

Town of Flagler, Colorado

Financial Statements with  
Independent Auditor's Report

For the Year Ended  
December 31, 2021

**Town of Flagler, Colorado  
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December 31, 2021**

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# Green & Associates LLC

Certified Public Accountants & Business Consultants

## INDEPENDENT AUDITOR'S REPORT

Board of Directors  
Town of Flagler, Colorado

### Opinions

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 Town of Flagler, Colorado as of and for the year ended December 31, 2021 and the related notes to the financial statements, which collectively comprise the Town of Flagler, Colorado's basic financial statements as listed in the table of contents.

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 Town of Flagler, Colorado as of December 31, 2021, 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. 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 the Town of Flagler, Colorado 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 opinion.

### Responsibilities of Management 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.

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 the Town of Flagler, Colorado's ability to continue as a going concern for twelve months beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.

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## **Auditor's Responsibilities for the Audit of 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 opinion. 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 generally accepted auditing standards 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, including omissions, 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 generally accepted auditing standards, 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 of 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 the Town of Flagler, Colorado'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 the Town of Flagler, Colorado'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.

### **Required Supplementary Information**

Accounting principles generally accepted in the United States of America require that the General Fund Budgetary Information, as listed in the table of contents, be presented to supplement the basic financial statements. Such information is the responsibility of management and, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Management has omitted the Management's Discussion and Analysis that accounting principles generally accepted in the United States of America require to be presented to supplement the basic financial statements. Such missing information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. Our opinions on the basic financial statements are not affected by this missing information.

**Supplementary Information**

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Town of Flagler, Colorado's basic financial statements. The balance sheet- Conservation Trust Fund, statement of revenues, expenditure and changes in fund balance – Conservation Trust Fund, budgetary comparison schedule for the Conservation Trust Fund, Garbage Fund, Water Fund, and the Wastewater Fund, and the local highway finance report, as listed in the table of contents, are presented for purposes of additional analysis and are not a required part of the basic financial statements. Such 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. The 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 balance sheet- Conservation Trust Fund, statement of revenues, expenditure and changes in fund balance – Conservation Trust Fund, budgetary comparison schedule for the Conservation Trust Fund, Garbage Fund, Water Fund, and the Wastewater Fund, and the local highway finance report are fairly stated, in all material respects, in relation to the basic financial statements as a whole.



Longmont, Colorado  
May 3, 2023

**Town of Flagler  
Statement of Net Position  
December 31, 2021**

	<u>Governmental Activities</u>	<u>Business-type Activities</u>	<u>Total</u>
<b>ASSETS</b>			
Cash and Equivalents	\$ 62,204	\$ 588,313	\$ 650,517
Investments	175,393	163,272	338,665
Receivables	201,625	36,503	238,128
Prepaid Expenses	7,761	-	7,761
Capital Assets:			
Capital Assets not being Depreciated	75,489	194,862	270,351
Capital Assets being Depreciated, net	1,314,385	2,434,557	3,748,942
Total Capital Assets	<u>1,389,874</u>	<u>2,629,419</u>	<u>4,019,293</u>
Total Assets	<u>1,836,857</u>	<u>3,417,507</u>	<u>5,254,364</u>
<b>LIABILITIES</b>			
Accounts payable and accrued expenses	15,788	9,262	25,050
Unearned revenues	68,996	-	68,996
Customer deposits	-	4,586	4,586
Long-term liabilities:			
Due within one year:			
Note payable	-	2,767	2,767
Due in more than one year:			
Note payable	-	65,016	65,016
Total liabilities	<u>84,784</u>	<u>81,631</u>	<u>166,415</u>
<b>DEFERRED INFLOWS OF RESOURCES</b>			
Deferred Property Taxes	151,798	-	151,798
Total Deferred Inflows	<u>151,798</u>	<u>-</u>	<u>151,798</u>
<b>NET POSITION</b>			
Net Investment in Capital Assets	1,389,874	2,561,636	3,951,510
Restricted for:			
Parks and recreation	45,427	-	45,427
Emergencies-TABOR	18,226	-	18,226
Unrestricted	146,748	774,240	920,988
Total Net Position	<u>\$ 1,600,275</u>	<u>\$ 3,335,876</u>	<u>\$ 4,936,151</u>

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

**Town of Flagler**  
**Statement of Activities**  
**For the Year Ended December 31, 2021**

	Program Revenue			Net (Expense) Revenue and Changes in Net Position		
	Expenses	Charges for Services	Operating Grants and Contributions	Primary Government		
				Governmental Activities	Business-type Activities	Total
<b>Functions/Programs</b>						
<b>Primary government</b>						
Governmental Activities						
General Government	\$ 253,237	\$ -	\$ 86,489	\$ (166,748)	\$ -	\$ (166,748)
Public Safety	-	2,765	-	2,765	-	2,765
Public Works	119,436	-	37,594	(81,842)	-	(81,842)
Parks and Recreation	69,954	2,175	16,156	(51,623)	-	(51,623)
Total governmental activities	442,627	4,940	140,239	(297,448)	-	(297,448)
Business-type activities:						
Wastewater	72,477	80,836	-	-	8,359	8,359
Water	309,858	223,264	-	-	(86,594)	(86,594)
Sanitation and Garbage	173,730	182,927	-	-	9,197	9,197
Total business-type activities	556,065	487,027	-	-	(69,038)	(69,038)
Total primary government	\$ 998,692	\$ 491,967	\$ 140,239	\$ (297,448)	\$ (69,038)	\$ (366,486)

**General revenues:**

Taxes:						
Property taxes, levied for general purposes				145,388	-	145,388
Sales taxes				282,355	-	282,355
Specific ownership taxes				14,737	-	14,737
Miscellaneous taxes				11,725	-	11,725
Unrestricted investment earnings				4,716	13,238	17,954
Miscellaneous				(2,060)	18,191	16,131
Gain on sale of assets				-	3,914	3,914
Total general revenues, special items, and transfers				456,861	35,343	492,204
Change in net assets				159,413	(33,695)	125,718
Net position - beginning				1,440,862	3,369,571	4,810,433
Net position - ending				\$ 1,600,275	\$ 3,335,876	\$ 4,936,151

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

**Town of Flagler  
Balance Sheet  
Governmental Funds  
December 31, 2021**

	<u>General</u>	<u>Nonmajor Conservation Trust</u>	<u>Total Governmental Funds</u>
<b>ASSETS</b>			
Cash and cash equivalents	\$ 16,777	\$ 45,427	\$ 62,204
Investments	175,393	-	175,393
Taxes receivable, net	151,798	-	151,798
Receivables	49,827	-	49,827
Prepaid expenses	7,761	-	7,761
Total assets	<u>401,556</u>	<u>45,427</u>	<u>446,983</u>
 <b>LIABILITIES AND FUND BALANCES</b>			
Liabilities:			
Accounts payable	15,788	-	15,788
Unearned revenue	68,996	-	68,996
Total liabilities	<u>84,784</u>	<u>-</u>	<u>84,784</u>
Deferred Inflow of Resources:			
Property taxes from Deferred revenue	151,798	-	151,798
Fund balances:			
Nonspendable - Prepaids	7,761	-	7,761
Restricted	18,226	45,427	63,653
Unassigned	138,987	-	138,987
Total fund balances	<u>164,974</u>	<u>45,427</u>	<u>210,401</u>
Total liabilities and fund balances	<u>\$ 401,556</u>	<u>\$ 45,427</u>	<u>\$ 446,983</u>

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

**Town of Flagler**  
**Reconciliation of the Governmental Funds Balance Sheet to the Statement of Net Position**  
**December 31, 2021**

Total fund balance, governmental funds	\$	210,401
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Amounts reported for governmental activities in the Statement of Net Position are different because:

Capital assets used in governmental activities are not current financial resources and therefore are not reported in this fund financial statement, but are reported in the governmental activities of the Statement of Net Position.	1,389,874
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Net Position of Governmental Activities in the Statement of Net Position	<u>\$</u>	<u>1,600,275</u>
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The accompanying notes to financial statements  
are an integral part of these statements.

**Town of Flagler**  
**Statement of Revenues, Expenditures and Changes in Fund Balances**  
**Governmental Funds**  
**For the Year Ended December 31, 2021**

	<b>General</b>	<b>Nonmajor Conservation Trust</b>	<b>Total Governmental Funds</b>
<b>REVENUES</b>			
Property Taxes	\$ 145,388	\$ -	\$ 145,388
Specific Ownership tax	14,737	-	14,737
Sales taxes	282,355	-	282,355
Miscellaneous taxes	11,725	-	11,725
Fines and forfeitures	2,766	-	2,766
Intergovernmental	124,132	6,522	130,654
Charges for services	2,175	-	2,175
Investment income	4,699	17	4,716
Miscellaneous	5,940	-	5,940
Donations	1,584	-	1,584
Total Revenues	<u>595,501</u>	<u>6,539</u>	<u>602,040</u>
<b>EXPENDITURES</b>			
Current:			
General government	231,228	-	231,228
Public works	92,518	-	92,518
Culture and recreation	69,600	-	69,600
Capital Outlay	300,742	-	300,742
Total Expenditures	<u>694,088</u>	<u>-</u>	<u>694,088</u>
Excess (deficiency) of revenues over expenditures	<u>(98,587)</u>	<u>6,539</u>	<u>(92,048)</u>
Net change in fund balances	(98,587)	6,539	(92,048)
Fund balances - beginning	263,561	38,888	302,449
Fund balances - ending	<u>\$ 164,974</u>	<u>\$ 45,427</u>	<u>\$ 210,401</u>

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

**Town of Flagler**  
**Reconciliation of the Statement of Revenues, Expenditures, and Changes in Fund Balances of Governmental**  
**Funds to the Statement of Activities**  
**For the Year Ended December 31, 2021**

Net change in fund balances - total governmental funds: \$ (92,048)

Amounts reported for Governmental Activities in the Statement of Activities are different because:

Governmental funds report outlays for capital assets as expenditures because such outlays use current financial resources. In contrast, the Statement of Activities reports only a portion of the outlay as expense. The outlay is allocated over the assets' estimated useful lives as depreciation expense for the period. This is the amount by which capital outlay of \$300,742 was more than depreciation of \$49,281 in the current period.

251,461

Change in net position of governmental activities

\$ 159,413

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

**Town of Flagler  
Statement of Net Position  
Proprietary Funds  
December 31, 2021**

	<b>Enterprise Funds</b>			
	<b>Wastewater</b>	<b>Water</b>	<b>Garbage</b>	<b>Total</b>
<b>ASSETS</b>				
Current assets:				
Cash and cash equivalents	\$ 127,943	\$ 450,672	\$ 9,698	\$ 588,313
Investments	12,446	94,130	56,696	163,272
Accounts Receivable, net	6,742	11,377	18,384	36,503
Total current assets	<u>147,131</u>	<u>556,179</u>	<u>84,778</u>	<u>788,088</u>
Non-current assets:				
Capital Assets:				
Land and right of ways	10,314	184,548	-	194,862
Equipment and Furniture	1,166,028	3,020,021	364,248	4,550,297
Less Accumulated depreciation	(600,317)	(1,167,950)	(347,473)	(2,115,740)
Total non-current assets	<u>576,025</u>	<u>2,036,619</u>	<u>16,775</u>	<u>2,629,419</u>
Total assets	<u>723,156</u>	<u>2,592,798</u>	<u>101,553</u>	<u>3,417,507</u>
Total assets and deferred outflows	<u>723,156</u>	<u>2,592,798</u>	<u>101,553</u>	<u>3,417,507</u>
<b>LIABILITIES</b>				
Current Liabilities:				
Accounts payable	1,826	12,321	(4,885)	9,262
Customer deposits	-	4,586	-	4,586
Notes payable	-	2,767	-	2,767
Total current liabilities	<u>1,826</u>	<u>19,674</u>	<u>(4,885)</u>	<u>16,615</u>
Non-current liabilities:				
Notes payable less current portion	-	65,016	-	65,016
Total non-current liabilities	<u>-</u>	<u>65,016</u>	<u>-</u>	<u>65,016</u>
Total liabilities	<u>1,826</u>	<u>84,690</u>	<u>(4,885)</u>	<u>81,631</u>
<b>Net Position</b>				
Net investment in capital assets	576,025	1,968,836	16,775	2,561,636
Unrestricted	145,305	539,272	89,663	774,240
Total Net Position	<u>\$ 721,330</u>	<u>\$ 2,508,108</u>	<u>\$ 106,438</u>	<u>\$ 3,335,876</u>

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

**Town of Flagler**  
**Statement of Revenues, Expenses and Changes in Fund Net Position**  
**Proprietary Fund**  
**For the Year Ended December 31, 2021**

	<b>Enterprise Funds</b>			
	<b>Wastewater</b>	<b>Water</b>	<b>Garbage</b>	<b>Total</b>
<b>REVENUES</b>				
Charges for services	\$ 80,836	\$ 223,264	\$ 182,927	\$ 487,027
Miscellaneous	-	-	551	551
Total operating revenues	<u>80,836</u>	<u>223,264</u>	<u>183,478</u>	<u>487,578</u>
<b>OPERATING EXPENSES</b>				
Systems operations and maintenance	26,156	102,934	121,920	251,010
Administration	6,598	7,244	6,597	20,439
Utilities	10,845	24,229	-	35,074
Repairs and maintenance	-	64,722	-	64,722
Other supplies and expenses	-	14,035	4,437	18,472
Depreciation	28,877	96,695	39,842	165,414
Total Operating Expenses	<u>72,476</u>	<u>309,859</u>	<u>172,796</u>	<u>555,131</u>
Operating income (loss)	<u>8,360</u>	<u>(86,595)</u>	<u>10,682</u>	<u>(67,553)</u>
<b>NON-OPERATING REVENUES (EXPENSES)</b>				
Miscellaneous and interest revenues	12	13,226	-	13,238
Farm lease	-	17,640	-	17,640
Interest expense	-	-	(934)	(934)
Total non-operating revenue (expenses)	<u>12</u>	<u>30,866</u>	<u>(934)</u>	<u>29,944</u>
Income (loss) before contributions and transfers	<u>8,372</u>	<u>(55,729)</u>	<u>9,748</u>	<u>(37,609)</u>
Special item - gain (loss) on sale of assets	-	-	3,914	3,914
Change in Net Position	<u>8,372</u>	<u>(55,729)</u>	<u>13,662</u>	<u>(33,695)</u>
Total Net Position - beginning	<u>712,958</u>	<u>2,563,837</u>	<u>92,776</u>	<u>3,369,571</u>
Total Net Position - ending	<u>\$ 721,330</u>	<u>\$ 2,508,108</u>	<u>\$ 106,438</u>	<u>\$ 3,335,876</u>

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

**Town of Flagler  
Statement of Cash Flows  
Business-Type Activities  
For the year ended December 31, 2021**

	<u>Wastewater</u>	<u>Water</u>	<u>Garbage</u>	<u>Totals</u>
<b>CASH FLOWS FROM OPERATING ACTIVITIES:</b>				
Cash Received from Charges for Services	\$ 80,894	\$ 223,483	\$ 183,648	\$ 488,025
Cash Payments to Suppliers for Goods & Services	(11,531)	(94,716)	(105,758)	(212,005)
Cash Payments for Salaries & Benefits	(32,754)	(111,169)	(37,177)	(181,100)
NET CASH PROVIDED BY OPERATING ACTIVITIES	<u>36,609</u>	<u>17,598</u>	<u>40,713</u>	<u>94,920</u>
<b>CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES:</b>				
Miscellaneous Cash Receipts(Disbursements)	-	17,640	-	17,640
NET CASH PROVIDED (USED) BY NONCAPITAL FINANCING ACTIVITIES	<u>-</u>	<u>17,640</u>	<u>-</u>	<u>17,640</u>
<b>CASH FLOWS FROM CAPITAL &amp; RELATED FINANCING ACTIVITIES:</b>				
Cash Received from Sale of Assets	-	-	3,914	3,914
Long Term Debt Paid	-	(2,767)	(35,276)	(38,043)
Interest Paid on Long-Term Debt	-	-	(934)	(934)
NET CASH (USED) FOR CAPITAL AND RELATED FINANCING ACTIVITIES	<u>-</u>	<u>(2,767)</u>	<u>(32,296)</u>	<u>(35,063)</u>
<b>CASH FLOWS FROM INVESTING ACTIVITIES:</b>				
Purchase of Investments	(12,446)	(86,883)	(320)	(99,649)
Interest Received on Investments	12	13,226	-	13,238
NET CASH (USED) BY INVESTING ACTIVITIES	<u>(12,434)</u>	<u>(73,657)</u>	<u>(320)</u>	<u>(86,411)</u>
NET INCREASE (DECREASE) IN CASH & CASH EQUIVALENTS	24,175	(41,186)	8,097	(8,914)
<b>Cash &amp; Cash Equivalents:</b>				
Beginning of Year	<u>103,768</u>	<u>491,858</u>	<u>1,601</u>	<u>597,227</u>
End of Year	<u>\$ 127,943</u>	<u>\$ 450,672</u>	<u>\$ 9,698</u>	<u>\$ 588,313</u>

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

**Town of Flagler**  
**Statement of Cash Flows**  
**Business-Type Activities**  
**for the year ended December 31, 2021**  
**(Continued)**

	<u>Wastewater</u>	<u>Water</u>	<u>Garbage</u>	<u>Totals</u>
<b>RECONCILIATION OF OPERATING INCOME TO NET CASH PROVIDED BY OPERATING ACTIVITIES:</b>				
Operating Income (Loss)	\$ 8,360	\$ (86,595)	\$ 10,682	\$ (67,553)
Adjustments to Reconcile Operating Income				
To Net Cash Provided by Operating Activities:				
Depreciation	28,877	96,695	39,842	165,414
Change in Assets and Liabilities:				
(Increase) Decrease in Receivables	58	219	170	447
Increase (Decrease) in Accounts Payable	<u>(686)</u>	<u>7,279</u>	<u>(9,981)</u>	<u>(3,388)</u>
<b>NET CASH PROVIDED BY OPERATING ACTIVITIES</b>	<u>\$ 36,609</u>	<u>\$ 17,598</u>	<u>\$ 40,713</u>	<u>\$ 94,920</u>

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

**Town of Flagler, Colorado**  
**Notes to the Financial Statements**  
**December 31, 2021**

**Note 1**                    **Summary of Significant Accounting Policies**

**Financial Reporting Entity**

The Town of Flagler, Colorado (the "Town") was incorporated on November 2, 1916 as a statutory town. The Town's major operations include general government, garbage, water and wastewater operations, public works, and parks and recreation.

The Governmental Accounting Standards Board (GASB) is the authoritative body, and the Town follows all GASB accounting pronouncements, which provides guidance for determining which governmental activities, organization and functions should be included within the financial reporting entity. GASB pronouncements set forth the financial accountability of a governmental organization's elected governing body as the basic criterion for including a possible component governmental organization in a primary government's legal entity. Financial accountability includes, but is not limited to, appointment of a voting majority of the organization's governing body, ability to impose its will on the organization, a potential for the organization to provide specific financial benefits or burdens, and fiscal dependency. The Town is not financially accountable for any other organization, nor is the Town a component unit of any other primary governmental entity.

**Basis of Presentation**

The Town's basic financial statements consist of government-wide statements, including a statement of net position and a statement of activities, and fund financial statements which provide a more detailed level of information.

**Government-wide Financial Statements**

The statement of net position and the statement of activities display information about the Town as a whole. These statements include the financial activities of the primary government.

The statement of net position presents the financial position of the governmental and proprietary fund activities at the end of the year. The statement of activities presents a comparison between program expenses and the program revenue for each program or function of the primary government activities. Program expenses are those that are specifically associated with a service, program, or department; and therefore, clearly identifiable to a particular function. Program revenue includes charges paid by the recipient of the goods or services offered by the program, grants and contributions that are restricted to meeting the operational or capital requirements of a particular program. Revenues which are not classified as program revenue are presented as general revenue of the Town, with certain limited exceptions. The comparison of program expenses with program revenue identifies the extent to which each function is self-financing or draws from the general revenue of the Town.

### **Fund Accounting**

During the year, the Town segregates transactions related to certain Town functions or activities in separate funds in order to aid financial management and to demonstrate legal compliance. Fund financial statements are designed to present financial information of the Town at this more detailed level. The focus of governmental fund financial statements is on major funds.

The accounts of the Town are organized on the basis of funds, each of which is considered a separate accounting entity. In the fund financial statements, the Town reports the following major governmental funds:

**General Fund** - The General Fund is the general operating fund of the Town. It is used to account for all financial activities except those required to be accounted for in another fund.

The Town's remaining governmental fund is the conservation trust fund which is presented as a non-major fund.

**Enterprise Funds** are used to account for operations that are financed in a manner similar to private business enterprises where the intent of the governing body is that the costs of providing goods or services to the general public be recovered primarily through user charges. The Town reports the following major enterprise funds:

**Wastewater Fund** - The Wastewater Fund accounts for the costs related to providing wastewater services to the Town.

**Water Fund** - The Water Fund accounts for the costs related to providing water services to the Town.

**Garbage Fund** - The Garbage Fund accounts for the costs related to the removal or trash for the Town and the surrounding area.

### **Measurement Focus and Basis of Accounting**

#### **Government-wide Financial Statements**

The government-wide financial statements are prepared using the economic resources measurement focus and the accrual basis of accounting. All assets and liabilities associated with the operation of the Town are included in the statement of net position.

#### **Fund Financial Statements**

All governmental funds are accounted for using a flow of current financial resources measurement focus and the modified accrual basis of accounting. With this measurement focus, only current assets and current liabilities generally are included on the balance sheet and only revenues that are available within 60 days are recorded in the Statement of Revenues, Expenditures and Changes in Fund Balance.

The Statement of Revenues, Expenditures, and Changes in Fund Balance reports on the sources (revenue and other financing sources) and uses (expenditures and other financing uses) of current financial resources. This approach differs from the manner in which the governmental activities of the government-wide financial statements are prepared. Governmental fund financial statements therefore include reconciliations with brief explanations to better identify the relationship between the government-wide statements and the statements for governmental funds.

Proprietary funds, which include enterprise funds, are accounted for using the economic resources measurement focus and the accrual basis of accounting. Revenues are recognized when they are earned, and expenses are recorded when incurred. Depreciation is computed and recorded as an operating expense. Expenditures for capital outlay are recognized as increases in capital assets.

### **Revenue**

Revenue resulting from exchange transactions, in which each party gives and receives essentially the same value, is recorded on the accrual basis, when the exchange takes place. On a modified accrual basis, revenue is recorded in the fiscal year in which the resources are both measurable and available to finance expenditures of the fiscal period, which is typically within sixty days of realization.

Non-exchange transactions, in which the Town receives value without directly giving value in return, include sales taxes, grants, entitlements and donations. Revenue from sales tax is recognized in the fiscal year for which the taxes are collected by the vendor. Revenue from grants, entitlements and donations is recognized in the fiscal year in which all eligibility requirements have been satisfied. On a modified accrual basis, revenue from non-exchange transactions must also be available before it can be recognized. Program revenues consist of revenues that are associated with the governmental services such as licenses, permits and water sales.

### **Expenses/Expenditures**

On the accrual basis of accounting, expenses are recognized at the time they are incurred. The measurement focus of governmental fund accounting is on decreases in net financial resources (expenditures) rather than expenses. Expenditures are generally recognized in the accounting period in which the fund liability is incurred, if measurable. Allocations of costs, such as depreciation and amortization, are not recognized in governmental funds.

### **Property Taxes**

Property taxes attach an enforceable lien on property as of January 1<sup>st</sup>. Taxes are levied on January 1<sup>st</sup> and are payable either in one installment on or before April 30<sup>th</sup>, or in two installments due on or before February 28<sup>th</sup> and June 15<sup>th</sup> of each year. The collections and assessments are done by Kit Carson County and are remitted to the Town monthly. Property taxes, which are due to be paid in the next period and representing an enforceable lien at January 1<sup>st</sup> of the next year, have been recorded as a receivable and a deferred inflow of resources in the year in which they are levied. Property tax revenues are recognized when they are collected by Kit Carson County.

### **Assets and Liabilities**

Cash and cash equivalents-The Town follows the practice of pooling cash and investments of all funds to maximize investment earnings. Except when required by trust or other agreements, cash is deposited to and disbursed from a single bank account. Cash in excess of immediate operating requirements is pooled for deposit and investment flexibility. Investment earnings are allocated periodically to the participating funds based on each fund's average equity balance in total cash. The Town's cash and cash equivalents are considered to be cash on hand, demand deposits and short-term investments with maturities of 90 days or less at the date of their acquisition for the financial statements including the statement of cash flows.

Investments - investments are recorded at fair value, which approximates cost.

Receivables - all receivables are reported at their book value and, where appropriate, are reduced by the estimated portion that is expected to be uncollectible. Substantially all revenues of the enterprise funds originate from charges to the users, and the District has the ability to place liens on the property.

Management has reviewed the collectability of accounts receivable and has determined the collectability of accounts. Accordingly, the Town has determined that no allowance for doubtful accounts is required as the town has the right to put a lien on the property.

Capital assets - are reported in the applicable governmental or business-type activities columns in the government-wide financial statements. Capitalized assets are defined by the Town as assets that have a useful life of more than one year and exceed \$5,000:

Land and water rights	N/A
Buildings	10-50 years
Improvements other than buildings	10-50 years
Equipment	5-20 years
Utility Systems	N/A
Infrastructure	40 years

Capital assets are recorded at cost except for those assets which have been contributed, which are stated at estimated fair market value at the date of contribution or at developer's cost. Depreciation is computed using the straight-line method over the asset's estimated economic useful life. 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 capitalized.

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

#### **Impairment of Capital Assets**

GASB Statement No. 42, *Accounting and Financial Reporting for Impairment of Capital Assets and for Insurance Recoveries*, ("GASB No 42"), establishes accounting and financial reporting standards for impairment of capital assets. A capital asset is considered impaired when its service utility has declined significantly and unexpectedly. The Town is required to evaluate prominent events or changes in circumstances affecting capital assets to determine whether impairment of a capital asset has occurred. Management of the Town has determined that there are no indications of impairment of capital assets as of December 31, 2021.

#### **Long-term Obligations**

In the government-wide financial statements and enterprise fund types in the fund financial statements, long-term debt and other long-term obligations are reported as liabilities in the applicable government activities, business-type activities, or enterprise fund type statement of net position. Bond issuance costs are expensed during the current period. Bond premiums and discounts are amortized over the term of the related debt.

In the fund financial statements, governmental fund types recognize bond premiums and discounts as well as bond issuance costs, during the current period. The face amount of debt issued is reported as other financing sources. Premiums received on debt issuances

and discounts are reported as other financing sources. The issuance costs related to the debt is reported as an expenditure in the current period.

All payables, accrued liabilities, and long-term obligations are reported in the government-wide financial statements. In general, governmental fund payables and accrued liabilities that, once incurred, are paid in a timely manner and in full, from current financial resources are reported as obligations of the governmental funds.

#### **Compensated absences**

The Town reports compensated absences in accordance with the provisions of GASB Statement No. 16, *Accounting for Compensated Absences*. Personal leave benefits are accrued as a liability as the benefits are earned if the employees' rights to receive compensation are attributable to services rendered and it is probable that the Town will compensate the employees for the benefits earned. All vacation time earned for the year expires at December 31<sup>st</sup> of each year, therefore no liability for compensated absences has been recorded.

#### **Deferred Outflows/Inflows of Resources**

The Town implemented the provisions of GASB No. 63 *Financial Reporting of Deferred Outflows of Resources, Deferred Inflows of Resources and Net Position* (GASB 63) and the provisions of GASB No. 65 *Items Previously Reported as Assets and Liabilities* (GASB 65). As a result, in addition to assets, the statement of net position will sometimes report a separate section for deferred outflows of resources and deferred inflows of resources. This separate financial statement element represents a consumption of net position that applies to a future period (deferred outflow) or the acquisition of net position that applies to future periods (deferred inflows).

#### **Net Position**

Equity is classified as net position and displayed in three components:

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

Restricted net position - consists of net position with constraints placed on the use either by (1) external groups, such as creditors, granters, or laws or regulations of other governments; or (2) law through constitutional provisions or enabling legislation. The Town utilizes a restricted net position before utilizing unrestricted net position when an expense is incurred for both purposes.

Unrestricted net position - all other net positions that do not meet the definition of "restricted" or "net investment in capital assets." The net position is available for future operations or distributions.

#### **Fund Balance**

Nonspendable - consists of amounts that cannot be spent because they are either (a) not in spendable form or (b) legally or contractually required to be maintained intact. The nonspendable fund balance was \$7,761 as of December 31, 2021.

*Restricted* - General Fund - Article X, Section 20 of the Constitution of the State of Colorado (TABOR) requires the Town to establish Emergency reserves. A restriction of \$18,226 of the General Fund balance has been made in compliance with this requirement.

Additionally, the Town has \$45,427 restricted for parks and other items related to the conservation trust fund.

*Committed* - Committed fund balance includes those items which can be used for specific purposes pursuant to constraints imposed by formal action of the Board of Trustees. Those committed amounts cannot be used for any other purpose unless the Board of Trustees formally removes or changes the specified uses. The Town had a committed fund balance of \$0 as of December 31, 2021.

*Assigned* - Includes all amounts that are constrained by the Town's intent to be used for a specific purpose but are neither committed nor restricted. The assignment of these balances must occur through a formal action of the Board of Trustees. As of December 31, 2021, the assigned fund balance was \$0.

*Unassigned* - consists of the residual classification for each fund. This represents amounts that have not been assigned to other funds and that has not been restricted, committed, or assigned for specific purposes.

The Town has not adopted fund balance policies; therefore, the Town follows the guidance in accordance with GASB 54 and applies resources in the following order: restricted, committed, assigned and unassigned.

#### **Interfund Transactions**

Interfund receivables and payables arise from interfund transactions and are recorded by all funds affected in the period in which transactions are executed. At year-end outstanding balances are reported as due to/due from other funds. Any residual balances outstanding between the governmental activities and the business-type activities are reported in the government-wide financial statements as internal balances. The effect of interfund activity has been eliminated from the government-wide financial statements except for charges between the enterprise funds and various other functions of the government. Elimination of these charges would distort the direct costs and program revenues reported for the various functions concerned. The interfund lending is for the purposes of funding operations. There were no interfund balances outstanding at December 31, 2021.

#### **Budgets and Budgetary Accounting**

Budgets are adopted on a cash basis except for accrual of current vendor invoices and utility billings. Annual appropriated budgets are adopted for the fund. All annual appropriations lapse at fiscal year-end.

The Town adheres to the following procedures in establishing the budgetary data reflected in the financial statements:

- Budgets are required by state law for all funds. The budget includes proposed expenditures and the means of financing them. All budgets lapse at year-end.
- Prior to December 31, the budget is adopted by formal resolution.
- Budgets are required to be filed with the State of Colorado within thirty days after the beginning of the fiscal year.
- Expenditures may not legally exceed appropriations at the fund level.
- The Town Board must approve revisions that alter the total expenditures of any fund.
- Budgeted amounts reported in the accompanying financial statements are as originally adopted by the Town Board or revised by the Town Board.

### **Use of Estimates in the Preparation of Financial Statements**

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts and disclosures. Accordingly, actual results could differ from those estimates.

## **Note 2**

### **Cash and Investments**

#### **Cash Deposits**

The Town maintains a cash pool that is available for use by all funds. Each fund's portion of the pool is displayed on the combined balance sheet as "Cash and Cash equivalents". As of December 31, 2021, the Town's cash deposits had a carrying balance of \$650,517 of which \$250,000 is federally insured.

The Colorado Public Deposit Protection Act (PDPA) requires that all units of local government deposit cash in eligible public depositories. Eligibility is determined by state regulations. Amounts on deposit in excess of federal insurance levels must be collateralized. The eligible collateral is specified under the PDPA. PDPA allows the institution to create a single collateral pool for all public funds. The pool for all the uninsured public deposits as a group is to be maintained by another institution or held in trust. The market value of the collateral must be at least equal to 102% of the uninsured deposits. The Town had \$781,764, which includes certificates of deposit, collateralized under PDPA.

The Colorado Divisions of Banking and Financial Services are required by statute to monitor the naming of eligible depositories and reporting of the uninsured deposits and assets maintained in the collateral pools.

#### **Custodial Credit Risk – Deposits**

Custodial credit risk is the risk that in the event of a bank failure, the Town's deposits may not be returned to it. The Town does not have a deposit policy for custodial credit risk. As of December 31, 2021, none of the Town's bank deposits were exposed to custodial credit risk.

#### **Investments**

Colorado statutes specify in which investment instruments the units of local government may invest:

- Obligations of the United States and certain United States government agency securities.
- Certain international agency securities.
- General obligation and revenue bonds of United States local government entities.
- Bankers' acceptance of certain banks.
- Commercial paper.
- Local government investment pools.
- Written repurchase agreements collateralized by certain authorized securities.
- Certain money market funds.
- Guaranteed investment contracts.

The Town's investment policy is to hold investments until maturity and mirrors State statute.

At December 31, 2021, the Town had \$255,753 invested in certificates of deposit with High Plains Bank. The Certificates of Deposit has an initial maturity ranging from 12-36. The interest rate on the certificates of deposit at December 31, 2021 ranged from .75% - 1.39%. The certificate of deposits were not rated. The certificates of deposit are presented using amortized cost.

**Note 3      Receivables**

Receivables	<b>Business-Type</b>
Trade accounts receivable	<b>Activities</b>
Less: Allowance for doubtful accounts	\$ 36,503
Total	-
	<u>\$ 36,503</u>

**Note 4      Capital Assets**

	<b>Balance at</b>	<b>Additions</b>	<b>Disposals</b>	<b>Balance at</b>
	<b>12/31/2020</b>			<b>12/31/2021</b>
Governmental Activities				
Non-Depreciable Capital Assets				
Land	\$ 75,489	\$ -	\$ -	\$ 75,489
Total Non-Depreciable Capital Assets	<u>75,489</u>	<u>-</u>	<u>-</u>	<u>75,489</u>
Depreciable Capital Assets				
Buildings and Improvements	1,023,234	-	-	1,023,234
Infrastructure	277,818	283,106	-	560,924
Machinery and Equipment	379,708	17,636	-	397,344
Total Depreciable Capital Assets	<u>1,680,760</u>	<u>300,742</u>	<u>-</u>	<u>1,981,502</u>
Less Accumulated Depreciation				
Buildings and Improvements	(163,412)	(9,737)	-	(173,149)
Infrastructure	(127,444)	(24,032)	-	(151,476)
Machinery and Equipment	(326,980)	(15,512)	-	(342,492)
Total Accumulated Depreciation	<u>(617,836)</u>	<u>(49,281)</u>	<u>-</u>	<u>(667,117)</u>
Net Depreciable Capital Assets	<u>1,062,924</u>	<u>251,461</u>		<u>1,314,385</u>
Net Capital Assets	<u>\$ 1,138,413</u>	<u>\$ 251,461</u>	<u>\$ -</u>	<u>\$ 1,389,874</u>

Depreciation expense was charged to functions/programs of the Town as follows:

Depreciation Expense by Function	
General Government	\$ 22,009
Public Works	26,918
Culture, Parks, and Recreation	354
Total Depreciation Expense	<u>\$ 49,281</u>

	<b>Balance at 12/31/2020</b>	<b>Additions</b>	<b>Disposals</b>	<b>Balance at 12/31/2021</b>
<b>Business-Type Activities</b>				
Non-Depreciable Capital Assets				
Land	\$ 194,862	\$ -	\$ -	\$ 194,862
<b>Total Non-Depreciable Capital Assets</b>	<u>194,862</u>	<u>-</u>	<u>-</u>	<u>194,862</u>
Depreciable Capital Assets				
Buildings and Improvements	132,591	-	-	132,591
Sewer System	1,054,841	-	-	1,054,841
Water System	2,875,978	-	-	2,875,978
Machinery and Equipment	486,887	-	-	486,887
<b>Total Depreciable Capital Assets</b>	<u>4,550,297</u>	<u>-</u>	<u>-</u>	<u>4,550,297</u>
Less Accumulated Depreciation				
Buildings and Improvements	(108,399)	(1,175)	-	(109,574)
Sewer System	(493,006)	(24,474)	-	(517,480)
Water System	(928,719)	(95,520)	-	(1,024,239)
Machinery and Equipment	(420,202)	(44,245)	-	(464,447)
<b>Total Accumulated Depreciation</b>	<u>(1,950,326)</u>	<u>(165,414)</u>	<u>-</u>	<u>(2,115,740)</u>
<b>Net Depreciable Capital Assets</b>	<u>2,599,971</u>	<u>(165,414)</u>	<u>-</u>	<u>2,434,557</u>
<b>Net Capital Assets</b>	<u>\$ 2,794,833</u>	<u>\$ (165,414)</u>	<u>\$ -</u>	<u>\$ 2,629,419</u>

**Note 5            Long-Term Debt**

The following is an analysis of changes in long-term debt for the year ended December 31, 2021 for the business-type activities:

	<b>Balance 12/31/2020</b>	<b>Additions</b>	<b>Reductions</b>	<b>Balance 12/31/2021</b>	<b>Amounts Due Within One Year</b>
Garbage Fund	\$ 35,276	\$ -	\$ (35,276)	\$ -	\$ -
Water Fund CSRPA Loan	70,550	-	(2,767)	67,783	2,767
<b>Total Long-Term Debt</b>	<u>\$ 105,826</u>	<u>\$ -</u>	<u>\$ (38,043)</u>	<u>\$ 67,783</u>	<u>\$ 2,767</u>

**Water Pollution Control Revolving Fund - Water Fund**

In 2015 the Town obtained financing from the Colorado Water Resources and Power Authority (CWRPDA) in the amount of \$652,900. At closing the CWRPDA forgave \$569,900. The funds were used to complete the water project. Interest accrues at 0.00% per annum and is due in semiannual payments in the amount of \$2,767 through November 1, 2046. The Town has pledged the revenue from the operation and use of the water system and other legally available revenue, after the payment of operation and maintenance expenses for the system, for the repayment of the note.

<u>Year Ending December 31,</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2022	\$ 2,767	-	2,767
2023	2,767	-	2,767
2024	2,767	-	2,767
2025	2,767	-	2,767
2026	2,767	-	2,767
2027-2031	13,835	-	13,835
2032-2036	13,835	-	13,835
2037-2041	13,835	-	13,835
2042-2046	12,443	-	12,443
Total	<u>\$ 67,783</u>	<u>\$ -</u>	<u>\$ 67,783</u>

**Installment Purchase Agreement**

In 2016 the Town entered into an installment purchase agreement with Mercedes-Benz Financial Services for the purchase of a trash truck in the amount of \$162,475. The agreement calls for 20 payments of \$9,053 due quarterly with interest at 4.22%. The agreement is secured by the trash truck. The agreement was paid in full in 2021.

**Note 6**

**Risk Management**

**Risk Management Insurance Pool**

The Town is exposed to various risks of loss related to torts; theft of, damage of, and destruction of assets; errors and omissions; injuries to employees; and natural disasters. The Town carries commercial insurance for all risks including workers' compensation, employee unemployment, and employee health and accidents. Settled claims resulting from these risks have not exceeded commercial insurance coverage in any of the past three fiscal years.

**Town of Flagler  
Budget and Actual  
General  
For the year ended December 31, 2021**

	<b>Budgeted Amounts</b>		<b>Actual Amounts, Budgetary Basis</b>
	<b>Original</b>	<b>Final</b>	
<b>REVENUES</b>			
Property taxes	\$ 129,230	\$ 129,230	\$ 145,388
SO Taxes	25,000	25,000	14,737
Sales and miscellaneous taxes	285,950	285,950	294,080
Fines and forfeitures	2,500	2,500	2,766
Intergovernmental	334,500	334,500	124,132
Charges for services	11,700	11,700	2,175
Gifts and grants	8,500	8,500	1,584
Investment income	500	500	4,699
Miscellaneous	40,088	40,088	5,940
Total revenues	<u>837,968</u>	<u>837,968</u>	<u>595,501</u>
<b>EXPENDITURES</b>			
Current:			
General government	171,001	171,001	231,228
Public works	386,830	386,830	92,518
Culture and recreation	52,150	52,150	69,600
Capital Outlay	<u>300,000</u>	<u>300,000</u>	<u>300,742</u>
Total Expenditures	<u>909,981</u>	<u>909,981</u>	<u>694,088</u>
Excess (deficiency) of revenues over expenditures	<u>(72,013)</u>	<u>(72,013)</u>	<u>(98,587)</u>
Net change in fund balances	(72,013)	(72,013)	(98,587)
Fund balances - beginning	367,957	367,957	263,561
Fund balances - ending	<u>\$ 295,944</u>	<u>\$ 295,944</u>	<u>\$ 164,974</u>

**Town of Flagler  
Balance Sheet  
Other Governmental Funds  
December 31, 2021**

	<b>Conservation Trust</b>	<b>Total Special Revenue Funds</b>
<b>ASSETS</b>		
Cash and cash equivalents	\$ 45,427	\$ 45,427
Total assets	45,427	45,427
 <b>LIABILITIES AND FUND BALANCES</b>		
Liabilities:		
Total liabilities	-	-
Fund balance:		
Restricted for:		
Parks and recreation	45,427	45,427
Total fund balances	45,427	45,427
Total liabilities and fund balances	\$ 45,427	\$ 45,427

**Town of Flagler**  
**Statement of Revenues, Expenditures and Changes in Fund Balances**  
**Other Governmental Funds**  
**For the Year Ended December 31, 2021**

	<u>Conservation Trust</u>	<u>Total Special Revenue Funds</u>
<b>REVENUES</b>		
Intergovernmental	6,522	6,522
Investment earnings	17	17
Total revenues	<u>6,539</u>	<u>6,539</u>
<b>EXPENDITURES</b>		
Current:		
Total Expenditures	<u>-</u>	<u>-</u>
Excess (deficiency) of revenues over expenditures	<u>6,539</u>	<u>6,539</u>
Net change in fund balances	6,539	6,539
Fund balances - beginning	<u>38,888</u>	<u>38,888</u>
Fund balances - ending	<u>\$ 45,427</u>	<u>\$ 45,427</u>

**Town of Flagler  
Budget and Actual  
Conservation Trust  
For the year ended December 31, 2021**

	<b>Budgeted Amounts</b>		<b>Actual Amounts, Budgetary Basis</b>
	<b>Original</b>	<b>Final</b>	
<b>REVENUES</b>			
Intergovernmental	\$ 6,000	\$ 6,000	\$ 6,522
Investment earnings	35	35	17
Total revenues	<u>6,035</u>	<u>6,035</u>	<u>6,539</u>
<b>EXPENDITURES</b>			
Culture and recreation	6,000	6,000	-
Total Expenditures	<u>6,000</u>	<u>6,000</u>	<u>-</u>
Excess (deficiency) of revenues over expenditures	<u>35</u>	<u>35</u>	<u>6,539</u>
Net change in fund balances	35	35	6,539
Fund balances - beginning	52,924	52,924	38,888
Fund balances - ending	<u>\$ 52,959</u>	<u>\$ 52,959</u>	<u>\$ 45,427</u>

**Town of Flagler  
Budget and Actual  
Garbage  
For the year ended December 31, 2021**

	<u>Budgeted Amounts</u>		<u>Actual Amounts, Budgetary Basis</u>
	<u>Original</u>	<u>Final</u>	
<b>REVENUES</b>			
Charges for Services	\$ 186,000	\$ 186,000	\$ 182,927
Investment earnings	200	200	-
Miscellaneous	-	-	551
Total revenues	<u>186,200</u>	<u>186,200</u>	<u>183,478</u>
<b>OPERATING EXPENSES</b>			
Personal services	147,328	147,328	121,920
Contractual services	6,831	6,831	6,597
Capital outlay	12,934	12,934	-
Debt service	22,607	22,607	35,276
Interest	-	-	934
Total Operating Expenses	<u>189,700</u>	<u>189,700</u>	<u>169,164</u>
Operating income (loss)	<u>(3,500)</u>	<u>(3,500)</u>	<u>14,314</u>
<b>SPECIAL ITEM</b>			
Gain on sale of assets	<u>3,500</u>	<u>3,500</u>	<u>3,914</u>
Net change in net position	<u>-</u>	<u>-</u>	<u>18,228</u>
Net Position - beginning	<u>(9,505)</u>	<u>(9,505)</u>	<u>92,776</u>
<b>ADJUSTMENTS:</b>			
Debt service	-	-	35,276
Depreciation	-	-	(39,842)
Net Position - beginning	<u>\$ (9,505)</u>	<u>\$ (9,505)</u>	<u>\$ 106,438</u>

**Town of Flagler  
Budget and Actual  
Water  
For the year ended December 31, 2021**

	<u>Budgeted Amounts</u>		<u>Actual Amounts, Budgetary Basis</u>
	<u>Original</u>	<u>Final</u>	
<b>REVENUES</b>			
Charges for Services	\$ 206,000	\$ 206,000	\$ 223,264
Miscellaneous revenues	10,000	10,000	13,226
Investment earnings	50	50	-
Farm lease	15,278	15,278	17,640
Total revenues	<u>231,328</u>	<u>231,328</u>	<u>254,130</u>
<b>OPERATING EXPENSES</b>			
Personal services	83,909	83,909	102,934
Contractual services	-	-	7,244
Utilities	47,000	47,000	24,229
Repairs and maintenance	87,379	87,379	64,722
Other supplies and expenses	13,040	13,040	14,035
Miscellaneous expenses	-	-	-
Total Operating Expenses	<u>231,328</u>	<u>231,328</u>	<u>213,164</u>
Operating income (loss)	<u>-</u>	<u>-</u>	<u>40,966</u>
Net change in net position	-	-	40,966
Net Position - beginning	<u>1,511,088</u>	<u>1,511,088</u>	<u>2,563,837</u>
<b>ADJUSTMENTS:</b>			
Depreciation	-	-	(96,695)
Net Position - ending	<u>\$ 1,511,088</u>	<u>\$ 1,511,088</u>	<u>\$ 2,508,108</u>

**Town of Flagler  
Budget and Actual  
Wastewater  
For the year ended December 31, 2021**

	<b>Budgeted Amounts</b>		<b>Actual Amounts, Budgetary Basis</b>
	<b>Original</b>	<b>Final</b>	
<b>REVENUES</b>			
Charges for Services	\$ 85,500	\$ 85,500	\$ 80,836
Investment earnings	-	-	12
Total revenues	<u>85,500</u>	<u>85,500</u>	<u>80,848</u>
<b>EXPENDITURES</b>			
Systems operations and maintenance	73,669	73,669	26,156
Administration	6,831	6,831	6,598
Capital Outlay	5,000	5,000	-
Total Expenditures	<u>85,500</u>	<u>85,500</u>	<u>43,599</u>
Net Change in Net Position	-	-	37,249
Net Position - beginning	782,303	782,303	712,958
<b>ADJUSTMENTS</b>			
Depreciation	-	-	(28,877)
Net Position - ending	<u>\$ 782,303</u>	<u>\$ 782,303</u>	<u>\$ 721,330</u>

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

<b>LOCAL HIGHWAY FINANCE REPORT</b>	City or County: Flagler
	YEAR ENDING : December 2021
This Information From The Records Of (example - City of _ or County of _)	Prepared By: Phone: Emily Strunk 719-765*-4571

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

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

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

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

ITEM	AMOUNT	ITEM	AMOUNT
<b>A. Receipts from local sources:</b>		<b>A. Local highway disbursements:</b>	
1. Local highway-user taxes		1. Capital outlay (from page 2)	8,347
a. Motor Fuel (from Item I.A.5.)		2. Maintenance:	230,009
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	124,514	c. Other	995
3. Other local imposts (from page 2)	128,000	d. Total (a. through c.)	56,955
4. Miscellaneous local receipts (from page 2)	0	4. General administration & miscellaneous	6,095
5. Transfers from toll facilities		5. Highway law enforcement and safety	
6. Proceeds of sale of bonds and notes:		6. Total (1 through 5)	301,406
a. Bonds - Original Issues		<b>B. Debt service on local obligations:</b>	
b. Bonds - Refunding Issues		1. Bonds:	
c. Notes		a. Interest	
d. Total (a. + b. + c.)	0	b. Redemption	
7. Total (1 through 6)	252,514	c. Total (a. + b.)	0
<b>B. Private Contributions</b>		2. Notes:	
<b>C. Receipts from State government</b> (from page 2)	48,892	a. Interest	
<b>D. Receipts from Federal Government</b> (from page 2)	0	b. Redemption	
<b>E. Total receipts (A.7 + B + C + D)</b>	301,406	c. Total (a. + b.)	0
		3. Total (1.c + 2.c)	0
		<b>C. Payments to State for highways</b>	
		<b>D. Payments to toll facilities</b>	
		<b>E. Total disbursements (A.6 + B.3 + C + D)</b>	
			301,406

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

	Opening Debt	Amount Issued	Redemptions	Closing Debt
<b>A. Bonds (Total)</b>				0
1. Bonds (Refunding Portion)				
<b>B. Notes (Total)</b>				0

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

	A. Beginning Balance	B. Total Receipts	C. Total Disbursements	D. Ending Balance	E. Reconciliation
		301,406	301,406		(1)

Notes and Comments:

**LOCAL HIGHWAY FINANCE REPORT**

STATE:  
Colorado  
YEAR ENDING (mm/yy):  
December 2021

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

ITEM	AMOUNT	ITEM	AMOUNT
<b>A.3. Other local imposts:</b>		<b>A.4. Miscellaneous local receipts:</b>	
a. Property Taxes and Assessments		a. Interest on investments	
b. Other local imposts:		b. Traffic Fines & Penalties	
1. Sales Taxes	75,000	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	53,000	g. Other Misc. Receipts	
6. Total (1. through 5.)	128,000	h. Other	
c. Total (a. + b.)	128,000	i. Total (a. through h.)	0
	(Carry forward to page 1)		(Carry forward to page 1)

ITEM	AMOUNT	ITEM	AMOUNT
<b>C. Receipts from State Government</b>		<b>D. Receipts from Federal Government</b>	
1. Highway-user taxes	48,892	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)	48,892	3. Total (1. + 2.g)	
			(Carry forward to page 1)

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

	ON NATIONAL HIGHWAY SYSTEM (a)	OFF NATIONAL HIGHWAY SYSTEM (b)	TOTAL (c)
<b>A.1. Capital outlay:</b>			
a. Right-Of-Way Costs			0
b. Engineering Costs			0
c. Construction:			
(1). New Facilities			0
(2). Capacity Improvements			4,072
(3). System Preservation			0
(4). System Enhancement & Operation			4,275
(5). Total Construction (1) + (2) + (3) + (4)	0	0	0
d. Total Capital Outlay (Lines 1.a. + 1.b. + 1.c.5)	0	0	0
			(Carry forward to page 1)

Notes and Comments: