

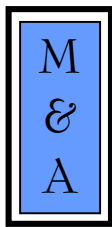
**Town of DeBeque
DeBeque, Colorado**

**Financial Statements
December 31, 2020**

**Town of DeBeque, Colorado
Financial Report
December 31, 2020**

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INDEPENDENT AUDITOR'S REPORT

To the Board of Trustees Town of DeBeque

We have audited the accompanying financial statements of the governmental activities, business-type activities, and each major fund of the Town of DeBeque (the "Town"), as of and for the year ended December 31, 2020, which collectively comprise the Town's basic financial statements as listed in the table of contents, and the related notes to the financial statements.

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. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of 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, and each major fund of the Town of DeBeque as of December 31, 2020, 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.

Member: American Institute of Certified Public Accountants

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Other Matters

Accounting principles generally accepted in the United States of America require that the Management's Discussion and Analysis in Section B and the Schedule of Employer's Proportionate Share of the Net Pension Liability and the Schedule of District Contributions in Section E 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 Management's Discussion and Analysis 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.

The budgetary comparison information in Section E is not a required part of the basic financial statements but is supplementary information required by accounting principles generally accepted in the United States of America. The budgetary comparison 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 statement or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated in all material respects in relation to the financial statements as a whole.

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Town's financial statements as a whole. The individual fund budgetary comparison information found in Section F and the *Local Highway Finance Report* are presented for purposes of additional analysis and are not a required part of the financial statements. The individual fund budgetary comparison information found in Section F and the *Local Highway Finance Report* are the responsibility of management and was derived from and relate directly to the underlying accounting and other records used to prepare the financial statements. The 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 our opinion, the information is fairly stated in all material respects in relation to the financial statements as a whole.

McMahan and Associates, L.L.C.

**McMahan and Associates, L.L.C.
June 10, 2021**

MANAGEMENT'S DISCUSSION AND ANALYSIS

Town of DeBeque, Colorado

Management's Discussion and Analysis December 31, 2020

The financial managers of the Town of DeBeque (the "Town") present the following discussion and analysis of the Town's financial performance to provide an overview of the Town's financial activities for the fiscal year ended December 31, 2020. We encourage readers to consider the information presented here in conjunction with the additional information furnished in our basic financial statements to better understand the financial position of the Town.

Financial Highlights

The Governmental Funds reported fund balances of \$3,200,672 at December 31, 2020, an increase of \$765,068 from December 31, 2019.

The Business-type Funds reported net position of \$3,252,989 at December 31, 2020, a decrease of \$115,509 from December 31, 2019.

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 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 required supplementary information in addition to the basic financial statements themselves.

The government-wide financial statements, fund financial statements and notes to the financial statements are discussed below.

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. They are prepared using the full accrual basis of accounting.

The Statement of Net Position presents information on all the Town's assets, liabilities (both short-term and long-term, if any), and deferred inflow of resources, with the difference between the amounts 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 government'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 (i.e., 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). The governmental activities of the Town include general government, conservation trust, and capital improvements. The business-type activities of the Town include water, sewer, and irrigation.

The government-wide financial statements can be found on pages B1 and B2 of this report.

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. Both the governmental fund balance sheet and 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 fund balance sheet and in the governmental fund statement of revenues, expenditures, and changes in fund balances for the general fund, the conservation trust fund, and capital improvement fund.

The basic governmental fund financial statements can be found on pages C1 through C3 of this report.

Proprietary funds. The Town maintains proprietary funds commonly known as enterprise funds. Enterprise funds are used to report the same functions presented as business-type activities in the government-wide financial statements. The Town uses enterprise funds to account for its water, sewer, and irrigation operations.

Proprietary funds provide the same type of information as the government-wide financial statements, only in more detail. The proprietary fund financial statements provide separate information for each of the business-type services provided by the Town.

The basic proprietary fund financial statements can be found on pages C4 through C6 of this report.

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. The Notes to the Financial Statements can be found in Section D of this report.

Other Information

In addition to the basic financial statements and accompanying notes, this report also presents certain required supplemental information concerning the Town's budgetary comparisons for the general fund, the conservation trust fund, and capital improvement fund. Required supplemental information can be found on pages E1 through E4 of this report. Schedules of Revenues and Expenditures – Actual and Budget for proprietary funds are presented immediately following the required supplemental information. They can be found on pages F2 through F4 of this report.

Government-wide Financial Analysis

As noted earlier, net position may serve, over time, as a useful indicator of the government's financial position. In the case of the Town, assets exceeded liabilities and deferred inflows of resources by \$7,999,792 at December 31, 2020 and by \$7,499,111 at December 31, 2019.

The following summarized the Town's net position at December 31:

| | Governmental Activities | | Business-type Activities | | Total | |
|--|----------------------------|------------------|-----------------------------|------------------|------------------|------------------|
| | 2020 | 2019 | 2020 | 2019 | 2020 | 2019 |
| Current and other assets | 3,409,241 | 2,652,279 | 514,302 | 484,725 | 3,923,543 | 3,137,004 |
| Capital assets, net of accumulated depreciation | 1,472,867 | 1,550,508 | 2,827,029 | 2,982,198 | 4,299,896 | 4,532,706 |
| Total assets | 4,882,108 | 4,202,787 | 3,341,331 | 3,466,923 | 8,223,439 | 7,669,710 |
| Deferred outflows of resources | 85,582 | 99,967 | - | - | 85,582 | 99,967 |
| Total deferred outflow of resources | 85,582 | 99,967 | - | - | 85,582 | 99,967 |
| Current liabilities | 144,174 | 106,661 | 48,631 | 39,512 | 192,805 | 146,173 |
| Noncurrent liabilities | - | - | 39,711 | 58,913 | 39,711 | 58,913 |
| Total liabilities | 144,174 | 106,661 | 88,342 | 98,425 | 232,516 | 205,086 |
| Deferred inflows of resources | 76,713 | 65,480 | - | - | 76,713 | 65,480 |
| Total deferred inflow of resources | 76,713 | 65,480 | - | - | 76,713 | 65,480 |
| Net position: | | | | | | |
| Net investment in capital assets | 1,472,867 | 1,550,508 | 2,787,318 | 2,923,285 | 4,260,185 | 4,473,793 |
| Restricted for emergencies | 67,000 | 63,000 | - | - | 67,000 | 63,000 |
| Restricted for net pension asset | 8,558 | - | - | - | 8,558 | - |
| Unrestricted | 3,198,378 | 2,517,105 | 465,671 | 445,213 | 3,664,049 | 2,962,318 |
| Total net position | 4,746,803 | 4,130,613 | 3,252,989 | 3,368,498 | 7,999,792 | 7,499,111 |

Most of the Town's assets are reflected in the investment in capital assets (i.e. land, buildings, equipment, and infrastructure). Capital assets account for 52% of the total assets. The Town will use these assets to provide services to the residents. Therefore, these assets are not an available source for funding of future spending.

Government-wide Financial Analysis (continued)

The following summarizes the change in the Town's net position for the year ended December 31:

| | Governmental Activities | | Business-type Activities | | Total | |
|--|----------------------------|------------------|-----------------------------|------------------|------------------|------------------|
| | 2020 | 2019 | 2020 | 2019 | 2020 | 2019 |
| REVENUES: | | | | | | |
| Program revenues | 96,804 | 97,286 | 368,053 | 344,586 | 464,857 | 441,872 |
| Capital grants | 5,184 | 5,659 | 600 | 21,021 | 5,784 | 26,680 |
| General revenues: | | | | | | |
| Taxes | 2,031,489 | 1,871,948 | - | - | 2,031,489 | 1,871,948 |
| Investment | 20,688 | 48,721 | - | - | 20,688 | 48,721 |
| Miscellaneous | 73,011 | 79,312 | 4,541 | 3,154 | 77,552 | 82,466 |
| Total revenues | 2,301,875 | 2,102,926 | 373,194 | 368,761 | 2,675,069 | 2,471,687 |
| EXPENSES: | | | | | | |
| General government | 614,866 | 514,092 | - | - | 614,866 | 514,092 |
| Municipal court | 10,657 | 10,435 | - | - | 10,657 | 10,435 |
| Public safety | 602,251 | 489,759 | - | - | 602,251 | 489,759 |
| Public works | 255,409 | 298,030 | - | - | 255,409 | 298,030 |
| Culture and recreation | 41,138 | 76,558 | - | - | 41,138 | 76,558 |
| Cemetery | 406 | 2,465 | - | - | 406 | 2,465 |
| Community center | 830 | 1,212 | - | - | 830 | 1,212 |
| Trash | 54,654 | 54,926 | - | - | 54,654 | 54,926 |
| Water | - | - | 284,681 | 278,340 | 284,681 | 278,340 |
| Sewer | - | - | 211,649 | 195,577 | 211,649 | 195,577 |
| Irrigation | - | - | 18,471 | 17,757 | 18,471 | 17,757 |
| Interest on debt | - | - | 2,902 | 4,242 | 2,902 | 4,242 |
| Transfers | 29,000 | 29,000 | (29,000) | (29,000) | - | - |
| Total expenses | 1,609,211 | 1,476,477 | 488,703 | 466,916 | 2,097,914 | 1,943,393 |
| Increase (decrease) in net position | 692,664 | 626,449 | (115,509) | (98,155) | 577,155 | 528,294 |
| Net position January 1 | 4,130,613 | 3,504,164 | 3,368,498 | 3,466,653 | 7,499,111 | 6,970,817 |
| Net position December 31 | 4,823,277 | 4,130,613 | 3,252,989 | 3,368,498 | 8,076,266 | 7,499,111 |

The Town's main source of revenue is sales tax. Overall, tax revenue has increased from prior years.

Financial Analysis of the Town's Funds

As mentioned 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 serve as a useful measure of a government's net resources available for spending at the end of the fiscal year.

Financial Analysis of the Town's Funds (continued)

The General Fund has a fund balance of \$3,016,660 at December 31, 2020, an increase of \$759,451 from December 31, 2019. The unassigned portion of the fund balance in the amount of \$2,933,125 is available for spending.

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

Budgetary Highlights

The budget to actual comparisons can be found on pages E1 through F4 of this report. The schedules present both the original and final fiscal year budgets.

Capital Assets and Debt Administration

Capital assets. The Town's investment in capital assets for its governmental and business-type activities as of December 31, 2020, amount to \$4,299,896 (net of accumulated depreciation). This investment in capital assets includes land, buildings and system improvements, machinery and equipment, and roads and bridges. The table below presents a comparison to prior year asset type.

| | Town of DeBeque's Capital Assets (net of accumulated depreciation) | | | | | |
|---|--|------------------|--------------------------|------------------|------------------|------------------|
| | Governmental Activities | | Business-type Activities | | Total | |
| | 2020 | 2019 | 2020 | 2019 | 2020 | 2019 |
| Land | 140,951 | 140,951 | - | - | 140,951 | 140,951 |
| Buildings and improvements | 280,155 | 311,270 | - | - | 280,155 | 311,270 |
| General government equipment | 7,200 | - | - | - | 7,200 | - |
| Public safety equipment | 92,401 | 80,905 | - | - | 92,401 | 80,905 |
| Public works equipment | 77,875 | 83,284 | - | - | 77,875 | 83,284 |
| Parks, recreation and other | 30,716 | 26,999 | - | - | 30,716 | 26,999 |
| Infrastructure | 843,569 | 907,099 | - | - | 843,569 | 907,099 |
| Water plant and storage reservoirs | - | - | 1,882,471 | 1,967,202 | 1,882,471 | 1,967,202 |
| Water rights, meters and equipment | - | - | 85,224 | 94,435 | 85,224 | 94,435 |
| Sewer treatment and generation facilities | - | - | 137,139 | 173,950 | 137,139 | 173,950 |
| Collection and distribution system | - | - | 722,195 | 746,611 | 722,195 | 746,611 |
| Total | <u>1,472,867</u> | <u>1,550,508</u> | <u>2,827,029</u> | <u>2,982,198</u> | <u>4,299,896</u> | <u>4,532,706</u> |

Additional information on the Town's capital assets can be found in Note III.C of this report.

Long-term debt. At the end of the current fiscal year, the Town had total bonded debt and notes payable outstanding of \$39,711.

Town of DeBeque's Outstanding Debt

| | Governmental | | Business-type Activities | | Total | |
|---------------|--------------|-------------|--------------------------|-------------|-------------|-------------|
| | 2020 | 2019 | 2020 | 2019 | 2020 | 2019 |
| Notes Payable | - | - | 39,711 | 58,913 | 39,711 | 58,913 |

Additional information on the Town's long-term debt can be found in Note III.D of this report.

Economic Factors and Future Budgeting

The Town's fund balance is \$3,200,672 beginning January 1, 2021 and provides a positive economic outlook for future potential considerations in expanded projects or capital improvements.

Request 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 financial information should be addressed to: Shirley Nichols, Town Clerk, 381 Minter Avenue, DeBeque, CO 81630, or you may call (970) 283-5475.

GOVERNMENT-WIDE FINANCIAL STATEMENTS

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

| | Governmental Activities | Business-type Activities | Total |
|---|------------------------------------|-------------------------------------|------------------|
| Assets: | | | |
| Cash and investments - Unrestricted | 3,011,802 | 469,359 | 3,481,161 |
| Prepaid expense | 16,535 | - | 16,535 |
| Inventory | 15,400 | - | 15,400 |
| Receivables, net: | | | |
| Property tax | 55,837 | - | 55,837 |
| Other | 5,959 | 44,943 | 50,902 |
| Due from other governments | 295,150 | - | 295,150 |
| Net pension asset | 8,558 | - | 8,558 |
| Capital assets, net | 1,472,867 | 2,827,029 | 4,299,896 |
| Total Assets | 4,882,108 | 3,341,331 | 8,223,439 |
| Deferred Outflow of Resources: | | | |
| Pension related deferred outflows | 85,582 | - | 85,582 |
| Total Deferred Inflow of Resources | 85,582 | - | 85,582 |
| Liabilities: | | | |
| Vouchers/accounts payable | 97,345 | 16,979 | 114,324 |
| Accrued expenses | 12,368 | 20,600 | 32,968 |
| Accrued interest payable | - | 662 | 662 |
| Accrued compensated absences: | | | |
| Due within one year | 34,461 | 10,390 | 44,851 |
| Notes payable: | | | |
| Due within one year | - | 5,838 | 5,838 |
| Due in more than one year | - | 33,873 | 33,873 |
| Total Liabilities | 144,174 | 88,342 | 232,516 |
| Deferred Inflow of Resources: | | | |
| Unavailable property tax revenue | 55,837 | - | 55,837 |
| Pension related deferred inflows | 20,876 | - | 20,876 |
| Total Deferred Inflow of Resources | 76,713 | - | 76,713 |
| Net Position: | | | |
| Net investment in capital assets | 1,472,867 | 2,787,318 | 4,260,185 |
| Restricted for emergencies | 67,000 | - | 67,000 |
| Restricted for net pension asset | 8,558 | - | 8,558 |
| Unrestricted | 3,198,378 | 465,671 | 3,664,049 |
| Total Net Position | 4,746,803 | 3,252,989 | 7,999,792 |

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

Town of DeBeque, Colorado
Statement of Activities
December 31, 2020

| | | Program Revenues | | | Net (Expense) Revenue and Changes in Net Position | | |
|---|------------------|-------------------------|--|--|--|-----------------------------|--------------------|
| | | Charges for Services | Operating Grants and Contributions | Capital Grants and Contributions | Governmental Activities | Business-type Activities | Total |
| Functions/Programs: | Expenses | | | | | | |
| Governmental Activities: | | | | | | | |
| General government | 614,866 | 12,169 | 74,699 | 5,184 | (522,814) | | (522,814) |
| Municipal court | 10,657 | 34,680 | - | - | 24,023 | | 24,023 |
| Public safety | 602,251 | 6,534 | - | - | (595,717) | | (595,717) |
| Public works | 255,409 | - | - | - | (255,409) | | (255,409) |
| Culture and recreation | 41,138 | 85 | - | - | (41,053) | | (41,053) |
| Cemetery | 406 | - | - | - | (406) | | (406) |
| Community center | 830 | - | - | - | (830) | | (830) |
| Sanitation | 54,654 | 42,566 | - | - | (12,088) | | (12,088) |
| Community van | - | 770 | - | - | 770 | | 770 |
| Total Governmental Activities | 1,580,211 | 96,804 | 74,699 | 5,184 | (1,403,524) | | (1,403,524) |
| Business-type Activities: | | | | | | | |
| Water | 284,681 | 212,937 | - | 600 | | (71,144) | (71,144) |
| Sewer | 211,649 | 135,824 | - | - | | (75,825) | (75,825) |
| Irrigation | 18,471 | 19,292 | - | - | | 821 | 821 |
| Interest on debt | 2,902 | - | - | - | | (2,902) | (2,902) |
| Total Business-type Activities | 517,703 | 368,053 | - | 600 | | (149,050) | (149,050) |
| Total | 2,097,914 | 464,857 | 74,699 | 5,784 | (1,403,524) | (149,050) | (1,552,574) |
| General Revenues: | | | | | | | |
| Taxes | | | | | 2,031,489 | - | 2,031,489 |
| Payment in lieu of park development | | | | | 14,511 | - | 14,511 |
| Earnings on investments | | | | | 20,688 | - | 20,688 |
| Licenses and permits | | | | | 43,653 | - | 43,653 |
| Miscellaneous | | | | | 14,847 | 4,541 | 19,388 |
| Transfers | | | | | (29,000) | 29,000 | - |
| Total General Revenues and Transfers | | | | | 2,096,188 | 33,541 | 2,129,729 |
| Change in Net Position | | | | | 692,664 | (115,509) | 577,155 |
| Net Position - Beginning (as restated) | | | | | 4,054,139 | 3,368,498 | 7,422,637 |
| Net Position - Ending | | | | | 4,746,803 | 3,252,989 | 7,999,792 |

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

FUND FINANCIAL STATEMENTS

Town of DeBeque, Colorado
Balance Sheet
Governmental Funds
December 31, 2020

| | General Fund | Conservation Trust Fund | Capital Projects Fund | Total |
|--|-------------------------|--|--------------------------------------|------------------|
| Assets: | | | | |
| Cash and investments | 2,827,790 | 63,961 | 120,051 | 3,011,802 |
| Accounts receivable, net | 5,959 | - | - | 5,959 |
| Prepaid expenses | 16,535 | - | - | 16,535 |
| Inventory | 15,400 | - | - | 15,400 |
| Sales tax receivable | 221,701 | - | - | 221,701 |
| Grant receivable | 73,449 | - | - | 73,449 |
| Property taxes assessed, but not collectible until subsequent year | 55,837 | - | - | 55,837 |
| Total Assets | <u>3,216,671</u> | <u>63,961</u> | <u>120,051</u> | <u>3,400,683</u> |
| Liabilities, Deferred Inflows of Resources, and Fund Balance: | | | | |
| Liabilities: | | | | |
| Vouchers/accounts payable | 97,345 | - | - | 97,345 |
| Accrued expenses | 12,368 | - | - | 12,368 |
| Accrued compensated absences | 34,461 | - | - | 34,461 |
| Total Liabilities | <u>144,174</u> | <u>-</u> | <u>-</u> | <u>144,174</u> |
| Deferred Inflow of Resources: | | | | |
| Unavailable property tax revenue | 55,837 | - | - | 55,837 |
| Total Deferred Inflow of Resources | <u>55,837</u> | <u>-</u> | <u>-</u> | <u>55,837</u> |
| Fund Balance: | | | | |
| Non-spendable | 16,535 | - | - | 16,535 |
| Spendable: | | | | |
| Restricted for emergencies | 67,000 | - | - | 67,000 |
| Restricted for conservation trust | - | 63,961 | - | 63,961 |
| Assigned for capital projects | - | - | 120,051 | 120,051 |
| Unassigned | 2,933,125 | - | - | 2,933,125 |
| Total Fund Balance | <u>3,016,660</u> | <u>63,961</u> | <u>120,051</u> | <u>3,200,672</u> |
| Total Liabilities, Deferred Inflow of Resources, and Fund Balance | <u>3,216,671</u> | <u>63,961</u> | <u>120,051</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.

1,472,867

The net pension asset and related deferrals are not available for resources and,
therefore, are not reported in the funds.

73,264

Net Position of Governmental Activities

4,746,803

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

Town of DeBeque, Colorado
Statement of Revenues, Expenditures and Changes in Fund Balance
Governmental Funds
December 31, 2020

| | General Fund | Conservation Trust Fund | Capital Projects Fund | Total |
|--|-------------------------|--|--------------------------------------|-------------------------|
| Revenues: | | | | |
| Taxes | 2,031,489 | - | - | 2,031,489 |
| Licenses and permits | 43,653 | - | - | 43,653 |
| Intergovernmental | 74,699 | 5,184 | - | 79,883 |
| Charges for services | 96,804 | - | - | 96,804 |
| Payment in lieu of park development | 14,511 | - | - | 14,511 |
| Earnings on investments | 20,255 | 433 | - | 20,688 |
| Planning reimbursement | 7,438 | - | - | 7,438 |
| Other revenues | 7,409 | - | - | 7,409 |
| Total Revenues | <u>2,296,258</u> | <u>5,617</u> | <u>-</u> | <u>2,301,875</u> |
| Expenditures: | | | | |
| General government | 532,658 | - | - | 532,658 |
| Municipal court | 10,657 | - | - | 10,657 |
| Public safety | 613,747 | - | - | 613,747 |
| Public works | 250,000 | - | - | 250,000 |
| Culture and recreation | 44,855 | - | - | 44,855 |
| Cemetery | 406 | - | - | 406 |
| Community center | 830 | - | - | 830 |
| Sanitation | 54,654 | - | - | 54,654 |
| Total Expenditures | <u>1,507,807</u> | <u>-</u> | <u>-</u> | <u>1,507,807</u> |
| Other Financing Sources (Uses): | | | | |
| Transfers in (out) | (29,000) | - | - | (29,000) |
| Total Other Financing Sources (Uses) | <u>(29,000)</u> | <u>-</u> | <u>-</u> | <u>(29,000)</u> |
| Excess (Deficiency) of Revenues Over Expenditures | 759,451 | 5,617 | - | 765,068 |
| Fund Balance - Beginning (as restated) | <u>2,257,209</u> | <u>58,344</u> | <u>120,051</u> | <u>2,435,604</u> |
| Fund Balance - Ending | <u><u>3,016,660</u></u> | <u><u>63,961</u></u> | <u><u>120,051</u></u> | <u><u>3,200,672</u></u> |

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

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

| | |
|---|---------|
| Net Change in Fund Balance of Governmental Funds | 765,068 |
|---|---------|

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 as depreciation expense. This is the amount by which depreciation exceeded capital outlay during the year.

