

Town of Rockvale, Colorado

Financial Statements

December 31, 2021

TOWN OF ROCKVALE, COLORADO

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Town of Rockvale, Colorado Management's Discussion and Analysis

The Management's Discussion and Analysis (MD&A) is designed to provide an easy-to-read discussion of the Town's financial condition and operating results, and to disclose to the reader important financial activities and issues related to the Town of Rockvale, Colorado (the Town) basic operations and mission. The MD&A should be read in conjunction with a review of the Town's basic financial statements.

The Town has two types of financial activities - governmental and proprietary. Within the governmental activities, the Town has a General Fund, Road and Bridge Fund, Parks and Recreation Fund, and a Conservation Trust Fund. The proprietary activity is a Water Enterprise Fund. The governmental activities are funded primarily through the tax collections of Fremont County, Colorado.

DESCRIPTION OF FINANCIAL STATEMENTS

This annual report consists of three parts – *Management's Discussion and Analysis* (this section), the *Basic Financial Statements (including the footnotes)* and *Required Supplementary Information*. The basic financial statements include two kinds of statements that present different views of the Town:

- The first two statements, Statement of Net Position and Statement of Activities, are *government-wide financial statements* that provide both *long-term* and *short-term* information about the Town's overall financial status.
- The remaining statements are *fund financial statements* that focus on *individual parts* of the Town's government, reporting on the Town's operations *in more detail* than the government-wide statements.

The basic financial statements also include *notes* that explain some of the information in the financial statements and provide more detailed data. The statements are followed by a section of *required supplementary information* that provides budget and actual information for each fund type.

Government-wide Financial Statements

The government-wide financial statements consist of the statement of net position and the statement of activities. These statements report information about the Town as a whole and include *all* assets and liabilities using the accrual basis of accounting, which is similar to the accounting used by most private-sector companies. All of the current year's revenues and expenses are taken into account regardless of when cash is received or paid.

These two statements report the Town's *net position* and changes in it. The Town's net position – the difference between assets and liabilities – is one way to measure the Town's financial health, or *financial position*. Over time, increases or decreases in the Town's net position are one indicator of whether its financial health, including liquidity and financial flexibility, is improving, or deteriorating.

The statement of activities reports information by function, program, or service. The statement of activities is formatted to show the degree to which the various activities of the Town are paid for by charges for services or grants and contributions.

Fund Financial Statements

The fund financial statements provide more detailed information about the Town's individual funds, not on the Town as a whole. The Town's activities in its general, road and bridge, parks and recreation, and conservation trust funds are reported as governmental funds, which focus on how money flows into and out of these funds. These 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 fund statement provides a detailed short-term view of the Town's general governmental operations and the basic services it provides. Governmental fund information helps to determine whether there are more or fewer financial resources that can be spent in the near future to finance the Town's programs and services.

HIGHLIGHTS

- As of December 31, 2021, the governmental funds held approximately \$95,000 in assets that were either cash or readily convertible to cash, and \$3,000 in accounts payable and payroll benefits payable. (Both of these figures are exclusive of internal balances.)

STATEMENT OF NET POSITION

The perspective of the Statement of Net Position is of the Town as a whole. The following is a summary of the Town's Net position for 2021:

	2021
Current and other assets	\$ 419,074
Capital assets	360,900
Total assets	<u>\$ 779,974</u>
Accounts payable and accrued payroll taxes and benefits	\$ 7,075
Long term note payable	189,741
Total liabilities	<u>\$ 196,816</u>
Deferred inflows of financial resources	<u>\$ 713</u>
Net Position:	
Invested in capital assets	\$ 360,900
Restricted	53,431
Unrestricted	168,114
Total Net Position	<u>\$ 582,445</u>

STATEMENT OF ACTIVITIES

The perspective of the Statement of Activities is of the Town as a whole. The following table reflects the change in Net position for Fiscal Year 2021:

	<u>2021</u>
<u>Revenues:</u>	
Program Revenues:	
Charges for services	\$ 491,137
Operating grants and contributions	<u>65,225</u>
Total Program Revenues	<u>556,362</u>
 General Revenues	 <u>88,742</u>
 Total Revenue	 <u>645,104</u>
<u>Program Expenses:</u>	
Governmental activities	212,836
Proprietary activity	273,697
 Total Expenses	 <u>486,533</u>
 Increase in Net Position	 158,571
Beginning Net Position	<u>423,874</u>
Ending Net Position	<u>\$ 582,445</u>

THE TOWN'S FUNDS

As the Town completed the year, its governmental funds (shown on pages 5 – 8 of the financial statements) reported a combined fund balance of \$92,249.

GENERAL FUND BUDGETARY HIGHLIGHTS

The General Fund actual expenditures were approximately \$10,441 more than budgeted.

CAPITAL ASSETS AND DEBT ADMINISTRATION

At year-end, the Town's capital assets are summarized on pages 20 and 21 of this report.

The Town has approximately \$190,000 of outstanding long-term debt.

ECONOMIC AND OTHER FACTORS AND NEXT YEAR'S BUDGET

The Town is anticipating a 4% increase in county funds for 2021 as a result of increasing operating costs. During 2021, the Town is hopeful of maintaining current staffing levels with a 2-3% increase in governmental funds.

CONTACTING THE TOWN'S FINANCIAL MANAGEMENT

This financial report is designed to provide the general public with a general overview of the Town's finances, and to demonstrate the Town's accountability for the funds received. If you have any questions regarding this report, or need additional financial information, please contact the Town Clerk at:

Town of Rockvale, Colorado
156 Rockafellow Street
Rockvale, Colorado 81244
Tel: (719) 784-4125
Fax: (719) 784-2326
E-mail: clerk@rockvale.org



Independent Auditor's Report

To the Board of Trustees
Town of Rockvale
Rockvale, Colorado

Report on the Financial Statements

I have audited the accompanying financial statements of the governmental activities, and each major fund of the Town of Rockvale, Colorado 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.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

My responsibility is to express opinions on these financial statements based on my audit. I conducted the audit in accordance with auditing standards generally accepted in the United States of America. Those standards require that I plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, I express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my audit opinions.

Opinion

In my opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities and each major fund of the Town of Rockvale, Colorado, as of December 31, 2021, and the respective changes in financial position, and where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Other Matters

Management's Discussion and Analysis

Accounting principles generally accepted in the United States of America require that the *Management's Discussion and Analysis* on pages MDA - 1-4 be presented to supplement the *Basic Financial Statements*. Such information, although not a part of the *Basic Financial Statements*, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the *Basic Financial Statements* in an appropriate operational, economic, or historical context. I have applied certain limited procedures to the *Management's Discussion and Analysis* in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to my inquiries, the *Basic Financial Statements*, and other knowledge I obtained during my audit of the *Basic Financial Statements*. I do not express an opinion or provide any assurance on the information because the limited procedures do not provide me with sufficient evidence to express an opinion or provide any assurance.

Required Supplementary Information – Budget to Actual Comparisons

My audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Town of Rockvale, Colorado's *Basic Financial Statements*. The *Required Supplementary Information – Budget to Actual Comparisons* is presented for purposes of additional analysis and is not a required part of the *Basic Financial Statements*. Accounting principles generally accepted in the United States of America require that the *Required Supplementary Information* on pages 23 - 27 be presented to supplement the *Basic Financial Statements*. Such information, although not a part of the *Basic Financial Statements*, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the *Basic Financial Statements* in an appropriate operational, economic, or historical context.

The *Required Supplementary Information – Budget to Actual Comparisons* is the responsibility of management, and was derived from, and relates directly to, the underlying accounting and other records used to prepare the *Basic Financial Statements*. Such information has been subjected to the auditing procedures applied in the audit of the *Basic Financial Statements*. Certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the *Basic Financial Statements*, were performed in accordance with auditing standards generally accepted in the United States of America. In my opinion, the *Required Supplementary Information – Budget to Actual Comparisons* are fairly stated, in all material respects, in relation to the *Basic Financial Statements* as a whole.

Basic Financial Statements

The Basic Financial Statements provide a financial overview of the Town of Rockvale, Colorado's operations. These financial statements present the financial position and operating results of all funds and activities as of, and for the year ended, December 31, 2021.

TOWN OF ROCKVALE, COLORADO

Statement of Net Position

December 31, 2021

	Governmental Activities	Proprietary Activity	Total
Assets			
Current Assets			
Cash and equivalents	\$ 95,042	\$ 323,319	\$ 418,361
Taxes receivable	713	-	713
	<u>95,755</u>	<u>323,319</u>	<u>419,074</u>
Total Current Assets			
Noncurrent Assets			
Fixed assets	221,957	819,647	1,041,604
Less accumulated depreciation	(170,620)	(510,084)	(680,704)
Net Noncurrent Assets	<u>51,337</u>	<u>309,563</u>	<u>360,900</u>
Total Assets	<u>\$ 147,092</u>	<u>\$ 632,882</u>	<u>\$ 779,974</u>
Liabilities			
Accrued compensated absences	\$ 1,440	\$ 2,561	\$ 4,001
Payroll liabilities	1,353	1,721	3,074
	<u>2,793</u>	<u>4,282</u>	<u>7,075</u>
Total Liabilities			
Noncurrent Liabilities			
Long term note payable	-	189,741	189,741
	<u>-</u>	<u>189,741</u>	<u>189,741</u>
Total Noncurrent Liabilities			
Total Liabilities	<u>2,793</u>	<u>194,023</u>	<u>196,816</u>
Deferred Inflows of Financial Resources			
Unavailable property tax revenue	713	-	713
	<u>713</u>	<u>-</u>	<u>713</u>
Total Deferred Inflows of Financial Resources			
Net Position			
Invested in capital assets	51,337	309,563	360,900
Restricted	53,431	-	53,431
Unrestricted	<u>38,818</u>	<u>129,296</u>	<u>168,114</u>
Total Net Position	<u>\$ 143,586</u>	<u>\$ 438,859</u>	<u>\$ 582,445</u>

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

TOWN OF ROCKVALE, COLORADO
Statement of Activities
For The Year Ended December 31, 2021

Functions/Programs	Program Revenues			Net Revenue (Expense) and Change in Net Position
	Expenses	Charges for Services	Operating Grants and Contributions	
Governmental Activities				
General government	\$ 80,441	\$ 30,642	\$ -	\$ (49,799)
Public works	128,651	42,342	-	(86,309)
Culture and recreation	3,744	7,153	-	3,409
Total Governmental Activities	<u>\$ 212,836</u>	<u>\$ 80,137</u>	<u>\$ -</u>	<u>(132,699)</u>
 Proprietary Activity				
Water operations	273,697	411,000	65,225	202,528
Total Primary Government	<u>486,533</u>	<u>491,137</u>	<u>65,225</u>	<u>69,829</u>
General Revenues				
Property taxes				40,484
Interest and investment earnings				26
Miscellaneous				37886
Franchise fees				10346
Total General Revenues				<u>88,742</u>
Change in Net Position				158,571
Net Position - Beginning of the Year				<u>423,874</u>
Net Position - End of the Year				<u>\$ 582,445</u>

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

TOWN OF ROCKVALE, COLORADO
Balance Sheet - Governmental Funds
December 31, 2021

	General Fund	Road and Bridge	Parks and Recreation	Conservation Trust	Total
Assets					
Cash and investments	\$ 40,033	\$ 5,259	\$ 1,241	\$ 48,509	\$ 95,042
Property taxes receivable	624	89	-	-	713
Total Assets	<u>\$ 40,657</u>	<u>\$ 5,348</u>	<u>\$ 1,241</u>	<u>\$ 48,509</u>	<u>\$ 95,755</u>
Liabilities					
Accounts payable	\$ -	\$ -	\$ -	\$ -	\$ -
Accrued compensated absences	600	840	-	-	1,440
Payroll liabilities	615	738	-	-	1,353
Total Liabilities	<u>1,215</u>	<u>1,578</u>	<u>-</u>	<u>-</u>	<u>2,793</u>
Deferred Inflows of Resources - Unavailable property tax revs	<u>624</u>	<u>89</u>	<u>-</u>	<u>-</u>	<u>713</u>
Fund Balance					
Restricted	-	-	-	48,509	48,509
Assigned	-	3,681	1,241	-	4,922
Unassigned	38,818	-	-	-	38,818
Total Fund Balance	<u>38,818</u>	<u>3,681</u>	<u>1,241</u>	<u>48,509</u>	<u>92,249</u>
Total Liabilities, Deferred Inflows, and Fund Balance	<u>\$ 40,657</u>	<u>\$ 5,348</u>	<u>\$ 1,241</u>	<u>\$ 48,509</u>	<u>\$ 95,755</u>

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

TOWN OF ROCKVALE, COLORADO

Reconciliation of the Governmental Funds Balance Sheet with the Statement of Net Position
December 31, 2021

Total Fund Balance - Governmental Funds	\$ 92,249
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Amounts reported for governmental activities in the statement of Net Position are different because:

Capital assets used in governmental activities are not financial resources and are therefore not reported in the governmental funds

Capital Assets	221,957
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Accumulated Depreciation	(170,620)
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Total Net Position - Governmental Activities	<u><u>\$ 143,586</u></u>
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The accompanying notes are an integral part of these financial statements.

TOWN OF ROCKVALE, COLORADO

Statement of Revenues, Expenditures, and Changes In Fund Balance - Governmental Funds
For the Year Ended December 31, 2021

	General Fund	Road and Bridge	Parks and Recreation	Conservation Trust	Total
Revenues					
Taxes	\$ 40,484	\$ 41,181	\$ -	\$ -	\$ 81,665
Intergovernmental	3,827	-	-	6,273	10,100
Building Permits	26,818	-	-	-	26,818
Other Revenues	37,886	1,161	859	21	39,927
Franchise Fees	10,346	-	-	-	10,346
Total Revenue	<u>119,361</u>	<u>42,342</u>	<u>859</u>	<u>6,294</u>	<u>168,856</u>
Expenditures					
Payroll	21,232	26,248	-	-	47,480
Contract services	22,301	378	-	-	22,679
Facilities and equipment	8,660	10,696	727	-	20,083
Business expenses	15,681	483	-	-	16,164
Operations	5,615	75,710	1,281	-	82,606
Other expenditures	6,952	1,534	1,736	-	10,222
Capital outlay	-	13,602	-	-	13,602
Total Expenditures	<u>80,441</u>	<u>128,651</u>	<u>3,744</u>	<u>-</u>	<u>212,836</u>
Excess of Revenue and Other Sources					
Over (Under) Expenditures and Other Uses	38,920	(86,309)	(2,885)	6,294	(43,980)
Fund Balance, Beginning of Year	(102)	89,990	4,126	42,215	136,229
Fund Balance, End of Year	<u>\$ 38,818</u>	<u>\$ 3,681</u>	<u>\$ 1,241</u>	<u>\$ 48,509</u>	<u>\$ 92,249</u>

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

TOWN OF ROCKVALE, COLORADO

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

Total Change in Fund Balances - Governmental Funds	\$ (43,980)
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***Amounts Reported for governmental activities in the Statement of Activities are
Different Because:***

The cost of capital outlays to purchase or build capital assets capitalized for the Statement of Net Position	13,602
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Depreciation of capital assets is not considered an expenditure of the fund because it does not require the use of current resources	(2,161)
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Change in Net Position of Governmental Activities	<u>\$ (32,539)</u>
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The accompanying notes are an integral part of these financial statements.

TOWN OF ROCKVALE, COLORADO
Balance Sheet - Proprietary Fund
December 31, 2021

ASSETS

Cash	\$ 323,319
Fixed Assets	819,647
Less: Accumulated depreciation	<u>(510,084)</u>
Net Fixed Assets	<u>309,563</u>
TOTAL ASSETS	<u><u>632,882</u></u>

LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND NET POSITION

LIABILITIES

Accrued compensated absences	2,561
Payroll liabilities	1,721
Long-term CWRPDA note payable	<u>189,741</u>
TOTAL LIABILITIES	194,023

NET POSITION

Net investment in capital assets	309,563
Unrestricted	<u>129,296</u>
TOTAL NET POSITION	\$ <u><u>438,859</u></u>

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

TOWN OF ROCKVALE, COLORADO

Statement of Revenues, Expenses, and Changes in Fund Net Position - Proprietary Fund
For The Year Ended December 31, 2021

OPERATING REVENUES

Charges to customers	\$ 370,355
Intergovernmental	105,867
Other revenues	<u>3</u>
TOTAL OPERATING REVENUES	<u>476,225</u>

OPERATING EXPENSES

Business	658
Facilities and equipment	32,075
Administrative	68,811
Operations	135,957
Interest	2,474
Miscellaneous	2,558
Depreciation	<u>31,164</u>
TOTAL OPERATING EXPENSES	<u>273,697</u>

NET INCOME FROM OPERATIONS	202,528
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NON-OPERATING REVENUE

Interest	<u>23</u>
CHANGE IN NET POSITION	202,551
NET POSITION, Beginning	<u>236,308</u>
NET POSITION, Ending	\$ <u>438,859</u>

