

**TOWN OF KEENESBURG, COLORADO**

**ANNUAL FINANCIAL REPORT**

**YEAR ENDED DECEMBER 31, 2014**

Town of Keenesburg, Colorado  
Annual Financial Report  
For the Year Ended December 31, 2014

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## INDEPENDENT AUDITOR'S REPORT

To the Board of Trustees  
Town of Keenesburg, Colorado

I have audited the accompanying financial statements of the governmental activities, the business-type activities, and each major fund of the Town of Keenesburg, Colorado, as of and for the year ended December 31, 2014, 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**

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

An audit includes 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, I 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.

I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my audit opinions.

### **Opinions**

In my 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 and each major fund of the Town of Keenesburg, Colorado, as of December 31, 2014, 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 require that management's discussion and analysis and budgetary comparison information 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. I 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 my inquiries, the basic financial statements, and other knowledge I obtained during my audit of the basic financial statements. I do not express an opinion or provide any assurance on the information because the limited procedures do not provide me with sufficient evidence to express an opinion or provide any assurance.

### *Other Information*

My audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Town of Keenesburg, Colorado's financial statements. The individual nonmajor fund schedules and the Local Highway Finance Report are presented for purposes of additional analysis and are not required part of the basic financial statements.

The individual fund schedules and the Local Highway Finance Report 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 financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In my opinion, the individual fund schedules and the Local Highway Finance Report are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

*Rose & Melville, CPA*  
Loveland, Colorado  
May 29, 2015

## Management's Discussion and Analysis

Town of Keenesburg, Colorado's (Town) discussion and analysis offers readers of the Town's financial statements a narrative overview and analysis of the Town's financial activities for the fiscal year ended December 31, 2014. We encourage readers to consider the information presented here in conjunction with additional information that we have furnished in the financial statements and notes to the financial statements.

### Financial Highlights

- The Town's assets exceeded its liabilities at December 31, 2014 by \$5.84 million (*net position*). Of this amount, \$2.22 million (unrestricted net position) may be used to meet the Town's ongoing obligations to citizens, creditors and enterprise fund customers.
- The Town's total net position decreased by \$15,048 over the previous year, with 360 percent of the increase resulting from governmental activities and -460 percent resulting from business-type activities.
- At December 31, 2014 the Town's governmental fund balance sheet reported a combined ending fund balance of \$1.535 million, an increase of \$828,621 compared to the previous fiscal year. A total of \$26,631 of the fund balance is unassigned.
- The General Fund reported a fund balance of \$429,222, an increase of \$25,978 from last fiscal year. This ending fund balance equated to 95.8 percent of General Fund expenditures for the year.
- The Town's total debt increased by \$665,979 in fiscal year 2014, due to new sales tax bonds issued.

### Overview of the Financial Statements

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

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

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

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

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

*Fund financial statements.* A fund is a grouping of related accounts that 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 of the funds of the Town can be divided into two categories: governmental funds and proprietary funds.

*Governmental funds.* Governmental funds are used to account for essentially the same functions reported as governmental activities in the government-wide financial statements. However, unlike the government-

wide financial statements, governmental fund financial statements focus on near-term inflows and outflows of spendable resources, as well as on balances of spendable resources available at the end of the fiscal year. Such information may be useful in evaluating a government's near-term financing requirements.

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

The Town maintains three individual governmental funds. Information is presented separately in the governmental funds balance sheet and in the governmental fund statement of revenues, expenditures, and changes in fund balances for the General Fund, Conservation Trust Fund, and Capital Improvements fund, each of which are considered to be major funds for the 2014 fiscal year.

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

*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 enterprise funds to account for its water and wastewater utility system.

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

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

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

## Government-wide Financial Analysis

As noted earlier, net position may serve over time as a useful indication of a government's financial position. The Town's assets exceeded liabilities by \$5.84 million at the close of the most recent fiscal year, representing an increase in total net position for the year amounting to \$56 thousand.

The largest portion of the Town's net position (60 percent) reflects its investment in capital assets (for example, land, buildings, infrastructure, and machinery and equipment); less any related debt used to acquire those assets that is still outstanding. The Town uses these capital assets to provide services to citizens; consequently, these assets are not available for future spending. Although the Town's investment in its capital assets is reported net of related debt, it should be noted that the resources needed to repay this debt must be provided from other sources because the capital assets themselves cannot be used to liquidate these liabilities.

### Town of Keenesburg, Colorado Net Position

	Governmental Activities		Business-Type Activities		Total	
	2014	2013	2014	2013	2014	2013
Current and other assets	\$ 1,751,213	\$ 900,755	\$ 815,508	\$ 789,005	\$ 2,566,721	\$ 1,689,760
Capital assets	1,923,348	1,919,421	3,541,076	3,652,917	5,464,424	5,572,338
Total assets	<u>3,674,561</u>	<u>2,820,176</u>	<u>4,356,584</u>	<u>4,441,922</u>	<u>8,031,145</u>	<u>7,262,098</u>
Long-term liabilities outstanding	915,000	210,000	1,010,312	1,049,334	1,925,312	1,259,334
Other liabilities	72,146	46,605	43,749	20,875	115,895	67,480
Total liabilities	<u>987,146</u>	<u>256,605</u>	<u>1,054,061</u>	<u>1,070,209</u>	<u>2,041,207</u>	<u>1,326,814</u>
Deferred inflows of resources						
Deferred property taxes	149,328	150,412			149,328	150,412
Net position:						
Net investment in capital ass	1,008,349	1,709,422	2,530,765	2,603,584	3,539,114	4,313,006
Restricted	76,201	59,590			76,201	59,590
Unrestricted	1,453,537	643,853	771,758	768,129	2,225,295	1,411,982
Total net position	<u>\$ 2,538,087</u>	<u>\$ 2,412,865</u>	<u>\$ 3,302,523</u>	<u>\$ 3,371,713</u>	<u>\$ 5,840,610</u>	<u>\$ 5,784,578</u>

An additional portion of the Town's net position (1 percent) represents resources that are subject to restrictions on how they may be used, most of which are restrictions imposed from external sources. The remaining 39 percent of total net position (\$2.23 million) represents unrestricted net position that may be used to meet the government's ongoing obligations to citizens, creditors, and customers within the respective governmental and business-type activities.

At the end of the current fiscal year, as in the prior year, the Town is able to report positive balances in all three categories of net position as a whole and individually within the governmental and business-type activities. Unrestricted net position increased by \$813 thousand (57 percent) compared with the prior year, largely due to increases in the Conservation Trust Fund (\$10 thousand) and the Capital Improvement Fund (\$793 thousand). Despite the struggling economy, the Town's finances are strong, sound and stable because of solid, dedicated and committed financial management.

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

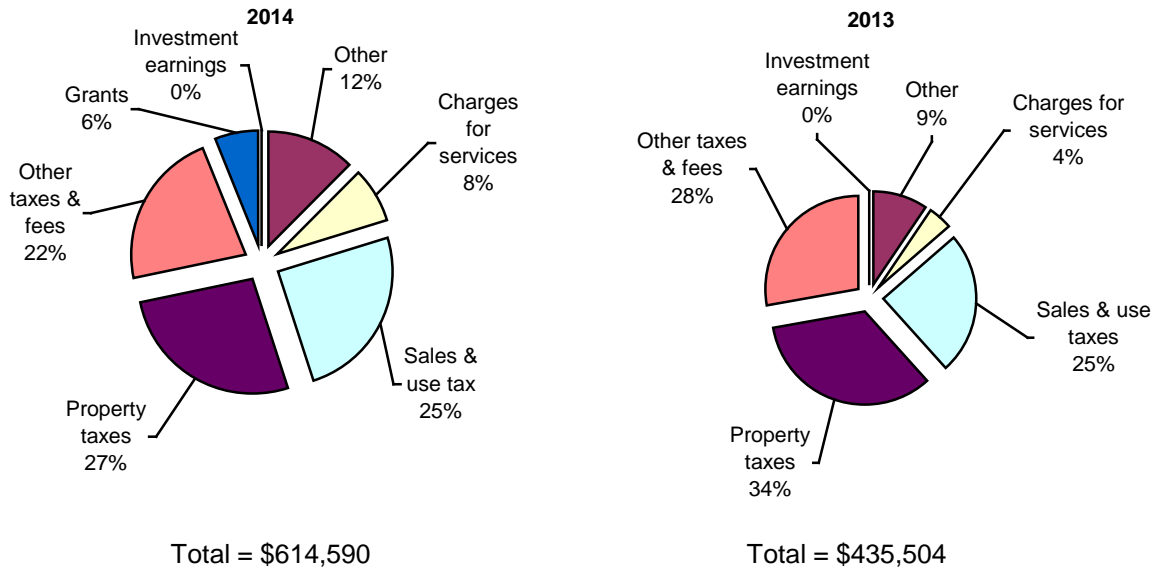
### Town of Keenesburg, Colorado Changes in Net Position

