

THE CITY OF **DURANGO, COLORADO**

Annual Comprehensive Financial Report for the year ending December 31, 2021





CITY OF DURANGO, COLORADO

ANNUAL COMPREHENSIVE FINANCIAL REPORT

For the year ended December 31, 2021

**Prepared by the Finance Department
Cynthia Sneed, CPA, Finance Director**



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INTRODUCTORY SECTION



September 12, 2022

To the Mayor, Members of Council and Citizens of the City of Durango:

The Charter of the City of Durango (City) and State law requires local governments to publish the results of their annual audit and a comprehensive report of financial statements. The report is to conform to generally accepted accounting principles (GAAP) and audited in accordance with generally accepted auditing standards by a firm of licensed certified public accountants. Pursuant to that requirement, we hereby issue the annual comprehensive financial report of the City of Durango, Colorado for the fiscal year ended December 31, 2021.

We present the Annual Comprehensive Financial Report (ACFR) in four sections:

- The **Introductory Section** provides this transmittal letter, a list of City officials, Certificate of Achievement, and an organizational chart.
- The **Financial Section** includes the report from our external auditors, Eide Bailly, the Management's Discussion and Analysis (MD&A), and basic financial statements. These documents include the government-wide financial statements comprised of the Statement of Net Position, the Statement of Activities, and the accompanying notes to the financial statements. The MD&A includes a narrative introduction, overview, and analysis of the basic financial statements and should be read in conjunction with this transmittal letter. The Financial Section also includes the fund financial statements including the governmental fund's financial statements, the proprietary fund's financial statements, and the combined individual fund's financial statements for the nonmajor governmental and proprietary funds and the internal service funds. Required supplementary information, other than the MD&A, is also included in the Financial Section, which is comprised of the General Fund budget to the actual schedule and information about the City's defined benefit retirement plans.
- The **Statistical Section** presents select financial and demographic information.
- The **Compliance Section** contains a report summarizing the City's Local Highway Finance Report.

This report consists of management's representations concerning the finances of the City of Durango. Consequently, management retains full responsibility for the completeness and reliability of all information presented in this report. To provide a reasonable basis for making these representations, management has established a comprehensive internal control framework that is designed to both protect the City's assets from loss, theft, or misuse and to compile sufficient reliable information for the preparation of the City of Durango's financial statements in conformity with generally accepted accounting principles (GAAP). The cost of internal controls should not outweigh their benefits. Management has designed the City of Durango's framework of internal controls to provide reasonable rather than an absolute assurance that the financial statements will be free from material misstatement. As management, we assert, to the best of our knowledge and belief, that this financial report is complete and reliable in all material respects.

The City of Durango's financial statements have been audited by Eide Bailly LLP, a firm of licensed certified public accountants. The goal of the independent audit was to provide reasonable assurance that the financial statements for the fiscal year ended December 31, 2021, are free of material misstatement presented in accordance with United States GAAP. The audit involved examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements; assessing the accounting principles used and significant estimates made by management and evaluating the overall financial statement presentation. The independent auditor rendered an unmodified opinion for the City's fiscal year 2021 financial statements. As a result, we can provide reasonable assurance the financial information contained in this report is complete, reliable, and accurate. The independent auditor's report is presented as the first component of the financial section of this report.

Profile of the City of Durango

The City of Durango, incorporated in 1881, is located in southwest Colorado in the area known as the Four Corners, where the states of Colorado, Arizona, Utah and New Mexico converge. As the county seat for La Plata County, Durango is a regional hub for commerce. It is also home to Fort Lewis College, a four-year state college with approximately 3,400 students. The City has a population of 19,078 residents and encompasses 17.01 square miles. Durango is surrounded by two million acres of the San Juan National Forest. Public lands occupy over 41% of La Plata County's total acreage.

The City is a home rule city, organized under provisions of the Colorado Constitution. The City Charter, first adopted in 1912, provides for the council-manager form of local government. Policymaking and legislative authority are vested in a governing council consisting of five members elected at large on a non-partisan basis to staggered four-year terms. The City Council is responsible, among other things, for passing ordinances, adopting the budget, appointing advisory and commission members, and hiring the city manager, city attorney, and municipal judge. The city manager is responsible for conducting the policies and ordinances of the City Council, overseeing the day-to-day operations of the City, and for appointing the department directors and other staff members.

The City provides a full range of services to its residents, including general government, public safety, streets maintenance, culture and recreation, transportation, planning and community development, economic development, public utilities, and public works. The City's recreation facilities and programs are utilized heavily by the residents of La Plata County and we continue to be the largest provider of these services within the county. The City's utilities include water treatment, wastewater treatment, and solid waste disposal and recycling. The City also operates a transportation services enterprise, including a parking program covering metered spaces and several parking lots, and public transportation within the city limits.

Management includes component units in the reporting entity in conformance with GAAP. The financial statements include all funds that make up the legal entity of the “primary government”, namely the City, as well as organizations for which the City is financially accountable. The City’s reporting entity includes the Durango Conference Center Business Improvement District. The District is shown separately in the financial statements from the primary government. On May 5, 2020, the City Council established an Urban Renewal Authority, the Durango Renewal Partnership (the Partnership). Currently, the Partnership has initiated its first urban renewal area and is beginning to develop area plans therefor. The City also participates in a joint venture with La Plata County. The Durango La Plata County Airport is jointly owned by the City of Durango and La Plata County and operates under an intergovernmental agreement signed by both parties. Separate financial statements are issued for the airport and it is reported as an investment in a joint venture in these financial statements.

The annual budget serves as the foundation for the City’s financial planning and control. All departments of the City are required to submit requests to the city manager in August of each year for the following year’s budget. The city manager then uses those requests to develop the proposed budget, typically presented to the City Council in September. The Council is required to hold a public hearing prior to the final adoption of the budget. Pursuant to the City Charter, the City Council shall adopt the final budget in a timely manner prior to the start of the ensuing budget year. Annual appropriation ordinances must also be adopted. The appropriation ordinances are prepared and adopted by the fund and in the case of capital projects and grants, by project and grant. The city manager may make transfers of appropriations within a department. Transfers of appropriations between departments and/or funds and additional appropriations require the additional approval of the City Council. Budget-to-actual comparisons are provided in this report for each individual fund for which an appropriated annual budget has been adopted. For the General Fund, this comparison is presented on page 82 as part of the Required Supplementary Information. For all other budgeted funds, these comparisons are presented in the Supplementary Information subsection, which starts on page 87.

Factors Affecting Financial Condition

The information presented in the financial statements is best understood when it is considered from the broader perspective of the environment within which the City of Durango operates.

Local economy: The City was impacted during the fiscal year ending December 31, 2021, by the ongoing coronavirus global pandemic (COVID-19). During the year, ongoing impacts most significantly involved navigating staffing constraints while maintaining a safe work environment and meeting the needs of the community. The General Fund, fund balance actually increased \$4.5 million in 2021. For 2022, we estimate that the General Fund, fund balance will decrease by \$200,700. Local tourism rebounded significantly in 2021. Lodgers’ tax is one of the economic indicators of tourism strength that increased significantly and the airport saw a 100% increase in passenger enplanements from 2020 to 2021.

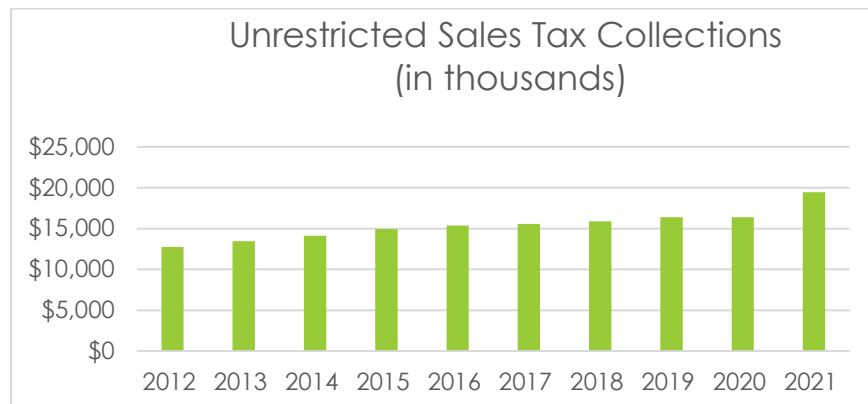
The City is the major shopping destination in a County of more than 55,000 people. The City has a mix of large national retailers, such as Wal-Mart, Office Depot, Home Depot, Ross and Tractor Supply, along with many locally owned businesses. Fort Lewis College continues to be an important community asset, adding to the area's economic stability, health, and cultural enhancement.

Downtown Durango is a regional draw and gathering place for community events such as Snowdown, Taste of Durango, Four Corners Bike Rally, Fiesta Days, Animas River Days, Noel Night, 4th of July events and fireworks, among others. In 2021, many of these events were limited or postponed completely. Even with limitations, these events drive additional business for the downtown retailers and restaurants. Recent positive press for the City include:

- No. 1 Most Loved Colorado Destination – *Tourism Sentiment Index*
- No. 36 Most Loved Destination Worldwide – *Tourism Sentiment Index*
- 100 Best Adventures in America on Public Lands – *Men's Journal*
- The 13 Small Towns That Are Even More Enchanting in the Winter – *Reader's Digest*
- Best Train Ride – *USA Today 10Best 2022 Reader's Choice*
- Best Rafting Tour – *USA Today 10Best 2022 Reader's Choice*
- Colorado Winter Festivals to Brighten Any Day – *The Denver Post*
- Colorado Food and Drink Festivals to Get Excited About – *The Denver Post*
- Best Colorado Towns to Live In – *uncovercolorado.com*
- 20 of the Best Festivals & Fairs in Denver & Colorado – *travelmag.com*

2021 saw a decrease in both the quantity and value of commercial permits, but a nearly 22% increase in the number of residential permits issued. The value of those residential permits also increased substantially. Proposals for development are at a quantity and scale that is near all-time highs but those proposals are not all necessarily turning into construction permits. The pipeline of approved projects ready for construction has enough supply to keep construction activity at high levels for the next few years. However, global, national, and regional factors, such as the price of materials, labor supply, and interest rates, are having and will continue to have an impact on how quickly these proposals turn into actual building permits and construction projects.

City sales tax collections for 2021 increased 18.6% over 2020 collections. The positive increase for 2021 reflected a strong return of visitors to the community amidst the pandemic. Lodger's tax receipts increased by 42% in 2021 (after adjusting for the rate increase from 2% to 5.25% in mid-2021). The City anticipates a continued positive trajectory for sales tax collections in 2022.



Based on the 2020 census, the Colorado State Demography Office reduced the estimated population slightly, approximately 2/10 of 1%. This is consistent with school enrollment in Durango 9-R schools which decreased 2.2% this fall. Historically, the City of Durango has shown strong population growth. For the last ten years this growth has been more than 11%. The area's climate, variety of terrain and outdoor recreational opportunities, proximity to the Purgatory ski area, the presence of Fort Lewis College, and the "small town" appeal of Durango have all contributed to the historic sustained growth.

Due to the pandemic, unemployment in LaPlata County peaked during April of 2020. Like the nation as a whole, the County sustained three months of double-digit unemployment. The unemployment rate decreased and was 3.5% at December 31, 2021 which is slightly higher than the State and the national levels at that time.

Real estate values, as measured by the median list price increased 10% . Housing prices remain a problem for low to moderate income families. In addition to the strategic plan, discussed below, City Council has commissioned plans to resolve housing and homelessness. As part of the strategic plan, the City implemented a Housing Innovation division. The 2022 budget also includes \$500,000 for the Housing Innovation Incentive Program.

Per capita personal income remains above the national average but is lower than the amounts reported for the State of Colorado. Average weekly wages are less than those reported for both the State and nation.

The Office of Planning and Budgeting indicates the Colorado economic recovery from the pandemic recession continues at a rapid pace. Headwinds remain due to labor market inefficiencies and the Delta variant of COVID-19 which has reduced consumer confidence and constrained global supply chains. This raises concerns about higher inflation and the possible Federal Reserve response. In addition, this area is dependent on a specific sector of the economy, tourism and travel.

Long-term financial planning: During March 2021, the City adopted its first strategic plan. The objectives of the plan are “diversity, equity, inclusion; environmental and social sustainability; financial excellence and transparency; affordability economic opportunity; enhanced livability and sense of place; and effective infrastructure network”. For the financial excellence and transparency objective, the City’s initiatives are:

- to adopt a fund balance reserve policy by the end of 2021;
- to develop a 10-year financial forecast for all funds;
- to develop a 10-year capital improvement financial plan; and
- to implement programs to enhance cyber security.

The 2022 budget related to service impacts is reported by these objectives.

With a large multi-year street project, CR 250 & 251 which totals \$6.6 million, General Fund capital expenditures are budgeted to increase to \$1.2 million in 2022. As shown in the table below, capital expenditures are budgeted to increase significantly in 2022 in the proprietary funds.

<u>Fund</u>	<u>2020 Actual (1)</u>	<u>2021 Estimated (1)</u>	<u>2022 Budget (1)</u>
Water	\$ 183	\$ 3,250	\$ 12,633
Sewer	49	1,711	1,990
Sustainable Services (2)	73	-	-
Transportation Services (2)	-	-	-
Capital Equipment Replacement Fund	994	886	3,317
Technology Replacement Fund (3)	N/A	N/A	130

(1) Reported in thousands

(2) Capital for these funds is purchased through the Capital Equipment Replacement Fund

(3) Fund commenced operations in 2022

On April 6, 2021, the City received voter approval to increase the Lodgers Tax from 2% to 5.25% beginning in the collection year 2021. These additional revenues are to be used annually for expenditures related to the impact of tourism on the City. In addition, the City received voter approval at the April 2005 municipal election to increase City sales and use taxes by an additional one-half percent. The proceeds of the new tax are restricted with 50% of the revenue allocated to parks, open space, and trails and 50% to capital improvements. In April 2019 municipal election the City received voter approval to increase City sales and use taxes by an additional one-half percent. The proceeds of the new tax are restricted to street infrastructure and operations. The tax began on July 1, 2019 and will sunset on June 30, 2029.

Debt Management: The ratio of net general bonded debt to assessed valuation and the amount of general bonded debt per capita are useful indicators of the City's debt position to municipal management, citizens, and investors. The City does not have any general obligation debt outstanding.

At December 31, 2021, the City had \$12,515,000 of sales and use tax revenue bonds, series 2016 and series 2017, outstanding. All required debt covenants are currently being met. Certificates of Participation were issued in the amount of \$2,700,000 in 2014 for the construction of Wilson Gulch Road in Three Springs development. This road will provide the impetus for future commercial development in the area. There was \$1,955,000 outstanding on the Wilson Gulch Road loan as of December 31, 2021. In addition, an additional \$4,000,000 was borrowed in 2013 to secure water rights and water storage for many years to come. There was \$2,526,468 outstanding at December 31, 2021 and this loan is being repaid by the Water Fund. In 2016, the City borrowed \$62,200,000 to construct a new water reclamation facility. The Sewer Fund is repaying this loan. On December 31, 2021 \$48,807,883 was outstanding. In addition, at December 31, 2021, the City has \$2,329,083 in unexpended loan proceeds related to the sewer debt.

The City has two defined benefit plans which were open to police officers and firefighters hired prior to April 8, 1978. These are known as the Old Hire Plans. Effective for this year's financial reporting, the discount rate was reduced from 7.5% to 4.5%. As a result, the pension liability for the two plans increased from approximately \$960,000 to slightly more than \$3.5 million. The City's annual required combined contribution was \$361,853 in 2021.

Major Initiatives: The City continues to work toward financial sustainability. In 2022, as well as in the 2021 budget, major initiatives are set forth to take the city into the future. Infrastructure maintenance and building up fund balance in all funds continue to be a top priority. Recognizing the value of our employees continues to be an important aspect of our budget as well as customer service and citizen engagement. As we strive toward progress to achieve these goals and initiatives, we continue to meet existing financial goals and objectives as part of the overall effort.

Awards and Acknowledgments

The Government Finance Officers Association of the United States and Canada (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to the City of Durango for its annual comprehensive financial report (ACFR) for the fiscal year ended December 31, 2020. In order to be awarded a Certificate of Achievement, a government unit must publish an easily readable and efficiently organized ACFR. This report must satisfy both generally accepted accounting principles and applicable legal requirements.

A Certificate of Achievement is valid for a period of one year only. We believe our current annual comprehensive financial report continues to meet the Certificate of Achievement Program's requirements, and we plan on submitting it to the GFOA to determine its eligibility for another certificate.

The preparation and completion of this report could not have been accomplished without the dedication and efficiency of the entire staff of the Finance Department. This report is a tribute to our accounting staff who worked long and hard in preparing the support information and financial statements for this report. I would like to express my appreciation to Eide Bailly, the firm that serves as the City's external auditors. Credit must also be given to the City Council for their unfailing support for maintaining the highest standards of professionalism in the management of the City of Durango's finances.

Respectfully submitted,



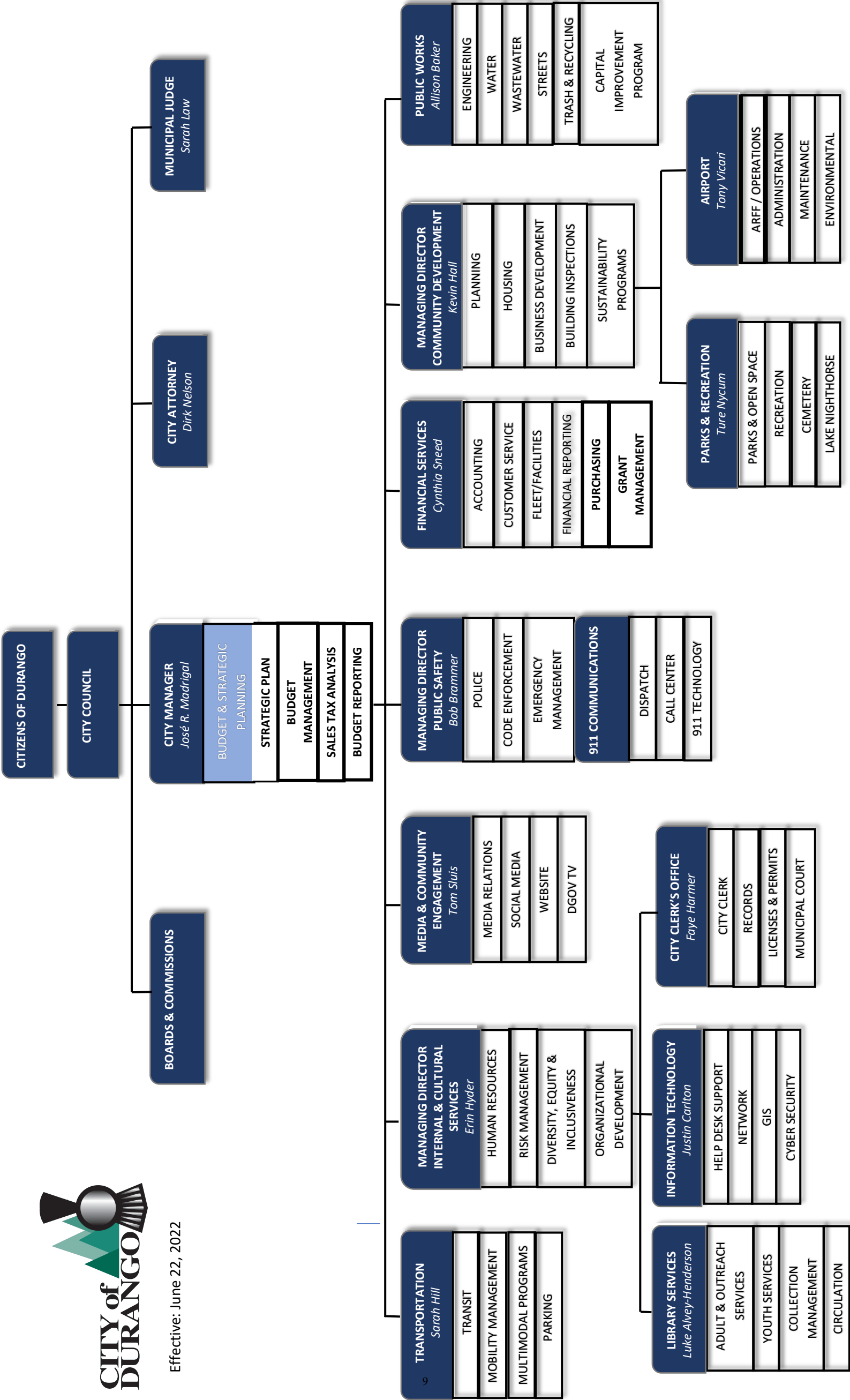
José Madrigal
City Manager



Cynthia K. Sneed, CPA
Finance Director



Effective: June 22, 2022





Government Finance Officers Association

Certificate of
Achievement
for Excellence
in Financial
Reporting

Presented to

**City of Durango
Colorado**

For its Annual Comprehensive
Financial Report
For the Fiscal Year Ended

December 31, 2020

Christopher P. Morill

Executive Director/CEO

City of Durango, Colorado
List of Elected and Appointed Officials
As of December 31, 2021

Elected Officials - City Council

Barbara Noseworthy	Mayor
Melissa Youssef	Mayor Pro Tem
Jessika Buell	Councilor
Olivier Bosmans	Councilor
Kim Baxter	Councilor

Council Appointed Officials

José Madrigal	City Manager
Dirk Nelson	City Attorney
Sarah Law	Municipal Judge

Department Directors

Allison Baker	Public Works Director
Bob Brammer	Managing Director Public Safety/Police Chief
Eric Pierson	Information Services Director
Kevin Hall	Managing Director of Community Development
Amy Phillips	City Clerk
Sarah Hill	Transportation Director
Erin Hyder	Managing Director Internal & Cultural Services
Ture Nycum	Parks and Recreation Director
Tom Sluis	Media and Community Engagement Director
Cynthia Sneed	Finance Director
Tony Vicari	Aviation Director
Randy Robertson	Interim Library Director
Derrick Walker	911 Communications Director



FINANCIAL SECTION





Independent Auditor's Report

To the Honorable Mayor and Members of the City Council
City of Durango, Colorado

Report on the Audit of the Financial Statements

Opinions

We have audited the financial statements of the governmental activities, the business-type activities, the discretely presented component unit, each major fund, and the aggregate remaining fund information of the City of Durango (the City) as of and for the year ended December 31, 2021, and the related notes to the financial statements, which collectively comprise the City'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, the discretely presented component unit, each major fund, and the aggregate remaining fund information of the City 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) and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. 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 City and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Responsibilities of Management for the Financial Statements

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

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the City'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 and *Government Auditing Standards* will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with GAAS and *Government Auditing Standards*, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the City's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the City'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 on pages 19 through 29, schedule of changes in net pension liability, schedule of pension contributions, and the budgetary comparison information on pages 77 through 83 be presented to supplement the basic financial statements. Such information is the responsibility of management and, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context.

We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Supplementary Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the City's basic financial statements. The combining and individual nonmajor fund financial statements, and other budgetary schedules are presented for purposes of additional analysis and are not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the combining and individual nonmajor fund financial statements and other budgetary schedules are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

Other Information

Management is responsible for the other information included in the annual report. The other information comprises the introductory section, statistical section, and local highway finance report but does not include the basic financial statements and our auditor's report thereon. Our opinions on the basic financial statements do not cover the other information, and we do not express an opinion or any form of assurance thereon.

In connection with our audit of the basic financial statements, our responsibility is to read the other information and consider whether a material inconsistency exists between the other information and the basic financial statements, or the other information otherwise appears to be materially misstated. If, based on the work performed, we conclude that an uncorrected material misstatement of the other information exists, we are required to describe it in our report.

Report on Summarized Comparative Information

We have previously audited the City's 2020 financial statements, and we expressed unmodified audit opinions on the respective financial statements of the governmental activities, the business-type activities, the discretely presented component unit, each major fund, and the aggregate remaining fund information in our report dated October 26, 2021. In our opinion, the summarized comparative information presented herein as of and for the year ended December 31, 2020 is consistent, in all material respects, with the audited financial statements from which it has been derived.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated September 14, 2022 on our consideration of the City's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the City's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the City's internal control over financial reporting and compliance.

A handwritten signature in black ink that reads "Eide Bailly LLP". The signature is written in a cursive, flowing style.

Denver, Colorado
September 14, 2022

MANAGEMENT'S DISCUSSION AND ANALYSIS

Within this section of the City of Durango, Colorado (the City) annual financial report, the City's management is pleased to provide this narrative discussion and analysis of the financial activities of the City for the fiscal year ended December 31, 2021. The City's financial performance is discussed and analyzed within the context of the accompanying financial statements and disclosures following this section.

Financial Highlights

- The City's assets and deferred outflows of resources exceeded its liabilities and deferred inflows of resources by \$364,839,912 (net position) for the fiscal year reported.
- Total net position is comprised of the following:
 - (1) Net investment in capital assets of \$274,361,776 include property, plant, and equipment, net of accumulated depreciation, and reduced for outstanding debt related to the purchase or construction of capital assets.
 - (2) Net position of \$11,101,885 are restricted by constraints imposed from outside the City such as debt covenants, grantors, laws, or regulations.
 - (3) Unrestricted net position of \$79,376,251 represents the portion available to maintain the City's continuing obligations to citizens and creditors.
- The City's governmental funds reported total ending fund balance of \$34,828,227 this year. This compares to the prior year ending fund balance of \$25,008,714 showing an increase of \$9,819,513 during the current year.
- At the end of the current fiscal year, unassigned and assigned fund balance for the General Fund was \$16,550,825, or 38.9% of total General Fund expenditures and other financing uses.
- Despite an ongoing COVID-19 pandemic within the year, the City has maintained a strong financial position and positive revenue growth trajectory.

The above financial highlights are explained in more detail in the "financial analysis" section of this document.

Overview of the Financial Statements

This Management Discussion and Analysis document introduces the City's basic financial statements. The basic financial statements include: (1) government-wide financial statements, (2) fund financial statements, and (3) notes to the basic financial statements. The City also includes in this report additional information to supplement the basic financial statements. Comparative data is presented where available.

Government-wide Financial Statements

The City's annual report includes two government-wide financial statements. These statements provide both long-term and short-term information about the City's overall financial status. Financial reporting at this level uses a perspective similar to that found in the private sector with its basis in accrual accounting and elimination or reclassification of activities between funds.

The first of these government-wide statements is the *Statement of Net Position*. This is the government-wide statement of position presenting information that includes all of the City's assets and deferred outflows of resources and liabilities and deferred inflows of resources, with the difference reported as *net position*. Over time, increases or decreases in net position may serve as a useful indicator of whether the financial position of the City as a whole is improving or deteriorating. Evaluation of the overall health of the City would extend to other nonfinancial factors such as diversification of the taxpayer base or the condition of City infrastructure, in addition to the financial information provided in this report.

The second government-wide statement is the *Statement of Activities*, which reports how the City's net position changed during the current fiscal year. All current year revenues and expenses are included regardless of when cash is received or paid. An important purpose of the design of the statement of activities is to show the financial reliance of the City's distinct activities or functions on revenues provided by the City's taxpayers. Both government-wide financial statements distinguish governmental activities of the

City that are principally supported by sales taxes and from business-type activities that are intended to recover all or a significant portion of their costs through user fees and charges. Governmental activities include general government, public safety, public works, parks and recreation, library, community services and economic development. Business-type activities include the water and sewer systems, solid waste, parking and transit.

The government-wide financial statements are presented on pages 32 through 33 of this report.

Fund Financial Statements

A fund is an accountability unit used to maintain control over resources segregated for specific activities or objectives. The City uses funds to ensure and demonstrate compliance with finance-related laws and regulations. Within the basic financial statements, fund financial statements focus on the City's most significant funds rather than the City as a whole. Major funds are separately reported while all others are combined into a single, aggregated presentation. Individual fund data for nonmajor funds is provided in the form of combining statements in a later section of this report.

The City has three kinds of funds:

Governmental funds are reported in the fund financial statements and encompass the same functions reported as governmental activities in the government-wide financial statements. However, the focus is very different with fund statements providing a distinctive view of the City's governmental funds. These statements report short-term fiscal accountability focusing on the use of spendable resources and balances of spendable resources available at the end of the year. They are useful in evaluating annual financing requirements of governmental programs and the commitment of spendable resources for the near-term.

Since the government-wide focus includes the long-term view, comparisons between these two perspectives may provide insight into the long-term impact of short-term financing decisions. Both the governmental fund balance sheet and the governmental fund operating statement provide a reconciliation to assist in understanding the differences between these two perspectives.

The basic governmental fund financial statements are presented on pages 34 through 37 of this report. Individual fund information for nonmajor governmental funds is found in combining statements in the supplementary section of this report.

Proprietary funds are reported in the fund financial statements and generally report services for which the City charges customers a fee. The City maintains two different types of proprietary funds. *Enterprise funds* are used to report the same functions presented as business-type activities in the government-wide financial statements. The City uses enterprise funds for its water and sewer systems, sustainable services, parking and transit. *Internal service funds* are an accounting device used to accumulate and allocate costs internally among the City of Durango's various functions. The City of Durango uses internal service funds to account for its warehouse, fleet, risk management and insurance functions. Because these four services benefit both governmental and business-type activities, they have been included within both the governmental activities and business type activities at the government-wide financial statements.

The basic enterprise fund financial statements are presented on pages 32 through 40 of this report.

Notes to the Basic Financial Statements

The accompanying notes to the financial statements provide information essential to a full understanding of the government-wide and fund financial statements. The notes to the financial statements begin on page 42 of this report.

Required Supplementary Information

In addition to the basic financial statements, this report also presents certain required supplementary information (RSI) on the City's schedule of employer net pension liability and related ratios, changes in net pension liability, the employer contributions and investment returns for the Old Hire Police and Fire Plans. Included in RSI is a budgetary comparison schedule for the general fund. Budgetary comparison schedules for all other governmental funds can be found in a later section of this report. These statements and schedules demonstrate compliance with the City's adopted and final revised budget. Required supplementary information is on pages 77 to 82 of this report.

Supplementary Information

As discussed, the City reports major funds in the basic financial statements. Combining and individual statements and schedules for nonmajor funds can be found in the supplementary section of this report beginning on page 86 and ending on 161.

Government-wide Financial Analysis

As noted earlier, net position may serve over time as a useful indicator of a government's financial position. The City's assets and deferred outflows of resources at fiscal year-end exceeded liabilities and deferred inflows of resources by \$364,843,410.

The following table provides a summary of the City's net position:

	Statement of Net Position					
	Governmental Activities		Business Type Activities		Total	
	2021	2020	2021	2020	2021	2020
Assets:						
Current and other assets	\$ 80,190,186	\$ 65,465,511	\$ 28,857,087	\$ 28,157,733	\$ 109,047,273	\$ 93,623,244
Capital Assets	195,962,020	198,554,902	143,027,458	144,815,735	338,989,478	343,370,637
Total Assets	276,152,206	264,020,413	171,884,545	172,973,468	448,036,751	436,993,881
Deferred Outflows of Resources:						
Loss on Refunding	255,771	292,310	-	-	255,771	292,310
Related to Pensions	438,502	406,597	-	-	438,502	406,597
Total Deferred outflow of Resources	694,273	698,907	-	-	694,273	698,907
Liabilities:						
Other Liabilities	7,017,814	3,289,429	1,317,589	2,222,673	8,335,403	5,512,102
Long Term Liabilities	19,806,834	22,177,121	52,654,826	55,431,914	72,461,660	77,609,035
Total Liabilities	26,824,648	25,466,550	53,972,415	57,654,587	80,797,063	83,121,137
Deferred Inflows of Resources						
Property Taxes	2,931,452	2,939,590	-	-	2,931,452	2,939,590
Related to Pensions	162,597	161,769	-	-	162,597	161,769
Total Deferred Inflows of Resources	3,094,049	3,101,359	-	-	3,094,049	3,101,359
Net Position						
Net investments in Capital Assets	181,356,264	181,849,022	93,005,512	91,928,606	274,361,776	273,777,628
Restricted	11,101,885	5,215,592	-	-	11,101,885	5,215,592
Unrestricted	54,469,633	49,086,797	24,906,618	23,390,275	79,376,251	72,477,072
Total Net Position	\$ 246,927,782	\$ 236,151,411	\$ 117,912,130	\$ 115,318,881	\$ 364,839,912	\$ 351,470,292

By far the largest portion of the City's net position 73.4% reflects its investment in capital assets, including infrastructure, less any related debt used to acquire those assets that is still outstanding. The City of Durango uses these capital assets to provide services to citizens; consequently, these assets are not available for future spending. Although the City of Durango's investment in its capital assets is reported net of related debt, it should be noted that the funds needed to pay the annual debt service must be provided from other sources, since the capital assets themselves cannot be used to pay the debt.

MANAGEMENT'S DISCUSSION AND ANALYSIS (Unaudited)
December 31, 2021

City of Durango, Colorado

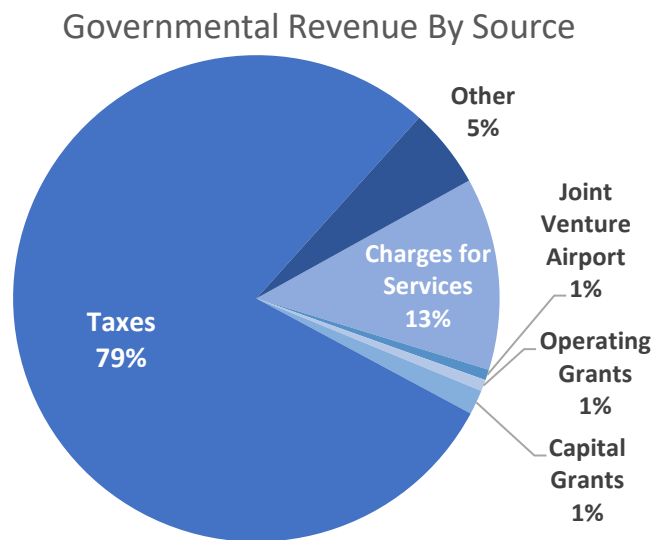
At the end of the current fiscal year, the City of Durango is able to report positive balances in the government as a whole, as well as for both its governmental activities and business-type activities. Governmental activities showed positive growth with net position increasing by \$10,776,371 for governmental activities. The City's overall financial position improved during fiscal year 2021.

The following table provides a summary of the City's changes in net position:

	Statement of Changes In Net Position					
	Governmental Activities		Business Type Activities		Total	
	2021	2020	2021	2020	2021	2020
Revenues						
Program						
Charges for Services	\$ 8,467,445	\$ 8,340,922	\$ 20,721,268	\$ 20,686,259	\$ 29,188,713	\$ 29,027,181
Joint Venture Airport	469,820	2,649,144	-	-	469,820	2,649,144
Operating Grants	503,026	2,918,484	102,041	10,616	605,067	2,929,100
Capital Grants	1,080,982	2,430,642	2,015,087	2,542,137	3,096,069	4,972,779
General:						
Taxes	52,157,579	44,281,862	-	-	52,157,579	44,281,862
Other	3,026,654	3,225,950	713,707	680,826	3,740,361	3,906,776
Total Revenues	65,705,506	63,847,004	23,552,103	23,919,838	89,257,609	87,766,842
Program Expenses						
General Government	10,475,430	9,981,486	-	-	10,475,430	9,981,486
Public Safety	20,552,848	16,496,684	-	-	20,552,848	16,496,684
Public Works	7,507,837	7,578,880	-	-	7,507,837	7,578,880
Parks and Recreation	8,164,467	8,383,958	-	-	8,164,467	8,383,958
Library	2,784,402	2,617,126	-	-	2,784,402	2,617,126
Community Services	1,581,703	2,162,734	-	-	1,581,703	2,162,734
Economic Development	629,607	794,934	-	-	629,607	794,934
Non-departmental	2,337,808	1,775,445	-	-	2,337,808	1,775,445
Interest	417,616	446,713	-	-	417,616	446,713
Water	-	-	5,541,113	5,492,253	5,541,113	5,492,253
Sewer	-	-	8,739,271	7,584,020	8,739,271	7,584,020
Trash and Recycling	-	-	2,937,392	2,709,293	2,937,392	2,709,293
Parking and Transit	-	-	4,218,495	3,508,975	4,218,495	3,508,975
Total Expenses	54,451,718	50,237,960	21,436,271	19,294,541	75,887,989	69,532,501
Excesss (Deficiency)	11,253,788	13,609,044	2,115,832	4,625,297	13,369,620	18,234,341
Transfers	(477,417)	(87,500)	477,417	87,500	-	-
Change in Net Position	10,776,371	13,521,544	2,593,249	4,712,797	13,369,620	18,234,341
Beginning Net Position	236,151,411	222,629,867	115,318,881	110,606,084	351,470,292	333,235,951
Ending Net Position	\$ 246,927,782	\$ 236,151,411	\$ 117,912,130	\$ 115,318,881	\$ 364,839,912	\$ 351,470,292

GOVERNMENTAL REVENUES

The City is heavily reliant on sales and use taxes to support governmental operations. City sales and use taxes account for 67% of the revenues for governmental activities. This is an increase of 15.6% over fiscal year 2020 and continues to show a rebound from COVID-19 pandemic lows; for the year sales and use taxes increased by \$5.9 million dollars. It is notable that the City increased the sales and use tax rate from 3.0% to 3.5% effective April 2, 2019, and the portion of revenue from the additional tax is restricted by voter authorization for street infrastructure and maintenance. Despite the City's healthy financial position, we have experienced a negative return on interest of (\$2,919) largely due to relatively low interest rates, and the other difficult market trends across the year. Program revenues covered 15.5% of governmental operating expenses in 2020. This means that the government's taxpayers and the City's other general revenues funded the balance of the governmental activities. As a result, the general economy and the local businesses have a major impact on the City's revenue streams. Program revenues for fiscal 2021 covered a lower percentage of governmental operating expenses in 2021 compared to 2020 in part due to significant tax growth for the City. The graph below shows governmental revenues by source:



GOVERNMENTAL FUNCTIONAL EXPENSES

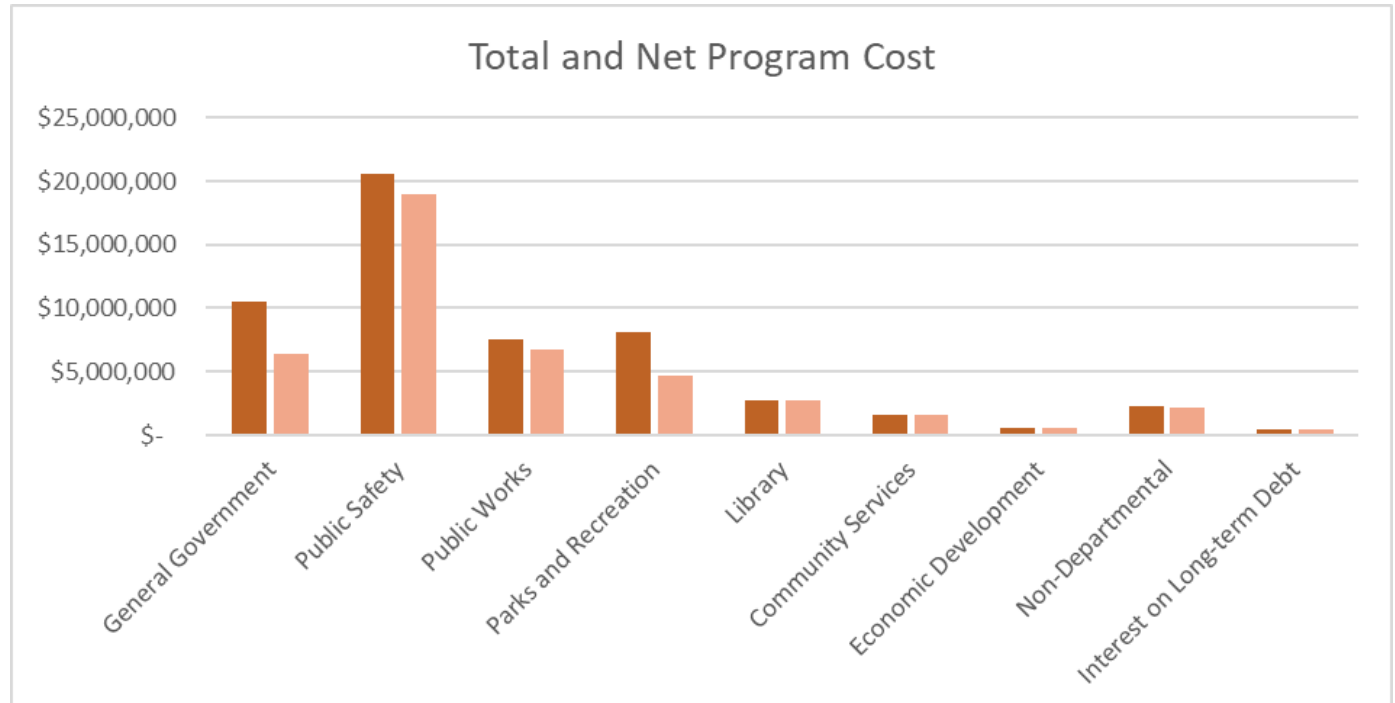
Public safety comprises 27.1% of the City's total expenses and 37.7% of the total governmental expenses which were an increase from the previous year. Parks and recreation makes up 10.8% of the total expenses and 15.0% of the total governmental expenses. General government and public works are 19.3% and 13.8% of total governmental expenses, respectively. While most expense categories were similar to last year, parks and recreation and public works changed significantly.

The overall increase in governmental expenses was 8.4% over the prior fiscal year. While the City took aggressive steps to control costs during the early stages of the COVID 19 pandemic, in 2021 the efforts to return to regular operations along with staffing challenges and service demands were likely causes of increased expense.

The following table presents the cost of each of the City's programs, including the net costs (i.e., total cost less revenues generated by the activities). The net costs illustrate the financial burden that was placed on the City's taxpayers by each of these functions.

