

**TOWN OF BENNETT, COLORADO**

**FINANCIAL STATEMENTS**

**December 31, 2023**

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**Rae & Co., CPAs, LLC**

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## INDEPENDENT AUDITORS' REPORT

To the Board of Trustees  
Town of Bennett, Colorado

### Report on the Audit of the Financial Statements

#### *Opinions*

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the Town of Bennett, Colorado (the Town) as of and for the year ended December 31, 2023, and the related notes to the financial statements, which collectively comprise the Town's basic financial statements as listed in the table of contents.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the Town of Bennett, Colorado, as of December 31, 2023, and the respective changes in financial position, and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

#### *Basis for Opinions*

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

#### *Emphasis of Matters*

##### **Restatement of Equity**

As described in Note 14 of these financial statements, in preparing for the audit the Town discovered the following issues which required a restatement of beginning equity:

- Certain assets should have been capitalized during the year ended December 31, 2022.
- Matching funds for some grants should have been transferred to the Grant Fund during the year ended December 31, 2022.

##### **Change in Accounting Principal**

As described in Note 2 of these financial statements, during the year ended December 31, 2023, the Town adopted new accounting guidance:

- GASB Statement 96 *Subscription-Based Information Technology*

- GASB Statement No. 101, *Compensated Absences*

Our opinions are not modified with respect to these matters.

### ***Responsibilities of Management for the Financial Statements***

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

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

### ***Auditors' Responsibilities for the Audit of the Financial Statements***

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinions. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with generally accepted auditing standards and *Government 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 and *Government Auditing Standards*, we:

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

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

***Required Supplementary Information***

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis and budgetary comparison information on pages B1–B17 and E1–E4 be presented to supplement the basic financial statements. Such information is the responsibility of management and, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

***Supplementary Information***

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

***Other Reporting Required by Government Auditing Standards***

In accordance with *Government Auditing Standards*, we have also issued our report dated July 23, 2024, on our consideration of the Town's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the Town's internal control over financial reporting or on compliance.

Town of Bennett  
July 23,2024

That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Town's internal control over financial reporting and compliance.

*Rae & Co., CPAs, LLC*

Timnath, Colorado  
July 23, 2024

## **MANAGEMENT'S DISCUSSION AND ANALYSIS**



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## **TOWN OF BENNETT, COLORADO**

### **Management's Discussion and Analysis**

### **December 31, 2023**

#### **HISTORY**

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

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

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

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

#### **INTRODUCTION**

As management of the Town, we offer the readers of the Town's financial statements this narrative overview and analysis of the financial activities of the Town for the year ended December 31, 2023. We encourage readers to consider the information presented here in conjunction with the Town's financial statements, which follow this section. We are pleased to present to the Mayor, Board of Trustees, and the residents, the 2023 Management Discussion and Analysis (MD&A) for the Town. This analysis represents our continued commitment to prudent fiscal management and has proposed several innovations in the organization of government, thereby advancing our ongoing efforts to continuously improve the efficient and effective delivery of Town services.

The type of government is a Town Board with the seven (7) elected officials being responsible for all policy decisions that affect the Town's financial condition. The Board of Trustees of the Town has appointed Danette Ruvalcaba, Town Treasurer to prepare and submit a budget to our governing body in

December for annual appropriation of sums of money to the various funds. The Town Treasurer is also responsible for financial reporting to the Town Board and to the public-at-large.

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

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

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

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

## **2023 HIGHLIGHT ACCOMPLISHMENTS**

We are pleased and proud of our accomplishments in 2023 and look forward to continued community growth and development in subsequent years. The following achievements are certainly noteworthy and reflect a lot of hard work by the entire Town staff, as our unity reflects our thorough commitment to the future of the Town of Bennett.

- **Water Storage Tank Mural-** In 2023 the Town commissioned Some Girls and a Mural to paint a mural on the new water storage tank. In addition, Some Girls and a mural painted five small bird murals that will be displayed in Town parks. This project was partially funded through an Adams County Open Space Grant.
- **Reuse Water Storage-** In 2023, the Town of Bennett converted the eastern decommission treatment lagoon to additional Reuse Water storage. The pond was expanded and relined. In 2024 the Town will purchase Hextiles to assist in protection of this valuable resource.
- **Trupp Park Phase VI-** The Town was awarded a grant to complete Phase VI of Trupp Park from Adams County Open Space. This phase will include landscaping improvements and new equipment on the playground and in the skate park.
- **Town Safety Building Remodel-** In 2023, the Town was awarded grant from the Department of Local Affairs, DOLA, to aid in the remodel of the Old Public Works Building located off of Palmer Ave. This building will be converted to the Town Safety Building and will be the office for our Community Services Officer, County Sherriff and our Building Officials.
- **Custer Sanitary Sewer Bypass and Water Line-**In 2023, the Town was awarded a DOLA grant to construct a new sanitary sewer bypass which would create a gravity flow system relieving the use

of current lift stations. In addition, the Town utilized this opportunity to add a water line along the same route for a cost savings.

- **Transportation Improvements-** In 2023, the Town continued construction on two major road improvements. The first was the signalization of the Market Place and First Street intersection. This traffic signal will add much-needed traffic control to this busy commercial district in the Town. The second is for the improvement of the 304-exit ramp. These transportation improvements will allow more efficient traffic flow from Interstate 70 into Bennett. Both projects are critical to the economic growth and stability of the Town.
- **Bennett Days-** In September, the Town hosted our annual Bennett Days Celebration. 2023 had beautiful weather and was a well-attended event. The Town of Bennett staff planned and executed a great day of fun and celebration ending with a bull-riding, a Concert with Jason Boland & The Stragglers and fireworks.

## **OVERVIEW OF THE FINANCIAL STATEMENTS**

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

### ***Government-wide Financial Statements***

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

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

The statement of activities presents information reflecting how the Town's net position has changed during the previous fiscal year. All changes in net position are reported as soon as the underlying event giving rise to the change occurs, regardless of the timing of the related cash flows. Thus, revenues and expenses are reported in this statement for some items that will only result in cash flows in future periods (e.g., uncollected taxes and earned but unused compensated leave).

The government-wide financial statements distinguish functions of the Town that are principally supported by taxes and intergovernmental revenues (governmental activities) from other functions that are intended to recover all or a significant portion of their costs through user fees and charges (business-

type activities). The governmental activities of the Town include general government, public safety, public works, cultural, parks and recreation, and community planning development services. The business-type activities of the Town include water and wastewater.

A fund is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. The Town, like other state and local governments, uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. All the funds of the Town can be divided into two categories governmental funds and proprietary funds.

### ***Governmental Funds***

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

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

### ***Proprietary Funds***

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

Enterprise funds are used to report the same functions presented in business-type activities in the governmental-wide financial statements, only in more detail. Information is presented in the Statement of Net Position- Enterprise Funds; Statement of Revenues, Expenses; Changes in Net Position – Enterprise Funds; and the Statement of Cash Flows – Enterprise funds.

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

### ***Component Unit Funds***

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

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

### **GOVERNMENT-WIDE FINANCIAL ANALYSIS**

The Town's net position for the governmental and business-type activities exceeded liabilities by \$74,760,629 at the close of 2023. The following tables illustrate the present condensed statement of net position for both of the Town's fund categories.

**Table 1****Net Position**

	<b>Governmental Activities</b>		<b>Business-type Activities</b>		<b>Total</b>	
	2022	2023	2022	2023	2022	2023
<b>Assets</b>						
Current Assets	\$ 13,788,338	\$ 16,345,642	\$ 15,030,486	\$ 18,496,176	\$ 28,818,824	\$ 34,841,818
Capital Assets	30,282,902	34,796,079	32,102,021	34,979,118	62,384,923	69,775,197
Total Assets	44,071,240	51,141,721	47,132,507	53,475,294	91,203,747	104,617,015
<b>Liabilities</b>						
Other	4,448,670	5,170,127	1,134,721	1,152,721	5,583,391	6,322,848
Long-Term	9,857,854	9,706,274	13,329,977	13,236,524	23,187,831	22,942,798
Total Liabilities	14,306,524	14,876,401	14,464,698	14,389,245	28,771,222	29,265,646
Deferred Inflows of Resources	900,395	1,145,434	-	-	900,395	1,145,434
<b>Net Position</b>						
Net Investment in Capital Assets	21,863,996	26,618,052	18,231,903	21,742,594	40,095,899	48,360,646
Restricted	4,433,702	323,965	377,021	377,021	4,810,723	700,986
Unrestricted	2,566,623	8,177,869	14,058,885	17,521,128	16,625,508	25,698,997
Total Net Position	\$ 28,864,321	\$ 35,119,886	\$ 32,667,809	\$ 39,640,743	\$ 61,532,130	\$ 74,760,629

The Town uses its capital assets to provide services to the citizens. At the end of 2023, the investment in capital assets of \$69,701,922 (land, buildings, improvements, equipment, etc.), net of debt used to acquire those assets of \$21,341,276 which amounts to \$48,360,646, or 66% of the Town's total net position of \$74,760,629. During the current fiscal year, the Town's net position increased by \$13,228,499. This increase represents the degree to which increases in ongoing revenues have surpassed similar increases in ongoing expenses as well as infrastructure contributions made by developers.

An additional portion of the Town's net position of \$700,986 (1%) represents resources that are subject to external restrictions on how they may be used. Unrestricted net position of \$25,698,997 (34%) reflects the amount that may be used to meet the Town's ongoing obligations to citizens and creditors. Certain assets of the Town's Water and Wastewater funds are classified as restricted assets on the balance sheet because their use is limited by applicable debt covenants.

**Changes in Net Position**

As presented in Table 2, the Town’s overall net position increased by \$12,888,208 during 2023.

**Table 2**  
**Changes in Net Position**

	<b>Governmental Activities</b>		<b>Business-type Activities</b>		<b>Total</b>	
	<b>2022</b>	<b>2023</b>	<b>2022</b>	<b>2023</b>	<b>2022</b>	<b>2023</b>
<b>Revenues</b>						
Program Revenues						
Permits, Fees, Fines						
Charges for Services	\$ 987,819	\$ 1,288,603	\$ 2,935,354	\$ 2,855,811	\$ 3,923,173	\$ 4,144,414
Operating Grants and Contributions	2,516,680	-	-	-	2,516,680	-
Capital Grants and Contributions	464,550	2,643,036	1,798,159	5,790,820	2,262,709	8,433,856
General Revenues and Taxes	6,863,230	8,085,210	-	-	6,863,230	8,085,210
Net Investment Income	164,482	503,004	269,393	-	433,875	503,004
Unrestricted Grant	76,145	-	248,106	-	324,251	-
Miscellaneous	235,361	1,603,976	-	1,021,648	235,361	2,625,624
Transfers	261,141	(47,870)	(261,141)	47,870	-	-
<b>Total Revenues</b>	<b>11,569,408</b>	<b>14,075,959</b>	<b>4,989,871</b>	<b>9,716,149</b>	<b>16,559,279</b>	<b>23,792,108</b>
<b>Expenses</b>						
General Government	3,244,328	4,514,242	-	-	3,244,328	4,514,242
Public Safety	608,076	648,398	-	-	608,076	648,398
Public Works	2,824,927	1,099,414	-	-	2,824,927	1,099,414
Interest on Debt	328,779	291,543	-	-	328,779	291,543
Culture and recreation	-	664,576	-	-	-	664,576
Other	-	942,512	-	-	-	942,512
Unallocated Depreciation	914,402	-	-	-	914,402	-
Water	-	-	1,744,693	1,494,878	1,744,693	1,494,878
Wastewater	-	-	1,145,922	1,248,337	1,145,922	1,248,337
<b>Total Expenses</b>	<b>7,920,512</b>	<b>8,160,685</b>	<b>2,890,615</b>	<b>2,743,215</b>	<b>10,811,127</b>	<b>10,903,900</b>
<b>Change in Net position</b>	<b>3,648,896</b>	<b>5,915,274</b>	<b>2,099,256</b>	<b>6,972,934</b>	<b>5,748,152</b>	<b>12,888,208</b>
<b>Net Position-Beginning As Restated</b>	<b>25,215,425</b>	<b>29,204,612</b>	<b>30,568,553</b>	<b>32,667,809</b>	<b>55,783,978</b>	<b>61,872,421</b>
<b>Net Position-Ending</b>	<b>\$ 28,864,321</b>	<b>\$ 35,119,886</b>	<b>\$ 32,667,809</b>	<b>\$ 39,640,743</b>	<b>\$ 61,532,130</b>	<b>\$ 74,760,629</b>

**Governmental Activities**

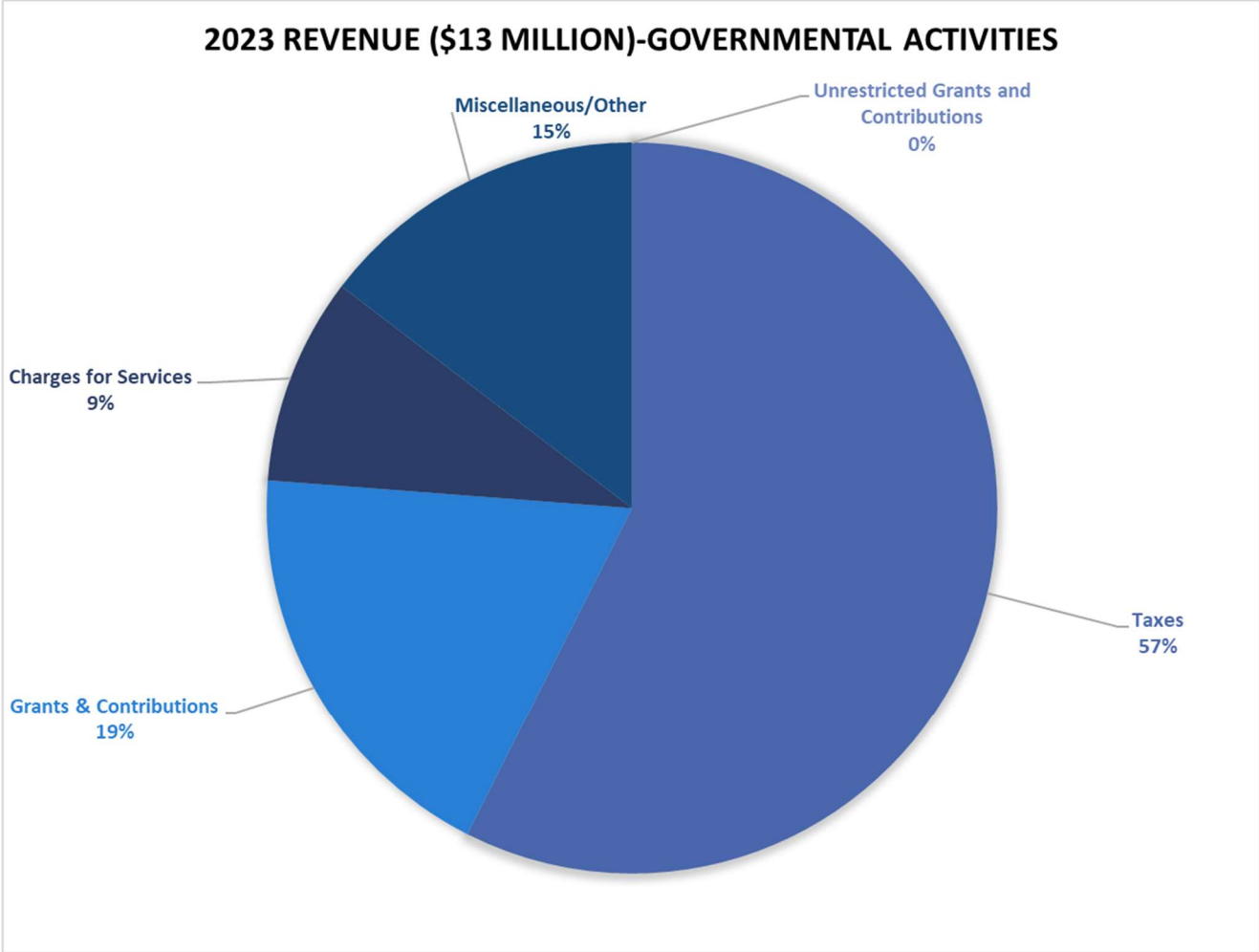
Governmental activities increased the Town’s net position by \$5,915,274. The major influences causing the change are the following:

The most notable change in Net Position is due to increased revenues in taxes, investment income and impact fees. Taxes increased by \$1,221,980 (18%), and the Town has seen an increase in this revenue source year after year. The tax revenue increase in 2023 was related to a significant increase in use tax revenues generated from development and moderate sales tax increase. Property taxes revenues increased by 14%. Property tax will continue to increase as residential and commercial construction

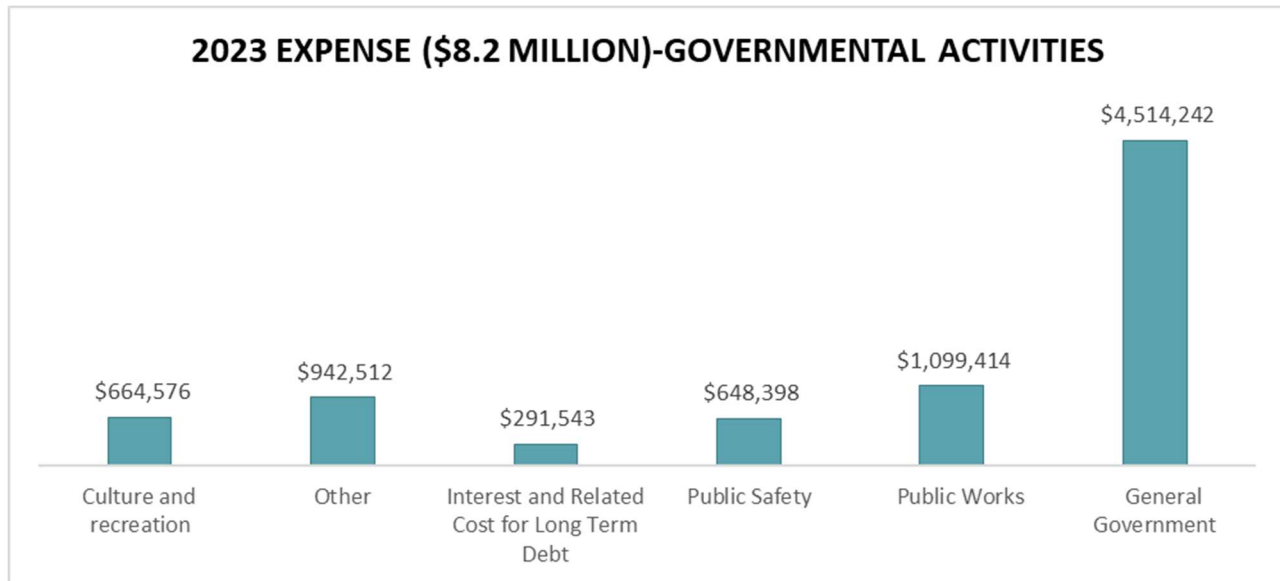
continues. Investment income has increased by approximately \$338,522. During the pandemic years investment income was limited due to the Federal Reserve keeping rates low. However, in 2022 the Federal Reserve began to raise rates to slow the market and kept them high throughout 2023. These rate changes resulted in significant increases in investment rates and in turn increased income. Management anticipates the investment income will remain consistent through 2024.

Impact fees increased significantly as well, more than doubling in both governmental activities and business-type activities. Impact and development fees are collected based on a specific list of regional improvements projects in water, wastewater, public facilities, storm drainage and transportation. The fee is then set by dividing the necessary revenue by the anticipated single family equivalents (SFE) in the next 10 years. In 2023 the Town experienced growth of approximately 145 SFEs. Management believes the development growth will remain steady into 2024 and likely 2025.

**Graph 1.** Governmental Activities Revenue Sources



**Graph 2.** Governmental Activities Expenses



Expenses for governmental activities in 2023 increased by \$240,173 or 3%. The increase can be primarily attributed to inflation in operating expenses. The nation as a whole has experienced significant inflation that has impacted every industry and the economy adjusts post pandemic. Management did anticipate this increase and budgeted accordingly. Management believes inflation will impact 2024 but will likely stabilize later in the year.

***Business-Type Activities***

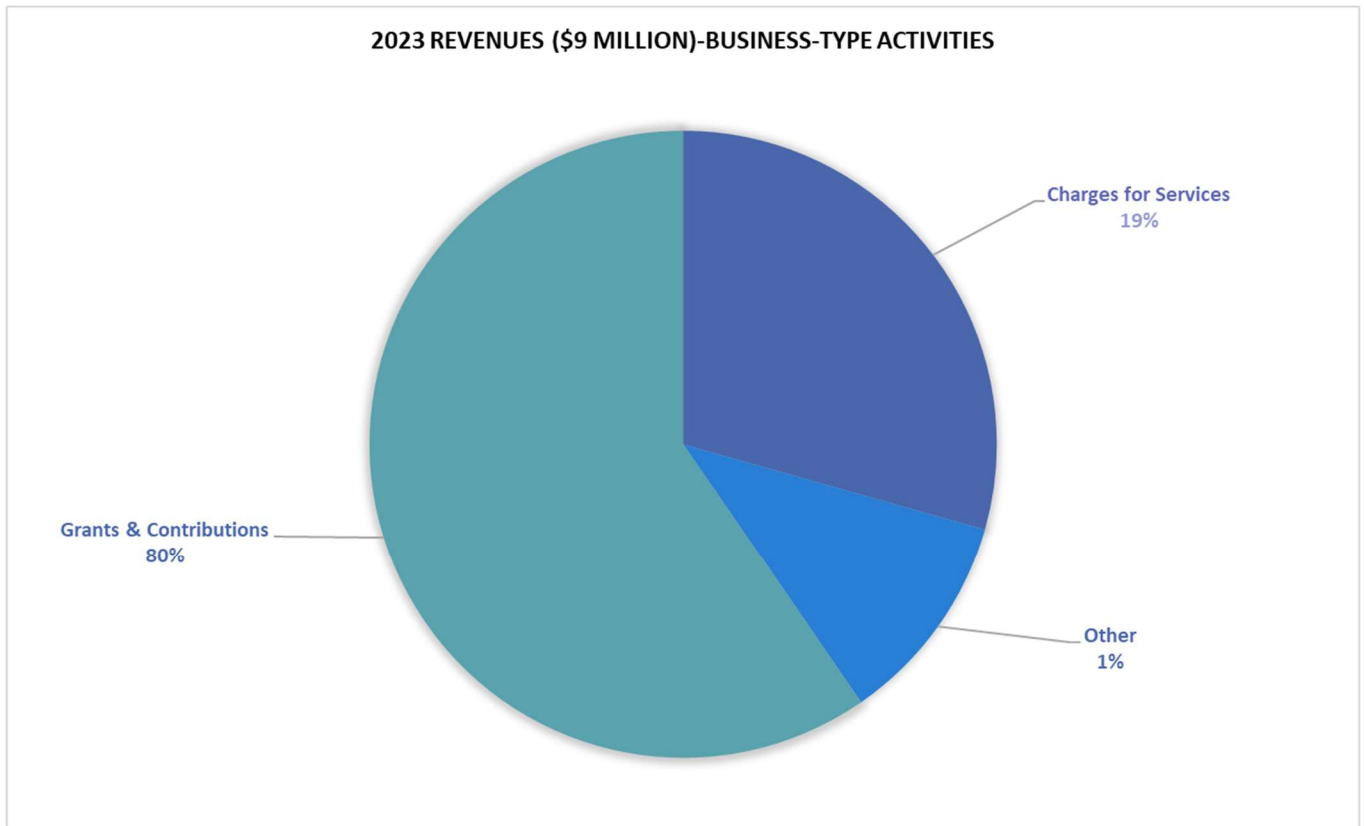
The net position of Business-Type Activities increased by \$6,972,934 for 2023 more than doubling over 2022.

The major influences are due to the following:

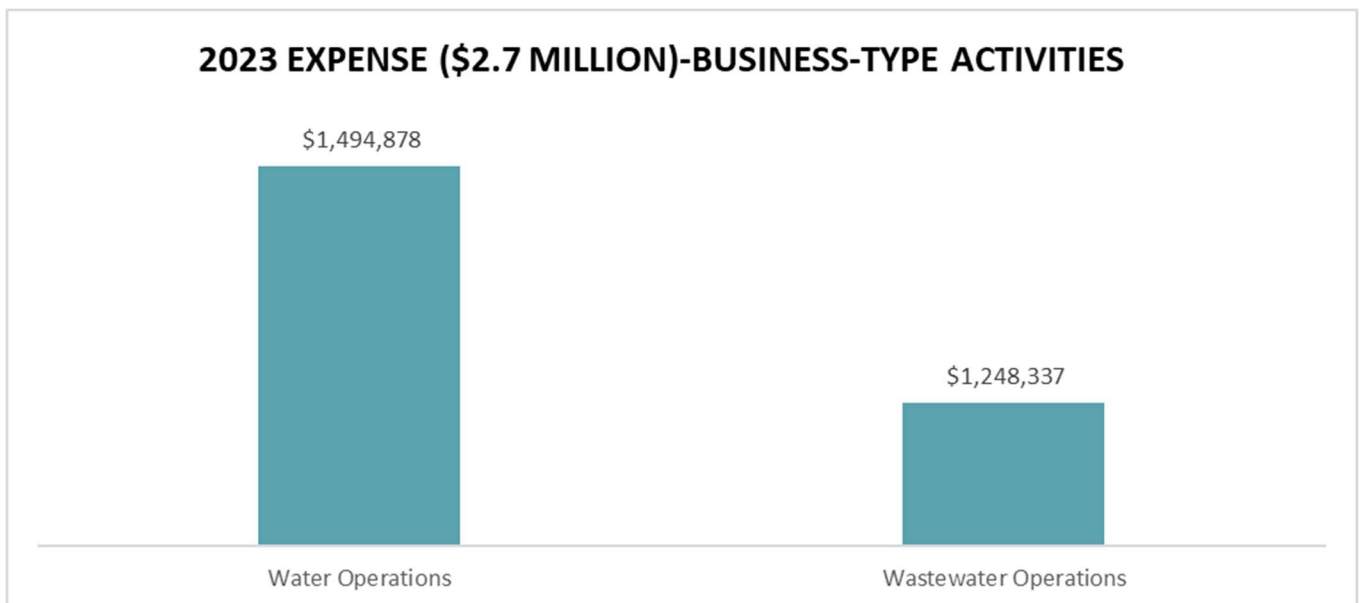
Investment income increased significantly from 2022 resulting in more than double the income. During the pandemic year's investment income was limited due to the Federal Reserve keeping rates low. However, in 2022 the Federal Reserve began to raise rates to slow the market and kept them high throughout 2023. These rate changes resulted in significant increases in investment rates and in turn increased income. Management anticipates the investment income will remain consistent through 2024.

Water and wastewater development fees were significant more than doubling from 2022. The water development fee remained the same as in 2022 however the wastewater development fee increased significantly. Due to the significant increase the Town Board of Trustees create a Wastewater Development Incentive Program that required active and eligible developers to pay up front a discounted wastewater development fee. This program resulted in approximately \$878,000 in revenue for 2023.

**Graph 1.** Business-Type Activities Revenue Sources



**Graph 2.** Business-Type Activities Expenses



In 2022, the expense for business-like activities decreased by \$147,400 or 3%. In water the expenses decreased by \$249,815, or 14%. This is due to the postponement of several capital projects as management monitored low water sales in the summer of 2023, due to significant rain. The water sales did recover by year end so the postponed projects were carried forward to 2024. Wastewater expense increased by \$102,415 or 9%. This increase is the result of inflation and the restructuring of personnel to include a Utilities Director. In previous year the Public Works Director was over the Utilities Department therefore the salary expense was shared with the General Fund and the Road fund.

Revenue for the wastewater and water utility is derived from service charges and other miscellaneous sources such as late fees. Projected wastewater and water service revenue under existing rates were not adequate to meet revenue requirements and sustain minimum reserves in 2023. Therefore, a rate increase was proposed and adopted for 2024. Additionally, our water rates were tiered and adjusted across all three of our water sources, potable water, untreated water, and reuse water. The fees were adjusted to encourage use of our reuse water by making the use of potable water cost prohibitive.

**FINANCIAL ANALYSIS OF THE TOWN’S FUNDS**

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

***Governmental Funds***

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

At the end of 2023, the Town’s governmental funds reported a combined fund balance of \$10,059,282, an increase of \$1,965,133 (24%) over 2022. This can be attributed to increased revenues. Revenue increases were seen in taxes, investment income and impact fees. \$4,828,585 constitutes an unassigned fund balance, which is available for spending at the Town’s discretion. \$445,837 of the fund balance is assigned to road maintenance.

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

Restricted for TABOR Emergencies	\$312,905
Parks and Recreation	\$11,060
Restricted for Capital Projects	\$1,777,872
Restricted for Debt Service	\$1,199,953

The General Fund is the primary operating fund of the Town. At the end of 2023, unassigned fund balance of the General Fund was \$4,828,585, while the total fund balance was \$5,141,490. As a measure of the General Fund’s liquidity, it may be useful to compare unassigned fund balance to total fund expenditures.

Unassigned fund balance represents 75% of total General Fund expenditures. This is a 1% increase from 2022.

The fund balance of the Town’s General Fund increased by \$775,225 during 2023. Key factors are as follows:

- Increase in Sales and Use Tax Revenue in the amount of \$737,178, and a property tax increase of \$78,713.
- Increase in Investment income in the amount of \$338,522.

*Other Governmental Funds*

The Conservation Trust Fund was created to account for the money received from Lottery sales and is earmarked for specific purposes by the State, including parks and recreation equipment and capital projects. The Conservation Trust Fund had a fund balance of \$0 at the end of 2022. \$31,537 was expended on park and open space improvements.

The Road and Bridge Fund is used to account for state highway users trust funds, county road and bridge taxes, and other revenues designated for the construction and maintenance of roads and bridges. The Road and Bridge Fund had a fund balance of \$445,837, a decrease in the amount of \$152,905 in 2022. This is a result of capital repairs completed on Kiowa Bennett Road

The Sales Tax Capital Improvement Fund was created to account for the money received from the 1% sales tax increase which became effective on January 1, 2016. The Sales Tax Capital Improvement Fund had a fund balance of \$1,290,339 at the end of 2022. \$3,769,475 was expended from the Sales Tax Capital Improvement Fund for the road capital projects and maintenance, as well as the principal and interest on the 2016 Sales Tax Revenue Bonds.

**Proprietary Funds**

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

Net position of the enterprise operations on December 31 follows:

	<b>2022</b>	<b>2023</b>	<b>Change</b>
<b>Net Position - Beginning of the Year</b>	\$ 30,568,553	\$ 32,667,809	\$ 2,099,256
<b>Net Position- End of the Year</b>	\$ 32,667,809	\$ 39,640,743	\$ 6,972,934

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

## **CAPITAL ASSETS AND DEBT ADMINISTRATION**

### **Capital Assets**

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

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

Major capital asset events during 2023 included the following:

- Water Storage Tank and Park Murals
- Custer Street Sanitary Sewer Bypass
- Reuse Water Storage
- LFH Well 14
- Design of the Water Resource Recovery and Reclamation Facility Expansion
- Exit 304 Improvements
- Market Place Signalization
- North Municipal Complex Completion

The following table provides comparative information on the Town's capital assets for 2022 and 2023:

	<b>Governmental Activities</b>		<b>Business -type Activities</b>		<b>Total</b>	
	<b>2022</b>	<b>2023</b>	<b>2022</b>	<b>2023</b>	<b>2022</b>	<b>2023</b>
Land and Land Improvements	\$ 2,758,194	\$ 2,758,195	\$ 67,138	\$ 67,138	\$ 2,825,332	\$ 2,825,333
Water Rights	-	-	1,205,799	1,205,799	1,205,799	1,205,799
Construction in Process	7,178,162	10,266,801	8,243,562	6,112,361	15,421,724	16,379,162
Buildings and Improvements	4,150,494	4,441,357	7,204,664	7,204,664	11,355,158	11,646,021
IT/Software	140,199	159,355	-	-	140,199	159,355
Infrastructure	13,980,521	14,575,040	-	-	13,980,521	14,575,040
Parks and Ballfields	6,015,634	6,903,155	-	-	6,015,634	6,903,155
Public Art	40,989	128,555	-	-	40,989	128,555
Vehicle and Equipment	925,383	1,412,568	1,683,310	1,751,544	2,608,693	3,164,112
Ponds	-	-	656,605	656,605	656,605	656,605
Water System	-	-	11,619,543	17,464,016	11,619,543	17,464,016
Sewer Lines	-	-	7,792,745	7,792,745	7,792,745	7,792,745
Accumulated Depreciation	(4,906,674)	(5,922,221)	(6,371,345)	(7,275,754)	(11,278,019)	(13,197,975)
Net Capital Assets	<u>\$ 30,282,902</u>	<u>\$ 34,722,805</u>	<u>\$ 32,102,021</u>	<u>\$ 34,979,118</u>	<u>\$ 62,384,923</u>	<u>\$ 69,701,923</u>

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

### **Debt Administration**

As of December 31, 2023, the Town had outstanding long-term obligations of \$22,942,799, as follows:

	<b>2022</b>	<b>Additions</b>	<b>Payments</b>	<b>2023</b>
Governmental Activities	\$ 10,309,165	\$ -	\$ 602,891	\$ 9,706,274
Business-type Activities	13,870,118	-	633,593	13,236,525
	<u>\$ 24,179,283</u>	<u>\$ -</u>	<u>\$ 1,236,484</u>	<u>\$ 22,942,799</u>

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

## **ECONOMIC FACTORS**

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

The projections for economic development in the Town show significant growth between 2010 and 2035. These projections were completed in 2005 by the Denver Regional Council of Governments (DRCOG), prior to the recent recession, and have been modified by Economic Planning Systems (EPS) to account for regional employment contraction. Notwithstanding this contraction, the future growth of the Bennett planning area remains strong.

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

## **2023 BUDGET OUTLOOK**

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

**Sales Tax** - The General Fund anticipated sales tax revenues for 2024 are based on an economic growth rate of three percent over 2023 projected sales tax revenues. This increase includes anticipated new

business revenue and a conservative increase for existing businesses. Sales tax equates to \$4.4 million of the total \$7.68 million General Fund revenues.

**Building Permit Revenue** - As development continues to increase, Staff is estimating \$508,000 in building permit related revenue in the General Fund. This is the third-largest revenue source in the general fund.

**Water & Wastewater** – The Town of Bennett is projecting \$3.73 million of revenue in 2024, which represents a 5.7% increase over the prior year. This is primarily due to increased water sales revenue generated by additional users on the system and increased base and user rates. The Town of Bennett is projecting \$1.43 million of revenue in 2024, which represents a 38.8% decrease over the prior year. This decrease can be primarily attributed to a decrease in the transfer from the Wastewater Capital Fund. There are no planned capital construction projects in this fund for 2024.

**Grant Revenue** – When viewed comprehensively, grant revenue is an ongoing effort to establish and research the highest level of resources available to us for capital improvement projects the Town cannot fund solely. Grant revenue in 2024 is projected to be \$8,739,946 for new parks, facility improvements, and trails. The Town of Bennett has limited revenue sources and an abundance of capital improvement projects forthcoming. That, of course, raises the questions of where those resources will come from, and who will do the work. As the Town of Bennett works to develop other financing options in the future, the opportunity to obtain Assistance Grant Funds would supplement the cost of some of our major infrastructure projects. We have the funds available to provide a match but are unable to complete the project without additional monetary support.

**Property Tax** – The Town of Bennett as well as the rest of the State saw significant increases in valuations for 2024. These increases did result in legislation that reduced valuation temporarily for Colorado residents. Despite this legislation, property tax remains one of the main revenue sources for the General Fund.

Overall, The Town establishes a budget for seventeen separate funds or accounting divisions and reports using modified accrual accounting. Town operation can be narrowed down to three major fund groupings: General Fund, Special Revenue Funds and Enterprise Funds. The largest fund in 2024 will be the Special Revenue Funds, which provides a total of \$12,717,957 in funding over twelve separate funds. Most of this revenue source is generated through the collection of use tax, development fees and impact fees on building permits. The General Fund makes \$7,680,085 of the revenue that is allocated to twenty-one different operational departments. Finally, the Enterprise Funds provide \$10,534,707 in funding. The total budget for the 2023 revenues is \$30,932,749; of which \$15,975 is from unappropriated surplus or reserve fund balance and \$30,916,774 from revenue sources. The Town of Bennett has appropriated \$25,148,833 for 2024 expenditures; therefore, the projected net balance of revenues over expenditures is a positive \$5,783,916.

## **2024 HIGHLIGHT PROJECTS**

Looking forward to 2024, The Board philosophy places an emphasis on the construction and procurement of necessary assets to ensure that Bennett remains a stable and successful community now and into the future. Items that will be the focus of 2024 are continued public relations, policing services and financial planning. Through the development of our Capital Asset and Inventory Master Plan, C.A.I.M.P. completed in 2019, the Town was able to identify capital needs of the Town in all major infrastructure categories. It then allowed for the prioritization of these projects based on capacity, condition, and criticality. This list was then balanced against expected revenue to help us identify the major projects in 2024.

CAPITAL PROJECT	2024 BUDGET	FUND
SAFE STREETS FOR ALL ROADS ACTION PLAN	126,000	SALES TAX CAPITAL IMPROVEMENT FUND
FLEET REPLACEMENT-PW TRUCK, CSO TRUCK	135,000	BUILDING
PALMER STREET REPAIRS	100,000	SALES TAX CAPITAL IMPROVEMENT FUND
SWEEPER AND TANDEM PLOW LEASE PURCHASE	156,668	SALES TAX CAPITAL IMPROVEMENT FUND
HOUSING NEEDS ASSESSEMENT	50,000	GRANT
COMPREHENSIVE PLAN UPDATE	50,000	GRANT
GENERATOR FOR NOMCOM	386,321	GRANT
PALMER STREET LIGHTS	100,000	GRANT
PUPLE PIPE PHASE IV	1,061,667	GRANT
TIPS TRAIL	3,550,000	GRANT
CIVIC CENTER PARK PHASE II	3,333,333	GRANT
FUTURE PARK PHASE III	158,625	GRANT
NORTH SHOP REMODEL	300,000	CIP
NOMCOM ELECTRICAL UPGRADES	75,000	CIP
WASHINGTON WAY INFILTRATION WELL	58,593	STORMWATER
WATER CAPACITY AND QUALITY PROJECT	1,970,000	WATER
WELL FENCING	75,000	WATER
<b>TOTAL CAPITAL EXPENDITURES</b>	<b>\$11,686,207</b>	

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

Like prior budgets, the 2024 budget relies on projections regarding available revenue, thereby accepting the limits of the Town's financial resources. The budget is based upon an established ceiling of revenue derived from local property taxes and three-year projection averages of sales tax.

### **REQUESTS FOR INFORMATION**

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

## **BASIC FINANCIAL STATEMENTS**

**TOWN OF BENNETT, COLORADO**  
**STATEMENT OF NET POSITION**  
**December 31, 2023**

	<u>Governmental Activities</u>	<u>Business-type Activities</u>	<u>Total</u>
<b>ASSETS</b>			
Cash and investments	\$ 9,909,310	\$ 17,989,165	\$ 27,898,475
Accounts receivable	2,174,280	300,358	2,474,638
Due from other governments	1,455,583	-	1,455,583
Internal balances	461,082	(461,082)	-
Property taxes receivable	1,145,434	-	1,145,434
Prepaid expenses	-	26,631	26,631
Cash and investments - Restricted	1,199,953	641,104	1,841,057
Capital assets, not being depreciated			
Land, water rights and construction in progress	13,153,550	7,385,298	20,538,848
Capital assets, net of accumulated depreciation			
Buildings, equipment and infrastructure	21,569,254	27,593,820	49,163,074
Right to use assets, net of accumulated amortization			
Software subscriptions	73,275	-	73,275
Total assets	<u>51,141,721</u>	<u>53,475,294</u>	<u>104,617,015</u>
<b>LIABILITIES</b>			
Accounts payable and accrued liabilities	804,915	153,645	958,560
Accrued interest payable	29,201	48,687	77,888
Amounts owed to developers	3,746,635	-	3,746,635
Unearned revenues	477,452	366,000	843,452
Compensated absences	111,924	29,695	141,619
Noncurrent liabilities			
Due within one year	327,770	554,694	882,464
Due in more than one year	9,378,504	12,681,830	22,060,334
Total liabilities	<u>14,876,401</u>	<u>13,834,551</u>	<u>28,710,952</u>
<b>DEFERRED INFLOWS OF RESOURCES</b>			
Property taxes	<u>1,145,434</u>	<u>-</u>	<u>1,145,434</u>
<b>NET POSITION</b>			
Net investment in capital assets	26,618,052	21,742,594	48,360,646
Restricted			
Emergency reserves	312,905	-	312,905
Debt service	-	377,021	377,021
Conservation trust	11,060	-	11,060
Unrestricted	8,177,869	17,521,128	25,698,997
Total net position	<u>\$ 35,119,886</u>	<u>\$ 39,640,743</u>	<u>\$ 74,760,629</u>

These financial statements should be read only in connection with  
the accompanying notes to financial statements.

**TOWN OF BENNETT, COLORADO**  
**STATEMENT OF ACTIVITIES**  
**Year Ended December 31, 2023**

<u>Functions/Programs</u>	<u>Expenses</u>	<u>Program Revenues</u>			<u>Net (Expense) Revenue and Changes in Net Position</u>		<u>Total</u>
		<u>Charges for Services</u>	<u>Operating Grants and Contributions</u>	<u>Capital Grants and Contributions</u>	<u>Governmental Activities</u>	<u>Business-Type Activities</u>	
Primary government:							
<b>Governmental activities:</b>							
General government	\$ 4,514,242	\$ 1,138,758	\$ -	\$ 19,533	\$ (3,355,951)	\$ -	\$ (3,355,951)
Public safety	648,398	55,157	-	472,754	(120,487)	-	(120,487)
Public works	1,099,414	-	-	1,740,080	640,666	-	640,666
Culture and recreation	664,576	-	-	332,955	(331,621)	-	(331,621)
Other	942,512	94,688	-	77,714	(770,110)	-	(770,110)
Interest on long-term debt	291,543	-	-	-	(291,543)	-	(291,543)
Total governmental activities	<u>8,160,685</u>	<u>1,288,603</u>	<u>-</u>	<u>2,643,036</u>	<u>(4,229,046)</u>	<u>-</u>	<u>(4,229,046)</u>
<b>Business-type activities:</b>							
Water	1,494,878	1,526,579	-	3,660,105	-	3,691,806	3,691,806
Wastewater	1,248,337	1,329,232	-	2,130,715	-	2,211,610	2,211,610
Total business-type activities	<u>2,743,215</u>	<u>2,855,811</u>	<u>-</u>	<u>5,790,820</u>	<u>-</u>	<u>5,903,416</u>	<u>5,903,416</u>
Total Primary Government	<u>\$ 10,903,900</u>	<u>\$ 4,144,414</u>	<u>\$ -</u>	<u>\$ 8,433,856</u>	<u>(4,229,046)</u>	<u>5,903,416</u>	<u>1,674,370</u>
General revenues:							
Taxes							
Property and specific ownership taxes					629,950	-	629,950
Sales taxes					5,928,163	-	5,928,163
Use taxes					661,178	-	661,178
Other taxes					865,919	-	865,919
Impact fees					1,030,391	-	1,030,391
Investment earnings					503,005	834,180	1,337,185
Other					566,884	-	566,884
Gain on disposal of assets					6,700	187,468	194,168
Transfers					(47,870)	47,870	-
Total general revenues and transfers					<u>10,144,320</u>	<u>1,069,518</u>	<u>11,213,838</u>
Change in net position					<u>5,915,274</u>	<u>6,972,934</u>	<u>12,888,208</u>
Net position - Beginning (As originally reported)					<u>28,864,321</u>	<u>32,667,809</u>	<u>61,532,130</u>
Restatement					<u>340,291</u>	<u>-</u>	<u>340,291</u>
Net position - Ending					<u>\$ 35,119,886</u>	<u>\$ 39,640,743</u>	<u>\$ 74,760,629</u>

These financial statements should be read only in connection with the accompanying notes to financial statements.

**TOWN OF BENNETT, COLORADO**  
**BALANCE SHEET**  
**GOVERNMENTAL FUNDS**  
**December 31, 2023**

	<b>General</b>	<b>Grants</b>
<b>ASSETS</b>		
Cash and investments	\$ 6,098,423	\$ -
Cash and investments - restricted	-	-
Accounts receivable	789,962	-
Due from other funds	2,528,072	-
Due from other governments	-	1,455,583
Property taxes receivable	799,742	-
Total assets	\$ 10,216,199	\$ 1,455,583
 <b>LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES</b>		
<b>LIABILITIES</b>		
Accounts payable	\$ 277,485	\$ 34,252
Accrued expenses	126,923	-
Amounts owed to developers	3,746,635	-
Due to other funds	-	1,411,215
Unearned revenue	12,000	10,116
Compensated absences	111,924	-
Total liabilities	4,274,967	1,455,583
 <b>DEFERRED INFLOWS OF RESOURCES</b>		
Unavailable revenue-property taxes :	799,742	-
Total deferred inflows of resources	799,742	-
 <b>FUND BALANCES</b>		
Restricted		
Emergency reserves	312,905	-
Capital asset purchases	-	-
Conservation trust	-	-
Assigned		
Public works	-	-
Unassigned	4,828,585	-
Total fund balances	5,141,490	-
<b>TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES</b>	<b>\$ 10,216,199</b>	<b>\$ 1,455,583</b>

<b>Sales Tax Capital Improvement</b>	<b>Use Tax Capital Improvement</b>	<b>Nonmajor Governmental Funds</b>	<b>Total Governmental Funds</b>
\$ 48,714	\$ 947,929	\$ 2,814,244	\$ 9,909,310
723,461	476,492	-	1,199,953
1,331,507	-	52,811	2,174,280
-	-	-	2,528,072
-	-	-	1,455,583
-	-	345,692	1,145,434
<u>\$ 2,103,682</u>	<u>\$ 1,424,421</u>	<u>\$ 3,212,747</u>	<u>\$ 18,412,632</u>
\$ 332,827	\$ -	\$ 28,185	\$ 672,749
-	-	5,243	132,166
-	-	-	3,746,635
480,516	31,737	143,522	2,066,990
-	-	455,336	477,452
-	-	-	111,924
<u>813,343</u>	<u>31,737</u>	<u>632,286</u>	<u>7,207,916</u>
-	-	345,692	1,145,434
-	-	345,692	1,145,434
-	-	-	312,905
1,290,339	1,392,684	1,777,872	4,460,895
-	-	11,060	11,060
-	-	445,837	445,837
-	-	-	4,828,585
<u>1,290,339</u>	<u>1,392,684</u>	<u>2,234,769</u>	<u>10,059,282</u>
<u>\$ 2,103,682</u>	<u>\$ 1,424,421</u>	<u>\$ 3,212,747</u>	<u>\$ 18,412,632</u>

These financial statements should be read only in connection with the accompanying notes to financial statements.

**TOWN OF BENNETT, COLORADO**  
**RECONCILIATION OF THE BALANCE SHEET**  
**TO THE STATEMENT OF NET POSITION**  
**GOVERNMENTAL FUNDS**  
**December 31, 2023**

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

Total fund balance - Total governmental funds	\$ 10,059,282
Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the funds.	34,796,079
Accrued interest payable is not due and therefore is not included in the funds.	(29,201)
Noncurrent liabilities, including loans, leases, bonds payable, and software subscriptions are not due and payable in the current period and, therefore, are not reported in the funds.	<u>(9,706,274)</u>
Net position of governmental activities	<u><u>\$ 35,119,886</u></u>

These financial statements should be read only in connection with  
the accompanying notes to financial statements.

**TOWN OF BENNETT, COLORADO**  
**STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES**  
**GOVERNMENTAL FUNDS**  
**Year Ended December 31, 2023**

	<u>General</u>	<u>Grants</u>	<u>Sales Tax Capital Improvement</u>	<u>Use Tax Capital Improvement</u>
<b>REVENUES</b>				
Taxes	\$ 5,268,631	\$ -	\$ 1,480,945	\$ 661,178
Intergovernmental	-	1,724,247	1,513,000	24,450
Licenses and permits	773,297	-	-	-
Charges for services	460,837	-	-	-
Fines and forfeitures	54,469	-	-	-
Bennett arts and cultural fund	131,714	-	-	-
Net investment income	218,718	-	89,495	70,210
Impact fees	-	-	-	-
Other	236,913	275,972	-	-
Total revenues	<u>7,144,579</u>	<u>2,000,219</u>	<u>3,083,440</u>	<u>755,838</u>
<b>EXPENDITURES</b>				
Current				
General government	3,846,499	-	-	-
Public safety	648,398	-	-	-
Public works	522,058	-	176,908	-
Culture and recreation	381,470	-	-	-
Cemetery	19,327	-	-	-
Buildings	267,512	-	-	-
Other	367,204	-	-	-
Bennett arts & cultural fund	122,746	-	-	-
Debt service				
Principal and interest	-	-	359,800	219,100
Capital outlay	274,269	952,883	3,232,767	319,326
Total expenditures	<u>6,449,483</u>	<u>952,883</u>	<u>3,769,475</u>	<u>538,426</u>
<b>EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES</b>	<u>695,096</u>	<u>1,047,336</u>	<u>(686,035)</u>	<u>217,412</u>
<b>OTHER FINANCING SOURCES (USES)</b>				
Sale of general capital assets	6,700	-	-	-
Transfers in	440,600	856,888	-	230,120
Transfers (out)	(268,934)	(1,085,773)	-	(66,355)
Total other financing sources (uses)	<u>178,366</u>	<u>(228,885)</u>	<u>-</u>	<u>163,765</u>
<b>NET CHANGE IN FUND BALANCES</b>	873,462	818,451	(686,035)	381,177
<b>FUND BALANCES - BEGINNING OF YEAR (AS ORIGINALLY REPORTED)</b>	4,366,235	(935,359)	1,976,374	1,043,245
Restatement of Equity	<u>(98,207)</u>	<u>116,908</u>	<u>-</u>	<u>(31,738)</u>
<b>FUND BALANCES - END OF YEAR</b>	<u>\$ 5,141,490</u>	<u>\$ -</u>	<u>\$ 1,290,339</u>	<u>\$ 1,392,684</u>

<b>Nonmajor Governmental Funds</b>	<b>Total Governmental Funds</b>
\$ 333,578	\$ 7,744,332
456,131	3,717,828
-	773,297
-	460,837
-	54,469
-	131,714
124,582	503,005
1,030,391	1,030,391
-	512,885
<u>1,944,682</u>	<u>14,928,758</u>
28,777	3,875,276
-	648,398
288,654	987,620
-	381,470
-	19,327
-	267,512
-	367,204
165,723	288,469
324,901	903,801
305,925	5,085,170
<u>1,113,980</u>	<u>12,824,247</u>
<u>830,702</u>	<u>2,104,511</u>
-	6,700
-	1,527,608
<u>(154,417)</u>	<u>(1,575,479)</u>
<u>(154,417)</u>	<u>(41,171)</u>
676,285	2,063,340
1,643,654	8,094,149
<u>(85,170)</u>	<u>(98,207)</u>
<u>\$ 2,234,769</u>	<u>\$ 10,059,282</u>

These financials statements should be read only in connection with  
the accompanying notes to financial statements.

**TOWN OF BENNETT, COLORADO**  
**RECONCILIATION OF THE STATEMENT OF REVENUES,**  
**EXPENDITURES AND CHANGES IN FUND BALANCES**  
**TO THE STATEMENT OF ACTIVITIES**  
**GOVERNMENTAL FUNDS**  
**Year Ended December 31, 2023**

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

Net change in fund balances - Total governmental funds	\$ 2,063,340
--------------------------------------------------------	--------------

Governmental funds report capital outlays as expenditures. However, in the statement of activities the cost of those assets is allocated over their estimated useful lives and reported net of depreciation and amortization expense. This is the amount by which capital outlay exceeded depreciation and amortization and gain on the disposal of assets in the current period

Capital outlay	\$ 5,085,170	
Proceeds from disposal of assets	(6,700)	
Gain on disposal of assets	6,700	
Depreciation and amortization	<u>(1,033,866)</u>	
		4,051,304

The issuance of long-term debt (e.g. leases and bonds) provides current financial resources. The repayment of the principal of long-term debt consumes the current financial resources of governmental funds. This transaction, however, has no effect on net position.

Principal payments made	602,891
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Some expenses reported in the statement of activities do not require the use of current financial resources and, therefore are not reported as expenditures in governmental funds.

Change in accrued interest	9,367
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Change in net position of governmental activities	<u>\$ 6,726,902</u>
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**TOWN OF BENNETT, COLORADO**  
**STATEMENT OF NET POSITION**  
**PROPRIETARY FUNDS**  
**December 31, 2023**

	Water Fund	Wastewater Fund	Total
<b>ASSETS</b>			
Current assets:			
Cash and cash equivalents	\$ 12,719,948	\$ 5,269,217	\$ 17,989,165
Cash and cash equivalents - restricted	393,973	247,131	641,104
Accounts receivable, net	197,525	102,833	300,358
Prepaid items	26,631	-	26,631
Total current assets	<u>13,338,077</u>	<u>5,619,181</u>	<u>18,957,258</u>
Noncurrent assets:			
Capital assets, not being depreciated	5,716,518	1,668,780	7,385,298
Capital assets, net of depreciation	14,270,693	13,323,127	27,593,820
Total noncurrent assets	<u>19,987,211</u>	<u>14,991,907</u>	<u>34,979,118</u>
Total assets	<u>33,325,288</u>	<u>20,611,088</u>	<u>53,936,376</u>
<b>LIABILITIES</b>			
Current liabilities:			
Accounts payable	32,917	61,658	94,575
Other liabilities	51,101	7,969	59,070
Accrued interest	37,748	10,939	48,687
Unearned revenue	-	366,000	366,000
Due to other funds	461,082	-	461,082
Notes payable, current	154,652	179,818	334,470
Bonds payable, current	140,000	-	140,000
Capital leases, current	40,112	40,112	80,224
Compensated absences	14,861	14,834	29,695
Total current liabilities	<u>932,473</u>	<u>681,330</u>	<u>1,613,803</u>
Noncurrent liabilities:			
Notes payable	2,908,940	4,838,567	7,747,507
Bonds payable	4,934,323	-	4,934,323
Total noncurrent liabilities	<u>7,843,263</u>	<u>4,838,567</u>	<u>12,681,830</u>
Total liabilities	<u>8,775,736</u>	<u>5,519,897</u>	<u>14,295,633</u>
<b>NET POSITION</b>			
Net investment in capital assets	11,809,184	9,933,410	21,742,594
Restricted - debt service	240,821	136,200	377,021
Unrestricted	12,499,547	5,021,581	17,521,128
Total net position	<u>\$ 24,549,552</u>	<u>\$ 15,091,191</u>	<u>\$ 39,640,743</u>

These financial statements should be read only in connection with  
the accompanying notes to financial statements.

**TOWN OF BENNETT, COLORADO**  
**STATEMENT OF REVENUES, EXPENSES AND CHANGES IN FUND NET POSITION**  
**PROPRIETARY FUNDS**  
**December 31, 2023**

	Water Fund	Wastewater Fund	Total
<b>OPERATING REVENUES</b>			
Charges for services	\$ 1,526,579	\$ 1,329,232	\$ 2,855,811
Total operating revenues	<u>1,526,579</u>	<u>1,329,232</u>	<u>2,855,811</u>
<b>OPERATING EXPENSES</b>			
Operations and maintenance	871,755	709,454	1,581,209
Depreciation	432,734	471,675	904,409
Total operating expenses	<u>1,304,489</u>	<u>1,181,129</u>	<u>2,485,618</u>
<b>OPERATING INCOME</b>	222,090	148,103	370,193
<b>NONOPERATING REVENUES (EXPENSES)</b>			
Investment earnings	611,513	222,667	834,180
Intergovernmental	25,000	374,230	399,230
Interest expense and fiscal charges	(190,389)	(67,208)	(257,597)
Other revenue	182,468	5,000	187,468
Total non-operating revenues (expenses)	<u>628,592</u>	<u>534,689</u>	<u>1,163,281</u>
<b>INCOME BEFORE CONTRIBUTIONS AND TRANSFERS</b>	850,682	682,792	1,533,474
<b>CAPITAL CONTRIBUTIONS AND TRANSFERS</b>			
Capital contributions	3,635,105	1,756,485	5,391,590
Transfers in	1,085,773	-	1,085,773
Transfers out	(817,603)	(220,300)	(1,037,903)
Total capital contributions and transfers	<u>3,903,275</u>	<u>1,536,185</u>	<u>5,439,460</u>
<b>CHANGE IN NET POSITION</b>	4,753,957	2,218,977	6,972,934
<b>NET POSITION - BEGINNING OF YEAR</b>	<u>19,795,595</u>	<u>12,872,214</u>	<u>32,667,809</u>
<b>NET POSITION - END OF YEAR</b>	<u>\$ 24,549,552</u>	<u>\$ 15,091,191</u>	<u>\$ 39,640,743</u>

These financials statements should be read only in connection with  
the accompanying notes to financial statements.

**TOWN OF BENNETT, COLORADO**  
**STATEMENT OF CASH FLOWS**  
**PROPRIETARY FUNDS**  
**December 31, 2023**

	Water Fund	Wastewater Fund	Total
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>			
Cash received from customers	\$ 1,837,134	\$ 1,676,499	\$ 3,513,633
Cash paid to employees	(211,277)	(176,610)	(387,887)
Cash paid to suppliers	(1,010,740)	(535,781)	(1,546,521)
Net cash provided by operating activities	<u>615,117</u>	<u>964,108</u>	<u>1,579,225</u>
<b>CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES</b>			
Purchases of capital assets	(2,426,277)	(1,355,225)	(3,781,502)
System investment fees received	3,635,105	1,756,485	5,391,590
Debt principal payments	(370,136)	(263,458)	(633,594)
Debt interest payments	(194,379)	(71,362)	(265,741)
Net cash provided by capital and related financing activities	<u>644,313</u>	<u>66,440</u>	<u>710,753</u>
<b>CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES</b>			
Grant and related cash receipts	25,000	374,230	399,230
Transfers to/from other funds	268,170	(220,300)	47,870
Other income	182,464	5,000	187,464
Net cash provided by noncapital financing activities	<u>475,634</u>	<u>158,930</u>	<u>634,564</u>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>			
Interest received	611,513	222,667	834,180
Net cash provided by investing activities	<u>611,513</u>	<u>222,667</u>	<u>834,180</u>
<b>NET CHANGE IN CASH AND CASH EQUIVALENTS</b>	2,346,577	1,412,145	3,758,722
Cash and cash equivalents - beginning of the year	10,767,344	4,104,203	14,871,547
Cash and cash equivalents - end of year	<u>\$ 13,113,921</u>	<u>\$ 5,516,348</u>	<u>\$ 18,630,269</u>
<b>RECONCILIATION OF NET OPERATING INCOME TO NET CASH PROVIDED BY OPERATING ACTIVITIES</b>			
Cash Provided by Operating Activities			
Net operating income	\$ 222,090	\$ 148,103	\$ 370,193
Adjustments to reconcile net operating income to cash provided by operating activities			
Depreciation expense	432,734	471,675	904,409
Changes in assets and liabilities related to operations (Increase) Decrease in:			
Accounts receivable	(150,527)	(18,733)	(169,260)
Prepaid items	1,210	-	1,210
Increase (Decrease) in:			
Accounts payable	(379,474)	(20,689)	(400,163)
Due to other funds	461,082	-	461,082
Other liabilities	19,206	7,375	26,581
Deferred revenue	-	366,000	366,000
Compensated absences payable	8,796	10,377	19,173
Net cash provided (used) by operating activities	<u>\$ 615,117</u>	<u>\$ 964,108</u>	<u>\$ 1,579,225</u>

These financial statements should be read only in connection with  
the accompanying notes to financial statements.

TOWN OF BENNETT, COLORADO  
NOTES TO FINANCIAL STATEMENTS  
DECEMBER 31, 2023

NOTE 1 - DEFINITION OF REPORTING ENTITY

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

The Town follows the Governmental Accounting Standards Board (GASB) accounting pronouncements which provide guidance for determining which governmental activities, organizations and functions should be included within the financial reporting entity. GASB pronouncements set forth the financial accountability of a governmental organization's elected governing body as the basic criterion for including a possible component governmental organization in a primary government's reporting entity. Financial accountability includes, but is not limited to, appointment of a voting majority of the organization's governing body, ability to impose its will on the organization, a potential for the organization to provide specific financial benefits or burdens and fiscal dependency.

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

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The accounting policies of the Town conform to generally accepted accounting principles (GAAP) as applicable to government units. The following is a summary of the more significant policies.

While these balances are reported in fund financial statements, certain eliminations are made in the preparation of the government-wide financial statements. Balances between the funds included in governmental and business-type activities are eliminated so that only the net amount is included as internal balances in the governmental and business-type activities columns. Governmental activities are normally supported by taxes and intergovernmental revenues and are reported separately from business-type activities, which rely to a significant extent on fees and charges for support.

The statement of net position reports all financial and capital resources of the primary government. The difference between the assets, deferred outflows of resources, liabilities, and deferred inflows of resources of the Town are reported as net position. The statement of activities demonstrates the degree to which the direct and indirect expenses of a given function or segment are offset by program revenues. Direct expenses are those that are clearly identifiable with a specific function or segment.

TOWN OF BENNETT, COLORADO  
NOTES TO FINANCIAL STATEMENTS  
DECEMBER 31, 2023

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Program revenues include 1) charges to customers or applicants who purchase, use, or directly benefit from goods, services or privileges provided by a given function or segment, and 2) grants and contributions that are restricted to meeting the operational or capital requirements of a particular function or segment. Taxes and other items not properly included among program revenues are reported instead as general revenues. Proprietary funds distinguish operating revenues and expenses from nonoperating items. Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with a proprietary fund's principal ongoing operations. Operating expenses for enterprise funds include the cost of sales and services, administrative expenses, and depreciation on capital assets. All revenues and expenses not meeting this definition are reported as nonoperating revenues and expenses.

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

Measurement Focus, Basis of Accounting, and Financial Statement Presentation

The government-wide financial statements are reported using the *economic resources measurement focus* and the *accrual basis of accounting* as are the proprietary funds. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows. Grants and similar items are recognized as revenues as soon as all eligibility requirements imposed by the provider have been met. Depreciation is computed and recorded as an operating expense. Expenditures for property and equipment are shown as increases in assets, and payment of principal for bonds, leases, and notes are recorded as a reduction in liabilities.

Governmental fund financial statements are reported using the *current financial resources measurement focus* and the *modified accrual basis of accounting*. Revenues are recognized as soon as they are both measurable and available. Revenues are considered to be *available* when they are collected within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the government considers revenues to be available if they are collected within 60 days of the end of the current fiscal year. The Town has determined that expenditure-driven grants revenue should be recognized as soon as all eligibility criteria have been met. For this purpose, the Town considers grant revenues to be available if they are anticipated to be collected within the year after the current fiscal period. The major sources of revenue susceptible to accrual are property taxes, specific ownership taxes, sales taxes, and grant funding. All other revenue items are considered measurable and available only when cash is received by the Town. Expenditures, other than interest on long-term obligations are recorded when the liability is incurred, or the long-term obligation is due.

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

- The *General Fund* is the Town's primary operating fund. It accounts for all financial resources of the general government, except those accounted for in another fund.
- The *Grant Fund* accounts for the revenues and expenditures of federal, state and local grant awards.

TOWN OF BENNETT, COLORADO  
NOTES TO FINANCIAL STATEMENTS  
DECEMBER 31, 2023

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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

- The *Sales Tax Capital Improvement Fund* accounts for the proceeds of the Town's 2016 Sales Tax Revenue Bonds and the additional 1% sales tax approved by the Town's voters in November, 2015 the proceeds of which are restricted to construction and maintenance of the Town's roads.
- The *Use Tax Capital Improvement Fund* accounts for the proceeds of the Town's 2021 General Obligation Bonds and the 2% use tax assessed on construction permits.

*Nonmajor Funds* – The Town reports five nonmajor governmental funds which include 1) Road and Bridge 2) Conservation Trust , 3) Open Space, 4) Impact Fees, and 5) Antelope Hills GID.

The Town also reports the following major proprietary funds:

- The *Water Fund* accounts for the financial activities associated with the provision of water services to Town residents.
- The *Wastewater Fund* accounts for the financial activities associated with the operation and maintenance of the sewer system.

Budgets

Budgets are adopted for all funds of the Town as required by State statutes. Budgets for the governmental funds are adopted on a basis consistent with generally accepted accounting principles (GAAP). Budgetary comparisons for the proprietary fund are presented on a non-GAAP budgetary basis. Capital outlay and debt principal payments are budgeted as expenditures and depreciation is not budgeted. All annual appropriations lapse at fiscal year-end. On or before October 15 of each year, the Finance Department submits to the Town Board a proposed operating budget for the fiscal year commencing on the following January 1. Public hearings are conducted to obtain input from elected officials, residents, and other interested parties. By December 31, the final budget is adopted. The appropriated budget is adopted by fund. Management is authorized to transfer budgeted amounts between departments within any fund. However, any revisions that alter the total expenditures of any fund must be approved by the Board. The amount expended exceeded appropriations for the Antelope Hills GID. This maybe a violation of Colorado state statute.

Estimates

The preparation of financial statements in conformity with U.S. generally accepted accounting principles requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Actual results could differ from those estimates.

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

*Cash and Investments* – For purposes of the cash flow statements, cash equivalents are defined as cash on hand, demand deposits and short-term investments with original maturities of three months or less. Investments are stated at fair value, with the exception of the local government investment pool, which is stated at the net asset value of the shares owned.

TOWN OF BENNETT, COLORADO  
NOTES TO FINANCIAL STATEMENTS  
DECEMBER 31, 2023

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

*Accounts Receivable – Receivables* All receivables are reported at their gross value and, where appropriate, are reduced by the estimated portion that is expected to be uncollectible. At December 31, 2023, the Town believes all amounts recorded are fully collectible.

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

*Capital Assets* - Capital assets, which include property, equipment, and infrastructure (e.g., roads and similar items), and intangibles (e.g., water rights), and water and wastewater systems are reported in the applicable governmental or business-type activities. Capital assets are defined by the Town as assets with an initial, individual cost of more than \$5,000 and an estimated useful life in excess of one year. Such assets are recorded at historical cost if purchased or constructed. Donated capital assets are recorded at estimated acquisition value at the date of donation. The costs of normal maintenance and repairs that do not add to the value of the asset or materially extend asset lives are not capitalized.

Improvements are capitalized and depreciated over the remaining useful lives of the related fixed assets, as applicable. Capital assets of the Town are depreciated using the straight-line method over the estimated economic useful lives:

Buildings	40 years
Buildings and improvements	15 years
Equipment	5 - 10 years
Infrastructure	15 - 30 years
Parks and recreation fields	10-40 years
Water and Wastewater systems	15-50 years

*Compensated Absences* - Vacation leave is based on an employee’s length of employment and is earned ratably during the span of employment. Sick leave for full and part time employee’s is earned at a rate of 3.08 hours per pay period with a maximum accrual of 160 hours. Seasonal employees earn 1 hour of sick leave for every 30 hours worked up to a maximum of 48 hours. Unpaid compensated absences are recorded as a liability when the benefits are earned. The liability is typically liquidated with resources of the same fund that has paid the applicable employee’s regular salaries and fringe benefits.

*Unearned Revenues* – Unearned revenues consist of advances received on grants and fees received in advance of performing services that are recognized as revenue when the terms of the grant are fulfilled or the services are performed.

*Long-Term Debt* – In the government-wide financial statements and the proprietary funds, long-term debt and other long-term obligations are reported as liabilities. In the fund financial statements, governmental fund types recognize bond premiums and discounts during the current period. The face amount of debt issued is reported as other financing sources.

TOWN OF BENNETT, COLORADO  
NOTES TO FINANCIAL STATEMENTS  
DECEMBER 31, 2023

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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

Premiums received on debt issuances are reported as other financing sources while discounts on debt issuances are reported as other financing uses. Issuance costs, whether or not withheld from the actual debt proceeds received, are reported as current expenditures.

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

*Deferred Outflows/Inflows of Resources* – In addition to assets, the statement of financial position will sometimes report a separate section for deferred outflows of resources. This separate financial statement element, *deferred outflows of resources*, represents a consumption of net assets that applies to future periods and so will *not* be recognized as an outflow of resources (expense/ expenditure) until then.

In addition to liabilities, the statement of financial position will sometimes report a separate section for deferred inflows of resources. This separate financial statement element, *deferred inflows of resources*, represents an acquisition of net assets that applies to future periods and so will *not* be recognized as an inflow of resources (revenue) until that time. Deferred inflows of resources include property taxes earned but levied for a subsequent period totaling \$1,145,434.

In the government-wide financial statements, net position is restricted when constraints placed on the net position are externally imposed. When both restricted and unrestricted resources are available for use, it is the Town's policy to use restricted resources first, then unrestricted resources as they are needed.

In the fund financial statements, governmental funds report fund balance in five different classifications:

*Restricted* – Amounts that can be spent only for specific purposes because of constitutional provisions, enabling legislation, constraints that are externally imposed by creditors, grantors, contributors, or the laws or regulations of other governments.

*Committed* – Amounts that can be used only for specific purposes determined by a formal action of the Board, as the Board is the highest level of decision-making body for the Town. Commitments may be established, modified, or rescinded only through ordinances or resolutions approved by the Board.

*Assigned* – Amounts that do not meet the criteria to be classified as restricted or committed, but that are intended to be used for specific purposes. Only the Board can assign fund balance.

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

TOWN OF BENNETT, COLORADO  
NOTES TO FINANCIAL STATEMENTS  
DECEMBER 31, 2023

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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

When an expenditure is incurred for purposes for which both restricted and unrestricted fund balance is available, the Town considers restricted funds to have been spent first. When an expenditure is incurred for which committed, assigned or unassigned fund balances are available, the Town considers amounts to have been spent first out of committed funds, then assigned funds, and finally unassigned funds, as needed, unless the Board has provided otherwise in its commitment or assignment actions.

Property Taxes - Property taxes are levied by the Board. The levy is based on assessed valuations determined by the County Assessor generally as of January 1 of each year. The levy is normally set by December 15 by certification to put a tax lien on the individual properties as of January 1 of the following year. The County Treasurers of Adams and Arapahoe Counties collect the and remit the Town's taxes monthly.

The taxes are payable by April or if in equal installments, at the taxpayer's election, in February and June. Delinquent taxpayers are notified in August and generally sales of the tax liens on delinquent properties are held in November. Property taxes levied in the previous year, but collected in subsequent year, are recorded as taxes receivable and a deferred inflow of resources in the year there is an enforceable lien and the amount is measurable. Amounts deferred are subsequently recorded as revenue in the year they were levied for.

GASB Statements Implemented for the Year Ended December 31, 2023

GASB Statement 96

The Town implemented GASB Statement 96 *Subscription-Based Information Technology* during the current fiscal year. The Town is a subscriber of certain subscription-based information technology arrangements (SBITA). A SBITA is a contract that conveys control of the right to use a vendor's software, alone or in combination with hardware. The Town recognizes both a liability and an intangible right-to-use asset in the Government-wide financial statements. The right-to-use asset of a SBITA is reported with depreciable capital assets and the liabilities for SBITAs are reported with the long-term liabilities when the SBITA contract term is greater than 12 months. In general, SBITAs with a contract term of 12 months or less are recognized as outflows of resources or expense.

At the commencement of a SBITA contract, the Town initially measures the SBITA liability at the present value of payments expected to be made during the subscription term. The SBITA liability is reduced by the principal portion of the subscription payments made. The SBITA asset is initially measured as the initial amount of the SBITA liability, adjusted for subscription payments made at or before the subscription commencement date, plus certain initial direct costs. The SBITA asset is amortized on a straight-line basis over the shorter of the subscription term or useful life.

The key estimates and judgements related to SBITAs are as follows:

TOWN OF BENNETT, COLORADO  
NOTES TO FINANCIAL STATEMENTS  
DECEMBER 31, 2023

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

- The Town uses the interest charged on leases as the discount rate. If the interest rate charged by the vendor is not available, the Town generally uses its estimated incremental borrowing rate. A 3% interest rate was used for these contracts
- The subscription term includes the noncancellable period of the SBITA. In determining the subscription term, management considers all facts and circumstances that create an economic incentive to exercise an extension option or not exercise a termination option. Extension options or periods after termination options are only included in the subscription term if it is reasonably certain that the SBITA will be extended or not terminated. The Town believes these contracts will be renewed for an additional four years after the implementation year of December 31, 2023.

Liabilities arising from a SBITA are initially measured on a present value basis. SBITA liabilities include the net present value of the following contract payments, less any SBITA vendor incentives received from the SBITA vendor at the commencement of the subscription term:

- Fixed payments;
- Variable payments that depend on an index or a rate (such as the Consumer Price Index or a marked interest rate), measured using the index or rate as of the commencement of the subscription term;
- Variable payments that are fixed in-substance;
- Payments for penalties for terminating the SBITA, if the subscription term reflects the government exercising an option to terminate the SBITA or a fiscal funding or cancellation clause; and
- Any other payments to the SBITA vendor associated with the SBITA contract that are reasonably certain of being required based on an assessment of all relevant factors.

Assets arising from a SBITA are initially measured using the sum of the following, less any SBITA vendor incentives received from the SBITA vendor at the commencement of the subscription term:

- The amount of the initial measurement of the subscription liability.
- Payments associated with the SBITA contract made to the SBITA vendor at the commencement of the subscription term, if applicable; and
- Capitalizable initial implementation costs.

The SBITAs will be remeasured if certain changes occur that are expected to significantly affect those balances.

**GASB Statement 101**

During the current fiscal year the Town also adopted the GASB Statement No. 101, *Compensated Absences*. This statement requires a liability to be reported for leave, both vacation and sick leave, that has been earned and is anticipated to be paid to the employee in the form of paid time off, cash or settled through noncash means. Based on this criteria, the Town recorded a liability for 100% of vacation and 25% of sick leave earned. A liability is also recorded for salary-related payments. For the Town this is FICA and the employer's retirement payments. The Statement requires that amounts in governmental funds, which will be liquidated with current financial resources be recorded as a fund liability. The Town anticipates that the entire liability will be paid with current resources and is recorded in the fund.

TOWN OF BENNETT, COLORADO  
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DECEMBER 31, 2023

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Upcoming Accounting Pronouncements

In June, 2023, the GASB issued Statement No. 100, *Accounting Changes and Error Corrections an Amendment of GASB Statement No. 62*. The objective of this Statement is to enhance accounting and financial reporting requirements for accounting changes and error corrections to provide more understandable, reliable, relevant, consistent and comparable information for making decisions or assessing accountability. This Statement is effective for fiscal years beginning after June 15, 2024.

GASB Statement No. 102, *Certain Risk Disclosures*, will be implemented as required by GASB during fiscal year ending September 30, 2025. The objective of the Statement is to provide users of government financial statements with essential information about risks related to a government's vulnerabilities due to certain concentrations or constraints. This Statement defines a concentration as a lack of diversity related to an aspect of a significant inflow of resources or outflow of resources. A constraint is a limitation imposed on a government by an external party or by formal action of the government's highest level of decision-making authority. Concentrations and constraints may limit a government's ability to acquire resources or control spending. The Town is currently evaluating potential changes to the financial statements as a result of the implementation of this Statement.

In April, 2024, the GASB issued Statement No. 103 *Financial Reporting Model Improvements*. The objective of this Statement is to improve key components of the financial reporting model to enhance its effectiveness in providing information that is essential for decision making and assessing a government's accountability. The statement requires that the management's discussion and analysis be reported in five sections. The statement also describes unusual or infrequent items. Proprietary funds must now report and subtotal noncapital subsidies. Major component units must be presented separately. And the budget to actual information must be reported as RSI. The Town is currently evaluating the effect this statement will have on its financial reporting.

Prior Year Amounts

Certain prior year amounts have been reclassified to conform to the current year presentation.

NOTE 3 - CASH AND INVESTMENTS

Cash and investments as of December 31, 2023 are classified in the accompanying financial statements as follows:

Governmental activities:

Cash and investments	\$ 27,898,475
Cash and investments – Restricted	1,841,057
Total cash and investments	<u>\$ 29,739,532</u>

Cash and investments as of December 31, 2023 consist of the following:

Deposits with financial institutions	\$ 1,654,127
Investments	28,085,405
Total cash and investments	<u>\$ 29,739,532</u>

TOWN OF BENNETT, COLORADO  
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NOTE 3 - CASH AND INVESTMENTS (CONTINUED)

Deposits with Financial Institutions

*Custodial credit risk-deposits.* The Colorado Public Deposit Protection Act (PDPA) requires that all units of local government deposit cash in eligible public depositories. Eligibility is determined by state regulators. Amounts on deposit in excess of federal insurance levels must be collateralized. The eligible collateral is determined by the PDPA. PDPA allows the institution to create a single collateral pool for all public funds. The pool for all the uninsured public deposits as a group is to be maintained by another institution or held in trust. The market value of the collateral must be at least 102% of the aggregate uninsured deposits.

The State Bank Commissioner is required by statute to monitor the naming of eligible depositories and reporting of the uninsured deposits and assets maintained in the collateral pools.

As of December 31, 2023, the Town's cash deposits had a bank balance of \$1,572,549 and a carrying balance of \$1,654,127. As of December 31, 2023, of the Town's deposits \$673,955 was covered by the Federal Deposit Insurance Corporation (FDIC), \$898,595 was covered by the PDPA and \$307,338 is held by a third-party vendor not covered by FDIC insurance, the PDPA or specific securities.

Investments

Colorado statutes specify investment instruments meeting defined rating and risk criteria in which local governments may invest which include:

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

*Concentration of credit risk.* While the Town's policy does not prescribe percentages of investments that maybe held, the Town generally limits its concentration of investments to certain money market funds and local government investment pools, which are believed to have minimal credit risk, minimal interest rate risk, and no foreign currency risk. Additionally, the Town is not subject to concentration of custodial risk disclosure requirements or subject to investment custodial risk for investments that are in the possession of another party.

*Interest rate risk.* The Town's policy for the investment of operating funds limits maturities to five years or less except for repurchase agreements which may be for 10 years.

As of December 31, 2023, the Town had the following investments:

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NOTE 3 - CASH AND INVESTMENTS (CONTINUED)

	Weighted Average Maturity	Net Asset Value
COLOTRUST PLUS+	48 days to reset 78 days to maturity	\$ 28,085,405

The Town invested in the Colorado Local Government Liquid Asset Trust (COLOTRUST), an investment vehicle established for local government entities in Colorado to pool surplus funds. The State Securities Commissioner administers and enforces all State statutes governing the Trust. The Town invests in one of COLOTRUST’s pools, COLOTRUST PLUS+. The PLUS+ Trust operates similarly to a money market fund and each share is equal in value to \$1.00. This portfolio may invest in U.S. Treasury securities and repurchase agreements collateralized by U.S. Treasury securities. COLOTRUST PLUS+ may also invest in certain obligations of U.S. government agencies, highest rated commercial paper and repurchase agreements collateralized by certain obligations of U.S. government agencies. COLOTRUST PLUS+ attempts to maintain a NAV of \$1.00 per share. At December 31, 2023 the NAV was \$1.00.

A designated custodial bank serves as custodian for the Trust’s portfolios pursuant to a custodian agreement. The custodian acts as safekeeping agent for the Trust’s investment portfolios and provides services as the depository in connection with direct investments and withdrawals. The custodian’s internal records segregate investments owned by the Trust. COLOTRUST Plus+ is rated AAAM by Standards & Poor’s. COLOTRUST’s PLUS+ does not have any unfunded commitments, redemption restrictions or redemption notice periods.

*Fair Value Hierarchy.* The Town categorizes its fair value measurements within the fair value hierarchy established by generally accepted accounting principles. The hierarchy is based on the valuation inputs used to measure the fair value of the asset. Level 1 inputs are quoted prices in active markets for identical assets; Level 2 inputs are significant other observable inputs; Level 3 inputs are significant unobservable inputs. The Town has no investments which are required to be valued in the hierarchy.

Restricted Cash and Investments

At December 31, 2023, the Town has restricted cash of \$723,461 and \$476,492 in the Sales Tax Capital Improvement and Use Tax Capital Improvement funds. These amounts are restricted for capital construction. In addition, the Town has restricted cash of \$393,973 in the Water Fund and \$247,131 in the Wastewater Fund. These amounts are restricted for debt reserves.

NOTE 4 - CAPITAL ASSETS

As described in Note 1, the Town adopted GASB Statement 96 *Subscription-Based Information Technology*. As a result, the Town recorded a right-to-use asset of software totaling \$91,594. The beginning balance of capital assets was restated for this amount.

Capital asset activity for the governmental activities for year ended December 31, 2023 was as follows:

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NOTE 4 - CAPITAL ASSETS (CONTINUED)

	Balance at December 31, 2022 <u>(Restated)</u>	<u>Increases</u>	<u>Decreases</u>	Balance at December 31, 2023
Governmental Activities				
Capital assets, not being depreciated:				
Land and improvements	\$ 2,758,194	\$ -	\$ -	\$ 2,758,194
Public art	40,989	87,566	-	128,555
Construction in progress	7,537,831	4,135,261	(1,406,291)	10,266,801
Total capital assets, not being depreciated	<u>10,337,014</u>	<u>4,222,827</u>	<u>(1,406,291)</u>	<u>13,153,550</u>
Capital assets, being depreciated:				
Buildings	4,150,494	290,863	-	4,441,357
Infrastructure	13,980,521	594,519	-	14,575,040
Parks and recreation fields	5,541,199	1,361,956	-	6,903,155
Vehicle and equipment	925,383	-	-	925,383
Information technology	150,809	8,546	-	159,355
Street and park equipment	474,435	12,750	-	487,185
Total capital assets, being depreciated	<u>25,222,841</u>	<u>2,268,634</u>	<u>-</u>	<u>27,491,475</u>
Less accumulated depreciation for:				
Buildings	(962,062)	(136,922)	-	(1,098,984)
Infrastructure	(1,788,593)	(464,581)	-	(2,253,174)
Parks and recreation fields	(1,427,397)	(268,145)	-	(1,695,542)
Vehicle and equipment	(451,125)	(71,156)	-	(522,281)
Information technology	(83,815)	(19,143)	-	(102,958)
Street and park equipment	(193,682)	(55,600)	-	(249,282)
Total accumulated depreciation	<u>(4,906,674)</u>	<u>(1,015,547)</u>	<u>-</u>	<u>(5,922,221)</u>
Total capital assets, being depreciated, net	<u>20,316,167</u>	<u>1,253,087</u>	<u>-</u>	<u>21,569,254</u>
Capital assets, net	<u>30,653,181</u>	<u>5,475,914</u>	<u>(1,406,291)</u>	<u>34,722,804</u>
Right to use assets				
Subscription-Based Information Technology Arrangements	91,594	-	-	91,594
Less accumulated amortization for right to use assets	-	(18,319)	-	(18,319)
Right to use assets, net	<u>91,594</u>	<u>(18,319)</u>	<u>-</u>	<u>73,275</u>
Total capital/right to use assets	<u>\$ 30,744,775</u>	<u>\$ 5,457,595</u>	<u>\$ (1,406,291)</u>	<u>\$ 34,796,079</u>

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

General government	\$ 620,646
Public works	111,795
Culture and recreation	283,106
Total depreciation expense	<u>\$ 1,015,547</u>

TOWN OF BENNETT, COLORADO  
NOTES TO FINANCIAL STATEMENTS  
DECEMBER 31, 2023

NOTE 4 - CAPITAL ASSETS(CONTINUED)

Capital asset activity for the business-type activities for year ended December 31, 2023 was as follows:

	Balance at December 31, 2002	Increases	Decreases	Balance at December 31, 2023
Business-type activities				
Capital assets, not being depreciated:				
Land and improvements	\$ 67,138	\$ -	\$ -	\$ 67,138
Water rights	1,205,799	-	-	1,205,799
Construction in progress	8,243,562	3,248,410	(5,379,611)	6,112,361
Total capital assets, not being depreciated	<u>9,516,499</u>	<u>3,248,410</u>	<u>(5,379,611)</u>	<u>7,385,298</u>
Capital assets, being depreciated:				
Buildings and plant	7,204,664	-	-	7,204,664
Collection systems	7,792,745	-	-	7,792,745
Water systems	11,619,543	5,844,473	-	17,464,016
Ponds	656,605	-	-	656,605
Equipment	1,683,310	68,234	-	1,751,544
Total capital assets, being depreciated	<u>28,956,867</u>	<u>5,912,707</u>	<u>-</u>	<u>34,869,574</u>
Less accumulated depreciation for:				
Buildings and plant	(747,591)	(179,363)	-	(926,954)
Collection systems	(991,779)	(244,643)	-	(1,236,422)
Water systems	(3,623,292)	(366,970)	-	(3,990,262)
Ponds	(332,056)	(16,160)	-	(348,216)
Equipment	(676,627)	(97,273)	-	(773,900)
Total accumulated depreciation	<u>(6,371,345)</u>	<u>(904,409)</u>	<u>-</u>	<u>(7,275,754)</u>
Total capital assets, being depreciated, net	<u>22,585,522</u>	<u>5,008,298</u>	<u>-</u>	<u>27,593,820</u>
Total capital assets	<u>\$ 32,102,021</u>	<u>\$ 8,256,708</u>	<u>\$ (5,379,611)</u>	<u>\$ 34,979,118</u>

Depreciation expense was charged to functions/programs as follows:

Water	\$ 432,734
Wastewater	471,675
Total depreciation expense	<u>\$ 904,409</u>

NOTE 5 - LONG-TERM OBLIGATIONS

The following is an analysis of the changes in the Town's long-term obligations for the year ended December 31, 2023. The activity of the Town's long-term governmental activities obligations is as follows:

TOWN OF BENNETT, COLORADO  
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NOTE 5 - LONG-TERM OBLIGATIONS (CONTINUED)

Governmental Activities:

Series 2016 Sales Tax Revenue Bond	\$ 4,620,000	\$ -	\$ 175,000	4,445,000	\$ 175,000
Series 2016 premium	333,760	-	30,222	303,538	-
Private Placement with a financial institution					
Series 2017 GO refunding Note	1,345,139		250,922	1,094,217	25,000
Series 2021, GO Bonds	3,545,000	-	100,000	3,445,000	110,000
Series 2021 premium	373,672	-	29,495	344,177	-
Software subscription liability	91,594	-	17,252	74,342	17,770
	<u>\$ 10,309,165</u>	<u>\$ -</u>	<u>\$ 602,891</u>	<u>9,706,274</u>	<u>\$ 327,770</u>

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

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

<u>Year ended December 31,</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2024	\$ 175,000	\$ 177,800	\$ 352,800
2025	175,000	170,800	345,800
2026	195,000	163,800	358,800
2027	200,000	156,000	356,000
2028	200,000	148,000	348,000
2029-2033	1,130,000	613,800	1,743,800
2034-2038	1,380,000	368,000	1,748,000
2039-2043	990,000	66,800	1,056,800
Totals	<u>\$ 4,445,000</u>	<u>\$ 1,865,000</u>	<u>\$ 6,310,000</u>

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

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NOTE 5 - LONG-TERM OBLIGATIONS (CONTINUED)

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

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

The Limited Mill Levy is defined as an ad valorem mill levy not less than 35 mills and not in excess of 36.71 mills. Such minimum and maximum mill levies are subject to adjustment due to changes in the method of calculating assessed valuation after the issuance of the 2017 Note. For the purposes of this provision, collection year 2017 is the base year for the ratio for assessment to actual valuation and for making any determination of mill levy equivalency. The loan also requires additional payments totaling \$669,217 over the life of the Note. Following is a summary of debt service requirements under the agreement:

Year ended December 31,	Principal	Interest	Total
2024	\$ 25,000	\$ 60,349	\$ 85,349
2025	25,000	59,624	84,624
2026	25,000	58,230	83,230
2027	25,000	56,836	81,836
2028	25,000	55,593	80,593
2029-2033	125,000	256,432	381,432
2034-2038	125,000	221,565	346,565
2039-2043	719,217	78,925	798,142
Totals	<u>\$ 1,094,217</u>	<u>\$ 847,553</u>	<u>\$ 1,941,770</u>

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

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

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NOTE 5 - LONG-TERM OBLIGATIONS (CONTINUED)

<u>Year ended December 31,</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2024	\$ 110,000	\$ 113,100	\$ 223,100
2025	110,000	108,700	218,700
2026	115,000	104,300	219,300
2027	115,000	99,700	214,700
2028	125,000	95,100	220,100
2029-2033	695,000	398,550	1,093,550
2034-2038	815,000	278,700	1,093,700
2039-2043	945,000	149,550	1,094,550
2044-2048	415,000	18,750	433,750
	<u>\$ 3,445,000</u>	<u>\$ 1,366,450</u>	<u>\$ 4,811,450</u>

During the year ended December 31, 2023 the Town adopted GASB 96 *Subscription-Based Information Technology* (SBITAs). The Town has two subscriptions which, under this statement, the Town recognizes a subscription liability and an intangible right-to-use asset in the government wide statements.

At the commencement of the subscription, the Town initially measures the liability at the present value of payments expected to be made during the subscription term including any purchase option price that the Town is reasonably certain to exercise. The amount of the liability at January 1, 2023 was \$91,594. Subsequently, the liability is reduced by the principal portion of the subscription payments made. The vendors did not provide an interest rate for the contract and the Town used its estimated incremental borrowing rate of 3%. The Town believes that the annual contract will be renewed five times.

The right-to-use asset is initially measured as the initial amount of the subscription liability, adjusted for payments made at or before the subscription commencement date, plus implementation costs that can be capitalized. Subsequently, the subscription asset is amortized on a straight-line basis over the assets estimated useful life. Following is a summary of debt service requirements:

<u>Year ended December 31,</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2024	\$ 17,770	\$ 4,048	\$ 21,818
2025	18,303	4,050	22,353
2026	18,852	4,052	22,904
2027	19,417	4,054	23,471
	<u>\$ 74,342</u>	<u>\$ 16,204</u>	<u>\$ 90,546</u>

TOWN OF BENNETT, COLORADO  
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NOTE 5 - LONG-TERM OBLIGATIONS (CONTINUED)

The activity of the Town's long-term business-type activities obligations is as follows:

Business-type activities					
Private Placement with CWCB					
2015 Water loan	\$ 1,331,143	\$ -	\$ 33,359	1,297,784	\$ 34,442
Private Placement with CWRPDA					
2016 Water loan	1,883,649		117,841	1,765,808	120,210
2017 Wastewater loan	2,116,999	-	83,021	2,033,978	83,020
2018 Wastewater loan	3,127,581	-	143,174	2,984,407	96,798
2019 Capital lease	154,750	-	74,526	80,224	80,224
Series 2020 Water revenue bonds	4,650,000	-	135,000	4,515,000	140,000
Series 2020 premium	605,996	-	46,673	559,323	-
	<u>\$ 13,870,118</u>	<u>\$ -</u>	<u>\$ 633,594</u>	<u>13,236,524</u>	<u>\$ 554,694</u>

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

Year ended December 31,	Principal	Interest	Total
2024	\$ 34,442	\$ 42,178	\$ 76,620
2025	35,562	41,058	76,620
2026	36,717	39,903	76,620
2027	37,911	38,709	76,620
2028	39,143	37,477	76,620
2029-2033	215,644	167,458	383,102
2034-2038	253,039	130,063	383,102
2039-2043	296,919	86,183	383,102
2044-2048	348,407	34,694	383,101
	<u>\$ 1,297,784</u>	<u>\$ 617,723</u>	<u>\$ 1,915,507</u>

During 2016, the Town issued \$2,500,000 Drinking Water Revolving Fund Loan with Colorado Water Resources and Power Development Authority (CWRPDA) to replace existing water system storage. Interest payments are due semi-annually on May 1 and November 1, with interest accruing at a rate of 2%.

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NOTE 5 - LONG-TERM OBLIGATIONS (CONTINUED)

Principal payments are due semiannually on May 1 and November 1, through 2036. The loan contains a net revenue pledge of Water Fund revenues towards repayment.

The Town is required to maintain an operations and reserve fund in an amount equal to three months of operations and maintenance expenses, excluding depreciation. The reserve can be in the form of cash or fund equity. At December 31, 2023, \$393,973 has been reserved for this purpose.

During 2017, the Town issued \$2,500,000 Water Pollution Control Revolving Fund Loan with CWRPDA to construct a new mechanical wastewater treatment facility to replace the existing lagoon system. Principal payments are due semi-annually on May 1 and November 1, through 2038. This loan has a zero-interest rate. The loan contains a net revenue pledge of Wastewater Fund revenues towards repayment. The Town is required to maintain an operations and reserve fund in an amount equal to three months of operations and maintenance expenses, excluding depreciation. This reserve can be in the form of cash or fund equity. At December 31, 2023, \$247,131 has been reserved for this purpose.

During 2018, the Town issued \$3,500,000 Water Pollution Control Revolving Fund Loan with CWRPDA to construct a new mechanical wastewater treatment facility to replace the existing lagoon system. Interest payments are due semi-annually on May 1 and November 1, with interest accruing at a rate of 1.89%. Principal payments are due semi-annually on May 1 and November 1, through 2048. The loan contains a net revenue pledge of Wastewater Fund revenues towards repayment. This reserve can be in the form of cash or fund equity. As noted above \$247,131 is reserved for this purpose.

Annual debt service requirements for all CWPDRA outstanding loans at December 31, 2023 are as follows:

Year ended December 31,	Principal	Interest	Total
2024	\$ 300,028	\$ 90,668	\$ 390,696
2025	304,283	86,414	390,697
2026	308,621	82,076	390,697
2027	313,044	77,653	390,697
2028	317,553	73,143	390,696
2029-2033	1,658,570	294,912	1,953,482
2034-2038	1,470,816	172,811	1,643,627
2039-2043	1,081,716	97,127	1,178,843
2044-2048	1,029,564	31,384	1,060,948
	<u>\$ 6,784,195</u>	<u>\$ 1,006,188</u>	<u>\$ 7,790,383</u>

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NOTE 5 - LONG-TERM OBLIGATIONS (CONTINUED)

All the CWRDPA loans require that net revenues represent a sum equal to 110% of the amount necessary to pay, when due, the principal and interest on the loans coming due during the fiscal year. The Town believes that it is in compliance with the requirements as of December 31, 2023.

Leases Liabilities

In 2019, the Town entered into a lease purchase agreement for a Vac-Con Jetvac Truck in the original principal amount of \$361,055. Lease payments are due annually on August 15, with interest accruing at a rate of 3.97%, through 2024. At December 31, 2023, the net book value of this asset is \$216,634. Annual debt service requirements are as follows:

<u>Year ended December 31,</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2024	\$ 80,224	\$ 3,075	\$ 83,299

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

<u>Year ended December 31,</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2024	\$ 140,000	\$ 153,000	\$ 293,000
2025	140,000	148,800	288,800
2026	145,000	144,600	289,600
2027	150,000	138,800	288,800
2028	160,000	132,800	292,800
2029-2033	890,000	563,400	1,453,400
2034-2038	1,080,000	377,150	1,457,150
2039-2043	1,255,000	198,450	1,453,450
2044-2048	555,000	25,050	580,050
	<u>\$ 4,515,000</u>	<u>\$ 1,882,050</u>	<u>\$ 6,397,050</u>

NOTE 6 - NET POSITION

As also described in Note 2, net position in the Government-wide Statement of Net Position is reported as restricted when there are limitations imposed on their use either through enabling legislation or through external restrictions imposed by creditors, grantors or laws or regulators of other governments.

The Town has net position consisting of three components – net investment in capital assets, restricted, and unrestricted.

TOWN OF BENNETT, COLORADO  
NOTES TO FINANCIAL STATEMENTS  
DECEMBER 31, 2023

NOTE 6 - NET POSITION (CONTINUED)

Net investment in capital assets consists of capital assets, net of accumulated depreciation and reduced by the outstanding balances of notes, capital leases and bonds that are attributable to the acquisition, construction, or improvement of those assets. As of December 31, 2023, the Town had a net investment in capital assets calculated as follows:

	<u>Governmental Activities</u>	<u>Business-Type Activities</u>
Net investment in capital assets:		
Capital assets, net	\$ 34,796,079	\$ 34,979,118
Debt related to capital assets	<u>8,178,027</u>	<u>13,236,524</u>
Net investment in capital assets	<u>\$ 26,618,052</u>	<u>\$ 21,742,594</u>

Restricted assets include restrictions for use either externally imposed by creditors, grantors, contributors, or laws and regulations of other governments or imposed by law through constitutional provisions or enabling legislation. In the governmental activities, the Town had restricted net position of \$323,965 as of December 31, 2023. The Town's unrestricted net position as of December 31, 2023 is \$8,177,869 and \$17,521,128 for the business-type activities.

NOTE 7 - PENSION PLAN

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

For the years ended December 31, 2023, 2022 and 2021, the Town recognized contributions of \$83,014, \$66,052, and \$60,133.

Deferred Compensation Plan

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

TOWN OF BENNETT, COLORADO  
NOTES TO FINANCIAL STATEMENTS  
DECEMBER 31, 2023

NOTE 9 - COMMITMENTS AND CONTINGENCIES

Grants

The Town participates in various federal, state and local grant programs. In the current fiscal year, the federal grants are subject to program compliance audits pursuant to the Single Audit Act as amended. Accordingly, the government's compliance with applicable grant requirements will be established at a future date. The amount of expenditures which may be disallowed by the granting agencies cannot be determined at this time, although the government anticipates such amounts, if any, will not have a material effect on the Town's financial statements.

Construction commitments

At December 31, 2023, the Town has entered into contracts totaling \$5,611,096. The remaining amounts to be expended under these contracts is \$1,797,142.

NOTE 10 - TRANSFERS/INTERFUND RECEIVABLES & PAYABLES

Interfund transfers for the year ended December 31, 2023 are as follows:

Transfers Out	Transfers In				Total
	General Fund	Grants Fund	Use Tax Capital Improvement	Water	
General Fund	\$ -	\$ 38,814	\$ 230,120	\$ -	\$ 268,934
Grants	-	-	-	1,085,773	1,085,773
Use Tax Capital Improvement	-	66,355	-	-	66,355
Non-Major	-	154,417	-	-	154,417
Water	220,300	597,303	-	-	817,603
Wastewater	220,300	-	-	-	220,300
	<u>\$ 440,600</u>	<u>\$ 856,889</u>	<u>\$ 230,120</u>	<u>\$ 1,085,773</u>	<u>\$ 2,613,382</u>

The transfer from the proprietary funds to the General Fund is to reimburse certain administrative costs. The transfers to the Grant Fund are to provide resources for grant matching expenditures.

Interfund receivables/payables are as follows as of December 31, 2023:

	Interfund Receivables	Interfund Payables
General	\$ 2,528,072	\$ -
Grants	-	1,411,215
Sales Tax Capital Improvement	-	480,516
Use Tax Capital Improvement	-	31,737
Nonmajor Governmental Funds	-	143,522
Water Fund	-	461,082
	<u>\$ 2,528,072</u>	<u>\$ 2,528,072</u>

TOWN OF BENNETT, COLORADO  
NOTES TO FINANCIAL STATEMENTS  
DECEMBER 31, 2023

NOTE 10 – TRANSFERS/INTERFUND RECEIVABLES & PAYABLES (CONTINUED)

During the course of operations, transactions occur between Town funds for goods and services provided and services rendered and for the reimbursement of expenditures. Related interfund receivables and payables are classified as due from other funds and due to other funds on the balance sheet and will be settled within one year.

NOTE 11 - RISK MANAGEMENT

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

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

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

NOTE 12 - TAX, SPENDING AND DEBT LIMITATIONS

In November 1992, Colorado voters passed the TABOR Amendment to the State Constitution which limits state and local government taxing powers and imposes spending limitations. Fiscal year 1992 provides the basis for limits in future years, to which may be applied allowable increases for inflation and property valuation.

Revenue received in excess of the limitations is required to be refunded unless the Town's electorate vote to retain the revenue.

The TABOR Amendment is subject to many interpretations, but the Town believes it is in substantial compliance with the Amendment.

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

The Town has established an emergency reserve of 3%, as required by the Amendment. At December 31, 2023, the emergency reserve was reported as restricted fund balance in the General Fund, in the amount of \$312,905.

TOWN OF BENNETT, COLORADO  
NOTES TO FINANCIAL STATEMENTS  
DECEMBER 31, 2023

NOTE 13 - SUBSEQUENT EVENTS

During the year ending December 31,2024, the Town entered into a lease for the purchase of certain vehicles. The requires annual payments of \$157,137 and amount of the lease is \$795,687.

NOTE 14 - RESTATEMENTS

During its preparation for the audit the Town discovered the following issues which required a restatement the fund balance, along with those restatements as the result of adopting a new accounting pronouncement:

Government Wide Level

Certain capital assets were not included in construction in progress	\$ 370,279
The adoption of GASB Statement 101 and the resulting increase in compensated absences	(29,988)

Fund Level

General Fund	
The adoption of GASB Statement 101 and the resulting increase in compensated absences	(98,207)
Grants Fund	
To record matching funds relating to the previous year	116,908
Use Tax Capital Improvement Fund	
To record matching funds relating to the previous year	(31,738)
Non-Major Funds	
To record matching funds relating to the previous year	\$ (85,170)

**REQUIRED SUPPLEMENTARY INFORMATION**

**TOWN OF BENNETT, COLORADO**  
**SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN**  
**FUND BALANCE - BUDGET AND ACTUAL**  
**NON GAAP BUDGET BASIS**  
**GENERAL FUND**  
**Year Ended December 31, 2023**

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<b>Variance with Final Budget Positive (Negative)</b>
<b>REVENUES</b>				
Taxes	\$ 5,176,820	\$ 5,176,820	\$ 5,268,631	\$ 91,811
Licenses and permits	408,725	408,725	773,297	364,572
Charges for service	435,235	435,235	460,837	25,602
Fines and forfeitures	5,990	5,990	54,469	48,479
Bennett arts and cultural fund	110,500	110,500	131,714	21,214
Net investment income	379,805	379,805	218,718	(161,087)
Other	49,095	49,095	236,913	187,818
Total revenues	<u>6,566,170</u>	<u>6,566,170</u>	<u>7,144,579</u>	<u>578,409</u>
<b>EXPENDITURES</b>				
General government	3,687,280	3,687,280	3,846,499	(159,219)
Public safety	685,430	685,430	648,398	37,032
Public works	505,755	505,755	522,058	(16,303)
Culture and recreation	413,685	413,685	381,470	32,215
Cemetery	25,000	25,000	19,327	5,673
Buildings	326,385	326,385	267,512	58,873
Nondepartmental	768,109	768,109	367,204	400,905
Bennett arts and cultural fund	235,500	335,500	122,746	212,754
Capital outlay	-	146,000	274,269	(128,269)
Total expenditures	<u>6,647,144</u>	<u>6,893,144</u>	<u>6,449,483</u>	<u>443,661</u>
<b>EXCESS OF REVENUES OVER (UNDER) EXPENDITURES</b>				
	<u>(80,974)</u>	<u>(326,974)</u>	<u>695,096</u>	<u>1,022,070</u>
<b>OTHER FINANCING SOURCES (USES)</b>				
Sale of general assets	20,000	20,000	6,700	(13,300)
Transfers in	666,765	666,765	440,600	(226,165)
Transfers (out)	(504,626)	(504,626)	(268,934)	235,692
Total other financing sources (uses)	<u>182,139</u>	<u>182,139</u>	<u>178,366</u>	<u>(3,773)</u>
<b>NET CHANGE IN FUND BALANCES</b>				
	<u>\$ 101,165</u>	<u>\$ (144,835)</u>	873,462	<u>\$ 1,018,297</u>
<b>FUND BALANCE - BEGINNING OF YEAR (AS ORIGINALLY REPORTED)</b>				
			4,366,235	
Restatement of Equity			<u>(98,207)</u>	
<b>FUND BALANCE - END OF YEAR</b>				
			<u>\$ 5,141,490</u>	

See accompanying independent auditors' report.

**TOWN OF BENNETT, COLORADO**  
**SCHEDULE OF REVENUES**  
**BUDGET AND ACTUAL**  
**GENERAL FUND**  
**Year Ended December 31, 2023**

	Original Budget	Final Budget	Actual	Variance Positive (Negative)
<u>Revenues</u>				
Taxes				
Property tax	\$ 629,570	\$ 629,570	\$ 629,950	\$ 380
Sales and use tax	4,397,900	4,397,900	4,447,218	49,318
Lodging tax	58,400	58,400	70,528	12,128
Cigarette tax	7,115	7,115	9,759	2,644
Franchise tax	83,170	83,170	96,390	13,220
Severance tax	-	-	14,725	14,725
Other tax	665	665	61	(604)
Total taxes	<u>5,176,820</u>	<u>5,176,820</u>	<u>5,268,631</u>	<u>91,811</u>
Licenses and permits				
Building permits	266,515	266,515	516,217	249,702
Plan reviews	36,010	36,010	93,560	57,550
Animal licenses	1,860	1,860	688	(1,172)
Liquor licenses	1,950	1,950	1,075	(875)
Infrastructure inspection fees	50,000	50,000	60,027	10,027
Miscellaneous	52,390	52,390	101,730	49,340
Total licenses and permits	<u>408,725</u>	<u>408,725</u>	<u>773,297</u>	<u>364,572</u>
Charges for services				
Charges for services rentals	69,320	69,320	70,430	1,110
Internal department charges	349,740	349,740	378,587	28,847
Cemetery charges	15,975	15,975	11,800	(4,175)
Other charges for services	200	200	20	(180)
Total charges for services	<u>435,235</u>	<u>435,235</u>	<u>460,837</u>	<u>25,602</u>
Fines and forfeitures				
Court fees	5,990	5,990	54,469	48,479
Total fines and forfeitures	<u>5,990</u>	<u>5,990</u>	<u>54,469</u>	<u>48,479</u>
Investment Earnings				
Investment earnings	379,805	379,805	218,718	(161,087)
Total investment earnings	<u>379,805</u>	<u>379,805</u>	<u>218,718</u>	<u>(161,087)</u>
Bennett art and cultural fund				
Bennett art and cultural fund	110,500	110,500	131,714	21,214
Total Bennett art and cultural fund	<u>110,500</u>	<u>110,500</u>	<u>131,714</u>	<u>21,214</u>
Other revenues				
Impact fees	27,920	27,920	68,288	40,368
Miscellaneous revenues	21,175	21,175	168,625	147,450
Total other revenues	<u>49,095</u>	<u>49,095</u>	<u>236,913</u>	<u>187,818</u>
Other financing sources				
Sale of general assets	20,000	20,000	6,700	(13,300)
Transfers in	666,765	666,765	440,600	(226,165)
Total other financing sources	<u>686,765</u>	<u>686,765</u>	<u>447,300</u>	<u>(239,465)</u>
Total revenues	<u>\$ 7,252,935</u>	<u>\$ 7,252,935</u>	<u>\$ 7,591,879</u>	<u>\$ 338,944</u>

See accompanying independent auditors' report.

**TOWN OF BENNETT, COLORADO**  
**SCHEDULE OF REVENUES**  
**BUDGET AND ACTUAL**  
**GENERAL FUND**  
**Year Ended December 31, 2023**

	Original Budget	Final Budget	Actual	Variance Positive (Negative)
<u>Expenditures</u>				
General government				
Administration	\$ 1,523,165	\$ 1,523,165	\$ 1,526,958	\$ (3,793)
Communication	19,235	19,235	43,498	(24,263)
Finance	428,550	428,550	415,583	12,967
Boards and commissions	204,445	204,445	152,893	51,552
Town clerk	84,335	84,335	70,389	13,946
Elections	1,500	1,500	-	1,500
Municipal court	35,140	35,140	38,862	(3,722)
Community development	434,355	434,355	615,334	(180,979)
Planning	253,040	253,040	286,471	(33,431)
Economic development	184,970	184,970	132,126	52,844
Information technology	146,240	146,240	143,896	2,344
Internal services	372,305	372,305	420,489	(48,184)
Total general government	<u>3,687,280</u>	<u>3,687,280</u>	<u>3,846,499</u>	<u>(159,219)</u>
Public safety	685,430	685,430	648,398	37,032
Public works	505,755	505,755	522,058	(16,303)
Culture and recreation	413,685	413,685	381,470	32,215
Cemetery	25,000	25,000	19,327	5,673
Buildings	326,385	326,385	267,512	58,873
Non departmental	768,109	768,109	367,204	400,905
Bennett arts and cultural fund	235,500	335,500	122,746	212,754
Capital outlay	-	146,000	274,269	(128,269)
Total other expenditures	<u>2,959,864</u>	<u>3,205,864</u>	<u>2,602,984</u>	<u>602,880</u>
Transfers out	504,626	504,626	268,934	235,692
Total expenditures	<u>\$ 7,151,770</u>	<u>\$ 7,397,770</u>	<u>\$ 6,718,417</u>	<u>\$ 679,353</u>

See accompanying independent auditors' report.

**TOWN OF BENNETT, COLORADO**  
**SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN**  
**FUND BALANCES - BUDGET AND ACTUAL**  
**GRANT FUND**  
**Year Ended December 31, 2023**

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
<b>REVENUES</b>				
Intergovernmental	\$ 1,936,500	\$ 1,936,500	\$ 1,724,247	\$ (212,253)
Other income	-	-	275,972	275,972
Total revenues	<u>1,936,500</u>	<u>1,936,500</u>	<u>2,000,219</u>	<u>63,719</u>
<b>EXPENDITURES</b>				
Capital outlay	<u>2,609,730</u>	<u>2,709,730</u>	952,883	1,756,847
Total expenditures	<u>2,609,730</u>	<u>2,709,730</u>	<u>952,883</u>	<u>1,756,847</u>
<b>EXCESS OF REVENUES OVER (UNDER) EXPENDITURES</b>	(673,230)	(773,230)	1,047,336	1,820,566
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfers in	673,500	673,500	856,888	183,388
Transfers (out)	(270)	(270)	(1,085,773)	(1,085,503)
Total other financing sources (uses)	<u>673,230</u>	<u>673,230</u>	<u>(228,885)</u>	<u>(902,115)</u>
<b>NET CHANGE IN FUND BALANCES</b>	<u>\$ -</u>	<u>\$ (100,000)</u>	818,451	<u>\$ 918,451</u>
<b>FUND BALANCES - BEGINNING OF YEAR (AS ORIGINALLY REPORTED)</b>			(935,359)	
Restatement of equity			<u>116,908</u>	
<b>FUND BALANCES - END OF YEAR</b>			<u>\$ -</u>	

See accompanying independent auditors' report.

**SUPPLEMENTARY INFORMATION**

**TOWN OF BENNETT, COLORADO**  
**COMBINING BALANCE SHEET**  
**NONMAJOR GOVERNMENTAL FUNDS**  
**December 31, 2023**

	<b>Road and Bridge Fund</b>	<b>Conservation Trust Fund</b>	<b>Open Space Fund</b>
<b>ASSETS</b>			
Cash and investments	\$ 856,139	\$ 46,325	\$ 11,060
Accounts receivable	51,662	-	-
Property taxes receivable	-	-	-
<b>TOTAL ASSETS</b>	<b>\$ 907,801</b>	<b>\$ 46,325</b>	<b>\$ 11,060</b>
 <b>LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES</b>			
<b>LIABILITIES</b>			
Accounts payable	\$ 1,385	\$ -	\$ -
Accrued expenses	5,243	-	-
Unearned revenues	455,336	-	-
Due to other funds	-	46,325	-
Total liabilities	461,964	46,325	-
 <b>DEFERRED INFLOWS OF RESOURCES</b>			
Unavailable revenue-property taxes	-	-	-
 <b>FUND BALANCES</b>			
Restricted			
Capital projects	-		
Parks and recreation	-	-	11,060
Assigned			
Public works	445,837	-	-
Total fund balances	445,837	-	11,060
<b>TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES</b>	<b>\$ 907,801</b>	<b>\$ 46,325</b>	<b>\$ 11,060</b>

<b>Impact Fees Fund</b>	<b>Antelope Hills GID Fund</b>	<b>Total Nonmajor Governmental Funds</b>
\$ 1,760,874	\$ 139,846	\$ 2,814,244
	1,149	52,811
	345,692	345,692
<u>\$ 1,760,874</u>	<u>\$ 486,687</u>	<u>\$ 3,212,747</u>
\$ 26,800	\$ -	\$ 28,185
	-	5,243
	-	455,336
97,197	-	143,522
<u>123,997</u>	<u>-</u>	<u>632,286</u>
<u>-</u>	<u>345,692</u>	<u>345,692</u>
1,636,877	140,995	1,777,872
		11,060
		445,837
<u>1,636,877</u>	<u>140,995</u>	<u>2,234,769</u>
<u>\$ 1,760,874</u>	<u>\$ 486,687</u>	<u>\$ 3,212,747</u>

See accompanying independent auditors' report.

**TOWN OF BENNETT, COLORADO**  
**COMBINING STATEMENT OF REVENUES, EXPENDITURES AND**  
**CHANGES IN FUND BALANCES**  
**NONMAJOR GOVERNMENTAL FUNDS**  
**Year Ended December 31, 2023**

	<b>Road and Bridge Fund</b>	<b>Conservation Trust Fund</b>	<b>Public Open Space Fund</b>
<b>REVENUES</b>			
Taxes	\$ 44,098	\$ -	\$ -
Intergovernmental	340,878	24,635	90,618
Net investment income	47,008	2,152	-
Impact fees	-	-	-
Total revenues	<u>431,984</u>	<u>26,787</u>	<u>90,618</u>
<b>EXPENDITURES</b>			
General government	-	-	-
Public works	288,654	-	-
Debt service			
Principal and interest	-	-	-
Capital outlay	203,496	-	-
Contingency/reserves	-	-	-
Total expenditures	<u>492,150</u>	<u>-</u>	<u>-</u>
<b>EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES</b>	<u>(60,166)</u>	<u>26,787</u>	<u>90,618</u>
<b>OTHER FINANCING SOURCES (USES)</b>			
Transfers (out)	-	(31,537)	(79,658)
Total other financing sources (uses)	<u>-</u>	<u>(31,537)</u>	<u>(79,658)</u>
<b>NET CHANGE IN FUND BALANCES</b>	(60,166)	(4,750)	10,960
<b>FUND BALANCES - BEGINNING OF YEAR (AS ORIGINALLY REPORTED)</b>	506,003	4,750	100
Restatement of equity	-	-	-
<b>FUND BALANCES - END OF YEAR</b>	<u>\$ 445,837</u>	<u>\$ -</u>	<u>\$ 11,060</u>

<b>Impact Fees Fund</b>	<b>Antelope Hills Fund</b>	<b>Total</b>
\$ -	\$ 289,480	\$ 333,578
-	-	456,131
70,407	5,015	124,582
1,030,391	-	1,030,391
<u>1,100,798</u>	<u>294,495</u>	<u>1,944,682</u>
-	28,777	28,777
-	-	288,654
-	324,901	324,901
102,429	.	305,925
165,723	-	165,723
<u>268,152</u>	<u>353,678</u>	<u>1,113,980</u>
<u>832,646</u>	<u>(59,183)</u>	<u>830,702</u>
(43,222)	-	(154,417)
<u>(43,222)</u>	<u>-</u>	<u>(154,417)</u>
789,424	(59,183)	676,285
932,623	200,178	1,643,654
(85,170)	-	(85,170)
<u>\$ 1,636,877</u>	<u>\$ 140,995</u>	<u>\$ 2,234,769</u>

See accompanying independent auditors' report.

**TOWN OF BENNETT, COLORADO**  
**SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN**  
**FUND BALANCES - BUDGET AND ACTUAL**  
**ROAD AND BRIDGE FUND**  
**Year Ended December 31, 2023**

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
<b>REVENUES</b>				
Specific ownership tax	\$ 30,515	\$ 30,515	\$ 42,637	\$ 12,122
Highway user tax	94,445	94,445	104,218	9,773
County road and bridge tax	198,460	198,460	219,027	20,567
Other taxes	-	-	1,461	1,461
Motor vehicle registration fees	9,645	9,645	17,633	7,988
Investment income	6,150	6,150	47,008	40,858
Total revenues	<u>339,215</u>	<u>339,215</u>	<u>431,984</u>	<u>92,769</u>
<b>EXPENDITURES</b>				
Public works	214,215	288,654	288,654	-
Capital outlay	125,000	203,496	203,496	-
Total expenditures	<u>339,215</u>	<u>492,150</u>	<u>492,150</u>	<u>-</u>
<b>NET CHANGE IN FUND BALANCE</b>	<u>\$ -</u>	<u>\$ (152,935)</u>	(60,166)	<u>\$ 92,769</u>
<b>FUND BALANCES - BEGINNING OF YEAR</b>			<u>506,003</u>	
<b>FUND BALANCES - END OF YEAR</b>			<u>\$ 445,837</u>	

See accompanying independent auditors' report.

**TOWN OF BENNETT, COLORADO**  
**SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN**  
**FUND BALANCES - BUDGET AND ACTUAL**  
**CONSERVATION TRUST FUND**  
**Year Ended December 31, 2023**

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
<b>REVENUES</b>				
Intergovernmental	\$ 17,440	\$ 17,440	\$ 24,635	\$ 7,195
Investment income	-	-	2,152	2,152
Total revenues	<u>17,440</u>	<u>17,440</u>	<u>26,787</u>	<u>9,347</u>
<b>EXPENDITURES</b>				
Emergency reserves	17,440	-	-	-
Total expenditures	<u>17,440</u>	<u>-</u>	<u>-</u>	<u>-</u>
<b>EXCESS (DEFICIENCY) OF REVENUES OVER UNDER EXPENDITURES</b>	<u>-</u>	<u>17,440</u>	<u>26,787</u>	<u>9,347</u>
<b>OTHER FINANCING SOURCES</b>				
Transfers out	-	(31,537)	(31,537)	-
Total other financing sources	<u>-</u>	<u>(31,537)</u>	<u>(31,537)</u>	<u>-</u>
<b>NET CHANGE IN FUND BALANCE</b>	<u>\$ -</u>	<u>\$ (14,097)</u>	<u>(4,750)</u>	<u>\$ 9,347</u>
<b>FUND BALANCES - BEGINNING OF YEAR</b>			<u>4,750</u>	
<b>FUND BALANCES - END OF YEAR</b>			<u>\$ -</u>	

See accompanying independent auditors' report.

**TOWN OF BENNETT, COLORADO**  
**SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN**  
**FUND BALANCES - BUDGET AND ACTUAL**  
**OPEN SPACE FUND**  
**Year Ended December 31, 2023**

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
<b>REVENUES</b>				
Intergovernmental	\$ 69,525	\$ 89,603	\$ 90,618	\$ 1,015
Total revenues	<u>69,525</u>	<u>89,603</u>	<u>90,618</u>	<u>1,015</u>
<b>EXPENDITURES</b>				
Emergency reserves	54,565	54,565	-	54,565
Total expenditures	<u>54,565</u>	<u>54,565</u>	<u>-</u>	<u>54,565</u>
<b>EXCESS (DEFICIENCY) OF REVENUES OVER UNDER EXPENDITURES</b>	<u>14,960</u>	<u>35,038</u>	<u>90,618</u>	<u>55,580</u>
<b>OTHER FINANCING SOURCES</b>				
Transfers out	<u>(35,775)</u>	<u>(55,853)</u>	<u>(79,658)</u>	<u>(23,805)</u>
Total other financing sources	<u>(35,775)</u>	<u>(55,853)</u>	<u>(79,658)</u>	<u>(23,805)</u>
<b>NET CHANGE IN FUND BALANCE</b>	<u>\$ (20,815)</u>	<u>\$ (20,815)</u>	10,960	<u>\$ 31,775</u>
<b>FUND BALANCES - BEGINNING OF YEAR</b>			<u>100</u>	
<b>FUND BALANCES - END OF YEAR</b>			<u>\$ 11,060</u>	

See accompanying independent auditors' report.

**TOWN OF BENNETT, COLORADO**  
**SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN**  
**FUND BALANCES - BUDGET AND ACTUAL**  
**IMPACT FEE FUND**  
**Year Ended December 31, 2023**

	<b>Original Budget</b>	<b>Final Budget</b>	<b>Actual</b>	<b>Variance with Final Budget Positive (Negative)</b>
<b>REVENUES</b>				
Impact fees	\$ 701,580	\$ 701,580	\$ 1,030,391	\$ 328,811
Interest income	-	24,877	70,407	45,530
Total revenues	701,580	726,457	1,100,798	374,341
 <b>EXPENDITURES</b>				
Reserves	629,604	654,480	165,723	488,757
Capital Outlay	112,500	254,500	102,429	152,071
Total expenditures	742,104	908,980	268,152	640,828
 <b>EXCESS (DEFICIENCY) OF REVENUES OVER UNDER EXPENDITURES</b>	(40,524)	(182,523)	832,646	1,015,169
 <b>OTHER FINANCING SOURCES</b>				
Transfers out	(583,160)	(583,160)	(43,222)	539,938
Total other financing sources	(583,160)	(583,160)	(43,222)	539,938
 <b>NET CHANGE IN FUND BALANCES</b>	\$ (623,684)	\$ (765,683)	789,424	\$ 1,555,107
 <b>FUND BALANCES - BEGINNING OF YEAR (AS ORIGINALLY REPORTED)</b>			932,623	
Restatement of Equity			(85,170)	
 <b>FUND BALANCES - END OF YEAR</b>			\$ 1,636,877	

See accompanying independent auditors' report.

**TOWN OF BENNETT, COLORADO**  
**SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN**  
**FUND BALANCES - BUDGET AND ACTUAL**  
**ANTELOPE HILLS GID FUND**  
**Year Ended December 31, 2023**

	<b>Original and Final Budget</b>	<b>Actual</b>	<b>Variance with Final Budget Positive (Negative)</b>
	<u>          </u>	<u>          </u>	<u>          </u>
<b>REVENUES</b>			
Taxes			
Property tax	\$ 270,825	\$ 271,734	\$ 909
Specific Ownership tax	15,000	17,746	2,746
Investment earnings	100	5,015	4,915
Building permits	939	-	(939)
Total revenues	<u>286,864</u>	<u>294,495</u>	<u>7,631</u>
 <b>EXPENDITURES</b>			
General government			
Finance	13,815	28,777	(14,962)
Debt service			
Principal and interest	283,298	324,901	(41,603)
Total expenditures	<u>297,113</u>	<u>353,678</u>	<u>(56,565)</u>
 <b>DEFICIENCY OF REVENUES UNDER EXPENDITURES</b>	 <u>(10,249)</u>	 <u>(59,183)</u>	 <u>(48,934)</u>
 <b>OTHER FINANCING SOURCES</b>			
Transfers in	14,061	-	(14,061)
Transfers out	(14,061)	-	14,061
Total other financing sources	<u>-</u>	<u>-</u>	<u>-</u>
 <b>NET CHANGE IN FUND BALANCES</b>	 <u>\$ (10,249)</u>	 <u>(59,183)</u>	 <u>\$ (48,934)</u>
 <b>FUND BALANCES - BEGINNING OF YEAR</b>		 <u>200,178</u>	
 <b>FUND BALANCES - END OF YEAR</b>		 <u>\$ 140,995</u>	

See accompanying independent auditors' report.

**TOWN OF BENNETT, COLORADO**  
**SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN**  
**FUND BALANCES - BUDGET AND ACTUAL**  
**SALES TAX CAPITAL IMPROVEMENTS FUND**  
**Year Ended December 31, 2023**

	<b>Original Budget</b>	<b>Final Budget</b>	<b>Actual</b>	<b>Variance with Final Budget Positive (Negative)</b>
<b>REVENUES</b>				
Sales tax	\$ 1,529,150	\$ 1,529,150	\$ 1,480,945	\$ (48,205)
Intergovernmental	-	-	1,513,000	1,513,000
Investment earnings	15,410	15,410	89,495	74,085
Total revenues	1,544,560	1,544,560	3,083,440	1,538,880
<b>EXPENDITURES</b>				
Current				
Public works	1,545,462	1,545,462	176,908	1,368,554
Capital outlay	112,500	3,352,500	3,232,767	119,733
Debt service				
Principal	360,300	360,300	359,800	500
Total expenditures	2,018,262	5,258,262	3,769,475	1,488,787
<b>NET CHANGE IN FUND BALANCE</b>	<b>\$ (473,702)</b>	<b>\$ (3,713,702)</b>	<b>(686,035)</b>	<b>\$ 3,027,667</b>
<b>FUND BALANCES - BEGINNING OF YEAR</b>			1,976,374	
<b>FUND BALANCES - END OF YEAR</b>			<b>\$ 1,290,339</b>	

See accompanying independent auditors' report.

**TOWN OF BENNETT, COLORADO**  
**SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN**  
**FUND BALANCES - BUDGET AND ACTUAL**  
**USE TAX CAPITAL IMPROVEMENTS FUND**  
**Year Ended December 31, 2023**

	<b>Original Budget</b>	<b>Final Budget</b>	<b>Actual</b>	<b>Variance with Final Budget Positive (Negative)</b>
<b>REVENUES</b>				
Use taxes	\$ 320,000	\$ 320,000	\$ 661,178	\$ 341,178
Intergovernmental	-	-	24,450	24,450
Investment earnings	270	270	70,210	69,940
Other	200	200	-	(200)
Total revenues	320,470	320,470	755,838	435,368
<b>EXPENDITURES</b>				
Capital outlay	200,000	489,265	319,326	169,939
Debt service				
Principal and interest	215,900	215,900	219,100	(3,200)
Total expenditures	415,900	705,165	538,426	166,739
<b>EXCESS (DEFICIENCY) OF REVENUES OVER UNDER EXPENDITURES</b>				
	(95,430)	(384,695)	217,412	602,107
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfers in	230,120	230,120	230,120	-
Transfers out	-	-	(66,355)	(66,355)
Total other financing sources (uses)	230,120	230,120	163,765	(66,355)
<b>NET CHANGE IN FUND BALANCE</b>				
	\$ 134,690	\$ (154,575)	381,177	\$ 535,752
<b>FUND BALANCES - BEGINNING OF YEAR (AS ORIGINALLY REPORTED)</b>				
			1,043,245	
Restatement of Equity			(31,738)	
<b>FUND BALANCES - END OF YEAR</b>				
			\$ 1,392,684	

See accompanying independent auditors' report.

**TOWN OF BENNETT, COLORADO**  
**SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN**  
**FUND BALANCES - BUDGET AND ACTUAL**  
**NON-GAAP BUDGET BASIS- WATER FUND**  
**Year Ended December 31, 2023**

	<b>Original Budget</b>	<b>Original and Final Budget</b>	<b>Actual</b>	<b>Variance with Final Budget Positive (Negative)</b>
<b>REVENUES</b>				
Water sales	\$ 1,573,500	\$ 1,573,500	\$ 1,326,046	\$ (247,454)
Bulk water	990,275	990,275	200,533	(789,742)
Water development fees and contributions	2,743,630	3,560,498	3,635,105	74,607
Intergovernmental	-	-	25,000	25,000
Investment earnings	113,315	113,315	611,513	498,198
Other	-	-	182,468	182,468
Transfers in	910,000	910,000	1,085,773	175,773
Total revenues	<u>6,330,720</u>	<u>7,147,588</u>	<u>7,066,438</u>	<u>(81,150)</u>
<b>EXPENDITURES</b>				
Operations and maintenance	1,262,204	445,336	871,755	(426,419)
Capital outlay	1,837,000	4,707,868	2,426,277	2,281,591
Debt service				-
Principal and interest	204,431	204,431	560,525	(356,094)
Operating transfers out	1,130,300	1,130,300	817,603	312,697
Total expenditures	<u>4,433,935</u>	<u>6,487,935</u>	<u>4,676,160</u>	<u>1,811,775</u>
<b>CHANGE IN NET POSITION, BUDGETARY BASIS</b>	<u>\$ 1,896,785</u>	<u>\$ 659,653</u>	2,390,278	<u>\$ 1,730,625</u>
Reconciliation to GAAP Basis				
Capital Outlay			2,426,277	
Depreciation			(432,734)	
Debt service payments			<u>370,136</u>	
<b>CHANGE IN NET POSITION, GAAP BASIS</b>			4,753,957	
<b>FUND BALANCES - BEGINNING OF YEAR</b>			<u>19,795,595</u>	
<b>FUND BALANCES - END OF YEAR</b>			<u>\$ 24,549,552</u>	

See accompanying independent auditors' report.

**TOWN OF BENNETT, COLORADO**  
**SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN**  
**FUND BALANCES - BUDGET AND ACTUAL**  
**NON-GAAP BUDGET BASIS- WASTEWATER FUND**  
**Year Ended December 31, 2023**

	<b>Original Budget</b>	<b>Original and Final Budget</b>	<b>Actual</b>	<b>Variance with Final Budget Positive (Negative)</b>
<b>REVENUES</b>				
Charges for services	\$ 1,517,175	\$ 1,517,175	\$ 1,329,232	\$ (187,943)
Wastewater development fees	1,981,040	1,981,040	1,756,485	(224,555)
Intergovernmental	750,000	1,849,568	374,230	(1,475,338)
Investment earnings	12,190	12,190	222,667	210,477
Other	305,000	305,000	-	(305,000)
Operating transfers in	63,755	63,755	5,000	(58,755)
Total revenues	4,629,160	5,728,728	3,687,614	(2,041,114)
<b>EXPENDITURES</b>				
Operations and maintenance	623,075	623,075	709,454	(86,379)
Capital outlay	1,823,755	3,243,755	277,445	2,966,310
Debt service				
Principal and interest	259,175	259,175	330,666	(71,491)
Operating transfers out	195,465	195,465	220,300	(24,835)
Total expenditures	2,901,470	4,321,470	1,537,865	2,783,605
<b>CHANGE IN NET POSITION, BUDGETARY BASIS</b>				
	\$ 1,727,690	\$ 1,407,258	2,149,749	\$ 742,491
Reconciliation to GAAP Basis				
Capital Outlay			277,445	
Depreciation			(471,675)	
Debt service payments			263,458	
<b>CHANGE IN NET POSITION, GAAP BASIS</b>				
			2,218,977	
<b>FUND BALANCES - BEGINNING OF YEAR</b>				
			12,872,214	
<b>FUND BALANCES - END OF YEAR</b>				
			\$ 15,091,191	

See accompanying independent auditors' report.

## **OTHER SCHEDULES**

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

<b>LOCAL HIGHWAY FINANCE REPORT</b>	City or County: Town Of Bennett
	YEAR ENDING : December 2023

This Information From The Records Of (example - City of _ or County of _) Town of Bennett	Prepared By: Daniel Pennington Phone: 303-644-3249 ext:1024
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**I. DISPOSITION OF HIGHWAY-USER REVENUES AVAILABLE FOR LOCAL GOVERNMENT EXPENDITURE**

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

II. RECEIPTS FOR ROAD AND STREET PURPOSES		III. DISBURSEMENTS FOR ROAD AND STREET PURPOSES	
ITEM	AMOUNT	ITEM	AMOUNT
<b>A. Receipts from local sources:</b>		<b>A. Local highway disbursements:</b>	
1. Local highway-user taxes		1. Capital outlay (from page 2)	3,532,037
a. Motor Fuel (from Item I.A.5.)		2. Maintenance:	66,560
b. Motor Vehicle (from Item I.B.5.)		3. Road and street services:	
c. Total (a.+b.)		a. Traffic control operations	
2. General fund appropriations		b. Snow and ice removal	
3. Other local imposts (from page 2)	1,742,609	c. Other	27,154
4. Miscellaneous local receipts (from page 2)	136,503	d. Total (a. through c.)	27,154
5. Transfers from toll facilities		4. General administration & miscellaneous:	274,183
6. Proceeds of sale of bonds and notes:		5. Highway law enforcement and safety	
a. Bonds - Original Issues		6. Total (1 through 5)	3,899,934
b. Bonds - Refunding Issues		<b>B. Debt service on local obligations:</b>	
c. Notes		1. Bonds:	
d. Total (a. + b. + c.)	0	a. Interest	184,800
7. Total (1 through 6)	1,879,112	b. Redemption	175,000
<b>B. Private Contributions</b>		c. Total (a. + b.)	359,800
<b>C. Receipts from State government</b> (from page 2)	564,925	2. Notes:	
<b>D. Receipts from Federal Government</b> (from page 2)	0	a. Interest	
<b>E. Total receipts (A.7 + B + C + D)</b>	2,444,037	b. Redemption	
		c. Total (a. + b.)	0
		3. Total (1.c + 2.c)	359,800
		<b>C. Payments to State for highways</b>	
		<b>D. Payments to toll facilities</b>	
		<b>E. Total disbursements (A.6 + B.3 + C + D)</b>	4,259,734

**IV. LOCAL HIGHWAY DEBT STATUS**

(Show all entries at par)

	Opening Debt	Amount Issued	Redemptions	Closing Debt
<b>A. Bonds (Total)</b>	5,328,179		175,000	5,153,179
1. Bonds (Refunding Portion)				
<b>B. Notes (Total)</b>				0

**V. LOCAL ROAD AND STREET FUND BALANCE**

	A. Beginning Balance	B. Total Receipts	C. Total Disbursements	D. Ending Balance	E. Reconciliation
	2,204,585	2,444,037	4,259,734	388,887	0

**Notes and Comments:**

**LOCAL HIGHWAY FINANCE REPORT**

STATE:  
Colorado  
YEAR ENDING (mm/yy):  
December 2023

**II. RECEIPTS FOR ROAD AND STREET PURPOSES - DETAIL**

ITEM	AMOUNT	ITEM	AMOUNT
<b>A.3. Other local imposts:</b>		<b>A.4. Miscellaneous local receipts:</b>	
a. Property Taxes and Assessments		a. Interest on investments	136,503
b. Other local imposts:		b. Traffic Fines & Penalties	
1. Sales Taxes	1,480,945	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	261,665	g. Other Misc. Receipts	
6. Total (1. through 5.)	1,742,609	h. Other	
c. Total (a. + b.)	1,742,609	i. Total (a. through h.)	136,503
	(Carry forward to page 1)		(Carry forward to page 1)

ITEM	AMOUNT	ITEM	AMOUNT
<b>C. Receipts from State Government</b>		<b>D. Receipts from Federal Government</b>	
1. Highway-user taxes	104,218	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	17,533	d. Federal Transit Admin	
d. Other (Specify) - CDOT Grant	443,174	e. U.S. Corps of Engineers	
e. Other (Specify)		f. Other Federal	
f. Total (a. through e.)	460,707	g. Total (a. through f.)	0
4. Total (1. + 2. + 3.f)	564,925	3. Total (1. + 2.g)	
			(Carry forward to page 1)

**III. DISBURSEMENTS FOR ROAD AND STREET PURPOSES - DETAIL**

	ON NATIONAL HIGHWAY SYSTEM (a)	OFF NATIONAL HIGHWAY SYSTEM (b)	TOTAL (c)
<b>A.1. Capital outlay:</b>			
a. Right-Of-Way Costs			0
b. Engineering Costs		22,856	22,856
c. Construction:			
(1). New Facilities			0
(2). Capacity Improvements			0
(3). System Preservation		3,421,216	3,421,216
(4). System Enhancement & Operation		87,965	87,965
(5). Total Construction (1) + (2) + (3) + (4)	0	3,509,181	3,509,181
d. Total Capital Outlay (Lines 1.a. + 1.b. + 1.c.5)	0	3,532,037	3,532,037
			(Carry forward to page 1)

Notes and Comments: