

TOWN OF BENNETT, COLORADO

Financial Statements

December 31, 2019

TOWN OF BENNETT, COLORADO

Board of Trustees

Royce Pindell	Mayor
Darvin Harrell	Mayor Pro-Tem
Whitney Oakley	Trustee
Rich Pulliam	Trustee
Denice Smith	Trustee
Donna Sus	Trustee
Phyllis Webb	Trustee

Town Officials

Trish Stiles	Town Administrator
Rachel Summers	Deputy Town Administrator
Danette Ruvalcaba	Town Treasurer / Director of Finance and Technology
Christina Hart	Town Clerk
Daymon Johnson	Public Works Director

TOWN OF BENNETT, COLORADO

TABLE OF CONTENTS

	<u>Page</u>
Independent Auditor's Report	1
Management's Discussion and Analysis	4
Basic Financial Statements:	
Government-Wide Financial Statements:	
Statement of Net Position	19
Statement of Activities	20
Fund Financial Statements:	
Governmental Funds	
Balance Sheet	22
Reconciliation of the Governmental Funds Balance Sheet to the Statement of Net Position	23
Statement of Revenues, Expenditures, and Changes in Fund Balances	24
Reconciliation of the Statement of Revenues, Expenditures and Changes in Fund Balances of Governmental Funds to the Statement of Activities	25
Proprietary Funds	
Statement of Net Position	26
Statement of Revenues, Expenses and Changes in Net Position	27
Statement of Cash Flows	28
Notes to the Financial Statements	29

Required Supplementary Information

**Schedule of Revenues, Expenditures and Changes in Fund Balance –
Governmental Funds – Budget and Actual**

General Fund.....	56
Conservation Trust Fund	58
Notes to Required Supplementary Information	59

Supplementary Information

Schedule of Revenues, Expenditures and Changes in Fund Balance – Budget and Actual

Road and Bridge Fund	60
Sales Tax Capital Improvement Fund	61

**Schedule of Revenues, Expenditures and Changes in Funds Available –
Enterprise Funds – Budget and Actual (Budgetary Basis)**

Water Fund	62
Waste Water Fund	63

Component Unit

Balance Sheet.....	64
Statement of Revenues, Expenditures and Changes in Fund Balances.....	65

Antelope Hills General Improvement District:

**Schedule of Revenues, Expenditures and Changes in Fund Balance –
Budget and Actual:**

General Fund	66
Debt Service Fund.....	67

Local Highway Finance Report	68
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Other Information

Schedules of Future Debt Service Requirements	70
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Dazzio & Associates, PC

Certified Public Accountants

INDEPENDENT AUDITOR'S REPORT

Honorable Mayor and Board of Trustees
Town of Bennett, Colorado

We have audited the accompanying financial statements of the governmental activities, the business-type activities, the aggregate discretely presented component unit and each major fund of the Town of Bennett, Colorado as of and for the year ended December 31, 2019, and the related notes to the financial statements, which collectively comprise the Town's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

Our responsibility is to express opinions on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

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

Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, the aggregate discretely presented component unit and each major fund of the Town of Bennett, Colorado, as of December 31, 2019, 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.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis and budgetary comparison information on pages 4 through 18 and 56 through 59, respectively, be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the 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.

Other 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 Supplementary Information and Other Information, as listed in the table of contents are presented for purposes of additional analysis and are not a required part of the basic financial statements.

The Supplementary Information are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the basic financial statements. Such 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 Supplementary Information is fairly stated in all material respects in relation to the basic financial statements as a whole.

The Other Information has not been subjected to the auditing procedures applied in the audit of the basic financial statements and, accordingly, we do not express an opinion or provide any assurance on them.

Dassio & Associates, P.C.

June 4, 2020

MANGEMENT'S DISCUSSION AND ANALYSIS

TOWN OF BENNETT, COLORADO
Management's Discussion and Analysis
December 31, 2019



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, 2019. 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 2019 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 Rachel Summers, Town Treasurer, and Danette Ruvalcaba, Assistant Director of Financial Services 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 and Assistant Director of Financial Service are also responsible for financial reporting to the Town Board and to the public-at-large.

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

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

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

1. Adams County Open Space Fund
2. Arapahoe County Open Space Fund
3. Reserve Fund
4. Capital Improvement Fund
5. Parks, Recreation and Open Space Impact Fee Fund
6. Public Facilities Impact Fee Fund
7. Police Facilities Impact Fee Fund
8. Transportation Facilities Impact Fee Fund
9. Debt Service Fund
10. Bennett Arts and Cultural Fund
11. Water Capital Fund
12. Renewable Water Fund
13. Waste Water Capital Fund
14. Storm Drainage Impact Fee Fund

2019 HIGHLIGHT ACCOMPLISHMENTS

We are pleased and proud of our accomplishments in 2019 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.

- **Capital Asset Inventory and Master Plan (C.A.I.M.P.)**- In 2019, the Town of Bennett completed our Capital Asset and Inventory Master Plan, C.A.I.M.P. C.A.I.M.P. is a dynamic Master Plan that is all-encompassing with a framework in GIS. We did not want a lengthy paper report that would be difficult when needing updated. We can pull up our infrastructure on a dashboard and drill down on an element in our inventory to get details of planning recommendations, calculation method for impact fees, budgeting, growth projections, summaries of O&M and have it been graphical.
- **Bennett Regional Park and Open Space Pavilion Landscaping and Amenities**- the Town completed new landscaping and amenities installation at the Bennett Regional Park and Open Space Picnic Pavilion. The Improvements included the installation of picnic tables and trash cans at the pavilion and along the trail as well as new hard material installation including river rock and boulders, and a multitude of new plant life. This new landscaping was made possible through a grant from the Arapahoe County Open Space. The Town hopes to continue with improvements and trail construction to the open space in 2021.
- **Charles Muegge House Historical Assessment and Grant**- The Town received a grant for a historical assessment of the Historic Charles Muegge House located in Bennett. This assessment was completed at the end of 2019. In addition to the historical assessment grant the Town was awarded a grant from Adams County Open Space to begin the restoration of this historical house into a living museum. The Town is very excited to preserve this important part of our history.
- **New Public Works Facility** - the Town was awarded a grant from DOLA to design and construct phase one of a New Public Works Facility for the Town. To construct this building, the Town purchased land located in front of the Water Resource Recovery Facility. This new facility will provide some much need space for

new fleet and staff as the Town continues to grow. The groundbreaking for the new facility is scheduled for Spring of 2020.

- **Bennett Arts and Cultural** -2019 was an exciting year for the Bennett Arts Council, they over saw the installation of several new farm animal statues in Civic Center Park, a new mural wall and frame on the stage at Trupp Park, as well as facilitated a community art piece that will be installed in the Brother's Four Community Garden. In addition to all the new public art pieces they had a packed calendar of classes, events, shows and concerts. In 2020, the Bennett Art Council will continue its efforts to complete more public art and programming.
- **Bennett Days**- September, the Town hosted our annual Bennett Days Celebration. 2019 was our biggest year yet with cash and in-kind donation totaling \$67,500. This year we continued our bull riding event making it an annual event entitled "Battle of the Bulls". The event was attended by approximately 500 people. In addition to the Battle of the Bulls, the event had a dozen inflatables, a foam party, face painting, and caricatures. The day was a great success and Town staff is looking forward to the 2020 event and all the new and exciting things we can bring to our residents.

OVERVIEW OF THE FINANCIAL STATEMENTS

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

Government-wide Financial Statements

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

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

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

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

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

Governmental Funds

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

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

Proprietary Funds

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

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

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

Component Unit Funds

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

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

GOVERNMENT-WIDE FINANCIAL ANALYSIS

The Town's net position for the governmental and business-type activities exceeded liabilities by \$28,775,553 at the close of 2019. The following tables illustrate present condensed statement of net position for all three of the Town's fund categories.

Table 1
Net Position

	Governmental Activities		Business-type Activities		Total	
	2018	2019	2018	2019	2018	2019
Assets						
Current Assets	\$ 5,349,503	\$ 5,360,216	\$ 4,453,524	\$ 4,849,738	\$ 9,803,027	\$10,209,954
Capital Assets	17,818,875	18,360,779	16,380,111	19,031,938	34,198,986	\$37,392,717
Total Assets	23,168,378	23,720,995	20,833,635	23,881,676	44,002,013	47,602,671
Liabilities						
Other	2,323,341	1,519,376	940,720	833,756	3,264,061	2,353,132
Long-Term	6,792,946	6,547,147	9,737,107	9,498,291	16,530,053	16,045,438
Total Liabilities	9,116,287	8,066,523	10,677,827	10,332,047	19,794,114	18,398,570
Deferred Inflows of Resources	345,969	428,548	-	-	345,969	428,548
Net Position						
Net Investment in Capital Assets	11,176,029	11,961,832	6,995,253	9,167,015	18,171,282	21,128,847
Restricted	802,941	810,610	298,728	336,226	1,101,669	1,146,836
Unrestricted	1,727,152	2,453,482	2,861,827	4,046,388	4,588,979	6,499,870
Total Net Position	\$13,706,122	\$15,225,924	\$10,155,808	\$13,549,629	\$23,861,930	\$28,775,553

The Town uses its capital assets to provide services to the citizens. At the end of 2019, the investment in capital assets of \$37,392,717 (land, buildings, improvements, equipment, etc.), net of debt used to acquire those assets of \$16,263,870, which amounts to \$21,128,847, or 73% of the Town's total net position of \$28,775,553. During the current fiscal year, the Town's net position increased by \$4,913,623. Most this increase represents the degree to which increases in ongoing revenues have surpassed similar increases in ongoing expenses.

An additional portion of the Town's net position of \$1,146,836 (4%) represents resources that are subject to external restrictions on how they may be used. Unrestricted net position of \$6,499,870 (23%) reflects the amount that may be used to meet the Town's ongoing obligations to citizens and creditors. Certain assets of the Town's Water and Waste Water funds are classified as restricted assets on the balance sheet because their use is limited by applicable debt covenants.

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

CHANGES IN NET POSITION

As presented in Table 2, the Town's overall net position increased \$4,913,623 during 2019.

Table 2

Changes in Net Position

	Governmental Activities		Business-type Activities		Total	
	2018	2019	2018	2019	2018	2019
Revenues						
Program Revenues						
Permits, Fees, Fines						
Charges for Services	\$ 684,025	\$ 732,300	\$ 1,908,653	\$ 2,313,791	\$ 2,592,678	\$ 3,046,091
Operating Grants and Contributions	512,072	670,625	34,320	69,854	546,392	740,479
Capital Grants and Contributions	2,552,713	146,082	3,743,074	2,822,907	6,295,787	2,968,989
General Revenues and Transfers						
Taxes	3,509,228	3,968,460	-	-	3,509,228	3,968,460
Net Investment Income	25,204	46,951	-	-	25,204	46,951
Unrestricted Grant	75,492	69,957	-	-	75,492	69,957
Other	85,193	139,790	-	-	85,193	139,790
Transfers	82,342	96,278	(82,342)	(96,278)	-	-
Total Revenues	7,526,269	5,870,443	5,603,705	5,110,274	13,129,974	10,980,717
Expenses						
General Government	2,076,493	2,064,877	-	-	2,076,493	2,064,877
Public Safety	417,304	409,425	-	-	417,304	409,425
Public Works	861,575	1,079,010	-	-	861,575	1,079,010
Interest and Related Cost on Long Term Debt	217,768	212,206	-	-	217,768	212,206
Unallocated Depreciation	232,556	585,123	-	-	232,556	585,123
Water	-	-	995,578	970,571	995,578	970,571
Waste Water	-	-	496,105	745,882	496,105	745,882
Total Expenses	3,805,696	4,350,641	1,491,683	1,716,453	5,297,379	6,067,094
Change in Net position	3,720,573	1,519,802	4,112,022	3,393,821	7,832,595	4,913,623
Net Position-Beginning	9,985,549	13,706,122	6,043,786	10,155,808	16,029,335	23,861,930
Net Position-Ending	\$ 13,706,122	\$ 15,225,924	\$ 10,155,808	\$ 13,549,629	\$ 23,861,930	\$ 28,775,553

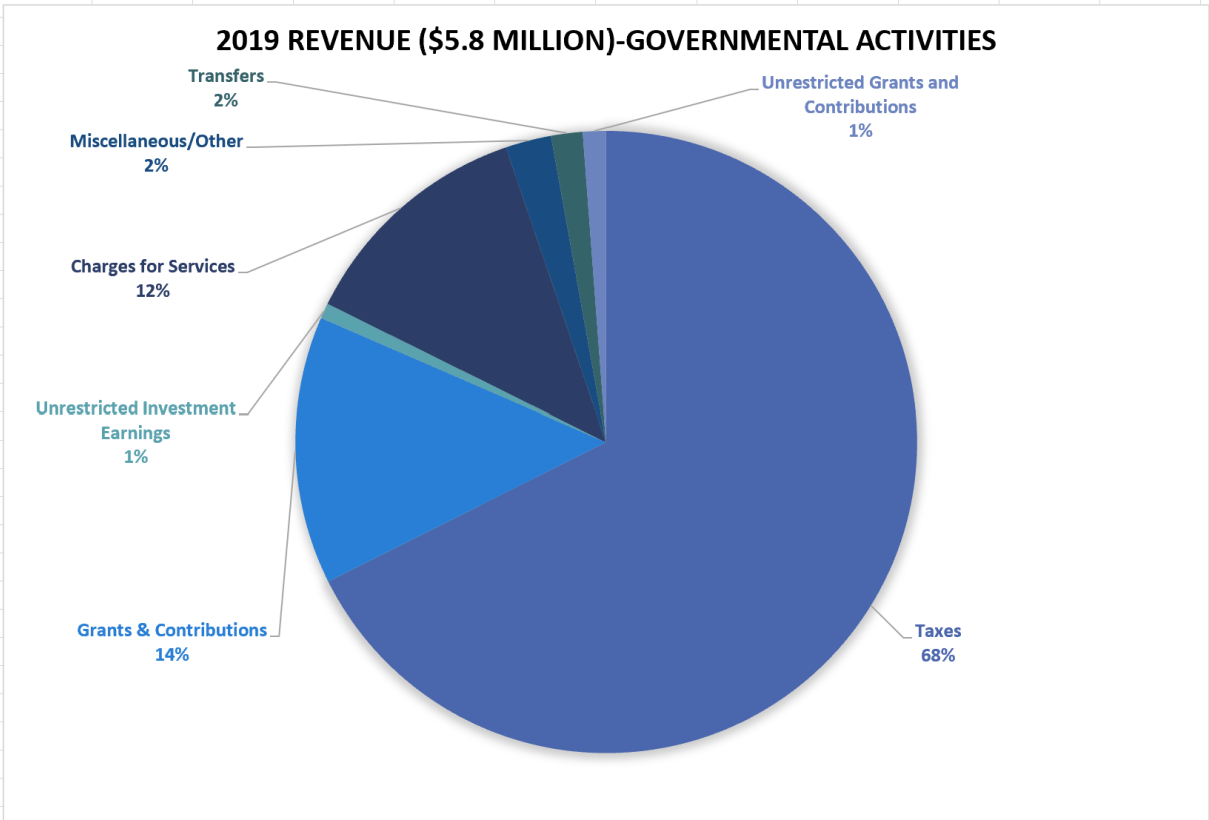
Governmental Activities

Governmental activities increased the Town's net position by \$1,519,802. The major influences causing the change are the following:

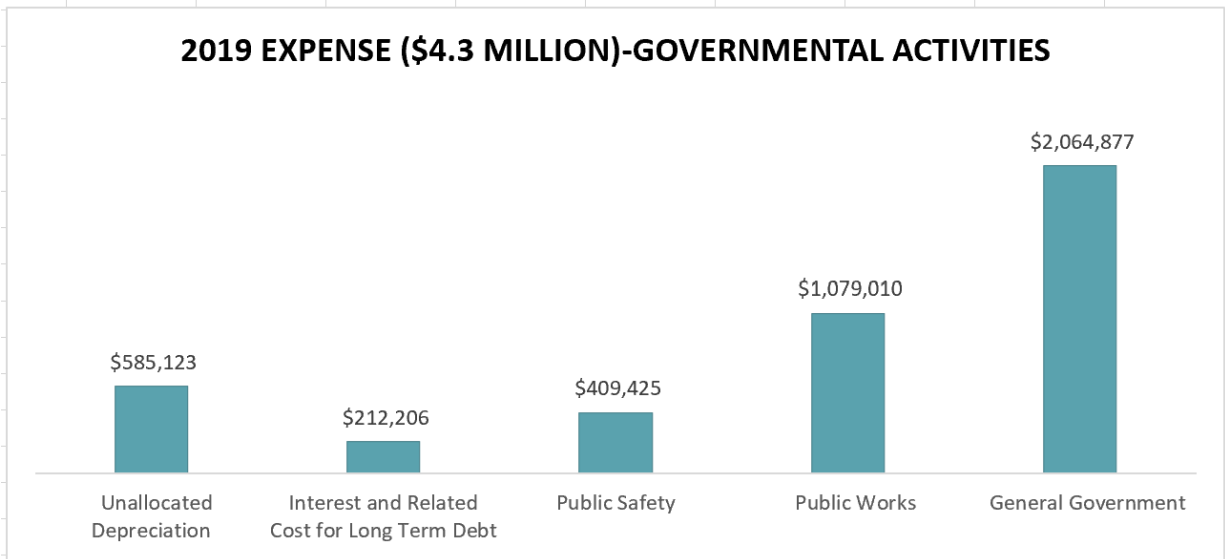
The most notable change in Net Position is due to increased revenues in Operating Grant and Contributions, Taxes, and Charges for Services, there was also a significant decrease in Capital Grants and Contributions. In 2019, Capital and Operating Grants and Contributions Revenue decreased ninety-four percent (94%) a \$2,406,631 decrease. This decrease can be primarily attributed to a decrease in loans and grants necessary to complete capital projects in 2019 from 2018. Although this is a significant change it is strictly related to the completion of large capital projects which were one time expenditures that do not represent continued annual revenue. Taxes increased by \$459,232 (13%), the Town has seen an increase in the revenue source year after year. Charges for services in 2019 were up by \$48,275 (7%) from the previous year; this can be primarily due to increase permit fees collected.

