

**Southeast Colorado Enterprise Development, Inc.**

**Financial Statements**

**December 31, 2021 and 2020**

**Southeast Colorado Enterprise Development, Inc.**  
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**December 31, 2021 and 2020**

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*Independent Auditor's Report*

Board of Directors  
Southeast Colorado Enterprise Development, Inc.

***Opinions***

We have audited the financial statements of the business-type activities of Southeast Colorado Enterprise Development, Inc. ("SECED"), as of and for the years ended December 31, 2021 and 2020, and the related notes to the financial statements, which collectively comprise SECED's basic financial statements as listed in the table of contents.

In our opinion, the accompanying financial statements present fairly, in all material respects, the respective financial position of the business-type activities of SECED as of December 31, 2021 and 2020, and the respective changes in financial position and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

***Basis for Opinions***

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

***Responsibilities of Management for the Financial Statements***

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

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about SECED's ability to continue as a going concern for one year after the date that the financial statements are issued.

***Auditor's Responsibilities for the Audit of the Financial Statements***

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinions. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material

if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with GAAS, we:

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

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

### *Supplementary Information*

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise SECED's basic financial statements. The budget and actual information is presented for purposes of additional analysis and are not a required part of the basic financial statements.

The budget and actual information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. 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 budget and actual information is fairly stated, in all material respects, in relation to the basic financial statements as a whole.

*rfarmer, llc*

June 15, 2022

**Southeast Colorado Enterprise Development, Inc.**  
**Statements of Financial Position**  
**Proprietary Funds**  
**December 31, 2021 and 2020**

	2021	2020
<b>ASSETS</b>		
Current assets:		
Cash and cash equivalents	\$ 2,917,753	\$ 2,980,668
Loans receivable	4,826,148	4,744,150
Loan loss reserve	(717,593)	(717,593)
Accounts receivable	1,662,033	963,536
Property held for resale	1,547	1,547
Total current assets	8,689,888	7,972,308
Non-current assets:		
Capital Assets:		
Land and improvements	49,680	49,680
Vehicles	40,724	40,724
Buildings	84,320	84,320
Equipment and furniture	174,769	174,769
Less: Accumulated Depreciation	(246,380)	(230,998)
Total non-current assets	103,113	118,495
Total assets	8,793,001	8,090,803
 <b>LIABILITIES</b>		
Current Liabilities:		
Accounts payable	28,855	8,062
Other accrued liabilities	-	5,636
Deferred revenue - grants	640,231	-
Accrued leave	12,051	11,771
Total current liabilities	681,137	25,469
Total liabilities	681,137	25,469
 <b>NET POSITION-Note 18</b>		
Investment in capital assets	103,113	118,495
Restricted	6,362,767	6,982,294
Unrestricted	1,645,984	964,545
Total position	\$ 8,111,864	\$ 8,065,334

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

**Southeast Colorado Enterprise Development, Inc.**  
**Statements of Revenues, Expenses and Changes in Net Position**  
**Proprietary Funds**  
**For the years ended December 31, 2021 and 2020**

	2021	2020
<b>REVENUES</b>		
DOH housing rehabilitation contract	\$ 9,668	\$ 4,834
RLF business lending contract	158,444	343,569
Dues	39,210	43,729
Servicing and late fees	23,443	29,742
Operating grants	485,617	424,433
Loan interest	169,952	250,111
Miscellaneous	6,113	249
Total Operating Revenues	892,447	1,096,667
<b>OPERATING EXPENSES</b>		
Personnel	341,845	346,157
Insurance	7,778	9,154
Travel	3,624	1,346
Feasibility/mini grants	63,316	45,485
Office expense	15,539	8,481
Special events	917	404
Signs and brochures	394	394
Legal	1,535	583
Consulting	30,020	60,643
Computer software and maintenance	8,559	7,585
Accounting services	13,200	13,200
Other expenses	313,330	386,725
Miscellaneous	28,688	-
Rent and utilities	10,553	9,104
Depreciation	15,382	14,165
Total Operating Expenses	854,680	903,426
Operating Income (Loss)	37,767	193,241
<b>NON-OPERATING REVENUES (EXPENSES)</b>		
Interest and investment revenue	8,761	29,325
Donation	-	34,000
Total non-operating revenue (expenses)	8,761	63,325
Income (loss) before contributions and transfers	46,528	256,566
Change in net position	46,528	256,566
Net position - beginning	8,065,336	7,808,768
Net position - ending	\$ 8,111,864	\$ 8,065,334

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

**Southeast Colorado Enterprise Development, Inc.**  
**Statements of Cash Flows**  
**Proprietary Funds**  
**For the years ended December 31, 2021 and 2020**

<b>CASH FLOWS FROM OPERATING ACTIVITIES:</b>	<u>2021</u>	<u>2020</u>
Cash Received from Services Provided	\$ 1,027,356	\$ 1,223,930
Cash Received from Dues and Contributions	39,210	43,729
Cash Received from Gants	485,617	424,433
Cash Payments to Suppliers for Goods & Services	(482,296)	(538,206)
Cash Payments to Employees for Wages and Benefits	<u>(341,565)</u>	<u>(343,554)</u>
NET CASH PROVIDED BY OPERATING ACTIVITIES	<u>728,322</u>	<u>810,332</u>
 <b>CASH FLOWS FROM INVESTING ACTIVITIES:</b>		
State of Colorado	(800,000)	(660,000)
Interest Income	<u>8,763</u>	<u>29,372</u>
NET CASH PROVIDED BY INVESTING ACTIVITIES	<u>(791,237)</u>	<u>(630,628)</u>
NET (DECREASE) INCREASE IN CASH & CASH EQUIVALENTS	(62,915)	179,704
 <b>CASH &amp; CASH EQUIVALENTS:</b>		
Beginning of Year	<u>2,980,668</u>	<u>2,800,964</u>
End of Year	<u><u>2,917,753</u></u>	<u><u>2,980,668</u></u>
 <b>RECONCILIATION OF OPERATING INCOME TO NET CASH PROVIDED BY OPERATING ACTIVITIES:</b>		
Operating Income (Loss)	37,767	193,241
Adjustments to Reconcile Operating Income To Net Cash Provided by Operating Activities:		
Depreciation	15,382	14,165
Change in Assets and Liabilities:		
(Increase) Decrease in Accounts Receivable	101,503	(287,282)
(Increase) Decrease in Loans Receivable--Net	(81,998)	882,707
Increase (Decrease) in Other Accrued Expenses	(5,636)	-
Increase (Decrease) in Deferred Revenue	640,231	-
Increase (Decrease) in Accrued Leave	280	2,603
Increase (Decrease) in Payables	<u>20,793</u>	<u>4,898</u>
NET CASH PROVIDED BY OPERATING ACTIVITIES	<u><u>\$ 728,322</u></u>	<u><u>\$ 810,332</u></u>

During 2020, SECED received a non-cash donation of lots valued at \$34,000.

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

**Southeast Colorado Enterprise Development, Inc.**  
**Notes to Financial Statements**  
**December 31, 2021 and 2020**

**Note 1 Description of Entity:**

Southeast Colorado Enterprise Development, Inc. (SECED) is an independent entity organized under IRS Code Section 501(c) (3). The Southeast Colorado Enterprise Development, Inc. region is comprised of five counties and nineteen municipalities in southeast Colorado but is not part of any government. Due to the close working relationship with various governmental entities within southeast Colorado, the Board of Directors has elected to report under generally accepted accounting principles as applicable to governmental entities as applied to governmental enterprise funds.

SECED is dedicated to the retention and preservation of economic activity within southeast Colorado, including but not limited to job creation and retention, marketing and promoting enterprise zone programs, and lending to eligible applicants for business loans and housing rehabilitation projects. The operations of each of these activities are directly controlled by the Board through the budgetary process and are included within this report.

Southeast Colorado Council of Governments (SECOG) is a component unit of SECED. The activity of SECOG is incorporated into the activity of SECED due to the board of directors being the same. In addition, all activity of SECOG is of direct benefit to SECED.

**Note 2 Summary of Significant Accounting Policies:**

The accounting policies of SECED conform to generally accepted accounting principles as applicable to governments. The following is a summary of the more significant policies:

Financial Reporting Entity:

The financial reporting entity consists of (1) the primary government, (2) organizations for which the primary government is financially accountable and (3) other organizations for which the nature and significance of their relationship with the primary government are such that exclusion would cause the reporting entity's financial statements to be misleading or incomplete. Component units are legally separate organizations for which the elected officials of the primary government are financially accountable. The primary government is financially accountable if it appoints a voting majority of the organization's governing body and (1) it is able to impose its will on that organization or (2) there is a potential for the organization to provide specific financial benefits to or burdens on the primary government. The primary government may be financially accountable if an organization is fiscally dependent on the primary government. This report does not contain any component units.

Basis of Presentation and Accounting:

SECED's financial statements are presented on the full accrual basis in accordance with accounting principles generally accepted in the United States of America. SECED applies all Governmental Accounting Standards Board (GASB) pronouncements and statements.

All activities of SECED are accounted for within a single proprietary (enterprise) fund. Proprietary funds are used to account for operations that are (a) financed and operated in a manner similar to private business enterprises where the intent of the governing body is that the cost (expenses, including depreciation) of providing goods or services to the general public on a continuing basis be financed or recovered primarily through user charges; or (b)

where the governing body has decided that periodic determination of revenues earned, expenses incurred, and/or net income is appropriate for capital maintenance, public policy, management control, accountability, or other purposes.

The accounting and financial reporting treatment applied to SECED is determined by its measurement focus. The transactions of SECED are accounted for on a flow of economic resources measurement focus. With this measurement focus, all assets and all liabilities associated with the operations are included on the balance sheet. Net position (i.e., total assets net of total liabilities) are segregated into “invested in capital assets, net of related liabilities”; “restricted for loans and other purposes”; and “unrestricted” components.

The statement of net position and the statement of revenues, expenses, and changes in net position display information about SECED as a whole.

#### Revenues - Exchange and Nonexchange Transactions:

Revenue resulting from exchange transactions, in which each party gives and receives essentially equal value, is recorded on the accrual basis when the exchange takes place. Available means that the resources will be collected within the current year or are expected to be collected soon enough thereafter to be used to pay liabilities of the current year. For SECED, available means expected to be received within sixty days of year-end. SECED charges a loan fee to process loan applications. The loan fee is recognized as income in the year it is received.

Nonexchange transactions, in which SECED receives value without directly giving equal value in return, include grants, entitlements, and donations. Revenue from grants, entitlements, and donations is recognized in the year in which all eligibility requirements for reimbursement have been satisfied. Eligibility requirements include timing requirements, which specify the year when the resources are required to be used or the year when use is first permitted, matching requirements, in which SECED must provide local resources to be used for a specified purpose, and expenditure requirements, in which the resources are provided to SECED on a reimbursement basis. On the accrual basis, revenue from nonexchange transactions must also be available before it can be recognized.

Under the accrual basis, the following revenue sources are considered to be both measurable and available at year-end: loan repayments, dues, loan interest, grants, and donations.

Operating revenues consist of State of Colorado grant drawdowns, interest earned on loan repayments, marketing and other grants, donations, dues and other revenues. Non-operating income is interest income earned on investments.

#### Budgets and Budgetary Accounting:

Annual budgets are adopted as required by Colorado Statutes. Formal budgetary integration is employed as a management control device during the year.

The budget calendar is as follows:

October 15	Statutory deadline for submission of proposed budget to the local governing body. “Notice of Budget” to be published when budget received.
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Colorado law requires that all funds have legally adopted budgets and total expenditures for each fund cannot exceed the amount appropriated. Appropriations for a fund may be

increased provided unanticipated resources offset them. Local Governing Body not levying a property tax must adopt the budget and shall enact an ordinance or resolution making appropriations for the ensuing fiscal year.

Appropriations are adopted by resolution for each fund in total. Over expenditures are not deemed to exist unless the fund as a total has expenditures in excess of appropriations. All appropriations lapse at year-end. No supplemental budgets were adopted during the year.

Capital Assets:

All capital assets are capitalized at cost (or estimated historical cost) and updated for additions and retirements during the year. Donated fixed assets are recorded at their fair market values as of the date received. The capitalization thresholds for SECED's capital assets are as follows:

Machinery and Equipment	\$ 2,500
Vehicles	\$ 5,000

Improvements are capitalized; the costs of normal maintenance and repairs that do not add to the value of the asset or materially extend an asset's life are not.

SECED does not have any infrastructure assets.

All capital assets are depreciated. Improvements are depreciated over the remaining useful lives of the related capital assets. Depreciation is computed using the straight-line method over the following useful lives:

<u>Description</u>	<u>Estimated Lives</u>
Equipment	3-10 years
Vehicles	5 years

Southeast Colorado Council of Governments:

SECED is a member of Southeast Colorado Council of Governments (SECOG). SECOG receives funding during the year. Those funding amounts are passed on to SECED.

Accrued Liabilities:

All payables and accrued liabilities are reported in the financial statements.

Net Position:

Net position represents the difference between assets and liabilities. Investment in capital assets consists of capital assets, net of accumulated depreciation and related debt, if any.

Estimates:

The preparation of financial statements in conformity with accounting principles as applicable to governmental entities requires management to make estimates and assumptions that affect the amounts reported in the financial statements and accompanying notes. Actual results may differ from these estimates.

Cash & Cash Equivalents:

For purpose of cash & cash equivalents all cash in banks including money market accounts and certificates of deposits are considered cash and cash equivalents.

Allowance for Doubtful Accounts:

The allowance for doubtful accounts is based on a percent of loans receivable either individually by loan or as a group of loans after a review of all outstanding loans. None of the loans are on a nonaccrual basis even though some loans are more than 170 days past due.

Income Taxes:

SECED is not subject to federal income tax on income related to the operation of the projects under 501(c) (3) regulations. An informational return on Internal Revenue Form 990 is filed annually. Tax penalties and interest, if any, would be classified with income tax expense in the financial statements. No tax penalties or interest have been incurred or are recognized in the financial statements. Generally, three tax years remain subject to examination by tax jurisdiction.

**Note 3      Loan Repayments:**

Amounts received as DOH housing rehabilitation contracts and RLF business lending contracts are considered program income for federal grant compliance reporting. SECED is reimbursed a specific amount as reimbursement for administrative costs, which is included in the contract amounts.

Principal repayments are used for funding additional loans so the program becomes fully sustainable for future loans.

**Note 4      Capital Assets:**

Capital asset activity for the year ended December 31, 2021, is as follows:

	<u>Beginning Balance</u>	<u>Increases</u>	<u>Decreases</u>	<u>Ending Balance</u>
Capital Assets being depreciated	\$ 299,814	\$ -	\$ -	\$ 299,814
Less Accumulated Depreciation	<u>(230,998)</u>	<u>(15,383)</u>	<u>-</u>	<u>(246,381)</u>
Net Capital Assets being depreciated	68,816	(15,383)	-	53,433
Land	<u>49,680</u>		-	<u>49,680</u>
Total	<u>\$ 118,496</u>	<u>\$ (15,383)</u>	<u>\$ -</u>	<u>\$ 103,113</u>

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

Loan program	<u>\$ 15,383</u>
Total depreciation expense	<u>\$ 15,383</u>

**Note 5 Cash Deposits:**

All cash is deposited in local financial institutions and consists of demand checking accounts and certificates of deposit. The corresponding balance is as follows:

	<u>2021</u>	<u>2020</u>
Insured Deposits (FDIC)	\$ 601,085	\$ 601,085
Collateralized Deposits (PDPA)	<u>1,331,901</u>	<u>1,396,291</u>
Total	<u>\$ 1,932,986</u>	<u>\$ 1,997,376</u>

**Investments:**

Colorado Statutes specify in which instruments the units of local government may invest which include:

- Repurchase agreements,
- Obligations of the United States or obligations unconditionally guaranteed by the United States,
- Obligations of the State of Colorado and most general obligations of units of local governments,
- Federally insured mortgages and student loans,
- Participation with other local governments in pooled investment funds (trusts), these trusts are supervised by participating governments, and must comply with the same restrictions on cash deposits and investments. (One such trust formed under the statute is COLOTRUST).

COLOTRUST PRIME, PLUS+ and EDGE pools are a 2a7-like investment pool. The following facts are relevant for 2a7-like investment pools:

- Credit risk: COLOTRUST PRIME, PLUS+ and EDGE Portfolios are rated AAAM by S&P.
- Portfolio Type: U.S. Treasury Securities, U.S. Government Agencies, Purchase Agreements.
- Rating: AAAM by S&P Global Ratings.
- Liquidity: Same day liquidity available.
- NAV Type: Stable NAV, traditional stable \$1.00 NAV.
- Custodial credit risk: COLOTRUST PRIME, PLUS+ and EDGE participants' investments in the pool are evidenced by shares of the pool. Investments in pools should be disclosed, but not categorized because they are not evidenced by securities that exist in physical or book-entry form. The public entity's investment is with the pool, not the securities that make up the pool; therefore, no disclosure is required.

- Concentration of credit risk: Pooled investments are excluded from the 5 percent disclosure requirement.
- Interest rate risk: 2a7-like investment pools are excluded from this disclosure requirement, per paragraph 15 of the GASB 40 statement.

SECED had \$984,769 with COLOTRUST. SECED is not considered a government entity but does have protection under PDPA for amounts not covered by FDIC.

**Note 6 Accrued Vacation and Sick Leave:**

Vacation leave will be granted to employees after the successful completion of the first six months of employment. Vacation is earned at varying amounts based on length of employment. Unused vacation leave will be paid in full based upon the employee's current salary at the time of termination.

Sick leave can be accumulated up to, but no more than, 30 days. Sick leave will not be paid to terminated employees.

**Note 7 State Grants and Contracts:**

As part of its operations, SECED receives various grants from the State of Colorado and is awarded contracts to provide services in its trade area. SECED believes it is in compliance with all grant and contract requirements.

**Note 8 Defined Contribution Pension Plans:**

SECED is participating in a Defined Contribution Pension Plan through Colorado Retirement Association (CRA). The plan is funded by employee's contributions at 3 percent of gross salary with the SECED matching another 3 percent. Participation by employees is mandatory after six months of service. The amount paid into CRA by SECED in 2021 was \$7,357 and in 2020 was \$8,010 on eligible salaries of \$245,233 and \$269,635, respectively. Mandatory employee contributions in 2021 were \$7,357 and in 2020 were \$8,010. Voluntary contributions during 2021 and 2020 were \$13,250 and \$12,150, respectively. The employees are also covered by social security. All classes of employees are covered. The SECED board has the authority to make amendments to the plan to best serve the employees.

**Note 9 Property Held for Resale:**

During normal operations, SECED may acquire property through foreclosure. The property is reported as property held for resale. Some of the property may be rented to help defray some of the holding costs and to have a return on the asset. As of December 31, 2021 and 2020, property held for sale totaled \$1,547.

**Note 10 Tax, Spending and Debt Limitations:**

Colorado voters passed an amendment to the State Constitution, Article X, Section 20, which has several limitations including revenue raising, spending abilities, and other specific requirements of state and local governments. The amendment is complex and subject to judicial interpretation. The entity believes it is in compliance with the requirements of the amendment. However, the entity has made certain interpretations of the amendment's language in order to determine its compliance.

**Note 11 Risk Management:**

The entity is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; injuries to employees; claims relating to professional liability; and natural disasters. These risks are covered by commercial insurance purchased from independent third parties. Settled claims for these risks have not exceeded commercial insurance coverages the past two years.

**Note 12 Long Term Obligations:**

SECED had no long-term obligations as of year-end.

**Note 13 Revolving Loan Funds:**

SECED has contracted with the State of Colorado to provide loan opportunities to qualifying individuals for business-type loans and housing rehabilitation projects in Southeast Colorado. The loans are approved by the State after SECED performs due diligence on the projects and loan applicants and after a vote of the Board is favorable to proceed with the loan. There are certain compliance requirements outlined in the contract relating to job creation and leveraging of funds provided by participating banks and investors that must be met in order to continue the loan program. SECED believes they are in compliance with all requirements as of year-end.

**Note 14 Related Party Transactions:**

During the normal course of business, SECED may enter into loan agreements with individuals that are employees and/or board members of the organization. These loans, if any, are made in accordance with guidelines as stipulated in the contracts and policies followed by SECED and are considered arm's length transactions. All loans with related parties are made under the same lending criteria and approval conditions as other qualifying applicants. There were not any related party loans made during 2021 and 2020.

**Note 15 Commitments:**

During 2013, SECED began making line of credit loans to qualifying individual businesses. During 2021 and 2020, SECED made 1 new line of credit loan, respectively. During 2021 and 2020, SECED made advances to existing line of credit loans in the amount of \$0 and \$26,100, respectively. Total line of credit loans outstanding as of December 31, 2021, totaled \$26,333 with the December 31, 2020, balance totaling \$24,097.

**Note 16 Concentration of Credit:**

As of December 31, 2021 SECED, had loans totaling \$2,926,896 to 8 different borrowers, some of which are past due greater than 170 days. The percentage of loans to those 8 borrowers is 60.6% of the total loans outstanding as of year-end.

As of December 31, 2020 SECED, had loans totaling \$2,783,351 to 8 different borrowers, some of which are past due greater than 170 days. The percentage of loans to those 8 borrowers is 55.7% of the total loans outstanding as of year-end.

**Note 17 Liquidity:**

SECED has a goal to maintain financial assets, which consist of cash and short-term investments, on hand to meet 60 days of normal operating expense, which are, on average,

approximately \$36,000 per month. SECED has a policy to structure its financial assets to be available as its general expenditures, liabilities and other obligations come due. In addition, as part of its liquidity management, SECED invests cash in excess of daily requirements in various short-term investment, including certificates of deposit and demand checking accounts. As described in Note 5, SECED has deposits in a pooled investment fund (trust); which it could draw upon in the event of an unanticipated liquidity need. SECED's investment is with the pool and not securities.

	December 31, 2021	December 31, 2020
Cash Available	\$ 929,075	\$ 3,619
Accounts Payable	(28,854)	(8,062)
Cash Available	<u>\$ 900,221</u>	<u>\$ (4,443)</u>

**Note 18 Net Position:**

The state requires various funds to be reflected as restricted and unrestricted to reflect the amount of funds that are not available for immediate use and the amount of funds that are available for immediate use.

	2021	2020
Investment in capital assets	<u>\$ 103,113</u>	<u>\$ 118,495</u>
Restricted:		
Housing Loans	1,163,074	1,316,796
Business Loans	2,945,481	2,709,760
Equity in assets held for sale	1,547	1,547
Southeast Council of Governments	44,005	51,793
EHAP – Emergency Housing Assistance Program	17,900	-
Colorado Department of Transportation	-	23
Revolved Funds RLF	1,633,812	1,730,916
Restricted Funds DOH	533,912	1,150,650
Restricted Funds RDLF	22,986	20,782
Total Restricted	<u>6,362,717</u>	<u>6,982,267</u>
Unrestricted	<u>1,646,034</u>	<u>964,572</u>
Total net position	<u>\$ 8,111,864</u>	<u>\$ 8,065,334</u>

**Southeast Colorado Enterprise Development, Inc.**  
**Budget and Actual Non-GAAP (with Variances)**  
**Business-Type Activity Enterprise Fund**  
**For the year ended December 31, 2021**

	<u>Budgeted Amounts</u>		<u>Actual Amounts,</u>	<u>Variance with</u>
	<u>Original</u>	<u>Final</u>	<u>Budgetary Basis</u>	<u>Final Budget -</u> <u>Positive (Negative)</u>
<b>REVENUES</b>				
RLF business lending contract	\$ 166,000	\$ 166,000	\$ 158,444	\$ (7,556)
DOH housing rehabilitation contract	55,347	55,347	9,668	(45,679)
Dues	42,829	42,829	39,210	(3,619)
Servicing and late fees	38,075	38,075	23,443	(14,632)
Operating grants	90,664	90,664	485,617	394,953
Loan interest	267,996	267,996	169,952	(98,044)
Miscellaneous	87,716	87,716	6,113	(81,603)
Total Revenues	<u>748,627</u>	<u>748,627</u>	<u>892,447</u>	<u>143,820</u>
<b>EXPENSES</b>				
Personnel	403,242	403,242	341,845	61,397
Insurance	9,263	9,263	7,778	1,485
Travel	11,000	11,000	3,624	7,376
Feasibility grants	50,000	50,000	63,316	(13,316)
Office expense	14,773	14,773	15,539	(766)
Special events	1,657	1,657	917	740
Signs and brochures	599	599	394	205
Legal	5,628	5,628	1,535	4,093
Consulting	12,500	12,500	30,020	(17,520)
Computer software and maintenance	8,750	8,750	8,559	191
Accounting services	13,221	13,221	13,200	21
Miscellaneous	75,233	75,233	313,330	(238,097)
Rent and utilities	12,230	12,230	10,553	1,677
Depreciation	14,400	14,400	15,382	(982)
Total Expenses	<u>632,496</u>	<u>632,496</u>	<u>825,992</u>	<u>(193,496)</u>
Operating Income (Loss)	<u>116,131</u>	<u>116,131</u>	<u>66,455</u>	<u>(49,676)</u>
<b>NON-OPERATING REVENUES (EXPENSES)</b>				
Interest	21,441	21,441	8,761	(12,680)
Total non-operating revenues (expenses)	<u>21,441</u>	<u>21,441</u>	<u>8,761</u>	<u>(12,680)</u>
Net change in net position	137,572	137,572	75,216	62,356
Net Position - beginning	-	-	7,808,768	(7,808,768)
Net Position - ending	<u>\$ 137,572</u>	<u>\$ 137,572</u>	<u>\$ 7,883,984</u>	<u>\$ (7,746,412)</u>