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

TOWN OF ROCKVALE, COLORADO
Statement of Cash Flows - Proprietary Fund
For The Year Ended December 31, 2021

CASH FLOWS FROM OPERATING ACTIVITIES:	
Cash received from customers and intergovernment	\$ 476,225
Cash paid for expenses and employees	<u>(250,228)</u>
NET CASH PROVIDED BY OPERATING ACTIVITIES	<u>225,997</u>
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES:	
Note payable principal payments	(25,261)
Note payable interest expense	<u>(2,474)</u>
NET CASH (USED) BY CAPITAL AND RELATED FINANCING ACTIVITIES	<u>(27,735)</u>
CASH FLOWS FROM INVESTING ACTIVITIES:	
Interest earned	<u>23</u>
NET INCREASE IN CASH AND CASH EQUIVALENTS	198,285
CASH AND CASH EQUIVALENTS, Beginning of Year	<u>125,034</u>
CASH AND CASH EQUIVALENTS, End of Year	\$ <u><u>323,319</u></u>
RECONCILIATION OF OPERATING INCOME TO NET CASH PROVIDED BY OPERATING ACTIVITIES	
Operating income	\$ 202,528
ADJUSTMENTS TO RECONCILE OPERATING INCOME TO NET CASH PROVIDED BY OPERATING ACTIVITIES:	
Depreciation	31,164
Changes in assets and liabilities	<u>(7,695)</u>
Total adjustments	<u>23,469</u>
NET CASH PROVIDED BY OPERATING ACTIVITIES	\$ <u><u>225,997</u></u>

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

TOWN OF ROCKVALE, COLORADO

NOTES TO FINANCIAL STATEMENTS

December 31, 2021

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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

A. Definition of the Reporting Entity

The Town of Rockvale, Colorado is a statutory town that was incorporated in 1886 in Fremont County, and is governed by a six member elected Board of Trustees. As required by generally accepted accounting principles, these financial statements present the activities of the Town, which is legally separate and financially independent of other state and local governments.

The Town provides general government, road and bridge, water, and parks and recreation for the geographical area organized as the Town of Rockvale, Colorado.

B. Fund Accounting

The government-wide financial statement (i.e., the statement of net position and the statement of activities) reports information on all of the activities of the Town. For the most part, the effect of interfund activity has been removed from these statements.

Governmental activities, which normally are supported by taxes, charges for services, and intergovernmental revenues, are reported separately from business-type activities, which rely to a significant extent on user charges for support.

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

C. Fund Financial Statements

The accounts of the Town are organized on the basis of funds and account groups, each of which is considered a separate accounting entity. The operations of each fund are accounted for with a separate set of self-balancing accounts that comprise its assets, liabilities, fund equity, revenues and expenditures, or expenses, as appropriate.

Government resources are allocated to, and accounted for, in individual funds based upon the purposes for which they are to be spent and the means by which spending activities are controlled.

TOWN OF ROCKVALE, COLORADO
NOTES TO FINANCIAL STATEMENTS
December 31, 2021

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

C. Fund Financial Statements (Continued)

All governmental funds are accounted for on a flow of current financial resources basis. Balance sheets for these funds generally include only current assets and current liabilities. Reported fund balances are considered a measure of available, spendable resources. Operating statements for these funds present a summary of available, spendable resources and expenditures for the period.

Separate financial statements are provided for governmental funds and proprietary funds. Major individual governmental funds and major individual enterprise funds are reported as separate columns in the fund financial statements.

The Town reports two major governmental funds:

- **The General Fund** is the Town's primary operating fund. It accounts for the general operations of the Town, which includes the following departments: Legislative, Judicial, Administration, and Community Development.
- **The Road and Bridge Fund** accounts for expenditures designated for roads and infrastructure maintenance.

The Town reports two non-major governmental funds:

- **The Conservation Trust Fund** accounts for State of Colorado lottery funds to be used for acquisition, development, and maintenance of new conservation sites or for capital improvements or maintenance for recreational purposes on any public site.
- **The Parks and Recreation Fund** accounts for special revenues and expenditures designated for operating and maintaining parks and recreation programs.

The Town reports the following major proprietary activity fund:

- **The Water Fund** accounts for the Town's water distribution system.

D. Measurement Focus and Basis of Accounting

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

TOWN OF ROCKVALE, COLORADO
NOTES TO FINANCIAL STATEMENTS
December 31, 2021

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

D. Measurement Focus and Basis of Accounting (Continued)

The modified accrual basis of accounting is used by all governmental funds. Under the modified accrual basis of accounting, revenues are recognized when susceptible to accrual (i.e., when they become both measurable and available). “Measurable” means the amount of the transaction can be determined. “Available” means collectible within the current period or soon enough thereafter to be used to pay liabilities of the current period. Expenditures are recorded when the related fund liability is incurred. Exceptions to this general rule include: (1) principal and interest on general long-term debt which is recognized when due and (2) compensated absences which are recognized when the obligations are expected to be liquidated with expendable available resources.

Those revenues susceptible to accrual are interest revenue and charges for services. Entitlement revenues are not susceptible to accrual because generally they are not measurable until received. Grant revenues are recognized as they are earned.

The accrual basis of accounting is utilized by the proprietary fund. Under this method, revenues are recorded when earned and expenses are recorded at the time liabilities are incurred.

E. Cash and Cash Equivalents

For the purposes of the statement of cash flows of the proprietary fund, cash and cash equivalents consist of operating and restricted cash and highly liquid securities with an initial maturity of three months or less.

F. Investments

Investments are stated at fair value based on quoted market values, with the exception of money market funds and external investment pools. These are stated at cost, which is equal to fair value.

G. Use of Estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America required management to make: (1) estimates and assumptions that affect the reported amounts of assets and liabilities and (2) disclosure of contingent assets and liabilities at the date of the financial statements and reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

TOWN OF ROCKVALE, COLORADO
NOTES TO FINANCIAL STATEMENTS
December 31, 2021

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

H. Property Taxes

Property taxes for the current year are levied and attached as a lien on property the following January 1. They are payable in full by April 30, or in two equal installments due February 28 and June 15. Property taxes levied in the current year and collected in the following year are reported as a receivable at December 31. However, since the taxes are not available to pay current liabilities, the receivable is recorded as deferred revenue in the governmental and proprietary funds.

I. Capital Assets

Capital assets are reported in the applicable governmental or business-type activities columns in the government-wide financial statements. Capitalized assets are defined by the Town as assets that have a useful life of one or more years and for which the initial, individual value equals or exceeds the following dollar amounts:

<u>Assets Class</u>	<u>Dollar Value</u>
Land	No Minimum
Buildings	No Minimum
Building and Other Improvements	\$ 5,000
Furniture and Equipment	\$ 5,000
Infrastructure	\$ 5,000

All purchased assets are valued at cost where historical records are available, and at an estimated historical cost where no historical records exist. Donated assets are valued at their estimated fair market value on the date received. The cost of normal maintenance and repairs that does not add to the value of an asset or materially extend asset life is not capitalized.

Depreciation on all assets is provided on the straight-line basis over the following estimated useful lives:

<u>Asset Class</u>	<u>Useful Life</u>
Buildings	25 – 50 years
Building and Other Improvements	20 years
Water and Sewer Systems	25 – 45 years
Furniture and Equipment	5 – 30 years
Infrastructure	15 – 40 years

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

TOWN OF ROCKVALE, COLORADO
NOTES TO FINANCIAL STATEMENTS
December 31, 2021

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

J. Long-Term Liabilities

In the government-wide financial statements, and proprietary fund type in the fund financial statements, long-term debt and other long-term obligations are reported as liabilities in the applicable government activities, proprietary activity, or proprietary fund type statement of net position.

K. Net Position

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

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

L. Fund Balances

In the governmental fund financial statements, the following fund balance classifications describe the relative strength of the spending constraints placed on the purposes for which resources can be used:

Nonspendable fund balance – amounts that are not in spendable form (such as inventory or prepaid expenses) or are required to be maintained intact.

Restricted fund balance – amounts constrained to specific purposes by their providers (such as grantors, bondholders or other debt holders, contributors, and higher levels of government), through constitutional provisions, or by enabling legislation.

TOWN OF ROCKVALE, COLORADO
NOTES TO FINANCIAL STATEMENTS
December 31, 2021

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

L. Fund Balances (Continued)

Committed fund balance – amounts constrained to specific purposes by a government itself, using its highest level of decision-making authority through an ordinance or resolution. Committed fund balance can also include contractual obligations to the extent that existing resources in the fund have been specifically committed for use in satisfying those contractual requirements. To be reported as committed, amounts cannot be used for any other purpose unless the government takes the same highest level action to remove or change the constraint.

Assigned fund balance – amounts a government intends to use for a specific purpose; intent can be expressed by the governing body or an official or body to which the governing body delegates the authority.

Unassigned fund balance – amounts that are available for any purpose; positive amounts are reported only in the general fund.

When fund balance resources are available for a specific purpose in more than one classification, it is the Town's policy to use the most restrictive funds first in the following order: restricted, committed, assigned, and unassigned as they are needed. The Town considers all unassigned fund balances to be "reserves" for future operations or capital replacement as defined within Article X, Section 20 of the Constitution of the State of Colorado (See Note 9).

In the governmental fund financial statements, reservations or restrictions of fund balance represent amounts that are not appropriable, are legally segregated for a specific purpose, or are restricted by grant agreements. Designations of fund balance represent tentative management plans that are subject to change.

M. Interfund Transactions

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

TOWN OF ROCKVALE, COLORADO

NOTES TO FINANCIAL STATEMENTS

December 31, 2021

NOTE 2: BUDGETARY REQUIREMENTS

Annual budgets are adopted on a basis consistent with generally accepted accounting principles (GAAP) for all governmental funds. The proprietary fund adopts a budget on the Non-GAAP basis wherein tap fees are recognized as revenue, principal payments on debt and capital expenditures are recognized as expenses, and depreciation expense is not budgeted. All annual appropriations lapse at fiscal year-end.

By October 15, the Town Clerk submits a proposed operating budget for the fiscal year commencing the following January 1, to the Trustees (elected officials). The operating budget, for all budgeted funds, includes proposed expenditures and the means of financing.

Public hearings are held at the regular Trustee meetings to obtain taxpayer input. Prior to December 15, the budget is legally enacted through passage of a budget ordinance. The Town Treasurer is authorized to transfer budgeted amounts within a department of any fund. The Trustees must approve revisions that change total expenditures of any fund or department within a fund.

Appropriations are controlled and the budget is only amended in conformity with Colorado Revised Statutes, which require a balanced budget. Expenditures in excess of appropriations may violate Colorado Revised Statutes and must be reported to the Office of the State Auditor.

The Combined Statements of Revenues, Expenditures, and Changes in Fund Balances for all fund types include comparisons to budget. Financial statements of the proprietary fund is presented in the accompanying Financial Statements on a Non-GAAP and GAAP basis. Budget amounts, included in the financial statements, are as originally adopted and as amended by Board of Trustees.

NOTE 3: RECONCILIATION OF GOVERNMENT-WIDE AND FUND FINANCIAL STATEMENTS

The governmental funds balance sheet includes reconciliation between fund balances (total governmental funds and net position) and governmental activities, as reported in the government-wide statement of net position. Additionally, the governmental fund statement of revenues, expenditures, and changes in fund balances includes reconciliation between net change in fund balances and changes in net position of governmental activities, as reported in the government-wide statement of activities.

These reconciliations detail items that require adjustment to convert from the current resources measurement and modified accrual basis for government fund statements to the economic resources measurement and full accrual basis used for government-wide statements. However, certain items having no effect on measurement and basis of accounting were eliminated from the government fund statements during the consolidation of governmental activities.

TOWN OF ROCKVALE, COLORADO
NOTES TO FINANCIAL STATEMENTS
December 31, 2021

NOTE 4: CASH, DEPOSITS AND INVESTMENTS

A. Cash

A summary of the Town's cash and investments at December 31, 2021 follows:

<u>Type</u>	<u>Rating</u>	<u>Carrying Value</u>
Deposits:		
Demand deposits		\$ 369,852
Investments:		
Colotrust	AAAm by S & P	<u>48,509</u>
Total deposits and investments		<u><u>\$ 418,361</u></u>
Reconciliation to Statement of Net Position		
Current:		
Cash and Investments		<u><u>\$ 418,361</u></u>

B. Deposits

The Colorado Public Deposit Protection Act (PDPA) requires that all units of local government deposit cash only in eligible public depositories. Eligibility is determined by state regulations. Amounts on deposit in excess of federal insurance levels must be collateralized by the financial institution. The eligible collateral is determined by the PDPA. PDPA allows the financial institution to create a single collateral pool for all public funds. The pool is to be maintained by another institution and held in trust for all the uninsured public deposits as a group. Colorado State Statutes require the market value of the collateral to be at least 102 percent of the aggregate uninsured deposits.

C. Investments

Colorado statutes specify investment instruments meeting defined rating and risk criteria in which local government entities may invest. The allowed investments include local government investment pools and obligations of the United States Government.

Interest Rate Risk The Town does not have a formal investment policy that limits investment maturities as a means of managing its exposure to fair value losses arising from increasing interest rates.

Credit Risk State law limits investments in commercial paper, corporate bonds, and mutual bond funds to the top two ratings issued by nationally recognized statistical rating organizations. The Town has no investment policy that would further limit its investment choices. At December 31, 2021, the Town's investment in the Colorado Government Liquid Assets Trust (COLOTRUST) was rated AAAm by Standard & Poor's.

TOWN OF ROCKVALE, COLORADO
NOTES TO FINANCIAL STATEMENTS
December 31, 2021

NOTE 4: CASH, DEPOSITS AND INVESTMENTS (Continued)

Concentration of Credit Risk The Town places no limit on the amount the Town may invest in any one issuer.

The Town invests in one investment pool, the Colorado Liquid Assets Trust (COLOTRUST). The investment is not categorized because the investment is not evidenced by securities that exist in physical book entry form. At December 31, 2021, the Town had an investment of \$48,509 market and carrying value.

NOTE 5: PROPERTY TAXES

Property taxes are collected on behalf of the Town by Fremont County and then remitted to the Town. The property tax is levied and certified in November of the year prior to the year the taxes are collected. Property taxes become an enforceable lien on January 1 of each year.

Secured property taxes are: (1) due in two equal installments on February 28 and June 15 and (2) delinquent after February 28 and June 15, respectively. The entire balance can be paid by April 30 without penalty. Property taxes levied are recorded as deferred revenues in the year levied, since they are not due until the following year. Property tax revenue is recognized when it is collected by Fremont County.

NOTE 6: CAPITAL ASSETS

Below is a summary of changes in Governmental Activity Capital Assets for the year ended December 31, 2021:

	Balance January 1, 2021	Additions	Deletions/ Corrections	Balance December 31, 2021
GOVERNMENTAL ACTIVITIES				
Capital Assets not being depreciated:				
Land	\$ 24,832	\$ -	\$ -	\$ 24,832
Capital Assets being depreciated:				
Buildings	141,551	-	-	141,551
Machinery and equipment	49,574	6,000	-	55,574
	191,125	6,000	-	197,125
Less accumulated depreciation:				
Buildings	(95,171)	-	(46,380)	(141,551)
Machinery and equipment	(24,264)	(2,161)	(2,644)	(29,069)
Total accumulated depreciation	(119,435)	(2,161)	(49,024)	(170,620)
Capital assets being depreciated, net	71,690	3,839	(49,024)	26,505
Total Governmental Activities Capital Assets	<u>\$ 96,522</u>	<u>\$ 3,839</u>	<u>\$ (49,024)</u>	<u>\$ 51,337</u>

TOWN OF ROCKVALE, COLORADO
NOTES TO FINANCIAL STATEMENTS
December 31, 2021

NOTE 6: CAPITAL ASSETS (Continued)

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

General Government	\$ 2,161
Public Works	31,164
Total	\$ 33,325

Here is a summary of changes in the Proprietary Activity Capital Assets for the year ended December 31, 2021:

	Balance January 1, 2021	Additions	Deletions	Balance December 31, 2021
PROPRIETARY ACTIVITY				
Capital Assets not being depreciated:				
Land	\$ 17,311	\$ -	\$ -	\$ 17,311
Capital Assets being depreciated:				
Buildings	27,078	-	-	27,078
Machinery and equipment	48,493	6,076	-	54,569
Water System	695,689	25,000	-	720,689
	771,260	31,076	-	802,336
Less accumulated depreciation:				
Buildings	(27,078)	-	-	(27,078)
Machinery and equipment	(48,493)	(1,215)	-	(49,708)
Water System	(283,553)	(149,745)	-	(433,298)
Total accumulated depreciation	(359,124)	(150,960)	-	(510,084)
Capital assets being depreciated, net	412,136	(119,884)	-	292,252
Total Proprietary Activity Capital Assets	<u>\$ 429,447</u>	<u>\$ (119,884)</u>	<u>\$ -</u>	<u>\$ 309,563</u>

NOTE 7: LONG-TERM LIABILITIES

Changes in long-term liabilities for the year ended December 31, 2021 were:

	Balance January 1, 2021	Additions	Reductions	Balance December 31, 2021	Due Within One Year
Proprietary Activity					
CWRPDA Note Payable	<u>\$ 199,317</u>	<u>\$ -</u>	<u>\$ 9,576</u>	<u>\$ 189,741</u>	<u>\$ 9,672</u>

Proprietary Activity

Note Payable - Colorado Water Resources and Power Development Authority (CWRPDA)
The Town has contracted with CWRPDA for a note of \$295,000, to be repaid in 60 semi-annual installments of \$11,544, including interest, commencing May 1, 2010. The note is secured by a portion of the Town's water system. The note was part of the Drinking Water Revolving Fund Direct Loan Program, where proceeds of the note were used for improvements to the Town water system.

TOWN OF ROCKVALE, COLORADO
NOTES TO FINANCIAL STATEMENTS
December 31, 2021

NOTE 7: LONG-TERM LIABILITIES (Continued)

Proprietary Activity (Continued)

A summary of debt payments are as follows:

<u>Year</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2022	\$ 9,672	\$ 1,872	\$ 11,544
2023	9,768	1,776	11,544
2024	9,866	1,678	11,544
2025	9,965	1,579	11,544
2026	10,065	1,479	11,544
2027-2031	51,859	5,864	57,723
2032-2037	54,511	3,212	57,723
2038-2039	34,035	598	34,633
	<u>\$ 189,741</u>	<u>\$ 18,058</u>	<u>\$ 207,799</u>

NOTE 8: CONTINGENCIES

Claims and Judgments The Town participates in a number of federal, state, and county programs that are fully or partially funded by grants received from other governmental units. Expenditures financed by grants are subject to audit by the appropriate grantor government. If expenditures are disallowed due to noncompliance with grant program regulations, the Town may be required to reimburse the grantor government. It is the opinion of management that such reimbursements, if any, will not have a material effect on the Town's financial position.

NOTE 9: TAX, SPENDING, REVENUE AND DEBT LIMITATIONS

In November of 1992 Colorado voters approved Amendment 1 to the state Constitution which is commonly known as the Taxpayer's Bill of Rights or the Tabor Amendment (TABOR). The Amendment applies to all units of local government and limits taxes, spending, revenue, and multi-year debt (excepting bond refundings to lower interest rates and adding employees to pension plans). The amendment does not apply to entities that are defined as Enterprise Funds. The governmental funds of the Town qualify as Enterprise Funds.

The amendment also requires the Town to establish an Emergency Reserve which must be equal to three (3) percent of the current allowed revenue. Conditions under which these reserves may be spent are severally limited.

The Town believes that it is in compliance with the provisions of TABOR, as it is currently understood. Many of the provisions are complex and subject to interpretation, and may not become fully understood without judicial determination.

NOTE 10: BUDGET COMPLIANCE

Actual expenditures exceeded appropriations in the General and Road and Bridge funds, which may be a violation of Colorado Statute.

Required Supplementary Information

This section, though not a part of the Basic Financial Statements for the Town of Rockvale, Colorado, is required to be presented by the Governmental Accounting Standards Board. The section contains the budget to actual comparisons for the general, road and bridge, parks and recreation, conservation trust, and water proprietary funds for the year ended December 31, 2021.

TOWN OF ROCKVALE, COLORADO**General Fund****Schedule of Revenues and Expenditures - Budget and Actual**

For the year ended December 31, 2021

	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Favorable (Unfavorable)</u>
REVENUES:			
Property tax and motor vehicle	\$ 38,000	\$ 40,484	\$ 2,484
County sales tax share	12,800	0	(12,800)
Franchise taxes	18,000	10,346	(7,654)
Building permits	4,500	26,818	22,318
Animals	300	0	(300)
Miscellaneous	<u>5,000</u>	<u>41,713</u>	<u>36,713</u>
 TOTAL REVENUES	 <u>78,600</u>	 <u>119,361</u>	 <u>40,761</u>
 EXPENDITURES:			
Events	200	0	200
Board and meeting expenses	500	0	500
Dues and subscriptions, education	1,500	0	1,500
Insurance	8,200	0	8,200
Payroll wages and taxes	32,500	21,232	11,268
Contract labor	8,500	22,301	(13,801)
Legal fees	8,000	0	8,000
Office supplies, materials	1,500	15,681	(14,181)
Repairs and maintenance, contracts	1,000	8,660	(7,660)
Other operating expenses	1,000	5,615	(4,615)
Humane society	750	0	750
Utilities	5,850	0	5,850
Other	<u>500</u>	<u>6,952</u>	<u>(6,452)</u>
 TOTAL EXPENDITURES	 <u>70,000</u>	 <u>80,441</u>	 <u>(10,441)</u>
 Excess of Revenue and Other Sources Over (Under) Expenditures and Other Uses	 \$ <u>8,600</u>	 38,920	 \$ <u>30,320</u>
 Fund Balance, Beginning of Year		<u>(102)</u>	
 Fund Balance, End of Year		\$ <u>38,818</u>	

TOWN OF ROCKVALE, COLORADO**Road and Bridge Fund****Schedule of Revenues and Expenditures - Budget and Actual**

For the year ended December 31, 2021

	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Favorable (Unfavorable)</u>
REVENUES:			
Mineral lease / severance	\$ 1,600	\$ 1,282	\$ (318)
Property taxes	11,000	10,578	(422)
Highway users tax	35,000	30,411	(4,589)
Miscellaneous	<u>1,500</u>	<u>71</u>	<u>(1,429)</u>
TOTAL REVENUES	<u>49,100</u>	<u>42,342</u>	<u>(6,758)</u>
EXPENDITURES:			
Equipment lease	3,801	0	3,801
Equipment replacement	3,000	0	3,000
Dues and subscriptions, education	500	0	500
Insurance	8,200	0	8,200
Payroll wages and taxes	20,900	26,248	(5,348)
Materials	2,000	0	2,000
Contract services	0	378	(378)
Office supplies	100	483	(383)
Repairs and maintenance, contracts	2,000	10,696	(8,696)
Other operating expenses	1,000	75,710	(74,710)
Vehicle fuel	1,500	0	1,500
Utilities	4,500	0	4,500
Capital outlay	0	13,602	(13,602)
Other	<u>0</u>	<u>1,534</u>	<u>(1,534)</u>
TOTAL EXPENDITURES	<u>47,501</u>	<u>128,651</u>	<u>(81,150)</u>
Excess of Revenue and Other Sources Over (Under) Expenditures and Other Uses	\$ <u>1,599</u>	(86,309)	\$ <u>(87,908)</u>
Fund Balance, Beginning of Year		<u>89,990</u>	
Fund Balance, End of Year		\$ <u>3,681</u>	

TOWN OF ROCKVALE, COLORADO**Parks and Recreation Fund****Schedule of Revenues and Expenditures - Budget and Actual**

For the year ended December 31, 2021

	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Favorable (Unfavorable)</u>
REVENUES:			
Rent	\$ 1,000	\$ 0	\$ (1,000)
RV development committee	1,500	0	(1,500)
Miscellaneous	<u>40,000</u>	<u>859</u>	<u>(39,141)</u>
 TOTAL REVENUES	 <u>42,500</u>	 <u>859</u>	 <u>(41,641)</u>
 EXPENDITURES:			
Events	6,000	1,536	4,464
Equipment	2,000	200	1,800
Payroll wages and taxes	3,000	0	3,000
Contract services	675	0	675
Supplies	15,000	1,281	13,719
Repairs and maintenance	3,500	727	2,773
Other operating expenses	3,000	0	3,000
Utilities	1,000	0	1,000
Other	<u>5,000</u>	<u>0</u>	<u>5,000</u>
 TOTAL EXPENDITURES	 <u>39,175</u>	 <u>3,744</u>	 <u>35,431</u>
 Excess of Revenue and Other Sources Over (Under) Expenditures and Other Uses	 \$ <u>3,325</u>	 (2,885)	 \$ <u>(6,210)</u>
 Fund Balance, Beginning of Year		<u>4,126</u>	
 Fund Balance, End of Year		\$ <u>1,241</u>	

See Accompanying Independent Auditor's Report

TOWN OF ROCKVALE, COLORADO**Conservation Trust Fund****Schedule of Revenues and Expenditures - Budget and Actual**

For the year ended December 31, 2021

	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Favorable (Unfavorable)</u>
REVENUES:			
Beginning balance	\$ 36,000	\$ 0	\$ (36,000)
State of Colorado - Lottery	5,200	6,273	1,073
Interest	<u>200</u>	<u>21</u>	<u>(179)</u>
 TOTAL REVENUES	 <u>41,400</u>	 <u>6,294</u>	 <u>(35,106)</u>
 EXPENDITURES:			
Transfer to Park Fund	35,000	0	35,000
Events	0	0	0
Payroll wages and taxes	0	0	0
Repairs and maintenance	0	0	0
Other operating expenses	0	0	0
Utilities	<u>0</u>	<u>0</u>	<u>0</u>
 TOTAL EXPENDITURES	 <u>35,000</u>	 <u>0</u>	 <u>35,000</u>
 Excess of Revenue and Other Sources Over (Under) Expenditures and Other Uses	 \$ <u><u>6,400</u></u>	 6,294	 \$ <u><u>(106)</u></u>
 Fund Balance, Beginning of Year		 <u>42,215</u>	
 Fund Balance, End of Year		\$ <u><u>48,509</u></u>	

See Accompanying Independent Auditor's Report

TOWN OF ROCKVALE, COLORADO**Water Fund****Schedule of Revenues and Expenditures - Budget and Actual**

For the year ended December 31, 2021

	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Favorable (Unfavorable)</u>
REVENUES:			
Water sales	\$ 270,000	\$ 370,355	\$ 100,355
Tap fees	34,840	0	(34,840)
Miscellaneous	<u>5,000</u>	<u>105,893</u>	<u>100,893</u>
TOTAL REVENUES	<u>309,840</u>	<u>476,248</u>	<u>166,408</u>
EXPENSES:			
Water loan - DWRF	18,910	27,735	(8,825)
City of Florence	145,000	116,008	28,992
Dues and subscriptions, education	4,000	0	4,000
Insurance	8,200	0	8,200
Payroll wages and taxes	95,000	66,250	28,750
Ditch share assessment	1,100	0	1,100
Professional fees	1,000	0	1,000
Office supplies, materials	5,000	3,219	1,781
Repairs and maintenance, contracts	10,000	32,075	(22,075)
Other operating expenses	10,000	22,507	(12,507)
Utilities	4,500	0	4,500
Lease	3,801	0	3,801
Testing	<u>3,000</u>	<u>0</u>	<u>3,000</u>
TOTAL EXPENSES	<u>309,511</u>	<u>267,794</u>	<u>41,717</u>
Change in Net Position, Budget Basis	\$ <u><u>329</u></u>	208,454	\$ <u><u>208,125</u></u>
ADJUSTMENTS TO GAAP BASIS:			
Add: Principal payments on debt		25,261	
Less: Depreciation		<u>(31,164)</u>	
Change in Net Position, GAAP Basis		\$ <u><u>202,551</u></u>	