Expenses for the governmental activities in 2019 increased \$544,945 or 14% higher than the prior year. The increase can be primarily attributed to increased expenditures in Public Works. This increase can be attributed to the ability of the Town to complete overdue maintenance items in parks, buildings and roads as its human and cash resources have increased over the last years. In addition, the Town had an increase in depreciation which is the result of the large capital asset increase in 2018. Also an increase is Waste Water expense which is related to change in personnel which included a new utilities supervisor and increased operations related to the new treatment facility.

Graph 1. Governmental Activities Revenue Sources



Graph 2. Governmental Activities Expenses

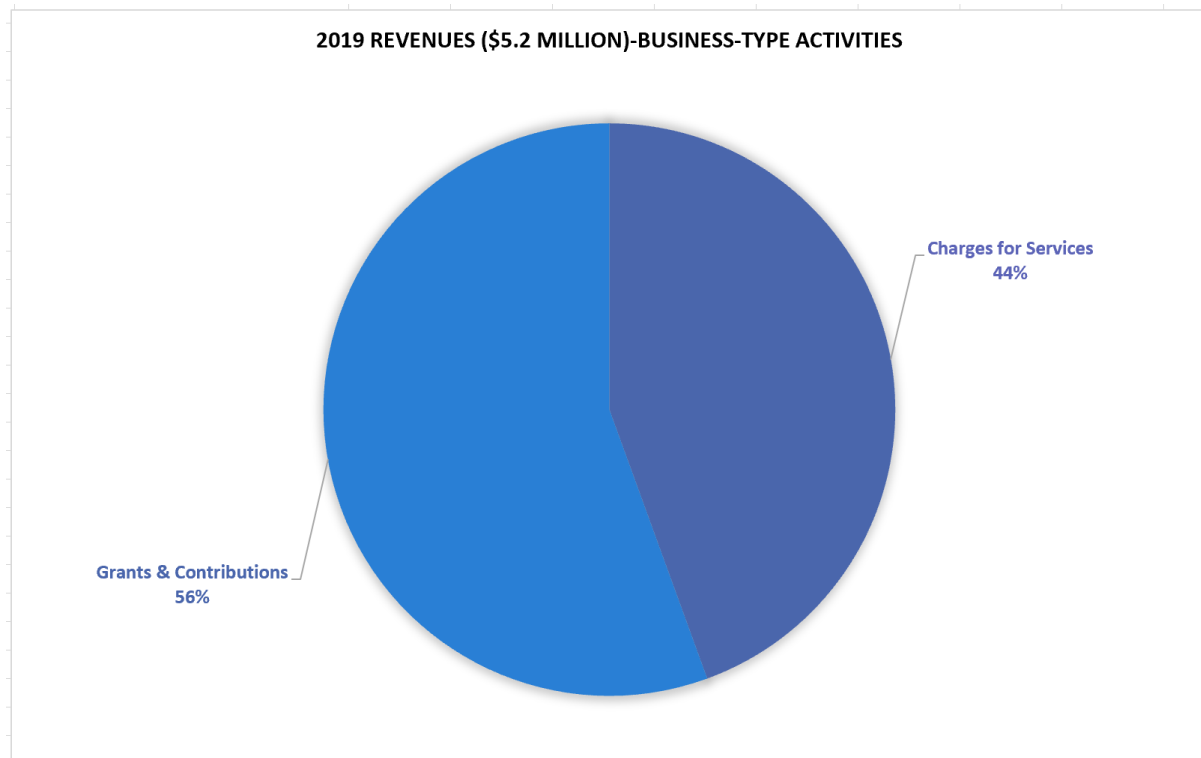


Business-Type Activities

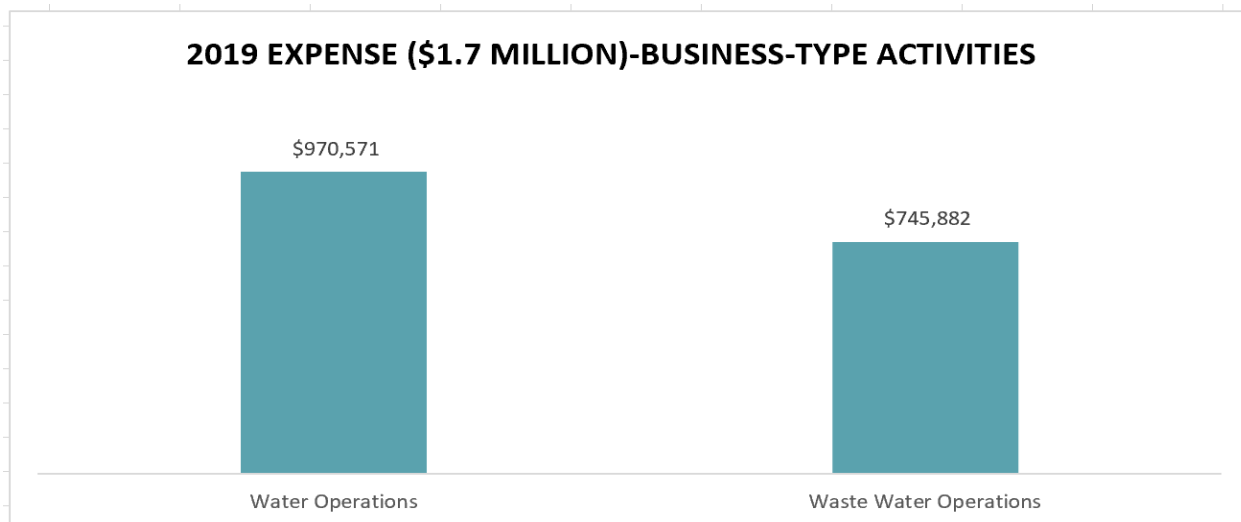
Net position of Business-Type Activities increased by \$3,393,821 for 2019. The major influences are due to the following:

Charges for Services increased by \$405,138 from 2018. This increase is due to increased use of bulk water for construction. The Town also received \$2,822,907 in Capital Grants and Contributions.

Graph 1. Business-Type Activities Revenue Sources



Graph 2. Business-Type Activities Expenses



In 2019, the water expense decreased by, \$25,007, or 2%. In waste water expense increased by \$249,777 or an increase of 50%. This significant increase was due primarily to the following. First, the Town had adjustments in personnel that included the promotion of a waste water operator to Supervisor increasing personnel cost. Second, there was an increase in operation cost related to treatment. The chemicals, waste removal, and utilities are a greater expense for the treatment facility versus the lagoon. Lastly, the Town had increased engineering cost related to the transition of treatment facilities and additional repairs and capital needs related to the new facility.

Revenue for the waste water and water utility is derived from services charges and other miscellaneous sources such as late fees. Projected waste water and water service revenue under existing rates were not adequate to meet revenue requirements and sustain minimum reserves in 2019. Therefore, a rate increases was proposed. In addition, a new rate structure and rate increase were proposed for 2020.

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 2019 the Town's governmental funds reported a combined fund balance of \$3,644,399, an increase of \$733,470 over 2018. This can be attributed to decreased liabilities. \$1,665,579 constitutes unassigned fund balance, which is available for spending at the Town's discretion. \$394,751 of the fund balance is assigned to subsequent year's budget, 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	\$136,000
Parks and Recreation	\$2,140
Restricted for Capital Projects	\$725,329
Restricted for Debt Service	\$720,600

The General Fund is the primary operating fund of the Town. At the end of 2019, unassigned fund balance of the General Fund was \$1,665,579, while total fund balance was \$1,981,710. 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 37% of total General Fund expenditures. This is an increase of 17% from 2018.

The fund balance of the Town's General Fund increased by \$293,223 during 2019. Key factors are as follows:

- An increase in revenues of \$81,787 or 2%. Key changes in revenues include increases in sales and use tax revenue in the amount of \$328,813 (14%) as well as increases in other taxes, fines and forfeitures, impact fees, investment income, and other revenues. In contrast there was a decrease in grants of 57%. Combined these changes in revenues resulted in an increase of 2% overall.

- Expenditures decreased by \$463,309 (9%) to \$4,452,727. The decrease in expenditures was primarily in Capital Outlay. In 2018, the Town had unusually high capital improvements expense, therefore in 2019 a decrease was recognized.
- Overall, the increase in fund balance can be attributed to an increase in revenues and a decrease in expenditures.

Other Governmental Funds

The Conservation Trust Fund was created to account for the money received from Lottery sales and is earmarked for specific purposes by the State, including parks and recreation equipment and capital projects. The Conservation Trust Fund had a fund balance of \$2,140 at the end of 2019. \$14,414 was expended on renovations at the Community Center.

The Road and Bridge Fund is used to account for state highway users trust funds, county road and bridge taxes, and other revenues designated for the construction and maintenance of roads and bridges. The Road and Bridge Fund had a fund balance of \$214,620, an increase in the amount of \$44,955 in 2019.

The Sales Tax Capital Improvement Fund was created to account for the money received from the 1% sales tax increase which became effective on January 1, 2016. The Sales Tax Capital Improvement Fund had a fund balance of \$1,445,929 at the end of 2019. \$447,337 was expended from the Sales Tax Capital Improvement Fund for the road capital projects and maintenance, as well as the principle 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 at December 31 follows:

	2018	2019	Change
Net Position - Beginning of the Year	\$ 6,043,786	\$ 10,155,808	\$4,112,022
Net Position- End of the Year	\$ 10,155,808	\$ 13,549,629	\$3,393,821

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

CAPITAL ASSETS AND DEBT ADMINISTRATION

Capital Assets

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

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

Major capital asset events during 2019 included the following:

- A new interactive comprehensive plan, C.A.I.M.P.
- Town increased its fleet assets by three vehicles. These vehicles included three 2019 F-350 with new plows for snow removal. In addition to the new trucks the town purchased several pieces of maintenance equipment such as, two mowers, an enclosed trailer, a fertilizer sprayer a towable air compressor and a hotsie.
- The Town completed additional upgrades to the picnic pavilion at the Bennett Regional Park and Open Space.
- The Town also constructed an electronic message board in partnership with Adams County and the Bennett Park and Recreation District.
- The Town completed the decommissioning of the waste water treatment lagoons, as well as installing a replacement intercept.
- In 2019, the Town entered into two contracts with private parties to purchase ground water rights.

The following table provides comparative information on the Town's capital assets for 2018 and 2019:

	Governmental Activities		Business -type Activities		Total	
	2018	2019	2018	2019	2018	2019
Land and Land Improvements	\$ 2,538,693	\$ 2,758,194	\$ 67,138	\$ 67,138	\$ 2,605,831	\$ 2,825,332
Water Rights	-	-	215,654	215,654	215,654	215,654
Construction in Process	239,127	246,694	23,492	407,454	262,619	654,148
Buildings and Improvements	3,069,039	3,065,473	7,128,444	6,995,295	10,197,483	10,060,768
Streets, Curb & Gutter	8,236,778	7,970,668	-	-	8,236,778	7,970,668
Parks and Ballfields	3,165,252	3,408,738	-	-	3,165,252	3,408,738
Public Art	5,200	40,989	-	-	5,200	40,989
Equipment	564,786	870,023	561,879	1,122,672	1,126,665	1,992,695
Ponds	-	-	389,764	373,460	389,764	373,460
Water System	-	-	6,838,327	6,953,025	6,838,327	6,953,025
Sewer Lines	-	-	1,155,413	2,897,240	1,155,413	2,897,240
	<u>\$ 17,818,875</u>	<u>\$ 18,360,779</u>	<u>\$ 16,380,111</u>	<u>\$ 19,031,938</u>	<u>\$ 34,198,986</u>	<u>\$ 37,392,717</u>

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

Debt Administration

As of December 31, 2019, the Town had outstanding long-term obligations of \$16,657,560, as follows:

	2018	Additions	Deletions	2019
Governmental Activities	\$ 7,003,146	\$ -	\$ 243,899	\$ 6,759,247
Business-type Activities	10,073,292	361,055	536,034	9,898,313
	<u>\$ 17,076,438</u>	<u>\$ 361,055</u>	<u>\$ 779,933</u>	<u>\$ 16,657,560</u>

On October 15, 2019, the Town entered into a capital lease agreement for Vac-Con Jetvac truck in the original principal amount of \$361,055. Lease payments of \$80,562 are due annually beginning on August 15, 2020 and ending August 15, 2024, with interest at 3.97%. Lease payments are made by the Water and Sewer funds.

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. 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).

2020 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 and the nation showed modest growth during 2020. Residential growth for Bennett does not exceed the national average, but has benefited from the addition of many new commercial businesses. Conservative attainable revenue estimates have been projected in all funds.

Sales Tax - The General Fund anticipated sales tax revenues for 2020 are based on an economic growth projection rate of 3% over 2019 projected revenues. Sales tax equates to \$2.4 million of the total \$4.3 million General Fund revenues. In 2019 sales tax revenues exceeded our budgeted amounts by \$274,000. On November 3, 2015, the Town successfully passed an additional 1.00% sales tax to be collect, retained and spent to finance the construction and maintenance of existing and planned street and other street related capital improvements within the Town. In 2019, the 1% sales tax exceeded our budget by over \$110,000 and we anticipate seeing the same incline in 2020.

Water & Wastewater Sales – 2020 will see the addition of an estimated 100 new users to our water and waste water system. In addition, we will complete our replacement meters program to help subsidize our water production loss in the enterprise fund. Wastewater rates were increased in 2020, the new base rate is \$37.05. Additionally, the water base rate was increased to \$32.00 as well as new usage rate structure and fees. In addition, the Town will see a continued increase in water and waste water impact fees in 2020 as new development takes place in Bennett. These impact funds will ensure the Town has funds reserved for continued and sustained improvement and expansion of the existing infrastructure in both water and waste water.

Grant Revenue – When viewed comprehensively, grant revenue is an ongoing effort to establish and research the highest level of resources available to us for capital improvement projects the Town cannot fund solely. Grant revenue in 2020 is projected to be \$3,475,300 for new parks, facility improvements, and trails. The Town of Bennett has limited revenue sources and an abundance of capital improvement projects forthcoming. That, of course, raises the questions of where those resources will come from, and who will do the work. As the Town of Bennett works to develop other financing options in the future, the opportunity to obtain Assistance Grant Funds would supplement the cost of some of our major infrastructure projects. We have the funds available to provide match but are unable to complete the project without additional monetary support.

Property Tax – Revenues in Adams and Arapahoe County assessed valuations have increased for 2020, 21% in Adams County and 12% 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 2020 budget revenues represent a 12% increase over the 2019 projected revenue. This increase is reflected in the sales tax projected increase as well as the increase to property tax revenue. 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 2020 the Town will see the start/continuation of a at least three new housing developments. The first development of 148 new single-family homes to Bennett. The second of 24 Town Homes. The third is 175 new single-family homes. In addition, the Town believes we will see the start of a fourth development. The new houses will increase revenue streams across all funds.

2020 HIGHLIGHT PROJECTS

Looking forward to 2020, the primary guiding philosophy is, "The Future is Now." 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 2020 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 2020.

BUILDINGS

<i>Community Center Parking, Roof, and Kitchen</i>	245,000
<i>BRPOS Maintenance Facility</i>	15,000
<i>North Shop Animal Shelter</i>	80,000

Roads

<i>Fleet Program-Sweeper/Tandem Plow</i>	90,000
<i>1st and Roosevelt</i>	90,000
<i>Palmer Ave</i>	100,000
<i>Market Place Drive Improvements</i>	550,000
<i>1st and Muegge Way</i>	300,000

PARKS

<i>Brother's Four Playground</i>	127,800
<i>Trail Rehabilitation/Replacement</i>	80,000
<i>Civic Center-Veterans Memorial Irrigation/Plants</i>	32,500
<i>Trupp Park Stage Rehabilitation and Seating</i>	374,500
<i>BRPOS Lower Pond Rejuvenation to Fishing Pond</i>	400,000

WATER

<i>At Grade Storage Tank</i>	800,000
<i>WRRF Water Line</i>	125,000
<i>New Well</i>	1,000,000
<i>Purple Pipe</i>	1,500,000
<i>Antelope Hills Well House Rebuild</i>	125,000

WASTEWATER

<i>Cordella Lift Station</i>	500,000
<i>East Elbert SS Reconstruction</i>	200,000
<i>PW Facility SS Line</i>	250,000

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 2020 budget relies on projections regarding available revenue, thereby accepting the limits of the Town's financial resources. The budget is based upon an established ceiling of revenue derived from local property taxes and three-year projection averages of sales tax.

REQUESTS FOR INFORMATION

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

BASIC FINANCIAL STATEMENTS

TOWN OF BENNETT, COLORADO

STATEMENT OF NET POSITION December 31, 2019

	Primary Government			Component Unit
	Governmental Activities	Business-Type Activities	Total	General Improvement District
Assets				
Cash and Investments	\$ 2,854,086	\$ 4,493,896	\$ 7,347,982	\$ 74,471
Cash and Investments - Restricted	1,303,691	7,662	1,311,353	-
Receivables:				
Property Tax	428,548	-	428,548	218,056
Sales Tax	568,952	-	568,952	-
Intergovernmental	196,351	-	196,351	-
Loans	-	137,011	137,011	1,171
Accounts	8,588	211,169	219,757	-
Capital Assets Not Being Depreciated	3,045,877	690,246	3,736,123	-
Capital Assets, Net of Accumulated Depreciation	15,314,902	18,341,692	33,656,594	-
Total Assets	23,720,995	23,881,676	47,602,671	293,698
Liabilities				
Accounts Payable	54,456	6,597	61,053	-
Accounts Payable From Restricted Assets	-	78,942	78,942	-
Compensated Absences	50,090	14,114	64,204	-
Deposits	67,116	-	67,116	-
Unearned Revenue	223,144	305,815	528,959	-
Other Liabilities	892,463	-	892,463	-
Accrued Interest Payable	20,007	28,266	48,273	-
Noncurrent Liabilities:				
Due Within One Year	212,100	400,022	612,122	25,000
Due In More Than One Year	6,547,147	9,498,291	16,045,438	1,714,386
Total Liabilities	8,066,523	10,332,047	18,398,570	1,739,386
Deferred Inflows of Resources				
Property Taxes	428,548	-	428,548	218,056
Net Position				
Net Investment in Capital Assets	11,961,832	9,167,015	21,128,847	-
Restricted				
Debt Service	340,293	336,226	676,519	4,194
Capital Projects	332,177	-	332,177	-
Parks and Recreation	2,140	-	2,140	-
Labor Emergencies	136,000	-	136,000	390
Unrestricted	2,453,482	4,046,388	6,499,870	(1,668,328)
Total Net Position	\$ 15,225,924	\$ 13,549,629	\$ 28,775,553	\$ (1,663,744)

The notes to the financial statements are an integral part of this statement.

TOWN OF BENNETT, COLORADO

STATEMENT OF ACTIVITIES For the Year Ended December 31, 2019

Function/Program Activities	Expenses	Program Revenues		
		Permits, Fees, Fines, and Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions
Primary Government				
Governmental Activities				
General Government	\$ 2,064,877	\$ 403,237	\$ 150,097	\$ -
Public Safety	409,425	25,477	-	-
Public Works	1,079,010	303,586	520,528	146,082
Interest and Related Costs on Long-term Debt	212,206	-	-	-
Unallocated Depreciation	585,123	-	-	-
Total Governmental Activities	4,350,641	732,300	670,625	146,082
Business-type Activities				
Water	970,571	1,434,904	38,150	663,032
Waste Water	745,882	878,887	31,704	2,159,875
Total Business-type Activities	1,716,453	2,313,791	69,854	2,822,907
Total Primary Government	\$ 6,067,094	\$ 3,046,091	\$ 740,479	\$ 2,968,989
Component Units	\$ 110,664	\$ 21,000	\$ -	\$ -

General Revenues:

Property Taxes
Specific Ownership Taxes
Sales and Use Taxes
Franchise and Other Taxes
Unrestricted Investment Earnings
Unrestricted Grants and Contributions
Miscellaneous

Transfers, Net

Total General Revenues and Transfers
Changes In Net Position
Net Position - Beginning
Net Position - Ending

The notes to the financial statements are an integral part of this statement.

Net (Expense) Revenue and Changes in Net Position

Primary Government			Component Unit
Governmental Activities	Business-Type Activities	Total	General Improvement District
\$ (1,511,543)	\$ -	\$ (1,511,543)	\$ -
(383,948)	-	(383,948)	-
(108,814)	-	(108,814)	-
(212,206)	-	(212,206)	-
(585,123)	-	(585,123)	-
(2,801,634)	-	(2,801,634)	-
-	1,165,515	1,165,515	-
-	2,324,584	2,324,584	-
-	3,490,099	3,490,099	-
(2,801,634)	3,490,099	688,465	-
			(89,664)
342,513	-	342,513	177,399
27,785	-	27,785	14,025
3,518,702	-	3,518,702	-
79,460	-	79,460	-
46,951	-	46,951	1,728
69,957	-	69,957	-
139,790	-	139,790	-
96,278	(96,278)	-	-
4,321,436	(96,278)	4,225,158	193,152
1,519,802	3,393,821	4,913,623	103,488
13,706,122	10,155,808	23,861,930	(1,767,232)
\$ 15,225,924	\$ 13,549,629	\$ 28,775,553	\$ (1,663,744)

TOWN OF BENNETT, COLORADO

BALANCE SHEET GOVERNMENTAL FUNDS December 31, 2019

	General	Conservation Trust	Sales Tax Capital Improvement	Road and Bridge	Total Governmental Funds
Assets					
Cash and Investments	\$ 2,654,537	\$ 2,140	\$ -	\$ 197,409	\$ 2,854,086
Cash and Investments - Restricted	-	-	1,303,691	-	1,303,691
Receivables:					
Property Tax	428,548	-	-	-	428,548
Sales Tax	426,714	-	142,238	-	568,952
Intergovernmental	168,821	-	-	27,530	196,351
Accounts	8,588	-	-	-	8,588
Total Assets	<u>\$ 3,687,208</u>	<u>\$ 2,140</u>	<u>\$ 1,445,929</u>	<u>\$ 224,939</u>	<u>\$ 5,360,216</u>
Liabilities					
Accounts Payable	\$ 45,521	\$ -	\$ -	\$ 8,935	\$ 54,456
Compensated Absences	48,706	-	-	1,384	50,090
Deposits	67,116	-	-	-	67,116
Unearned Revenue	223,144	-	-	-	223,144
Other Liabilities	892,463	-	-	-	892,463
Total Liabilities	<u>1,276,950</u>	<u>-</u>	<u>-</u>	<u>10,319</u>	<u>1,287,269</u>
Deferred Inflows of Resources					
Property Taxes	<u>428,548</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>428,548</u>
Fund Balances					
Restricted					
TABOR Emergencies	136,000	-	-	-	136,000
Parks and Recreation	-	2,140	-	-	2,140
Capital Projects	-	-	725,329	-	725,329
Debt Service	-	-	720,600	-	720,600
Assigned					
Parks and Recreation	180,131	-	-	-	180,131
Road Maintenance	-	-	-	214,620	214,620
Unassigned	<u>1,665,579</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>1,665,579</u>
Total Fund Balances	<u>1,981,710</u>	<u>2,140</u>	<u>1,445,929</u>	<u>214,620</u>	<u>3,644,399</u>
Total Liabilities, Deferred Inflows of Resources and Fund Balances	<u>\$ 3,687,208</u>	<u>\$ 2,140</u>	<u>\$ 1,445,929</u>	<u>\$ 224,939</u>	<u>\$ 5,360,216</u>

The notes to the financial statements are an integral part of this statement.

TOWN OF BENNETT, COLORADO

**RECONCILIATION OF THE GOVERNMENTAL FUNDS
BALANCE SHEET TO THE STATEMENT OF NET POSITION
December 31, 2019**

Total Fund Balances - Governmental Funds			\$ 3,644,399
Total net position reported for governmental activities in the statement of net position is different because:			
Capital assets used in governmental activities are not financial resources and therefore are not reported in the funds.			
Capital Assets	\$ 20,914,676		
Less Accumulated Depreciation	<u>(2,553,897)</u>	18,360,779	
Long-term liabilities applicable to the Town's governmental activities are not due and payable in the current period and accordingly are not reported as fund liabilities. However, all liabilities - both current and long-term - are reported in the statement of net position.			
Balances at year-end are:			
Bonds Payable	(5,070,000)		
Premium on Sales Tax Revenue Bonds	(430,147)		
Capital Lease	<u>(1,259,100)</u>	(6,759,247)	
Interest on long-term debt is not accrued in the funds, but rather is recognized as an expenditure when due			<u>(20,007)</u>
Net Position - Governmental Activities			<u><u>\$ 15,225,924</u></u>

The notes to the financial statements are an integral part of this statement.

TOWN OF BENNETT, COLORADO

**STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
GOVERNMENTAL FUNDS
For the Year Ended December 31, 2019**

	General	Conservation Trust	Sales Tax Capital Improvement	Road and Bridge	Total Governmental Funds
Revenues					
Property Taxes	\$ 342,513	\$ -	\$ -	\$ -	\$ 342,513
Specific Ownership Taxes	-	-	-	27,785	27,785
Sales and Use Taxes	2,703,683	-	815,019	-	3,518,702
Franchise and Other Taxes	79,460	-	-	-	79,460
Licenses and Permits	330,581	-	-	-	330,581
Intergovernmental Revenue	305,780	16,291	-	226,113	548,184
Charges for Services	347,520	-	-	-	347,520
Fines and Forfeitures	25,477	-	-	-	25,477
Impact Fees	257,960	-	-	-	257,960
Net Investment Income	46,951	263	25,470	3,507	76,191
Contributions	2,777	-	-	-	2,777
Bennett Arts & Cultural Fund	67,180	-	-	-	67,180
Other	139,790	-	-	-	139,790
Total Revenues	4,649,672	16,554	840,489	257,405	5,764,120
Expenditures					
Current					
General Government	2,112,665	-	-	-	2,112,665
Public Safety	409,425	-	-	-	409,425
Public Works	1,096,470	14,414	56,327	193,276	1,360,487
Debt Service					
Principal	60,200	-	150,000	-	210,200
Interest	40,634	-	205,800	-	246,434
Capital Outlay	733,333	-	35,210	19,174	787,717
Total Expenditures	4,452,727	14,414	447,337	212,450	5,126,928
Excess Revenues Over (Under) Expenditures	196,945	2,140	393,152	44,955	637,192
Other Financing Sources					
Transfers In	96,278	-	-	-	96,278
Net Change in Fund Balances	293,223	2,140	393,152	44,955	733,470
Fund Balances - Beginning	1,688,487	-	1,052,777	169,665	2,910,929
Fund Balances - Ending	\$ 1,981,710	\$ 2,140	\$ 1,445,929	\$ 214,620	\$ 3,644,399

The notes to the financial statements are an integral part of this statement.

TOWN OF BENNETT, COLORADO

RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS TO THE STATEMENT OF ACTIVITIES For the Year Ended December 31, 2019

Net Change in Fund Balances - Governmental Funds	\$	733,470
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Amounts reported for governmental activities in the statement of activities are different because:

Governmental funds report capital outlays as expenditures. In the statement of activities capital outlay is not reported as an expenditure. However, the statement of activities will report as depreciation expense the allocation of the cost of any depreciable asset over the estimated useful life of the asset.

Capital Outlay	\$ 1,116,982	
Depreciation	<u>(585,123)</u>	531,859

The net effect of various miscellaneous transactions involving capital assets (i.e. sales, contributions and transfers) is to increase net position. In the statement of activities, only the gain on the disposition of capital assets is reported. However, in the governmental funds, the proceeds from the disposition, if any, increases financial resources. Thus, the change in net position differs from the change in fund balance by the net book value of the asset disposed.

Contributed assets		10,045
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Long-term debt (e.g., issuance of bonds, notes) provides current financial resources to governmental funds, 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.

Principal Payment - Sales Tax Revenue Bonds	150,000	
Principal Payment - Capital Lease	60,200	210,200

Interest expense in the statement of activities differs from the amount reported in governmental funds because of additional accrued and accreted interest, amortization of bond premiums, issue costs and refunding losses.

Change in accrued interest on long-term debt	529	
Amortization of bond premium	<u>33,699</u>	<u>34,228</u>

Change in Net Position - Governmental Activities	\$	<u>1,519,802</u>
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The notes to the financial statements are an integral part of this statement.

TOWN OF BENNETT, COLORADO

STATEMENT OF NET POSITION PROPRIETARY FUNDS December 31, 2019

	Water	Waste Water	Total
Assets			
Current Assets			
Cash and Investments	\$ 2,211,203	\$ 2,282,693	\$ 4,493,896
Cash and Investments - Restricted			
Debt Service Reserve	7,662	-	7,662
Receivables			
Accounts	110,959	100,210	211,169
Receivables - Restricted			
Loans	-	137,011	137,011
Total Current Assets	2,329,824	2,519,914	4,849,738
Noncurrent Assets			
Capital Assets Not Being Depreciated	363,255	326,991	690,246
Capital Assets, Net	7,753,581	10,588,111	18,341,692
Total Noncurrent Assets	8,116,836	10,915,102	19,031,938
Total Assets	10,446,660	13,435,016	23,881,676
Liabilities			
Current Liabilities			
Accounts Payable	2,615	3,982	6,597
Accounts Payable From Restricted Assets	-	78,942	78,942
Compensated Absences	6,781	7,333	14,114
Unearned Revenue	5,815	300,000	305,815
Accrued Interest Payable	27,017	1,249	28,266
Notes Payable - Current	175,527	224,495	400,022
Total Current Liabilities	217,755	616,001	833,756
Noncurrent Liabilities			
Notes Payable	3,653,472	5,844,819	9,498,291
Total Liabilities	3,871,227	6,460,820	10,332,047
Net Position			
Net Investment in Capital Assets	4,287,837	4,879,178	9,167,015
Restricted for Debt Service	193,565	142,661	336,226
Unrestricted	2,094,031	1,952,357	4,046,388
Total Net Position	\$ 6,575,433	\$ 6,974,196	\$ 13,549,629

The notes to the financial statements are an integral part of this statement.

TOWN OF BENNETT, COLORADO

STATEMENT OF REVENUES, EXPENSES AND CHANGES IN NET POSITION PROPRIETARY FUNDS

For the Year Ended December 31, 2019

	Business-type Activities - Enterprise Funds		
	Water	Waste Water	Total
Operating Revenues			
Charges for Sales and Services			
Service Fees	\$ 973,871	\$ 853,617	\$ 1,827,488
Bulk Water	359,746	-	359,746
Other	101,287	25,270	126,557
Total Operating Revenues	1,434,904	878,887	2,313,791
Operating Expenses			
Personnel	149,367	145,165	294,532
Operations	285,000	179,084	464,084
Professional Services	146,329	103,733	250,062
Depreciation	291,970	246,917	538,887
Total Operating Expenses	872,666	674,899	1,547,565
Operating Income	562,238	203,988	766,226
Nonoperating Revenues (Expenses)			
Net Investment Income	38,150	31,704	69,854
Grant Income	31,627	31,627	63,254
Interest Expense	(97,905)	(70,983)	(168,888)
Total Nonoperating Revenues (Expenses)	(28,128)	(7,652)	(35,780)
Income Before Transfers and Contributions	534,110	196,336	730,446
Capital Contributions - Development Fees	278,955	349,320	628,275
Capital Contributions	352,450	1,778,928	2,131,378
Transfers Out	(41,100)	(55,178)	(96,278)
Change In Net Position	1,124,415	2,269,406	3,393,821
Net Position - Beginning	5,451,018	4,704,790	10,155,808
Net Position - Ending	\$ 6,575,433	\$ 6,974,196	\$ 13,549,629

The notes to the financial statements are an integral part of this statement.