	Governmental Activities			
	Total Cost of Services	Percentage of Total	Net Cost of Services	Percentage of Total
General Government	\$ 10,475,430	19.2%	\$ 6,358,110	14.3%
Public Safety	20,552,848	37.7%	19,021,578	42.8%
Public Works	7,507,837	13.8%	6,740,382	15.2%
Parks and Recreation	8,164,467	15.0%	4,723,687	10.6%
Library	2,784,402	5.1%	2,782,313	6.3%
Community Services	1,581,703	2.9%	1,581,703	3.6%
Economic Development	629,607	1.2%	577,678	1.3%
Non-Departmental	2,337,808	4.3%	2,197,198	4.9%
Interest on Long-term Debt	417,616	0.8%	417,616	0.9%
Total	\$ 54,451,718	100.0%	\$ 44,400,265	100.0%

The parks and recreation function has the best cost recovery at 42% as shown in the graph below. This is in large part due to the standard of recreation center fees and recreation program revenues being set to recover approximately 90% of the expenses for those operations and programs. The City received more in the form of operating grants and less in the form of contributions and capital grants and developer contributions in 2020. While these program revenues can vary in any given years, the corresponding acquisition of assets does not appear as a program expense. For that reason, program revenues can fluctuate dramatically from year to year depending on the amount of capital grants and contributions received.



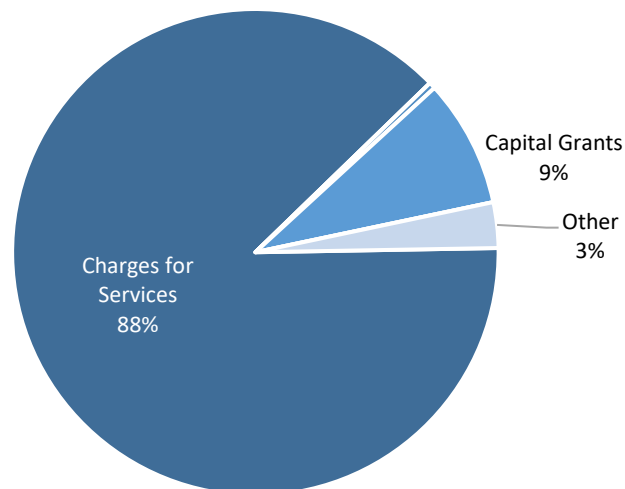
BUSINESS -TYPE ACTIVITIES

For the year ended December 31, 2021, each of the proprietary funds were reported as major funds. Business-type activities increased the City's net position by \$2,593,249. Key elements of business-type activities net position are as follows:

The operating revenues for all of the enterprise funds were less than 1.0% higher than 2020 and operating expenses were 7.4% higher than 2020. The large increase in operating expenses was in part due to the increase in depreciation expense of almost \$1.2 million. Within the total business type activities of the City, these activities combined reported an operating income of \$324,505 compared to an operating income of \$1,706,576 for the prior year. Non-operating revenue decreased by \$325,139 over 2020 broadly due to receipts of intergovernmental grant revenue. Capital contributions for 2021 were \$1,484,706. Capital contributions include developer contributions of capital assets, capital grants, and plant investment fees.

As the graph below displays, the business-type activities rely on fees to pay operating costs. This is in stark contrast to the governmental activities.

Business-Type Revenue By Source



The water utility accounts for approximately 34.4% of operating revenues and 26.2% of operating expenses. This utility reported a net increase in net position of \$2,979,203. The water utility had an operating income of \$1,749,205 and capital contributions of approximately \$1,275,773.

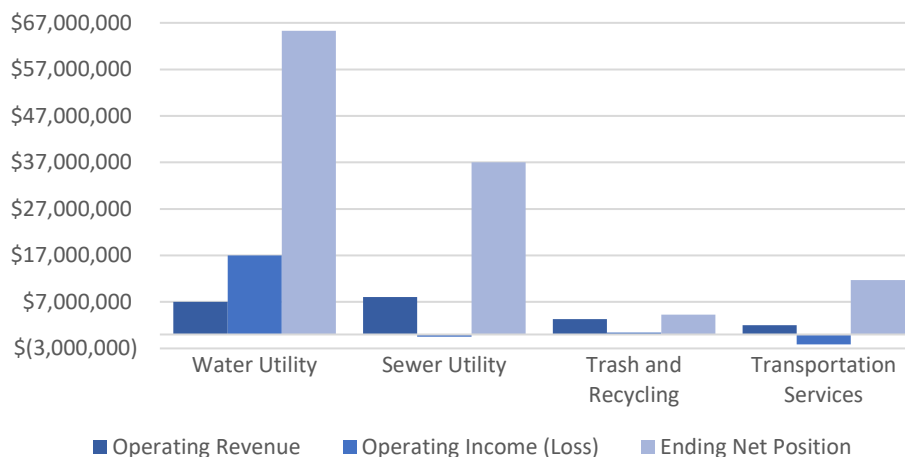
For the sewer utility fund, operating expenses increased 27.1% over the prior year. As noted above the largest portion of this increase was due to increased depreciation expense. Operating revenues were relatively flat with a 0.73% decline over the prior year. Net operating income for 2020 was (\$472,007) in comparison to \$324,966 in 2021. Cash from operations increased by just over \$1 million as reported on the Statement of Cash Flows went from \$3.2 million to more than \$4.2 million in 2021.

Trash and recycling made up 16.4% of operating revenues compared to 14.7% of operating expenses. The fund produced operating income of \$398,659 and showed an improved net position by \$430,557.

Transportation comes in at 9.8% of operating revenues of all funds with 20.7% of combined operating expenses. This operation had a negative operating income of (\$2,148,325) which was offset by significant non-operating revenue of \$1,452,163 and transfers in of \$492,489. The resulting change in net position for Transportation Services is slightly down by (\$203,673).

The next graph shows the relative size of the funds that make up the Enterprise Funds:

Enterprise Fund Summary



Financial Analysis of the City's Funds

Governmental Funds

As discussed, governmental funds are reported in the fund statements with a short-term, inflow and outflow of spendable resources focus. This information is useful in assessing resources available at the end of the year in comparison with upcoming financing requirements. Governmental funds reported ending fund balances of \$34,828,227. Of this year-end total, approximately \$27,186,071 is restricted, committed or assigned fund balance, approximately \$12,176,544 of that amount in the general fund with the remainder of \$15,009,527 in the capital projects fund and other governmental funds.

The total ending fund balances of governmental funds show an increase of \$9,819,513 over the prior year. This increase is primarily the result of the events and programs in the General Fund, Streets Improvement Fund, and the Recreation Complex/Trails fund which all receive sales and use tax revenue.

Major Governmental Funds

The General Fund:

The General Fund is the City's primary operating fund and the largest source of day-to-day service delivery. The General Fund's fund balance increased by \$4,537,405. In fiscal year 2020, the fund balance increased by \$4,399,872.

Total revenues for 2021 were \$44,475,847, an increase of \$3,798,535 or 9.3% over 2020. The largest share of this change came from the sales taxes which increased by \$3,066,045 over the prior year. Charges for services also increased by \$1,109,990 or 22.8% over the prior year. Other revenue sources were generally comparable with the prior year.

General fund expenditures for 2021 were \$41,595,625, an increase of 6.4% over fiscal 2020. This reflects a return to standard service levels as the City had cut costs as a result of COVID-19 pandemic and increased costs reflect the return to regular operations.

General government expenditures were up by 18.4% overall when compared to the previous year.

Total public safety expenditures saw an increase in expenditure over the previous year of 4.0%. This function includes police services, the communication center and the city's contract for fire and rescue services. Police services increased expenditures by 2.1% over the prior year. Fire services increased by 2.3% and 911 communications costs were up by 8.5% over the previous year.

Public works expenditures decreased 5.0% as compared to 2020. Parks and Recreation expenditures rebounded at a rate of 13.9% over last year.

Non-departmental expenditures also rebounded in 2021 compared to 2020, up 11.9% from the prior year. Buildings and plant account for over 23% of the expenditures in this division.

The general fund transferred \$1,006,129 to the Housing Fund to establish the fund. The general fund transfers vary in amount and fluctuate based on available resources in any given year and staff's ability to administer additional projects.

The Proprietary Funds

The proprietary fund statements share the same focus as the government-wide statements, reporting both short-term and long-term information about financial status.

Budgetary Highlights

The General Fund –Budget amendments increased the original revenue for the year by 10%, and overall revenue did come in at \$3.4 million higher for the 2021 year. Revenue budget amendments were made for grants received and appropriated during 2021.

The majority of revenue categories had unfavorable budget variances over final budget estimates. The largest of these was charges for services which had a negative budget variance of 23%. Positive budget variances were noted most significantly in the sales tax and La Plata County shared sales tax revenues. All categories combined for a 8.2% positive variance under the final 2021 budget.

Investment earnings were lower than original estimates because of lower than anticipated interest rates and continued market volatility.

Budget amendments increased the original expenditure budget by 6.7% during 2021. Total amendments to the expenditures budget were \$2,886,709.

The final general fund budget for expenditures had a favorable variance of \$3.2 million. The City spent approximately 6.9% less than what was budgeted. In large part this is a holdover from efforts to manage the COVID-19 pandemic, not completely restoring services fully to previous levels, and difficulty in the labor market locally and nationally resulting in savings in those areas due to non-hiring.

Capital Assets and Debt Administration

Capital Assets

The City's net investments in capital assets, for governmental and business-type activities as of December 31, 2021, was \$181,356,264 and \$93,005,512 respectively. The net capital assets for the internal service funds are reported with the governmental activities on the statement of net position. The total for governmental activities was down by -0.3% for the year and a -1.3% decline or business-type activities. See Note 3-D for additional information about changes in capital assets during the fiscal year and outstanding at the end of the year. The following table provides a summary of capital asset activity.

	Governmental Activities		Capital Assets Business Type Activities		Total	
	2021	2020	2021	2020	2021	2020
Non-depreciable Assets						
Land	\$ 31,757,350	\$ 29,987,277	\$ 5,476,387	\$ 5,476,387	\$ 37,233,737	\$ 35,463,664
Water Rights	-	-	5,870,232	5,870,232	5,870,232	5,870,232
Construction in Progress	3,494,465	1,554,052	411,527	1,392,830	3,905,992	2,946,882
Total non-depreciable	35,251,815	31,541,329	11,758,146	12,739,449	47,009,961	44,280,778
Depreciable Assets						
Buildings	48,851,094	48,851,094	88,005,090	97,283,510	136,856,184	146,134,604
Improvements	14,419,724	13,836,935	-	-	14,419,724	13,836,935
Equipment	26,253,001	26,516,614	9,961,899	10,101,214	36,214,900	36,617,828
Infrastructure	248,664,078	245,229,281	79,490,153	74,748,537	328,154,231	319,977,818
Total non-depreciable	338,187,897	334,433,924	177,457,142	182,133,261	515,645,039	516,567,185
Less Accumulated Depreciation	177,477,692	167,420,351	46,187,831	50,056,975	223,665,523	217,477,326
Book Value - Depreciable Assets	160,710,205	167,013,573	131,269,311	132,076,286	291,979,516	299,089,859
Percentage Depreciated	52.5%	50.1%	26.0%	27.5%	43.4%	42.1%
Total Book Value	\$ 195,962,020	\$ 198,554,902	\$ 143,027,457	\$ 144,815,735	\$ 338,989,477	\$ 343,370,637

At December 31, 2021, the depreciable capital assets for governmental activities were 52.5% depreciation. This is up over two percentage points from the previous year and indicates that the City replaced some assets and continues to do so at a comparable rate as they are depreciating.

Within the City's business activities, 26% of depreciable capital assets were depreciated at December 31, 2021. This is lower by just under two percentage points from the prior year indicating similarly a replacement schedule that is commiserate with depreciation. .

Combined, the City's assets are 43.4% depreciated which is slightly higher than the previous year.

Long Term Debt

At the close of 2021 the City had total Certificates of Participation and notes outstanding of \$14,470,000 used to finance the construction of Florida Road and the Durango Public Library in 2008 and Wilson Gulch Road in 2014.

After a successful election in 2012, the City obtained a long-term loan from the Colorado Water Resources and Power Development Authority (CWRPDA) in the amount of \$4,000,000 to purchase water rights from the Animas La Plata Project for the Water Fund. The loan came with a 1.95% interest rate for 20 years, and in 2021 the City retired \$193,227 of outstanding principal.

In 2016 after another successful election, the City received two additional loans from the CWRPDA in the amount of \$60,904,764 to fund the construction of the Santa Rita Water Reclamation Facility. Of this debt, \$2,522,451 was retired in 2021.

The following table provides a summary of long-term debt activity.

	Outstanding Borrowings						% Change
	Governmental Activities		Business Type Activities		Total		
	2021	2020	2021	2020	2021	2020	
2014 Certificates of Participation	\$ 1,955,000	\$ 2,070,000	\$ -	\$ -	\$ 1,955,000	\$ 2,070,000	-5.6%
2016 Sales and Use Refunding Note	4,485,000	5,545,000	-	-	4,485,000	5,545,000	-19.1%
2017 Sales and Use Refunding Note	8,030,000	9,070,000	-	-	8,030,000	9,070,000	-11.5%
CWRPDA Loan - Water	-	-	2,526,002	2,720,166	2,526,002	2,720,166	-7.1%
CWRPDA Loan - Sewer	-	-	46,870,383	49,267,836	46,870,383	49,267,836	-4.9%
CWRPDA Loan - Sewer 0% Interest	-	-	1,937,500	2,062,500	1,937,500	2,062,500	-6.1%
Bond Premium Amortization	-	-	1,000,864	1,059,738	1,000,864	1,059,738	-5.6%
Compensated Absences	1,812,963	1,788,293	320,072	321,674	2,133,035	2,109,967	1%
TOTAL	\$ 16,282,963	\$ 18,473,293	\$ 52,654,821	\$ 55,431,914	\$ 68,937,784	\$ 73,905,207	-7%

See Note 3-H for additional information about the City's long-term debt.

Economic Conditions and Next Year's Budget

Financially, 2021 showed increases over previous years. Lodgers' tax, which is one of the economic indicators for tourism rebounded going up by 11.7% controlled for a rate adjustment authorized by voters in spring of 2021. These numbers compared to a 30.4% decline in 2020 compared to 2019.

The City, being a major shopping destination in the county as well as a regional tourism destination, has reaped the benefits of population growth and visitation in the form of increased sales tax collections over the past ten years. The area's climate, variety of terrain and outdoor recreational opportunities, proximity to the Purgatory ski area, the presence of Fort Lewis College, and the "small town" appear of Durango have all contributed to the sustained growth.

Downtown Durango continues to be a regional draw and gathering place for community events including Snowdown, Taste of Durango, Four Corners Bike Rally, Fiesta Days, Animas River Days, Noel Night, 4th of July events and fireworks, among many others. These events also result in additional business for the downtown retailers and restaurants.

An issue that faces many residents of Durango is the high cost of housing. Real estate values as measured by the median list price per square foot increased by 39.6% from December 2020 through December of 2021 (Source: Realtor.com, Housing Inventory: Median Listing Price per Square Feet in Durango, CO (CBSA)). This also is demonstrated by median gross rent of \$1,335 which is higher than the National average. The City has developed a Housing Innovation Department in 2021 and staffed that department successfully in the 2022 year in an effort to work on the issue.

Economically the City and La Plata County has a higher median household income of \$69,291 which is higher than the national average, but it is lower than the State of Colorado. Continued growth and balancing the needs of our existing residents and visitors are critical to the continued success of our community. With relatively high inflationary factors going into 2022, continued labor challenges in both the state and region, and indicators of a slowing economy, budgetary efforts need to remain conservative and identification of one time versus ongoing expenses will be critical.

Contacting the City's Financial Management

This financial report is designed to provide a general overview of the City's finances, comply with finance-related laws and regulations, and demonstrate the City's commitment to public accountability. If you have questions about this report or would like to request additional information, contact the City's Finance Director at the City, 949 E. Second Avenue, Durango, CO 81301.



BASIC FINANCIAL STATEMENTS

City of Durango, Colorado
Statement of Net Position
December 31, 2021

	Governmental Activities	Business-Type Activities	Total	Component Unit
Assets				
Cash and cash equivalents (Note 3-A)	\$ 41,593,732	\$ 23,570,701	\$ 65,164,433	\$ 234,703
Receivables:				
Accounts	3,353,350	2,649,803	6,003,153	-
Sales taxes	3,308,749	-	3,308,749	-
Property taxes	2,931,452	-	2,931,452	253,540
Franchise taxes	74,151	-	74,151	-
Lodgers taxes	226,189	-	226,189	-
Special assessments	2,537	-	2,537	-
Interest	283,996	258,053	542,049	-
Notes	305,665	107,666	413,331	-
Internal	230,424	(230,424)	-	-
Inventory	426,865	172,205	599,070	-
Prepaid items	-	-	-	500
Restricted assets (Note 3-A)	-	2,329,083	2,329,083	-
Investment in joint venture (Note 4-C)	27,453,076	-	27,453,076	-
Capital Assets (Note 3-D)				
Nondepreciable capital assets	35,251,815	11,758,146	47,009,961	-
Depreciable capital assets, net	160,710,205	131,269,312	291,979,517	1,845
Total Assets	<u>276,152,206</u>	<u>171,884,545</u>	<u>448,036,751</u>	<u>490,588</u>
Deferred Outflows of Resources				
Loss on refunding	255,771	-	255,771	-
Pension	438,502	-	438,502	-
Total Deferred Outflows of Resources	<u>694,273</u>	<u>-</u>	<u>694,273</u>	<u>-</u>
Liabilities				
Accounts payable	2,107,691	505,916	2,613,607	4,964
Accrued expenses	461,054	90,083	551,137	-
Interfund payable	-	463,535	463,535	-
Deposits payable	700,284	-	700,284	-
Unearned revenue	3,748,785	258,055	4,006,840	-
Long-Term Liabilities: (Note 3-H)				
Net pension liability	3,523,871	-	3,523,871	-
Due within one year	3,181,482	2,980,654	6,162,136	-
Due in more than one year	13,101,481	49,674,172	62,775,653	-
Total Liabilities	<u>26,824,648</u>	<u>53,972,415</u>	<u>80,797,063</u>	<u>4,964</u>
Deferred Inflows of Resources				
Property taxes	2,931,452	-	2,931,452	253,540
Deferred inflows-pension	162,597	-	162,597	-
Total Deferred Inflows of Resources	<u>3,094,049</u>	<u>-</u>	<u>3,094,049</u>	<u>253,540</u>
Net Position				
Non spendable	11,101,885	-	11,101,885	-
Net investment in capital assets (Note 3-J)	181,356,264	93,005,512	274,361,776	1,845
Unrestricted	54,469,633	24,906,618	79,376,251	230,239
Total Net Position	<u>\$ 246,927,782</u>	<u>\$ 117,912,130</u>	<u>\$ 364,839,912</u>	<u>\$ 232,084</u>

See accompanying notes to the basic financial statements

City of Durango, Colorado
Statement of Activities
For the Year Ended December 31, 2021

Function/Program	Program Revenues				Net Expense (Revenue) and Changes in Net Position			
	Expenses	Charges for Services	Operating Grants, Contributions and Interest	Capital Grants and Contributions	Primary Government			
					Governmental Activities	Business-Type Activities	Total	Component Unit
Primary Government:								
Governmental Activities:								
General government	\$ 10,475,430	\$ 4,058,162	\$ 51,000	\$ 8,158	\$ (6,358,110)	\$ -	\$ (6,358,110)	\$ -
Public safety	20,552,848	1,188,101	343,169	-	(19,021,578)	-	(19,021,578)	-
Public works	7,507,837	510	-	766,945	(6,740,382)	-	(6,740,382)	-
Parks and recreation	8,164,467	3,046,235	88,666	305,879	(4,723,687)	-	(4,723,687)	-
Library	2,784,402	2,089	-	-	(2,782,313)	-	(2,782,313)	-
Community services	1,581,703	-	-	-	(1,581,703)	-	(1,581,703)	-
Economic development	629,607	51,929	-	-	(577,678)	-	(577,678)	-
Non-departmental	2,337,808	120,419	20,191	-	(2,197,198)	-	(2,197,198)	-
Interest	417,616	-	-	-	(417,616)	-	(417,616)	-
Joint venture airport	-	469,820	-	-	469,820	-	469,820	-
Total Governmental Activities	54,451,718	8,937,265	503,026	1,080,982	(43,930,445)	-	(43,930,445)	-
Business-type Activities:								
Water utility	5,541,113	7,732,940	-	545,547	-	2,737,374	2,737,374	-
Sewer utility	8,739,271	8,061,360	-	154,478	-	(523,433)	(523,433)	-
Parking	155,784	-	-	-	-	(155,784)	(155,784)	-
Sustainable services	2,937,392	3,199,038	31,786	-	-	293,432	293,432	-
Transportation Services	4,077,783	1,727,930	70,255	1,330,134	-	(949,464)	(949,464)	-
Total Business-type Activities	21,451,343	20,721,268	102,041	2,030,159	-	1,402,125	1,402,125	-
Total - Primary Government	\$ 75,903,061	\$ 29,658,533	\$ 605,067	\$ 3,111,141	(43,930,445)	1,402,125	(42,528,320)	-
Component Unit								
Durango Conference Center Business Improvement District	\$ 409,910	\$ -	\$ -	\$ 92,700	-	-	-	(317,210)
General Revenues								
Property taxes levied for:								
General government purposes					2,938,082	-	2,938,082	330,969
Specific ownership tax					333,851	-	333,851	-
Sales tax					34,183,889	-	34,183,889	-
Use tax					1,692,238	-	1,692,238	-
Sales and use tax audit					118,148	-	118,148	-
La Plata County shared sales tax					5,945,741	-	5,945,741	-
La Plata County joint sales tax					2,188,710	-	2,188,710	-
Other taxes					1,051,557	-	1,051,557	-
Franchise fees and occupational taxes					1,276,696	-	1,276,696	-
Lodgers taxes					2,428,667	-	2,428,667	-
Gain on disposal of capital assets					(8,944)	66,600	57,656	-
Investment earnings					(2,919)	211,104	208,185	-
Miscellaneous					3,038,517	436,003	3,474,520	-
Total General Revenues					55,184,233	713,707	55,897,940	330,969
Transfers					(477,417)	477,417	-	-
Total General Revenues and Transfers					54,706,816	1,191,124	55,897,940	330,969
Change in Net Position					10,776,371	2,593,249	13,369,620	13,759
Net Position Beginning of Year					236,151,411	115,318,881	351,470,292	218,325
Net Position End of Year					\$ 246,927,782	\$ 117,912,130	\$ 364,839,912	\$ 232,084

See accompanying notes to the basic financial statements

City of Durango, Colorado
Balance Sheet
Governmental Funds
December 31, 2021

	<u>General</u>	<u>Other Governmental Funds</u>	<u>Total Governmental Funds</u>
Assets			
Cash on hand	\$ 4,927	\$ -	\$ 4,927
Equity in cash and cash equivalents	17,423,992	16,631,530	34,055,522
Cash held in escrow	582,086	-	582,086
Receivables:			
Accounts receivable	206,327	917,762	1,124,089
Property taxes	2,931,452	-	2,931,452
Sales taxes	1,890,618	1,418,131	3,308,749
Franchise taxes	74,151	-	74,151
Lodger's taxes	-	226,189	226,189
Special assessments	2,537	-	2,537
Intergovernmental	1,535,759	99,885	1,635,644
Interest	263	283,733	283,996
Interfund	272,000	-	272,000
Inventory	55,673	-	55,673
Total Assets	<u>\$ 24,979,785</u>	<u>\$ 19,577,230</u>	<u>\$ 44,557,015</u>
Liabilities, Deferred Inflows of Resources, and Fund Balances			
Liabilities			
Accounts payable	\$ 702,831	\$ 481,428	\$ 1,184,259
Accrued expenditures	368,700	1,575	370,275
Deposits	700,284	-	700,284
Unearned revenue	457,818	3,290,967	3,748,785
Total Liabilities	<u>2,229,633</u>	<u>3,773,970</u>	<u>6,003,603</u>
Deferred Inflows of Resources			
Property taxes	2,931,452	-	2,931,452
Long term notes receivables	-	793,733	793,733
Total Deferred Inflows of Resources	<u>2,931,452</u>	<u>793,733</u>	<u>3,725,185</u>
Fund Balances			
Nonspendable	1,338,045	-	1,338,045
Restricted	1,928,144	4,122,285	6,050,429
Committed	1,686	10,880,295	10,881,981
Assigned	8,908,669	6,947	8,915,616
Unassigned	7,642,156	-	7,642,156
Total Fund Balances	<u>19,818,700</u>	<u>15,009,527</u>	<u>34,828,227</u>
Total Liabilities, Deferred Inflows of Resources, and Fund Balances	<u>\$ 24,979,785</u>	<u>\$ 19,577,230</u>	<u>\$ 44,557,015</u>

See accompanying notes to the basic financial statements

City of Durango, Colorado
Reconciliation of the Governmental Funds Balance Sheet
to the Statement of Net Position
December 31, 2021

Total Governmental Fund Balances		\$ 34,828,227
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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 therefore not reported in the funds. However, in the statement of net position the cost of these assets are capitalized and expensed over their estimated lives through annual depreciation expense.		
Cost of capital assets	\$ 356,241,656	
Less accumulated depreciation	<u>(166,687,038)</u>	189,554,618
City's joint venture equity interest in Durango-LaPlata County Airport		27,453,076
Other receivables are not available to pay for current-period expenditures and, therefore are reported as a deferred inflow of resources in the funds.		793,733
Net Pension liabilities are not recognized at the fund level but are reported at the government-wide level		(3,523,871)
Deferred outflows of resources used in governmental activities are not financial resources and, therefore, are not reported in the funds		
Deferred loss on refunding	\$ 255,771	
Amounts related to pensions	<u>438,502</u>	694,273
Deferred inflows of resources in governmental activities are not financial resources and, therefore, are not reported in the funds		
Amounts related to pensions		(162,597)
Internal service fund is used by management to charge the costs of general administrative services, equipment replacement and self-insurance to individual funds. The assets and liabilities of the internal service funds are included in governmental activities in the statement of net position.		13,561,055
Liabilities, including bonds, accrued interest and compensated absences are not due and payable in the current period and therefore are not reported in the funds:		
Bonds and certificates of participation payable	\$ (14,470,000)	
Accrued interest on long term debt	(78,329)	
Compensated absences	<u>(1,722,403)</u>	<u>(16,270,732)</u>
Net Position Of Governmental Activities		<u><u>\$ 246,927,782</u></u>

See accompanying notes to the basic financial statements

City of Durango, Colorado
Statement of Revenues, Expenditures and Changes in Fund Balances
Governmental Funds
For the Year Ended December 31, 2021

	General	Other Governmental Funds	Total Governmental Funds
Revenues			
Property taxes	\$ 2,938,082	\$ -	\$ 2,938,082
Specific Ownership Taxes	333,851	-	333,851
Sales taxes	19,532,413	14,651,476	34,183,889
Use taxes	966,944	725,294	1,692,238
Sales and use tax audit	118,148	-	118,148
La Plata County shared sales tax	5,945,741	-	5,945,741
La Plata County joint sales tax	2,188,710	-	2,188,710
Lodgers taxes	-	2,428,667	2,428,667
Cigarette tax	95,819	-	95,819
Franchise fees and occupational taxes	1,845,991	-	1,845,991
Special assessments	6,850	-	6,850
Intergovernmental	2,399,472	414,736	2,814,208
Licenses and permits	693,371	6,900	700,271
Charges for services	5,962,098	10	5,962,108
Fines and forfeitures	66,551	-	66,551
Investment earnings	(18,672)	(164)	(18,836)
Miscellaneous	1,400,478	519,886	1,920,364
Total Revenues	44,475,847	18,746,805	63,222,652
Expenditures			
Current:			
General government	9,564,556	506,908	10,071,464
Public safety	15,798,021	-	15,798,021
Public works	3,248,496	3,032,132	6,280,628
Parks and recreation	6,781,281	2,184,461	8,965,742
Library	2,366,421	-	2,366,421
Community services	1,581,703	181,954	1,763,657
Economic development	-	629,607	629,607
Non-departmental	2,067,697	-	2,067,697
Capital outlay	-	2,366,958	2,366,958
Debt Service:			
Principal retirement	115,000	2,100,000	2,215,000
Interest and fiscal charges	72,450	328,077	400,527
Total Expenditures	41,595,625	11,330,097	52,925,722
Excess (Deficiency) of Revenues Over (Under) Expenditures	2,880,222	7,416,708	10,296,930
Other Financing Sources (Uses)			
Transfers in	2,663,312	4,176,774	6,840,086
Transfers out	(1,006,129)	(6,311,374)	(7,317,503)
Total Other Financing Sources (Uses)	1,657,183	(2,134,600)	(477,417)
Net Change in Fund Balances	4,537,405	5,282,108	9,819,513
Fund Balances (Deficit) Beginning of Year	15,281,295	9,727,419	25,008,714
Fund Balances End of Year	\$ 19,818,700	\$ 15,009,527	\$ 34,828,227

See accompanying notes to the basic financial statements

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

Net Changes In Fund Balances - Total Governmental Funds	\$	9,819,513
Amounts reported for governmental activities in the statement of activities are different because		
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 as depreciation expense. This is the amount by which capitalized capital outlay exceeded depreciation expense and loss on disposal of assets in the current period.		
Depreciation expense	\$ (9,447,673)	
Loss on disposal of assets	(233,344)	
Capital outlay	<u>6,908,850</u>	(2,772,167)
Governmental funds do not report contributed capital assets but they are reported on statement of activities		766,945
Long term notes receivable and the accrued interest which do not provide current financial resources are not reported in the funds		15,300
Government funds do not report the change in the investment in the joint venture but the change is reported on the statement of activity		469,820
The internal service funds used by management to charge the costs of the general services, equipment reserve, risk manager and self-insurance to individual funds are not reported in the government-wide statement of activities. Governmental fund expenditures and related internal service fund revenues are eliminated.		122,526
Elimination of transfers between governmental funds		
Transfers in	6,840,086	
Transfers out	<u>(6,840,086)</u>	-
The increase in fund balance reserves for inventory are charged directly to the fund balances at the fund level but expenses are increased at the government-wide level.		4,349
Net Pension expense do not require the use of current financial resources and , therefore are not reported as expenditures in the governmental funds.		211,034
Interest expense reported in the statement of activities do not require the use of current financial resources and therefore are not reported as expenditures in governmental funds.		(20,801)
Repayment of general obligation debt principal is an expenditure in the governmental funds, but the repayment reduces long-term liabilities in the statement of net position.		2,215,000
Deferred Loss on Refunding		(36,539)
Compensated absences reported in the statement of activities, do not require the use of current financial resources and therefore are not reported as expenditures in governmental funds.		(18,609)
Change In Net Position of Governmental Activities	<u>\$</u>	<u>10,776,371</u>

See accompanying notes to the basic financial statements

City of Durango, Colorado
Statement of Net Position
Proprietary Funds
December 31, 2021

	Business-Type Activities - Enterprise Funds					Governmental and Business Type Activities Internal Service Funds
	Water Utility Fund	Sewer Utility Fund	Trash and Recycling Fund	Transportation Services Fund	Total	
Assets						
Current Assets						
Equity in cash and cash equivalents	\$ 17,167,918	\$ 2,283,915	\$ 2,126,654	\$ 1,992,214	\$ 23,570,701	\$ 6,951,197
Cash held with fiscal agent	-	2,329,083	-	-	2,329,083	-
Receivables						
Accounts	707,771	1,100,875	369,479	7,073	2,185,198	899,282
Interfund	-	258,053	-	-	258,053	-
Intergovernmental	-	-	-	464,605	464,605	-
Inventory	144,306	27,899	-	-	172,205	371,192
Total Current Assets	18,019,995	5,999,825	2,496,133	2,463,892	28,979,845	8,221,671
Noncurrent Assets						
Note receivable	87,295	20,371	-	-	107,666	-
Capital Assets						
Land, easements and water rights	7,048,853	321,309	89,622	3,886,835	11,346,619	67,889
Construction in progress	402,729	-	8,798	-	411,527	766,899
Depreciable capital assets, net	42,661,485	81,276,530	1,824,619	5,506,678	131,269,312	5,572,614
Total Noncurrent Assets	50,200,362	81,618,210	1,923,039	9,393,513	143,135,124	6,407,402
Total Assets	68,220,357	87,618,035	4,419,172	11,857,405	172,114,969	14,629,073
Liabilities						
Current Liabilities						
Accounts payable	287,511	119,790	61,156	37,459	505,916	611,191
Accrued payroll	21,164	24,727	14,902	29,290	90,083	12,450
Compensated Absences - due in one year	47,610	23,950	30,958	57,519	160,037	45,280
Interfund payable	-	-	-	-	-	272,000
Loan payable	197,969	2,622,648	-	-	2,820,617	-
Interest Payable	-	463,535	-	-	463,535	-
Total Current Liabilities	554,254	3,254,650	107,016	124,268	4,040,188	940,921
Long Term Liabilities						
Unearned revenue	-	258,055	-	-	258,055	-
Compensated absences net of current portion	47,610	23,951	30,958	57,519	160,038	45,280
Loan payable net of current portion	2,328,034	47,186,100	-	-	49,514,134	-
Total Liabilities	2,929,898	50,722,756	137,974	181,787	53,972,415	986,201
Net position						
Net investment in capital assets	47,583,908	34,105,052	1,923,039	9,393,513	93,005,512	6,407,402
Restricted	-	-	-	-	-	6,504,506
Unrestricted	17,706,551	2,790,227	2,358,159	2,282,105	25,137,042	730,964
Total Net Position - Fund Level	\$ 65,290,459	\$ 36,895,279	\$ 4,281,198	\$ 11,675,618	\$ 118,142,554	\$ 13,642,872
Adjustment to reflect consolidation of internal service fund activities related to enterprise funds					(230,424)	
Net position of business type activities					\$ 117,912,130	

See accompanying notes to the basic financial statements

City of Durango, Colorado
Statement of Revenues, Expenses and Changes in Fund Net Position
Proprietary Funds
For the Year Ended December 31, 2021

	Business-Type Activities - Enterprise Funds					Governmental and Business Type Activities Internal Service Funds
	Water Utility Fund	Sewer Utility Fund	Trash and Recycling Fund	Transportation Services Fund	Total	
Operating Revenues						
Charges for sales and services	\$ 6,903,516	\$ 8,022,685	\$ 3,247,038	\$ 1,994,097	\$ 20,167,336	\$ 3,878,081
Services provided	-	-	-	-	-	6,608,620
Miscellaneous	97,251	3,288	89,013	9,811	199,363	45,969
Total Operating Revenues	7,000,767	8,025,973	3,336,051	2,003,908	20,366,699	10,532,670
Operating Expenses						
Administration	363,201	363,032	3,000	266,339	995,572	260,945
Source of supply	75,174	-	-	-	75,174	-
Pumping	67,489	-	-	-	67,489	-
Transmission and distribution	954,044	-	-	-	954,044	-
Treatment	937,698	1,664,976	-	-	2,602,674	-
Meter reading and repairs	86,094	-	-	-	86,094	-
Parking operations	-	-	-	701,053	701,053	-
Collections	-	960,263	1,130,206	-	2,090,469	-
Recycling	-	-	776,051	-	776,051	-
Recycling center	-	-	329,858	-	329,858	-
Sustainability	-	-	128,720	-	128,720	-
Loop system	-	-	-	1,933,444	1,933,444	-
Multi-modal	-	-	-	127,949	127,949	-
Building maintenance	75,843	5,475	-	-	81,318	101,284
Equipment maintenance	-	-	-	-	-	1,299,983
Insurance claims and premiums	-	-	-	-	-	1,232,592
Medical claims and premiums	-	-	-	-	-	6,833,840
Non-departmental	268,174	263,929	121,495	238,355	891,953	41
Payment for services	749,620	792,922	303,317	460,533	2,306,392	-
Depreciation	1,674,225	3,650,410	144,745	424,560	5,893,940	1,572,959
Total Operating Expenses	5,251,562	7,701,007	2,937,392	4,152,233	20,042,194	11,301,644
Operating Income (Loss)	1,749,205	324,966	398,659	(2,148,325)	324,505	(768,974)
Non-Operating Revenues (Expenses)						
Gain (loss) on the sale of capital assets	-	-	-	66,600	66,600	224,400
Intergovernmental grants	-	-	31,786	1,385,317	1,417,103	-
Investment earnings	6,326	204,420	112	246	211,104	618
Interest expense	(52,101)	(914,721)	-	-	(966,822)	-
Total Nonoperating Revenues (Expenses)	(45,775)	(710,301)	31,898	1,452,163	727,985	225,018
Income (Loss) Before Capital Contributions and Transfers	1,703,430	(385,335)	430,557	(696,162)	1,052,490	(543,956)
Capital contributions	1,275,773	208,933	-	15,072	1,499,778	44,461
Transfers in	-	-	-	477,417	477,417	497,825
Change in Net Position	2,979,203	(176,402)	430,557	(203,673)	3,029,685	(1,670)
Net Position Beginning of Year	62,311,256	37,071,681	3,850,641	11,879,291	115,112,869	13,644,542
Net Position End of Year	\$ 65,290,459	\$ 36,895,279	\$ 4,281,198	\$ 11,675,618	118,142,554	\$ 13,642,872
Change in Net Position (from above)					3,029,685	
Adjustment to reflect the consolidation of internal service fund activities related to enterprise funds.					(436,436)	
Change in net position of business-type activities.					\$2,593,249	

See accompanying notes to the basic financial statements.

City of Durango, Colorado
Combining Statement of Cash Flows
Proprietary Funds
For the Year Ended December 31, 2021

	Water Utility Fund	Sewer Utility Fund	Sustainable Services Fund	Transportation Services Fund	Total	Governmental and Business Type Activities-Internal Service Fund
<u>Cash flows from operating activities</u>						
Receipts from customers and users	\$ 6,923,094	\$ 8,781,044	\$3,233,283	\$ 1,992,100	\$20,929,521	\$ 9,820,169
Other receipts	97,251	3,288	89,013	9,811	199,363	45,969
Payments to suppliers and employees	(4,259,788)	(4,513,522)	(2,806,637)	(3,858,442)	(15,438,389)	(9,605,150)
Net cash provided by operating activities	<u>2,760,557</u>	<u>4,270,810</u>	<u>515,659</u>	<u>(1,856,531)</u>	<u>5,690,495</u>	<u>260,988</u>
<u>Cash Flows from Noncapital Financing Activities</u>						
Intergovernmental grants	-	-	31,786	-	31,786	-
Interfund borrowings	-	-	-	-	-	272,000
Transfers from other funds	-	(258,053)	-	492,489	234,436	542,286
Net cash provided by (used for) noncapital financing activities	<u>-</u>	<u>(258,053)</u>	<u>31,786</u>	<u>492,489</u>	<u>266,222</u>	<u>814,286</u>
<u>Cash flows from capital and related financing activities</u>						
Principal paid on capital debt	(194,163)	(2,581,326)	-	-	(2,775,489)	-
Interest paid on capital debt	(52,101)	(815,514)	-	-	(867,615)	-
Sale of capital assets	-	-	-	66,600	66,600	224,400
Contributed capital	545,547	154,478	-	-	700,025	-
Intergovernmental capital grants	-	-	-	1,335,921	1,335,921	-
Purchase of fixed assets	(1,984,348)	(1,252,476)	(8,798)	(75,362)	(3,320,984)	(985,288)
Net cash used for capital and related financing	<u>(1,685,065)</u>	<u>(4,494,838)</u>	<u>(8,798)</u>	<u>1,327,159</u>	<u>(4,861,542)</u>	<u>(760,888)</u>
<u>Cash flows from investing activities</u>						
Interest earned	6,326	204,420	112	246	358	618
Payments of loan receivables	19,831	6,492	-	-	26,323	-
Net cash provided by investing activities	<u>26,157</u>	<u>210,912</u>	<u>112</u>	<u>246</u>	<u>237,427</u>	<u>618</u>
Net change in cash and equivalents	1,101,649	(271,169)	538,759	(36,637)	1,332,602	315,004
Cash and equivalents, beginning of year	16,066,269	2,555,084	1,587,895	2,028,851	22,238,099	6,636,193
Cash and equivalents, end of year	<u>\$ 17,167,918</u>	<u>\$ 2,283,915</u>	<u>\$2,126,654</u>	<u>\$ 1,992,214</u>	<u>\$23,570,701</u>	<u>\$ 6,951,197</u>
Operating income (loss)	\$ 1,749,205	\$ 324,966	\$ 398,659	\$ (2,148,325)	\$ 324,505	\$ (768,974)
Adjustments to reconcile operating income to net cash provided by operating activities						
Depreciation	1,674,225	3,650,410	144,745	424,560	5,893,940	1,572,959
Decrease (increase) in accounts receivable	19,578	500,304	(13,755)	(1,997)	504,130	(602,792)
Decrease (increase) in inventory	(14,544)	(11,648)	-	-	(26,192)	(63,740)
Decrease (increase) in accounts payable	(610,609)	(408,438)	20,681	(118,406)	(1,116,772)	141,492
Decrease (increase) in accrued liabilities	(36,171)	(50,030)	(18,750)	(40,621)	(145,572)	(24,018)
Decrease (increase) deferred revenues	-	258,055	-	-	258,055	-
Decrease (increase) in compensated absences	(21,127)	7,191	(15,921)	28,258	(1,599)	6,061
Total adjustments	<u>1,011,352</u>	<u>3,945,844</u>	<u>117,000</u>	<u>291,794</u>	<u>5,365,990</u>	<u>1,029,962</u>
Net cash provided by operating activities	<u>\$ 2,760,557</u>	<u>\$ 4,270,810</u>	<u>\$ 515,659</u>	<u>\$ (1,856,531)</u>	<u>\$ 5,690,495</u>	<u>\$ 260,988</u>
<u>Noncash flows from capital and related financing activities</u>						
Donations of capital assets	<u>\$ 700,110</u>	<u>\$ 235,813</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 935,923</u>	<u>\$ -</u>

See accompanying notes to the financial statements.

City of Durango, Colorado
Combining Statement of Cash Flows
Proprietary Funds
For the Year Ended December 31, 2021

	Water Utility Fund	Sewer Utility Fund	Sustainable Services Fund	Transportation Services Fund	Total	Governmental and Business Type Activities-Internal Service Fund
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Other receipts	97,251	3,288	89,013	9,811	199,363	45,969
Payments to suppliers and employees	(4,259,788)	(4,513,522)	(2,806,637)	(3,858,442)	(15,438,389)	(9,605,150)
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<u>Cash Flows from Noncapital Financing Activities</u>						
Intergovernmental grants	-	-	31,786	-	31,786	-
Interfund borrowings	-	-	-	-	-	272,000
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Net cash provided by (used for) noncapital financing activities	<u>-</u>	<u>(258,053)</u>	<u>31,786</u>	<u>492,489</u>	<u>266,222</u>	<u>799,214</u>
<u>Cash flows from capital and related financing activities</u>						
Principal paid on capital debt	(194,163)	(2,581,326)	-	-	(2,775,489)	-
Interest paid on capital debt	(52,101)	(815,514)	-	-	(867,615)	-
Sale of capital assets	-	-	-	66,600	66,600	224,400
Contributed capital	545,547	154,478	-	-	700,025	-
Intergovernmental capital grants	-	-	-	1,335,921	1,335,921	-
Purchase of fixed assets	(1,984,348)	(1,252,476)	(8,798)	(75,362)	(3,320,984)	(985,288)
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Total adjustments	<u>1,011,352</u>	<u>3,945,844</u>	<u>117,000</u>	<u>291,794</u>	<u>5,365,990</u>	<u>1,029,962</u>
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Donations of capital assets	<u>\$ 700,110</u>	<u>\$ 235,813</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 935,923</u>	<u>\$ -</u>

See accompanying notes to the financial statements.

City of Durango, Colorado
Notes to the Basic Financial Statements
For the Year Ended December 31, 2021

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City of Durango, Colorado
Notes to the Basic Financial Statements
For the Year Ended December 31, 2021

Note 1 - Summary of Significant Accounting Policies

The City of Durango is a municipal corporation governed by an elected five-member council. The City operates under a Council-Manager form of government and provides the following services: public safety, highways and streets, sanitation, social services, culture-recreation, public improvements, planning and zoning, and general administrative services.

The financial statements of the City have been prepared in conformity with accounting principles generally accepted in the United States (GAAP) as applied to governments. The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for governmental accounting and financial reporting.

The most significant of the City's accounting policies are described below.

1-A. Reporting Entity

The reporting entity is comprised of the primary government and component unit that is included to ensure that the financial statements are not misleading. The primary government of the City consists of all funds, departments, boards and agencies that are not legally separate from the City. Component units are legally separate organizations for which the City is financially accountable. The City is financially accountable for an organization if the City appoints a voting majority of the organization's governing board and (1) the City is able to significantly influence the programs or services performed or provided by the organizations; or (2) the City is legally entitled to or can otherwise access the organization's resources; the City is legally obligated or has otherwise assumed the responsibility to finance the deficits of, or provide financial support to, the organization; or the City is obligated for the debt of the organization. Component units also may include organizations that are fiscally dependent on the City in that the City approves the budget, levies their taxes or issues their debt.

The component unit columns included on the government-wide financial statements identify the financial data of the City's discretely presented component unit. It is reported separately to emphasize that it is legally separate from the City.

On May 5, 2020, the City Council established an Urban Renewal Authority also known as the Durango Renewal Partnership (the Partnership). City Council appoints five of the nine board members. Currently, the Partnership has no sources of revenues and the City is paying its formation costs. Those amounts were reported in the general fund. As a result, the Partnership has no transactions to report for the year ended December 31, 2021. In future years it is anticipated that the Partnership will be reported as a blended component unit.

A description of the discretely presented component unit follows:

Durango Conference Center Business Improvement District (the District) – the District was formed for the purpose of developing a conference center in the City. The District encompasses commercial properties in a defined area. The members of the District's governing board are appointed by the City Council. The District is fiscally dependent on the City because the City Council must approve the operating plan and budget on an annual basis pursuant to the state statutes authorizing the formation of the District. The District is reported on the government-wide statements as a governmental fund. The District reports only a general fund, with property taxes being the primary source of revenue. Separate financial statements are not issued by the District.

1-B. Basis of Presentation

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

Government-wide Financial Statements - The government-wide financial statements include the statement of net position and the statement of activities. These statements report financial information for the City as a whole.

City of Durango, Colorado
Notes to the Basic Financial Statements
For the Year Ended December 31, 2021

Note 1 - Summary of Significant Accounting Policies (Continued)

1-B. Basis of Presentation (continued)

The primary government and the component unit is presented separately within these financial statements with the focus on the primary government. Individual funds are not displayed but the statements distinguish governmental activities, generally supported by taxes and grants and City's general revenues, from business-type activities, generally financed in whole or in part with user fees charged to external customers.

The statement of net position presents the financial position of the governmental and business-type activities of the City and its discretely presented component unit at year-end. Neither fiduciary funds nor component units which are fiduciary in nature are included.

The statement of activities presents a comparison between direct expenses and program revenues for each function of the City's governmental activities and for each identifiable activity of the business-type activities of the City. Direct expenses are those that are specifically associated with a function and therefore clearly identifiable to that particular function. The City does not allocate indirect expenses to functions in the statement of activities. The statement of activities reports the expenses of a given function offset by program revenues directly connected with the functional program. A function is an assembly of similar activities and may include portions of a fund or summarize more than one fund to capture the expenses and program revenues associated with a distinct functional activity. Program revenues include: (1) charges for services which report fees and other charges to users of the City's services; (2) operating grants and contributions which finance annual operating activities including restricted investment income; and (3) capital grants and contributions which fund the acquisition, construction, or rehabilitation of capital assets. These revenues are subject to externally imposed restrictions to these program uses. For identifying to which function program revenue pertains, the determining factor for *charges for services* is which function *generates* the revenue. For *grants and contributions*, the determining factor is to which function the revenues are *restricted*. Other revenue sources not properly included with program revenues are reported as general revenues of the City. The comparison of direct expenses with program revenues identifies the extent to which each governmental function and each identifiable business activity is self-financing or draws from the general revenues of the City.

Fund Financial Statements - During the year, the City segregates transactions related to certain City functions or activities in separate funds in order to aid financial management and to demonstrate legal compliance. Fund financial statements are designed to present financial information of the City at this more detailed level. Fund financial statements are provided for governmental and proprietary funds. In the fund financial statements major individual governmental and enterprise funds are reported in separate columns.

Fund Accounting - The City uses funds to maintain its financial records during the year. A fund is a fiscal and accounting entity with a self-balancing set of accounts. The City uses two categories of funds: governmental and proprietary.

Governmental Funds- Governmental funds are those through which most governmental functions typically are financed. Governmental fund reporting focuses on the sources, uses and balances of current financial resources. Expendable assets are assigned to the various governmental funds according to the purposes for which they may or must be used. Fund liabilities are assigned to the fund from which they will be liquidated. The City reports the difference between governmental fund assets and liabilities and deferred inflows of resources as fund balance. The following are the City's major governmental funds:

General Fund– The general fund accounts for all financial resources except those required to be accounted for in another fund. The general fund's fund balance is available to the City for any purpose provided it is expended or transferred according to the general laws of Colorado.

Proprietary Funds- Proprietary fund reporting focuses on the determination of operating income, changes in net assets, financial position, and cash flows. The proprietary funds are classified as enterprise funds and internal service funds. The following are the City's major enterprise funds:

City of Durango, Colorado
Notes to the Basic Financial Statements
For the Year Ended December 31, 2021

Note 1 - Summary of Significant Accounting Policies (Continued)

1-B. Basis of Presentation (continued)

Water Utility Fund –This fund accounts for revenues and expenses associated with providing water services to the City’s residents and some county residents.

Sewer Utility Fund -This fund accounts for revenues and expenses associated with providing waste-water treatment services to residents of the City and some county residents

Trash and Recycle Fund - This fund accounts for revenues and expenses associated with refuse collection, recycling operations and sustainable programs.

Transportation Services Fund – This fund accounts for revenues and expenses associated with the operations of the City’s parking program, including enforcement and facilities maintenance and to account for revenues and expenses associated with providing mass transportation within the City.

Additionally, the City reports *internal service funds*. The internal service funds provide support services to other City departments including vehicle and equipment maintenance, warehousing, building and plant supervision, equipment replacement, risk management and self-insurance. The four internal service funds are the General Services Fund, the Capital Equipment Reserve Fund, the Risk Manager Fund, and the Self Insurance Fund.

1-C. Measurement Focus

Government-wide Financial Statements - The government-wide financial statements are prepared using the economic resources measurement focus. All assets and deferred outflows of resources and all liabilities and deferred inflows of resources associated with the operation of the City are included on the statement of net position. The statement of activities reports revenues and expenses.

Fund Financial Statements - All governmental funds are accounted for using a flow of current financial resources measurement focus. With this measurement focus, only current assets and deferred outflows of resources and current liabilities and deferred inflows of resources generally are included on the balance sheet. The statement of revenues, expenditures and changes in fund balances reports the sources (i.e., revenues and other financing sources) and uses (i.e., expenditures and other financing uses) of current financial resources. This approach differs from the manner in which the governmental activities of the government-wide financial statements are prepared. Governmental fund financial statements therefore include a reconciliation with brief explanations to better identify the relationship between the government-wide statements and the governmental fund statements.

Like the government-wide statements, all proprietary fund types are accounted for on a flow of economic resources measurement focus and the accrual basis of accounting on both financial reporting levels. All assets and deferred outflows of resources and all liabilities and deferred inflows of resources associated with the operation of these funds are included on the statements of net position.

The statements of changes in net position present increases (i.e., revenues) and decreases (i.e., expenses) in net total position. The statement of cash flows provides information about how the City finances and meets the cash flow needs of its proprietary activities.

1-D. Basis of Accounting

Basis of accounting determines when transactions are recorded in the financial records and reported on the financial statements. Government-wide financial statements are prepared using the accrual basis of accounting. At the fund reporting level, the governmental funds use the modified accrual basis of accounting.

City of Durango, Colorado
Notes to the Basic Financial Statements
For the Year Ended December 31, 2021

Note 1 - Summary of Significant Accounting Policies (Continued)

1-D. Basis of Accounting (continued)

Proprietary funds use the accrual basis of accounting at both reporting levels. Differences in the accrual and the modified accrual basis of accounting arise in the recognition of revenue, the recording of deferred outflows and inflows of resources, and in the presentation of expenses versus expenditures.

Revenues – Exchange Transactions - Revenue resulting from exchange transactions, in which each party gives and receives essentially equal value, is recorded on the accrual basis when the exchange takes place. On the modified accrual basis, revenue is recorded when the exchange takes place and in the fiscal year in which the resources are measurable and become available.

Available means that the resources will be collected within the current fiscal year or are expected to be collected soon enough thereafter to be used to pay liabilities of the current fiscal year. For the City, the phrase “available for exchange transactions” means expected to be received within 60 days of year-end.

Revenues - Non-exchange Transactions - Non-exchange transactions in which the City receives value without directly giving equal value in return, include sales taxes, property taxes, grants, and donations. On an accrual basis, revenue from sales taxes is recognized in the period in which the taxable sale takes place. Revenue from property taxes is recognized in the fiscal year for which the taxes are levied (Note 3-C). Revenue from grants and donations is recognized in the fiscal year in which all eligibility requirements have been satisfied. Eligibility requirements include timing requirements, which specify the year when the resources are required to be used, or the year when use is first permitted, matching requirements, in which the City must provide local resources to be used for a specified purpose, and expenditure requirements, in which the resources are provided to the City on a reimbursement basis. On a modified accrual basis, revenue from non-exchange transactions also must be available before it can be recognized. The City defines availability for intergovernmental revenues as those anticipated to be collected in one year and all others as 60 days of year end.

Under the modified accrual basis, the following revenue sources are considered to be susceptible to accrual: property taxes, sales taxes, interest, and federal and state grants.

Unearned Revenue - Unearned revenue arises when assets are recognized before revenue recognition criteria have been satisfied. On the governmental fund financial statements (i.e., on the modified accrual basis), receivables that will not be collected within the available period have been reported as deferred inflows of resources (i.e., they are measurable but not available) rather than as revenue. Grants and entitlements received before the eligibility requirements are met (e.g., cash advances) are recorded as deferred inflows of resources.

Expenses/Expenditures - On the accrual basis of accounting, expenses are recognized at the time they are incurred. On the modified accrual basis, expenditures generally are recognized in the accounting period in which the related fund liability is incurred and due, if measurable.

1-E. Assets, Liabilities and Fund Balance/Net Position

1-E-1 Cash, Cash Equivalents, and Investments

The City maintains a cash and investment pool that is available for use by all funds. Each fund type's portion of this pool is displayed on statements of net position or balance sheets as "equity in cash and equivalents" and "cash held in escrow." Cash equivalents include the City's investments in short term investment pools where the maturities fall within the GASB definition of cash equivalents.

Equity in Cash and Equivalents - The City maintains a centralized bank account to maximize investment yields. Cash balances are pooled and invested. Investment income earned is allocated to the funds based on each fund's percentage ownership. Cash with fiscal agent is held separately and not pooled with other cash.

City of Durango, Colorado
Notes to the Basic Financial Statements
For the Year Ended December 31, 2021

1-E. Assets, Liabilities and Fund Balance/Net Position (Continued)

1-E-1 Cash, Cash Equivalents, and Investments (continued)

For the purposes of cash flow statements, cash and cash equivalents include "equity in treasurer's cash and investments" and "cash held in escrow," as held by enterprise funds. Each fund has an interest in the pool that is available upon demand. Interest in the pool has been recorded consistent with any other demand deposits or investments with a maturity of three months or less.

Investments are reported at fair value based on valuation techniques discussed in Note 3-A with disclosures on the level of the fair value hierarchy based on inputs from the valuation technique. Investments in governmental external investment pools are reported at amortized cost or net asset value and are not subject to the fair value hierarchy. The City Charter authorizes the City to invest in any manner that is then permitted by the statutes of Colorado.

1-E-2 Receivables

All trade and property tax receivables are reported net of an allowance for uncollectible accounts, where applicable. Unbilled water and sewer charges are accrued as receivables and revenue at December 31, 2021.

The City was awarded a Community Development Block Grant in 1983. The grant proceeds were distributed as loans to qualifying businesses and residents. The loan receivable is recorded in the Revolving Loan Fund, a special revenue fund, net of the allowance for estimated loan losses. The allowance is management's best estimate based on past collection experience.

1-E-3 Interfund Balances

On the fund financial statements, receivables and payables resulting from short-term interfund loans are classified as "interfund receivables/interfund payables." These amounts are eliminated in the governmental and business-type activities columns of the statement of net position, except for any net residual amounts due between governmental and business-type activities, which are reclassified and presented as "internal balances."

1-E-4 Consumable Inventories

On the government-wide financial statements, inventories are presented at the lower of cost or market on a first-in, first-out basis and are expensed when used (i.e., the consumption method).

On the fund financial statements, inventories of governmental funds are stated at cost while inventories of proprietary funds are stated at the lower of cost or market. For all funds, cost is determined on a first-in, first-out basis. The cost of inventory items is recorded as an expenditure in the governmental fund types when purchased. Inventories of the proprietary funds are also expensed when consumed.

1-E-5 Prepaid Items

Payments made to vendors for services that will benefit periods beyond December 31, 2021, are recorded as prepaid items using the consumption method by recording an asset for the prepaid amount and reflecting the expenditure/expense in the year in which services are consumed. At the fund reporting level, an equal amount of fund balance is reflected as nonspendable as this amount is not available for general appropriation.

1-E-6 Capital Assets

General capital assets are those assets not specifically related to activities reported in the proprietary funds. These assets generally result from expenditures in governmental funds. The City reports these assets in the governmental activities column of the government-wide statement of net position but does not report these assets in the City fund

City of Durango, Colorado
Notes to the Basic Financial Statements
For the Year Ended December 31, 2021

Note 1 – Summary of Significant Accounting Policies (Continued)

1-E-6 Capital Assets (continued)

financial statements. Capital assets utilized by enterprise funds are reported both in the business-type activities columns of the government-wide statement of net position and in the enterprise funds' statements of net position.

All capital assets are capitalized at acquisition value and updated for additions and retirements during the year.

Donated capital assets are recorded at their estimated acquisition values as of the date received. The City maintains a capitalization threshold of five thousand dollars. The City's infrastructure consists of roads, bridges and water and sewer lines. Improvements to capital assets are capitalized. The costs of normal maintenance and repairs that do not add to the value of the asset or materially extend an asset's life are expensed.

All reported capital assets are depreciated except for land, easements, water rights and construction in progress. Improvements are depreciated over the remaining useful lives of the related capital assets. Useful lives for infrastructure were estimated based on the City's historical records of necessary improvements and replacement. Depreciation is computed using the straight-line method over the following useful lives:

Buildings and improvements	20-75 years
Equipment	3-20 years
Utility System Infrastructure and Improvements	30-100 years
Public Domain Infrastructure	10-50 years

1-E-7 Deferred Outflows/Inflows of Resources

In addition to assets, the statement of financial position will sometimes report a separate section for deferred outflows of resources. This separate financial statement element, deferred outflows of resources, represents a consumption of net assets that applies to future period(s) and so will not be recognized as an outflow of resources (expense/expenditure) until then. The City has two items that qualify as a deferred outflow of resources. These are deferred outflows of resources related to the loss on refunding and the Old Hire Fire and Police Pension Plans.

In addition to liabilities, the statement of financial position will sometimes report a separate section for deferred inflows of resources. This separate financial statement element, deferred inflows of resources, represents an acquisition of net assets that applies to a future period(s) and so will not be recognized as an inflow of resources (revenue) until that time. The government has two items which are considered deferred inflows of resources. Property tax revenue is considered a deferred inflow of resources in the year the taxes are levied and measurable and is recognized as an inflow of resources in the period for which they were levied. There is also a deferred inflow of resources related to the Old Hire Fire and Police Pension Plans.

1-E-8 Compensated Absences

Governmental Funds – As of January 1, 2006 the City implemented a "Paid time off" (PTO) policy. Benefits are accrued as a liability as the benefits are earned if the employees' rights to receive compensation are attributable to services already rendered and it is probable that the employer will compensate the employees for the benefits through paid time off or some other means. All compensated absence liabilities include salary-related payments, where applicable.

The total compensated absence liability is reported on the government-wide financial statements. Governmental funds report the compensated absence liability at the fund reporting level only "when due."

Proprietary Funds – Accumulated paid time off at December 31, 2021, for employees of the proprietary funds have been accrued. These compensated absences are recognized as current salary costs when earned in the proprietary funds.

City of Durango, Colorado
Notes to the Basic Financial Statements
For the Year Ended December 31, 2021

Note 1 – Summary of Significant Accounting Policies (Continued)

1-E-9 Accrued Liabilities and Long-term Obligations

All payables, accrued liabilities and long-term obligations are reported in the government-wide financial statements.

In general, governmental fund payables and accrued liabilities that, once incurred, are paid in a timely manner and in full from current financial resources, are reported as obligations of these funds. However, compensated absences that will be paid from governmental funds are reported as a liability in the fund financial statements only to the extent that they are “due for payment” during the current year. Bonds and loans payable are recognized as a liability in the governmental activities on the government wide financial statements.

1-E-10 Bond Premiums, Discounts, and Issuance Costs

On the government-wide statement of net position and the proprietary fund type statement of net position, bond premiums and discounts are netted against bonds payable. On the government-wide and proprietary fund type statement of activities, bond premiums and discounts are deferred and amortized over the life of the bonds using the effective interest method.

At the governmental fund reporting level, bond premiums and discounts are reported as other financing sources and uses, separately from the face amount of the bonds issued. Bond issuance costs are reported as an expenditure/expense.

1-E-11 Fund Balance/Net Position

Fund Balance – Generally, fund balance represents assets and deferred outflows of resources minus liabilities and deferred inflows of resources and is shown only in governmental fund statements. Financial reporting standards establish criteria for classifying fund balance amounts into specifically defined categories to make the nature and extent of constraints on those amounts more useful and understandable. The categories comprise a hierarchy based on the extent to which constraints must be honored for a specified purpose and for which amounts can be spent. Fund balances may be categorized as nonspendable, restricted, committed, assigned, and unassigned.

Nonspendable Fund Balance– cannot be spent because it is either in nonspendable form or is legally or contractually required to be maintained intact. Examples include items not expected to be converted to cash such as inventories and prepaid items.

Restricted Fund Balance– is restricted for specific purposes based on constraints externally imposed by creditors, grantors, contributors, laws, or regulations of other governments, or imposed by law through constitutional provisions or enabling legislation.

Committed Fund Balance– is constrained for a specific purpose by resolution or ordinance adopted by the City Council and can be rescinded only through the same type of formal action used to establish the original commitment. Resolutions and ordinances are equally binding.

Assigned Fund Balance– is constrained for specified purposes by the City Manager or his designee as authorized by the City Council.

Unassigned Fund Balance– is unconstrained and comprised of residual uncategorized fund balance amounts. The General Fund is the only fund that reports a positive unassigned fund balance.

When expenditures are incurred for purposes for which both restricted and unrestricted amounts are available, restricted amounts are deemed to be used first. When expenditures are incurred for purposes for which amounts in any of the unrestricted fund balance classifications could be used, committed amounts are considered to be reduced first, followed by assigned amounts and then by unassigned amounts.

City of Durango, Colorado
Notes to the Basic Financial Statements
For the Year Ended December 31, 2021

Note 1 – Summary of Significant Accounting Policies (Continued)

1-E-11 Fund Balance/Net Position (continued)

Net Position - Net position represents the difference between assets and deferred outflows of resources and liabilities and deferred inflows of resources. Net investment in capital assets consists of capital assets, net of accumulated depreciation, reduced by the outstanding balances of any borrowing used for the acquisition, construction, or improvement of those assets. Net position is reported as restricted when there are limitations imposed on their use either through the enabling legislation adopted by the City or through external restrictions imposed by creditors, grantors or laws or regulations of other governments. All other net position is reported as unrestricted.

The City applies restricted resources first when an expense is incurred for purposes for which both restricted and unrestricted net position is available.

1-E-12 Operating Revenues and Expenses

Operating revenues are those revenues that are generated directly from the primary activity of the proprietary funds. These revenues are charges for services to external customers for water, sewer, sustainable services, transit, and parking.

Revenues to internal customers for services are for vehicle and equipment maintenance, centralized purchasing, warehousing, building and plant supervision, equipment replacement and self-insurance. Operating expenses are necessary costs incurred to provide the good or service that is the primary activity of each fund.

1-E-13 Contributions of Capital

Contributions of capital in proprietary fund financial statements arise from outside contributions of capital assets and plant investment fees to the extent they exceed the cost of the connection to the system, or from grants or outside contributions of resources restricted to capital acquisition and construction.

1-E-14 Interfund Activity

Exchange transactions between funds are reported as revenues in the seller funds and as expenditures/expenses in the purchaser funds. Flows of cash or goods from one fund to another without a requirement for repayment are reported as interfund transfers. Interfund transfers are reported as other financing sources/uses in governmental funds and after non-operating revenues/expenses section in proprietary funds. Repayments from funds responsible for particular expenditures/expenses to the funds that initially paid for them are not presented on the financial statements (i.e., they are netted). Transfers between governmental and business-type activities on the government-wide statement of activities are reported as general revenues. Transfers between funds reported in the governmental activities column are eliminated. The interfund services provided and used are not eliminated in the process of consolidation. Transfers between funds reported in the business-type activities column are eliminated.

1-E-15 Estimates

The preparation of the financial statements in conformity with accounting principles generally accepted in the United States, requires management to make estimates and assumptions that affect the amounts reported in the financial statements and accompanying notes. Actual results may differ from those estimates.

1-E-16 Comparative Data

Comparative total data for the prior year have been presented only for individual funds in the fund financial statements in order to provide an understanding of the changes in the financial position and operations of these funds. Also, certain amounts presented in the prior year data have been reclassified to be consistent with the current year's presentation.

City of Durango, Colorado
Notes to the Basic Financial Statements
For the Year Ended December 31, 2021

Note 2 – Stewardship, Compliance and Accountability

2-A. Budgetary Information – The governmental fund budgets are adopted on a basis consistent with GAAP except for the revolving loan and debt service funds, which have no adopted budgeted. In addition, the Durango Conference Center Business Improvement District, a discretely presented component unit, approves a budget each fiscal year, however, it is not presented as a budget is not required. Adopted budgets for enterprise and internal service funds are presented on a non-GAAP basis.

Formal budgetary integration is employed as a management control device during the year for the general fund, all special revenue funds, the capital projects fund and all proprietary fund types. Budgetary control for funds not formally budgeted is alternatively achieved through financial management plans or as the result of established ordinances. The legal level of control (the level at which expenditures may not legally exceed appropriations) for each adopted annual operating budget generally is the department level within each individual fund. Any change in total to a fund or departmental appropriation within a fund requires City Council approval.

The City Council may authorize additional appropriations during the budget year for expenditures required, but not in excess of the amount that actual revenues exceed budgeted revenues and unappropriated surplus for that fund. The City Manager may transfer any unencumbered appropriation balance or portion thereof from one classification of expenditure to another within the same department, office, or agency. At the request of the City Manager, the City Council may, by resolution, transfer any unencumbered appropriation balance or portion thereof from one department, office, or agency to another. The City Council made additional appropriations during the year.

Unencumbered amounts for the operating portion of the budget lapse at year-end.

The following funds ended 2021 over budget: Parks, Open Space and Trails Fund; Durango Tourism Fund; Housing Fund; and General Services Fund.

Note 3 - Detailed Notes on All Funds

3-A. Deposits and Investments

Deposits – The Colorado Public Deposit Protection Act (PDPA) requires that all units of local government deposit cash in eligible public depositories. Statutes require that any public depository which accepts and holds public funds maintain, as security for public deposits accepted and held by it, not insured by federal depository insurance, eligible collateral having a market value, at all times, equal to at least one hundred and two percent of the amount of public deposits. Banking institutions are monitored by the State of Colorado Banking Commission and must report monthly on all public deposits held. Pledged collateral must be held in joint custody of the bank and the State of Colorado Banking Commission in accordance with the Public Deposit Protection Act in a safekeeping account held by a third party, usually the Federal Reserve Bank. The pledged collateral cannot be released unless approval is obtained by the banking commission. At December 31, 2021, the City's cash deposits had a bank balance of \$12,413,999 and a carrying balance of \$10,847,565. At December 31, 2021, of the City's deposits \$250,000 was covered by the Federal Deposit Insurance Corporation (FDIC), and \$12,163,999 was covered by the PDPA.

Also at December 31, 2021, the City has \$2,329,083, which represents unexpended debt proceeds. These amounts are shown as restricted assets on the Statement of Net Position. These proceeds are held by the lender, the Colorado Water Resources and Power Development Authority, an agency of the State of Colorado. The Authority's investments are either in local government investment pools or U.S. Treasuries or Obligations.

City of Durango, Colorado
Notes to the Basic Financial Statements
For the Year Ended December 31, 2021

Note 3 - Detailed Notes on All Funds (Continued)

3-A. Deposits and Investments (continued)

At December 31, 2021 the bank and carrying balance of the Durango Conference Center Business Improvement District was \$252,369 and \$234,703 respectively. The amount of coverage by the Federal Deposit Insurance Corporation (FDIC) was \$250,000.

Investments – Colorado revised statutes and the City’s investment policy specifies investment instruments meeting defined rating and risk criteria in which the City may invest:

- United States Treasury Obligations
- United States Government Agency and Instrumentality Obligations
- Certificates of Deposits
- Commercial Paper
- Investment-grade Obligations of State
- Repurchase Agreements
- Money Market Mutual Funds
- Local Government Investment Pools

Interest Rate Risk – As a means of limiting its exposure to fair value losses arising from prevailing market interest rates, the City’s investment policy states that the City will minimize the interest rate risk by structuring the investment portfolio so that securities mature to meet cash requirements for ongoing operations, thereby avoiding the need to sell securities on the open market prior to maturity. The City investment policy states that the weighted average maturity of the portfolio shall be no greater than 3 years, and all investments shall have a final maturity not exceeding five years from the date of purchase.

Credit Risk -The City’s investment policy is to apply the prudent person rule where investments are made as a prudent person would be expected to act. The City’s investment policy limits investments in fixed income securities to U.S. Treasury Bills; U.S. Government Agencies; Certificates of Deposit; Commercial Paper; Investment-grade Obligations of State; Repurchase Agreements; Money Market Mutual Funds; and Local Government Investment Pools. The investment policy limits investments in commercial paper to be rated A-1 by Standard & Poor’s, P-1 by Moody’s, or F-1 by Fitch at the time of purchase. COLOTRUST records investments at fair value and the City records at net asset value. There are no unfunded commitments, the redemption frequency is daily, and there is no redemption notice period.

As of December 31, 2021, the City had \$3,072,272 invested in the Colorado Local Governments Liquid Asset Trust (COLOTRUST). COLOTRUST is an investment vehicle established for local government entities in Colorado to pool surplus funds. The Colorado Division of Securities administers and enforces the requirements creating and operating COLOTRUST. Purchases and redemptions are available daily at a net asset value (NAV) of \$1.00. The City is invested in the Plus+ and PRIME portfolios. COLOTRUST is rated AAAM by Standards and Poor’s. At December 31, 2021 COLOTRUST had a weighted average maturity of 60 days or less. Investments of COLOTRUST are limited to those allowed by State statutes. A designated custodial bank provides safekeeping and depository services in connection with the direct investment and withdrawal functions. The custodian’s internal records identify the investments owned by participating governments.

As of December 31, 2021, the City had \$32,357,922 invested in the Colorado Surplus Asset Fund Trust (CSAFE) General and \$30,995,489 invested in CSAFE Core. CSAFE is an investment vehicle established for local government entities in Colorado to pool surplus funds. At December 31, 2021 CSAFE had a weighted average maturity of 33.94 days to reset and 92 maturity. Investments in CSAFE are shown at amortized cost for financial reporting purposes.

City of Durango, Colorado
Notes to the Basic Financial Statements
For the Year Ended December 31, 2021

Note 3 - Detailed Notes on All Funds (Continued)

3-A. Deposits and Investments (continued)

CSAFE is rated AAmmf by Fitch. CSAFE Core is rated AAf/S1 by Fitch. Investments of CSAFE are limited to those allowed by State statutes. A designated custodial bank provides safekeeping and depository services in connection with the direct investment and withdrawal functions. The custodian's internal records identify the investments owned by participating governments. As of December 31, 2021 the City had the following investments and maturities:

Investment Type	S&P/Fitch Rating	Less Than One Year	1-5 Years	Total	Percentage
ColoTrust	AAAm	\$ 3,072,272	-	\$ 3,072,272	5%
CSAFE	AAAmf	32,357,922	-	32,357,922	49%
CSAFE - CORE	AAf/S1	30,995,489	-	30,995,489	46%
Total		<u>\$ 66,425,684</u>	<u>-</u>	<u>\$ 66,425,684</u>	
Investments					
Reconciliation to Total Deposits and Investments				\$ 66,425,684	
Add :					
Cash on Hand and in Banks				10,847,565	
Component Unit				234,703	
Cash held with fiscal agent			\$ 2,329,083		
Investment in ICMA			34,484		
Investment in Empower Retirement			30,718		
Restricted Cash and Investments				2,394,285	
Joint ventures share of pooled cash				(12,174,018)	
Total Cash and Investments				<u>\$ 67,728,219</u>	

Cash & Investment Reconciliation:

The carrying amounts of deposits and investments are reflected in the accompanying financial statements as:

City of Durango, Colorado
Notes to the Basic Financial Statements
For the Year Ended December 31, 2021

Note 3 - Detailed Notes on All Funds (Continued)

3-A. Deposits and Investments (continued)

Fund Reporting level:

Governmental Funds - Cash on Hand	\$ 4,927
Governmental Funds - Equity in treasurer's cash and investments	34,055,619
Governmental Funds - Cash held in escrow	582,087
Proprietary Fund Type Statement of Net Position - Enterprise Funds	23,570,602
Proprietary Fund Type Statement of Net Position - Internal Service	6,951,198
Cash held with fiscal agent	2,329,083
Cash and investments - Component Unit	234,703
Total	<u><u>\$ 67,728,219</u></u>

Government-wide level:

Cash and investments Governmental Activities - primary government	\$ 41,593,732
Cash and investments Business Type Activities - primary	23,570,701
Restricted assets	2,329,083
Cash and investments - Component Unit	234,703
	<u><u>\$ 67,728,219</u></u>

Durango Conference Center Business Improvement District:

Cash on hand	\$ 200
Cash on deposit	234,503
	<u><u>\$ 234,703</u></u>

Concentration of Credit Risk – It is the intent of the City to diversify the investments within the portfolio to avoid incurring unreasonable risks inherent in over investing in specific instruments, individual financial institutions or maturities. The City's policy specifies that no more than 50 percent of the overall portfolio may be invested in the securities of a single issuer, except for securities of the U.S. Treasury. No more than 10 percent of the portfolio may be invested in each of the following categories of securities:

- Commercial paper
- Negotiable certificates of deposit
- Banker's acceptance
- Obligations not fully collateralized or insured

At least 5 percent of the portfolio shall be invested in overnight instruments or in marketable securities which can be sold to raise cash in one day's notice. The City's total portfolio was within these limits for the year ended December 31, 2021. Restricted cash and assets are those assets that are restricted by voter restriction or restricted legally by state statutes or city code of ordinances.

Fair Value – The City categorized its fair value measurements within the fair value hierarchy established by generally accepted accounting principles. The hierarchy is based on the valuation inputs used to measure the fair value of an asset. Level 1 inputs are quoted prices in active markets for identical assets; Level 2 inputs are valued using a matrix pricing technique. Matrix pricing is used to value securities based on the securities relationship to benchmark quoted prices; Level 3 inputs are significant unobservable inputs. At December 31, 2021 the City was not invested in individual securities. As COLOTRUST is valued at net asset value, reporting of fair value measurements is not applicable. In addition, CSAFE is valued at amortized cost.

City of Durango, Colorado
Notes to the Basic Financial Statements
For the Year Ended December 31, 2021

Note 3 - Detailed Notes on All Funds (Continued)

3-B. Receivables

Receivables at December 31, 2021, consisted of taxes, interest, accounts (billings for user charges, including unbilled utility receivables), and intergovernmental receivables arising from grants. Receivables and payables are recorded on

the City's financial statements to the extent that the amounts are determined to be material and substantiated not only by supporting documentation, but also by a reasonable, systematic method of determining their existence, completeness, valuation, and in the case of receivables, collectability. The City has loans and has also deferred the collection of certain fees related to affordable housing projects. At December 31, 2021 the largest of these is a loan for \$510,000, recorded in the Capital Projects Fund. This note carries an interest rate of 3%. Principal and accrued interest on this loan is due in 2033. The City has recorded accrued interest on this loan of \$283,996,. The Water Utility Fund has loans totaling \$90,793. The Sewer Utility Fund has loans totaling \$20,371.

3-C. Property Taxes

Property taxes as set by the City Council are collected by the County Treasurer. The County Treasurer remits property taxes collected to the City by the 10th day of the month following collection. Property taxes receivable represents 2021 taxes levied and budgeted for and collectible in calendar year 2022. This amount also is reflected as deferred inflow of resources at the fund financial reporting level and the government-wide financial reporting level. Following are details of the property tax calendar:

Lien date	January 1 (current year)
Levy date	December 15 (prior year)
First half installment due	March 1
Second half installment due	June 15
If paid in full	April 30

3-D. Capital Assets

Capital asset activity for governmental activities, including internal service funds, for the year ended December 31, 2021, were as follows:

City of Durango, Colorado
Notes to the Basic Financial Statements
For the Year Ended December 31, 2021

Note 3 - Detailed Notes on All Funds (Continued)

3-D. Capital Assets (continued)

	Balance 1/1/2021	Additions	Deletions	Transfers/ Adjustments	Balance 12/31/2021
Governmental activities:					
Capital assets not being depreciated					
Land	\$ 29,987,277	\$ 1,770,073	\$ -	\$ -	\$ 31,757,350
Construction in progress	1,554,052	2,173,757	(233,344)	-	3,494,465
Total capital assets not being	31,541,329	3,943,830	(233,344)	-	35,251,815
Other capital assets:					
Buildings	48,851,094	-	-	-	48,851,094
Improvements	13,836,935	582,789	-	-	14,419,724
Equipment	26,516,614	655,218	(963,292)	44,461	26,253,001
Infrastructure	245,229,281	3,434,797	-	-	248,664,078
Total depreciable capital assets	334,433,924	4,672,804	(963,292)	44,461	338,187,897
Accumulated depreciation:					
Buildings	16,290,631	1,029,712	-	-	17,320,343
Improvements	1,163,087	460,242	-	-	1,623,329
Equipment	16,358,954	2,016,526	(963,292)	-	17,412,188
Infrastructure	133,607,679	7,514,153	-	-	141,121,832
Total accumulated depreciation	167,420,351	11,020,633	(963,292)	-	177,477,692
Total depreciable capital as sets, net	167,013,573	(6,347,829)	-	44,461	160,710,205
Governmental activities capital assets, net	\$ 198,554,902	\$ (2,403,999)	\$ (233,344)	\$ 44,461	\$ 195,962,020

The following are the changes in the business-type activities, excluding internal service funds, for the year ended December 31, 2021:

	Balance 1/1/2021	Additions	Deletions	Transfers/ Adjustments	Balance 12/31/2021
Business Type activities:					
Capital assets not being depreciated					
Land and Easements	\$ 5,476,387	\$ -	\$ -	\$ -	\$ 5,476,387
Water Rights	5,870,232	-	-	-	5,870,232
Construction in progress	1,392,830	157,479	-	(1,138,781)	411,527
Total capital assets not being	12,739,449	157,479	-	(1,138,781)	11,758,146
Other capital assets:					
Buildings	97,283,510	-	(9,278,420)	-	88,005,090
Equipment	10,101,214	345,351	(484,666)	-	9,961,899
Infrastructure	74,748,537	4,741,616	-	-	79,490,153
Total depreciable capital assets	182,133,261	5,086,967	(9,763,086)	-	177,457,142
Accumulated depreciation:					
Buildings	16,030,406	3,372,575	(9,278,420)	-	10,124,561
Equipment	6,038,071	566,935	(484,666)	-	6,120,339
Infrastructure	27,988,498	1,954,433	-	-	29,942,931
Total accumulated depreciation	50,056,975	5,893,942	(9,763,086)	-	46,187,831
Total depreciable capital as sets, net	132,076,286	(806,975)	-	-	131,269,311
Business type activities capital assets, net	\$ 144,815,735	\$ (649,496)	\$ -	\$ (1,138,781)	\$ 143,027,457

City of Durango, Colorado
Notes to the Basic Financial Statements
For the Year Ended December 31, 2021

Note 3 - Detailed Notes on All Funds (Continued)

3-D. Capital Assets (continued)

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

Governmental activities depreciation expense is allocated as follows:

General government	\$ 2,280,670
Public safety	33,653
Public works	5,761,302
Library	402,121
Parks and recreation	2,542,887
Total governmental activities depreciation	<u>\$ 11,020,633</u>

Business-type activities depreciation expense is allocated as follows:

Water	\$ 1,674,225
Sewer	3,650,412
Trash and Recycle	144,745
Transportation Services	424,560
Total business-type activities depreciation	<u>\$ 5,893,942</u>

3-E. – Interfund Balances and Transfers

Of the interfund balances at December 31, 2021, the \$272,000 interfund receivable from the general fund to the general services fund and the self-insurance fund are related to a short-term cash loans that will be paid back during 2022. The government wide transactions are the result of the allocation of the internal service funds.

Fund Level	Interfund Receivable	Interfund Payable
General Services Fund	\$ -	\$ 80,000
Self Insurance Fund	-	192,000
General fund	272,000	-
	<u>\$ 272,000</u>	<u>\$ 272,000</u>

City of Durango, Colorado
Notes to the Basic Financial Statements
For the Year Ended December 31, 2021

Note 3 - Detailed Notes on All Funds (Continued)

3-E. – Interfund Balances and Transfers

Interfund transfers for the year ended December 31, 2021, consisted of the following:

Transfers To	Transfers From		
	Non-major governmental funds	General	Total
General fund	\$ 2,663,312	\$ -	\$ 2,663,312
Non-major	3,170,645	1,006,129	4,176,774
Transportation	477,417	-	477,417
	<u>\$ 6,311,374</u>	<u>\$ 1,006,129</u>	<u>\$ 7,317,503</u>

Transfers are used to report revenues from the fund that statute or budget requires to collect them to the fund that statute or budget requires to expend them and unrestricted revenues collected in the general fund to finance various programs accounted for in other funds in accordance with budgetary authorizations; to segregate money for anticipated capital projects; to provide additional resources for current operations or debt service; and to return money to the fund from which it was originally provided once a project is completed. All City transfers either occur on a regular basis or are consistent with the purpose of the fund making the transfer.

3-F. Compensated Absences

All permanent employees of the City are permitted to accumulate a maximum carryover of accrued PTO in the amount of two times the accrual rate in effect for that employee. Maximum carryover for employees with 20 years of service or more is 62 days (496) hours. In the event an employee reaches their maximum accrued PTO, they will no longer accrue PTO until their PTO balance is brought below their maximum accrual.

City of Durango, Colorado
Notes to the Basic Financial Statements
For the Year Ended December 31, 2021

Note 3 - Detailed Notes on All Funds (Continued)

3-G. Operating Leases

The City is committed under various cancelable leases for real property and equipment which end in 2021. These leases are considered for accounting purposes to be operating leases. Lease expenses for the year ended December 31, 2021, were approximately \$120,000. The future minimum lease payments are as follows:

Year Ending December 31,		
2022	\$	133,937
2023		62,842
2024		62,842
2025		58,449
2026-2030		273,245
2031-2035		273,245
2036-2040		273,245
2041-2045		273,245
2046-2050		273,245
2051-2055		273,245
2056-2060		273,245
2061-2065		273,245
2066-2070		273,245
2071-2075		273,245
2076-2080		273,245
2081-2085		273,245
2086-2090		273,245
2091-2095		273,245
2096-2100		273,245
2101-2105		273,245
2106-2110		273,245
2111		54,648
Total	\$	5,017,883

The City is also a lessor of land, office space, and parking space under operating leases. Renewal options are available on certain leases. Due to the nature of the leases, i.e. cellular phone towers or leases with annual rents of \$1, there is no correlation between the asset value, annual depreciation and the amount of future minimum rental receipts. Future minimum rental payments to be received under operating leases are as follows:

Year Ending December 31,		
2022	\$	448,154
2023		440,269
2024		233,301
2025		80,563
2026		1
Total	\$	1,202,288

City of Durango, Colorado
Notes to the Basic Financial Statements
For the Year Ended December 31, 2021

Note 3 - Detailed Notes on All Funds (Continued)

3-H. Long-Term Debt

Changes in Long-term Debt - Changes in the City's long-term obligations consisted of the following for the year ended December 31, 2021:

Governmental Activities	Balance January 1, 2021	Additions	Deletions	Balance December 31, 2021	Amounts Due in One Year
Direct Borrowings and Placements					
2014 Certificates of Participation	\$ 2,070,000	\$ -	\$ 115,000	\$ 1,955,000	\$ 120,000
2016 Sales & Use Refunding Note	5,545,000	-	1,060,000	4,485,000	1,085,000
2017 Sales & Use Refunding Note	9,070,000	-	1,040,000	8,030,000	1,070,000
Compensated absences	1,703,794	1,783,685	1,765,076	1,722,403	861,202
Compensated absences - ISF	84,499	75,692	69,631	90,560	45,280
Total Governmental Activities	<u>\$ 18,473,293</u>	<u>\$ 1,859,377</u>	<u>\$ 4,049,707</u>	<u>\$ 16,282,963</u>	<u>\$ 3,181,482</u>
Business Type Activities	Balance January 1, 2021	Additions	Deletions	Balance December 31, 2021	Amounts Due in One Year
Direct Borrowings and Placements					
Colorado Water Loan - Water	\$ 2,720,166	\$ -	\$ 194,164	\$ 2,526,002	\$ 197,969
Colorado Water Loan - Sewer	49,267,836	-	2,397,453	46,870,383	2,438,775
Colorado Water Loan - Sewer 0% Interest	2,062,500	-	125,000	1,937,500	125,000
Loan Premium Amortization	1,059,738	-	58,874	1,000,864	58,872
Compensated absences - enterprise funds	321,674	397,541	399,140	320,075	160,038
Total Business Type Activities	<u>\$ 55,431,914</u>	<u>\$ 397,541</u>	<u>\$ 3,174,631</u>	<u>\$ 52,654,824</u>	<u>\$ 2,980,654</u>

Revenue Bonds – In 2007, the City issued \$15,890,000 Sales and Use Tax Revenue Bonds, Series 2007, with interest rates ranging from 4.00 percent to 4.125 percent due in annual installments of \$625,000 to \$1,215,000 beginning December 1, 2008 through December 1, 2025. In April of 2016, the City advanced refunded these bonds. The Sales and Use Revenue Refunding Note has an interest rate of 2.04 percent. Payment for the bonds is from a one-half of one percent sales and use tax. The 2016 Sales and Use Revenue Refunding Note were originally issued for the construction of a new Public Library. Annual debt service requirements to amortize the 2016 sales and use tax revenue bonds outstanding, as of December 31, 2021 follow:

Year Ending	Principal	Interest	Total
2022	\$ 1,085,000	\$ 91,494	\$ 1,176,494
2023	1,110,000	69,360	1,179,360
2024	1,130,000	46,716	1,176,716
2025	1,160,000	23,664	1,183,664
Total	<u>\$ 4,485,000</u>	<u>\$ 231,234</u>	<u>\$ 4,716,234</u>

In 2009, the City issued \$17,585,000 Sales and Use Tax Revenue Bonds, series 2009, with interest rates ranging from 2.50 percent to 5.0 percent due in annual installments of \$655,000 to \$1,275,000 beginning December 1, 2009 through December 1, 2028. These bonds were advanced refunded in 2017. The City refunded the bonds to reduce its debt service requirements over the next 11 years. The Sales and Use Refunding Note has an interest rate of 2.37 percent.

City of Durango, Colorado
Notes to the Basic Financial Statements
For the Year Ended December 31, 2021

Note 3 - Detailed Notes on All Funds (Continued)

3-H. Long-Term Debt (continued)

The amount of the deferred outflow on the refunding was \$328,849. The 2009 bonds were issued for the reconstruction of Florida Road. Payment for the bonds is from a two percent sales and use tax.

Annual debt service requirements to amortize the 2017 sales and use tax revenue bonds outstanding, as of December 31, 2021 follow:

Year Ending	Principal	Interest	Total
2022	\$ 1,070,000	\$ 190,312	\$ 1,260,312
2023	1,095,000	164,952	1,259,952
2024	1,120,000	139,001	1,259,001
2025	1,145,000	112,457	1,257,457
2026	1,170,000	85,320	1,255,320
2027-2028	2,430,000	86,743	2,516,743
Total	<u>\$ 8,030,000</u>	<u>\$ 778,785</u>	<u>\$ 8,808,785</u>

In 2013, the City obtained a long-term loan from Colorado Water Resources and Power Development Authority (CWRPDA) in the amount of \$4,000,000 to purchase water storage and rights for the Water Fund. The term of the loan is 20 years with an interest rate of 1.95%. Loan payments in the amount of \$246,266 are due annually.

Year Ending	Principal	Interest	Total
2022	\$ 197,969	\$ 48,298	\$ 246,267
2023	201,848	44,418	246,266
2024	205,803	40,462	246,265
2025	209,836	36,429	246,265
2026	213,946	32,318	246,264
2027-2031	1,134,290	97,038	1,231,328
2032-2033	362,310	7,089	369,399
Total	<u>\$ 2,526,002</u>	<u>\$ 306,052</u>	<u>\$ 2,832,054</u>

In 2016, the City obtained two long-term State Revolving loans from Colorado Water Resources and Power Development Authority (CWRPDA) in the amount of \$58,404,764 and \$2,500,000 to construct a wastewater treatment plant. The term of the loans are 20 years. The larger of the two loans has an interest rate of 1.74 percent while the smallest loan is a zero percent interest rate. Annual principal payments for the zero percent interest loan are \$125,000 and on the \$58,404,764 loan are listed below:

Year Ending	Principal	Interest	Total
2022	\$ 125,000	\$ -	\$ 125,000
2023	125,000	-	125,000
2024	125,000	-	125,000
2025	125,000	-	125,000
2026	125,000	-	125,000
2027-2031	625,000	-	625,000
2032-2036	625,000	-	625,000
2037	62,500	-	62,500
Total	<u>\$ 1,937,500</u>	<u>\$ -</u>	<u>\$ 1,937,500</u>

City of Durango, Colorado
Notes to the Basic Financial Statements
For the Year Ended December 31, 2021

Note 3 - Detailed Notes on All Funds (Continued)

3-H. Long-Term Debt (Continued)

Year Ending	Principal	Interest	Total
2022	\$ 2,438,775	\$ 829,888	\$ 3,268,663
2023	2,481,893	787,138	3,269,031
2024	2,526,094	746,138	3,272,232
2025	2,565,548	707,138	3,272,686
2026	2,602,176	670,590	3,272,766
2027-2031	13,356,153	2,998,601	16,354,754
2032-2036	14,573,737	1,781,924	16,355,661
2037-2038	6,326,007	217,297	6,543,304
	<u>\$ 46,870,383</u>	<u>\$ 8,738,714</u>	<u>\$ 55,609,097</u>

Certificates of Participation - In 2014, the City issued series 2014 Certificates of Participation in the amount of \$2,700,000, with an interest rate of 3.5% proceeds will be used to construct Wilson Gulch Road in what is known as Three Springs within the City limits. This road will provide for economic development with big box retailers to ensure long term viability for the City. The City has leased real property, the Public Works Building, to the lender who leased the property back to the City. In the event of a default, the City may have to vacate the building and the lender can lease the real property to another entity. A schedule, by years, of future minimum lease payments under the lease agreement as of December 31, 2021 follows:

Year Ending	Principal	Interest	Total
2022	\$ 120,000	\$ 68,425	\$ 188,425
2023	125,000	64,225	189,225
2024	130,000	59,850	189,850
2025	135,000	55,300	190,300
2026	140,000	50,575	190,575
2027-2031	775,000	175,876	950,876
2032-2034	530,000	37,625	567,625
	<u>\$ 1,955,000</u>	<u>\$ 511,876</u>	<u>\$ 2,466,876</u>

The Water Fund charges and services provide funding for annual payments on the water storage loan. The Sewer Fund charges and services provide funding for annual payments on the two loans. The City believes they are in compliance with all covenants related to all long-term debt. The compensated absences liability will be paid from the fund from which the employees' salaries are paid. The General fund is used to liquidate the compensated absences liability.

3-I. Pensions

The City, on behalf of certain paid firefighters and police officers, contributes to the Old Hire Police Pension Plan (Police Plan) and the Old Hire Fire Pension Plan (Fire Plan), both defined benefit, single employer plans that are affiliated with the Colorado Fire and Police Pension Association (FPPA). Assets of the plans are commingled for investment purposes in the Fire and Police Member's Benefit fund; an agent multiple-employer defined benefit pension plan administered by FPPA. FPPA is the trustee for these funds. The plans provide retirement benefits for members and beneficiaries according to the plan provisions as enacted and recommended by the Pension Board of each plan and further approved by the City Council. Title 31, Article 30 of the Colorado Revised Statutes (CRS), as amended, establishes basic benefit provisions under the plans. FPPA issues a publicly available annual financial report that includes the assets of the plans and separate biennial actuarial reports for each of the plans. The reports may be obtained by writing to FPPA, 5290 DTC Parkway, Suite 100, Greenwood Village, Colorado, 80111, or by calling FPPA at 1-800-770-3772.

City of Durango, Colorado
Notes to the Basic Financial Statements
For the Year Ended December 31, 2021

Note 3 - Detailed Notes on All Funds (Continued)

3-I. Pensions (continued)

Fire Plan Description – The Fire Pension Plan covers only those firefighters hired prior to April 8, 1978 and provides retirement benefits to plan members and their beneficiaries. Cost-of-living adjustments are provided at the discretion of the City Council. Title 31 of the Colorado Revised Statutes assigns the authority to establish and amend the benefit provisions of the plan to the City Council with the input of the Pension Board.

Fire Plan Benefits Provided - Members are eligible for retirement benefits upon reaching age 50 with 20 years of service. Such benefits are equivalent to a monthly pension equal to 2.5 percent of final salary times service limited to 20 years plus 1.75 percent of final salary times service in excess of 20 years served since January 1, 1992. The maximum benefit amount is limited to 70 percent of final salary. Members are vested after ten years of service. A Deferred Retirement Option Plan (DROP) amendment received a favorable determination by the Internal Revenue Service in December 2001.

The amendment allows active members to elect to have a monthly benefit, along with their employee contributions to the plan, deposited into a separate account while they continue to be employed. However, they must terminate from the City no later than five years after the election. Upon termination, the participant receives the benefit of all funds accumulated in their DROP account as well as a monthly pension payment. As of December 31, 2021 there are no active members in the plan.

Police Plan Description - The Police Pension Plan covers only those police officers hired prior to April 8, 1978 and provides retirement benefits to plan members and their beneficiaries. Title 31 of the Colorado Revised Statutes assigns the authority to establish and amend the benefit provisions of the plan to the City Council with the input of the Pension Board.

Police Plan Benefits Provided - Members are eligible for retirement benefits upon reaching age 55 with 20 years service or upon completion of 25 years of service, if earlier. Such benefits are equivalent to a monthly pension equal to 2.5 percent of final salary times service limited to 20 years plus 2.0 percent of final salary times service in excess of 20 years, limited to a maximum total benefit of 75 percent of final salary. Members are vested after ten years of service. A Deferred Retirement Option Plan (DROP) amendment received a favorable determination by the Internal Revenue Service in December 2001. The amendment allows active members to elect to have a monthly benefit, along with their employee contributions to the plan, deposited into a separate account while they continue to be employed. However, they must terminate from the City no later than five years after the election. Upon termination, the participant receives the benefit of all funds accumulated in their DROP account as well as a monthly pension payment. As of December 31, 2021 there are no active members in the plan.

Membership of each plan was comprised of the following on December 31, 2021:

	Fire Pension	Police Pension
Retirees and beneficiaries	7	7
Inactive, Nonretired Members	-	-
Active plan members	-	-
	7	7

Contributions - The contributions of plan members and the City are established by state statute under Title 31, Article 30 of the CRS, as amended. The City is contributing to the plans at the level required by the actuarial valuations. The General Fund has typically been used to liquidate pension liabilities.

City of Durango, Colorado
Notes to the Basic Financial Statements
For the Year Ended December 31, 2021

Note 3 - Detailed Notes on All Funds (Continued)

3-I. Pensions (continued)

Contributions to the plans for the year ended December 31, 2021 were as follows:

	Fire Pension	Police Pension
Employer Contributions	\$ 176,893	\$ 184,960

Net Pension Liability – Fire Plan

The City of Durango's net pension liability for the Plan is measured as of December 31, 2020, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation dated January 1, 2020. A summary of principal assumptions and methods used to determine the net pension liability is shown below.

Actuarial Assumptions

The total pension liabilities in the January 1, 2020 actuarial valuations were determined using the following actuarial assumptions:

Actuarial Cost Method	Entry Age Normal
Amortization Method	Level Dollar, Open*
Remaining Amortization Period	15 years*
Asset Valuation Method	5-Year smoothed fair value
Inflation	2.50%
Salary Increases	N/A
Investment Rate of Return	7.50%
Retirement Age	Any remaining actives are assumed to retire immediately.
Mortality Post-retirement:	For ages less than 55, RP 2014 Mortality Tables for Blue Collar Employees. For ages 65 and older, RP-2014 Mortality Tables for Blue Collar Healthy Annuitants. For ages 55 through 64, a blend of the previous tables. All tables are projected with Scale BB. Disabled (pre-1980): RP-2014 Disabled Generational Mortality Table generationally projected with Scale BB with a minimum 3% rate for males and 2% for females.

*Plans that are heavily weighted with retiree liabilities use an amortization period based on the expected remaining lifetime of the participants.

The assumptions shown above pertain to the actuarial valuation as of January 1, 2018 and the associated Actuarially Determined Contribution for the year ending December 31, 2020. Following an experience study in 2018 and asset allocation study in 2018-2019, the Board adopted a new assumption set for first use in the January 1, 2020 valuations.

The primary changes, which can be observed in the January 1, 2021 valuation, as compared to the assumptions shown are as follows:

Investment Rate of Return	4.50%
Mortality Post-retirement:	2006 central rates from the RP-2014 Annuitant Mortality Tables for males and females projected to 2018 using the MP-2017 projection scales, and then projected prospectively using the ultimate rates of the scale for all years.
Disabled (pre-1980):	Post-retirement rates set forward three years.

City of Durango, Colorado
Notes to the Basic Financial Statements
For the Year Ended December 31, 2021

Note 3 - Detailed Notes on All Funds (Continued)

3-I. Pensions (continued)

Asset Allocation for FPPA

As of the most recent analysis of the long-term expected rate of return, the target allocation and 5-year real rates of return for each major asset class are summarized in the following table:

Asset Class	Target Allocation	Long-Term Expected Nominal Rate of Return
Cash	10.00%	0.10%
Fixed Income-Rates	70.00%	2.30%
Fixed Income-Credits	10.00%	3.50%
Absolute Return	0.00%	5.60%
Equity Long/Short	0.00%	6.90%
Global Equity	10.00%	7.80%
Private Capital	0.00%	10.50%
Total	100.00%	

Discount Rate

Projected benefit payments are required to be discounted to their actuarial present values using a Single Discount Rate that reflects (1) a long-term expected rate of return on pension plan investments (to the extent that the plan's fiduciary net position is projected to be sufficient to pay benefits) and (2) tax-exempt municipal bond rate based on an index of 20-year general obligation bonds with an average AA credit rating as of the measurement date (to the extent that the plan's projected fiduciary net position is not sufficient to pay benefits).

For the purpose of this valuation, the long-term expected rate of return on pension plan investments is 4.50%; the municipal bond rate is 2.00% (based on the weekly rate closest to but not later than the measurement date of the "state and local bonds" rate from Federal Reserve statistical release (H.15); and the resulting Single Discount Rate is 4.50%.

City of Durango, Colorado
Notes to the Basic Financial Statements
For the Year Ended December 31, 2021

Note 3 - Detailed Notes on All Funds (Continued)

3-I. Pensions (continued)

Schedule of Changes in Net Pension Liability and Related Ratios Current Period
Measurement Period Ended December 31, 2020

Total pension liability		
Interest on the Total Pension Liability	\$	117,019
Difference between expected and actual experience of the Total Pension Liability		
Changes of assumptions		
Benefit payments		(239,743)
Net change in total pension liability		(122,724)
Total pension liability - beginning		2,718,964
Total pension liability - ending	\$	2,596,240
Plan fiduciary net position		
Contribution - employer	\$	137,304
Net investment income		70,544
Benefit payments		(239,743)
Pension Plan Administrative Expense		(4,817)
Net change in plan fiduciary net position		(36,766)
Plan fiduciary net position - beginning		1,010,786
Plan fiduciary net position - ending		974,020
Net pension liability/ (asset)	\$	1,622,220
Plan fiduciary net position as percentage of total pension liability		37.52%

Sensitivity of the net pension liability to changes in the discount rate

Regarding the sensitivity of the net pension liability/ (asset) to changes in the Single Discount Rate, the following presents the plan's net pension liability/(asset), calculated using a Single Discount Rate of 4.50%, as well as what the plan's net pension liability/(asset) would be if it were calculated using a Single Discount Rate that is one percent lower or one percent higher.

	Sensitivity		
	1 % Decrease 3.50 %	Rate Assumption 4.50 %	1 % Increase 5.50 %
Old Hire - Fire - Pension Liability	\$ 1,845,668	\$ 1,622,220	\$ 1,428,738

Pension Plan Fiduciary Net Position

Detailed information about the pension plan's fiduciary net position is available in the separately issued FPPA financial reports.

Pension Expense and Deferred Outflows of Resources and Deferred Inflows of Resources

For the year ended December 31, 2021, the City recognized pension expense of \$105,280. At December 31, 2021, the City reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

City of Durango, Colorado
Notes to the Basic Financial Statements
For the Year Ended December 31, 2021

Note 3 - Detailed Notes on All Funds (Continued)

3-I. Pensions (continued)

	Deferred Outflows of Resources	Deferred Inflows of Resources
Net difference between projected and actual earnings on investments	\$ 30,459	\$ 63,877
Contributions Subsequent to measurement date	176,893	-
Total	<u>\$ 207,352</u>	<u>\$ 63,877</u>

\$176,893 reported as deferred outflows of resources related to pensions, resulting from contributions subsequent to the measurement date, will be recognized as a reduction of the net pension liability in the year ended December 31, 2021. Amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

2022	\$ (12,366)
2023	(166)
2024	(15,395)
2025	(5,491)
Total	<u>\$ (33,418)</u>

Net Pension Liability – Police Plan

The City of Durango's net pension liability for the Plan is measured as of December 31, 2020, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation dated January 1, 2020. A summary of principal assumptions and methods used to determine the net pension liability is shown below.

Actuarial Assumptions

The total pension liabilities in the January 1, 2020 actuarial valuations were determined using the following actuarial assumptions:

Actuarial Cost Method	Entry Age Normal
Amortization Method	Level Dollar, Open*
Remaining Amortization Period	18 years*
Asset Valuation Method	5-Year smoothed fair value
Inflation	2.50%
Salary Increases	N/A
Investment Rate of Return	7.50%
Retirement Age	Any remaining actives are assumed to retire immediately.
Mortality Post-retirement:	For ages less than 55, RP_2014 Mortality Tables for Blue Collar Employees. For ages 65 and older, RP-2014 Mortality Tables for Blue Collar Healthy Annuitants. For ages 55 through 64, a blend of the previous tables. All tables are projected with Scale BB.
	Disabled (pre-1980): RP-2014 Disabled Generational Mortality Table generationally projected with Scale BB with a minimum 3% rate for males and 2% for females.

*Plans that are heavily weighted with retiree liabilities use an amortization period based on the expected remaining lifetime of the participants.

The assumptions shown above pertain to the actuarial valuation as of January 1, 2018 and the associated Actuarially Determined Contribution for the year ending December 31, 2020. Following an experience study in 2018 and asset allocation study in 2018-2019, the Board adopted a new assumption set for first use in the January 1, 2020 valuations.

City of Durango, Colorado
Notes to the Basic Financial Statements
For the Year Ended December 31, 2021

Note 3 - Detailed Notes on All Funds (Continued)

3-I. Pensions (continued)

The primary changes, which can be observed in the January 1, 2020 valuation, as compared to the assumptions shown are as follows:

Investment Rate of Return	4.50%
Mortality Post-retirement:	2006 central rates from the RP-2014 Annuitant Mortality Tables for males and females projected to 2018 using the MP-2017 projection scales, and then projected prospectively using the ultimate rates of the scale for all years.
Disabled (pre-1980):	Post-retirement rates set forward three years.

Asset Allocation for FPPA

As of the most recent analysis of the long-term expected rate of return, the target allocation and 5-year real rates of return for each major asset class are summarized in the following table:

Asset Class	Long-Term Expected	
	Target Allocation	Long-Term Expected Nominal Rate of Return
Cash	10.00%	0.10%
Fixed Income-Rates	70.00%	2.30%
Fixed Income-Credits	10.00%	3.50%
Absolute Return	0.00%	5.60%
Equity Long/Short	0.00%	6.90%
Global Equity	10.00%	7.80%
Private Capital	0.00%	10.50%
Total	100.00%	

Discount Rate

Projected benefit payments are required to be discounted to their actuarial present values using a Single Discount Rate that reflects (1) a long-term expected rate of return on pension plan investments (to the extent that the plan's fiduciary net position is projected to be sufficient to pay benefits) and (2) tax-exempt municipal bond rate based on an index of 20-year general obligation bonds with an average AA credit rating as of the measurement date (to the extent that the plan's projected fiduciary net position is not sufficient to pay benefits).

For the purpose of this valuation, the long-term expected rate of return on pension plan investments is 4.50%; the municipal bond rate is 3.71% (based on the weekly rate closest to but not later than the measurement date of the "state and local bonds" rate from Federal Reserve statistical release (H.15)); and the resulting Single Discount Rate is 4.50%.

City of Durango, Colorado
Notes to the Basic Financial Statements
For the Year Ended December 31, 2021

Note 3 - Detailed Notes on All Funds (Continued)

3-I. Pensions (continued)

Schedule of Changes in Net Pension Liability and Related Ratios Current Period
Measurement Period Ended December 31, 2020

Total pension liability	
Interest on the Total Pension Liability	\$ 153,063
Difference between expected and actual experience of the Total Pension Liability	
Changes of assumptions	
Benefit payments	(277,831)
Net change in total pension liability	(124,768)
Total pension liability - beginning	3,538,788
Total pension liability - ending	\$ 3,414,020
Plan fiduciary net position	
Contribution - employer	\$ 141,741
Contributions - employee	
Net investment income	110,192
Benefit payments	(277,831)
Pension Plan Administrative Expense	(4,871)
Net change in plan fiduciary net position	(30,769)
Plan fiduciary net position - beginning	1,543,138
Plan fiduciary net position - ending	1,512,369
Net pension liability/ (asset)	\$ 1,901,651
Plan fiduciary net position as percentage of total pension liability	44.30%

Sensitivity of the net pension liability to changes in the discount rate

Regarding the sensitivity of the net pension liability/ (asset) to changes in the Single Discount Rate, the following presents the plan's net pension liability/(asset), calculated using a Single Discount Rate of 4.50%, as well as what the plan's net pension liability/(asset) would be if it were calculated using a Single Discount Rate that is one percent lower or one percent higher.

	Sensitivity		
	1 % Decrease	Rate Assumption	1 % Increase
	3.50%	4.50%	5.50%
Old Hire - Police - Pension Liability	\$ 2,220,750	\$ 1,901,651	\$ 1,626,774

Pension Plan Fiduciary Net Position

Detailed information about the pension plan's fiduciary net position is available in the separately issued FPPA financial reports.

Pension Expense and Deferred Outflows of Resources and Deferred Inflows of Resources

For the year ended December 31, 2021, the City recognized pension income of \$606,696. At December 31, 2021, the City reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

City of Durango, Colorado
Notes to the Basic Financial Statements
For the Year Ended December 31, 2021

Note 3 - Detailed Notes on All Funds (Continued)

3-I. Pensions (continued)

	Deferred Outflows of Resources	Deferred Inflows of Resources
Net difference between projected and actual earnings on investments	\$ 46,190	\$ 98,720
Contributions Subsequent to measurement date	184,960	-
Total	<u>\$ 231,150</u>	<u>\$ 98,720</u>

\$184,960 reported as deferred outflows of resources related to pensions, resulting from contributions subsequent to the measurement date, of the net pension liability but before the end of the reporting period, will be recognized as a reduction of the net pension liability in the year ended December 31, 2021. Amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

2022	\$ (19,820)
2023	(418)
2024	(23,516)
2025	(8,776)
Total	<u>\$ (52,530)</u>

The City participates in two defined contribution plans.

401A Money Purchase Plan Fire and Police: Effective January 1, 1988 eligible firefighters and police officers, with hire dates on or after April 8, 1978, elected to withdraw from the state administered Colorado Fire and Police Pension Association, a defined benefit pension plan. The state legislation allowing the withdrawal states that the alternate pension plan must be a money purchase plan. The new plan offered to eligible participants is a 401(a) Money Purchase Plan administered by the ICMA Retirement Corporation. Each participant has an individual account with ICMA into which all contributions flow. The participants are offered various investment options through the plan and are allowed to invest all monies in their account, at their own discretion, among the options. The City may amend, modify, or terminate the Plan, upon approval of such amendment, modification or termination by 65% of the active participants, provided that no amendment or modification shall reduce the account balances of any participant accrued to the date of the change.

In a defined contribution plan, benefits depend solely on amounts contributed to the plan plus investment earnings. Employees covered by this plan are eligible to participate from the date of employment. The plan defines the City and employee contributions at 11.2% and 9% respectively. The City's contributions for each employee are fully vested after five years. The contributions are vested at 20% each year. City contributions for and interest forfeited by employees who leave employment before five years of service are used to reduce the City's obligations to contributed. The City applied participant forfeitures of \$68,098 to reduce the City share of contributions. As of December 31, 2021, the City had \$34,484 in unapplied forfeitures, which are reported as cash in these financial statements.

The City's total payroll for the year ended December 31, 2021 was \$24,222,334. The City's payroll for employees covered by the plan was \$4,235,429. The contribution to the plan totaled \$885,557, which consists of \$381,189 contributed by employees and \$474,368 contributed by the City.

401A Money Purchase Plan Empower Retirement - Effective November 1, 1989, the City withdrew from Public Employees Retirement Association of Colorado, a defined benefit pension plan. The City has set up an alternate plan in the form of a money purchase plan. The plan offered to eligible participants is a 401(a) Money Purchase Plan administered by Empower Retirement. The participants are offered various investment options through the plan and are allowed to invest all monies in their account, at their own discretion, among the options.

City of Durango, Colorado
Notes to the Basic Financial Statements
For the Year Ended December 31, 2021

Note 3 - Detailed Notes on All Funds (Continued)

3-I. Pensions (continued)

The City may amend, modify, or terminate the Plan, upon approval of such amendment, modification or termination by 65% of the active participants, provided that no amendment or modification shall reduce the account balances of any participant accrued to the date of the change.

In a defined contribution plan, benefits depend solely on amounts contributed to the plan plus investment earnings. Employees covered by this plan are eligible to participate from the date of employment. The plan defines the City and employee contributions at 11.2% and 9% respectively. The City's contributions for each employee are fully vested after five years. These contributions are vested at 20% each year. City contributions, and the interest thereon, for employees who leave employment prior to becoming vested are applied towards the City's obligation to contribute.

The City applied participant forfeitures of \$150,869 to reduce the City share of contributions. As of December 31, 2020, the City had \$30,718 in unapplied forfeitures, which are reported as cash in these financial statements.

The City's total payroll for the year ended December 31, 2021 was \$24,222,334. The City's payroll for employees covered by the plan was \$18,209,121. The contribution to the plan totaled \$3,678,243, which consists of \$1,638,823 contributed by employees and \$2,039,420 contributed by the City. The net aggregate pension expense for all pension plans was \$2,875,641.

3-J. Net Investment in Capital Assets

Net investment in capital assets on the government-wide statement of net position as of December 31, 2021 are as follows:

	Governmental Activities	Business Type Activities
Cost of Capital Assets	\$ 373,439,712	\$ 189,215,289
Less accumulated depreciation	177,477,692	46,187,831
Book value	195,962,020	143,027,458
Less capital related debt	(14,470,000)	(52,334,752)
Less retainage	(135,756)	(16,277)
Plus unspent bond proceeds	-	2,329,083
Net investment in capital assets	<u>\$ 181,356,264</u>	<u>\$ 93,005,512</u>

3-K Fund Equity

Fund Balances - Fund balances are classified as follows:

- **Nonspendable** -The following fund balances are nonspendable because they are not in spendable form:

	General Fund:	
	Deposits	\$ 1,282,372
	Inventory	55,673
Total		<u>\$ 1,338,045</u>

City of Durango, Colorado
Notes to the Basic Financial Statements
For the Year Ended December 31, 2021

Note 3 - Detailed Notes on All Funds (Continued)

3-K Fund Equity (continued)

- **Restricted** -The following fund balances are legally restricted to specified purposes:

General Fund:

Emergencies	\$ 1,862,941
Pension	65,203
Total	<u>\$ 1,928,144</u>

Nonmajor Governmental Funds:

Capital Improvements	\$ 457,007
2007 Sales Tax Bond Debt	183,003
Recreation Complex/Trails	3,082,369
Conservation Trust	399,906
Total	<u>\$ 4,122,285</u>

- **Committed**- The following fund balances are committed to the following purposes:

General Fund:

Police confiscations	<u>\$ 1,686</u>
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Nonmajor Governmental Funds:

Streets Improvement	\$ 2,055,463
Durango Tourism	1,164,290
Parks & Recreation Development	100,548
Road Impact	426,844
Housing	1,059,785
Storm Drainage	8,162
Parks, Open Space and Trails	5,443,633
Capital projects	621,570
	<u>\$ 10,880,295</u>

- **Assigned** - The following fund balances are assigned to the following purposes:

General Fund:

Fund Balance Reserve	\$ 8,823,273
PEG Fees	69,000
Donations	16,396
Total	<u>\$ 8,908,669</u>

Nonmajor Governmental Funds:

Revolving Loan	<u>\$ 6,947</u>
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City of Durango, Colorado
Notes to the Basic Financial Statements
For the Year Ended December 31, 2021

Note 4 - Other Notes

4-A. Risk Management

Employee Medical Insurance - Effective January 1, 1985, the City began a self-insurance program for medical claims. The purpose of the program is to pay medical claims of City employees and their covered dependents up to certain limits and to minimize the total cost of annual medical insurance to the City. The employer pays employee and a percentage of the dependent coverage.

Claims are processed and paid by Meritain Health, a third-party administrator. Individual excess risk coverage commences after an individual has incurred \$75,000 of claims in a year. The City carried the aggregate coverage for any claims up to a maximum of \$1,000,000 in 2021. The excess risk coverage for both individual and aggregate claims coverage was covered by Risk Assessment Management, a private insurance carrier. Settled claims have not exceeded coverage in any of the past three fiscal years. The claims liability reported in the Self Insurance Fund (an internal service fund) at December 31, 2021 is based on claims reported if information prior to the issuance of the financial statements indicates that it is probable that a liability has been incurred at the date of the financial statements and the amount of the loss can be reasonably estimated.

Changes in balance in claims liabilities can be summarized as follows:

Date	Beginning of Year Liability	Current Year Claims and Changes in estimates	Claims Payments	End of Year Liability
2019	\$ 366,623	\$ 3,924,359	\$ 3,911,076	\$ 379,906
2020	379,906	3,841,155	3,854,780	366,281
2021	366,281	4,804,272	4,683,104	487,448

Property, Casualty and Workers Compensation Insurance - The City is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; injuries to employees; and natural disasters. The Colorado Intergovernmental Risk Sharing Agency (CIRSA) is a public entity risk pool currently operating as a common risk management and insurance program for over 100 municipalities. The City, as member of the pool, pays annual premiums to CIRSA for its property and casualty insurance and workers' compensation insurance coverage. The bylaws and Intergovernmental Agreement of CIRSA provides that CIRSA will provide coverage through pooling of self-insured losses and the purchase of stop-loss insurance coverage.

Note 4 - Other Notes (Continued)

4-A. Risk Management (continued)

CIRSA has a legal obligation for claims against its members to the extent that funds are available in its annually established loss fund and amounts are available from insurance providers under excess specific and aggregate insurance contracts. Losses incurred in excess of loss funds and amounts recoverable from excess insurance are direct liabilities of the participating members. CIRSA has indicated that the amount of any excess losses would be billed to members in proportion to their contributions in the year such excess occurs, although it is not legally required to do so.

Ultimate liability to the City resulting from claims not covered by CIRSA is not presently determinable. Management and the City attorney are of the opinion that the final outcome of such claims, if any, will not have a material adverse effect on the City's financial statements.

There were no significant reductions in insurance coverage from prior years, and there have been no settlements that exceed the City's insurance coverage during the past three years.

City of Durango, Colorado
Notes to the Basic Financial Statements
For the Year Ended December 31, 2021

4-B. Contingent Liabilities

The City has received federal and state grants for specific purposes that are subject to review and audit by the grantor agencies or their designee. These audits could result in a request for reimbursement to the grantor agency for costs disallowed under terms of the grant. Based on prior experience, the City believes such disallowances, if any, will be immaterial.

The City was a defendant in several lawsuits at December 31, 2021. In the opinion of City management, the outcome of these contingencies will not have a material effect on the financial position of the City.

4-C. Joint Ventures

The City is a participant with LaPlata County (the County) in a joint venture to operate the Durango-LaPlata County Airport. Pursuant to an intergovernmental agreement, the Airport Commission was created. The commission consists of nine members, three of which are appointed by the City Council. The airport manager is employed by the concurrent action of the City Council and the Board of County Commissioners. The City and County each have a 50 percent interest in all airport property. Through an intergovernmental agreement entered into by the City and the County, fiscal administration of the airport was delegated to the City.

The Airport's net position at fiscal year-end was \$54,906,153, 50 percent equity interest is booked as the joint venture. The City's equity interest in the airport is reported in the government-wide capital assets. The City's equity interest in the Durango-LaPlata County Airport was \$27,453,076 at December 31, 2021. The Durango La Plata County Airport issues separate financial statements which may be obtained from the Airport or from the City of Durango Finance Department.

Condensed Statement of Net Position

	Business-type Activities 2021
Assets:	
Current assets	\$ 13,714,092
Capital assets	41,804,302
Total assets	<u>55,518,394</u>
Liabilities:	
Current liabilities	538,096
Long-term liabilities	74,144
Total liabilities	<u>612,240</u>
Net Position:	
Net investment in Capital Assets	41,804,302
Restricted	5,099,002
Unrestricted	8,002,849
Total net position	<u>\$ 54,906,153</u>

City of Durango, Colorado
Notes to the Basic Financial Statements
For the Year Ended December 31, 2021

Note 4 - Other Notes (Continued)

4-C. Joint Ventures (continued)

The following table provides a summary of the Airport's changes in net position:

Summary of Changes in Net Position

	Business-type Activities 2021
Revenues:	
Operating revenues	\$ 4,481,069
Non-operating revenues	3,383,823
Total revenues	<u>7,864,892</u>
Expenses:	
Operating expense	3,478,528
Non-operating expense	-
Depreciation	3,446,723
Total expenses	<u>6,925,251</u>
Changes in net position	939,641
Beginning net position	53,966,512
Ending net position	<u>\$ 54,906,153</u>

4-D. Tax, Spending and Debt Limitations

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

TABOR requires local governments to establish Emergency Reserves. These reserves must be at least 3% of Fiscal Year Spending (excluding bonded debt service). Local governments are not allowed to use the emergency reserves to compensate for economic conditions, revenue shortfalls, or salary or benefit increases. As described in Note 3-K, these financial statements report an emergency reserve of \$1,942,841. During 2020, the City Council passed an ordinance which allows the City to fund the TABOR emergency reserves with unencumbered or unrestricted cash, real property or any unused TABOR Emergency Reserves.

At the April 4, 1995 municipal election, the voters authorized the City to collect and retain all revenues received during the period beginning January 1, 1994 and extending through December 31, 1997, notwithstanding any revenue or spending limitations on fiscal year spending pursuant to the Amendment. The authority to collect and retain all revenues received was extended for the year 1998 and all subsequent years at the April 1, 1997 municipal election.

City of Durango, Colorado
Notes to the Basic Financial Statements
For the Year Ended December 31, 2021

4-E Adoption Of Current GASB Pronouncements

For the year ended December 31, 2021, the City implemented the following Governmental Accounting Standards Board (GASB) statements; GASB Statement No. 89, Accounting for Interest Cost Incurred before the End of a Construction Period, GASB Statement No. 91, Conduit Debt Obligations, and GASB Statement No. 93, Replacement of Interbank Offered Rates. These statements did not have a material impact on the City's financial statements.

4-F Future GASB Pronouncements

In addition, the City has reviewed pronouncements which have been issued but not yet implemented. Of those, only GASB Statement No. 87, Leases may have a material impact on the City. The objective of this Statement is to better meet the information needs of financial statement users by improving accounting and financial reporting for leases by governments. This statement requires recognition of certain lease assets and liabilities for leases that previously were classified as operating leases and recognized as inflows of resources or outflows of resources based on the payment provisions of the contract. It establishes a single model for lease accounting based on the foundational principle that leases are financings of the right to use an underlying asset. Under this statement, a lessee is required to recognize a lease liability and an intangible right-to-use lease asset, and a lessor is required to recognize a lease receivable and a deferred inflow of resources. On May 6, 2020, GASB issued GASB Statement No. 95, Postponement of the Effective Dates of Certain Authoritative Guidance, which postpones GASB 87's effective date to reporting periods beginning after June 15, 2021. The impact of the lease pronouncement on the City's financial statements is currently being evaluated and has not yet been fully determined.



PENSION LIABILITIES

City of Durango, Colorado
Required Supplementary Information
For the Year Ended December 31, 2021

Schedule of Changes in Net Pension Liability (Asset) and Related Ratios
Old Hire Fire Pension Plan

Measurement Year Ending December 31,

	2014	2015	2016	2017	2018	2019	2020
For Reporting Year Ending December 31,							
	2015	2016	2017	2018	2019	2020	2021
Total pension liability							
Interest on the Total Pension Liability	\$ 153,060	\$ 156,903	\$ 167,874	\$ 162,946	\$ 166,841	\$ 160,868	\$ 117,019
Benefit Changes	146,102	-	131,823	-	120,167	-	-
Difference between expected and actual experience	-	19,701	-	17,472	-	21,086	-
Changes of assumptions	-	91,649	-	-	-	521,325	-
Benefit payments	(253,376)	(242,277)	(238,568)	(257,593)	(239,393)	(253,843)	(239,743)
Net change in total pension liability	45,786	25,976	61,129	(77,175)	47,615	449,436	(122,724)
Total pension liability - beginning	2,165,197	2,210,983	2,236,959	2,299,088	2,221,913	2,269,528	2,718,964
Total pension liability - ending	\$ 2,210,983	\$ 2,236,959	\$ 2,298,088	\$ 2,221,913	\$ 2,269,528	\$ 2,718,964	\$ 2,596,240
Plan fiduciary net position							
Contribution - employer	\$ 234,321	\$ 117,868	\$ 117,868	\$ 126,278	\$ 258,101	\$ 142,388	\$ 137,304
Net investment income	71,839	19,430	49,741	130,707	(1,245)	120,642	70,544
Benefit payments	(253,376)	242,277	(238,568)	(257,593)	(239,393)	(253,843)	(239,743)
Pension Plan Administrative Expense	(5,792)	5,037	(4,730)	(2,004)	(5,777)	(2,419)	(4,871)
Net change in plan fiduciary net position	46,992	384,612	(75,689)	(2,612)	11,686	6,768	(36,766)
Plan fiduciary net position - beginning	1,133,657	1,180,649	1,070,633	994,944	992,332	1,004,018	1,010,786
Plan fiduciary net position - ending	\$ 1,180,649	\$ 1,565,261	\$ 994,944	\$ 992,332	\$ 1,004,018	\$ 1,010,786	\$ 974,020
Net pension liability/(asset)	\$ 1,030,334	\$ 671,698	\$ 1,304,144	\$ 1,229,581	\$ 1,265,510	\$ 1,708,178	\$ 1,622,220
Plan fiduciary net position as percentage of total pension liability	53.40%	47.86%	43.28%	44.66%	44.24%	37.18%	37.52%
Covered payroll	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Net pension liability/(asset) as a percentage of covered payroll	N/A	N/A	N/A	N/A	N/A	N/A	N/A

Note: Schedule is intended to show information for 10 years. Additional years will be displayed as the information becomes available.

Schedule of Pension Contributions
Old Hire Fire Pension Plan

Fiscal Year Ending December 31,

	2013	2014	2015	2016	2017	2018	2019	2020
For Reporting Year Ending December 31,								
	2014	2015	2016	2017	2018	2019	2020	2021
Actuarially determined annual required contribution	\$ 93,408	\$ 117,868	\$ 117,868	\$ 126,278	\$ 126,278	\$ 142,388	\$ 142,388	\$ 151,991
Contributions in relation to the actuarially determined contribution	234,321	117,868	117,868	126,278	126,278	142,388	151,991	137,304
Contribution deficiency (excess)	\$ (140,913)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 9,603	\$ (14,687)
Covered payroll	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Contributions as a percentage of covered payroll	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A

Note: Schedule is intended to show information for 10 years. Additional years will be displayed as the information becomes available.

Notes to schedule:

Actuarially determined contribution rates are calculated as of January 1 of even numbered years. The contribution rates have a one year lag, so the actuarial valuation as of January 1, 2020, determines the contribution amounts for 2021 and 2022.

City of Durango, Colorado
Required Supplementary Information
For the Year Ended December 31, 2021

Methods and Assumptions Used to Determine Contribution Rates for the Fiscal Year Ending December 31, 2019:

Actuarial Cost Method	Entry Age Normal
Amortization Method	Level Dollar, Open*
Remaining Amortization Period	15 years*
Asset Valuation Method	5-Year smoothed fair value
Inflation	2.50%
Salary Increases	N/A
Investment Rate of Return	4.50%
Retirement Age	Any remaining actives are assumed to retire immediately.
Mortality	Post-retirement: 2006 central rates from the RP-2014 Annuitant Mortality Tables for males and females projected to 2018 using the MP-2017 projection scales, and then projected prospectively using the ultimate rates of the scale for all years.
Disabled (pre-1980):	Post-retirement rates set forward three years.

City of Durango, Colorado
Required Supplementary Information
For the Year Ended December 31, 2021

Schedule of Changes in Net Pension Liability (Asset) and Related Ratios
Old Hire Police Pension Plan

Measurement Year Ending December 31,

	2014	2015	2016	2017	2018	2019	2020
For Reporting Year Ending December 31,	2015	2016	2017	2018	2019	2020	2021
Total pension liability							
Interest on the Total Pension Liability	\$ 199,962	\$ 205,124	\$ 216,400	\$ 210,904	\$ 218,807	\$ 213,805	\$ 153,063
Benefit Changes	153,187	-	137,606	-	132,122	-	-
Difference between expected and actual experience	-	(29,987)	-	52,524	-	(116,414)	-
Changes of assumptions	-	114,413	-	-	-	741,283	-
Benefit payments	(290,415)	(278,021)	(275,542)	(304,342)	(275,496)	(295,881)	(277,831)
Net change in total pension liability	62,734	11,529	78,464	(40,914)	75,433	542,793	(124,768)
Total pension liability - beginning	2,808,749	2,871,483	2,883,012	2,299,088	2,920,562	2,995,995	3,538,788
Total pension liability - ending	\$ 2,871,483	\$ 2,883,012	\$ 2,961,476	\$ 2,258,174	\$ 2,995,995	\$ 3,538,788	\$ 3,414,020
Plan fiduciary net position							
Contribution - employer	\$ 253,957	\$ 110,495	\$ 110,495	\$ 122,870	\$ 260,476	\$ 141,741	\$ 141,741
Net investment income	108,853	29,792	77,637	204,149	(775)	181,762	110,192
Benefit payments	(290,415)	(278,021)	(275,542)	(304,342)	(275,496)	(295,881)	(277,831)
Pension Plan Administrative Expense	(6,641)	(2,741)	(5,561)	(2,004)	(5,777)	(2,419)	(4,871)
Net change in plan fiduciary net position	65,754	(140,475)	(92,971)	20,673	(21,572)	25,203	(30,769)
Plan fiduciary net position - beginning	1,686,526	1,752,280	1,611,805	1,518,834	1,539,507	1,517,935	1,543,138
Plan fiduciary net position - ending	\$ 1,752,280	\$ 1,611,805	\$ 1,518,834	\$ 1,539,507	\$ 1,517,935	\$ 1,543,138	\$ 1,512,369
Net pension liability/(asset)	\$ 1,119,203	\$ 1,271,207	\$ 1,442,642	\$ 718,667	\$ 1,478,060	\$ 1,995,650	\$ 1,901,651
Plan fiduciary net position as percentage of total pension liability	61.02%	55.91%	51.29%	52.71%	44.24%	43.61%	44.30%
Covered payroll	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Net pension liability/(asset) as a percentage of covered payroll	N/A	N/A	N/A	N/A	N/A	N/A	N/A

Note: Schedule is intended to show information for 10 years. Additional years will be displayed as the information becomes available.

Schedule of Pension Contributions
Old Hire Police Pension Plan

Measurement Year Ending December 31,

	2013	2014	2015	2016	2017	2018	2019	2020
For Reporting Year Ending December 31,	2014	2015	2016	2017	2018	2019	2020	2021
Actuarially determined annual required contribution	\$ 106,210	\$ 110,495	\$ 110,495	\$ 122,870	\$ 122,870	\$ 141,741	\$ 156,271	\$ 156,271
Actual Contribution	253,957	110,495	110,495	122,870	122,870	141,741	141,741	141,741
Contribution deficiency (excess)	\$ (147,747)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 14,530	\$ 14,530
Covered payroll	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Contributions as a percentage of covered payroll	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A

Note: Schedule is intended to show information for 10 years. Additional years will be displayed as the information becomes available.

Notes to schedule:

Actuarially determined contribution rates are calculated as of January 1 of even numbered years. The contribution rates have a one year lag, so the actuarial valuation as of January 1, 2020, determines the contribution amounts for 2021 and 2022.

City of Durango, Colorado
Required Supplementary Information
For the Year Ended December 31, 2021

Methods and Assumptions Used to Determine Contribution Rates for the Fiscal Year Ending December 31, 2021:

Actuarial Cost Method	Entry Age Normal
Amortization Method	Level Dollar, Open*
Remaining Amortization Period	18 years*
Asset Valuation Method	5-Year smoothed fair value
Inflation	2.50%
Salary Increases	N/A
Investment Rate of Return	4.50%
Retirement Age	Any remaining actives are assumed to retire immediately.
Mortality	Post-retirement: 2006 central rates from the RP-2014 Annuitant Mortality Tables for males and females projected to 2018 using the MP-2017 projection scales, and then projected prospectively using the ultimate rates of the scale for all years.
Disabled (pre-1980):	Post-retirement rates set forward three years.

*Plans that are heavily weighted with retiree liabilities use an amortization period based on the expected remaining lifetime of the participants.

Required Supplementary Information
City of Durango, Colorado
General Fund
Schedule of Revenues, Expenditures and Changes in Fund Balances - Budget and Actual
For the Year Ended December 31, 2021
(With Comparative Actual Amounts for the Year Ended December 31, 2020)

	2021				2020
	Original Budget	Final Budget	Actual	Variance with Final Budget - Positive (Negative)	Actual
Revenues					
Property taxes	\$ 2,999,581	\$ 2,999,581	\$ 2,938,082	\$ (61,499)	\$ 2,903,553
Specific Ownership Taxes	300,000	300,000	333,851	33,851	304,327
Sales taxes	15,360,254	15,360,254	19,532,413	4,172,159	16,466,368
Use taxes	1,230,000	1,230,000	966,944	(263,056)	1,056,554
Sales and use tax audit	100,000	100,000	118,148	18,148	231,231
La Plata County shared sales tax	4,380,500	4,380,500	5,945,741	1,565,241	5,055,318
La Plata County joint sales tax	2,188,710	2,188,710	2,188,710	-	2,106,311
Cigarette tax	85,000	85,000	95,819	10,819	81,045
Franchise fees and occupational taxes	1,616,500	1,616,500	1,845,991	229,491	1,760,040
Special assessments	15,000	15,000	6,850	(8,150)	-
Intergovernmental	3,094,127	3,174,852	2,399,472	(775,380)	3,460,820
Licenses and permits	772,500	772,500	693,371	(79,129)	630,933
Charges for services	6,813,109	6,813,109	5,962,098	(851,011)	4,852,108
Fines and forfeitures	66,000	66,000	66,551	551	62,661
Investment earnings	250,000	250,000	(18,672)	(268,672)	83,872
Miscellaneous	1,412,435	1,743,100	1,400,478	(342,622)	1,622,171
Total Revenues	40,683,716	41,095,106	44,475,847	3,380,741	40,677,312
Expenditures					
Current					
General government	9,160,245	10,390,010	9,564,556	825,454	8,078,197
Public safety	15,654,431	16,614,136	15,798,021	816,115	15,188,575
Public works	3,750,920	3,857,271	3,248,496	608,775	3,421,122
Parks and recreation	7,906,302	7,983,940	6,781,281	1,202,659	5,956,147
Library	2,525,518	2,602,729	2,366,421	236,308	2,244,755
Community services	1,962,056	2,029,056	1,581,703	447,353	2,162,734
Non-departmental	1,804,431	2,069,470	2,067,697	1,773	1,848,065
Principal retirement	11,000	115,000	115,000	-	115,000
Interest and fiscal charges	76,474	76,474	72,450	4,024	76,475
Total Expenditures	42,851,377	45,738,086	41,595,625	4,142,461	39,091,070
Excess (Deficiency) of Revenues Over (Under) Expenditures	(2,167,661)	(4,642,980)	2,880,222	7,523,202	1,586,242
Other Financing Sources (Uses)					
Sale of capital assets	5,000	5,000	-	(5,000)	-
Transfers in	2,788,312	2,788,312	2,663,312	(125,000)	2,813,630
Transfers out	(14,500)	(33,500)	(1,006,129)	(972,629)	-
Total Other Financing Sources (Uses)	2,778,812	2,759,812	1,657,183	(1,102,629)	2,813,630
Net Change in Fund Balances	\$ 611,151	\$ (1,883,168)	4,537,405	\$ 6,420,573	4,399,872
Fund Balances Beginning of Year			15,281,295		10,877,084
Increase in Reserve for Inventory					4,339
Fund Balances End of Year			\$ 19,818,700		\$ 15,281,295

City of Durango, Colorado
Required Supplementary Information
General Fund
Notes to the Schedule of Revenues, Expenditures and Changes in Fund Balance
Budget and Actual
For the Year Ended December 31, 2021

The 2021 budget was prepared using the five goals adopted by City Council. Those goals are:

- Continue to address Durango's affordable/attainable housing, including options for homeless population,
- Expand Durango's unique identity as a driver of enhanced quality of life and sense of place,
- Improve environmental resiliency and encourage responsible stewardship of natural resources,
- Require & support effective utilization of resources, and
- Advance fiscal sustainability and resiliency

The budget has prioritized operating a conservative budget for FY2021. This has been implemented in this budget by conservative spending based on a five-year average of actual expenditures. The 2021 budget also invested in the City's greatest assets by implementing a 3% cost of living adjustment. Moreover, this budget has set priorities around the 2019 Sales Tax to put forward aggressive spending on street improvement projects.

The final goal of the budget was to reestablish the General Fund fund balances with a total fund balance of twenty-one percent.

The general fund budget is adopted on a basis consistent with GAAP. The legal level of control (the level at which expenditures may not legally exceed appropriations) for each adopted annual operating budget generally is the department level within the general fund. Any change in total to a fund or departmental appropriation within a fund requires City Council approval. The City Council may authorize additional appropriations during the budget year for expenditures required, but not in excess of the amount that actual revenues exceed budgeted revenues and unappropriated surplus for that fund. The City Manager may transfer any unencumbered appropriation balance or portion thereof from one classification of expenditure to another within the same department, office, or agency. At the request of the City Manager, the City Council may, by resolution, transfer any unencumbered appropriation balance or portion thereof from one department, office, or agency to another.

The City Council made additional appropriations as follows during the year:

	Original Budget	Supplemental Appropriations	Final Budget
Revenues	\$ 43,477,028	\$ 411,390	\$ 43,888,418
Expenditures	42,865,877	2,905,709	45,771,586
Excess of Revenues over expenditures	\$ 611,151	\$ (2,494,319)	\$ (1,883,168)

NONMAJOR GOVERNMENTAL FUNDS

Special Revenue Funds

Recreation Complex/Trails – to account for the one-half cent sales and use tax revenues originally voted on and adopted by the electorate in April 1999 and reauthorized in April of 2015. The revenues may only be used to pay the debt service on the Sales and Use Tax Revenue Bonds, series 2008, for Parks and Recreation and Multi Modal projects and operations.

Revolving Loan Fund - to account for the loan repayments made by the recipients of Community Development Block Grant monies.

Streets Improvement Fund - to account for sales and use tax revenues. These funds can be used for streets improvements and street maintenance.

Durango Tourism Fund - to account for a tax levied on lodgers within the City. These funds are set aside for destination management purposes.

Parks and Recreation Development Fund - to account for payment of fees in lieu of land dedication. These fees are made at the time of recording a final plat. These funds can only be used for acquisition and park development.

Conservation Trust Fund - to account for the State lottery proceeds. These funds can only be used for acquisition, capital improvements and maintenance of parks, recreation and open space programs.

Road Impact Fund – to account for fees imposed for road impacts as a result of new development within the City's service area. These fees must be used for identified road projects within a certain time frame or they must be refunded.

Grants Fund - to account for grants received for governmental fund purposes.

Housing Fund - to account for revenues and expenditures related to workforce and affordable housing.

Storm Drainage Fund - to account for storm drainage developer fees. These funds can be used only for capital improvements to storm sewer facilities.

Debt Service Funds

Sales Tax Bonds Debt Service Fund- To accumulate monies for payment of the 2008, 2007 and 2009 series Sales and Use Tax Revenue Bonds.

2007 Sales Tax Bonds Debt Service Fund - To accumulate monies for payment of the 2009, 2016 and 2017 Series Sales and Use Tax Revenue Bonds.

Capital Project Funds

Capital Improvements Fund - to account for fifty percent of the one-half cent sales and use tax revenues voted on and adopted by the electorate in April 2005. These revenues may only be used to finance capital improvements. The tax sunsets in 2026.

Parks, Open Space and Trails Fund - to account for fifty percent of the one-half cent sales and use tax revenues voted on and adopted by the electorate in April 2005. These revenues may only be used to finance improvements or acquiring parks, open space, and trails. The tax sunsets in 2026.

Capital Projects Fund - to account for the financial resources used for the acquisition and/or construction of major capital improvements included in the City capital improvement program.

City of Durango, Colorado
Combining Balance Sheet
Nonmajor Governmental Funds - By Fund Type
December 31, 2021

	Nonmajor Special Revenue Funds	Nonmajor Debt Service Funds	Nonmajor Capital Projects Funds	Total Nonmajor Governmental Funds
Assets				
Equity in cash and cash equivalents	\$ 12,495,197	\$ 183,003	\$ 3,953,330	\$ 16,631,530
Receivables				
Accounts receivable	407,762	-	510,000	917,762
Sales and use taxes	945,641	-	472,490	1,418,131
Lodger's taxes	226,189	-	-	226,189
Intergovernmental	10,191	-	89,694	99,885
Interest	-	-	283,733	283,733
Total Assets	<u>\$ 14,084,980</u>	<u>\$ 183,003</u>	<u>\$ 5,309,247</u>	<u>\$ 19,577,230</u>
Liabilities and Fund Balances				
Liabilities				
Accounts payable	\$ 324,560	\$ -	\$ 156,868	\$ 481,428
Accrued expenditures	1,575	-	-	1,575
Unearned revenue	3,093,267	-	197,700	3,290,967
DI-Unearned revenues	-	-	793,733	793,733
Total Liabilities	<u>3,419,402</u>	<u>-</u>	<u>1,148,301</u>	<u>4,567,703</u>
Fund Balances				
Restricted	399,906	183,003	3,539,376	4,122,285
Committed	10,258,725	-	621,570	10,880,295
Assigned	6,947	-	-	6,947
Total Fund Balances	<u>10,665,578</u>	<u>183,003</u>	<u>4,160,946</u>	<u>15,009,527</u>
Total Liabilities and Fund Balances	<u>\$ 14,084,980</u>	<u>\$ 183,003</u>	<u>\$ 5,309,247</u>	<u>\$ 19,577,230</u>

City of Durango, Colorado
Combining Statement of Revenues, Expenditures and Changes in Fund Balances
Nonmajor Governmental Funds - By Fund Type
For the Year Ended December 31, 2021

	Nonmajor Special Revenue Funds	Nonmajor Debt Service Funds	Nonmajor Capital Projects Funds	Total Nonmajor Governmental Funds
Revenues				
Sales taxes	\$ 9,769,932	\$ -	\$ 4,881,544	\$ 14,651,476
Use taxes	483,642	-	241,652	725,294
Lodgers' taxes	2,428,667	-	-	2,428,667
Intergovernmental	252,376	-	162,360	414,736
Licenses and permits	6,900	-	-	6,900
Charges for services	10	-	-	10
Investment earnings	121	-	(285)	(164)
Miscellaneous	519,886	-	-	519,886
Total Revenues	<u>13,461,534</u>	<u>-</u>	<u>5,285,271</u>	<u>18,746,805</u>
Expenditures				
Current				
General government	146,203	-	360,705	506,908
Public works	2,861,908	-	170,224	3,032,132
Parks and recreation	2,008,693	-	175,768	2,184,461
Community services	156,954	-	25,000	181,954
Economic development	629,607	-	-	629,607
Capital outlay	-	-	2,366,958	2,366,958
Debt Service				
Principal retirement	-	2,100,000	-	2,100,000
Interest and fiscal charges	-	328,077	-	328,077
Total Expenditures	<u>5,803,365</u>	<u>2,428,077</u>	<u>3,098,655</u>	<u>11,330,097</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>7,658,169</u>	<u>(2,428,077)</u>	<u>2,186,616</u>	<u>7,416,708</u>
Other Financing Sources (Uses)				
Transfers in	1,006,129	2,428,996	741,649	4,176,774
Transfers out	(3,428,821)	(191)	(2,882,362)	(6,311,374)
Total Other Financing Sources (Uses)	<u>(2,422,692)</u>	<u>2,428,805</u>	<u>(2,140,713)</u>	<u>(2,134,600)</u>
Net Change in Fund Balances	5,235,477	728	45,903	5,282,108
Fund Balances Beginning of Year	<u>5,430,101</u>	<u>182,275</u>	<u>4,115,043</u>	<u>9,727,419</u>
Fund Balances End of Year	<u>\$ 10,665,578</u>	<u>\$ 183,003</u>	<u>\$ 4,160,946</u>	<u>\$ 15,009,527</u>

City of Durango, Colorado
General Fund
Comparative Balance Sheet
December 31, 2021 and 2020

	<u>2021</u>	<u>2020</u>
Assets		
Cash on hand	\$ 4,927	\$ 5,000
Equity in cash and cash equivalents	17,423,992	11,132,427
Cash held in escrow	582,086	480,972
Receivables:		
Accounts receivable	206,327	410,466
Property taxes	2,931,452	2,939,590
Sales and use taxes receivable	1,890,618	1,974,778
Franchise taxes	74,151	75,305
Special assessments	2,537	5,550
Intergovernmental receivables	1,535,759	2,148,539
Interest	263	7,220
Prepaid expenses	-	597,061
Interfund	272,000	837,000
Inventory	55,673	61,650
Total Assets	<u>\$ 24,979,785</u>	<u>\$ 20,675,558</u>
Liabilities, Deferred Inflows of Resources, and Fund Balances		
Liabilities		
Accounts payable	\$ 702,831	\$ 944,570
Accrued expenditures	368,700	881,600
Deposits	700,284	571,433
Unearned revenue	457,818	57,070
Total Liabilities	<u>2,229,633</u>	<u>2,454,673</u>
Deferred Inflows of Resources		
Property taxes	2,931,452	2,939,590
Total Deferred Inflows of Resources	<u>2,931,452</u>	<u>2,939,590</u>
Total Liabilities and Deferred Inflows of Resources	<u>5,161,085</u>	<u>5,394,263</u>
Fund Balances		
Nonspendable	1,338,045	658,711
Restricted	1,928,144	1,718,717
Committed	1,686	80,901
Assigned	8,908,669	1,487,101
Unassigned	7,642,156	11,335,865
Total Fund Balances	<u>19,818,700</u>	<u>15,281,295</u>
Total Liabilities, Deferred Inflows of Resources, and Fund Balances	<u>\$ 24,979,785</u>	<u>\$ 20,675,558</u>

City of Durango, Colorado
General Fund
Schedule of Revenues - Budget and Actual
For the Year Ended December 31, 2021
(With Comparative Actual Amounts for the Year Ended December 31, 2020)

	2021			2020	
	Original Budget	Final Budget	Actual	Variance with Final Budget - Positive (Negative)	Actual
Taxes:					
Property	\$ 2,999,581	\$ 2,999,581	\$ 2,938,082	\$ (61,499)	\$ 2,903,553
Specific ownership	300,000	300,000	333,851	33,851	304,327
Sales tax	15,360,254	15,360,254	19,532,413	4,172,159	16,466,368
Use tax	1,230,000	1,230,000	966,944	(263,056)	1,056,554
Sales and use tax audit	100,000	100,000	118,148	18,148	231,231
La Plata County sales tax	4,380,500	4,380,500	5,945,741	1,565,241	5,055,318
Joint sales tax	2,188,710	2,188,710	2,188,710	-	2,106,311
Cigarette tax	85,000	85,000	95,819	10,819	81,045
Franchise and business tax	1,616,500	1,616,500	1,845,991	229,491	1,760,040
Total Taxes	28,260,545	28,260,545	33,965,699	5,705,154	29,964,747
Licenses and Permits:					
Business license and permits	371,500	371,500	361,100	(10,400)	343,891
Building permits	401,000	401,000	332,271	(68,729)	287,042
Total Licenses and Permits	772,500	772,500	693,371	(79,129)	630,933
Intergovernmental:					
Grants	848,338	877,063	402,327	(474,736)	1,478,421
Highway user tax	472,296	472,296	602,975	130,679	487,396
Severance/mineral lease	297,827	297,827	68,933	(228,894)	176,801
Motor vehicle registration	67,000	67,000	71,300	4,300	68,709
Road and bridge	197,000	197,000	212,530	15,530	210,895
Other intergovernmental	1,211,666	1,263,666	1,041,407	(222,259)	1,038,598
Total Intergovernmental	3,094,127	3,174,852	2,399,472	(775,380)	3,460,820
Charges for Services:					
General government charges	200,050	200,050	162,616	(37,434)	122,202
Public safety charges	140,774	140,774	134,061	(6,713)	89,168
Cemetery charges	85,500	85,500	136,450	50,950	73,515
Recreation Center charges	2,606,422	2,606,422	1,372,079	(1,234,343)	1,053,242
Recreation program charges	1,257,516	1,257,516	1,489,170	231,654	948,902
Total Charges for Services	4,290,262	4,290,262	3,294,376	(995,886)	2,287,029
Fines and Forfeits:					
Traffic fines	50,000	50,000	53,324	3,324	50,754
Non-traffic fines	12,000	12,000	11,138	(862)	9,022
Library fines	4,000	4,000	2,089	(1,911)	2,885
Total Fines and Forfeits	66,000	66,000	66,551	551	62,661
Special assessments	15,000	15,000	6,850	(8,150)	-
Miscellaneous					
Pension forfeitures	85,000	85,000	173,726	88,726	168,264
Rents and royalties	383,000	383,000	404,389	21,389	362,133
Contributions and donations	65,300	65,300	22,088	(43,212)	5,075
Other miscellaneous	879,135	1,209,800	800,275	(409,525)	1,086,699
Total Miscellaneous	1,412,435	1,743,100	1,400,478	(342,622)	1,622,171
Services provided	2,522,847	2,522,847	2,667,722	144,875	2,565,079
Investment earnings	250,000	250,000	(18,672)	(268,672)	83,872
Total Revenues	40,683,716	41,095,106	44,475,847	3,380,741	40,677,312
Other Financing Sources (Uses)					
Sale of capital assets	5,000	5,000	-	(5,000)	-
Transfers in	2,788,312	2,788,312	2,663,312	(125,000)	2,813,630
Total Other Financing Sources (Uses)	2,793,312	2,793,312	2,663,312	(130,000)	2,813,630
Total Revenues and Other Financing Sources	\$ 43,477,028	\$ 43,888,418	\$ 47,139,159	\$ 3,250,741	\$ 43,490,942

City of Durango, Colorado
General Fund
Schedule of Expenditures - Budget and Actual
For the Year Ended December 31, 2021
(With Comparative Actual Amounts for the Year Ended December 31, 2020)

	2021			2020	
	Original Budget	Final Budget	Actual	Variance with Final Budget - Positive (Negative)	Actual
General Government					
Legislative					
City council	\$ 358,111	\$ 380,361	\$ 315,989	\$ 64,372	\$ 281,185
City boards	-	-	-	-	14
Total Legislative	<u>358,111</u>	<u>380,361</u>	<u>315,989</u>	<u>64,372</u>	<u>281,199</u>
Executive and Legal					
City manager	528,815	518,782	498,921	19,861	582,374
City attorney	368,194	395,248	338,229	57,019	318,771
Total Executive and Legal	<u>897,009</u>	<u>914,030</u>	<u>837,150</u>	<u>76,880</u>	<u>901,145</u>
Administrative					
Human resources	637,905	778,656	691,981	86,675	463,444
City clerk	645,549	705,455	638,171	67,284	541,306
Public Information	398,780	476,761	463,066	13,695	268,524
Information Technology	2,300,931	2,439,293	2,379,724	59,569	-
Total Administrative	<u>3,983,165</u>	<u>4,400,165</u>	<u>4,172,942</u>	<u>227,223</u>	<u>1,273,274</u>
Finance					
Accounting	1,347,547	1,850,967	1,764,341	86,626	902,042
Finance	527,319	538,333	506,814	31,519	856,312
Information systems	-	-	-	-	2,045,901
Municipal court	293,386	297,186	266,645	30,541	284,935
Total Finance	<u>2,168,252</u>	<u>2,686,486</u>	<u>2,537,800</u>	<u>148,686</u>	<u>4,089,190</u>
Community Development					
Planning	1,663,708	1,798,968	1,664,592	134,376	1,355,612
Housing	-	120,000	-	120,000	-
Urban Renewal	90,000	90,000	33,558	56,442	-
Total Community Development	<u>1,753,708</u>	<u>2,008,968</u>	<u>1,698,150</u>	<u>310,818</u>	<u>1,355,612</u>
Total General Government	<u>9,160,245</u>	<u>10,390,010</u>	<u>9,562,031</u>	<u>827,979</u>	<u>7,900,420</u>
Public Safety					
Police					
Administration	7,913,915	8,304,113	8,071,798	232,315	7,823,213
Operations	-	-	-	-	75
Code enforcement	212,419	228,057	93,398	134,659	177,777
Total Police	<u>8,126,334</u>	<u>8,532,170</u>	<u>8,165,196</u>	<u>366,974</u>	<u>8,001,065</u>
911 Communications	1,736,714	1,957,197	1,738,056	219,141	1,601,678
Fire					
Fire services	5,791,383	6,124,769	5,894,769	230,000	5,763,609
Total Public Safety	<u>15,654,431</u>	<u>16,614,136</u>	<u>15,798,021</u>	<u>816,115</u>	<u>15,366,352</u>

City of Durango, Colorado
General Fund
Schedule of Expenditures - Budget and Actual
For the Year Ended December 31, 2021
(With Comparative Actual Amounts for the Year Ended December 31, 2020)

	2021			2020	
	Original Budget	Final Budget	Actual	Variance with Final Budget - Positive (Negative)	Actual
Public Works					
Engineering	1,037,514	1,072,900	907,483	165,417	870,099
Street maintenance	1,584,297	1,612,153	1,367,369	244,784	1,579,359
Snow and ice	751,366	773,250	622,997	150,253	623,467
Street cleaning	377,743	398,968	353,172	45,796	348,197
Total Public Works	<u>3,750,920</u>	<u>3,857,271</u>	<u>3,251,021</u>	<u>606,250</u>	<u>3,421,122</u>
Parks and Recreation					
Parks and recreation administration	488,263	491,537	541,270	(49,733)	420,398
Recreation administration	200,841	202,588	173,728	28,860	153,192
Recreation programs	1,036,050	1,059,216	701,271	357,945	546,644
Cemetery	402,234	405,721	340,857	64,864	321,999
Parks	2,842,619	2,866,947	2,654,268	212,679	2,437,765
Recreation center	2,481,086	2,499,036	1,953,680	545,356	1,659,811
Chapman Hill	455,209	458,895	416,207	42,688	416,338
Total Parks and Recreation	<u>7,906,302</u>	<u>7,983,940</u>	<u>6,781,281</u>	<u>1,202,659</u>	<u>5,956,147</u>
Community Services					
Library	2,525,518	2,602,729	2,366,421	236,308	2,244,755
Community Services	1,962,056	2,029,056	1,581,703	447,353	2,162,734
Total Community Services	<u>4,487,574</u>	<u>4,631,785</u>	<u>3,948,124</u>	<u>683,661</u>	<u>4,407,489</u>
Non-Departmental					
Miscellaneous	855,797	1,163,757	2,124,759	(961,002)	1,103,880
Buildings and plant	954,014	1,034,093	1,038,268	(4,175)	841,331
Durango Welcome Center	96,594	96,594	98,249	(1,655)	94,329
Total Non-Departmental	<u>1,906,405</u>	<u>2,294,444</u>	<u>3,261,276</u>	<u>(966,832)</u>	<u>2,039,540</u>
	<u>18,051,201</u>	<u>18,767,440</u>	<u>17,241,702</u>	<u>1,525,738</u>	<u>15,824,298</u>
Total Expenditures	<u>\$ 42,865,877</u>	<u>\$ 45,771,586</u>	<u>\$ 42,601,754</u>	<u>\$ 3,169,832</u>	<u>\$ 39,091,070</u>

City of Durango, Colorado
Combining Balance Sheet
Nonmajor Special Revenue Funds
December 31, 2021

	<u>Recreation Complex/Trails</u>	<u>Revolving Loan</u>	<u>Streets Improvement Fund</u>	<u>Durango Tourism</u>
Assets				
Equity in cash and cash equivalents	\$ 5,127,693	\$ -	\$ 1,638,222	\$ 1,726,725
Receivables				
Accounts receivable	-	6,947	-	-
Sales taxes	472,821	-	472,820	-
Lodger's taxes	-	-	-	226,189
Intergovernmental	-	-	-	-
Total Assets	<u><u>\$ 5,600,514</u></u>	<u><u>\$ 6,947</u></u>	<u><u>\$ 2,111,042</u></u>	<u><u>\$ 1,952,914</u></u>
Liabilities and Fund Balances				
Liabilities				
Accounts payable	\$ 156,881	\$ -	\$ 55,579	\$ 104,936
Accrued expenditures	-	-	-	-
Unearned revenue	-	-	-	683,688
Total Liabilities	<u>156,881</u>	<u>-</u>	<u>55,579</u>	<u>788,624</u>
Fund Balances				
Restricted	-	-	-	-
Committed	5,443,633	-	2,055,463	1,164,290
Assigned	-	6,947	-	-
Total Fund Balances	<u>5,443,633</u>	<u>6,947</u>	<u>2,055,463</u>	<u>1,164,290</u>
Total Liabilities and Fund Balances	<u><u>\$ 5,600,514</u></u>	<u><u>\$ 6,947</u></u>	<u><u>\$ 2,111,042</u></u>	<u><u>\$ 1,952,914</u></u>

Parks & Recreation Development	Conservation Trust	Road Impact	Grants Fund	Housing Fund	Storm Drainage	Total Nonmajor Special Revenue Funds
\$ 100,548	\$ 399,906	\$ 426,844	\$ 2,374,238	\$ 692,859	\$ 8,162	\$ 12,495,197
-	-	-	-	400,815	-	407,762
-	-	-	-	-	-	945,641
-	-	-	-	-	-	226,189
-	-	-	10,191	-	-	10,191
<u>\$ 100,548</u>	<u>\$ 399,906</u>	<u>\$ 426,844</u>	<u>\$ 2,384,429</u>	<u>\$ 1,093,674</u>	<u>\$ 8,162</u>	<u>\$ 14,084,980</u>
\$ -	\$ -	\$ -	\$ -	\$ 7,164	\$ -	\$ 324,560
-	-	-	-	1,575	-	1,575
-	-	-	2,384,429	25,150	-	3,093,267
-	-	-	2,384,429	33,889	-	3,419,402
-	399,906	-	-	-	-	399,906
100,548	-	426,844	-	1,059,785	8,162	10,258,725
-	-	-	-	-	-	6,947
<u>100,548</u>	<u>399,906</u>	<u>426,844</u>	<u>-</u>	<u>1,059,785</u>	<u>8,162</u>	<u>10,665,578</u>
<u>\$ 100,548</u>	<u>\$ 399,906</u>	<u>\$ 426,844</u>	<u>\$ 2,384,429</u>	<u>\$ 1,093,674</u>	<u>\$ 8,162</u>	<u>\$ 14,084,980</u>

City of Durango, Colorado
Combining Statement of Revenues, Expenditures and Changes in Fund Balances
Nonmajor Special Revenue Funds
For the Year Ended December 31, 2021

	Recreation Complex/Trails	Revolving Loan	Streets Improvement Fund	Durango Tourism
Revenues				
Sales taxes	\$ 4,884,966	\$ -	\$ 4,884,966	\$ -
Use taxes	241,821	-	241,821	-
Lodgers taxes	-	-	-	2,428,667
Intergovernmental	-	-	-	-
Licenses and permits	-	-	-	-
Charges for services	-	-	-	-
Investment earnings	-	-	(158)	176
Miscellaneous	-	-	-	-
Total Revenues	<u>5,126,787</u>	<u>-</u>	<u>5,126,629</u>	<u>2,428,843</u>
Expenditures				
Current				
General government	-	1,328	-	144,875
Public works	-	-	2,861,908	-
Parks and recreation	2,008,693	-	-	-
Community services	-	-	-	-
Economic development	-	-	-	629,607
Total Expenditures	<u>2,008,693</u>	<u>1,328</u>	<u>2,861,908</u>	<u>774,482</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>3,118,094</u>	<u>(1,328)</u>	<u>2,264,721</u>	<u>1,654,361</u>
Other Financing Sources (Uses)				
Transfers in	-	-	-	-
Transfers out	(924,101)	-	(1,703,154)	(477,417)
Total Other Financing Sources (Uses)	<u>(924,101)</u>	<u>-</u>	<u>(1,703,154)</u>	<u>(477,417)</u>
Net Change in Fund Balances	2,193,993	(1,328)	561,567	1,176,944
Fund Balances Beginning of Year	<u>3,249,640</u>	<u>8,275</u>	<u>1,493,896</u>	<u>(12,654)</u>
Fund Balances End of Year	<u><u>\$ 5,443,633</u></u>	<u><u>\$ 6,947</u></u>	<u><u>\$ 2,055,463</u></u>	<u><u>\$ 1,164,290</u></u>

Parks & Recreation Development	Conservation Trust	Road Impact	Grants Fund	Housing Fund	Storm Drainage	Total Nonmajor Special Revenue Funds
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 9,769,932
-	-	-	-	-	-	483,642
-	-	-	-	-	-	2,428,667
-	232,185	-	20,191	-	-	252,376
6,900	-	-	-	-	-	6,900
-	-	-	-	-	10	10
16	87	-	-	-	-	121
16,709	-	312,758	-	190,419	-	519,886
23,625	232,272	312,758	20,191	190,419	10	13,461,534
-	-	-	-	-	-	146,203
-	-	-	-	-	-	2,861,908
-	-	-	-	-	-	2,008,693
-	-	-	20,191	136,763	-	156,954
-	-	-	-	-	-	629,607
-	-	-	20,191	136,763	-	5,803,365
23,625	232,272	312,758	-	53,656	10	7,658,169
-	-	-	-	1,006,129	-	1,006,129
-	-	(324,149)	-	-	-	(3,428,821)
-	-	(324,149)	-	1,006,129	-	(2,422,692)
23,625	232,272	(11,391)	-	1,059,785	10	5,235,477
76,923	167,634	438,235	-	-	8,152	5,430,101
<u>\$ 100,548</u>	<u>\$ 399,906</u>	<u>\$ 426,844</u>	<u>\$ -</u>	<u>\$ 1,059,785</u>	<u>\$ 8,162</u>	<u>\$ 10,665,578</u>

City of Durango, Colorado
Recreation Complex and Trails Fund
Comparative Balance Sheet
December 31, 2021 and 2020

	<u>2021</u>	<u>2020</u>
Assets		
Equity in cash and cash equivalents	\$ 5,127,693	\$ 3,049,773
Sales and use taxes receivable	<u>472,821</u>	<u>493,867</u>
Total Assets	<u><u>\$ 5,600,514</u></u>	<u><u>\$ 3,543,640</u></u>
Liabilities and Fund Balances		
Liabilities		
Accounts payable	\$ 156,881	\$ -
Interfund payable	<u>\$ -</u>	<u>\$ 294,000</u>
Total Liabilities	<u>156,881</u>	<u>294,000</u>
Fund Balances		
Committed	<u>5,443,633</u>	<u>3,249,640</u>
Total Fund Balances	<u>5,443,633</u>	<u>3,249,640</u>
Total Liabilities and Fund Balances	<u><u>\$ 5,600,514</u></u>	<u><u>\$ 3,543,640</u></u>

City of Durango, Colorado
Recreation Complex and Trails Fund
Schedule of Revenues, Expenditures and
Changes in Fund Balances - Budget and Actual
For the Year Ended December 31, 2021
(With Comparative Actual Amounts for the Year Ended December 31, 2020)

	2021				2020
	Original Budget	Final Budget	Actual	Variance with Final Budget - Positive (Negative)	Actual
Revenues					
Sales taxes	\$ 3,814,683	\$ 3,814,683	\$ 4,884,966	\$ 1,070,283	\$ 4,118,033
Use taxes	306,550	306,550	241,821	(64,729)	264,231
Intergovernmental	2,013,478	2,013,478	-	(2,013,478)	-
Investment earnings	1,500	1,500	-	(1,500)	-
Total Revenues	<u>6,136,211</u>	<u>6,136,211</u>	<u>5,126,787</u>	<u>(1,009,424)</u>	<u>4,382,264</u>
Expenditures					
Parks and recreation	<u>7,630,900</u>	<u>4,511,081</u>	<u>2,008,693</u>	<u>2,502,388</u>	<u>-</u>
Total Expenditures	<u>7,630,900</u>	<u>4,511,081</u>	<u>2,008,693</u>	<u>2,502,388</u>	<u>-</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>(1,494,689)</u>	<u>1,625,130</u>	<u>3,118,094</u>	<u>1,492,964</u>	<u>4,382,264</u>
Other Financing Sources (Uses)					
Transfers out	<u>(506,601)</u>	<u>(506,601)</u>	<u>(924,101)</u>	<u>(417,500)</u>	<u>(702,135)</u>
Net Change in Fund Balances	<u>\$ (2,001,290)</u>	<u>\$ 1,118,529</u>	<u>2,193,993</u>	<u>\$ 1,075,464</u>	<u>3,680,129</u>
Fund Balances Beginning of Year			<u>3,249,640</u>		<u>(430,489)</u>
Fund Balances End of Year			<u>\$ 5,443,633</u>		<u>\$ 3,249,640</u>

City of Durango, Colorado
Revolving Loan Fund
Comparative Balance Sheet
December 31, 2021 and 2020

	<u>2021</u>	<u>2020</u>
Assets		
Loan receivables	\$ -	\$ 8,275
Accounts receivable	<u>6,947</u>	<u>-</u>
Total Assets	<u><u>\$ 6,947</u></u>	<u><u>\$ 8,275</u></u>
Liabilities and Fund Balances		
Fund Balances		
Assigned	<u>\$ 6,947</u>	<u>\$ 8,275</u>
Total Fund Balances	<u>6,947</u>	<u>8,275</u>
Total Liabilities and Fund Balances	<u><u>\$ 6,947</u></u>	<u><u>\$ 8,275</u></u>

City of Durango, Colorado
Revolving Loan Fund
Schedule of Revenues, Expenditures and
Changes in Fund Balances - Budget and Actual
For the Year Ended December 31, 2021
(With Comparative Actual Amounts for the Year Ended December 31, 2020)

	2021				2020
	Original Budget	Final Budget	Actual	Variance with Final Budget - Positive (Negative)	Actual
Expenditures					
General government	\$ -	\$ -	\$ -	\$ -	\$ 1,436
Total Expenditures	-	-	-	-	1,436
Net Change in Fund Balances	<u>\$ -</u>	<u>\$ -</u>	-	<u>\$ -</u>	(1,436)
Fund Balances Beginning of Year			8,275		9,711
Fund Balances End of Year			<u>\$ 8,275</u>		<u>\$ 8,275</u>

City of Durango, Colorado
Streets Improvement Fund
Comparative Balance Sheet
December 31, 2021 and 2020

	<u>2021</u>	<u>2020</u>
Assets		
Equity in cash and cash equivalents	\$ 1,638,222	\$ 1,000,029
Sales and use taxes receivable	<u>472,820</u>	<u>493,867</u>
Total Assets	<u><u>\$ 2,111,042</u></u>	<u><u>\$ 1,493,896</u></u>
Liabilities and Fund Balances		
Liabilities		
Accounts payable	<u>\$ 55,579</u>	<u>\$ -</u>
Total Liabilities	<u>55,579</u>	<u>-</u>
Fund Balances		
Committed	<u>2,055,463</u>	<u>1,493,896</u>
Total Fund Balances	<u>2,055,463</u>	<u>1,493,896</u>
Total Liabilities and Fund Balances	<u><u>\$ 2,111,042</u></u>	<u><u>\$ 1,493,896</u></u>

City of Durango, Colorado
Streets Improvement Fund
Schedule of Revenues, Expenditures and
Changes in Fund Balances - Budget and Actual
For the Year Ended December 31, 2021
(With Comparative Actual Amounts for the Year Ended December 31, 2020)

	2021				2020
	Original Budget	Final Budget	Actual	Variance with Final Budget - Positive (Negative)	Actual
Revenues					
Sales taxes	\$ 3,814,683	\$ 3,814,683	\$ 4,884,966	\$ 1,070,283	\$ 4,118,033
Use taxes	306,550	306,550	241,821	(64,729)	264,231
Investment earnings	3,000	3,000	(158)	(3,158)	-
Total Revenues	<u>4,124,233</u>	<u>4,124,233</u>	<u>5,126,629</u>	<u>1,002,396</u>	<u>4,382,264</u>
Expenditures					
General government	2,300,000	2,597,411	-	2,597,411	-
Public works	-	953,446	2,861,908	(1,908,462)	-
Total Expenditures	<u>2,300,000</u>	<u>3,550,857</u>	<u>2,861,908</u>	<u>688,949</u>	<u>-</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>1,824,233</u>	<u>573,376</u>	<u>2,264,721</u>	<u>1,691,345</u>	<u>4,382,264</u>
Other Financing Sources (Uses)					
Transfers out	(1,703,154)	(1,703,154)	(1,703,154)	-	(5,203,147)
Net Change in Fund Balances	<u>\$ 121,079</u>	<u>\$ (1,129,778)</u>	<u>561,567</u>	<u>\$ 1,691,345</u>	<u>(820,883)</u>
Fund Balances Beginning of Year			<u>1,493,896</u>		<u>2,314,779</u>
Fund Balances End of Year			<u>\$ 2,055,463</u>		<u>\$ 1,493,896</u>

City of Durango, Colorado
Durango Tourism Fund
Comparative Balance Sheet
December 31, 2021 and 2020

	<u>2021</u>	<u>2020</u>
Assets		
Equity in cash and cash equivalents	\$ 1,726,725	\$ 440
Lodger's taxes receivable	<u>226,189</u>	<u>46,906</u>
Total Assets	<u><u>\$ 1,952,914</u></u>	<u><u>\$ 47,346</u></u>
Liabilities and Fund Balances		
Liabilities		
Accounts payable	\$ 104,936	\$ -
Interfund payable	\$ -	\$ 60,000
Unearned revenue	<u>683,688</u>	<u>-</u>
Total Liabilities	<u>788,624</u>	<u>60,000</u>
Fund Balances		
Committed	1,164,290	-
Unassigned	<u>-</u>	<u>(12,654)</u>
Total Fund Balances	<u>1,164,290</u>	<u>(12,654)</u>
Total Liabilities and Fund Balances	<u><u>\$ 1,952,914</u></u>	<u><u>\$ 47,346</u></u>

City of Durango, Colorado
Durango Tourism Fund
Schedule of Revenues, Expenditures and
Changes in Fund Balances - Budget and Actual
For the Year Ended December 31, 2021
(With Comparative Actual Amounts for the Year Ended December 31, 2020)

	2021				2020
	Original Budget	Final Budget	Actual	Variance with Final Budget - Positive (Negative)	Actual
Revenues					
Lodgers taxes	\$ 805,000	\$ 805,000	\$ 2,428,667	\$ 1,623,667	\$ 750,023
Investment earnings	-	-	176	176	-
Total Revenues	<u>805,000</u>	<u>805,000</u>	<u>2,428,843</u>	<u>1,623,843</u>	<u>750,023</u>
Expenditures					
General government	-	-	144,875	(144,875)	-
Economic development	<u>629,607</u>	<u>629,607</u>	<u>629,607</u>	<u>-</u>	<u>794,934</u>
Total Expenditures	<u>629,607</u>	<u>629,607</u>	<u>774,482</u>	<u>(144,875)</u>	<u>794,934</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>175,393</u>	<u>175,393</u>	<u>1,654,361</u>	<u>1,478,968</u>	<u>(44,911)</u>
Other Financing Sources (Uses)					
Transfers out	<u>(345,000)</u>	<u>(345,000)</u>	<u>(477,417)</u>	<u>(132,417)</u>	<u>(87,500)</u>
Net Change in Fund Balances	<u>\$ (169,607)</u>	<u>\$ (169,607)</u>	<u>1,176,944</u>	<u>\$ 1,346,551</u>	<u>(132,411)</u>
Fund Balances Beginning of Year			<u>(12,654)</u>		<u>119,757</u>
Fund Balances End of Year			<u>\$ 1,164,290</u>		<u>\$ (12,654)</u>

City of Durango, Colorado
Parks and Recreation Development Fund
Comparative Balance Sheet
December 31, 2021 and 2020

	<u>2021</u>	<u>2020</u>
Assets		
Equity in cash and cash equivalents	<u>100,548</u>	<u>76,923</u>
Total Assets	<u><u>\$ 100,548</u></u>	<u><u>\$ 76,923</u></u>
Liabilities and Fund Balances		
Fund Balances		
Committed	<u>\$ 100,548</u>	<u>\$ 76,923</u>
Total Fund Balances	<u>100,548</u>	<u>76,923</u>
Total Liabilities and Fund Balances	<u><u>\$ 100,548</u></u>	<u><u>\$ 76,923</u></u>

City of Durango, Colorado
Parks and Recreation Development Fund
Schedule of Revenues, Expenditures and
Changes in Fund Balances - Budget and Actual
For the Year Ended December 31, 2021
(With Comparative Actual Amounts for the Year Ended December 31, 2020)

	2021				2020
	Original Budget	Final Budget	Actual	Variance with Final Budget - Positive (Negative)	Actual
Revenues					
Licenses and permits	\$ 10,500	\$ 10,500	\$ 6,900	\$ (3,600)	\$ 8,000
Investment earnings	-	-	16	16	624
Miscellaneous	-	-	16,709	16,709	27,819
Total Revenues	<u>10,500</u>	<u>10,500</u>	<u>23,625</u>	<u>13,125</u>	<u>36,443</u>
Other Financing Sources (Uses)					
Transfers out	-	-	-	-	(43,041)
Net Change in Fund Balances	<u>\$ 10,500</u>	<u>\$ 10,500</u>	<u>23,625</u>	<u>\$ 13,125</u>	<u>(6,598)</u>
Fund Balances Beginning of Year			<u>76,923</u>		<u>83,521</u>
Fund Balances End of Year			<u>\$ 100,548</u>		<u>\$ 76,923</u>

City of Durango, Colorado
Conservation Trust Fund
Comparative Balance Sheet
December 31, 2021 and 2020

	<u>2021</u>	<u>2020</u>
Assets		
Equity in cash and cash equivalents	<u>399,906</u>	<u>167,634</u>
Total Assets	<u><u>\$ 399,906</u></u>	<u><u>\$ 167,634</u></u>
Liabilities and Fund Balances		
Fund Balances		
Restricted	<u>\$ 399,906</u>	<u>\$ 167,634</u>
Total Fund Balances	<u>399,906</u>	<u>167,634</u>
Total Liabilities and Fund Balances	<u><u>\$ 399,906</u></u>	<u><u>\$ 167,634</u></u>

City of Durango, Colorado
Conservation Trust Fund
Schedule of Revenues, Expenditures and
Changes in Fund Balances - Budget and Actual
For the Year Ended December 31, 2021
(With Comparative Actual Amounts for the Year Ended December 31, 2020)

	2021				2020
	Original Budget	Final Budget	Actual	Variance with Final Budget - Positive (Negative)	Actual
Revenues					
Intergovernmental	\$ 195,000	\$ 195,000	\$ 232,185	\$ 37,185	\$ 196,825
Investment earnings	-	-	87	87	1,873
Total Revenues	<u>195,000</u>	<u>195,000</u>	<u>232,272</u>	<u>37,272</u>	<u>198,698</u>
Other Financing Sources (Uses)					
Transfers out	-	(150,000)	-	150,000	(250,000)
Net Change in Fund Balances	<u>\$ 195,000</u>	<u>\$ 45,000</u>	<u>232,272</u>	<u>\$ 187,272</u>	<u>(51,302)</u>
Fund Balances Beginning of Year			<u>167,634</u>		<u>218,936</u>
Fund Balances End of Year			<u>\$ 399,906</u>		<u>\$ 167,634</u>

City of Durango, Colorado
Road Impact Fund
Comparative Balance Sheet
December 31, 2021 and 2020

	<u>2021</u>	<u>2020</u>
Assets		
Equity in cash and cash equivalents	<u>426,844</u>	<u>438,235</u>
Total Assets	<u><u>\$ 426,844</u></u>	<u><u>\$ 438,235</u></u>
Liabilities and Fund Balances		
Fund Balances		
Committed	<u>\$ 426,844</u>	<u>\$ 438,235</u>
Total Fund Balances	<u>426,844</u>	<u>438,235</u>
Total Liabilities and Fund Balances	<u><u>\$ 426,844</u></u>	<u><u>\$ 438,235</u></u>

City of Durango, Colorado
Road Impact Fund
Schedule of Revenues, Expenditures and
Changes in Fund Balances - Budget and Actual
For the Year Ended December 31, 2021
(With Comparative Actual Amounts for the Year Ended December 31, 2020)

	2021				2020
	Original Budget	Final Budget	Actual	Variance with Final Budget - Positive (Negative)	Actual
Revenues					
Investment earnings	\$ 250	\$ 250	\$ -	\$ (250)	\$ -
Miscellaneous	350,000	350,000	312,758	(37,242)	370,395
Total Revenues	350,250	350,250	312,758	(37,492)	370,395
Other Financing Sources (Uses)					
Transfers out	(324,149)	(324,149)	(324,149)	-	-
Net Change in Fund Balances	<u>\$ 26,101</u>	<u>\$ 26,101</u>	(11,391)	<u>\$ (37,492)</u>	370,395
Fund Balances Beginning of Year			438,235		67,840
Fund Balances End of Year			<u>\$ 426,844</u>		<u>\$ 438,235</u>

City of Durango, Colorado
Grants Fund
Comparative Balance Sheet
December 31, 2021 and 2020

	<u>2021</u>	<u>2020</u>
Assets		
Equity in cash and cash equivalents	\$ 2,374,238	\$ -
Intergovernmental receivable	<u>10,191</u>	<u>-</u>
Total Assets	<u><u>\$ 2,384,429</u></u>	<u><u>\$ -</u></u>
Liabilities and Fund Balances		
Liabilities		
Unearned revenue	\$ 2,384,429	\$ -
Total Liabilities	<u>2,384,429</u>	<u>-</u>
Total Liabilities and Fund Balances	<u><u>\$ 2,384,429</u></u>	<u><u>\$ -</u></u>

City of Durango, Colorado
Grants Fund
Schedule of Revenues, Expenditures and
Changes in Fund Balances - Budget and Actual
For the Year Ended December 31, 2021
(With Comparative Actual Amounts for the Year Ended December 31, 2020)

	2021				2020
	Original Budget	Final Budget	Actual	Variance with Final Budget - Positive (Negative)	Actual
Revenues					
Intergovernmental	\$ -	\$ 82,257	\$ 20,191	\$ (62,066)	\$ -
Total Revenues	-	82,257	20,191	(62,066)	-
Expenditures					
Community services	-	20,191	20,191	-	-
Total Expenditures	-	20,191	20,191	-	-
Excess (Deficiency) of Revenues Over (Under) Expenditures	-	62,066	-	(62,066)	-
Other Financing Sources (Uses)					
Transfers out	-	(62,066)	-	62,066	-
Net Change in Fund Balances	<u>\$ -</u>	<u>\$ -</u>	-	<u>\$ -</u>	-
Fund Balances Beginning of Year			-		-
Fund Balances End of Year			<u>\$ -</u>		<u>\$ -</u>

City of Durango, Colorado
Housing Fund
Comparative Balance Sheet
December 31, 2021 and 2020

	<u>2021</u>	<u>2020</u>
Assets		
Equity in cash and cash equivalents	\$ 692,859	\$ -
Accounts receivable	400,815	-
Total Assets	<u>\$ 1,093,674</u>	<u>\$ -</u>
Liabilities and Fund Balances		
Liabilities		
Accounts payable	\$ 7,164	\$ -
Accrued expenditures	1,575	-
Unearned revenue	25,150	-
Total Liabilities	<u>33,889</u>	<u>-</u>
Fund Balances		
Committed	1,059,785	-
Total Fund Balances	<u>1,059,785</u>	<u>-</u>
Total Liabilities and Fund Balances	<u>\$ 1,093,674</u>	<u>\$ -</u>

City of Durango, Colorado
Housing Fund
Schedule of Revenues, Expenditures and
Changes in Fund Balances - Budget and Actual
For the Year Ended December 31, 2021
(With Comparative Actual Amounts for the Year Ended December 31, 2020)

	2021				2020
	Original Budget	Final Budget	Actual	Variance with Final Budget - Positive (Negative)	Actual
Revenues					
Miscellaneous	\$ -	\$ -	\$ 190,419	\$ 190,419	\$ -
Total Revenues	-	-	190,419	190,419	-
Expenditures					
Community services	-	131,876	136,763	(4,887)	-
Total Expenditures	-	131,876	136,763	(4,887)	-
Excess (Deficiency) of Revenues Over (Under) Expenditures	-	(131,876)	53,656	185,532	-
Other Financing Sources (Uses)					
Transfers in	-	-	1,006,129	1,006,129	-
Net Change in Fund Balances	<u>\$ -</u>	<u>\$ (131,876)</u>	1,059,785	<u>\$ 1,191,661</u>	-
Fund Balances Beginning of Year			-		-
Fund Balances End of Year			<u>\$ 1,059,785</u>		<u>\$ -</u>

City of Durango, Colorado
Storm Drainage Fund
Comparative Balance Sheet
December 31, 2021 and 2020

	<u>2021</u>	<u>2020</u>
Assets		
Equity in cash and cash equivalents	<u>8,162</u>	<u>8,152</u>
Total Assets	<u><u>\$ 8,162</u></u>	<u><u>\$ 8,152</u></u>
Liabilities and Fund Balances		
Fund Balances		
Committed	<u>\$ 8,162</u>	<u>\$ 8,152</u>
Total Fund Balances	<u>8,162</u>	<u>8,152</u>
Total Liabilities and Fund Balances	<u><u>\$ 8,162</u></u>	<u><u>\$ 8,152</u></u>

City of Durango, Colorado
Storm Drainage Fund
Schedule of Revenues, Expenditures and
Changes in Fund Balances - Budget and Actual
For the Year Ended December 31, 2021
(With Comparative Actual Amounts for the Year Ended December 31, 2020)

	2021				2020
	Original Budget	Final Budget	Actual	Variance with Final Budget - Positive (Negative)	Actual
Revenues					
Charges for services	\$ 100	\$ 100	\$ 10	\$ (90)	\$ -
Investment earnings	100	100	-	(100)	58
Total Revenues	200	200	10	(190)	58
Net Change in Fund Balances	<u>\$ 200</u>	<u>\$ 200</u>	10	<u>\$ (190)</u>	58
Fund Balances Beginning of Year			8,152		8,094
Fund Balances End of Year			<u>\$ 8,162</u>		<u>\$ 8,152</u>

City of Durango, Colorado
Combining Balance Sheet
Nonmajor Debt Service Funds
December 31, 2021

	Sales Tax Bonds Debt Service Funds	2007 Sales Tax Bonds Debt Service Fund	Total Nonmajor Debt Service Funds
Assets			
Equity in cash and cash equivalents	\$ -	\$ 183,003	\$ 183,003
	<u>-</u>	<u>183,003</u>	<u>183,003</u>
Fund balances			
Restricted	-	183,003	183,003
	<u>-</u>	<u>183,003</u>	<u>183,003</u>
Total Liabilities and Fund Balance	\$ -	\$ 183,003	\$ 183,003
	<u>-</u>	<u>183,003</u>	<u>183,003</u>

City of Durango, Colorado
Combining Statement of Revenues, Expenditures and Changes in Fund Balances
Nonmajor Debt Service Funds
For the Year Ended December 31, 2021

	Sales Tax Bonds Debt Service Funds	2007 Sales Tax Bonds Debt Service Fund	Total Nonmajor Debt Service Funds
Expenditures			
Debt Service			
Principal retirement	\$ -	\$ 2,100,000	\$ 2,100,000
Interest and fiscal charges	-	328,077	328,077
Total Expenditures	-	2,428,077	2,428,077
Excess (deficiency) of revenues over expenditures	-	(2,428,077)	(2,428,077)
Other financing sources (uses)			
Transfers in	-	2,428,996	2,428,996
Transfers out	(191)	-	(191)
Total Other Financing Sources (Uses)	(191)	2,428,996	2,428,805
Net Change in Fund Balances	(191)	919	728
Fund Balances Beginning of Year	191	182,084	182,275
Fund Balances End of Year	\$ -	\$ 183,003	\$ 183,003

City of Durango, Colorado
Sales Tax Bonds Debt Service Fund
Comparative Balance Sheet
December 31, 2021 and 2020

	<u>2021</u>	<u>2020</u>
Assets		
Equity in cash and cash equivalents	\$ -	\$ 191
	<u> </u>	<u> </u>
Fund balances		
Restricted	-	191
	<u> </u>	<u> </u>
Total Liabilities and Fund Balances	<u>\$ -</u>	<u>\$ 191</u>

City of Durango, Colorado
Sales Tax Bonds Debt Service Fund
Comparative Statement of Expenditures
and Changes in Fund Balances
For the Years Ended December 31, 2021 and 2020

	<u>2021</u>	<u>2020</u>
Other financing sources (uses)		
Transfers out	\$ (191)	\$ -
Total Other Financing Sources (Uses)	<u>(191)</u>	<u>-</u>
Net Change in Fund Balances	(191)	-
Fund Balances Beginning of Year	<u>191</u>	<u>191</u>
Fund Balances End of Year	<u><u>\$ -</u></u>	<u><u>\$ 191</u></u>

City of Durango, Colorado
2007 Sales Tax Bonds Debt Service Fund
Comparative Balance Sheet
December 31, 2021 and 2020

	<u>2021</u>	<u>2020</u>
Assets		
Equity in cash and cash equivalents	<u>183,003</u>	<u>418,084</u>
Liabilities		
Interfund payable	<u>-</u>	<u>236,000</u>
Total Liabilities	<u>-</u>	<u>236,000</u>
Fund balances		
Restricted	<u>183,003</u>	<u>182,084</u>
Total Liabilities and Fund Balances	<u>\$ 183,003</u>	<u>\$ 418,084</u>

City of Durango, Colorado
2007 Sales Tax Bonds Debt Service Fund
Comparative Statement of Expenditures
and Changes in Fund Balances
For the Years Ended December 31, 2021 and 2020

	<u>2021</u>	<u>2020</u>
Expenditures		
Debt Service		
Principal retirement	\$ 2,100,000	\$ 2,060,000
Interest and fiscal charges	<u>328,077</u>	<u>373,467</u>
Total Expenditures	<u>2,428,077</u>	<u>2,433,467</u>
Excess (Deficiency) of Revenues Over		
(Under) Expenditures	<u>(2,428,077)</u>	<u>(2,433,467)</u>
Other financing sources (uses)		
Transfers in	<u>2,428,996</u>	<u>2,197,018</u>
Total Other Financing Sources (Uses)	<u>2,428,996</u>	<u>2,197,018</u>
Net Change in Fund Balances	919	(236,449)
Fund Balances Beginning of Year	<u>182,084</u>	<u>418,533</u>
Fund Balances End of Year	<u><u>\$ 183,003</u></u>	<u><u>\$ 182,084</u></u>

City of Durango, Colorado
Combining Balance Sheet
Nonmajor Governmental Funds
Capital Projects Funds
December 31, 2021

	Capital Improvements Fund	Parks, Open Space and Trails Fund	Capital Projects Fund	Total Nonmajor Capital Projects Funds
Assets				
Equity in cash and cash equivalents	\$ 220,762	\$ 2,862,140	\$ 870,428	\$ 3,953,330
Accounts receivable	-	-	510,000	510,000
Sales and use tax receivable	236,245	236,245	-	472,490
Intergovernmental	-	89,694	-	89,694
Interest	-	-	283,733	283,733
Total Assets	<u>\$ 457,007</u>	<u>\$ 3,188,079</u>	<u>\$ 1,664,161</u>	<u>\$ 5,309,247</u>
Liabilities and fund balances				
Liabilities				
Accounts payable	\$ -	\$ 105,710	\$ 51,158	\$ 156,868
Unearned revenue	-	-	197,700	197,700
DI-Unearned revenues	-	-	793,733	793,733
Total Liabilities	<u>-</u>	<u>105,710</u>	<u>1,042,591</u>	<u>1,148,301</u>
Fund balances				
Restricted	457,007	3,082,369	-	3,539,376
Committed	-	-	621,570	621,570
Total Fund Balances	<u>457,007</u>	<u>3,082,369</u>	<u>621,570</u>	<u>4,160,946</u>
Total Liabilities and Fund Balances	<u>\$ 457,007</u>	<u>\$ 3,188,079</u>	<u>\$ 1,664,161</u>	<u>\$ 5,309,247</u>

City of Durango, Colorado
Combining Statement of Revenues, Expenditures and Changes in Fund Balances
Nonmajor Governmental Funds
Capital Projects Funds
For the Year Ended December 31, 2021

	Capital Improvements Fund	Parks, Open Space and Trails Fund	Capital Projects Fund	Total Nonmajor Capital Projects Funds
Revenues				
Sales taxes	\$ 2,440,772	\$ 2,440,772	\$ -	\$ 4,881,544
Use taxes	120,826	120,826	-	241,652
Intergovernmental	-	162,360	-	162,360
Investment earnings	(218)	(285)	218	(285)
Total Revenues	<u>2,561,380</u>	<u>2,723,673</u>	<u>218</u>	<u>5,285,271</u>
Expenditures				
General government	-	-	360,705	360,705
Public works	-	-	170,224	170,224
Parks and recreation	-	-	175,768	175,768
Community services	-	25,000	-	25,000
Capital outlay	-	2,366,958	-	2,366,958
Total Expenditures	<u>-</u>	<u>2,391,958</u>	<u>706,697</u>	<u>3,098,655</u>
Excess (deficiency) of revenues over expenditures	<u>2,561,380</u>	<u>331,715</u>	<u>(706,479)</u>	<u>2,186,616</u>
Other Financing Sources (Uses)				
Transfers in	324,149	-	417,500	741,649
Transfers out	(2,428,805)	(453,557)	-	(2,882,362)
Total Other Financing Sources (Uses)	<u>(2,104,656)</u>	<u>(453,557)</u>	<u>417,500</u>	<u>(2,140,713)</u>
Net Changes in Fund Balance	<u>456,724</u>	<u>(121,842)</u>	<u>(288,979)</u>	<u>45,903</u>
Fund Balances - Beginning of Year	<u>283</u>	<u>3,204,211</u>	<u>910,549</u>	<u>4,115,043</u>
Fund Balances - End of Year	<u>\$ 457,007</u>	<u>\$ 3,082,369</u>	<u>\$ 621,570</u>	<u>\$ 4,160,946</u>

City of Durango, Colorado
Capital Improvements Fund
Comparative Balance Sheet
December 31, 2021 and 2020

	<u>2021</u>	<u>2020</u>
Assets		
Equity in cash and cash equivalents	\$ 220,762	\$ 521
Sales and use tax receivable	<u>236,245</u>	<u>246,762</u>
Total Assets	<u><u>\$ 457,007</u></u>	<u><u>\$ 247,283</u></u>
Liabilities and Fund Balances		
Liabilities		
Interfund payable	\$ -	\$ 247,000
Total Liabilities	<u>-</u>	<u>247,000</u>
Net Position		
Restricted	<u>457,007</u>	<u>283</u>
Total Net Position	<u>457,007</u>	<u>283</u>
Total Liabilities and Fund Balances	<u><u>\$ 457,007</u></u>	<u><u>\$ 247,283</u></u>

City of Durango, Colorado
Capital Improvements Fund
Schedule of Revenues, Expenditures and
Changes in Fund Balances - Budget and Actual
For the Year Ended December 31, 2021
(With Comparative Actual Amounts for the Year Ended December 31, 2020)

	2021				2020
	Original Budget	Final Budget	Actual	Variance with Final Budget - Positive (Negative)	Actual
Revenues					
Sales taxes	\$ 1,934,043	\$ 1,934,043	\$ 2,440,772	\$ 506,729	\$ 2,057,577
Use taxes	153,275	153,275	120,826	(32,449)	132,023
Investment earnings	22,000	22,000	(218)	(22,218)	6,973
Total Revenues	<u>2,109,318</u>	<u>2,109,318</u>	<u>2,561,380</u>	<u>452,062</u>	<u>2,196,573</u>
Expenditures					
Total Expenditures	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>2,109,318</u>	<u>2,109,318</u>	<u>2,561,380</u>	<u>452,062</u>	<u>2,196,573</u>
Other Financing Sources (Uses)					
Transfers in	324,149	324,149	324,149	-	-
Transfers out	(2,433,467)	(2,433,467)	(2,428,805)	4,662	(2,197,018)
Total Other Financing Sources (Uses)	<u>(2,109,318)</u>	<u>(2,109,318)</u>	<u>(2,104,656)</u>	<u>4,662</u>	<u>(2,197,018)</u>
Net Change in Fund Balances	<u>\$ -</u>	<u>\$ -</u>	<u>456,724</u>	<u>\$ 456,724</u>	<u>(445)</u>
Fund Balances Beginning of Year			<u>283</u>		<u>728</u>
Fund Balances End of Year			<u>\$ 457,007</u>		<u>\$ 283</u>

City of Durango, Colorado
Parks, Open Space and Trails Fund
Comparative Balance Sheet
December 31, 2021 and 2020

	<u>2021</u>	<u>2020</u>
Assets		
Equity in cash and cash equivalents	\$ 2,862,140	\$ 2,978,840
Sales and use tax receivable	236,245	246,762
Intergovernmental	89,694	-
Total Assets	<u>\$ 3,188,079</u>	<u>\$ 3,225,602</u>
Liabilities and Fund Balances		
Liabilities		
Accounts payable	\$ 105,710	\$ 21,391
Total Liabilities	<u>105,710</u>	<u>21,391</u>
Net Position		
Restricted	<u>3,082,369</u>	<u>3,204,211</u>
Total Net Position	<u>3,082,369</u>	<u>3,204,211</u>
Total Liabilities and Fund Balances	<u>\$ 3,188,079</u>	<u>\$ 3,225,602</u>

City of Durango, Colorado
Parks, Open Space and Trails Fund
Schedule of Revenues, Expenditures and
Changes in Fund Balances - Budget and Actual
For the Year Ended December 31, 2021
(With Comparative Actual Amounts for the Year Ended December 31, 2020)

	2021				2020
	Original Budget	Final Budget	Actual	Variance with Final Budget - Positive (Negative)	Actual
Revenues					
Sales taxes	\$ 1,934,043	\$ 1,934,043	\$ 2,440,772	\$ 506,729	\$ 2,057,577
Use taxes	153,275	153,275	120,826	(32,449)	132,023
Intergovernmental	-	-	162,360	162,360	-
Investment earnings	35,000	35,000	(285)	(35,285)	17,646
Total Revenues	<u>2,122,318</u>	<u>2,122,318</u>	<u>2,723,673</u>	<u>601,355</u>	<u>2,207,246</u>
Expenditures					
Community services	-	25,000	25,000	-	-
Capital outlay	<u>2,522,898</u>	<u>2,334,296</u>	<u>2,366,958</u>	<u>(32,662)</u>	<u>1,149,147</u>
Total Expenditures	<u>2,522,898</u>	<u>2,359,296</u>	<u>2,391,958</u>	<u>(32,662)</u>	<u>1,149,147</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>(400,580)</u>	<u>(236,978)</u>	<u>331,715</u>	<u>568,693</u>	<u>1,058,099</u>
Other Financing Sources (Uses)					
Transfers in	-	-	-	-	293,041
Transfers out	<u>(453,557)</u>	<u>(453,557)</u>	<u>(453,557)</u>	<u>-</u>	<u>(408,341)</u>
Total Other Financing Sources (Uses)	<u>(453,557)</u>	<u>(453,557)</u>	<u>(453,557)</u>	<u>-</u>	<u>(115,300)</u>
Net Change in Fund Balances	<u>\$ (854,137)</u>	<u>\$ (690,535)</u>	<u>(121,842)</u>	<u>\$ 568,693</u>	<u>942,799</u>
Fund Balances Beginning of Year			<u>3,204,211</u>		<u>2,261,412</u>
Fund Balances End of Year			<u>\$ 3,082,369</u>		<u>\$ 3,204,211</u>

City of Durango, Colorado
Capital Projects Fund
Comparative Balance Sheet
December 31, 2021 and 2020

	<u>2021</u>	<u>2020</u>
Assets		
Equity in cash and cash equivalents	\$ 870,428	\$ 310,812
Accounts	510,000	510,000
Intergovernmental	-	849,407
Interest	283,733	268,433
Total Assets	<u>\$ 1,664,161</u>	<u>\$ 1,938,652</u>
Liabilities and Fund Balances		
Liabilities		
Accounts payable	\$ 51,158	\$ 249,670
Unearned revenue	197,700	-
Long term notes receivable	793,733	778,433
Total Liabilities	<u>1,042,591</u>	<u>1,028,103</u>
Net Position		
Committed	<u>621,570</u>	<u>910,549</u>
Total Net Position	<u>621,570</u>	<u>910,549</u>
Total Liabilities and Fund Balances	<u>\$ 1,664,161</u>	<u>\$ 1,938,652</u>

City of Durango, Colorado
Capital Projects Fund
Schedule of Revenues, Expenditures and
Changes in Fund Balances - Budget and Actual
For the Year Ended December 31, 2021
(With Comparative Actual Amounts for the Year Ended December 31, 2020)

	2021			2020	
	Original Budget	Final Budget	Actual	Variance with Final Budget - Positive (Negative)	Actual
Revenues					
Intergovernmental	\$ -	\$ -	\$ -	\$ -	\$ 1,659,348
Investment earnings	-	-	218	218	66,604
Total Revenues	-	-	218	218	1,725,952
Expenditures					
General government	1,428,960	1,428,960	360,705	1,068,255	68,980
Public works	150,000	355,870	170,224	185,646	3,262,320
Parks and recreation	85,000	644,870	175,768	469,102	7,868,653
Total Expenditures	1,663,960	2,429,700	706,697	1,723,003	11,199,953
Excess (Deficiency) of Revenues Over (Under) Expenditures	(1,663,960)	(2,429,700)	(706,479)	1,723,221	(9,474,001)
Other Financing Sources (Uses)					
Transfers in	417,500	417,500	417,500	-	3,499,993
Total Other Financing Sources (Uses)	417,500	417,500	417,500	-	3,499,993
Net Change in Fund Balances	<u>\$ (1,246,460)</u>	<u>\$ (2,012,200)</u>	(288,979)	<u>\$ 1,723,221</u>	(5,974,008)
Fund Balances Beginning of Year			910,549		6,884,557
Fund Balances End of Year			<u>\$ 621,570</u>		<u>\$ 910,549</u>



MAJOR ENTERPRISE FUNDS

Water Utility Fund - to account for revenues and expenses associated with providing water services to the City of Durango residents and some county residents.

Sewer Utility Fund - to account for revenues and expenses associated with providing waste water treatment services to residents of the City of Durango and some county residents.

Trash and Recycling Fund - to account for revenues and expenses associated with refuse collection and recycling operations.

Transportation Services Fund - to account for revenues and expenses associated with the operations of the City's parking programs, including enforcement and facilities maintenance and to account for revenues and expenses associated with providing mass transportation within the City.

City of Durango, Colorado
Water Utility Fund
Comparative Statement of Net Position
December 31, 2021 and 2020

	<u>2021</u>	<u>2020</u>
Assets		
Current Assets		
Equity in cash and cash equivalents	\$ 17,167,918	\$ 16,066,269
Receivables		
Accounts	707,771	727,349
Inventory	144,306	129,762
Total Current Assets	<u>18,019,995</u>	<u>16,923,380</u>
Noncurrent Assets		
Note receivable	87,295	107,126
Capital Assets		
Land, easements and water rights	7,048,853	7,048,853
Construction in progress	402,729	1,174,827
Depreciable capital assets, net	42,661,485	40,849,038
Total Noncurrent Assets	<u>50,200,362</u>	<u>49,179,844</u>
Total Assets	<u>68,220,357</u>	<u>66,103,224</u>
Liabilities		
Current Liabilities		
Accounts payable	287,511	898,120
Accrued wages	21,164	57,335
Compensated Absences - due in one year	47,610	58,174
Loan payable	197,969	194,164
Total Current Liabilities	<u>554,254</u>	<u>1,207,793</u>
Long Term Liabilities		
Compensated absences net of current portion	47,610	58,173
Loan payable net of current portion	2,328,034	2,526,002
Total Liabilities	<u>2,929,898</u>	<u>3,791,968</u>
Net Position		
Net investment in capital assets	47,583,908	46,293,580
Unrestricted	17,706,551	16,017,676
Total Net Position	<u>\$ 65,290,459</u>	<u>\$ 62,311,256</u>

City of Durango, Colorado
Water Utility Fund
Comparative Statement of Revenues, Expenses, and Changes in Net Position
For the Years Ended December 31, 2021 and 2020

	<u>2021</u>	<u>2020</u>
Operating Revenues		
Charges for sales and services	\$ 6,903,516	\$ 7,269,453
Miscellaneous	97,251	125,045
Total Operating Revenues	<u>7,000,767</u>	<u>7,394,498</u>
Operating Expenses		
Administration	363,201	314,597
Source of supply	75,174	80,279
Pumping	67,489	107,342
Transmission and distribution	954,044	999,146
Treatment	937,698	965,368
Meter reading and repairs	86,094	93,911
Building maintenance	75,843	52,323
Non-departmental	268,174	311,737
Payment for services	749,620	1,001,625
Depreciation	1,674,225	1,506,164
Total Operating Expenses	<u>5,251,562</u>	<u>5,432,492</u>
Operating Income	<u>1,749,205</u>	<u>1,962,006</u>
Non-Operating Revenues (Expenses)		
Gain (loss) on the sale of capital assets	-	(39,815)
Interest expense	(52,101)	(55,833)
Investment earnings	6,326	123,956
Total Non-Operating Revenues (Expenses)	<u>(45,775)</u>	<u>28,308</u>
Income Before Capital Contributions and Transfers	1,703,430	1,990,314
Capital contributions	1,275,773	1,189,694
Change in Net Position	2,979,203	3,180,008
Net Position Beginning of Year	<u>62,311,256</u>	<u>59,131,248</u>
Net Position End of Year	<u><u>\$ 65,290,459</u></u>	<u><u>\$ 62,311,256</u></u>

City of Durango, Colorado
Water Utility Fund
Schedule of Revenues and Expenditures -
Budget and Actual - (Non-GAAP Budgetary Basis)
For the Year Ended December 31, 2021

	Original Budget	Final Budget	Actual	Variance with Final Budget - Positive (Negative)
Revenues				
Charges for sales and services	\$ 7,137,308	\$ 7,137,308	\$ 6,903,516	\$ (233,792)
Services provided	6,595,630	6,595,630	-	(6,595,630)
Miscellaneous	180,000	180,000	97,251	(82,749)
Gain (loss) on the sale of capital assets	5,000	5,000	-	(5,000)
Investment earnings	180,000	180,000	6,326	(173,674)
Interest expense	(55,833)	(55,833)	(52,101)	3,732
Capital contributions	588,879	588,879	1,275,773	686,894
Total Revenues	14,630,984	14,630,984	8,230,765	(6,400,219)
Expenditures				
Administration	365,497	394,104	363,201	30,903
Source of supply	83,900	83,900	75,174	8,726
Pumping	108,800	108,800	67,489	41,311
Transmission and distribution	1,153,197	1,169,523	954,044	215,479
Treatment	1,088,408	1,101,680	937,698	163,982
Meter reading and repairs	119,380	121,061	86,094	34,967
Building maintenance	111,703	111,703	75,843	35,860
Non-departmental	6,901,033	7,613,623	2,491,147	5,122,476
Payment for services	705,163	705,163	749,620	(44,457)
Contingency	100,000	100,000	-	100,000
Transfers out	6,595,630	6,663,130	-	6,663,130
Total Expenditures	17,332,711	18,172,687	5,800,310	12,372,377
Excess (Deficiency) of Revenues Over (Under) Expenditures	\$ (2,701,727)	\$ (3,541,703)	2,430,455	\$ 5,972,158
Reconciliation to GAAP Net Income:				
Remove Capital Outlay			2,028,809	
Remove Principal Payments			194,164	
Add Depreciation			(1,674,225)	
Net Income (Loss)			\$ 2,979,203	

City of Durango, Colorado
Sewer Utility Fund
Comparative Statement of Net Position
December 31, 2021 and 2020

	<u>2021</u>	<u>2020</u>
Assets		
Current Assets		
Equity in cash and cash equivalents	\$ 2,283,915	\$ 2,555,084
Cash held with fiscal agent	2,329,083	2,329,083
Receivables		
Accounts	1,100,875	1,125,371
Interfund	258,053	-
Intergovernmental	-	475,808
Inventory	27,899	16,251
Total Current Assets	<u>5,999,825</u>	<u>6,501,597</u>
Noncurrent Assets		
Note receivable	20,371	26,863
Capital Assets		
Land, easements and water rights	321,309	321,309
Construction in progress	-	218,003
Depreciable capital assets, net	81,276,530	83,402,008
Total Noncurrent Assets	<u>81,618,210</u>	<u>83,968,183</u>
Total Assets	<u>87,618,035</u>	<u>90,469,780</u>
Liabilities		
Current Liabilities		
Accounts payable	119,790	528,230
Accrued wages	24,727	74,757
Compensated Absences - due in one year	23,950	20,355
Loan payable	2,622,648	2,581,327
Interest Payable	463,535	364,328
Total Current Liabilities	<u>3,254,650</u>	<u>3,568,997</u>
Long Term Liabilities		
Unearned revenue	258,055	-
Compensated absences net of current portion	23,951	20,355
Loan payable net of current portion	47,186,100	49,808,747
Total Liabilities	<u>50,722,756</u>	<u>53,398,099</u>
Net Position		
Net investment in capital assets	34,105,052	33,833,329
Unrestricted	2,790,227	3,238,352
Total Net Position	<u>\$ 36,895,279</u>	<u>\$ 37,071,681</u>

City of Durango, Colorado
Sewer Utility Fund
Comparative Statement of Revenues, Expenses, and Changes in Net Position
For the Years Ended December 31, 2021 and 2020

	<u>2021</u>	<u>2020</u>
Operating Revenues		
Charges for sales and services	\$ 8,022,685	\$ 7,879,657
Miscellaneous	3,288	205,378
Total Operating Revenues	<u>8,025,973</u>	<u>8,085,035</u>
Operating Expenses		
Administration	363,032	419,430
Treatment	1,664,976	1,615,218
Collections	960,263	1,007,577
Building maintenance	5,475	410
Non-departmental	263,929	154,056
Payment for services	792,922	792,920
Depreciation	3,650,410	2,694,129
Total Operating Expenses	<u>7,701,007</u>	<u>6,683,740</u>
Operating Income	<u>324,966</u>	<u>1,401,295</u>
Non-Operating Revenues (Expenses)		
Interest expense	(914,721)	(842,201)
Intergovernmental grants	-	302,961
Investment earnings	204,420	6,824
Total Non-Operating Revenues (Expenses)	<u>(710,301)</u>	<u>(532,416)</u>
Income Before Capital Contributions and Transfers	<u>(385,335)</u>	<u>868,879</u>
Capital contributions	208,933	401,103
Change in Net Position	<u>(176,402)</u>	<u>1,269,982</u>
Net Position Beginning of Year	<u>37,071,681</u>	<u>35,801,699</u>
Net Position End of Year	<u><u>\$ 36,895,279</u></u>	<u><u>\$ 37,071,681</u></u>

City of Durango, Colorado
Sewer Utility Fund
Schedule of Revenues and Expenditures -
Budget and Actual - (Non-GAAP Budgetary Basis)
For the Year Ended December 31, 2021

	Original Budget	Final Budget	Actual	Variance with Final Budget - Positive (Negative)
Revenues				
Charges for sales and services	\$ 8,230,000	\$ 8,230,000	\$ 8,022,685	\$ (207,315)
Services provided	4,366,624	4,366,624	-	(4,366,624)
Miscellaneous	5,000	5,000	3,288	(1,712)
Investment earnings	75,000	75,000	204,420	129,420
Interest expense	(920,138)	(920,138)	(914,721)	5,417
Capital contributions	202,000	202,000	208,933	6,933
Total Revenues	<u>11,958,486</u>	<u>11,958,486</u>	<u>7,524,605</u>	<u>(4,433,881)</u>
Expenditures				
Administration	322,457	350,542	363,032	(12,490)
Treatment	1,691,403	1,703,842	1,664,976	38,866
Collections	1,058,575	1,077,318	960,263	117,055
Building maintenance	5,375	5,375	5,475	(100)
Non-departmental	7,060,390	8,900,116	4,038,858	4,861,258
Payment for services	792,918	792,918	792,922	(4)
Transfers out	4,366,624	4,447,824	-	4,447,824
Total Expenditures	<u>15,297,742</u>	<u>17,277,935</u>	<u>7,825,526</u>	<u>9,452,409</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>\$ (3,339,256)</u>	<u>\$ (5,319,449)</u>	(300,921)	<u>\$ 5,018,528</u>
Reconciliation to GAAP Net Income:				
Remove Capital Outlay			1,252,476	
Remove Principal Payments			2,522,453	
Add Depreciation			<u>(3,650,410)</u>	
Net Income (Loss)			<u>\$ (176,402)</u>	

City of Durango, Colorado
Trash and Recycling Fund
Comparative Statement of Net Position
December 31, 2021 and 2020

	<u>2021</u>	<u>2020</u>
Assets		
Equity in cash and cash equivalents	\$ 2,126,654	\$ 1,587,895
Accounts	369,479	345,108
Intergovernmental	-	10,616
Land, easements and water rights	89,622	89,622
Construction in progress	8,798	-
Depreciable capital assets, net	<u>1,824,619</u>	<u>1,969,364</u>
Total Assets	<u>4,419,172</u>	<u>4,002,605</u>
Liabilities		
Accounts payable	61,156	40,475
Accrued wages	14,902	33,652
Compensated Absences - due in one year	30,958	38,919
Compensated absences net of current portion	<u>30,958</u>	<u>38,918</u>
Total Liabilities	<u>137,974</u>	<u>151,964</u>
Net Position		
Net investment in capital assets	1,923,039	2,058,986
Unrestricted	<u>2,358,159</u>	<u>1,791,655</u>
Total Net Position	<u><u>\$ 4,281,198</u></u>	<u><u>\$ 3,850,641</u></u>

City of Durango, Colorado
Trash and Recycling Fund
Comparative Statement of Revenues, Expenses, and Changes in Net Position
For the Years Ended December 31, 2021 and 2020

	<u>2021</u>	<u>2020</u>
Operating Revenues		
Charges for sales and services	\$ 3,247,038	\$ 3,061,918
Miscellaneous	89,013	89,868
Total Operating Revenues	<u>3,336,051</u>	<u>3,151,786</u>
Operating Expenses		
Administration	3,000	3,000
Collections	1,130,206	956,661
Recycling	776,051	649,278
Recycling center	329,858	449,853
Sustainability	128,720	107,202
Equipment maintenance	-	27,575
Non-departmental	121,495	201,931
Payment for services	303,317	303,315
Depreciation	144,745	177,749
Total Operating Expenses	<u>2,937,392</u>	<u>2,876,564</u>
Operating Income	<u>398,659</u>	<u>275,222</u>
Non-Operating Revenues (Expenses)		
Gain (loss) on the sale of capital assets	-	5,500
Intergovernmental grants	31,786	10,616
Investment earnings	112	10,073
Total Non-Operating Revenues (Expenses)	<u>31,898</u>	<u>26,189</u>
Change in Net Position	430,557	301,411
Net Position Beginning of Year	<u>3,850,641</u>	<u>3,549,230</u>
Net Position End of Year	<u><u>\$ 4,281,198</u></u>	<u><u>\$ 3,850,641</u></u>

City of Durango, Colorado
Trash and Recycling Fund
Schedule of Revenues and Expenditures -
Budget and Actual - (Non-GAAP Budgetary Basis)
For the Year Ended December 31, 2021

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget - Positive (Negative)</u>
Revenues				
Charges for sales and services	\$ 2,936,000	\$ 2,936,000	\$ 3,247,038	\$ 311,038
Miscellaneous	90,000	90,000	89,013	(987)
Intergovernmental grants	-	-	31,786	31,786
Investment earnings	15,000	15,000	112	(14,888)
Total Revenues	<u>3,041,000</u>	<u>3,041,000</u>	<u>3,367,949</u>	<u>326,949</u>
Expenditures				
Administration	3,200	3,200	3,000	200
Collections	1,115,327	1,124,686	1,130,206	(5,520)
Recycling	784,416	791,596	776,051	15,545
Recycling center	539,191	539,191	329,858	209,333
Sustainability	163,109	164,954	128,720	36,234
Non-departmental	106,891	148,413	130,293	18,120
Payment for services	303,313	303,313	303,317	(4)
Total Expenditures	<u>3,015,447</u>	<u>3,075,353</u>	<u>2,801,445</u>	<u>273,908</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>\$ 25,553</u>	<u>\$ (34,353)</u>	566,504	<u>\$ 600,857</u>
Reconciliation to GAAP Net Income:				
Add Depreciation			(144,745)	
Net Income (Loss)			<u>\$ 421,759</u>	

City of Durango, Colorado
Transportation Services Fund
Comparative Statement of Net Position
December 31, 2021 and 2020

	<u>2021</u>	<u>2020</u>
Assets		
Current Assets		
Equity in cash and cash equivalents	\$ 1,992,214	\$ 2,028,854
Receivables		
Accounts	7,073	5,076
Intergovernmental	<u>464,605</u>	<u>415,206</u>
Total Current Assets	<u>2,463,892</u>	<u>2,449,136</u>
Noncurrent Assets		
Capital Assets		
Land, easements and water rights	3,886,835	3,886,835
Depreciable capital assets, net	<u>5,506,678</u>	<u>5,855,876</u>
Total Noncurrent Assets	<u>9,393,513</u>	<u>9,742,711</u>
Total Assets	<u>11,857,405</u>	<u>12,191,847</u>
Liabilities		
Current Liabilities		
Accounts payable	37,459	155,865
Accrued wages	29,290	69,911
Compensated Absences - due in one year	<u>57,519</u>	<u>43,390</u>
Total Current Liabilities	<u>124,268</u>	<u>269,166</u>
Long Term Liabilities		
Compensated absences net of current portion	<u>57,519</u>	<u>43,390</u>
Total Liabilities	<u>181,787</u>	<u>312,556</u>
Net Position		
Net investment in capital assets	9,393,513	9,742,711
Unrestricted	<u>2,282,105</u>	<u>2,136,580</u>
Total Net Position	<u><u>\$ 11,675,618</u></u>	<u><u>\$ 11,879,291</u></u>

City of Durango, Colorado
Transportation Services Fund
Comparative Statement of Revenues, Expenses, and Changes in Net Position
For the Years Ended December 31, 2021 and 2020

	<u>2021</u>	<u>2020</u>
Operating Revenues		
Charges for sales and services	\$ 1,994,097	\$ 1,610,993
Miscellaneous	9,811	122,457
Total Operating Revenues	<u>2,003,908</u>	<u>1,733,450</u>
Operating Expenses		
Administration	266,339	181,892
Parking operations	701,053	585,802
Loop system	1,933,444	1,682,816
Multi-modal	127,949	42,668
Equipment maintenance	-	37,844
Non-departmental	238,355	322,275
Payment for services	460,533	460,531
Depreciation	424,560	351,569
Total Operating Expenses	<u>4,152,233</u>	<u>3,665,397</u>
Operating Income	<u>(2,148,325)</u>	<u>(1,931,947)</u>
Non-Operating Revenues (Expenses)		
Gain (loss) on the sale of capital assets	66,600	-
Intergovernmental grants	1,385,317	1,584,302
Investment earnings	246	15,529
Total Non-Operating Revenues (Expenses)	<u>1,452,163</u>	<u>1,599,831</u>
Income Before Capital Contributions and Transfers	(696,162)	(332,116)
Capital contributions	15,072	-
Transfers in	477,417	87,500
Change in Net Position	(203,673)	(244,616)
Net Position Beginning of Year	<u>11,879,291</u>	<u>12,123,907</u>
Net Position End of Year	<u><u>\$ 11,675,618</u></u>	<u><u>\$ 11,879,291</u></u>

City of Durango, Colorado
Transportation Services Fund
Schedule of Revenues and Expenditures -
Budget and Actual - (Non-GAAP Budgetary Basis)
For the Year Ended December 31, 2021

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget - Positive (Negative)</u>
Revenues				
Charges for sales and services	\$ 2,030,464	\$ 2,030,464	\$ 1,994,097	\$ (36,367)
Miscellaneous	-	-	9,811	9,811
Gain (loss) on the sale of capital assets	25,000	25,000	66,600	41,600
Intergovernmental grants	1,639,873	1,789,873	1,385,317	(404,556)
Investment earnings	42,000	42,000	246	(41,754)
Capital contributions	-	-	(15,072)	(15,072)
Transfers in	225,000	225,000	507,561	282,561
Total Revenues	<u>3,962,337</u>	<u>4,112,337</u>	<u>3,948,560</u>	<u>(163,777)</u>
Expenditures				
Administration	311,762	302,090	266,339	35,751
Parking operations	750,216	783,474	701,053	82,421
Loop system	2,257,856	2,738,979	1,933,444	805,535
Multi-modal	168,554	173,574	127,949	45,625
Non-departmental	213,869	300,858	313,717	(12,859)
Payment for services	460,529	460,529	460,533	(4)
Total Expenditures	<u>4,162,786</u>	<u>4,759,504</u>	<u>3,803,035</u>	<u>956,469</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>\$ (200,449)</u>	<u>\$ (647,167)</u>	145,525	<u>\$ 792,692</u>
Reconciliation to GAAP Net Income:				
Remove Capital Outlay			75,362	
Add Depreciation			(424,560)	
Net Income (Loss)			<u>\$ (203,673)</u>	



INTERNAL SERVICE FUNDS

General Services Fund - to account for the costs of providing support services used by other City departments. These services include vehicle and equipment maintenance, central purchasing, warehousing and building and plant supervision.

Capital Equipment Reserve Fund - to accumulate funds provided by other City departments through rental fees for the orderly replacement of City vehicles, radios and equipment.

Self Insurance Fund - to accumulate funds to pay medical claims for employees and covered dependents through insurance premiums billed to other City departments.

Risk Management Fund- to account for the costs of property and casualty insurance as well as the costs associated with worker's compensation insurance.

City of Durango, Colorado
Combining Statement of Net Position
Internal Service Funds
December 31, 2021

	General Services Fund	Capital Equipment Replacement Fund	Self Insurance Fund	Risk Management Fund	Total
Assets					
Current Assets					
Equity in cash and cash equivalents	\$ 480	\$ 6,371,965	\$ 543	\$ 578,209	\$ 6,951,197
Accounts receivable	-	2,550	888,915	7,817	899,282
Inventory	125,059	246,133	-	-	371,192
Total Current Assets	125,539	6,620,648	889,458	586,026	8,221,671
Noncurrent Assets					
Capital Assets					
Land, easements and water rights	67,889	-	-	-	67,889
Construction in progress	-	766,899	-	-	766,899
Depreciable capital assets, net	1,084,039	4,488,575	-	-	5,572,614
Total Noncurrent Assets	1,151,928	5,255,474	-	-	6,407,402
Total Assets	1,277,467	11,876,122	889,458	586,026	14,629,073
Liabilities					
Current Liabilities					
Accounts payable	45,595	37,706	487,447	40,443	611,191
Accrued wages	1,987	8,970	-	1,493	12,450
Compensated Absences - due in one year	5,008	34,734	-	5,538	45,280
Interfund payable	80,000	-	192,000	-	272,000
Total Current Liabilities	132,590	81,410	679,447	47,474	940,921
Long Term Liabilities					
Compensated absences net of current portion	5,009	34,732	-	5,539	45,280
Total Long Term Liabilities	5,009	34,732	-	5,539	45,280
Total Liabilities	137,599	116,142	679,447	53,013	986,201
Net Position					
Net investment in capital assets	1,151,928	5,255,474	-	-	6,407,402
Restricted	-	6,504,506	-	-	6,504,506
Unrestricted	(12,060)	-	210,011	533,013	730,964
Total Net Position	\$ 1,139,868	\$ 11,759,980	\$ 210,011	\$ 533,013	\$ 13,642,872

City of Durango, Colorado
Combining Statement of Revenues
Expenses and Changes in Fund Net Position
Internal Service Funds
For the Year Ended December 31, 2021

	General Services Fund	Capital Equipment Replacement Fund	Self Insurance Fund	Risk Management Fund	Total
Operating Revenues					
Charges for sales and services	\$ 5,898	\$ 3,298,777	\$ 573,406	\$ -	\$ 3,878,081
Services provided	50,004	-	5,219,201	1,339,415	6,608,620
Miscellaneous	129	5,178	40,597	65	45,969
Total Operating Revenues	56,031	3,303,955	5,833,204	1,339,480	10,532,670
Operating Expenses					
Administration	129,838	-	7,221	123,886	260,945
Building maintenance	101,284	-	-	-	101,284
Equipment maintenance	-	1,299,983	-	-	1,299,983
Insurance claims and premiums	-	-	-	1,232,592	1,232,592
Medical claims and premiums	-	-	6,833,840	-	6,833,840
Non-departmental	41	-	-	-	41
Depreciation	37,786	1,535,173	-	-	1,572,959
Total Operating Expenses	268,949	2,835,156	6,841,061	1,356,478	11,301,644
Operating Income (Loss)	(212,918)	468,799	(1,007,857)	(16,998)	(768,974)
Non-Operating Revenues (Expenses)					
Gain (loss) on the sale of capital assets	-	224,400	-	-	224,400
Investment earnings	22	134	471	(9)	618
Total Non-Operating Revenues (Expenses)	22	224,534	471	(9)	225,018
Income (Loss) Before Contributions and Transfers	(212,896)	693,333	(1,007,386)	(17,007)	(543,956)
Capital contributions	-	44,461	-	-	44,461
Transfers in	-	-	480,490	17,335	497,825
Change in Net Position	(212,896)	737,794	(526,896)	328	(1,670)
Net Position Beginning of Year	1,352,764	11,022,186	736,907	532,685	13,644,542
Net Position End of Year	\$ 1,139,868	\$ 11,759,980	\$ 210,011	\$ 533,013	\$ 13,642,872

City of Durango, Colorado
Combining Statement of Cash Flows
Internal Service Funds
For the Year Ended December 31, 2021

	General Services	Capital Equipment Reserve	Self Insurance	Risk Manager	Total
<u>Cash flows from operating activities</u>					
Receipts from customers and users	\$ 28,602	\$ 3,259,787	\$ 5,050,182	\$ 1,481,598	\$ 9,820,169
Other receipts	129	5,178	40,597	65	45,969
Payments to suppliers and employees	(213,718)	(1,328,773)	(6,719,895)	(1,342,764)	(9,605,150)
Net cash provided by (used for) operating activities	(184,987)	1,936,192	(1,629,116)	138,899	260,988
<u>Cash Flows from Noncapital Financing Activities</u>					
Interfund borrowings	80,000	-	192,000	-	272,000
Transfers from other funds	-	44,461	480,490	17,335	542,286
Net cash provided by (used for) noncapital financing activities	80,000	44,461	672,490	17,335	814,286
<u>Cash flows from capital and related financing activities</u>					
Sale of capital assets	-	224,400	-	-	224,400
Purchase of fixed assets	-	(985,288)	-	-	(985,288)
Net cash used for capital and related financing	-	(760,888)	-	-	(760,888)
<u>Cash flows from investing activities</u>					
Interest earned	22	134	471	(9)	618
Net cash provided by investing activities	22	134	471	(9)	618
Net change in cash and equivalents	(104,965)	1,219,899	(956,155)	156,225	315,004
Cash and equivalents, beginning of year	105,445	5,152,066	956,698	421,984	6,636,193
Cash and equivalents, end of year	\$ 480	\$ 6,371,965	\$ 543	\$ 578,209	\$ 6,951,197
Operating income (loss)	\$ (212,918)	\$ 468,799	\$ (1,007,857)	\$ (16,998)	\$ (768,974)
Adjustments to reconcile operating income (loss) to net cash provided by (used for) operating activities					
Depreciation	37,786	1,535,173	-	-	1,572,959
Decrease (increase) in accounts receivable	-	(2,550)	(742,425)	142,183	(602,792)
Decrease (increase) in inventory	(27,300)	(36,440)	-	-	(63,740)
Decrease (increase) in accounts payable	19,233	(14,714)	121,166	15,807	141,492
Decrease (increase) in accrued liabilities	(3,294)	(18,355)	-	(2,369)	(24,018)
Decrease (increase) in compensated absences	1,506	4,279	-	276	6,061
Total adjustments	27,931	1,467,393	(621,259)	155,897	1,029,962
Net cash provided by (used for) operating activities	\$ (184,987)	\$ 1,936,192	\$ (1,629,116)	\$ 138,899	\$ 260,988

City of Durango, Colorado
General Services Fund
Comparative Statement of Net Position
December 31, 2021 and 2020

	<u>2021</u>	<u>2020</u>
Assets		
Current Assets:		
Equity in cash and cash equivalents	\$ 480	\$ 105,445
Inventory	125,059	97,759
Total Current Assets	<u>125,539</u>	<u>203,204</u>
Noncurrent Assets		
Capital Assets		
Land, easements and water rights	67,889	67,889
Depreciable capital assets, net	1,084,039	1,121,825
Total Noncurrent Assets	<u>1,151,928</u>	<u>1,189,714</u>
Total Assets	<u>1,277,467</u>	<u>1,392,918</u>
Liabilities		
Current Liabilities:		
Accounts payable	45,595	26,362
Accrued wages	1,987	5,281
Compensated Absences - due in one year	5,008	4,256
Total Current Liabilities	<u>52,590</u>	<u>35,899</u>
Long Term Liabilities		
Interfund payable	80,000	-
Compensated absences net of current portion	5,009	4,255
Total Liabilities	<u>137,599</u>	<u>40,154</u>
Net Position		
Net investment in capital assets	1,151,928	1,189,714
Unrestricted	(12,060)	163,050
Total Net Position	<u><u>\$ 1,139,868</u></u>	<u><u>\$ 1,352,764</u></u>

City of Durango, Colorado
General Services Fund
Comparative Statement of Revenues, Expenses, and Changes in Fund Net Position
For the Years Ended December 31, 2021 and 2020

	<u>2021</u>	<u>2020</u>
Operating Revenues		
Charges for sales and services	\$ 5,898	\$ 20,724
Services provided	50,004	50,002
Miscellaneous	129	-
Total Operating Revenues	<u>56,031</u>	<u>70,726</u>
Operating Expenses		
Administration	129,838	113,483
Building maintenance	101,284	85,319
Non-departmental	41	-
Depreciation	37,786	38,297
Total Operating Expenses	<u>268,949</u>	<u>237,099</u>
Operating Income (Loss)	<u>(212,918)</u>	<u>(166,373)</u>
Non-Operating Revenues (Expenses)		
Investment earnings	22	1,259
Total Non-Operating Revenues (Expenses)	<u>22</u>	<u>1,259</u>
Change in Net Position	(212,896)	(165,114)
Net Position Beginning of Year	<u>1,352,764</u>	<u>1,517,878</u>
Net Position End of Year	<u><u>\$ 1,139,868</u></u>	<u><u>\$ 1,352,764</u></u>

City of Durango, Colorado
General Services Fund
Schedule of Revenues and Expenditures -
Budget and Actual - (Non-GAAP Budgetary Basis)
For the Year Ended December 31, 2021

	Original Budget	Final Budget	Actual	Variance with Final Budget - Positive (Negative)
Revenues				
Charges for sales and services	\$ 1,500	\$ 1,500	\$ 5,898	\$ 4,398
Services provided	50,000	50,000	50,004	4
Miscellaneous	-	-	129	129
Investment earnings	7,000	7,000	22	(6,978)
Total Revenues	<u>58,500</u>	<u>58,500</u>	<u>56,053</u>	<u>(2,447)</u>
Expenditures				
Administration	143,988	147,362	129,838	17,524
Building maintenance	82,049	82,049	101,284	(19,235)
Non-departmental	-	-	41	(41)
Total Expenditures	<u>226,037</u>	<u>229,411</u>	<u>231,163</u>	<u>(1,752)</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>\$ (167,537)</u>	<u>\$ (170,911)</u>	<u>(175,110)</u>	<u>\$ (4,199)</u>
Reconciliation to GAAP Net Income:				
Add Depreciation			<u>(37,786)</u>	
Net Income (Loss)			<u><u>\$ (212,896)</u></u>	

City of Durango, Colorado
Capital Equipment Replacement Fund
Comparative Statement of Net Position
December 31, 2021 and 2020

	2021	2020
Assets		
Equity in cash and cash equivalents	\$ 6,371,965	\$ 5,152,066
Accounts receivable	2,550	-
Inventory	246,133	209,693
Construction in progress	766,899	-
Depreciable capital assets, net	4,488,575	5,805,359
Total Assets	11,876,122	11,167,118
Liabilities		
Accounts payable	37,706	52,420
Accrued wages	8,970	27,325
Compensated Absences - due in one year	34,734	32,593
Compensated absences net of current portion	34,732	32,594
Total Liabilities	116,142	144,932
Net Position		
Net investment in capital assets	5,255,474	5,805,359
Restricted	6,504,506	-
Unrestricted	-	5,216,827
Total Net Position	\$ 11,759,980	\$ 11,022,186

City of Durango, Colorado
Capital Equipment Replacement Fund
Comparative Statement of Revenues, Expenses, and Changes in Fund Net Position
For the Years Ended December 31, 2021 and 2020

	<u>2021</u>	<u>2020</u>
Operating Revenues		
Charges for sales and services	\$ 3,298,777	\$ 3,295,658
Miscellaneous	5,178	328,717
Total Operating Revenues	<u>3,303,955</u>	<u>3,624,375</u>
Operating Expenses		
Equipment maintenance	1,299,983	1,172,595
Depreciation	1,535,173	1,350,940
Total Operating Expenses	<u>2,835,156</u>	<u>2,523,535</u>
Operating Income (Loss)	<u>468,799</u>	<u>1,100,840</u>
Non-Operating Revenues (Expenses)		
Gain (loss) on the sale of capital assets	224,400	250,532
Investment earnings	134	25,565
Total Non-Operating Revenues (Expenses)	<u>224,534</u>	<u>276,097</u>
Income (Loss) Before Contributions and Transfers	693,333	1,376,937
Capital contributions	44,461	-
Change in Net Position	737,794	1,376,937
Net Position Beginning of Year	<u>11,022,186</u>	<u>9,645,249</u>
Net Position End of Year	<u><u>\$ 11,759,980</u></u>	<u><u>\$ 11,022,186</u></u>

City of Durango, Colorado
Capital Equipment Replacement Fund
Schedule of Revenues and Expenditures -
Budget and Actual - (Non-GAAP Budgetary Basis)
For the Year Ended December 31, 2021

	Original Budget	Final Budget	Actual	Variance with Final Budget - Positive (Negative)
Revenues				
Charges for sales and services	\$ 3,295,663	\$ 3,295,663	\$ 3,298,777	\$ 3,114
Miscellaneous	3,500	3,500	5,178	1,678
Gain (loss) on the sale of capital assets	100,000	100,000	224,400	124,400
Investment earnings	85,000	85,000	134	(84,866)
Capital contributions	-	-	(44,461)	(44,461)
Total Revenues	<u>3,484,163</u>	<u>3,484,163</u>	<u>3,484,028</u>	<u>(135)</u>
Expenditures				
Equipment maintenance	<u>4,239,195</u>	<u>4,278,518</u>	<u>2,285,272</u>	<u>1,993,246</u>
Total Expenditures	<u>4,239,195</u>	<u>4,278,518</u>	<u>2,285,272</u>	<u>1,993,246</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>\$ (755,032)</u>	<u>\$ (794,355)</u>	1,198,756	<u>\$ 1,993,111</u>
Reconciliation to GAAP Net Income:				
Add Depreciation			(1,535,173)	
Remove Capital Outlay			<u>1,074,211</u>	
Net Income (Loss)			<u>\$ 737,794</u>	

City of Durango, Colorado
Self Insurance Fund
Comparative Statement of Net Position
December 31, 2021 and 2020

	<u>2021</u>	<u>2020</u>
Assets		
Current Assets		
Equity in cash and cash equivalents	\$ 543	\$ 956,698
Accounts receivable	888,915	146,490
Total Assets	<u>889,458</u>	<u>1,103,188</u>
Liabilities		
Current Liabilities		
Accounts payable	487,447	366,281
Interfund payable	192,000	-
Total Liabilities	<u>679,447</u>	<u>366,281</u>
Net Position		
Unrestricted	210,011	736,907
Total Net Position	<u>\$ 210,011</u>	<u>\$ 736,907</u>

City of Durango, Colorado
Self Insurance Fund
Comparative Statement of Revenues, Expenses, and Changes in Fund Net Position
For the Years Ended December 31, 2021 and 2020

	<u>2021</u>	<u>2020</u>
Operating Revenues		
Charges for sales and services	\$ 573,406	\$ 559,970
Services provided	5,219,201	5,707,157
Miscellaneous	40,597	45,106
Total Operating Revenues	<u>5,833,204</u>	<u>6,312,233</u>
Operating Expenses		
Administration	7,221	9,603
Medical claims and premiums	6,833,840	5,864,838
Total Operating Expenses	<u>6,841,061</u>	<u>5,874,441</u>
Operating Income (Loss)	<u>(1,007,857)</u>	<u>437,792</u>
Non-Operating Revenues (Expenses)		
Investment earnings	471	2,187
Total Non-Operating Revenues (Expenses)	<u>471</u>	<u>2,187</u>
Income (Loss) Before Contributions and Transfers	(1,007,386)	439,979
Transfers in	480,490	-
Change in Net Position	(526,896)	439,979
Net Position Beginning of Year	<u>736,907</u>	<u>296,928</u>
Net Position End of Year	<u><u>\$ 210,011</u></u>	<u><u>\$ 736,907</u></u>

City of Durango, Colorado
Self Insurance Fund
Schedule of Revenues and Expenditures -
Budget and Actual - (Non-GAAP Budgetary Basis)
For the Year Ended December 31, 2021

	Original Budget	Final Budget	Actual	Variance with Final Budget - Positive (Negative)
Revenues				
Charges for sales and services	\$ 565,000	\$ 565,000	\$ 573,406	\$ 8,406
Services provided	6,389,667	6,389,667	5,219,201	(1,170,466)
Miscellaneous	75,000	75,000	40,597	(34,403)
Transfers in	176,748	176,748	480,490	(303,742)
Investment earnings	12,000	12,000	471	(11,529)
Total Revenues	<u>7,218,415</u>	<u>7,218,415</u>	<u>6,314,165</u>	<u>(904,250)</u>
Expenditures				
Administration	25,000	25,000	7,221	17,779
Medical claims and premiums	6,574,660	6,962,246	6,833,840	128,406
Total Expenditures	<u>6,599,660</u>	<u>6,987,246</u>	<u>6,841,061</u>	<u>146,185</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>\$ 618,755</u>	<u>231,169</u>	<u>\$ (526,896)</u>	<u>\$ (1,061,807)</u>
Reconciliation to GAAP Net Income:				
Net Income (Loss)			<u>\$ (526,896)</u>	

City of Durango, Colorado
Risk Management Fund
Comparative Statement of Net Position
December 31, 2021 and 2020

	<u>2021</u>	<u>2020</u>
Assets		
Equity in cash and cash equivalents	\$ 578,209	\$ 421,984
Accounts receivable	<u>7,817</u>	<u>150,000</u>
Total Assets	<u>586,026</u>	<u>571,984</u>
Liabilities		
Accounts payable	40,443	24,636
Accrued wages	1,493	3,862
Compensated Absences - due in one year	5,538	5,401
Compensated absences net of current portion	<u>5,539</u>	<u>5,400</u>
Total Liabilities	<u>53,013</u>	<u>39,299</u>
Net Position		
Unrestricted	<u>533,013</u>	<u>532,685</u>
Total Net Position	<u><u>\$ 533,013</u></u>	<u><u>\$ 532,685</u></u>

City of Durango, Colorado
Risk Management Fund
Comparative Statement of Revenues, Expenses, and Changes in Fund Net Position
For the Years Ended December 31, 2021 and 2020

	<u>2021</u>	<u>2020</u>
Operating Revenues		
Services provided	\$ 1,339,415	\$ 1,354,839
Miscellaneous	65	-
Total Operating Revenues	<u>1,339,480</u>	<u>1,354,839</u>
Operating Expenses		
Administration	123,886	118,461
Insurance claims and premiums	1,232,592	1,056,443
Total Operating Expenses	<u>1,356,478</u>	<u>1,174,904</u>
Operating Income (Loss)	<u>(16,998)</u>	<u>179,935</u>
Non-Operating Revenues (Expenses)		
Investment earnings	(9)	1,093
Total Non-Operating Revenues (Expenses)	<u>(9)</u>	<u>1,093</u>
Income (Loss) Before Contributions and Transfers	(17,007)	181,028
Transfers in	17,335	-
Change in Net Position	328	181,028
Net Position Beginning of Year	<u>532,685</u>	<u>351,657</u>
Net Position End of Year	<u><u>\$ 533,013</u></u>	<u><u>\$ 532,685</u></u>

City of Durango, Colorado
Risk Management Fund
Schedule of Revenues and Expenditures -
Budget and Actual - (Non-GAAP Budgetary Basis)
For the Year Ended December 31, 2021

	Original Budget	Final Budget	Actual	Variance with Final Budget - Positive (Negative)
Revenues				
Services provided	\$ 1,328,273	\$ 1,328,273	\$ 1,339,415	\$ 11,142
Miscellaneous	-	-	65	65
Transfers in	14,305	14,305	17,335	(3,030)
Investment earnings	6,500	6,500	(9)	(6,509)
Total Revenues	<u>1,349,078</u>	<u>1,349,078</u>	<u>1,356,806</u>	<u>1,668</u>
Expenditures				
Administration	140,718	143,131	123,886	19,245
Insurance claims and premiums	1,290,663	1,477,363	1,232,592	244,771
Total Expenditures	<u>1,431,381</u>	<u>1,620,494</u>	<u>1,356,478</u>	<u>264,016</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>\$ (82,303)</u>	<u>\$ (271,416)</u>	\$ 328	<u>\$ (262,348)</u>
Reconciliation to GAAP Net Income:				
Net Income (Loss)			<u>\$ 328</u>	

STATISTICAL SECTION

This part of the City of Durango's annual comprehensive financial report presents detailed information as a context for understanding what the information in the financial statements, note disclosures, and required supplementary information says about the city's overall financial health.

Financial Trends

These schedules contain trend information to help the reader understand how the city's financial performance and well-being have changed over time.

Revenue Capacity

These schedules contain information to help the reader assess the city's most significant local revenue source, the sales and use tax.

Debt Capacity

These schedules present information to help the reader assess the affordability of the city's current levels of outstanding debt and the city's ability to issue additional debts in the future.

Demographic and Economic Information

These schedules offer demographic and economic indicators to help the reader understand the environment within which the city's financial activities take place.

Operating Information

These schedules contain service and infrastructure data to help the reader understand how the information in the city's financial report relates to the services the city provides and the activities it performs.

Sources: Unless otherwise noted, the information in these schedules is derived from the comprehensive annual financial reports for the relevant year. The city implemented Statement 34 in 2003, schedules presenting government-wide information include information beginning in that year.



City of Durango, Colorado
Net Position by Component
Last Ten Fiscal Years (Unaudited)
(accrual basis of accounting)

	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>	<u>2021</u>
Governmental activities										
Net investment in capital assets	\$ 141,561,808	\$ 143,944,307	\$ 149,052,567	\$ 153,845,848	\$ 160,730,499	\$ 168,087,849	\$ 171,770,608	\$ 173,568,700	\$ 181,849,022	\$ 181,356,264
Restricted	14,385,910	14,631,856	9,628,560	4,406,072	8,532,447	3,027,602	4,197,716	4,214,407	5,215,592	11,101,885
Unrestricted	26,147,979	25,926,898	28,998,660	35,295,804	32,517,436	35,588,691	36,833,835	44,846,760	49,086,797	54,469,633
Total governmental activities net position	\$ 182,095,697	\$ 184,503,061	\$ 187,679,787	\$ 193,547,724	\$ 201,780,382	\$ 206,704,142	\$ 212,802,159	\$ 222,629,867	\$ 236,151,411	\$ 246,927,782
Business-type activities										
Net investment in capital assets	\$ 56,674,450	\$ 62,578,879	\$ 58,365,508	\$ 60,179,815	\$ 65,312,858	\$ 72,528,998	\$ 79,246,150	\$ 83,552,646	\$ 91,928,606	\$ 93,005,512
Unrestricted	15,225,300	9,429,992	14,668,271	17,283,617	21,401,015	23,650,170	25,507,735	27,053,438	23,390,275	24,906,618
Total business-type activities	\$ 71,899,750	\$ 72,008,871	\$ 73,033,779	\$ 77,463,432	\$ 86,713,873	\$ 96,179,168	\$ 104,753,885	\$ 110,606,084	\$ 115,318,881	\$ 117,912,130
Primary government										
Net investment in capital assets	\$ 198,236,258	\$ 206,523,186	\$ 207,418,075	\$ 214,025,663	\$ 226,043,357	\$ 240,616,847	\$ 251,016,758	\$ 257,121,346	\$ 273,777,628	\$ 274,361,776
Restricted	14,385,910	14,631,856	9,628,560	4,406,072	8,532,447	3,027,602	4,197,716	4,214,407	5,215,592	11,101,885
Unrestricted	41,373,279	35,356,890	43,666,931	52,579,421	53,918,451	59,238,861	62,341,570	71,900,198	72,477,072	79,376,251
Total governmental activities net position	\$ 253,995,447	\$ 256,511,932	\$ 260,713,566	\$ 271,011,156	\$ 288,494,255	\$ 302,883,310	\$ 317,556,044	\$ 333,235,951	\$ 351,470,292	\$ 364,839,912

City of Durango, Colorado
Changes in Net Position
Last Ten Fiscal Years (Unaudited)
(accrual basis of accounting)

Expenses	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021
Governmental activities:										
General government	\$ 6,566,189	\$ 7,894,128	\$ 8,821,889	\$ 9,259,225	\$ 9,568,011	\$ 8,855,109	\$ 9,889,447	\$ 10,838,196	\$ 9,981,486	\$ 10,475,430
Public safety	10,486,094	10,709,354	10,867,750	11,859,989	12,242,685	12,335,341	14,551,095	14,679,218	16,496,684	20,552,848
Public works	5,047,880	5,064,353	7,740,688	9,893,562	7,543,224	4,748,322	8,258,321	9,390,279	7,578,880	7,507,837
Parks and recreation	8,422,273	8,350,689	5,625,209	6,088,070	7,886,241	13,907,700	10,306,478	10,158,829	8,383,958	8,104,467
Library	2,248,888	2,290,097	2,424,281	2,408,555	2,123,310	2,198,153	2,275,892	2,785,741	2,617,126	2,784,402
Community services	1,402,040	876,147	1,621,398	1,177,037	1,432,160	1,323,105	1,168,207	1,302,020	2,162,734	1,581,703
Economic development	597,252	633,280	777,227	758,775	806,000	706,821	724,246	862,114	794,934	629,607
Joint venture - Airport	-	335,969	-	-	-	300,236	-	-	1,775,445	2,337,808
Interest	1,431,999	1,354,291	1,275,537	1,236,752	1,136,023	794,394	666,491	570,216	446,713	417,616
Total governmental activities expenses	\$ 36,202,615	\$ 37,508,308	\$ 39,153,979	\$ 42,681,965	\$ 42,737,654	\$ 45,169,181	\$ 47,840,177	\$ 50,586,613	\$ 50,237,960	\$ 54,451,718
Business-type activities:										
Water utility	\$ 3,962,288	\$ 3,992,105	\$ 5,048,918	\$ 4,697,072	\$ 4,949,709	\$ 5,539,135	\$ 4,742,452	\$ 5,335,098	\$ 5,492,253	\$ 5,541,113
Sewer utility	2,816,834	3,210,315	3,687,699	3,691,696	3,662,081	5,207,201	5,107,230	5,402,629	7,584,020	8,739,271
Parking	622,324	999,530	-	-	-	-	-	-	152,132	155,784
Sustainable services / Trash & Recycle	2,251,174	2,189,067	2,097,284	2,146,425	2,397,968	2,566,943	2,838,228	2,856,608	2,709,293	2,937,392
Transportation services	2,472,008	2,498,054	3,422,104	3,556,523	3,771,789	3,769,823	3,359,309	3,606,291	3,356,843	4,062,711
Total business-type expenses	\$ 12,124,628	\$ 12,889,071	\$ 14,256,005	\$ 14,091,716	\$ 14,781,547	\$ 17,083,102	\$ 16,047,219	\$ 17,200,626	\$ 19,294,541	\$ 21,436,271
Total Primary Government Expenses	\$ 48,327,243	\$ 50,397,379	\$ 53,409,984	\$ 56,773,681	\$ 57,519,201	\$ 62,252,283	\$ 63,887,396	\$ 67,787,239	\$ 69,532,501	\$ 75,887,989
Program revenues										
Governmental activities:										
Charges for services										
General government	\$ 2,485,211	\$ 1,946,179	\$ 1,945,001	\$ 2,671,977	\$ 1,774,979	\$ 1,711,347	\$ 3,228,028	\$ 4,646,606	\$ 5,054,779	\$ 4,058,162
Public safety	1,163,291	1,234,866	1,056,131	1,089,447	1,154,793	42,407	1,210,808	1,183,597	1,179,904	1,188,101
Public works	-	-	600	-	500	1,050	1,500	600	1,000	510
Parks and recreation	2,733,317	2,818,971	3,011,398	3,124,615	3,157,875	3,245,745	3,645,773	3,723,470	2,094,716	3,046,235
Library	34,431	35,236	32,870	28,206	19,558	-	25,817	23,349	2,885	2,089
Economic development	-	-	-	-	-	-	-	-	7,638	51,929
Joint venture - Airport	115,006	-	11,115	245,400	2,387,802	-	1,145,902	2,779,828	2,649,144	120,419
Operating grants and contributions	1,182,581	1,728,609	27,578	682,853	1,057,299	1,904,987	783,635	1,162,030	2,918,484	503,026
Capital grants and contributions	1,452,777	706,725	3,273,358	5,954,033	4,580,550	5,288,510	3,812,042	1,934,943	2,430,642	1,080,982
Total governmental activities program revenues	\$ 9,166,614	\$ 8,470,586	\$ 9,358,051	\$ 13,796,531	\$ 14,133,356	\$ 12,194,046	\$ 13,853,505	\$ 15,454,423	\$ 16,339,192	\$ 10,051,453
Business-type activities:										
Charges for services										
Water utility	\$ 3,693,867	\$ 3,534,133	\$ 4,757,161	\$ 5,164,166	\$ 6,088,731	\$ 6,627,997	\$ 7,736,203	\$ 6,766,656	\$ 8,067,785	\$ 7,732,940
Sewer utility	1,826,540	2,788,708	4,165,434	5,670,452	7,260,261	7,680,011	7,834,816	7,876,675	8,174,344	8,061,360
Parking	1,098,072	966,059	-	-	-	-	-	-	-	-
Sustainable services	1,848,773	1,930,001	1,957,999	2,072,075	2,261,480	2,467,388	2,714,050	2,916,117	3,061,918	3,199,038
Transportation services	258,237	283,200	1,741,650	1,903,358	2,048,400	2,246,691	1,966,020	2,275,070	1,382,212	1,727,930
Operating grants and contributions	1,112,344	1,427,220	1,285,444	1,727,167	1,027,923	1,082,586	1,266,078	1,266,078	10,616	102,041
Capital grants and contributions	521,610	1,420,396	900,912	1,295,610	4,429,964	6,185,080	2,265,850	1,967,353	2,542,137	2,015,087
Total business-type activities program revenues	\$ 10,359,443	\$ 12,349,717	\$ 14,808,600	\$ 17,832,828	\$ 23,116,759	\$ 26,213,079	\$ 23,599,525	\$ 23,067,949	\$ 23,239,012	\$ 22,838,396
Total Primary Government Program Revenues	\$ 19,526,057	\$ 20,820,303	\$ 24,166,651	\$ 31,629,359	\$ 37,250,115	\$ 38,407,125	\$ 37,453,030	\$ 38,522,372	\$ 39,578,204	\$ 32,889,849

(Continued)

City of Durango, Colorado
Changes in Net Position
Last Ten Fiscal Years (Unaudited)
(accrual basis of accounting)

<i>(Continued)</i>	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>	<u>2021</u>
Net (expense) revenue										
Governmental activities	\$ (27,036,001)	\$ (29,037,722)	\$ (29,795,928)	\$ (28,885,434)	\$ (28,604,298)	\$ (32,975,675)	\$ (33,986,672)	\$ (35,132,190)	\$ (33,898,768)	\$ (43,930,445)
Business-type activities	(1,765,185)	(539,354)	552,595	3,741,112	8,335,212	9,129,977	7,552,306	5,867,323	3,944,471	1,402,125
Total Primary Governmental Net Expense	\$ (28,801,186)	\$ (29,577,076)	\$ (29,243,333)	\$ (25,144,322)	\$ (20,269,086)	\$ (23,845,698)	\$ (26,434,366)	\$ (29,264,867)	\$ (29,954,297)	\$ (42,528,320)
General Revenues and Other Changes in Net Position										
Governmental activities:										
Taxes										
Property taxes	\$ 1,199,323	\$ 1,300,863	\$ 1,153,727	\$ 1,175,954	\$ -	\$ 1,424,827	\$ 2,977,475	\$ 3,011,855	\$ 3,207,880	\$ 3,271,933
Sales and use taxes	20,667,890	21,693,087	22,815,810	24,038,473	24,549,475	25,510,996	25,554,110	28,433,421	30,897,881	35,994,275
Shared sales taxes	-	4,270,249	4,523,288	4,977,814	3,854,966	4,077,966	4,045,539	4,432,322	5,055,318	5,945,741
Other shared taxes	1,073,087	1,017,165	1,274,246	1,891,568	1,979,176	2,063,007	2,097,138	2,232,115	2,106,311	2,188,710
Lodgers' tax	764,257	820,832	918,679	974,572	1,062,509	1,067,684	1,035,151	1,098,958	750,023	2,428,667
Other taxes	5,265,185	138,508	110,407	202,161	1,149,102	1,026,266	1,195,532	1,307,271	1,024,846	1,051,557
Franchise fees	-	1,009,105	1,121,995	1,138,859	1,532,637	1,547,100	1,497,396	1,514,111	1,052,583	1,064,214
Occupational taxes	-	184,394	194,394	181,147	155,373	175,703	174,671	178,308	187,020	212,482
Gain/loss on disposal of capital assets	464,641	26,520	-	11,619	2,395	-	6,090	1,176	225,622	(8,944)
Investment earnings	150,469	34,780	222,369	194,144	198,604	145,168	276,091	588,877	223,309	(2,919)
Miscellaneous	1,845,407	1,351,027	1,297,042	1,779,906	1,333,735	1,968,521	1,475,496	2,135,938	2,777,019	3,038,517
Transfers	(114,996)	(169,444)	(156,847)	(147,361)	(363,373)	(191,011)	(250,000)	(350,000)	(87,500)	(477,417)
Total governmental activities	\$ 31,315,263	\$ 31,677,086	\$ 33,475,110	\$ 36,418,856	\$ 35,454,599	\$ 38,816,227	\$ 40,084,689	\$ 44,584,352	\$ 47,420,312	\$ 54,706,816
Business-type activities:										
Gain/loss on disposal of capital assets	\$ 20,500	\$ 52,036	\$ 20,740	\$ 38,628	\$ 110,239	\$ -	\$ 21,186	\$ -	\$ (34,315)	\$ 66,600
Investment earnings	141,285	55,114	161,282	180,197	130,115	174,242	393,793	520,909	156,382	211,104
Miscellaneous	480,854	371,881	387,731	322,355	311,502	294,822	357,432	274,962	558,759	436,003
Transfers	114,996	169,444	156,847	147,361	363,373	191,011	250,000	350,000	87,500	477,417
Total business-type activities	\$ 757,635	\$ 648,475	\$ 726,600	\$ 688,541	\$ 915,229	\$ 660,075	\$ 1,022,411	\$ 1,145,871	\$ 768,326	\$ 1,191,124
Total Primary Government	\$ 32,072,898	\$ 32,325,561	\$ 34,201,710	\$ 37,107,397	\$ 36,369,828	\$ 39,476,302	\$ 41,107,100	\$ 45,730,223	\$ 48,188,638	\$ 55,897,940
Changes in net position										
Governmental activities	\$ 4,279,262	\$ 2,639,364	\$ 3,679,182	\$ 7,533,422	\$ 6,850,301	\$ 5,840,552	\$ 6,098,017	\$ 9,452,162	\$ 13,521,544	\$ 10,776,371
Business-type activities	(1,007,550)	109,121	1,279,195	4,429,653	9,250,441	9,790,052	8,574,717	7,013,194	4,712,797	2,593,249
Total Primary Government	\$ 3,271,712	\$ 2,748,485	\$ 4,958,377	\$ 11,963,075	\$ 16,100,742	\$ 15,630,604	\$ 14,672,734	\$ 16,465,356	\$ 18,234,341	\$ 13,369,620

City of Durango, Colorado
Fund Balances of Governmental Funds
Last Ten Fiscal Years (Unaudited)
(modified accrual basis of accounting)

	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021
General Fund										
Non-spendable	\$ 16,562	\$ 15,536	\$ 45,189	\$ 44,071	\$ 49,977	\$ 51,539	\$ 69,880	\$ 57,311	\$ 658,711	\$ 1,338,045
Restricted	1,196,604	1,284,613	1,428,167	1,638,931	1,448,321	1,479,416	1,580,768	1,747,322	1,718,717	1,928,144
Committed	785,373	2,404,098	1,500,000	42,191	153,335	146,407	124,197	124,837	80,901	81,586
Assigned	7,080,492	6,659,658	566,016	1,574,489	841,280	684,432	1,088,811	63,478	1,487,101	8,828,769
Unassigned	2,030,212	1,542,339	5,767,924	4,755,657	4,173,476	4,106,955	4,583,723	8,312,876	11,335,865	7,642,156
Total General Fund	\$ 11,109,243	\$ 11,906,244	\$ 9,307,296	\$ 8,055,339	\$ 6,666,389	\$ 6,468,749	\$ 7,447,379	\$ 10,305,824	\$ 15,281,295	\$ 19,818,700
All other governmental funds										
Non-spendable	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Restricted	740,722	925,001	7,241,225	6,251,229	7,282,374	1,623,824	2,809,046	289,980	3,554,403	4,122,285
Committed	7,875,468	7,872,639	4,670,089	6,871,049	6,720,670	9,544,754	8,082,415	9,478,548	6,177,395	10,880,295
Assigned	55,772	46,994	25,361	14,764	(165,881)	40,054	41,315	9,711	8,275	6,947
Unassigned	-	(587,668)	(675,401)	(356,873)	(239,508)	(68,553)	-	(430,489)	(12,654)	-
Total all other governmental funds	\$ 8,671,962	\$ 8,256,966	\$ 11,261,274	\$ 12,780,169	\$ 13,597,655	\$ 11,140,079	\$ 10,932,776	\$ 9,347,750	\$ 9,727,419	\$ 15,009,527

City of Durango, Colorado
Changes in Fund Balances of Governmental Funds
Last Ten Fiscal Years (Unaudited)
(modified accrual basis of accounting)

	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>	<u>2021</u>
Revenues										
Taxes	\$ 27,896,655	\$ 29,417,038	\$ 30,978,221	\$ 33,668,032	\$ 34,611,683	\$ 35,957,074	\$ 37,466,900	\$ 40,978,772	\$ 43,858,498	\$ 51,771,136
Special assessments	83,750	37,649	32,941	32,512	21,832	19,156	12,971	-	-	\$ 6,850
Intergovernmental	4,444,783	4,202,231	5,170,192	7,172,715	7,535,413	3,837,102	3,973,751	4,383,810	\$ 5,316,993	\$ 2,814,208
Licenses and permits	543,874	600,710	605,419	769,915	642,712	920,358	769,516	740,108	\$ 638,933	\$ 700,271
Charges for services	3,931,021	4,076,208	4,302,784	4,410,489	4,334,873	4,808,904	5,047,270	6,539,922	\$ 4,852,108	\$ 5,962,108
Fines and forfeitures	423,947	476,236	318,307	257,379	244,388	188,606	186,064	138,544	\$ 62,661	\$ 66,551
Investment earnings	128,959	25,453	222,370	194,144	198,604	133,946	276,091	588,877	\$ 177,650	\$ (18,836)
Miscellaneous	2,389,540	1,410,025	1,310,357	2,861,885	1,353,983	1,988,147	1,566,737	2,135,938	\$ 2,020,385	\$ 1,920,364
Total Revenues	\$ 39,842,529	\$ 40,245,550	\$ 42,940,591	\$ 49,367,071	\$ 48,943,488	\$ 47,853,293	\$ 49,299,300	\$ 55,505,971	\$ 56,927,228	\$ 63,222,652
Expenditures										
General government	\$ 5,232,468	\$ 5,757,125	\$ 6,982,575	\$ 7,307,093	\$ 7,814,532	\$ 8,217,052	\$ 8,091,890	\$ 8,519,852	\$ 6,956,815	\$ 10,071,464
Public safety	10,317,489	10,380,683	11,248,010	11,397,958	12,076,794	12,335,341	14,551,095	14,558,963	\$ 15,188,575	\$ 15,798,021
Public works	4,050,886	5,499,208	6,819,504	11,675,027	8,657,493	4,748,322	4,393,110	3,634,304	\$ 3,370,776	\$ 6,280,628
Parks and recreation	7,583,300	7,718,598	7,358,718	7,103,637	7,886,241	8,616,568	11,186,165	8,146,656	\$ 6,265,879	\$ 8,965,742
Library	1,840,717	1,901,877	2,030,290	2,019,770	2,123,310	2,198,153	2,275,892	2,383,009	\$ 2,210,082	\$ 2,366,421
Community services	1,402,040	876,147	1,621,398	1,177,037	1,432,160	1,323,105	1,168,207	1,302,020	\$ 2,162,734	\$ 1,763,657
Economic development	597,252	633,280	777,227	758,775	806,000	706,821	724,246	862,114	\$ 794,934	\$ 629,607
Non-departmental	1,657,336	1,531,075	1,598,260	1,612,742	1,586,592	1,563,947	1,684,325	1,833,941	\$ 1,753,736	\$ 2,067,697
Capital outlay	1,896,176	1,710,127	3,004,317	1,967,238	3,088,627	5,948,601	420,241	7,208,024	\$ 13,341,534	\$ 2,366,958
Debt service										
Principal	2,315,000	2,400,000	2,475,000	2,675,000	1,915,000	2,965,000	3,170,000	2,105,000	\$ 2,175,000	\$ 2,215,000
Interest	1,438,474	1,360,774	1,282,979	1,281,357	1,057,091	868,500	637,233	511,742	\$ 449,942	\$ 400,527
Total Expenditures	\$ 38,331,138	\$ 39,768,894	\$ 45,198,278	\$ 48,975,634	\$ 48,443,840	\$ 49,491,410	\$ 48,302,404	\$ 51,065,625	\$ 54,670,007	\$ 52,925,722
Excess of revenues over (under) expenditures	\$ 1,511,391	\$ 476,656	\$ (2,257,687)	\$ 391,437	\$ 499,648	\$ (1,638,117)	\$ 996,896	\$ 4,440,346	\$ 2,257,221	\$ 10,296,930
Other financing sources (uses)										
Issuance of debt	\$ -	\$ -	\$ 2,700,000	\$ -	\$ 9,580,000	\$ 10,310,000	\$ -	\$ -	\$ -	\$ -
Payments to an escrow agent	-	-	-	-	(10,409,413)	(10,258,338)	-	-	\$ -	\$ -
Transfers in	7,224,179	9,582,188	12,085,037	12,481,114	9,314,997	13,499,941	8,094,955	8,022,312	\$ 8,803,682	\$ 6,840,086
Transfers out	(7,266,176)	(9,697,183)	(12,220,037)	(12,616,114)	(9,564,997)	(13,749,941)	(8,344,955)	(8,372,312)	\$ (8,891,182)	\$ (7,317,503)
Sale of capital assets	464,641	21,370	68,394	11,619	2,395	21,718	6,090	1,176	\$ -	\$ -
Total other financing sources (uses)	\$ 422,644	\$ (93,625)	\$ 2,633,394	\$ (123,381)	\$ (1,077,018)	\$ (176,620)	\$ (243,910)	\$ (348,824)	\$ (87,500)	\$ (477,417)
Net Change in Fund Balances	\$ 1,934,035	\$ 383,031	\$ 375,707	\$ 268,056	\$ (577,370)	\$ (1,814,737)	\$ 752,986	\$ 4,091,522	\$ 2,169,721	\$ 9,819,513
Debt service as a percentage of non-capital expenditures	11.7%	9.8%	6.9%	5.7%	7.7%	9.6%	8.9%	6.3%	6.8%	5.5%

City of Durango, Colorado
General Governmental Tax Revenues by Source
Last Ten Fiscal Years (Unaudited)
(modified accrual basis of accounting)

Fiscal Year	Property & SOT	City Sales Tax	City Use Tax	County Sales Tax	Franchise & Business	Lodgers Tax	Other Taxes	Total
2012	\$ 1,280,845	\$ 19,165,358	\$ 1,502,532	\$ 3,140,649	\$ 836,068	\$ 764,257	\$ 1,206,946	\$ 27,896,655
2013	\$ 1,300,863	\$ 20,314,633	\$ 1,378,454	\$ 3,390,224	\$ 1,193,499	\$ 820,832	\$ 1,056,182	\$ 29,454,687
2014	\$ 1,264,134	\$ 21,364,739	\$ 1,196,928	\$ 3,570,505	\$ 1,362,019	\$ 918,679	\$ 1,301,217	\$ 30,978,221
2015	\$ 1,285,137	\$ 22,528,320	\$ 1,449,705	\$ 3,814,184	\$ 1,571,120	\$ 974,572	\$ 2,044,994	\$ 33,668,032
2016	\$ 1,382,357	\$ 23,152,987	\$ 1,307,583	\$ 3,854,966	\$ 1,688,010	\$ 1,062,509	\$ 2,074,366	\$ 34,522,778
2017	\$ 1,424,827	\$ 23,719,956	\$ 1,791,040	\$ 4,077,966	\$ 1,722,803	\$ 1,067,684	\$ 2,152,798	\$ 35,957,074
2018	\$ 2,977,475	\$ 23,809,794	\$ 1,611,519	\$ 4,045,539	\$ 1,672,067	\$ 1,035,151	\$ 2,182,558	\$ 37,334,103
2019	\$ 3,011,855	\$ 26,945,036	\$ 1,488,385	\$ 4,432,322	\$ 1,692,419	\$ 1,098,958	\$ 2,309,797	\$ 40,978,772
2020	\$ 3,207,880	\$ 29,048,819	\$ 1,849,062	\$ 5,055,318	\$ 1,760,040	\$ 750,023	\$ 2,187,356	\$ 43,858,498
2021	\$ 3,271,933	\$ 34,302,037	\$ 1,692,238	\$ 5,945,741	\$ 1,845,991	\$ 2,428,667	\$ 2,284,529	\$ 51,771,136

Notes:

- Effective January 1, 2018, the City increased the city mill levy rate from 2.5007 to 5.0007.
- Effective July 1, 2021, the City increased the Lodgers' Tax percentage from 2.0% to 5.25%.

City of Durango, Colorado
City Sales and Use Tax Revenue
Last Ten Fiscal Years (Unaudited)
(modified accrual basis of accounting)

Fiscal Year	General City Sales and Use Tax	Recreation Complex/Trails Sales and Use Tax	Open Space, Parks and Trails Sales and Use Tax	Capital Improvements Sales and Use Tax	Streets Improvements Sales and Use Tax	Total	
						Revenue	Direct Tax Rate
2012	\$ 13,779,428	\$ 3,445,264	\$ 1,721,599	\$ 1,721,599	\$ -	\$ 20,667,890	3.0%
2013	\$ 14,462,913	\$ 3,616,172	\$ 1,807,001	\$ 1,807,001	\$ -	\$ 21,693,087	3.0%
2014	\$ 15,041,756	\$ 3,761,086	\$ 1,879,414	\$ 1,879,414	\$ -	\$ 22,561,670	3.0%
2015	\$ 15,986,262	\$ 3,997,080	\$ 1,997,341	\$ 1,997,341	\$ -	\$ 23,978,024	3.0%
2016	\$ 16,308,028	\$ 4,077,494	\$ 2,037,524	\$ 2,037,524	\$ -	\$ 24,460,570	3.0%
2017	\$ 16,775,259	\$ 4,194,347	\$ 2,095,914	\$ 2,095,914	\$ -	\$ 25,161,434	3.0%
2018	\$ 15,873,878	\$ 3,969,148	\$ 1,983,384	\$ 1,983,384	\$ -	\$ 23,809,794	3.0%
2019	\$ 17,423,706	\$ 4,348,889	\$ 2,173,024	\$ 2,173,023	\$ 2,314,779	\$ 28,433,421	3.5%
2020	\$ 17,754,153	\$ 4,382,264	\$ 2,189,600	\$ 2,189,600	\$ 4,382,264	\$ 30,897,881	3.5%
2021	\$ 20,617,505	\$ 5,126,787	\$ 2,561,598	\$ 2,561,598	\$ 5,126,787	\$ 35,994,275	3.5%

Notes:

- The Recreation Complex/Trails sales and use tax (0.5%) became effective on June 1, 1999 and sunsets on December 31, 2019.
- The Open Space, Parks and Trails sales and use tax (0.25%) and the Capital Improvements sales and use tax (0.25%) were effective July 1, 2005 and sunset on December 31, 2026.

City of Durango, Colorado
Direct and Overlapping Sales Tax Rates
Last Ten Fiscal Years (Unaudited)

<u>Fiscal Year</u>	<u>City Direct Rate</u>	<u>La Plata County</u>	<u>State of Colorado</u>
2012	3.0%	2.0%	2.9%
2013	3.0%	2.0%	2.9%
2014	3.0%	2.0%	2.9%
2015	3.0%	2.0%	2.9%
2016	3.0%	2.0%	2.9%
2017	3.0%	2.0%	2.9%
2018	3.0%	2.0%	2.9%
2019	3.5%	2.0%	2.9%
2020	3.5%	2.0%	2.9%
2021	3.5%	2.0%	2.9%

Note:

The city sales tax rate may be increased only with the approval of the city voters.

City of Durango, Colorado
Principal Sales Tax Remitters
Last Ten Fiscal Years (Unaudited)

<u>Classification of Individual Business</u>	<u>2021 Sales Tax Remitted</u>	<u>Percentage of Total Tax Remitted</u>	<u>2021 Rank</u>	<u>2012 Sales Tax Remitted</u>	<u>Percentage of Total Tax Remitted</u>	<u>2012 Rank</u>
Retail - General Merchandise	\$ 3,652,957	10.7%	1	\$ 2,660,104	13.9%	1
Retail - Hardware	1,869,859	5.5%	2	813,607	4.2%	3
Retail - Food Store	1,529,197	4.5%	3	828,158	4.3%	2
Retail - Food Store	1,286,487	3.8%	4	795,609	4.2%	4
Retail - Food Store	835,989	2.5%	5	512,433	2.7%	5
Utility Services	638,360	1.9%	6	475,084	2.5%	6
Retail - Automotive	499,010	1.5%	7	-	0.0%	
Retail - Food Store	494,711	1.5%	8	239,490	1.2%	8
Retail - Food Store	435,060	1.3%	9	221,838	1.2%	9
Retail - General Merchandise	371,040	1.1%	10	N/A	-	
Lodging and Restaurant	N/A	-		276,406	1.4%	7
Lodging and Restaurant	N/A	-		186,200	1.0%	10
Total City Sales Tax Collected by the 10 Largest Businesses	<u>\$ 11,612,670</u>	<u>34.1%</u>		<u>\$ 7,008,929</u>	<u>36.6%</u>	
Total City Sales Tax Collected by All Businesses	<u>\$ 34,027,371</u>	<u>100%</u>		<u>\$ 19,165,358</u>	<u>100%</u>	

Source:

City of Durango Finance Department

Notes:

- Figures are based on cash basis remittances.
- The names of the ten largest remitters are confidential pursuant to the City Charter.
- The business classification has been substituted for the name of the business.

City of Durango, Colorado
Ratios of Outstanding Debt by Type
Last Ten Fiscal Years (Unaudited)

Fiscal Year	Governmental Activities		Business-type Activities		Total Primary Government	Percentage of Estimated Actual Taxable Value of Property ⁽¹⁾		Per Capita ⁽²⁾
	Sales and Use Tax Revenue	Certificates of Participation	Water & Sewer Fund	Loans				
2012	\$ 33,835,000	-	-	-	\$ 33,835,000	1.12%	1,986	
2013	\$ 31,435,000	-	\$ 3,978,753		\$ 35,413,753	1.21%	2,051	
2014	\$ 28,960,000	\$ 2,700,000	\$ 3,809,251		\$ 35,469,251	1.19%	2,005	
2015	\$ 26,385,000	\$ 2,600,000	\$ 3,636,428		\$ 32,621,428	0.98%	1,829	
2016	\$ 24,181,490	\$ 2,500,000	\$ 65,660,219		\$ 92,341,709	2.45%	5,101	
2017	\$ 21,745,726	\$ 2,400,000	\$ 63,137,297		\$ 87,283,023	2.28%	4,717	
2018	\$ 18,670,000	\$ 2,295,000	\$ 60,513,091		\$ 81,478,091	2.13%	4,413	
2019	\$ 16,675,000	\$ 2,185,000	\$ 57,837,153		\$ 76,697,153	1.86%	4,154	
2020	\$ 14,615,000	\$ 2,070,000	\$ 55,110,240		\$ 71,795,240	1.71%	3,763	
2021	\$ 12,515,000	\$ 1,955,000	\$ 52,338,480		\$ 66,808,480	1.54%	3,475	

⁽¹⁾ Personal income data is not available at the municipal level for the City of Durango. The estimated taxable value of property has been used instead. Data for actual taxable value was obtained from the La Plata County Assessor's Office and is detailed on the schedule of Property Value and Construction.

⁽²⁾ See the Schedule of Demographic and Economic Statistics for population data.

Notes:

- Details regarding the city's outstanding debt can be found in the notes to the financial statements.

City of Durango, Colorado
Ratios of General Bonded Debt Outstanding
Last Ten Fiscal Years (Unaudited)

<u>Fiscal</u> <u>Year</u>	<u>General</u> <u>Obligation</u> <u>Bonds</u>	<u>Less Amounts</u> <u>Available</u> <u>In Debt</u> <u>Service Fund</u>	<u>Total</u>	<u>Percentage of</u> <u>Estimated</u> <u>Actual Taxable</u> <u>Value of</u> <u>Property</u>	<u>Per</u> <u>Capita</u>
2012	\$ -	\$ -	\$ -	\$ -	\$ -
2013	\$ -	\$ -	\$ -	\$ -	\$ -
2014	\$ -	\$ -	\$ -	\$ -	\$ -
2015	\$ -	\$ -	\$ -	\$ -	\$ -
2016	\$ -	\$ -	\$ -	\$ -	\$ -
2017	\$ -	\$ -	\$ -	\$ -	\$ -
2018	\$ -	\$ -	\$ -	\$ -	\$ -
2019	\$ -	\$ -	\$ -	\$ -	\$ -
2020	\$ -	\$ -	\$ -	\$ -	\$ -
2021	\$ -	\$ -	\$ -	\$ -	\$ -

Notes:

- Details regarding the city's outstanding debt can be found in the notes to the financial statements.
- The city did not have any general obligation bonds outstanding in the last ten fiscal years.

City of Durango, Colorado
Direct and Overlapping Governmental Activities Debt
As of December 31, 2021 (Unaudited)

<u>Governmental Unit</u>	<u>Debt Outstanding</u>	<u>Estimated Percentage Applicable⁽¹⁾</u>	<u>Estimated Share of Overlapping Debt</u>
Debt repaid property taxes			
School District 9-R	\$ 105,275,000	44.1%	\$ 46,426,275
Other debt			
La Plata County general obligation debt	\$ 192,473	34.8%	\$ 66,981
Subtotal, overlapping debt			\$ 46,493,256
City direct debt			\$ 14,470,000
Total direct and overlapping debt			\$ 60,963,256

⁽¹⁾ The estimated percentage applicable for debt repaid with property taxes is calculated using the property value of the overlapping area and the overlapping government. The estimated percentage applicable for other debt is calculated using the estimated population totals for the overlapping area and the overlapping government.

Source:

Assessed valuation data was obtained from the LaPlata County Assessor's certificates of value.

Notes:

- Overlapping governments are those that coincide, at least in part, with the geographic boundaries of the city.
- This schedule estimates the portion of the outstanding debt of those overlapping governments that is borne by the residents and businesses of the City of Durango.
- This process recognizes that, when considering the government's ability to issue and repay long-term debt, the entire debt burden borne by the residents and businesses should be considered.
- This does not imply that every taxpayer is a resident, and therefore responsible for repaying the debt, of each overlapping government.

City of Durango, Colorado
Legal Debt Margin Information
Last Ten Fiscal Years (Unaudited)

	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>	<u>2021</u>
Debt limit	\$ 48,646,335	\$ 47,020,225	\$ 48,078,341	\$ 51,642,484	\$ 52,671,610	\$ 54,941,624	\$ 55,446,342	\$ 55,463,420	\$ 59,460,416	\$ 59,907,752
Total net debt applicable to limit	-	-	-	-	-	-	-	-	-	-
Legal debt margin	<u>\$ 48,646,335</u>	<u>\$ 47,020,225</u>	<u>\$ 48,078,341</u>	<u>\$ 51,642,484</u>	<u>\$ 52,671,610</u>	<u>\$ 54,941,624</u>	<u>\$ 55,446,342</u>	<u>\$ 55,463,420</u>	<u>\$ 59,460,416</u>	<u>\$ 59,907,752</u>
Legal debt margin as a percentage of the debt limit	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%
Legal Debt Margin Calculation for Fiscal Year 2021										
Assessed value										
Debt limit (10% of assessed valuation)										\$ 599,077,520
Debt applicable to limit:										59,907,752
General obligation bonds										-
Less: amount set aside for repayment										-
Total net debt applicable to limit										-
Legal Debt Margin										<u><u>\$ 59,907,752</u></u>

Note:

Under the provisions of the City of Durango Charter, Article IV, Section 21, the aggregate amount of bonds or other forms of indebtedness payable in whole or in part from the proceeds of ad valorem taxes, or to which the full faith and credit of the City are pledged (excluding such debt relating to water and excluding securities issued under Section 23) shall not exceed ten

City of Durango, Colorado
Pledged-Revenue Coverage
Sales and Use Tax Revenue Bonds - Series 2007
Last Ten Fiscal Years (Unaudited)

Fiscal Year	Pledged Sales Tax	Pledged Use Tax	Revenue		Debt Service			Coverage
			Available for Debt Service		Principal	Interest	Total	
2012	\$ 1,596,438	\$ 125,161	\$ 1,721,599	\$ 1,721,599	\$ 725,000	\$ 531,719	\$ 1,256,719	1.37%
2013	\$ 1,692,176	\$ 114,825	\$ 1,807,001	\$ 1,807,001	\$ 750,000	\$ 502,719	\$ 1,252,719	1.44%
2014	\$ 1,779,655	\$ 99,759	\$ 1,879,414	\$ 1,879,414	\$ 780,000	\$ 472,719	\$ 1,252,719	1.50%
2015	\$ 1,876,581	\$ 120,760	\$ 1,997,341	\$ 1,997,341	\$ 815,000	\$ 441,519	\$ 1,526,519	1.31%
2016	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	-
2017	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	-
2018	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	-
2019	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	-
2020	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	-
2021	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	-

Note:

- The pledged revenue for the Series 2007 issue is fifty percent of a one-half cent sales and use tax increase that became effective in July 2005. The pledged taxes sunset December 31, 2026. These are held in the Capital Improvements Fund. These bonds were refinanced in 2016.

City of Durango, Colorado
Pledged-Revenue Coverage
Sales and Use Tax Revenue Bonds - Series 2008
Last Ten Fiscal Years (Unaudited)

<u>Fiscal Year</u>	<u>Pledged Sales Tax</u>	<u>Pledged Use Tax</u>	<u>Revenue</u>		<u>Debt Service</u>			<u>Coverage</u>
			<u>Available for</u>	<u>Debt Service</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>	
2012	\$ 12,777,690	\$ 1,001,738	\$ 13,779,428	\$ 13,779,428	\$ 895,000	\$ 270,870	\$ 1,165,870	11.82%
2013	\$ 13,543,897	\$ 919,016	\$ 14,462,913	\$ 14,462,913	\$ 935,000	\$ 239,545	\$ 1,174,545	12.31%
2014	\$ 14,243,981	\$ 797,772	\$ 15,041,753	\$ 15,041,753	\$ 965,000	\$ 209,625	\$ 1,174,625	12.81%
2015	\$ 15,019,744	\$ 966,518	\$ 15,986,262	\$ 15,986,262	\$ 1,005,000	\$ 173,438	\$ 1,178,438	13.57%
2016	\$ 15,436,263	\$ 871,765	\$ 16,308,028	\$ 16,308,028	\$ 1,040,000	\$ 133,238	\$ 1,173,238	13.90%
2017	\$ 15,581,172	\$ 1,194,087	\$ 16,775,259	\$ 16,775,259	\$ 1,085,000	\$ 91,638	\$ 1,176,638	14.26%
2018	\$ 15,873,878	\$ 1,074,400	\$ 16,948,278	\$ 16,948,278	\$ 1,135,000	\$ 48,238	\$ 1,183,238	14.32%
2019	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	-
2020	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	-
2021	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	-

Notes:

- The pledged revenue for the Series 2008 issue is the General Funds two percent sales and use tax.
- The bonds were paid in full during 2018.

City of Durango, Colorado
Pledged-Revenue Coverage
Sales and Use Tax Revenue Bonds - Series 2009
Last Ten Fiscal Years (Unaudited)

Fiscal Year	Pledged Sales Tax	Pledged Use Tax	Revenue		Debt Service		
			Available for Debt Service	Principal	Interest	Total	Coverage
2012	\$ 12,777,690	\$ 1,001,738	\$ 13,779,428	\$ 695,000	\$ 635,885	\$ 1,330,885	10.35%
2013	\$ 13,543,897	\$ 919,016	\$ 14,462,913	\$ 715,000	\$ 618,510	\$ 1,333,510	10.85%
2014	\$ 14,243,981	\$ 797,772	\$ 15,041,753	\$ 730,000	\$ 600,635	\$ 1,330,635	11.30%
2015	\$ 15,019,744	\$ 966,518	\$ 15,986,262	\$ 755,000	\$ 578,735	\$ 1,333,735	11.99%
2016	\$ 15,436,263	\$ 871,765	\$ 16,308,028	\$ 775,000	\$ 554,198	\$ 1,329,198	12.27%
2017	\$ 15,581,172	\$ 1,194,087	\$ 16,775,259	\$ 800,000	\$ 529,010	\$ 1,329,010	12.62%
2018	\$ 15,873,878	\$ 1,074,400	\$ 16,948,278	\$ 830,000	\$ 65,525	\$ 895,525	18.93%
2019	\$ 16,381,884	\$ 1,009,212	\$ 17,391,096	\$ 860,000	\$ 34,400	\$ 894,400	19.44%
2020	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	-
2021	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	-

Notes:

- The pledged revenue for the Series 2009 issue the General Fund two percent sales and use tax.
- The bonds were paid in full in 2019.

City of Durango, Colorado
Pledged-Revenue Coverage
Sales and Use Tax Revenue Note - Series 2016
Last Ten Fiscal Years (Unaudited)

<u>Fiscal Year</u>	<u>Pledged Sales Tax</u>	<u>Pledged Use Tax</u>	<u>Revenue Available for</u>		<u>Debt Service</u>			<u>Coverage</u>
			<u>Debt Service</u>		<u>Principal</u>	<u>Interest</u>	<u>Total</u>	
2012	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	-
2013	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	-
2014	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	-
2015	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	-
2016	\$ 1,928,602	\$ 108,922	\$ 2,037,524	\$ -	\$ -	\$ -	\$ -	-
2017	\$ 1,946,721	\$ 149,493	\$ 2,096,214	\$ 980,000	\$ 195,432	\$ 1,175,432	\$ 1,175,432	1.78%
2018	\$ 1,983,384	\$ 134,239	\$ 2,117,623	\$ 1,000,000	\$ 175,440	\$ 1,175,440	\$ 1,175,440	1.80%
2019	\$ 2,046,925	\$ 126,098	\$ 2,173,023	\$ 1,015,000	\$ 155,040	\$ 1,170,040	\$ 1,170,040	1.86%
2020	\$ 2,057,577	\$ 132,023	\$ 2,189,600	\$ 1,040,000	\$ 133,334	\$ 1,173,334	\$ 1,173,334	1.87%
2021	\$ 2,440,772	\$ 120,826	\$ 2,561,598	\$ 1,070,000	\$ 190,312	\$ 1,260,312	\$ 1,260,312	2.03%

Notes:

- The pledged revenue for the Series 2007 issue is fifty percent of a one-half-cent sales and use tax increase that became effective in July 2005.
- The pledged taxes sunset on December 31, 2026. They are held in the Capital Improvements Fund.

City of Durango, Colorado
Demographic and Economic Statistics
Last Ten Fiscal Years (Unaudited)

Fiscal Year	City Population⁽¹⁾	County Population⁽¹⁾	County Personal Income	Per Capita Personal Income⁽²⁾	Unemployment Rate⁽³⁾	Median Age⁽⁴⁾	K-12 Enrollment⁽⁵⁾	Higher Education Enrollment⁽⁶⁾
2012	17,033	52,401	\$ 2,207,784	\$ 45,476	6.0%	38.7	4,575	3,836
2013	17,269	53,446	\$ 2,484,802	\$ 46,492	5.5%	38.7	4,659	4,065
2014	17,689	54,629	\$ 2,534,109	\$ 46,388	4.2%	38.8	4,564	4,021
2015	17,834	54,688	\$ 2,745,644	\$ 50,206	5.5%	38.4	4,697	4,065
2016	18,101	55,623	\$ 2,925,107	\$ 52,588	2.4%	38.8	5,053	3,585
2017	18,503	55,589	\$ 2,932,803	\$ 52,795	2.6%	39.0	5,251	3,598
2018	18,465	56,310	\$ 3,142,492	\$ 55,807	3.1%	40.0	5,419	3,356
2019	19,117	56,221	\$ 3,272,944	\$ 58,216	2.5%	39.8	5,545	3,310
2020	19,078	55,638	\$ 2,271,198,798	\$ 40,821	7.3%	40.8	6,931	3,443
2021	19,223	56,250	n/a	n/a	3.5%		5,797	3,550

⁽¹⁾ U.S. Census Bureau

⁽²⁾ U.S. Census Bureau - Per capita income for La Plata county in past 12 months (in 2020 dollars), 2016-2020

⁽³⁾ U.S. Bureau of Labor Statistics - data for La Plata County as of December 2020

⁽⁴⁾ U.S. Census Bureau American Community Survey - data for La Plata County

⁽⁵⁾ Colorado Department of Education pupil membership data Durago 9-R

⁽⁶⁾ Higher Education Enrollment is for Fort Lewis College only

City of Durango, Colorado
Principal Employers
Current Year and Nine Years Ago (Unaudited)

Employer	Type of Business	2021⁽¹⁾			2012		
		Number of Employees	Percentage of Total County		Number of Employees	Percentage of Total County	
			Employment	Rank		Employment	Rank
Southern Ute Tribe	Government	1,416	4.30%	1	1,500	4.25%	1
Durango School District 9R	Government-Education	943	2.86%	2	573	1.62%	4
Mercy Medical Center	Health	756	2.30%	3	900	2.55%	2
Fort Lewis College	Government-Education	673	2.04%	4	709	2.01%	3
La Plata County	Government	422	1.28%	5	400	1.13%	7
Bayfield School District 11JT	Government-Education	226	0.69%	6	N/A	-	-
Wal-Mart	Retailer	338	1.03%	7	354	1.00%	9
City of Durango	Government	328	1.00%	8	475	1.34%	5
Rocky Mountain Chocolate Factory	Retailer	190	0.58%	9	N/A	-	-
Purgatory Recreational Management	Recreation	136	0.41%	10	N/A	-	-
Mercury Payments (Later Vantiv)	Finance	N/A	-	-	417	1.18%	6
Durango Mountain Resort	Recreation	N/A	-	-	400	1.13%	8
San Juan Basin Health Unit	Government	N/A	-	-	226	0.64%	10
Total		5,428	16.48%		5,954	16.85%	
Total Employment for La Plata County		32,935	100.00%		35,325	100.00%	

⁽¹⁾ Based on the most recent data from 2019. Per source, data for 2021 will not be available until Fall 2022.

Source:

Region 9 Economic Development District of SW Colorado

Note:

- Employer data is not available at the municipal level, so data presented is for La Plata County.

City of Durango, Colorado
Property Value and Construction
Last Ten Fiscal Years (Unaudited)

Fiscal Year	Property Value⁽¹⁾			Commercial Construction⁽²⁾		New Residential & Other Construction⁽²⁾	
	<u>Commercial</u>	<u>Residential</u>	<u>Total</u>	<u>Number of Permits</u>	<u>Value</u>	<u>Number of Permits (Units)</u>	<u>Value</u>
2012	\$ 944,478,790	\$2,071,047,330	\$ 3,015,526,120	9	\$20,666,680	391 (42)	\$23,353,205
2013	\$ 911,382,230	\$2,009,083,420	\$ 2,920,465,650	5	\$11,803,699	516 (100)	\$36,622,639
2014	\$ 935,081,880	\$2,047,280,250	\$ 2,982,362,130	4	\$ 4,745,726	70 (138)	\$20,860,867
2015	\$ 957,824,280	\$2,382,562,440	\$ 3,340,386,720	7	\$ 9,909,232	495 (196)	\$49,571,608
2016	\$1,039,534,330	\$2,729,145,880	\$ 3,768,680,210	7	\$ 2,164,878	434 (111)	\$37,586,147
2017	\$1,047,965,070	\$2,786,167,240	\$ 3,834,132,310	12	\$27,641,356	533 (355)	\$56,964,095
2018	\$1,047,711,180	\$2,786,423,670	\$ 3,834,134,850	10	\$21,990,065	571 (124)	\$37,190,578
2019	\$1,104,836,000	\$3,017,104,310	\$ 4,121,940,310	9	\$ 7,092,303	539 (89)	\$45,984,765
2020	\$1,117,497,080	\$3,076,277,520	\$ 4,193,774,600	56	\$18,311,601	399 (96)	\$20,249,153
2021	\$1,084,916,620	\$3,254,749,280	\$ 4,339,665,900	40	\$13,651,770	485 (130)	\$49,335,624

⁽¹⁾ Estimated actual value was obtained from the La Plata County Assessor's Office.

⁽²⁾ Per the City of Durango Planning and Community Development Department.

City of Durango, Colorado
Full-time Regular City Government Employees by Function / Program
Last Ten Fiscal Years (Unaudited)

	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>	<u>2021</u>
Function / Program										
General Government	53.42	57.25	66.42	69.42	69.42	72.55	72.55	79.75	82.75	96.00
Public Safety	84.00	85.00	86.00	86.00	87.00	88.00	88.00	88.00	89.00	73.00
Public Works	18.50	19.00	19.00	21.00	23.00	23.10	24.10	24.10	24.10	43.00
Parks and Recreation	26.00	29.00	30.00	32.00	32.00	33.00	38.00	38.00	39.00	43.00
Library	20.50	20.50	20.50	20.50	20.50	20.50	20.00	20.00	21.00	20.00
Joint Venture Airport	16.00	17.00	17.00	21.00	23.00	23.00	23.00	23.00	23.00	21.00
Water Utility	15.75	17.00	21.60	20.80	21.80	21.35	20.25	18.00	18.00	21.00
Sewer Utility	12.75	16.00	16.40	17.40	17.80	21.35	23.45	21.90	21.90	18.00
Parking	6.00	6.00	-	-	-	-	-	-	-	-
Sustainable Services	12.50	12.50	12.00	12.33	13.34	13.15	13.15	12.00	12.00	12.00
Public Transit / Transportation Services	18.33	19.33	27.33	30.00	32.00	32.25	27.25	26.00	26.00	35.00
Total	283.75	298.58	316.25	330.45	339.86	348.25	349.75	350.75	356.75	382.00

Source:

City Finance Department

Notes:

- The General Government function includes internal service funds full-time employees. Represents full-time, benefitted positions for each year presented.
- The Airport is jointly owned by the City and the County. The City took over the management responsibility for operations of the airport in 2003.
- In 2014, Parking staff were merged into the Public Transit/Transportation Services department.

City of Durango, Colorado
Operating Indicators by Function / Program
Last Ten Fiscal Years (Unaudited)

	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>	<u>2021</u>
General Government										
Building permits issued	400	521	572	502	441	545	581	515	455	456
Value of buildings (millions of dollars)	44	48	40	43	40	85	59	80	39	40
Building construction inspections	854	1,191	1,141	1,182	1,126	1,100	1,177	1,139	901	1,137
Acres annexed	772.20	774.82	3,655.90	3,655.90	3,655.90	91.41	1,994.80	3.21	3.21	3.03
Area in square miles	11.12	13.85	19.57	19.57	19.57	13.98	17.07	17.10	17.10	17.10
Public Safety										
Total number of police incidents	39,705	34,105	37,466	39,702	40,673	38,705	37,106	32,233	32,682	39,163
Number of 911 calls received	18,180	17,677	18,855	19,002	20,195	19,644	19,995	20,169	21,967	18,136
Public Works										
Street miles swept	11,873	10,840	10,630	11,317	12,100	13,594	12,286	11,093	11,886	10,134
Tons of hot mix applied	242	302	225	359	339	407	360	345	197	158
Signs replaced/installed	2,448	2,149	1,546	1,439	1,933	1,750	1,314	1,314	1,589	1,142
Snow hauled (cubic yards)	18,975	8,998	380	15,190	17,620	11,970	566	27,161	1,775	10,810
Parks and Recreation										
Recreation Center admissions	339,666	362,889	371,149	366,006	370,376	370,385	386,613	379,483	141,231	211,502
Program participants	30,987	34,541	36,712	37,445	38,373	42,795	88,714	124,725	18,220	61,822
Park and river permits issued	213	221	250	267	303	288	226	217	92	178
Library										
Number of volumes/materials	118,501	106,432	107,963	120,508	116,455	118,413	120,185	114,202	104,067	95,178
Collection use	430,370	430,803	438,058	448,803	408,506	402,591	412,874	420,978	210,024	263,720
Water Utility										
Gallons of water treated (MG)	1,473	1,560	1,428	1,194	1,232	1,225	1,218	1,177	1,253	1,364
Number of water consumers	6,510	6,467	6,554	6,485	6,410	6,432	7,023	7,327	7,450	7,334
Water main breaks	28	25	27	19	32	24	61	17	32	26
Sewer Utility										
Gallons of wastewater treated (MG)	720	698	667	718	730	717	542	590	570	599
Average daily use (MG)	1,963	1,914	1,826	1,982	1,996	1,935	1,488	1,604	1,556	1,637
Solid Waste										
Commercial accounts	450	486	537	552	571	589	600	617	632	634
Residential	4,469	4,542	4,548	4,574	4,746	4,991	5,111	5,153	5,187	5,248
Cubic yards of refuse hauled	21,966	24,288	23,584	24,826	25,146	26,145	25,510	24,300	25,875	25,818
Tons of recyclables diverted from landfill	3,962	4,094	3,859	4,361	4,215	4,260	3,451	3,336	3,223	3,471
Public Transit										
Passengers	629,573	613,621	583,756	472,943	470,703	478,358	359,368	373,845	232,798	243,989
Cost per trip (dollars)	3.59	3.29	2.59	4.64	4.95	4.47	6.54	3.77	7.97	8.38

Sources:
City department managers and December department monthly reports.

City of Durango, Colorado
Capital Asset Statistics by Function / Program
Last Ten Fiscal Years (Unaudited)

	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>	<u>2021</u>
Public Safety										
Number of police vehicles	36	37	37	37	38	39	39	39	36	38
Public Works										
Miles of streets	74.9	74.9	74.9	74.9	77.2	77.2	77.2	77.2	77.4	79.6
Parks and Recreation										
Parkland - developed acres	174.1	175.7	175.7	193.7	193.7	197.6	197.6	197.5	197.5	197.5
Parkland - undeveloped acres	112.2	112.6	112.6	109.9	109.9	108.1	108.1	108.1	108.1	108.1
Open space - acres	2,724	2,867	3,001	3,002	3,005	4,994	4,994	4,994	3,039	3,349
Number of playgrounds	19	19	19	19	19	22	22	22	22	22
Library										
Number of libraries	1	1	1	1	1	1	1	1	1	1
Water Utility										
Miles of water lines	134.6	135.6	136	137	145.6	146.4	146.4	149.2	149.2	153.2
Sewer Utility										
Miles of sewer lines	96.13	100	101.5	101.5	104.7	107.1	107.1	107.1	107.1	108.4
Parking										
Number of parking lots	4	4	4	4	4	4	4	4	4	4
Solid Waste										
Transfer station	1	1	1	1	1	1	1	1	1	1
Recycling center	1	1	1	1	1	1	1	1	1	1
Public Transit										
Number of buses	13	16	16	16	16	16	13	13	12	13



COMPLIANCE SECTION

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

LOCAL HIGHWAY FINANCE REPORT		City or County: Durango	
		YEAR ENDING : December 2021	
This Information From The Records Of (example - City of _ or County of _) City of Durango, Colorado		Prepared By: Phone:	
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
1. Total receipts available			
2. Minus amount used for collection expenses			
3. Minus amount used for nonhighway purposes			
4. Minus amount used for mass transit			
5. Remainder used for highway purposes			
II. RECEIPTS FOR ROAD AND STREET PURPOSES		III. DISBURSEMENTS FOR ROAD AND STREET PURPOSES	
ITEM	AMOUNT	ITEM	AMOUNT
A. Receipts from local sources:		A. Local highway disbursements:	
1. Local highway-user taxes		1. Capital outlay (from page 2)	2,978,158
a. Motor Fuel (from Item I.A.5.)		2. Maintenance:	1,406,373
b. Motor Vehicle (from Item I.B.5.)		3. Road and street services:	
c. Total (a.+b.)		a. Traffic control operations	0
2. General fund appropriations		b. Snow and ice removal	622,997
3. Other local imposts (from page 2)	6,694,503	c. Other	353,172
4. Miscellaneous local receipts (from page 2)	212,530	d. Total (a. through c.)	976,169
5. Transfers from toll facilities		4. General administration & miscellaneous	23,100
6. Proceeds of sale of bonds and notes:		5. Highway law enforcement and safety	198,450
a. Bonds - Original Issues		6. Total (1 through 5)	5,582,250
b. Bonds - Refunding Issues		B. Debt service on local obligations:	
c. Notes		1. Bonds:	
d. Total (a. + b. + c.)	0	a. Interest	214,960
7. Total (1 through 6)	6,907,033	b. Redemption	1,040,000
B. Private Contributions		c. Total (a. + b.)	1,254,960
C. Receipts from State government (from page 2)	609,312	2. Notes:	
D. Receipts from Federal Government (from page 2)	64,963	a. Interest	0
E. Total receipts (A.7 + B + C + D)	7,581,309	b. Redemption	0
		c. Total (a. + b.)	0
		3. Total (1.c + 2.c)	1,254,960
		C. Payments to State for highways	
		D. Payments to toll facilities	
		E. Total disbursements (A.6 + B.3 + C + D)	6,837,209
IV. LOCAL HIGHWAY DEBT STATUS (Show all entries at par)			
	Opening Debt	Amount Issued	Closing Debt
A. Bonds (Total)	9,070,000		8,030,000
1. Bonds (Refunding Portion)			
B. Notes (Total)			0
V. LOCAL ROAD AND STREET FUND BALANCE			
	A. Beginning Balance	B. Total Receipts	C. Total Disbursements
	2,180,191	7,581,309	6,837,209
		D. Ending Balance	E. Reconciliation
		2,924,290	0
Notes and Comments:			

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

II. RECEIPTS FOR ROAD AND STREET PURPOSES - DETAIL			
ITEM	AMOUNT	ITEM	AMOUNT
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 & Penalties	
1. Sales Taxes	6,381,746	c. Parking Garage Fees	
2. Infrastructure & Impact Fees	312,757	d. Parking Meter Fees	
3. Liens		e. Sale of Surplus Property	
4. Licenses		f. Charges for Services	
5. Specific Ownership &/or Other		g. Other Misc. Receipts	0
6. Total (1. through 5.)	6,694,503	h. Other County Road \$ Bridge	212,530
c. Total (a. + b.)	6,694,503	i. Total (a. through h.)	212,530
	(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	538,012	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	71,300	d. Federal Transit Admin	
d. Other (Specify)		e. U.S. Corps of Engineers	
e. Other (Specify)		f. Other Feder American Rescue Plan Act	64,963
f. Total (a. through e.)	71,300	g. Total (a. through f.)	64,963
4. Total (1. + 2. + 3.f)	609,312	3. Total (1. + 2.g)	64,963
			(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		2,978,158	2,978,158
(4). System Enhancement & Operation			0
(5). Total Construction (1) + (2) + (3) + (4)	0	2,978,158	2,978,158
d. Total Capital Outlay (Lines 1.a. + 1.b. + 1.c.5)	0	2,978,158	2,978,158
			(Carry forward to page 1)

Notes and Comments: