

Town of Bennett, Colorado

Financial Statements
with Independent Auditors' Report

December 31, 2020



Town of Bennett, Colorado

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**HINKLE &
COMPANY**

Strategic ^{PC}
Business Advisors

Independent Auditors' Report

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

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the Town of Bennett, Colorado as of and for the year ended December 31, 2020, and the related notes to the financial statements, which collectively comprise the basic financial statements of the Town of Bennett, Colorado as listed in the table of contents.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes 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.

Auditors' Responsibility

Our responsibility is to express opinions on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditors' judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the preparation and fair presentation of the financial statements 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 internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the Town of Bennett, Colorado as of December 31, 2020, and the respective changes in financial position and cash flows, where applicable, for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the required supplementary information listed in the table of contents be presented to supplement the basic financial statements. Such information, 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 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.

Other Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Town of Bennett's basic financial statements. The supplementary information and the local highway finance report listed in the table of contents 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 the information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated in all material respects, in relation to the basic financial statements as a whole.

Hick & Company, PC

Greenwood Village, Colorado
May 25, 2021



TOWN OF BENNETT, COLORADO

Management's Discussion and Analysis

December 31, 2020

HISTORY

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

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

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

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

INTRODUCTION

As management of the Town, we offer the readers of the Town's financial statements this narrative overview and analysis of the financial activities of the Town for the year ended December 31, 2020. We encourage readers to consider the information presented here in conjunction with the Town's financial statements, which follow this section. We are pleased to present to the Mayor, Board of Trustees, and the residents, the 2020 Management Discussion and Analysis (MD&A) for the Town. This analysis represents our continued commitment to prudent fiscal management and has proposed several innovations in the organization of government, thereby advancing our ongoing efforts to continuously improve the efficient and effective delivery of Town services.

The type of government is a Town Board with the seven (7) elected officials being responsible for all policy decisions that affect the Town's financial condition. The Board of Trustees of the Town has appointed Danette Ruvalcaba, Town Treasurer to prepare and submit a budget to our governing body in December for annual appropriation of sums of money to the various funds. The Town Treasurer is also responsible for financial reporting to the Town Board and to the public-at-large.

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

1. General Fund
2. Conservation Trust Fund
3. Sales Tax Capital Improvement Fund
4. Road and Bridge Fund
5. Water Fund
6. Waste Water Fund

The Town of Bennett also maintains the following funds which account for specific projects or programs within the above six (6) funds:

1. Adams County Open Space Fund
2. Arapahoe County Open Space Fund
3. Reserve Fund
4. Grants Fund
5. Capital Improvement Fund
6. Public Facilities Impact Fee Fund
7. Transportation Facilities Impact Fee Fund
8. Bennett Arts and Cultural Fund
9. Water Capital Fund
10. Waste Water Capital Fund
11. Storm Drainage Impact Fee Fund

2020 HIGHLIGHT ACCOMPLISHMENTS

We are pleased and proud of our accomplishments in 2020 and look forward to continued community growth and development in subsequent years. The following achievements are certainly noteworthy and reflect a lot of hard work by the entire Town staff, as our unity reflects our thorough commitment to the future of the Town of Bennett.

- **Cordella Lift Station-** In 2020, the Town of Bennett completed the installation of an upgraded lift station near the Cordella Sub-Division. This lift station will ensure the continued functionality of our waste water collection system as the Town expands to the south. This project was partially funded by a Department of Local Affairs Grant.
- **Reuse Water Distribution Station-** the Town completed the necessary modification to the old waste water treatment lagoons to allow for the storage of Category 1 Reuse water produced by our Water Resource Recovery Facility. This water can then be purchased for bulk use in construction applications at a distribution station. This is a particularly important milestone for the Town as we are currently experiencing significant growth and development within the Town and the Reuse Water Distribution Station will help relieve the demand on our potable water resources. In 2021, through a partnership with Adams County Open Space, the Town will begin installing a Purple Pipe Beltway. The Beltway will allow for the irrigation of Town parks with reuse water. Reuse water is an important component of the Town's Water Portfolio.
- **Brother's Four Playground-** The Town received a grant from Adams County Open Space to improve the drainage and install a new playground and rubber surfacing at Brother's Four Playground. Brother's Four Playground is in the Brother's Four part of Town which encompasses the original homestead filed by the Bennet Brothers in 1929. The playground features a fun Farm theme and is designed for children ages 2-12.
- **Trupp Park Phase IV-** the Town was awarded an Adams County Open Space Grant to continue improvements at Trupp Park. Phase IV included the backfilling of the Skate Bowl which was topped with a new concrete pad and shaded seating. In addition, the Town installed additional drainage and lighting in the parking area. The largest part of this project was the renovation of the lower soccer field including, trees, large boulders for seating, improved irrigation, and new sod to be installed spring of 2021.
- **Bennett Community Garden** – the Town was awarded an Adams County Open Space Grant and a Live Well grant for the installation of the Bennett Community Garden. The Garden is in Civic Center Park and features six raised cedar garden beds. 2020 was the first season the garden was open, and it was a great success. The Town intends to expand the garden in 2021.

- **Mount View Cemetery Improvements**-In 2020, the Town of Bennett made substantial improvements to the Mount View Cemetery. The improvements included road renovation, new fencing, and a new entry gate. The Cemetery now has two entry gates that were donated by Town residents to memorialize loved ones.
- **Bennett Days**- In September, the Town hosted our annual Bennett Days Celebration. Although the COVID-19 Pandemic presented many challenges to the traditional event, Town Staff was able to pivot and organize a bicycle event that allowed for the adherence to the State issued health orders while still providing a day of celebration for the Town.
- **COVID-19**- In 2020, the Town was faced with the COVID-19 Pandemic. The Pandemic presented many challenges to the Bennett Community and Town Staff worked diligently and successfully to ensure that our community could weather the storm. The Town received approximately \$290,000 of CARES funding; this funding was used for our Bennett Stronger Together program which provided the following vital services for the Bennett community: Business Grants, Community Outreach, PPE, and remote technology to ensure that the essential Town staff and the Town Board could continue to run Town operations through the various Stages of the public health orders.

OVERVIEW OF THE FINANCIAL STATEMENTS

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

Government-wide Financial Statements

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

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

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

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

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

Governmental Funds

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

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

Proprietary Funds

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

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

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

Component Unit Funds

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

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

GOVERNMENT-WIDE FINANCIAL ANALYSIS

The Town's net position for the governmental and business-type activities exceeded liabilities by \$47,784,513 at the close of 2020. The following tables illustrate present condensed statement of net position for all three of the Town's fund categories.

Table 1
Net Position

	Governmental Activities		Business-type Activities		Total	
	2019	2020	2019	2020	2019	2020
Assets						
Current Assets	\$ 5,360,216	\$ 8,187,963	\$ 4,849,738	\$ 13,884,370	\$ 10,209,954	\$ 22,072,333
Capital Assets	18,360,779	24,094,242	19,031,938	25,671,768	37,392,717	49,766,010
Total Assets	23,720,995	32,282,205	23,881,676	39,556,138	47,602,671	71,838,343
Liabilities						
Other	1,519,376	1,433,720	833,756	776,486	2,353,132	2,210,206
Long-Term	6,547,147	6,367,163	9,498,291	14,579,552	16,045,438	20,946,715
Total Liabilities	8,066,523	7,800,883	10,332,047	15,356,038	18,398,570	23,156,921
Deferred Inflows of Resources	428,548	880,134	-	16,775	428,548	896,909
Net Position						
Net Investment in						
Capital Assets	11,961,832	17,580,058	9,167,015	10,567,938	21,128,847	28,147,996
Restricted	810,610	2,086,405	336,226	334,566	1,146,836	2,420,971
Unrestricted	2,453,482	3,934,725	4,046,388	13,280,821	6,499,870	17,215,546
Total Net Position	\$ 15,225,924	\$ 23,601,188	\$ 13,549,629	\$ 24,183,325	\$ 28,775,553	\$ 47,784,513

The Town uses its capital assets to provide services to the citizens. At the end of 2020, the investment in capital assets of \$49,766,010 (land, buildings, improvements, equipment, etc.), net of debt used to acquire those assets of \$21,618,014 which amounts to \$28,147,996, or 59% of the Town's total net position of \$47,784,513. During the current fiscal year, the Town's net position increased by \$19,008,960. This increase represents the degree to which increases in ongoing revenues have surpassed similar increases in ongoing expenses as well as infrastructure contributions made by developers.

An additional portion of the Town's net position of \$2,420,971 (5%) represents resources that are subject to external restrictions on how they may be used. Unrestricted net position of \$17,215,546 (36%) reflects the amount that may be used to meet the Town's ongoing obligations to citizens and creditors. Certain assets of the Town's Water and Waste Water funds are classified as restricted assets on the balance sheet because their use is limited by applicable debt covenants.

At the end of the current fiscal year, the Town of Bennett can report positive balances in all reported categories of net position, both for the government, as well as for its business-type activities. The same situation held true for the prior fiscal year.

Changes in Net Position

As presented in Table 2, the Town's overall net position increased \$19,008,960 during 2020.

Table 2
Changes in Net Position

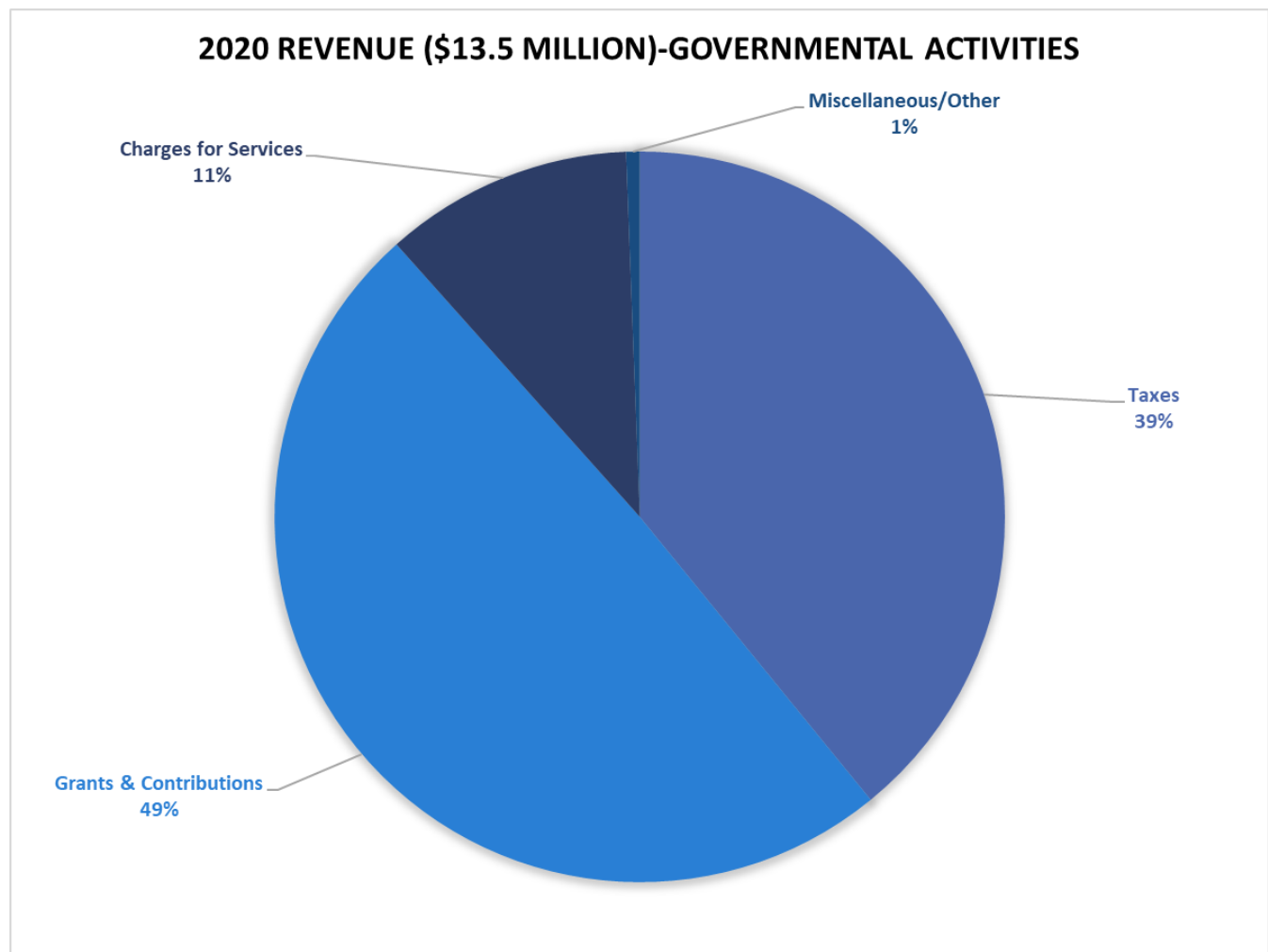
	Governmental Activities		Business-type Activities		Total	
	2019	2020	2019	2020	2019	2020
Revenues						
Program Revenues						
Permits, Fees, Fines						
Charges for Services	\$ 732,300	\$ 1,480,978	\$ 2,313,791	\$ 2,454,088	\$ 3,046,091	\$ 3,935,066
Operating Grants and Contributions	670,625	1,595,277	69,854	-	740,479	1,595,277
Capital Grants and Contributions	146,082	5,036,227	2,822,907	9,721,781	2,968,989	14,758,008
General Revenues and Taxes	3,968,460	5,260,413	-	-	3,968,460	5,260,413
Net Investment Income	46,951	36,899	-	31,850	46,951	68,749
Unrestricted Grant	69,957	20,951	-	756,000	69,957	776,951
Other	139,790	46,776	-	9,709	139,790	56,485
Transfers	96,278	(24,373)	(96,278)	24,373	-	-
Total Revenues	5,870,443	13,453,148	5,110,274	12,997,801	10,980,717	26,450,949
Expenses						
General Government	2,064,877	2,663,478	-	-	2,064,877	2,663,478
Public Safety	409,425	415,452	-	-	409,425	415,452
Public Works	1,079,010	1,141,020	-	-	1,079,010	1,141,020
Interest on Debt	212,206	206,582	-	-	212,206	206,582
Unallocated Depreciation	585,123	651,352	-	-	585,123	651,352
Water	-	-	970,571	1,525,514	970,571	1,525,514
Waste Water	-	-	745,882	838,591	745,882	838,591
Total Expenses	4,350,641	5,077,884	1,716,453	2,364,105	6,067,094	7,441,989
Change in Net position	1,519,802	8,375,264	3,393,821	10,633,696	4,913,623	19,008,960
Net Position-Beginning	13,706,122	15,225,924	10,155,808	13,549,629	23,861,930	28,775,553
Net Position-Ending	\$ 15,225,924	\$ 23,601,188	\$ 13,549,629	\$ 24,183,325	\$ 28,775,553	\$ 47,784,513

Governmental Activities

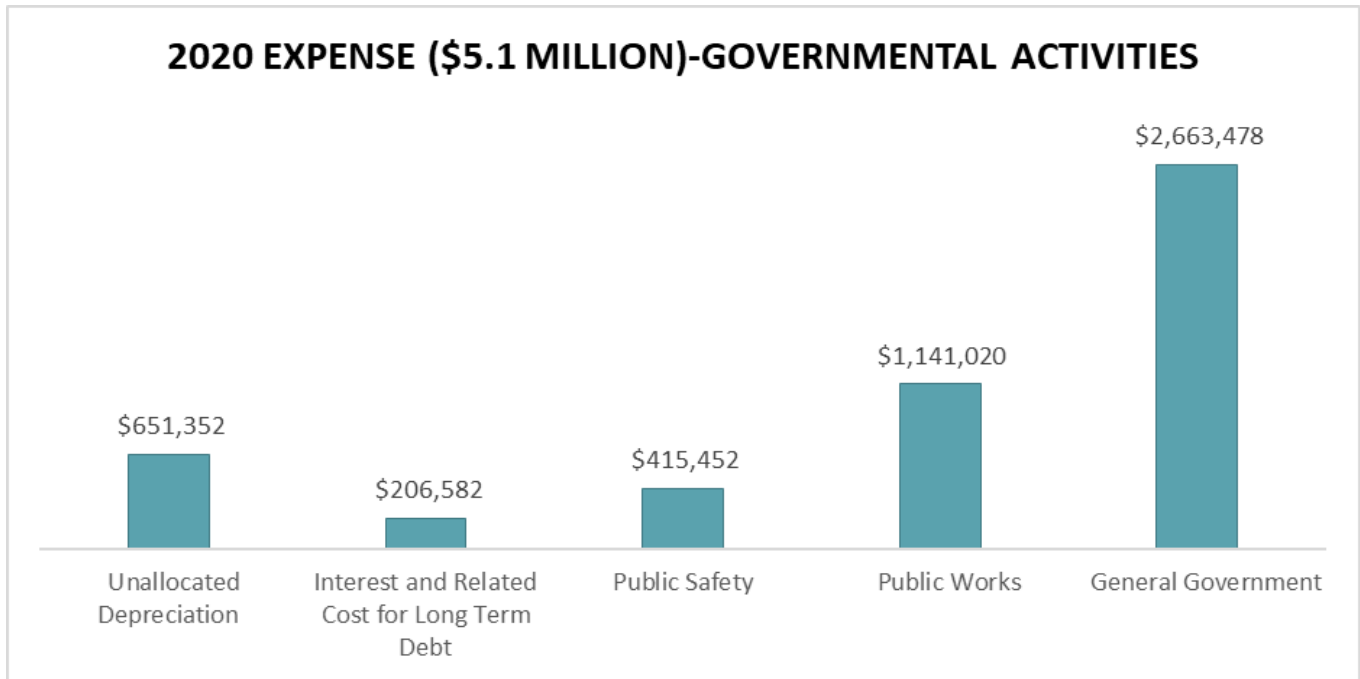
Governmental activities increased the Town's net position by \$8,375,264. The major influences causing the change are the following:

The most notable change in Net Position is due to increased revenues in Operating Grant and Contributions, Capital Grant and Contributions, Taxes, and Charges for Services. In 2020, Capital and Operating Grants and Contributions Revenue increased eight times from \$816,707 in 2019 to \$6,631,504 in 2020. This increase can be primarily attributed to an increase in developer infrastructure construction that was accepted by the Town. Taxes increased by \$1,291,953 (33%), the Town has seen an increase in this revenue source year after year however, 2020 saw an increase that was more substantial. While this increase may have been related to the COVID-19 Pandemic which resulted in a surge of grocery store purchasing, the Town strongly believes it is more closely related to the increased population along the corridor and the legislation that now requires Town sales tax to be collected on many online purchases. Therefore, the Town anticipates that this revenues sources will continue to increase in future years however it will likely return to a 5-10% increase as in years past. Charges for services in 2020 were up by \$748,678 (102%) from the previous year; this can be primarily due to increase permit fees collected.

Graph 1. Governmental Activities Revenue Sources



Graph 2. Governmental Activities Expenses



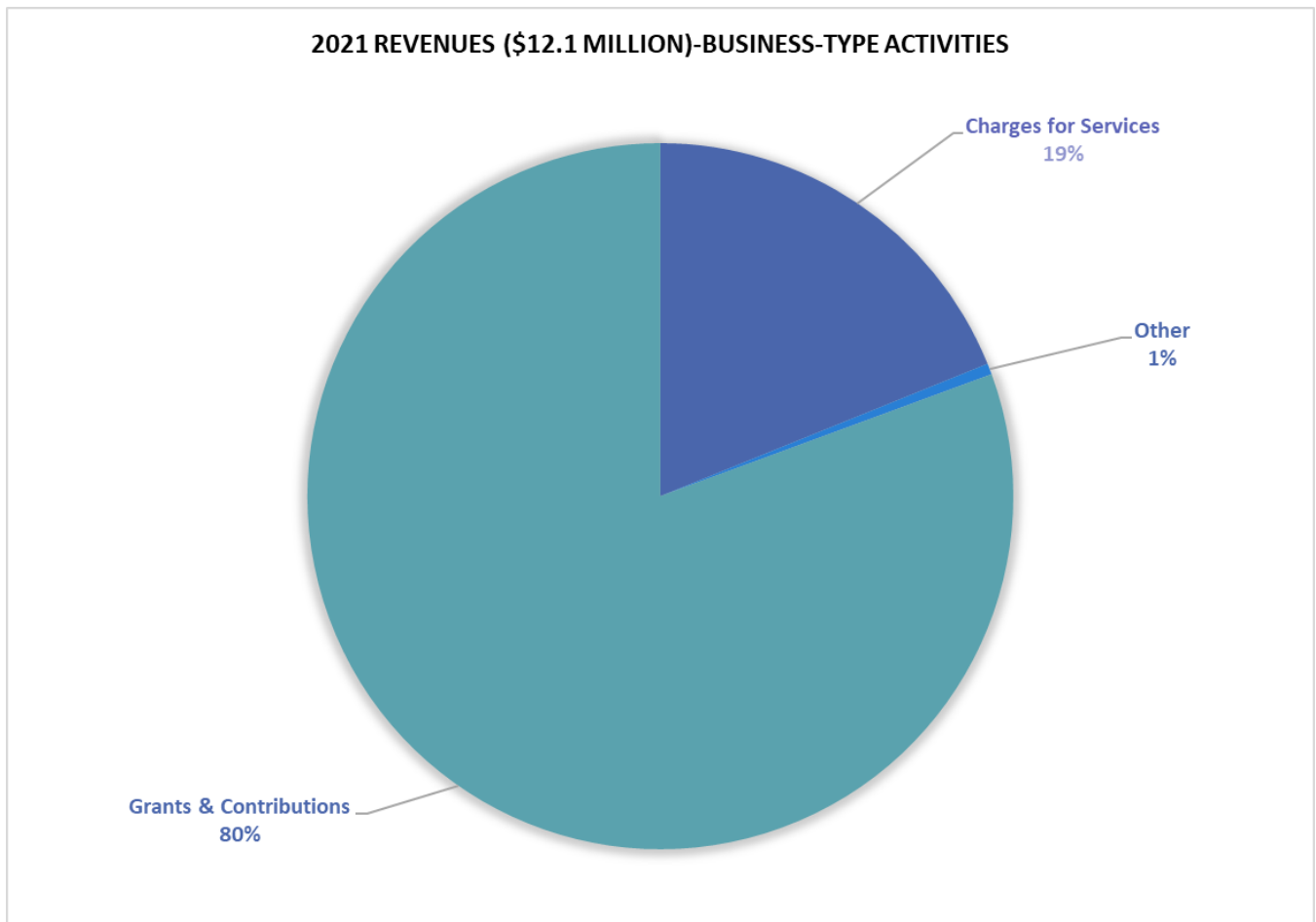
Expenses for the governmental activities in 2020 increased \$727,243 or 17%. The increase can be primarily attributed to expenditures in General Government. A large portion of this increase is the expenditures related to the CARES funding allocation for Pandemic relief however a portion is also attributed to the Town General Government Operations. The increasing trend in operating expense is likely to continue as it is directly correlated to the Town population.

Business-Type Activities

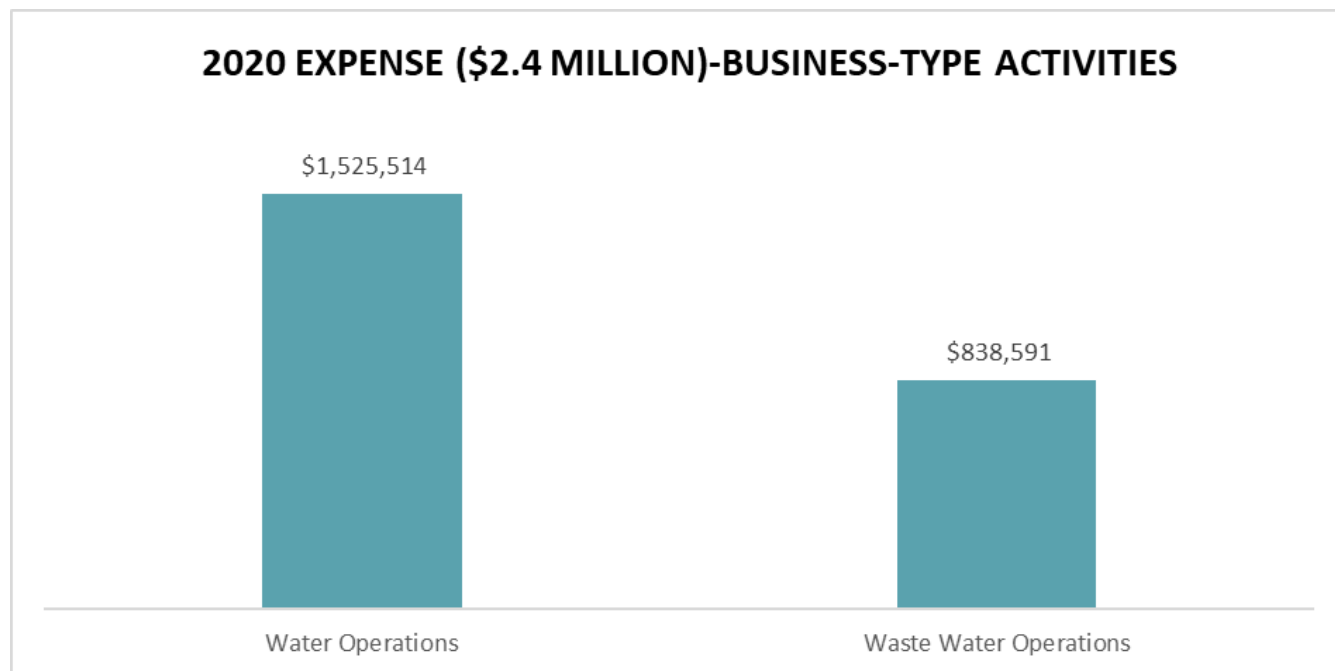
Net position of Business-Type Activities increased by \$10,633,696 for 2020. The major influences are due to the following:

The Town received \$9,721,781 in Capital Grants and Contributions primarily from developer infrastructure construction, this accounts for the \$7,887,527 increase.

Graph 1. Business-Type Activities Revenue Sources



Graph 2. Business-Type Activities Expenses



In 2020, the water expense increased by, \$554,943, or 57%. In waste water expense increased by \$92,709 or an increase of 12%. This significant increase was due primarily to the following. First, the Town had two large capital repairs to two wells that lost service in the Summer of 2020. Second, there was an increase in operation cost related to the COVID-19 pandemic and related public health orders that required residents to stay at home increasing the need for chemicals and waste removal. Lastly, the Town completed a bond issuance in the water fund in August of 2020 this resulted in additional expense related to the issuance and debt expense for the bonds called in the second half of 2020.

Revenue for the waste water and water utility is derived from service charges and other miscellaneous sources such as late fees. Projected waste water and water service revenue under existing rates were not adequate to meet revenue requirements and sustain minimum reserves in 2020. Therefore, a rate increase was proposed and adopted for 2021.

FINANCIAL ANALYSIS OF THE TOWN'S FUNDS

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

Governmental Funds

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

At the end of 2020 the Town's governmental funds reported a combined fund balance of \$6,116,980, an increase of \$2,472,581 (68%) over 2019. This can be attributed to a substantial increase in sales tax revenue as well as an increase in impact fees generated by development. Additionally, the Town recognized an increase in grant revenue. \$3,589,154 constitutes unassigned fund balance, which is available for spending at the Town's discretion. \$441,421 of the fund balance is assigned to parks and recreation and road maintenance.

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

Restricted for TABOR Emergencies	\$180,399
Parks and Recreation	\$2,284
Restricted for Capital Projects	\$1,183,122
Restricted for Debt Service	\$720,600

The General Fund is the primary operating fund of the Town. At the end of 2020, unassigned fund balance of the General Fund was \$3,589,154, while total fund balance was \$3,949,684. As a measure of the General Fund's liquidity, it may be useful to compare unassigned fund balance to total fund expenditures. Unassigned fund balance represents 61% of total General Fund expenditures. This is a 24% increase from 2019.

The fund balance of the Town's General Fund increased by \$1,967,974 during 2020. Key factors are as follows:

- An increase in revenues of \$2,478,307 or 53%. Key changes in revenues include increases in sales and use tax revenue in the amount of \$971,553 (36%) as well as increases in other taxes, fines and forfeitures, impact fees, investment income, and other revenues.
- Expenditures increased by \$663,450 (15%) to \$5,116,177. The increase in expenditures was primarily in General Government. In 2019 and continuing into 2020, the Town has had significant growth resulting in additional operating expense. Furthermore, the Town had significant expenditures related to the COVID-19 Pandemic. Lastly the Town did see an increase in Capital Outlay related to grant projects primarily in the parks and open space.
- Overall, the increase in fund balance can be attributed to an increase in revenues.

Other Governmental Funds

The Conservation Trust Fund was created to account for the money received from Lottery sales and is earmarked for specific purposes by the State, including parks and recreation equipment and capital projects. The Conservation Trust Fund had a fund balance of \$2,284 at the end of 2020. \$14,839 was expended on renovations at the Community Center.

The Road and Bridge Fund is used to account for state highway users trust funds, county road and bridge taxes, and other revenues designated for the construction and maintenance of roads and bridges. The Road and Bridge Fund had a fund balance of \$261,290, an increase in the amount of \$46,670 in 2020.

The Sales Tax Capital Improvement Fund was created to account for the money received from the 1% sales tax increase which became effective on January 1, 2016. The Sales Tax Capital Improvement Fund had a fund balance of \$1,903,722 at the end of 2020. \$635,866 was expended from the Sales Tax Capital Improvement Fund for the road capital projects and maintenance, as well as the principal and interest on the 2016 Sales Tax Revenue Bonds.

Proprietary Funds

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

Net position of the enterprise operations on December 31 follows:

	2019	2020	Change
Net Position - Beginning of the Year	\$ 10,155,808	\$ 13,549,629	\$ 3,393,821
Net Position- End of the Year	\$ 13,549,629	\$ 24,183,325	\$ 10,633,696

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

CAPITAL ASSETS AND DEBT ADMINISTRATION

Capital Assets

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

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

Major capital asset events during 2020 included the following:

- Landscaping in BRPOS
- Landscaping Future Park.
- Renovations at Centennial Park
- A skid steer and two mowers.
- Upgrades to the Highway 79 Trail.
- New playground at Brother's Four
- Improvements at Trupp Park
- Road expansion projects on Muegge Way and Market Place Drive.

The following table provides comparative information on the Town's capital assets for 2019 and 2020:

	Governmental Activities		Business -type Activities		Total	
	2019	2020	2019	2020	2019	2020
Land and Land Improvements	\$ 2,758,194	\$ 2,758,194	\$ 67,138	\$ 67,138	\$ 2,825,332	\$ 2,825,332
Water Rights	-	-	215,654	215,654	215,654	215,654
Construction in Process	246,694	1,238,771	407,454	1,678,813	654,148	2,917,584
Buildings and Improvements	3,683,545	3,715,420	7,204,664	7,204,664	10,888,209	10,920,084
IT/Software	67,447	67,447	-	-	67,447	67,447
Infrastructure	8,584,280	13,620,507	-	-	8,584,280	13,620,507
Parks and Ballfields	4,277,902	4,583,490	-	-	4,277,902	4,583,490
Public Art	40,989	40,989	-	-	40,989	40,989
Vehicle and Equipment	1,255,625	1,213,655	1,490,736	1,490,736	2,746,361	2,704,391
Ponds	-	-	656,605	656,605	656,605	656,605
Water System	-	-	9,612,554	12,052,319	9,612,554	12,052,319
Sewer Lines	-	-	3,310,973	6,913,859	3,310,973	6,913,859
Accumulated Depreciation	(2,553,897)	(3,144,231)	(3,933,840)	(4,608,020)	(6,487,737)	(7,752,251)
Net Capital Assets	<u>\$ 18,360,779</u>	<u>\$ 24,094,242</u>	<u>\$ 19,031,938</u>	<u>\$ 25,671,768</u>	<u>\$ 37,392,717</u>	<u>\$ 49,766,010</u>

Additional information on the Town's capital assets can be found in Note 3 of the financial statements.

Debt Administration

As of December 31, 2020, the Town had outstanding long-term obligations of \$21,709,829, as follows:

	2019	Additions	Payments	2020
Governmental Activities	\$ 6,809,337	\$ 76,378	\$ 295,153	\$ 6,590,562
Business-type Activities	9,912,427	5,635,111	428,271	15,119,267
	<u>\$ 16,721,764</u>	<u>\$ 5,711,489</u>	<u>\$ 723,424</u>	<u>\$ 21,709,829</u>

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

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

ECONOMIC FACTORS

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

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

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

2021 BUDGET OUTLOOK

The principal general revenue sources for the Town are sales taxes, grant revenue, water sales and property taxes. The local, state, and national economies are always a consideration for projecting the revenues for the coming year. The economy for Bennett has shown moderate growth during 2020. Residential growth for Bennett does not exceed the national average but has benefited from the addition of many new commercial businesses. Conservative attainable revenue estimates have been projected in all funds.

Sales Tax - The General Fund anticipated sales tax revenues for 2021 are based on an economic growth projection rate of 3% over 2020 projected revenues. Sales tax equates to \$3.1 million of the total \$5 million General Fund revenues. In 2020 sales tax revenues exceeded our budgeted amounts by \$697,000. On November 3, 2015, the Town successfully passed an additional 1.00% sales tax to be collected, retained, and spent to finance the construction and maintenance of existing and planned street and other street related capital improvements within the Town. In 2020, the 1% sales tax exceeded our budget by over \$263,000 and we anticipate seeing a more modest incline in 2021.

Water & Wastewater Sales – 2021 will see the addition of an estimated 100 new users to our water and waste water system. Wastewater base rates were increased in 2021, the new base rate is \$37.98. Additionally, the water base rate was increased to \$32.80. Furthermore, the Town will see a continued increase in water and waste water development fees in 2021 as new development takes place in Bennett. These development funds will ensure the Town has funds reserved for continued and sustained improvement and expansion of the existing infrastructure in both water and waste water.

Grant Revenue – When viewed comprehensively, grant revenue is an ongoing effort to establish and research the highest level of resources available to us for capital improvement projects the Town cannot fund solely. Grant revenue in 2021 is projected to be \$6,268,350 for new parks, facility improvements, and trails. The Town of Bennett has limited revenue sources and an abundance of capital improvement projects forthcoming. That, of course, raises the questions of where those resources will come from, and who will do the work. As the Town of Bennett works to develop other financing options in the future, the opportunity to obtain Assistance Grant Funds would supplement the cost of some of our major infrastructure projects. We have the funds available to provide match but are unable to complete the project without additional monetary support.

Property Tax – Revenues in Adams and Arapahoe County assessed valuations have increased for 2021, 2% in Adams County and 2% in Arapahoe County. We are noticing a trend of increasing property tax revenue and this is very positive news for the Town as a predictor for growth in the housing market for Bennett for this assessment year.

Overall, the 2021 budget revenues represent a 15% increase over the 2020 projected revenue. This increase is reflected in the sales tax projected increase. As the next incorporated area east of Aurora, Bennett, Colorado is experiencing significant pressure from ongoing and future development. Bennett's community leaders are visionary and willing to take bold steps to secure the Town's future. In 2021 the Town will see the start/continuation of at least three new housing developments. The new houses will increase revenue streams across all funds.

2021 HIGHLIGHT PROJECTS

Looking forward to 2021, the primary guiding philosophy is, “The Lucky 7.” This philosophy places an emphasis on the construction and procurement of necessary assets to ensure that Bennett remains a stable and successful community now and into the future. Items that will be the focus of 2021 are expansion and diversification of our water portfolio and expansion or improvement of our existing water, wastewater, roads, and park systems. Through the development of our Capital Asset and Inventory Master Plan, C.A.I.M.P. completed in 2019, the Town was able to identify capital needs of the Town in all major infrastructure categories. It then allowed for the prioritization of these projects based on capacity, condition, and criticality. This list was then balanced against expected revenue to help us identify the major projects in 2021.

BUILDINGS

<i>New North Municipal Complex</i>	2,000,000
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ROADS

<i>Market Place Drive Improvements</i>	650,000
<i>304 Bridge Modifications</i>	2,200,000

PARKS

<i>BRPOS Fishing Pond</i>	650,000
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WATER

<i>Water Rights</i>	4,000,000
<i>At Grade Storage Tank Design and Construction</i>	1,610,000

WASTEWATER

<i>Waste Water Resource Recovery Facility Expansion Design</i>	350,000
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At the heart of government finance is the concept of fund accounting. Governments create funds to account for related expenses and revenues. For example, the Water and Sewer Operating Fund contains the budget to run the Town’s water supply and wastewater system and the revenues collected (primarily user charges) to pay for the system. The use of fund accounting is one of the basic requirements of generally accepted accounting principles (GAAP) for government and one of the major differences between governmental and commercial accounting. It requires separate record keeping for each individual fund a government uses.

Like prior budgets, the 2021 budget relies on projections regarding available revenue, thereby accepting the limits of the Town's financial resources. The budget is based upon an established ceiling of revenue derived from local property taxes and three-year projection averages of sales tax.

REQUESTS FOR INFORMATION

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

Basic Financial Statements

Town of Bennett, Colorado
Statement of Net Position
December 31, 2020

	Primary Government			Component Unit
	Governmental Activities	Business-type Activities	Totals	General Improvement District
Assets				
Cash and Investments	\$ 4,570,019	\$ 13,302,443	\$ 17,872,462	\$ 106,820
Restricted Cash and Investments	1,794,532	15,324	1,809,856	-
Accounts Receivable	1,385,082	536,342	1,921,424	1,067
Taxes Receivable	438,330	-	438,330	224,450
Prepaid Expenses	-	30,261	30,261	-
Capital Assets, <i>Not Being Depreciated</i>	4,037,954	1,961,605	5,999,559	-
Capital Assets, <i>Net of Accumulated Depreciation</i>	20,056,288	23,710,163	43,766,451	-
Total Assets	32,282,205	39,556,138	71,838,343	332,337
Liabilities				
Accounts Payable	386,393	179,940	566,333	-
Other Liabilities	804,456	-	804,456	-
Accrued Interest Payable	19,472	56,831	76,303	-
Noncurrent Liabilities				
Due within one year	223,399	539,715	763,114	25,000
Due in More Than One Year	6,367,163	14,579,552	20,946,715	1,596,991
Total Liabilities	7,800,883	15,356,038	23,156,921	1,621,991
Deferred Inflows of Resources				
Property Taxes	488,198	-	488,198	224,450
Deferred Revenue	391,936	16,775	408,711	-
Total Deferred Inflows of Resources	880,134	16,775	896,909	224,450
Net Positions				
Net Investment in Capital Assets	17,580,058	10,567,938	28,147,996	-
Restricted for:				
Debt Service	720,600	334,566	1,055,166	-
Parks and Recreation	2,284	-	2,284	-
Capital Projects	1,183,122	-	1,183,122	-
Emergencies	180,399	-	180,399	2,968
Unrestricted	3,934,725	13,280,821	17,215,546	(1,517,072)
Total Net Position	\$ 23,601,188	\$ 24,183,325	\$ 47,784,513	\$ (1,514,104)

Town of Bennett, Colorado
Statement of Activities
For the Year Ended December 31, 2020

Functions/Programs	Expenses	Program Revenues			Net (Expense) Revenue and Change in Net Position			Component Unit General Improvement District
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Governmental Activities	Business-type Activities	Totals	
Primary Government								
<i>Governmental Activities</i>								
General Government	\$ 2,663,478	\$ 885,053	\$ 1,303,324	\$ -	\$ (475,101)	\$ -	\$ (475,101)	\$ -
Public Safety	415,452	10,295	-	-	(405,157)	-	(405,157)	-
Public Works	1,141,020	585,630	291,953	5,036,227	4,772,790	-	4,772,790	-
Interest on Debt	206,582	-	-	-	(206,582)	-	(206,582)	-
Unallocated Depreciation	651,352	-	-	-	(651,352)	-	(651,352)	-
Total Governmental Activities	5,077,884	1,480,978	1,595,277	5,036,227	3,034,598	-	3,034,598	-
<i>Business-Type Activities</i>								
Water Utility	1,525,514	1,387,780	-	5,048,647	-	4,910,913	4,910,913	-
Wastewater Utility	838,591	1,066,308	-	4,673,134	-	4,900,851	4,900,851	-
Total Business-Type	2,364,105	2,454,088	-	9,721,781	-	9,811,764	9,811,764	-
Total Primary Government	\$ 7,441,989	\$ 3,935,066	\$ 1,595,277	\$ 14,758,008	3,034,598	9,811,764	12,846,362	-
Component Unit								
General Improvement District	\$ 98,945	14,000	-	-				(84,945)
General Revenues								
Property Taxes					429,470	-	429,470	218,968
Specific Ownership Taxes					31,245	-	31,245	15,453
Sales and Use Taxes					4,711,282	-	4,711,282	-
Franchise and Other Taxes					88,416	-	88,416	-
Investment Income					36,899	31,850	68,749	164
Grants and Contributions not Restricted to Specific Programs					20,951	756,000	776,951	-
Gain (Loss) on Disposal of Capital Assets					(21,076)	-	(21,076)	-
Miscellaneous					67,852	9,709	77,561	-
Transfers					(24,373)	24,373	-	-
Total General Revenues and Transfers					5,340,666	821,932	6,162,598	234,585
Change in Net Position					8,375,264	10,633,696	19,008,960	149,640
Net Position, Beginning of year					15,225,924	13,549,629	28,775,553	(1,663,744)
Net Position, End of year					\$ 23,601,188	\$ 24,183,325	\$ 47,784,513	\$ (1,514,104)

See Notes to Financial Statements.

Town of Bennett, Colorado

Balance Sheet Governmental Funds December 31, 2020

	General	Sales Tax Capital Improvement	Nonmajor Governmental Funds	Totals
Assets				
Cash and Investments	\$ 3,934,709	\$ -	\$ 635,310	\$ 4,570,019
Restricted Cash and Investments	-	1,794,532	-	1,794,532
Accounts Receivable	1,175,493	-	31,338	1,206,831
Taxes Receivable	438,330	178,251	-	616,581
	<u> </u>	<u> </u>	<u> </u>	<u> </u>
Total Assets	\$ <u>5,548,532</u>	\$ <u>1,972,783</u>	\$ <u>666,648</u>	\$ <u>8,187,963</u>
Liabilities				
Accounts Payable	\$ 306,194	\$ 69,061	\$ 11,138	\$ 386,393
Deposits	87,350	-	-	87,350
Other Liabilities	717,106	-	-	717,106
	<u> </u>	<u> </u>	<u> </u>	<u> </u>
Total Liabilities	<u>1,110,650</u>	<u>69,061</u>	<u>11,138</u>	<u>1,190,849</u>
Deferred Inflows of Resources				
Property Taxes	488,198	-	-	488,198
Deferred Revenue	-	-	391,936	391,936
	<u> </u>	<u> </u>	<u> </u>	<u> </u>
Total Deferred Inflows of Resources	<u>488,198</u>	<u>-</u>	<u>391,936</u>	<u>880,134</u>
Fund Balances				
Restricted for:				
Park and Recreation	-	-	2,284	2,284
Capital Projects	-	1,183,122	-	1,183,122
Debt Service	-	720,600	-	720,600
Emergencies	180,399	-	-	180,399
Assigned to:				
Parks and Recreation	180,131	-	-	180,131
Road Maintenance	-	-	261,290	261,290
Unrestricted, Unassigned	3,589,154	-	-	3,589,154
	<u> </u>	<u> </u>	<u> </u>	<u> </u>
Total Fund Balances	<u>3,949,684</u>	<u>1,903,722</u>	<u>263,574</u>	<u>6,116,980</u>
Total Liabilities, Deferred Inflows of Resources and Fund Balances	\$ <u>5,548,532</u>	\$ <u>1,972,783</u>	\$ <u>666,648</u>	\$ <u>8,187,963</u>

Town of Bennett, Colorado
Reconciliation of the Balance Sheet of Governmental Funds
to the Statement of Net Position
December 31, 2020

Amounts Reported for Governmental Activities in the Statement of Net Position are Different Because:

Total Fund Balances of Governmental Funds	\$ 6,116,980
Capital assets used in governmental activities are not financial resources and, therefore, are not reported in governmental funds	24,094,242
Long-term liabilities and related items are not due and payable in the current year and, therefore, are not reported in governmental funds:	
Bonds Payable	(4,920,000)
Premium on Sales Tax Revenue Bond	(397,184)
Capital Lease Payable	(1,197,000)
Interest Payable	(19,472)
Compensated absences payable	(76,378)
	<hr/>
Total Net Position of Governmental Activities	\$ <u>23,601,188</u>

Town of Bennett, Colorado
Statement of Revenues, Expenditures and Changes in Fund Balances
Governmental Funds
For the Year Ended December 31, 2020

	General	Sales Tax Capital Improvement	Nonmajor Governmental Funds	Totals
Revenues				
Taxes	\$ 4,193,122	\$ 1,036,046	\$ 31,245	\$ 5,260,413
Licenses and Permits	567,208	-	-	567,208
Intergovernmental	1,344,915	-	250,362	1,595,277
Charges for Services	317,845	-	-	317,845
Fines and Forfeitures	10,295	-	-	10,295
Investment Income	20,161	14,633	2,105	36,899
Impact Fees	585,630	-	-	585,630
Bennett Arts & Cultural Fund	12,761	-	-	12,761
Contributions	8,190	-	-	8,190
Miscellaneous	67,852	-	-	67,852
Total Revenues	<u>7,127,979</u>	<u>1,050,679</u>	<u>283,712</u>	<u>8,462,370</u>
Expenditures				
Current				
General Government	2,505,559	-	-	2,505,559
Public Safety	415,452	-	-	415,452
Public Works	1,101,273	55,992	218,561	1,375,826
Debt Service				
Principal	62,100	150,000	-	212,100
Interest	38,780	201,300	-	240,080
Capital Outlay	993,013	228,574	18,337	1,239,924
Total Expenditures	<u>5,116,177</u>	<u>635,866</u>	<u>236,898</u>	<u>5,988,941</u>
Excess of Revenues Over (Under) Expenditures	<u>2,011,802</u>	<u>414,813</u>	<u>46,814</u>	<u>2,473,429</u>
Other Financing Sources (Uses)				
Proceeds from Sale of Assets	23,525	-	-	23,525
Transfers In	731,356	42,980	-	774,336
Transfers Out	(798,709)	-	-	(798,709)
Total Other Financing Sources (Uses)	<u>(43,828)</u>	<u>42,980</u>	<u>-</u>	<u>(848)</u>
Net Change in Fund Balances	1,967,974	457,793	46,814	2,472,581
Fund Balances, Beginning of year	<u>1,981,710</u>	<u>1,445,929</u>	<u>216,760</u>	<u>3,644,399</u>
Fund Balances, End of year	<u>\$ 3,949,684</u>	<u>\$ 1,903,722</u>	<u>\$ 263,574</u>	<u>\$ 6,116,980</u>

See Notes to Financial Statements.

Town of Bennett, Colorado
Reconciliation of the Statement of Revenues, Expenditures and Changes in
Fund Balances of Governmental Funds to the Statement of Activities
Governmental Funds
For the Year Ended December 31, 2020

Amounts Reported for Governmental Activities in the Statement of Activities are Different Because:

Net Change in Fund Balances of Governmental Funds	\$ 2,472,581
Capital outlays to purchase or construct capital assets are reported in governmental funds as expenditures. However, for governmental activities those costs are capitalized in the statement of net position and are allocated over their estimated useful lives as annual depreciation expense in the statement of activities.	
Capital additions	1,670,035
Developer contributions	5,036,227
Depreciation expense	(651,442)
Gain (Loss) on Capital Asset Disposals	(321,357)
Some expenses reported in the statement of activities do not require the use of current financial resources and, therefore, are not reported as expenditures in governmental funds.	
Bond Principal Payment	150,000
Bond Premium Amortization	32,963
Capital Lease Principal Payment	62,100
Interest Expense	535
Compensated absences payable	<u>(76,378)</u>
Change in Net Position of Governmental Activities	<u>\$ 8,375,264</u>

Town of Bennett, Colorado

Statement of Net Position

Proprietary Funds

December 31, 2020

	Water	Wastewater	Totals
Assets			
<i>Current Assets</i>			
Cash and Investments	\$ 10,404,382	\$ 2,898,061	\$ 13,302,443
Accounts Receivable	112,884	423,458	536,342
Restricted Cash	15,324	-	15,324
Prepaid Expense	30,261	-	30,261
Total Current Assets	<u>10,562,851</u>	<u>3,321,519</u>	<u>13,884,370</u>
<i>Noncurrent Assets</i>			
Capital Assets, <i>Not Being Depreciated</i>	1,218,311	743,294	1,961,605
Capital Assets, <i>Net of Accumulated Depreciation</i>	<u>9,848,440</u>	<u>13,861,723</u>	<u>23,710,163</u>
Total Noncurrent Assets	<u>11,066,751</u>	<u>14,605,017</u>	<u>25,671,768</u>
Total Assets	<u><u>21,629,602</u></u>	<u><u>17,926,536</u></u>	<u><u>39,556,138</u></u>
Liabilities			
<i>Current Liabilities</i>			
Accounts Payable	62,422	117,518	179,940
Accrued Interest Payable	41,738	15,093	56,831
Current Portion of Noncurrent Liabilities			
Capital Lease Payable	35,841	35,841	71,682
Bond Payable	125,000	-	125,000
Note Payable	<u>147,827</u>	<u>195,206</u>	<u>343,033</u>
Total Current Liabilities	<u>412,828</u>	<u>363,658</u>	<u>776,486</u>
<i>Noncurrent Liabilities</i>			
Compensated Absences	7,760	7,677	15,437
Capital Lease Payable	110,478	110,477	220,955
Bond Payable	5,480,539	-	5,480,539
Note Payable	<u>3,359,326</u>	<u>5,503,295</u>	<u>8,862,621</u>
Total Noncurrent Liabilities	<u>8,958,103</u>	<u>5,621,449</u>	<u>14,579,552</u>
Total Liabilities	<u>9,370,931</u>	<u>5,985,107</u>	<u>15,356,038</u>
Deferred Inflows of Resources			
Deferred Revenue	<u>16,775</u>	<u>-</u>	<u>16,775</u>
Net Position			
Net Investment in Capital Assets	1,807,740	8,760,198	10,567,938
Restricted for Debt Service	229,439	105,127	334,566
Unrestricted	<u>10,204,717</u>	<u>3,076,104</u>	<u>13,280,821</u>
Total Net Position	<u><u>\$ 12,241,896</u></u>	<u><u>\$ 11,941,429</u></u>	<u><u>\$ 24,183,325</u></u>

See Notes to Financial Statements.

Town of Bennett, Colorado
Statement of Revenues, Expenses and Changes in Net Position
Proprietary Funds
For the Year Ended December 31, 2020

	Water	Wastewater	Totals
Operating Revenues			
Charges for Services	\$ 1,387,780	\$ 1,066,308	\$ 2,454,088
Total Operating Revenues	<u>1,387,780</u>	<u>1,066,308</u>	<u>2,454,088</u>
Operating Expenses			
Operations and Maintenance	917,756	420,506	1,338,262
Depreciation	<u>344,902</u>	<u>329,278</u>	<u>674,180</u>
Total Operating Expenses	<u>1,262,658</u>	<u>749,784</u>	<u>2,012,442</u>
Net Operating Income	<u>125,122</u>	<u>316,524</u>	<u>441,646</u>
Nonoperating Revenues (Expenses)			
Investment Income	15,083	16,767	31,850
Grant Income	-	257,618	257,618
Debt Interest and Fiscal Charges	(262,856)	(88,807)	(351,663)
Other Revenue	<u>406,000</u>	<u>359,709</u>	<u>765,709</u>
Total Nonoperating Revenues (Expenses)	<u>158,227</u>	<u>545,287</u>	<u>703,514</u>
Net Income Before Capital Contributions and Transfers	283,349	861,811	1,145,160
Capital Contributions			
Developer Contributions	1,863,422	3,602,886	5,466,308
System Investment Fees	3,185,225	812,630	3,997,855
Transfer In	1,220,824	996,741	2,217,565
Transfers Out	<u>(886,357)</u>	<u>(1,306,835)</u>	<u>(2,193,192)</u>
Change in Net Position	5,666,463	4,967,233	10,633,696
Net Position, Beginning of year	<u>6,575,433</u>	<u>6,974,196</u>	<u>13,549,629</u>
Net Position, End of year	<u>\$ 12,241,896</u>	<u>\$ 11,941,429</u>	<u>\$ 24,183,325</u>

Town of Bennett, Colorado
Statement of Cash Flows
Proprietary Funds
For the Year Ended December 31, 2020

	Water	Wastewater	Totals
Cash Flows From Operating Activities			
Cash Received from Customers	\$ 1,802,815	\$ 1,197,398	\$ 3,000,213
Cash Payments to Employees	(142,294)	(141,391)	(283,685)
Cash Payments to Vendors and Suppliers	(744,937)	(244,177)	(989,114)
Net Cash Provided by Operating Activities	<u>915,584</u>	<u>811,830</u>	<u>1,727,414</u>
Cash Flows From Noncapital Financing Activities			
Transfers to Other Funds	<u>334,467</u>	<u>(310,094)</u>	<u>24,373</u>
Net Cash Used in Noncapital Financing Activities	<u>334,467</u>	<u>(310,094)</u>	<u>24,373</u>
Cash Flows From Capital and Related Financing Activities			
Purchases of Capital Assets	(1,431,396)	(416,307)	(1,847,703)
System Investment Fees Received	3,185,225	812,630	3,997,855
Debt Principal Payments	5,430,012	(224,495)	5,205,517
Debt Interest Payments	(248,134)	(74,963)	(323,097)
Net Cash Provided by (Used in) Capital and Related Financing Activities	<u>6,935,707</u>	<u>96,865</u>	<u>7,032,572</u>
Cash Flows From Investing Activities			
Interest Received	<u>15,083</u>	<u>16,767</u>	<u>31,850</u>
Net Increase In Cash	8,200,841	615,368	8,816,209
Cash, Beginning of Year	<u>2,218,865</u>	<u>2,282,693</u>	<u>4,501,558</u>
Cash, End of Year	<u>\$ 10,419,706</u>	<u>\$ 2,898,061</u>	<u>\$ 13,317,767</u>
Reconciliation of Net Operating Income to Net Cash Provided by (Used in) Operating Activities			
Net Operating Income	\$ 531,122	\$ 933,851	\$ 1,464,973
Adjustments to Reconcile Net Operating Income to Net Cash Provided by (Used in) Operating Activities			
Depreciation	355,862	29,278	385,140
Changes in Assets and Liabilities			
Accounts Receivable	(1,925)	(186,237)	(188,162)
Prepaid Expense	(30,261)	-	(30,261)
Accounts Payable	59,807	34,594	94,401
Compensated Absences Payable	979	344	1,323
Net Cash Provided by (Used in) Operating Activities	<u>\$ 915,584</u>	<u>\$ 811,830</u>	<u>\$ 1,727,414</u>

See Notes to Financial Statements.

Town of Bennett, Colorado
Notes to Financial Statements
December 31, 2020

Note 1: Summary of Significant Accounting Policies

The financial statements of the Town of Bennett, Colorado (the Town) have been prepared in conformity with generally accepted accounting principles (GAAP) as applicable to governmental entities. The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting and financial reporting principles. The more significant of the Town's accounting policies are described below.

Reporting Entity

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

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

Government-wide and Fund Financial Statements

The government-wide financial statements (i.e., the statement of net position and the statement of activities) report information on all activities of the Town. For the most part, the effect of interfund activity has been removed from these statements. Exceptions to this general rule are charges for interfund services that are reasonably equivalent to the services provided. *Governmental 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 activities demonstrates the degree to which the direct expenses of the given function or segment are offset by program revenues. *Direct expenses* are those that are clearly identifiable with a specific function or segment. *Program revenues* include 1) charges to customers or applicants who purchase, use, or directly benefit from goods, services, or privileges provided by a given function or segment and 2) grants and contributions that are restricted to meeting the operational or capital requirements of a particular function or segment. Taxes and other items not properly included among program revenues are reported instead as *general revenues*. Internally dedicated resources are reported as general revenues rather than as program revenues.

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

Town of Bennett, Colorado

Notes to Financial Statements

December 31, 2020

Note 1: Summary of Significant Accounting Policies (Continued)

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 revenue 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 year.

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. All other revenues are considered 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.

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 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.

When both restricted and unrestricted resources are available for a specific use, it is the Town's practice to use restricted resources first, then unrestricted resources as they are needed.

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

The *General Fund* is the Town's primary operating fund. It accounts for all financial resources of the Town, except those accounted for in another fund.

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

Town of Bennett, Colorado

Notes to Financial Statements

December 31, 2020

Note 1: Summary of Significant Accounting Policies (Continued)

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

In addition, the Town reports the following major proprietary funds:

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

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

Assets, Liabilities and Net Position/Fund Balances

Cash Equivalents - For purposes of the statement of cash flows, cash equivalents include investment with original maturities of three months or less.

Receivables - Receivables are reported at their gross value and, where appropriate, are reduced by the estimated portion that is expected to be uncollectible.

Prepaid Expenses - Certain payments to vendors reflect costs applicable to future years and are reported as prepaid expenses using the consumption method.

Capital Assets - Capital assets, which include land, buildings, utility systems, equipment, and all infrastructure owned by the Town, are reported in the applicable governmental or business-type activities columns in the government-wide financial statements and the proprietary funds in the fund financial statements. Capital assets are defined by the Town 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 historical cost or estimated historical cost if purchased or constructed. Donated capital assets are recorded at the acquisition value on the date of donation. The costs of normal maintenance and repairs that do not add to the value of the assets or materially extend asset lives are not capitalized.

Capital assets are depreciated using the straight-line method over the following estimated useful lives.

Buildings	40 years
Buildings Improvements	15 years
Streets, Curbs and Gutters	15 - 30 years
Parks and ball Fields	10 - 40 years
Water and Wastewater Systems	15 - 50 years
Furniture and Equipment	5 - 10 years

Town of Bennett, Colorado

Notes to Financial Statements

December 31, 2020

Note 1: Summary of Significant Accounting Policies (Continued)

Assets, Liabilities and Net Position/Fund Balances (Continued)

Deferred Inflows of Resources - Property taxes earned but levied for a subsequent year are reported as deferred inflows of resources in the financial statements.

Compensated Absences - Vacation leave is based on an employee's length of employment and is earned ratably during the span of employment. Upon termination, employees are paid full value for any accrued general leave earned. It is the Town's policy to permit employees to accumulate earned but unused vacation leave benefits.

All leave is accrued when incurred in the government-wide and proprietary fund financial statements. A liability for these amounts is reported in governmental funds only if it is expected to be liquidated with expendable available financial resources.

Long-Term Debt - In the 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 accounting losses resulting from debt refunding's 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.

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

Net Position/Fund Balances - In the government-wide and fund financial statements, net position and fund balances are restricted when constraints placed on the use of resources are externally imposed. In the fund financial statements, governmental funds report committed fund balances when the Board of Trustees approves an ordinance that places constraints on the use of resources for a specific purpose. Assigned fund balances arise from an informal action of the Board of Trustees.

The Town has not established a formal policy for its use of restricted and unrestricted fund balances. However, if both restricted and unrestricted fund balances are available for a specific purpose, the Town uses restricted fund balances first, followed by committed, assigned, and unassigned balances.

Property Taxes

Property taxes attach as an enforceable lien on property on January 1, are levied the following December, and collected in the subsequent calendar year. Taxes are payable in full on April 30 or in two installments on February 28 and June 15. The County Treasurer's Office collects property taxes and remits to the Town on a monthly basis. Since property tax revenues are collected in arrears during the succeeding year, receivables and corresponding deferred inflows of resources are reported at year end.

Town of Bennett, Colorado
Notes to Financial Statements
December 31, 2020

Note 1: Summary of Significant Accounting Policies (Continued)

Subsequent Event

We have evaluated subsequent events through May 25, 2021. The date the financial statements were available to be issued.

Note 2: Cash and Investments

A summary of cash at December 31, 2020, follows:

Cash and Investments	\$ 17,979,282
Restricted Cash and Investments	<u>1,809,856</u>
Total Cash and Investments	<u>\$ 19,789,138</u>

Cash is reported in the financial statements as follows:

Cash	\$ 505
Deposits	1,660,385
Investments	<u>18,128,248</u>
Total	<u>\$ 19,789,138</u>

Cash Deposits

The Colorado Public Deposit Protection Act (PDPA) requires all local government entities to deposit cash in eligible public depositories. Eligibility is determined by State regulations. Amounts on deposit in excess of federal insurance levels must be collateralized by eligible collateral as determined by the PDPA. The PDPA allows the financial institution to create a single collateral pool for all public funds held. The pool is to be maintained by another institution or held in trust for all uninsured public deposits as a group. The market value of the collateral must be at least equal to 102% of the uninsured deposits. At December 31, 2020, the Town had bank deposits of \$1,437,959 collateralized with securities held by the financial institution's agent but not in the Town's name.

Investments

The Town is required to comply with State statutes which specify investment instruments meeting defined rating, maturity, and concentration risk criteria in which the Town may invest, which include the following. State statutes do not address custodial risk.

- Obligations of the United States and certain U.S. Agency securities
- Certain international agency securities
- General obligation and revenue bonds of U.S. local government entities
- Bankers' acceptances of certain banks

Town of Bennett, Colorado

Notes to Financial Statements

December 31, 2020

Note 2: Cash and Investments (Continued)

Investments (Continued)

- Commercial paper
- Local government investment pools
- Written repurchase agreements collateralized by certain authorized securities
- Certain money market funds
- Guaranteed investment contracts (GICs)

Fair Value Measurements - At December 31, 2020, the Town's investment in Colotrust and the Corporation's investment in a money market fund were reported at the net asset value per share.

Interest Rate Risk - State statutes generally limit the maturity of investment securities to five years from the date of purchase unless the governing board authorizes the investment for a period in excess of five years.

Credit Risk - State statutes limit certain investments to those with specified ratings from nationally recognized statistical rating organizations, depending on the type of investment.

Concentration of Credit Risk - State statutes do not limit the amount the Town may invest in one issuer of investment securities, except for corporate securities.

Local Government Investment Pool - At December 31, 2020, the Town had \$18,128,248 invested in the Colorado Local Government Liquid Asset Trust (Colotrust), an investment vehicle established for local government entities in Colorado to pool surplus funds for investment purposes. The Colorado Division of Securities administers and enforces the requirements of creating and operating Colotrust. Colotrust operates in conformity with the Securities and Exchange Commission's Rule 2a-7, with each share valued at \$1. Colotrust is rated AAAM by Standard and Poor's. Investments of Colotrust are limited to those allowed by State statutes. A designated custodial bank provides safekeeping and depository services in connection with the direct investment and withdrawal functions. The custodian's internal records identify the investments owned by the participating governments.

Restricted Cash and Investments

At December 31, 2020, the Town reported restricted cash of \$1,794,532 and \$15,324 in the Sales Tax Capital Improvement and Water Funds, respectively. The restricted cash are restricted for capital projects and debt service.

Town of Bennett, Colorado
Notes to Financial Statements
December 31, 2020

Note 3: Capital Assets

Capital asset activity for the year ended December 31, 2020, is summarized below.

	Balance 12/31/19	Additions	Deletions	Balance 12/31/20
Governmental Activities				
<i>Capital Assets, Not Being Depreciated</i>				
Land and Land Improvements	\$ 2,758,194	\$ -	\$ -	\$ 2,758,194
Public Art	40,989	-	-	40,989
Construction in Progress	246,694	1,205,837	(213,760)	1,238,771
Total Capital Assets, Not Being Depreciated	3,045,877	1,205,837	(213,760)	4,037,954
<i>Capital Assets, Being Depreciated</i>				
Buildings	3,683,545	31,875	-	3,715,420
Infrastructures	8,584,280	5,036,227	-	13,620,507
Parks and Ballfields	4,277,902	305,588	-	4,583,490
Vehicle and Equipment	929,289	63,086	(168,705)	823,670
Information Technology/Software	67,447	-	-	67,447
Street and Park Equipment	326,336	63,649	-	389,985
Total Capital Assets, Being Depreciated	17,868,799	5,500,425	(168,705)	23,200,519
<i>Less Accumulated Depreciation</i>				
Buildings	(618,072)	(110,871)	-	(728,943)
Infrastructures	(613,612)	(271,386)	-	(884,998)
Parks and Ballfields	(869,164)	(167,323)	-	(1,036,487)
Vehicle and Equipment	(333,553)	(59,564)	61,108	(332,009)
Information Technology/Software	(47,139)	(7,889)	-	(55,028)
Street and Park Equipment	(72,357)	(34,409)	-	(106,766)
Total Accumulated Depreciation	(2,553,897)	(651,442)	61,108	(3,144,231)
Total Capital Assets, Being Depreciated, net	15,314,902	4,848,983	(107,597)	20,056,288
Governmental Activities Capital Assets, net	\$ 18,360,779	\$ 6,054,820	\$ (321,357)	\$ 24,094,242

Town of Bennett, Colorado
Notes to Financial Statements
December 31, 2020

Note 3: Capital Assets (Continued)

Capital asset activity for Business-Type activities for the year ended December 31, 2020, is summarized below:

Business-Type Activities	Balance 12/31/19	Additions	Deletions	Balance 12/31/20
<i>Capital Assets, Not Being Depreciated</i>				
Land and Land Improvements	\$ 67,138	\$ -	\$ -	\$ 67,138
Water Rights	215,654	-	-	215,654
Construction in Progress	<u>407,454</u>	<u>1,271,359</u>	<u>-</u>	<u>1,678,813</u>
Total Capital Assets, not being Depreciated	<u>690,246</u>	<u>1,271,359</u>	<u>-</u>	<u>1,961,605</u>
<i>Capital Assets, being depreciated</i>				
Buildings and Plants	7,204,664	-	-	7,204,664
Collection and Distribution Systems	3,310,973	3,602,886	-	6,913,859
Water System	9,612,554	2,439,765	-	12,052,319
Ponds	656,605	-	-	656,605
Equipment	<u>1,490,736</u>	<u>-</u>	<u>-</u>	<u>1,490,736</u>
Total Capital Assets, Being Depreciated	<u>22,275,532</u>	<u>6,042,651</u>	<u>-</u>	<u>28,318,183</u>
<i>Less Accumulated Depreciation</i>				
Buildings and Plants	(209,369)	(179,498)	-	(388,867)
Collection and Distribution Systems	(413,733)	(96,398)	-	(510,131)
Water System	(2,659,529)	(280,184)	-	(2,939,713)
Ponds	(283,145)	(16,304)	-	(299,449)
Equipment	<u>(368,064)</u>	<u>(101,796)</u>	<u>-</u>	<u>(469,860)</u>
Total Accumulated Depreciation	<u>(3,933,840)</u>	<u>(674,180)</u>	<u>-</u>	<u>(4,608,020)</u>
Total Capital Assets, Being Depreciated, net	<u>18,341,692</u>	<u>5,368,471</u>	<u>-</u>	<u>23,710,163</u>
Business - Type Activities Capital Assets, net	\$ <u>19,031,938</u>	\$ <u>6,639,830</u>	\$ <u>-</u>	\$ <u>25,671,768</u>

Town of Bennett, Colorado
Notes to Financial Statements
December 31, 2020

Note 4: Long-Term Debt

Governmental Activities

Following is a summary of long-term debt transactions of the governmental activities for the year ended December 31, 2020:

	<u>12/31/19</u>	<u>Additions</u>	<u>Payments</u>	<u>12/31/20</u>	<u>One Year</u>
2016 Sales tax Revenue Bond	\$ 5,070,000	\$ -	\$ (150,000)	\$ 4,920,000	\$ 150,000
2016 Bonds Premium	430,147	-	(32,963)	397,184	-
2017 Capital lease	1,259,100	-	(62,100)	1,197,000	65,900
Compensated Absences	50,090	76,378	(50,090)	76,378	7,499
Total	<u>\$ 6,809,337</u>	<u>\$ 76,378</u>	<u>\$ (295,153)</u>	<u>\$ 6,590,562</u>	<u>\$ 223,399</u>

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

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

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

<u>Year Ended December 31,</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2021	\$ 150,000	\$ 196,800	\$ 346,800
2022	150,000	190,800	340,800
2023	175,000	184,800	359,800
2024	175,000	177,800	352,800
2025	175,000	170,800	345,800
2026-2030	1,015,000	739,800	1,754,800
2031-2035	1,230,000	521,200	1,751,200
2036-2040	1,850,000	255,400	2,105,400
Total	<u>\$ 4,920,000</u>	<u>\$ 2,437,400</u>	<u>\$ 7,357,400</u>

In 2017, the Town entered into a lease/purchase agreement for to provide funds for the construction of a new Town Hall. Interest payments are due semi-annually on June 1 and December 1, with interest accruing at rates 3.08%. Principal payments are due annually on December 1, through 2031.

Town of Bennett, Colorado
Notes to Financial Statements
December 31, 2020

Note 4: Long-Term Debt (Continued)

Governmental Activities (Continued)

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

<u>Year Ended December 31,</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2021	\$ 64,000	\$ 36,868	\$ 100,868
2022	65,900	34,896	100,796
2023	68,000	32,867	100,867
2024	70,100	30,772	100,872
2025	72,200	28,613	100,813
2026-2030	396,000	118,295	514,295
2031	460,800	14,193	474,993
Total	<u>\$ 1,197,000</u>	<u>\$ 296,504</u>	<u>\$ 1,493,504</u>

Business-type Activities

Following are the changes in long-term debt of the business-type activities for the year ended December 31, 2020:

	<u>Balance 12/31/19</u>	<u>Additions</u>	<u>Payments</u>	<u>Balance 12/31/20</u>	<u>Due Within One Year</u>
Energy and Impact Assistance Loan					
2010 Wastewater Loan	48,238	-	(7,093)	41,145	7,819
Colorado Water Conservation Board					
2015 Water Loan	1,425,048	-	(30,306)	1,394,742	32,308
Colorado Water Resources and Power Development Authority					
2006 Wastewater Loan	71,168	-	(9,069)	62,099	9,769
2016 Water Loan	2,223,423	-	(111,012)	2,112,411	115,519
2017 Wastewater Loan	2,366,058	-	(83,019)	2,283,039	83,020
2018 Wastewater Loan	3,403,323	-	(91,105)	3,312,218	94,598
2019 Capital Lease	361,055	12,144	(80,562)	292,637	71,682
2020 Water Bond	-	4,905,000	-	4,905,000	125,000
2020 Water Bond Premium	-	716,644	(16,105)	700,539	-
Compensated Absences	14,114	1,323		15,437	-
Total	<u>\$ 9,912,427</u>	<u>\$ 5,635,111</u>	<u>\$ (428,271)</u>	<u>\$ 15,119,267</u>	<u>\$ 539,715</u>

During 2010, the Town issued \$99,057 Wastewater Note with Energy and Impact Assistance Program to construct a wastewater line that passes underneath railroad tracks to the wastewater plant. Interest payments are due annually on September 1, with interest accruing at rate of 5%. Principal payments are due annually on September 1, through 2025.

Town of Bennett, Colorado
Notes to Financial Statements
December 31, 2020

Note 4: Long-Term Debt (Continued)

Business-type Activities (Continued)

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

<u>Year Ended December 31,</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2021	\$ 7,446	\$ 2,058	\$ 9,504
2022	7,819	1,685	9,504
2023	8,209	1,295	9,504
2024	8,620	884	9,504
2025	9,051	452	9,503
Total	<u>\$ 41,145</u>	<u>\$ 6,374</u>	<u>\$ 47,519</u>

During 2015, the Town issued \$1,454,400 Water Loan with Colorado Water Conservation Board to replace two wells. Interest payments are due annually on August 1, with interest accruing at rate of 3.25%. Principal payments are due annually on August 1, through 2048.

The Town must maintain a reserve of \$7,662 annually beginning in 2019, with a maximum of \$76,620. The Town has funded these reserves through restrictions of its cash balances in the Water Fund (Note 2), in the amount of \$15,324 as of December 31, 2020.

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

<u>Year Ended December 31,</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2021	\$ 31,291	\$ 45,329	\$ 76,620
2022	32,308	44,312	76,620
2023	33,358	43,262	76,620
2024	34,442	42,178	76,620
2025	35,562	41,059	76,621
2026-2030	195,914	187,187	383,101
2031-2035	229,889	153,214	383,103
2036-2040	269,754	113,348	383,102
2041-2045	316,532	66,569	383,101
2046-2048	215,692	14,170	229,862
Total	<u>\$ 1,394,742</u>	<u>\$ 750,628</u>	<u>\$ 2,145,370</u>

During 2006, the Town issued \$161,000 Water Pollution Control Revolving Fund Loan with Colorado Water Resources and Power Development Authority to upgrade the existing wastewater treatment lagoons. Interest payments are due semi-annually on May 1 and November 1, with interest accruing at rate 3.75%. Principal payments are due semi-annually on May 1 and November 1, through 2026. The loan contains a net revenue pledge Wastewater Fund revenue towards repayment.

The Town is required to maintain an operations and reserve fund in an amount equal to three months of operations and maintenance expenses, excluding depreciation. Accordingly, the Town has restricted \$104,306 of the Wastewater Fund's net position.

Town of Bennett, Colorado
Notes to Financial Statements
December 31, 2020

Note 4: Long-Term Debt (Continued)

Business-type Activities (Continued)

During 2016, the Town issued \$2,500,000 Drinking Water Revolving Fund Loan with Colorado Water Resources and Power Development Authority to replace existing water system storage. Interest payments are due semi-annually on May 1 and November 1, with interest accruing at rate 2%. Principal payments are due semi-annually on May 1 and November 1, through 2036. The loan contains net revenue pledge Water Fund revenues towards repayment.

The Town is required to maintain an operations and reserve fund in an amount equal to three months of operations and maintenance expenses, excluding depreciation. Accordingly, the Town has restricted \$229,418 of the Water Fund's net position.

During 2017, the Town issued \$2,500,000 Water Pollution Control Revolving Fund Loan with Colorado Water Resources and Power Development Authority to construct a new mechanical wastewater treatment facility to replace the existing lagoon system. Principal payments are due semi-annually on May 1 and November 1, through 2038. The loan contains net revenue pledge of Wastewater Fund revenues towards repayment.

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

Annual debt service requirements for the outstanding loans at December 31, 2020, were as follows.

<u>Year Ended December 31,</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2021	\$ 298,511	\$ 106,091	\$ 404,602
2022	302,906	101,696	404,602
2023	307,395	97,207	404,602
2024	311,978	92,624	404,602
2025	316,656	87,946	404,602
2026-2030	1,607,237	369,157	1,976,394
2031-2035	1,716,261	248,479	1,964,740
2036-2040	1,207,057	137,971	1,345,028
2041-2045	1,117,474	72,626	1,190,100
2046-2048	584,292	10,747	595,039
Total	<u>\$ 7,769,767</u>	<u>\$ 1,324,544</u>	<u>\$ 9,094,311</u>

Town of Bennett, Colorado
Notes to Financial Statements
December 31, 2020

Note 4: Long-Term Debt (Continued)

Business-type Activities (Continued)

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

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

<u>Year Ended December 31,</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2021	\$ 68,944	\$ 11,618	\$ 80,562
2022	71,681	8,881	80,562
2023	74,527	6,035	80,562
2024	77,485	3,076	80,561
Total	<u>\$ 292,637</u>	<u>\$ 29,610</u>	<u>\$ 322,247</u>

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

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

<u>Year Ended December 31,</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2021	\$ 125,000	\$ 164,700	\$ 289,700
2022	130,000	160,950	290,950
2023	135,000	157,050	292,050
2024	140,000	153,000	293,000
2025	140,000	148,800	288,800
2026-2030	790,000	662,400	1,452,400
2031-2035	965,000	490,800	1,455,800
2036-2040	1,150,000	305,100	1,455,100
2041-2045	1,330,000	121,950	1,451,950
Total	<u>\$ 4,905,000</u>	<u>\$ 2,364,750</u>	<u>\$ 7,269,750</u>

Component Unit

Following are the changes in long-term debt of the component unit for the year ended December 31, 2020:

	<u>Balance 12/31/19</u>	<u>Additions</u>	<u>Payments</u>	<u>Balance 12/31/20</u>	<u>Due Within One Year</u>
2017 General Obligation Refunding Note	<u>\$ 1,739,386</u>	<u>\$ -</u>	<u>\$ (117,395)</u>	<u>\$ 1,621,991</u>	<u>\$ 25,000</u>

Town of Bennett, Colorado
Notes to Financial Statements
December 31, 2020

Note 4: Long-Term Debt (Continued)

Component Unit (Continued)

During 2017, the District issued \$1,995,000 General Obligation Refunding Note to refund and pay the outstanding Series 2006 bond. Interest payments are due semi-annually on June 1 and December 1, with interest accruing at rate of 5.50%. Principal payments are due annually on December 1, through 2040. The District has pledged its net revenue derived from the District, after payment of any costs of collection to pay the principal on the Note as they become due.

The Note is subject to redemption prior to maturity, at the option of the District, as a whole or in part, on any date thereafter, upon payment of par and accrued interest to the date of redemption.

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

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

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

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

<u>Year Ended December 31,</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2021	\$ 25,000	\$ 89,210	\$ 114,210
2022	25,000	87,835	112,835
2023	25,000	86,460	111,460
2024	25,000	85,085	110,085
2025	25,000	83,710	108,710
2026-2030	125,000	397,923	522,923
2031-2035	125,000	363,548	488,548
2036-2040	<u>1,246,991</u>	<u>329,173</u>	<u>1,576,164</u>
Total	<u>\$ 1,621,991</u>	<u>\$ 1,522,944</u>	<u>\$ 3,144,935</u>

Town of Bennett, Colorado
Notes to Financial Statements
December 31, 2020

Note 5: Interfund Transactions

Interfund transfers for the year ended December 31, 2020, were comprised of the following:

<u>Transfers In</u>	<u>Transfers Out</u>	<u>Amount</u>
General Fund	Water Fund	\$ 217,291
General Fund	Wastewater Fund	128,116
Sales Tax Capital Improvement Fund	General Fund	42,980
Wastewater Fund	General Fund	369,780
Water Fund	Wastewater Fund	551,758
		<hr/>
Total		\$ 1,309,925

The Water and Wastewater Funds reimburse the General Fund for services provided, including administration, finance, clerk and IT costs for use and employee time. The Wastewater Fund transferred Construction in Progress to Water Fund. Sales Tax Capital Improvement Fund and Wastewater Fund reimburse the General Fund for developer expenses and matching expenses for capital assets expenditures.

Note 6: Risk Management

Public Entity Risk Pool

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. For these risks of loss, the Town participates in the Colorado Intergovernmental Risk Sharing Agency (CIRSA), a separate and independent governmental and legal entity formed by intergovernmental agreement by member municipalities pursuant to the provisions of 24-10-115.5, Colorado Revised Statutes, and the Colorado Constitution, Article XIV, Section 18(2).

The purposes of CIRSA are to provide members defined liability, property, and workers compensation coverages and to assist members to prevent and reduce losses and injuries to municipal property and to persons or property which might result in claims being made against members of CIRSA, their employees and officers.

It is the intent of the members of CIRSA to create an entity in perpetuity which will administer and use funds contributed by the members to defend and indemnify, in accordance with the bylaws, any member of CIRSA against stated liability of loss, to the limit of the financial resources of CIRSA. It is also the intent of the members to have CIRSA provide continuing stability and availability of needed coverages at reasonable costs. All income and assets of CIRSA shall be at all times dedicated to the exclusive benefit of its members.

Town of Bennett, Colorado

Notes to Financial Statements

December 31, 2020

Note 7: Retirement Commitments

Defined Contribution Pension Plan

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

For the year ended December 31, 2020, the Town recognized pension expense of \$52,218.

Deferred Compensation Plan

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

Note 8: Commitments and Contingencies

TABOR Amendment

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

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

Town of Bennett, Colorado
Notes to Financial Statements
December 31, 2020

Note 8: Commitments and Contingencies (Continued)

TABOR Amendment (Continued)

The Town has established an emergency reserve, representing 3% of qualifying expenditures, as required by the Amendment. At December 31, 2020, the emergency reserve was reported as restricted fund balance in the General Fund, in the amount of \$180,399.

Current Economic Conditions

During the year ended December 31, 2020, the United States of America and State of Colorado declared an emergency associated with the COVID-19 pandemic. This public health emergency creates uncertain economic conditions. The Town has adapted and made changes to operations due to the potential impacts on health and safety, however the full economic effect on the Town is uncertain. Should these conditions continue, the Town could continue to be negatively impacted.

Note 9: Rate Maintenance

All the Colorado Water Resources and Power Development Authority requires that Net Revenues shall represent a sum equal to 110% of the amount necessary to pay when due the principal and interest on the loans coming due during the fiscal year.

The Town believes that it is in compliance with the requirements as of December 31, 2020.

	Water Enterprise		Wastewater Enterprise	
	2016 CWRPDA	2006 CWRPDA	2017 CWRPDA	2018 CWRPDA
	Loan	Loan	Loan	Loan
Revenues				
Operating Revenues	\$ 1,387,780	\$ 1,387,780	\$ 1,066,308	\$ 1,066,308
Other revenue	421,083	421,083	634,094	634,094
Capital Contributions	5,048,647	5,048,647	4,415,516	4,415,516
Less: Capital Related Grants	-	-	-	-
Total Revenue	<u>6,857,510</u>	<u>6,857,510</u>	<u>6,115,918</u>	<u>6,115,918</u>
Expenses				
Operations and maintenance expense	(1,262,658)	(1,262,658)	(749,784)	(749,784)
Less: Depreciation	344,902	344,902	329,278	329,278
Net Expenses	<u>(917,756)</u>	<u>(917,756)</u>	<u>(420,506)</u>	<u>(420,506)</u>
Net Revenues	<u>\$ 5,939,754</u>	<u>\$ 5,939,754</u>	<u>\$ 5,695,412</u>	<u>\$ 5,695,412</u>

(Continued)

Town of Bennett, Colorado
Notes to Financial Statements
December 31, 2020

Note 9: Rate Maintenance (Continued)

	Water Enterprise 2016 CWRPDA Loan	2006 CWRPDA Loan	Wastewater Enterprise 2017 CWRPDA Loan	2018 CWRPDA Loan
Debt Services Requirements (Parity and Senior Debt Service) (Continued)				
2006 CWRPDA Wastewater Loan	\$ -	\$ 67,456	\$ -	\$ -
2016 CWRPDA Water Loan	154,928	-	-	-
2017 CWRPDA Wastewater Loan	-	-	83,020	-
2018 CWRPDA Wastewater Loan	-	-	-	155,000
	<u>154,928</u>	<u>67,456</u>	<u>83,020</u>	<u>155,000</u>
Required Coverage	110%	110%	110%	110%
Debt Service Coverage Amount	<u>170,421</u>	<u>74,202</u>	<u>91,322</u>	<u>170,500</u>
Net Revenue Excess (Shortfall)	<u>\$ 5,769,333</u>	<u>\$ 5,865,552</u>	<u>\$ 5,604,090</u>	<u>\$ 5,524,912</u>

Note 10: Subsequent Events

In May 2021, the Town has entered a Certificate of Participation Agreement of \$3,685,000, to refinance the 2017 lease and construction of a new public works facility.

Required Supplementary Information

Town of Bennett, Colorado
 Budgetary Comparison Schedule
 General Fund
 For the Year Ended December 31, 2020

	Original Budget	Final Budget	Actual	Variance Positive (Negative)
Revenues				
Taxes				
Property Taxes	\$ 428,550	\$ 428,550	\$ 429,470	\$ 920
Sales & Use Tax	3,055,835	3,055,835	3,675,236	619,401
Cigarette Tax	6,515	6,515	6,414	(101)
Franchise Tax	73,710	73,710	77,980	4,270
Severance Tax	6,790	6,790	4,022	(2,768)
Total Taxes	3,571,400	3,571,400	4,193,122	621,722
Intergovernmental				
Grants	2,345,180	2,345,180	1,288,479	(1,056,701)
Open Space Shareback	44,005	44,005	56,436	12,431
Total Intergovernmental	2,389,185	2,389,185	1,344,915	(1,044,270)
Licenses and Permits				
Building Permits	456,350	456,350	384,200	(72,150)
Plan Reviews	55,395	55,395	54,053	(1,342)
Animal Licenses	1,245	1,245	1,237	(8)
Liquor Licenses	900	900	853	(47)
Infrastructure Inspection Fee	15,000	15,000	19,500	4,500
Miscellaneous	75,180	75,180	107,365	32,185
Total Licenses and Permits	604,070	604,070	567,208	(36,862)
Charges for Services				
Rentals	41,810	41,810	32,659	(9,151)
Internal Department Charges	268,340	268,340	269,696	1,356
Cemetery Charges	10,495	10,495	15,475	4,980
Other Charges for Services	200	200	15	(185)
Total Charges for Services	320,845	320,845	317,845	(3,000)
Fines and Forfeitures	21,350	21,350	10,295	(11,055)
Impact Fees	593,525	593,525	585,630	(7,895)
Capital Credits	9,000	9,000	-	(9,000)
Bennett Arts & Cultural Fund	87,000	87,000	12,761	(74,239)
Contributions	100	100	8,190	8,090
Investment Income	47,215	47,215	20,161	(27,054)
Miscellaneous	191,010	191,010	67,852	(123,158)
Total Revenues	7,834,700	7,834,700	7,127,979	(706,721)

(Continued)

Town of Bennett, Colorado
 Budgetary Comparison Schedule
 General Fund
 For the Year Ended December 31, 2020
 (Continued)

	Original Budget	Final Budget	Actual	Variance Positive (Negative)
Expenditures				
Current				
General Government				
Administration	\$ 811,425	\$ 811,425	\$ 1,050,807	\$ (239,382)
Finance	169,530	169,530	189,817	(20,287)
Boards and Commissions	82,570	82,570	67,778	14,792
Town Clerk	144,195	144,195	87,725	56,470
Municipal Court	25,350	25,350	18,297	7,053
Community Development	381,735	381,735	448,806	(67,071)
Bennett Arts & Cultural Fund	111,380	111,380	76,708	34,672
Economic Development	137,020	137,020	191,830	(54,810)
Information Technology	130,975	130,975	111,646	19,329
Internal Services	268,040	268,040	262,145	5,895
Contingency	773,283	773,283	-	773,283
Total General Government	3,035,503	3,035,503	2,505,559	529,944
Public Safety	451,235	451,235	415,452	35,783
Public Works	1,002,580	1,002,580	1,101,273	(98,693)
Capital Outlay	3,600,300	3,600,300	993,013	2,607,287
Others	36,645	36,645	-	36,645
Debt Service				
Principal	100,840	100,840	62,100	38,740
Interest	-	-	38,780	(38,780)
Total Expenditures	8,227,103	8,227,103	5,116,177	3,110,926
Excess of Revenues Over (Under) Expenditures	<u>(392,403)</u>	<u>(392,403)</u>	<u>2,011,802</u>	<u>2,404,205</u>
Other Financing Sources (Uses)				
Proceeds from Sale of Assets	67,000	67,000	23,525	(43,475)
Transfer In	1,565,455	1,565,455	731,356	(834,099)
Transfers Out	(1,063,119)	(1,063,119)	(798,709)	264,410
Total Other Financing Sources (Uses)	<u>569,336</u>	<u>569,336</u>	<u>(43,828)</u>	<u>(613,164)</u>
Net Change in Fund Balance	176,933	176,933	1,967,974	1,791,041
Fund Balance, Beginning of year	<u>2,270,363</u>	<u>2,270,353</u>	<u>1,981,710</u>	<u>(288,643)</u>
Fund Balance, End of year	<u>\$ 2,447,296</u>	<u>\$ 2,447,286</u>	<u>\$ 3,949,684</u>	<u>\$ 1,502,398</u>

Town of Bennett, Colorado
Notes to Required Supplementary Information
December 31, 2020

Note 1: Stewardship, Compliance and Accountability

Budgets and Budgetary Accounting

Budgets are adopted for all funds of the Town in accordance with State statutes. Budgets for the governmental funds are adopted on a basis consistent with generally accepted accounting principles (GAAP). Budgetary comparisons for the enterprise funds are presented on a non-GAAP budgetary basis. Capital outlay and debt principal are budgeted as expenditures, but depreciation is not budgeted.

The Town follows these procedures to establish the budgetary information reflected in the financial statements:

- Management submits to the Board of Trustees a proposed operating budget for the fiscal year commencing the following January 1. The operating budget includes proposed expenditures and the means of financing them.
- Public hearings are conducted to obtain taxpayer comments.
- Prior to December 31, the budget is legally adopted through passage of a resolution.
- Town management is authorized to transfer budgeted amounts between departments within any fund. However, revisions that alter the total expenditures of any fund must be approved by the Board of Trustees. State statutes stipulate that expenditures may not exceed budget appropriations at the fund level.
- All appropriations lapse at year end.

Supplementary Information

Town of Bennett, Colorado
Combining Balance Sheet
Nonmajor Governmental Funds
December 31, 2020

	Conservation Trust Fund	Road & Bridge Fund	Totals
Assets			
Cash	\$ 2,284	\$ 633,026	\$ 635,310
Accounts Receivable	<u>-</u>	<u>31,338</u>	<u>31,338</u>
Total Assets	<u>\$ 2,284</u>	<u>\$ 664,364</u>	<u>\$ 666,648</u>
Liabilities			
Accounts Payable	<u>\$ -</u>	<u>\$ 11,138</u>	<u>\$ 11,138</u>
Total Liabilities	<u>-</u>	<u>11,138</u>	<u>11,138</u>
Deferred Inflows of Resources			
Deferred Revenue	<u>-</u>	<u>391,936</u>	<u>391,936</u>
Fund Balances			
Restricted for Parks and Recreation	2,284	-	2,284
Assigned to Road Maintenance	<u>-</u>	<u>261,290</u>	<u>261,290</u>
Total Fund Balances	<u>2,284</u>	<u>261,290</u>	<u>263,574</u>
Total Liabilities and Fund Balances	<u>\$ 2,284</u>	<u>\$ 664,364</u>	<u>\$ 666,648</u>

Town of Bennett, Colorado
Combining Statement of Revenues, Expenditures and Changes in Fund Balances
Nonmajor Governmental Funds
For the Year Ended December 31, 2020

	Conservation Trust Fund	Road & Bridge Fund	Totals
Revenues			
Taxes	\$ -	\$ 31,245	\$ 31,245
Intergovernmental	14,845	235,517	250,362
Investment Income	138	1,967	2,105
	<u>14,983</u>	<u>268,729</u>	<u>283,712</u>
Total Revenues			
Expenditures			
Current			
Public Works	-	218,561	218,561
Capital Outlay	14,839	3,498	18,337
	<u>14,839</u>	<u>222,059</u>	<u>236,898</u>
Total Expenditures			
Excess of Revenues Over (Under) Expenditures	<u>144</u>	<u>46,670</u>	<u>46,814</u>
Net Change in Fund Balances	144	46,670	46,814
Fund Balances, Beginning of year	<u>2,140</u>	<u>214,620</u>	<u>216,760</u>
Fund Balances, End of year	<u>\$ 2,284</u>	<u>\$ 261,290</u>	<u>\$ 263,574</u>

Town of Bennett, Colorado
 Budgetary Comparison Schedule
 Sales Tax Capital Improvement Fund
 For the Year Ended December 31, 2020

	Original Budget	Final Budget	Actual	Variance Positive (Negative)
Revenues				
Sales Tax	\$ 772,395	\$ 772,395	\$ 1,036,046	\$ 263,651
Grants	450,000	450,000	-	(450,000)
Investment Income	25,200	25,200	14,633	(10,567)
	<u>1,247,595</u>	<u>1,247,595</u>	<u>1,050,679</u>	<u>(196,916)</u>
Total Revenues				
Expenditures				
Public Works	149,052	149,052	55,992	93,060
Capital Outlay	1,394,000	1,394,000	228,574	1,165,426
Debt Service				
Principal	360,300	360,300	150,000	210,300
Interest	-	-	201,300	(201,300)
	<u>1,903,352</u>	<u>1,903,352</u>	<u>635,866</u>	<u>1,267,486</u>
Total Expenditures				
Excess Revenues Over (Under) Expenditures	(655,757)	(655,757)	414,813	1,070,570
Other Financing Sources (Uses)				
Transfers In	-	-	42,980	42,980
Net Change in Fund Balance	(655,757)	(655,757)	457,793	1,113,550
Fund Balance, Beginning of year	1,376,357	1,376,357	1,445,929	69,572
Fund Balance, End of year	<u>\$ 720,600</u>	<u>\$ 720,600</u>	<u>\$ 1,903,722</u>	<u>\$ 1,183,122</u>

Town of Bennett, Colorado
 Budgetary Comparison Schedule
 Road and Bridge Fund
 For the Year Ended December 31, 2020

	Original Budget	Final Budget	Actual	Variance Positive (Negative)
Revenues				
Specific Ownership Tax	\$ 27,920	\$ 27,920	\$ 31,245	\$ 3,325
Highway Users Tax	73,315	73,315	73,780	465
County Road and Bridge Tax	117,480	117,480	152,955	35,475
Motor Vehicle Registration Fees	9,905	9,905	8,782	(1,123)
Investment Income	2,970	2,970	1,967	(1,003)
	<u>231,590</u>	<u>231,590</u>	<u>268,729</u>	<u>37,139</u>
Total Revenues				
	<u>231,590</u>	<u>231,590</u>	<u>268,729</u>	<u>37,139</u>
Expenditures				
Public Works	149,505	149,505	218,561	(69,056)
Capital Outlay	415,000	415,000	3,498	411,502
	<u>564,505</u>	<u>564,505</u>	<u>222,059</u>	<u>342,446</u>
Total Expenditures				
	<u>564,505</u>	<u>564,505</u>	<u>222,059</u>	<u>342,446</u>
Excess Revenues Over (Under) Expenditures	(332,915)	(332,915)	46,670	379,585
Other Financing Sources (Uses)				
Transfers In	400,000	400,000	-	(400,000)
Transfers Out	(67,085)	(67,085)	-	67,085
	<u>-</u>	<u>-</u>	<u>46,670</u>	<u>46,670</u>
Net Change in Fund Balance				
	<u>167,805</u>	<u>167,805</u>	<u>214,620</u>	<u>46,815</u>
Fund Balance, Beginning of year				
	<u>167,805</u>	<u>167,805</u>	<u>214,620</u>	<u>46,815</u>
Fund Balance, End of year	\$ <u>167,805</u>	\$ <u>167,805</u>	\$ <u>261,290</u>	\$ <u>93,485</u>

Town of Bennett, Colorado
 Budgetary Comparison Schedule
 Conservation Trust Fund
 For the Year Ended December 31, 2020

	Original Budget	Final Budget	Actual	Variance <i>Positive</i> <i>(Negative)</i>
Revenues				
Intergovernmental	\$ 14,600	\$ 14,600	\$ 14,845	\$ 245
Investment Income	240	240	138	(102)
	<u>14,840</u>	<u>14,840</u>	<u>14,983</u>	<u>143</u>
Total Revenues				
	<u>14,840</u>	<u>14,840</u>	<u>14,983</u>	<u>143</u>
Expenditures				
Parks and Recreations	12,500	12,500	14,839	(2,339)
Emergency Reserves	2,340	2,340	-	2,340
	<u>14,840</u>	<u>14,840</u>	<u>14,839</u>	<u>1</u>
Total Expenditures				
	<u>14,840</u>	<u>14,840</u>	<u>14,839</u>	<u>1</u>
Net Changes in Fund Balance	-	-	144	144
Fund Balance, Beginning of year	14,840	14,840	2,140	(12,700)
	<u>14,840</u>	<u>14,840</u>	<u>2,140</u>	<u>(12,700)</u>
Fund Balance, End of year	\$ <u>14,840</u>	\$ <u>14,840</u>	\$ <u>2,284</u>	\$ <u>(12,556)</u>

Town of Bennett, Colorado
 Budgetary Comparison Schedule
 Water Fund
 For the Year Ended December 31, 2020

	Original Budget	Final Budget	Actual	Variance Positive (Negative)
Revenues				
Water Sales	\$ 1,109,165	\$ 1,109,165	\$ 1,079,186	\$ (29,979)
Bulk Water	45,000	45,000	72,857	27,857
Water Development Fees	5,148,300	5,148,300	3,185,225	(1,963,075)
Net Investment Income	37,130	37,130	15,083	(22,047)
Other	53,095	53,095	641,737	588,642
Transfer In	1,615,280	1,615,280	1,220,824	(394,456)
	<u>8,007,970</u>	<u>8,007,970</u>	<u>6,214,912</u>	<u>(1,793,058)</u>
Expenditures				
Operations and Maintenance	672,520	672,520	1,262,658	(590,138)
Capital Outlay	1,897,000	1,897,000	1,431,396	465,604
Debt Principal	271,830	271,830	181,599	90,231
Debt Interest and Fiscal Charges	-	-	262,856	(262,856)
Transfers Out	2,441,415	2,441,415	886,357	1,555,058
	<u>5,282,765</u>	<u>5,282,765</u>	<u>4,024,866</u>	<u>1,257,899</u>
Change in Net Position, Budgetary Basis	<u>\$ 2,725,205</u>	<u>\$ 2,725,205</u>	2,190,046	<u>\$ (535,159)</u>
Adjustments to GAAP Basis				
Capital Outlay			1,431,396	
Debt Principal			181,599	
Developer Contribution			<u>1,863,422</u>	
Change in Net Position, GAAP Basis			<u>\$ 5,666,463</u>	

Town of Bennett, Colorado
 Budgetary Comparison Schedule
 Wastewater Fund
 For the Year Ended December 31, 2020

	Original Budget	Final Budget	Actual	Variance Positive (Negative)
Revenues				
Charges for Services	\$ 885,995	\$ 885,995	\$ 1,066,308	\$ 180,313
Wastewater Development Fees	1,276,950	1,276,950	812,630	(464,320)
Grant	200,000	200,000	257,618	57,618
Investment Income	32,745	32,745	16,767	(15,978)
Transfer In	847,980	847,980	996,741	148,761
Miscellaneous	30,700	30,700	359,709	329,009
Total Revenues	<u>3,274,370</u>	<u>3,274,370</u>	<u>3,509,773</u>	<u>235,403</u>
Expenditures				
Operations and Maintenance	459,640	459,640	749,784	(290,144)
Capital Outlay	1,045,600	1,045,600	416,307	629,293
Debt Principal	299,460	299,460	230,567	68,893
Debt Interest and Fiscal Charges	-	-	88,807	(88,807)
Transfers Out	1,074,115	1,074,115	1,306,835	(232,720)
Total Expenditures	<u>2,878,815</u>	<u>2,878,815</u>	<u>2,792,300</u>	<u>86,515</u>
Change in Net Position, Budgetary Basis	<u>\$ 395,555</u>	<u>\$ 395,555</u>	717,473	<u>\$ 321,918</u>
Adjustments to GAAP Basis				
Capital Outlay			416,307	
Debt Principal			230,567	
Developer Contribution			<u>3,602,886</u>	
Change in Net Position, GAAP Basis			<u>\$ 4,967,233</u>	

Compliance Section

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

LOCAL HIGHWAY FINANCE REPORT		City or County: Bennett
		YEAR ENDING : December 2020
This Information From The Records Of Town of Bennett	Prepared By: Phone:	Danette Ruvalcaba 303-644-3249

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

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

II. RECEIPTS FOR ROAD AND STREET PURPOSES

ITEM	AMOUNT
A. Receipts from local sources:	
1. Local highway-user taxes	
a. Motor Fuel (from Item I.A.5.)	
b. Motor Vehicle (from Item I.B.5.)	
c. Total (a.+b.)	
2. General fund appropriations	
3. Other local imposts (from page 2)	1,221,160
4. Miscellaneous local receipts (from page 2)	59,579
5. Transfers from toll facilities	
6. Proceeds of sale of bonds and notes:	
a. Bonds - Original Issues	
b. Bonds - Refunding Issues	
c. Notes	
d. Total (a. + b. + c.)	0
7. Total (1 through 6)	1,280,739
B. Private Contributions	
C. Receipts from State government (from page 2)	82,562
D. Receipts from Federal Government (from page 2)	0
E. Total receipts (A.7 + B + C + D)	1,363,300

III. DISBURSEMENTS FOR ROAD AND STREET PURPOSES

ITEM	AMOUNT
A. Local highway disbursements:	
1. Capital outlay (from page 2)	258,578
2. Maintenance:	54,392
3. Road and street services:	
a. Traffic control operations	
b. Snow and ice removal	
c. Other	23,832
d. Total (a. through c.)	
4. General administration & miscellaneous	171,203
5. Highway law enforcement and safety	
6. Total (1 through 5)	508,006
B. Debt service on local obligations:	
1. Bonds:	
a. Interest	201,300
b. Redemption	150,000
c. Total (a. + b.)	351,300
2. Notes:	
a. Interest	
b. Redemption	
c. Total (a. + b.)	0
3. Total (1.c + 2.c)	351,300
C. Payments to State for highways	
D. Payments to toll facilities	
E. Total disbursements (A.6 + B.3 + C + D)	859,305

IV. LOCAL HIGHWAY DEBT STATUS

(Show all entries at par)

	Opening Debt	Amount Issued	Redemptions	Closing Debt
A. Bonds (Total)	5,628,179	0	150,000	5,478,179
1. Bonds (Refunding Portion)				
B. Notes (Total)				0

V. LOCAL ROAD AND STREET FUND BALANCE

	A. Beginning Balance	B. Total Receipts	C. Total Disbursements	D. Ending Balance	E. Reconciliation
	1,660,673	1,363,300	859,305	2,164,668	0

Notes and Comments:

LOCAL HIGHWAY FINANCE REPORT		STATE: Colorado YEAR ENDING (mm/yy): December 2020	
II. RECEIPTS FOR ROAD AND STREET PURPOSES - DETAIL			
ITEM	AMOUNT	ITEM	AMOUNT
A.3. Other local imposts:		A.4. Miscellaneous local receipts:	
a. Property Taxes and Assessments		a. Interest on investments	16,599
b. Other local imposts:		b. Traffic Fines & Penalties	
1. Sales Taxes	1,036,046	c. Parking Garage Fees	
2. Infrastructure & Impact Fees		d. Parking Meter Fees	
3. Liens		e. Sale of Surplus Property	
4. Licenses		f. Charges for Services	
5. Specific Ownership &/or Other	185,114	g. Other Misc. Receipts	42,980
6. Total (1. through 5.)	1,221,160	h. Other	
c. Total (a. + b.)	1,221,160	i. Total (a. through h.)	59,579
	(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	73,780	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	8,781	d. Federal Transit Admin	
d. Other (Specify) - DOLA Grant		e. U.S. Corps of Engineers	
e. Other (Specify)		f. Other Federal	
f. Total (a. through e.)	8,781	g. Total (a. through f.)	0
4. Total (1. + 2. + 3.f)	82,562	3. Total (1. + 2.g)	
			(Carry forward to page 1)
III. DISBURSEMENTS FOR ROAD AND STREET PURPOSES - DETAIL			
	ON NATIONAL HIGHWAY SYSTEM (a)	OFF NATIONAL HIGHWAY SYSTEM (b)	TOTAL (c)
A.1. Capital outlay:			
a. Right-Of-Way Costs		0	0
b. Engineering Costs		7,000	7,000
c. Construction:			
(1). New Facilities			0
(2). Capacity Improvements			0
(3). System Preservation		246,769	246,769
(4). System Enhancement & Operation		4,809	4,809
(5). Total Construction (1) + (2) + (3) + (4)	0	251,578	251,578
d. Total Capital Outlay (Lines 1.a. + 1.b. + 1.c.5)	0	258,578	258,578
			(Carry forward to page 1)
Notes and Comments:			