TOWN OF BENNETT, COLORADO

**STATEMENT OF CASH FLOWS
PROPRIETARY FUNDS
For the Year Ended December 31, 2019**

	Water	Waste Water	Total
Cash Flows from Operating Activities			
Cash Received from Customers	\$ 1,443,503	\$ 1,170,225	\$ 2,613,728
Cash Payments to Suppliers for Goods and Services	(489,571)	(287,498)	(777,069)
Cash Payments to Employees for Services	(148,583)	(144,483)	(293,066)
Net Cash Provided by Operating Activities	<u>805,349</u>	<u>738,244</u>	<u>1,543,593</u>
Cash Flows from Noncapital Financing Activities			
Net borrowings/repayments with other funds	-	14,338	14,338
Transfers to Other Funds	(41,100)	(55,178)	(96,278)
Net Cash (Used) by Noncapital Financing Activities	<u>(41,100)</u>	<u>(40,840)</u>	<u>(81,940)</u>
Cash Flows from Capital and Related Financing Activities			
System Development Fees	278,955	349,320	628,275
Capital Grants Received	37,500	118,248	155,748
Loan Proceeds	-	947,517	947,517
Acquisition and Construction of Capital Assets	(284,942)	(798,306)	(1,083,248)
Principal Paid on Long-Term Debt	(348,114)	(187,920)	(536,034)
Interest Paid on Long-Term Debt	(100,507)	(71,257)	(171,764)
Net Cash Provided (Used) by Capital and Related Financing Activities	<u>(417,108)</u>	<u>357,602</u>	<u>(59,506)</u>
Cash Flows from Investing Activities			
Net Investment Income	<u>38,150</u>	<u>31,704</u>	<u>69,854</u>
Net Increase (Decrease) In Cash and Cash Equivalents	<u>385,291</u>	<u>1,086,710</u>	<u>1,472,001</u>
Cash and Cash Equivalents - Beginning	<u>1,833,574</u>	<u>1,195,983</u>	<u>3,029,557</u>
Cash and Cash Equivalents - Ending	<u>\$ 2,218,865</u>	<u>\$ 2,282,693</u>	<u>\$ 4,501,558</u>
Reconciliation of Operating Income to Net Cash Provided by Operating Activities:			
Operating Income	<u>\$ 562,238</u>	<u>\$ 203,988</u>	<u>\$ 766,226</u>
Adjustments to Reconcile Operating Income to Net Cash Provided by Operating Activities			
Depreciation	291,970	246,917	538,887
Effect of Changes In Operating Assets and Liabilities			
Accounts Receivable	30,100	(8,662)	21,438
Accounts Payable	(58,242)	(4,681)	(62,923)
Compensated Absences	784	682	1,466
Unearned Revenue	(21,501)	300,000	278,499
Total Adjustments	<u>243,111</u>	<u>534,256</u>	<u>777,367</u>
Net Cash Provided by Operating Activities	<u>\$ 805,349</u>	<u>\$ 738,244</u>	<u>\$ 1,543,593</u>
Noncash Investing, Capital and Financing Activities			
Contribution of capital assets	<u>\$ 352,450</u>	<u>\$ 1,778,928</u>	<u>\$ 2,131,378</u>

The notes to the financial statements are an integral part of this statement.

TOWN OF BENNETT, COLORADO

NOTES TO THE FINANCIAL STATEMENTS December 31, 2019

The financial statements of the Town of Bennett, Colorado (the Town) have been prepared in conformity with generally accepted accounting principles (GAAP) as applied to governments. The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting and reporting principles. The following notes to the financial statements are an integral part of the Town's financial statements.

Note 1. Definition of Reporting Entity

The Town of Bennett, Colorado was incorporated in 1929 in Adams County and is governed by a seven-member elected Board of Trustees. The Town provides public works (roads and streets), parks and recreation, water, waste water and general administrative services. The Town contracts with Adams and Arapahoe County for police protection and Adams County for animal control.

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

As required by accounting principles generally accepted in the United States of America, these financial statements present the primary government and its component units, those entities for which the Town is considered to be financially accountable. Discretely presented component units are legally separate entities for which the financial data are presented separately from the financial data of the Town.

The Town presents one General Improvement District, Antelope Hills, as a discretely presented component unit.

The General Improvement District (GID) was created under provisions of Colorado state statute. 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 GID is a legally separate entity from the Town. The Town Trustees sit as the Board of Directors for the GID. Services provided by the GIDs are entirely for the benefit of the citizens of each respective district. The fiscal year-end for the District is December 31.

TOWN OF BENNETT, COLORADO

NOTES TO THE FINANCIAL STATEMENTS December 31, 2019

Note 2. Summary of Significant Accounting Policies

The more significant accounting policies of the Town are described as follows:

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 the activities of the Town. Governmental activities, which normally are supported by taxes and intergovernmental revenues, are reported separately from business-type activities, which rely to a significant extent on user fees and charges for support. Likewise, the primary government is reported separately from certain legally separate component units for which the primary government is financially accountable.

The statement of net position reports all financial and capital resources of the Town. The difference between the sum of assets and deferred outflows and the sum of liabilities and deferred inflows is reported as net position.

The statement of activities demonstrates the degree to which the direct expenses of a given function or segment are offset by program revenues. Direct expenses are those that are clearly identifiable with a specific function or segment. Program revenues include charges to customers or applicants who purchase, use, or directly benefit from goods, services, or privileges provided by given function or segment; fines and forfeitures; and 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 governmental funds and major individual enterprise funds are reported in 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 *accrual basis of accounting*, as are the proprietary fund financial statements. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows.

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 collectible within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the Town considers revenues to be available if they are

TOWN OF BENNETT, COLORADO

NOTES TO THE FINANCIAL STATEMENTS December 31, 2019

collected within 60 days after year-end. Property taxes, sales taxes, franchise taxes and interest are susceptible to accrual and so have been recognized as revenues in the current period. Grants and similar items are recognized as revenues as soon as all eligibility requirements imposed by the provider have been met. All other revenue items are considered to be measurable and available only when cash is received by the Town. Expenditures are recorded when the related fund liability is incurred, as under accrual accounting. However, debt service expenditures, as well as expenditures related to compensated absences and claims and judgments are recorded only when payment is due.

The Town reports the following major governmental funds:

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

The *Conservation Trust Fund* accounts for conservation trust revenues and expenditures incurred for eligible costs. Conservation Trust Fund revenue is restricted for the acquisition, development, and maintenance of new conservation sites or for capital improvements or maintenance for recreational purposes on any public site.

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 *Road and Bridge Fund* is used to account for state highway users trust funds, county road and bridge taxes, and other revenues assigned for the construction and maintenance of roads and bridges.

The Town reports the following major proprietary funds:

The *Water Fund* accounts for revenues and expenses associated with providing water services to Town residents.

The *Waste Water Fund* accounts for revenues and expenses associated with providing waste water services to Town residents.

As a general rule, the effect of interfund activity has been eliminated from the government-wide financial statements. Exceptions to this general rule are charges between the Town's water and waste water functions and various other functions of government. Elimination of these charges would distort the direct costs and program revenues reported for the various functions concerned.

TOWN OF BENNETT, COLORADO

NOTES TO THE FINANCIAL STATEMENTS

December 31, 2019

Amounts reported as program revenues include 1) charges to customers or applicant for goods, services, or privileges provided, 2) operating grants and contributions, and 3) capital grants and contributions. Internally dedicated resources are reported as general revenues rather than as program revenues. Likewise, general revenues include all Town levied taxes.

Proprietary funds distinguish between 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 principle ongoing operations. The principle operating revenues of the Town's enterprise funds are charges to customers for sales and services. 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's water and waste water enterprise funds recognize as capital contributions the entire portion of tap fees, as they are intended to recover the cost of the capital investment in the water and waste water distribution systems.

Pooled Cash and Investments

The Town follows the practice of pooling cash and investments of all funds to maximize investment earnings. Except when required by trust or other agreements, all cash is deposited to and disbursed from a single bank account. Cash in excess of immediate operating requirements is pooled for deposit and investment flexibility. Investment earnings are allocated periodically to the participating funds based upon each fund's average equity balance in the total cash and investments.

Cash and investments are presented in the basic financial statements at fair value.

For purposes of the statement of cash flows, the Town considers all highly liquid investments (including restricted assets) with a maturity when purchased of three months or less and all local government investment pools to be cash equivalents.

Property Taxes

Property taxes are levied by the Town's Board of Trustees. Property taxes are levied by December 15 of each year and are due in full the following year. The lien date is January 1 following the levy. Taxes may be paid in two equal installments, on or before February 28 and June 15; or in full, on or before April 30. Delinquent taxpayers are notified in August and generally, sales of the tax liens on delinquent properties are held in November or December. Property taxes are collected by Adams County and then remitted, net of a 1% collection fee, to the Town.

Taxes are recorded as a receivable and a deferred inflow of resources when levied, and subsequently recorded as revenue in the year they are available or collected.

TOWN OF BENNETT, COLORADO

NOTES TO THE FINANCIAL STATEMENTS

December 31, 2019

Restricted Assets

Certain assets of the Town's Capital Improvement Fund and the Water Fund are classified as restricted assets on the balance sheet because their use is limited to specific capital improvements/maintenance or applicable debt covenants.

Capital Assets

Capital assets, which include property, plant, equipment and infrastructure assets, are reported in the applicable governmental or business-type activities columns in the government-wide financial statements. The Town currently capitalizes expenditures that cost more than \$5,000 and have a life of one year or more. Such capital assets are recorded at historical cost or at estimated historical cost if purchased or constructed. Donated capital assets are recorded at estimated fair market value at the date of donation.

Public domain assets consisting of roads, bridges, curbs and gutters, streets and sidewalks, drainage systems and lighting systems are examples of infrastructure assets. Infrastructure assets are distinguished from other capital assets because their useful life often extends beyond most other capital assets and are stationary in nature. General infrastructure assets are those associated with or arising from governmental activities. Generally accepted accounting principles requires the Town to report general infrastructure assets obtained subsequent to January 1, 2004 but allows the Town to retroactively capitalize general infrastructure assets obtained prior to that date. The Town elected to not report general infrastructure assets retroactively.

The costs of normal maintenance and repairs that do not add to the value of the asset or materially extend assets lives are not capitalized. Major outlays for capital assets and improvements are capitalized as projects are constructed and depreciated over their remaining useful lives. Public art is not depreciated as the individual items are considered to be inexhaustible.

Capital assets of the Town are depreciated, using the straight-line method over their estimated useful lives:

Buildings	40 years
Buildings Improvements	15 years
Streets, Curbs and Gutters	15-30 years
Parks and Ball fields	10-40 years
Water and Waste Water Systems	15-50 years
Furniture and Equipment	5-10 years

TOWN OF BENNETT, COLORADO

NOTES TO THE FINANCIAL STATEMENTS

December 31, 2019

Deferred Outflows/Inflows of Resources

In addition to assets, the statement of financial position/balance sheet will sometimes report a separate section for deferred outflows of resources. This separate financial statement element, deferred outflows of resources, represents a consumption of net position or fund balance that applies to a future period(s) and thus, will not be recognized as an outflow of resources (expense/expenditure) until then.

In addition to liabilities, the statement of financial position/balance sheet will sometimes report a separate section for deferred inflows of resources. This separate financial statement element, deferred inflows of resources, represents an acquisition of net position or fund balance that applies to a future period(s) and so will not be recognized as an inflow of resources (revenue) until that time. The Town reports unavailable revenue for property taxes to be collected in the subsequent period and therefore not yet available.

Compensated Absences

Vacation leave is based on an employee's length of employment and is earned ratably during the span of employment. Upon termination, employees are paid full value for any accrued general leave earned.

It is the Town's policy to permit employees to accumulate earned but unused vacation leave benefits. All leave is accrued when incurred in the government-wide and proprietary fund financial statements. A liability for these amounts is reported in governmental funds only if it is expected to be liquidated with expendable available financial resources.

Long-term Obligations

In the government-wide financial statements, and proprietary fund types in the fund financial statements, long-term debt and other long-term obligations are reported as liabilities in the applicable governmental activities, business-type activities, or proprietary fund type statement of net position. Bond premiums and discounts are deferred and amortized over the term of the bonds. The balance of these deferrals is combined with the corresponding long-term debt in the financial statements.

In the fund financial statements, governmental fund types recognize bond premiums and discounts, as well as issuance costs, during the current period. 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 on debt issuances are reported as other financing uses. Issuance costs, even if withheld from the actual new proceeds received, are reported as debt service expenditures.

TOWN OF BENNETT, COLORADO

NOTES TO THE FINANCIAL STATEMENTS December 31, 2019

Net Position and Fund Equity

Net Position

The government-wide financial statements utilize a net position presentation. Net position is categorized as net investment in capital assets, restricted and unrestricted.

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

Restricted Net Position is subject to restrictions by creditors, grantors, contributors, or laws or regulations of other governments or imposed by law through constitutional provision or enabling legislation

Unrestricted net position represents assets that do not have any third-party limitations on their use.

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

Fund Balances

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

Because circumstances differ among governments, not every government or every governmental fund will present all of these components. The following classifications describe the relative strength of the spending constraints:

Nonspendable fund balance – The portion of fund balance that cannot be spent because it is either not in spendable form (such as prepaid amounts or inventory) or legally or contractually required to be maintained intact.

Restricted fund balance – The portion of fund balance that is constrained to being used for a specific purpose by external parties (such as bondholders), constitutional provisions, or enabling legislation.

TOWN OF BENNETT, COLORADO

NOTES TO THE FINANCIAL STATEMENTS

December 31, 2019

The Town reports the following Restricted Fund Balances:

Restricted for TABOR Emergencies – Emergency reserves have been provided for as required by Article X, Section 20 of the Constitution of the State of Colorado (see Note 11).

Restricted for Parks and Recreation – Represents the balance of funds remaining from the Conservation Trust (State Lottery) Fund proceeds.

Restricted for Capital Projects – Represents funds restricted for road improvements and maintenance.

Restricted for Debt Service – Represents the portion of fund balance that is legally restricted to payment of principal and interest on long-term debt maturing in future years.

Committed fund balance – The portion of fund balance that can only be used for specific purposes pursuant to constraints imposed by formal action of the government's highest level of decision-making authority, the Board of Directors. The constraint may be removed or changed only through formal action of the Board of Directors.

Assigned fund balance – The portion of fund balance that is constrained by the government's intent to be used for specific purposes but is neither restricted nor committed. Intent is expressed by the Board of Directors to be used for a specific purpose. Constraints imposed on the use of assigned amounts are more easily removed or modified than those imposed on amounts that are classified as committed.

The following fund balances are assigned:

Parks and Recreation – used to account for the portion of the year-end fund balance which is assigned for the purchase and construction of a future park location.

Road and Bridge Fund – assigned for construction and maintenance of roads and bridges.

Unassigned fund balance – The residual portion of fund balance that does not meet any of the criteria described above.

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

TOWN OF BENNETT, COLORADO

NOTES TO THE FINANCIAL STATEMENTS
December 31, 2019

Use of Estimates

The preparation of financial statements, in conformity with generally accepted accounting principles, requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates. An example of such an estimate that has been made by management is depreciation expense.

Note 3. Cash Deposits and Investments

The Town's unrestricted and restricted cash deposits and investments are presented as follows at December 31, 2019:

	Governmental Activities	Business- type Activities	Component Units	Total
Unrestricted	\$ 2,854,086	\$ 4,493,896	\$ 74,471	\$ 7,422,453
Restricted	1,303,691	7,662	-	1,311,353
Total	<u>\$ 4,157,777</u>	<u>\$ 4,501,558</u>	<u>\$ 74,471</u>	<u>\$ 8,733,806</u>

Cash and investments as of December 31, 2019 consist of the following:

	Governmental Activities	Business- type Activities	Component Units	Total
On-hand	\$ 5	\$ 500	\$ -	\$ 505
Deposits	671,665	761,311	52,331	1,485,307
Investments	3,486,107	3,739,747	22,140	7,247,994
Total	<u>\$ 4,157,777</u>	<u>\$ 4,501,558</u>	<u>\$ 74,471</u>	<u>\$ 8,733,806</u>

Restricted Cash and Investments

The Sales Tax Capital Improvement Fund reports cash and investments restricted for capital projects and debt service amounting to \$1,303,691. In addition, \$7,662 is restricted in the Water Fund for the payment of long-term debt principal and interest.

TOWN OF BENNETT, COLORADO

NOTES TO THE FINANCIAL STATEMENTS

December 31, 2019

Cash Deposits

Custodial credit risk

Custodial risk for deposits is the risk that, in the event of a failure of a depository financial institution, the Town will not be able to recover its deposits or will not be able to recover collateral securities that are in possession of an outside party. The Colorado Public Deposit Protection Act (PDPA) governs the investment of public funds. PDPA requires that all units of local government deposit cash in eligible public depositories. State regulators determine eligibility. Amounts on deposit in excess of federal insurance levels (\$250,000) must be collateralized. The eligible collateral is determined by the PDPA. PDPA allows the institution to create a single collateral pool for all public funds. The pool for all the uninsured public deposits as a group is to be maintained by another institution or held in trust. The market value of the collateral must be at least equal to 102% of the aggregate uninsured deposits. The institution's internal records identify the collateral by depositor and as such, these deposits are considered to be uninsured but collateralized. 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, 2019, the Town's cash deposits had a bank balance of \$1,717,028 and a carrying balance of \$1,485,307.

Investments

The Town has not adopted a formal investment policy; however, the Town follows state statutes regarding investments. Colorado revised statutes limit investment maturities to five years or less unless formally approved by the Board of Trustees, such actions are generally associated with a debt service reserve or sinking fund requirements.

The Town generally limits its concentration of investments to obligations of the United States, certain U.S. government agency securities and Local Government Investment Pools, which are believed to have minimal credit risk, minimal interest rate risk and no foreign currency risk. Additionally, the Town is not subject to concentration risk disclosure requirements or subject to investment custodial credit risk for investments that are in the possession of another party.

Colorado revised statutes limit 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 requirements.

TOWN OF BENNETT, COLORADO

NOTES TO THE FINANCIAL STATEMENTS December 31, 2019

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

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

At December 31, 2019, the Town had the following investments:

Investment	Maturity	Amount
Colorado Local Government Liquid Asset Trust (Colotrust)	Weighted Average under 60 days	<u>\$ 7,247,994</u>

The Town invested in the Colorado Local Government Liquid Asset Trust (COLOTRUST) (the Trust), an investment vehicle established for local government entities in Colorado to pool surplus funds. The State Securities Commissioner administers and enforces all State statutes governing the Trust. The Trust operates similarly to a money market fund and each share is equal in value to \$1.00. The Trust 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 any security allowed under CRS 24-75-601. A designated custodial bank serves as custodian for the Trust's portfolios pursuant to a custodian agreement. The custodian acts as safekeeping agent for the Trust's investment portfolios and provides services as the depository in connection with direct investments and withdrawals. The custodian's internal records segregate investments owned by the Trust. COLOTRUST is rated AAAM by Standard & Poor's. COLOTRUST records its investments at fair value and the Town records its investment in COLOTRUST using the net asset value method. There are no unfunded commitments, the redemption frequency is daily and there is no redemption notice period.

TOWN OF BENNETT, COLORADO

NOTES TO THE FINANCIAL STATEMENTS
December 31, 2019

Note 4. Capital Assets

Capital asset activity for the year ended December 31, 2019 was as follows:

	Beginning Balance	Increases	Decreases	Ending Balance
Governmental activities:				
Capital assets not being depreciated:				
Land and land improvements	\$ 2,538,693	\$ 219,501	\$ -	\$ 2,758,194
Public Art	5,200	35,789	-	40,989
Construction in process	239,127	342,341	(334,774)	246,694
Total capital assets not being depreciated	2,783,020	597,631	(334,774)	3,045,877
Capital assets being depreciated				
Buildings	3,596,655	86,890	-	3,683,545
Streets, Curbs & Gutter	8,579,255	5,025	-	8,584,280
Parks and Ballfields	3,880,892	397,010	-	4,277,902
Fleet-Equipment	237,660	4,999	-	242,659
Fleet-Vehicles	541,260	145,370	-	686,630
IT/Software	67,447	-	-	67,447
Street/Park Equipment	101,460	224,876	-	326,336
Total capital assets being depreciated	17,004,629	864,170	-	17,868,799
Less accumulated depreciation for:				
Buildings	(527,616)	(90,456)	-	(618,072)
Streets, Curbs & Gutter	(342,477)	(271,135)	-	(613,612)
Parks and Ballfields	(715,640)	(153,524)	-	(869,164)
Fleet-Equipment	(103,394)	(11,997)	-	(115,391)
Fleet-Vehicles	(176,366)	(41,796)	-	(218,162)
IT/Software	(39,250)	(7,889)	-	(47,139)
Street/Park Equipment	(64,031)	(8,326)	-	(72,357)
Total accumulated depreciation	(1,968,774)	(585,123)	-	(2,553,897)
Total capital assets being depreciated, net	15,035,855	279,047	-	15,314,902
Governmental activities capital assets, net	\$ 17,818,875	\$ 876,678	\$ (334,774)	\$ 18,360,779

Depreciation expense is not allocated to specific departments.

TOWN OF BENNETT, COLORADO

NOTES TO THE FINANCIAL STATEMENTS
December 31, 2019

Capital asset activity for the year ended December 31, 2019 (continued):

	Beginning Balance	Increases	Decreases	Ending Balance
Business-type activities:				
Capital assets not being depreciated:				
Land and land improvements	\$ 67,138	\$ -	\$ -	\$ 67,138
Water Rights	215,654	-	-	215,654
Construction in process	23,492	534,294	(150,332)	407,454
Total capital assets not being depreciated	306,284	534,294	(150,332)	690,246
Capital assets being depreciated:				
Ponds	656,605	-	-	656,605
Water System	9,242,179	370,376	-	9,612,554
Sewer Lines and Connections	1,532,045	1,778,928	-	3,310,973
Buildings	7,158,315	46,349	-	7,204,664
Equipment and other	879,636	611,100	-	1,490,736
Total capital assets being depreciated	19,468,780	2,806,753	-	22,275,532
Less accumulated depreciation for:				
Ponds	(266,841)	(16,304)	-	(283,145)
Water System	(2,403,852)	(255,677)	-	(2,659,529)
Sewer Lines and Connections	(376,632)	(37,101)	-	(413,733)
Buildings	(29,871)	(179,498)	-	(209,369)
Equipment and other	(317,757)	(50,307)	-	(368,064)
Total accumulated depreciation	(3,394,953)	(538,887)	-	(3,933,840)
Total capital assets being depreciated, net	16,073,827	2,267,866	-	18,341,692
Business-type activities capital assets, net	<u>\$ 16,380,111</u>	<u>\$ 2,802,160</u>	<u>\$ (150,332)</u>	<u>\$ 19,031,938</u>

Depreciation was charged to functions/programs as follows:

Business-type activities:	
Water	\$ 291,970
Waste Water	<u>246,917</u>
Total depreciation expense -	
Business-type Activities	<u>\$ 538,887</u>

TOWN OF BENNETT, COLORADO

NOTES TO THE FINANCIAL STATEMENTS
December 31, 2019

Note 5. Long-term Obligations

The following is an analysis of changes in long-term debt for the year ended December 31, 2019:

	Beginning Balance	Additions	Reductions	Ending Balance	Due Within One Year
Governmental Activities					
Sales Tax Revenue Bonds, 2016	\$ 5,220,000	\$ -	\$ 150,000	\$ 5,070,000	\$ 150,000
Bond Premium - 2016 Bonds	463,846	-	33,699	430,147	-
Capital Lease - 2017	1,319,300	-	60,200	1,259,100	62,100
	<u>\$ 7,003,146</u>	<u>\$ -</u>	<u>\$ 243,899</u>	<u>\$ 6,759,247</u>	<u>\$ 212,100</u>
Business-type Activities					
Colorado Department of Local Affairs					
Energy Impact Assistance Loans:					
Water Fund, 2004	\$ 20,362	\$ -	\$ 20,362	\$ -	\$ -
Waste Water Fund, 2010	54,992	-	6,754	48,238	7,092
Colorado Water Conservation Board					
Water Fund, 2008	189,575	-	189,575	-	-
Water Fund, 2015	1,454,400	-	29,352	1,425,048	30,306
Colorado Water Resources & Power Development Authority					
Waste Water Fund, 2006	79,907	-	8,739	71,168	9,069
Water Fund, 2016	2,332,248	-	108,825	2,223,423	111,012
Waste Water Fund, 2017	2,449,078	-	83,020	2,366,058	83,020
Waste Water Fund, 2018	3,492,730	-	89,407	3,403,323	91,105
Capital Lease - 2019	-	361,055	-	361,055	68,418
Total Business-type Activities	<u>\$ 10,073,292</u>	<u>\$ 361,055</u>	<u>\$ 536,034</u>	<u>\$ 9,898,313</u>	<u>\$ 400,022</u>

Sales Tax Revenue Bonds, Series 2016

Sales Tax Revenue Bonds, Series 2016, issued on April 21, 2016, in the original principal amount of \$5,700,000. The bonds consist of \$1,605,000 of serial bonds due annually in varying amounts from 2016 through 2025 and term bonds due annually in varying amounts from 2026 through 2040 in the amount of \$4,095,000. Interest on the serial and term bonds are payable semiannually at rates ranging from 2.0% to 4.0%, beginning June 1, 2016. The Bonds maturing on and after December 1, 2025 are subject to redemption prior to maturity, at the option of the Town, in whole or in part, and if in part in such order of maturities as the Town shall determine and by lot within a maturity, on December 1, 2024 and on any date thereafter, at a redemption price equal to the principal amount thereof (with no redemption premium), plus accrued interest to the redemption date.

TOWN OF BENNETT, COLORADO

NOTES TO THE FINANCIAL STATEMENTS

December 31, 2019

The Bonds were issued to finance the construction, maintenance, repair, replacement, expansion, acquisition, rehabilitation and renovation of existing and planned streets and other street-related capital improvements within the Town.

The Bonds are revenue obligations of the Town payable solely from the pledged revenue, consisting of an additional 1% sales tax approved at an election held on November 3, 2015 (the Street Sales Tax). The Bonds are also secured by a Reserve Account of \$360,300 and amounts on deposit in a Surplus Account, if any. At December 31, 2019, the balance of the Surplus Account was \$360,300, equal to the Maximum Surplus Amount. The bonds are rated "A" by Standard & Poor's. The bonds mature as follows:

	Principal	Interest	Total
2020	\$ 150,000	\$ 63,000	\$ 213,000
2021	150,000	74,000	224,000
2022	150,000	84,600	234,600
2023	175,000	94,800	269,800
2024	175,000	104,600	279,600
2025-2029	970,000	657,200	1,627,200
2030-2034	1,185,000	853,200	2,038,200
2035-2039	1,435,000	1,005,000	2,440,000
2040	680,000	214,200	894,200
	<u>\$ 5,070,000</u>	<u>\$ 3,150,600</u>	<u>\$8,220,600</u>

Capital Lease Obligations

2017 Lease Purchase Agreement – Town Hall

On May 17, 2017, the Town and Key Government Finance, Inc. entered into a lease purchase agreement (the 2017 Lease) in the original amount of \$1,454,400 for the purpose of providing funds for the construction of a new Town Hall. Interest accrues on the 2017 Lease at 3.08%. Base lease payments, which include both principal and interest, are due, in varying amounts, beginning on December 1, 2017 through December 1, 2031.

The 2017 Lease may be prepaid partially or in full, subject to a prepayment premium as follows:

<u>Base Rental Payment Dates</u>	<u>Prepayment Premium</u>
May 18, 2017 through May 17, 2019	3%
May 18, 2019 through May 17, 2021	2%
May 18, 2021 through May 17, 2022	1 %
May 18, 2022 through December 1, 2031	0%

TOWN OF BENNETT, COLORADO

NOTES TO THE FINANCIAL STATEMENTS

December 31, 2019

The 2017 Lease is secured through a Site Lease dated May 17, 2017, whereby the Leased Property (i.e., Town Hall) is pledged towards the payment of the lease. The lease is subject to annual appropriation by the Town.

Base lease payments are as follows:

	Principal	Interest	Total
2020	\$ 62,100	\$ 38,780	\$ 100,880
2021	64,000	36,868	100,868
2022	65,900	34,896	100,796
2023	68,000	32,867	100,867
2024	70,100	30,772	100,872
2025-2029	384,100	120,125	504,225
2030-2031	544,900	30,976	575,876
	<u>\$ 1,259,100</u>	<u>\$ 325,284</u>	<u>\$1,584,384</u>

2019 Equipment Lease – JetVac Truck

On October 15, 2019, The Town entered into a capital lease agreement for a Vac-Con Jetvac truck in the original principal amount of \$361,055. Lease payments of \$80,562 are due annually beginning on August 15, 2020 and ending on August 15, 2024, with interest at 3.97%. Lease payments are made by the Water and Sewer Funds.

The net present value of the minimum lease payments as of December 31, 2019 follow:

Year Ending December 31,	Payment Amount
2020	\$ 80,562
2021	80,562
2022	80,562
2023	80,562
2024	80,562
Minimum Lease Payments	402,810
Less: Amount representing interest	(41,755)
Present Value of Minimum Lease Payments	<u>\$ 361,055</u>

TOWN OF BENNETT, COLORADO

NOTES TO THE FINANCIAL STATEMENTS
December 31, 2019

Leased assets under capital leases at December 31, 2019, include the following:

<u>Asset</u>	<u>Amount</u>
Building	\$1,454,400
JetVac Truck	<u>361,055</u>
Total Asset Cost	1,815,455
Less: Accumulated Depreciation	<u>(36,360)</u>
Total	<u><u>\$1,779,095</u></u>

Colorado Department of Local Affairs – Energy Impact Assistance Loans

2004 Water Loan

On September 1, 2004, the Town issued a note with the Energy and Impact Assistance program in the original amount of \$50,000 for equipment related to the conversion of minerals and mineral fuels. The note is payable in 20 installments of \$4,012, including interest at 5%. Payments are due each September 1 through 2024. The note was paid in full during the year ended December 31, 2019.

2010 Waste Water Loan

On September 24, 2010, the Town issued a note with the Energy and Impact Assistance program in the original amount of \$99,057 for construction of a waste water line that passes underneath railroad tracks to the waste water plant. The loan is payable in 15 installments of \$9,504, including interest at 5.0%. Payments are due each September 1 through 2025.

Colorado Water Conservation Board

2008 Water Loan

On March 21, 2008, the Town issued a note with the Colorado Water Conservation Board in the original amount of \$252,500 for the replacement of Well #5. The loan is payable in 30 installments of \$13,729, including interest at 3.5%. Payments are due each October 1 through 2038. The note was paid in full during the year ended December 31, 2019.

TOWN OF BENNETT, COLORADO

NOTES TO THE FINANCIAL STATEMENTS
December 31, 2019

2015 Water Loan

On February 10, 2015, the Town issued a note with the Colorado Water Conservation Board up to an amount of \$1,454,400 for the replacement of Wells #3 and #6. The loan is payable in 30 annual installments of \$76,620, including interest at 3.25%. Annual payments are due beginning August 1, 2019 through August 1, 2048.

The Town is required to fund a Bond Reserve Account at the rate of \$7,662 annually beginning in 2019 and thereafter until the required reserve amount of \$76,620 is reached. At December 31, 2019, the Town has restricted cash and investments of \$7,662 towards the required amount.

The Town has pledged the revenue from the operation and use of the water system and other legally available revenue, after the payment of operation and maintenance expenses of the system, for the repayment of the loan. Additionally, the Town may only issue parity lien debt with the prior approval of the Colorado Water Conservation Board.

Colorado Water Resources and Power Development Authority (CWR&PDA)

2006 Waste Water Loan

On July 14, 2006, the Town issued a note with the CWR&PDA, Water Pollution Control Revolving Loan, in the original amount of \$161,000. The proceeds of the loan were used to upgrade the existing wastewater treatment lagoons; including lining an existing pond and adding additional aerated capacity and biological treatment. The note is payable in semi-annual installments of \$5,827 beginning on May 1, 2007 through November 1, 2026, including interest at 3.75%.

A provision of the note with the CWR&PDA requires the net revenues (total revenues less operating expenses) be at least 110% of the annual debt service due in any one year. During the year ended December 31, 2019, the Town complied with the rate covenant.

Additionally, the note requires the Town to maintain an operations and reserve fund in an amount equal to three months of operations and maintenance expenses, excluding depreciation. Accordingly, the Town has restricted \$142,661 of the Waste Water Fund's net position, calculated as follows:

Total Operating Expenses	\$ 674,899
Less Depreciation	<u>(246,917)</u>
Operations and Maintenance Expenses	<u>\$ 427,982</u>
3 Months of Operations and Maintenance	<u>\$ 142,661</u>

TOWN OF BENNETT, COLORADO

NOTES TO THE FINANCIAL STATEMENTS
December 31, 2019

The Town has pledged the revenue from the operation and use of the waste water system and other legally available revenue, after the payment of operation and maintenance expenses of the system, for the repayment of the note.

Colorado Water Resources and Power Development Authority (CWR&PDA) (continued)

2016 Water Loan

On August 31, 2016, the Town issued a note with the CWR&PDA, Drinking Water Revolving Fund, in the original amount of \$2,500,000. The proceeds of the loan will be used to construct a new elevated water tank and provide hydraulic capacity to an existing tank, which will be removed from service. The note is payable in semi-annual installments of \$77,464 beginning on May 1, 2017 through November 1, 2036, including interest at 2.00%.

A provision of the note with the CWR&PDA requires the net revenues (total revenues less operating expenses) be at least 110% of the annual debt service due in any one year. During the year ended December 31, 2019, the Town complied with the rate covenant.

Additionally, the note requires the Town to maintain an operations and reserve fund in an amount equal to three months of operations and maintenance expenses, excluding depreciation. Accordingly, the Town has restricted \$193,565 of the Water Fund's net position, calculated as follows:

Total Operating Expenses	\$ 872,666
Less Depreciation	<u>(291,970)</u>
Operations and Maintenance Expenses	<u>\$ 580,696</u>
3 Months of Operations and Maintenance	<u>\$ 193,565</u>

The Town has pledged the revenue from the operation and use of the water system and other legally available revenue, after the payment of operation and maintenance expenses of the system, for the repayment of the loan.

2017 Waste Water Loan

On September 22, 2017, the Town issued a note with the CWR&PDA, Water Pollution Control Revolving Loan, up to a maximum amount of \$2,500,000. The proceeds of the loan are being used for construction of a new mechanical wastewater treatment facility to replace the existing wastewater treatment lagoon system. The note is payable beginning on November 1, 2018 through May 1, 2048. The project was certified as a Green Project by the Water Quality Control Division of the Colorado Department of Health and Environment (WQCD); as such, no interest is paid on the note.

TOWN OF BENNETT, COLORADO

NOTES TO THE FINANCIAL STATEMENTS
December 31, 2019

Colorado Water Resources and Power Development Authority (CWR&PDA) (continued)

A provision of the note with the CWR&PDA requires the net revenues (total revenues less operating expenses) be at least 110% of the annual debt service due in any one year. During the year ended December 31, 2019, the Town complied with the rate covenant.

The Town has pledged the revenue from the operation and use of the waste water system and other legally available revenue, after the payment of operation and maintenance expenses of the system, for the repayment of the note.

2018 Waste Water Loan

On March 5, 2018, the Town issued a note with the CWR&PDA, Water Pollution Control Revolving Loan, up to a maximum amount of \$3,500,000. The proceeds of the note provided additional funds towards the construction of a new mechanical wastewater treatment facility to replace the existing wastewater treatment lagoon system. A principal and interest payment of \$7,270 and \$5,513, respectively, was made on November 1, 2018. The remaining payments on the note are payable in semi-annual installments of \$77,500 beginning on May 1, 2019 through May 1, 2048, including interest at 1.89%.

A provision of the note with the CWR&PDA requires the net revenues (total revenues less operating expenses) be at least 110% of the annual debt service due in any one year. During the year ended December 31, 2019, the Town complied with the rate covenant.

The Town has pledged the revenue from the operation and use of the waste water system and other legally available revenue, after the payment of operation and maintenance expenses of the system, for the repayment of the note.

TOWN OF BENNETT, COLORADO

NOTES TO THE FINANCIAL STATEMENTS
December 31, 2019

The debt service requirements for the Town's business-type activities are as follows:

	Water			Waste Water		
	<u>Principal</u>	<u>Interest</u>	<u>Total</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2020	\$ 141,318	\$ 90,230	\$ 231,548	\$ 190,286	\$ 68,892	\$ 259,178
2021	144,534	87,014	231,548	192,714	66,464	259,178
2022	147,827	83,721	231,548	195,206	63,972	259,178
2023	151,199	80,349	231,548	197,763	61,415	259,178
2024	154,652	76,896	231,548	200,388	58,790	259,178
2024-2028	828,027	329,715	1,157,742	966,229	256,683	1,222,912
2029-2033	927,710	230,032	1,157,742	986,187	203,913	1,190,100
2034-2038	563,524	129,434	692,958	1,042,509	147,591	1,190,100
2039-2043	306,569	76,533	383,102	1,104,385	85,715	1,190,100
2044-2048	283,111	23,371	306,482	813,120	19,938	833,058
	<u>\$ 3,648,471</u>	<u>\$ 1,207,295</u>	<u>\$ 4,855,766</u>	<u>\$ 5,888,787</u>	<u>\$ 1,033,373</u>	<u>\$ 6,922,160</u>

Note 6. Long-term Obligations – Component Units

As discussed on Note 1, the Antelope Hills General Improvement District (the District), a separate legal entity, was created on August 24, 1999.

An analysis of changes in long-term obligations for the year ended December 31, 2019 follows:

	<u>Beginning Balance</u>	<u>Additions</u>	<u>Payments</u>	<u>Ending Balance</u>	<u>Due Within One Year</u>
General Obligation Refunding Note, Series 2017	<u>\$ 1,829,251</u>	<u>\$ -</u>	<u>\$ 89,865</u>	<u>\$ 1,739,386</u>	<u>\$ 25,000</u>

Antelope Hills General Improvement District 2017 General Obligation Refunding Note

On June 1, 2017 the Antelope Hills General Improvement District issued a General Obligation Refunding Note (the 2017 Note) in the original amount of \$1,995,000. The 2017 Note was issued to refund and pay the outstanding Series 2006 bonds in the amount of \$1,816,000 plus accrued interest in the amount of \$179,000. In addition, the remaining accrued interest on the Series 2006 Bonds in the amount of \$28,641 and outstanding principal of the Series 2000 Bonds in the amount of \$1,900,000 were also deemed to be refunded and retired.

TOWN OF BENNETT, COLORADO

NOTES TO THE FINANCIAL STATEMENTS

December 31, 2019

The 2017 Note bears interest of 5.50% and matures on December 1, 2040. The 2017 Note is subject to mandatory sinking fund redemption beginning on December 1, 2017 and continuing annually on each December 1 thereafter prior to the maturity date, upon payment of par and accrued interest, without redemption premium, in the amount of \$25,000 per annum.

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 shall be the base year for the ratio for assessment to actual valuation and for making any determination of mill levy equivalency.

The bonds mature as follows:

	Principal	Interest	Total
2020	\$ 25,000	\$ 97,450	\$ 122,450
2021	25,000	94,291	119,291
2022	25,000	92,916	117,916
2023	25,000	91,541	116,541
2024	25,000	90,166	115,166
2025-2029	125,000	430,206	555,206
2030-2034	125,000	395,831	520,831
2035-2039	125,000	361,456	486,456
2040	1,239,386	68,166	1,307,552
	<u>\$ 1,739,386</u>	<u>\$ 1,722,024</u>	<u>\$ 3,461,410</u>

TOWN OF BENNETT, COLORADO

NOTES TO THE FINANCIAL STATEMENTS
December 31, 2019

Note 7. Interfund Transfers

Interfund transfers for the year ended December 31, 2019 are as follows:

	<u>Transfers in</u>
	<u>General Fund</u>
<u>Transfers out</u>	
Primary Government	
Water Fund	\$ 41,100
Waste Water Fund	55,178
	<u>\$ 96,278</u>

Transfers between funds provide support for various Town programs in accordance with budgetary authorizations. During the year ended December 31, 2019, the Town made one-time transfers to the General Fund from the Water and Waste Water funds to cover administrative costs.

Note 8. Risk Management

The Town is exposed to various risks of losses related to torts; theft of, damage to and destruction of assets; errors and omissions; and natural disasters. These risks are financed and funded through participation in the Colorado Intergovernmental Risk Sharing Agency (CIRSA).

CIRSA is a separate legal entity established by member municipalities pursuant to the provisions of Colorado Revised Statutes and the Colorado Constitution.

CIRSA is a joint self-insurance pool created by intergovernmental agreement to provide property, general and automobile liability and public official's coverage to its members. A seven-member Board elected by and from its members governs CIRSA.

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.

TOWN OF BENNETT, COLORADO

NOTES TO THE FINANCIAL STATEMENTS

December 31, 2019

The Town has not been informed of any excess losses that may have been incurred by the pool; there have been no claims in excess of insurance coverage in any of the past three years. There have been no significant changes in insurance coverage from the prior year in any of the major categories of risk.

Note 9. Commitments and Contingencies

Grant Programs

Amounts received or receivable from grant agencies are subject to audit and adjustment by grantor agencies, principally the federal government. Any disallowed claims, including amounts already collected, may constitute a liability of the applicable funds. The amount, if any, of expenditures that may be disallowed by the grantor cannot be determined at this time although the Town expects such amounts, if any, to be immaterial.

Public Improvements Reimbursement Agreements

During the year ending December 31, 2019, the Town entered into two separate Public Improvements Reimbursement Agreements with developers. The terms of the agreements contain provisions for the refund and rebate of certain tax revenues paid by the developers up to certain amounts incurred by the developers for the construction of public improvements. The reimbursement amounts for each agreement have yet to be determined. Each agreement calls for reimbursement payments to begin based on the dates certificates of occupancy are granted as well as fixed expiration dates.

Note 10. Employee Retirement Plans

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 full-time, or regular part-time service. Under this plan, 3% of the plan members' compensation is withheld and remitted to the Plan Administrator along with a matching payment of 3% from the Town. Employees are immediately vested in their own contributions and earnings on those contributions.

TOWN OF BENNETT, COLORADO

NOTES TO THE FINANCIAL STATEMENTS December 31, 2019

The Town's contributions, plus earnings, become vested at the rate of 25% per year, but are in any case fully vested when one of the following events occur:

- Age 55, the normal retirement age; or
- Death or total disability

Nonvested Town contributions are forfeited upon termination of employment. Such forfeitures are used to cover a portion of the pension plan's administrative expenses. For the year ended December 31, 2019, forfeitures reduced the Town's pension expense by \$531.

For the year ended December 31, 2019, employee contributions totaled \$46,067, and the Town recognized pension expense of \$45,536.

There is no liability for benefits under the plan beyond the Town's matching payments.

Deferred Compensation Plan

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

Note 11. Tax Spending and Debt Limitations

Article X, Section 20 of the Colorado Constitution, commonly known as the Taxpayer's Bill of Rights (TABOR), contains tax, spending, revenue and debt limitations which apply to the State of Colorado and all local governments.

Spending and revenue limits are determined based on the prior year's Fiscal Year Spending adjusted for allowable increases based upon inflation and local growth. Fiscal Year Spending is generally defined as expenditures plus reserve increases with certain exceptions. Revenue in excess of the Fiscal Year Spending limit must be refunded unless the voters approve retention of such revenue.

TABOR requires local governments to establish Emergency Reserves. These reserves must be at least 3% of Fiscal Year Spending (excluding bonded debt service). Local governments are not allowed to use the emergency reserves to compensate for economic conditions, revenue shortfalls or salary or benefit increases.

The Town's management believes it is in compliance with the provisions of TABOR. However, TABOR is complex and subject to interpretation. Many of the provisions, including the interpretation of how to calculate Fiscal Year Spending limits, may require judicial interpretation.

TOWN OF BENNETT, COLORADO

NOTES TO THE FINANCIAL STATEMENTS

December 31, 2019

On November 5, 1996, a majority of the Town's electors authorized the Town to collect, retain and expend, without imposing any new taxes or increases in its present mill levy on general property or its sales and use tax rates, the full revenues generated by the Town's sales and use tax, non-federal grants, its existing mill levy and any other excess revenues, commencing January 1, 1995, and each subsequent year, notwithstanding and state restriction on fiscal year spending, including without limitation the restrictions of Article X, Section 20 of the Colorado Constitution and spent as a voter approved change and exception to the limits which would otherwise apply for: (a) street construction, repair, and maintenance; (b) capital improvements; (c) parks and recreation; (d) police protection; (e) storm drainage; (f) snow removal; (g) street sweeping; and (h) other municipal services.

On November 3, 2015, a majority of the Town's electors approved the following ballot issue:

Shall Town of Bennett taxes be increased \$600,000 in 2016 (first full fiscal year dollar increase) and then annually by whatever additional amounts are raised thereafter by the imposition of a sales tax at the rate of 1.00 % and shall Town of Bennett debt be increased \$5.7 million, with a maximum repayment cost of \$9.85 million; subject to the following: all or any portion of the net proceeds of the town sales tax, as determined by the Board of Trustees, may be deposited to the Town's sales tax capital improvement fund, which is hereby authorized to be created, to be collected, retained and spent to finance the construction, maintenance, repair, replacement, expansion, acquisition, rehabilitation and renovation of existing and planned streets and other street related capital improvements within the town as determined by Board of Trustees, or to pay debt service on debt issued for such purposes or to pay the costs of operating or maintaining improvements financed from the capital improvement fund; any portion of the net proceeds of such additional sales tax which are not deposited to the capital improvement fund shall be collected, retained and spent for operating or maintaining any existing or planned streets; the sales tax increase shall commence January 1, 2016 and be collected in addition to the Town's sales tax of 3.0% upon the Town's existing sales tax base; any such debt shall be payable from that portion of the Town sales taxes deposited to the Town's sales tax capital improvement fund; any such debt may be sold in one series or more, on terms and conditions as Board of Trustees may determine, including provisions for the redemption of the bonds prior to maturity with or without premium, any such debt may be refunded by the Town, provided that after the issuance of such refunding debt the total outstanding principal amount of all debt issued pursuant to this question does not exceed the maximum principal amount set forth above, and provided further that all debt issued by the Town pursuant to this question is issued on terms that do not exceed the repayment costs authorized in this question; and shall such tax revenues and the earnings thereon or on the investment of such debt proceeds (regardless of amount) constitute a voter-approved revenue change and an exception to the revenue and spending limits of Article X, Section 20 of the Colorado Constitution?

TOWN OF BENNETT, COLORADO

NOTES TO THE FINANCIAL STATEMENTS

December 31, 2019

Note 12. Subsequent Event

The Town evaluated its December 31, 2019 financial statements for subsequent events through the date of the financial statements were issued. As a result of the spread of the ongoing global health crisis created by the COVID-19 (coronavirus) outbreak, economic uncertainties have arisen. Financial impacts could occur though such potential impact is unknown at this time.

REQUIRED SUPPLEMENTARY INFORMATION

TOWN OF BENNETT, COLORADO

**GENERAL FUND
SCHEDULE OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
For the Year Ended December 31, 2019
(With Comparative Totals for the Year Ended December 31, 2018)**

	Original Budget	Final Budget	Actual Amounts	Variance with Final Budget - Positive (Negative)	2018 Actual
Revenues					
Taxes					
Property Tax	\$ 346,595	\$ 346,595	\$ 342,513	\$ (4,082)	\$ 329,990
Sales Tax	2,170,540	2,170,540	2,445,134	274,594	2,098,717
Use Tax	521,720	521,720	258,549	(263,171)	276,153
Cigarette Tax	6,325	6,325	5,372	(953)	5,983
Franchise Tax	72,215	72,215	67,297	(4,918)	65,442
Severance Tax	5,715	5,715	6,791	1,076	5,716
Subtotal Taxes	3,123,110	3,123,110	3,125,656	2,546	2,782,001
Intergovernmental					
Grants	490,100	490,100	260,664	(229,436)	600,966
Open Space Shareback	44,425	44,425	45,116	691	42,552
Subtotal Intergovernmental	534,525	534,525	305,780	(228,745)	643,518
Licenses and Permits					
Building Permits	449,580	449,580	201,987	(247,593)	266,267
Plan Reviews	91,575	91,575	61,642	(29,933)	49,819
Animal Licenses	645	645	385	(260)	745
Liquor Licenses	900	900	603	(297)	1,821
Infrastructure Inspection Fee	-	-	50,044	50,044	14,500
Miscellaneous	10,505	10,505	15,920	5,415	14,102
Subtotal Licenses and Permits	553,205	553,205	330,581	(222,624)	347,254
Charges for Services					
Rentals	41,800	41,800	44,269	2,469	40,788
Internal Departmental Charges	287,785	287,785	295,936	8,151	324,051
Cemetery Charges	10,495	10,495	7,050	(3,445)	-
Other	200	200	265	65	289
Subtotal Charges for Services	340,280	340,280	347,520	7,240	365,128
Fines and Forfeitures					
Court Costs	13,055	13,055	25,477	12,422	12,756
Subtotal Fines and Forfeitures	13,055	13,055	25,477	12,422	12,756
Impact Fees	770,040	770,040	257,960	(512,080)	231,339
Capital Credits	9,000	9,000	39,676	30,676	6,562
Bennett Arts & Cultural Fund	71,100	71,100	67,180	(3,920)	71,961
Contributions	-	-	2,777	2,777	3,531
Net Investment Income	36,270	36,270	46,951	10,681	25,204
Other	322,265	322,265	100,114	(222,151)	78,631
Total Revenues	5,772,850	5,772,850	4,649,672	(1,123,178)	4,567,885

(Continued)

TOWN OF BENNETT, COLORADO

GENERAL FUND SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL For the Year Ended December 31, 2019 (With Comparative Totals for the Year Ended December 31, 2018)

(Continued)

Expenditures	Original Budget	Final Budget	Actual Amounts	Variance with Final Budget - Positive (Negative)	2018 Actual
Current:					
General Government					
Administration	\$ 727,915	\$ 727,915	\$ 665,573	\$ 62,342	\$ 499,676
Finance	127,780	127,780	150,437	(22,657)	288,472
Boards and Commissions	84,595	84,595	83,025	1,570	42,299
Town Clerk	138,820	138,820	138,489	331	132,229
Municipal Court	25,000	25,000	18,420	6,580	19,966
Community Development	352,350	352,350	364,402	(12,052)	449,208
Bennett Arts & Cultural Fund	93,800	93,800	90,586	3,214	80,492
Economic Development	173,750	173,750	184,014	(10,264)	179,840
Information Technology	156,695	156,695	167,190	(10,495)	113,810
Internal Services	243,805	243,805	250,529	(6,724)	213,928
Contingency	104,217	104,217	-	104,217	-
Subtotal General Government	2,228,727	2,228,727	2,112,665	116,062	2,019,920
Public Safety	409,425	409,425	409,425	-	417,304
Public Works					
Parks	264,830	264,830	321,829	(56,999)	234,424
Public Buildings and Grounds	340,005	340,005	282,836	57,169	146,727
Public Works Internal Services	475,660	475,660	491,805	(16,145)	488,524
Subtotal Public Works	1,080,495	1,080,495	1,096,470	(15,975)	869,675
Capital Outlay	1,290,670	1,510,670	733,333	777,337	1,508,304
Debt service					
Principal	60,206	60,206	60,200	6	76,693
Interest	40,634	40,634	40,634	-	24,140
Loan Issue Costs	-	-	-	-	-
Subtotal Debt Service	100,840	100,840	100,834	6	100,833
Total Expenditures	5,110,157	5,330,157	4,452,727	877,430	4,916,036
Excess Revenues Over (Under)					
Expenditures	662,693	442,693	196,945	(245,748)	(348,151)
Other Financing Sources (Uses)					
Transfers In	81,937	81,937	96,278	14,341	150,117
Transfers Out	(300,000)	(300,000)	-	300,000	-
Total Other Financing Sources (Uses)	(218,063)	(218,063)	96,278	314,341	150,117
Net Change in Fund Balance	444,630	224,630	293,223	68,593	(198,034)
Fund Balance - Beginning	1,616,355	1,616,355	1,688,487	72,132	1,886,521
Fund Balance - Ending	\$ 2,060,985	\$ 1,840,985	\$ 1,981,710	\$ 140,725	\$ 1,688,487

See the Independent Auditor's Report

TOWN OF BENNETT, COLORADO

**CONSERVATION TRUST FUND
SCHEDULE OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
For the Year Ended December 31, 2019
(With Comparative Totals for the Year Ended December 31, 2018)**

	Original Budget	Final Budget	Actual Amounts	Variance with Final Budget - Positive (Negative)	2018 Actual
Revenues					
Lottery	\$ 13,790	\$ 14,174	\$ 16,291	\$ 2,117	\$ 14,530
Net Investment Income	240	240	263	23	678
Total Revenues	<u>14,030</u>	<u>14,414</u>	<u>16,554</u>	<u>2,140</u>	<u>15,208</u>
Expenditures					
Current:					
Parks	<u>14,030</u>	<u>14,414</u>	<u>14,414</u>	<u>-</u>	<u>-</u>
Excess Revenues Over (Under)					
Expenditures	-	-	2,140	2,140	15,208
Other Financing Sources (Uses)					
Transfers In (Out)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(15,208)</u>
Net Change in Fund Balance	-	-	2,140	2,140	-
Fund Balance - Beginning	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Fund Balance - Ending	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 2,140</u>	<u>\$ 2,140</u>	<u>\$ -</u>

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TOWN OF BENNETT, COLORADO

**NOTES TO REQUIRED SUPPLEMENTARY INFORMATION
December 31, 2019**

Note 1: Stewardship, Compliance and Accountability

A. Budgetary Information

Annual budgets are adopted on a basis consistent with generally accepted accounting principles (GAAP) for all governmental funds. The enterprise funds adopt budgets on the Non-GAAP basis wherein tap fees are recognized as revenue, principal payments on debt and capital expenditures are recognized as expenditures, and depreciation expense is not budgeted. All annual appropriations lapse at fiscal year-end.

By October 15, the Treasurer (not an elected official) of the Town submits a proposed operating budget for the fiscal year commencing the following January 1 to the Trustees (elected officials). The operating budget, for all budgeted funds, includes proposed expenditures and the means of financing.

Public hearings are held at the regular Trustee meetings to obtain taxpayer input. Prior to December 15, the budget is legally enacted through passage of a budget ordinance. Expenditures may not exceed appropriations at the fund level.

The Town Treasurer is authorized to transfer budgeted amounts within a department of any fund. The Trustees must approve revisions that change total expenditures of any fund or department within a fund.

The appropriation can only be modified upon completion of notification and publication requirements.

The Town amended its annual budget for the General Fund, the Conservation Trust Fund, and the Waste Water Fund for the year ended December 31, 2019. The Antelope Hills General Improvement District budget for the Debt Service Fund was also amended.

SUPPLEMENTARY INFORMATION

TOWN OF BENNETT, COLORADO

**ROAD AND BRIDGE FUND
SCHEDULE OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
For the Year Ended December 31, 2019
(With Comparative Totals for the Year Ended December 31, 2018)**

	Original and Final Budget	Actual Amounts	Variance with Final Budget - Positive (Negative)	2018 Actual
Revenues				
Specific Ownership Tax	\$ 27,105	\$ 27,785	\$ 680	\$ 27,654
Highway Users Tax	76,620	94,249	17,629	89,490
County Road and Bridge Tax	95,760	121,926	26,166	100,664
Motor Vehicle Registration Fees	8,795	9,938	1,143	9,142
Net Investment Income	930	3,507	2,577	1,592
Total Revenues	209,210	257,405	48,195	228,542
Expenditures				
Current:				
Public Works	523,170	193,276	329,894	147,887
Capital Outlay	20,000	19,174	826	44,667
Total Expenditures	543,170	212,450	330,720	192,554
Excess Revenues Over (Under) Expenditures	(333,960)	44,955	378,915	35,988
Other Financing Sources				
Transfers In	300,000	-	300,000	-
Net Change in Fund Balance	(33,960)	44,955	678,915	35,988
Fund Balance - Beginning	123,735	169,665	45,930	133,677
Fund Balance - Ending	\$ 89,775	\$ 214,620	\$ 724,845	\$ 169,665

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TOWN OF BENNETT, COLORADO

**SALES TAX CAPITAL IMPROVEMENT FUND
SCHEDULE OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
For the Year Ended December 31, 2019
(With Comparative Totals for the Year Ended December 31, 2018)**

	Original and Final Budget	Actual Amounts	Variance with Final Budget - Positive (Negative)	2018 Actual
Revenues				
Sales Tax	\$ 705,050	\$ 815,019	\$ 109,969	\$ 699,573
Grants	180,000	-	(180,000)	-
Net Investment Income	15,666	25,470	9,804	19,911
Total Revenues	<u>900,716</u>	<u>840,489</u>	<u>(60,227)</u>	<u>719,484</u>
Expenditures				
Current:				
Public Works	57,820	56,327	1,493	88,024
Debt Service				
Debt Service-Principal	150,000	150,000	-	150,000
Debt Service-Interest	210,300	205,800	4,500	210,300
Capital Outlay	375,000	35,210	339,790	230,438
Total Expenditures	<u>793,120</u>	<u>447,337</u>	<u>345,783</u>	<u>678,762</u>
Net Change in Fund Balance	<u>107,596</u>	<u>393,152</u>	<u>285,556</u>	<u>40,722</u>
Fund Balance - Beginning	<u>728,370</u>	<u>1,052,777</u>	<u>324,407</u>	<u>1,012,055</u>
Fund Balance - Ending	<u>\$ 835,966</u>	<u>\$ 1,445,929</u>	<u>\$ 609,963</u>	<u>\$ 1,052,777</u>

TOWN OF BENNETT, COLORADO

WATER FUND

**SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUNDS AVAILABLE -
BUDGET AND ACTUAL (BUDGETARY BASIS)**

For the Year Ended December 31, 2019

(With Comparative Totals for the Year Ended December 31, 2018)

	Original and Final Budget	Actual Amounts	Variance with Final Budget - Positive (Negative)	2018 Actual
Revenues				
Water Sales	\$ 1,104,160	\$ 973,871	\$ (130,289)	\$ 1,032,047
Bulk Water	-	359,746	359,746	1,164
Water Development Fees	2,915,600	278,955	(2,636,645)	1,481,950
Grants	-	31,627	31,627	5,873
Loan Proceeds	-	-	-	25,746
Net Investment Income	780	38,150	37,370	17,301
Other	64,700	101,287	36,587	68,696
Total Revenues	<u>4,085,240</u>	<u>1,783,636</u>	<u>(2,301,604)</u>	<u>2,632,777</u>
Expenditures				
Personnel	170,080	149,367	20,713	141,655
Operations	268,725	289,792	(21,067)	319,197
Professional Services	91,000	209,749	(118,749)	189,096
Capital Outlay	1,807,500	208,068	1,599,432	486,140
Debt Service-Principal	348,114	348,114	-	116,386
Debt Service-Interest	93,371	97,905	(4,534)	111,156
Transfers Out	63,470	41,100	22,370	39,840
Total Expenditures	<u>2,842,260</u>	<u>1,344,095</u>	<u>1,498,165</u>	<u>1,403,470</u>
Excess Revenues Over (Under)				
Expenditures	1,242,980	439,541	(803,439)	1,229,307
Funds Available - Beginning	<u>2,298,890</u>	<u>1,848,055</u>	<u>(450,835)</u>	<u>618,748</u>
Funds Available - Ending	<u>\$ 3,541,870</u>	<u>\$ 2,287,596</u>	<u>\$ (1,254,274)</u>	<u>\$ 1,848,055</u>
Funds Available is Computed as Follows:				
Current Assets		\$ 2,329,824		\$ 1,980,506
Current Liabilities		(217,755)		(280,715)
Add Current Portion of Long-Term Debt		<u>175,527</u>		<u>148,264</u>
		<u>\$ 2,287,596</u>		<u>\$ 1,848,055</u>

See the Independent Auditor's Report

TOWN OF BENNETT, COLORADO

WASTE WATER FUND

**SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUNDS AVAILABLE -
BUDGET AND ACTUAL (BUDGETARY BASIS)**

For the Year Ended December 31, 2019

(With Comparative Totals for the Year Ended December 31, 2018)

	Original and Final Budget	Actual Amounts	Variance with Final Budget - Positive (Negative)	2018 Actual
Revenues				
Service Fees	\$ 898,880	\$ 853,617	\$ (45,263)	\$ 781,254
Waste Water Development Fees	1,214,390	349,320	(865,070)	546,117
Net Investment Income	-	31,704	31,704	11,146
Loan Proceeds	-	-	-	3,933,156
Loan Forgiveness	-	-	-	44,100
Grant Revenues	-	31,627	31,627	317,292
Other	40,675	25,270	(15,405)	25,492
Total Revenues	<u>2,153,945</u>	<u>1,291,538</u>	<u>(862,407)</u>	<u>5,658,557</u>
Expenditures				
Personnel	153,625	145,165	8,460	124,639
Operations	228,260	172,485	55,775	196,786
Professional Services	480,500	103,733	376,767	71,903
Capital Outlay	475,000	428,600	46,400	3,943,320
Debt Service-Principal	187,920	187,920	-	73,044
Debt Service-Interest	71,260	70,983	277	11,765
Transfers Out	63,470	55,178	8,292	42,502
Total Expenditures	<u>1,660,035</u>	<u>1,164,064</u>	<u>495,971</u>	<u>4,463,959</u>
Excess Revenues Over (Under)				
Expenditures	493,910	127,474	(366,436)	1,194,598
Funds Available - Beginning	<u>1,653,611</u>	<u>2,000,934</u>	<u>347,323</u>	<u>806,336</u>
Funds Available - Ending	<u>\$ 2,147,521</u>	<u>\$ 2,128,408</u>	<u>\$ (19,113)</u>	<u>\$ 2,000,934</u>
Funds Available is Computed as Follows:				
Current Assets		\$ 2,519,914		\$ 2,473,018
Current Liabilities		(616,001)		(660,005)
Add Current Portion of Long-Term Debt		224,495		187,921
		<u>\$ 2,128,408</u>		<u>\$ 2,000,934</u>

See the Independent Auditor's Report

COMPONENT UNITS

TOWN OF BENNETT, COLORADO

BALANCE SHEET COMPONENT UNIT December 31, 2019

	Antelope Hills General Improvement District		
	General Fund	Debt Service Fund	Total
Assets			
Cash and Investments	\$ 71,448	\$ 3,023	\$ 74,471
Cash with County Treasurer	-	1,171	1,171
Property Taxes Receivable	-	218,056	218,056
Total Assets	<u>\$ 71,448</u>	<u>\$ 222,250</u>	<u>\$ 293,698</u>
Deferred Inflows of Resources			
Property Taxes	\$ -	\$ 218,056	\$ 218,056
Fund Balances			
Restricted for TABOR Emergencies	390	-	390
Restricted for Debt Service	-	4,194	4,194
Unassigned	71,058	-	71,058
Total Fund Balances	<u>71,448</u>	<u>4,194</u>	<u>75,642</u>
Total Deferred Inflows of Resources and Fund Balances	<u>\$ 71,448</u>	<u>\$ 222,250</u>	<u>\$ 293,698</u>
Amounts reported for governmental activities in the statement of net position are different because:			
Total Fund Balances - Component Units	\$ 71,448	\$ 4,194	\$ 75,642
Long-term liabilities, including bonds payable, are not due and payable in the current period and therefore are not reported in the funds	-	(1,739,386)	(1,739,386)
Net Position - Governmental Activities	<u>\$ 71,448</u>	<u>\$ (1,735,192)</u>	<u>\$ (1,663,744)</u>

See the Independent Auditor's Report

TOWN OF BENNETT, COLORADO

STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES

COMPONENT UNIT

For the Year Ended December 31, 2019

	Antelope Hills General Improvement District		
	General Fund	Debt Service Fund	Total
Revenues			
Property Taxes	\$ -	\$ 177,399	\$ 177,399
Specific Ownership Taxes	-	14,025	14,025
Building Permits	-	21,000	21,000
Net Investment Income	-	1,728	1,728
Total Revenues	-	214,152	214,152
Expenditures			
Current			
Administrative	7,225	-	7,225
Treasurer's Fees	-	2,661	2,661
Debt Service			
Principal	-	89,865	89,865
Interest	-	100,778	100,778
Total Expenditures	7,225	193,304	200,529
Excess Revenues Over (Under) Expenditures	(7,225)	20,848	13,623
Other Financing Sources (Uses)			
Transfers In (Out)	12,990	(12,990)	-
Net Change in Fund Balances	5,765	7,858	13,623
Fund Balances - Beginning	65,683	(3,664)	62,019
Fund Balances - Ending	\$ 71,448	\$ 4,194	\$ 75,642
 Net Change in Fund Balances - Component Units	 \$ 5,765	 \$ 7,858	 \$ 13,623
Amounts reported for governmental activities in the statement of activities are different because:			
Long-term debt (e.g., issuance of bonds, notes) provides current financial resources to governmental funds, 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.			
Principal Payment - Refunding Note	-	89,865	89,865
Change in Net Position - Governmental Activities	\$ 5,765	\$ 97,723	\$ 103,488

See the Independent Auditor's Report

TOWN OF BENNETT, COLORADO

**ANTELOPE HILLS GENERAL IMPROVEMENT DISTRICT
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
GENERAL FUND - BUDGET AND ACTUAL**

**For the Year Ended December 31, 2019
(With Comparative Totals for the Year Ended December 31, 2018)**

	Original and Final Budget	Actual	Variance with Final Budget - Positive (Negative)	2018 Actual
Expenditures				
Current:				
Accounting	\$ 5,000	\$ -	\$ 5,000	\$ -
Audit	500	-	500	1,000
Legal	1,500	-	1,500	-
Contingency	2,500	-	2,500	-
Miscellaneous	-	7,225	(7,225)	20,935
Total Expenditures	9,500	7,225	2,275	21,935
Excess Revenues Over (Under) Expenditures	(9,500)	(7,225)	2,275	(21,935)
Other Financing Sources				
Transfers In	12,990	12,990	-	12,735
Net Change in Fund Balance	3,490	5,765	2,275	(9,200)
Fund Balance - Beginning	60,607	65,683	5,076	74,883
Fund Balance - Ending	\$ 64,097	\$ 71,448	\$ 7,351	\$ 65,683

See the Independent Auditor's Report

TOWN OF BENNETT, COLORADO

**ANTELOPE HILLS GENERAL IMPROVEMENT DISTRICT
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
DEBT SERVICE FUND - BUDGET AND ACTUAL**

**For the Year Ended December 31, 2019
(With Comparative Totals for the Year Ended December 31, 2018)**

	Original Budget	Final Budget	Actual	Variance with Final Budget - Positive (Negative)	2018 Actual
Revenues					
Property Taxes	\$ 180,370	\$ 177,399	\$ 177,399	\$ -	\$ 178,713
Specific Ownership Taxes	12,000	14,025	14,025	-	12,968
Building Permits	100	21,000	21,000	-	10,500
Net Investment Income	-	1,728	1,728	-	2,185
Total Revenues	192,470	214,152	214,152	-	204,366
Expenditures					
Debt Service:					
Treasurer's Fees	3,607	2,661	2,661	-	2,681
Bond Principal	65,497	89,865	89,865	-	89,800
Bond Interest	109,726	100,778	100,778	-	104,610
Paying Agent Fees	650	-	-	-	-
Total Expenditures	179,480	193,304	193,304	-	197,091
Excess Revenues Over (Under) Expenditures	12,990	20,848	20,848	-	7,275
Other Financing (Uses)					
Transfers Out	-	(12,990)	(12,990)	-	(12,735)
Net Change in Fund Balance	12,990	7,858	7,858	-	(5,460)
Fund Balance - Beginning	-	(3,664)	(3,664)	-	1,796
Fund Balance - Ending	\$ 12,990	\$ 4,194	\$ 4,194	\$ -	\$ (3,664)

See the Independent Auditor's Report

LOCAL HIGHWAY FINANCE REPORT		City or County: Bennett
		YEAR ENDING : December 2019
This Information From The Records Of Town of Bennett	Prepared By: Phone:	Danette Ruvalcaba 303-644-3249

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

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

II. RECEIPTS FOR ROAD AND STREET PURPOSES

ITEM	AMOUNT
A. Receipts from local sources:	
1. Local highway-user taxes	
a. Motor Fuel (from Item I.A.5.)	
b. Motor Vehicle (from Item I.B.5.)	
c. Total (a.+b.)	
2. General fund appropriations	
3. Other local imposts (from page 2)	964,731
4. Miscellaneous local receipts (from page 2)	28,978
5. Transfers from toll facilities	
6. Proceeds of sale of bonds and notes:	
a. Bonds - Original Issues	
b. Bonds - Refunding Issues	
c. Notes	
d. Total (a. + b. + c.)	0
7. Total (1 through 6)	993,709
B. Private Contributions	
C. Receipts from State government (from page 2)	104,187
D. Receipts from Federal Government (from page 2)	0
E. Total receipts (A.7 + B + C + D)	1,097,896

III. DISBURSEMENTS FOR ROAD AND STREET PURPOSES

ITEM	AMOUNT
A. Local highway disbursements:	
1. Capital outlay (from page 2)	35,210
2. Maintenance:	36,892
3. Road and street services:	
a. Traffic control operations	
b. Snow and ice removal	
c. Other	43,976
d. Total (a. through c.)	
4. General administration & miscellaneous	187,909
5. Highway law enforcement and safety	
6. Total (1 through 5)	303,987
B. Debt service on local obligations:	
1. Bonds:	
a. Interest	205,800
b. Redemption	150,000
c. Total (a. + b.)	355,800
2. Notes:	
a. Interest	
b. Redemption	
c. Total (a. + b.)	0
3. Total (1.c + 2.c)	355,800
C. Payments to State for highways	
D. Payments to toll facilities	
E. Total disbursements (A.6 + B.3 + C + D)	659,786

IV. LOCAL HIGHWAY DEBT STATUS

(Show all entries at par)

	Opening Debt	Amount Issued	Redemptions	Closing Debt
A. Bonds (Total)	5,778,179	0	150,000	5,628,179
1. Bonds (Refunding Portion)				
B. Notes (Total)				0

V. LOCAL ROAD AND STREET FUND BALANCE

	A. Beginning Balance	B. Total Receipts	C. Total Disbursements	D. Ending Balance	E. Reconciliation
	1,222,563	1,097,896	659,786	1,660,673	0

Notes and Comments:

LOCAL HIGHWAY FINANCE REPORT		STATE: Colorado YEAR ENDING (mm/yy): December 2019	
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	28,978
b. Other local imposts:		b. Traffic Fines & Penalties	
1. Sales Taxes	815,019	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	149,711	g. Other Misc. Receipts	0
6. Total (1. through 5.)	964,731	h. Other	
c. Total (a. + b.)	964,731	i. Total (a. through h.)	28,978
(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	94,249	1. FHWA (from Item I.D.5.)	
2. State general funds		2. Other Federal agencies:	
3. Other State funds:		a. Forest Service	
a. State bond proceeds		b. FEMA	
b. Project Match		c. HUD	
c. Motor Vehicle Registrations	9,938	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.)	9,938	g. Total (a. through f.)	0
4. Total (1. + 2. + 3.f)	104,187	3. Total (1. + 2.g)	
		(Carry forward to page 1)	
III. DISBURSEMENTS FOR ROAD AND STREET PURPOSES - DETAIL			
	ON NATIONAL HIGHWAY SYSTEM (a)	OFF NATIONAL HIGHWAY SYSTEM (b)	TOTAL (c)
A.1. Capital outlay:			
a. Right-Of-Way Costs		0	0
b. Engineering Costs		0	0
c. Construction:			
(1). New Facilities			0
(2). Capacity Improvements			0
(3). System Preservation		25,224	25,224
(4). System Enhancement & Operation		9,986	9,986
(5). Total Construction (1) + (2) + (3) + (4)	0	35,210	35,210
d. Total Capital Outlay (Lines 1.a. + 1.b. + 1.c.5)	0	35,210	35,210
			(Carry forward to page 1)
Notes and Comments:			

OTHER INFORMATION

TOWN OF BENNETT, COLORADO

SCHEDULES OF FUTURE DEBT SERVICE REQUIREMENTS
December 31, 2019

\$5,700,000 Sales Tax Revenue Bonds
Series 2016

Year	Rate	Principal	Interest	Total
2020	3.000	\$ 150,000	\$ 63,000	\$ 213,000
2021	4.000	150,000	74,000	224,000
2022	4.000	150,000	84,600	234,600
2023	4.000	175,000	94,800	269,800
2024	4.000	175,000	104,600	279,600
2025	4.000	175,000	114,000	289,000
2026	4.000	195,000	123,200	318,200
2027	4.000	200,000	132,000	332,000
2028	4.000	200,000	140,000	340,000
2029	4.000	200,000	148,000	348,000
2030	4.000	220,000	156,000	376,000
2031	4.000	230,000	163,800	393,800
2032	4.000	235,000	170,800	405,800
2033	4.000	245,000	177,800	422,800
2034	4.000	255,000	184,800	439,800
2035	4.000	265,000	190,800	455,800
2036	4.000	275,000	196,800	471,800
2037	4.000	285,000	201,300	486,300
2038	4.000	300,000	205,800	505,800
2039	4.000	310,000	210,300	520,300
2040	4.000	680,000	214,200	894,200
		<u>\$ 5,070,000</u>	<u>\$ 3,150,600</u>	<u>\$ 8,220,600</u>

\$2,500,000 Colorado Water Resources and
Power Development Authority
Water Fund - Dated August 31, 2016

Rate	Principal	Interest	Total
2.000	\$ 111,012	\$ 43,916	\$ 154,928
2.000	113,243	41,685	154,928
2.000	115,519	39,409	154,928
2.000	117,841	37,087	154,928
2.000	120,210	34,718	154,928
2.000	122,626	32,302	154,928
2.000	125,091	29,837	154,928
2.000	127,605	27,323	154,928
2.000	130,170	24,758	154,928
2.000	132,787	22,141	154,928
2.000	135,456	19,472	154,928
2.000	138,178	16,750	154,928
2.000	140,956	13,972	154,928
2.000	143,789	11,139	154,928
2.000	146,679	8,249	154,928
2.000	149,627	5,301	154,928
2.000	152,634	2,294	154,928
-	-	-	-
-	-	-	-
-	-	-	-
-	-	-	-
	<u>\$ 2,223,423</u>	<u>\$ 410,353</u>	<u>\$ 2,633,776</u>

\$1,454,000 Capital Lease - Town Hall
Series 2017

Year	Rate	Principal	Interest	Total
2020	3.080	\$ 62,100	\$ 38,780	\$ 100,880
2021	3.080	64,000	36,868	100,868
2022	3.080	65,900	34,896	100,796
2023	3.080	68,000	32,867	100,867
2024	3.080	70,100	30,772	100,872
2025	3.080	72,200	28,613	100,813
2026	3.080	74,500	26,389	100,889
2027	3.080	76,700	24,095	100,795
2028	3.080	79,100	21,732	100,832
2029	3.080	81,600	19,296	100,896
2030	3.080	84,100	16,783	100,883
2031	3.080	460,800	14,193	474,993
		<u>\$ 1,259,100</u>	<u>\$ 325,284</u>	<u>\$ 1,584,384</u>

\$161,000 Colorado Water Resources and
Power Development Authority
Waste Water Fund - Dated July 14, 2006

Rate	Principal	Interest	Total
3.750	\$ 9,069	\$ 2,585	\$ 11,654
3.750	9,413	2,241	11,654
3.750	9,769	1,885	11,654
3.750	10,139	1,515	11,654
3.750	10,523	1,131	11,654
3.750	10,920	734	11,654
3.750	11,335	319	11,654
-	-	-	-
-	-	-	-
-	-	-	-
-	-	-	-
-	-	-	-
	<u>\$ 71,168</u>	<u>\$ 10,410</u>	<u>\$ 81,578</u>

TOWN OF BENNETT, COLORADO

**SCHEDULES OF FUTURE DEBT SERVICE REQUIREMENTS
December 31, 2019**

**\$2,500,000 Colorado Water Resources and
Power Development Authority
Waste Water Fund - Dated September 9, 2017**

Year	Rate	Principal	Interest	Total
2020	0.000	\$ 83,020	\$ -	\$ 83,020
2021	0.000	83,020	-	83,020
2022	0.000	83,020	-	83,020
2023	0.000	83,020	-	83,020
2024	0.000	83,020	-	83,020
2025	0.000	83,020	-	83,020
2026	0.000	83,020	-	83,020
2027	0.000	83,020	-	83,020
2028	0.000	83,020	-	83,020
2029	0.000	83,020	-	83,020
2030	0.000	83,020	-	83,020
2031	0.000	83,020	-	83,020
2032	0.000	83,020	-	83,020
2033	0.000	83,020	-	83,020
2034	0.000	83,020	-	83,020
2035	0.000	83,020	-	83,020
2036	0.000	83,020	-	83,020
2037	0.000	83,020	-	83,020
2038	0.000	83,020	-	83,020
2039	0.000	83,020	-	83,020
2040	0.000	83,020	-	83,020
2041	0.000	83,020	-	83,020
2042	0.000	83,020	-	83,020
2043	0.000	83,020	-	83,020
2044	0.000	83,020	-	83,020
2045	0.000	83,020	-	83,020
2046	0.000	83,020	-	83,020
2047	0.000	83,020	-	83,020
2048	0.000	41,498	-	41,498
		<u>\$ 2,366,058</u>	<u>\$ -</u>	<u>\$ 2,366,058</u>

**\$1,454,500 Colorado Water Conservation Board
Water Fund - Completion Date August 1, 2018**

Rate	Principal	Interest	Total
3.250	\$ 30,306	\$ 46,314	\$ 76,620
3.250	31,291	45,329	76,620
3.250	32,308	44,312	76,620
3.250	33,358	43,262	76,620
3.250	34,442	42,178	76,620
3.250	35,562	41,059	76,621
3.250	36,717	39,903	76,620
3.250	37,911	38,710	76,621
3.250	39,143	37,477	76,620
3.250	40,415	36,205	76,620
3.250	41,728	34,892	76,620
3.250	43,085	33,536	76,621
3.250	44,485	32,135	76,620
3.250	45,931	30,690	76,621
3.250	47,423	29,197	76,620
3.250	48,965	27,656	76,621
3.250	50,556	26,064	76,620
3.250	52,199	24,421	76,620
3.250	53,896	22,725	76,621
3.250	55,647	20,973	76,620
3.250	57,456	19,165	76,621
3.250	59,323	17,297	76,620
3.250	61,251	15,369	76,620
3.250	63,242	13,379	76,621
3.250	65,297	11,323	76,620
3.250	67,419	9,201	76,620
3.250	69,610	7,010	76,620
3.250	71,873	4,748	76,621
3.250	74,209	2,412	76,621
	<u>\$ 1,425,048</u>	<u>\$ 796,942</u>	<u>\$ 2,221,990</u>

**\$99,057 Energy/Mineral Impact Assistance Loan
Waste Water Fund - Dated September 1, 2010**

Rate	Principal	Interest	Total
2020	5.000	\$ 7,092	\$ 9,504
2021	5.000	7,446	9,504
2022	5.000	7,819	9,504
2023	5.000	8,209	9,504
2024	5.000	8,620	9,504
2025	5.000	9,052	9,504
	<u>\$ 48,238</u>	<u>\$ 8,786</u>	<u>\$ 57,024</u>

TOWN OF BENNETT, COLORADO

**SCHEDULES OF FUTURE DEBT SERVICE REQUIREMENTS
December 31, 2019**

**\$3,500,000 Colorado Water Resources and
Power Development Authority
Waste Water Fund - Dated March 5, 2018**

Year	Rate	Principal	Interest	Total
2020	1.890	\$ 91,105	\$ 63,895	\$ 155,000
2021	1.890	92,835	62,165	155,000
2022	1.890	94,598	60,402	155,000
2023	1.890	96,395	58,605	155,000
2024	1.890	98,225	56,775	155,000
2025	1.890	100,090	54,910	155,000
2026	1.890	101,991	53,009	155,000
2027	1.890	103,928	51,072	155,000
2028	1.890	105,901	49,099	155,000
2029	1.890	107,912	47,088	155,000
2030	1.890	109,961	45,039	155,000
2031	1.890	112,049	42,951	155,000
2032	1.890	114,177	40,823	155,000
2033	1.890	116,345	38,655	155,000
2034	1.890	118,555	36,445	155,000
2035	1.890	120,806	34,194	155,000
2036	1.890	123,100	31,900	155,000
2037	1.890	125,437	29,563	155,000
2038	1.890	127,819	27,181	155,000
2039	1.890	130,247	24,753	155,000
2040	1.890	132,720	22,280	155,000
2041	1.890	135,240	19,760	155,000
2042	1.890	137,808	17,192	155,000
2043	1.890	140,425	14,575	155,000
2044	1.890	143,092	11,908	155,000
2045	1.890	145,809	9,191	155,000
2046	1.890	148,578	6,422	155,000
2047	1.890	151,399	3,601	155,000
2048	1.890	76,776	724	77,500
		<u>\$ 3,403,323</u>	<u>\$ 1,014,177</u>	<u>\$ 4,417,500</u>