FUND BALANCE (RECEIPTS AND DISBURSEMENTS ONLY)

	A. Beginning Balance	B. Total Receipts	C. Total Disbursements	D. Ending Balance	E. Reconciliation
	$ 1,682,461.00	$ 747,111.00	$ 227,769.00	$ 2,201,803.00	$ -

Notes and Comments:

LOCAL HIGHWAY FINANCE REPORT	STATE: COLORADO YEAR ENDING (mm/yy): 12/22

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 Assesments		a. Interest on investments	$ 207.00
b. Other local imposts:		b. Traffic Fines & Penalties	
1. Sales Taxes	$ 614,612.00	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	$ 59,524.00	g. Other Misc. Receipts	
6. Total (1. through 5.)	$ 674,136.00	h. Other	
c. Total (a. + b.)	$ 674,136.00	i. Total (a. through h.)	$ 207.00
(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 (from Item I.C.5.)	$ 63,681.00	1. FHWA (from Item I.D.5.)	
2. State general funds		2. Other Federal agencies:	
3. Other State funds:		a. Forest Service	
a. State bond proceeds		b. FEMA	
b. Project Match		c. HUD	
c. Motor Vehicle Registrations	$ 9,087.00	d. Federal Transit Administration	
d. DOLA Grant		e. U.S. Corps of Engineers	
e. Other		f. Other Federal	
f. Total (a. through e.)	$ 9,087.00	g. Total (a. through f.)	$ -
4. Total (1. + 2. + 3.f)	$ 72,768.00	3. Total (1. + 2.g)	$ -
(Carry forward to page 1)		***(Carry forward to page 1)***	

III. EXPENDITURES 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			$ -
b. Engineering Costs			$ -
c. Construction:			
(1). New Facilities			$ -
(2). Capacity Improvements			$ -
(3). System Preservation			$ -
(4). System Enhancement And Operation		$ 4,950.00	$ 4,950.00
(5). Total Construction (1)+(2)+(3)+(4)	$ -	$ 4,950.00	$ 4,950.00
d. Total Capital Outlay (Lines 1.a. + 1.b. + 1.c.4)	$ -	$ 4,950.00	$ 4,950.00
(Carry forward to page 1)			

Notes and Comments:

FORM FHWA-536