# TOWN OF SIMLA, COLORADO

## FINANCIAL STATEMENTS

December 31, 2021

Logan and Associates, LLC
CERTIFIED PUBLIC ACCOUNTANTS

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Logan and Associates LLC
CERTIFIED PUBLIC ACCOUNTANTS

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# INDEPENDENT AUDITOR'S REPORT

Honorable Mayor and Members of
the Board of Trustees
Town of Simla
Simla, Colorado

## Report on the Financial Statements

### *Opinions*

We have audited the financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the Town of Simla (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 accompanying financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the Town of Simla 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 (GAAS). Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the Town of Simla, and to meet our 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 the 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.

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

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

In performing an audit in accordance with GAAS, we:

- Exercise professional judgement and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures of the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion of 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 judgement, 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, and budgetary comparison schedule on pages i – vii and on pages 24 – 25 be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the GASB 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 and Other Information*

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Town's basic financial statements as a whole. The accompanying supplementary information on pages 26 – 27, and other information on pages 28 – 29, 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 supplementary information and other information have 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 supplementary information and other information is fairly stated, in all material respects, in relation to the basic financial statements taken as a whole.

Logan and Associates, LLC

Aurora, Colorado
July 19, 2022

**TOWN OF SIMLA, COLORADO**
Management Discussion and Analysis
Year Ended December 31, 2021

Management of the Town of Simla offers readers of the basic financial statement this narrative overview and analysis of the financial activities of the Town for the fiscal year ended December 31, 2021. The focus of the information is on the primary government.

The Town of Simla has adopted the financial reporting model promulgated by the Government Accounting Standards Board (GASB). This is in accordance with the GASB Statement of No. 34, Basic Financial Statement and Management Discussion and Analysis for State and Local Governments.

**Financial Highlights**
The Town's Governmental Activities assets exceeded it liabilities and deferred inflows of resources at the close of the fiscal year by $504,659 (net position). Of this amount, $55,094 (unrestricted net position) may be used to meet the Town's ongoing obligations.

The Town's Business-type Activities' assets exceeded its liabilities by $ 1,871,014 (net position) at the close of the fiscal year.

As the close of the current fiscal year, the Town's governmental funds reported combined ending fund balances of $263,422, an increase of $22,875 from the prior year.

At December 31, 2021, the restricted cemetery fund consists of $103,120 left to the Town by an estate to maintain family graves and make improvements to the cemetery.

**Overview of Financial Statements**:
The discussion is intended as an introduction to the Town's basic financial statement. The basic financial statements comprise of three components: 1) government-wide financial statements, 2) fund financial statements, and 3) notes to the basic financial statements. In addition to the basic financial statements is other supplementary information.

**Government-Wide Financial Statements:**
The government-wide financial statement uses an accounting method similar to those used by private sectors companies. The focus of the Statement of Net Position (the Unrestricted Net Position) is designed to report all the Town's current financial resources (short-term spendable resources) with capital assets and long term obligations. Over time, increases or decreases in net position may serve as a useful indicator of whether the financial position of the Town is improving or deteriorating. Thus, revenue and expenses are reported in this statement for times that will only result in cash flows in future fiscal periods (e.g. uncollected taxes).

The government-wide statements are divided into two categories: Governmental and Business Type Activities. Most of the Town's basic services are reported in the governmental activities, which focus on cash flow. The Town's basic services include administrative, public safety, public works, judicial, buildings, cemetery, parks, and recreation. Property tax, sales tax, and intergovernmental taxes finance the majority of these activities.

Business-type activities are funds that reflect private sector type operations. This includes the Water and Sanitation Fund, which include the water, sewer, and trash segments. Fees for services should cover the majority of the cost of these operations including depreciation.

**Fund Financial Statements**
A fund is a grouping of related accounts used to maintain control over resources that have been segregated for specific activities or objectives. The Town uses fund accounting to ensure compliance with finance-related legal activities requirements. All the funds can be divided into two categories: governmental funds and proprietary funds.

**Governmental funds** are used to account for the same functions reported as governmental activities in the government-wide financial statements. Governmental funds focus on the financial position and changes in financial position, not on income determinations using the flow of current financial resources focus and the modified accrual basis of accounting. The modified accrual accounting measures cash and all other financial assets that can be readily converted into cash. Governmental statements focus on near term inflows and outflows of spendable resources as well as the balances left at year-end that are available for spending. Consequently, the governmental fund financial statements provide a detailed short-term view that helps the reader determine whether there are more or fewer financial resources that can be spent to finance the Town's programs. The primary operating fund is General Fund, which accounts for the financial resources of the general government, except for those required to be accounted for in the other funds.

**Proprietary funds** are used to account for the Town's activities that are similar to business operations in the private sector or where the reporting is on determining net income, financial position, and a significant portion of the funding is through user charges, The Town uses enterprise funds for Water Sewer and Trash operations. The Town has a trash-collection contract with a vendor for collection of the Town residents' trash.

The notes to the basic financial statements provide additional information that is essential to a full understanding of the data provided in the government-wide fund financial statements. Other information, in addition to the basic financial statements and accompanying notes, is presented in the form of certain required supplementary information.

**Government-wide Financial Analysis:**
As noted, net position may serve over time as a useful indicator of a government's financial position. In the case of the Town of Simla the assets exceeded liabilities and inflows of resources by $2,375,673. Of the Town's net-position $900,327 is unrestricted and may be used to meet the Town's ongoing financial obligations. These are Net Position that are not restricted by external requirements nor invested in capital assets.

Of the Town's $2,375,673 total net position, $1,278,833 reflects investment in capital assets (e.g. land, buildings, infrastructure, machinery, and equipment) less any related debt used to acquire those assets that is still outstanding. Capital assets are used to provide services to the citizens. Consequently, these assets are not available for future spending. Although the Town's investment in its capital assets is reported net of related debt, it should be noted that the resources needed to repay this debt must be provided from other sources, since capital assets themselves cannot be used to liquidate these liabilities.

Following is the Town's Statement of Net Position:

| | Governmental Activities | | Business-type Activities | | Total | |
|---|---|---|---|---|---|---|
| | 12/31/2021 | 12/31/2020 | 12/31/2021 | 12/31/2020 | 12/31/2021 | 12/31/2020 |
| ASSETS | | | | | | |
| Current Assets | $ 372,010 | $ 323,323 | $ 1,916,199 | $ 764,313 | $ 2,288,209 | $ 1,087,636 |
| Capital Assets, Net | 253,052 | 174,525 | 1,092,481 | 1,013,813 | 1,345,533 | 1,188,338 |
| Total Assets | 625,062 | 497,848 | 3,008,680 | 1,778,126 | 3,633,742 | 2,275,974 |
| LIABILITIES | | | | | | |
| Current Liabilities | 56,291 | 26,364 | 446,096 | 3,392 | 502,387 | 29,756 |
| Long-term Liabilities | - | 8,305 | 691,570 | 72,500 | 691,570 | 80,805 |
| Total Liabilities | 56,291 | 34,669 | 1,137,666 | 75,892 | 1,193,957 | 110,561 |
| Deferred Inflows of Resources | 64,112 | 56,412 | - | - | 64,112 | 56,412 |
| NET POSITION | | | | | | |
| Net Investment-Capital Assets | 253,052 | 175,977 | 1,025,781 | 941,313 | 1,278,833 | 1,117,290 |
| Restricted | 196,513 | 138,729 | - | - | 196,513 | 138,729 |
| Unrestricted | 55,094 | 92,061 | 845,233 | 760,921 | 900,327 | 852,982 |
| Total Net Position | $ 504,659 | $ 406,767 | $ 1,871,014 | $ 1,702,234 | $ 2,375,673 | $ 2,109,001 |

# TOWN OF SIMLA, COLORADO

Management Discussion and Analysis
Year Ended December 31, 2021
(continued)

The following reflects the Town's change in Net Position.

| | Governmental Activities | | Business-type Activities | | Total | |
|---|---|---|---|---|---|---|
| | 12/31/2021 | 12/31/2020 | 12/31/2021 | 12/31/2020 | 12/31/2021 | 12/31/2020 |
| REVENUES | | | | | | |
| PROGRAM REVENUES | | | | | | |
| Charges for Services | $ 56,194 | $ 39,473 | $ 432,598 | $ 346,046 | $ 488,792 | $ 385,519 |
| Operating Grants & Contributions | - | - | - | - | - | - |
| Capital Grants & Contributions | 88,241 | 6,682 | 148,904 | 14,500 | 237,145 | 21,182 |
| GENERAL REVENUES | | | | | | - |
| Property Taxes | 66,278 | 65,468 | - | - | 66,278 | 65,468 |
| Sales Taxes | 120,043 | 108,352 | - | - | 120,043 | 108,352 |
| Other Taxes | 74,764 | 68,561 | - | - | 74,764 | 68,561 |
| Grants not Program Specific | 54,078 | 18,234 | - | - | 54,078 | 18,234 |
| Investment Income | 767 | 3,458 | 613 | 1,973 | 1,380 | 5,431 |
| Gain/(Loss) on Disposal | 3,965 | - | (32,290) | - | (28,325) | - |
| Miscellaneous | 13,668 | 51,156 | - | - | 13,668 | 51,156 |
| TOTAL REVENUES | 477,998 | 361,384 | 549,825 | 362,519 | 1,027,823 | 723,903 |
| EXPENSES | | | | | | |
| General Government | 59,624 | 89,688 | - | - | 59,624 | 89,688 |
| Judicial | 26,320 | 25,024 | - | - | 26,320 | 25,024 |
| Public Safety | 181,019 | 164,014 | - | - | 181,019 | 164,014 |
| Public Works | 96,371 | 82,841 | - | - | 96,371 | 82,841 |
| Health and Welfare | 1,321 | 3,686 | - | - | 1,321 | 3,686 |
| Parks and Recreation | 15,451 | 19,344 | - | - | 15,451 | 19,344 |
| Interest on Long-term Debt | - | - | - | | - | - |
| Water, Sewer and Trash | - | - | 381,045 | 413,284 | 381,045 | 413,284 |
| TOTAL EXPENSES | 380,106 | 384,597 | 381,045 | 413,284 | 761,151 | 797,881 |
| CHANGE IN NET POSITION | 97,892 | (23,213) | 168,780 | (50,765) | 266,672 | (73,978) |
| NET POSITION, Beginning | 406,767 | 429,980 | 1,702,234 | 1,752,999 | 2,109,001 | 2,182,979 |
| NET POSITION, Ending | $ 504,659 | $ 406,767 | $ 1,871,014 | $ 1,702,234 | $ 2,375,673 | $ 2,109,001 |

Governmental Activities for the Town's net position for the year ending December 31, 2021, showed an increase of $97,892. Business-type activities increased the Town's net position by $168,780.

Key elements are as follows:

Total Revenues came in over budget for year ended December 31, 2021 mainly due to the increase in, taxes, fines and forfeitures and a contributions from the estate of a long-time resident. Property taxes are based on assessed valuations.

The economy continues to have effects on the utility revenue. The Town increased utility rates during 2021. In addition, the Town received grants for the design and engineering of water system improvements.

**Financial Analysis of the Government's Funds**

As earlier noted, the Town of Simla uses fund accounting to ensure and demonstrate compliance with finance-related legal requirement.

**Governmental funds**

The focus of the Town's governmental funds is to provide information on current year revenues, expenditures and balances of spendable resources. Such information is useful in assessing the Town's financial requirements. In particular, unreserved fund balance may serve as a useful measure of government's net resources available for spending at the end of the fiscal year.

Revenues for the General Fund increased by $101,649. The major factors were the increases in taxes and fines and forfeitures by $13,726 and $18,266, respectively, the American Rescue Plan Act funds of 80,432, as well as the contribution from the private estate of $50,000. Expenditures increased by $82,867, related to the purchase of a road grader and police vehicles.

**Proprietary Funds**

The proprietary funds provide the same type of information found in the government-wide financial statements with more detail. The only proprietary fund is the Water and Sanitation Fund that includes water, sewer, trash segments. Total net position of the Water segment is $1,212,819; the Sewer segment $ $638,692; and the Trash segment $19,503 for a total $1,871,014. Total increase in the net position separated for each segment is: Water increase of $148,016; Sewer increase of $17,187; and Trash increase of $3,577 for a total increase of $168,780.

Key elements of the water and sanitation fund:

As noted above
Water, Sewer and Trash revenue charges of service increased by $86,552 compared to 2020.
Water segment expenditures decreased ($18,493). Sewer expenditures decreased ($22,214).
Trash segment expenditures decreased (14,992).

## General Fund Budgetary Highlights.

Tax revenues are comprised of property taxes, franchise fees, sales tax, and intergovernmental taxes. Seventy-five percent (75%) of sales tax goes to the Police Department with the remaining twenty-five per cent (25%) going to Public Works. Sales Tax actual was $50,043 greater than budget. Specific Ownership Tax, Highway Users Tax Fund and Elbert County Road and Bridge Fund came in higher than budgeted by $6,445. Franchise taxes were $7,024 higher than budgeted. No amendments were made to the 2021 budget. The actual revenue was higher than budgeted by $169,747. The actual expenditures of $454,730 exceeded budgeted expenditures of $300,214 by $154,516.

## Capital Assets and Debt Administration

### Capital Assets

| | Governmental Activities | | Business-type Activities | | Total | |
|---|---|---|---|---|---|---|
| | 12/31/2021 | 12/31/2020 | 12/31/2021 | 12/31/2020 | 12/31/2021 | 12/31/2020 |
| Land | $ 15,946 | $ 15,946 | $ 7,250 | $ 7,250 | $ 23,196 | $ 23,196 |
| Construction in Progress | - | - | 145,849 | 136,525 | 145,849 | 136,525 |
| Infrastructure | 34,526 | 34,526 | - | - | 34,526 | 34,526 |
| Water & Sewer Systems | - | - | 1,736,021 | 1,727,271 | 1,736,021 | 1,727,271 |
| Buildings | 124,635 | 124,635 | 42,127 | 42,127 | 166,762 | 166,762 |
| Vehicles | 94,814 | 67,544 | | - | 94,814 | 67,544 |
| Equipment | 177,955 | 112,328 | 142,550 | 206,878 | 320,505 | 319,206 |
| Parks | 118,158 | 118,158 | - | - | 118,158 | 118,158 |
| Less Accumulated Depreciation | (312,982) | (298,612) | (981,316) | (969,713) | (1,294,298) | (1,268,325) |
| TOTALS | $ 253,052 | $ 174,525 | $ 1,092,481 | $ 1,150,338 | $ 1,345,533 | $ 1,324,863 |

## Debt

At December 31, 2021, the Town had a total indebtedness of $710,815 which is outlined below:

| | Governmental Activities | | Business-type Activities | | Total | |
|---|---|---|---|---|---|---|
| | 12/31/2021 | 12/31/2020 | 12/31/2021 | 12/31/2020 | 12/31/2021 | 12/31/2020 |
| Sewer Loan | $ - | $ - | $ 66,700 | $ 72,500 | $ 66,700 | $ 72,500 |
| Water Loan | - | - | 632,300 | - | 632,300 | - |
| Compensated Absences | 11,815 | 8,305 | - | - | 11,815 | 8,305 |
| TOTALS | $ 11,815 | $ 8,305 | $ 699,000 | $ 72,500 | $ 710,815 | $ 80,805 |

During 2021, the Water and Sanitation Fund issued a $1,032,300 loan, of which $400,000 was forgiven immediately, for the upgrades to the water distribution system and improvements to the well house, treatment system and storage tank; and made a sewer loan payment of $5,800. (see note 4)

### Economic Factors and Next Year's Budget and Rates:

The Board of Trustees has made the following items their priority; maintaining services, planning for future improvements and making sure the Town has adequate fund balance's to cover all costs of operations. The economy is still a factor when budgeting as revenues have stayed flat for the last three to four years. The costs of our water and sewer systems continue to increase as the age of both systems increases to cost of maintaining and replacing infrastructure. The rates for water and sewer went up due to the CPI increasing and an additional $3.73 due to the new water loan and grant for the water system improvements. Trash rates remained the same.

### Request for information

The financial report is designed to provide a general overview of the Town's finances for all those interested in the government's finances. Questions concerning the information provided to the report or requests for additional financial information should be addressed to the Town Treasurer, Town of Simla, P. O. Box 237, Simla, Colorado 80835.

# BASIC FINANCIAL STATEMENTS

# TOWN OF SIMLA, COLORADO

## STATEMENT OF NET POSITION
December 31, 2021

| | GOVERNMENTAL ACTIVITIES | BUSINESS TYPE ACTIVITIES | TOTAL |
|---|---|---|---|
| ASSETS | | | |
| Cash and Investments | $ 128,587 | $ 842,202 | $ 970,789 |
| Cash and Investments - Restricted | 134,913 | - | 134,913 |
| Receivables | | | |
| Property Taxes | 64,112 | - | 64,112 |
| Other Governments | 4,205 | 1,032,300 | 1,036,505 |
| Accounts | 28,892 | 41,697 | 70,589 |
| Prepaid Items | 11,301 | - | 11,301 |
| Capital Assets, Not Depreciated | 15,946 | 153,099 | 169,045 |
| Capital Assets, Depreciated Net of Accumulated Depreciation | 237,106 | 939,382 | 1,176,488 |
| TOTAL ASSETS | 625,062 | 3,008,680 | 3,633,742 |
| LIABILITIES | | | |
| Accounts Payable | 37,345 | 35,274 | 72,619 |
| Accrued Salaries and Benefits | 7,131 | 3,392 | 10,523 |
| Unearned Grant Revenue | - | 400,000 | 400,000 |
| Noncurrent Liabilities | | | |
| Due in One Year | 11,815 | 7,430 | 19,245 |
| Due in More Than One Year | - | 691,570 | 691,570 |
| TOTAL LIABILITIES | 56,291 | 1,137,666 | 1,193,957 |
| DEFERRED INFLOW OF RESOURCES | | | |
| Deferred Property Tax Revenue | 64,112 | - | 64,112 |
| NET POSITION | | | |
| Net Investment in Capital Assets | 253,052 | 1,025,781 | 1,278,833 |
| Restricted for Emergencies | 11,600 | - | 11,600 |
| Restricted for Parks and Recreation | 31,793 | - | 31,793 |
| Restricted for Capital Improvements | 50,000 | - | 50,000 |
| Restricted for Cemetery Improvements | 103,120 | - | 103,120 |
| Unrestricted, Unreserved | 55,094 | 845,233 | 900,327 |
| TOTAL NET POSITION | $ 504,659 | $ 1,871,014 | $ 2,375,673 |

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

# TOWN OF SIMLA, COLORADO

## STATEMENT OF ACTIVITIES
Year Ended December 31, 2021

| | | PROGRAM REVENUES | | |
|---|---|---|---|---|
| FUNCTIONS/PROGRAMS | EXPENSES | CHARGES FOR SERVICES | OPERATING GRANTS AND CONTRIBUTIONS | CAPITAL GRANTS AND CONTRIBUTIONS |
| PRIMARY GOVERNMENT | | | | |
| Governmental Activities | | | | |
| General Government | $ 59,624 | $ 1,852 | $ - | $ - |
| Judicial | 26,320 | - | - | - |
| Public Safety | 181,019 | 41,724 | - | 5,432 |
| Public Works | 96,371 | 2,099 | - | 75,000 |
| Health and Welfare | 1,321 | 8,000 | - | - |
| Parks and Recreation | 15,451 | 2,519 | - | 7,809 |
| Total Governmental Activities | 380,106 | 56,194 | - | 88,241 |
| Business-Type Activities | | | | |
| Water, Sewer and Trash | 381,045 | 432,598 | - | 148,904 |
| Total Business-Type Activities | 381,045 | 432,598 | - | 148,904 |
| Total Primary Government | $ 761,151 | $ 488,792 | $ - | $ 237,145 |

GENERAL REVENUES
Property Taxes
Sales Taxes
Franchise Taxes
Other Taxes
Grants not related to a Specific Program
Interest
Gain/(Loss) on Disposal
Miscellaneous

TOTAL GENERAL REVENUES

CHANGE IN NET POSITION

NET POSITION, Beginning

NET POSITION, Ending

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

| NET (EXPENSE) REVENUE AND CHANGE IN NET POSITION | | |
|---|---|---|
| GOVERNMENTAL ACTIVITIES | BUSINESS-TYPE ACTIVITIES | TOTALS |
| $ (57,772) | $ - | $ (57,772) |
| (26,320) | - | (26,320) |
| (133,863) | - | (133,863) |
| (19,272) | - | (19,272) |
| 6,679 | - | 6,679 |
| (5,123) | - | (5,123) |
| (235,671) | - | (235,671) |
| - | 200,457 | 200,457 |
| - | 200,457 | 200,457 |
| (235,671) | 200,457 | (35,214) |
| 66,278 | - | 66,278 |
| 120,043 | - | 120,043 |
| 28,094 | - | 28,094 |
| 46,670 | - | 46,670 |
| 54,078 | - | 54,078 |
| 767 | 613 | 1,380 |
| 3,965 | (32,290) | (28,325) |
| 13,668 | - | 13,668 |
| 333,563 | (31,677) | 301,886 |
| 97,892 | 168,780 | 266,672 |
| 406,767 | 1,702,234 | 2,109,001 |
| $ 504,659 | $ 1,871,014 | $ 2,375,673 |

TOWN OF SIMLA, COLORADO

BALANCE SHEET
GOVERNMENTAL FUNDS
December 31, 2021

| | GENERAL FUND | NONMAJOR GOVERNMENTAL CONSERVATION TRUST FUND | TOTALS |
|---|---|---|---|
| ASSETS | | | |
| Cash and Investments | $ 128,587 | $ - | $ 128,587 |
| Cash and Investments - Restricted | 103,120 | 31,793 | 134,913 |
| Property Taxes Receivable | 64,112 | - | 64,112 |
| Due from Other Governments | 4,205 | - | 4,205 |
| Accounts Receivable | 28,892 | - | 28,892 |
| Prepaid Items | 11,301 | - | 11,301 |
| TOTAL ASSETS | 340,217 | 31,793 | 372,010 |
| LIABILITIES, DEFERRED INFLOWS AND FUND EQUITY | | | |
| LIABILITIES | | | |
| Accounts Payable | 37,345 | - | 37,345 |
| Accrued Salaries and Benefits | 7,131 | - | 7,131 |
| TOTAL LIABILITIES | 44,476 | - | 44,476 |
| DEFERRED INFLOW OF RESOURCES | | | |
| Deferred Property Tax Revenue | 64,112 | - | 64,112 |
| FUND EQUITY | | | |
| Fund Balance (Deficit) | | | |
| Nonspendable | 11,301 | - | 11,301 |
| Restricted for Emergencies | 11,600 | - | 11,600 |
| Restricted for Parks and Recreation | - | 31,793 | 31,793 |
| Restricted for Capital Improvements | 50,000 | - | 50,000 |
| Restricted for Cemetery Improvements | 103,120 | - | 103,120 |
| Unassigned | 55,608 | - | 55,608 |
| TOTAL FUND EQUITY | 231,629 | 31,793 | 263,422 |
| TOTAL LIABILITIES, DEFERRED INFLOWS, AND FUND EQUITY | $ 340,217 | $ 31,793 | $ 372,010 |

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

| | |
|---|---|
| Total Fund Balances of Governmental Funds | 263,422 |
| Capital assets used in governmental activities are not financial resources and therefore, are not reported in the funds. | 253,052 |
| Long-term liabilities and related items are not due and payable in the current period and are not reported in the funds. This includes accrued compensated absences. | (11,815) |
| Net position of governmental activities | $ 504,659 |

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

TOWN OF SIMLA, COLORADO

STATEMENT OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCES - GOVERNMENTAL FUNDS
Year Ended December 31, 2021

| | GENERAL FUND | NONMAJOR GOVERNMENTAL CONSERVATION TRUST FUND | TOTALS |
|---|---|---|---|
| REVENUES | | | |
| Taxes | $ 214,415 | $ - | $ 214,415 |
| Licenses and Permits | 3,951 | - | 3,951 |
| Fines and Forfeitures | 41,724 | - | 41,724 |
| Charges for Services | 10,519 | - | 10,519 |
| Intergovernmental | 131,105 | 7,809 | 138,914 |
| Interest | 713 | 54 | 767 |
| Contributions | 50,075 | - | 50,075 |
| Miscellaneous | 18,168 | - | 18,168 |
| TOTAL REVENUES | 470,670 | 7,863 | 478,533 |
| EXPENDITURES | | | |
| Current | | | |
| General Government | 56,465 | - | 56,465 |
| Judicial | 26,320 | - | 26,320 |
| Public Safety | 172,662 | - | 172,662 |
| Public Works | 85,824 | - | 85,824 |
| Health and Welfare | 1,321 | - | 1,321 |
| Parks and Recreation | 9,868 | 928 | 10,796 |
| Capital Outlay | 102,270 | - | 102,270 |
| TOTAL EXPENDITURES | 454,730 | 928 | 455,658 |
| NET CHANGE IN FUND BALANCES | 15,940 | 6,935 | 22,875 |
| FUND BALANCES, Beginning | 215,689 | 24,858 | 240,547 |
| FUND BALANCES, Ending | $ 231,629 | $ 31,793 | $ 263,422 |

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

TOWN OF SIMLA, COLORADO

RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCES - GOVERNMENTAL FUNDS
TO THE STATEMENT OF ACTIVITIES
Year Ended December 31, 2021

Amounts Reported for Governmental Activities in the Statement of Activities are Different Because:

| | |
|---|---|
| Net Changes in Fund Balances - Total Governmental Funds | $ 22,875 |
| Governmental funds report capital outlays as expenditures. However, in the statement of activities, the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense. This is the amount of capital outlay $102,270 that exceeded depreciation expense ($23,208) and loss on disposal of capital assets ($535) in the current period. | 78,527 |
| Some expense reported in the statement of activities do not require the use of current financial resources and, therefore, are not reported as expenditures in the governmental funds. This includes the change in accrued compensated absences. | (3,510) |
| Change in Net Position of Governmental Activities | $ 97,892 |

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

TOWN OF SIMLA, COLORADO

STATEMENT OF NET POSITION
PROPRIETARY FUND TYPE
December 31, 2021

| | WATER AND SANITATION FUND |
|---|---|
| ASSETS | |
| Current Assets | |
| Cash and Investments | $ 842,202 |
| Accounts Receivable, Net | 41,697 |
| Accounts Receivable - CWRPDA | 1,032,300 |
| Total Current Assets | 1,916,199 |
| Noncurrent Assets | |
| Capital Assets, Not Being Depreciated | 153,099 |
| Capital Assets, Net of Accumulated Depreciation | 939,382 |
| Total Noncurrent Assets | 1,092,481 |
| TOTAL ASSETS | 3,008,680 |
| LIABILITIES | |
| Current Liabilities | |
| Accounts Payable | 35,274 |
| Accrued Salaries and Benefits | 3,392 |
| Loan Payable - Current Portion | 7,430 |
| Unearned Grant Revenue - CWRPDA | 400,000 |
| Total Current Liabilities | 446,096 |
| Noncurrent Liabilities | |
| Loans Payable | 691,570 |
| Total Noncurrent Liabilities | 691,570 |
| TOTAL LIABILITIES | 1,137,666 |
| NET POSITION | |
| Net Investment in Capital Assets | 1,025,781 |
| Unreserved | 845,233 |
| TOTAL NET POSITION | $ 1,871,014 |

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

TOWN OF SIMLA, COLORADO

STATEMENT OF REVENUES, EXPENSES
AND CHANGES IN NET POSITION
PROPRIETARY FUND TYPE
Year Ended December 31, 2021

| | WATER AND SANITATION FUND |
|---|---|
| OPERATING REVENUES | |
| Charges for Services | |
| Water | $ 180,879 |
| Sewer | 163,485 |
| Trash | 81,484 |
| Late Fees and Other | 6,750 |
| TOTAL OPERATING REVENUES | 432,598 |
| OPERATING EXPENSES | |
| Operations and Maintenance | |
| Water | 143,461 |
| Sewer | 107,427 |
| Trash | 77,671 |
| Depreciation | 52,486 |
| TOTAL OPERATING EXPENSES | 381,045 |
| OPERATING INCOME (LOSS) | 51,553 |
| NON-OPERATING REVENUES (EXPENSES) | |
| Interest Income | 613 |
| Gain/(Loss) on Capital Assets Disposal | (32,290) |
| TOTAL NON-OPERATING REVENUES (EXPENSES) | (31,677) |
| INCOME BEFORE CAPITAL CONTRIBUTIONS | 19,876 |
| CAPITAL CONTRIBUTIONS | |
| Captial Grants | 148,904 |
| CHANGE IN NET POSITION | 168,780 |
| NET POSITION, Beginning | 1,702,234 |
| NET POSITION, Ending | $ 1,871,014 |

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

TOWN OF SIMLA, COLORADO

STATEMENT OF CASH FLOWS
PROPRIETARY FUND TYPE
Year Ended December 31, 2021
Increase (Decrease) in Cash and Cash Equivalents

| | WATER, SANITATION AND TRASH FUND |
|---|---|
| CASH FLOWS FROM OPERATING ACTIVITIES | |
| Cash Received from Customers | $ 425,748 |
| Cash Paid to Suppliers | (159,112) |
| Cash Paid to Employees | (134,173) |
| Net Cash Provided by Operating Activities | 132,463 |
| CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES | |
| Purchase of Capital Assets | (163,444) |
| Capital Grants | 148,904 |
| Loan Proceeds - CWRPDA | 632,300 |
| Unearned Grant Revenue - CWRPDA | 400,000 |
| Accounts Receivable CWRPDA | (1,032,300) |
| Loan Payments | (5,800) |
| Net Cash Used by Capital and Related Financing Activities | (20,340) |
| CASH FLOWS FROM INVESTING ACTIVITIES | |
| Interest Received | 613 |
| Net Cash Provided by Investing Activities | 613 |
| Net Increase in Cash and Cash Equivalents | 112,736 |
| CASH AND CASH EQUIVALENTS, Beginning | 729,466 |
| CASH AND CASH EQUIVALENTS, Ending | $ 842,202 |
| RECONCILIATION OF OPERATING INCOME (LOSS) TO NET CASH PROVIDED BY OPERATING ACTIVITIES | |
| Operating Income (Loss) | $ 51,553 |
| Adjustments to Reconcile Operating Income (Loss) to Net Cash Provided by Operating Activities | |
| Depreciation and Amortization | 52,486 |
| Changes in Assets and Liabilities | |
| Accounts Receivable | (6,850) |
| Accounts Payable | 35,274 |
| Total Adjustments | 80,910 |
| Net Cash Provided by Operating Activities | $ 132,463 |

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

## NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

### Nature of Operations

The Town of Simla (the "Town") is a political subdivision of the State of Colorado and is governed by a Mayor and six-member Board of Trustees elected by the residents. The Town provides public safety, public works and parks and recreation services as well as water, sewer, and trash services.

### Reporting Entity

In accordance with governmental accounting standards, the Town has considered the possibility of including additional entities in its financial statements.

The definition of the reporting entity is based primarily on financial accountability. The Town is financially accountable for organizations that make up its legal entity. It is also financially accountable for legally separate organizations if the Town officials appoint a voting majority of the organization's governing body and either it is able to impose its will on that organization or there is a potential for the organization to provide specific financial benefits to, or to impose specific financial burdens on, the Town. The Town may also be financially accountable for organizations that are fiscally dependent upon it. Based on the application of the criteria, the Town does not include additional organizations in its report entity.

### Government-Wide and Fund Financial Statements

The government-wide financial statements (i.e., the statement of net position and the statement of activities) report information on all nonfiduciary 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 and intergovernmental revenues, are reported separately from business-type activities, which rely to a significant extent on fees and charges for support.

The statement of net position reports all financial, capital and debt resources of the Town. The difference between assets plus deferred outflows, and liabilities plus deferred inflows of the Town is reported as net position.

The statement of activities demonstrates the degree to which the direct expenses and allocated indirect expenses of a given function or segment are offset by program revenues. Direct expenses are those that are clearly identifiable with a specific function or segment. Program revenues include 1) charges to customers or applicants 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.

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Government-Wide and Fund Financial Statements (Continued)

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

Measurement Focus, Basis of Accounting and Financial Statement Presentation

The government-wide financial statements are reported using the economic resources measurement focus and the accrual basis of accounting, as are the proprietary fund financial statements. Revenues are recorded when earned and expenses are recorded when the 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 granting agency have been met.

Governmental fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Revenues are recognized as soon as they are both "measurable and available". Revenues are considered to be "available" when they are collected within the current year or soon enough thereafter to pay liabilities of the current year. For this purpose, the Town considers revenues to be available if they are collected within 60 days of the end of the current year, except for expenditure driven grants as defined in the following paragraph.

Taxes, intergovernmental revenue and interest associated with the current fiscal year are considered to be susceptible to accrual and so have been recognized as revenues of the current fiscal year. Grant and similar revenues are recorded as revenues when all eligibility requirements are met, including any time requirements. Expenditure-driven grants are recognized as revenue when the qualifying expenditures have been incurred and all other eligibility requirements have been met. All other revenues are considered to be measurable and available only when cash is received by the Town.

Expenditures generally are recorded when a liability is incurred, as under accrual accounting. However, debt service expenditures, as well as expenditures related to compensated absences, are recorded only when payment is due.

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Measurement Focus, Basis of Accounting and Financial Statement Presentation (Continued)

Proprietary funds distinguish operating revenues and expenses from nonoperating items. Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with a proprietary fund's principal ongoing operations. Operating expenses for enterprise funds include the cost of sales and services, administrative expenses, and depreciation on capital assets. All revenues and expenses not meeting this definition are reported as nonoperating revenues and expenses or capital contributions.

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

The Town reports the following major governmental fund in the fund financial statements:

*General Fund* – The General Fund is used to account for the general operations and specific programs of the Town.

The Town reports the following major proprietary funds:

*Water and Sanitation Fund* – The Water and Sanitation Fund accounts for the financial activities associated with providing water, sewer and trash services to the Town's residents.

In addition, the Town reports the following nonmajor governmental fund:

*Conservation Trust Fund* – The Conservation Trust Fund is a special revenue fund used to account for lottery revenues used for recreational programs.

Assets, Liabilities, Fund Balance/Net Position

*Cash and Investments* – For the purposes of reporting in the statement of cash flows, cash equivalents include certificates of deposit and investments with original maturities of three months or less. Investments are reported at fair value. The Town pools cash from several funds for the purpose of increasing interest income. Interest is allocated to individual funds based on the average cash of the funds.

*Receivables* – Due from other governments and accounts receivable are reported at their gross value, and where appropriate, are reduced by the estimated portion that is expected to be uncollectible. Accounts receivable are recorded on the statement of net position, net of allowance for uncollectible accounts.

## NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Assets, Liabilities, Fund Balance/Net Position (Continued)

*Capital Assets* – Capital assets, which include property, buildings, equipment and all infrastructure owned by the Town, are reported in the applicable government-wide or business-type activities columns of the government-wide financial statements and the proprietary funds in the fund financial statements. Capital assets are defined by the Town as assets with an initial, individual cost of more than $1,500 and an estimated useful life in excess of one year. Such assets are recorded at historical cost or estimated historical cost if purchased or constructed. Donated capital assets are recorded at estimated fair market value at the date of donation.

The costs of normal maintenance and repairs that do not add to the value of the asset or materially extend asset lives are not capitalized.

Capital assets of the Town are depreciated using the straight-line method over the following estimated useful lives.

| | |
|---|---|
| Infrastructure | 40 years |
| Buildings | 14-50 years |
| Equipment | 5-14 years |
| Vehicles | 7 years |

General infrastructure assets acquired prior to January 1, 2003 are not being reported in the basic financial statements. General infrastructure assets include all roads, bridges, and other infrastructure assets acquired subsequent to January 1, 2003.

*Compensated Absences* – Town employees are allowed to accumulate unused paid-time-off and sick leave. Employees with one full year of service receive 56 hours per year, from two to five years of employment, 96 hours and for each year from 6 to 15 years an additional 8 hours each year of service up to a maximum of 176 hours. No carryover of hours is allowed, unless approved. Unused PTO is paid upon termination of employment. Full time or appointed employees accrue eight hours of sick leave per month. Part time employees working at least 20 hours a week, accrue sick leave at a rate proportionate to time worked in relationship to full time employees. Unused sick leave is not paid upon termination of employment.

*Long-Term Debt* - In the government-wide financial statements, and the proprietary funds financial statements, long-term debt and other long-term obligations are reported as liabilities in the applicable governmental activities, business-type activities, or proprietary fund statement of net position.

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Assets, Liabilities, Fund Balance/Net Position (Continued)

In the governmental fund financial statements, the face amount of debt issued is reported as other financing sources. Debt premiums and discounts are reported as other financing sources and uses, respectively. Issuance costs, whether or not withheld from the actual debt proceeds received, are reported as debt service expenditures. In the government-wide and proprietary funds, debt premiums and discounts are deferred and amortized over the life of the bonds using the straight-line method.

*Net Position* – In the government-wide and proprietary fund financial statements, net position is restricted when constraints placed on the net position are externally imposed.

- Net Investment in Capital Assets – this classification is intended to report the portion of net position which is associated with non-liquid, capital assets less outstanding debt related to those capital assets.
- Restricted Net Position – this classification includes liquid assets which have third party limitations on their use.
- Unrestricted Net Position – this classification includes assets that do not have any third party limitation on their use.

*Fund Balance Classification* – The governmental fund financial statements present fund balances based on classifications that comprise a hierarchy that is based primarily on the extent to which the Town is bound to honor constraints on the specific purposes for which amounts in the respective governmental funds can be spent. The classifications used in the governmental fund financial statements are as follows:

- Nonspendable – This classification includes amounts that cannot be spent because they are either (a) not in spendable form (such as prepaid items) or (b) are legally or contractually required to be maintained intact.
- Restricted – This classification includes amounts for which constraints have been placed on the use of the resources either (a) externally imposed by creditors (such as through a debt covenant), grantors, contributors or laws or regulations of other governments, or (b) imposed by law through constitutional provisions or enabling legislation.
- Committed – This classification includes amounts that can be used only for specific purposes pursuant to constraints imposed by formal action of the Town's highest level of decision-making authority, the Town Board of Trustees. The constraint may be removed or changed only through formal action of the Town Board of Trustees.

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Assets, Liabilities and Net Position/Fund Balances (Continued)

- Assigned – This classification includes amounts that are constrained by the Town's intent to be used for specific purposes, but is neither restricted nor committed. Intent is expressed by the Town Board of Trustees to be used for a specific purpose. Constraints imposed on the use of assigned amounts are more easily removed or changed than those imposed on committed amounts.

- Unassigned – This classification includes the residual fund balance for the General Fund. The unassigned classification also includes negative residual fund balance of any other governmental fund that cannot be eliminated by offsetting of assigned fund balance amounts.

The Town has not established a formal policy for its use of restricted and unrestricted fund balance. However, if both the restricted and unrestricted fund balances are available the Town uses restricted fund balance first, followed by committed, assigned and unassigned.

Property Taxes

Property taxes are levied by December 15, tax bills are mailed January 1 of the following year, and attach as an enforceable lien on the property. Taxes are payable in full on April 30 or in two installments on February 28 and June 15. Taxes are delinquent if not paid by those dates. Notices of delinquencies are mailed in September, and tax sales are scheduled for November. The County Treasurer's Office collects property taxes and remits to the Town on a monthly basis. Since property tax revenues are collected in arrears during the succeeding year, a receivable and corresponding deferred inflow of resources are reported at December 31.

Use of Estimates

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

Subsequent Events

The Town has evaluated events subsequent to the year ended December 31, 2021 through July 19, 2022, the date these financial statements were issued, and has incorporated any required recognition into these financial statements.

## NOTE 2: CASH AND INVESTMENTS

A summary of cash and investments at December 31, 2021, follows:

| | |
|---|---|
| Cash Deposits | $ 498,686 |
| Investments | 607,016 |
| Total | $ 1,105,702 |

Cash is reported in the financial statements as follows:

| | |
|---|---|
| Cash and Investments | $ 970,789 |
| Restricted Cash and Investments | 134,913 |
| Total | $ 1,105,702 |

Deposits

The Colorado Public Deposit Protection Act (PDPA) requires that all local government entities deposit cash in eligible public depositories. Eligibility is determined by State regulations. Amounts on deposit in excess of Federal Deposit Insurance Corporation (FDIC) levels must be collateralized by eligible collateral as determined by the PDPA. The FDIC insures depositors up to $250,000 for each financial institution. The PDPA allows the financial institution to create a single collateral pool for all public funds held. The pool is to be maintained by another institution, or held in trust for all uninsured public deposits as a group. The market value of the collateral must be at least equal to 102% of the uninsured deposits. At December 31, 2021, the Town had bank deposits totaling $501,588 of which $250,000 were insured by FDIC and $251,588 were collateralized with securities held by the financial institution's agent but not in their name.

Investments

The Town has not adopted a formal investment policy; however, the Town follows State statutes regarding investments. The Town generally limits its concentration of investments to Local Government Investment Pools, obligation of the United States and certain U.S. government agency securities, which are believed to have minimal credit risk; minimal interest rate risk and no foreign currency risk. Additionally, the Town is not subject to concentration risk disclosure requirements or subject to investment custodial credit risk for investments that are in the possession of another party.

Colorado revised statutes limit investment maturities to five years or less unless formally approved by the Board of Directors, such actions are generally associated with a debt service reserve or sinking fund requirements.

NOTE 2: CASH AND INVESTMENTS (Continued)

Investments (Continued)

State statutes specify investment instruments meeting defined rating, maturity and concentration risk criteria in which local governments may invest which include the following.

- Obligations of the United States and certain U.S. Agency securities
- Certain international agency securities
- General obligation and revenue bonds of U.S. 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

At December 31, 2021, the Town had the following investments:

| | Maturity | |
|---|---|---|
| Colorado Liquid Asset Trust (COLOTRUST) | Weighted Average under 60 days | $ 607,016 |

The Town invested in the Colorado Government Liquid Asset Trust (COLOTRUST) (the "Trust"), an investment vehicle established for local government entities in Colorado to pool surplus funds. The State Securities Commissioner administers and enforces all State statutes governing the Trust. The Trust operates similarly to a money market fund and each share is equal in value to $1.00. The Trust offers share in two portfolios, COLOTRUST PRIME and COLOTRUST PLUS+. Both portfolios may invest in U.S. Treasury and repurchase agreements collateralized by U.S. Treasury securities. COLOTRUST PLUS+ may also invest in certain obligations of U.S. government agencies, highest rated commercial paper and any security allowed under CRS 24-75-601. A designated custodial bank serves as custodian for the Trust's portfolios pursuant to a custodian agreement. The custodian acts as the safekeeping agent for the Trust's investment portfolios and provides services as the depository in connection with direct investments and withdrawals. The custodian's internal records segregate investments owned by the Trust. COLOTRUST is rated AAA by Standard and Poor's. COLOTRUST records its investments at fair value and the Town records its investments in COLOTRUST using the net asset value method. There are no unfunded commitments, the redemption frequency is daily and there is no redemption notice period.

Restricted Cash and Investments

Restricted cash and Investments consists of $103,120 for future cemetery improvements, and $31,793 for future parks and recreation expenditures.

## NOTE 3: CAPITAL ASSETS

Capital asset activity for the year ended December 31, 2021, is summarized below:

| | Balances 12/31/2020 | Additions | Deletions | Balances 12/31/2021 |
|---|---|---|---|---|
| Governmental Activities: | | | | |
| Capital Assets, not being depreciated | | | | |
| Land | $ 15,946 | $ - | $ - | $ 15,946 |
| Total Capital Assets, not being depreciated | 15,946 | - | - | 15,946 |
| Capital Assets, being depreciated | | | | |
| Infrastructure | 34,526 | - | - | 34,526 |
| Buildings | 124,635 | - | - | 124,635 |
| Vehicles | 67,544 | 27,270 | - | 94,814 |
| Equipment | 112,328 | 75,000 | 9,373 | 177,955 |
| Parks | 118,158 | - | - | 118,158 |
| Total Capital Assets, being depreciated | 457,191 | 102,270 | 9,373 | 550,088 |
| Less accumulated depreciation | | | | |
| Infrastructure | (11,885) | (863) | - | (12,748) |
| Buildings | (56,745) | (2,356) | - | (59,101) |
| Vehicles | (48,266) | (8,915) | - | (57,181) |
| Equipment | (101,776) | (6,919) | (8,838) | (99,857) |
| Parks | (79,940) | (4,155) | - | (84,095) |
| Total accumulated depreciation | (298,612) | (23,208) | (8,838) | (312,982) |
| Total Capital Assets, being depreciated, net | 158,579 | 79,062 | 535 | 237,106 |
| Governmental Activities Capital Assets, net | $ 174,525 | $ 79,062 | $ 535 | $ 253,052 |

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

| | |
|---|---|
| General Government | $ 1,430 |
| Public Safety | 7,016 |
| Public Works | 10,107 |
| Parks and Recreation | 4,655 |
| Total | $ 23,208 |

The remainder of the page is intentionally left blank.

## NOTE 3: CAPITAL ASSETS (Continued)

| Business-type Activities: | Balances 12/31/2020 | Additions | Deletions | Balances 12/31/2021 |
|---|---|---|---|---|
| Capital Assets, not being depreciated | | | | |
| Land | $ 7,250 | $ - | $ - | $ 7,250 |
| Construction In Progress | 136,525 | 9,324 | - | 145,849 |
| Total Capital Assets, not being depreciated | 143,775 | 9,324 | - | 153,099 |
| Capital Assets, being depreciated | | | | |
| Buildings | 42,127 | - | - | 42,127 |
| Equipment | 206,878 | 8,845 | 73,173 | 142,550 |
| System | 1,727,271 | 8,750 | - | 1,736,021 |
| Total Capital Assets, being depreciated | 1,976,276 | 17,595 | 73,173 | 1,920,698 |
| Less accumulated depreciation | | | | |
| Buildings | (26,682) | (1,041) | - | (27,723) |
| Equipment | (161,783) | (7,716) | (40,883) | (128,616) |
| System | (781,248) | (43,729) | - | (824,977) |
| Total accumulated depreciation | (969,713) | (52,486) | (40,883) | (981,316) |
| Total Capital Assets, being depreciated, net | 1,006,563 | (34,891) | 32,290 | 939,382 |
| Business-type Activities Capital Assets, net | $ 1,150,338 | $ (25,567) | $ 32,290 | $ 1,092,481 |

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

| | |
|---|---|
| Water | $ 29,237 |
| Sewer | 23,013 |
| Trash | 236 |
| Total | $ 52,486 |

## NOTE 4: LONG-TERM DEBT

### Governmental Activities

Following is a summary of long-term debt transactions for the governmental activities for the year ended December 31, 2021.

| Govenmental Activities | Balance 12/31/2020 | Additions | Deletions | Balance 12/31/2021 | Due Within One Year |
|---|---|---|---|---|---|
| Accrued Compensated Absences | $ 8,305 | $ 8,610 | $ 5,100 | $ 11,815 | $ 11,815 |

Compensated absences are expected to be liquidated primarily with revenues of the General Fund.

NOTE 4: LONG-TERM DEBT (Continued)

Business-type Activities

Following is a summary of long-term debt transactions for the business-type activities for the year ended December 31, 2021.

| | Balance 12/31/2020 | Additions | Deletions | Balance 12/31/2021 | Due Within One Year |
|---|---|---|---|---|---|
| Business-type Activities | | | | | |
| 2013 Sewer Loan | $ 72,500 | $ - | $ 5,800 | $ 66,700 | $ 5,800 |
| 2021 Water Loan | - | 1,032,300 | 400,000 | 632,300 | 1,630 |
| 2013 Sewer Loan | $ 72,500 | $ 1,032,300 | $ 405,800 | $ 699,000 | $ 7,430 |

Sewer Loan

During 2013, the Town entered into an interest-free 20 year loan agreement in the amount of $116,000 with the Colorado Water Resources and Power Development Authority for improvements to the Town's sewer system. Principal only payments of $2,900 are due semi-annually on May 1, and November 1 through May 1, 2033.

Following is a summary of the sewer loan future debt service requirements for the business-type activities for the year ended December 31, 2021.

| Year Ended December 31 | Principal |
|---|---|
| 2022 | $ 5,800 |
| 2023 | 5,800 |
| 2024 | 5,800 |
| 2025 | 5,800 |
| 2026 | 5,800 |
| 2027 – 2031 | 29,000 |
| 2032 – 2033 | 8,700 |
| Total | $ 66,700 |

Water Loan

On April 9, 2021, the Town entered into a loan agreement with Colorado Water Resources and Power Development Authority (CWRPDA) through the Drinking Water Revolving Fund Disadvantaged Communities Loan Program for the purpose of constructing upgrades to the water distribution system, improvements to the well house, water treatment system and storage tank. The loan principal amount was $1,032,300, of which the Up-Front Principal Forgiveness applied at closing was $400,000, leaving a remaining amount of $632,300. Commencing on November 1, 2022, an initial payment of principal and interest of $1,894 is due. On May 1, 2023, principal and interest payments of $11,510 are due semi-annually on May 1 and November 1 through May 1, 2052. The loan bears interest at 0.5% per annum.

NOTE 4: LONG-TERM DEBT (Continued)

Business-type Activities

Following is a summary of the water loan future debt service requirements for the business-type activities for the year ended December 31, 2021.

| Year Ended December 31 | Principal | Interest | Total |
|---|---|---|---|
| 2022 | $ 1,630 | $ 264 | $ 1,894 |
| 2023 | 19,892 | 3,129 | 23,021 |
| 2024 | 19,992 | 3,029 | 23,021 |
| 2025 | 20,092 | 2,929 | 23,021 |
| 2026 | 20,193 | 2,828 | 23,021 |
| 2027 – 2031 | 102,489 | 12,615 | 115,104 |
| 2032 – 2036 | 105,080 | 10,024 | 115,104 |
| 2037 – 2041 | 107,737 | 7,367 | 115,104 |
| 2042 – 2046 | 110,461 | 4,643 | 115,104 |
| 2047 – 2051 | 113,253 | 1,851 | 115,104 |
| 2052 | 11,481 | 29 | 11,510 |
| Total | $ 632,300 | $ 48,708 | $ 681,008 |

NOTE 5: PUBLIC ENTITY RISK POOL

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. For these risks of loss, the Town is involved with the Colorado Intergovernmental Risk Sharing Agency (CIRSA), a separate and independent governmental and legal entity formed by intergovernmental agreement by member municipalities pursuant to the provision of 24-10-115.5, Colorado Revised Statutes (1982 Replacement Volume) and Colorado Constitution, Article XIV, Section 18(2).

The purposes of CIRSA are to provide members defined liability, property, and workers compensation coverages and to assist members in preventing and reducing losses and injuries to municipal property and to persons or property which might result in claims being made against members of CIRSA, their employees and officers.

It is the intent of the members of CIRSA to create an entity in perpetuity which will administer and use funds contributed by the members to defend and indemnify, in accordance with the bylaws, any member of CIRSA against stated liability of loss, to the limit of the financial resources of CIRSA.

It is also the intent of the members to have CIRSA provide continuing stability and availability of needed coverages at reasonable costs. All income and assets of CIRSA shall be at all times dedicated to the exclusive benefit of its members. CIRSA is a separate legal entity and the Town does not approve budgets nor does it have the ability to significantly affect the operations of entity.

## NOTE 6: PENSION PLANS

In 1994 the Town established a defined contribution SEP plan for eligible employees. The Town contributes 5.5% of eligible employees' compensation each quarter of the year. The Town recognized pension expense of $7,876 for the year ended December 31, 2021.

## NOTE 7: COMMITMENTS AND CONTINGENCIES

### Tabor Amendment

Colorado voters passed an amendment to the State Constitution, Article X, Section 20 (the "Amendment"), which has several limitations, including revenue raising, spending abilities, and other specific requirements of state and local government. The Amendment requires, with certain exceptions, advance voter approval for any new tax, tax rate increase, mill levy above that for the prior year, extension of an expiring tax, or tax policy change directly causing a net tax revenue gain to the Town. Revenue in excess of the fiscal spending limit must be refunded in the next fiscal year unless voters approve retention of such revenue.

In November 1995, voters within the Town approved a ballot proposal to allow the Town to retain excess revenues.

The Town's management believes it is in compliance with the provisions of the Amendment. However, the Amendment is complex and subject to interpretation. Many of its provisions may require judicial interpretation.

The Town has established an emergency reserve, representing 3% of qualifying expenditures, as required by the Amendment. At December 31, 2021, the emergency reserve of $11,600 was reported as restricted net position and fund balance in the Governmental Activities and General Fund, respectively.

### Claims and Judgments

The Town participates in a number of federal, state, and local programs that are fully or partially funded by grants received from other governmental entities. Expenses financed by grants are subject to audit by the appropriate grantor government. If expenses are disallowed due to noncompliance with grant program regulations, the Town may be required to reimburse the grantor government. At December 31, 2021, significant amounts of grant expenses have not been audited but management believes that subsequent audits will not have a material effect on the overall financial position of the Town.

## NOTE 7: COMMITMENTS AND CONTINGENCIES (Continued)

Uncertainty – Coronavirus Pandemic

On January 30, 2020, the World Health Organization declared the coronavirus outbreak a "Public Health Emergency of International Concern" and on March 10, 2020, declared it to be a pandemic. The coronavirus and actions taken by government and public health officials to mitigate it have had and are expected to continue to have an adverse impact on the economies and financial markets in many countries, including the geographical area in which the Town is located. It is unknown how long these conditions will last and what the complete financial impact will be to the Town.

## NOTE 8: RESTATEMENT

During the year ended December 31, 2021, the Town discovered engineering and design costs related to the water system improvement project that were incurred in 2020, but were not billed until 2021. As a result, the Utility Fund's beginning balances of the capital assets and accounts payable were restated by $136,525 to reflect this correction.

## NOTE 9: SEGMENT INFORMATION

The Water and Sanitation Fund is intended to be self-supporting through charges for services for water, sewer and trash operations. The sewer department has a loan for system improvements made in 2013 which is required to be paid from sewer system revenues. Condensed summary financial information for each department is presented on the following page.

| CONDENSED STATEMENT OF NET POSITION | WATER DEPARTMENT | SEWER DEPARTMENT | TRASH DEPARTMENT |
|---|---|---|---|
| Assets | | | |
| Current Assets | $ 1,614,823 | $ 286,151 | $ 15,225 |
| Capital Assets | 667,266 | 420,937 | 4,278 |
| TOTAL ASSETS | 2,282,089 | 707,088 | 19,503 |
| Liabilities | | | |
| Current Liabilities | 438,600 | 7,496 | - |
| Noncurrent Liabilities | 630,670 | 60,900 | - |
| TOTAL LIABILITIES | 1,069,270 | 68,396 | - |
| Net Position | | | |
| Net Investment in Capital Assets | 667,266 | 354,237 | 4,278 |
| Unreserved | 545,553 | 284,455 | 15,225 |
| TOTAL NET POSITION | $ 1,212,819 | $ 638,692 | $ 19,503 |

| CONDENSED STATEMENT OF REVENUES, EXPENSES AND CHANGES IN NET POSITION | WATER DEPARTMENT | SEWER DEPARTMENT | TRASH DEPARTMENT |
|---|---|---|---|
| Operating Revenues and Expenses | | | |
| Operating Revenues | $ 187,629 | $ 163,485 | $ 81,484 |
| Operating Expenses, net of Depreciation | (143,461) | (107,427) | (77,671) |
| Depreciation | (29,237) | (23,013) | (236) |
| Operating Income | 14,931 | 33,045 | 3,577 |
| Nonoperating Revenues and Expenses | | | |
| Investment Income | 548 | 65 | - |
| Gain/(Loss) on Disposals | (16,367) | (15,923) | - |
| Capital Grants | 148,904 | - | - |
| Change in Net Position | 148,016 | 17,187 | 3,577 |
| Beginning Net Position | 1,064,803 | 621,505 | 15,926 |
| Ending Net Position | $ 1,212,819 | $ 638,692 | $ 19,503 |

| CONDENSED STATEMENT OF CASH FLOWS | WATER DEPARTMENT | SEWER DEPARTMENT | TRASH DEPARTMENT |
|---|---|---|---|
| Net Cash Provided (Used) by: | | | |
| Operating Activities | $ 75,465 | $ 53,447 | $ 3,551 |
| Capital and Related Financing Activities | (14,540) | (5,800) | - |
| Investment Activities | 548 | 65 | - |
| Net Increase (Decrease) | 61,473 | 47,712 | 3,551 |
| Beginning Cash and Cash Equivalents | 503,142 | 222,284 | 4,040 |
| Ending Cash and Cash Equivalents | $ 564,615 | $ 269,996 | $ 7,591 |

# REQUIRED SUPPLEMENTARY INFORMATION

TOWN OF SIMLA, COLORADO

GENERAL FUND
BUDGETARY COMPARISON SCHEDULE
Year Ended December 31, 2021
(With Comparative Actual Totals for the Year Ended December 31, 2020)

| | 2021 | | | 2020 |
|---|---|---|---|---|
| | ORIGINAL AND FINAL BUDGET | ACTUAL | VARIANCE Positive (Negative) | ACTUAL |
| REVENUES | | | | |
| Taxes | $ 155,735 | $ 214,415 | $ 58,680 | $ 200,689 |
| Licenses and Permits | 5,925 | 3,951 | (1,974) | 10,025 |
| Fines and Forfeitures | 79,713 | 41,724 | (37,989) | 23,498 |
| Charges for Services | 7,700 | 10,519 | 2,819 | 5,950 |
| Intergovernmental | 41,750 | 131,105 | 89,355 | 59,926 |
| Interest | 4,100 | 713 | (3,387) | 3,388 |
| Contributions | - | 50,075 | 50,075 | 3,388 |
| Miscellaneous | 6,000 | 18,168 | 12,168 | 66,656 |
| TOTAL REVENUES | 300,923 | 470,670 | 169,747 | 373,520 |
| EXPENDITURES | | | | |
| Current | | | | |
| General Government | 50,819 | 56,465 | (5,646) | 88,985 |
| Judicial | 24,915 | 26,320 | (1,405) | 25,024 |
| Public Safety | 154,357 | 172,662 | (18,305) | 157,971 |
| Public Works | 57,939 | 85,824 | (27,885) | 73,166 |
| Health and Welfare | 6,284 | 1,321 | 4,963 | 3,686 |
| Parks and Recreation | 5,900 | 9,868 | (3,968) | 11,211 |
| Capital Outlay | - | 102,270 | (102,270) | 9,500 |
| TOTAL EXPENDITURES | 300,214 | 454,730 | (154,516) | 369,543 |
| NET CHANGE IN FUND BALANCE | 709 | 15,940 | 15,231 | 3,977 |
| FUND BALANCE, Beginning | 177,703 | 215,689 | 37,986 | 215,100 |
| FUND BALANCE, Ending | $ 178,412 | $ 231,629 | $ 53,217 | $ 219,077 |

See the accompanying Independent Auditor's Report.

NOTES TO REQUIRED SUPPLEMENTARY INFORMATION
December 31, 2021

## NOTE 1: STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY

### Budgets

Budgets are legally adopted for all funds of the Town. Budgets for governmental funds are adopted on a basis consistent with generally accepted accounting principles (GAAP). Budgetary comparisons for the enterprise funds are presented on a non-GAAP budgetary basis. Capital outlay and long-term debt principal are budgeted as expenditures and depreciation is not budgeted.

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

- In September, Management submits to the Town Board of Trustees a proposed operating budget for the fiscal year commencing the following January 1. The operating budget includes proposed expenditures and the means of financing them.

- Public hearings are conducted to obtain taxpayer and public comments.

- Prior to December 31, the budget is legally enacted through passage of an ordinance.

- Management is authorized to transfer budgeted amounts between departments within any fund. However, any revisions that alter the total expenditures must be approved by the Town Board of Trustees.

- All budget appropriations lapse at year end. Colorado governments may not exceed budgeted appropriations at the fund level.

### Legal Compliance

For the year ended December 31, 2021, the General Fund's and Utility Fund's actual expenditures exceeded budgeted expenditures by $154,516 and $94,302, respectively. This may be a violation of State statute.

# SUPPLEMENTARY INFORMATION

TOWN OF SIMLA, COLORADO

CONSERVATION TRUST FUND
BUDGETARY COMPARISON SCHEDULE
Year Ended December 31, 2021
(With Comparative Actual Totals for the Year Ended December 31, 2020)

| | 2021 | | | 2020 |
|---|---|---|---|---|
| | ORIGINAL AND FINAL BUDGET | ACTUAL | VARIANCE Positive (Negative) | ACTUAL |
| REVENUES | | | | |
| Lottery Revenues | $ 6,400 | $ 7,809 | $ 1,409 | $ 6,682 |
| Interest | 21 | 54 | 33 | 70 |
| TOTAL REVENUES | 6,421 | 7,863 | 1,442 | 6,752 |
| EXPENDITURES | | | | |
| Parks and Recreation | 8,000 | 928 | 7,072 | 3,248 |
| TOTAL EXPENDITURES | 8,000 | 928 | 7,072 | 3,248 |
| NET CHANGE IN FUND BALANCE | (1,579) | 6,935 | 8,514 | 3,504 |
| FUND BALANCE, Beginning | 19,620 | 24,858 | 5,238 | 21,354 |
| FUND BALANCE, Ending | $ 18,041 | $ 31,793 | $ 13,752 | $ 24,858 |

See the accompanying Independent Auditor's Report.

TOWN OF SIMLA, COLORADO

WATER AND SANITATION
BUDGETARY COMPARISON SCHEDULE
Year Ended December 31, 2021
(With Comparative Actual Totals for the Year Ended December 31, 2020)

| | 2021 | | | 2020 |
|---|---|---|---|---|
| | ORIGINAL AND FINAL BUDGET | ACTUAL | VARIANCE Positive (Negative) | ACTUAL |
| REVENUES | | | | |
| Charges for Services | | | | |
| Water | $ 147,968 | $ 169,269 | $ 21,301 | $ 127,498 |
| Sewer | 143,968 | 163,485 | 19,517 | 140,163 |
| Trash | 70,000 | 81,484 | 11,484 | 71,224 |
| Bulk Water | 5,970 | 11,610 | 5,640 | 4,817 |
| Late Fees and Other | 1,000 | 6,750 | 5,750 | 2,344 |
| Tap Fees - Water | 3,500 | - | (3,500) | 12,500 |
| Tap Fees - Sewer | 3,500 | - | (3,500) | 2,000 |
| Capital Grants | - | 148,904 | 148,904 | - |
| Investment Income | - | 613 | 613 | 1,973 |
| TOTAL REVENUES | 375,906 | 582,115 | 206,209 | 362,519 |
| EXPENDITURES | | | | |
| Operations and Maintenance | | | | |
| Water | 150,044 | 143,461 | 6,583 | 161,954 |
| Sewer | 126,483 | 107,427 | 19,056 | 129,641 |
| Trash | 63,912 | 77,671 | (13,759) | 69,264 |
| Capital Outlay | 5,900 | 163,444 | (157,544) | - |
| Debt Service | | | | |
| Principal | 2,700 | 5,800 | (3,100) | 5,800 |
| Contingency | 54,462 | - | 54,462 | - |
| TOTAL EXPENDITURES | 403,501 | 497,803 | (94,302) | 366,659 |
| NET INCOME, Budget Basis | $ (27,595) | 84,312 | $ 111,907 | (4,140) |
| GAAP BASIS ADJUSTMENTS | | | | |
| Capital Outlay | | 163,444 | | - |
| Depreciation | | (52,486) | | (52,425) |
| Gain/(Loss) on Capital Assets Disposal | | (32,290) | | - |
| Principal Paid on Long-Term Debt | | 5,800 | | 5,800 |
| NET INCOME, GAAP Basis | | 168,780 | | (50,765) |
| NET POSITION, Beginning | | 1,702,234 | | 1,752,999 |
| NET POSITION, Ending | | $ 1,871,014 | | $ 1,702,234 |

See the accompanying Independent Auditor's Report.

# OTHER INFORMATION

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

Financial Planning 02/01
Form # 350-050-36

| LOCAL HIGHWAY FINANCE REPORT | | City or County | Simla |
|---|---|---|---|
| | | YEAR ENDING : December 2021 | |
| This Information From The Records of | Prepared By: Phone: | Jackie L. Zior 1-719-541-2468 | |

## 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 availabl | | | | |
| 2. Minus amount used for collection expense | | | | |
| 3. Minus amount used for nonhighway purpose: | | | | |
| 4. Minus amount used for mass transi | | | | |
| 5. Remainder used for highway purposes | | | | |

## II. RECEIPTS FOR ROAD AND STREET PURPOSES

| ITEM | AMOUNT |
|---|---|
| **A. Receipts from local sources** | |
| 1. Local highway-user taxe: | |
| a. Motor Fuel (from Item I.A.5. | |
| b. Motor Vehicle (from Item I.B.5. | |
| c. Total (a.+b. | |
| 2. General fund appropriation: | |
| 3. Other local imposts (from page 2 | 42,264 |
| 4. Miscellaneous local receipts (from page 2 | 0 |
| 5. Transfers from toll facilitie | |
| 6. Proceeds of sale of bonds and notes | |
| a. Bonds - Original Issue | |
| b. Bonds - Refunding Issue: | |
| c. Notes | |
| d. Total (a. + b. + c. | 0 |
| 7. Total (1 through 6) | 42,264 |
| **B. Private Contributions** | |
| **C. Receipts from State governmen** (from page 2) | 32,232 |
| **D. Receipts from Federal Governmen** (from page 2) | 0 |
| **E. Total receipts (A.7 + B + C + D)** | 74,496 |

## III. DISBURSEMENTS FOR ROAD AND STREET PURPOSES

| ITEM | AMOUNT |
|---|---|
| **A. Local highway disbursements:** | |
| 1. Capital outlay (from page 2 | 0 |
| 2. Maintenance: | 44,404 |
| 3. Road and street services | |
| a. Traffic control operation | 0 |
| b. Snow and ice remova | |
| c. Other - lightin | 10,034 |
| d. Total (a. through c. | 10,034 |
| 4. General administration & miscellaneou | 0 |
| 5. Highway law enforcement and safet | 20,058 |
| 6. Total (1 through 5) | 74,496 |
| **B. Debt service on local obligations:** | |
| 1. Bonds: | |
| a. Interest | |
| b. Redemption | |
| c. Total (a. + b. | 0 |
| 2. Notes: | |
| a. Interest | |
| b. Redemption | |
| c. Total (a. + b. | 0 |
| 3. Total (1.c + 2.c) | 0 |
| **C. Payments to State for highways** | |
| **D. Payments to toll facilitie:** | |
| **E. Total disbursements (A.6 + B.3 + C + D)** | 74,496 |

## 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 Disbursement | D. Ending Balance | E. Reconciliation |
|---|---|---|---|---|---|
| | | 74,496 | 74,496 | | 0 |

**Notes and Comments:**

FORM FHWA-536 (Rev. 1-05) PREVIOUS EDITIONS OBSOLETE (Next Page)

See the accompanying Independent Auditor's Report.

| LOCAL HIGHWAY FINANCE REPORT | STATE: Colorado |
|---|---|
| | YEAR ENDING (mm/yy) December 2021 |

## 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 | 0 | a. Interest on investments | |
| b. Other local imposts: | | b. Traffic Fines & Penalities | 0 |
| 1. Sales Taxes | 32,421 | 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 | 9,843 | g. Other Misc. Receipts | |
| 6. Total (1. through 5.) | 42,264 | h. Other | |
| c. Total (a. + b.) | 42,264 | i. Total (a. through h.) | 0 |
| | (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 | 29,717 | 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 | 2,515 | d. Federal Transit Admin | |
| d. Other (Specify) - Road & Bridge | 0 | e. U.S. Corps of Engineers | |
| e. Other (Specify) | | f. Other Federal | |
| f. Total (a. through e.) | 2,515 | g. Total (a. through f.) | 0 |
| 4. Total (1. + 2. + 3.f) | 32,232 | 3. Total (1. + 2.g) | |
| | | | (Carry forward to page 1) |

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

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

**Notes and Comments:**

FORM FHWA-536 (Rev.1-05) PREVIOUS EDITIONS OBSOLETE

See the accompanying Independent Auditor's Report.