TOWN OF KEENESBURG, COLORADO

FINANCIAL STATEMENTS
YEAR ENDED DECEMBER 31, 2023

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THE ADAMS GROUP, LLC
CERTIFIED PUBLIC ACCOUNTANTS

INDEPENDENT AUDITORS' REPORT

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

Opinions

We have audited the financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the Town of Keenesburg (the Town) as of and for the year ended December 31, 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 accompanying financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, business-type activities, each major fund, and the aggregate remaining fund information of the Town of Keenesburg, as of December 31, 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. Our responsibilities under those standards are further described in the Auditors' Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the Town, and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Responsibilities of Management for the Financial Statements

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

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

Auditors' Responsibilities for the Audit of the Financial Statements

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

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

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

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

Required Supplementary Information

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

Supplementary Information

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

The Adams Group, LLC

Greenwood Village, Colorado
September 23, 2024

Town of Keenesburg, Colorado's (the Town) discussion and analysis offers readers of the Town's financial statements a narrative overview and analysis of the Town's financial activities for the fiscal year ended December 31, 2023. We encourage readers to consider the information presented here in conjunction with additional information that we have furnished in the financial statements and the notes to the financial statements.

Financial Highlights

- The Town's assets and deferred outflows of resources exceeded its liabilities and deferred inflows of resources at December 31, 2023 by $29,934,512. Of this amount, $15,764,324 (unrestricted net position) may be used to meet the Town's ongoing obligations to citizens, creditors, and enterprise fund customers.

- The Town's total net position increased by $2,351,003 over the previous year. The increase was a result of tax revenues and utility revenues collected sufficient to cover operating expenses.

- At December 31, 2023, the Town's governmental fund balance sheet reported a combined ending fund balance of $8,568,648, an increase of $1,333,469 when compared to the prior year.

- The General Fund reported a fund balance of $5,102,679, an increase of $1,237,503 from the prior fiscal year as a result of increased tax revenues.

- The Town's total outstanding long-term debt decreased by $114,990 in fiscal year 2023 as a result of making scheduled principal payments.

Overview of the Financial Statements

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

Government-wide financial statements. The government-wide financial statements are designed to provide readers with a broad overview of the Town's finances, in a manner similar to a private-sector business.

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

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

All changes in net position are reported as soon as the underlying event giving rise to the change occurs, regardless of the timing of related cash flows. Thus, revenues and expenses are reported in this statement for some items that will only result in cash flows in future fiscal periods (such as, uncollected taxes and earned but unused vacation leave).

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

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

Governmental funds. Governmental funds are used to account for essentially the same functions reported as governmental activities in the government-wide financial statements. However, unlike the government-wide financial statements, governmental fund financial statements focus on near-term inflows and outflows of spendable resources, as well as on balances of spendable resources available at the end of the fiscal year. Such information may be useful in evaluating a government's near-term financing requirements.

Because the focus of governmental funds is narrower than that of the government-wide financial statements, it is useful to compare the information presented for governmental funds with similar information presented for governmental activities in the government-wide financial statements. By doing so, readers may better understand the long-term impact of the government's near-term financing decisions. Both the governmental fund balance sheet and the governmental fund statement of revenues, expenditures, and changes in fund balances provide a reconciliation to facilitate this comparison between governmental funds and governmental activities.

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

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

Proprietary funds. The Town maintains one type of proprietary funds. Enterprise funds are used to report the same functions presented as business-type activities in the government-wide financial statements. The Town uses enterprise funds to account for its water and wastewater utility system.

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

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

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

Government-wide Financial Analysis

As noted earlier, net position may serve over time as a useful indication of a government's financial position. The Town's assets and deferred outflows of resources exceeded its liabilities and deferred inflows of resources by $29,934,512 at the close of the most recent fiscal year, representing an increase in total net position for the year amounting to $2,351,003.

One of the largest portions of the Town's net position (46%) reflects its investment in capital assets (for example, land, buildings, infrastructure, and machinery and equipment); less any related debt used to acquire those assets that is still outstanding. The Town uses these capital assets to provide services to citizens; consequently, these assets are not available for future spending. Although the Town's investment in its capital assets is reported net of related debt, it should be noted that the resources needed to repay this debt must be provided from other sources because the capital assets themselves cannot be used to liquidate these liabilities.

Town of Keenesburg Statement of Net Position

	Governmental Activities		Business-Type Activities		Total	
	2023	2022	2023	2022	2023	2022
Assets						
Current and other assets	$ 14,251,233	$ 18,276,340	$ 7,821,829	$ 7,925,115	$ 22,073,062	$ 26,201,455
Net pension asset	30,233	-	-	-	30,233	-
Capital assets and lease assets	6,136,963	5,152,188	8,537,853	8,858,712	14,674,816	14,010,900
Total assets	20,418,429	23,428,528	16,359,682	16,783,827	36,778,111	40,212,355
Deferred Outflows of Resources						
Related to pensions	336,282	-	-	-	336,282	-
Total deferred outflows	336,282	-	-	-	336,282	-
Liabilities						
Current liabilities	3,021,559	8,208,210	68,037	691,211	3,089,596	8,899,421
Long-term liabilities	572,813	673,090	253,279	268,804	826,092	941,894
Total liabilities	3,594,372	8,881,300	321,316	960,015	3,915,688	9,841,315
Deferred inflows of resources						
Related to pensions	621,417	-	-	-	621,417	-
Deferred property taxes	2,642,776	2,787,531	-	-	2,642,776	2,787,531
Total deferred inflows	3,264,193	2,787,531	-	-	3,264,193	2,787,531
Net position:						
Net investment in capital assets	5,586,459	4,499,003	8,296,260	8,603,518	13,882,719	13,102,521
Restricted	277,035	259,874	10,434	8,381	287,469	268,255
Unrestricted	8,032,652	7,000,820	7,731,672	7,211,913	15,764,324	14,212,733
Total net position	$ 13,896,146	$ 11,759,697	$ 16,038,366	$ 15,823,812	$ 29,934,512	$ 27,583,509

An additional portion of the Town's net position (1%) represents resources that are subject to restrictions on how they may be used, most of which are restrictions imposed from external sources. The remaining (53%) of total net position, $15,764,324, represents unrestricted net position that may be used to meet the government's ongoing obligations to citizens, creditors, and customers within the respective governmental and business-type activities.

At the end of the current fiscal year, as in the prior year, the Town is able to report positive balances in all three categories of net position as a whole and individually within the governmental and business-type activities. Unrestricted net position increased by $1,551,591 compared with the prior year, largely due to increase in revenues associated with increase in tax collections. Despite the struggling economy, the Town's finances are strong, sound, and stable because of solid, dedicated and committed financial management.

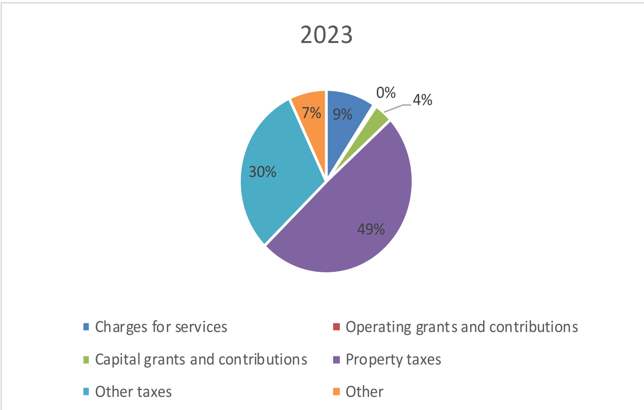
The changes in net position displayed subsequently shows the governmental and business-type activities during the previous two fiscal years. The increase in net position for each year represents the extent to which expenses were less than revenues during the year.

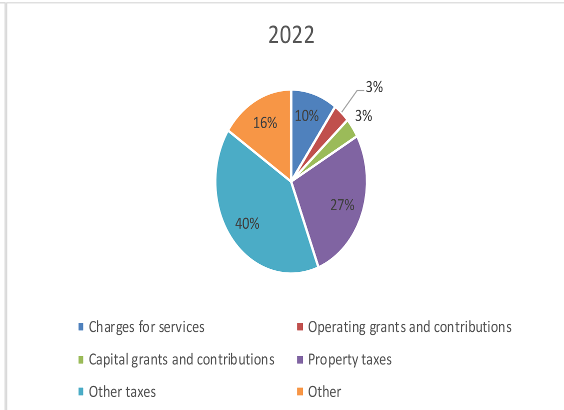
Town of Keenesburg Changes in Net Position

	Governmental Activities		Business-Type Activities		Total	
	2023	2022	2023	2022	2023	2022
Revenues:						
Program revenues:						
Charges for services	$ 523,779	$ 398,041	$ 1,573,473	$ 1,706,798	$ 2,097,252	$ 2,104,839
Operating grants and contributions	27,890	138,821	-	-	27,890	138,821
Capital grants and contributions	197,903	139,382	93,377	227,425	291,280	366,807
General revenues:						
Property taxes	2,788,894	1,101,783	-	-	2,788,894	1,101,783
Other taxes	1,713,543	1,620,729	-	-	1,713,543	1,620,729
Other	396,962	628,973	342,542	110,508	739,504	739,481
Total revenues	5,648,971	4,027,729	2,009,392	2,044,731	7,658,363	6,072,460
Expenses:						
General government	1,007,764	1,028,441	-	-	1,007,764	1,028,441
Public safety	1,460,447	693,954	-	-	1,460,447	693,954
Public works	832,282	776,482	-	-	832,282	776,482
Health and welfare	78,860	63,036	-	-	78,860	63,036
Culture and recreation	94,595	66,039	-	-	94,595	66,039
Interest on long-term debt	18,862	20,847	-	-	18,862	20,847
Loss on disposal of assets	19,712	50,347	-	31,031	19,712	81,378
Water and sewer	-	-	1,794,838	1,674,476	1,794,838	1,674,476
Total expenses	3,512,522	2,699,146	1,794,838	1,705,507	5,307,360	4,404,653
Change in net position	2,136,449	1,328,583	214,554	339,224	2,351,003	1,667,807
Net position, January 1,	11,759,697	10,431,114	15,823,812	15,484,588	27,583,509	25,915,702
Net position, December 31,	$ 13,896,146	$ 11,759,697	$ 16,038,366	$ 15,823,812	$ 29,934,512	$ 27,583,509

Graphic presentations of selected data from the summary tables follow to assist in the analysis of the Town's activities for fiscal years 2023 and 2022.

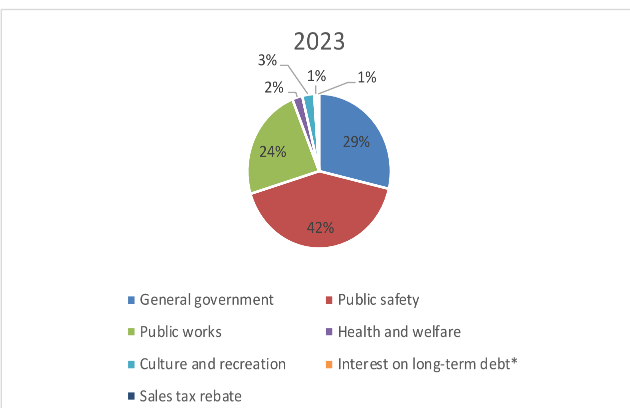
GOVERNMENTAL REVENUES

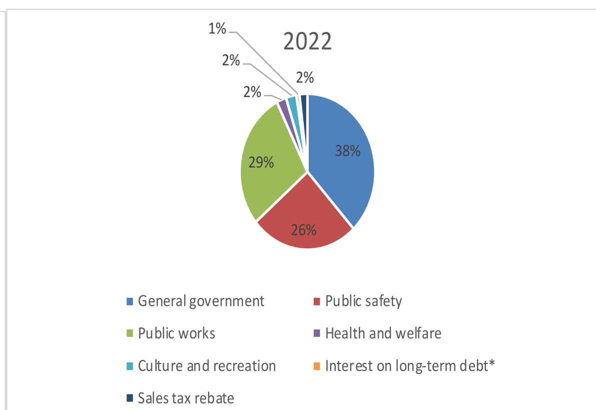




As portrayed above and discussed earlier, the Town is heavily reliant on sales and use taxes as well as property taxes to support governmental operations. These tax revenue streams accounted for 79% of total revenues as compared to 67% in the prior year. The biggest increase is related to property tax which is a result of significant increases in assessed property valuation within the Town.

GOVERNMENTAL FUNCTIONAL EXPENSES





Total expenses for governmental activities was $3,512,522 in 2023 when compared to the 2022 balance of $2,699,146. Public safety was the largest operating service for 2023 for the Town with the main increase relating to a full year of the town incurring police force salaries and operations. Total public safety expenses was $1,460,447 in 2023 as compared to $693,954 in 2022. General government was the second largest functional expense in 2023 with total expenses of $1,007,764 as compared to $1,028,441 in 2022.

Financial Analysis of the Town's Funds

As noted earlier, the Town 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. In particular, unassigned fund balance may be a useful measure of a government's net resources available for spending at the end of the fiscal year.

As of December 31, 2023, the Town's governmental funds reported combined fund balances of $8,568,648, an increase of $1,333,469 compared with the prior year balances. There is $4,850,106 of unassigned fund balance, which is available for spending at the Town's discretion. The remainder of fund balance falls into the categories of either nonspendable, restricted, committed or assigned.

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

The General Fund is the chief operating fund of the Town. At December 31, 2023, total fund balance in the General Fund was $5,102,679. As a measure of the General Fund's liquidity, the total fund balance amount exceeds total general fund expenditures at December 31, 2023. The fund balance of the General Fund increased by $1,237,503 during the current fiscal year due to an increase in sales tax and other tax revenues.

The Impact Fund has a total fund balance of $1,880,898. This fund was started in 2017 and in 2023, the funds only expenditures were related to capital outlay. The main sources of revenue are impact fees assessed by the Town.

The Capital Improvement has a total fund balance of $1,554,269 of which $48,000 is restricted for payment of debt service. The $182,299 increase in fund balance for the year is due to an increase in sales tax revenues.

The Conservation Trust special revenue fund has a total restricted fund balance of $30,802. This fund balance decreased $62,072 during the current fiscal year as the fund reported $86,776 of capital outlay for 2023.

Proprietary Funds. The Town's proprietary funds provide the same type of information found in the government-wide financial statements, but in greater detail. At December 31, 2023, total net position amounted to $16,038,366 for enterprise funds, an increase of $214,554 from the prior year.

Total net position of the Wastewater Fund amounted to $4,284,088 at the end of the fiscal year, representing a $71,600 increase from the prior year amount of $4,212,488. Operating revenues increased 3%, or $22,239, compared to fiscal year 2022 due to an increase usage by customers within the Town.

Operating expenditures had an increase of $138,652, which is directly related to an increase in salaries and maintenance on the system during 2023.

The Waterworks Fund total net position increased by $142,954 during the year. The largest portion of the fund's net position (51%) reflects its investment in capital assets, less any related outstanding debt used to acquire those assets. Unrestricted net position of the fund increased by $383,906 to $5,771,431. This increase was a result of an increase in investment earnings during 2023.

General Fund Budgetary Highlights

A budget to actual statement is provided for the General Fund.

Budgeted taxes revenue represents the full levy of property taxes for the year, whereas actual results reflect a small number of delinquent accounts. There were positive revenue variances totaling $305,330 across all revenue streams. Expenditures for general government, public safety, public works, health and welfare, and culture and recreation were under budget by a total of $977,877 due mostly to less salary expenditures compared to the budget in 2023.

Capital Assets and Debt Administration

Capital assets. The Town's investment in capital assets for its governmental and business–type activities as of December 31, 2023, amounts to $13,882,719 (net of accumulated depreciation and related debt). This investment in capital assets includes land and water rights, buildings and systems, machinery and equipment, infrastructure, and vehicles. The overall net increase in the Town's capital assets for the current fiscal year was 5% due to depreciation and construction of the assets. Major capital asset events in the current fiscal year included the following:

- Purchase of police cars - $104,240
- Police modular building - $376,000
- Community center improvements - $79,029
- Playground and park improvements - $119,805
- Street and roadway improvements - $550,248

	Governmental Activities		Business-Type Activities		Total	
	2023	2022	2023	2022	2023	2022
Land	$ 179,928	$ 179,928	$ 168,677	$ 168,677	$ 348,605	$ 348,605
Construction in process	732,203	617,619	1,739,531	1,733,133	2,471,734	2,350,752
Buildings and system	1,180,715	787,418	1,227	1,383	1,181,942	788,801
Machinery and equipment	786,559	719,013	72,917	98,039	859,476	817,052
Infrastructure	3,041,786	2,602,632	-	-	3,041,786	2,602,632
Lease assets	215,772	245,578.00	-	-	215,772	245,578
Wastewater system	-	-	826,427	896,933	826,427	896,933
Waterworks system	-	-	4,584,585	4,816,058	4,584,585	4,816,058
Water rights	-	-	1,144,489	1,144,489	1,144,489	1,144,489
	$ 6,136,963	$ 5,152,188	$ 8,537,853	$ 8,858,712	$ 14,674,816	$ 14,010,900

Long-term debt. At the end of the current fiscal year, the Town had total debt outstanding of $793,228. Of this amount, $571,593 comprises bonded debt backed by the full faith and credit of the government. The remaining balance consists of long-term lease liabilities recorded under GASB Statement No. 87, *Leases.*

	Governmental Activities		Business-Type Activities		Total	
	2023	2022	2023	2022	2023	2022
Revenue bonds	$ 330,000	$ 405,000	$ 241,593	$ 255,194	$ 571,593	$ 660,194
Lease liabilities	221,635	248,024	-	-	221,635	248,024
	$ 551,635	$ 653,024	$ 241,593	$ 255,194	$ 793,228	$ 908,218

Economic Factors and Next Year's Budget and Rates

- Taxable property valuation decreased from $126.985 million in 2022 to $120.127 million in 2023. 2023 valuation is based on collections to be received by the Town in 2024.

- Sales tax revenues were lower than 2023 budgeted amounts by $60,332. As a result, the Town has budgeted sales tax revenues of $1,100,000 for fiscal year 2024 (General Fund and Capital Improvement Fund combined).

The Town has appropriated $58,404 for the general fund in the 2024 fiscal year budget in accordance with the requirements of state statute. Property tax revenues for 2024 are budgeted at $2,642,776 in the general fund. All municipal services provided in 2023 will be continued in 2024.

Requests for Information

This financial report is designed to provide a general overview of the Town's finances for all those with an interest in the government's finances. Questions concerning any of the information provided in this report or requests for additional information should be addressed to the Town Treasurer.

BASIC FINANCIAL STATEMENT

TOWN OF KEENESBURG
STATEMENT OF NET POSITION
DECEMBER 31, 2023

	Governmental Activities	Business-Type Activities	Total
Assets			
Cash and cash equivalents	$ 10,034,940	$ 8,779,313	$ 18,814,253
Cash and cash equivalents - restricted	48,000	-	48,000
Accounts receivable	351,279	146,272	497,551
Property taxes receivable	2,642,776	-	2,642,776
Inventories	-	38,341	38,341
Prepaid items	26,169	5,972	32,141
Capital assets, not depreciated	912,131	3,052,697	3,964,828
Capital assets, net of depreciation	5,009,060	5,485,156	10,494,216
Right to use lease assets, net of amortization	215,772	-	215,772
Net pension asset	30,233	-	30,233
Internal balances	1,148,069	(1,148,069)	-
Total Assets	20,418,429	16,359,682	36,778,111
Deferred Outflows of Resources			
Related to pension	336,282	-	336,282
Total Deferred Outflows of Resources	336,282	-	336,282
Liabilities			
Accounts payable	606,140	18,065	624,205
Accrued interest	350	-	350
Other liabilities	53,924	27,877	81,801
Unearned revenue	2,353,145	4,570	2,357,715
Deposits	8,000	17,525	25,525
Noncurrent liabilities:			
Due within one year	153,738	25,568	179,306
Due in more than one year	419,075	227,711	646,786
Total Liabilities	3,594,372	321,316	3,915,688
Deferred Inflows of Resources			
Related to pension	621,417	-	621,417
Unavailable property taxes	2,642,776	-	2,642,776
Total Deferred Inflows of Resources	3,264,193	-	3,264,193
Net Position			
Net investment in capital assets	5,586,459	8,296,260	13,882,719
Restricted			
Emergency reserves	168,000	-	168,000
Debt service	48,000	-	48,000
Culture and recreation	30,802	-	30,802
Net pension asset	30,233		30,233
Capital projects	-	10,434	10,434
Unrestricted	8,032,652	7,731,672	15,764,324
Total Net Position	$ 13,896,146	$ 16,038,366	$ 29,934,512

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

TOWN OF KEENESBURG
STATEMENT OF ACTIVITIES
YEAR ENDED DECEMBER 31, 2023

		Program Revenues			Net (Expense) Revenue and Changes in Net Position		
Functions/Programs	Expenses	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Governmental Activities	Business-Type Activities	Total
Primary government:							
Governmental Activities:							
General government	$ 1,007,764	$ 516,409	$ 27,890	$ 3,688	$ (459,777)	$ -	$ (459,777)
Public safety	1,460,447	7,370	-	7,899	(1,445,178)	-	(1,445,178)
Public works	832,282	-	-	162,385	(669,897)	-	(669,897)
Health and welfare	78,860	-	-	-	(78,860)	-	(78,860)
Culture and recreation	94,595	-	-	23,931	(70,664)	-	(70,664)
Interest and fiscal charges	18,862	-	-	-	(18,862)	-	(18,862)
Total governmental activities	3,492,810	523,779	27,890	197,903	(2,743,238)	-	(2,743,238)
Business-Type Activities:							
Waterworks	1,048,988	837,664	-	78,666	-	(132,658)	(132,658)
Wastewater	745,850	735,809	-	14,711	-	4,670	4,670
Total business-type activities	1,794,838	1,573,473	-	93,377	-	(127,988)	(127,988)
Total primary government	5,287,648	2,097,252	27,890	291,280	(2,743,238)	(127,988)	(2,871,226)
GENERAL REVENUES:							
Taxes							
General property					2,788,894	-	2,788,894
Specific ownership taxes					118,806	-	118,806
Franchise					362,718	-	362,718
Sales					941,815	-	941,815
Use					84,451	-	84,451
Severance					106,689	-	106,689
Highway users					91,941	-	91,941
Other					7,123	-	7,123
Investment earnings					194,244	332,590	526,834
Loss on disposal of assets					(19,712)	-	(19,712)
Proceeds from insurance					58,553	-	58,553
Miscellaneous					144,165	9,952	154,117
Total general revenues					4,879,687	342,542	5,222,229
Change in net position					2,136,449	214,554	2,351,003
Net position - beginning					11,759,697	15,823,812	27,583,509
Net position - ending					$ 13,896,146	$ 16,038,366	$ 29,934,512

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

TOWN OF KEENESBURG
BALANCE SHEET – GOVERNMENTAL FUNDS
DECEMBER 31, 2023

	General	Impact Fee	Capital Improvements	Non-Major Conservation Trust	Total Governmental Funds
Assets					
Cash and investments	$ 6,686,625	$ 2,111,458	$ 1,119,279	$ 117,578	$ 10,034,940
Cash and investments - restricted	-	-	48,000	-	48,000
Accounts receivable	166,194	-	185,085	-	351,279
Property taxes receivable	2,642,776	-	-	-	2,642,776
Prepaid items	26,169	-	-	-	26,169
Due from other funds	860,127	-	574,975	-	1,435,102
Total assets	$ 10,381,891	$ 2,111,458	$ 1,927,339	$ 117,578	$ 14,538,266
Liabilities, deferred inflows of resources and fund balance					
Liabilities:					
Accounts payable	$ 202,767	$ 34,030	$ 369,343	$ -	$ 606,140
Other liabilities	53,924	-	-	-	53,924
Deposits	8,000	-	-	-	8,000
Unearned revenue	2,353,145	-	-	-	2,353,145
Due to other funds	-	196,530	3,727	86,776	287,033
Total liabilities	2,617,836	230,560	373,070	86,776	3,308,242
Deferred inflows of resources					
Unavailable property taxes	2,642,776	-	-	-	2,642,776
Unavailable grant revenues	18,600	-	-	-	18,600
Total deferred inflows of resources	2,661,376	-	-	-	2,661,376
Fund balance:					
Nonspendable					
Prepaid items	26,169	-	-	-	26,169
Restricted					
Emergencies	168,000	-	-	-	168,000
Debt service	-	-	48,000	-	48,000
Culture and recreation	-	-	-	30,802	30,802
Committed					
Debt service	-	-	86,826	-	86,826
Impact fund	-	1,880,898	-	-	1,880,898
Assigned for					
Capital improvements	-	-	1,419,443	-	1,419,443
Subsequent years budget	58,404	-	-	-	58,404
Unassigned	4,850,106	-	-	-	4,850,106
Total fund balances	5,102,679	1,880,898	1,554,269	30,802	8,568,648
Total liabilities, deferred inflows of resources and fund balances	$ 10,381,891	$ 2,111,458	$ 1,927,339	$ 117,578	$ 14,538,266

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

TOWN OF KEENESBURG
RECONCILIATION OF THE GOVERNMENTAL FUNDS
BALANCE SHEET TO THE STATEMENT OF NET POSITION
DECEMBER 31, 2023

Total fund balance, governmental funds	$	8,568,648
Amounts reported for governmental activities in the statement of net position are different because:		
Capital assets used in governmental activities are not financial resources and therefore, are not reported in the governmental funds.		
Right to use lease assets, net of accumulated amortization		215,772
Capital assets, net of accumulated depreciation		5,921,191
Other noncurrent assets and deferred inflows of resources are not available to pay for current period expenditures and, therefore, are deferred in the funds.		
Net pension asset		30,233
Deferred outflows of resources - related to pensions		336,282
Other deferred inflows of resources are not due and payable in the current period and therefore, are not reported in the funds.		
Deferred inflows of resources - related to pensions		(621,417)
Long-term liabilities, including loans and leases payable, and accrued interest are not due and payable in the current period, and therefore, are not reported in governmental funds.		
Bonds payable		(330,000)
Lease liabilities		(221,635)
Accrued interest		(350)
Compensated absences		(21,178)
Certain revenues not available to pay liabilities of the current period are deferred in the governmental funds		18,600
Total net position of governmental activities	$	13,896,146

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

TOWN OF KEENESBURG
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES – GOVERNMENTAL FUNDS
YEAR ENDED DECEMBER 31, 2023

	General	Impact Fee	Capital Improvements	Non-Major Conservation Trust	Total Governmental Funds
Revenues					
Taxes	$ 3,562,769	$ -	$ 939,668	$ -	$ 4,502,437
Licenses and permits	98,772	-	-	-	98,772
Intergovernmental	97,263	139,196	-	23,931	260,390
Charges for services	516,409	-	-	-	516,409
Investment earnings	117,950	66,728	8,793	773	194,244
Miscellaneous	45,393	-	-	-	45,393
Total revenues	4,438,556	205,924	948,461	24,704	5,617,645
Expenditures					
Current:					
General government	920,431	-	-	-	920,431
Public safety	1,192,015	-	-	-	1,192,015
Public works	587,655	-	-	-	587,655
Health and environment	78,860	-	-	-	78,860
Culture and recreation	70,918	-	-	-	70,918
Capital outlay	376,245	230,185	679,336	86,776	1,372,542
Debt service:					
Principal	26,389	-	75,000	-	101,389
Interest and fiscal charges	7,093	-	11,826	-	18,919
Total expenditures	3,259,606	230,185	766,162	86,776	4,342,729
Excess revenues over expenditures	1,178,950	(24,261)	182,299	(62,072)	1,274,916
Other financing sources					
Proceeds from insurance recovery	58,553	-	-	-	58,553
Total other financing sources	58,553	-	-	-	58,553
Net changes in fund balances	1,237,503	(24,261)	182,299	(62,072)	1,333,469
Fund balances - beginning of year	3,865,176	1,905,159	1,371,970	92,874	7,235,179
Fund balances - end of year	$ 5,102,679	$ 1,880,898	$ 1,554,269	$ 30,802	$ 8,568,648

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

TOWN OF KEENESBURG
RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES – GOVERNMENTAL FUNDS – TO THE STATEMENT OF ACTIVITIES
YEAR ENDED DECEMBER 31, 2023

Net changes in fund balance - total governmental funds:	$	1,333,469
Amounts reported for governmental activities in the statement of activities are different because:		
Governmental funds report capital outlays as expenditures. However, in the statement of activities the cost of these assets is allocated over their estimated useful lives and reported as depreciation expense.		
Capital outlay		1,372,542
Depreciation expense		(338,249)
Lease amortization expense		(29,806)
Loss on disposal		(19,712)
Governmental funds report principal payments as expenditures. However, in the statement of activities these payments are reflected as a reduction in long-term debt obligations.		
Principal on bonds payable		75,000
Principal on leases payable		26,389
Some expenses reported in the statement of activities do not require the use of current financial resources and, therefore, are not reported as expenditures in the governmental funds.		
Change in accrued compensated absences		(1,112)
Change in accrued interest payable		57
FFPA pension expense		(254,902)
Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in governmental funds.		
Change in unavailable grant revenues		(27,227)
Change in net position of governmental activities	$	2,136,449

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

TOWN OF KEENESBURG
PROPRIETARY FUNDS
STATEMENT OF NET POSITION
DECEMBER 31, 2023

	Waterworks	Wastewater	Total
Assets			
Current assets:			
Cash and investments	$ 6,939,074	$ 1,840,239	$ 8,779,313
Accounts receivable, net	64,083	82,189	146,272
Inventories	38,341	-	38,341
Prepaid items	3,943	2,029	5,972
Due from other funds	3,820	581,688	585,508
Total current assets	7,049,261	2,506,145	9,555,406
Noncurrent assets:			
Capital assets, not being depreciated	1,345,924	1,706,773	3,052,697
Capital assets, net of depreciation	4,636,923	848,233	5,485,156
Total noncurrent assets	5,982,847	2,555,006	8,537,853
Total assets	13,032,108	5,061,151	18,093,259
Liabilities			
Current liabilities:			
Accounts payable	8,091	9,974	18,065
Customer deposits	17,525	-	17,525
Other liabilities	15,083	12,794	27,877
Due to other funds	1,228,320	505,257	1,733,577
Unearned revenues	2,456	2,114	4,570
Compensated absences, current portion	6,355	5,331	11,686
Loans payable, current portion	-	13,882	13,882
Total current liabilities	1,277,830	549,352	1,827,182
Noncurrent liabilities:			
Loans payable	-	227,711	227,711
Total noncurrent liabilities	-	227,711	227,711
Total liabilities	1,277,830	777,063	2,054,893
Net Position			
Net investment in capital assets	5,982,847	2,313,413	8,296,260
Restricted - capital projects	-	10,434	10,434
Unrestricted	5,771,431	1,960,241	7,731,672
Total net position	$ 11,754,278	$ 4,284,088	$ 16,038,366

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

TOWN OF KEENESBURG
PROPRIETARY FUNDS
STATEMENT OF REVENUES, EXPENSES AND
CHANGES IN NET POSITION
YEAR ENDED DECEMBER 31, 2023

	Waterworks	Wastewater	Total
Operating revenues			
Charges for services	$ 837,664	$ 735,809	$ 1,573,473
Miscellaneous	9,952	-	9,952
Total operating revenues	847,616	735,809	1,583,425
Operating expenses			
Operations and maintenance	511,287	358,896	870,183
Administration and general	290,351	300,856	591,207
Depreciation	247,350	79,907	327,257
Total operating expenses	1,048,988	739,659	1,788,647
Operating income (loss)	(201,372)	(3,850)	(205,222)
Nonoperating revenues (expenses)			
Intergovernmental	33,667	-	33,667
Investment earnings	265,660	66,930	332,590
Interest expense	-	(6,191)	(6,191)
Total non-operating revenues (expenses)	299,327	60,739	360,066
Income (loss) before contributions	97,955	56,889	154,844
Capital contributions	44,999	14,711	59,710
Changes in net position	142,954	71,600	214,554
Net position, beginning of year	11,611,324	4,212,488	15,823,812
Net position, end of year	$ 11,754,278	$ 4,284,088	$ 16,038,366

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

TOWN OF KEENESBURG
PROPRIETARY FUNDS
STATEMENT OF CASH FLOWS
YEAR ENDED DECEMBER 31, 2023

	Waterworks	Wastewater	Total
Cash Flows From Operating Activities			
Cash received from customers	$ 875,002	$ 733,293	$ 1,608,295
Cash paid to suppliers	(990,507)	(291,974)	(1,282,481)
Cash paid to employees	(444,775)	(369,877)	(814,652)
Other operating receipts	9,419	-	9,419
Net cash provided (used) by operating activities	(550,861)	71,442	(479,419)
Cash Flows From Capital and Related Financing Activities			
Acquisition of capital assets	(6,398)	-	(6,398)
Tap fees received	44,999	14,711	59,710
Loan principal payments	-	(13,601)	(13,601)
Loan interest payment	-	(6,191)	(6,191)
Net cash provided (used) by capital and related financing activities	38,601	(5,081)	33,520
Cash Flows From Noncapital Financing Activities			
Grants received	33,667	-	33,667
Transfers to/from other funds	569,791	(72,175)	497,616
Net cash provided (used) by noncapital financing activities	603,458	(72,175)	531,283
Cash Flows From Investing Activities			
Interest received	265,660	66,930	332,590
Net cash provided by investing activities	265,660	66,930	332,590
Net change in cash and cash equivalents	356,858	61,116	417,974
Cash and cash equivalents, beginning of year	6,582,216	1,779,123	8,361,339
Cash and cash equivalents, end of year	$ 6,939,074	$ 1,840,239	$ 8,779,313
Reconciliation of Net Operating Income (Loss) to Net Cash Provided by Operating Activities			
Net operating income (loss)	$ (201,372)	$ (3,850)	$ (205,222)
Adjustments to reconcile net operating income (loss) to cash provided by operating activities			
Depreciation expense	247,350	79,907	327,257
Changes in assets and liabilities related to operations			
(Increase) Decrease in:			
Accounts receivable	30,813	(2,756)	28,057
Inventory	(1,663)	-	(1,663)
Prepaid items	(1,449)	(1,301)	(2,750)
Increase (Decrease) in:			
Accounts payable	(629,138)	(268)	(629,406)
Unearned revenue	(533)	240	(293)
Deposits	6,525	-	6,525
Compensated absences payable	(1,394)	(530)	(1,924)
Net cash provided by operating activities	$ (550,861)	$ 71,442	$ (479,419)

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

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Financial Reporting Entity

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

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

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

Government-Wide and Fund Financial Statements

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

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

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

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Government-Wide and Fund Financial Statements (Continued)

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

Measurement Focus, Basis of Accounting, and Financial Statement Presentation

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

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

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

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

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

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

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

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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

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

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

The Town reports the following major proprietary funds:

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

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

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

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

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

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

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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

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

Receivables – All receivables are reported at their gross value and, where appropriate, are reduced by the estimated portion that is expected to be uncollectible. At December 31, 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.

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

Property taxes levied in the General Fund are included in receivables and deferred inflows at December 31, 2023. These taxes are classified as deferred inflows since they are not normally available to the Town until mid-2024 and are budgeted for in 2024.

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

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

Leased Assets – In June 2017 the Governmental Accounting Standards Board (GASB) adopted Statement No. 87, *Leases*. This standard establishes a single model for lease accounting based on the foundational principle that leases are financing the right to use and underlying asset. The Town determines if an arrangement is a lease at inception. Lease assets represent the Town's control of the right to use an underlying asset for the lease term, in an exchange-like transaction. Lease assets are recognized at the commencement date based on the initial measurement of the lease liability, plus any payment made to the lessor at or before the commencement of the lease term and certain direct costs. Lease assets are amortized in a systematic and rational manner over the useful life of the underlying asset.

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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

Capital Assets – Capital assets, which include land, construction in process, water rights, water and wastewater systems, buildings, equipment, and streets constructed or contributed since January 1, 2004, are reported in the applicable governmental or business-type activities columns in the government-wide financial statements and the proprietary fund in the fund financial statements. Capital assets are defined as assets with an initial, individual cost of $5,000 or more and an estimated useful life in excess of one year. Such assets are recorded at acquisition cost or estimated acquisition cost if purchased or constructed. Donated capital assets are recorded at the acquisition value on the date of donation.

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

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

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

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

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

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

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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

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

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

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

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

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

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

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

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

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

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

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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

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

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

Committed fund balance – Amounts constrained to specific purposes by the Town itself, using its highest level of decision-making authority (i.e., Board of Trustees).

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

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

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

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

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

Recently Adopted Accounting Pronouncements

During 2023, the Town adopted GASB Statement No, 96, *Subscription-Based Information Technology Arrangements*. The adoption of this statement had no impact on the Town's financial statements.

NOTE 2 - STEWARDSHIP, COMPLIANCE, AND ACCOUNTABILITY

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

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

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

NOTE 3 - CASH AND CASH EQUIVALENTS

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

Cash and investments	$	18,814,253
Cash and investments - restricted		48,000
Total cash and investments	$	18,862,253

Cash and cash equivalents at December 31, 2023, consisted of the following:

Cash with County Treasurer	$	9,569
Cash deposits		6,324,891
Investments		12,527,793
Total	$	18,862,253

Custodial Credit Risk

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

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

NOTE 3 - CASH AND CASH EQUIVALENTS (CONTINUED)

At December 31, 2023, the carrying amount of the Town's deposits was $6,324,891 and the bank balance was $6,363,330 of which $250,000 was covered by FDIC insurance and the remainder covered by the PDPA.

Investments

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

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

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

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

* Local government investment pools

ColoTrust

As of December 31, 2023, the Town had $12,527,793 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 statues governing ColoTrust. ColoTrust operates similarly to a money market fund and each share is equal in value to $1.00. The Town's investments are held in the ColoTrust Plus+ portfolio.

NOTE 3 - CASH AND CASH EQUIVALENTS (CONTINUED)

Investments (continued)

The 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.

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

Investment Valuation

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

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

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

Restricted Cash and Investments – At December 31, 2023, the Capital Improvement Fund reported $48,000 of restricted cash which matches the bond debt service requirement for the Series 2014 Revenue Bonds.

NOTE 4 - CAPITAL ASSETS

Capital assets for governmental activities for the year ended December 31, 2023, is summarized below:

	Balances December 31, 2022	Additions	Deletions	Balances December 31, 2023
Governmental Activities:				
Capital Assets, not being depreciated				
Land	$ 179,928	$ -	$ -	$ 179,928
Construction in process	617,619	114,584	-	732,203
Total capital assets, not depreciated	797,547	114,584	-	912,131
Capital Assets, being depreciated				
Buildings	1,565,484	485,510	(21,400)	2,029,594
Equipment	1,513,922	222,200	(56,343)	1,679,779
Streets	3,454,920	550,248	-	4,005,168
Total capital assets, depreciated	6,534,326	1,257,958	(77,743)	7,714,541
Accumulated depreciation				
Buildings	(797,382)	(72,897)	21,400	(848,879)
Equipment	(775,593)	(154,258)	36,631	(893,220)
Streets	(852,288)	(111,094)	-	(963,382)
Total accumulated depreciation	(2,425,263)	(338,249)	58,031	(2,705,481)
Net capital assets, depreciated	4,109,063	919,709	(19,712)	5,009,060
Governmental Activities Capital Assets, net	$ 4,906,610	$ 1,034,293	$ (19,712)	$ 5,921,191

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

Governmental activities	
General government	$ 81,180
Public safety	13,530
Public works	219,862
Culture and recreation	23,677
Total	$ 338,249

NOTE 4 - CAPITAL ASSETS (CONTINUED)

	Balances December 31, 2022	Additions	Deletions	Balances December 31, 2023
Governmental Activities:				
Leased assets, being amortized				
Equipment	$ 272,861	$ -	$ -	$ 272,861
Total leased assets being amortized	272,861	-	-	272,861
Accumulated amortization				
Equipment	(27,283)	(29,806)	-	(57,089)
Total accumulated amortization	(27,283)	(29,806)	-	(57,089)
Total lease assets, being amortized, net	$ 245,578	$ (29,806)	$ -	$ 215,772

$5,041 of amortization expense was charged to the general government function and $24,765 was charged to the public works function on the statement of activities.

Capital assets for business-type activities for the year ended December 31, 2023, is summarized below:

	Balances December 31, 2022	Additions	Deletions	Balances December 31, 2023
Business-Type Activities:				
Capital Assets, not being depreciated				
Land	$ 168,677	$ -	$ -	$ 168,677
Construction in progress	1,733,133	6,398	-	1,739,531
Water rights	1,144,489	-	-	1,144,489
Total capital assets, not depreciated	3,046,299	6,398	-	3,052,697
Capital Assets, being depreciated				
Buildings	40,907	-	-	40,907
Equipment	216,757	-	(4,971)	211,786
Improvements - lagoons	428,139	-	-	428,139
Lagoon discharge rights	11,904	-	-	11,904
Wastewater system	984,153	-	-	984,153
Waterworks system	6,880,008	-	-	6,880,008
Total capital assets, depreciated	8,561,868	-	(4,971)	8,556,897
Accumulated depreciation				
Buildings	(39,524)	(156)	-	(39,680)
Equipment	(118,718)	(25,122)	4,971	(138,869)
Improvements - lagoons	(263,425)	(20,803)	-	(284,228)
Lagoon discharge rights	(11,903)	-	-	(11,903)
Wastewater system	(251,935)	(49,703)	-	(301,638)
Waterworks system	(2,063,950)	(231,473)	-	(2,295,423)
Total accumulated depreciation	(2,749,455)	(327,257)	4,971	(3,071,741)
Net capital assets, depreciated	5,812,413	(327,257)	-	5,485,156
Business-Type Activities Capital Assets, net	$ 8,858,712	$ (320,859)	$ -	$ 8,537,853

NOTE 4 - CAPITAL ASSETS (CONTINUED)

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

Business-type activities:		
Waterworks	$	247,350
Wastewater		79,907
Total	$	327,257

NOTE 5 - INTERFUND RECEIVABLES AND PAYABLES

Interfund receivable and payable balances at December 31, 2023 are as follows:

Fund	Interfund Receivable	Interfund Payable
General	$ 860,127	$ -
Capital Improvement	574,975	3,727
Impact Fee	-	196,530
Conservation Trust Fund	-	86,776
Waterworks	3,820	1,228,320
Wastewater	581,688	505,257
	$ 2,020,610	$ 2,020,610

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

NOTE 6 - LONG-TERM DEBT

Following is a summary of long-term debt transactions for the governmental activities for the year ended December 31, 2023.

	Balances December 31, 2022	Additions	Deletions	Balances December 31, 2023	Due In One Year
Governmental Activities:					
Series 2014, Sales Tax					
Revenue Bonds	$ 405,000	$ -	$ (75,000)	$ 330,000	$ 105,000
Lease liabilities	248,024	-	(26,389)	221,635	27,560
Compensated absences	20,066	21,178	(20,066)	21,178	21,178
Total	$ 673,090	$ 21,178	$ (121,455)	$ 572,813	$ 153,738

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

NOTE 6 - LONG-TERM DEBT (CONTINUED)

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

To provide additional security for the payment of the 2014 Bonds, sales tax collections in excess of the required annual amounts shall be maintained in a reserve account. The amount of the reserve at December 31, 2023, is $48,000, which means the requirement as set in the 2014 Official Statement.

In May of 2022 the Town entered into a lease agreement for the use of copiers and a folding machine. The lease term is 63 months with fixed payments of $415 due each month. The implicit borrowing rate on the lease was determined to be 1.37% and management utilized this rate to calculate the net present value of the right to use lease asset and lease liability recorded on the statement of net position.

In January of 2022, the Town entered into a lease purchase agreement with WagnerCat Financial Services for the use of a motor grader. The lease purchase agreement term is 84 months and the payments under the agreement are fixed at $2,375 per month. The lease purchase agreement carries a fixed interest rate of 2.99%. The Town used the fixed interest rate per the agreement to calculate the net present value of the right to use lease asset and lease liability recorded on the statement of net position. The Town plans to exercise the $82,320 purchase option at the end of the agreement, so the right to use lease asset was amortized over the asset's useful life of 10 years, instead of the length of the lease purchase agreement.

Remaining debt service at December 31, 2023, was as follows:

2014 Revenue Refunding Bonds

Year ended December 31,	Principal	Interest	Total
2024	$ 105,000	$ 9,636	$ 114,636
2025	110,000	6,570	116,570
2026	115,000	3,358	118,358
Total	$ 330,000	$ 19,564	$ 349,564

NOTE 6 - LONG-TERM DEBT (CONTINUED)

Lease Liability - Equipment

Year ended December 31,	Principal	Interest	Total
2024	$ 27,560	$ 5,922	$ 33,482
2025	28,324	5,157	33,481
2026	29,093	4,389	33,482
2027	28,219	3,602	31,821
2028	108,439	2,848	111,287
Total	$ 221,635	$ 21,918	$ 243,553

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

Following is a summary of long-term debt transactions for the business-type activities for the year ended December 31, 2023:

	Balances December 31, 2021	Additions	Deletions	Balances December 31, 2022	Due In One Year
Business-Type Activities:					
Series 2018, Wastewater Revenue Bonds	$ 255,194	$ -	$ (13,601)	$ 241,593	$ 13,882
Compensated absences	13,610	11,686	(13,610)	11,686	11,686
Total	$ 268,804	$ 11,686	$ (27,211)	$ 253,279	$ 25,568

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

Annual debt service requirements for the outstanding 2018 Bonds at December 31, 2023, are as follows.

Series 2018 Revenue Bonds

Year ended December 31,	Principal	Interest	Total
2024	$ 13,882	$ 6,644	$ 20,526
2025	14,264	6,262	20,526
2026	14,656	5,870	20,526
2027	15,059	5,467	20,526
2028	15,473	5,053	20,526
2029-2033	83,989	18,641	102,630
2034-2038	84,270	6,440	90,710
Total	$ 241,593	$ 54,377	$ 295,970

NOTE 6 - LONG-TERM DEBT (CONTINUED)

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

NOTE 7 - RETIREMENT PLAN AND PENSION PLAN

The Town provides retirement benefits for all full-time employees through individual SEP accounts of the employee's choosing. The current year covered payroll of eligible employees amounted to $1,145,527 The Town contributes 5% of the employees' compensation; however, the total contribution for each employee may not exceed 15% of annual earnings or $30,000, whichever is less. Contributions by the Town on behalf of the employees amounted to $55,933 for 2023. All contributions are 100% vested for the benefit of each employee immediately upon deposit.

Statewide Hybrid Plan – Defined Benefit Component

During the year ended December 31, 2022 the Town began participating in the Statewide Hybrid Plan (SWH), a pension plan covering full-time firefighters and police officers from departments that elect coverage. The Plan may also cover clerical staff, other fire district personnel whose services are auxiliary to fire protection, or chiefs who have opted out of the Statewide Defined Benefit Plan. As of January 1, 2023, the Statewide Defined Benefit Plan have merged to form the Statewide Retirement Plan (SRP) and the Statewide Hybrid Plan becomes the Hybrid Component of the Statewide Retirement Plan. The Plan is comprised of two components: Defined Benefit and Money Purchase. With the latter component, members have the option of choosing among various investment options offered by an outside investment manager. Employers may not withdraw from the Plan once affiliated.

The Plan assets associated with the Defined Benefit Component are included in the Fire & Police Members' Benefit Investment Fund and the Plan assets associated with the Money Purchase Component and Deferred Retirement Option Plan (DROP) assets are included in the Fire & Police Members' Self-Directed Investment Fund.

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

Benefits Provided – Through December 31, 2022, any member may retire from further service and become eligible for a normal retirement pension at any time after age 55, if the member has at least 25 years of service. Effective January 1, 2023, and member may qualify for normal retirement if the member's combined years of service and age equal at least 80, with a minimum age of 50 (Rule of 80).

NOTE 7 - RETIREMENT PLAN AND PENSION PLAN (CONTINUED)

Statewide Hybrid Plan – Defined Benefit Component (continued)

The annual normal pension of the Defined Benefit Component is 1.5 percent of the average of the member's highest three years' pensionable earnings for each year of credited service. For service credit granted through December 31, 2022, the benefit factor used to calculate the member's retirement benefit is 1.9 percent of the average of the member's highest three years' pensionable earnings. This change in benefit factor was also applied to retired members effective January 1, 2023 as part of the formation of the Statewide Retirement Plan. Benefits paid to retired members of the Defined Benefit Component are evaluated and may be re-determined annually on October 1. The amount of any increase is based on the Board's discretion.

A member is eligible for early retirement within the Defined Benefit Component after completion of 30 years of service or attainment of age 50 with at least five years of credited service. The early retirement benefit equals the normal retirement benefit reduced on an actuarially equivalent basis. Upon termination, a member may elect to have all contributions, along with 5 percent as interest, returned as a lump sum distribution from the Defined Benefit Component. Alternatively, a member with at least five years of accredited service may leave contributions with the Defined Benefit Component of the Plan and remain eligible for a retirement pension at age 55 equal to 1.5 percent of the average of the member's highest three years' pensionable earnings for each year of credited service.

Contributions – The Plan sets contribution rates at a level that enables all benefits to be fully funded at the retirement date of all members. The members of the SWH plan and their employers are currently each contributing at a rate determined by the individual employer, however, the rate for both employer and members must be at least 8 percent of the member's pensionable earnings. The amount allocated to the Defined Benefit Component is set annually by the FPPA Board of Directors. Excess contributions fund the Money Purchase Component of the Plan. The Defined Benefit Component contribution rate from July 1, 2020 through June 30, 2021 was 13.80 percent. The Defined Benefit Component contribution rate from July 1, 2021 through June 30, 2022 was 14.1 percent. The Town's contributions to the plan for the year ended December 31, 2023, were $45,332, equal to the required contributions.

Pension Asset/Liability, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pension

At December 31, 2023, the Town reported a net pension asset of $30,233 representing its proportionate share of the net pension asset of the plan. The net pension asset was measured at December 31, 2022, and the total pension liability used to calculate the net pension asset was determined by an actuarial valuation as of January 1, 2023. The Town's proportion of the net pension asset was based on the Town's share of contributions to the pension plan relative to the contributions of all participating entities.

NOTE 7 - RETIREMENT PLAN AND PENSION PLAN (CONTINUED)

Pension Asset/Liability, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pension (continued)

At December 31, 2022, the Town's proportion was 2.0729 percent which was an increase of 2.0729 percent from its proportion measured at December 31, 2021. For the year ended December 31, 2023, the Town recognized pension expense of $300,234. At December 31, 2023, the Town reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Difference between Expected and Actual Experience	$ 132,991	$ -
Changes of Assumptions or other Inputs	34,573	-
Net Difference between Projected and Actual Earnings on Pension Plan Investments	123,386	-
Changes in Proportion and Differences between Contributions Recognized and Proportionate Share of Contributions	-	621,417
Contributions Subsequent to the Measurement Date	45,332	-
Total	$ 336,282	$ 621,417

$45,332 reported as deferred outflows of resources related to pension resulting from Town contributions subsequent to the measurement date will be recognized as an increase in the net pension asset in the year ended December 31, 2024. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized as pension expense as follows:

Year Ended December 31,	Amount
2024	$ (53,668)
2025	(59,917)
2026	(51,626)
2027	(30,794)
2028	(107,215)
Thereafter	(27,247)
Total	$ (330,467)

Actuarial Assumptions

The actuarial valuations for the SWH - Defined Benefit Component were used to determine the total pension liability and actuarially determined contributions for the fiscal year ending December 31, 2022. The valuations used the following actuarial assumption and other inputs:

NOTE 7 - RETIREMENT PLAN AND PENSION PLAN (CONTINUED)

Actuarial Assumptions (Continued)

	Total Pension Liability	Actuarial Determined Contributions
Actuarial Valuation Date	January 1, 2023	January 1, 2022
Actuarial Method	Entry Age Normal	Entry Age Normal
Amortization Method	N/A	Level % of Payroll, Open
Amortization Period	N/A	30 years
Long-term Investment Rate of Return*	7.0%	7.0%
Projected Salary Increases	4.25% - 11.25%	4.25% - 11.25%
Cost of Living Adjustments (COLA)	0%	0%
*Includes Inflation at	2.5%	2.5%

For determining the total pension liability, the post-retirement mortality tables for non-disabled retires uses the Pub-2010 Safety Healthy Annuitant Mortality Tables projected with the ultimate values of the MP-2020 projection scale. The pre-retirement off-duty mortality tables are adjusted to 60 percent of the MP-2020 mortality tables for active employees. The on-duty mortality rate is 0.00015.

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

At least every five years the FPPA’s Board of Directors, in accordance with best practices, reviews its economic and demographic actuarial assumptions. At its July 2022 meeting, the Board of Directors reviewed and approved recommended changes to the actuarial assumptions. The recommendations were made by the FPPA’s actuaries, Gabriel, Roeder, Smith & Co., based upon their analysis of past experience and expectations of the future. The assumption changes were effective for actuarial valuations beginning January 1, 2023. The actuarial assumptions impact actuarial factors for benefit purposes such as purchases of service credit and other benefits where actuarial factors are used.

The long-term expected rate of return on pension plan investments was determined using a building-block method in which best-estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighing the expected future real rates of return by the target asset allocation percentage and by adding expected inflation (assumed at 2.5 percent). Best estimates of arithmetic real rates of return for each major asset class included in the Fund’s target asset allocation as of December 31, 2022 are summarized in the following table:

NOTE 7 - RETIREMENT PLAN AND PENSION PLAN (CONTINUED)

Actuarial Assumptions (Continued)

Asset Class	Target Allocation	Long-Term Expected Real Rate of Return
Global Equity	35 %	8.93 %
Equity Long/Short	6 %	7.47
Private Markets	34 %	10.31
Fixed Income - Rates	10 %	5.45
Fixed Income - Credit	5 %	6.90
Absolute Return	9 %	6.49
Cash	1 %	3.92
Total	100 %	

Discount Rate

The discount rate used to measure the total pension liability was 7.00 percent. The projection of cash flows used to determine the discount rate assumed that contributions from participating employers will be made based on the actuarially determined rates based on the Board's funding policy, which establishes the contractually required rates under Colorado statutes. Based on those assumptions, the SWH - Defined Benefit Component plan fiduciary net position was projected to be available to make all the projected future benefit payments of current plan members.Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

Projected benefit payments are required to be discounted to their actuarial present values using a Single Discount Rate that reflects (1) a long-term expected rate of return on pension plan investments (to the extent that the plan's fiduciary net position is projected to be sufficient to pay benefits) and (2) tax-exempt municipal bond rate based on an index of 20-year general obligation bonds with an average AA credit rating as of the measurement date (to the extent that the plan's projected fiduciary net position is not sufficient to pay benefits).

For the purpose of this valuation, the expected rate of return on pension plan investments is 7.00 percent; the municipal bond rate is 4.05 percent (based on the weekly rate closest to but not later than the measurement date of the "state & local bonds" rate from Federal Reserve statistical release (H.15)); and the resulting Single Discount Rate is 7.00 percent.

Sensitivity of the Net Pension Liability (Asset) to Changes in the Discount Rate

The following presents the City's proportionate share of the net pension liability calculated using the discount rate of 7.0 percent, as well as the City's proportionate share of the net pension asset (liability) if it were calculated using a discount rate that is one percentage point lower (6.0 percent) or one percentage point higher (8.0 percent) than the current rate, as follows:

NOTE 7 - RETIREMENT PLAN AND PENSION PLAN (CONTINUED)

Discount Rate (Continued)

	1% Decrease (6.00%)	Current Discount Rate (7.00%)	1% Increase (8.00%)
Proportionate Share of the Net Pension Liability (Asset)	$ 228,288	$ (30,233)	$ (247,110)

Pension Plan Fiduciary Net Position

Detailed information about the plan's fiduciary net position is available in FPPA's separately issued financial report, which may be obtained at www.fppaco.org.

NOTE 8 - RISK MANAGEMENT

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

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

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

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

NOTE 9 - COMMITMENTS AND CONTINGENCIES

Claims and Judgements

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

NOTE 9 - COMMITMENTS AND CONTINGENCIES (CONTINUED)

At December 31, 2023, certain grant expenditures have not been audited but management believes that disallowed expenditures, if any, based on subsequent audits will not have a material effect on the overall financial position of the Town.

NOTE 10 - RELATED ORGANIZATION

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

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

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

NOTE 11 - TAX AND SPENDING LIMITATIONS

Tabor Amendment

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

The Amendment requires that Emergency Reserves be established. These reserves must be at least 3 percent of "fiscal Year Spending" (as defined in the Amendment). As of December 31, 2023, the Town's restricted fund balance and net position for this purpose is $168,000.

REQUIRED SUPPLEMENTARY INFORMATION

TOWN OF KEENESBURG
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES
IN FUND BALANCE – BUDGET AND ACTUAL – GENERAL FUND
YEAR ENDED DECEMBER 31, 2023

	Original and Final Budget	Actual	Variance Positive (Negative)
Revenues			
Property taxes			
General property tax	$ 2,793,679	$ 2,788,894	$ (4,785)
Specific ownership taxes	65,000	118,806	53,806
Penalties and interest	500	1,512	1,012
Total property taxes	2,859,179	2,909,212	50,033
Other taxes			
Cigarette tax	2,500	2,904	404
Sales tax	-	2,147	2,147
Franchise tax	310,000	362,718	52,718
Severance tax	85,000	106,689	21,689
Highway users' tax	86,500	91,941	5,441
Use tax	40,000	84,451	44,451
Payment in lieu of taxes	2,800	2,707	(93)
Total other taxes	526,800	653,557	126,757
Intergovernmental			
Motor vehicle registration	9,000	9,431	431
County road and bridge	31,000	52,572	21,572
Grant proceeds	115,500	27,890	(87,610)
Donations	25,000	-	(25,000)
Intergovernmental agreements	-	7,370	7,370
Total intergovernmental	180,500	97,263	(83,237)
License and fees			
Liquor license	1,500	1,104	(396)
Occupation fees	-	184	184
Building permits	90,000	92,960	2,960
Business licenses and permits	12,000	3,724	(8,276)
Street cut fees	500	800	300
Total license and fees	104,000	98,772	(5,228)
Charges for services			
Development fees - consulting	100,000	50,597	(49,403)
Development fees - legal	75,000	71,699	(3,301)
Animal control fees	5,000	5,935	935
Municipal court fees	8,500	125,394	116,894
SRO and IGA	93,800	104,239	10,439
Solid waste fees	150,000	158,545	8,545
Total charges for services	432,300	516,409	84,109
Miscellaneous			
Investment earnings	9,000	117,950	108,950
Miscellaneous revenues	80,000	45,393	(34,607)
Total miscellaneous	89,000	163,343	74,343
Total revenues	4,191,779	4,438,556	246,777

TOWN OF KEENESBURG
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES
IN FUND BALANCE – BUDGET AND ACTUAL – GENERAL FUND (CONTINUED)
YEAR ENDED DECEMBER 31, 2023

	Original and Final Budget	Actual	Variance Positive (Negative)
Expenditures			
Legislative			
Mayor salary	7,200	7,200	-
Payroll taxes - mayor/trustees	1,800	1,519	281
Worker's compensation	230	228	2
Miscellaneous	3,500	0	3,500
Director/trustee fees	14,400	12,325	2,075
Total legislative	27,130	21,272	5,858
General administration			
Salaries	331,694	309,043	22,651
Payroll taxes	25,872	23,264	2,608
Telephone	4,310	3,400	910
Utilities	10,800	6,608	4,192
Office expense	32,000	35,726	(3,726)
Maintenance and repairs	14,000	54,934	(40,934)
Insurance and bonds	16,000	16,745	(745)
Audit and accounting	9,600	10,875	(1,275)
Professional services	125,000	95,191	29,809
Legal	60,000	89,725	(29,725)
Publishing	1,500	1,845	(345)
Dues and subscriptions	27,200	12,149	15,051
Health and insurance	45,223	33,814	11,409
Planning and zoning	85,000	20,156	64,844
Capital outlay	228,000	-	228,000
Employee benefits	16,585	18,946	(2,361)
Worker's compensation	2,200	1,365	835
Miscellaneous	20,000	16,462	3,538
Treasurer's fees	15,000	27,885	(12,885)
Legal/development/planning	175,000	121,026	53,974
Total general administration	1,244,984	899,159	345,825
Public safety			
Salaries	777,644	663,757	113,887
Payroll taxes	68,456	52,038	16,418
FPPA contributions	73,278	101,885	(28,607)
Worker's compensation	293,552	17,976	275,576
Health Insurance	99,000	29,593	69,407
Training	66,920	14,072	52,848
Weld County dispatch	15,000	6,896	8,104
Victims advocate	5,000	2,430	2,570
Contract IT	30,000	7,040	22,960
Legal - judge & court attorney	12,000	26,986	(14,986)
Lab fees	3,500	-	3,500
Insurance and bonds	32,000	34,708	(2,708)
Licensing	700	60,079	(59,379)
Supplies	57,600	87,728	(30,128)
Repair and maintenance	4,500	12,719	(8,219)
Fuel and oil	40,000	20,998	19,002
Inspection services	155,000	46,553	108,447
Capital outlay	385,000	376,245	8,755
Miscellaneous	25,800	6,557	19,243
Total public safety	2,144,950	1,568,260	576,690

TOWN OF KEENESBURG
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE – BUDGET AND ACTUAL – GENERAL FUND (CONTINUED)
YEAR ENDED DECEMBER 31, 2023

	Original and Final Budget	Actual	Variance Positive (Negative)
Public works			
Salaries	248,552	194,232	54,320
Payroll taxes	19,387	16,101	3,286
Telephone	4,310	3,386	924
Utilities	3,000	1,954	1,046
Office expense	7,500	6,825	675
Maintenance and repair - equipment	80,000	59,168	20,832
Maintenance and repair - streets	200,000	188,178	11,822
Street lighting	15,000	12,894	2,106
Gas and oil	22,000	21,875	125
Shop supplies	7,500	10,841	(3,341)
Trash service fees	11,500	12,976	(1,476)
Employee benefits	11,000	11,623	(623)
Health insurance	32,670	23,736	8,934
Worker's compensation	20,000	17,293	2,707
Miscellaneous	7,200	6,573	627
Total public works	689,619	587,655	101,964
Health and welfare			
Code enforcement	55,000	68,933	48,700
Mosquito spraying	4,800	6,300	1,173
Animal control	4,000	3,627	(64,933)
Miscellaneous	13,000	-	13,000
Total health and welfare	76,800	78,860	(2,060)
Culture and recreation			
Utilities	500	522	(22)
Maintenance and repair	5,000	13,274	(8,274)
Miscellaneous	15,500	26,912	(11,412)
Miscellaneous contributions	13,000	11,050	1,950
Tree USA / Arbor Dat	20,000	19,160	840
Total culture and recreation	54,000	70,918	(16,918)
Debt Service			
Principal - lease liabilities	-	26,389	(26,389)
Interest - lease liabilities	-	7,093	(7,093)
Total debt service	-	33,482	(33,482)
Total expenditures	4,237,483	3,259,606	977,877
Other financing sources and (uses)			
Proceeds from insurance recoveries	-	58,553	58,553
Total other financing sources (uses)	-	58,553	58,553
Net changes in fund balance	$ (45,704)	1,237,503	$ 1,283,207
Fund balance - beginning of year		3,865,176	
Fund balance - end of year		$ 5,102,679	

TOWN OF KEENESBURG
SCHEDULE OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCE – BUDGET AND ACTUAL –
IMPACT FEE FUND
YEAR ENDED DECEMBER 31, 2023

	Original and Final Budget	Actual	Variance Positive (Negative)
Revenues			
Police impact fee	$ 5,825	$ 7,899	$ 2,074
Town Hall impact fee	46,100	3,688	(42,412)
Roadway impact fee	136,825	110,091	(26,734)
Drainage impact fee	25,382	17,518	(7,864)
Park impact fee	66,075	-	(66,075)
Grants	252,000	-	(252,000)
Investment earnings	5,500	66,728	61,228
Total revenues	537,707	205,924	(331,783)
Expenditures			
Capital outlay	2,202,000	230,185	1,971,815
Total expenditures	2,202,000	230,185	1,971,815
Net changes in fund balance	$ (1,664,293)	(24,261)	$ 1,640,032
Fund balance - beginning of year		1,905,159	
Fund balance - end of year		$ 1,880,898	

TOWN OF KEENESBURG
SCHEDULE OF THE TOWN'S CHANGES IN THE NET PENSION LIABILITY (ASSET) – STATEWIDE HYBRID BENEFIT PLAN
LAST 10 FISCAL YEARS

Measurement period ending December 31,		**2022 ***
Town's Proportion of the Net Pension Liability (Asset)		2.0729%
Town's Proportionate Share of the Net Pension Liability (Asset)	$	(30,233)
Town's Covered Payroll		477,000
Town's Proportionate Share of the Net Pension Liability (Asset) as a Percentage of its Covered payroll		(6.34%)
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability		101.4%

* The Town did not being participating in the plan until 2022, so there is no previous historical data to present.

TOWN OF KEENESBURG
SCHEDULE OF THE TOWN'S CONTRIBUTIONS AND RELATED RATIOS
STATEWIDE HYBRID BENEFIT PLAN
LAST 10 FISCAL YEARS

Fiscal Year	**2023**	**2022**
Statutorily Required Contributions	$ 45,332	$ 38,160
Contributions in Relation to the Statutorily Required Contribution	45,332	38,160
Contribution Deficiency (Excess)	$ -	$ -
Covered Payroll	$ 539,149	$ 477,000
Contributions as a Percentage of Covered Payroll *	8.4%	8.0%

* The Town has elected to make voluntary contributions above the statutory requirement, and these voluntary contributions are post-tax. This will cause contributions as a % of covered payroll to differ from the stautorily required rate.

SUPPLEMENTARY INFORMATION

TOWN OF KEENESBURG
SCHEDULE OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCE – BUDGET AND ACTUAL –
CAPITAL IMPROVEMENTS FUND
YEAR ENDED DECEMBER 31, 2023

	Original and Final Budget	Actual	Variance Positive (Negative)
Revenues			
Sales tax	$ 1,000,000	$ 939,668	$ (60,332)
Intergovernmental	212,500	-	(212,500)
Investment earnings	200	8,793	8,593
Total revenues	1,212,700	948,461	(264,239)
Expenditures			
Capital outlay	2,061,556	679,336	1,382,220
Debt service			
Principal	75,000	75,000	-
Interest	11,826	11,826	-
Total expenditures	2,148,382	766,162	1,382,220
Net changes in fund balance	$ (935,682)	182,299	$ 1,117,981
Fund balance - beginning of year		1,371,970	
Fund balance - end of year		$ 1,554,269	

TOWN OF KEENESBURG
SCHEDULE OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCE – BUDGET AND ACTUAL –
CONSERVATION TRUST FUND
YEAR ENDED DECEMBER 31, 2023

	Original and Final Budget	Actual	Variance Positive (Negative)
Revenues			
Lotto contributions/donations	$ 15,500	$ 23,931	$ 8,431
Investment earnings	5	773	768
Total revenues	15,505	24,704	9,199
Expenditures			
Capital outlay	93,000	86,776	6,224
Total expenditures	93,000	86,776	6,224
Net changes in fund balance	$ (77,495)	(62,072)	$ 15,423
Fund balance - beginning of year		92,874	
Fund balance - end of year		$ 30,802	

TOWN OF KEENESBURG
SCHEDULE OF REVENUES, EXPENSES AND CHANGES IN FUND NET POSITION – BUDGET AND ACTUAL – NON – GAAP BUDGETARY BASIS
WATERWORKS FUND
YEAR ENDED DECEMBER 31, 2023

	Original and Final Budget	Actual	Variance Positive (Negative)
Revenues			
Water sales	$ 750,000	$ 698,964	$ (51,036)
Water tap fees	178,475	44,999	(133,476)
Raw water acquisition fee	300,025	75,601	(224,424)
Water pipeline use income	63,099	63,099	-
Bulk water sales	25,000	33,667	8,667
Intergovernmental revenues	2,100,000	-	(2,100,000)
Investment earnings	15,000	265,660	250,660
Miscellaneous revenues	7,500	9,952	2,452
Total revenues	3,439,099	1,191,942	(2,247,157)
Expenditures			
Public works			
Salaries	226,053	209,585	16,468
Payroll taxes	17,687	16,569	1,118
Utilities	60,000	50,185	9,815
Maintenance and repair equipment	93,000	128,173	(35,173)
Gas and oil	10,000	10,372	(372)
Operating supplies	30,000	29,955	45
Health insurance	34,155	28,761	5,394
Employee benefits	11,338	12,741	(1,403)
Worker's compensation	6,000	4,551	1,449
Water testing	6,500	20,345	(13,845)
Miscellaneous	500	50	450
Capital outlay	3,051,000	6,398	3,044,602
Total public works	3,546,233	517,685	3,028,548
Administration			
Salaries	151,621	135,883	15,738
Payroll taxes	11,826	10,666	1,160
Telephone	4,000	3,386	614
Utilities	3,000	3,604	(604)
Office expense	4,000	4,713	(713)
Maintenance and repairs	4,500	8,240	(3,740)
Insurance and bonds	16,000	15,588	412
Audit and accounting	4,800	5,438	(638)
Professional services	75,000	69,594	5,406
Dues and subscriptions	13,750	8,614	5,136
Health insurance	21,938	15,024	6,914
Employee benefits	7,581	8,918	(1,337)
Worker's compensation	750	683	67
Miscellaneous	300	-	300
Total administration	319,066	290,351	28,715

TOWN OF KEENESBURG
SCHEDULE OF REVENUES, EXPENSES AND
CHANGES IN FUND NET POSITION – BUDGET AND ACTUAL –
NON – GAAP BUDGETARY BASIS
WATERWORKS FUND (CONTINUED)
YEAR ENDED DECEMBER 31, 2023

	Original and Final Budget	Actual	Variance Positive (Negative)
Debt service			
Principal - notes payable	24,000	-	24,000
Interest - notes payable	29,000	-	29,000
Total debt service	53,000	-	53,000
Total expenditures	3,918,299	808,036	3,110,263
Other financing sources and (uses)			
Transfers out	(1,500,000)	-	1,500,000
Total other financing sources (uses)	(1,500,000)	-	1,500,000
Changes in net position, budgetary basis	$ (1,979,200)	383,906	2,363,106
Reconciliation to GAAP basis			
Capital outlay		6,398	
Depreciation		(247,350)	
Changes in net position, GAAP basis		142,954	
Net position, beginning of year		11,611,324	
Net position, end of year		$ 11,754,278	

See the accompanying independent auditors’ report

TOWN OF KEENESBURG
SCHEDULE OF REVENUES, EXPENSES AND
CHANGES IN FUND NET POSITION – BUDGET AND ACTUAL –
NON – GAAP BUDGETARY BASIS
WASTEWATER FUND
YEAR ENDED DECEMBER 31, 2023

	Original and Final Budget	Actual	Variance Positive (Negative)
Revenues			
Sewer sales	$ 700,000	735,809	$ 35,809
Sewer tap fees	204,300	14,711	(189,589)
Investment earnings	6,000	66,930	60,930
Total revenues	910,300	817,450	(92,850)
Expenditures			
Public works			
Salaries	163,940	153,701	10,239
Payroll taxes	12,787	12,112	675
Utilities	55,000	32,148	22,852
Maintenance and repair equipment	85,000	95,063	(10,063)
Gas and oil	10,000	10,372	(372)
Operating supplies	20,000	15,145	4,855
Health insurance	22,275	20,550	1,725
Employee benefits	8,197	9,081	(884)
Worker's compensation	3,500	2,730	770
Sewer testing	6,000	7,994	(1,994)
Miscellaneous	200	-	200
Capital outlay	2,700,600	-	2,700,600
Total public works	3,087,499	358,896	2,728,603
Administration			
Salaries	151,621	135,883	15,738
Payroll taxes	11,826	10,665	1,161
Telephone	3,800	3,385	415
Utilities	2,800	3,182	(382)
Office expense	3,500	4,547	(1,047)
Maintenance and repairs	4,000	8,240	(4,240)
Insurance and bonds	16,000	15,588	412
Audit and accounting	4,750	5,438	(688)
Professional services	30,000	83,902	(53,902)
Dues and subscriptions	10,700	5,401	5,299
Health insurance	21,938	15,024	6,914
Employee benefits	7,581	8,918	(1,337)
Worker's compensation	800	683	117
Total administration	269,316	300,856	(31,540)

See the accompanying independent auditors' report

TOWN OF KEENESBURG
SCHEDULE OF REVENUES, EXPENSES AND CHANGES IN FUND NET POSITION – BUDGET AND ACTUAL – NON – GAAP BUDGETARY BASIS
WASTEWATER FUND
YEAR ENDED DECEMBER 31, 2023

	Original and Final Budget	Actual	Variance Positive (Negative)
Debt service			
Principal	13,968	13,601	367
Interest and fiscal charges	6,558	6,191	367
Total debt service	20,526	19,792	734
Total expenditures	3,377,341	679,544	2,697,797
Other financing sources and (uses)			
Transfers in	1,500,000	-	(1,500,000)
	1,500,000	-	(1,500,000)
Changes in net position, budgetary basis	$ (967,041)	$ 137,906	$ 1,104,947
Reconciliation to GAAP basis			
Depreciation		(79,907)	
Debt principal payments		13,601	
Changes in net position, GAAP basis		71,600	
Net position, beginning of year		4,212,488	
Net position, end of year		$ 4,284,088	

COMPLIANCE SECTION

The public report burden for this information collection is estimated to average 380 hours annually. Form Approved OMB No. 2125-0032

LOCAL HIGHWAY FINANCE REPORT		STATE: COLORADO
		YEAR ENDING (mm/yy): December 2023
This Information From The Records Of: Town of Keenesburg	Prepared By: Shawna Finkenbinder	

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. EXPENDITURES FOR ROAD AND STREET PURPOSES**	
ITEM	AMOUNT	ITEM	AMOUNT
A. Receipts from local sources:		**A. Local highway expenditures:**	
1. Local highway-user taxes		1. Capital outlay (from page 2)	$ 473,691.86
a. Motor Fuel (from Item I.A.5.)		2. Maintenance:	$ 192,669.44
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	$ 200,000.00	b. Snow and ice removal	$ -
3. Other local imposts (from page 2)	$ 1,049,759.39	c. Other	$ -
4. Miscellaneous local receipts (from page 2)	$ 19,473.07	d. Total (a. through c.)	$ -
5. Transfers from toll facilities		4. General administration & miscellaneous	
6. Proceeds of sale of bonds and notes:		5. Highway law enforcement and safety	$ 354,315.94
a. Bonds - Original Issues	$ -	6. Total (1 through 5)	$ 1,020,677.24
b. Bonds - Refunding Issues	$ -	**B. Debt service on local obligations:**	
c. Notes	$ -	1. Bonds:	
d. Total (a. + b. + c.)	$ -	a. Interest	$ 11,826.00
7. Total (1 through 6)	$ 1,269,232.46	b. Redemption	$ 75,000.00
B. Private Contributions		c. Total (a. + b.)	$ 86,826.00
C. Receipts from State government		2. Notes:	
(from page 2)	$ 101,371.59	a. Interest	$ -
D. Receipts from Federal Government		b. Redemption	$ -
(from page 2)	$ -	c. Total (a. + b.)	$ -
E. Total receipts (A.7 + B + C + D)	$ 1,370,604.05	3. Total (1.c + 2.c)	$ 86,826.00
		C. Payments to State for highways	$ -
		D. Payments to toll facilities	$ -
		E. Total expenditures (A.6 + B.3 + C + D)	$ 1,107,503.24

IV. LOCAL HIGHWAY DEBT STATUS
(Show all entries at par)

	Opening Debt	Amount Issued	Redemptions	Closing Debt
A. Bonds (Total)	$ 405,000.00		$ 75,000.00	$ 330,000.00
1. Bonds (Refunding Portion)				$ -
B. Notes (Total)				$ -

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

A. Beginning Balance	B. Total Receipts	C. Total Disbursements	D. Ending Balance	E. Reconciliation
$ 2,206,001.63	$ 1,370,604.05	$ 1,107,503.24	$ 2,469,102.44	$ -

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
A.3. Other local imposts:		**A.4. Miscellaneous local receipts:**	
a. Property Taxes and Assesments		a. Interest on investments	$ 8,793.07
b. Other local imposts:		b. Traffic Fines & Penalties	$ 10,680.00
1. Sales Taxes	$ 939,668.39	c. Parking Garage Fees	$ -
2. Infrastructure & Impact Fees	$ 110,091.00	d. Parking Meter Fees	$ -
3. Liens		e. Sale of Surplus Property	$ -
4. Licenses		f. Charges for Services	$ -
5. Specific Ownership &/or Other		g. Other Misc. Receipts	$ -
6. Total (1. through 5.)	$ 1,049,759.39	h. Other	$ -
c. Total (a. + b.)	$ 1,049,759.39	i. Total (a. through h.)	$ 19,473.07
(Carry forward to page 1)		***(Carry forward to page 1)***	

ITEM	AMOUNT	ITEM	AMOUNT
C. Receipts from State Government		**D. Receipts from Federal Government**	
1. Highway-user taxes (from Item I.C.5.)	$ 91,940.99	1. FHWA (from Item I.D.5.)	
2. State general funds		2. Other Federal agencies:	
3. Other State funds:		a. Forest Service	$ -
a. State bond proceeds		b. FEMA	$ -
b. Project Match	$ -	c. HUD	$ -
c. Motor Vehicle Registrations	$ 9,430.60	d. Federal Transit Administration	$ -
d. DOLA Grant	$ -	e. U.S. Corps of Engineers	$ -
e. Other	$ -	f. Other Federal ARPA	$ -
f. Total (a. through e.)	$ 9,430.60	g. Total (a. through f.)	$ -
4. Total (1. + 2. + 3.f)	$ 101,371.59	3. Total (1. + 2.g)	$ -
(Carry forward to page 1)		***(Carry forward to page 1)***	

III. EXPENDITURES FOR ROAD AND STREET PURPOSES - DETAIL

	ON NATIONAL HIGHWAY SYSTEM (a)	OFF NATIONAL HIGHWAY SYSTEM (b)	TOTAL (c)
A.1. Capital outlay:			
a. Right-Of-Way Costs			$ -
b. Engineering Costs		$ 3,510.00	$ 3,510.00
c. Construction:			
(1). New Facilities			$ -
(2). Capacity Improvements		$ 156,291.86	$ 156,291.86
(3). System Preservation		$ 313,890.00	$ 313,890.00
(4). System Enhancement And Operation			$ -
(5). Total Construction (1)+(2)+(3)+(4)	$ -	$ 470,181.86	$ 470,181.86
d. Total Capital Outlay (Lines 1.a. + 1.b. + 1.c.4)	$ -	$ 473,691.86	$ 473,691.86
(Carry forward to page 1)			

Notes and Comments:

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