	Governmental Activities		Business-type Activities		Total	
	2014	2013	2014	2013	2014	2013
Revenues:						
Program revenues:						
Charges for services	\$ 48,355	\$ 17,861	\$ 553,698	\$ 1,036,898	\$ 602,053	\$ 1,054,759
Grants and contributions	37,924				37,924	
General revenues:						
Property taxes	162,668	147,760			162,668	147,760
Other taxes	288,683	228,860			288,683	228,860
Other	76,960	41,023	9,487	10,062	86,447	51,085
In Kind		393,219			-	393,219
Total revenues	<u>614,590</u>	<u>828,723</u>	<u>563,185</u>	<u>1,046,960</u>	<u>1,177,775</u>	<u>1,875,683</u>
Expenses:						
General government	201,192	151,755			201,192	151,755
Public safety	50,986	40,271			50,986	40,271
Public works	116,217	99,789			116,217	99,789
Health and welfare	13,248	9,714			13,248	9,714
Culture and recreation	12,174	14,655			12,174	14,655
Depreciation	124,812	103,023	119,161	117,381	243,973	220,404
Interest on long-term debt	41,819	13,950	39,270	41,326	81,089	55,276
Water and sewer			473,944	443,749	473,944	443,749
Total expenses	<u>560,448</u>	<u>433,157</u>	<u>632,375</u>	<u>602,456</u>	<u>1,192,823</u>	<u>1,035,613</u>
Change in net position	54,142	395,566	(69,190)	444,504	(15,048)	840,070
Net position, January 1	<u>2,483,944</u>	<u>2,017,298</u>	<u>3,371,713</u>	<u>2,927,209</u>	<u>5,855,657</u>	<u>4,944,507</u>
Net position, December 31	<u>\$ 2,538,087</u>	<u>\$ 2,412,864</u>	<u>\$ 3,302,523</u>	<u>\$ 3,371,713</u>	<u>\$ 5,840,610</u>	<u>\$ 5,784,578</u>



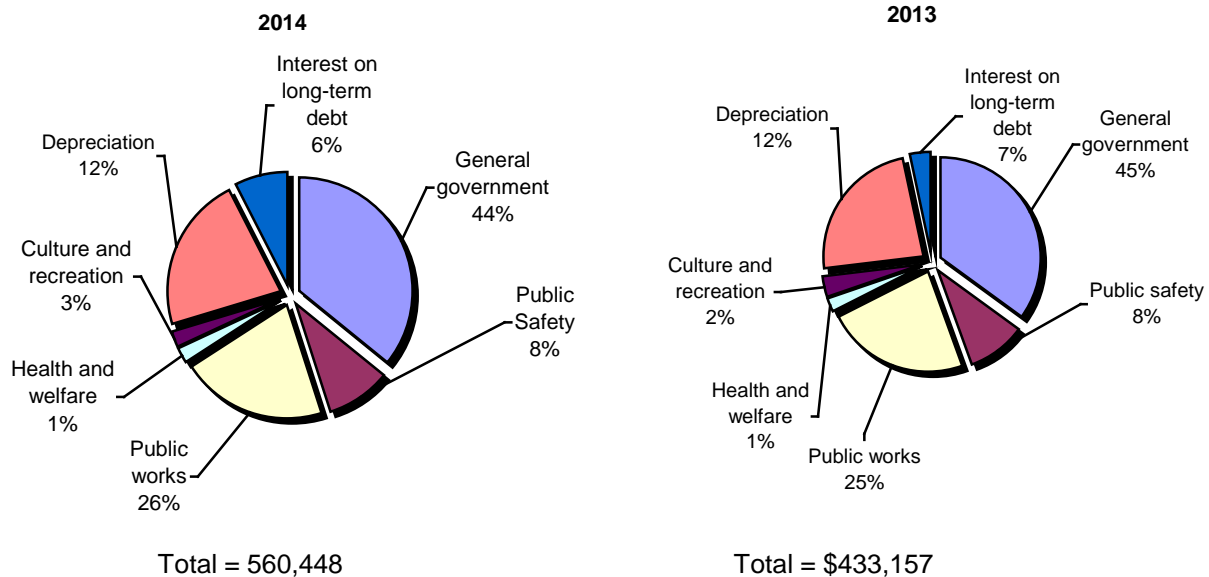
Graphic presentations of selected data from the summary tables follow to assist in the analysis of the town's activities for fiscal years 2014 and 2013.

### GOVERNMENTAL REVENUES



As graphically portrayed above and discussed earlier, the town is heavily reliant on sales & use and property taxes to support governmental operations. Sales & use and property taxes provided 25 and 27 percent of the Town's governmental revenues in fiscal years 2014 and 2013.

### GOVERNMENTAL FUNCTIONAL EXPENSES



This graph shows the total governmental activities cost of \$560,448 for this year. Of this amount, general government was the largest operating service cost, at 44 percent, or \$201,192 of total cost of services in 2014, primarily funded by the town's taxing power. Public works absorbed \$116,217 in taxes to citizens and other general revenues. Other governmental activities with significant tax-based funding include public safety.

## Financial Analysis of the Town's Funds

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

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

As of December 31, 2014, the Town's governmental funds reported combined fund balances of \$1,535,734, an increase of \$828,621 compared with the prior year balances. There is \$26,631 unassigned fund balance, which is available for spending at the Town's discretion. The remainder of fund balance falls into the categories of either not in spendable form, restricted, committed or assigned. These categories indicate that the funds are not available for new spending because they have already been designated for a specific purpose either by action of the Town, statutory or debt-based requirements.

The General Fund is the chief operating fund of the Town. At December 31, 2014, total fund balance in the General Fund was \$429,223. As a measure of the General Fund's liquidity, the total fund balance amount equates to approximately 96 percent of total fund expenditures. The fund balance of the General Fund increased by \$25,979 during the current fiscal year due an increase in revenues.

The Conservation Trust special revenue fund has a total committed and assigned fund balance of \$29,762. This fund balance increased \$10,142 during the current fiscal year due to an increase in revenues and a decrease in expenditures.

The Capital Improvement debt service fund has a total fund balance of \$1,076,749, of which \$48,000 is reserved for payment of debt service. The \$792,500 increase in fund balance for the year is the result of a new sales tax bond issuance and management's decision to delay budgeted capital improvements in order to conserve funds for future needs.

*Proprietary Funds.* The Town's proprietary funds provide the same type of information found in the government-wide financial statements, but in greater detail. At December 31, 2014, total net position amounted to \$3,302,523 for enterprise funds, as compared to \$3,371,713 at December 31, 2013.

Total net position of the Wastewater Fund amounted to \$431,901 at the end of the fiscal year, representing a \$43,484 decrease from the prior year amount of \$475,385. This was almost entirely due to operating activities. Operating revenues increased 1.8 percent, or \$3,547, compared to fiscal year 2013 due to an increase in sewer sales. Operating expenditures showed an increase of \$47,407, approximately 28 percent, due to an increase in allocated salary expense. Unrestricted net positions decreased to \$61,951.

The Waterworks Fund total net position decreased by \$25,706 during the year. The largest portion of the fund's net position (76 percent) reflects its investment in capital assets, less any related outstanding debt used to acquire those assets. Unrestricted net position of the fund decreased by \$256,194 to \$109,808 from a balance of \$366,002 the previous year, largely due to operating and capital activities.

### General Fund Budgetary Highlights

A budget to actual statement is provided for the General Fund. Columns for both the original budget adopted for fiscal year 2014 as well as the final budget are presented.

Budgeted taxes revenue represents the full levy of property taxes for the year, whereas actual results reflect a small amount of delinquent accounts. There were positive revenue variances totaling \$125,638. Expenditures for general government, public safety, public works, health and welfare, and culture and recreation were under budget by a total of \$4,894 due to recording of grants received to purchase new vehicles.

**Capital Asset and Debt Administration**

**Capital assets.** The Town’s investment in capital assets for its governmental and business–type activities as of December 31, 2014, amounts to \$5,464,424 (net of accumulated depreciation). This investment in capital assets includes land, buildings and systems, machinery and equipment, infrastructure, and vehicles. The overall net decrease in the Town’s capital assets for the current fiscal year was .1 percent (an increase of .2 percent for governmental activities and a decrease of 3 percent for business-type activities for the year). Major capital asset events in the current fiscal year included the following:

- Purchase Christmas decorations 11,853
- Purchase CNG 1 Ton PU \$7883.
- Grant for CNG 1 Ton PU \$37,924
- Install new fire hydrant at Main & Crawford.
- Purchase sonic unit \$3,254

**Town of Keenesburg, Colorado Capital Assets (net of depreciation)**

	Governmental Activities		Business-type Activities		Total	
	2014	2013	2014	2013	2014	2013
Land	\$ 148,654	\$ 148,654	\$ 169,054	\$ 169,054	\$ 317,708	\$ 317,708
Buildings and system	454,739	496,412	2,767	3,277	457,506	499,689
Machinery and equipment	202,395	186,926	15,507	17,582	217,902	204,508
Infrastructure	1,117,560	1,158,508			1,117,560	1,158,508
Wastewater system			321,290	342,323	321,290	342,323
Waterworks system			1,887,969	1,976,192	1,887,969	1,976,192
Water rights			1,144,489	1,144,489	1,144,489	1,144,489
Total	<u>\$ 1,923,348</u>	<u>\$ 1,990,500</u>	<u>\$ 3,541,076</u>	<u>\$ 3,652,917</u>	<u>\$ 5,464,424</u>	<u>\$ 5,643,417</u>

**Long-term debt.** At the end of the current fiscal year, the Town had total debt outstanding of \$1,925,312. Of this amount, \$915,000 comprises bonded debt backed by the full faith and credit of the government. The balance consists of a loan contract with the Colorado Water Conservation Board of \$967,355 and a loan contract with the Department of Local Affairs of \$42,958.

**Town of Keenesburg, Colorado Outstanding Debt  
General Obligation, Revenue Bonds and Notes Payable**

	Governmental Activities		Business-type Activities		Total	
	2014	2013	2014	2013	2014	2013
Revenue bonds	\$ 915,000	\$ 210,000			\$ 915,000	\$ 210,000
Notes payable			\$ 1,010,312	\$ 1,049,334	1,010,312	1,049,334
Total	<u>\$ 915,000</u>	<u>\$ 210,000</u>	<u>\$ 1,010,312</u>	<u>\$ 1,049,334</u>	<u>\$ 1,925,312</u>	<u>\$ 1,259,334</u>

State statutes limit the amount of general obligation debt a governmental entity may issue to three percent of the total assessed valuation. The current debt limitation for the Town is \$203,629.

## **Economic Factors and Next Year's Budget and Rates**

- The unemployment rate for the Town decreased to 5.5 percent from a rate of 6 percent a year ago. This is still higher than the state's average unemployment rate of 4.2 percent and the national average of 5.6 percent at December 30, 2014.
- Taxable property valuation decreased slightly, \$6.838 million in 2013 to \$6.787 million in 2014.
- Sales tax revenues increased from \$108,385 in 2013 to \$147,544 in 2014.

All of these factors were considered in preparing the Town's budget for the 2015 fiscal year.

At December 31, 2014, assigned fund balance in the General Fund was \$399,545. The Town has appropriated \$399,545 in the 2015 fiscal year budget in accordance with the requirements of state statute. Property tax rates remain unchanged for the 2015 fiscal year.

## **Requests for Information**

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

## **BASIC FINANCIAL STATEMENTS**

**Town of Keenesburg, Colorado**  
**Statement of Net Position**  
**December 31, 2014**

	<u>Governmental Activities</u>	<u>Business-type Activities</u>	<u>Total</u>
<b>Assets</b>			
Cash and cash equivalents	\$ 1,494,591	\$ 746,984	\$ 2,241,575
Receivables, net	182,316	11,329	193,645
Due from other funds	24,829	9,644	34,473
Inventories and prepaid costs	1,477	47,551	49,028
Restricted assets	48,000		48,000
Nondepreciable capital assets	148,654	1,313,543	1,462,197
Depreciable capital assets, net	<u>1,774,694</u>	<u>2,227,533</u>	<u>4,002,227</u>
 Total assets	 <u>3,674,561</u>	 <u>4,356,584</u>	 <u>8,031,145</u>
<b>Liabilities</b>			
Accounts payable and accrued liabilities	27,828	23,283	51,111
Due to other funds	22,609	11,865	34,474
Unearned revenue	19,209	2,601	21,810
Customer deposits	2,500	6,000	8,500
Long-term liabilities:			
Portion due within one year	55,000	39,867	94,867
Portion due after one year	<u>860,000</u>	<u>970,445</u>	<u>1,830,445</u>
 Total liabilities	 <u>987,146</u>	 <u>1,054,061</u>	 <u>2,032,707</u>
<b>Deferred inflows of resources</b>			
Deferred property taxes	<u>149,328</u>		<u>149,328</u>
<b>Net Position</b>			
Net investment in capital assets	1,008,349	2,530,765	3,539,114
Restricted	76,201		76,201
Unrestricted	<u>1,453,537</u>	<u>771,758</u>	<u>2,225,295</u>
 Total net position	 <u>2,538,087</u>	 <u>3,302,523</u>	 <u>5,840,610</u>
 Total liabilities and net position	 <u>\$ 3,674,561</u>	 <u>\$ 4,356,584</u>	 <u>\$ 8,022,645</u>

**Town of Keenesburg, Colorado**  
**Statement of Activities**  
**Year Ended December 31, 2014**

<u>Functions/Programs</u>	<u>Expenses</u>	<u>Program Revenues</u>		<u>Net (Expense) Revenue and Changes in Net Assets</u>			
		<u>Charges for Services</u>	<u>Operating Grants and Contributions</u>	<u>Capital Grants and Contributions</u>	<u>Governmental Activities</u>	<u>Business-type Activities</u>	<u>Total</u>
<b>Governmental activities:</b>							
General government	\$ 201,192	\$ 48,355		\$ 37,924	\$ (114,913)		\$ (114,913)
Public safety	50,986				(50,986)		(50,986)
Public works	116,217				(116,217)		(116,217)
Health and welfare	13,248				(13,248)		(13,248)
Park and recreation	12,174				(12,174)		(12,174)
Depreciation	124,812				(124,812)		(124,812)
Interest on long-term debt	41,819				(41,819)		(41,819)
Total governmental activities	<u>560,448</u>	<u>48,355</u>		<u>\$ 37,924</u>	<u>(474,169)</u>		<u>(474,169)</u>
<b>Business-type activities:</b>							
Waterworks	389,232	354,067				\$ (35,165)	(35,165)
Wastewater	243,143	199,631				(43,512)	(43,512)
Total business-type activities	<u>632,375</u>	<u>553,698</u>				<u>(78,677)</u>	
Total	<u>\$ 1,192,823</u>	<u>\$ 602,053</u>			<u>(474,169)</u>	<u>(78,677)</u>	<u>(552,846)</u>
<b>General Revenues</b>							
Taxes:							
General Property					150,380		150,380
Specific ownership					12,288		12,288
Franchise					34,114		34,114
Sales					147,544		147,544
Use					4,472		4,472
Severance					53,171		53,171
Highway users					46,804		46,804
Interest					348		348
Other					2,227		2,227
Earnings on investments					515	376	891
Other Revenues					76,448	9,111	85,559
Total general revenues					<u>528,311</u>	<u>9,487</u>	<u>537,798</u>
Change in net position					54,142	(69,190)	(15,048)
Net position - January 1					2,483,944	3,371,713	5,855,657
Net position - December 31					<u>\$ 2,538,087</u>	<u>\$ 3,302,523</u>	<u>\$ 5,840,610</u>

**Town of Keenesburg, Colorado**

**Balance Sheet  
Governmental Funds  
December 31, 2014**

	<u>General</u>	<u>Conservation Trust</u>	<u>Capital Improvements</u>	<u>Total Governmental</u>
<b>Assets</b>				
Cash and cash equivalents	\$ 473,387	\$ 29,928	\$ 991,276	\$ 1,494,591
Due from other funds	2,220		22,609	24,829
Receivables				
Accounts	18,125		14,864	32,989
Property taxes	149,328			149,328
Prepays	1,477			1,477
Restricted asset				
Bond reserve account			48,000	48,000
Total assets	<u>\$ 644,536</u>	<u>\$ 29,928</u>	<u>\$ 1,076,749</u>	<u>\$ 1,751,213</u>
<b>Liabilities and fund balances</b>				
<b>Liabilities:</b>				
Accounts payable	\$ 24,332			\$ 24,332
Due to other funds	22,444	\$ 166		22,610
Unearned revenue	19,209			19,209
Total liabilities	<u>65,985</u>	<u>166</u>		<u>66,151</u>
Deferred inflows of resources				
Deferred property taxes	<u>149,328</u>			<u>149,328</u>
<b>Fund Balances:</b>				
<b>Non-spendable:</b>				
Prepaid expenditures	1,477			1,477
<b>Restricted:</b>				
Emergencies (TABOR)	28,201			28,201
<b>Bond reserve</b>			<b>\$ 48,000</b>	<b>48,000</b>
<b>Committed:</b>				
Debt service			81,718	81,718
Parks/recreation		\$ 21,000		21,000
<b>Assigned, reported in</b>				
General fund	399,545			399,545
Conservation trust fund		8,762		8,762
Capital improvements fund			920,400	920,400
Unassigned:			26,631	26,631
Total fund balances	<u>429,223</u>	<u>29,762</u>	<u>1,076,749</u>	<u>1,535,734</u>
Total liabilities and fund balances	<u>\$ 644,536</u>	<u>\$ 29,928</u>	<u>\$ 1,076,749</u>	

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

Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the funds. 1,923,348

Long-term liabilities, including bonds payable, are not due and payable in the current period and therefore are not reported in the funds. (920,996)

Total net position of governmental activities \$ 2,538,087



**Town of Keenesburg, Colorado**

**Statement of Revenues, Expenditures, and Changes in Fund Balance  
Governmental Funds  
Year Ended December 31, 2014**

	<u>General</u>	<u>Conservation Trust</u>	<u>Capital Improvements</u>	<u>Total</u>
<b>Revenues</b>				
Taxes	\$ 322,324		\$ 129,027	\$ 451,351
Licenses and fees	10,500			10,500
Intergovernmental	49,470	\$ 11,296		60,766
Charges for service	48,355			48,355
Earnings on investments	210	12	293	515
Miscellaneous revenue	43,103			43,103
Total revenues	<u>473,962</u>	<u>11,308</u>	<u>129,320</u>	<u>614,590</u>
<b>Expenditures</b>				
Current operating				
General government	198,865			198,865
Public safety	50,986			50,986
Public works	116,216			116,216
Health and welfare	13,248			13,248
Culture and recreation	11,008	1,166		12,174
Capital outlay	57,660			57,660
Debt service				
Principal			255,000	255,000
Interest			41,819	41,819
Total expenditures	<u>447,983</u>	<u>1,166</u>	<u>296,819</u>	<u>745,968</u>
Revenues over(under) expenditures	25,979	10,142	(167,499)	(131,378)
Other financing sources:				
Bonds issued			960,000	960,000
Net change in fund balances	25,979	10,142	792,500	828,622
Fund balances - January 1	<u>403,244</u>	<u>19,620</u>	<u>284,249</u>	
Fund balances - December 31	<u>\$ 429,223</u>	<u>\$ 29,762</u>	<u>\$ 1,076,749</u>	

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

Governmental funds report capital outlays as expenditures. However, in the statement of activities the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense. This is the amount by which capital outlay exceeded depreciation in the current year.	(67,151)
The issuance of long-term debt 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 an effect on net assets.	(705,000)
Change in long-term compensated absences:	<u>(2,329)</u>
Change in net position of governmental activities	<u>\$ 54,142</u>

Town of Keenesburg, Colorado

Statement of Revenues, Expenditures, and Changes in Fund Balance  
 Budget and Actual  
 General Fund  
 Year Ended December 31, 2014

	<u>Budget</u>			Variance with Final Budget Positive (Negative)
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	
<b>Revenues</b>				
Taxes				
General property taxes	\$ 150,412	\$ 150,412	\$ 150,380	\$ (32)
Specific ownership taxes	10,000	10,000	12,288	2,288
Interest on delinquent taxes	400	400	350	(50)
Total taxes	<u>160,812</u>	<u>160,812</u>	<u>163,018</u>	<u>2,206</u>
All other taxes	144,867	144,867	159,305	14,438
Intergovernmental	18,200	18,200	49,470	31,270
License and permits	17,800	17,800	10,500	(7,300)
Charges for Service	46,500	46,500	48,355	1,855
Miscellaneous	31,225	31,225	43,314	12,089
Total	<u>258,592</u>	<u>258,592</u>	<u>310,944</u>	<u>52,352</u>
Total revenues	<u>419,404</u>	<u>419,404</u>	<u>473,962</u>	<u>54,558</u>
<b>Expenditures</b>				
Legislative	27,920	27,920	26,297	1,623
Administration	213,735	213,735	184,421	29,314
Public safety	58,500	58,500	50,986	7,514
Public works	129,908	129,908	162,023	(32,115)
Health and welfare	11,565	11,565	13,248	(1,683)
Culture and recreation	11,250	11,250	11,008	242
Total expenditures	<u>452,878</u>	<u>452,878</u>	<u>447,983</u>	<u>4,895</u>
Net change in fund balance	(33,474)	(33,474)	25,979	59,453
Fund balance - January 1	<u>33,474</u>	<u>33,474</u>	<u>403,244</u>	<u>369,770</u>
Fund balance - December 31	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 429,223</u>	<u>\$ 429,223</u>

Town of Keenesburg, Colorado

Statement of Revenues, Expenditures, and Changes in Fund Balances  
 Budget and Actual  
 Conservation Trust Fund  
 Year Ended Dec 31, 2014

	<u>Budget</u>			<i>Variance with Final Budget Positive (Negative)</i>
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	
<b>Revenues</b>				
Lotto contributions/donation	\$ 12,750	\$ 12,750	\$ 11,296	\$ (1,454)
Earnings on investments	18	18	12	(6)
Total revenues	<u>12,768</u>	<u>12,768</u>	<u>11,308</u>	<u>(1,460)</u>
<b>Expenditures</b>				
Maintenance and repairs	<u>5,000</u>	<u>5,000</u>	1,166	3,834
Total expenditures	<u>5,000</u>	<u>5,000</u>	<u>1,166</u>	<u>3,834</u>
Net change in fund balance	7,768	7,768	10,142	2,374
Fund balance - January 1	<u>(7,768)</u>	<u>(7,768)</u>	19,620	27,388
Fund balance - December 31	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 29,762</u>	<u>\$ 29,762</u>

Town of Keenesburg, Colorado

Statement of Net Position  
 Proprietary Funds  
 December 31, 2014

	<b>Enterprise Funds</b>		
	<b>Waterworks Operating Fund</b>	<b>Wastewater Operating Fund</b>	<b>Total</b>
<b>Assets</b>			
Cash and cash equivalents	\$ 690,402	\$ 56,582	\$ 746,984
Accounts receivable, net	6,385	4,944	11,329
Due from other funds		9,644	9,644
Inventories	46,743		46,743
Prepays	445	363	808
Capital assets:			
Land	85,762	83,292	169,054
Other capital assets, net of depreciation	3,042,405	329,617	3,372,022
Total assets	<u>3,872,142</u>	<u>484,442</u>	<u>4,356,584</u>
<b>Liabilities</b>			
Accounts payable	8,538	4,358	12,896
Current portion of long-term debt	37,675	2,192	39,867
Due to other funds	11,695	170	11,865
Deposits	6,000		6,000
Compensated absences, non-current	5,821	4,565	10,386
Unearned revenue	2,113	488	2,601
Notes payable, non-current	929,680	40,766	970,445
Total liabilities	<u>1,001,522</u>	<u>52,539</u>	<u>1,054,061</u>
<b>Net position</b>			
Net investment in capital assets	2,160,812	369,952	2,530,764
Net position - restricted for capital projects	600,000		600,000
Net position - unrestricted	109,808	61,951	171,759
Total net position	<u>2,870,620</u>	<u>431,903</u>	<u>3,302,523</u>
Total liabilities and net position	<u>\$ 3,872,142</u>	<u>\$ 484,442</u>	<u>\$ 4,356,584</u>

Town of Keenesburg, Colorado

Statement of Revenues, Expenses, and Changes in Fund Net Position  
 Proprietary Fund  
 Year Ended December 31, 2014

	<u>Waterworks</u>	<u>Wastewater</u>	<u>Total</u>
<b>Operating revenues</b>			
Charges for services	\$ 354,067	\$ 199,631	\$ 553,698
Miscellaneous	9,111		9,111
Total operating revenues	<u>363,178</u>	<u>199,631</u>	<u>562,809</u>
<b>Operating expenses</b>			
Operations and maintenance	177,114	144,058	321,172
Administration and general	79,589	73,183	152,772
Total operating expenses	<u>256,703</u>	<u>217,241</u>	<u>473,944</u>
Operating income(loss) before depreciation	106,475	(17,610)	88,865
Depreciation	<u>95,511</u>	<u>23,650</u>	<u>119,161</u>
Operating income (loss)	<u>10,964</u>	<u>(41,260)</u>	<u>(30,296)</u>
<b>Nonoperating revenues (expenses)</b>			
Earnings on investments	348	28	376
Interest on debt	<u>(37,018)</u>	<u>(2,252)</u>	<u>(39,270)</u>
Total nonoperating revenues (expenses)	<u>(36,670)</u>	<u>(2,224)</u>	<u>(38,894)</u>
Change in net position	(25,706)	(43,484)	(69,190)
Total net position - January 1	<u>2,896,328</u>	<u>475,385</u>	<u>3,371,713</u>
Total net position - December 31	<u>\$ 2,870,622</u>	<u>\$ 431,901</u>	<u>\$ 3,302,523</u>

**Town of Keenesburg, Colorado**

**Statement of Cash Flows  
Proprietary Fund  
Year Ended Dec 31, 2014**

	<u>Waterworks</u>	<u>Wastewater</u>	<u>Total</u>
<b>Cash flows from operating activities:</b>			
Cash received from customers	\$ 354,067	\$ 199,631	\$ 553,698
Cash payments to employees for services	(90,956)	(78,137)	(169,093)
Cash payments to suppliers for goods and services	(160,654)	(144,461)	(305,115)
Other operating receipts	9,111		9,111
Net cash provided (used) by operating activities	<u>111,568</u>	<u>(22,967)</u>	<u>88,601</u>
<b>Cash flows from capital and related financing activities:</b>			
Principal payments on long-term debt	(36,933)	(2,088)	(39,021)
Interest paid on long-term debt	(37,018)	(2,252)	(39,270)
Acquisition and construction of capital assets	(4,067)	(3,254)	(7,321)
Net cash used by capital and related financing activities	<u>(78,018)</u>	<u>(7,594)</u>	<u>(85,612)</u>
<b>Cash flows from investing activities:</b>			
Interest on investments	348	28	376
Net cash provided by investing activities	<u>348</u>	<u>28</u>	<u>376</u>
Net increase (decrease) in cash and cash equivalents	33,898	(30,533)	3,365
<b>Cash and cash equivalents</b>			
Beginning of year	656,504	87,115	743,619
End of year	<u>\$ 690,402</u>	<u>\$ 56,582</u>	<u>\$ 746,984</u>
<b>Reconciliation of operating income(loss) to net cash provided (used) by operating activities</b>			
Operating income	\$ 10,964	\$ (41,260)	\$ (30,296)
Adjustments to reconcile operating income to net cash provided (used) by operating activities:			
Depreciation	95,511	23,650	119,161
Change in assets and liabilities			
Accounts receivable	2,264	1,074	3,338
Prepaid expenses	(91)	(149)	(240)
Inventories	(19,442)		(19,442)
Accounts payable and accrued expenses	4,424	1,290	5,714
Due to (from) other funds	10,588	(7,365)	3,223
Deferred revenue	1,350	(207)	1,143
Deposits	6,000		6,000
Net cash provided (used) by operating activities	<u>\$ 111,568</u>	<u>\$ (22,967)</u>	<u>\$ 88,601</u>

## **NOTES TO THE FINANCIAL STATEMENTS**

## Town of Keenesburg, Colorado

### Notes to Basic Financial Statement December 31, 2014

#### NOTE 1: Summary of Significant Accounting Policies

These financial statements of the Town of Keenesburg, Colorado (Town) were prepared in accordance with accounting principles generally accepted in the United States of America for governmental entities (GAAP). The following summary of the more significant accounting policies of the Town is presented to assist the reader in interpreting these financial statements, and should be viewed as an integral part of this report.

##### Reporting Entity

The Town is an autonomous municipal entity established pursuant to the laws of the State of Colorado and governed by an elected Mayor and Board of Trustees. The Town provides the following services as authorized by state law: public safety, public works, sanitation, health and welfare, culture and recreation, public improvements, planning and zoning, and general administrative services. The accompanying financial statements present the Town's primary government over which the Town exercises significant influence. Significant influence or accountability is based primarily on operational or financial relationships with the Town (as distinct from legal relationships).

##### Financial Statement Presentation

*Government-wide Statements:* The statement of net assets and the statement of activities display information about the nonfiduciary activities of the primary government. These statements distinguish between the governmental and business-type activities of the Town. Governmental activities are primarily financed through taxes and intergovernmental revenues, whereas business-type activities are primarily financed through charges for services to external parties.

The statement of activities presents a comparison between direct expenses and program revenues for each function of the Town's governmental activities, and for each of the business-type activities. Direct expenses are those that are clearly identified with a specific program or segment. Indirect expense allocations are displayed separately from the direct expenses. Program revenues include (a) fees, fines, and charges for service, and (b) grants and contributions that are restricted for operating or capital requirements of a specific program. All taxes and other revenues not meeting the criteria for classification as program revenues are reported as general revenues.

*Fund Financial Statements:* The fund financial statements report information about the Town's funds. Separate statements are presented for each major governmental and enterprise fund.

The Town reports the following major governmental funds:

*General Fund.* This 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.

*Conservation Trust Fund.* This fund is used to account for and report the financial resources acquired through the state of Colorado and the earnings of these financial resources and ensures the financial resources are used for conservation related operating and capital expenditures.

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

The Town reports the following major enterprise funds:

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



## Town of Keenesburg, Colorado

### Notes to Basic Financial Statement December 31, 2014

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

#### Measurement Focus and Basis of Accounting

The government-wide and proprietary fund financial statements use a flow of economic resources measurement focus to determine net income and financial position. The accounting principles used are similar to those applicable to businesses in the private sector and, thus, these funds are maintained on the accrual basis of accounting. Revenues are recognized when earned and expenses are recognized when incurred.

Governmental fund financial statements use a current financial resources measurement focus, and are maintained on the modified accrual basis of accounting. Revenues are recognized when they become susceptible to accrual; that is, when they become both "measurable" and "available to finance expenditures of the current period." The Town considers amounts collected on grants within 120 days after year-end, and amounts collected within 60 days after year-end on all other governmental funds, to be available and thus recognizes them as revenues of the current year. Expenditures are recognized in the accounting period in which the related fund liability is incurred, if measurable. Principal and interest on general long-term debt are recorded as fund liabilities when due or when amounts have been accumulated in the debt service funds for payments to be made early the following year.

Revenues of the Town which are susceptible to accrual under the modified accrual basis include property taxes, grant revenues, interest revenue, and charges for services. In applying the "susceptible to accrual" concept to intergovernmental revenues (grants, entitlements and shared revenues), the legal and contractual requirements of the numerous individual programs are used as guidance. There are essentially two type of these revenues. In one, moneys must be expended on the specific purpose or project before any amounts will be earned by the Town; therefore, revenues are recognized based upon when the expenditures are made if they meet the criterion of availability. In the other, moneys are essentially unrestricted as to purpose of expenditure and revocable only for failure to comply with prescribed compliance requirements. These resources are reflected as revenue at the time of receipt or earlier if they meet the criterion of availability.

#### Fund Balance Presentation

Fund balances of the Governmental Funds are classified as follows:

*Nonspendable.* This classification includes amounts that cannot be spent because they are either (a) not in spendable form or (b) legally or contractually required to be maintained intact.

- Prepaid expenditures – portion of fund balance that is not an available resource because it represents the year-end balance of prepaid expenditures, which are not spendable resources.

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

- Restricted for Emergency Reserves – portion of fund balance that is restricted by State Statute (amendment to the State Constitution, Article X, Section 20).

*Committed.* This classification includes amounts that can be spent only for specific purposes pursuant to constraints imposed by formal action of the Town. Such formal action may be in the form of an ordinance or resolution and may only be modified or rescinded by a subsequent formal action.

- Committed for debt service - portion of fund balance that can only be used for debt service.

## Town of Keenesburg, Colorado

### Notes to Basic Financial Statement December 31, 2014

- Committed for parks and recreation - portion of fund balance that can only be used for parks and recreation.

*Assigned.* This classification includes amounts that are intended by the Town to be used for specific purposes, but are neither restricted nor committed. Assignments may be made only by the governing body or official.

- Subsequent year's expenditures – portion of fund balance that is appropriated in the next year's budget that is not already classified in restricted or committed.

*Unassigned.* This classification represents the residual positive balance within the General Fund, which has not been restricted, committed or assigned. In funds other than the General Fund, unassigned fund balances are limited to negative residual balances.

The Town uses restricted amounts first when both restricted and unrestricted fund balances are available.

#### Budget and Budgetary Accounting

Local Government Budget law, requires that the annual fiscal year budget be legally adopted by the Board at the fund level, and that any expenditures or contract for expenditures in the fiscal year for an amount greater than the total fund budget is unlawful. Pursuant to this legal requirement, an annual appropriated budget is adopted by resolution subject to public hearing. Such resolution sets the budget appropriations in total by fund for each governmental fund and each proprietary fund of the Board. Budgetary information presented in this report is in a categorized format by revenue source, expenditure function, and expenditure reserves, which represents a detail level greater than the statutory level of control. At the close of the fiscal year, all budget appropriations lapse to the extent that they have not been expended.

The budgets for the proprietary funds are prepared on a accrual basis and are consistent with GAAP except that depreciation, amortization, noncash capital contributions, and gains/losses on the disposal of assets are not budgeted, capitalized net interest costs on funds borrowed to finance construction of capital assets are budgeted as interest income and interest expense, capital outlays are budgeted as expense, and proceeds and principal payments are respectively budgeted as revenue and expense.

#### Cash and Cash Equivalents

For purposes of reporting the statement of cash flows, the Town considers all cash accounts, which are not subject to withdrawal restrictions or penalties and all certificates of deposit to be cash equivalents.

Investments are stated at cost or amortized cost, which approximates market.

#### Inventories

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

#### Accounts Receivable

Amounts due from private individuals, organizations, or other governments which pertain to charges for services rendered by the departments are reported as accounts receivable.

Receivables are reviewed periodically to establish or update the provisions for uncollectible amounts. These provisions are estimated based on an analysis of the age of the various accounts. The Town records the amount of earned but unbilled service revenues for Waterworks and Wastewater enterprise funds.

**Town of Keenesburg, Colorado**

**Notes to Basic Financial Statement  
December 31, 2014**

Capital Assets

Capital assets are reported in the applicable governmental or business-type activities column in the government-wide financial statements. Constructed or purchased assets are recorded at historical cost or estimated historical cost. Donated assets are recorded at the estimated fair market value on the date of donation. The thresholds for capitalization of assets range from \$500 to \$1 million, depending on the asset class. Costs of maintenance and repairs that do not add to the value of assets or extend their useful lives are not capitalized.

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

Buildings	10-50
Infrastructure and improvements	10-50
Mobile equipment, furniture, machinery and equipment	5-20

Compensated Absences

It is the policy of the Town to permit employees to accumulate a limited amount of earned but unused leave benefits which will be paid to employees upon separation from service. Unpaid compensated absences are recorded as a liability when the benefits are earned in the proprietary fund financial statements. For governmental funds, there is no legal requirement to accumulate expendable available financial resources to liquidate the obligation; thus expenditures are recognized in the governmental funds when payments are made to employees. The valuation of accrued leave benefits is calculated in accordance with GASB Statement No. 16, *Accounting for Compensated Absences*. The liability is typically liquidated with resources of the same fund that has paid the applicable employee's regular salaries and fringe benefits.

Net Position

The government-wide statement of net position reports a total of \$76,201 of restricted net position for governmental activities, all of which is restricted by enabling legislation.

Estimates

The preparation of financial statements in conformity with GAAP requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities as of the financial statement date and the reported amounts of revenues and expenses or expenditures during the reporting period. Actual results could differ from those estimates.

**Town of Keenesburg, Colorado**

**Notes to Basic Financial Statement  
December 31, 2014**

**NOTE 2: Deposits**

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

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 and are the co-agents for release of the collateralized assets.

The Town is governed by the deposit and investment limitations of state law. The deposits and investments held at December 31, 2014, and reported at fair value, are shown below:

<u>Type</u>	<u>Rating</u>	<u>Carrying Value</u>
<b>Deposits:</b>		
Checking/Demand Deposits	N/A	\$ 28,399
<b>Investments:</b>		
Savings	N/A	<u>2,261,176</u>
<b>Total deposits and investments</b>		<u>\$ 2,289,575</u>
 <b>Reconciliation to Statement of Net Position</b>		
Current unrestricted		\$ 2,213,374
Current restricted		<u>76,201</u>
		<u><u>\$ 2,289,575</u></u>

Custodial Credit Risk

Deposits in financial institutions, reported as cash, cash equivalents, and investments, had a bank balance of \$2,289,575 at December 31, 2014, which was fully insured by depository insurance or secured with collateral held by Town's agent in its name. All investments, evidenced by individual securities, are registered in the name of the Town.

Investment Interest Rate Risk

The Town has no formal investment policy that limits investment maturities as a means of managing its exposure to fair value losses arising from increasing interest rates. Investments held at December 31, 2014 were certificates of deposit in the name of the Town.

Investment Credit Risk

The Town has no investment policy that limits its investment choices other than the limitation of state law.

Concentration of Investment Credit Risk

The Town places no limit on the amount it may invest in any one issuer. At December 31, 2014, the Town had no concentration of credit risk.

**Town of Keenesburg, Colorado**

**Notes to Basic Financial Statement  
December 31, 2014**

**NOTE 3: Property Taxes**

Property taxes are attached as an enforceable lien on property as of January 1. Taxes are certified by Weld County in October of the preceding year, levied on January 1 and paid in either one installment in April 30, or two installments on February 28 and June 15. Weld County bills and collects the Town's property tax. Property taxes are recognized as receivables and deferred revenues when levied and as revenue when due for collection in the following year. Management believes that all property tax receivable as of December 31, 2014 are fully collectible. Accordingly, no reserve for bad debts exists at December 31, 2014.

**NOTE 4: Interfund Receivable/Payable**

Interfund receivable and payable balances at December 31, 2014 are as follows:

<u>Fund</u>	<u>Interfund Receivable</u>	<u>Interfund Payable</u>
General	\$ 24,663	
Waterworks Operating	9,645	\$ 2,050
Wastewater Operating		9,814
Other Funds	166	22,610
Total	<u>\$ 34,474</u>	<u>\$ 34,474</u>

**NOTE 5: Prior Period Adjustment**

In the prior year funding received for the purchase of new vehicles was not recorded as it was given directly to the vendor. However, this should have shown as an increase in the value of depreciable assets on the Statement of Net Position. Correction of this error resulted in an increase to the beginning balance of Total net position by \$71,097.

**Town of Keenesburg, Colorado**

**Notes to Basic Financial Statement  
December 31, 2014**

**NOTE 6: Capital Assets**

A summary of changes in capital assets for the year ended December 31, 2014 was as follows:

<u>Governmental Activities</u>				
	<u>Beginning Balance</u>	<u>Increases</u>	<u>Transfers/ Decreases</u>	<u>Ending Balance</u>
Nondepreciable capital assets:				
Land	\$ 148,654			\$ 148,654
Other capital assets:				
Buildings	885,084			885,084
Equipment	600,943	\$ 57,660	\$ 21,995	636,608
Streets	1,332,697			1,332,697
Total other capital assets as historical cost	<u>2,818,724</u>	<u>57,660</u>	<u>21,995</u>	<u>2,854,389</u>
Less accumulated depreciation for:				
Buildings	388,672	41,673		430,346
Equipment	414,017	42,191	21,995	434,213
Streets	174,189	40,497		215,136
Total accumulated depreciation	<u>976,878</u>	<u>124,812</u>	<u>21,995</u>	<u>1,079,695</u>
Other capital assets, net	<u>1,841,846</u>	<u>(67,152)</u>		<u>1,774,694</u>
Governmental activities capital assets, net	<u>\$1,990,500</u>	<u>\$ (67,152)</u>		<u>\$1,923,348</u>
Depreciation expense was charged to functions as follows:				
Governmental activities:				
Legislative		\$ 8,410		
General government		55,181		
Public safety		16,303		
Public works		37,162		
Health and welfare		4,236		
Culture and recreation		<u>3,520</u>		
Total governmental activities depreciation expense		<u>\$ 124,812</u>		

**Town of Keenesburg, Colorado**

**Notes to Basic Financial Statement  
December 31, 2014**

Business-type activities

	Beginning Balance	Increases	Transfers/ Decreases	Ending Balance
Nondepreciable Capital assets:				
Land	\$ 169,054			\$ 169,054
Water rights	1,144,489			1,144,489
Total capital assets not being depreciated	<u>1,313,543</u>			<u>1,313,543</u>
Other capital assets:				
Buildings	41,662			41,662
Equipment	131,246	\$ 3,254		134,500
Improvements - lagoons	429,149			429,149
Lagoon discharge rights	11,904			11,904
Waste water system	124,656			124,656
Water works system	3,183,486	4,065	\$ 2,664	3,184,887
Total other capital assets at historical cost	<u>3,922,103</u>	<u>7,319</u>	<u>2,664</u>	<u>3,926,758</u>
Less accumulated depreciation for:				
Buildings	38,385	510		38,894
Equipment	113,664	5,329		118,993
Improvements - lagoons	116,819	18,821		135,641
Lagoon discharge rights	11,903			11,903
Waste water system	94,663	2,212		96,875
Water works system	1,207,294	92,289	2,664	1,296,919
Total accumulated depreciation	<u>1,582,728</u>	<u>119,161</u>	<u>2,664</u>	<u>1,699,225</u>
Other capital assets, net	<u>2,339,375</u>	<u>(111,842)</u>		<u>2,227,533</u>
Business-type activities capital assets, net	<u>\$3,652,918</u>	<u>\$(111,842)</u>		<u>\$3,541,076</u>

Depreciation expense was charged to functions as follows:

Business-type activities:

Water works	\$ 95,511
Waste water	<u>23,650</u>

Total business-type activities depreciation expense \$ 119,161

**Town of Keenesburg, Colorado**

**Notes to Basic Financial Statement  
December 31, 2014**

**NOTE 7: Long-term obligations**

The following is a summary of transactions affecting the Town's long-term obligations for the year ended December 31, 2014:

	Beginning Balance	Increases	Decreases	Ending Balance	Amounts Due Within 1 Year
Governmental activities					
Bonds payable:					
Sales Tax Revenue and Refunding Bonds	\$ 210,000	\$ 960,000	\$ 255,000	\$ 915,000	\$ 55,000
Compensated absences	3,670	2,325		5,995	
Governmental activities long-term liabilities	<u>\$ 213,670</u>	<u>\$ 962,325</u>	<u>\$ 255,000</u>	<u>\$ 920,995</u>	<u>\$ 55,000</u>
Business-type activities					
Notes Payable	\$1,049,333		\$ 39,021	\$ 1,010,312	\$ 39,867
Compensated absences	6,523	\$ 3,862		10,386	
Business-type activities long-term liabilities	<u>\$1,055,856</u>	<u>\$ 3,863</u>	<u>\$ 39,021</u>	<u>\$ 1,020,686</u>	<u>\$ 38,378</u>

Permanent employees of the Town can earn vacation leave at the rate of 5 days per year for the first three years up to a maximum of 20 days per year after ten years. Part-time employees working 20-31 hours per week earn vacation leave prorated based on the average number of hours worked each month based on the same years of service as permanent employees. Employees are encouraged to take the full amount of vacation each year. Vacation may be carried over into subsequent calendar years after three years of service. No more than 40 hours may be carried over on any given year. At termination, employees are paid for any accumulated vacation leave. Accumulated vacation leave and salary related payments at December 31, 2014 amounted to \$2,566. Of this amount, \$1,109 is recorded as a liability in the government-wide financial statements for governmental activities, and \$1,457 is recorded as a liability in the proprietary fund financial statements and the government-wide financial statements for business-type activities.

Permanent employees of the Town earn sick leave at the rate of 12 days per year. The maximum permissible accumulation is 60 days. Upon separation from the Town, employees are paid for one fourth of any accumulated sick leave. Accumulated sick leave for the Town at December 31, 2014 amounted to \$13,816 in total. Of this amount, \$4,886 is recorded as a liability in the government-wide financial statements for governmental activities, and \$8,930 is recorded as a liability in the proprietary fund financial statements and the government-wide financial statements for business-type activities.



**Town of Keenesburg, Colorado**

**Notes to Basic Financial Statement  
December 31, 2014**

Bonds and notes payable

Bonds and notes payable at December 31, 2014 are comprised of the following issues:

	<u>Total Payable</u>	<u>Current Portion</u>
Business-type activities:		
A loan from Colorado Water Conservation Board (CWCB), issued for purchase of an existing well and to construct a raw water pipeline from the well to the Town. Principal and interest installments are due annually on July 1, at an annual interest rate of 3.75%, maturity date of June 30, 2038.	\$ 967,355	\$ 37,675
A loan from Department of Local Affairs (DOLA), issued for purchase of materials for wastewater system upgrade to meet state requirements. Principal and interest installments are due annually on September 1, at an annual interest rate of 5%, maturity date of September 1, 2028.	42,958	2,192
Governmental activities:		
The \$960,000 Sales Tax Revenue Bonds, Series 2014, issued for street improvements. Principal installments are due annually on December 1 with semiannual interest payments due on June 1 and December 1, at an annual interest rate of 2.92%	<u>915,000</u>	<u>55,000</u>
Total bonds, leases and notes payable	<u>\$ 1,925,313</u>	<u>\$ 94,867</u>

To provide additional security for the payment of the Sales Tax Bonds, sales tax collections that are in excess of the required annual amounts to fund the Bond requirements shall be maintained in a Reserve Account. The amount of the reserve shall be \$48,000. The requirement for 2014 has been met by the Town.

The Town has established a 3% municipal sales tax of which 1/12th is pledged monthly to be used to pay principal and interest on this indebtedness. These pledged revenues are accounted for in the Capital Improvements Fund. In 2014, sales taxes of \$129,027 were received in the Capital Improvements Fund and \$45,000 was required for debt service. Debt service is anticipated to require approximately 46% of pledged revenues.

**Town of Keenesburg, Colorado**

**Notes to Basic Financial Statement  
December 31, 2014**

The annual debt service requirements for all bonds and notes outstanding as of December 31, 2014, are as follows:

<u>Years</u>	<u>Principal</u>	<u>Interest</u>
2015	\$ 94,867	\$ 65,142
2016	101,389	62,013
2017	102,970	58,680
2018	109,612	55,287
2019	111,317	51,684
Subtotal	520,155	292,806
2020-2024	644,537	200,975
2025-2029	533,796	88,246
2030-2033	226,825	18,928
Total	<u>\$1,925,313</u>	<u>\$ 600,955</u>

**NOTE 8: Budgets**

State law requires that all funds be budgeted. The Waterworks Operating Fund and Wastewater Operating Fund budgets are on a comprehensive basis of accounting other than GAAP. Because accounting principles applied for purposes of developing data on a budgetary basis differ significantly from those used to present financial statements in conformity with GAAP, a reconciliation of resultant basis, timing, perspective and entity differences in the excess of revenues and other sources in financial resources over expenditures and other uses of financial resources for the year ended December 31, 2014, is presented below:

	<u>Waterworks Operating Fund</u>	<u>Wastewater Operating Fund</u>
Excess of revenues and other sources of financial resources over expenditures and other uses of financial resources (Budget basis)	\$ 28,806	\$ (25,176)
Adjustments:		
Equipment, buildings, and system improvements	4,066	3,254
Depreciation and amortization	(95,511)	(23,650)
Principal on debt	36,933	2,088
Excess of revenues and other sources of financial resources over expenditures and other uses of financial resources (GAAP basis)	<u>\$ (25,706)</u>	<u>\$ (43,484)</u>

**Town of Keenesburg, Colorado**

**Notes to Basic Financial Statement  
December 31, 2014**

**NOTE 9: Retirement Plan**

The Town provides retirement benefits for all full-time employees through a SEP administered by American Funds. The current year covered payroll of eligible employees amounted to \$220,823. The Town contributes 5% of the employees' compensation; however, the total contribution for each employee may not exceed 15% of annual earnings or \$30,000, whichever is less. Contributions by the Town on behalf of the employees amounted to \$11,041 for 2014. All contributions are 100% vested for the benefit of each employee immediately upon deposit.

**NOTE 10: Risk Management**

The Town is exposed to various risks of loss related to torts; thefts of, damage to, or destruction of assets; errors or omissions; injuries to employees; or acts of God.

The Town is a member of the Colorado Intergovernmental Risk Sharing Agency (CIRSA). CIRSA is a joint self-insurance pool created by intergovernmental agreement of 220 municipalities and 41 special districts to provide property and liability and/or workers' compensation coverage to its members.

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

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

**NOTE 11: Related Organization**

The Timberwood Housing Authority is an autonomous municipal entity governed by a board approved by the Mayor, but there is no continuing relationship between the Authority and the Town. The management of the Authority is selected by the governing board and operations are the exclusive responsibility of the Authority's management. The Authority is responsible for its financial affairs including the funding of deficits and the disposition of surpluses, also the Town does not guarantee the Authority's outstanding debt.

The Authority operates within the geographical boundaries of the Town.

The Authority is treated as a related organization rather than a component unit since there is not financial interdependency, control or oversight responsibility.

**NOTE 12: Tax and Spending Limitations**

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

The Amendment requires that Emergency Reserves be established. These reserves must be at least 3 percent of "fiscal Year Spending" (as defined in the Amendment). As of December 31, 2014, the Reserved Fund Balance for this purpose is \$28,201.

## **SUPPLEMENTARY INFORMATION**

Town of Keenesburg, Colorado

Schedule of Revenues, Expenditures, and Changes in Fund Balance  
 Budget and Actual - General Fund  
 Year Ended December 31, 2014

	<u>Budget</u>			Variance with Final Budget Positive (Negative)
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	
<b>Revenues</b>				
General property tax	\$ 150,412	\$ 150,412	\$ 150,380	\$ (32)
Specific ownership tax	10,000	10,000	12,288	2,288
Penalties and interest	400	400	350	(50)
Taxes	<u>160,812</u>	<u>160,812</u>	<u>163,018</u>	<u>2,206</u>
Cigarette tax	750	750	902	152
Sales tax	18,500	18,500	18,517	17
Franchise tax	34,500	34,500	34,114	(386)
Severance tax	30,000	30,000	53,171	23,171
Highway users' tax	44,617	44,617	46,804	2,187
Use tax	15,000	15,000	4,472	(10,528)
Payment in lieu of taxes	1,500	1,500	1,325	(175)
Other taxes	<u>144,867</u>	<u>144,867</u>	<u>159,305</u>	<u>14,438</u>
Main St Program	6,500	6,500		(6,500)
Motor vehicle registration	6,500	6,500	5,943	(557)
County road and bridge	5,000	5,000	5,602	602
Donations	200	200	37,925	37,725
Intergovernmental	<u>18,200</u>	<u>18,200</u>	<u>49,470</u>	<u>31,270</u>
Liquor license	900	900	780	(120)
Occupation fees	700	700	695	(5)
Building permits	12,000	12,000	6,340	(5,660)
Business licenses and permits	2,500	2,500	2,285	(215)
Street cut fees	200	200	400	(600)
Park fees	1,500	1,500		(1,500)
License and fees	<u>17,800</u>	<u>17,800</u>	<u>10,500</u>	<u>(7,300)</u>
Development fees engineering	20,000	20,000	24,473	4,473
Development fees legal	20,000	20,000	16,492	(3,508)
Animal control fees	2,500	2,500	2,585	85
Municipal court fees	4,000	4,000	4,805	805
Charges for service	<u>46,500</u>	<u>46,500</u>	<u>48,355</u>	<u>1,855</u>
Earnings on investments	225	225	210	(15)
Miscellaneous revenues	31,000	31,000	43,104	12,104
Miscellaneous	<u>31,225</u>	<u>31,225</u>	<u>43,314</u>	<u>12,089</u>
<b>Total revenues</b>	<u>\$ 419,404</u>	<u>\$ 419,404</u>	<u>\$ 473,962</u>	<u>\$ 54,558</u>

Town of Keenesburg, Colorado

Schedule of Revenues, Expenditures, and Changes in Fund Balance  
 Budget and Actual - General Fund  
 Year Ended December 31, 2014

	<u>Budget</u>			<i>Variance with Final Budget Positive (Negative)</i>
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	
<b>Expenditures</b>				
Mayor salary	18,000	18,000	18,000	
Payroll taxes mayor/trustees	1,875	1,875	1,837	38
Publishing			222	(222)
Election judges	425	425	400	25
Workmen's compensation	120	120	70	50
Miscellaneous	1,800	1,800	618	1,182
Director/trustee fees	5,700	5,700	5,150	550
Legislative	<u>27,920</u>	<u>27,920</u>	<u>26,297</u>	<u>1,623</u>
Salaries	36,000	36,000	40,457	(4,457)
Payroll taxes	3,025	3,025	3,579	(554)
Telephone	1,800	1,800	2,096	(296)
Utilities	1,450	1,450	1,850	(400)
Office expense	6,500	6,500	11,989	(5,489)
Maintenance and repairs	1,500	1,500	1,826	(326)
Insurance and bonds	8,100	8,100	8,842	(742)
Audit and accounting	4,700	4,700	4,624	76
Professional services	20,000	20,000	1,962	18,038
Legal	28,000	28,000	13,986	14,014
Publishing	3,000	3,000	3,367	(367)
Dues and subscriptions	6,960	6,960	5,457	1,503
Health insurance	10,150	10,150	10,368	(218)
Planning and zoning	20,000	20,000	9,873	10,127
Capital outlay	12,000	12,000	11,853	147
Employee benefits	1,800	1,800	1,926	(126)
Workmen's compensation	500	500	140	360
Miscellaneous	6,500	6,500	7,793	(1,293)
Treasurer's fees	1,750	1,750	1,508	242
Legal/Development/Planning	40,000	40,000	40,925	(925)
General Administration	<u>213,735</u>	<u>213,735</u>	<u>184,421</u>	<u>29,314</u>
Legal - judge and court attorney	3,200	3,200	2,231	969
Law enforcement	45,000	45,000	43,361	1,639
Inspection services	10,000	10,000	5,368	4,632
Miscellaneous	300	300	26	274
Capital outlay				
Public safety	<u>58,500</u>	<u>58,500</u>	<u>50,986</u>	<u>7,514</u>

Town of Keenesburg, Colorado

Schedule of Revenues, Expenditures, and Changes in Fund Balance  
 Budget and Actual - General Fund  
 Year Ended December 31, 2014

	<u>Budget</u>			Variance with Final Budget Positive (Negative)
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	
Salaries	32,650	32,650	30,992	1,658
Payroll taxes	2,725	2,725	2,587	138
Telephone	1,900	1,900	2,095	(195)
Utilities	1,650	1,650	1,479	171
Office expense	700	700	671	29
Maintenance and repair - equipment	23,000	23,000	20,778	2,222
Maintenance and repair - streets	10,000	10,000	10,997	(997)
Street lighting	15,500	15,500	14,711	789
Gas and oil	5,300	5,300	4,923	377
Shop supplies	6,500	6,500	11,365	(4,865)
Trash service fees	3,500	3,500	2,683	817
Capital outlay	11,500	11,500	45,807	(34,307)
Employee benefits	1,633	1,633	1,550	83
Health insurance	9,350	9,350	9,480	(130)
Workmen's compensation	3,000	3,000	1,668	1,332
Miscellaneous	1,000	1,000	237	763
Public works	<u>129,908</u>	<u>129,908</u>	<u>162,023</u>	<u>(32,115)</u>
Code enforcement	6,500	6,500	6,554	(54)
Mosquito spraying	3,065	3,065	3,065	
Animal control	2,000	2,000	3,629	(1,629)
Health and welfare	<u>11,565</u>	<u>11,565</u>	<u>13,248</u>	<u>(1,683)</u>
Utilities	450	450	305	145
Maintenance and repair	3,500	3,500	4,882	(1,382)
Miscellaneous	800	800	61	739
Miscellaneous contributions	6,500	6,500	5,760	740
Culture and recreation	<u>11,250</u>	<u>11,250</u>	<u>11,008</u>	<u>242</u>
Total expenditures	<u>452,878</u>	<u>452,878</u>	<u>447,983</u>	<u>4,895</u>
Net change in fund balance	<u>\$ (33,474)</u>	<u>\$ (33,474)</u>	25,979	59,453
Fund balance - beginning			<u>403,244</u>	<u>369,770</u>
Fund balance - ending			<u>\$ 429,223</u>	<u>\$ 429,223</u>

Town of Keenesburg, Colorado

Schedule fo Revenues, Expenditures, and Changes in Fund Balances  
 Budget and Actual - Capital Improvement Fund  
 Year Ended December 31, 2014

	<u>Budget</u>			<i>Variance with Final Budget Positive (Negative)</i>
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	
<b>Revenues</b>				
Sales tax	\$ 120,800	\$ 120,800	\$ 129,027	\$ 8,227
Earnings on investments	20	20	293	273
Miscellaneous revenues	960,000	960,000	960,000	
Total revenues	<u>1,080,820</u>	<u>1,080,820</u>	<u>1,089,320</u>	<u>8,500</u>
<b>Expenditures</b>				
Capital expenditures	100,000	100,000		100,000
Street bond debt principal	250,000	250,000	255,000	
Street bond debt interest	38,607	38,607	14,207	
Street debt paying fee	30,300	30,300	27,613	
Total expenditures	<u>418,907</u>	<u>418,907</u>	<u>296,820</u>	<u>122,087</u>
Net change in fund balance	661,913	661,913	792,500	130,587
Fund balance - beginning			<u>284,249</u>	<u>946,162</u>
Fund balance - ending			<u>\$ 1,076,749</u>	<u>\$ 1,076,749</u>



Town of Keenesburg, Colorado

Schedule of Revenues and Expenditures - Budget and Actual -  
(Non-GAAP Basis) Enterprise Fund - Waterworks  
Year Ended December 31, 2014

	<i>Budget</i>	<i>Actual</i>	<i>Variance with Final Budget Positive (Negative)</i>
<b>Revenues</b>			
Earnings on investments	\$ 125	\$ 348	\$ 223
Miscellaneous revenues	530,000	78,342	(451,658)
Water pipeline use income	63,099	63,099	
Water sales	270,000	221,736	(48,264)
Water tap fees	16,000		(16,000)
Total revenues	879,224	363,525	(515,699)
<b>Expenditures</b>			
Salaries	60,800	52,442	8,358
Payroll taxes	5,100	4,179	921
Utilities	65,000	41,984	23,016
Maintenance and repair equipment	125,000	29,831	95,169
Gas and oil	3,000	2,461	539
Operating supplies	25,000	15,500	9,500
Health insurance	17,600	16,584	1,016
Capital outlay		4,065	(4,065)
Employee benefits	3,040	2,503	537
Workmen's compensation	4,200	3,136	1,064
Miscellaneous	500	167	333
Water testing	4,300	8,327	(4,027)
Public Works	313,540	181,179	132,361
Salaries	34,000	34,765	(765)
Payroll taxes	2,835	2,889	(54)
Telephone	2,100	2,095	5
Utilities	750	815	(65)
Office Expense	3,000	2,358	642
Maintenance and repairs	800	436	364
Insurance and bonds	5,100	4,116	984
Audit and accounting	2,400	2,312	88
Professional services	35,000	13,833	21,167
Dues and subscriptions	2,725	4,204	(1,479)
Health insurance	10,000	9,897	103
Employee benefits	1,700	1,578	122
Workmen's compensation		70	(70)
Miscellaneous	500	222	278
Administration	100,910	79,589	21,321
Excess of revenues over expenditures	464,774	102,757	(362,017)

Town of Keenesburg, Colorado

Schedule of Revenues and Expenditures - Budget and Actual -  
 (Non-GAAP Basis) Enterprise Fund - Waterworks  
 Year Ended December 31, 2014

	<i>Budget</i>	<i>Actual</i>	<i>Variance with Final Budget Positive (Negative)</i>
<b>Other financing uses</b>			
Interest on CWCB loan	(37,018)	(37,018)	
Principal on CWCB loan	(36,933)	(36,933)	
System improvements	(315,000)		315,000
Total other financing uses	<u>(388,951)</u>	<u>(73,951)</u>	<u>315,000</u>
 Excess of revenues over expenditures and other financing uses	 75,823	 28,806	 (47,017)
 Fund balance appropriated	 <u>\$ (75,823)</u>		 <u>(75,823)</u>
 Excess of revenues over expenditures and other financing uses		 <u>\$ 28,806</u>	 <u>\$ 28,806</u>

Town of Keenesburg, Colorado

Schedule of Revenues and Expenditures - Budget and Actual -  
(Non-GAAP Basis) Enterprise Fund - Wastewater  
Year Ended December 31, 2014

	<i>Budget</i>	<i>Actual</i>	<i>Variance with Final Budget Positive (Negative)</i>
<b>Revenues</b>			
Earnings on investments	\$ 15	\$ 28	\$ 13
Miscellaneous revenues	200		(200)
Sewer sales	196,000	199,631	3,631
Sewer tap fees	13,000		(13,000)
Total revenues	<u>209,215</u>	<u>199,659</u>	<u>(9,556)</u>
<b>Expenditures</b>			
Salaries	37,500	39,623	(2,123)
Payroll taxes	3,125	3,184	(59)
Utilities	35,000	33,613	1,387
Maintenance and repair	75,000	45,105	29,895
Gas and oil	2,800	2,461	339
Health insurance	10,500	11,137	(637)
Operating supplies	3,000	147	2,853
Capital outlay	3,500	3,254	246
Employee benefits	1,875	1,907	(32)
Workmen's compensation	3,200	1,868	1,332
Miscellaneous	300	125	175
Sewer testing and permits	4,000	4,889	(889)
Public Works	<u>179,800</u>	<u>147,313</u>	<u>32,487</u>
Salaries	34,000	34,765	(765)
Payroll taxes	2,800	2,889	(89)
Telephone	1,900	2,095	(195)
Utilities	700	815	(115)
Office Expense	2,300	2,397	(97)
Maintenance and repairs	800	290	510
Insurance and bonds	4,100	3,966	134
Audit and accounting	2,375	2,312	63
Professional services	15,000	10,333	4,667
Dues and subscriptions	2,025	1,778	247
Health insurance	10,500	9,897	603
Employee benefits	1,700	1,578	122
Workmen's compensation		70	(70)
Miscellaneous	300	(3)	303
Administration	<u>78,500</u>	<u>73,182</u>	<u>5,318</u>
Excess of revenues over expenditures	<u>(49,085)</u>	<u>(20,836)</u>	<u>28,249</u>

Town of Keenesburg, Colorado

Schedule of Revenues and Expenditures - Budget and Actual -  
 (Non-GAAP Basis) Enterprise Fund - Wastewater  
 Year Ended December 31, 2014

	<u>Budget</u>	<u>Actual</u>	Variance with <i>Final Budget</i> Positive <i>(Negative)</i>
<b>Other financing uses</b>			
Principal on debt	(2,088)	(2,088)	
Interest on debt	(2,252)	(2,252)	
Total other financing uses	<u>(4,340)</u>	<u>(4,340)</u>	
 Excess of revenues over expenditures and other financing uses	 (53,425)	 (25,176)	 28,249
 Fund balance appropriated	 <u>\$ 53,425</u>	 <u>                    </u>	 <u>53,425</u>
 Excess of revenues over expenditures and other financing uses		 <u>\$ (25,176)</u>	 <u>\$ (25,176)</u>

## **COMPLIANCE SECTION**

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

<b>LOCAL HIGHWAY FINANCE REPORT</b>		City or County: Keenesburg
		YEAR ENDING : December 2014
This Information From The Records Of (example - City of _ or County of _)	Prepared By: Phone:	Debra Chumley (303) 732-4281

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

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

II. RECEIPTS FOR ROAD AND STREET PURPOSES		III. DISBURSEMENTS FOR ROAD AND STREET PURPOSES	
ITEM	AMOUNT	ITEM	AMOUNT
<b>A. Receipts from local sources:</b>		<b>A. Local highway disbursements:</b>	
1. Local highway-user taxes		1. Capital outlay (from page 2)	0
a. Motor Fuel (from Item I.A.5.)		2. Maintenance:	10,997
b. Motor Vehicle (from Item I.B.5.)		3. Road and street services:	
c. Total (a.+b.)		a. Traffic control operations	
2. General fund appropriations	123,946	b. Snow and ice removal	
3. Other local imposts (from page 2)	147,544	c. Other	
4. Miscellaneous local receipts (from page 2)	503	d. Total (a. through c.)	0
5. Transfers from toll facilities		4. General administration & miscellaneous	184,423
6. Proceeds of sale of bonds and notes:		5. Highway law enforcement and safety	
a. Bonds - Original Issues	960,000	6. Total (1 through 5)	195,420
b. Bonds - Refunding Issues		<b>B. Debt service on local obligations:</b>	
c. Notes		1. Bonds:	
d. Total (a. + b. + c.)	960,000	a. Interest	41,819
7. Total (1 through 6)	1,231,993	b. Redemption	255,000
<b>B. Private Contributions</b>		c. Total (a. + b.)	296,819
<b>C. Receipts from State government</b> (from page 2)	52,747	2. Notes:	
<b>D. Receipts from Federal Government</b> (from page 2)	0	a. Interest	
<b>E. Total receipts (A.7 + B + C + D)</b>	1,284,740	b. Redemption	
		c. Total (a. + b.)	0
		3. Total (1.c + 2.c)	296,819
		<b>C. Payments to State for highways</b>	
		<b>D. Payments to toll facilities</b>	
		<b>E. Total disbursements (A.6 + B.3 + C + D)</b>	492,239

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

	Opening Debt	Amount Issued	Redemptions	Closing Debt
<b>A. Bonds (Total)</b>	210,000	960,000	255,000	915,000
1. Bonds (Refunding Portion)				
<b>B. Notes (Total)</b>				0

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

	A. Beginning Balance	B. Total Receipts	C. Total Disbursements	D. Ending Balance	E. Reconciliation
	284,249	1,284,740	492,239	1,076,750	0

Notes and Comments:

<b>LOCAL HIGHWAY FINANCE REPORT</b>	STATE: Colorado
	YEAR ENDING (mm/yy): December 2014

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

ITEM	AMOUNT	ITEM	AMOUNT
<b>A.3. Other local imposts:</b>		<b>A.4. Miscellaneous local receipts:</b>	
a. Property Taxes and Assessments		a. Interest on investments	503
b. Other local imposts:		b. Traffic Fines & Penalties	
1. Sales Taxes	147,544	c. Parking Garage Fees	
2. Infrastructure & Impact Fees	0	d. Parking Meter Fees	
3. Liens		e. Sale of Surplus Property	
4. Licenses		f. Charges for Services	
5. Specific Ownership &/or Other		g. Other Misc. Receipts	
6. Total (1. through 5.)	147,544	h. Other	
c. Total (a. + b.)	147,544	i. Total (a. through h.)	503
	(Carry forward to page 1)		(Carry forward to page 1)

ITEM	AMOUNT	ITEM	AMOUNT
<b>C. Receipts from State Government</b>		<b>D. Receipts from Federal Government</b>	
1. Highway-user taxes	46,804	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	5,943	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.)	5,943	g. Total (a. through f.)	0
4. Total (1. + 2. + 3.f)	52,747	3. Total (1. + 2.g)	
			(Carry forward to page 1)

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

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

Notes and Comments: