

TOWN OF BENNETT, COLORADO
BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2021

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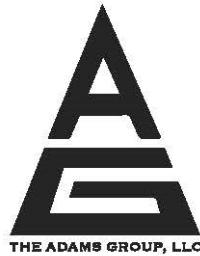
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CERTIFIED PUBLIC ACCOUNTANTS

INDEPENDENT AUDITORS' REPORT

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

Opinions

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the Town of Bennett, Colorado (the Town) as of and for the year ended December 31, 2021, and the related notes to the financial statements, which collectively comprise the Town's basic financial statements as listed in the table of contents.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the Town of Bennett, Colorado, as of December 31, 2021, and the respective changes in financial position and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinions

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

Emphasis of a Matter

The financial statements for the year ended December 31, 2021 reflect prior period adjustments as further described in Note 11 to the financial statements. Our opinion is not modified with respect to these matters.

Responsibilities of Management for the Financial Statements

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

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

Auditors' Responsibilities for the Audit of the Financial Statements

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

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

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

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

Required Supplementary Information

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

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

Supplementary Information

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

The Adams Group, LLC

Denver, Colorado
September 15, 2022

TOWN OF BENNETT, COLORADO

Management's Discussion and Analysis

December 31, 2021

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, 2021. 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 2021 Management Discussion and Analysis (MD&A) for the Town. This analysis represents our continued commitment to prudent fiscal management and has proposed several innovations in the organization of government, thereby advancing our ongoing efforts to continuously improve the efficient and effective delivery of Town services.

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

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

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

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

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

2021 HIGHLIGHT ACCOMPLISHMENTS

We are pleased and proud of our accomplishments in 2021 and look forward to continued community growth and development in subsequent years. The following achievements are certainly noteworthy and reflect a lot of hard work by the entire Town staff, as our unity reflects our thorough commitment to the future of the Town of Bennett.

- **Water Storage Tank-** In 2021, the Town of Bennett began construction of a 1M gallon water storage tank. This tank will be the largest water storage tank within the Town's current water system. This tank stands as a beacon to the growth of Bennett and is a healthy fiscal position.
- **Hybrid Meeting Technology Implementation-** The COVID-19 Pandemic created a need for a more virtual world for all, including in the processes related to local government. In response to this need, the Town of Bennett Board directed staff to install the necessary equipment to host hybrid (virtual and in-person) Board meetings. This equipment was installed, and the Town hosted its first Hybrid Board meeting in April 2021.
- **Groundwater Rights-** In 2021, the Town completed the purchase of 765 acre-feet of groundwater rights. These additional water rights have expanded the Town's water portfolio and will help ensure that our residents have clean drinking water well into the future. Water rights are purchased with revenues generated through our water development fee, which is collected on every new construction building permit.
- **Bennett Regional Park and Open Space Fishing Pond-** In partnership with Arapahoe County Open Space through their annual grant program, the Town began work to convert the existing storm drainage pond in the Bennett Regional Park Open Space (BRPOS) into a fishing pond. This new amenity is located in the center of the Antelope Hills subdivision. When the fishing pond is complete, it will be stocked and monitored by the Colorado Department of Wildlife. This fishing pond will provide a valuable outdoor recreation opportunity for Bennett residents and many other residents along the Eastern I-70 Corridor.
- **Bennett Regional Park and Open Space Trail Extension-** The Town received a Colorado the Beautiful Grant through the Colorado Department of Parks and Wildlife and Great Outdoors Colorado to extend the trails in the Bennett Regional Park and Open Space (BRPOS). In 2021, the Town constructed an additional four miles of natural surface ADA-compliant trails in the open space, allowing users to take many routes throughout the open space. These trails also add walkable access to the new fishing pond.

- **Reuse Water Distribution Station-** The Town completed the necessary modification to the old wastewater treatment lagoons to store 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. Reuse water is a particularly important milestone for the Town as we are experiencing significant growth and development within the Town. The Reuse Water Distribution Station will help relieve the demand for our potable water resources. In 2021, the Town will begin installing a Purple Pipe Beltway through a partnership with Adams County Open Space. 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.
- **Trupp Park Phase IV-** The Town continued work on Trupp Park in 2021. These improvements included a new stamped concrete grandstand, a new sod playfield, and significant landscaping improvements. Additionally, seating, shade and lighting amenities were added to the park. Renovations will continue into 2022.
- **Historic Charles Muegge House Restoration** – The Town was awarded an Adams County Open Space Grant to restore the Historic Charles Muegge House donated to the Town by the Muegge Family. The restoration of this house will be completed in 2022 when it will be established as a living museum to honor the agricultural heritage of the Bennett Community.
- **North Municipal Complex (NOMCOM)-** In 2021, the Town of Bennett secured financing to construct a new public works facility. Construction began in the Summer of 2021. This new state-of-the-art facility will allow for the continued and growing public works operations that support all the valuable infrastructure for our Town residents. The new facility will be open in the Summer of 2022 and will be a second flagship municipal building in our growing and prospering Town.
- **Transportation Improvements-** In 2021, the Town began to design two major road improvements. The first was the signalization of the Market Place and First Street intersection. This traffic signal will add much-needed traffic control to this busy commercial district in the Town. The second is for the improvement of the 304-exit ramp. These transportation improvements will allow more efficient traffic flow from Interstate 70 into Bennett. Both projects are critical to the economic growth and stability of the Town.
- **Purple Pipe Belt Way-** The Town has continued its construction of our reuse water beltway. This beltway starts at the new storage ponds near our Wastewater Recovery Facility at 38th and Truman and circumvents the Town. This beltway will transport treated wastewater throughout the Town to utilize in construction and irrigation. The use of reuse water in these capacities further protects the Town's potable water supply and set us on the path of water sustainability.
- **Bennett Days-** In September, the Town hosted our annual Bennett Days Celebration. 2021 was the return to our more traditional Bennett Days Celebration after the COVID-19 Pandemic. The event was attended by an estimated 3,000 people. The Bennett Board of Trustees, Town Staff and our generous Bennett Days Sponsors were overjoyed to bring back this wonderful event to our community.

OVERVIEW OF THE FINANCIAL STATEMENTS

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

Government-wide Financial Statements

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

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

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

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

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

Governmental Funds

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

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

Proprietary Funds

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

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

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

Component Unit Funds

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

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 \$55,743,150 at the close of 2021. The following tables illustrate the present condensed statement of net position for both of the Town's fund categories.

Table 1
Net Position

	Governmental Activities		Business-type Activities		Total	
	2020	2021	2020	2021	2020	2021
Assets						
Current Assets	\$ 8,187,963	\$ 13,134,308	\$ 13,884,370	\$ 18,993,579	\$ 22,072,333	\$ 32,127,887
Capital Assets	24,094,242	25,906,532	25,671,768	28,086,588	49,766,010	53,993,120
Total Assets	32,282,205	39,040,840	39,556,138	47,080,167	71,838,343	86,121,007
Liabilities						
Other	1,433,720	2,663,269	776,486	2,598,212	2,210,206	5,261,481
Long-Term	6,367,163	10,377,717	14,579,552	13,913,402	20,946,715	24,291,119
Total Liabilities	7,800,883	13,040,986	15,356,038	16,511,614	23,156,921	29,552,600
Deferred Inflows of Resources	880,134	825,257	16,775	-	896,909	825,257
Net Position						
Net Investment in						
Capital Assets	17,580,058	18,941,039	10,567,938	13,646,059	28,147,996	32,587,098
Restricted	2,086,405	6,520,518	334,566	1,047,928	2,420,971	7,568,446
Unrestricted	3,934,725	(286,960)	13,280,821	15,874,566	17,215,546	15,587,606
Total Net Position	\$ 23,601,188	\$ 25,174,597	\$ 24,183,325	\$ 30,568,553	\$ 47,784,513	\$ 55,743,150

The Town uses its capital assets to provide services to the citizens. At the end of 2021, the investment in capital assets of \$53,993,120 (land, buildings, improvements, equipment, etc.), net of debt used to acquire those assets of \$21,406,022 which amounts to \$32,587,098, or 58% of the Town's total net position of \$55,743,150.

During the current fiscal year, the Town's net position increased by \$9,546,346 as restated, see Note 11 for details on the restatement. 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 \$7,568,446 (14%) represents resources that are subject to external restrictions on how they may be used. Unrestricted net position of \$15,587,606 (28%) reflects the amount that may be used to meet the Town's ongoing obligations to citizens and creditors. Certain assets of the Town's Water and Wastewater funds are classified as restricted assets on the balance sheet because their use is limited by applicable debt covenants.

Changes in Net Position

As presented in Table 2, the Town's overall net position increased by \$9,546,346 during 2021, as restated. Please see Note 11 for details regarding the restatement.

Table 2
Changes in Net Position

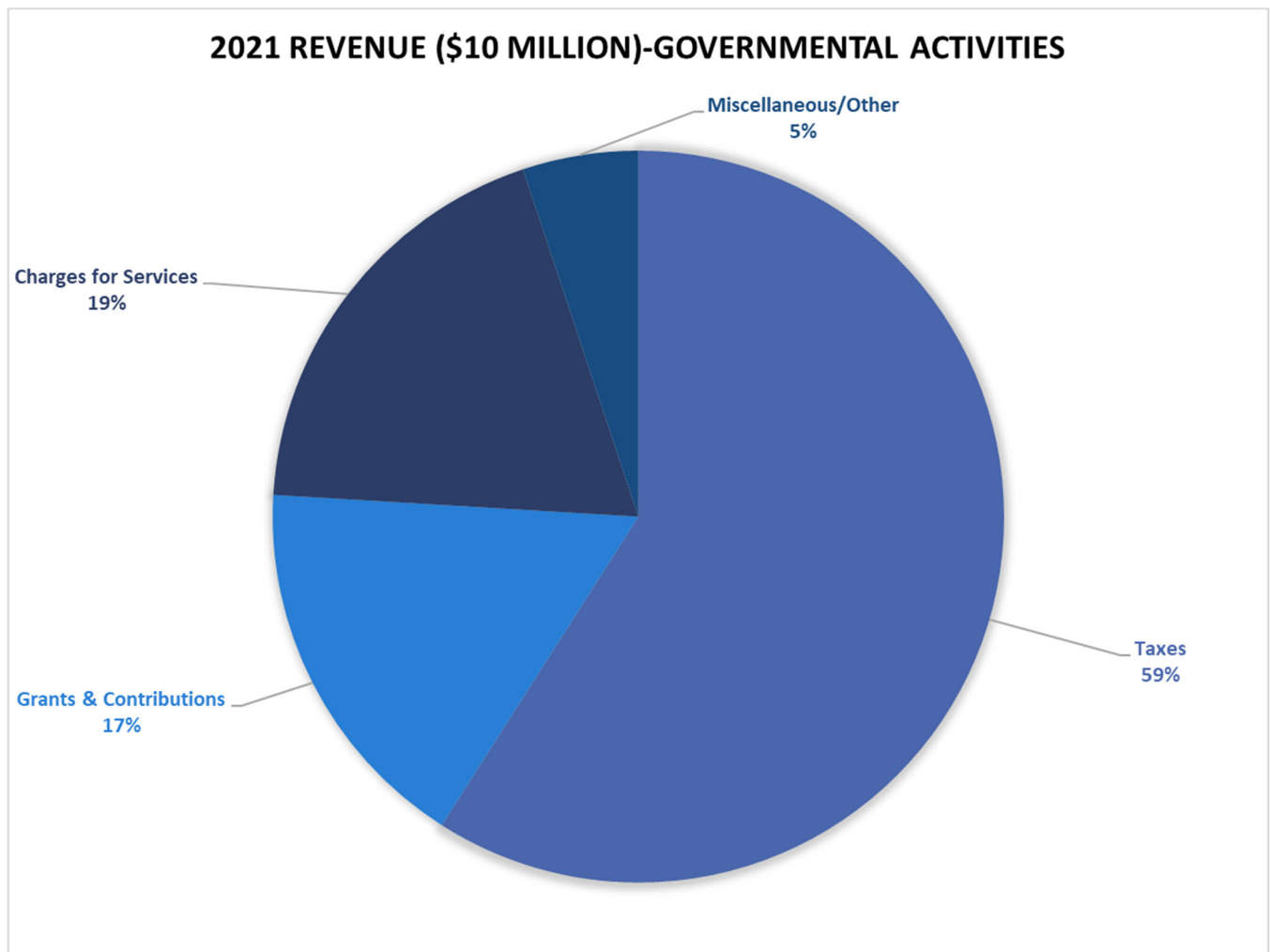
	Governmental Activities		Business-type Activities		Total	
	2020	2021	2020	2021	2020	2021
Revenues						
Program Revenues						
Permits, Fees, Fines						
Charges for Services	\$ 1,480,978	\$ 1,881,531	\$ 2,454,088	\$ 2,472,572	3,935,066	4,354,103
Operating Grants and Contributions	1,595,277	931,592	-	-	1,595,277	931,592
Capital Grants and Contributions	5,036,227	748,954	9,721,781	5,326,242	14,758,008	6,075,196
General Revenues						
Taxes	5,260,413	5,866,090	-	-	5,260,413	5,866,090
Investment Earnings	36,899	4,634	31,850	5,768	68,749	10,402
Unrestricted Grant	20,951	52,416	756,000	1,658,280	776,951	1,710,696
Miscellaneous	46,776	474,790	9,709	-	56,485	474,790
Transfers	(24,373)	46,574	24,373	(46,574)	-	-
Total Revenues	13,453,148	10,006,581	12,997,801	9,416,288	26,450,949	19,422,869
Expenses						
General Government	2,663,478	2,777,082	-	-	2,663,478	2,777,082
Public Safety	415,452	522,956	-	-	415,452	522,956
Public Works	1,141,020	2,267,964	-	-	1,141,020	2,267,964
Interest on Debt	206,582	521,709	-	-	206,582	521,709
Unallocated Depreciation	651,352	848,041	-	-	651,352	848,041
Water	-	-	1,525,514	1,734,577	1,525,514	1,734,577
Wastewater	-	-	838,591	1,204,194	838,591	1,204,194
Total Expenses	5,077,884	6,937,752	2,364,105	2,938,771	7,441,989	9,876,523
Change in Net Position	8,375,264	3,068,829	10,633,696	6,477,517	19,008,960	9,546,346
Net Position - Beginning	15,225,924	22,105,768	13,549,629	24,091,036	28,775,553	46,196,804
Net Position - Ending	<u>\$ 23,601,188</u>	<u>\$ 25,174,597</u>	<u>\$ 24,183,325</u>	<u>\$ 30,568,553</u>	<u>\$ 47,784,513</u>	<u>\$ 55,743,150</u>

Governmental Activities

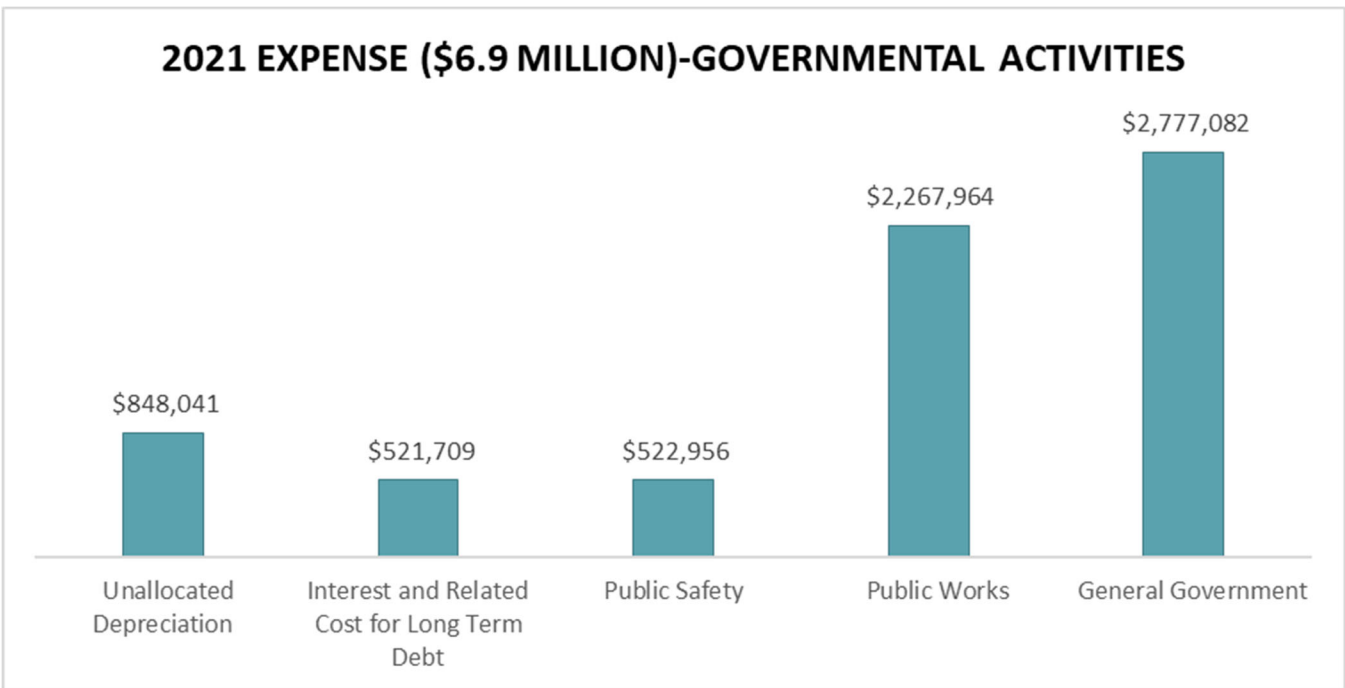
Governmental activities increased the Town's net position by \$3,068,829. The major influences causing the change are the following:

The most notable change in Net Position is due to increased revenues in Miscellaneous, Taxes and Charges for Services. Miscellaneous revenue increased due to several insurance claims related to a significant weather event that damaged Town assets and increased revenue in our Bennett Arts and Culture Fund. Taxes increased by \$605,677 (12%), and the Town has seen an increase in this revenue source year after year; however, in 2020 and 2021, the increase was more substantial. Although the increase in sales tax may be partially attributed to the COVID-19 Pandemic, the greater contributing factor is population growth, new businesses, and the requirement for sales tax to be collected on all online orders shipped into Bennett. Therefore, management believes that the increase in sales tax will continue year over year only at a more conservative rate of 5-8% as pandemic buying slows and economic conditions stabilize. Additionally, the Town's property tax revenue increased by 27%. This increase is due to the new development within the Town, both commercial and residential. Management anticipates this trend to continue as development continues. Charges for services in 2021 were up by \$400,553 (27%) from the previous year; this can be primarily due to increased permit fees collected.

Graph 1. Governmental Activities Revenue Sources



Graph 2. Governmental Activities Expenses



Expenses for governmental activities in 2021 increased by \$1,859,868 or 37%. The increase can be primarily attributed to expenditures in Public Works. This increase is attributed to the North Municipal Complex (NOMCOM) construction. NOMCOM will open in 2022 as the new headquarters for Public Works. Additionally, debt interest expense increased by \$365,603 (135%). This increase is the result of debt secured to construct NOMCOM.

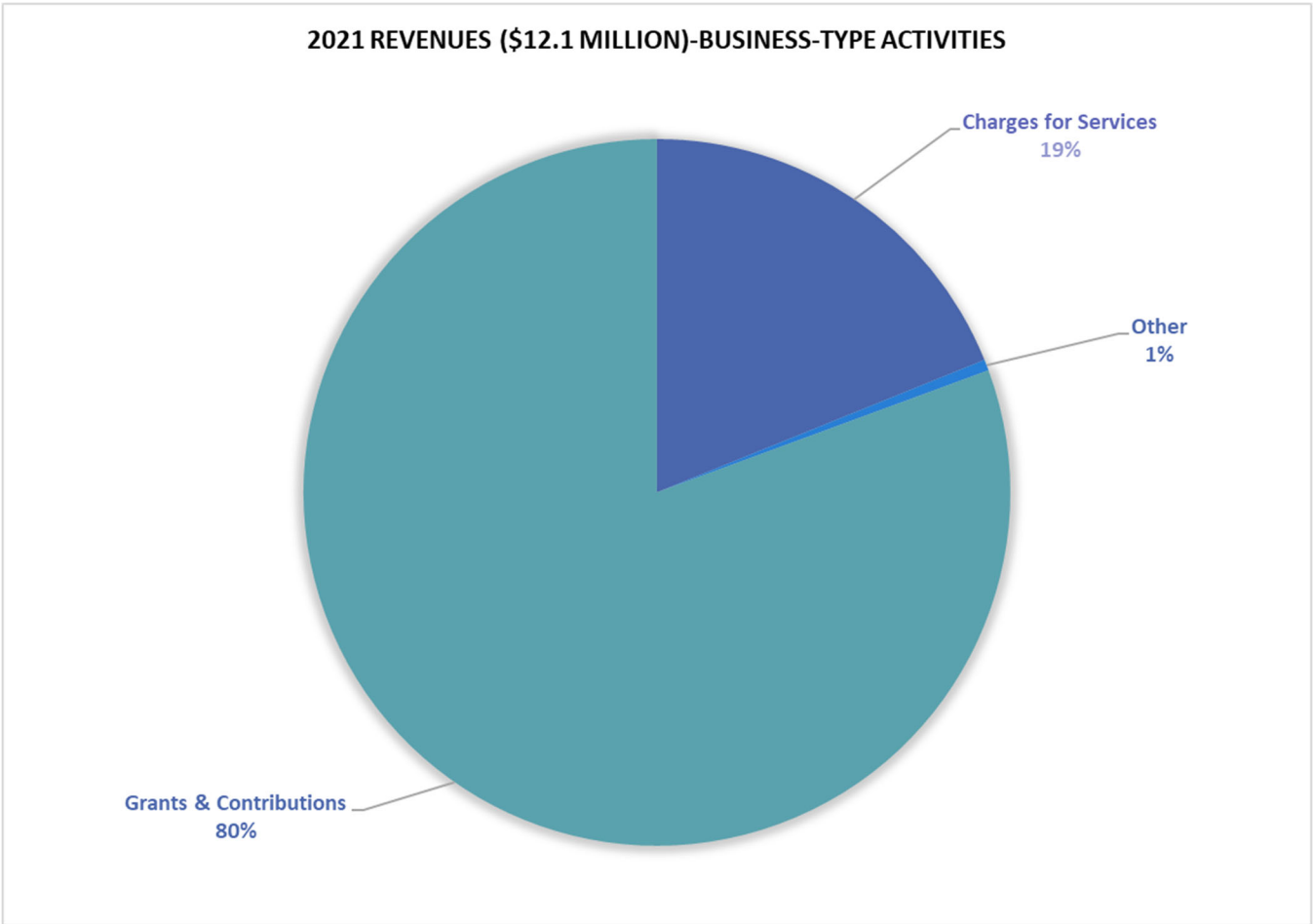
In addition to these two major contributors, Public Safety and Depreciation expense also increased. The increase in Public Safety is due to the addition of two Community Services Officers that serve in Bennett full time. The increase in depreciation is the result of the significant developer contributions to road infrastructure in 2020. Depreciation expenses will continue to increase year over year as more capital assets are obtained from development.

Business-Type Activities

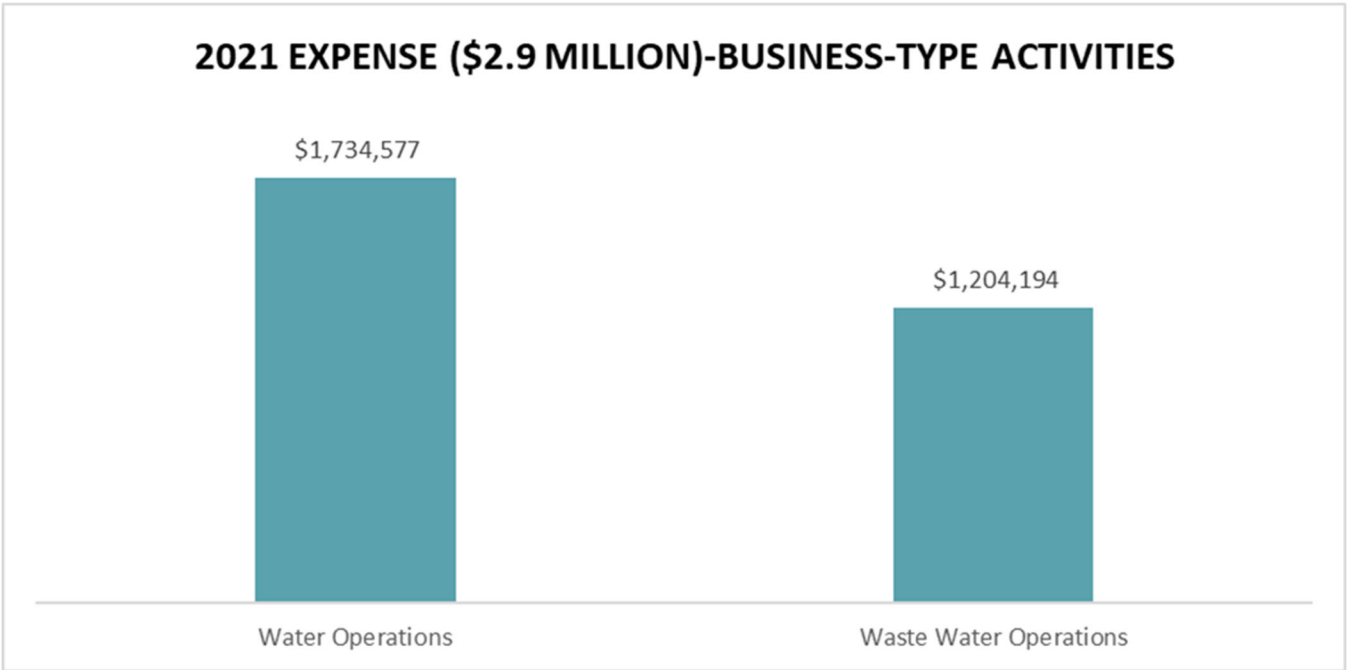
The net position of Business-Type Activities increased by \$6,477,517 for 2021. While the fund did recognize an increase, the increase was more moderate when compared to the \$10.6 million increase in 2020. The major influences are due to the following:

The Town received \$7,887,527 from developer infrastructure construction in 2020. In 2021, the Town did not receive any developer infrastructure contributions. However, management anticipates that in 2022 these contributions will again increase. Despite developer infrastructure contributions decreasing, the Town did receive \$1,658,280 in grant funding for an increase of 119%. This, in conjunction with the 2020 Water Bond, the Town added approximately \$4 million in capital assets in water and wastewater.

Graph 1. Business-Type Activities Revenue Sources



Graph 2. Business-Type Activities Expenses



In 2021, the water expense increased by \$209,063, or 14%. In 2021, wastewater expense increased by \$365,603 or an increase of 44%. This significant increase was due primarily to the following. First, in Water Fund the Town increased debt interest expense with the issuance of the 2020 Water Bonds. Second, in the Wastewater Fund the Town increased depreciation expense with the completion of \$878,886 in capital assets. Lastly, the Town paid off two Wastewater loans in 2021 resulting in increased principal debt expense.

Revenue for the wastewater and water utility is derived from service charges and other miscellaneous sources such as late fees. Projected wastewater and water service revenue under existing rates were not adequate to meet revenue requirements and sustain minimum reserves in 2021. Therefore, a rate increase was proposed and adopted for 2022.

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 2021 the Town's governmental funds reported a combined fund balance of \$9,267,894, an increase of \$3,024,343 (52%) over 2020. This can be attributed to a substantial increase in sales tax revenue as well as an increase in impact fees generated by development. \$2,206,160 constitutes unassigned fund balance, which is available for spending at the Town's discretion. \$500,602 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	\$253,650
Restricted for Parks and Recreation	\$11,288
Restricted for Capital Projects	\$5,114,370
Restricted for Debt Service	\$1,181,824

The General Fund is the primary operating fund of the Town. At the end of 2021, unassigned fund balance of the General Fund was \$2,951,817, while total fund balance was \$3,364,880. 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 67% of total General Fund expenditures. This is a 9% decrease from 2020. The decrease is attributed to impact fees revenues being classified as restricted for capital projects.

The fund balance of the Town's General Fund increased by \$774,510 during 2021. Key factors are as follows:

- Expenditures decreased by \$715,952 (14%) to \$4,400,225. The decrease in expenditures was primarily in Capital Outlay. In 2021, the majority of the Town Capital Outlay was expensed to other Governmental Funds such as Grants, Capital Improvement and Sales Tax Capital Improvement.

Other Major Governmental Funds

The Grants Fund was created to account for grants entered into by the Town for purposes of capital projects. The Grants Fund had a deficit fund balance of (\$745,657) at the end of 2021. This is a result of capital expenditures incurred during 2021 and the Town waiting on receipt of reimbursements at December 31, 2021.

The Use Tax Fund is used to account for use taxes received by the Town and for purposes of payment of principal and interest on outstanding debt as well as capital project expenditures. The Use Tax Fund had a fund balance of \$2,628,271, an increase in the amount of \$1,987,736 in 2021.

The Sales Tax Capital Improvement Fund was created to account for the money received from the 1% sales tax increase which became effective on January 1, 2016. The Sales Tax Capital Improvement Fund had a fund balance of \$2,342,173 at the end of 2021. \$1,153,015 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:

	2020	2021	Change
Net Position, Beginning of the Year	\$ 13,549,629	\$ 24,091,036	\$ 10,541,407
Net Position, End of the Year	\$ 24,183,325	\$ 30,568,553	\$ 6,385,228

The Town did restate the Net Position - End of Year for 2020, in the 2021 Financial Statement. Please see Note 11 for details.

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

CAPITAL ASSETS AND DEBT ADMINISTRATION

Capital Assets

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

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

Major capital asset events during 2021 included the following:

- Well 6 Site Improvement Phase I & II
- Ground Water Rights Acquisition
- 3rd Street Sanitary Sewer
- Bennett Regional Park and Open Space Trail Expansion and Fishing Pond

- Improvements at Trupp Park
- Renovation of the Historical Charles Muegge House
- Expansion of the Reusable Water Distribution System
- Construction of the North Municipal Complex

The following table provides comparative information on the Town's capital assets for 2020 and 2021:

	Governmental Activities		Business -type Activities		Total	
	2020	2021	2020	2021	2020	2021
Land and Land Improvements	\$ 2,758,194	\$ 2,758,194	\$ 67,138	\$ 67,138	\$ 2,825,332	\$ 2,825,332
Water Rights	-	-	215,654	1,205,799	215,654	1,205,799
Construction in Process	1,238,771	2,577,939	1,678,813	3,546,485	2,917,584	6,124,424
Buildings and Improvements	3,715,420	3,774,358	7,204,664	7,204,664	10,920,084	10,979,022
IT/Software	67,447	108,035	-	-	67,447	108,035
Infrastructure	13,620,507	14,189,073	-	-	13,620,507	14,189,073
Parks and Ballfields	4,583,490	5,176,772	-	-	4,583,490	5,176,772
Public Art	40,989	40,989	-	-	40,989	40,989
Vehicle and Equipment	1,213,655	1,273,444	1,490,736	1,559,460	2,704,391	2,832,904
Ponds	-	-	656,605	656,605	656,605	656,605
Water System	-	-	12,052,319	11,540,032	12,052,319	11,540,032
Sewer Lines	-	-	6,913,859	7,792,745	6,913,859	7,792,745
Accumulated Depreciation	(3,144,231)	(3,992,272)	(4,608,020)	(5,486,340)	(7,752,251)	(9,478,612)
Net Capital Assets	<u>\$ 24,094,242</u>	<u>\$ 25,906,532</u>	<u>\$ 25,671,768</u>	<u>\$ 28,086,588</u>	<u>\$ 49,766,010</u>	<u>\$ 53,993,120</u>

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

Debt Administration

As of December 31, 2021, the Town had outstanding long-term obligations of \$25,172,049, as follows:

	2020	Additions	Payments	2020
Governmental Activities	\$ 8,212,553	\$ 4,160,902	\$ 1,653,286	\$ 10,720,169
Business-type Activities	15,119,267	1,792	669,179	14,451,880
	<u>\$ 23,331,820</u>	<u>\$ 4,162,694</u>	<u>\$ 2,322,465</u>	<u>\$ 25,172,049</u>

During 2021, the Town issued a \$4,105,693 Certificate of Participation to finance the construction of the North Municipal Contract and to Refund the Lease Purchase financing for the construction of the New Town Hall in 2017. Interest payments are due semi-annually on June 1 and December 1, with interest accruing at a rate of 4%. Principal payments are due annually on December 1, through 2045.

Additional information on the Town's long-term obligations can be found in Note 5 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).

2022 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 2021. Residential growth for Bennett does not exceed the national average but has benefited from the addition of many new commercial businesses. Therefore, conservative attainable revenue estimates have been projected in all funds.

Sales Tax - The General Fund anticipated sales tax revenues for 2022 are based on an economic growth projection rate of 3% over 2021 projected revenues. Sales tax equals \$3.3 million of the total \$5.2 million in General Fund revenues. In 2021 sales tax revenues exceeded our budgeted amounts by \$227,621. 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 2021, the 1% sales tax exceeded our budget by over \$79,704 and we anticipate seeing a similar increase in 2022.

Water & Wastewater Sales – 2022 will see the addition of an estimated 100 new users to our water and wastewater system. Wastewater base rates were increased in 2022, the new base rate is \$38.98. Additionally, the water base rate was increased to \$33.62. Furthermore, the Town will see a continued increase in water and wastewater development fees in 2022 as new development takes place in Bennett. These development funds will ensure the Town has funds reserved for continued and sustained improvement and expansion of the existing infrastructure in both water and wastewater.

Grant Revenue – When viewed comprehensively, grant revenue is an ongoing effort to establish and research the highest level of resources available to us for capital improvement projects the Town cannot fund solely. Grant revenue in 2022 is projected to be \$5,782,450 for new parks, facility improvements, and trails. The Town of Bennett has limited revenue sources and an abundance of capital improvement projects forthcoming. That, of course, raises the questions of where those resources will come from, and who will do the work. As the Town of Bennett works to develop other financing options in the future, the opportunity to obtain Assistance Grant Funds would supplement the cost of some of our major infrastructure projects. We have the funds available to provide a match but are unable to complete the project without additional monetary support.

Property Tax – Revenues in Adams and Arapahoe County assessed valuations have increased for 2022, 21% in Adams County and 17% 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 2022 budget revenues represent a 15% increase over the 2021 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 2022 the Town will see the start/continuation of at least three new housing developments. The new houses will increase revenue streams across all funds.

2022 HIGHLIGHT PROJECTS

Looking forward to 2022, the primary guiding philosophy is, the continuation of the “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 2022 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 2022.

BUILDINGS

<i>New North Municipal Complex</i>	<i>2,700,000</i>
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ROADS

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

PARKS

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

<i>Water Rights</i>	<i>4,000,000</i>
<i>At Grade Storage Tank Design and Construction</i>	<i>2,400,000</i>

WASTEWATER

<i>Waste Water Resource Recovery Facility Expansion Design</i>	<i>350,000</i>
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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 2022 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 STATEMENT

TOWN OF BENNETT, COLORADO
STATEMENT OF NET POSITION
DECEMBER 31, 2021

	Governmental Activities	Business-Type Activities	Total
<u>Assets</u>			
Cash and cash equivalents	\$ 6,678,843	\$ 17,480,402	\$ 24,159,245
Cash and cash equivalents - restricted	3,337,659	1,104,759	4,442,418
Accounts receivable	2,292,549	379,367	2,671,916
Property taxes receivable	825,257	-	825,257
Prepaid items	-	29,051	29,051
Capital assets, not depreciated	5,377,122	4,819,422	10,196,544
Capital assets, net of depreciation	20,529,410	23,267,166	43,796,576
Total Assets	<u>39,040,840</u>	<u>47,080,167</u>	<u>86,121,007</u>
<u>Liabilities</u>			
Accounts payable	1,308,805	1,984,911	3,293,716
Other liabilities	314,015	17,992	332,007
Accrued interest payable	40,614	56,831	97,445
Unearned revenue	441,804	-	441,804
Deposits	215,579	-	215,579
Noncurrent liabilities:			
Due within one year	342,452	538,477	880,929
Due in more than one year	10,377,717	13,913,403	24,291,120
Total Liabilities	<u>13,040,986</u>	<u>16,511,614</u>	<u>29,552,600</u>
<u>Deferred Inflows of Resources</u>			
Unavailable property taxes	825,257	-	825,257
Total Deferred Inflows of Resources	<u>825,257</u>	<u>-</u>	<u>825,257</u>
<u>Net Position</u>			
Net investment in capital assets	18,941,039	13,646,059	32,587,098
Restricted			
Emergency reserves	253,650	-	253,650
Debt service	1,141,210	1,047,928	2,189,138
Parks and recreation	11,288	-	11,288
Capital projects	5,114,370	-	5,114,370
Unrestricted	(286,960)	15,874,566	15,587,606
Total Net Position	<u>\$ 25,174,597</u>	<u>\$ 30,568,553</u>	<u>\$ 55,743,150</u>

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

TOWN OF BENNETT, COLORADO
STATEMENT OF ACTIVITIES
YEAR ENDED DECEMBER 31, 2021

Functions/Programs	Expenses	Program Revenues			Net (Expense) Revenue and Changes in Net Position		
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Governmental Activities	Business-Type Activities	Total
Primary government:							
Governmental Activities:							
General government	\$ 2,777,082	\$ 1,034,509	\$ 383,702	\$ -	\$ (1,358,871)	\$ -	\$ (1,358,871)
Public safety	522,956	14,651	-	-	(508,305)	-	(508,305)
Public works	2,267,964	832,371	547,890	748,954	(138,749)	-	(138,749)
Interest and fiscal charges	521,709	-	-	-	(521,709)	-	(521,709)
Unallocated depreciation	848,041	-	-	-	(848,041)	-	(848,041)
Total governmental activities	<u>6,937,752</u>	<u>1,881,531</u>	<u>931,592</u>	<u>748,954</u>	<u>(3,375,675)</u>	<u>-</u>	<u>(3,375,675)</u>
Business-Type Activities:							
Water utility	1,734,577	1,347,405	-	4,324,179	-	3,937,007	3,937,007
Wastewater utility	1,204,194	1,125,167	-	1,002,063	-	923,036	923,036
Total business-type activities	<u>2,938,771</u>	<u>2,472,572</u>	<u>-</u>	<u>5,326,242</u>	<u>-</u>	<u>4,860,043</u>	<u>4,860,043</u>
Total primary government	<u>9,876,523</u>	<u>4,354,103</u>	<u>931,592</u>	<u>6,075,196</u>	<u>(3,375,675)</u>	<u>4,860,043</u>	<u>1,484,368</u>
GENERAL REVENUES:							
Taxes							
General property					663,430	-	663,430
Specific ownership taxes					50,165	-	50,165
Sales and use taxes					5,062,993	-	5,062,993
Franchise and other taxes					89,502	-	89,502
Investment earnings					4,634	5,768	10,402
Grants and contributions, not restricted					52,416	1,658,280	1,710,696
Miscellaneous					474,790	-	474,790
Transfers					46,574	(46,574)	-
Total general revenues					<u>6,444,504</u>	<u>1,617,474</u>	<u>8,061,978</u>
Change in net position					3,068,829	6,477,517	9,546,346
Net position - beginning (as restated)					<u>22,105,768</u>	<u>24,091,036</u>	<u>46,196,804</u>
Net position - ending					<u>\$ 25,174,597</u>	<u>\$ 30,568,553</u>	<u>\$ 55,743,150</u>

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

TOWN OF BENNETT, COLORADO
BALANCE SHEET – GOVERNMENTAL FUNDS
DECEMBER 31, 2021

	General	Grants	Sales Tax Capital Improvements	Use Tax Capital Improvements	Non-Major Governmental Funds	Total Governmental Funds
<u>Assets</u>						
Cash and cash equivalents	\$ 2,493,717	\$ -	\$ 1,106,034	\$ 1,019,370	\$ 2,059,722	\$ 6,678,843
Cash and cash equivalents - restricted	-	-	1,124,048	2,213,611	-	3,337,659
Accounts receivable	716,037	1,314,860	214,552	9,040	38,060	2,292,549
Property taxes receivable	547,689	-	-	-	277,568	825,257
Due from other funds	1,022,751	-	-	-	-	1,022,751
Total assets	<u>\$ 4,780,194</u>	<u>\$ 1,314,860</u>	<u>\$ 2,444,634</u>	<u>\$ 3,242,021</u>	<u>\$ 2,375,350</u>	<u>\$ 14,157,059</u>
<u>Liabilities, deferred inflows of resources and fund balance</u>						
<u>Liabilities:</u>						
Accounts payable	\$ 326,031	\$ 288,812	\$ 102,461	\$ 563,882	\$ 27,619	\$ 1,308,805
Other liabilities	314,015	-	-	-	-	314,015
Deposits	215,579	-	-	-	-	215,579
Unearned revenue	-	-	-	49,868	391,936	441,804
Due to other funds	-	1,022,751	-	-	-	1,022,751
Total liabilities	<u>855,625</u>	<u>1,311,563</u>	<u>102,461</u>	<u>613,750</u>	<u>419,555</u>	<u>3,302,954</u>
<u>Deferred inflows of resources</u>						
Unavailable property taxes	547,689	-	-	-	277,568	825,257
Unavailable revenue	12,000	748,954	-	-	-	760,954
Total deferred inflows of resources	<u>559,689</u>	<u>748,954</u>	<u>-</u>	<u>-</u>	<u>277,568</u>	<u>1,586,211</u>
<u>Fund balance:</u>						
<u>Restricted</u>						
Parks and recreation	-	-	-	-	11,288	11,288
Capital projects	-	-	1,160,349	2,628,271	1,325,750	5,114,370
Debt service	-	-	1,181,824	-	-	1,181,824
Emergencies	253,650	-	-	-	-	253,650
<u>Assigned for</u>						
Road maintenance	-	-	-	-	341,189	341,189
Parks and recreation	159,413	-	-	-	-	159,413
<u>Unassigned</u>						
	2,951,817	(745,657)	-	-	-	2,206,160
Total fund balances	<u>3,364,880</u>	<u>(745,657)</u>	<u>2,342,173</u>	<u>2,628,271</u>	<u>1,678,227</u>	<u>9,267,894</u>
Total liabilities, deferred inflows of resources and fund balance	<u>\$ 4,780,194</u>	<u>\$ 1,314,860</u>	<u>\$ 2,444,634</u>	<u>\$ 3,242,021</u>	<u>\$ 2,375,350</u>	<u>\$ 14,157,059</u>

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

TOWN OF BENNETT, COLORADO
RECONCILIATION OF THE GOVERNMENTAL FUNDS
BALANCE SHEET TO THE STATEMENT OF NET POSITION
DECEMBER 31, 2021

Total fund balance, governmental funds	\$ 9,267,894
Amounts reported for governmental activities in the statement of net position are different because:	
Capital assets used in governmental activities are not financial resources and therefore, are not reported in the governmental funds.	25,906,532
Long-term liabilities, including loans payable are not due and payable in the current period, and therefore, are not reported in governmental funds.	
Bonds and notes payable	(9,878,613)
Bond premium	(769,104)
Interest payable	(40,614)
Compensated absences	(72,452)
Certain revenues not available to pay liabilities of the current period are deferred in the governmental funds	760,954
Total net position of governmental activities	<u>\$ 25,174,597</u>

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

TOWN OF BENNETT, COLORADO
STATEMENT OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCES – GOVERNMENTAL FUNDS
YEAR ENDED DECEMBER 31, 2021

	General	Grants	Sales Tax Capital Improvements	Use Tax Capital Improvements	Non-Major Governmental Funds	Total Governmental Funds
Revenues						
Taxes	\$ 3,921,048	\$ -	\$ 1,127,884	\$ 542,034	\$ 275,124	\$ 5,866,090
Intergovernmental	351,638	198,162	1,357	-	368,435	919,592
Licenses and permits	651,796	-	-	-	-	651,796
Charges for services	382,713	-	-	-	-	382,713
Fines and forfeitures	14,651	-	-	-	-	14,651
Impact fees	40,106	-	-	-	792,265	832,371
Bennett Arts & Cultural Fund	50,175	-	-	-	-	50,175
Contributions	2,241	-	-	-	-	2,241
Investment earnings	2,500	-	939	360	835	4,634
Miscellaneous	204,642	4,800	256,070	-	9,278	474,790
Total revenues	<u>5,621,510</u>	<u>202,962</u>	<u>1,386,250</u>	<u>542,394</u>	<u>1,445,937</u>	<u>9,199,053</u>
Expenditures						
Current:						
General government	2,752,915	-	-	-	3,374	2,756,289
Public safety	522,956	-	-	-	-	522,956
Public works	994,263	-	181,867	-	226,877	1,403,007
Miscellaneous	24,719	-	-	-	-	24,719
Capital outlay	105,372	1,408,883	624,348	1,197,152	189,533	3,525,288
Debt service:						
Principal	-	-	150,000	1,242,000	153,378	1,545,378
Interest and fiscal charges	-	-	196,800	65,781	89,066	351,647
Bond issuance costs	-	-	-	197,693	-	197,693
Total expenditures	<u>4,400,225</u>	<u>1,408,883</u>	<u>1,153,015</u>	<u>2,702,626</u>	<u>662,228</u>	<u>10,326,977</u>
Excess revenues over (under) expenditures	<u>1,221,285</u>	<u>(1,205,921)</u>	<u>233,235</u>	<u>(2,160,232)</u>	<u>783,709</u>	<u>(1,127,924)</u>
Other financing sources						
Loan proceeds	-	-	-	4,105,693	-	4,105,693
Transfers in	267,592	460,264	205,216	110,780	-	1,043,852
Transfers out	(714,367)	-	-	(68,505)	(214,406)	(997,278)
Total other financing sources	<u>(446,775)</u>	<u>460,264</u>	<u>205,216</u>	<u>4,147,968</u>	<u>(214,406)</u>	<u>4,152,267</u>
Net change in fund balances	774,510	(745,657)	438,451	1,987,736	569,303	3,024,343
Fund balances - beginning (as restated)	2,590,370	-	1,903,722	640,535	1,108,924	6,243,551
Fund balances - ending	<u>\$ 3,364,880</u>	<u>\$ (745,657)</u>	<u>\$ 2,342,173</u>	<u>\$ 2,628,271</u>	<u>\$ 1,678,227</u>	<u>\$ 9,267,894</u>

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

TOWN OF BENNETT, COLORADO
RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS
TO THE STATEMENT OF ACTIVITIES
YEAR ENDED DECEMBER 31, 2021

Net change in fund balance - total governmental funds:	\$ 3,024,343
Amounts reported for governmental activities in the statement of activities are different because:	
Governmental funds report capital outlays as expenditures. However, in the statement of activities the cost of these assets is allocated over their estimated useful lives and reported as depreciation expense.	
Capital outlay	2,660,331
Depreciation expense	(848,041)
The issuance of long-term debt provides current financial resources, while the repayment of the principal of long-term debt consumes the current financial resources of governmental funds. Neither transaction, however, has any effect on net position	
Bond proceeds	(4,105,693)
Principal payments	1,545,378
Some expenses reported in the statement of activities do not require the use of current financial resources and, therefore, are not reported as expenditures in the governmental funds	
Amortization of bond premium	48,773
Change in accrued interest	(21,142)
Change in accrued compensated absences	3,926
Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in governmental funds	
Change in unavailable revenue	760,954
Change in net position of governmental activities	<u>\$ 3,068,829</u>

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

TOWN OF BENNETT, COLORADO
STATEMENT OF NET POSITION
PROPRIETARY FUNDS
DECEMBER 31, 2021

	Water Fund	Wastewater Fund	Total
<u>Assets</u>			
Current assets:			
Cash and cash equivalents	\$ 13,596,896	\$ 3,883,506	\$ 17,480,402
Cash and cash equivalents - restricted	929,274	175,485	1,104,759
Accounts receivable, net	304,208	75,159	379,367
Prepaid items	29,051	-	29,051
Total current assets	<u>14,859,429</u>	<u>4,134,150</u>	<u>18,993,579</u>
Noncurrent assets:			
Capital assets, not being depreciated	4,779,241	40,181	4,819,422
Capital assets, net of depreciation	<u>9,001,459</u>	<u>14,265,707</u>	<u>23,267,166</u>
Total noncurrent assets	<u>13,780,700</u>	<u>14,305,888</u>	<u>28,086,588</u>
Total assets	<u><u>28,640,129</u></u>	<u><u>18,440,038</u></u>	<u><u>47,080,167</u></u>
<u>Liabilities</u>			
Current liabilities:			
Accounts payable	1,740,966	243,945	1,984,911
Other liabilities	17,992	-	17,992
Accrued interest	41,738	15,093	56,831
Notes payable, current	147,827	177,618	325,445
Bonds payable, current	130,000	-	130,000
Capital leases, current	35,841	35,840	71,681
Compensated absences, current	5,438	5,913	11,351
Total current liabilities	<u>2,119,802</u>	<u>478,409</u>	<u>2,598,211</u>
Noncurrent liabilities:			
Notes payable	3,214,792	5,242,769	8,457,561
Bonds payable	5,303,829	-	5,303,829
Capital leases	<u>76,006</u>	<u>76,007</u>	<u>152,013</u>
Total noncurrent liabilities	<u>8,594,627</u>	<u>5,318,776</u>	<u>13,913,403</u>
Total liabilities	<u><u>10,714,429</u></u>	<u><u>5,797,185</u></u>	<u><u>16,511,614</u></u>
<u>Net Position</u>			
Net investment in capital assets	4,872,405	8,773,654	13,646,059
Restricted - debt service	887,536	160,392	1,047,928
Unrestricted	<u>12,165,759</u>	<u>3,708,807</u>	<u>15,874,566</u>
Total net position	<u><u>\$ 17,925,700</u></u>	<u><u>\$ 12,642,853</u></u>	<u><u>\$ 30,568,553</u></u>

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

TOWN OF BENNETT, COLORADO
STATEMENT OF REVENUES, EXPENSES AND
CHANGES IN NET POSITION
PROPRIETARY FUNDS
YEAR ENDED DECEMBER 31, 2021

	<u>Water</u>	<u>Wastewater</u>	<u>Total</u>
Operating revenues			
Charges for services	\$ 1,347,405	\$ 1,125,167	\$ 2,472,572
Total operating revenues	<u>1,347,405</u>	<u>1,125,167</u>	<u>2,472,572</u>
Operating expenses			
Operations and maintenance	1,116,332	659,746	1,776,078
Depreciation	403,422	474,898	878,320
Total operating expenses	<u>1,519,754</u>	<u>1,134,644</u>	<u>2,654,398</u>
Operating income (loss)	(172,349)	(9,477)	(181,826)
Nonoperating revenues (expenses)			
Investment earnings	3,576	2,192	5,768
Intergovernmental	173,114	620	173,734
Interest expense and fiscal charges	(214,823)	(69,550)	(284,373)
Other revenue	1,658,280	-	1,658,280
Total non-operating revenues (expenses)	<u>1,620,147</u>	<u>(66,738)</u>	<u>1,553,409</u>
Income (loss) before contributions and transfers	1,447,798	(76,215)	1,371,583
Capital contributions and transfers			
Capital contributions	4,151,065	1,001,443	5,152,508
Transfers in	351,368	-	351,368
Transfers out	(266,427)	(131,515)	(397,942)
Total capital contributions and transfers	<u>4,236,006</u>	<u>869,928</u>	<u>5,105,934</u>
Change in net position	5,683,804	793,713	6,477,517
Net position, beginning (as restated)	12,241,896	11,849,140	24,091,036
Net position, ending	<u>\$ 17,925,700</u>	<u>\$ 12,642,853</u>	<u>\$ 30,568,553</u>

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

TOWN OF BENNETT, COLORADO
STATEMENT OF CASH FLOWS
PROPRIETARY FUNDS
YEAR ENDED DECEMBER 31, 2021

	Water Fund	Wastewater Fund	Total
Cash Flows From Operating Activities			
Cash received from customers	\$ 1,330,412	\$ 1,176,839	\$ 2,507,251
Cash paid to employees	(255,169)	(210,320)	(465,489)
Cash paid to suppliers	816,269	(321,563)	494,706
Net cash provided (used) by operating activities	<u>1,891,512</u>	<u>644,956</u>	<u>2,536,468</u>
Cash Flows From Capital and Related Financing Activities			
Acquisition of capital assets	(2,675,780)	(175,769)	(2,851,549)
System investment fees received	3,709,474	1,001,443	4,710,917
Debt principal payments	(304,006)	(312,585)	(616,591)
Debt interest payments	(261,533)	(69,550)	(331,083)
Net cash provided by capital and related financing activities	<u>468,155</u>	<u>443,539</u>	<u>911,694</u>
Cash Flows From Noncapital Financing Activities			
Grant and related cash receipts	-	297,247	297,247
Other cash receipts	1,658,280	-	1,658,280
Transfers to/from other funds	84,941	(131,515)	(46,574)
Net cash provided by noncapital financing activities	<u>1,743,221</u>	<u>165,732</u>	<u>1,908,953</u>
Cash Flows From Investing Activities			
Interest received	3,576	2,192	5,768
Net cash provided by investing activities	<u>3,576</u>	<u>2,192</u>	<u>5,768</u>
Net change in cash and cash equivalents	4,106,464	1,256,419	5,362,883
Cash and cash equivalents and restricted cash, beginning of year	<u>10,419,706</u>	<u>2,802,572</u>	<u>13,222,278</u>
Cash and cash equivalents and restricted cash, end of year	<u>\$ 14,526,170</u>	<u>\$ 4,058,991</u>	<u>\$ 18,585,161</u>
Reconciliation of Net Operating Income to Net Cash Provided by Operating Activities			
Net operating income	\$ (172,349)	\$ (9,477)	\$ (181,826)
Adjustments to reconcile net operating income to cash provided by operating activities			
Depreciation expense	403,422	474,898	878,320
Changes in assets and liabilities related to operations			
(Increase) Decrease in:			
Accounts receivable	(18,210)	51,672	33,462
Prepaid items	1,210	-	1,210
Increase (Decrease) in:			
Accounts payable	1,678,544	129,626	1,808,170
Other liabilities	1,217	-	1,217
Compensated absences payable	(2,322)	(1,763)	(4,085)
Net cash provided (used) by operating activities	<u>\$ 1,891,512</u>	<u>\$ 644,956</u>	<u>\$ 2,536,468</u>

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

TOWN OF BENNETT, COLORADO
NOTE TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2021

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Financial Reporting Entity

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

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

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

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

Government-Wide and Fund Financial Statements

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

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

TOWN OF BENNETT, COLORADO
NOTE TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2021

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Government-Wide and Fund Financial Statements (Continued)

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

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

Measurement Focus, Basis of Accounting, and Financial Statement Presentation

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

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

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

Expenditures 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.

TOWN OF BENNETT, COLORADO
NOTE TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2021

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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

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

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

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

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

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

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

The Town reports the following major proprietary funds:

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

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

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

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

TOWN OF BENNETT, COLORADO
NOTE TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2021

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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

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

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

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

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

Receivables – All receivables are reported at their gross value and, where appropriate, are reduced by the estimated portion that is expected to be uncollectible. At December 31, 2021, the Town believes all amounts recorded are fully collectible.

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

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

Property taxes levied in the General Fund and by the Antelope Hills General Improvement District are included in receivables and deferred inflows at December 31, 2021. These taxes are classified as deferred inflows since they are not normally available to the Town until the subsequent fiscal year.

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

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

TOWN OF BENNETT, COLORADO
NOTE TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2021

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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

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

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

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

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

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

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

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

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

TOWN OF BENNETT, COLORADO
NOTE TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2021

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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

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

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

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

Deferred inflows of resources for the Town consist of property taxes receivable and unavailable revenue as of December 31, 2021. Property tax revenue is considered a deferred inflow of resources in the year the taxes are levied and measurable and are recognized as an inflow of resources in the period they are collected.

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

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

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

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

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

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

TOWN OF BENNETT, COLORADO
NOTE TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2021

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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

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

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

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

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

Unassigned fund balance – Is the residual classification for the general fund and includes all spendable amounts not contained in the other classifications. In other governmental funds, the unassigned classification is used only to report a deficit balance resulting from overspending for specific purposes for which amounts had been restricted, committed, or assigned. As of December 31, 2021, the Grant Fund had a deficit unassigned fund balance of \$745,657.

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

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

TOWN OF BENNETT, COLORADO
NOTE TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2021

NOTE 2 - STEWARDSHIP, COMPLIANCE, AND ACCOUNTABILITY

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

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

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

As of December 31, 2021, the Road and Bridge Fund and Conservation Trust Fund had actual expenditures over budgeted expenditures. This may be a violation of Colorado Budget Law.

NOTE 3 - CASH AND CASH EQUIVALENTS

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

Cash and cash equivalents	\$ 24,159,245
Cash and cash equivalents - restricted	4,442,418
Total cash and cash equivalents	<u>\$ 28,601,663</u>

Cash and cash equivalents at December 31, 2021, consisted of the following:

Cash deposits	\$ 1,134,542
Investments	27,467,121
Total	<u>\$ 28,601,663</u>

Custodial Credit Risk

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

TOWN OF BENNETT, COLORADO
NOTE TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2021

NOTE 3 - CASH AND CASH EQUIVALENTS (CONTINUED)

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

At December 31, 2021, the carrying amount of the Town's deposits was \$1,134,542 and the bank balance was \$1,622,994 of which \$250,000 was covered by FDIC insurance and the remainder covered by the PDPA.

Investments

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

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

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

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

ColoTrust

As of December 31, 2021, the Town had \$27,467,121 invested in the Colorado Local Government Liquid Asset Trust (ColoTrust), an investment vehicle established for local government entities in Colorado to pool surplus funds.

TOWN OF BENNETT, COLORADO
NOTE TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2021

NOTE 3 - CASH AND CASH EQUIVALENTS (CONTINUED)

ColoTrust (continued)

The State Securities Commissioner administers and enforces all State statutes governing ColoTrust. ColoTrust operates similarly to a money market fund and each share is equal in value to \$1.00. ColoTrust offers shares in two portfolios, ColoTrust Prime and ColoTrust Plus+. Both portfolios may invest in U.S. Treasury securities and repurchase agreements collateralized by U.S. Treasury securities.

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

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

Investment Valuation

Certain investments that are measured at fair value on a recurring basis are categorized within the fair value hierarchy established by generally accepted accounting principles. The hierarchy is based on the valuation inputs used to measure an asset's fair value: Level 1 inputs are quoted prices in active markets for identical assets; Level 2 inputs are significant other observable inputs; and Level 3 inputs are significant unobservable inputs. However, the Town's investments are not measured at fair value and are therefore not categorized within the fair value hierarchy. These investments include 2a7-like external investment pools. The Town is permitted in certain circumstances to establish the fair value of an investment that does not have a readily determinable fair value by using the net asset value (NAV) per share (or its equivalent) of the investment.

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

There are no unfunded commitments, the redemption frequency is daily and there is no redemption notice period.

TOWN OF BENNETT, COLORADO
NOTE TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2021

NOTE 3 - CASH AND CASH EQUIVALENTS (CONTINUED)

Restricted Cash and Cash Equivalents – At December 31, 2021, the Town reported restricted cash and cash equivalents of \$1,124,048 and \$2,213,611 in the Sales Tax Capital Improvement Fund and Use Tax Capital Improvements Fund, respectively. In addition, the Town reported restricted cash and investments of \$929,274 and \$175,485 in the Water Fund and Wastewater Fund, respectively. Restricted balances are restricted for capital projects and debt service.

NOTE 4 - CAPITAL ASSETS

Capital assets for governmental activities for the year ended December 31, 2021, is summarized below:

	Balances 12/31/20	Additions	Deletions	Balances 12/31/21
<i>Governmental Activities:</i>				
Capital Assets, not being depreciated				
Land and improvements	\$ 2,758,194	\$ -	\$ -	\$ 2,758,194
Public art	40,989	-	-	40,989
Construction in process	1,238,771	2,244,710	905,542	2,577,939
Total capital assets, not being depreciated	4,037,954	2,244,710	905,542	5,377,122
Capital Assets, being depreciated				
Buildings	3,715,420	58,938	-	3,774,358
Infrastructures	13,620,507	568,566	-	14,189,073
Parks and ballfields	4,583,490	593,282	-	5,176,772
Vehicle and equipment	823,670	45,000	-	868,670
Information technology	67,447	40,588	-	108,035
Steet and park equipment	389,985	14,789	-	404,774
Total capital assets, being depreciated	23,200,519	1,321,163	-	24,521,682
Accumulated depreciation				
Buildings	(728,943)	(113,979)	-	(842,922)
Infrastructures	(884,998)	(445,382)	-	(1,330,380)
Parks and ballfields	(1,036,487)	(182,244)	-	(1,218,731)
Vehicle and equipment	(332,009)	(54,353)	-	(386,362)
Information technology	(55,028)	(11,598)	-	(66,626)
Steet and park equipment	(106,766)	(40,485)	-	(147,251)
Total accumulated depreciation	(3,144,231)	(848,041)	-	(3,992,272)
Net capital assets, being depreciated	20,056,288	473,122	-	20,529,410
Governmental Activities Capital Assets, net	\$ 24,094,242	\$ 2,717,832	\$ 905,542	\$ 25,906,532

TOWN OF BENNETT, COLORADO
NOTE TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2021

NOTE 4 - CAPITAL ASSETS (CONTINUED)

Capital assets for business-type activities for the year ended December 31, 2021, is summarized below:

	Balances 12/31/20	Additions	Deletions	Reclassifications	Balances 12/31/21
<i>Business-Type Activities:</i>					
Capital Assets, not being depreciated					
Land and improvements	\$ 67,138	\$ -	\$ -	\$ -	\$ 67,138
Water rights	215,654	990,145	-	-	1,205,799
Construction in progress	1,678,813	3,048,835	1,714,931	533,768	3,546,485
Total capital assets, not depreciated	1,961,605	4,038,980	1,714,931	533,768	4,819,422
Capital Assets, being depreciated					
Buildings and plants	7,204,664	-	-	-	7,204,664
Collection systems	6,913,859	878,886	-	-	7,792,745
Water system	12,052,319	21,481	-	(533,768)	11,540,032
Ponds	656,605	-	-	-	656,605
Equipment	1,490,736	68,724	-	-	1,559,460
Total capital assets, being depreciated	28,318,183	969,091	-	(533,768)	28,753,506
Accumulated depreciation					
Buildings and plants	(388,867)	(179,362)	-	-	(568,229)
Collection systems	(510,131)	(240,653)	-	-	(750,784)
Water system	(2,939,713)	(340,434)	-	-	(3,280,147)
Ponds	(299,449)	(16,303)	-	-	(315,752)
Equipment	(469,860)	(101,568)	-	-	(571,428)
Total accumulated depreciation	(4,608,020)	(878,320)	-	-	(5,486,340)
Net capital assets, being depreciated	23,710,163	90,771	-	(533,768)	23,267,166
Business-Type Activities Capital Assets, net	\$ 25,671,768	\$ 4,129,751	\$ 1,714,931	\$ -	\$ 28,086,588

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

Business-type activities:

Water Fund	\$ 403,422
Wastewater Fund	474,898
Total	<u>\$ 878,320</u>

TOWN OF BENNETT, COLORADO
NOTE TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2021

NOTE 5 - LONG-TERM DEBT

Governmental Activities

Following is a summary of long-term debt transactions of the governmental activities for the year ended December 31, 2021:

	Balances 12/31/20	Additions	Deletions	Balances 12/31/21	Due In One Year
<i>Governmental Activities:</i>					
Series 2016, Sales Tax					
Revenue Bonds	\$ 4,920,000	\$ -	\$ 150,000	\$ 4,770,000	\$ 150,000
Series 2016 Premium	397,184	-	32,204	364,980	-
2017 Capital Lease	1,197,000	-	1,197,000	-	-
Series 2017, GO Refunding					
Note (Antelope Hills)	1,621,991	-	153,378	1,468,613	25,000
Series 2021, GO Bonds	-	3,685,000	45,000	3,640,000	95,000
Series 2021 Premium	-	420,693	16,569	404,124	-
Compensated absences	76,378	55,209	59,135	72,452	72,452
Total	<u>\$ 8,212,553</u>	<u>\$ 4,160,902</u>	<u>\$ 1,653,286</u>	<u>\$ 10,720,169</u>	<u>\$ 342,452</u>

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

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

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

Year ended December 31,	Principal	Interest	Total
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	195,000	163,800	358,800
2027 - 2031	1,050,000	699,200	1,749,200
2032 - 2036	1,275,000	472,000	1,747,000
2037 - 2040	1,575,000	181,400	1,756,400
Total	<u>\$ 4,770,000</u>	<u>\$ 2,240,600</u>	<u>\$ 7,010,600</u>

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

TOWN OF BENNETT, COLORADO
NOTE TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2021

NOTE 5 - LONG-TERM DEBT (CONTINUED)

Governmental Activities (continued)

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

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

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

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

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

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

<u>Year ended December 31,</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
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	25,000	82,335	107,335
2027 - 2031	125,000	391,048	516,048
2032 - 2036	125,000	356,673	481,673
2037 - 2040	1,093,613	260,588	1,354,201
Total	<u>\$ 1,468,613</u>	<u>\$ 1,433,734</u>	<u>\$ 2,902,347</u>

TOWN OF BENNETT, COLORADO
NOTE TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2021

NOTE 5 - LONG-TERM DEBT (CONTINUED)

Governmental Activities (continued)

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

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

Proceeds of the Series 2021 Certificates of Participation are held with the Trustee. As of December 31, 2021, the balance of \$2,213,611 is reported as restricted cash and investments in the Use Tax Capital Improvements Fund.

Following is a summary of debt service requirements:

<u>Year ended December 31,</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2022	\$ 95,000	\$ 120,900	\$ 215,900
2023	100,000	117,100	217,100
2024	110,000	113,100	223,100
2025	110,000	108,700	218,700
2026	115,000	104,300	219,300
2027 - 2031	640,000	449,500	1,089,500
2032 - 2036	770,000	325,500	1,095,500
2037 - 2041	885,000	203,550	1,088,550
2042 - 2045	815,000	61,800	876,800
Total	<u>\$ 3,640,000</u>	<u>\$ 1,604,450</u>	<u>\$ 5,244,450</u>

TOWN OF BENNETT, COLORADO
NOTE TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2021

NOTE 5 - LONG-TERM DEBT (CONTINUED)

Business-type Activities

Following are the changes in long-term debt of the business-type activities for the year ended December 31, 2021:

	Balances 12/31/20	Additions	Deletions	Balances 12/31/21	Due In One Year
<i>Business-Type Activities:</i>					
Energy and Impact Assistance					
2010 Wastewater Loan	\$ 41,145	\$ -	\$ 41,145	\$ -	\$ -
CWCB					
2015 Water Loan	1,394,742	-	31,291	1,363,451	32,308
CWRPDA					
2006 Wastewater Loan	62,099	-	62,099	-	-
2016 Water Loan	2,112,411	-	113,243	1,999,168	115,519
2017 Wastewater Loan	2,283,039	-	83,020	2,200,019	83,020
2018 Wastewater Loan	3,312,218	-	91,850	3,220,368	94,598
2019 Capital Lease	292,637	-	68,944	223,693	71,682
Series 2020, Water Revenue Bonds	4,905,000	-	125,000	4,780,000	130,000
Series 2020 Premium	700,539	-	46,710	653,829	-
Compensated absences	15,437	1,792	5,878	11,351	11,351
Total	<u>\$ 15,119,267</u>	<u>\$ 1,792</u>	<u>\$ 669,180</u>	<u>\$ 14,451,879</u>	<u>\$ 538,478</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. As of December 31, 2021, the loan has been paid in full.

During 2015, the Town issued \$1,454,000 Water Loan through the Colorado Water Conservation Board to replace two wells. Interest payments are due annually on August 1, with interest accruing at a rate of 3.25%. Principal payments are due annually on August 1, through 2048.

The Town must maintain a reserve of \$7,662 annually, with a maximum of \$76,620. The Town has funded these reserves through restrictions of its cash balances in the Water Fund. As of December 31, 2021, the Town has been all reserve requirements.

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

TOWN OF BENNETT, COLORADO
NOTE TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2021

NOTE 5 - LONG-TERM DEBT (CONTINUED)

Business-type Activities (continued)

<u>Year ended December 31,</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
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	36,717	39,903	76,620
2027 - 2031	202,282	180,820	383,102
2032 - 2036	237,360	145,742	383,102
2037 - 2041	278,521	104,581	383,102
2042 - 2046	326,819	56,282	383,101
2047 - 2048	146,082	7,160	153,242
Total	<u>\$ 1,363,451</u>	<u>\$ 705,299</u>	<u>\$ 2,068,750</u>

During 2006, the Town issued \$161,000 Water Pollution Control Revolving Fund loan through the Colorado Water Resources and Power Development Authority (CWRPDA) to upgrade the existing wastewater treatment lagoons. As of December 31, 2021, the loan has been paid in full.

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

The Town is required to maintain an operations and reserve fund in an amount equal to three months of operations and maintenance expenses, excluding depreciation. At December 31, 2021, \$929,274 has been reserved for this purpose.

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

The Town is required to maintain an operations and reserve fund in an amount equal to three months of operations and maintenance expenses, excluding depreciation. At December 31, 2021, \$175,485 has been reserved for this purpose.

During 2018, the Town issued \$3,500,000 Water Pollution Control Revolving Fund Loan with CWRPDA to construct a new mechanical wastewater treatment facility to replace the existing lagoon system. Interest payments are due semi-annually on May 1 and November 1, with interest accruing at rate 1.89%.

TOWN OF BENNETT, COLORADO
NOTE TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2021

NOTE 5 - LONG-TERM DEBT (CONTINUED)

Business-type Activities (continued)

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 all CWRPDA outstanding loans at December 31, 2021 are as follows:

<u>Year ended December 31,</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2022	\$ 293,137	\$ 99,811	\$ 392,948
2023	297,256	95,692	392,948
2024	301,455	91,493	392,948
2025	305,736	87,212	392,948
2026	310,102	82,846	392,948
2027 - 2031	1,619,047	345,693	1,964,740
2032 - 2036	1,741,768	222,972	1,964,740
2037 - 2041	1,066,563	123,537	1,190,100
2042 - 2046	1,130,812	59,288	1,190,100
2047 - 2048	353,679	4,325	358,004
Total	<u>\$ 7,419,555</u>	<u>\$ 1,212,869</u>	<u>\$ 8,632,424</u>

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

Annual debt service requirements are as follows:

<u>Year ended December 31,</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2022	\$ 71,682	\$ 8,881	\$ 80,563
2023	74,527	6,035	80,562
2024	77,485	3,076	80,561
Total	<u>\$ 223,694</u>	<u>\$ 17,992</u>	<u>\$ 241,686</u>

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

Annual debt service requirements for the bonds are as follows:

TOWN OF BENNETT, COLORADO
NOTE TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2021

NOTE 5 - LONG-TERM DEBT (CONTINUED)

Business-type Activities (continued)

<u>Year ended December 31,</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
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	145,000	144,600	289,600
2027 - 2031	825,000	630,800	1,455,800
2032 - 2036	1,000,000	452,200	1,452,200
2037 - 2041	1,185,000	270,600	1,455,600
2042 - 2045	1,080,000	82,050	1,162,050
Total	<u>\$ 4,780,000</u>	<u>\$ 2,200,050</u>	<u>\$ 6,980,050</u>

NOTE 6 - INTERFUND TRANSACTIONS

Interfund receivable and payable balances at December 31, 2021 are as follows:

<u>Fund</u>	<u>Interfund Receivable</u>	<u>Interfund Payable</u>
General Fund	\$ 1,022,751	\$ -
Grants Fund	-	1,022,751
	<u>\$ 1,022,751</u>	<u>\$ 1,022,751</u>

Interfund transfers for the year ended December 31, 2021, were comprised of the following:

<u>Fund</u>	<u>Transfers In</u>	<u>Transfers Out</u>
General Fund	\$ 267,592	\$ 714,367
Grants Fund	460,264	-
Sales Tax Capital Improvement Fund	205,216	-
Use Tax Capital Improvement Fund	110,780	68,505
Water Fund	351,368	266,427
Wastewater Fund	-	131,515
Other Aggregate Remaining	-	214,406
	<u>\$ 1,395,220</u>	<u>\$ 1,395,220</u>

The Water and Wastewater Fund reimburse the General Fund for services provided, including administration, finance, clerk and IT costs for use and employee time. Other transfers shown were for purposes of capital asset expenditures and matching expenses for the year ended December 31, 2021

TOWN OF BENNETT, COLORADO
NOTE TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2021

NOTE 7 - RISK MANAGEMENT

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

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

NOTE 8 - RETIREMENT COMMITMENTS

Defined Contribution Pension Plan

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

For the year ended December 31, 2021, the Town recognized contributions of \$60,133.

Deferred Compensation Plan

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

TOWN OF BENNETT, COLORADO
NOTE TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2021

NOTE 9 - COMMITMENTS AND CONTINGENCIES

Tabor Amendment

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

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

The Town has established an emergency reserve of 3%, as required by the Amendment. At December 31, 2021, the emergency reserve was reported as restricted fund balance in the General Fund, in the amount of \$253,650.

NOTE 10 -RATE MAINTENANCE

All the Colorado Water Resources and Power Development Authority loans require 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, 2021.

NOTE 11 -PRIOR PERIOD RESTATEMENT

For the year ending December 31, 2021, the following prior period adjustments were posted to restate beginning net position and fund balance. Prior period adjustments were a result of: 1) accrued payroll was not recorded as a liability in prior years which understated general fund liabilities; 2) prior to fiscal year 2021, the Antelope Hills General Improvement District was reported as a discretely presented component unit. The Town performed a review over the District and determined it should be reported as a blended component unit; and 3) the Town had set up multiple special revenue funds during prior years via Town ordinances. In prior years, the special revenue funds were included within the general fund for financial reporting. The Town has broken these funds out to be reported as individual funds in 2021.

TOWN OF BENNETT, COLORADO
NOTE TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2021

NOTE 11 -PRIOR PERIOD RESTATEMENT (CONTINUED)

Schedule below outlines the impact on beginning net position and fund balance for the opinion units impacted by the prior period adjustments:

	As Previously Reported	Prior Period Adjustment	As Restated
Governmental Activities	\$ 23,601,188	\$ (1,495,420)	\$ 22,105,768
Business - Type Activities	24,183,325	(92,289)	24,091,036
General Fund	3,949,684	(1,359,314)	2,590,370
Impact Fees Fund	-	721,818	721,818
Use Tax Capital Improvement Fund	-	640,535	640,535
Open Space Funds	-	15,645	15,645
Wastewater Fund	11,941,429	(92,289)	11,849,140
Antelope Hills GID	(1,514,104)	1,621,991	107,887

REQUIRED SUPPLEMENTARY INFORMATION

TOWN OF BENNETT, COLORADO
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES
IN FUND BALANCE – BUDGET AND ACTUAL – GENERAL FUND
YEAR ENDED DECEMBER 31, 2021

	Original and Final Budget	Actual	Variance Positive (Negative)
<u>Revenues</u>			
Taxes			
Property tax	\$ 438,330	\$ 438,471	\$ 141
Sales and use tax	3,156,200	3,393,075	236,875
Lodging tax	14,600	-	(14,600)
Cigarette tax	6,710	8,687	1,977
Franchise tax	75,250	80,568	5,318
Severance tax	-	247	247
Total taxes	<u>3,691,090</u>	<u>3,921,048</u>	<u>229,958</u>
Intergovernmental			
Grants	-	351,638	351,638
Total intergovernmental	<u>-</u>	<u>351,638</u>	<u>351,638</u>
Licenses and permits			
Building permits	234,910	459,549	224,639
Plan reviews	110,470	63,565	(46,905)
Animal licenses	1,245	1,052	(193)
Liquor licenses	900	1,783	883
Infrastructure inspection fee	50,000	22,252	(27,748)
Miscellaneous	53,205	103,595	50,390
Total licenses and permits	<u>450,730</u>	<u>651,796</u>	<u>201,066</u>
Charges for services			
Rentals	41,810	53,398	11,588
Internal department charges	283,445	313,989	30,544
Cemetery charges	10,495	11,875	1,380
Other charges for services	200	3,451	3,251
Total charges for services	<u>335,950</u>	<u>382,713</u>	<u>46,763</u>
Other revenues			
Fines and forfeitures	8,970	14,651	5,681
Impact fees	27,920	40,106	12,186
Capital credits	9,000	-	(9,000)
Bennett Arts & Cultural Fund	112,000	50,175	(61,825)
Contributions	-	2,241	2,241
Investment earnings	20,000	2,500	(17,500)
Miscellaneous revenues	220,905	204,642	(16,263)
Total other revenues	<u>398,795</u>	<u>314,315</u>	<u>(84,480)</u>
Total revenues	<u>4,876,565</u>	<u>5,621,510</u>	<u>744,945</u>

See the accompanying independent auditors' report

TOWN OF BENNETT, COLORADO
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES
IN FUND BALANCE – BUDGET AND ACTUAL – GENERAL FUND
(CONTINUED)
YEAR ENDED DECEMBER 31, 2021

	Original and Final Budget	Actual	Variance Positive (Negative)
<u>Expenditures</u>			
General government			
Administration	955,710	887,320	68,390
Finance	251,255	296,429	(45,174)
Boards and commissions	81,980	95,240	(13,260)
Town clerk	63,910	64,701	(791)
Municipal court	30,290	24,164	6,126
Community development	523,040	599,853	(76,813)
Bennett Arts & Cultural Fund	112,000	106,339	5,661
Economic development	214,005	218,442	(4,437)
Information technology	144,295	166,464	(22,169)
Internal services	280,585	293,963	(13,378)
Contingency	336,231	-	336,231
Total general government	<u>2,993,301</u>	<u>2,752,915</u>	<u>240,386</u>
Public safety	491,835	522,956	(31,121)
Public works	990,880	994,263	(3,383)
Miscellaneous expenditures	163,965	24,719	139,246
Capital outlay	-	105,372	(105,372)
Total expenditures	<u>4,639,981</u>	<u>4,400,225</u>	<u>239,756</u>
Excess of revenues over (under) expenditures	<u>236,584</u>	<u>1,221,285</u>	<u>984,701</u>
Other financing sources (uses)			
Transfers in	348,465	267,592	(80,873)
Transfers out	<u>(499,614)</u>	<u>(714,367)</u>	<u>(214,753)</u>
Total other financing sources (uses)	<u>(151,149)</u>	<u>(446,775)</u>	<u>(295,626)</u>
Net change in fund balance	<u>\$ 85,435</u>	774,510	<u>\$ 689,075</u>
Fund balance - beginning (as restated)		<u>2,590,370</u>	
Fund balance - ending		<u>\$ 3,364,880</u>	

See the accompanying independent auditors' report

TOWN OF BENNETT, COLORADO
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES
IN FUND BALANCE – BUDGET AND ACTUAL – GRANT FUND
YEAR ENDED DECEMBER 31, 2021

	Original and Final Budget	Actual	Variance Positive (Negative)
<u>Revenues</u>			
Intergovernmental	\$ 4,866,210	\$ 198,162	\$ (4,668,048)
Miscellaneous	-	4,800	4,800
Total revenues	<u>4,866,210</u>	<u>202,962</u>	<u>(4,663,248)</u>
<u>Expenditures</u>			
Capital outlay	<u>6,268,350</u>	<u>1,408,883</u>	<u>4,859,467</u>
Total expenditures	<u>6,268,350</u>	<u>1,408,883</u>	<u>4,859,467</u>
Excess of revenues over (under) expenditures	<u>(1,402,140)</u>	<u>(1,205,921)</u>	<u>196,219</u>
Other financing sources (uses)			
Transfers in	<u>1,402,140</u>	<u>460,264</u>	<u>(941,876)</u>
Total other financing sources (uses)	<u>1,402,140</u>	<u>460,264</u>	<u>(941,876)</u>
Net change in fund balance	<u>\$ -</u>	<u>(745,657)</u>	<u>\$ (745,657)</u>
Fund balance - beginning		<u>-</u>	
Fund balance - ending		<u>\$ (745,657)</u>	

See the accompanying independent auditors' report

SUPPLEMENTARY INFORMATION

TOWN OF BENNETT, COLORADO
COMBINING BALANCE SHEET
NONMAJOR GOVERNMENTAL FUNDS
DECEMBER 31, 2021

	Road & Bridge Fund	Conservation Fund	Open Space Fund	Impact Fees Fund	Antelope Hills GID Fund	Total Non-Major Governmental Funds
<u>Assets</u>						
Cash and investments	\$ 716,356	\$ -	\$ 7,088	\$ 1,228,025	\$ 108,253	\$ 2,059,722
Accounts receivable	32,597	-	4,200	-	1,263	38,060
Property tax receivable	-	-	-	-	277,568	277,568
Total assets	<u>\$ 748,953</u>	<u>\$ -</u>	<u>\$ 11,288</u>	<u>\$ 1,228,025</u>	<u>\$ 387,084</u>	<u>\$ 2,375,350</u>
<u>Liabilities, deferred inflows of resources and fund balance</u>						
Liabilities:						
Accounts payable	\$ 15,828	\$ -	\$ -	\$ 11,791	\$ -	\$ 27,619
Unearned revenue	391,936	-	-	-	-	391,936
Total liabilities	<u>407,764</u>	<u>-</u>	<u>-</u>	<u>11,791</u>	<u>-</u>	<u>419,555</u>
<u>Deferred inflows of resources</u>						
Unavailable property taxes	-	-	-	-	277,568	277,568
Total deferred inflows of resources	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>277,568</u>	<u>277,568</u>
Fund balance:						
Restricted						
Park and recreation	-	-	11,288	-	-	11,288
Capital projects	-	-	-	1,216,234	109,516	1,325,750
Assigned						
Road maintenance	341,189	-	-	-	-	341,189
Total fund balances	<u>341,189</u>	<u>-</u>	<u>11,288</u>	<u>1,216,234</u>	<u>109,516</u>	<u>1,678,227</u>
Total liabilities, deferred inflows of resources and fund balances	<u>\$ 748,953</u>	<u>\$ -</u>	<u>\$ 11,288</u>	<u>\$ 1,228,025</u>	<u>\$ 387,084</u>	<u>\$ 2,375,350</u>

See the accompanying independent auditors' report

TOWN OF BENNETT, COLORADO
COMBINING STATEMENT OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCES
NONMAJOR GOVERNMENTAL FUNDS
YEAR ENDED DECEMBER 31, 2021

	Road & Bridge Fund	Conservation Fund	Open Space Fund	Impact Fees Fund	Antelope Hills GID Fund	Total Non-Major Governmental Funds
<u>Revenues</u>						
Taxes	\$ 34,696	\$ -	\$ -	\$ -	\$ 240,428	\$ 275,124
Intergovernmental	286,351	20,064	62,020	-	-	368,435
Impact fees	-	-	-	792,265	-	792,265
Investment earnings	518	11	-	287	19	835
Miscellaneous	-	2,278	-	-	7,000	9,278
Total revenues	<u>321,565</u>	<u>22,353</u>	<u>62,020</u>	<u>792,552</u>	<u>247,447</u>	<u>1,445,937</u>
<u>Expenditures</u>						
Current:						
General government	-	-	-	-	3,374	3,374
Public works	226,877	-	-	-	-	226,877
Capital outlay	14,789	18,732	-	156,012	-	189,533
Debt service:						
Principal	-	-	-	-	153,378	153,378
Interest and fiscal charges	-	-	-	-	89,066	89,066
Total expenditures	<u>241,666</u>	<u>18,732</u>	<u>-</u>	<u>156,012</u>	<u>245,818</u>	<u>662,228</u>
Excess revenues over expenditures	79,899	3,621	62,020	636,540	1,629	783,709
<u>Other financing sources (uses)</u>						
Transfers out	-	(5,905)	(66,377)	(142,124)	-	(214,406)
Total other financing sources (uses)	<u>-</u>	<u>(5,905)</u>	<u>(66,377)</u>	<u>(142,124)</u>	<u>-</u>	<u>(214,406)</u>
Net change in fund balances	79,899	(2,284)	(4,357)	494,416	1,629	569,303
Fund balances - beginning (as restated)	261,290	2,284	15,645	721,818	107,887	1,108,924
Fund balances - ending	<u>\$ 341,189</u>	<u>\$ -</u>	<u>\$ 11,288</u>	<u>\$ 1,216,234</u>	<u>\$ 109,516</u>	<u>\$ 1,678,227</u>

See the accompanying independent auditors' report

TOWN OF BENNETT, COLORADO
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES
IN FUND BALANCE – BUDGET AND ACTUAL –
SALES TAX CAPITAL IMPROVEMENT FUND
YEAR ENDED DECEMBER 31, 2021

	Original Budget	Final Budget	Actual	Variance Positive (Negative)
<u>Revenues</u>				
Sales tax	\$ 1,048,180	\$ 1,048,180	\$ 1,127,884	\$ 79,704
Intergovernmental	-	-	1,357	1,357
Investment earnings	25,200	25,200	939	(24,261)
Miscellaneous	1,900,000	1,900,000	256,070	(1,643,930)
Total revenues	<u>2,973,380</u>	<u>2,973,380</u>	<u>1,386,250</u>	<u>(1,587,130)</u>
<u>Expenditures</u>				
Public works	579,687	579,687	181,867	397,820
Capital outlay	2,945,000	3,468,000	624,348	2,843,652
Debt service				
Principal	150,000	150,000	150,000	-
Interest	210,300	210,300	196,800	13,500
Total expenditures	<u>3,884,987</u>	<u>4,407,987</u>	<u>1,153,015</u>	<u>3,254,972</u>
Excess of revenues over (under) expenditures	<u>(911,607)</u>	<u>(1,434,607)</u>	<u>233,235</u>	<u>1,667,842</u>
Other financing sources (uses)				
Transfers in	-	-	205,216	205,216
Total other financing sources (uses)	<u>-</u>	<u>-</u>	<u>205,216</u>	<u>205,216</u>
Net change in fund balance	<u>\$ (911,607)</u>	<u>\$ (1,434,607)</u>	438,451	<u>\$ 1,873,058</u>
Fund balance - beginning			1,903,722	
Fund balance - ending			<u>\$ 2,342,173</u>	

See the accompanying independent auditors' report

TOWN OF BENNETT, COLORADO
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES
IN FUND BALANCE – BUDGET AND ACTUAL –
USE TAX CAPITAL IMPROVEMENT FUND
YEAR ENDED DECEMBER 31, 2021

	Original Budget	Final Budget	Actual	Variance Positive (Negative)
<u>Revenues</u>				
Use tax	\$ 297,200	\$ 297,200	\$ 542,034	\$ 244,834
Intergovernmental	489,000	489,000	-	(489,000)
Investment earnings	2,305	2,305	360	(1,945)
Total revenues	<u>788,505</u>	<u>788,505</u>	<u>542,394</u>	<u>(246,111)</u>
<u>Expenditures</u>				
Capital outlay	2,244,000	3,244,000	1,197,152	2,046,848
Debt service				
Principal	201,680	201,680	1,242,000	(1,040,320)
Interest	-	-	65,781	(65,781)
Bond issuance costs	-	-	197,693	(197,693)
Total expenditures	<u>2,445,680</u>	<u>3,445,680</u>	<u>2,702,626</u>	<u>743,054</u>
Excess of revenues over (under) expenditures	<u>(1,657,175)</u>	<u>(2,657,175)</u>	<u>(2,160,232)</u>	<u>496,943</u>
Other financing sources (uses)				
Loan proceeds	1,506,330	1,506,330	4,105,693	2,599,363
Transfers in	406,350	406,350	110,780	(295,570)
Transfers out	<u>(153,740)</u>	<u>(153,740)</u>	<u>(68,505)</u>	<u>85,235</u>
Total other financing sources (uses)	<u>1,758,940</u>	<u>1,758,940</u>	<u>4,147,968</u>	<u>2,389,028</u>
Net change in fund balance	<u>\$ 101,765</u>	<u>\$ (898,235)</u>	1,987,736	<u>\$ 2,885,971</u>
Fund balance - beginning (as restated)			<u>640,535</u>	
Fund balance - ending			<u>\$ 2,628,271</u>	

See the accompanying independent auditors' report

TOWN OF BENNETT, COLORADO
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES
IN FUND BALANCE – BUDGET AND ACTUAL –
ROAD AND BRIDGE FUND
YEAR ENDED DECEMBER 31, 2021

	Original and Final Budget	Actual	Variance Positive (Negative)
<u>Revenues</u>			
Specific ownership tax	\$ 28,760	\$ 34,696	\$ 5,936
Highway user tax	76,085	90,688	14,603
County road and bridge tax	121,005	184,991	63,986
Motor vehicle registration fees	10,205	10,672	467
Investment earnings	2,970	518	(2,452)
Total revenues	<u>239,025</u>	<u>321,565</u>	<u>82,540</u>
<u>Expenditures</u>			
Public works	157,165	226,877	(69,712)
Capital outlay	11,000	14,789	(3,789)
Total expenditures	<u>168,165</u>	<u>241,666</u>	<u>(73,501)</u>
Excess of revenues over (under) expenditures	<u>70,860</u>	<u>79,899</u>	<u>9,039</u>
Other financing sources (uses)			
Transfers out	<u>(70,860)</u>	<u>-</u>	<u>70,860</u>
Total other financing sources (uses)	<u>(70,860)</u>	<u>-</u>	<u>70,860</u>
Net change in fund balance	<u>\$ -</u>	<u>79,899</u>	<u>\$ 79,899</u>
Fund balance - beginning		<u>261,290</u>	
Fund balance - ending		<u>\$ 341,189</u>	

See the accompanying independent auditors' report

TOWN OF BENNETT, COLORADO
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES
IN FUND BALANCE – BUDGET AND ACTUAL –
CONSERVATION TRUST FUND
YEAR ENDED DECEMBER 31, 2021

	Original and Final Budget	Actual	Variance Positive (Negative)
<u>Revenues</u>			
Intergovernmental	\$ 14,205	\$ 20,064	\$ 5,859
Investment earnings	240	11	(229)
Miscellaneous	-	2,278	2,278
Total revenues	<u>14,445</u>	<u>22,353</u>	<u>7,908</u>
<u>Expenditures</u>			
Capital outlay	-	18,732	(18,732)
Emergency reserves	14,445	-	14,445
Total expenditures	<u>14,445</u>	<u>18,732</u>	<u>(4,287)</u>
Excess of revenues over (under) expenditures	<u>-</u>	<u>3,621</u>	<u>3,621</u>
Other financing sources (uses)			
Transfers out	<u>-</u>	<u>(5,905)</u>	<u>(5,905)</u>
Total other financing sources (uses)	<u>-</u>	<u>(5,905)</u>	<u>(5,905)</u>
Net change in fund balance	<u>\$ -</u>	<u>(2,284)</u>	<u>\$ (2,284)</u>
Fund balance - beginning		<u>2,284</u>	
Fund balance - ending		<u>\$ -</u>	

See the accompanying independent auditors' report

TOWN OF BENNETT, COLORADO
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES
IN FUND BALANCE – BUDGET AND ACTUAL –
OPEN SPACE FUND
YEAR ENDED DECEMBER 31, 2021

	Original and Final Budget	Actual	Variance Positive (Negative)
<u>Revenues</u>			
Intergovernmental	\$ 44,880	\$ 62,020	\$ 17,140
Total revenues	<u>44,880</u>	<u>62,020</u>	<u>17,140</u>
<u>Expenditures</u>			
Emergency reserves	<u>69,846</u>	<u>-</u>	<u>69,846</u>
Total expenditures	<u>69,846</u>	<u>-</u>	<u>69,846</u>
Excess of revenues over (under) expenditures	<u>(24,966)</u>	<u>62,020</u>	<u>86,986</u>
Other financing sources (uses)			
Transfers out	<u>(14,000)</u>	<u>(66,377)</u>	<u>(52,377)</u>
Total other financing sources (uses)	<u>(14,000)</u>	<u>(66,377)</u>	<u>(52,377)</u>
Net change in fund balance	<u>\$ (38,966)</u>	<u>(4,357)</u>	<u>\$ 34,609</u>
Fund balance - beginning (as restated)		<u>15,645</u>	
Fund balance - ending		<u>\$ 11,288</u>	

See the accompanying independent auditors' report

TOWN OF BENNETT, COLORADO
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES
IN FUND BALANCE – BUDGET AND ACTUAL –
IMPACT FEES FUND
YEAR ENDED DECEMBER 31, 2021

	Original Budget	Final Budget	Actual	Variance Positive (Negative)
<u>Revenues</u>				
Impact fees	\$ 434,845	\$ 434,845	\$ 792,265	\$ 357,420
Investment earnings	-	-	287	287
Total revenues	<u>434,845</u>	<u>434,845</u>	<u>792,552</u>	<u>357,707</u>
<u>Expenditures</u>				
Capital outlay	110,000	113,800	156,012	(42,212)
Emergency reserves	<u>279,435</u>	<u>279,435</u>	-	<u>279,435</u>
Total expenditures	<u>389,435</u>	<u>393,235</u>	<u>156,012</u>	<u>237,223</u>
Excess of revenues over (under) expenditures	<u>45,410</u>	<u>41,610</u>	<u>636,540</u>	<u>594,930</u>
Other financing sources (uses)				
Transfers out	<u>(651,570)</u>	<u>(651,570)</u>	<u>(142,124)</u>	<u>509,446</u>
Total other financing sources (uses)	<u>(651,570)</u>	<u>(651,570)</u>	<u>(142,124)</u>	<u>509,446</u>
Net change in fund balance	<u>\$ (606,160)</u>	<u>\$ (609,960)</u>	494,416	<u>\$ 1,104,376</u>
Fund balance - beginning (as restated)			<u>721,818</u>	
Fund balance - ending			<u>\$ 1,216,234</u>	

See the accompanying independent auditors' report

TOWN OF BENNETT, COLORADO
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES
IN FUND BALANCE – BUDGET AND ACTUAL –
ANTELOPE HILLS GENERAL IMPROVEMENT DISTRICT
YEAR ENDED DECEMBER 31, 2021

	Original and Final Budget	Actual	Variance Positive (Negative)
<u>Revenues</u>			
Property taxes	\$ 224,450	\$ 224,959	\$ 509
Specific ownership taxes	15,000	15,469	469
Building permits	15,000	7,000	(8,000)
Investment earnings	100	19	(81)
Total revenues	<u>254,550</u>	<u>247,447</u>	<u>(7,103)</u>
<u>Expenditures</u>			
General government			
Finance	12,888	3,374	9,514
Debt service			
Principal	141,162	153,378	(12,216)
Interest	97,500	89,066	8,434
Total expenditures	<u>251,550</u>	<u>245,818</u>	<u>5,732</u>
Excess of revenues over (under) expenditures	<u>3,000</u>	<u>1,629</u>	<u>(1,371)</u>
Other financing sources (uses)			
Transfers in	13,515	-	(13,515)
Transfers out	<u>(13,250)</u>	<u>-</u>	<u>13,250</u>
Total other financing sources (uses)	<u>265</u>	<u>-</u>	<u>(265)</u>
Net change in fund balance	<u>\$ 3,265</u>	1,629	<u>\$ (1,636)</u>
Fund balance - beginning (as restated)		107,887	
Fund balance - ending		<u>\$ 109,516</u>	

See the accompanying independent auditors' report

TOWN OF BENNETT, COLORADO
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES
IN FUND BALANCE – BUDGET AND ACTUAL –
NON – GAAP BUDGET BASIS – WATER FUND
YEAR ENDED DECEMBER 31, 2021

	Original and Final Budget	Actual	Variance Positive (Negative)
<u>Revenues</u>			
Water sales	\$ 1,250,210	\$ 1,198,773	\$ (51,437)
Bulk water	45,000	148,632	103,632
Water development fees and contributions	2,007,580	4,151,065	2,143,485
Investment earnings	37,130	3,576	(33,554)
Other	64,700	1,831,394	1,766,694
Total revenues	<u>3,404,620</u>	<u>7,333,440</u>	<u>3,928,820</u>
<u>Expenditures</u>			
Operations and maintenance	4,496,525	1,116,332	3,380,193
Capital outlay	<u>1,864,000</u>	<u>2,675,780</u>	<u>(811,780)</u>
Total operating expenditures	<u>6,360,525</u>	<u>3,792,112</u>	<u>2,568,413</u>
Debt service			
Principal	305,000	304,006	994
Interest and fiscal charges	<u>256,850</u>	<u>214,823</u>	<u>42,027</u>
Total debt service	<u>561,850</u>	<u>518,829</u>	<u>43,021</u>
Total expenditures	<u>6,922,375</u>	<u>4,310,941</u>	<u>2,611,434</u>
Other financing sources (uses)			
Transfers in	1,326,210	351,368	(974,842)
Transfers out	<u>(2,164,015)</u>	<u>(266,427)</u>	<u>1,897,588</u>
Total other financing sources (uses)	<u>(837,805)</u>	<u>84,941</u>	<u>922,746</u>
Change in net position, budgetary basis	<u>\$ (4,355,560)</u>	3,107,440	<u>7,463,000</u>
Reconciliation to GAAP basis			
Capital outlay		2,675,780	
Depreciation		(403,422)	
Debt principal payments		<u>304,006</u>	
Change in net position, GAAP basis		5,683,804	
Net position, beginning		<u>12,241,896</u>	
Net position, ending		<u>\$ 17,925,700</u>	

See the accompanying independent auditors' report

TOWN OF BENNETT, COLORADO
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES
IN FUND BALANCE – BUDGET AND ACTUAL –
NON – GAAP BUDGET BASIS – WASTEWATER FUND
YEAR ENDED DECEMBER 31, 2021

	Original and Final Budget	Actual	Variance Positive (Negative)
<u>Revenues</u>			
Charges for services	\$ 1,215,810	\$ 1,125,167	\$ (90,643)
Wastewater development fees	596,690	1,001,443	404,753
Intergovernmental	-	620	620
Investment earnings	32,745	2,192	(30,553)
Other revenue	37,545	-	(37,545)
Total revenues	<u>1,882,790</u>	<u>2,129,422</u>	<u>246,632</u>
<u>Expenditures</u>			
Operations and maintenance	1,026,735	659,746	366,989
Capital outlay	527,700	175,769	351,931
Total operating expenditures	<u>1,554,435</u>	<u>835,515</u>	<u>718,920</u>
Debt service			
Principal	417,460	312,585	104,875
Interest and fiscal charges	-	69,550	(69,550)
Total debt service	<u>417,460</u>	<u>382,135</u>	<u>35,325</u>
Total expenditures	<u>1,971,895</u>	<u>1,217,650</u>	<u>754,245</u>
Other financing sources (uses)			
Transfers in	1,087,400	-	(1,087,400)
Transfers out	<u>(1,314,000)</u>	<u>(131,515)</u>	<u>1,182,485</u>
Total other financing sources (uses)	<u>(226,600)</u>	<u>(131,515)</u>	<u>95,085</u>
Change in net position, budgetary basis	<u>\$ (315,705)</u>	780,257	<u>1,095,962</u>
Reconciliation to GAAP basis			
Capital outlay		175,769	
Depreciation		(474,898)	
Debt principal payments		<u>312,585</u>	
Change in net position, GAAP basis		793,713	
Net position, beginning (as restated)		<u>11,849,140</u>	
Net position, ending		<u>\$ 12,642,853</u>	

See the accompanying independent auditors' report

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 2021
This Information From The Records Of Town of Bennett		Prepared By:	Danette Ruvalcaba
		Phone:	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**III. DISBURSEMENTS FOR ROAD AND STREET PURPOSES**

ITEM	AMOUNT	ITEM	AMOUNT
A. Receipts from local sources:		A. Local highway disbursements:	
1. Local highway-user taxes		1. Capital outlay (from page 2)	730,706
a. Motor Fuel (from Item I.A.5.)		2. Maintenance:	52,559
b. Motor Vehicle (from Item I.B.5.)		3. Road and street services:	
c. Total (a.+b.)		a. Traffic control operations	
2. General fund appropriations		b. Snow and ice removal	
3. Other local imposts (from page 2)	1,347,658	c. Other	39,761
4. Miscellaneous local receipts (from page 2)	462,743	d. Total (a. through c.)	39,761
5. Transfers from toll facilities		4. General administration & miscellaneous	208,407
6. Proceeds of sale of bonds and notes:		5. Highway law enforcement and safety	
a. Bonds - Original Issues		6. Total (1 through 5)	1,031,433
b. Bonds - Refunding Issues		B. Debt service on local obligations:	
c. Notes		1. Bonds:	
d. Total (a. + b. + c.)	0	a. Interest	196,800
7. Total (1 through 6)	1,810,401	b. Redemption	150,000
B. Private Contributions		c. Total (a. + b.)	346,800
C. Receipts from State government		2. Notes:	
(from page 2)	102,282	a. Interest	
D. Receipts from Federal Government		b. Redemption	
(from page 2)	0	c. Total (a. + b.)	0
E. Total receipts (A.7 + B + C + D)	1,912,683	3. Total (1.c + 2.c)	346,800
		C. Payments to State for highways	
		D. Payments to toll facilities	
		E. Total disbursements (A.6 + B.3 + C + D)	1,378,233

IV. LOCAL HIGHWAY DEBT STATUS

(Show all entries at par)

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

V. LOCAL ROAD AND STREET FUND BALANCE

	A. Beginning Balance	B. Total Receipts	C. Total Disbursements	D. Ending Balance	E. Reconciliation
	2,164,668	1,912,683	1,378,233	2,699,118	0

Notes and Comments:

LOCAL HIGHWAY FINANCE REPORT		STATE: Colorado YEAR ENDING (mm/yy): December 2021	
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	1,457
b. Other local imposts:		b. Traffic Fines & Penalties	
1. Sales Taxes	1,127,884	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	219,774	g. Other Misc. Receipts	
6. Total (1. through 5.)	1,347,658	h. Other	461,286
c. Total (a. + b.)	1,347,658	i. Total (a. through h.)	462,743
(Carry forward to page 1)		(Carry forward to page 1)	
III. DISBURSEMENTS FOR ROAD AND STREET PURPOSES - DETAIL			
ITEM	AMOUNT	ITEM	AMOUNT
C. Receipts from State Government		D. Receipts from Federal Government	
1. Highway-user taxes	90,683	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	11,599	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.)	11,599	g. Total (a. through f.)	0
4. Total (1. + 2. + 3.f)	102,282	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		2,333	2,333
b. Engineering Costs		117,846	117,846
c. Construction:			
(1). New Facilities			0
(2). Capacity Improvements			0
(3). System Preservation		579,099	579,099
(4). System Enhancement & Operation		31,427	31,427
(5). Total Construction (1) + (2) + (3) + (4)	0	610,526	610,526
d. Total Capital Outlay (Lines 1.a. + 1.b. + 1.c.5)	0	730,706	730,706
			(Carry forward to page 1)
Notes and Comments:			