| | | |
|----------------|-----------|----------|
| Capital outlay | 53,785 | |
| Depreciation | (131,426) | |
| | (77,641) | (77,641) |

Some expenses reported in the statement of activities do not require the use of current financial resources and therefore are not reported as expenditures in governmental funds.

| | | |
|-----------------------------|-------|--|
| Change in pension deferrals | 5,237 | |
|-----------------------------|-------|--|

| | |
|--|---------|
| Change in Net Position of Governmental Activities | 692,664 |
|--|---------|

Town of DeBeque, Colorado
Statement of Net Position
Proprietary Funds
December 31, 2020

| | Water Fund | Sewer Fund | Irrigation Fund | Total |
|--------------------------------------|-----------------------|-----------------------|----------------------------|------------------|
| Assets: | | | | |
| Current Assets: | | | | |
| Cash and cash equivalents | 190,505 | 182,000 | 96,854 | 469,359 |
| Accounts receivable, net | 23,028 | 19,321 | 2,594 | 44,943 |
| Total Current Assets | <u>213,533</u> | <u>201,321</u> | <u>99,448</u> | <u>514,302</u> |
| Non-current Assets: | | | | |
| Capital assets, at cost | 3,928,983 | 1,547,438 | 414,397 | 5,890,818 |
| Accumulated depreciation | (2,246,089) | (688,104) | (129,596) | (3,063,789) |
| Total Non-current Assets | <u>1,682,894</u> | <u>859,334</u> | <u>284,801</u> | <u>2,827,029</u> |
| Total Assets | <u>1,896,427</u> | <u>1,060,655</u> | <u>384,249</u> | <u>3,341,331</u> |
| Liabilities: | | | | |
| Current Liabilities: | | | | |
| Accounts payable | 9,415 | 7,440 | 124 | 16,979 |
| Accrued interest payable | 662 | - | - | 662 |
| Accrued compensated absences | 5,195 | 5,195 | - | 10,390 |
| Accrued expenses | 20,600 | - | - | 20,600 |
| Notes payable | 5,838 | - | - | 5,838 |
| Total Current Liabilities | <u>41,710</u> | <u>12,635</u> | <u>124</u> | <u>54,469</u> |
| Non-current Liabilities: | | | | |
| Notes payable | 33,873 | - | - | 33,873 |
| Total Non-current Liabilities | <u>33,873</u> | <u>-</u> | <u>-</u> | <u>33,873</u> |
| Total Liabilities | <u>75,583</u> | <u>12,635</u> | <u>124</u> | <u>88,342</u> |
| Net Position: | | | | |
| Net investment in capital assets | 1,643,183 | 859,334 | 284,801 | 2,787,318 |
| Unrestricted | 177,661 | 188,686 | 99,324 | 465,671 |
| Total Net Position | <u>1,820,844</u> | <u>1,048,020</u> | <u>384,125</u> | <u>3,252,989</u> |

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

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

| | Water Fund | Sewer Fund | Irrigation Fund | Total |
|---|-------------------------|-------------------------|----------------------------|-------------------------|
| Operating Revenues: | | | | |
| User charges | 212,937 | 135,824 | 19,292 | 368,053 |
| Miscellaneous | 4,541 | - | - | 4,541 |
| Total Operating Revenues | <u>217,478</u> | <u>135,824</u> | <u>19,292</u> | <u>372,594</u> |
| Operating Expenses: | | | | |
| Operating expenses | 201,099 | 150,422 | 8,111 | 359,632 |
| Depreciation | 83,582 | 61,227 | 10,360 | 155,169 |
| Total Operating Expenses | <u>284,681</u> | <u>211,649</u> | <u>18,471</u> | <u>514,801</u> |
| Operating Income (Loss) | <u>(67,203)</u> | <u>(75,825)</u> | <u>821</u> | <u>(142,207)</u> |
| Non-operating Revenues (Expenses): | | | | |
| Interest on note payable | (2,902) | - | - | (2,902) |
| Total Non-operating Revenues (Expenses) | <u>(2,902)</u> | <u>-</u> | <u>-</u> | <u>(2,902)</u> |
| Income (Loss) Before Capital Contributions and Transfers | (70,105) | (75,825) | 821 | (145,109) |
| Capital Contributions - Tap fees | 600 | - | - | 600 |
| Transfers in (out) | 17,000 | 12,000 | - | 29,000 |
| Total Capital Contributions and Transfers | <u>17,600</u> | <u>12,000</u> | <u>-</u> | <u>29,600</u> |
| Change in Net Position | (52,505) | (63,825) | 821 | (115,509) |
| Net Position - Beginning | <u>1,873,349</u> | <u>1,111,845</u> | <u>383,304</u> | <u>3,368,498</u> |
| Net Position - Ending | <u><u>1,820,844</u></u> | <u><u>1,048,020</u></u> | <u><u>384,125</u></u> | <u><u>3,252,989</u></u> |

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

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

| | Water Fund | Sewer Fund | Irrigation Fund | Total |
|---|-----------------------|-----------------------|----------------------------|-----------------|
| Cash Flows From Operating Activities: | | | | |
| Cash received from customers | 189,909 | 130,287 | 18,766 | 338,962 |
| Other cash received | 4,541 | - | - | 4,541 |
| Cash payments for goods and services | (96,007) | (67,846) | (8,098) | (171,951) |
| Cash payments to employees | (80,359) | (80,359) | - | (160,718) |
| Net Cash Provided (Used) by Operating Activities | 18,084 | (17,918) | 10,668 | 10,834 |
| Cash Flows From Non-capital Financing Activities: | | | | |
| Transfers in (out) | 17,000 | 12,000 | - | 29,000 |
| Net Cash Provided (Used) by Non-capital Financing Activities | 17,000 | 12,000 | - | 29,000 |
| Cash Flows From Capital and Related Financing Activities: | | | | |
| Capital contributions - Tap Fees | 600 | - | - | 600 |
| Principal payments on note payable | (19,202) | - | - | (19,202) |
| Interest paid | (3,222) | - | - | (3,222) |
| Net Cash Provided (Used) by Capital and Related Financing Activities | (21,824) | - | - | (21,824) |
| Net Change in Cash and Cash Equivalents | 13,260 | (5,918) | 10,668 | 18,010 |
| Cash and Cash Equivalents - Beginning | 177,245 | 187,918 | 86,186 | 451,349 |
| Cash and Cash Equivalents - Ending | 190,505 | 182,000 | 96,854 | 469,359 |
| Reconciliation of Operating (Loss) to Net Cash (Used) by Operating Activities: | | | | |
| Operating (loss) | (67,203) | (75,825) | 821 | (142,207) |
| Adjustments to Reconcile: | | | | |
| Depreciation | 83,582 | 61,227 | 10,360 | 155,169 |
| (Increase) decrease in accounts receivable | (23,028) | (5,537) | (526) | (29,091) |
| (Increase) decrease in prepaid expenses | 17,524 | - | - | 17,524 |
| Increase (decrease) in accounts payable | 4,977 | 3,135 | 13 | 8,125 |
| Increase (decrease) in accrued expenses | 2,232 | (918) | - | 1,314 |
| Total Adjustments | 85,287 | 57,907 | 9,847 | 153,041 |
| Net Cash Provided (Used) by Operating Activities | 18,084 | (17,918) | 10,668 | 10,834 |

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

NOTES TO THE FINANCIAL STATEMENTS

Town of DeBeque, Colorado
Notes to the Financial Statements
December 31, 2020

I. Summary of Significant Accounting Policies

The Town of DeBeque, Colorado (the "Town") was incorporated under the laws of the State of Colorado. An elected Mayor and Town Board are responsible for setting policy, appointing administrative personnel and adopting an annual budget in accordance with state statutes. The Town's major operations include public safety, public works, and culture and recreation.

The Town's financial statements are prepared in accordance with generally accepted accounting principles ("GAAP"). The Governmental Accounting Standards Board ("GASB") is responsible for establishing GAAP for state and local governments through its pronouncements (Statements and Interpretations). The more significant accounting policies established by GAAP used by the Town are discussed below.

A. Reporting Entity

The reporting entity consists of (a) the primary government; i.e., the Town, and (b) organizations for which the Town is financially accountable. The Town is considered financially accountable for legally separate organizations if it is able to appoint a voting majority of an organization's governing body and is either able to impose its will on that organization or there is a potential for the organization to provide specific financial benefits to, or to impose specific financial burdens on, the Town. Consideration is also given to other organizations which are fiscally dependent; i.e., unable to adopt a budget, levy taxes, or issue debt without approval by the Town. Organizations for which the nature and significance of their relationship with the Town are such that exclusion would cause the reporting entity's financial statements to be misleading or incomplete are also included in the reporting entity.

Based on the criteria above, the Town is not financially accountable for any other entity nor is the Town a component unit of any other government.

B. Government-wide Financial Statements

The Town's basic financial statements include both government-wide (reporting the Town as a whole) and fund financial statements (reporting the Town's major funds). Both the government-wide and fund financial statements categorize primary activities as either governmental or business-type. The Town's public safety, public works, municipal court, culture and recreation, and administration are classified as governmental activities. The Town's water and sewer utilities and irrigation services are classified as business-type activities.

The government-wide statement of activities reports both the gross and net cost of each of the Town's functions and business-type activities (public safety, public works, utilities, etc.). The functions are also supported by general government revenues (property and sales taxes, specific ownership taxes, investment earnings, etc.). The statement of activities reduces gross expenses (including depreciation) by related program revenues, operating and capital grants. Program revenues must be directly associated with the function (public safety, public works, etc.) or a business-type activity.

The government-wide focus is on the sustainability of the Town as an entity and the change in the Town's net position resulting from the current year's activities.

Town of DeBeque, Colorado
Notes to the Financial Statements
December 31, 2020
(Continued)

I. Summary of Significant Accounting Policies (continued)

C. Fund Financial Statements

The financial transactions of the Town are reported in individual funds in the fund financial statements. Each fund is accounted for by providing a separate set of self-balancing accounts that comprises its assets, liabilities, reserves, fund equity, revenues and expenditures/expenses.

The fund focus is on current available resources and budget compliance.

The Town reports the following governmental funds:

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

The *Conservation Trust Fund* accounts for funds received from the state lottery program to fund recreational capital projects.

The *Capital Projects Fund* accounts for funds set aside for expenditure on major capital projects.

The Town reports the following proprietary funds:

The *Sewer Fund* accounts for the revenues and expenses associated with the collection and treatment of sewage within the Town's jurisdiction.

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

The *Irrigation Fund* accounts for revenues and expenses associated with irrigation within the Town.

D. Measurement Focus, Basis of Accounting, and Financial Statement Presentation

Measurement focus refers to whether financial statements measure changes in current resources only (current financial focus) or changes in both current and long-term resources (long-term economic focus). Basis of accounting refers to the point at which revenues, expenditures, or expenses are recognized in the accounts and reported in the financial statements. Financial statement presentation refers to classification of revenues by source and expenses by function.

1. Long-term Economic Focus and Accrual Basis

Both governmental and business-type activities in the government-wide financial statements and the proprietary fund financial statements use the long-term economic focus and are presented on the accrual basis of accounting. Revenues are recognized when earned and expenses are recognized when incurred, regardless of the timing of the related cash flows.

Town of DeBeque, Colorado
Notes to the Financial Statements
December 31, 2020
(Continued)

I. Summary of Significant Accounting Policies (continued)

D. Measurement Focus, Basis of Accounting, and Financial Statement Presentation (continued)

2. Current Financial Focus and Modified Accrual Basis

The governmental fund financial statements use the current financial focus and are presented on the modified accrual basis of accounting. Under the modified accrual basis of accounting, revenues are recorded when susceptible to accrual; i.e., both measurable and available. "Available" means collectible within the current period or soon enough thereafter (60 days) to be used to pay liabilities of the current period. Grant revenue is considered available if it is expected to be collected within one year and all eligibility requirements are met. Expenditures are generally recognized when the related liability is incurred. The exception to this general rule is that principal and interest on general long-term debt, if any, is recognized when due.

3. Financial Statement Presentation

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

Proprietary funds distinguish operating revenues and expenses from non-operating items. Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with a proprietary fund's principal ongoing operations. The principal operating revenues of the Town's enterprise funds are charges to customers for sales and services. Operating expenses for the 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.

E. Financial Statement Accounts

1. Cash, Cash Equivalents, and Investments

Cash and cash equivalents are defined as deposits that can be withdrawn at any time without notice or penalty and investments with original maturities of three months or less.

Investments are stated at fair value, net asset value, or amortized cost. The change in value of investments is recognized as an increase or decrease to investment assets and investment income.

For the statements of cash flows of the enterprise funds, the cash balances of substantially all funds are pooled for the purpose of increasing earning through investment activities. The pool's investments are reported at fair value at December 31, 2020, based on market prices. Each individual fund's portion of the pool's fair value is presented as cash and cash equivalents or short-term investments. Earnings on the pooled funds are apportioned and paid or credited to the funds monthly based on the average monthly balance of each participating fund.

Town of DeBeque, Colorado
Notes to the Financial Statements
December 31, 2020
(Continued)

I. Summary of Significant Accounting Policies (continued)

E. Financial Statement Accounts (continued)

1. Cash, Cash Equivalents, and Investments (continued)

The Town follows Colorado statutes specifying specific investment instruments meeting defined rating criteria in which local governments may invest, which include:

- Obligations of the United States and certain U.S. government agency securities
- Certain international agency securities
- General obligation and revenue bonds of U.S. local government entities
- Banker's acceptances of certain banks
- Commercial paper
- Written repurchase agreements collateralized by certain authorized securities
- Certain money market mutual funds
- Guaranteed investment contract
- Local government investment pools

2. Receivables

Receivables are reported net of an allowance for uncollectible accounts. No allowance is recorded at December 31, 2020, as all accounts are considered to be collectible.

3. Property Taxes

Property taxes are assessed in one year as a lien on the property, but not collected by the governmental unit until the subsequent year. In accordance with generally accepted accounting principles, the assessed but uncollected property taxes have been recorded as a receivable and deferred inflow of resources.

4. Capital Assets

Capital Assets are reported in the applicable governmental activity columns in the government-wide financial statements. The Town defines capital assets as assets with an initial cost of \$5,000 and an estimated useful life in excess of two years. Purchased or constructed capital assets are reported at cost or estimated historical cost. Donated fixed assets are recorded at their estimated fair value at the date of donation.

The costs of normal maintenance and repairs that do not add to the value of an asset or materially extend an asset's life are not capitalized. Improvements are capitalized and depreciated over the remaining useful lives of the related fixed assets, as applicable.

Town of DeBeque, Colorado
Notes to the Financial Statements
December 31, 2020
(Continued)

I. Summary of Significant Accounting Policies (continued)

E. Financial Statement Accounts (continued)

4. Capital Assets (continued)

Public domain assets consisting of roads, bridges, curbs and gutters, streets and sidewalks, drainage systems and lighting are examples of infrastructure assets. Infrastructure assets are distinguished from other capitalized assets as their useful life often extends beyond most other capital assets and because they are stationary in nature. General infrastructure assets are those associated with or arising from governmental activities.

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

| Assets | Years |
|---------------------------------|--------------|
| Infrastructure | 20-40 |
| Equipment | 5-10 |
| Water and sewer systems | 10-40 |
| Treatment and filtration plants | 40-50 |
| Buildings | 20-40 |

5. Compensated Absences

The liability for compensated absences reported in the governmental and proprietary fund statements consist of unpaid, accumulated paid time off. The liability has been calculated using the vesting method, in which leave amounts for both employees who currently are eligible to receive termination payments and other employees who are expected to become eligible in the future to receive such payments upon termination are included.

6. Long-term Debt

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 business-type activities or proprietary fund type statement of net position.

7. Interfund Transactions

Interfund receivables and payables arise from interfund transactions and are recorded by all funds affected in the period in which transactions are executed. At year end, outstanding balances between funds are reported as "due to/from other funds." Nonrecurring or nonroutine permanent transfers of equity are reported as residual equity transfers. All other interfund transfers are reported as operating transfers. Any residual balances outstanding between governmental activities and business-type activities are reported in the government-wide financial statements as "internal balances."

Town of DeBeque, Colorado
Notes to the Financial Statements
December 31, 2020
(Continued)

I. Summary of Significant Accounting Policies (continued)

E. Financial Statement Accounts (continued)

8. Pensions

For purposes of measuring the net pension liability or asset, deferred outflows of resources and deferred inflows of resources related to pensions, pension expense, information about the fiduciary net position of the Town's defined benefit pension plan and additions to/deductions from the fiduciary net position of the Town's defined benefit pension plan have been determined using the economic resources measurement focus and the accrual basis of accounting. For this purpose, benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with the benefit terms. Investments are reported at fair value.

9. Deferred Outflows and Inflows of Resources

In addition to assets, the statement of financial position 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 that applies to a future period(s) and so will not be recognized as an outflow of resources (expense/ expenditure) until then. The Town has one item qualifying for this category. The collective deferred outflows related to the Town's net pension obligation. Pension contributions made after the measurement date, and the net difference between projected and actual earnings will be recognized as a change of the net pension liability or asset in future periods. Also, collective deferred outflows related to the Town's net pension obligation are reported on the Statement of Net Position and are amortized over the average service lives of participants.

In addition to liabilities, the statement of financial position 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 that applies to a future period(s) and so will not be recognized as an inflow of resources (revenue) until that time. The Town has two types of items that qualify for reporting in this category. Unavailable revenue from property taxes, reported in the governmental balance sheet are deferred and recognized as an inflow from resources in the period that the amounts become available. Collective deferred inflows related to the Town's net pension obligation are reported on the Statement of Net Position and are amortized over the average service lives of participants.

Town of DeBeque, Colorado
Notes to the Financial Statements
December 31, 2020
(Continued)

I. Summary of Significant Accounting Policies (continued)

F. Significant Accounting Policies

1. Use of Estimates

The preparation of financial statements in conformity with generally accepted accounting principles requires the Town's management to make estimates and assumptions that affect the reported amounts of assets and liabilities, the disclosure of contingent assets and liabilities at the date of the financial statements, and the reported amount of revenues and expenditures or expenses during the reporting period. Actual results could differ from those estimates.

2. Categories and Classification of Fund Balances

Government accounting standards establishes fund balance classifications that comprise a hierarchy based primarily on the extent to which a government is bound to observe constraints imposed upon the use of the resources reported in governmental funds. Fund balance classifications, include Non-spendable, Restricted, Committed, Assigned and Unassigned. These classifications reflect not only the nature of the funds, but also provide clarity to the level of restriction place upon fund balance. Fund balance can have different levels of restraint, such as external versus internal compliance requirements. Unassigned fund balance is a residual classification with the General Fund. The General Fund should be the only fund balance that reports a positive unassigned balance. In all other funds, unassigned is limited to negative residual fund balance. For further details of the various fund balance classifications, refer to Note III.F.

II. Stewardship, Compliance, and Accountability

A. Budgetary Information

Budgets are adopted on a basis consistent with generally accepted accounting principles, except for the proprietary funds. Annual appropriations are adopted for all funds. Expenditures may not legally exceed appropriations at the fund level. All appropriations lapse at year-end.

The Town followed the required timetable noted below in preparing, approving, and enacting its budget for 2020.

1. Budgets are required by state law for all governmental and proprietary funds.
2. During September the proposed budget is submitted to Town Council for the fiscal year commencing the following January 1.
3. Prior to December 31, the budget is adopted and appropriations are authorized by ordinance at the fund level for all funds.

Town of DeBeque, Colorado
Notes to the Financial Statements
December 31, 2020
(Continued)

II. Stewardship, Compliance, and Accountability (continued)

A. Budgetary Information (continued)

4. Each fund's appropriated budget is prepared on a detailed line item basis. Revenues are budgeted by source. Expenditures are budgeted by department and in total by each fund. The total fund level constitutes the legal level of control. Expenditures may not exceed appropriations at this level. Budget revisions at this level are subject to approval by ordinance from Town Council. Within the funds level control basis, management may transfer appropriations without Town Council approval. Revisions to the budget were made throughout the year.
5. Budget amounts included in the budgetary comparison schedules are based on the final legally amended budget.
6. Appropriations lapse at the end of each year, and Town Council may adopt supplemental appropriations during the year. The Town Council may add to, subtract from or change appropriations, but may not change the form of the budget. Any changes in the budget must be within the revenues and reserves estimated as available to the Town or the revenue estimates must be changed by Town Council when adopting supplemental appropriations.

B. TABOR Amendment

In November 1992, Colorado voters amended Article X of the Colorado Constitution by adding Section 20; commonly known as the Taxpayer's Bill of Rights ("TABOR"). TABOR contains revenue, spending, tax and debt limitations that apply to the State of Colorado and local governments. TABOR requires, with certain exceptions, advance voter approval for any new tax, tax rate increase, mill levy above that for the prior year, extension of any expiring tax, or tax policy change directly causing a net tax revenue gain to any local government.

Except for refinancing bonded debt at a lower interest rate or adding new employees to existing pension plans, TABOR requires advance voter approval for the creation of any multiple-fiscal year debt or other financial obligation unless adequate present cash reserves are pledged irrevocably and held for payments in all future fiscal years.

TABOR also requires local governments to establish an emergency reserve to be used for declared emergencies only. The reserve is calculated at 3% of fiscal year spending. Fiscal year spending excludes bonded debt service and enterprise spending. The Town has reserved \$67,000, which is the approximate required reserve at December 31, 2020.

The Town's management believes it is in compliance with the financial provisions of TABOR. However, TABOR is complex and subject to interpretation. Many of its provisions, including the interpretation of how to calculate fiscal year spending limits, will require judicial interpretation.

Town of DeBeque, Colorado
Notes to the Financial Statements
December 31, 2020
(Continued)

III. Detailed Notes on All Funds

A. Deposits and Investments

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. The PDPA allows the institution to create a single collateral pool for all public funds. The pool is to be maintained by another institution or held in trust for all the uninsured public deposits as a group. The market value of the collateral must be at least equal to the aggregate uninsured deposits.

Interest Rate Risk. The Town limits its investments to savings accounts and investment pools (explained below) where each share is equal to one dollar and the Town avoids interest rate risk.

Credit Risk. Colorado statutes specify investment instruments meeting defined rating and risk criteria in which local government entities may invest including obligations of the United States and certain U.S. government agency securities; certain international agency securities; general obligation and revenue bonds of U.S. local government entities; bankers' acceptance of certain banks; commercial paper; local government investment pools; written repurchase agreements collateralized by certain authorized securities; certain money market funds; and guaranteed investment contracts. The Town's general investment policy is to apply the prudent-person rule; prudence and protection of Town funds are the primary criteria. All investments and bid requests for investments are predicated on liquidity, yield, safety and interest of the local economy. As of December 31, 2020, the Town's investment in Colotrust Plus and CSafe were rated AAAM by Standard and Poor's.

Concentration of Credit Risk. The Town invests most funds in 2a7-like pools and thus avoids a concentration of credit risk.

Deposits and investments are presented on the Statement of Net Position as follows:

| Type | Rating | Carrying Amount | Maturities | |
|----------------------|--------|-----------------|--------------------|-------------------|
| | | | Less Than One Year | One to Five Years |
| <i>Deposits:</i> | | | | |
| Petty cash | n/a | 509 | - | - |
| Checking and savings | n/a | 140,957 | - | - |
| <i>Investments:</i> | | | | |
| CSafe | AAAm | 959,083 | - | - |
| Colotrust | AAAm | 2,380,612 | - | - |
| | | 3,481,161 | - | - |

Town of DeBeque, Colorado
Notes to the Financial Statements
December 31, 2020
(Continued)

III. Detailed Notes on All Funds (continued)

A. Deposits and Investments (continued)

Fair Value of Investments The Town measures and records its investments using fair value measurement guidelines established by generally accepted accounting principles. These guidelines recognize a three-tiered fair value hierarchy, as follows:

- *Level 1:* Quoted prices for identical investments in active markets;
- *Level 2:* Observable inputs other than quoted market prices; and,
- *Level 3:* Unobservable inputs.

Unrealized gains / losses were \$0, which reflects the change in fair market value of investments. At December 31, 2020, the Town had the following recurring measurements:

| <u>Investments Measured at Net Asset Value</u> | <u>Total</u> |
|--|--------------|
| Colotrust | 2,380,612 |

| <u>Investments Measured at Amortized Cost</u> | <u>Total</u> |
|---|--------------|
| CSafe | 959,083 |

B. Receivables

Receivables as of year-end for the Town's funds, including applicable allowances for uncollectible accounts, are as follows:

| Governmental Activities: | General | Conservation Trust | Capital Projects | Government Wide | Total |
|---------------------------------|----------------|---------------------------|-------------------------|------------------------|----------------|
| Receivables: | | | | | |
| Property tax | 55,837 | - | - | - | 55,837 |
| Other | 5,959 | - | - | - | 5,959 |
| Other governments | 295,150 | - | - | - | 295,150 |
| Net receivables | 356,946 | - | - | - | 356,946 |

| Business-type Activities: | Water | Sewer | Irrigation | Total |
|----------------------------------|---------------|---------------|-------------------|---------------|
| Receivables: | | | | |
| User fee | 23,028 | 19,321 | 2,594 | 44,943 |
| Net receivables | 23,028 | 19,321 | 2,594 | 44,943 |

Governmental funds report *deferred inflow of resources* in connection with receivables for revenues that are not considered to be available to liquidate liabilities of the current period. The \$55,837 of deferred inflow of resources is property taxes levied in 2020 but not available until 2021.

Town of DeBeque, Colorado
Notes to the Financial Statements
December 31, 2020
(Continued)

III. Detailed Notes on All Funds (continued)

C. Capital Assets

Capital asset activity for the year ended December 31, 2020 was as follows:

| | Beginning Balance | Increases | Decreases | Ending Balance |
|---|------------------------------|------------------|------------------|---------------------------|
| Governmental Activities: | | | | |
| Capital Assets, Not Being Depreciated: | | | | |
| Land | 140,951 | - | - | 140,951 |
| Total Capital Assets, Not Being Depreciated | 140,951 | - | - | 140,951 |
| Capital Assets, Being Depreciated: | | | | |
| Buildings and improvements | 1,075,030 | - | - | 1,075,030 |
| General government equipment | - | 9,000 | - | 9,000 |
| Public safety equipment | 161,383 | 28,850 | - | 190,233 |
| Public works equipment | 238,517 | 6,365 | - | 244,882 |
| Parks, recreation and other | 93,482 | 9,570 | - | 103,052 |
| Infrastructure | 2,536,223 | - | - | 2,536,223 |
| Total Capital Assets, Being Depreciated | 4,104,635 | 53,785 | - | 4,158,420 |
| Less Accumulated Depreciation For: | | | | |
| Buildings and improvements | (763,760) | (31,115) | - | (794,875) |
| General government equipment | - | (1,800) | - | (1,800) |
| Public safety equipment | (80,478) | (17,354) | - | (97,832) |
| Public works equipment | (155,233) | (11,774) | - | (167,007) |
| Culture, recreation and other | (66,483) | (5,853) | - | (72,336) |
| Infrastructure | (1,629,124) | (63,530) | - | (1,692,654) |
| Total Accumulated Depreciation | (2,695,078) | (131,426) | - | (2,826,504) |
| Total Capital Assets, Being Depreciated, Net | 1,409,557 | (77,641) | - | 1,331,916 |
| Governmental Activities Capital Assets, Net | 1,550,508 | (77,641) | - | 1,472,867 |

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Town of DeBeque, Colorado
Notes to the Financial Statements
December 31, 2020
(Continued)

III. Detailed Notes on All Funds (continued)

C. Capital Assets (continued)

| | <u>Beginning Balance</u> | <u>Increases</u> | <u>Decreases</u> | <u>Ending Balance</u> |
|---|------------------------------|------------------|------------------|---------------------------|
| Business-type Activities: | | | | |
| Capital Assets, Being Depreciated: | | | | |
| Water plant and storage reservoirs | 4,165,243 | - | - | 4,165,243 |
| Water rights, meters and equipment | 178,136 | - | - | 178,136 |
| Sewer treatment and generation facilities | 568,588 | - | - | 568,588 |
| Collection and distribution system | 978,851 | - | - | 978,851 |
| Total Capital Assets, Being Depreciated | <u>5,890,818</u> | <u>-</u> | <u>-</u> | <u>5,890,818</u> |
| Less Accumulated Depreciation for: | | | | |
| Water plant and storage reservoirs | (2,198,041) | (84,731) | - | (2,282,772) |
| Water rights, meters and equipment | (83,701) | (9,211) | - | (92,912) |
| Sewer treatment and generation facilities | (394,638) | (36,811) | - | (431,449) |
| Collection and distribution system | (232,240) | (24,416) | - | (256,656) |
| Total Accumulated Depreciation | <u>(2,908,620)</u> | <u>(155,169)</u> | <u>-</u> | <u>(3,063,789)</u> |
| Total Capital Assets, Being Depreciated, Net | <u>2,982,198</u> | <u>(155,169)</u> | <u>-</u> | <u>2,827,029</u> |
| Business-type Activities Capital Assets, Net | <u>2,982,198</u> | <u>(155,169)</u> | <u>-</u> | <u>2,827,029</u> |

Depreciation expense was charged to functions of the primary government as follows:

Governmental Activities:

| | |
|---|----------------|
| General government | 96,445 |
| Public safety | 17,354 |
| Public works, including depreciation of general infrastructure assets | 11,774 |
| Parks and recreation | 5,853 |
| Total Depreciation Expense - Governmental Activities | <u>131,426</u> |

Business-type Activities:

| | |
|--|----------------|
| Water | 83,582 |
| Sewer | 61,227 |
| Irrigation | 10,360 |
| Total Depreciation Expense - Business-type Activities | <u>155,169</u> |

Town of DeBeque, Colorado
Notes to the Financial Statements
December 31, 2020
(Continued)

III. Detailed Notes on All Funds (continued)

D. Long-term Liabilities

The Town has the following long-term debt outstanding as of December 31, 2020:

Water Fund - Notes payable to the Colorado Department of Local Affairs (DOLA)

January 2007, original balance of \$100,000; due September 2026 39,711

Principal and interest payment requirements on the Town's notes payable from business-type activities are as follows:

| Business-Type Activities | | | |
|---------------------------------|------------------|-----------------|---------------|
| | Principal | Interest | Total |
| 2021 | 5,838 | 1,986 | 7,824 |
| 2022 | 6,130 | 1,694 | 7,824 |
| 2023 | 6,437 | 1,387 | 7,824 |
| 2024 | 6,758 | 1,065 | 7,823 |
| 2025 | 7,096 | 727 | 7,823 |
| 2026 | 7,452 | 373 | 7,825 |
| | <u>39,711</u> | <u>7,232</u> | <u>46,943</u> |

Long-term liability activity for the year ended December 31, 2020 was as follows:

| | Beginning Balance | Additions | Reductions | Ending Balance | Due Within One Year |
|---------------------------------------|------------------------------|------------------|-------------------|---------------------------|--------------------------------|
| Business-type Activities: | | | | | |
| Water Fund - notes payable | | | | | |
| Department of Local Affairs | 58,913 | - | (19,202) | 39,711 | 5,838 |
| Total Business-type Activities | | | | | |
| Long-term Liabilities | <u>58,913</u> | <u>-</u> | <u>(19,202)</u> | <u>39,711</u> | <u>5,838</u> |

Town of DeBeque, Colorado
Notes to the Financial Statements
December 31, 2020
(Continued)

III. Detailed Notes on All Funds (continued)

E. Pension (Asset) Liability, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions

1. FPPA Statewide Defined Benefit Plan

Plan Description. The Plan is a cost-sharing multiple-employer defined benefit pension plan covering substantially all full-time employees of participating fire or police departments in Colorado hired on or after April 8, 1978 (New Hires), provided they are not already covered by a statutorily exempt plan. As of August 5, 2003, the Plan may include clerical and other personnel from fire districts whose services are auxiliary to fire protection. The plan became effective January 1, 1980.

The plan assets are included in the Fire & Police Members' Benefit Investment Fund and the Fire & Police Members' Self-Director Investment Fund (for Deferred Retirement Option Plan ("DROP")) assets and Separate Retirement Account assets from eligible retired members).

Contributions. Determined by state statute or by election of the members, contributions are set at a level that enables all benefits to be fully funded at the retirement date of all members. Effective January 1, 2021, contribution rates may be increased by the FPPA Board of Directors upon approval through an election by both the employers and members.

In 2014, the members elected to increase the member contribution rate 0.5% annually from 2015 through 2022 to a total of 12% of base salary. Employer contributions will increase 0.5% annually beginning in 2021 through 2030 to a total of 13%. In 2019, employees and employers are contributing at a rate of 10.5% and 8%, respectively, of base salary for a total contribution rate of 18.5%.

Contributions from members and employers of plans reentering the system are established by resolution and approved by the FPPA Board of Directors. The reentry group has a combined contribution rate of 22.5% and 23% of base salary in 2019 and 2020, respectively. It is a local decision on who pays the additional 4% contribution. Per the 2014 member election, the reentry group will also have their required member and employer contribution rates increase 0.5% annually. Effective January 1, 2021, reentry departments may submit a resolution to the FPPA Board of Directors to reduce the additional 4% contribution to the plan for reentry contributions.

The contribution rate for members and employers of affiliated social security employers is 5.25% and 4% of base salary for a total contribution rate of 9.25% in 2019. Per the 2014 member election, the affiliated social security group will also have their required member contribution rate increase 0.25% annually beginning in 2015 through 2022 to a total of 6% of base salary. Employer contributions will increase 0.25% annually beginning in 2021 through 2030 to a total of 6.5% of base salary.

Town of DeBeque, Colorado
Notes to the Financial Statements
December 31, 2020
(Continued)

III. Detailed Notes on All Funds (continued)

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

1. FPPA Statewide Defined Benefit Plan (continued)

Benefits. On May 23, 1983, the Colorado Revised Statutes were amended to allow the Trustees of the Plan to change the retirement age on an annual basis, depending upon the results of the actuarial valuation and other circumstances. The amended statutes state that retirement age should not be less than age 55 or more than age 60. The Trustees subsequently elected to amend the retirement provisions, effective July 1, 1983, such that any member with at least 25 years of service may retire at any time after age 55 and shall be eligible for a normal retirement pension. Effective January 1, 2021, a member may also qualify for a normal retirement pension if the member's combined years of service and age equals at least 80, with a minimum age of 50.

The annual normal retirement benefit is 2% of the average of the member's highest three years' base salary for each year of credited service up to ten years, plus 2.5% for each year of service thereafter. The benefit earned prior to January 1, 2007 for members of affiliated Social Security employers will be reduced by the amount of Social Security income payable to the member annually. Effective January 1, 2007, members currently covered under Social Security will receive half the benefit when compared to the Statewide Defined Benefit Plan. Benefits paid to retired members are evaluated and may be re-determined every October 1. The amount of any increase is based on the Board's discretion and can range from 0 to the higher of 3% or the Consumer Price Index.

A member is eligible for an early retirement after completion of 30 years of service or attainment of age 50 with at least five years of credited service. The early retirement benefit equals the normal retirement benefit reduced on an actuarially equivalent basis. Upon termination, an employee may elect to have member contributions, along with 5% as interest, returned as a lump sum distribution. Alternatively, a member with at least five years of accredited service may leave contributions with the Plan and remain eligible for a retirement pension at age 55 equal to 2% of the member's average highest three years' base salary for each year of credited service up to ten years, plus 2.5% for each year of service thereafter.

Town of DeBeque, Colorado
Notes to the Financial Statements
December 31, 2020
(Continued)

III. Detailed Notes on All Funds (continued)

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

1. FPPA Statewide Defined Benefit Plan (continued)

Net Pension Asset At December 31, 2020, the Town reported \$8,558 for its proportionate share of the net pension asset. The net pension asset was measured as of December 31, 2019, and the total pension liability used to calculate the net pension asset was determined by an actuarial valuation as of January 1, 2020. The Town proportion of the net pension asset was based on Town contributions to the Plan for the calendar year 2019 relative to the total contributions of participating employers to the Plan.

At December 31, 2020, the Town's proportion was 0.015133%, as compared to 0.018312% at December 31, 2019.

For the year ended December 31, 2020, the Town recognized pension expense of \$7,544. At December 31, 2020, the Town reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

| | Deferred Outflows of Resources | Deferred Inflows of Resources |
|--|--------------------------------------|-------------------------------------|
| Difference between expected and actual experience | \$ 28,965 | \$ 167 |
| Net difference between projected and actual earnings on pension plan investments | - | 13,455 |
| Changes in actuarial assumptions | 16,252 | - |
| Changes in proportionate share of contributions | 15,632 | 7,254 |
| Difference between actual and reported contributions recognized | 10,636 | - |
| Contributions subsequent to the measurement date | 14,097 | - |
| | <u>\$ 85,582</u> | <u>\$ 20,876</u> |

Contributions subsequent to the measurement date of December 31, 2019, which are reported as deferred outflows of resources related to pensions, will be recognized as an increase of the net pension asset in the year ended December 31, 2021.

Town of DeBeque, Colorado
Notes to the Financial Statements
December 31, 2020
(Continued)

III. Detailed Notes on All Funds (continued)

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

1. FPPA Statewide Defined Benefit Plan (continued)

Net Pension Asset (continued) Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

Year ending December 31:

| | | |
|------------|----|---------------|
| 2021 | \$ | 5,025 |
| 2022 | | 3,860 |
| 2023 | | 8,237 |
| 2024 | | 2,560 |
| 2025 | | 8,375 |
| Thereafter | | 22,552 |
| | \$ | <u>50,609</u> |

Actuarial Assumptions The total pension liability in the December 31, 2019 actuarial valuation was determined using the following actuarial assumptions and other inputs:

| | Total Pension Liability | Actuarially Determined Contributions |
|-----------------------------|--------------------------------|---|
| Actuarial Valuation Date | January 1, 2020 | January 1, 2019 |
| Actuarial Method | Entry Age Normal | Entry Age Normal |
| Amortization Method | N/A | Level % of Payroll, Open |
| Amortization Period | N/A | 30 Years |
| Long-term investment rate * | 7.0% | 7.0% |
| Projected Salary Increases | 4.25% to 11.25% | 4.25% to 11.25% |
| Cost of Living Adjustments | 0% | 0% |
| * includes inflation at | 2.5% | 2.5% |

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

At least every five years the FPPA's Board of Directors, in accordance with best practices, reviews its economic and demographic actuarial assumptions. At its July 2018 meeting, the Board of Directors reviewed and approved recommended changes to the actuarial assumptions. The recommendations were made by the FPPA's actuaries, Gabriel, Roeder, Smith & Co., based upon their analysis of past experience and expectations of the future. The assumption changes were effective for actuarial valuations beginning January 1, 2019. The actuarial assumptions impact actuarial factors for benefit purposes such as purchases of service credit and other benefits where actuarial factors are used.

Town of DeBeque, Colorado
Notes to the Financial Statements
December 31, 2020
(Continued)

III. Detailed Notes on All Funds (continued)

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

1. FPPA Statewide Defined Benefit Plan (continued)

Actuarial Assumptions (continued) The long-term expected rate of return on pension plan investments was determined using a building-block method in which best-estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighing the expected future real rates of return by the target asset allocation percentage and by adding expected inflation.

Best estimates of arithmetic real rates of return for each major asset class included in the Fund's target asset allocation as of December 31, 2019 are summarized in the following table:

| Asset Class | Target Allocation | Long Term Expected Rate of Return |
|--------------------|--------------------------|--|
| Global Equity | 38% | 7.00% |
| Equity Long/Short | 8% | 6.00% |
| Private Markets | 25% | 9.20% |
| Fixed Income | 15% | 5.20% |
| Absolute Return | 8% | 5.50% |
| Managed Futures | 4% | 5.00% |
| Cash | 2% | 2.52% |
| | 100% | |

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

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

Town of DeBeque, Colorado
Notes to the Financial Statements
December 31, 2020
(Continued)

III. Detailed Notes on All Funds (continued)

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

1. FPPA Statewide Defined Benefit Plan (continued)

Discount Rate (continued) For the purpose of this valuation, the expected rate of return on pension plan investments is 7.00%; the municipal bond rate is 2.75% (based on the weekly rate closest to but not later than the measurement date of the "state & local bonds" rate from Federal Reserve statistical release (H.15)); and the resulting Single Discount Rate is 7.00%.

Sensitivity of the Town's proportionate share of the net pension liability/(asset) to changes in the discount rate The following presents the proportionate share of the net pension asset calculated using the discount rate of 7.00 percent, as well as what the proportionate share of the net pension liability/(asset) would be if it were calculated using a discount rate that is 1-percentage-point lower (6.00 percent) or 1-percentage-point higher (8.00 percent) than the current rate:

| | 1% Decrease (6.0%) | Current Discount Rate (7.0%) | 1 % Increase (8.0%) |
|--|-----------------------|---------------------------------|------------------------|
| Collective net pension liability (asset) | \$ 342,913,305 | \$ (56,556,341) | \$ (387,863,540) |
| Proportionate share of net pension liability (asset) | \$ 51,894 | \$ (8,558) | \$ (58,697) |

Pension plan fiduciary net position. Detailed information about the Plan's fiduciary net position is available in FPPA's comprehensive annual financial report which can be obtained at http://www.fppaco.org/annual_reports.htm.

Subsequent event. House Bill 20-1044 was signed into law on April 1, 2020. Included in the bill is a provision to increase the benefits of the members of the Statewide Defined Benefit Plan through a Rule of 80 provision effective January 1, 2021. This provision provides for a normal retirement as early as age 50 if the member's age combined with years of service totals at least 80. The impact of this change was not included in the Total Pension Liability or the Collective Pension Expense as of the December 31, 2019 measurement period. This will be reflected in the December 31, 2020 measurement period. The impact of the benefit adjustment is approximately \$53 million.

Town of DeBeque, Colorado
Notes to the Financial Statements
December 31, 2020
(Continued)

III. Detailed Notes on All Funds (continued)

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

2. FPPA Statewide Death and Disability Plan

Plan Description Police officers of the Town contribute to the Statewide Death and Disability Plan ("SWDD"). The SWDD is a cost-sharing multiple-employer defined benefit death and disability plan administered by FPPA. Contributions to the SWDD are used solely for the payment of death and disability benefits. The Town is covered by Social Security and has elected supplementary coverage by the SWDD. The SWDD was established in 1980 pursuant to Colorado Revised Statutes.

SWDD benefits provide 24-hour coverage, both on- and off-duty members not eligible for normal retirement under a defined benefit plan, or under a money purchase plan.

Benefits In the case of an on-duty death, benefits may be payable to the surviving spouse or dependent children of active members who were eligible to retire, but were still working. Death and disability benefits are free from state and federal taxes in the event that a member's disability is determined to be the result of an on-duty injury or an occupational disease.

Contributions Prior to 1997, the SWDD was primarily funded by the State of Colorado, whose contributions were established by the State of Colorado (the "State"). In 1997, the State made a one-time contribution of \$39,000,000 to fund past and future service costs for all firefighters and police officers hired prior to January 1, 1997. No further State contributions are anticipated.

The SWDD is funded by member contributions. Members hired on or after January 1, 1997, began contributing 2.4 percent of base salary to the SWDD. Contributions may be increased 0.1 percent biennially by the FPPA Board. As of January 1, 2017, the contribution rate was 2.7 percent of base salary. The contribution rate increased to 2.8 percent of the base salary as of January 1, 2019. This percentage can vary depending on actuarial experience. All contributions are made by member or on behalf of members. The Town made no employer contributions to the SWDD at December 31, 2020.

FPPA issues a publicly available comprehensive annual financial report which includes additional information on the Statewide Death and Disability Plan. That report can be obtained at <https://www.fppaco.org/annual-reports.html>.

Town of DeBeque, Colorado
Notes to the Financial Statements
December 31, 2020
(Continued)

III. Detailed Notes on All Funds (continued)

F. Fund Balances and Net Position

The Town has classified governmental fund balances as follows:

Non-spendable – includes fund balance amounts inherently non-spendable since they represent inventories, prepaid items, etc.

Spendable Fund Balance:

Restricted – includes fund balance amounts that are constrained for specific purposes which are externally imposed by providers, such as creditors or amounts constrained due to constitutional provisions or enabling legislation.

Committed – includes fund balance amounts that are constrained for specific purposes that are internally imposed by the government through formal action of the highest level of decision making authority, which is the Town Board of Trustees. Fiscal year spending excludes bonded debt service and enterprise spending.

Assigned – includes spendable fund balance amounts that are intended to be used for specific purposes that are neither considered restricted or committed. Fund Balance may be assigned by the Town Board of Trustees or its management designees. The Capital Projects Fund's entire balance was assigned for future capital projects and equipment acquisition.

Unassigned – includes residual positive fund balance within the General Fund, which has not been classified within the other above mentioned categories. Unassigned fund balance may also include negative balances for any governmental fund if expenditures exceed amounts restricted, committed, or assigned for those specific purposes.

The Town uses restricted amounts to be spent first when both restricted and unrestricted fund balance is available unless there are legal documents or contracts that prohibit this, such as grant agreements that require dollar for dollar spending. Additionally, the Town would first use committed, then assigned, and lastly unassigned amounts when expenditures are made.

The Town does not have a formal minimum fund balance policy. However, the Town's budget includes a calculation of all targeted reserve positions and management calculates targets and reports them annually to the Town Board of Trustees.

In the government wide financial statements, net position represents the difference between assets and liabilities. Net investment in capital assets, consists of capital assets, net of accumulated depreciation, reduced by the outstanding balances of any borrowing used for the acquisition, construction or improvement of those assets. Net position is reported as restricted when there are limitations imposed on their use either through the enabling legislation adopted by the Town or through external restrictions imposed by creditors, grantors or laws or regulations of other governments. All other net position is reported as unrestricted.

Town of DeBeque, Colorado
Notes to the Financial Statements
December 31, 2020
(Continued)

IV. Other Information

A. Commitments and Contingencies

The Town has various grants received from grantor agencies with specific requirements that the Town must meet. Amounts received from grantor agencies are subject to audit by the grantor agencies. Any disallowed claims, including amounts already received, may constitute a liability of the applicable funds. Management does not expect the amount, if any, to be material to the financial statements taken as a whole.

Under the terms of state grants, costs may be questioned as not being appropriate expenses that could lead to reimbursement to the grantor agencies. Town management is not aware of any such expenses that would not be allowed. The Town is involved in various legal matters that are on-going at the time of the audit. The legal matters do not include damages and management does not anticipate any material financial impact.

B. Risk Management

The Town is exposed to various risks of loss related to workers compensation, general liability, unemployment, torts, theft of, damage to, and destruction of assets, and errors and omissions. The Town is participant in the Colorado Intergovernmental Risk Sharing Agency ("CIRSA"). CIRSA operates as a common risk management and insurance program. As of December 31, 2020 there were more than 200 member municipalities including the Town, each having one vote. The Town pays an annual premium to CIRSA for its general insurance coverage and worker's compensation insurance coverage. The agreement for formation of CIRSA provides that CIRSA will be financed by member premiums and will reinsure through commercial companies for claims in excess of \$1,000,000 for each insured event. Due to CIRSA being a risk sharing pool, an unanticipated loss by one or more of the members of the pool could result in an unanticipated assessment against the Town and the loss of coverage.

The Town carries commercial insurance for employee health and accident insurance.

C. Restatement

The beginning net position for the Town of DeBeque's General Fund has been decreased by a total of \$76,474 to reflect sales taxes owed back to the State originally remitted in error.

REQUIRED SUPPLEMENTARY INFORMATION

Town of DeBeque, Colorado
Schedule of Revenues and Expenditures
Budget (GAAP Basis) and Actual
General Fund
For the Year Ended December 31, 2020
(With Comparative Actual Amounts for December 31, 2019)

| | 2020 | | | 2019 (restated) |
|--|----------------------------|-------------------------|------------------|---|
| | Original Budget | Final Budget | Actual | Final Budget Variance Positive (Negative) Actual |
| Revenues: | | | | |
| Taxes | 1,559,400 | 1,559,400 | 2,031,489 | 472,089 |
| Licenses and permits | 23,000 | 23,000 | 43,653 | 20,653 |
| Intergovernmental | - | - | 74,699 | 74,699 |
| Charges for services | 256,350 | 256,350 | 96,804 | (159,546) |
| Payments in lieu of park development | 16,000 | 16,000 | 14,511 | (1,489) |
| Planning reimbursement | 5,000 | 5,000 | 7,438 | 2,438 |
| Other revenues | 10,550 | 10,550 | 7,409 | (3,141) |
| Interest income | 45,585 | 45,585 | 20,255 | (25,330) |
| Total Revenues | 1,915,885 | 1,915,885 | 2,296,258 | 380,373 |
| Expenditures: | | | | |
| General government | 687,120 | 687,120 | 532,658 | 154,462 |
| Municipal court | 11,955 | 11,955 | 10,657 | 1,298 |
| Public safety | 728,170 | 728,170 | 613,747 | 114,423 |
| Public works | 302,716 | 302,716 | 250,000 | 52,716 |
| Culture and recreation | 92,266 | 92,266 | 44,855 | 47,411 |
| Cemetery | 2,100 | 2,100 | 406 | 1,694 |
| Community center | 1,800 | 1,800 | 830 | 970 |
| Sanitation | 55,000 | 55,000 | 54,654 | 346 |
| Total Expenditures | 1,881,127 | 1,881,127 | 1,507,807 | 373,320 |
| Excess (Deficiency) of Revenues Over Expenditures | 34,758 | 34,758 | 788,451 | 753,693 |
| Other Financing Sources (Uses): | | | | |
| Transfers Out: | | | | |
| Water Fund | (29,000) | (29,000) | (29,000) | - |
| Total Other Financing Sources (Uses): | (29,000) | (29,000) | (29,000) | - |
| Net Change in Fund Balances | 5,758 | 5,758 | 759,451 | 753,693 |
| Fund Balance, Beginning (as restated) | 2,087,936 | 2,087,936 | 2,257,209 | 169,273 |
| Fund Balance, Ending | 2,093,694 | 2,093,694 | 3,016,660 | 922,966 |

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

Town of DeBeque, Colorado
Special Revenue Fund - Conservation Trust Fund
For the Year Ended December 31, 2020
(With Comparative Actual Amounts for December 31, 2019)

| | 2020 | | | 2019 |
|-----------------------------------|----------------------|----------------------|----------------------|--|
| | Original Budget | Final Budget | Actual | Final Budget Variance Positive (Negative) Actual |
| Revenues: | | | | |
| State lottery | 4,500 | 4,500 | 5,184 | 684 |
| Interest income | - | - | 433 | 433 |
| Total Revenues | <u>4,500</u> | <u>4,500</u> | <u>5,617</u> | <u>1,117</u> |
| Expenditures: | | | | |
| Culture and recreation | - | - | - | - |
| Total Expenditures | <u>-</u> | <u>-</u> | <u>-</u> | <u>-</u> |
| Net Change in Fund Balance | 4,500 | 4,500 | 5,617 | 1,117 |
| Fund Balance, Beginning | <u>62,895</u> | <u>62,895</u> | <u>58,344</u> | <u>(4,551)</u> |
| Fund Balance, Ending | <u><u>67,395</u></u> | <u><u>67,395</u></u> | <u><u>63,961</u></u> | <u><u>(3,434)</u></u> |

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

Town of DeBeque, Colorado
Schedule of the Town's Proportionate Share of Net Pension Liability (Asset)
Fire and Police Pension Association of Colorado - Statewide Defined Benefit Plan
Last 10 Fiscal Years *

| | <u>2019</u> | <u>2018</u> | <u>2017</u> | <u>2016</u> | <u>2015</u> | <u>2014</u> | <u>2013</u> |
|--|-------------|-------------|-------------|-------------|-------------|-------------|-------------|
| Town's portion of the net pension asset | 0.015133% | 0.018312% | 0.019616% | 0.021237% | 0.013091% | 0.016429% | 1.450600% |
| Town's proportionate share of the net pension liability (asset) | (8,558) | 23,151 | (28,219) | 7,675 | (231) | (18,542) | (12,971) |
| Town's covered payroll | 223,075 | 245,325 | 229,475 | 217,375 | 126,925 | 147,766 | 126,011 |
| Town's proportionate share of the net pension liability (asset) as a percentage of its covered payroll | -4% | 9% | -12% | 4% | 0% | -13% | 10% |
| Plan fiduciary net position as a percentage of the total pension asset | 101.90% | 95.20% | 106.34% | 98.21% | 100.10% | 106.80% | 105.80% |

* The amounts presented for each fiscal year were determined as of the calendar year-end that occurred one year prior. Information is only available beginning in fiscal year 2014.

Town of DeBeque, Colorado
Schedule of Town Contributions
Fire and Police Pension Association of Colorado - Statewide Defined Benefit Plan
Last 10 Fiscal Years *

| | <u>2019</u> | <u>2018</u> | <u>2017</u> | <u>2016</u> | <u>2015</u> | <u>2014</u> | <u>2013</u> |
|--|----------------|----------------|----------------|----------------|----------------|----------------|----------------|
| Contractually required contribution | 8,923 | 9,813 | 9,179 | 8,695 | 5,077 | 5,911 | 5,040 |
| Contributions in relation to the contractually required contribution | <u>(8,923)</u> | <u>(9,813)</u> | <u>(9,179)</u> | <u>(8,695)</u> | <u>(5,077)</u> | <u>(5,911)</u> | <u>(5,040)</u> |
| Contribution deficiency (excess) | <u>\$ -</u> | <u>\$ -</u> | <u>\$ -</u> | <u>\$ -</u> | <u>\$ -</u> | <u>\$ -</u> | <u>\$ -</u> |
| Town's covered payroll | 223,075 | 245,325 | 229,475 | 217,375 | 126,925 | 147,766 | 126,011 |
| Contributions as a percentage of covered payroll | 4.00% | 4.00% | 4.00% | 4.00% | 4.00% | 4.00% | 4.00% |

* The amounts presented for each fiscal year were determined as of the calendar year-end that occurred one year prior. Information is only available beginning in fiscal year 2014.

Town of DeBeque
Notes to the Required Supplementary Information
December 31, 2020

I. Schedule of Employer's Proportionate Share of the Net Pension Liability (Asset)

A. Changes to assumptions or other inputs

1. Changes Since the January 1, 2019 Actuarial Valuation are as Follows:

- No changes.

2. Changes Since the January 1, 2018 Actuarial Valuation are as Follows:

- For determining the total pension liability, the post-retirement mortality tables for non-disabled retirees uses the 2006 central rate from the RP-2014 annuitant mortality tables projected to 2018 using the MP-2017 projection scales, and the projected prospectively using the ultimate rates of the scale for all years. The pre-retirement off-duty mortality tables are adjusted to 50% of the RP-2014 mortality tables for active employees. The on-duty mortality rate is 0.00015.
- For determining the actuarial determined contributions, the post-retirement mortality tables for non-disabled retirees is a blend of the Annuitant and Employee RP-2014 generational mortality tables with blue collar adjustment projected with Scale BB. The pre-retirement off-duty mortality tables are adjusted to 55% of the RP-2014 mortality tables for active employees. The on-duty mortality rate is 0.00020.

3. Changes Since the January 1, 2017 Actuarial Valuation are as Follows:

- No changes

4. Changes Since the January 1, 2016 Actuarial Valuation are as Follows:

- No changes

5. Changes Since the January 1, 2015 Actuarial Valuation are as Follows:

- Effective January 1, 2016, the post-retirement mortality tables for non-disabled retirees is a blend of the Annuitant and Employee RP-2014 generational mortality tables with blue collar adjustment projected with Scale BB. The occupationally disabled post-retirement mortality assumption uses the same table as used for healthy annuitants, except that is a three-year set-forward, meaning a disabled member age 70 will be valued as if they were a 73-year-old healthy retiree. The totally disabled post-retirement mortality assumption uses the RP-2014 generational mortality tables for disabled annuitants, except an additional provision to apply a minimum 3% mortality probability to males and 2% mortality probability for females is included to reflect substantial impairment for this population. The pre-retirement off-duty mortality tables are adjusted to 55% of the RP-2014 mortality tables for active employees. The on-duty mortality rate is 0.00020.

Town of DeBeque
Notes to the Required Supplementary Information
December 31, 2020
(Continued)

I. Schedule of Employer's Proportionate Share of the Net Pension Liability (Asset)
(continued)

A. Changes to assumptions or other inputs

6. Changes Since the January 1, 2014 Actuarial Valuation are as Follows:

- For determining the total pension liability, the RP-2014 Mortality Tables for Blue Collar Employees, projected with Scale BB, 55 percent multiplier for off-duty mortality is used in the valuation for off-duty mortality of active members. On-duty related mortality is assumed to be 0.00020 per year for all members of post-retirement benefits for members under age 55. For post-retirement members ages 65 and older, the RP-2014 Mortality Tables for Blue Collar Healthy Annuitants, projected with Scale BB are used.

B. Changes of benefit terms

No changes during the years presented above.

C. Changes of size or composition of population covered by benefit terms

No changes during the years presented above.

II. Schedule of Town Contributions

A. Changes to assumptions or other inputs

No changes during the years presented above.

B. Changes of benefit terms.

No changes during the years presented above.

C. Changes of size or composition of population covered by benefit terms.

No changes during the years presented above.

SUPPLEMENTARY INFORMATION

Town of DeBeque, Colorado
Schedule of Revenues and Expenditures
Budget (GAAP Basis) and Actual
Special Revenue Fund - Capital Improvement Fund
For the Year Ended December 31, 2020
(With Comparative Actual Amounts for December 31, 2019)

| | 2020 | | | 2019 |
|-----------------------------------|--------------------|-----------------|---------|--|
| | Original Budget | Final Budget | Actual | Final Budget Variance Positive (Negative) Actual |
| Revenues: | | | | |
| Miscellaneous | - | - | - | - |
| Total Revenues | - | - | - | - |
| Expenditures: | | | | |
| Public works | - | - | - | - |
| Total Expenditures | - | - | - | - |
| Net Change in Fund Balance | - | - | - | - |
| Fund Balance, Beginning | 120,051 | 120,051 | 120,051 | - |
| Fund Balance, Ending | 120,051 | 120,051 | 120,051 | - |

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

Town of DeBeque, Colorado
Schedule of Revenues and Expenditures
Budget (GAAP Basis) and Actual
With Reconciliation to GAAP Basis
Proprietary Funds - Water Fund
For the Year Ended December 31, 2020
(With Comparative Actual Amounts for December 31, 2019)

| | 2020 | | | | 2019 |
|---|--------------------|-----------------|-----------------|--|-----------------|
| | Original Budget | Final Budget | Actual | Final Budget Variance Positive (Negative) | Actual |
| Operating Revenues: | | | | | |
| User charges | 204,000 | 204,000 | 212,937 | 8,937 | 195,619 |
| Miscellaneous | 3,000 | 3,000 | 4,541 | 1,541 | 3,069 |
| Total Operating Revenues | <u>207,000</u> | <u>207,000</u> | <u>217,478</u> | <u>10,478</u> | <u>198,688</u> |
| Operating Expenses: | | | | | |
| Water operating expenses | 197,347 | 202,851 | 201,099 | 1,752 | 183,416 |
| Total Operating Expenses | <u>197,347</u> | <u>202,851</u> | <u>201,099</u> | <u>1,752</u> | <u>183,416</u> |
| Non-operating Revenues (Expenses): | | | | | |
| Interest on debt | (2,946) | (2,946) | (3,222) | (276) | (5,027) |
| Principal on debt | (19,203) | (19,203) | (19,202) | 1 | (38,242) |
| Total Non-operating Revenues (Expenses) | <u>(22,149)</u> | <u>(22,149)</u> | <u>(22,424)</u> | <u>(275)</u> | <u>(43,269)</u> |
| Net Income (Loss) - Non-GAAP Basis | | | | | |
| Before Capital Contributions and Transfers | (12,496) | (18,000) | (6,045) | 11,955 | (27,997) |
| Capital Contributions - Tap Fees | 5,100 | 5,100 | 600 | (4,500) | 10,200 |
| Transfers in (out) | 17,000 | 17,000 | 17,000 | - | 17,000 |
| Total Capital Contributions and Transfers | <u>22,100</u> | <u>22,100</u> | <u>17,600</u> | <u>(4,500)</u> | <u>27,200</u> |
| Net Income (Loss) - Non-GAAP Basis | <u>9,604</u> | <u>4,100</u> | <u>11,555</u> | <u>7,455</u> | <u>(797)</u> |
| Reconciliation to GAAP Basis: | | | | | |
| Change in accrued interest | | | 320 | | 785 |
| Principal on debt | | | 19,202 | | 38,242 |
| Depreciation | | | (83,582) | | (94,924) |
| Total GAAP Basis Adjustments | | | <u>(64,060)</u> | | <u>(55,897)</u> |
| Net Income (Loss) - GAAP Basis | | | <u>(52,505)</u> | | <u>(56,694)</u> |

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

Town of DeBeque, Colorado
Schedule of Revenues and Expenditures
Budget (GAAP Basis) and Actual
With Reconciliation to GAAP Basis
Proprietary Funds - Sewer Fund
For the Year Ended December 31, 2020
(With Comparative Actual Amounts for December 31, 2019)

| | 2020 | | | 2019 |
|---|--------------------|-----------------|-----------------|--|
| | Original Budget | Final Budget | Actual | Final Budget Variance Positive (Negative) Actual |
| Operating Revenues: | | | | |
| Charges for services | 132,000 | 132,000 | 135,824 | 3,824 |
| Miscellaneous | - | - | - | 85 |
| Total Operating Revenues | <u>132,000</u> | <u>132,000</u> | <u>135,824</u> | <u>3,824</u> |
| Operating Expenses: | | | | |
| Operating expenses | 153,510 | 163,000 | 150,422 | 12,578 |
| Total Operating Expenses | <u>153,510</u> | <u>163,000</u> | <u>150,422</u> | <u>12,578</u> |
| Net Income (Loss) - Non-GAAP Basis | | | | |
| Before Capital Contributions and Transfers | (21,510) | (31,000) | (14,598) | 16,402 |
| Capital Contributions - Tap Fees | 12,000 | 12,000 | - | (12,000) |
| Transfers in (out) | 12,000 | 12,000 | 12,000 | - |
| Total Capital Contributions and Transfers | <u>24,000</u> | <u>24,000</u> | <u>12,000</u> | <u>(12,000)</u> |
| Net Income (Loss) - Non-GAAP Basis | <u>2,490</u> | <u>(7,000)</u> | <u>(2,598)</u> | <u>4,402</u> |
| Reconciliation to GAAP Basis: | | | | |
| Depreciation | | | (61,227) | (62,290) |
| Total GAAP Basis Adjustments | | | <u>(61,227)</u> | <u>(62,290)</u> |
| Net Income (Loss) - GAAP Basis | | | <u>(63,825)</u> | <u>(53,892)</u> |

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

Town of DeBeque, Colorado
Schedule of Revenues and Expenditures
Budget (GAAP Basis) and Actual
With Reconciliation to GAAP Basis
Proprietary Funds - Irrigation Fund
For the Year Ended December 31, 2020
(With Comparative Actual Amounts for December 31, 2019)

| | 2020 | | | 2019 |
|--|--------------------|-----------------|-----------------|--|
| | Original Budget | Final Budget | Actual | Final Budget Variance Positive (Negative) Actual |
| Operating Revenues: | | | | |
| Charges for services | 17,000 | 17,000 | 19,292 | 2,292 |
| Operating grants | - | - | - | - |
| Total Operating Revenues | <u>17,000</u> | <u>17,000</u> | <u>19,292</u> | <u>2,292</u> |
| Operating Expenses: | | | | |
| Operating expenses | 8,925 | 10,000 | 8,111 | 1,889 |
| Total Operating Expenses | <u>8,925</u> | <u>10,000</u> | <u>8,111</u> | <u>1,889</u> |
| Non-operating Revenues (Expenses): | | | | |
| Capital outlay | - | - | - | - |
| Total Non-operating Revenues (Expenses) | <u>-</u> | <u>-</u> | <u>-</u> | <u>-</u> |
| Net Income (Loss) - Non-GAAP Basis | <u>8,075</u> | <u>7,000</u> | <u>11,181</u> | <u>403</u> |
| Reconciliation to GAAP Basis: | | | | |
| Capital outlay | | | - | 12,791 |
| Depreciation | | | (10,360) | (10,360) |
| Total GAAP Basis Adjustments | | | <u>(10,360)</u> | <u>2,431</u> |
| Net Income (Loss) - GAAP Basis | | | <u>821</u> | <u>12,430</u> |

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

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

| | | |
|--|--|------------------------------------|
| LOCAL HIGHWAY FINANCE REPORT | | City or County: TOWN OF DEBEQUE |
| | | YEAR ENDING : December 2020 |
| | | Prepared By: SHIRLEY NICHOLS |
| This Information From The Records Of (example - City of _ or County of) | | Phone: 970-283-5475 |

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 | 41,289 |
| 3. Other local imposts (from page 2) | 9,666 |
| 4. Miscellaneous local receipts (from page 2) | 0 |
| 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) | 50,955 |
| B. Private Contributions | |
| C. Receipts from State government (from page 2) | 21,864 |
| D. Receipts from Federal Government (from page 2) | 0 |
| E. Total receipts (A.7 + B + C + D) | 72,819 |

III. DISBURSEMENTS FOR ROAD AND STREET PURPOSES

| ITEM | AMOUNT |
|---|--------|
| A. Local highway disbursements: | |
| 1. Capital outlay (from page 2) | 0 |
| 2. Maintenance: | 20,706 |
| 3. Road and street services: | |
| a. Traffic control operations | |
| b. Snow and ice removal | |
| c. Other | |
| d. Total (a. through c.) | 0 |
| 4. General administration & miscellaneous | 52,113 |
| 5. Highway law enforcement and safety | |
| 6. Total (1 through 5) | 72,819 |
| B. Debt service on local obligations: | |
| 1. Bonds: | |
| a. Interest | |
| b. Redemption | |
| c. Total (a. + b.) | 0 |
| 2. Notes: | |
| a. Interest | |
| b. Redemption | |
| c. Total (a. + b.) | 0 |
| 3. Total (1.c + 2.c) | 0 |
| C. Payments to State for highways | |
| D. Payments to toll facilities | |
| E. Total disbursements (A.6 + B.3 + C + D) | 72,819 |

IV. LOCAL HIGHWAY DEBT STATUS

(Show all entries at par)

| | Opening Debt | Amount Issued | Redemptions | Closing Debt |
|------------------------------|--------------|---------------|-------------|--------------|
| A. Bonds (Total) | | | | 0 |
| 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 |
|--|----------------------|-------------------|------------------------|-------------------|-------------------|
| | | 72,819 | 72,819 | | 0 |

Notes and Comments:

| | | | |
|---|---|---|---------------------------|
| LOCAL HIGHWAY FINANCE REPORT | | City or County: TOWN OF DEBEQUE YEAR ENDING (mm/yy): December 2020 | |
| II. RECEIPTS FOR ROAD AND STREET PURPOSES - DETAIL | | | |
| ITEM | AMOUNT | ITEM | AMOUNT |
| A.3. Other local imposts: | | A.4. Miscellaneous local receipts: | |
| a. Property Taxes and Assessments | | a. Interest on investments | |
| b. Other local imposts: | | b. Traffic Fines & Penalties | |
| 1. Sales Taxes | | 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 | 9,666 | g. Other Misc. Receipts | |
| 6. Total (1. through 5.) | 9,666 | h. Other | |
| c. Total (a. + b.) | 9,666 | i. Total (a. through h.) | 0 |
| | (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 | 19,574 | 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 | 2,290 | 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.) | 2,290 | g. Total (a. through f.) | 0 |
| 4. Total (1. + 2. + 3.f) | 21,864 | 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 |
| b. Engineering Costs | | | 0 |
| c. Construction: | | | |
| (1). New Facilities | | | 0 |
| (2). Capacity Improvements | | | 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: | | | |