
***CITY OF WALSENBURG,
COLORADO
FINANCIAL STATEMENTS
DECEMBER 31, 2019***



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1900 16th Street
Suite 300
Denver, CO 80202

T: 303.698.1883
E: info@rubinbrown.com
www.RubinBrown.com

CERTIFIED PUBLIC ACCOUNTANTS & BUSINESS CONSULTANTS

Independent Auditors' Report

City Council
City of Walsenburg, Colorado

Report On The Financial Statements

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund and the aggregate remaining fund information of the City of Walsenburg, Colorado (the City), as of and for the year ended December 31, 2019, and the related notes to the financial statements, which collectively comprise the City's basic financial statements as listed in the table of contents.

Management's Responsibility For The Financial Statements

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

Auditors' Responsibility

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

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditors' judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the 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, each major fund and the aggregate remaining fund information of the City, as of December 31, 2019, and the respective changes in financial position and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Emphasis Of Matter

Correction Of An Error In Previously Issued Financial Statements

As discussed in Note 13, the beginning fund balance of the Northlands General Improvement District Fund and the governmental activities net position of the City have been restated to correct a misstatement. Our opinion is not modified with respect to this matter. As part of our audit of the financial statements, we also audited the adjustments described in Note 13 that were applied to restate the beginning balances. In our opinion, such adjustments were appropriate and have been properly applied.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis on pages i through vii and budgetary comparison information on pages 41 and 42 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, which considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Other Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the City's basic financial statements. The accompanying combining and individual fund financial statements and schedules and Annual Highway Finance Report are presented for purposes of additional analysis and are not a required part of the basic financial statements.

The combining and individual fund financial statements and schedules and Annual Highway Finance Report are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the combining and individual fund financial statements and schedules and Annual Highway Finance Report are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

Other Reporting Required By *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated May 12, 2021 on our consideration of the City's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the City's internal control over financial reporting and compliance.

RubinBrown LLP

May 12, 2021

City of Walsenburg, Colorado
Management's Discussion and Analysis
December 31, 2019

This discussion and analysis of the City of Walsenburg's (the City) financial performance provides an overview of the City's financial activities for the fiscal year ended December 31, 2019. Please read it in conjunction with the City's financial statements.

FINANCIAL HIGHLIGHTS

- The City of Walsenburg's overall financial position continues to be strong, increasing by \$2.46 million (10.3%) during 2019.
- The assets of the City exceeded its liabilities at the close of 2019 by approximately \$28.21 million (net position). Of this amount, approximately \$4.10 million is unrestricted and may be used to meet the City's ongoing obligations to citizens and creditors.
- At December 31, 2019, the combined net position of the City's governmental activities was approximately \$8.7 million, an increase of approximately \$1.99 million, (see page 5 – Governmental Activities). The total governmental fund balance increased by approximately \$609,000. Of the \$3,105,201 fund balance, 59% is held in the streets improvement fund, 18% is held in the Northlands debt service fund and the remaining 23% is in other non-major funds. The fund balance in the general fund increased by \$277,753 in 2019. The Street Improvement fund balance increased by \$205,609 and the Northlands General Improvement District fund balance increased by \$85,492.
- At December 31, 2019, the combined net position of the City's business-type activities was approximately \$19.57 million, an increase of approximately \$470,000 (see page 4 – Business-type Activities).
- Total tax revenues, which include real property taxes and on-going sales and use tax remittances, increased by approximately \$190,000 (2%) over 2018 collections.

USING THIS ANNUAL REPORT

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

CITY OF WALSENBURG, COLORADO

Management's Discussion And Analysis (*Continued*)

Government-wide Financial Statements

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

The ***statement of net position*** presents information on all of the City of Walsenburg's assets, deferred outflows of resources, liabilities and deferred inflows of resources, with the difference 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 City of Walsenburg is improving or deteriorating.

The ***statement of activities*** presents information showing how the City of Walsenburg'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 reported in this statement for some items will result in cash flows in future fiscal periods (e.g., uncollected taxes and earned but unused vacation leave).

Both of the government-wide financial statements distinguish functions of the City of Walsenburg that are principally supported by taxes and intergovernmental revenues (Governmental Activities) from other functions that are intended to recover all or a significant portion of their costs through user fees and charges (Business-type Activities). The Governmental Activities of the City of Walsenburg include general government, public safety (police & code enforcement), public works administration, streets, planning and economic development, and parks and recreation. The Business-type Activities of the City of Walsenburg include Water, Gas, Sewer and the Water Park.

The government-wide financial statements include only the City of Walsenburg.

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. Some funds are required to be established by State law and bond covenants, however, City Council establishes other funds to help control and manage spendable resources for particular purposes (i.e. Street Improvement Fund). All of the City's funds can be divided into three categories: governmental funds, proprietary funds, and fiduciary funds.

Governmental funds — Some important basic services are reported in governmental funds, which focus on how spendable resources flow into and out of those funds and the balances left at year-end that are available for future years. The funds are reported using an accounting method called modified accrual accounting,

CITY OF WALSENBURG, COLORADO

Management's Discussion And Analysis (*Continued*)

which measures cash and all other financial assets that can readily be converted to cash. The governmental funds statements provide a detailed short-term view to cash, the governmental fund operations and the basic services it provides. Governmental fund information helps you determine whether there are more or fewer financial resources that can be spent in the near future to finance the City's programs. We describe the relationship (or differences) between governmental activities (reported in the Statement of Net Position and the Statement of Activities) and governmental funds in a reconciliation that accompanies the fund financial statements. Walsenburg's government funds are the following: General Fund, Capital Improvement Fund, Streets Improvement Fund, Northlands General Improvement District Fund, Downtown General Improvement District Fund and Conservation Trust Fund.

Proprietary funds — The City maintains governmental proprietary funds as well as the business-type proprietary funds. Financial activity in these funds wholly comprises all relationships between the operational costs for the particular services each fund represents and all fees that are collected to compensate these service expenditures. Proprietary funds are reported in the same way that all activities are reported in the Statement of Net Position and the Statement of Activities. For the business-type propriety funds the City provides several utilities, or enterprise funds. All are reported in the government-wide statements, but more detail and additional information are provided in the fund statements including statements of cash flows. Governmental proprietary funds include Internal Services. Walsenburg's proprietary funds are the Gas Fund, Water Fund, Sewer Fund, Water Park Fund and Internal Service Fund.

Fiduciary funds — Resources held for the benefit of parties outside the government are reported in fiduciary funds. Fiduciary funds are not reflected in the government-wide financial statements because the resources of those funds are not available to support the City's operations. The accounting used for fiduciary funds is similar to that used for proprietary funds. The City maintains a Volunteer Firefighters' Pension Fund.

The basic fiduciary fund financial statements can be found within the basic financial statements, just before the Notes to the Financial Statements.

Notes to 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 immediately after the basic financial statements.

CITY OF WALSENBURG, COLORADO

Management's Discussion And Analysis (*Continued*)

Other Supplementary Information

In addition to the basic financial statements and accompanying notes, this report also presents the combining statements for the City's non-major Governmental Funds. Schedules that compare actual revenues and expenditures/expenses to budgeted amounts are also included. Combining and individual fund statements and schedules can be found after the Notes in the financial section. Non-major government funds are the Downtown General Improvement District Fund and Conservation Trust Fund.

FINANCIAL ANALYSIS OF THE CITY AS A WHOLE

As noted earlier, net assets may serve over time as a useful indicator of a government's financial position. For the City, assets exceeded liabilities by approximately \$28.22 million at the close of 2019. A condensed Statement of Net Position follows:

	Governmental Activities		Business-type Activities		Total Primary	
	2019	2018	2019	2018	2019	2018
Current and other assets	\$ 2,982,589	\$ 2,472,363	\$ 6,163,081	\$ 13,601,745	\$ 9,145,670	\$ 16,074,108
Capital assets	6,062,268	4,668,128	32,053,785	25,659,607	38,116,053	30,327,735
Total Assets	9,044,857	7,140,491	38,216,866	39,261,352	47,261,723	46,401,843
Deferred Inflows of Resources	—	—	113,017	122,435	113,017	122,435
Current liabilities	160,663	134,589	1,076,925	1,384,005	1,237,588	1,518,594
Long-term liabilities	78,712	112,900	17,710,606	18,899,091	17,789,318	19,011,991
Total Liabilities	239,375	247,489	18,787,531	20,283,096	19,026,906	20,530,585
Deferred Inflows of Resources	218,389	207,073	—	—	218,389	207,073
Net Position:						
Net investment in capital assets	6,003,334	4,576,718	14,562,069	6,851,285	20,565,403	11,428,003
Restricted	2,751,971	2,500,221	846,644	4,978,413	3,598,615	7,478,634
Unrestricted	(168,212)	(391,010)	4,133,639	7,270,993	3,965,427	6,879,983
Total Net Position	\$ 8,587,093	\$ 6,685,929	\$ 19,542,352	\$ 19,100,691	\$ 28,129,445	\$ 25,786,620

Restricted assets at the end of 2019 were \$3.60 million and are available only for specific projects as identified in the respective funding documents. Net investment in capital assets totaled \$20.55 million at December 31, 2019, leaving unrestricted net position of \$4.10 million, which may be used to meet the City's ongoing obligations to citizens and creditors.

The City continues to maintain positive net position for the primary government, as well as for the governmental and business-type activities.

CITY OF WALSENBURG, COLORADO

Management's Discussion And Analysis (*Continued*)

CHANGES IN NET POSITION

The City's total revenues of \$9.23 million exceeded program expenditures of \$6.77 million. The total increase in net position for 2019 is approximately \$2.46 million.

	Governmental Activities		Business-type Activities		Total Primary	
	2019	2018	2019	2018	2019	2018
Program Revenues:						
Charges for services	\$ 102,709	\$ 389,908	\$ 3,570,137	\$ 3,875,360	\$ 3,672,846	\$ 4,265,268
Operating Grants	608,426	518,216	—	10,826	608,426	529,042
Capital Grants & Contribution	1,380,725	—	804,000	31,745	2,184,725	31,745
General Revenues:						
Taxes	1,866,832	1,752,047	—	—	1,866,832	1,752,047
Paid in lieu of taxes	224,592	—	—	—	224,592	—
Earnings on Investments	21,960	17,901	157,826	146,131	179,786	164,032
Other revenues	51,742	6,692	308,708	1,000	360,450	7,692
Total Revenues	4,256,986	2,684,764	4,840,671	4,065,062	9,097,657	6,749,826
Program expenses:						
General Government	397,657	565,922	—	—	397,657	565,922
Public Safety	713,831	722,180	—	—	713,831	722,180
Public works	739,046	861,818	—	—	739,046	861,818
Culture, parks and recreation	129,716	186,783	—	—	129,716	186,783
Debt Service						
Interest	1,907	114	—	—	1,907	114
Gas	—	—	1,273,176	962,694	1,273,176	962,694
Water	—	—	1,802,184	1,437,199	1,802,184	1,437,199
Sewer	—	—	1,486,610	1,271,348	1,486,610	1,271,348
Water Park	—	—	210,705	183,150	210,705	183,150
Total Expenses	1,982,157	2,336,817	4,772,675	3,854,391	6,754,832	6,191,208
Excess (deficiency) of revenue over expenditures	2,274,829	347,947	67,996	210,671	2,342,825	558,618
Transfers In (Out)	(373,665)	(511,525)	373,665	511,525	—	—
Change in net position	1,901,164	(163,578)	441,661	722,196	2,342,825	558,618
Beginning net position	6,685,929	6,849,507	19,100,691	18,378,495	25,786,620	25,228,002
Ending net position	\$ 8,587,093	\$ 6,685,929	\$ 19,542,352	\$ 19,100,691	\$ 28,129,445	\$ 25,786,620

Governmental Activities

Governmental activities increased Walsenburg's net position by approximately \$1.99M during the year 2019. This was largely due to tax revenues in the General Fund.

CITY OF WALSENBURG, COLORADO

Management's Discussion And Analysis (*Continued*)

Business-type Activities

Business-type activities increased Walsenburg's net position by \$470,009 during the year 2019. The gas, water and sewer funds generated net operating income and an increase in net position before fund transfers.

Budgetary Highlights

The City's budgets are prepared in accordance with the Colorado Revised Statutes.

Differences between the original and final budgets result from transfers between departments and supplemental appropriations made during the year. The transfers between departments are generally the result of the City's budget management process which monitors department budgets and the budget in total. The City Council, upon request of the City Administrator, may transfer funds from departments with anticipated budget surpluses to those with anticipated budget shortfalls. Transfers of this type have no impact on the budget in total.

- \$164,125 transferred to the General Fund.
- \$149,869 transferred to the Water Fund
- \$123,175 transferred to the Sewer Fund.
- \$100,621 transferred to the Water Park Fund..

General Fund revenues in 2019 were greater than the anticipated budget by \$1,921,000 primarily due to additional intergovernmental revenue that were not anticipated.. General fund expenditures exceeded budgeted expenditures by \$1,529,508 primarily due to capital outlay expenditures funded by additional intergovernmental revenues that were not budgeted.

Capital Asset and Debt Administration

Capital Assets - The City of Walsenburg invested approximately \$1,550,000 and \$7,190,000 in capital assets for its governmental-type and business-type activities, respectively, during the year ended December 31, 2019. The City's total investment in land, buildings, equipment and vehicles is \$38.1 million city-wide after applying depreciation.

The City depreciates all capital assets except land utilizing straight-line depreciation applied to the useful life of each respective asset.

Long-term Debt - At the end of 2019, the City has long-term debt totaling \$17.58 million, of which \$58,934 is applicable to governmental activities, and \$17.53 million applies to business-type activities. The amount of principal scheduled

CITY OF WALSENBURG, COLORADO

Management's Discussion And Analysis (*Continued*)

to be retired in 2019 is approximately \$548,000, and all currently recorded debt should be retired by 2057.

Other Matters

Factors which are expected to have a significant impact on the City's 2019 budget include:

1. *The City Lake Dam is under capacity restrictions by the State.*

The City secured funding in 2018 from the Colorado Water Conservation Board (CWCB) for the reconstruction and expansion of City Lake to secure the City's potable water supply and protect its storage rights. Funding is in the form of a loan of \$6.9 million. The loan is for a 30-year term, starting, 3/1/20 with a 2% interest rate. The loan will be repaid effective 2/28/50 and repayment will be through current water fund revenues with no anticipated increase in water rates or debt service.

2. *Tax revenues will provide a favorable result*

Sales taxes collections in 2019 increased over 2018 receipts due the consistent improving economy. This has reduced the pressure on the City to seek additional revenues to meet the needs of its citizens

CONTACTING THE CITY'S FINANCIAL MANAGEMENT

This financial report is designed to provide our citizens, taxpayers, customers and investors and creditors with a general overview of the City's finances and to show the City's accountability for the funds and assets it receives. If you have questions about this report, or should you need additional financial information, contact the City's Administrator at City of Walsenburg, 525 South Albert Street, Walsenburg, CO 81089, or at cityadmin@cityofwalsenburg.com.

CITY OF WALSENBURG, COLORADO

STATEMENT OF NET POSITION

December 31, 2019

Assets And Deferred Outflows Of Resources

	Governmental Activities	Business-Type Activities	Total
Assets			
Cash and investments	\$ 2,064,113	\$ 3,702,305	\$ 5,766,418
Accounts receivable, net of allowance	459,328	717,591	1,176,919
Property tax receivable	218,389	—	218,389
Internal balances	30,635	(30,635)	—
Current portion of notes receivable	—	89,710	89,710
Prepaid expenses	4,564	25,063	29,627
Inventory	—	4,322	4,322
Cash with fiscal agent	38,910	—	38,910
Restricted cash and cash equivalents	166,650	846,644	1,013,294
Noncurrent assets:			
Notes receivable	—	808,081	808,081
Capital assets, net	6,062,268	32,053,785	38,116,053
Total Assets	9,044,857	38,216,866	47,261,723

Deferred Outflows Of Resources

Deferred charges on refunding	—	113,017	113,017
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Liabilities And Deferred Inflows Of Resources

Liabilities

Accounts payable and accrued expenses	160,663	749,837	910,500
Deposits and escrows	—	327,088	327,088
Noncurrent liabilities:			
Due within one year	50,728	623,439	674,167
Due in more than one year	27,984	17,087,167	17,115,151
Total Liabilities	239,375	18,787,531	19,026,906

Deferred Inflows Of Resources

Deferred property taxes	218,389	—	218,389
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Net Position

Net investment in capital assets	6,003,334	14,562,069	20,565,403
Restricted for:			
Emergencies	79,464	—	79,464
Other	2,672,507	846,644	3,519,151
Unrestricted	(168,212)	4,133,639	3,965,427
Total Net Position	\$ 8,587,093	\$ 19,542,352	\$ 28,129,445

CITY OF WALSENBURG, COLORADO

STATEMENT OF ACTIVITIES For The Year Ended December 31, 2019

Functions/Programs	Program Revenues				Net Revenue (Expense) And Changes In Net Position		Total
	Expenses	Charges For Services	Operating Grants And Contributions	Capital Grants And Contributions	Governmental Activities	Business- Type Activities	
Primary government:							
Governmental activities:							
General government	\$ 397,657	\$ 7,477	\$ 520,443	\$ —	\$ 130,263	\$ —	\$ 130,263
Public safety	713,831	—	201	—	(713,630)	—	(713,630)
Public works	739,046	95,232	70,924	1,380,725	807,835	—	807,835
Culture, parks and recreation	129,716	—	16,858	—	(112,858)	—	(112,858)
Interest on long-term debt	1,907	—	—	—	(1,907)	—	(1,907)
Total Governmental Activities	1,982,157	102,709	608,426	1,380,725	109,703	—	109,703
Business-type activities:							
Gas	1,273,176	1,179,441	—	—	—	(93,735)	(93,735)
Water	1,802,184	1,335,905	—	804,000	—	337,721	337,721
Sewer	1,486,610	1,019,632	—	—	—	(466,978)	(466,978)
Water park	210,705	35,159	—	—	—	(175,546)	(175,546)
Total Business-Type Activities	4,772,675	3,570,137	—	804,000	—	(398,538)	(398,538)
Total Primary Government	\$ 6,754,832	\$ 3,672,846	\$ 608,426	\$ 2,184,725	109,703	(398,538)	(288,835)
General Revenues							
Taxes:							
Property taxes					213,786	—	213,786
Specific ownership taxes					43,520	—	43,520
Sales and use taxes					1,462,521	—	1,462,521
Franchise taxes					119,129	—	119,129
Other taxes					27,876	—	27,876
Paid in lieu of taxes					224,592	—	224,592
Earnings on investments					21,960	157,826	179,786
Other revenues					51,742	308,708	360,450
Transfers					(373,665)	373,665	—
Total General Revenues And Transfers					1,791,461	840,199	2,631,660
Changes In Net Position					1,901,164	441,661	2,342,825
Net Position At Beginning Of Year, As Previously Stated					6,529,341	19,100,691	25,630,032
Restatement					156,588	—	156,588
Net Position At Beginning Of Year, As Restated					6,685,929	19,100,691	25,786,620
Net Position At End Of Year					\$ 8,587,093	\$ 19,542,352	\$ 28,129,445

CITY OF WALSENBURG, COLORADO

**BALANCE SHEET -
GOVERNMENTAL FUNDS
December 31, 2019**

Assets

	<u>Capital Projects</u>			<u>Debt Service</u>	<u>Other Governmental Funds</u>	<u>Total Governmental Funds</u>
	<u>General</u>	<u>Street Improvement</u>	<u>Northlands GID</u>			
Assets						
Cash and investments	\$ 84,768	\$ 1,692,303	\$ 227,208	\$ 59,834	\$ 2,064,113	
Accounts receivable	318,886	70,221	—	70,221	459,328	
Property tax receivable	218,389	—	—	—	218,389	
Due from other funds	314,510	84,911	154,332	1,120,607	1,674,360	
Prepaid items	4,564	—	—	—	4,564	
Cash with fiscal agent	38,910	—	—	—	38,910	
Restricted cash and investments	—	—	166,650	—	166,650	
Total Assets	\$ 980,027	\$ 1,847,435	\$ 548,190	\$ 1,250,662	\$ 4,626,314	

Liabilities, Deferred Inflows Of Resources And Fund Balances

Liabilities					
Accounts payable	\$ 124,099	\$ —	\$ 489	\$ 2,810	\$ 127,398
Accrued liabilities	529	—	—	—	529
Due to other funds	276,265	—	—	970,481	1,246,746
Property tax refunds payable	32,736	—	—	—	32,736
Total Liabilities	433,629	—	489	973,291	1,407,409

Deferred Inflows Of Resources

Unavailable property tax revenue	218,389	—	—	—	218,389
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Fund Balances

Nonspendable	4,564	—	—	—	4,564
Restricted for emergencies	79,464	—	—	—	79,464
Restricted for capital improvements	—	1,847,435	—	238,006	2,085,441
Restricted for special revenue funds	—	—	—	39,365	39,365
Restricted for debt service	—	—	547,701	—	547,701
Unassigned	243,981	—	—	—	243,981
Total Fund Balances	328,009	1,847,435	547,701	277,371	3,000,516

**Total Liabilities, Deferred Inflows Of Resources
And Fund Balances**

	\$ 980,027	\$ 1,847,435	\$ 548,190	\$ 1,250,662	\$ 4,626,314
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CITY OF WALSENBURG, COLORADO

**RECONCILIATION OF THE GOVERNMENTAL FUNDS
BALANCE SHEET WITH THE GOVERNMENT-WIDE
STATEMENT OF NET POSITION
December 31, 2019**

Total Fund Balances - Governmental Funds \$ 3,000,516

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 fund financial statements, but are reported in the governmental activities of the statement of net position.

Capital assets	\$ 8,349,986	
Less: Accumulated depreciation	(2,538,509)	5,811,477

Long-term liabilities are not due and payable from current financial resources and, therefore, are not reported as liabilities on the fund financial statements. Long-term liabilities at year end consist of:

Accrued compensated absences		(19,778)
------------------------------	--	----------

The internal service fund is used by management to charge the cost of certain equipment, which is pooled for use across funds. The assets and liabilities of the internal service fund are included in the government activities column in the statement of net position.

		(205,122)
--	--	-----------

Total Net Position Of Governmental Activities		\$ 8,587,093
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CITY OF WALSENBURG, COLORADO
STATEMENT OF REVENUES, EXPENDITURES AND
CHANGE IN FUND BALANCES -
GOVERNMENTAL FUNDS
For The Year Ended December 31, 2019

	General	Street Improvement	Northlands GID	Other Governmental Funds	Total Governmental Funds
Revenues					
Taxes	\$ 816,151	\$ 449,606	\$ —	\$ 451,971	\$ 1,717,728
Licenses and permits	85,916	—	—	—	85,916
Intergovernmental	2,050,473	—	—	16,858	2,067,331
Grants and contributions	—	—	70,924	—	70,924
Fines and forfeitures	5,477	—	—	—	5,477
Charges for services	2,000	—	9,316	—	11,316
Paid in lieu of taxes	224,592	—	—	—	224,592
Earnings on investments	78	8,105	5,252	8,525	21,960
Miscellaneous	48,877	—	—	—	48,877
Total Revenues	3,233,564	457,711	85,492	477,354	4,254,121
Expenditures					
Current:					
General government	253,431	—	—	—	253,431
Public safety	713,831	—	—	—	713,831
Public works	425,035	411	—	—	425,446
Culture, parks and recreation	94,896	—	—	—	94,896
Capital outlay	1,636,807	251,691	—	—	1,888,498
Total Expenditures	3,124,000	252,102	—	—	3,376,102
Excess Of Revenues Over Expenditures	109,564	205,609	85,492	477,354	878,019
Other Financing Sources (Uses)					
Transfers in	164,125	—	—	—	164,125
Transfers out	(100,621)	—	—	(437,169)	(537,790)
Total Other Financing Sources (Uses)	63,504	—	—	(437,169)	(373,665)
Net Change In Fund Balances	173,068	205,609	85,492	40,185	504,354
Fund Balance At Beginning Of Year, As Previously Stated	154,941	1,641,826	305,621	237,186	2,339,574
Restatement	—	—	156,588	—	156,588
Fund Balance At Beginning Of Year, As Restated	154,941	1,641,826	462,209	237,186	2,496,162
Fund Balance At End Of Year	\$ 328,009	\$ 1,847,435	\$ 547,701	\$ 277,371	\$ 3,000,516

CITY OF WALSENBURG, COLORADO

**RECONCILIATION OF THE GOVERNMENTAL FUNDS STATEMENT OF
REVENUES, EXPENDITURES AND CHANGE IN FUND BALANCES
WITH THE GOVERNMENT-WIDE STATEMENT OF ACTIVITIES
For The Year Ended December 31, 2019**

Total Net Change In Fund Balance - Governmental Funds \$ 504,354

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

Capital outlays to purchase or build capital assets are reported
in governmental funds as expenditures. However, in the
statement of activities, the cost of those capital assets is
allocated over their estimated useful lives and reported as
depreciation expense in the current period.

Capital outlay	\$ 1,550,403	
Depreciation expense	(144,144)	1,406,259
		1,406,259

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 accrued compensated absences	18,742
	18,742

The internal service fund, used by management to charge
the cost of certain equipment which is pooled for use across funds,
is reported in the governmental activities column of the statement
of activities. Governmental fund expenditures and related internal
service fund revenues are eliminated.

(28,191)
(28,191)

Change In Net Position Of Governmental Activities \$ 1,901,164

CITY OF WALSENBURG, COLORADO

STATEMENT OF NET POSITION - PROPRIETARY FUNDS December 31, 2019

	Gas	Water	Sewer	Non-Major Wild Waters	Total	Governmental Activities Internal Service Fund	
Assets							
Current Assets							
Cash and investments	\$ 1,634,516	\$ 930,102	\$ 1,137,687	\$ —	\$ 3,702,305	\$ —	
Accounts receivable, net of allowance	271,984	312,629	132,139	839	717,591	—	
Due from other funds	375,639	716,415	192,971	—	1,285,025	—	
Current portion of notes receivable	—	89,710	—	—	89,710	—	
Prepaid expenses	1,148	21,427	1,735	753	25,063	—	
Inventory	4,322	—	—	—	4,322	—	
Restricted cash and investments	—	533,937	312,707	—	846,644	—	
Total Current Assets	2,287,609	2,604,220	1,777,239	1,592	6,670,660	—	
Noncurrent Assets							
Notes receivable	—	808,081	—	—	808,081	—	
Capital assets, being depreciated	1,663,446	5,945,437	11,210,296	1,538,514	20,357,693	250,791	
Capital assets, not being depreciated	35,500	11,367,544	219,947	73,101	11,696,092	—	
Total Noncurrent Assets	1,698,946	18,121,062	11,430,243	1,611,615	32,861,866	250,791	
Total Assets	3,986,555	20,725,282	13,207,482	1,613,207	39,532,526	250,791	
Deferred Outflows							
Deferred charges on refunding	—	53,118	59,899	—	113,017	—	
Liabilities							
Current Liabilities							
Due to other funds	62,405	102,413	759,453	391,389	1,315,660	396,979	
Accounts payable	93,431	503,308	30,635	404	627,778	—	
Accrued expenses	4,403	101,131	16,525	—	122,059	—	
Deposits and escrows	187,818	139,270	—	—	327,088	—	
Accrued compensated absences	36,590	32,811	36,472	—	105,873	—	
Current portion of long-term debt	—	162,508	355,058	—	517,566	30,950	
Total Current Liabilities	384,647	1,041,441	1,198,143	391,793	3,016,024	427,929	
Noncurrent Liabilities							
Long-term debt	—	10,091,213	6,995,954	—	17,087,167	27,984	
Total Liabilities	384,647	11,132,654	8,194,097	391,793	20,103,191	455,913	
Net Position							
Net investment in capital assets	1,698,946	7,112,378	4,139,130	1,611,615	14,562,069	191,857	
Restricted	—	533,937	312,707	—	846,644	—	
Unrestricted	1,902,962	1,999,431	621,447	(390,201)	4,133,639	(396,979)	
Total Net Position	\$ 3,601,908	\$ 9,645,746	\$ 5,073,284	\$ 1,221,414	\$ 19,542,352	\$ (205,122)	

CITY OF WALSENBURG, COLORADO

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

For The Year Ended December 31, 2019

	<u>Non-Major</u>				<u>Total</u>	<u>Governmental</u>
	<u>Gas</u>	<u>Water</u>	<u>Sewer</u>	<u>Wild Waters</u>		<u>Internal Service Fund</u>
Operating Revenues						
Charges for services	\$ 1,179,441	\$ 1,335,905	\$ 1,019,632	\$ 35,159	\$ 3,570,137	\$ —
Miscellaneous	170,240	60,001	70,000	—	300,241	2,865
Total Operating Revenues	1,349,681	1,395,906	1,089,632	35,159	3,870,378	2,865
Operating Expenses						
Personnel services	374,829	367,691	352,569	51,625	1,146,714	—
Administrative/office expenses	19,341	24,953	2,658	4,782	51,734	—
Contract services	20,031	335,619	57,390	—	413,040	—
Commodity charges	552,744	2,767	—	—	555,511	—
Utilities	20,272	46,052	126,704	46,009	239,037	—
Repairs and maintenance	63,538	114,540	105,371	1,982	285,431	—
Other supplies and expenses	26,309	153,467	65,852	27,634	273,262	—
Insurance expense	23,734	24,101	23,733	—	71,568	—
Payment in lieu of taxes	68,553	89,208	66,831	—	224,592	—
Miscellaneous expense	7,159	236,717	140,969	15,716	400,561	1,907
Depreciation	96,666	304,770	331,363	62,957	795,756	29,149
Total Operating Expenses	1,273,176	1,699,885	1,273,440	210,705	4,457,206	31,056
Operating Income (Loss)	76,505	(303,979)	(183,808)	(175,546)	(586,828)	(28,191)
Nonoperating Revenues (Expenses)						
Investment income	34,304	115,505	8,017	—	157,826	—
Tap fees	—	8,467	—	—	8,467	—
Interest expense	—	(102,299)	(213,170)	—	(315,469)	—
Total Nonoperating Revenues (Expenses)	34,304	21,673	(205,153)	—	(149,176)	—
Capital Contributions And Transfers						
Capital contributions	—	804,000	—	—	804,000	—
Transfers in	—	149,869	123,175	100,621	373,665	—
Change In Net Position	110,809	671,563	(265,786)	(74,925)	441,661	(28,191)
Net Position At Beginning Of Year	3,491,099	8,974,183	5,339,070	1,296,339	19,100,691	(176,931)
Net Position At End Of Year	\$ 3,601,908	\$ 9,645,746	\$ 5,073,284	\$ 1,221,414	\$ 19,542,352	\$ (205,122)

CITY OF WALSENBURG, COLORADO

STATEMENT OF CASH FLOWS - PROPRIETARY FUNDS For The Year Ended December 31, 2019 Page 1 Of 2

		Gas	Water	Sewer	Water Park	Total	Internal Service Fund
Cash Flows From Operating Activities							
Cash received from customers	\$	1,326,722	\$ 1,448,284	\$ 1,231,465	\$ 35,159	\$ 4,041,630	\$ —
Cash payments to suppliers		(1,069,791)	(1,032,391)	(600,730)	(96,113)	(2,799,025)	(1,928)
Cash payments to employees		(371,815)	(317,424)	(365,392)	(51,625)	(1,106,256)	—
Net Cash Provided By (Used In) Operating Activities		(114,884)	98,469	265,343	(112,579)	136,349	(1,928)
Cash Flows From Noncapital Financing Activities							
Cash from other funds		—	252,282	516,626	112,579	881,487	34,405
Cash to other funds		(169,929)	(220,998)	(192,971)	—	(583,898)	—
Net Cash Provided By (Used In) Noncapital Financing Activities		(169,929)	31,284	323,655	112,579	297,589	34,405
Cash Flows From Capital And Related Financing Activities							
Capital contributions		—	812,467	—	—	812,467	—
Principal paid on debt		—	(911,233)	(292,357)	—	(1,203,590)	(32,477)
Interest paid on debt		—	(102,299)	(213,170)	—	(315,469)	—
Payments received from note receivable		—	91,907	—	—	91,907	—
Acquisition of capital assets		(121,715)	(7,032,162)	(34,298)	—	(7,188,175)	—
Net Cash Used In Capital And Related Financing Activities		(121,715)	(7,141,320)	(539,825)	—	(7,802,860)	(32,477)
Cash Flows From Investing Activities							
Earnings on investments		34,304	115,505	8,017	—	157,826	—
Net Change In Cash And Cash Equivalents		(372,224)	(6,896,062)	57,190	—	(7,211,096)	—
Cash And Cash Equivalents At Beginning Of Year		2,006,740	8,360,101	1,393,204	—	11,760,045	—
Cash And Cash Equivalents At End Of Year	\$	1,634,516	\$ 1,464,039	\$ 1,450,394	\$ —	\$ 4,548,949	\$ —

CITY OF WALSENBURG, COLORADO

**STATEMENT OF CASH FLOWS -
 PROPRIETARY FUNDS
 For The Year Ended December 31, 2019
 Page 2 Of 2**

	Gas	Water	Sewer	Water Park	Total	Service Fund
Cash and investments	\$ 1,634,516	\$ 930,102	\$ 1,137,687	\$ —	\$ 3,702,305	\$ —
Restricted cash and investments	—	533,937	312,707	—	846,644	—
Total Cash And Cash Equivalents	\$ 1,634,516	\$ 1,464,039	\$ 1,450,394	\$ —	\$ 4,548,949	\$ —
Reconciliation Of Operating Income (Loss) To Net Cash Provided By (Used In) Operating Activities						
Operating income (loss):	\$ 76,505	\$ (303,979)	\$ (183,808)	\$ (175,546)	\$ (586,828)	\$ (28,191)
Adjustments to reconcile operating income (loss) to net cash provided by (used in) operating activities:						
Depreciation expense	96,666	304,770	331,363	62,957	795,756	29,149
(Increase) decrease in:						
Receivables	(22,959)	52,378	141,833	—	171,252	—
Prepaid expenses	—	—	(1)	(1)	(2)	—
Due from other funds	—	—	—	—	—	—
Inventory	80,570	—	—	—	80,570	—
Increase (decrease) in:						
Accounts payable	(91,245)	(30,654)	(11,221)	11	(133,109)	(2,886)
Accrued expenses	3,014	50,267	(12,823)	—	40,458	—
Due to other funds	—	—	—	—	—	—
Deposits and escrows	(257,435)	25,687	—	—	(231,748)	—
Net Cash Provided By (Used In) Operating Activities	\$ (114,884)	\$ 98,469	\$ 265,343	\$ (112,579)	\$ 136,349	\$ (1,928)

CITY OF WALSENBURG, COLORADO

STATEMENT OF FIDUCIARY NET POSITION

December 31, 2019

	Volunteer Firefighters' Pension Fund
Assets	
Cash and investments	<u>\$ 32,966</u>
Net Position	
Net position held in trust for pension benefits	<u>\$ 32,966</u>

CITY OF WALSENBURG, COLORADO

**STATEMENT OF CHANGES IN FIDUCIARY NET POSITION
For The Year Ended December 31, 2019**

	Volunteer Firefighters' Pension Fund
Additions	
Earnings on investments	\$ 2,166
Deductions	
Benefits paid	4,500
Change In Net Position	(2,334)
Net Position At Beginning Of Year	35,300
Net Position At End Of Year	\$ 32,966

CITY OF WALSENBURG, COLORADO

NOTES TO FINANCIAL STATEMENTS

December 31, 2019

1. Summary Of Significant Accounting Policies

The City of Walsenburg, Colorado (the City), a municipal corporation, as defined by Colorado Revised Statutes (CRS), was established in 1873. An elected Mayor and City Council are responsible for setting policy, appointing administrative personnel and adopting an annual budget in accordance with state statutes. The City is located in Huerfano County, Colorado, and its major operations include police protection, road maintenance, utilities and culture and recreation.

The City's financial statements are prepared in accordance with accounting principles generally accepted in the United States of America (GAAP). The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting and financial reporting principles. The more significant of the City's accounting policies are described below.

Reporting Entity

The reporting entity consists of (a) the primary government, i.e., the City and (b) organizations for which the City is financially accountable. The City is considered financially accountable for legally separate organizations if it is able to appoint a voting majority of an organization's governing body and either it is 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 City. 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 City. Organizations for which the nature and significance of their relationship with the City are such that exclusion would cause the reporting entity's financial statements to be misleading or incomplete are also included in the reporting entity.

CITY OF WALSENBURG, COLORADO

Notes To Financial Statements (*Continued*)

Based on the criteria above, the City has two component units. The Northlands General Improvement District (the Northlands GID) has the power to acquire, construct or install public improvements within its own boundaries and to finance such improvements by levying a general property tax upon the benefiting property. The Northlands GID is a blended component unit presented as a major debt service fund. The Walsenburg General Improvement District (the Downtown GID) is a blended component unit and is presented herein as a nonmajor special revenue fund. Each district is an entity which is legally separate from the City. The City Council, as required by state statute, sits as the Board of Directors for both districts. Services provided by each district are entirely for the benefit of the citizens of that district. The fiscal year end for both districts is December 31.

The City is not considered a component unit of any other government.

Basis Of Presentation

Government-Wide Financial Statements

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

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

Fund Financial Statements

Fund financial statements report detailed information about the City. The focus of governmental and enterprise fund financial statements is on major funds, rather than reporting funds by type. Each major fund is presented in a separate column. Nonmajor funds are aggregated and presented in a single column.

CITY OF WALSENBURG, COLORADO

Notes To Financial Statements (*Continued*)

Measurement Focus And Basis Of Accounting And Financial Statement Presentation

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

Governmental fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Revenues are recognized as soon as they are both measurable and available. Revenues are considered to be available when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the City considers revenues to be available if they are collected within 60 days of the end of the current fiscal period. Expenditures generally are recognized when a liability is incurred, as under accrual accounting. However, debt service expenditures, as well as expenditures related to compensated absences and claims and judgments, are recognized only when payments are due.

Sales taxes, intergovernmental grants and investment income associated with the current fiscal period are all considered to be susceptible to accrual and so have been recognized as revenues of the current fiscal period. All other revenue items are considered to be measurable and available only when cash is received by the City.

Governmental funds are used to account for all or most of a government's general activities, including the collection and disbursement of earmarked funds (special revenue funds) and the capital projects funds. The following are the City's major and nonmajor governmental funds:

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

The *Street Improvement Fund* is a major fund, categorized as a capital projects fund used to fund maintenance and/or capital outlay relating specifically to street improvements, supported by a designated 1.0% sales tax.

CITY OF WALSENBURG, COLORADO

Notes To Financial Statements (*Continued*)

The *Northlands GID Fund* is a major fund, categorized as a debt service fund because it accounts for the resources used to repay the Sewer Fund for the debt incurred related to Sewer capital assets constructed within the district's boundaries

The *Capital Improvement Fund* is a nonmajor fund, categorized as a capital projects fund that is used to account for capital projects that are supported by a 1.0% sales tax, appropriations and/or advances from the General Fund or donations from private or public sources.

The *Downtown GID Fund (formerly the Walsenburg General Improvement District)*, a nonmajor special revenue fund, accounts for assets and earnings restricted for the use of specific purposes.

The *Conservation Trust Fund*, a nonmajor special revenue fund, accounts for lottery proceeds required to be expended solely on park and recreation activities.

Proprietary funds focus on the determination of the changes in net position, financial position and cash flows and are classified as enterprise funds or internal service funds. Enterprise funds may be used to account for any activity for which a fee is charged to external users for goods or services. The City reports the following proprietary or business-type funds:

The *Water Fund* is a major enterprise fund used to account for the purchase and delivery of water to the citizens of the City.

The *Sewer Fund* is a major enterprise fund used to account for sewer service provided to the citizens of the City.

The *Gas Fund* is a major enterprise fund used to account for the purchase and delivery of natural gas to the citizens of the City.

The *Wild Waters Fund* is a nonmajor enterprise fund used to account for the membership, admissions and concessions revenues received by the City for the operation of a seasonal municipal swimming pool and water park.

The *Internal Service Fund* is an internal service fund used to account for fleet services used by the City.

CITY OF WALSENBURG, COLORADO

Notes To Financial Statements (*Continued*)

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. Cost reimbursement grants are recorded as unearned revenue when proceeds are received in advance.

Trust and agency funds are used to account for assets held by the City in a trustee capacity or as an agent for individuals, private organizations and other governments and for other funds. The City reports the following fiduciary fund that is not included in the government-wide statements since the resources of the fund are not available to the City:

The *Volunteer Firefighters' Pension Fund* accounts for the volunteer firefighters' pension investments.

Cash And Cash Equivalents

Cash and cash equivalents include cash on hand, demand deposits and participation in local government investment pools. All cash equivalents have an original maturity date of less than three months. Cash balances from different funds are combined and invested to the extent possible in local government investment pools.

To improve cash management, cash received by the City is pooled and invested. Monies for all funds are maintained in this pool. Individual fund integrity is maintained through the City's records. Investments of the City's cash management pool and investments with an original maturity of three months or less at the time they are purchased by the City are presented on the financial statements as cash equivalents. Investments with an initial maturity of more than three months that were not purchased from the pool are reported as investments.

Investments

Investments are stated at fair value based on quoted market values, with the exception of certificates of deposit. These are stated at cost plus accrued interest, which approximates fair value.

CITY OF WALSENBURG, COLORADO

Notes To Financial Statements (*Continued*)

Accounts Receivable

Receivables are reported net of an allowance for uncollectible accounts. The City writes off bad debts when accounts are deemed uncollectible. Receivables are reviewed annually to determine accounts that should be written off and to make any adjustments to allowance for doubtful accounts. As of December 31, 2019, the City had an allowance for uncollectible accounts relating to the Water Fund of \$2,486, Sewer Fund of \$3,014 and Gas Fund of \$4,874, totaling \$10,374.

Property Taxes

Annual property taxes are levied and assessed on January 1 and are certified by the City by November 1 of the current year. On January 1 of the following year, the County Treasurer bills the property owners, thus establishing an enforceable lien on the property. The County Treasurer also collects the property taxes and remits the collections on a monthly basis to the City. The City recognizes a receivable, net of estimated uncollectible accounts, for property tax levied upon certification by the County Treasurer. A deferred inflow of resources is recorded in the same amount since the taxes are not available at year end to fund expenditures of the current year.

Property taxes are recognized as revenue in the year in which they are intended to finance operating expenses.

Inventory

Inventory consists of supplies for the City's use and, in the Gas Fund, natural gas held in storage. Inventories are carried at the lower of cost or market using the first-in, first-out method.

Capital Assets

Capital assets, which include land, land improvements, distribution systems, buildings, equipment and vehicles, are reported in the applicable governmental or business-type activity columns in the government-wide financial statements. Capital assets are defined by the City as assets with an initial cost of \$4,000 or more and an estimated useful life in excess of one year for all assets. Such assets are recorded at historical cost. Donated capital assets are recorded at acquisition value at the date of donation.

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

CITY OF WALSENBURG, COLORADO

Notes To Financial Statements (*Continued*)

Capital outlay for projects is capitalized as projects are constructed. Interest incurred during the construction phase is capitalized as part of the value of the assets constructed in the business-type activities.

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

<u>Asset Description</u>	<u>Years</u>
Land	N/A
Utility plant	40
Streets	40
Buildings and improvements	15 - 40
Equipment and furniture	3 - 15
Software	3 - 5

Deferred Outflows And Inflows Of Resources

In addition to assets, the statement of net position and governmental funds balance sheet will sometimes include a separate section for deferred outflows of resources. This separate financial statement element represents a consumption of net position that applies to a future period or periods and so will not be recognized as an outflow of resources until then, such as deferred charges related to debt refunding.

In addition to liabilities, the statement of net position and governmental funds balance sheet will sometimes include a separate section for deferred inflows of resources. This separate financial statement element represents an acquisition of net position that applies to a future period or periods and so will not be recognized as an inflow of resources until then. On the modified accrual basis of accounting, the City has recorded certain receivables where the related revenue is unavailable. Unavailable revenues have been reported as deferred inflows of resources on the governmental fund balance sheet. Unearned property taxes were recorded as deferred inflows of resources for governmental activities on the government-wide statement of net position.

Accrued Compensated Absences Payable

In accordance with accounting standards, vested or accumulated vacation pay that is expected to be liquidated with expendable available financial resources is reported as an expenditure and a fund liability of the governmental fund that will pay it. Amounts of vested or accumulated vacation pay that are not expected to be liquidated with expendable available financial resources are reported on the government-wide financial statements and the enterprise fund financial statements. Compensated absences are reported in governmental funds only if they have matured.

Accrued Liabilities And Long-Term Obligations

All payables, accrued liabilities and long-term obligations are reported in the government-wide financial statement, and all payables, accrued liabilities and long-term obligations payable from proprietary funds are reported on the proprietary fund financial statements.

In general, payables and accrued liabilities that will be paid from governmental funds are reported on the governmental fund financial statements if they will be liquidated with current resources. Bonds and other long-term obligations that will be paid from governmental funds are not recognized as a liability in the fund financial statements until due.

Bond Premium And Debt Issuance Costs

In the government-wide and proprietary fund financial statements, bond premiums and discounts are deferred and amortized over the life of the bonds using a method which approximates the effective interest method. Bonds payable are reported net of the applicable bond premium or discount. Bond issuance costs are expensed in the period in which the debt is issued.

In the fund financial statements, governmental fund types recognize bond premiums and discounts, as well as bond issuance costs, during the period in which the debt is issued. The face amount of debt issued and any related premiums or discounts are reported as other financing sources/uses. Issuance costs, whether or not withheld from the actual debt proceeds received, are reported as debt service expenditures during the year they are incurred.

CITY OF WALSENBURG, COLORADO

Notes To Financial Statements (*Continued*)

Fund Balance And Net Position

In the government-wide and proprietary fund financial statements, net position is classified in the following categories:

Net Investment In Capital Assets - This category groups all capital assets, including infrastructure, into one component of net position. Accumulated depreciation and the outstanding balances of debt that are attributable to the acquisition, construction or improvement of these assets reduce this category.

Restricted Net Position - This category presents external restrictions imposed by creditors, grantors, contributors or laws or regulations of other governments and restrictions imposed by law through constitutional provisions or enabling legislation.

Unrestricted Net Position - This category represents the net position of the City which is not restricted for any project or other purpose. A deficit will require future funding.

When both restricted and unrestricted resources are available for use, it is the City's policy to use restricted resources first, then unrestricted resources as they are needed.

Accounting standards define the different types of fund balances that a governmental entity must use for governmental fund financial reporting purposes. These standards require the fund balance amounts to be reported within one of the categories listed below:

Nonspendable Fund Balance - cannot ever be spent, such as fund balance associated with inventories, prepaid items, long-term loans and notes receivable and property held for resale (unless the proceeds are restricted, committed or assigned)

Restricted Fund Balance - indicates constraints placed on the use of resources are either (a) externally imposed by creditors (such as through debt covenants), grantors, contributors or laws or regulations of other governments or (b) imposed by law through constitutional provisions or enabling legislations

Committed Fund Balance - includes amounts that can be used only for the specific purposes determined by a resolution approved by the City Council.

CITY OF WALSENBURG, COLORADO

Notes To Financial Statements (*Continued*)

Assigned Fund Balance - intended to be used by the government for specific purposes but do not meet the criteria to be classified as restricted or committed. Assigned fund balance allows City Council to delegate the authority to spend to the City Manager or designee.

Unassigned Fund Balance - the residual classification for the government's General Fund and includes all spendable amounts not contained in the other classifications

Based on the definitions above, the City only has nonspendable, restricted and unassigned fund balances. When both restricted and unassigned resources are available for use, it is the City's policy to use restricted resources first, then unassigned resources as they are needed.

Interfund Transactions

Interfund services provided and used are accounted for as revenues, expenditures or expenses. Transactions that constitute reimbursements to a fund for expenditures/expenses initially made from it that are properly applicable to another fund are recorded as expenditures/expenses in the reimbursing fund and as reductions of expenditures/expenses in the fund that is reimbursed. All other interfund transactions are reported as transfers.

Use Of Estimates

The preparation of financial statements in conformity with GAAP requires the City'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.

New Accounting Standards

In the preparation of these financial statements, the City adopted the recently issued GASB Statement No. 95, *Postponement of the Effective Dates of Certain Authoritative Guidance*. This statement postpones by one year the effective dates of certain provisions in statements and implementation guides that first became effective or are scheduled to become effective for periods beginning after June 15, 2018.

CITY OF WALSENBURG, COLORADO

Notes To Financial Statements *(Continued)*

2. Cash And Cash Equivalents

The composition of the City's cash and cash equivalents, including restricted cash on December 31, 2019, is as follows:

Cash on hand	\$	200
Cash held with County Treasurer		38,910
Cash deposits		2,674,200
Corporate/government bonds		112,158
Certificates of deposit		241,710
Local government investment pools		<u>3,745,500</u>
Total	\$	<u>6,812,678</u>

The above amounts are classified in the government-wide statement of net position and in the fiduciary statement of net position as follows:

Cash and investments	\$	5,766,418
Restricted cash and investments		1,013,294
Fiduciary cash and investments		<u>32,966</u>
Total	\$	<u>6,812,678</u>

Custodial Credit Risk - Deposits

There is the risk that, in the event of failure of a depository financial institution, a government will not be able to recover its deposits. The City's deposit policy is in accordance with CRS 11-10.5-101, the Colorado Public Deposit Protection Act (PDPA), which governs the investment of public funds. PDPA requires that all units of local government deposit cash in eligible public depositories. Eligibility is determined by state regulations. Amounts on deposit in excess of federal insurance limits must be collateralized by eligible collateral as determined by PDPA. The financial institution is allowed to create a single collateral pool for all public funds held. The pool is maintained by another institution or held in trust for all of the uninsured public deposits as a group. The market value of the collateral must be at least equal to 102% of the uninsured deposits. The institution's internal records identify collateral by depositor, and as such, these deposits are considered uninsured but collateralized. The State Regulatory Commission for banks and financial services is required by statute to monitor the naming of eligible depositories and reporting of the uninsured deposits and assets maintained in the collateral pools. As of December 31, 2019, the City's cash deposits had a bank balance of \$3,412,150. Of the bank balance, \$621,607 was covered by the Federal Deposit Insurance Corporation (FDIC) federal depository insurance. The remainder of the bank balance, \$2,790,543, was collateralized with securities held by the pledging financial institution and covered by eligible collateral as determined by the PDPA.

CITY OF WALSENBURG, COLORADO

Notes To Financial Statements (Continued)

3. Investments

Investments

At December 31, 2019, the City's investments in debt securities, certificates of deposit and other investments consisted of the following:

Investment Type	Fair Value	Investment Maturities		
		Up To 120 Days	121 Days To 5 Years	5 Years To 20 Years
Corporate/government bonds	\$ 112,158	\$ —	\$ —	\$ 112,158
Certificates of deposit	241,710	—	241,710	—
COLOTRUST	3,745,500	3,745,500	—	—
Total	\$ 4,099,368	\$ 3,745,500	\$ 241,710	\$ 112,158

Investment By Fair Value Level	Fair Value	Level 1	Level 2	Level 3
Corporate/government bonds	\$ 112,158	\$ —	\$ 112,158	\$ —

Investments Measured At Net Asset Value

COLOTRUST	\$ 3,745,500
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Investments Measured At Amortized Cost

Certificates of deposit	\$ 241,710
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Total Investments Controlled By The City	\$ 4,099,368
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Local Government Investment Pool

At December 31, 2019, the City had invested \$3,745,500 in the Colorado Government Liquid Asset Trust (COLOTRUST), a local government investment pool established in Colorado to pool surplus funds for investment purposes. These funds operate similarly to a money market fund, and each share is equal in value to \$1.00. The designated custodial bank of the pooled investment provides safekeeping and depository services in connection with the direct investment and withdrawal functions of the pooled investment. All securities owned by pooled investments are held by the Federal Reserve Bank in the account maintained for the custodial bank. Investments of pooled investments consist of U.S. Treasury bills, notes and note strips and repurchase agreements collateralized by U.S. Treasury notes. The final maturity of any and all securities purchased by pooled investments may not exceed one year. COLOTRUST is rated AAAM by Standard & Poor's. The investment policy of COLOTRUST does not include investing in derivatives.

CITY OF WALSENBURG, COLORADO

Notes To Financial Statements (*Continued*)

Corporate/Government Bonds

The bonds held by the City are rated A- or higher by Standard & Poor's.

Credit Risk

The City's investment policy defines allowable investment instruments including:

- U.S. Treasury obligations
- U.S. instrumentality obligations
- Certificates of deposit with original maturities of three months or more
- Commercial paper rated in the highest tier by a nationally recognized rating agency
- Repurchase agreements
- Investment grade obligations of state, county and local governments and public authorities
- Money market mutual funds regulated by the Securities and Exchange Commission whose portfolios consist of only dollar-denominated securities
- Local government investment pools

Custodial Credit Risk - Investments

For investments, custodial credit risk is the risk that, in the event of a failure of a counter party, the City would not be able to recover the value of its investments or collateral securities that are in the possession of an outside party. The City does not have a specific policy for custodial credit risk. As of December 31, 2019, the City has substantially mitigated its exposure to credit risk by investing the majority of its assets in U.S. Treasury securities and certificates of deposit covered by FDIC and PDPA.

Interest Rate Risk

CRS and the City's investment policies limit investment maturities to five years or less from the date of purchase. This limit on investment maturities is a means of limiting exposure to fair value losses arising from increasing interest rates. One investment with maturity date of longer than five years was purchased before the onset of this policy, a government bond with a maturity date of 2034, which management plans to hold to maturity.

Restricted Cash And Investments

At December 31, 2019, the Water, Sewer and Northlands GID Funds restricted \$533,937, \$312,707 and \$166,650, respectively, representing the required debt service reserves in accordance the Series 2017A, 2017B and 2017C revenue bond ordinances, respectively.

CITY OF WALSENBURG, COLORADO

Notes To Financial Statements (Continued)

4. Interfund Transfers And Balances

Transfers are used to move revenues from the fund that statute or budget requires to collect them to the fund that statute or budget requires to expend them.

Following is a schedule of operating transfers during the year:

	<u>Transfers In</u>	<u>Transfers Out</u>
Governmental Funds		
General Fund	\$ 164,125	\$ 100,621
Capital Improvement Fund	—	423,444
Conservation Trust Fund	—	13,725
Enterprise Funds		
Water Fund	149,869	—
Sewer Fund	123,175	—
Water Park Fund	100,621	—
Total	\$ 537,790	\$ 537,790

Following is a schedule of outstanding interfund balances at December 31, 2019:

	<u>Due To</u>	<u>Due From</u>
Governmental Funds		
General Fund	\$ 276,265	\$ 314,510
Street Improvement Fund	—	84,911
Northlands GID Fund	—	154,332
Capital Improvement Fund	952,822	1,120,607
Downtown GID Fund	3,934	—
Conservation Trust Fund	13,725	—
Enterprise Funds		
Gas Fund	62,405	375,639
Water Fund	102,413	716,415
Sewer Fund	759,453	192,971
Water Park Fund	391,389	—
Internal Service Fund	396,979	—
Total	\$ 2,959,385	\$ 2,959,385

CITY OF WALSENBURG, COLORADO

Notes To Financial Statements (Continued)

5. Note Receivable

In December 2015, the City entered into a loan agreement with Martra Operating Partnership, L.P. in the amount of \$1,066,160 for the sale of property owned by the City's Water Fund. The loan bears interest at 8% with the first year's interest added to the loan balance for a total principal balance of \$1,151,453. The loan then requires 120 monthly payments of \$13,970 through December 2026. The outstanding balance of the loan is \$897,791 as of December 31, 2019 with \$89,710 of principal anticipated to be repaid during 2020.

6. Capital Assets

The following is a summary of changes in capital assets in the governmental activities for the year ended December 31, 2019:

	<u>Beginning Balance</u>	<u>Additions/ Transfers</u>	<u>Deletions/ Transfers</u>	<u>Ending Balance</u>
Governmental Activities				
Capital assets, not being depreciated:				
Land	\$ 2,015,386	\$ —	\$ —	\$ 2,015,386
Capital assets, being depreciated:				
Land improvements	—	1,523,828	—	1,523,828
Buildings and improvements	1,740,270	—	—	1,740,270
Streets	2,476,339	—	—	2,476,339
Equipment and furniture	930,052	43,605	—	973,657
Software	20,595	—	—	20,595
Total Capital Assets, Being Depreciated	5,167,256	1,567,433	—	6,734,689
Less accumulated depreciation for:				
Buildings and improvements	1,286,424	34,820	—	1,321,244
Streets	683,899	61,909	—	745,808
Equipment and furniture	523,596	76,564	—	600,160
Software	20,595	—	—	20,595
Total Accumulated Depreciation	2,514,514	173,293	—	2,687,807
Capital Assets Being Depreciated, Net	2,652,742	1,394,140	—	4,046,882
Total Governmental Activities Capital Assets	\$ 4,668,128	\$ 1,394,140	\$ —	\$ 6,062,268

CITY OF WALSENBURG, COLORADO

Notes To Financial Statements (*Continued*)

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

General government	\$	76,564
Public works		61,909
Culture, parks and recreation		<u>34,820</u>
	\$	<u>173,293</u>

The following is a summary of changes in capital assets in the business-type activities for the year ended December 31, 2019:

	<u>Beginning Balance</u>	<u>Additions/ Transfers</u>	<u>Deletions/ Transfers</u>	<u>Ending Balance</u>
Business-Type Activities				
Capital assets, not being depreciated:				
Land, easements and water rights	\$ 3,700,893	\$ —	\$ —	\$ 3,700,893
Construction in progress	1,303,009	6,987,190	—	8,290,199
Total Capital Assets, Not Being Depreciated	5,003,902	6,987,190	—	11,991,092
Capital assets, being depreciated:				
Utility plant	22,397,204	30,000	—	22,427,204
Buildings and improvements	12,593,765	—	—	12,593,765
Equipment and furniture	1,350,023	172,746	—	1,522,769
Total Capital Assets, Being Depreciated	36,340,992	202,746	—	36,543,738
Less: Accumulated depreciation	15,685,289	795,756	—	16,481,045
Capital Assets, Being Depreciated, Net	20,655,703	(593,010)	—	20,062,693
Total Business-Type Activities Capital Assets	\$ 25,659,605	\$ 6,394,180	\$ —	\$ 32,053,785

7. Long-Term Liabilities

Governmental Activities

Capital Lease

In 2016, the City entered into a capital lease for the purchase of a street sweeper with an original principal balance of \$161,965. The lease accrues interest at a rate of approximately 2.45% and is payable in equal monthly installments of \$2,865, with a maturity date of September 29, 2021. The lease is completely funded by the internal services fund.

CITY OF WALSENBURG, COLORADO

Notes To Financial Statements (*Continued*)

Business-Type Activities

Series 2017A/Series 2017B Water and Sewer Revenue Refunding Bonds

In April 2017, the City issued \$3,626,000 of Series 2017A and \$72,000 of Series 2017B Water and Sewer Revenue Refunding Bonds through the U.S. Department of Agriculture Rural Utility Service (RUS). The bonds are special limited obligations of the City payable solely from the net revenue derived by the City from operation of the City's water and sewer systems. The Bonds constitute an irrevocable lien (but not necessarily an exclusive such lien) upon the net revenue. The bonds do not constitute a general obligation of the City or an obligation of the State of Colorado or Huerfano County. The City has committed to a rate maintenance provision equal to 120% of annual debt service related to the bonds and any parity debt. The bonds were issued by the City to repay the construction loan related to the City's Northlands sewer project.

The Series 2017A bonds carry a 2.75% interest rate and are payable in monthly installments of \$12,747 maturing in April 2057. The Series 2017B bonds bear a 2.25% interest rate and are payable in monthly installments of \$229, also maturing in April 2057. The Series 2017A bonds require a reserve equal to an annual installment of \$149,688 while the Series 2017B bonds require a \$2,748 reserve. The reserves were funded through monthly deposits of \$12,474 and \$229, respectively, commencing in 2017 until fully funded. The bonds also require a "Short-lived Asset Replacement Reserve Account" in the amount of \$13,000 per year. This money can be used for short-lived asset replacement upon advance approval of RUS.

While this loan is secured by water and sewer revenues and constitutes debt of the Sewer Fund, the City has an agreement with the property owners located within the Northlands GID to provide funding for all debt service related to capital improvements located with the improvement district.

Series 2017C Water and Sewer Revenue Refunding Bonds

In September 2017, the City issued \$8,045,000 of Series 2017C Water and Sewer Revenue Refunding Bonds. The bonds are special limited obligations of the City payable solely from the net revenue derived by the City from operation of the City's water and sewer systems. The bonds constitute an irrevocable lien (but not necessarily an exclusive such lien) upon the net revenue. The bonds do not constitute a general obligation of the City or an obligation of the State of Colorado or Huerfano County. The City has committed to a rate maintenance provision equal to 120% of annual debt service related to the bonds and any parity debt. The bonds were issued by the City to fully refund the City's 2007 Water and Sewer Bonds.

CITY OF WALSENBURG, COLORADO

Notes To Financial Statements (Continued)

The Series 2017C bonds carry a 2.80% interest rate and are payable in monthly installments of \$54,726 through November 2031. There is a balloon payment due in December 2031 of \$714,726 representing final maturity. The Series 2017C bonds require a reserve of \$710,000. The City incurred \$221,236 of costs related to the issuance, which were expensed in the year incurred, and recognized a deferred charge of \$131,852 on refunding that will be amortized through December 2031, the shorter of the remaining repayment period of the original bonds and the refunding bonds.

Changes in long-term debt for the year ended December 31, 2019 were as follows:

	Beginning			Ending	
	Balance	Additions	Deletions	Balance	Due Within One Year
Governmental Activities					
Compensated absences	\$ 38,520	\$ —	\$ (18,742)	\$ 19,778	\$ 19,778
Capital lease obligations	91,411	—	(32,477)	58,934	30,950
Total Governmental Activities	\$ 129,931	\$ —	\$ (51,219)	\$ 78,712	\$ 50,728
Business-Type Activities					
Revenue bonds:					
2017A revenue bonds	\$ 3,541,059	\$ —	\$ (52,976)	\$ 3,488,083	\$ 54,183
2017B revenue bonds	70,089	—	(1,183)	68,906	1,206
2017C revenue bonds	7,607,965	—	(449,431)	7,158,534	462,177
Colorado Water Conservation Board (CWCB) note payable	6,889,210	—	—	6,889,210	—
Short-term water rights note payable	700,000	—	(700,000)	—	—
Compensated absences	90,769	15,104	—	105,873	105,873
Total Business-Type Activities	\$ 18,899,092	\$ 15,104	\$ (1,203,590)	\$ 17,710,606	\$ 623,439

Assets acquired through lease purchases have a book value at December 31, 2019, as shown below:

	Governmental Activities
Street sweeper	\$ 161,965
Accumulated depreciation	(52,639)
Total	\$ 109,326

CITY OF WALSENBURG, COLORADO

Notes To Financial Statements (*Continued*)

The following table represents future debt service requirements of the City's long-term liabilities for governmental- and business-type activities:

Year Ending December 31,	Governmental Activities		Business-Type Activities	
	Principal	Interest	Principal	Interest
2020	\$ 30,950	\$ 3,434	\$ 517,567	\$ 291,584
2021	27,984	2,577	532,483	276,668
2022	—	—	547,550	261,601
2023	—	—	563,043	246,108
2024	—	—	578,720	230,431
2025 - 2029	—	—	3,149,801	895,954
2030 - 2034	—	—	2,286,396	449,214
2035 - 2039	—	—	443,101	319,079
2040 - 2044	—	—	507,981	254,199
2045 - 2049	—	—	582,696	179,484
2050 - 2054	—	—	668,205	93,975
2055 - 2057	—	—	337,980	17,703
Total	\$ 58,934	\$ 6,011	\$ 10,715,523	\$ 3,516,000

CWCB Loan

In October 2018, the City entered in to an agreement with CWCB for a loan in the amount of \$6,889,210 to be used for City Lake Dam improvements. The City received loan proceeds of \$6,821,000 and paid a 1% origination fee. The loan agreement calls for an interest rate of 2% payable over a period of 30 years. However, a formal loan amortization will not be developed upon project completion, nor will any payments be due until the completion of the project, which is expected during fiscal year 2020. As such, the loan is not currently included in the future debt service requirements schedule above.

Short-Term Water Rights Loan

In December 2018, the City entered into a \$700,000 short-term loan agreement with a private individual for the purchase of water rights. The loan bears interest at 2% per annum and matures March 29, 2019. The loan was repaid in full during 2019.

CITY OF WALSENBURG, COLORADO

Notes To Financial Statements (Continued)

8. Rate Maintenance - Water And Sewer Fund

The City has pledged future water and sewer customer revenues, as discussed in Note 7, to repay the outstanding revenue refunding bonds, equal to 120% of the amount necessary to pay the principal and interest on the bonds. The City has complied with these requirements in the aggregate. The computation for compliance is as follows:

	<u>Water</u>	<u>Sewer</u>	<u>Total</u>
Revenues			
Charges for services	\$ 1,335,905	\$ 1,019,632	\$ 2,355,537
Investment income	115,505	8,017	123,522
Miscellaneous	60,001	70,000	130,001
Capital contributions	804,000	—	804,000
Tap fees	8,467	—	8,467
Transfers in	149,869	123,175	273,044
Total Revenues	2,473,747	1,220,824	3,694,571
Expenses			
Operating expenses	1,699,885	1,273,440	2,973,325
Capital outlay	7,032,162	34,298	7,066,460
Less: CWCB loan proceeds	(6,654,619)	—	(6,654,619)
Less: Bad debt expense	(228,591)	(129,938)	(358,529)
Less: Depreciation	(304,770)	(331,363)	(636,133)
Total Expenses	1,544,067	846,437	2,390,504
Net Operating Revenues	929,680	374,387	1,304,067
Debt Service Requirements			
2017A bond payment due in 2020	—	149,688	149,688
2017B bond payment due in 2020	—	2,748	2,748
2017C bond payment due in 2020	308,656	348,059	656,715
Total Debt Service	308,656	500,495	809,151
Debt Coverage Ratio Requirement	120%	120%	120%
Debt Coverage Requirement	370,387	600,594	970,981
Coverage Excess (Shortfall)	\$ 559,293	\$ (226,207)	\$ 333,086

9. Retirement Plans

Volunteer Firefighters' Pension Fund

The Volunteer Firefighters' Pension Fund is a closed defined benefit plan. The City Council established a \$75 per month payout to participants. As of December 31, 2019, the fund had three participants. The City is no longer contributing to the fund. The fund will continue to exist until the death of the beneficiaries. The City has not yet established a policy on the payout of any remaining funds at the end of the payout period. Due to the inactivity and size, no actuarial valuation has been prepared.

Defined Contribution Plan

In October 1995, the City adopted a single-employer defined contribution retirement plan for City employees. The plan is maintained by Principal Mutual Life Insurance Company.

Participants are required to contribute 3% of their eligible wages. Additional contributions can be made to the plan by employees. The maximum amount allowable is the lesser of 25% of eligible compensation or \$30,000. The City is required to contribute 3% of eligible wages. Eligible wages were approximately \$1,185,593 for 2019. Employee and employer contributions were approximately \$33,399 for 2019.

All City employees are covered under the plan if they meet eligibility requirements specified in the plan document.

The employee contribution is fully refundable. Participants become vested in employer contributions at 20% per year after two years of service and are fully vested after seven years or more. Participants are eligible for retirement benefits upon death, retirement or termination of employment. A lump sum distribution or an annuity of vested benefits is payable upon death. Retirement benefits may be made in a single life payment or joint life payments. The employee may elect to receive a lump sum payment of all vested benefits upon termination of employment.

10. Risk Management

The City is exposed to various risks of loss related to torts; thefts of, damage to and destruction of assets; errors and omissions; injuries to employees and natural disasters. The City participates in the Colorado Intergovernmental Risk Sharing Agency (CIRSA), a public entity risk pool currently operating as a common risk management and insurance program for member towns and cities. The City pays an annual premium to CIRSA for its property/casualty, workers compensation, boiler and machinery and volunteer accident medical insurance coverage. The agreement for the formation of CIRSA provides that it will be self-sustaining through member premiums and will provide members the coverage authorized through joint self-insurance, insurance, reinsurance or any combination thereof, provide claims services related to such coverage and provide risk management and loss control services.

The City continues to contribute toward commercial insurance for employee health and accident insurance. The City, in its opinion, has obtained adequate coverage as required by CRS to settle claims in the ordinary course of business. However, due to the unknown nature of potential liability, some claims may arise that fall outside the coverage limits for which the City would be financially responsible. Settled claims resulting from these risks have not exceeded commercial insurance the past three years.

11. Commitments And Contingencies

Litigation

The City is currently involved in legal proceedings which, in the opinion of management, will not have a material adverse effect upon the financial position of the City.

Grants

The City has received federal and state grants for specific purposes that are subject to review and audit by the grantor agencies. Such audits could lead to request for reimbursements to grantor agencies for expenditures disallowed under the terms of the grant. Based upon prior experience, City management believes such disallowances, if any, will be immaterial.

Environmental Matters

It is likely that several City buildings contain asbestos, and the City is a potentially responsible party regarding environmental impacts. Although a loss is probable, it is not possible to reasonably estimate the amount of any obligation for remediation that would be material to the City's financial statements at December 31, 2019.

Landfill

The City is required to comply with the Colorado Department of Health under CRS 30-20-100.5 through 30-20-119 in regards to its municipal solid waste landfill. State and federal laws and regulations require that the City perform certain maintenance and monitoring functions at the landfill sites for a period of time after closure. The City closed the landfill in 1996 and has not incurred any additional costs for the landfill. Although a liability is probable, it is not possible to reasonably estimate the amount of any obligation for post-closure care costs that would be material to the City's financial statements at December 31, 2019.

12. TABOR Amendment

In November 1992, Colorado voters amended Article X of the Colorado Constitution by adding Section 20, commonly known as the Taxpayer 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 required 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 City has reserved \$79,464 for TABOR.

CITY OF WALSENBURG, COLORADO

Notes To Financial Statements (Continued)

In 1995, the City's residents voted to retain revenues and not be subject to the fiscal year spending limitations of TABOR, providing that no local tax rate or mill levy shall be increased without further voter approval. In August of 2011, it was determined by management of the City that the City had violated provisions of TABOR by increasing the property tax mill levy without voter approval. Pursuant to TABOR, the City is required to refund excess revenues by issuing temporary tax credits or a tax rate reduction. The amount to be refunded, including interest accrued at 10% using a simple-interest method, is approximately \$32,736 as of December 31, 2019.

13. Restatement Of Beginning Net Position And Fund Balance

The City had a restatement due to an amount of deferred inflows being improperly recorded in the Northlands GID fund in the prior period, whereas the amount should have been included in fund balance. As a result, government-wide net position and fund balance of the Northlands GID fund at December 31, 2018 was restated to reflect the cumulative effect of this, which was an increase of \$156,588 to both net position and fund balance, as show in the table below:

	December 31, 2018, As Previously Stated	Restatement	December 31, 2018, As Restated
Northlands GID fund balance	\$ 305,621	\$ 156,588	\$ 462,209
Governmental activities net position	6,529,341	156,588	6,685,929

14. Subsequent Events

In March 2020, the City identified and saw a rapid spread of a novel coronavirus (COVID-19) throughout its local area and throughout the State of Colorado. Certain orders were subsequently issued by the State of Colorado requiring various potential restrictions on operations of the City. While the restrictions have not significantly impacted the revenue sources or overall operations of the City at this time, the ongoing impact is difficult to predict and will depend on future developments, which are uncertain.

Management has reviewed the effect of subsequent events on the financial statements through the financial statement date, which is the date of the auditor's report.

Required Supplementary Information

CITY OF WALSENBURG, COLORADO

**BUDGETARY COMPARISON SCHEDULE -
GENERAL FUND**

For The Year Ended December 31, 2019

	Budgeted Amounts Original And Final	Actual Amounts	Variance With Final Budget Positive (Negative)
Revenues			
Taxes and fees	\$ 906,250	\$ 818,151	\$ (88,099)
Licenses and permits	85,000	85,916	916
Intergovernmental	415,383	2,050,473	1,635,090
Fines and forfeitures	3,200	5,477	2,277
Paid in lieu of taxes	—	224,592	224,592
Earnings on investments	—	78	78
Miscellaneous	6,500	48,877	42,377
Total Revenues	1,416,333	3,233,564	1,817,231
Expenditures			
Current:			
General government	537,119	253,431	283,688
Public safety	713,900	713,831	69
Public works	210,678	425,035	(214,357)
Culture, parks and recreation	132,795	94,896	37,899
Capital outlay	—	1,636,807	(1,636,807)
Total Expenditures	1,594,492	3,124,000	(1,529,508)
Deficiency Of Revenues Under Expenditures	(178,159)	109,564	287,723
Other Financing Sources (Uses)			
Transfers in	433,053	164,125	(268,928)
Transfer out	(124,442)	(100,621)	23,821
Total Other Financing Sources (Uses)	308,611	63,504	(245,107)
Total Other Financing Sources	308,611	63,504	(245,107)
Net Change In Fund Balance	\$ 130,452	173,068	\$ 42,616
Fund Balance At Beginning Of Year		154,941	
Fund Balance At End Of Year		\$ 328,009	

Notes: The basis of budgeting is the same as GAAP. This schedule is presented on a GAAP basis.

CITY OF WALSENBURG, COLORADO

NOTE TO REQUIRED SUPPLEMENTARY INFORMATION For The Year Ended December 31, 2019

1. **Budgetary Information And Budget Violations**

An annual budget and appropriation ordinance is adopted by the City Council in accordance with CRS. The budget is prepared on a basis consistent with GAAP for governmental and fiduciary funds and on a budgetary basis for proprietary funds, except for the Water Park Fund, which is on the GAAP basis.

On or about October 15, the City staff submits to the City Council a proposed operating budget for the fiscal year commencing the following January 1. The operating budget includes proposed expenditures and the means of financing them. Public hearings are conducted at a special meeting and at regular City Council meetings to obtain taxpayer comments. Prior to December 15, the budget is legally adopted by the City Council.

Colorado law requires that all funds have legally adopted budgets and that total expenditures for each fund cannot exceed the amount appropriated. The fund level of classification is the level of classification at which expenditures may not legally exceed appropriations.

All appropriations lapse at the end of each fiscal year. Appropriations for a fund may be increased provided they are offset by unanticipated resources.

Budgeted amounts reported in the accompanying financial statements are as originally adopted and as amended by the City Council throughout the year.

In fiscal year 2019, expenditures exceeded the budget by \$1,529,508 in the General Fund, \$34,383 in the Internal Service Fund, \$107,159 in the Gas Fund, \$1,001,928 in the Water Fund and \$182,591 in the Sewer Fund, which may be a violation of Colorado statutes.

Other Supplementary Information

CITY OF WALSENBURG, COLORADO

**BUDGETARY COMPARISON SCHEDULE -
STREET IMPROVEMENT FUND
For The Year Ended December 31, 2019**

	Budgeted Amounts Original And Final	Actual Amounts	Variance With Final Budget Positive (Negative)
Revenues			
Taxes	\$ 452,809	\$ 449,606	\$ (3,203)
Earnings on investments	1,750	8,105	6,355
Total Revenues	<u>454,559</u>	<u>457,711</u>	<u>3,152</u>
Expenditures			
Current:			
Public works	—	411	(411)
Capital outlay	490,000	251,691	238,309
Total Expenditures	<u>490,000</u>	<u>252,102</u>	<u>237,898</u>
Change In Fund Balance	<u>\$ (35,441)</u>	<u>205,609</u>	<u>\$ 241,050</u>
Fund Balance At Beginning Of Year		<u>1,641,826</u>	
Fund Balance At End Of Year		<u>\$ 1,847,435</u>	

CITY OF WALSENBURG, COLORADO

**BUDGETARY COMPARISON SCHEDULE -
NORTHLANDS GID FUND
For The Year Ended December 31, 2019**

	Budgeted Amounts Original And Final	Actual Amounts	Variance With Final Budget Positive (Negative)
Revenues			
Grants and contributions	\$ 163,000	\$ 70,924	\$ (92,076)
Public improvement fee revenue	1,000	—	(1,000)
Earnings on investments	—	5,252	5,252
Miscellaneous	—	9,316	9,316
Total Revenues	164,000	85,492	(78,508)
Expenditures			
Debt service	150,100	—	(150,100)
Deficiency Of Revenues Over Expenditures	13,900	85,492	71,592
Change In Fund Balance	\$ 13,900	85,492	\$ 71,592
Fund Balance At Beginning Of Year, As Previously Stated		305,621	
Restatement		<u>156,588</u>	
Fund Balance At Beginning Of Year, As Restated		<u>462,209</u>	
Fund Balance At End Of Year		<u>\$ 547,701</u>	

CITY OF WALSENBURG, COLORADO

**COMBINING BALANCE SHEET -
NONMAJOR GOVERNMENTAL FUNDS**

December 31, 2019

	Assets				Total
	Capital Projects	Special Revenue		Total	
	Capital Improvement	Downtown GID	Conservation Trust		
Cash and investments	\$ —	\$ 11,440	\$ 48,394	\$ 59,834	
Accounts receivable	70,221	—	—	70,221	
Due from other funds	1,120,607	—	—	1,120,607	
Total Assets	\$ 1,190,828	\$ 11,440	\$ 48,394	\$ 1,250,662	
	Liabilities				
Accounts payable	\$ —	\$ 2,810	\$ —	\$ 2,810	
Due to other funds	952,822	3,934	13,725	970,481	
	Fund Balance				
Restricted	238,006	4,696	34,669	277,371	
Total Liabilities And Fund Balances	\$ 1,190,828	\$ 11,440	\$ 48,394	\$ 1,250,662	

CITY OF WALSENBURG, COLORADO

COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES - NONMAJOR GOVERNMENTAL FUNDS For The Year Ended December 31, 2019

	Capital Projects		Special Revenue		Total
	Capital Improvement	Downtown GID	Conservation Trust		
Revenues					
Taxes	\$ 449,607	\$ 2,364	\$ —	\$ 451,971	
Intergovernmental	—	—	16,858	16,858	
Earnings on investments	3,691	—	4,834	8,525	
Total Revenues	453,298	2,364	21,692	477,354	
Other Financing Uses					
Transfers out	(423,444)	—	(13,725)	(437,169)	
Change In Fund Balance	29,854	2,364	7,967	40,185	
Fund Balance At Beginning Of Year	208,152	2,332	26,702	237,186	
Fund Balance At End Of Year	\$ 238,006	\$ 4,696	\$ 34,669	\$ 277,371	

CITY OF WALSENBURG, COLORADO

BUDGETARY COMPARISON SCHEDULE - BUDGETARY BASIS - GAS FUND

For The Year Ended December 31, 2019

	Budgeted Amounts Original And Final	Actual Amounts	Variance With Final Budget Positive (Negative)
Operating Revenues			
Charges for services	\$ 1,574,800	\$ 1,179,441	\$ (395,359)
Miscellaneous revenue	47,000	170,240	123,240
Total Operating Revenues	1,621,800	1,349,681	(272,119)
Operating Expenses			
Personnel services	332,658	374,829	(42,171)
Administrative/office expenses	—	19,341	(19,341)
Contract services	44,800	20,031	24,769
Gas expense	533,296	552,744	(19,448)
Utilities	13,400	20,272	(6,872)
Repairs and maintenance	38,000	63,538	(25,538)
Other supplies and expenses	43,025	26,309	16,716
Insurance expense	—	23,734	(23,734)
Payment in lieu of taxes	—	68,553	(68,553)
Miscellaneous expense	27,200	7,159	20,041
Principal paid	17,930	—	17,930
Capital outlay	167,000	121,715	45,285
Total Operating Expenses	1,217,309	1,298,225	(80,916)
Operating Income	404,491	51,456	(353,035)
Other Revenue (Expense) And Transfers			
Gain on investments	—	34,304	34,304
Interest expense	17,930	—	(17,930)
Transfers in	—	—	—
Transfers out	(106,577)	—	106,577
Total Other Revenue (Expense) And Transfers	(88,647)	34,304	122,951
Change In Net Position - Budgetary Basis	\$ 315,844	85,760	\$ (230,084)
Reconciliation To GAAP Basis			
Principal paid		—	
Capital outlay		121,715	
Depreciation		(96,666)	
Change In Net Position - GAAP Basis		110,809	
Net Position At Beginning Of Year		3,491,099	
Net Position At End Of Year		\$ 3,601,908	

CITY OF WALSENBURG, COLORADO

BUDGETARY COMPARISON SCHEDULE - BUDGETARY BASIS - WATER FUND

For The Year Ended December 31, 2019

	Budgeted Amounts Original And Final	Actual Amounts	Variance With Final Budget Positive (Negative)
Operating Revenues			
Charges for services	\$ 1,260,213	\$ 1,335,905	\$ 75,692
Miscellaneous	217,172	60,001	(157,171)
Total Operating Revenues	1,477,385	1,395,906	(81,479)
Operating Expenses			
Personnel services	351,715	367,691	(15,976)
Administrative/office expenses	—	24,953	(24,953)
Contract services	71,300	335,619	(264,319)
Utilities	43,825	48,819	(4,994)
Repairs and maintenance	70,000	114,540	(44,540)
Other supplies and expenses	134,900	153,467	(18,567)
Insurance expense	—	24,101	(24,101)
Payment in lieu of taxes	—	89,208	(89,208)
Miscellaneous expense	—	236,717	(236,717)
Principal paid	300,553	911,233	(610,680)
Capital outlay	7,397,000	7,032,162	364,838
Total Operating Expenses	8,369,293	9,338,510	(969,217)
Operating Income	(6,891,908)	(7,942,604)	(1,050,696)
Other Revenue (Expense) And Transfers			
Gain on investments	6,254,000	115,505	(6,138,495)
Tap fees	5,000	8,467	3,467
Capital contributions	—	804,000	804,000
Transfers in	150,000	149,869	(131)
Transfers out	(102,421)	—	102,421
Interest expense	—	(102,299)	(102,299)
Total Other Expense And Transfers	6,306,579	975,542	(5,331,037)
Change In Net Position - Budgetary Basis	\$ (585,329)	(6,967,062)	\$ (6,381,733)
Reconciliation To GAAP Basis			
Principal paid		911,233	
Capital outlay		7,032,162	
Depreciation		(304,770)	
Change In Net Position - GAAP Basis		671,563	
Net Position At Beginning Of Year		8,974,183	
Net Position At End Of Year		\$ 9,645,746	

CITY OF WALSENBURG, COLORADO

BUDGETARY COMPARISON SCHEDULE - BUDGETARY BASIS - SEWER FUNDS

For The Year Ended December 31, 2019

	Budgeted Amounts Original And Final	Actual Amounts	Variance With Final Budget Positive (Negative)
Operating Revenues			
Charges for services	\$ 1,085,750	\$ 1,019,632	\$ (66,118)
Miscellaneous	169,700	70,000	(99,700)
Total Operating Revenues	1,255,450	1,089,632	(165,818)
Operating Expenses			
Personnel services	327,585	352,569	(24,984)
Administrative/office expenses	—	2,658	(2,658)
Contract services	13,800	57,390	(43,590)
Utilities	85,450	126,704	(41,254)
Repairs and maintenance	20,600	105,371	(84,771)
Other supplies and expenses	73,856	65,852	8,004
Insurance expense	—	23,733	(23,733)
Payment in lieu of taxes	—	66,831	(66,831)
Miscellaneous expense	—	140,969	(140,969)
Principal paid	485,070	292,357	192,713
Capital outlay	43,000	34,298	8,702
Total Operating Expenses	1,049,361	1,268,732	(219,371)
Operating Income	206,089	(179,100)	(385,189)
Other Revenue (Expense) And Transfers			
Earnings on investments	—	8,017	8,017
Transfers in	106,850	—	(106,850)
Transfers out	(66,216)	123,175	189,391
Interest expense	—	(213,170)	(213,170)
Total Other Revenue (Expense) And Transfers	40,634	(81,978)	(122,612)
Change In Net Position - Budgetary Basis	\$ 246,723	(261,078)	\$ (507,801)
Reconciliation To GAAP Basis			
Principal paid		292,357	
Capital outlay		34,298	
Depreciation		(331,363)	
Change In Net Position - GAAP Basis		(265,786)	
Net Position At Beginning Of Year		5,339,070	
Net Position At End Of Year		\$ 5,073,284	

CITY OF WALSENBURG, COLORADO

**BUDGETARY COMPARISON SCHEDULE -
WATER PARK FUND
For The Year Ended December 31, 2019**

	Budgeted Amounts Original And Final	Actual Amounts	With Final Budget Positive (Negative)
Operating Revenues			
Charges for services	\$ 63,480	\$ 35,159	\$ (28,321)
Operating Expenses			
Personnel services	64,722	51,625	13,097
Administrative/office expenses	—	4,782	—
Repairs and maintenance	20,800	1,982	18,818
Other supplies and expenses	27,900	27,634	266
Utilities	14,500	46,009	(31,509)
Capital Purchases & Improvements	75,000	15,716	59,284
Total Operating Expenses	202,922	147,748	59,956
Operating Loss	(139,442)	(112,589)	31,635
Other Revenue (Expense) And Transfers			
Loss on investments	—	—	—
Transfers in	139,442	100,621	(38,821)
Total Other Revenue And Transfers	139,442	100,621	(38,821)
Change In Net Position - Budgetary Basis	\$ —	(11,968)	\$ (7,186)
Reconciliation To GAAP Basis			
Depreciation		(62,957)	
Change In Net Position - GAAP Basis		(74,925)	
Net Position At Beginning Of Year		1,296,339	
Net Position At End Of Year		\$ 1,221,414	

CITY OF WALSENBURG, COLORADO

**BUDGETARY COMPARISON SCHEDULE - BUDGETARY BASIS -
INTERNAL SERVICE FUND
For The Year Ended December 31, 2019**

	Budgeted Amounts Original And Final	Actual Amounts	Variance With Final Budget Positive (Negative)
Revenues			
Miscellaneous	\$ —	\$ 2,865	\$ 2,865
Expenditures			
Current:			
Interest	—	1,907	(1,907)
Principal	—	32,476	(32,476)
Total Expenditures	—	34,383	(34,383)
Change In Net Position - Budgetary Basis	\$ —	(31,518)	\$ (31,518)
Reconciliation To GAAP Basis			
Principal		32,476	
Depreciation		(29,149)	
Change In Net Position - GAAP Basis		(28,191)	
Net Position At Beginning Of Year		(176,931)	
Net Position At End Of Year		\$ (205,122)	

CITY OF WALSENBURG, COLORADO

**BUDGETARY COMPARISON SCHEDULE - FIDUCIARY FUND -
VOLUNTEER FIREFIGHTERS' PENSION FUND
For The Year Ended December 31, 2019**

	Budgeted Amounts Original And Final	Actual Amounts	Variance With Final Budget Positive (Negative)
Revenues			
Earnings on investments	\$ 397	\$ 2,166	\$ 1,769
Expenditures			
Benefits paid	4,500	4,500	—
Change In Net Position	<u>\$ (4,103)</u>	<u>(2,334)</u>	<u>\$ 1,769</u>
Net Position At Beginning Of Year		<u>35,300</u>	
Net Position At End Of Year		<u>\$ 32,966</u>	

CITY OF WALSENBURG, COLORADO

**BUDGETARY COMPARISON SCHEDULE -
NONMAJOR GOVERNMENTAL FUNDS -
CAPITAL IMPROVEMENT FUND
For The Year Ended December 31, 2019**

	Budgeted Amounts Original And Final	Actual Amounts	Variance With Final Budget Positive (Negative)
Revenues			
Taxes and fees	\$ 451,758	\$ 449,607	\$ (2,151)
Miscellaneous	—	—	—
Earnings on investments	800	3,691	2,891
Total Revenues	452,558	453,298	740
Excess Of Revenues Over Expenditures	452,558	453,298	740
Other Financing Uses			
Transfers out	(408,250)	(423,444)	(15,194)
Net Change In Fund Balance	\$ 44,308	29,854	\$ (14,454)
Fund Balance At Beginning Of Year		<u>208,152</u>	
Fund Balance At End Of Year		<u>\$ 238,006</u>	

CITY OF WALSENBURG, COLORADO

**BUDGETARY COMPARISON SCHEDULE -
NONMAJOR GOVERNMENTAL FUNDS -
DOWNTOWN GID FUND**

For The Year Ended December 31, 2019

	Budgeted Amounts Original And Final	Actual Amounts	Variance With Final Budget Positive (Negative)
Revenues			
Taxes	\$ 2,100	\$ 2,364	\$ 264
Expenditures			
Contract services	2,100	—	2,100
Change In Fund Balance	<u>\$ —</u>	<u>2,364</u>	<u>\$ 2,364</u>
Fund Balance At Beginning Of Year		<u>2,332</u>	
Fund Balance At End Of Year		<u>\$ 4,696</u>	

CITY OF WALSENBURG, COLORADO

**BUDGETARY COMPARISON SCHEDULE -
NONMAJOR GOVERNMENTAL FUNDS -
CONSERVATION TRUST FUND
For The Year Ended December 31, 2019**

	Budgeted Amounts Original And Final	Actual Amounts	Variance With Final Budget Positive (Negative)
Revenues			
Intergovernmental:			
State-shared revenue	\$ 15,000	\$ 16,858	\$ 1,858
Earnings on investments	1,200	4,834	3,634
Total Revenues	16,200	21,692	5,492
Other Financing Uses			
Transfers out	(15,000)	(13,725)	1,275
Change In Fund Balance	\$ 1,200	7,967	\$ 6,767
Fund Balance At Beginning Of Year		26,702	
Fund Balance At End Of Year		\$ 34,669	

Special Reports Section

CITY OF WALSENBURG, COLORADO

LOCAL HIGHWAY FINANCE REPORT

LOCAL HIGHWAY FINANCE REPORT		City or County: Walsenburg			
		YEAR ENDING : December 2019			
This Information From The Records Of (example - City of _ or County) City of Waslenburg		Prepared By: Phone: 719-695-1036			
I. DISPOSITION OF HIGHWAY-USER REVENUES AVAILABLE FOR LOCAL GOVERNMENT EXPENDITURE					
ITEM	A. Local Motor-Fuel Taxes	B. Local Motor-Vehicle Taxes			
1. Total receipts available					
2. Minus amount used for collection expenses					
3. Minus amount used for nonhighway purposes					
4. Minus amount used for mass transit					
5. Remainder used for highway purposes					
II. RECEIPTS FOR ROAD AND STREET PURPOSES		III. DISBURSEMENTS FOR ROAD AND STREET PURPOSES			
ITEM	AMOUNT	ITEM	AMOUNT		
A. Receipts from local sources:		A. Local highway disbursements:			
1. Local highway-user taxes		1. Capital outlay (from page 2)	283,792		
a. Motor Fuel (from Item I.A.5.)		2. Maintenance:	411		
b. Motor Vehicle (from Item I.B.5.)		3. Road and street services:			
c. Total (a.+b.)		a. Traffic control operations			
2. General fund appropriations		b. Snow and ice removal			
3. Other local imposts (from page 2)	449,606	c. Other			
4. Miscellaneous local receipts (from page 2)	8,115	d. Total (a. through c.)	0		
5. Transfers from toll facilities		4. General administration & miscellaneous			
6. Proceeds of sale of bonds and notes:		5. Highway law enforcement and safety			
a. Bonds - Original Issues		6. Total (1 through 5)	284,203		
b. Bonds - Refunding Issues		B. Debt service on local obligations:			
c. Notes		1. Bonds:			
d. Total (a. + b. + c.)	0	a. Interest			
7. Total (1 through 6)	457,721	b. Redemption			
B. Private Contributions		c. Total (a. + b.)	0		
C. Receipts from State government (from page 2)	141,583	2. Notes:			
D. Receipts from Federal Government (from page 2)	0	a. Interest			
E. Total receipts (A.7 + B + C + D)	599,304	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)	284,203		
IV. LOCAL HIGHWAY DEBT STATUS (Show all entries at par)					
	Opening Debt	Amount Issued	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 Disbursement	D. Ending Balance	E. Reconciliation
	1,797,603	599,304	284,203	2,112,704	0
Notes and Comments:					

CITY OF WALSENBURG, COLORADO

LOCAL HIGHWAY FINANCE REPORT

LOCAL HIGHWAY FINANCE REPORT		STATE: Colorado	
		YEAR ENDING (mm/yy): December 2019	
II. RECEIPTS FOR ROAD AND STREET PURPOSES - DETAIL			
ITEM	AMOUNT	ITEM	AMOUNT
A.3. Other local imposts:		A.4. Miscellaneous local receipts:	
a. Property Taxes and Assessments		a. Interest on investments	8,115
b. Other local imposts:		b. Traffic Fines & Penalties	
1. Sales Taxes	449,606	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		g. Other Misc. Receipts	
6. Total (1. through 5.)	449,606	h. Other	
c. Total (a. + b.)	449,606	i. Total (a. through h.)	8,115
	(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	141,583	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		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.)	0	g. Total (a. through f.)	0
4. Total (1. + 2. + 3.f)	141,583	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		283,792.00	283,792
(4). System Enhancement & Operation			0
(5). Total Construction (1) + (2) + (3) + (4)	0	283,792	283,792
d. Total Capital Outlay (Lines 1.a. + 1.b. + 1.c.5)	0	283,792	283,792
			(Carry forward to page 1)
Notes and Comments:			