

Town of Julesburg, Colorado

Financial Statements

For the Year ended December 31, 2021

Table of Contents

	<u>Page</u>
Independent Auditors' Report	1-3
Management's Discussion and Analysis	4-9
Basic Financial Statements	
Government-wide Financial Statements	
Statement of Net Position	12
Statement of Activities	14-15
Fund Financial Statements	
Balance Sheet – Governmental Funds	16
Reconciliation of the Balance Sheet of Governmental Fund to the Statement of Net Position	17
Statement of Revenues, Expenditures and Changes in Fund Balance – Governmental Funds	18
Reconciliation of the Statement of Revenues, Expenditures and Changes in Fund Balances of Governmental Funds to the Statement of Activities	19
Statement of Net Position – Proprietary Funds	20-23
Statement of Revenues, Expenses and Changes in Fund Net Position – Proprietary Funds	24-25
Statement of Cash Flows – Proprietary Funds	26-29
Statement of Fiduciary Net Position – Fiduciary Funds	30
Statement of Changes in Fiduciary Net Position – Fiduciary Funds	31
Notes to Financial Statements	32-53
Required Supplementary Information	
Schedule of Changes in the Town's Net Pension Liability/(Asset) and Related Ratios – Town of Julesburg Volunteer Fire Pension Plan	56-57
Schedule of Town Contributions – Town of Julesburg Volunteer Fire Pension Plan	58
Schedule of Investment Return- Town of Julesburg Volunteer Fire Pension Plan	60-61
General Fund - Budgetary Comparison Schedule	62
Capital Improvement Fund - Budgetary Comparison Schedule	63
Notes to the Required Supplementary Information	64

Table of Contents

	<u>Page</u>
Other Supplementary Information	
General Fund	
Budgetary Comparison Schedule – Revenues	68
Budgetary Comparison Schedule – Expenditures	70-72
Budgetary Comparison Schedule – Nonmajor Governmental Funds	
Conservation Trust Fund – Budgetary Comparison Schedule	74
Budgetary Comparison Schedules – Proprietary Funds	
Electric Fund – Budgetary Comparison Schedule	76-77
Water Fund – Budgetary Comparison Schedule	78-79
Sewer Fund – Budgetary Comparison Schedule	80-81
Sanitation Fund – Budgetary Comparison Schedule	82
Budgetary Comparison Schedule – Internal Service Fund	
Capital Replacement Fund – Budgetary Comparison Schedule	84
Budgetary Comparison Schedule – Fiduciary Fund	
Firemen’s Pension Fund – Budgetary Comparison Schedule	86
Colorado Department of Highways Local Highway Finance Report	88-89



Independent Auditors' Report

To the Honorable Mayor and Members of Town Council
Town of Julesburg
Julesburg, 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 Julesburg (the Town), as of and for the year ended December 31, 2021, and the related notes to the financial statements, which collectively comprise the Town'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 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 Auditors' Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the Town, 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

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 the Town'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.

Auditors' 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 auditors' 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 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 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 the 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 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 the Town'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'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 management's discussion and analysis, budgetary comparison information and historical pension information 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.

Supplementary Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Town's basic financial statements. The other supplementary information and the local highway finance report 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 other supplementary information and the local highway finance report are fairly stated, in all material respects, in relation to the basic financial statements taken as a whole.

Lauer, Szabo & Associates, P.C.

Sterling, Colorado
May 24, 2022

MANAGEMENT DISCUSSION AND ANALYSIS

This section of the Town of Julesburg, Colorado's annual financial report presents the discussion and analysis of the financial performance for the fiscal year that ended December 31, 2021.

FINANCIAL HIGHLIGHTS

- The Town of Julesburg remains in good financial condition.
- The assets and deferred outflows of resources of the Town of Julesburg exceeded its liabilities and deferred inflows of resources at the close of 2021 by \$10,847,724 (net position). Of this amount \$2,508,834 or 23% is unrestricted and may be used to meet the Town's ongoing obligations to citizens and creditors.
- During the year, the Town's revenue from taxes and other revenues for governmental programs were more than the expenses by \$383,396.

OVERVIEW OF THE FINANCIAL STATEMENTS

This discussion and analysis is intended to serve as an introduction to the Town of Julesburg's basic financial statements. The Town of Julesburg's basic financial statements are comprised of three components:

- Government-wide financial statements
- Fund financial statements.
- Notes to the financial statements.

This report also contains other supplementary information in addition to the basic financial statements themselves.

Government-wide financial statements

The government-wide statements report information about the Town as a whole using accounting methods similar to those used by private-sector companies.

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

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

The government-wide financial statements of the Town are divided into two categories:

- **Governmental activities.** Most of the Town's basic services are included here, such as the fire, public works, parks, recreation, and general administration. Property tax, franchise tax, intergovernmental revenue and charges for services finance most of these activities.
- **Business-type activities.** The Town charges fees to customers to recover most of the costs of certain services provided. The Town's electric, water, sewer and sanitation systems are included here.

The government-wide financial statements can be found starting on page 12 of this report.

Fund Financial Statements

A fund is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. Some funds are required to be established by State law; however, the Board of Trustees has established other funds to help control and manage money for particular purposes or to show that it is properly using certain revenue (the Conservation Trust and Capital Improvement Funds). All of the funds of the Town of Julesburg can be divided into three categories: governmental funds, proprietary funds and fiduciary funds.

Governmental funds. Most of the Town's basic services are reported in governmental funds, which focus on how money flows into and out of those funds and the balances left at year-end are available for spending. The funds are reported using an accounting method called modified accrual accounting, which measures cash and all other financial assets that can readily be converted to cash. The governmental funds statement provides a detailed, short-term view to cash, the governmental fund operations and the basic services it provides. Governmental fund information helps you determine whether there are more or fewer financial resources that can be spent in the near future to finance the Town's programs. Because this information does not encompass the additional long-term focus of the government-wide statements, additional information at the bottom of the governmental funds statement is provided, or on the subsequent page, that explains the relationship (or differences) between them.

The basic governmental fund financial statements can be found starting on page 16 of this report.

Proprietary funds. When the Town charges customers for the services it provides, whether to outside customers or to other units of the Town, these services are generally reported in proprietary funds. Proprietary funds are reported in the same way that all activities are reported in the Statement of Net Position and the Statement of Activities. The Town's enterprise funds (a component of proprietary funds) are the same as the business-type activities reported in the government-wide statements but provide more detail and additional information, such as cash flows, for proprietary funds.

The basic proprietary fund financial statements can be found starting on page 20 of this report.

Fiduciary funds. Fiduciary funds are used to account for resources held for the benefit of parties outside the government. These activities are excluded from the Town's other financial statements because the Town cannot use these assets to finance operations. The Town is responsible for ensuring that the assets reported in these funds are used for their intended purpose.

The basic fiduciary fund financial statements can be found starting on page 30 of this report.

Notes to the Financial Statements

The notes provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements. The notes to the financial statements can be found starting on page 32 of this report.

FINANCIAL ANALYSIS OF THE TOWN AS A WHOLE

As noted earlier, net position may serve over time as a useful indicator of a government's financial position. In the case of the Town of Julesburg, assets and deferred outflows exceed liabilities and deferred inflows by \$10,847,724 at the close of 2021.

Net Position

Combined net position of the Town of Julesburg as of December 31, 2021 and 2020 are shown in Table 1 below.

Table 1
NET POSITION

	Governmental Activities		Business-type Activities		Total	
	2021	2020	2021	2020	2021	2020
Current and other assets	\$ 1,203,770	\$ 1,318,219	\$ 2,578,492	\$ 2,253,671	\$ 3,782,262	\$ 3,571,890
Capital assets	2,986,078	2,819,322	5,599,356	5,496,787	8,585,434	8,316,109
Total assets	4,189,848	4,137,541	8,177,848	7,750,458	12,367,696	11,887,999
Deferred outflows of resources	14,288	5,838	-	-	14,288	5,838
Total assets and deferred outflows of resources	\$ 4,204,136	\$ 4,143,379	\$ 8,177,848	\$ 7,750,458	\$ 12,381,984	\$ 11,893,837
Long-term debt outstanding	\$ 183,277	\$ 172,255	\$ 548,232	\$ 619,636	\$ 731,509	\$ 791,891
Other liabilities	49,704	61,537	351,606	182,062	401,310	243,599
Total liabilities	232,981	233,792	899,838	801,698	1,132,819	1,035,490
Deferred inflows of resources	401,441	394,019	-	-	401,441	394,019
Net position:						
Net investment in capital assets	2,986,078	2,819,322	5,069,757	4,896,306	8,055,835	7,715,628
Restricted	241,318	263,277	41,737	41,605	283,055	304,882
Unrestricted (deficit)	342,318	432,969	2,166,516	2,010,849	2,508,834	2,443,818
Total net position	3,569,714	3,515,568	7,278,010	6,948,760	10,847,724	10,464,328
Total liabilities, deferred inflows of resources and net position	\$ 4,204,136	\$ 4,143,379	\$ 8,177,848	\$ 7,750,458	\$ 12,381,984	\$ 11,893,837

The largest portion of the Town of Julesburg's net position, 74%, reflects its investment in capital assets (land, buildings and equipment). The Town of Julesburg uses these capital assets to provide services to citizens; consequently these assets are not available for future spending. In addition, a portion of the Town of Julesburg's net position, 3%, represents resources that are subject to external restrictions on how they may be used. The remaining balance of unrestricted net position, 23%, may be used to meet the government's ongoing obligations to citizens and creditors.

At the end of 2021, the Town of Julesburg is able to report positive balances in all three categories of net position, both for the government as a whole, as well as for its separate governmental and business-type activities.

Changes in net position

The Town's total revenue of \$3,344,727 was more than program expenses of \$2,961,331 for an increase in net position of \$383,396.

Table 2 shows the summarized revenues and expenses for 2021 and 2020.

Table 2
CHANGES IN NET POSITION

	Governmental Activities		Business-type Activities		Total	
	2021	2020	2021	2020	2021	2020
Program revenues						
Charges for services	\$ 60,022	\$ 43,398	\$ 2,315,524	\$ 2,235,601	\$ 2,375,546	\$ 2,278,999
Operating grants and contributions	283,434	154,451	10,000	-	293,434	154,451
Capital grants and contributions	-	30,000	-	-	-	30,000
General revenues						
Property taxes	343,804	321,496	-	-	343,804	321,496
Sales and use taxes	198,992	178,476	-	-	198,992	178,476
Specific ownership taxes	43,565	38,719	-	-	43,565	38,719
Franchise taxes	13,386	13,285	-	-	13,386	13,285
Other taxes	2,722	3,366	-	-	2,722	3,366
Interest earnings	1,315	11,103	7,949	19,880	9,264	30,983
Sale of assets	-	18,500	-	-	-	18,500
Miscellaneous	32,008	123,045	32,006	184,232	64,014	307,277
Transfers	60,000	600,000	(60,000)	(600,000)	-	-
Total revenues	1,039,248	1,535,839	2,305,479	1,839,713	3,344,727	3,375,552
Program expenses						
General government	253,580	139,754	-	-	253,580	139,754
Public safety	117,835	127,254	-	-	117,835	127,254
Public works	274,329	217,207	-	-	274,329	217,207
Culture and recreation	339,358	272,499	-	-	339,358	272,499
Electric services	-	-	1,161,942	1,141,240	1,161,942	1,141,240
Water services	-	-	323,400	401,867	323,400	401,867
Sewer services	-	-	292,271	270,782	292,271	270,782
Sanitation services	-	-	198,616	162,163	198,616	162,163
Total expenses	985,102	756,714	1,976,229	1,976,052	2,961,331	2,732,766
Change in net position	54,146	779,125	329,250	(136,339)	383,396	642,786
Net position at beginning of year	3,515,568	2,736,443	6,948,760	7,085,099	10,464,328	9,821,542
Net position at end of year	<u>\$ 3,569,714</u>	<u>\$ 3,515,568</u>	<u>\$ 7,278,010</u>	<u>\$ 6,948,760</u>	<u>\$10,847,724</u>	<u>\$ 10,464,328</u>

Governmental Activities

Revenue for the Town's governmental activities totaled \$1,039,248 for 2021. Tax revenue produced 58% of these revenues. Tax revenue includes property taxes, sales and use taxes, specific ownership taxes, franchise taxes and other taxes.

Table 3
GOVERNMENTAL ACTIVITIES

	Total cost of services		Net cost of services	
	2021	2020	2021	2020
General government	\$ 253,580	\$ 139,754	\$ 80,638	\$ 77,446
Public safety	117,835	127,254	117,835	127,254
Public works	274,329	217,207	155,098	217,207
Culture and recreation	339,358	272,499	288,075	272,499

Table 3 presents the cost and revenue of each of the Town's four largest programs – general government, public safety, public works, and culture recreation – as well as each program's *net* cost (total cost less revenues generated by activities). The net cost shows the financial burden that was placed on the Town's taxpayers by each of these functions.

Business-type Activities

Net position in business-type activities increased by \$329,250 in 2021. Business-type activities include electric, water, sewer and sanitation services.

Table 4
BUSINESS-TYPE ACTIVITIES

	Total cost of services		Net cost of services	
	2021	2020	2021	2020
Electric services	\$ 1,161,942	\$ 1,141,240	\$ (114,192)	\$ (118,222)
Water services	323,400	401,867	(151,311)	(79,604)
Sewer services	292,271	270,782	(69,642)	(10,897)
Sanitation services	198,616	162,163	(14,150)	(50,826)

Table 4, above, presents the cost and revenue of each of the Town's business-type activities – electric, water, sewer, and sanitation – as well as the program *net* cost (total cost less revenues generated by activities). The net cost shows the financial burden that was placed on the Town's taxpayers by each of these functions.

THE TOWN'S FUNDS

As the Town completed the year, its governmental funds (as presented in the balance sheet on page 16) reported a combined fund balance of \$787,020. The general fund, capital improvement fund and other governmental funds reported fund balances of \$571,702, \$119,050, and \$96,268 respectively.

General Fund Budgetary Highlights

For the past couple years of 2019 and 2020, the Town incurred significant expenses in installing the infrastructure and street at the I-76 interchange area in hopes of acquiring new businesses and a long-term source of sales tax or fuel tax revenue. The Town's infrastructure is complete, and the landowner is trying to sell the parcels to any end user business.

Exterior improvements such as stucco repairs, painting and exterior doors, and a new furnace and air conditioning unit were installed at the Julesburg Public Library. The library is registered on the State Register and specific guidelines had to be met for the repairs.

This year the Julesburg Public Swimming pool was open, and the Town operated the Youth Corps for its second year. Both programs were successful and realized adjustments due to the continued covid pandemic. In November 2021, the residents approved a bond issue to fund the swimming pool replacement. The Town hired an engineering firm and is working on the design of the new zero entry pool and pool house. The existing pool will be open during the 2022 season and demolition will begin shortly after the season ends with hopes of the new facility being open in June 2023.

CAPITAL ASSETS AND DEBT ADMINISTRATION

Capital Assets. The Town of Julesburg's investment in capital assets for its governmental and business-type activities as of December 31, 2021, amounts to \$8,585,434 (net of accumulated depreciation). This amount includes a broad range of capital assets, including public works equipment, electric, water, sewer, sanitation and other infrastructure.

The Town remains committed to the upkeep and maintenance of the Town's largest assets. More detailed information about the Town's capital assets is presented in Table 5.

Table 5
CAPITAL ASSETS

	Governmental Activities		Business-type Activities		Total	
	2021	2020	2021	2020	2021	2020
Land and land improvements	\$ 1,920,332	\$ 1,746,273	\$ 23,250	\$ 23,250	\$ 1,943,582	\$ 1,769,523
Construction in progress	-	-	404,103	378,197	404,103	378,197
Buildings and improvements	988,931	986,698	147,106	154,097	1,136,037	1,140,795
Machinery and equipment	76,815	86,351	554,149	431,037	630,964	517,388
Systems	-	-	4,470,748	4,510,206	4,470,748	4,510,206
Total	\$ 2,986,078	\$ 2,819,322	\$ 5,599,356	\$ 5,496,787	\$ 8,585,434	\$ 8,316,109

Long-term debt. The Town had \$564,869 in debt outstanding at year-end consisting of accrued compensated absences and outstanding notes payable. This debt incumbency was incurred by the Town in an effort to meet the State of Colorado's water and wastewater permit requirements. A water treatment plant was installed and put on line in 2001 to meet the nitrate regulations required within the Safe Water Drinking Act and in 2003 the existing wastewater lagoon system was replaced with a mechanical treatment plant to meet the State's wastewater organics (BOD) removal standards. Total construction costs incurred were approximately \$2,500,000 and \$1,700,000, respectfully.

ECONOMIC FACTORS AND NEXT YEAR'S BUDGET AND RATES

The Town continues to address the upgrades needed at the water and wastewater facilities to comply with the State's regulations for treating the reverse osmosis brine. The Town received our first half of monies from the American Rescue Plan Act and have designated this funding towards this upgrades project. A loan for the wastewater facility will be paid off in November 2022, and the loan for the water treatment facility will be paid off in 2040. The Town does anticipate securing a new loan when the upgrades begin and continue to apply to as many grantors as we are eligible to assist in the costs of the project.

In the Campbell Subdivision, the new K-12 grade facility has begun construction and anticipate being completed in Fall 2023. The homebuilder who purchased numerous lots to build single family residential homes passed away unexpectedly and the Town is working through this changeover of contact people to hopefully see these homes built. The Town will have to install the infrastructure for the homes once the project begins to move forward.

The Town did increase utility rates in January 2021 to meet the rising costs of materials and to maintain our covenants ratio. Utility rates were raised again in January 2022 to maintain the funding level following the covid pandemic.

REQUESTS FOR INFORMATION

This financial report is designed to provide our citizens, taxpayers, customers, investors and creditors with a general overview of the Town's finances and to show the Town's accountability for the funds and assets it receives. If you have questions about this report, or should you need additional financial information, contact Town of Julesburg, 100 West Second Street, Julesburg, Colorado, 80737.

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Basic Financial Statements

The basic financial statements of the Town include the following:

Government-wide financial statements. The government-wide statements display information about the reporting government as a whole, except for its fiduciary activities.

Fund financial statements. The fund financial statements display information about major funds individually and nonmajor funds in the aggregate for governmental and proprietary funds.

Notes to the financial statements. The notes communicate information essential for fair presentation of the financial statements that is not displayed on the face of the financial statements. As such, the notes are an integral part of the basic financial statements.

TOWN OF JULESBURG, COLORADO
Statement of Net Position
December 31, 2021

	Governmental Activities	Business-type Activities	Total
Assets			
Cash	\$ 579,282	\$ 1,079,468	\$ 1,658,750
Cash with county treasurer	3,998		3,998
Certificates of deposit	188,823	1,122,336	1,311,159
Receivables	409,375	247,844	657,219
Internal balances	22,292	(22,292)	-
Inventories		109,399	109,399
Restricted cash		41,737	41,737
Capital assets, net of depreciation	2,986,078	5,599,356	8,585,434
Total assets	4,189,848	8,177,848	12,367,696
Deferred outflows of resources			
Pension deferrals	14,288		14,288
Total assets and deferred outflows of resources	\$ 4,204,136	\$ 8,177,848	\$ 12,381,984
Liabilities			
Accounts payable	\$ 32,592	\$ 177,314	\$ 209,906
Accrued interest and fiscal charges		9,248	9,248
Unearned revenue	17,112	165,044	182,156
Noncurrent liabilities			
Due within one year	16,637	73,599	90,236
Due in more than one year		474,633	474,633
Net pension liability	166,640		166,640
Total liabilities	232,981	899,838	1,132,819
Deferred inflows of resources			
Deferred property tax revenues	358,428		358,428
Pension deferrals	43,013		43,013
Total deferred inflows of resources	401,441	-	401,441
Net position			
Net investment in capital assets	2,986,078	5,069,757	8,055,835
Restricted for emergencies	26,000		26,000
Restricted for capital improvements	119,050		119,050
Restricted for culture and recreation	96,268		96,268
Restricted for note reserve		41,737	41,737
Unrestricted	342,318	2,166,516	2,508,834
Total net position	3,569,714	7,278,010	10,847,724
Total liabilities, deferred inflows of resources and net position	\$ 4,204,136	\$ 8,177,848	\$ 12,381,984

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

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TOWN OF JULESBURG, COLORADO
Statement of Activities
For the Year Ended December 31, 2021

		Program Revenues		
	Expenses	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions
Governmental activities				
General government	\$ 253,580	\$ 19,376	\$ 153,566	
Public safety	117,835			
Public works	274,329	24,131	95,100	
Culture and recreation	339,358	16,515	34,768	
Total governmental activities	985,102	60,022	283,434	\$ -
Business-type activities				
Electric	1,161,942	1,276,134		
Water	323,400	474,711		
Sewer	292,271	351,913	10,000	
Sanitation	198,616	212,766		
Total business-type activities	1,976,229	2,315,524	10,000	-
Total	\$ 2,961,331	\$ 2,375,546	\$ 293,434	\$ -
General revenues and transfers				
Taxes				
Property taxes, levied for general purposes				
Sales and use taxes				
Specific ownership taxes				
Franchise taxes				
Other taxes				
Interest earnings				
Miscellaneous				
Transfers				
Total general revenues and transfers				
Change in net position				
Net position at beginning of year				
Net position at end of year				

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

Net (Expenses) Revenues and Changes in Net Position		
Governmental Activities	Business-type Activities	Total
\$ (80,638)		\$ (80,638)
(117,835)		(117,835)
(155,098)		(155,098)
(288,075)		(288,075)
(641,646)		(641,646)
	\$ 114,192	114,192
	151,311	151,311
	69,642	69,642
	14,150	14,150
	349,295	349,295
(641,646)	349,295	(292,351)
343,804		343,804
198,992		198,992
43,565		43,565
13,386		13,386
2,722		2,722
1,315	7,949	9,264
32,008	32,006	64,014
60,000	(60,000)	-
695,792	(20,045)	675,747
54,146	329,250	383,396
3,515,568	6,948,760	10,464,328
\$ 3,569,714	\$ 7,278,010	\$ 10,847,724

TOWN OF JULESBURG, COLORADO
Balance Sheet
Governmental Funds
December 31, 2021

	General Fund	Capital Improvement Fund	Other Governmental Fund	Total Governmental Funds
Assets				
Cash	\$ 290,535	\$ 192,479	\$ 96,268	\$ 579,282
Cash with county treasurer	3,998			3,998
Certificates of deposit	188,823			188,823
Due from other funds	117,065			117,065
Property taxes receivable	358,428			358,428
Special assessments receivable	4,027			4,027
Other taxes receivable	16,958	29,962		46,920
Total assets	\$ 979,834	\$ 222,441	\$ 96,268	\$ 1,298,543
Liabilities				
Accounts payable	\$ 32,592			\$ 32,592
Due to other funds		\$ 103,391		103,391
Unearned revenues	4,027			4,027
Unearned grant revenues	13,085			13,085
Total liabilities	49,704	103,391	\$ -	153,095
Deferred inflows of resources				
Deferred property tax revenues	358,428			358,428
Total deferred inflows of resources	358,428	-	-	358,428
Fund balance				
Restricted for:				
Emergencies	26,000			26,000
Capital improvements		119,050		119,050
Culture and recreation			96,268	96,268
Unassigned	545,702			545,702
Total fund balance	571,702	119,050	96,268	787,020
Total liabilities, deferred inflows of resources, and fund balance	\$ 979,834	\$ 222,441	\$ 96,268	\$ 1,298,543

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

TOWN OF JULESBURG**Reconciliation of the Balance Sheet of Governmental Funds to the Statement of Net Position
December 31, 2021**

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

Total fund balance - governmental funds	\$ 787,020
Capital assets used in governmental activities are not financial resources and therefore are not reported as assets in governmental funds.	2,986,078
Some amounts reported for governmental activities in the statement of net position are different because certain internal service fund assets and liabilities are included with governmental activities	8,618
Pension deferrals used in governmental activities are not financial resources and therefore are not reported as assets in governmental funds.	(28,725)
Long-term liabilities are not due and payable in the current period and therefore are not reported as liabilities in the funds.	<u>(183,277)</u>
Net position of governmental activities	<u><u>\$ 3,569,714</u></u>

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

TOWN OF JULESBURG, COLORADO
Statement of Revenues, Expenditures and Changes in Fund Balance
Governmental Funds
For the Year Ended December 31, 2021

	General Fund	Capital Improvement Fund	Other Governmental Fund	Total Governmental Funds
Revenues				
Taxes	\$ 401,930	\$ 198,992		\$ 600,922
Licenses and permits	5,092			5,092
Intergovernmental	96,647		\$ 13,882	110,529
Charges for services	47,526			47,526
Fines and forfeitures	482			482
Miscellaneous	213,915	457	325	214,697
Total revenues	765,592	199,449	14,207	979,248
Expenditures				
Current				
General government	255,103			255,103
Public safety	95,916			95,916
Public works	308,214			308,214
Culture and recreation	268,502		40,988	309,490
Capital outlay		187,627		187,627
Total expenditures	927,735	187,627	40,988	1,156,350
Excess of revenues over (under) expenditures	(162,143)	11,822	(26,781)	(177,102)
Other financing sources				
Transfers in	60,000			60,000
Total other financing sources	60,000	-	-	60,000
Net change in fund balance	(102,143)	11,822	(26,781)	(117,102)
Fund balance at beginning of year	673,845	107,228	123,049	904,122
Fund balance at end of year	\$ 571,702	\$ 119,050	\$ 96,268	\$ 787,020

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

TOWN OF JULESBURG**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**

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

Net change in fund balances - governmental funds	\$ (117,102)
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Capital outlays to purchase or build capital assets are reported in governmental funds as expenditures. However, for governmental activities, those costs are shown in the statement of net position and allocated over their estimated useful lives as annual depreciation expense in the statement of activities. This is the amount by which capital outlays exceeded depreciation in the current period.	166,756
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In the statement of activities, certain operating expenses are measured by the amount incurred during the year. In the governmental funds, however, expenditures for these items are measured by the amount of financial resources used (essentially, the amounts actually paid).	<u>4,492</u>
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Change in net position of governmental activities	<u><u>\$ 54,146</u></u>
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The accompanying notes are an integral part of these financial statements.

TOWN OF JULESBURG, COLORADO
Statement of Net Position
Proprietary Funds
December 31, 2021

	Business-type Activities Enterprise Funds			
	Electric Fund	Water Fund	Sewer Fund	Sanitation Fund
Assets				
Current assets				
Cash	\$ 150	\$ 721,458		\$ 203,377
Certificate of deposits	575,773	119,091	\$ 427,472	
Due from other funds		100,000		
Accounts receivable	147,226	33,437	41,073	26,108
Inventories	67,187	36,493	1,059	4,660
Total current assets	790,336	1,010,479	469,604	234,145
Noncurrent assets				
Land and improvements		23,250		
Construction in progress			404,103	
Buildings and improvements	225,944	136,868		5,887
Machinery and equipment	141,890	57,587	46,896	522,045
Furniture and fixtures	62			
Systems	1,851,181	3,876,319	3,325,460	
Accumulated depreciation	(1,486,273)	(2,165,498)	(1,354,456)	(182,960)
Restricted cash		41,737		
Total noncurrent assets	732,804	1,970,263	2,422,003	344,972
Total assets	\$ 1,523,140	\$ 2,980,742	\$ 2,891,607	\$ 579,117

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

<u>Total</u>	<u>Governmental Activities - Internal Service Funds</u>
\$ 924,985	\$ 154,483
1,122,336	
100,000	
247,844	
109,399	
<u>2,504,564</u>	<u>154,483</u>
23,250	
404,103	
368,699	
768,418	524,702
62	
9,052,960	
(5,189,187)	(353,651)
41,737	
<u>5,470,042</u>	<u>171,051</u>
<u>\$ 7,974,606</u>	<u>\$ 325,534</u>

(continued)

TOWN OF JULESBURG, COLORADO
Statement of Net Position
Proprietary Funds
December 31, 2021

(continued)

	Business-type Activities Enterprise Funds			
	Electric Fund	Water Fund	Sewer Fund	Sanitation Fund
Liabilities				
Current liabilities				
Accounts payable	\$ 92,827	\$ 57,987	\$ 17,256	\$ 9,244
Accrued interest payable		8,859	389	
Due to other funds	91,077		18,867	
Unearned revenue		20,267		
Unearned grant revenue			144,777	
Current portion of notes payable		16,500	57,099	
Total current liabilities	183,904	103,613	238,388	9,244
Noncurrent liabilities				
Accrued compensated absences	6,815	2,747	7,941	1,130
Notes payable		456,000		
Total noncurrent liabilities	6,815	458,747	7,941	1,130
Total liabilities	190,719	562,360	246,329	10,374
Net position				
Net investment in capital assets	732,804	1,456,026	2,364,904	344,972
Restricted for note reserve		41,737		
Unrestricted	599,617	920,619	280,374	223,771
Total net position	1,332,421	2,418,382	2,645,278	568,743
Total liabilities and net position	\$ 1,523,140	\$ 2,980,742	\$ 2,891,607	\$ 579,117

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

Total	Governmental Activities - Internal Service Funds	
\$ 177,314 9,248 109,944 20,267 144,777 73,599	\$ 3,730	Total net position - enterprise funds \$ 6,964,824
535,149	3,730	Some amounts reported for business-type activities in the statement of net position are different because certain internal service fund assets and liabilities are included with business-type activities.
18,633 456,000		313,186
474,633	-	Net position of business-type activities \$ 7,278,010
1,009,782	3,730	
4,898,706 41,737 2,024,381	171,051 150,753	
6,964,824	321,804	
<u>\$ 7,974,606</u>	<u>\$ 325,534</u>	

TOWN OF JULESBURG, COLORADO
Statement of Revenues, Expenses and Changes in Fund Net Position
Proprietary Funds
For the Year Ended December 31, 2021

	Business-type Activities Enterprise Funds			
	Electric Fund	Water Fund	Sewer Fund	Sanitation Fund
Operating revenues				
Charges for services	\$ 1,276,134	\$ 407,391	\$ 351,913	\$ 212,766
Operating expenses				
Systems operation	1,034,948	149,650	183,371	160,943
Administrative and general	120,830	85,279	43,421	25,466
Depreciation and amortization	32,236	70,227	65,160	18,725
Total operating expenses	1,188,014	305,156	291,952	205,134
Operating income	88,120	102,235	59,961	7,632
Nonoperating revenues (expenses)				
Interest on investments	2,806	2,493	2,130	
Grants			10,000	
Water tower lease		67,320		
Miscellaneous revenue	19,374	12,632		
Interest and fiscal charges		(21,503)	(3,578)	
Total nonoperating revenues (expenses)	22,180	60,942	8,552	-
Income before transfers	110,300	163,177	68,513	7,632
Transfers out	(60,000)			
Change in net position	50,300	163,177	68,513	7,632
Net position at beginning of year	1,282,121	2,255,205	2,576,765	561,111
Net position at end of year	\$ 1,332,421	\$ 2,418,382	\$ 2,645,278	\$ 568,743

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

Total	Governmental Activities - Internal Service Funds		
\$ 2,248,204	\$ 60,000	Net change in net position - enterprise funds	\$ 289,622
1,528,912		Some amounts reported for business-type activities in the statement of activities are different because the net revenue of the internal service fund is reported with business-type activities.	
274,996			
186,348	20,892		
1,990,256	20,892		
257,948	39,108	Change in net position of business-type activities	\$ 329,250
7,429	520		
10,000		Net change in net position - enterprise funds	\$ 289,622
67,320			
32,006			
(25,081)			
91,674	520		
349,622	39,628		
(60,000)			
289,622	39,628		
6,675,202	282,176		
\$ 6,964,824	\$ 321,804		

TOWN OF JULESBURG, COLORADO
Statement of Cash Flows
Proprietary Funds
For the Year Ended December 31, 2021

	Business-type Activities Enterprise Funds			
	Electric Fund	Water Fund	Sewer Fund	Sanitation Fund
Cash flows from operating activities				
Receipts from customers	\$ 1,279,226	\$ 408,973	\$ 349,037	\$ 216,212
Receipts from (payments to) other funds	(63,123)		(146,863)	
Payments to suppliers	(1,052,490)	(121,511)	(174,156)	(129,386)
Payments to employees	(111,065)	(72,769)	(68,251)	(53,368)
Net cash provided (used) by operating activities	52,548	214,693	(40,233)	33,458
Cash flows from noncapital financing activities				
Transfers to other funds	(60,000)			
Miscellaneous receipts	19,374	80,684		
Net cash provided (used) by noncapital financing activities	(40,626)	80,684	-	-
Cash flows from capital and related financing activities				
Purchase of capital assets	(11,922)	(104,382)	(55,727)	(20,642)
Grant receipts			154,777	
Principal paid on capital debt		(16,000)	(54,882)	
Interest and fiscal charges		(21,803)	(3,935)	
Net cash used by capital and related financing activities	(11,922)	(142,185)	40,233	(20,642)
Cash flows from investing activities				
Earnings on investments		1,900		
Net cash provided by investing activities	-	1,900	-	-
Net increase (decrease) in cash	-	155,092	-	12,816
Cash at beginning of year	150	608,103	-	190,561
Cash at end of year	\$ 150	\$ 763,195	\$ -	\$ 203,377

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

<u>Total</u>	<u>Governmental Activities - Internal Service Funds</u>
\$ 2,253,448	\$ 60,000
(209,986)	
(1,477,543)	
(305,453)	
<u>260,466</u>	<u>60,000</u>
(60,000)	
<u>100,058</u>	
40,058	-
(192,673)	(117,136)
154,777	
(70,882)	
(25,738)	
<u>(134,516)</u>	<u>(117,136)</u>
1,900	520
<u>1,900</u>	<u>520</u>
167,908	(56,616)
<u>798,814</u>	<u>211,099</u>
<u>\$ 966,722</u>	<u>\$ 154,483</u>

(continued)

TOWN OF JULESBURG, COLORADO
Statement of Cash Flows
Proprietary Funds
For the Year Ended December 31, 2021

(continued)

	Business-type Activities Enterprise Funds			
	Electric Fund	Water Fund	Sewer Fund	Sanitation Fund
Reconciliation of operating income to net cash provided (used) by operating activities				
Operating income	\$ 88,120	\$ 102,235	\$ 59,961	\$ 7,632
Adjustments to reconcile operating income to net cash provided (used) by operating activities				
Depreciation and amortization	32,236	70,227	65,160	18,725
Changes in assets and liabilities				
Receivables	3,092	1,582	(2,876)	3,446
Interfund items	(63,123)		(146,863)	
Prepaid items		20,000		
Inventory	(15,280)	(7,666)	(151)	(162)
Accounts payable	7,535	28,900	(15,980)	4,238
Compensated absences	(32)	(585)	516	(421)
Net cash provided (used) by operating activities	<u>\$ 52,548</u>	<u>\$ 214,693</u>	<u>\$ (40,233)</u>	<u>\$ 33,458</u>
Cash consists of:				
Cash	\$ 150	\$ 721,458	\$ -	\$ 203,377
Restricted cash		41,737		
Total	<u>\$ 150</u>	<u>\$ 763,195</u>	<u>\$ -</u>	<u>\$ 203,377</u>

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

<u>Total</u>	<u>Governmental Activities - Internal Service Funds</u>
\$ 257,948	\$ 39,108
186,348	20,892
5,244	
(209,986)	
20,000	
(23,259)	
24,693	
(522)	
<u>\$ 260,466</u>	<u>\$ 60,000</u>
\$ 924,985	\$ 154,483
41,737	
<u>\$ 966,722</u>	<u>\$ 154,483</u>

TOWN OF JULESBURG, COLORADO
Statement of Fiduciary Net Position
Fiduciary Funds
December 31, 2021

	Pension (and Other Employee Benefit) Trust Funds
Assets	
Cash	\$ 17,102
Certificate of deposit	19,006
Total assets	\$ 36,108
Net position	
Restricted for pensions	\$ 36,108
Total net position	\$ 36,108

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

TOWN OF JULESBURG, COLORADO
Statement of Changes in Fiduciary Net Position
Fiduciary Funds
For the Year Ended December 31, 2021

	Pension (and Other Employee Benefit) Trust Funds
Additions	
Contributions	
Rural	\$ 5,075
Town	3,500
State	3,150
Total contributions	11,725
Investment income	
Interest on investments	115
Total additions	11,840
Deductions	
Pension benefits	9,700
Total deductions	9,700
Change in net position	2,140
Net position at beginning of year	33,968
Net position at end of year	\$ 36,108

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

TOWN OF JULESBURG
Notes to Financial Statements

Note A – Summary of significant accounting policies

This summary of the Town of Julesburg’s significant accounting policies is presented to assist the reader in interpreting the financial statements and other data in this report. The policies are considered essential and should be read in conjunction with the accompanying financial statements.

The financial statements of the Town have been prepared in conformity with accounting principles generally accepted in the United States of America as applied to local government units. The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting and financial principles. The more significant of the Town’s accounting policies are described below.

A.1 – 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. The reporting entity’s financial statements should present the funds of the primary government (including its blended component units, which are, in substance, part of the primary government) and provide an overview of the discretely presented component units.

The Town has examined other entities that could be included as defined in number 2 and 3 above. Based on these criteria, the Town has no component units.

A.2 – Fund accounting

The Town uses funds to report its financial position and results of operations. Fund accounting is designed to demonstrate legal compliance and to aid financial management by segregating transactions related to certain government functions or activities. A fund is a separate accounting entity with a self-balancing set of accounts.

Funds are classified into three categories: governmental, proprietary and fiduciary. Each category, in turn, is divided into separate “fund types.”

TOWN OF JULESBURG
Notes to Financial Statements

Note A – Summary of significant accounting policies (Continued)

Governmental funds are used to account for all or most of a government's general activities, including the collection and disbursement of earmarked funds (special revenue funds), major capital projects (capital projects fund), and the servicing of general long-term debt (debt service fund). The following are the Town's major governmental funds:

General Fund – The General Fund is the operating fund of the Town. It is used to account for most of the day-to-day operations of the Town which are financed from sales and use taxes, property taxes and other general revenues. Activities financed by the general fund include those of line and staff departments within the Town, except for activities of the enterprise funds.

Capital Improvement Fund – This fund is a special revenue fund established to account for funds received from a Town imposed sales tax and capital expenditures made from those funds.

The following is the Town's nonmajor governmental fund:

Conservation Trust Fund – This fund is a special revenue fund established to account for state lottery proceeds and allowable expenditures.

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

Electric Fund – This fund was established to account for all operations of the electric utility services provided by the Town.

Water Fund – This fund was established to account for all operations of the water utility services provided by the Town.

Sewer Fund – This fund was established to account for all operations of the sewer utility services provided by the Town.

Sanitation Fund – This fund was established to account for all operations of the sanitation utility services provided by the Town.

Fiduciary funds focus on net position and changes in net position. The fiduciary fund category is split into four classifications: pension (and other employee benefit) trust funds, investment trust funds, private-purpose trust funds and custodial funds. Trust funds are used to account for assets held by the Town under a trust agreement for individuals, private organizations or other governments and are therefore not available to support the Town's own programs. The Town has one pension (and other employee benefit) trust fund.

TOWN OF JULESBURG
Notes to Financial Statements

Note A – Summary of significant accounting policies (Continued)

Additionally, the Town reports the following fund type:

Internal Service Fund – This fund accounts for capital equipment management services provided to other departments or agencies of the Town on a cost-reimbursement basis.

Note A.3 – Basis of presentation

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 except for fiduciary funds. The statements distinguish between those activities of the Town that are governmental and those that are considered business-type activities.

The government-wide statements are prepared using the economic resources measurement focus and the accrual basis of accounting. This is the same approach used in the preparation of the proprietary fund financial statements but differs from the manner in which governmental fund financial statements are prepared. Governmental fund financial statements therefore include reconciliations with a brief explanation to better identify the relationship between the government-wide statements and the statements for governmental funds.

The government-wide statement of activities presents a comparison between direct expenses and program revenues for each segment of the business-type activities of the Town and for each function or program of the Town's governmental activities. Direct expenses are those that are specifically associated with a service, program or department and therefore are clearly identifiable to a particular function. Program revenues include charges paid by the recipient of the goods or services offered by the program and grants and contributions that are restricted to meeting the operational or capital requirements of a particular program. Revenues, which are not classified as program revenues, are presented as general revenues of the Town, with certain limited exceptions. The comparison of direct expenses with program revenues identifies the extent to which each business segment or governmental function is self-financing or draws from the general revenues of the Town.

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

TOWN OF JULESBURG
Notes to Financial Statements

Note A – Summary of significant accounting policies (Continued)

The accounting and financial reporting treatment applied to a fund is determined by its measurement focus. All governmental fund types are accounted for using a flow of current financial resources management focus. The financial statements for governmental funds are a balance sheet, which generally includes only current assets and current liabilities, and a statement of revenues, expenditures and changes in fund balance, which reports the sources (revenues and other financing sources) and uses (expenditures and other financing uses) of current financial resources.

All proprietary fund types are accounted for on a flow of economic resources measurement focus. With this measurement focus, all assets and all liabilities associated with the operations of these funds are included on the statement of net position. The statement of revenues, expenses and changes in fund net position presents increases (revenues) and decreases (expenses) in net total assets. The statement of cash flows provides information about how the Town finances and meets the cash flow needs of its proprietary activities.

Fiduciary funds focus on net position and are reported using accounting principles similar to proprietary funds. The Town's fiduciary funds are presented in the fiduciary fund financial statements by fund type. Since by definition these assets are being held for the benefit of a third party and cannot be used to address the activities or obligations of the Town, these funds are not incorporated into the government-wide financial statements.

A.4 – Basis of accounting

Basis of accounting determines when transactions are recorded in the financial records and reported on the financial statements. Government-wide financial statements are prepared using the accrual basis of accounting. Governmental funds use the modified accrual basis of accounting. Proprietary and fiduciary funds also use the accrual basis of accounting.

Revenues – exchange and non-exchange transactions – Revenues resulting from exchange transactions, in which each party gives and receives essentially equal value, are recorded on the accrual basis when the exchange takes place. On a modified accrual basis, revenues are recorded in the fiscal year in which the resources are measurable and become available. Available means that the resources will be collected within the current fiscal year or are expected to be collected soon enough thereafter to be used to pay liabilities of the current fiscal year. For the Town, available means expected to be received within sixty days of fiscal year-end.

Nonexchange transactions, in which the Town receives value without directly giving equal value in return, include property taxes, grants, entitlements and donations. On an accrual basis, revenues from property taxes are recognized in the fiscal year for which the taxes are levied. Revenues from grants, entitlements and donations are recognized in the fiscal year

TOWN OF JULESBURG
Notes to Financial Statements

Note A – Summary of significant accounting policies (Continued)

in which all eligibility requirements have been satisfied. Eligibility requirements include timing requirements, which specify the year when the resources are required to be used or the fiscal year when use is first permitted, matching requirements, in which the Town must provide local resources to be used for a specified purpose, and expenditure requirements, in which the resources are provided to the Town on a reimbursement basis. On a modified accrual basis, revenue from nonexchange transactions must also be available before it can be recognized.

Unearned revenue – Unearned revenues arise when potential revenue does not meet both the “measurable” and “available” criteria for recognition in the current period. Unearned revenues also arise when resources are received by the Town before it has a legal claim to them, as when grant monies are received prior to meeting eligibility requirements. In subsequent periods, when both revenue recognition criteria are met, or when the Town has a legal claim to the resources, the liability for unearned revenue is removed and the revenue is recognized.

Deferred outflows/inflows of resources - In addition to assets, the statement of financial position will sometimes report a separate section for deferred outflows of resources. This separate financial statement element, deferred outflows of resources, represents a consumption of net position that applies to a future period(s) and so will not be recognized as an outflow of resources (expense/expenditure) until then.

In addition to liabilities, the statement of financial position will sometimes report a separate section for deferred inflows of resources. This separate financial statement element, deferred inflows of resources, represents an acquisition of net position that applies to a future period(s) and so will not be recognized as an inflow of resources (revenue) until that time.

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 related fund liability is incurred, if measurable. Allocations of cost, such as depreciation and amortization, are not recognized in the governmental funds.

A.5 – Encumbrances

Encumbrances outstanding at year-end are considered immaterial and thus are not reported as reservations of fund balance.

TOWN OF JULESBURG
Notes to Financial Statements

Note A – Summary of significant accounting policies (Continued)

A.6 – Cash and cash equivalents

For the purposes of the statement of cash flows, the Town considers all highly liquid debt instruments with an original maturity of three months or less to be cash equivalents.

A.7 – Short-term interfund receivables/payables

During the course of operations, numerous transactions occur between individual funds for goods provided or services rendered. These receivables and payables are classified as internal balances on the government-wide statement of net position, and are classified as due from other funds or due to other funds on the balance sheet.

A.8 – Receivables

Monthly charges for water services are included with monthly utility billings. No allowance for doubtful accounts has been provided in the accompanying financial statements since substantially all accounts are deemed by management to be collectible.

A.9 – Inventories

Inventories consist of expendable supplies and are reported at cost or estimated cost.

A.10 – Capital assets

General capital assets are those assets not specifically related to activities reported in the proprietary funds. These assets generally result from expenditures in the governmental funds. These assets are reported in the governmental activities column of the government-wide statement of net position, but are not reported in the fund financial statements. Capital assets utilized by the proprietary funds are reported both in the business-type activities column of the government-wide statement of net position and in the respective fund financial statements.

All capital assets with a unit cost greater than \$2,000 are capitalized at cost (or estimated historical cost, if actual cost is not available) and updated for additions and retirements during the year. Donated capital assets are recorded at their fair value on the date received. Improvements to assets are capitalized; the cost of normal maintenance and repairs that do not add to the value of the asset or materially extend the life of the asset are not. Infrastructure assets, consisting of certain improvements other than buildings (such as parking facilities, sidewalks, landscaping and lighting systems) are capitalized on a prospective basis beginning in 2004.

TOWN OF JULESBURG
Notes to Financial Statements

Note A – Summary of significant accounting policies (Continued)

Interest is capitalized on proprietary fund assets acquired with tax-exempt debt. The amount of interest to be capitalized is calculated by offsetting interest expense incurred from the date of borrowing until project completion with interest earned on invested proceeds over the same period. No interest was capitalized during the year.

All reported capital assets are depreciated with the exception of land costs. 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>Governmental Activities</u>	<u>Business-type Activities</u>
Land and improvements	10 – 50 years	10 – 50 years
Buildings and improvements	10 – 75 years	20 – 75 years
Machinery and equipment	10 – 20 years	3 – 20 years
Furniture and fixtures	7 – 10 years	7 – 10 years
Systems	n/a	5 – 75 years

A.11 – Compensated absences

Vacation leave

Full-time employees after one full year of service are allowed from six to eighteen days annual paid vacation leave, depending on the length of continuous employment, and are allowed to accumulate up to twenty days of vacation leave. Vacation pay is a vested benefit.

Sick leave

Full-time employees receive twelve days sick leave each year and are allowed to accumulate up to sixty days of sick leave. Sick leave is a vested benefit at twenty-five percent of the accumulated leave.

A.12 – Accrued liabilities and long-term obligations

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

TOWN OF JULESBURG
Notes to Financial Statements

Note A – Summary of significant accounting policies (Continued)

In general, payables and accrued liabilities that will be paid from governmental funds are reported on the governmental fund financial statements regardless of whether they will be liquidated with current resources. However, the noncurrent portion of compensated absences that will be paid from governmental funds are reported as a liability in the fund financial statements only to the extent that they will be paid with current, expendable, available financial resources. Bonds payable and other long-term obligations that will be paid from governmental funds are not recognized as a liability in the fund financial statements until due.

A.13 – Net position

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

The Town applies restricted resources when an expense is incurred for purposes for which both restricted and unrestricted net positions are available.

A.14 – Operating revenues and expenses

Operating revenues are those revenues that are generated directly from the primary activity of the proprietary funds. For the Town, these revenues are service charges for electric, water, sewer and sanitation utility services. Operating expenses are necessary costs incurred to provide the goods or services that are the primary activity of the fund. All revenues and expenses not meeting this definition are reported as nonoperating revenues and expenses.

A.15 – Interfund transactions

Quasi-external transactions are accounted for as revenues, expenditures or expenses. Transactions that constitute reimbursements to a fund for expenditures/expenses initially made from it that are properly applicable to another fund, are recorded as expenditures/expenses in the reimbursing fund and as reductions of expenditures/expenses in the fund that is reimbursed. All other interfund transactions, except quasi-external transactions and reimbursements, are reported as transfers. In general, the effect of interfund activity has been eliminated from the government-wide financial statements.

TOWN OF JULESBURG
Notes to Financial Statements

Note A – Summary of significant accounting policies (Continued)

A.16 – Fund balance

The Governmental Accounting Standards Board (GASB) has issued Statement No. 54, *Fund Balance Reporting and Governmental Fund Type Definitions* (GASB 54). This Statement defines the different type of fund balances that a governmental entity must use for financial reporting purposes.

GASB 54 requires the fund balance amounts to be properly reported within one of the fund balance categories listed below.

Nonspendable, such as fund balance associated with inventories, prepaid expenditures, long-term loans and notes receivable, and property held for resale (unless the proceeds are restricted, committed or assigned),

Restricted fund balance category includes amounts that can be spent only for the specific purposes stipulated by constitution, external resource providers, or through enabling legislation,

Committed fund balance classification includes amounts that can be used only for the specific purposes determined by a formal action of the Town Council (the Town's highest level of decision-making authority),

Assigned fund balance classification are intended to be used by the government for specific purposes but do not meet the criteria to be classified as restricted or committed, and

Unassigned fund balance is the residual classification for the Town's general fund and includes all spendable amounts not contained in the other classifications.

Committed fund balance is established by a formal passage of a resolution. This is typically done through the adoption and amendment of the budget. A fund balance commitment is further indicated in the budget document as a designation or commitment of the fund. Assigned fund balance is established by the members of town council through adoption or amendment of the budget as intended for specific purpose (such as purchase of fixed assets, construction, debt service or for other purposes).

When both restricted and unrestricted resources are available in governmental funds, the Town applies expenditures against restricted fund balance first, and followed by committed fund balance, assigned fund balance and unassigned fund balance.

TOWN OF JULESBURG
Notes to Financial Statements

Note B – Cash and deposits

Cash and deposits

Colorado State statutes govern the Town's deposit of cash. The Public Deposit Protection Acts (PDPA) for banks and savings and loans require state regulators to certify eligible depositories for public deposits. The PDPA require eligible depositories with public deposits in excess of federal insurance levels to create a single institution collateral pool of defined eligible assets. Eligible collateral includes obligations of the United States, obligations of the State of Colorado or Colorado local governments and obligations secured by first lien mortgages on real property located in the state. The pool is to be maintained by another institution or held in trust for all uninsured public deposits as a group and not held in any individual government's name. The fair value of the assets in the pool must be at least equal to 102% of the aggregate uninsured deposits.

Custodial credit risk – deposits – Custodial 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 year-end, the Town had total deposits of \$3,056,059 of which \$260,420 was insured and \$2,795,639 was collateralized with securities held by the pledging institution's trust department or agent in the Town's name.

Investments

Authorized investments – Investment policies are governed by Colorado State Statutes and the Town's own investment policies and procedures. Investments of the Town may include:

- Obligations of the United States Government such as treasury bills, notes and bonds
- Certain international agency securities
- General obligation and revenue bonds of United States local government entities
- Bankers acceptances of certain banks
- Commercial paper
- Local government investment pools
- Written repurchase agreements collateralized by certain authorized securities
- Certain money market funds
- Guaranteed investment contracts

TOWN OF JULESBURG
Notes to Financial Statements

Note C – Interfund transactions

The following is a summary of interfund borrowings and transfers for the year as presented in the fund financial statements:

<u>Interfund Receivable</u>	<u>Interfund Payable</u>	<u>Amount</u>
General Fund	Capital Improvement Fund	\$ 3,391
General Fund	Capital Replacement Fund	3,730
General Fund	Electric Fund	91,077
General Fund	Sewer Fund	18,867
Water Fund	Capital Improvement Fund	<u>100,000</u>
Totals		<u>\$ 217,065</u>

All balances resulted from the time lag between the dates that (1) interfund reimbursable expenditures occur, (2) transactions are recorded in the accounting system, and (3) payments between funds are made.

<u>Transfers in</u>	<u>Transfers out</u>	<u>Amount</u>
General Fund	Electric Fund	<u>\$ 60,000</u>

Transfers are used to move revenues from the fund that statute or budget requires to collect them to the fund that statute or budget requires to expend them. The Town transferred funds from the Electric Fund to the General Fund to provide funds for repair and maintenance costs incurred in the Streets Department.

Note D – Receivables

Receivables at year-end consist of the following:

	<u>Governmental Activities</u>	<u>Business-type Activities</u>	<u>Total Receivables</u>
Property taxes	\$ 358,428	\$ -	\$ 358,428
Utility billings	-	247,844	247,844
Other taxes	46,920	-	46,920
Special assessments	<u>4,027</u>	<u>-</u>	<u>4,027</u>
Total	<u>\$ 409,375</u>	<u>\$ 247,844</u>	<u>\$ 657,219</u>

TOWN OF JULESBURG
Notes to Financial Statements

Note D – Receivables (Continued)

Property taxes are levied on December 15th and attach as a lien on property the following January 1st. They are payable in full by April 30th or are due in two equal installments on February 28th and June 15th. Sedgwick County bills and collects property taxes for all taxing entities within the County. The tax receipts collected by the county are remitted to the Town in the subsequent month.

Note E – Capital assets

Capital asset activity for the year was as follows:

	<u>Beginning Balance</u>	<u>Additions</u>	<u>Deletions/ Transfers</u>	<u>Ending Balance</u>
Governmental activities				
Capital assets, not being depreciated:				
Land	\$ 188,376	\$ -	\$ -	\$ 188,376
Total capital assets, not being depreciated	188,376	-	-	188,376
Capital assets, being depreciated:				
Land improvements	2,452,107	234,579	-	2,686,686
Buildings and improvements	1,771,307	66,485	-	1,837,792
Equipment	624,617	2,719	-	627,336
Total capital assets, being depreciated	4,848,031	303,783	-	5,151,814
Total capital assets	5,036,407	303,783	-	5,340,190
Less accumulated depreciation for:				
Land improvements	(894,210)	(60,520)	-	(954,730)
Buildings and improvements	(784,609)	(64,252)	-	(848,861)
Equipment	(538,266)	(12,255)	-	(550,521)
Total accumulated depreciation	(2,217,085)	(137,027)	-	(2,354,112)
Governmental activities capital assets, net	\$ 2,819,322	\$ 166,756	\$ -	\$ 2,986,078

TOWN OF JULESBURG
Notes to Financial Statements

Note E – Capital assets (Continued)

	<u>Beginning Balance</u>	<u>Additions</u>	<u>Deletions/ Transfers</u>	<u>Ending Balance</u>
Business-type activities				
Capital assets, not being depreciated:				
Land	\$ 23,250	\$ -	\$ -	\$ 23,250
Construction in progress	<u>378,197</u>	<u>25,906</u>	<u>-</u>	<u>404,103</u>
Total capital assets, not being depreciated	401,447	25,906	-	427,353
Capital assets, being depreciated				
Buildings and improvements	368,699	-	-	368,699
Machinery and equipment	1,174,971	145,828	(27,678)	1,293,121
Furniture and fixtures	62	-	-	62
Systems	<u>8,914,884</u>	<u>138,075</u>	<u>-</u>	<u>9,052,959</u>
Total capital assets, being depreciated	<u>10,458,616</u>	<u>283,903</u>	<u>(27,678)</u>	<u>10,714,841</u>
Total capital assets	10,860,063	309,809	(27,678)	11,142,194
Less accumulated depreciation for:				
Buildings and improvements	(214,602)	(6,991)	-	(221,593)
Machinery and equipment	(743,934)	(22,716)	27,678	(738,972)
Furniture and fixtures	(62)	-	-	(62)
Systems	<u>(4,404,678)</u>	<u>(177,533)</u>	<u>-</u>	<u>(4,582,211)</u>
Total accumulated depreciation	<u>(5,363,276)</u>	<u>(207,240)</u>	<u>27,678</u>	<u>(5,542,838)</u>
Business-type activities capital assets, net	<u>\$ 5,496,787</u>	<u>\$ 102,569</u>	<u>\$ -</u>	<u>\$ 5,599,356</u>

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

Governmental activities	
General government	\$ 10,813
Public safety	29,001
Public works	56,774
Culture and recreation	<u>40,439</u>
Total governmental activities	137,027

TOWN OF JULESBURG
Notes to Financial Statements

Note E – Capital assets (Continued)

Business-type activities

Electric	32,236
Water	70,227
Sewer	65,160
Sanitation	18,725

In addition, depreciation on capital assets held by the Town's internal service fund is charged to the various functions based on the percentage of contribution to the fund. 20,892

Total business-type activities 207,240

Total depreciation expense \$ 344,267

Note F – Long-term debt

The following is a summary of the changes in long-term debt for the year:

	<u>Beginning Balances</u>	<u>Additions</u>	<u>Reductions</u>	<u>Ending Balances</u>	<u>Due within one year</u>
Governmental activities					
Compensated absences	\$ 14,046	\$ 2,591	\$ -	\$ 16,637	\$ -

The compensated absences attributable to the governmental activities will be liquidated primarily by the General Fund. The Town believes that the current portion of compensated absences is negligible and is therefore not reported.

	<u>Beginning Balances</u>	<u>Additions</u>	<u>Reductions</u>	<u>Ending Balances</u>	<u>Due within one year</u>
Business-type activities					
Compensated absences	\$ 19,155	\$ -	\$ (522)	\$ 18,633	\$ -
Notes from direct borrowings	600,481	-	(70,882)	529,599	73,599
Total	\$ 619,636	\$ -	\$ (71,404)	\$ 548,232	\$ 73,599

TOWN OF JULESBURG
Notes to Financial Statements

Note F – Long-term debt (Continued)

Notes payable

Notes payable at year-end consist of the following individual issues:

\$800,000 agreement with Colorado Water Resources and Power Development Authority dated May 15, 2002, due in semi-annual installments ranging from \$19,496 to \$29,409, including interest, through 2022. The agreement was entered into in order to facilitate the modification of the Town's wastewater treatment facility.	\$ 57,099
\$693,000 agreement with Rural Development to refinance an interim loan with the Colorado Water Resources and Power Development Authority, due in semi-annual installments ranging from \$6,898 to \$19,025, including interest, through 2040.	<u>472,500</u>
Total	<u>\$ 529,599</u>

The Town's outstanding note with CWRPDA in the amount of \$57,099 is secured with collateral of the net revenue from operation and use of the system as defined in the loan agreement. This outstanding note contains (1) a provision that in an event of default as defined in the loan agreement, the Authority shall have the right to withhold disbursement of loan funds remaining, and take such other action at law or in equity as may appear necessary to enforce the performance and observance of any duty, covenant, obligation, or agreement including, without limitation, appointment ex parte of a receiver of the system.

The Town's outstanding note with Rural Development in the amount of \$472,500 is secured by a lien on the net revenues of the enterprise. This outstanding note contains (1) a provision that in an event of default as defined in the loan agreement the lender shall have the option to declare the entire principal amount then outstanding and accrued interest immediately due and payable, (2) incur and pay reasonable expenses for repair, maintenance, and operation of the facility and such other reasonable expenses as may be necessary to cure the cause of default, and/or (3) take possession of the facility, repair, maintain, and operate or rent it.

TOWN OF JULESBURG
Notes to Financial Statements

Note F – Long-term debt (Continued)

The following schedule represents the Town's debt service requirements to maturity for the outstanding notes from direct borrowings related to business-type activities at year-end:

<u>Year ended December 31,</u>	<u>Principal</u>	<u>Interest</u>
2022	\$ 73,599	\$ 22,801
2023	17,000	20,329
2024	18,000	19,553
2025	19,000	18,731
2026	19,500	17,876
2027-2031	112,500	75,150
2032-2036	140,000	47,183
2037-2040	130,000	12,960
Totals	<u>\$ 529,599</u>	<u>\$ 234,583</u>

Note G – Risk management

The Town is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; injuries to employees; and natural disasters. The Town has affiliated with the Colorado Intergovernmental Risk Sharing Agency (CIRSA) to provide protection against losses incurred related to property, casualty, general liability and workers compensation claims. CIRSA is a separate legal entity established by member municipalities pursuant to the provisions of the Colorado Revised Statutes and the Colorado Constitution. The purposes of CIRSA are to provide members defined liability, property and workers compensation coverages and to assist members to prevent and reduce losses and injuries to municipal property and to persons or property which might result in claims being made against members of CIRSA, their employees, or officers. The Town makes an annual contribution to CIRSA for its insurance coverage. For the year, the Town's financial contribution to CIRSA was \$79,064. Contingent liability claims for the coverage have not been recognized to date after reviewing claim history and the remoteness of potential loss in excess of actual contributions by the Town. Settled claims resulting from these risks have not exceeded commercial insurance coverage or the deductible in any of the past three years. There has been no significant reduction in insurance coverage from the prior year in any of the major categories of risk.

TOWN OF JULESBURG
Notes to Financial Statements

Note H – Pension plans

Town of Julesburg Volunteer Fire Pension Plan

Summary of significant accounting policies

Pensions. For purposes of measuring the net pension liability, deferred outflows of resources and deferred inflows of resources related to pensions, and pension expense, information about the fiduciary net position of the Town of Julesburg Volunteer Fire Pension Plan and additions to/deductions from Town of Julesburg Volunteer Fire Pension Plan's net position have been determined using the economic resources measurement focus and the accrual basis of accounting. For this purpose, benefit payments are recognized when due and payable in accordance with the benefit terms. Investments are reported at fair value.

General information about the pension plan

Plan description. The Town's defined benefit pension plan, Town of Julesburg Volunteer Fire Pension Plan, provides retirement and death benefits to plan members and beneficiaries for volunteer firefighters. The plan is a single-employer pension plan administered by the Pension Board. The Pension Board has the authority to establish and amend the benefit provisions of the plan.

Management of the Town of Julesburg Volunteer Fire Pension Plan is vested in the local Pension Board, which consists of the Town Mayor, a rural fire department board member, and three representatives of the local fire department serving the Town.

Plan membership. At year-end, pension plan membership consisted of the following:

Inactive plan members or beneficiaries currently receiving benefits	20
Inactive plan members entitled to but not yet receiving benefits	-
Active plan members	<u>17</u>
Total	<u><u>37</u></u>

Benefits provided. The Town of Julesburg Volunteer Fire Department Pension Plan provides retirement and death benefits. Any firefighter who has both reached the age of 50 and completed 20 years of active service shall be eligible for a monthly pension (currently \$50 per month). The plan also provides for a lump-sum burial benefit of \$100 upon death of an active firefighter.

TOWN OF JULESBURG
Notes to Financial Statements

Note H – Pension plans (Continued)

Contributions. Contribution requirements of the Town are established by the local Pension Board. The plan is noncontributory regarding participants. Contributions to the plan for the year ended December 31, 2021 included \$3,500 from the Town, \$5,075 from the Julesburg Fire Protection District, and \$3,150 from the State of Colorado matching funds.

Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions

At December 31, 2021 the Town reported a net pension liability of \$166,640. The net pension liability was measured as of December 31, 2020, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of January 1, 2021.

For the year ended December 31, 2021, the Town recognized pension expense of (\$3,583). At December 31, 2021, the Town reported deferred outflows of resources related to pensions from the following sources:

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Net difference between projected and actual investment earnings	\$ 2,486	\$ -
Changes in assumptions and other inputs		38,581
Difference between expected and actual experience	8,302	4,432
Contributions subsequent to measurement date	<u>3,500</u>	<u>-</u>
Totals	<u>\$ 14,288</u>	<u>\$ 43,013</u>

\$3,500 reported as deferred outflows of resources related to pensions resulting from Town contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the subsequent year. Other amounts reported as deferred outflows of resources related to pensions will be recognized in pension expense as follows:

TOWN OF JULESBURG
Notes to Financial Statements

Note H – Pension plans (Continued)

Year Ended December 31, _____	<u>Amount</u>
2022	\$ (5,794)
2023	(5,794)
2024	(5,856)
2025	(6,373)
2026	(6,576)
2027	(4,545)
2028	193
2029	193
2030	193
2031	193
2032	193
2033	193
2034	193
2035	193
2036	193
2037	488
2038	<u>488</u>
Totals	<u>\$ (32,225)</u>

Actuarial assumptions. The total pension liability in the January 1, 2021 actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

Actuarial cost method	Entry age actuarial
Amortization method	Level dollar, open
Remaining amortization period	40 years
Asset valuation method	Market value
Inflation	2.75%
Salary increases	N/A
Investment rate of return	1.75% (net of expenses paid from the fund)
Retirement age	Age 50 and 20 years of service

Mortality rates were based on the Modified 1994 Group Annuity Mortality table and have been modified to account for the small group of lives covered by the plan by eliminating mortality before age 65.

TOWN OF JULESBURG
Notes to Financial Statements

Note H – Pension plans (Continued)

The long-term expected rate of return on pension plan investments was determined using a best-estimate of expected future real rates of return (expected returns, net of pension plan investment expense). These amounts are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the asset allocation percentage. Best estimates of arithmetic real rates of return for the Town's current holdings of cash and certificates of deposit included in the Plan's assets as of December 31, 2020 are summarized in the above table.

Discount rate. The discount rate used to measure the total pension liability was 4.50 percent. The projection of cash flows used to determine the discount rate assumed that Town contributions will be made at rates equal to the difference between actuarially determined contribution rates and the employee rate. Based on those assumptions, the pension plan's fiduciary net position was projected to be available to make all projected future benefit payments of current and inactive volunteers. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

Sensitivity of the Town's net pension liability to changes in the discount rate. The following presents the Town's net pension liability calculated using the discount rate of 4.50 percent, as well as what the Town's net pension liability would be if it were calculated using a discount rate that is 1-percentage point lower (3.50 percent) or 1-percentage point higher (5.50 percent) than the current rate:

	1% Decrease <u>(3.50%)</u>	Current Discount <u>(4.50%)</u>	1% Increase <u>(5.50%)</u>
Net pension liability	\$ <u>191,798</u>	\$ <u>166,640</u>	\$ <u>145,897</u>

Pension plan fiduciary net position. Detailed information about the pension plan's fiduciary net position is available in the separately issued Town of Julesburg Fireman Pension Fund financial report.

Payables to the pension plan

The Town did not report any payables to the pension plan at year-end.

TOWN OF JULESBURG
Notes to Financial Statements

Note H – Pension plans (Continued)

Defined Contribution Plan

The Town contributes to the Colorado County Officials and Employees Retirement Plan (the Plan), a defined contribution plan administered by the Colorado County Officials and Employees Retirement Association (CCOERA).

Benefit terms, including contribution requirements, for the Plan are established and may be amended by the Town Council. The Town's contribution is a minimum of 3 percent of covered salary, but may be increased beyond this amount. All eligible employees are required to contribute an amount equal to the contribution by the Town. For the year employee contributions totaled \$30,317, and the Town recognized pension expense of \$10,258.

Employees are immediately vested in their own contributions, Town contributions, and earnings on those contributions.

Note I – Deferred compensation plan

The Town has a deferred compensation plan created in accordance with the Internal Revenue Code Section 457. This plan is administered and held in trust by an independent plan administrator through an administrative service agreement. Employees defer a portion of their salary until future years. Deferred compensation is not available to employees until termination, retirement, death or financial hardship.

Amendments to the laws governing Section 457 deferred compensation plans substantially became effective January 1, 1997 as the Town transferred the assets to the Colorado County Officials and Employees Retirement Association (CCOERA) Deferred Compensation Trust. These assets are held in trust for the exclusive benefit of the plan participants and their beneficiaries. The assets will not be diverted for any other purpose.

Note J – Commitments and contingencies

State and federal funding

The Town receives revenues from various state and federal grant programs which are subject to final review and approval by the grantor agencies. The amount, if any, of expenditures which may be disallowed by the granting agencies cannot be determined at this time although the Town expects such amounts, if any, to be immaterial.

TOWN OF JULESBURG
Notes to Financial Statements

Note J – Commitments and contingencies (Continued)

TABOR Amendment

In November 1992, Colorado voters passed an amendment, commonly known as the Taxpayer's Bill of Rights (TABOR), to the State Constitution (Article X, Section 20) which limits the revenue raising and spending abilities of state and local governments. The limits on property taxes, revenue, and "fiscal year spending" include allowable annual increases tied to inflation and local growth. Fiscal year spending as defined by the amendment excludes spending from certain revenue and financing sources such as federal funds, gifts, property sales, fund transfers, damage awards, and fund reserves (balances). The amendment requires voter approval for any increase in mill levy or tax rates, new taxes, or creation of multi-year debt. Revenue earned in excess of the "spending limit" must be refunded or approved to be retained by the Town under specified voting requirements by the entire electorate. In November 1996, the voters of the Town approved a ballot initiative permitting the Town to retain, appropriate, and utilize, by retention for reserve, carryover fund balance, or expenditure, the full proceeds and revenues received from every source whatsoever, without limitation, in this fiscal year and all subsequent fiscal years notwithstanding any limitation of Article X, Section 20 of the Colorado Constitution. TABOR is complex and subject to judicial interpretation. The Town believes it is in compliance with the requirements of TABOR. However, the Town has made certain interpretations of TABOR's language in order to determine its compliance. The Town has reserved funds in the General Fund in the amount of \$26,000 for the emergency reserve.

Colorado local government budget laws

Expenditures in the Conservation Trust, Sanitation ,Capital Replacement and Firemen's Pension Funds exceeded their appropriations by \$10,988, \$24,460, \$67,136 and \$400, respectively, and may be in violation of local government budget laws.

CWRPDA loan covenants

Rate covenant – during the loan term, the Town shall establish, impose and collect, rents, rates and other charges for the products and services provided by the system, which shall be at least sufficient, together with other amounts available therefore, and after meeting the operation and maintenance expenses of the system, to pay 110% of the debt service coming due in such calendar year. The net operating revenues of the Sewer Fund was 233% of the current year's debt service, respectively.

Operations and maintenance fund – the Town shall maintain an operations and maintenance reserve in an amount equal to three months of operation and maintenance expenses, excluding depreciation, of the system as set forth in the annual budget for the current fiscal year. Said reserve may be in the form of unobligated fund balances or other unobligated cash or securities or may be in a separate segregated fund. Unobligated fund balances in the Sewer Fund exceeded the required reserve by \$174,518.

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Required Supplementary Information

Required supplementary information includes financial information and disclosures that are required by the Governmental Accounting Standards Board but are not considered a part of the basic financial statements. Such information includes:

- Schedule of Changes in the Town's Net Pension Liability/(Asset) and Related Ratios – Town of Julesburg Volunteer Fire Pension Plan
- Schedule of Town Contributions – Town of Julesburg Volunteer Fire Pension Plan
- Schedule of Investment Return – Town of Julesburg Volunteer Fire Pension Plan
- Budgetary Comparison Schedule – General Fund
- Budgetary Comparison Schedule – Capital Improvement Fund

TOWN OF JULESBURG, COLORADO**Schedule of Changes in the Town's Net Pension Liability/(Asset) and Related Ratios ¹****Town of Julesburg Volunteer Fire Pension Plan****Last 10 Fiscal Years**

	2021	2020	2019
Total pension liability			
Service cost	\$ 3,285	\$ 3,499	\$ 5,195
Interest on the total pension liability	8,411	8,530	4,993
Benefit changes	-	-	-
Differences between expected and actual experience	-	-	-
Assumption changes	8,790	(5,023)	(58,887)
Benefit payments	(9,350)	(9,600)	(9,900)
Net change in total pension liability	11,136	(2,594)	(58,599)
Total pension liability - beginning	189,472	192,066	250,665
Total pension liability - ending (a)	<u>\$ 200,608</u>	<u>\$ 189,472</u>	<u>\$ 192,066</u>
Plan fiduciary net position			
Employer contributions	\$ 3,500	\$ 3,500	\$ 3,500
Volunteer Fire Protection District contribution	5,075	5,075	3,500
Pension plan net investment income	330	(1,293)	224
Benefit payments	(9,350)	(9,600)	(9,900)
Pension plan administrative expenses	-	-	-
State of Colorado matching funds	3,150	3,150	4,800
Net change in plan fiduciary net position	2,705	832	2,124
Plan fiduciary net position - beginning	31,263	30,431	28,307
Plan fiduciary net position - ending (b)	<u>\$ 33,968</u>	<u>\$ 31,263</u>	<u>\$ 30,431</u>
Town's net pension liability/(asset) - ending (a) - (b)	<u>\$ 166,640</u>	<u>\$ 158,209</u>	<u>\$ 161,635</u>
Plan fiduciary net position as a percentage of the total pension liability	16.93%	16.50%	15.84%
Covered payroll	N/A	N/A	N/A
Town's net pension liability as a percentage of covered payroll	N/A	N/A	N/A

* The amounts presented for each fiscal year were determined as of December 31 of the prior year.

¹ Until a full 10-year trend is compiled, the Town will present information for those years for which information is available.

2018	2017	2016	2015
\$ 5,529	\$ 5,858	\$ 6,019	\$ 5,898
5,000	4,931	4,888	4,790
-	-	-	-
(4,892)	2,556	6,056	5,934
-	-	-	-
(9,900)	(9,900)	(9,900)	(8,640)
(4,263)	3,445	7,063	7,982
254,928	251,483	244,420	236,438
<u>\$ 250,665</u>	<u>\$ 254,928</u>	<u>\$ 251,483</u>	<u>\$ 244,420</u>
\$ 3,500	\$ 3,500	\$ 3,500	\$ 3,500
5,075	3,500	3,500	3,500
154	113	103	97
(9,900)	(9,900)	(9,900)	(8,640)
-	-	-	-
3,150	3,150	3,150	3,150
1,979	363	353	1,607
26,328	25,965	25,612	24,005
<u>\$ 28,307</u>	<u>\$ 26,328</u>	<u>\$ 25,965</u>	<u>\$ 25,612</u>
<u>\$ 222,358</u>	<u>\$ 228,600</u>	<u>\$ 225,518</u>	<u>\$ 218,808</u>
11.29%	10.33%	10.32%	10.48%
N/A	N/A	N/A	N/A
N/A	N/A	N/A	N/A

TOWN OF JULESBURG, COLORADO
Schedule of Town Contributions ¹
Town of Julesburg Volunteer Fire Pension Plan
Last 10 Fiscal Years

Fiscal Year Ending December 31,	Actuarially Determined Contribution	Actual Contribution *	Contribution Deficiency (Excess)	Covered Payroll	Actuarial Contribution as a % of Covered Payroll
(a)	(b)	(c)	(d) = (b) - (c)	(e)	(f)
2021	\$ 12,925	\$ 11,725	\$ 1,200	N/A	N/A
2020	\$ 12,579	\$ 11,725	\$ 854	N/A	N/A
2019	\$ 12,995	\$ 11,725	\$ 1,270	N/A	N/A
2018	\$ 18,450	\$ 10,150	\$ 8,300	N/A	N/A
2017	\$ 19,020	\$ 11,725	\$ 7,295	N/A	N/A
2016	\$ 19,020	\$ 10,150	\$ 8,870	N/A	N/A
2015	\$ 19,020	\$ 10,150	\$ 8,870	N/A	N/A
2014	\$ 19,020	\$ 10,150	\$ 8,870	N/A	N/A

* Includes employer, district and State of Colorado matching funds.

¹ Until a full 10-year trend is compiled, the Town will present information for those years for which information is available.

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TOWN OF JULESBURG, COLORADO
Schedule of Investment Returns ¹
Town of Julesburg Volunteer Fire Pension Plan
Last 10 Fiscal Years

	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>
Annual money-weighted rate of return, net of investment expense	4.45%	-4.49%	0.84%	0.63%

¹ Until a full 10-year trend is compiled, the Town will present information for those years for which information is available.

<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>
-1.63%	0.42%	0.42%	0.41%

TOWN OF JULESBURG, COLORADO
General Fund
Budgetary Comparison Schedule
For the Year Ended December 31, 2021

	Budgeted Amounts			Variance with Final Budget Favorable (Unfavorable)
	Original	Final	Actual	
Revenues				
Taxes	\$ 394,762	\$ 394,762	\$ 401,930	\$ 7,168
Licenses and permits	7,746	7,746	5,092	(2,654)
Intergovernmental revenue	144,717	144,717	96,647	(48,070)
Charges for services	41,200	41,200	47,526	6,326
Fines and forfeitures	1,500	1,500	482	(1,018)
Miscellaneous revenue	201,541	201,541	213,915	12,374
Total revenues	791,466	791,466	765,592	(25,874)
Expenditures				
Current				
General government	316,166	316,166	255,103	61,063
Public safety	116,801	116,801	95,916	20,885
Public works	283,304	343,304	308,214	35,090
Culture and recreation	275,640	275,640	268,502	7,138
Total expenditures	991,911	1,051,911	927,735	124,176
Excess of revenues over (under) expenditures	(200,445)	(260,445)	(162,143)	98,302
Other financing sources				
Transfers in		60,000	60,000	-
Total other financing sources	-	60,000	60,000	-
Net change in fund balance	\$ (200,445)	\$ (200,445)	(102,143)	\$ 98,302
Fund balance at beginning of year			673,845	
Fund balance at end of year			\$ 571,702	

TOWN OF JULESBURG, COLORADO
Capital Improvement Fund
Budgetary Comparison Schedule
For the Year Ended December 31, 2021

	Budgeted Amounts			Variance with Final Budget Favorable (Unfavorable)
	Original	Final	Actual	
Revenues				
Taxes				
Sales taxes	\$ 160,000	\$ 160,000	\$ 198,992	\$ 38,992
Miscellaneous				
Interest on investments	3,100	3,100	457	(2,643)
Total revenues	163,100	163,100	199,449	36,349
Expenditures				
Capital outlay	340,000	340,000	187,627	152,373
Total expenditures	340,000	340,000	187,627	152,373
Excess of revenues over (under) expenditures	<u>\$ (176,900)</u>	<u>\$ (176,900)</u>	11,822	<u>\$ (116,024)</u>
Fund balance at beginning of year			107,228	
Fund balance at end of year			<u>\$ 119,050</u>	

TOWN OF JULESBURG, COLORADO
Notes to the Required Supplementary Information

Note A – Budgetary data

Annual budgets are established for all funds of the Town as required by state budget laws. Budgets for all funds are adopted on a basis consistent with generally accepted accounting principles except for the enterprise and internal service funds in which capital and principal retirement expenses are treated as operating expenses and depreciation expense is not budgeted.

An appropriated budget for the entity as a whole is prepared on a detailed basis. Revenues are budgeted by source. Expenditures are budgeted by department and the major divisions thereof and by each independent office and agency and by the principal objects of expenditure. The legal level of control is considered to be the entity as a whole and expenditures may not exceed appropriations at this level. All budget revisions at this level are subject to final review and approval by Town council. Within these control levels, management may transfer appropriations without Town council approval. Revisions to the budget were made during the year.

The Town follows these procedures in establishing the budgetary data reflected in the financial statements:

- On or before September 20th of each year, or in conformity with the general state law, the Town clerk submits to the Town council a budget which shall be a complete financial plan for the ensuing fiscal year.
- At the same time the budget is submitted, the Town manager shall also prepare an appropriation ordinance making a levy in mills upon all taxable property within the Town for the ensuing fiscal year.
- A public hearing on the budget shall be held by Town council two weeks after its submission. Notice of the time and place of said hearing shall be published within three days after the submission of the budget.
- Prior to December 15th, or in conformity with the general state law, the Town council shall adopt the budget and the tax levy ordinance.
- Any portion of any annual appropriation remaining unexpended and unencumbered at the close of the budget year shall be declared surplus and included in the budget for the ensuing year as those appropriations lapse at year-end.

Other Supplementary Information

Other supplementary information includes financial statements and schedules not required by the Governmental Accounting Standards Board, nor a part of the basic financial statements, but are presented for purposes of additional analysis.

Such statements and schedules include:

- Budgetary Comparison Schedules – General Fund Revenues and Expenditures
- Budgetary Comparison Schedule – Nonmajor Governmental Fund
- Budgetary Comparison Schedules – Proprietary Funds
- Budgetary Comparison Schedule – Internal Service Fund
- Budgetary Comparison Schedule – Fiduciary Fund

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Budgetary Comparison Schedules – General Fund

The General Fund accounts for all transactions of the Town not required to be accounted for in other funds. This fund represents an accounting of the Town's ordinary operations financed primarily from tax dollars and intergovernmental aid. It is the most significant fund in relation to the Town's overall operations. The budgetary comparison schedules of revenues and expenditures are included to provide a greater level of detail to the reader of the financial statements.

TOWN OF JULESBURG, COLORADO
General Fund
Budgetary Comparison Schedule - Revenues
For the Year Ended December 31, 2021

	Budgeted Amounts			Variance with Final Budget Favorable (Unfavorable)
	Original	Final	Actual	
Taxes				
Local property taxes	\$ 343,942	\$ 343,942	\$ 343,804	\$ (138)
Delinquent taxes and interest	1,800	1,800	792	(1,008)
Specific ownership taxes	33,000	33,000	43,565	10,565
Franchise taxes	16,000	16,000	13,386	(2,614)
Severance taxes	20	20	383	363
Total taxes	394,762	394,762	401,930	7,168
Licenses and permits	7,746	7,746	5,092	(2,654)
Intergovernmental				
Highway users tax	104,950	104,950	61,424	(43,526)
Motor vehicle assessment	5,200	5,200	6,285	1,085
Road and bridge tax	33,367	33,367	27,391	(5,976)
Cigarette tax	1,200	1,200	1,547	347
Total intergovernmental	144,717	144,717	96,647	(48,070)
Charges for services				
General government	8,400	8,400	6,880	(1,520)
Airport	21,000	21,000	24,131	3,131
Recreation	6,000	6,000	9,462	3,462
Pool	4,000	4,000	5,295	1,295
Pool concession	1,800	1,800	1,758	(42)
Total charges for services	41,200	41,200	47,526	6,326
Fines and forfeitures	1,500	1,500	482	(1,018)
Miscellaneous revenues				
Interest on investments	8,000	8,000	533	(7,467)
Donations	100	100	20,886	20,786
Tower leases	6,241	6,241	6,922	681
Grants	154,000	154,000	153,566	(434)
Reimbursements	32,400	32,400	11,147	(21,253)
Other	800	800	20,861	20,061
Total miscellaneous revenues	201,541	201,541	213,915	12,374
Total revenues	\$ 791,466	\$ 791,466	\$ 765,592	\$ (25,874)

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TOWN OF JULESBURG, COLORADO
General Fund
Budgetary Comparison Schedule - Expenditures
For the Year Ended December 31, 2021

	Budgeted Amounts			Variance with Final Budget Favorable (Unfavorable)
	Original	Final	Actual	
General government				
Administrative salaries	\$ 29,193	\$ 29,193	\$ 28,519	\$ 674
Legislative - town council	7,500	7,500	6,909	591
Employee benefits	11,019	11,019	10,670	349
Office supplies	6,500	6,500	9,921	(3,421)
Professional services	27,200	27,200	26,199	1,001
Insurance and bonds	24,000	24,000	20,881	3,119
County treasurer's fees	7,000	7,000	6,847	153
Advertising and legal notices	4,400	4,400	2,698	1,702
Dues and subscriptions	1,900	1,900	1,555	345
Office cleaning	538	538	493	45
Repairs and maintenance	3,000	3,000	2,327	673
Public utilities	3,400	3,400	2,829	571
Economic development	4,800	4,800	1,420	3,380
Miscellaneous	185,716	185,716	117,758	67,958
Capital outlay			16,077	(16,077)
Total general government	316,166	316,166	255,103	61,063
Public safety				
Police				
Salaries	1,200	1,200	1,200	-
Employee benefits	92	92	92	-
Miscellaneous	625	625	259	366
Law enforcement	57,000	57,000	57,000	-
Total police	58,917	58,917	58,551	366
Fire				
Salaries	2,400	2,400	2,400	-
Employee benefits	3,684	3,684	3,684	-
Supplies	4,800	4,800	1,787	3,013
Repairs and maintenance	6,100	6,100	6,928	(828)
Public utilities	5,700	5,700	5,775	(75)
Fuel and oil	2,500	2,500	451	2,049
Miscellaneous	18,700	18,700	11,882	6,818
Capital outlay	14,000	14,000	4,458	9,542
Total fire	57,884	57,884	37,365	20,519
Total public safety	116,801	116,801	95,916	20,885

	Budgeted Amounts			Variance with Final Budget Favorable (Unfavorable)
	Original	Final	Actual	
Public works				
Streets and highways				
Salaries	36,900	36,900	28,031	8,869
Employee benefits	27,104	27,104	23,922	3,182
Supplies	3,300	3,300	4,186	(886)
Street maintenance	50,000	110,000	22,011	87,989
Crack filler	12,000	12,000	5,210	6,790
Public utilities	3,500	3,500	2,614	886
Equipment maintenance	10,000	10,000	11,636	(1,636)
Fuel and oil	9,800	9,800	7,063	2,737
Street lighting	32,000	32,000	31,520	480
Miscellaneous	3,900	3,900	21,252	(17,352)
Capital outlay	75,000	75,000	142,894	(67,894)
Total streets and highways	263,504	323,504	300,339	23,165
Sanitation				
Weed and pest control	8,000	8,000		8,000
Airport				
Repairs and maintenance	5,000	5,000	509	4,491
Insurance and bonds	3,600	3,600	3,950	(350)
Public utilities	3,200	3,200	3,416	(216)
Total airport	11,800	11,800	7,875	3,925
Total public works	283,304	343,304	308,214	35,090
Culture and recreation				
Library				
Salaries	35,900	35,900	35,942	(42)
Employee benefits	23,239	23,239	27,656	(4,417)
Supplies	8,000	8,000	18,394	(10,394)
Repairs and maintenance	10,000	10,000	11,298	(1,298)
Public utilities	5,180	5,180	7,369	(2,189)
Office cleaning	1,320	1,320	495	825
Insurance and bonds	500	500	500	-
Miscellaneous	5,000	5,000	3,486	1,514
Total library	89,139	89,139	105,140	(16,001)

(continued)

TOWN OF JULESBURG, COLORADO
General Fund
Budgetary Comparison Schedule - Expenditures
For the Year Ended December 31, 2021

(continued)

	Budgeted Amounts		Actual	Variance with Final Budget Favorable (Unfavorable)
	Original	Final		
Parks				
Salaries	43,540	43,540	46,121	(2,581)
Employee benefits	27,760	27,760	23,584	4,176
Supplies	4,000	4,000	5,008	(1,008)
Public utilities	2,700	2,700	2,602	98
Repairs and maintenance	5,000	5,000	6,858	(1,858)
Fuel and oil	2,000	2,000	2,911	(911)
Miscellaneous	6,500	6,500	581	5,919
Total parks	91,500	91,500	87,665	3,835
Recreation				
Salaries	10,000	10,000	6,320	3,680
Employee benefits	765	765	420	345
Supplies	13,700	13,700	8,275	5,425
Insurance	6,500	6,500	1,026	5,474
Public utilities	900	900	543	357
Repairs and maintenance	4,000	4,000	4,323	(323)
Miscellaneous	8,000	8,000	380	7,620
Total recreation	43,865	43,865	21,287	18,553
Swimming pool				
Salaries	24,000	24,000	29,635	(5,635)
Employee benefits	1,836	1,836	2,387	(551)
Supplies	6,500	6,500	7,362	(862)
Public utilities	8,000	8,000	7,035	965
Repairs and maintenance	5,000	5,000	2,144	2,856
Insurance and bonds	2,000	2,000	1,829	171
Concessions	1,800	1,800	944	856
Miscellaneous	2,000	2,000	3,074	(1,074)
Total swimming pool	51,136	51,136	54,410	(3,274)
Total culture and recreation	275,640	275,640	268,502	3,113
Total expenditures	\$ 991,911	\$ 1,051,911	\$ 927,735	\$ 124,176

Budgetary Comparison Schedule – Nonmajor Governmental Fund

The Town reports the following nonmajor governmental fund:

Special Revenue Funds – These funds account for the proceeds of specific revenue sources that are legally restricted to expenditures for specified purposes.

- Conservation Trust Fund – This fund was established to account for the state lottery proceeds and allowable expenditures.

TOWN OF JULESBURG, COLORADO
Conservation Trust Fund
Budgetary Comparison Schedule
For the Year Ended December 31, 2021

	Budgeted Amounts			Variance with Final Budget Favorable (Unfavorable)
	Original	Final	Actual	
Revenues				
Intergovernmental revenue				
State lottery revenues	\$ 13,000	\$ 13,000	\$ 13,882	\$ 882
Miscellaneous				
Interest on investments	1,600	1,600	325	(1,275)
Total revenues	14,600	14,600	14,207	(393)
Expenditures				
Culture and recreation	30,000	30,000	40,988	(10,988)
Total expenditures	30,000	30,000	40,988	(10,988)
Excess of revenues over (under) expenditures	<u>\$ (15,400)</u>	<u>\$ (15,400)</u>	(26,781)	<u>\$ (11,381)</u>
Fund balance at beginning of year			123,049	
Fund balance at end of year			<u>\$ 96,268</u>	

Budgetary Comparison Schedules – Proprietary Funds

The Town reports the following major proprietary funds:

Enterprise Funds – These funds are used to account for operations that provide services that are financed primarily by user charges, or activities where periodic measurement of income is appropriate for capital maintenance, public policy, management control or other purposes.

- Electric Fund – This fund was established to account for all operations of the electric utility services provided by the Town.
- Water Fund – This fund was established to account for all operations of the water utility services provided by the Town.
- Sewer Fund – This fund was established to account for all operations of the sewer utility services provided by the Town.
- Sanitation Fund – This fund was established to account for all operations of the sanitation utility services provided by the Town.

TOWN OF JULESBURG COLORADO
Electric Fund
Budgetary Comparison Schedule
For the Year Ended December 31, 2021

	Budgeted Amounts			Variance with Final Budget Favorable (Unfavorable)
	Original	Final	Actual	
Operating revenues				
Charges for services	\$ 1,281,220	\$ 1,281,220	\$ 1,276,134	\$ (5,086)
Operating expenses				
Systems operation				
Salaries	68,770	68,770	76,271	(7,501)
Employee benefits	36,830	36,830	35,376	1,454
Power purchases	840,000	840,000	810,124	29,876
Professional fees	2,400	2,400	1,320	1,080
Repairs and maintenance	25,800	25,800	15,892	9,908
Public utilities	13,100	13,100	11,353	1,747
Fuel and oil	7,200	7,200	3,472	3,728
Supplies	34,300	34,300	37,136	(2,836)
Other	46,500	46,500	44,004	2,496
Capital purchases			11,922	(11,922)
Total systems operation	1,074,900	1,074,900	1,046,870	28,030
Administrative and general				
Salaries	45,906	45,906	34,762	11,144
Employee benefits	20,588	20,588	16,524	4,064
Professional fees	5,800	5,800	5,935	(135)
Office expense	864	864	792	72
Insurance and bonds	36,000	36,000	33,447	2,553
Repairs and maintenance	20	20		20
Public utilities	2,800	2,800	2,954	(154)
Fuel and oil	5,000	5,000	2,410	2,590
Supplies	8,000	8,000	13,198	(5,198)
Other	19,400	19,400	10,808	8,592
Total administrative and general	144,378	144,378	120,830	23,548
Total operating expenses	1,219,278	1,219,278	1,167,700	51,578
Operating income	61,942	61,942	108,434	46,492

	Budgeted Amounts			Variance with Final Budget Favorable (Unfavorable)
	Original	Final	Actual	
Nonoperating revenues				
Interest on investments	6,200	6,200	2,806	(3,394)
Miscellaneous revenue	11,300	11,300	19,374	8,074
Total nonoperating revenues	17,500	17,500	22,180	4,680
Net income before transfers	79,442	79,442	130,614	51,172
Transfers out	(150,000)	(210,000)	(60,000)	150,000
Change in net position	<u>\$ (70,558)</u>	<u>\$ (130,558)</u>	70,614	<u>\$ 201,172</u>
Adjustments to GAAP Basis				
Add capital purchases			11,922	
Deduct depreciation			<u>(32,236)</u>	
Change in net position - GAAP Basis			50,300	
Net position at beginning of year			<u>1,282,121</u>	
Net position at end of year			<u>\$ 1,332,421</u>	

TOWN OF JULESBURG COLORADO
Water Fund
Budgetary Comparison Schedule
For the Year Ended December 31, 2021

	Budgeted Amounts			Variance with Final Budget Favorable (Unfavorable)
	Original	Final	Actual	
Operating revenues				
Charges for services	\$ 410,420	\$ 410,420	\$ 407,391	\$ (3,029)
Operating expenses				
Systems operation				
Salaries	37,740	37,740	32,360	5,380
Employee benefits	27,201	27,201	20,380	6,821
Professional services	8,500	8,500	12,129	(3,629)
Supplies	18,000	18,000	3,625	14,375
Repairs and maintenance	50,000	50,000	13,763	36,237
Public utilities	60,000	60,000	56,615	3,385
Fuel and oil	2,500	2,500	1,023	1,477
Lab analysis	3,500	3,500	3,213	287
Other	14,030	14,030	6,542	7,488
Capital purchases	120,000	120,000	104,382	15,618
Total systems operation	341,471	341,471	254,032	87,439
Administrative and general				
Salaries	45,906	45,906	39,824	6,082
Employee benefits	20,588	20,588	17,028	3,560
Professional fees	2,750	2,750	2,890	(140)
Office expense	422	422	387	35
Insurance and bonds	18,000	18,000	16,348	1,652
Public utilities	2,500	2,500	2,359	141
Supplies	4,500	4,500	6,226	(1,726)
Other	500	500	217	283
Total administrative and general	95,166	95,166	85,279	9,887
Total operating expenses	436,637	436,637	339,311	97,326
Operating income (loss)	(26,217)	(26,217)	68,080	94,297

	Budgeted Amounts		Actual	Variance with Final Budget Favorable (Unfavorable)
	Original	Final		
Nonoperating revenues (expenses)				
Interest on investments	6,500	6,500	2,493	(4,007)
Water tower lease	68,600	68,600	67,320	(1,280)
Miscellaneous revenue	4,000	4,000	12,632	8,632
Principal paid on notes	(16,040)	(16,040)	(16,000)	40
Interest and fiscal charges	(21,802)	(21,802)	(21,503)	299
Total nonoperating revenues (expenses)	41,258	41,258	44,942	3,684
Change in net position	\$ 15,041	\$ 15,041	113,022	\$ 97,981
Adjustments to GAAP Basis				
Add principal paid on notes			16,000	
Add capital purchases			104,382	
Deduct depreciation			(70,227)	
Change in net position - GAAP Basis			163,177	
Net position at beginning of year			2,255,205	
Net position at end of year			\$ 2,418,382	

TOWN OF JULESBURG, COLORADO
Sewer Fund
Budgetary Comparison Schedule
For the Year Ended December 31, 2021

	Budgeted Amounts			Variance with Final Budget Favorable (Unfavorable)
	Original	Final	Actual	
Operating revenues				
Charges for services	\$ 337,702	\$ 337,702	\$ 351,913	\$ 14,211
Operating expenses				
Systems operation				
Salaries	40,700	40,700	43,692	(2,992)
Employee benefits	23,832	23,832	22,607	1,225
Professional services	10,000	10,000	28,791	(18,791)
Supplies	20,000	20,000	11,003	8,997
Repairs and maintenance	40,000	40,000	19,382	20,618
Public utilities	23,000	23,000	23,863	(863)
Fuel and oil	9,000	9,000	8,275	725
Lab analysis	25,000	25,000	19,300	5,700
Other	8,000	8,000	6,458	1,542
Capital purchases	185,000	185,000	55,727	129,273
Total systems operation	384,532	384,532	239,098	145,434
Administrative and general				
Salaries	25,044	25,044	25,075	(31)
Employee benefits	12,620	12,620	11,547	1,073
Supplies	600	600	4,237	(3,637)
Professional fees	300	300	347	(47)
Insurance and bonds	2,000	2,000	1,859	141
Public utilities	250	250	174	76
Other	398	398	182	216
Total administrative and general	41,212	41,212	43,421	(2,209)
Total operating expenses	425,744	425,744	282,519	143,225
Operating income (loss)	(88,042)	(88,042)	69,394	157,436

	Budgeted Amounts		Actual	Variance with Final Budget Favorable (Unfavorable)
	Original	Final		
Nonoperating revenues (expenses)				
Interest on investments	5,000	5,000	2,130	(2,870)
Grants and loans			10,000	10,000
Miscellaneous revenue	5,000	5,000		(5,000)
Principal paid on note	(54,921)	(54,921)	(54,882)	39
Interest and fiscal charges	(3,936)	(3,936)	(3,578)	358
Total nonoperating revenues (expenses)	(48,857)	(48,857)	(46,330)	2,527
Net income (loss) before transfers	(136,899)	(136,899)	23,064	159,963
Transfers in	150,000	150,000		(150,000)
Change in net position	<u>\$ 13,101</u>	<u>\$ 13,101</u>	23,064	<u>\$ 9,963</u>
Adjustments to GAAP Basis				
Add capital purchases			55,727	
Add principal paid on note			54,882	
Deduct depreciation			(65,160)	
Change in net position - GAAP Basis			68,513	
Net position at beginning of year			<u>2,576,765</u>	
Net position at end of year			<u>\$ 2,645,278</u>	

TOWN OF JULESBURG, COLORADO
Sanitation Fund
Budgetary Comparison Schedule
For the Year Ended December 31, 2021

	Budgeted Amounts			Variance with Final Budget Favorable (Unfavorable)
	Original	Final	Actual	
Operating revenues				
Charges for services	\$ 221,400	\$ 221,400	\$ 212,766	\$ (8,634)
Operating expenses				
Systems operation				
Salaries	39,300	39,300	39,606	(306)
Employee benefits	23,378	23,378	22,398	980
Supplies	3,000	3,000	1,172	1,828
Repairs and maintenance	12,000	12,000	24,314	(12,314)
Fuel and oil	9,000	9,000	12,316	(3,316)
Landfill charges	53,000	53,000	44,856	8,144
Dumpster expense	6,000	6,000	5,955	45
Other	11,000	11,000	10,326	674
Capital purchases			20,642	(20,642)
Total systems operation	156,678	156,678	181,585	(24,907)
Administrative and general				
Salaries	15,302	15,302	13,341	1,961
Employee benefits	6,863	6,863	8,982	(2,119)
Office expense	848	848	760	88
Professional fees	300	300	347	(47)
Public utilities	200	200	177	23
Insurance and bonds	2,400	2,400	1,859	541
Total administrative and general	25,913	25,913	25,466	447
Total operating expenses	182,591	182,591	207,051	(24,460)
Change in net position	\$ 38,809	\$ 38,809	5,715	\$ (33,094)
Adjustments to GAAP Basis				
Add capital purchases			20,642	
Deduct depreciation			(18,725)	
Change in net position - GAAP Basis			7,632	
Net position at beginning of year			561,111	
Net position at end of year			\$ 568,743	

Budgetary Comparison Schedule – Internal Service Fund

Internal Service Funds – These funds are used to account for the financing of goods or services provided by one department or agency to other departments or agencies of the Town on a cost reimbursement basis.

The Town reports the following internal service fund:

- Capital Replacement Fund – This fund accounts for equipment management services provided to other departments of the Town on a cost reimbursement basis.

TOWN OF JULESBURG, COLORADO
Capital Replacement Fund
Budgetary Comparison Schedule
For the Year Ended December 31, 2021

	Budgeted Amounts			Variance with Final Budget Favorable (Unfavorable)
	Original	Final	Actual	
Revenues				
Charges for services	\$ 60,000	\$ 60,000	\$ 60,000	\$ -
Total revenues	60,000	60,000	60,000	-
Expenses				
Capital outlay	50,000	50,000	117,136	(67,136)
Total expenses	50,000	50,000	117,136	(67,136)
Operating income (loss)	10,000	10,000	(57,136)	(67,136)
Nonoperating revenues				
Earnings on investments	2,000	2,000	520	(1,480)
Total nonoperating revenues	2,000	2,000	520	(1,480)
Change in net position	\$ 12,000	\$ 12,000	(56,616)	\$ (68,616)
Adjustments to GAAP Basis				
Add capital purchases			117,136	
Deduct depreciation			(20,892)	
Change in net position - GAAP Basis			39,628	
Net position at beginning of year			282,176	
Net position at end of year			\$ 321,804	

Budgetary Comparison Schedule – Fiduciary Fund

These funds focus on net position and changes in net position. The fiduciary fund category is split into four classifications: pension (and other employee benefit) trust funds, investment trust funds, private-purpose trust funds and custodial funds.

The Town reports the following fiduciary fund:

Pension (and other employee benefit) trust funds – These funds are used to report trust arrangements under which principal and income benefit individuals, private organizations or other governments.

- Firemen's Pension Fund – This fund was established to account for contributions made to a single-employer defined benefit plan on behalf of the Town's volunteer fire fighters.

TOWN OF JULESBURG, COLORADO
Firemen's Pension Fund
Budgetary Comparison Schedule
For the Year Ended December 31, 2021

	Budgeted Amounts			Variance with Final Budget Favorable (Unfavorable)
	Original	Final	Actual	
Additions				
Contributions				
Rural	\$ 5,075	\$ 5,075	\$ 5,075	\$ -
Town	3,500	3,500	3,500	-
State	3,150	3,150	3,150	-
Total contributions	11,725	11,725	11,725	-
Investment income				
Interest on investments	500	500	115	(385)
Total investment income	500	500	115	(385)
Total additions	12,225	12,225	11,840	(385)
Deductions				
Pension benefits	9,300	9,300	9,700	(400)
Total deductions	9,300	9,300	9,700	(400)
Change in net position	\$ 2,925	\$ 2,925	2,140	\$ (785)
Net position restricted for pensions				
Beginning of year			33,968	
End of year			\$ 36,108	

**Colorado Department of Highways
Local Highway Finance Report**

This calendar-year report of receipts and expenditures is required by the Colorado Department of Highways to maintain Statewide accountability for moneys used for highway and street purposes. To ensure data accuracy, House Bill 1008 mandates that this report be included in the Town's financial statements.

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

LOCAL HIGHWAY FINANCE REPORT	City or County: Town of Julesburg YEAR ENDING : December 2021
This Information From The Records Of (example - City of _ or County of _) Town of Julesburg	Prepared By: Carrie Hartwell Phone: 970-474-3344

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
A. Receipts from local sources:		A. Local highway disbursements:	
1. Local highway-user taxes		1. Capital outlay (from page 2)	187,627
a. Motor Fuel (from Item I.A.5.)		2. Maintenance:	124,393
b. Motor Vehicle (from Item I.B.5.)		3. Road and street services:	
c. Total (a.+b.)		a. Traffic control operations	0
2. General fund appropriations	0	b. Snow and ice removal	0
3. Other local imposts (from page 2)	265,656	c. Other	31,520
4. Miscellaneous local receipts (from page 2)	10,794	d. Total (a. through c.)	31,520
5. Transfers from toll facilities		4. General administration & miscellaneous	0
6. Proceeds of sale of bonds and notes:		5. Highway law enforcement and safety	0
a. Bonds - Original Issues		6. Total (1 through 5)	343,540
b. Bonds - Refunding Issues		B. Debt service on local obligations:	
c. Notes		1. Bonds:	
d. Total (a. + b. + c.)	0	a. Interest	
7. Total (1 through 6)	276,450	b. Redemption	
B. Private Contributions		c. Total (a. + b.)	0
C. Receipts from State government (from page 2)	67,090	2. Notes:	
D. Receipts from Federal Government (from page 2)	0	a. Interest	
E. Total receipts (A.7 + B + C + D)	343,540	b. Redemption	
		c. Total (a. + b.)	0
		3. Total (1.c + 2.c)	0
		C. Payments to State for highways	
		D. Payments to toll facilities	
		E. Total disbursements (A.6 + B.3 + C + D)	343,540

IV. LOCAL HIGHWAY DEBT STATUS

(Show all entries at par)

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

V. LOCAL ROAD AND STREET FUND BALANCE

	A. Beginning Balance	B. Total Receipts	C. Total Disbursements	D. Ending Balance	E. Reconciliation
		343,540	343,540		0

Notes and Comments:

LOCAL HIGHWAY FINANCE REPORT		STATE: Colorado YEAR ENDING (mm/yy): December 2021	
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II. RECEIPTS FOR ROAD AND STREET PURPOSES - DETAIL			
ITEM	AMOUNT	ITEM	AMOUNT
A.3. Other local imposts:		A.4. Miscellaneous local receipts:	
a. Property Taxes and Assessments	27,394	a. Interest on investments	
b. Other local imposts:		b. Traffic Fines & Penalties	482
1. Sales Taxes	195,108	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	43,154	g. Other Misc. Receipts	
6. Total (1. through 5.)	238,262	h. Other	10,312
c. Total (a. + b.)	265,656	i. Total (a. through h.)	10,794
(Carry forward to page 1)		(Carry forward to page 1)	

ITEM	AMOUNT	ITEM	AMOUNT
C. Receipts from State Government		D. Receipts from Federal Government	
1. Highway-user taxes	60,883	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	6,207	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.)	6,207	g. Total (a. through f.)	0
4. Total (1. + 2. + 3.f)	67,090	3. Total (1. + 2.g)	
		(Carry forward to page 1)	

III. DISBURSEMENTS FOR ROAD AND STREET PURPOSES - DETAIL			
	ON NATIONAL HIGHWAY SYSTEM (a)	OFF NATIONAL HIGHWAY SYSTEM (b)	TOTAL (c)
A.1. Capital outlay:			
a. Right-Of-Way Costs			0
b. Engineering Costs			0
c. Construction:			
(1). New Facilities		0	0
(2). Capacity Improvements			0
(3). System Preservation		187,627	187,627
(4). System Enhancement & Operation			0
(5). Total Construction (1) + (2) + (3) + (4)	0	187,627	187,627
d. Total Capital Outlay (Lines 1.a. + 1.b. + 1.c.5)	0	187,627	187,627
			(Carry forward to page 1)

Notes and Comments: