



ANNUAL COMPREHENSIVE FINANCIAL REPORT

For the fiscal year ended
December 31, 2021

CITY OF SALIDA, COLORADO



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**City of Salida, Colorado
Annual Comprehensive Financial Report
For the year ended December 31, 2021**

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Table of Contents

| | Page |
|---------------------------------------------------------------------------------------------------------------------------------------------------|---------------------|
| Introductory Section: | |
| Transmittal Letter | i – iv |
| Organizational Chart | v |
| List of Elected and Appointed Officials | vi |
| Financial Section: | |
| Independent Auditor’s Report Management’s Discussion and Analysis | A1 – A3 B1 – B13 |
| Basic Financial Statements: | |
| Government-wide Financial Statements: | |
| Statement of Net Position | C1 |
| Statement of Activities | C2 |
| Fund Financial Statements: | |
| Balance Sheet - Governmental Funds | C3 |
| Reconciliation of the Balance Sheet of Governmental Funds To the Statement of Net Position | C4 |
| Statement of Revenues, Expenditures and Changes in Fund Balances - Governmental Funds | C5 |
| Reconciliation of the Statement of Revenues, Expenditures and Changes in Fund Balances of Governmental Funds to the Statement of Activities | C6 |
| Statement of Net Position - Proprietary Funds | C7 |
| Statement of Revenues, Expenses and Changes in Fund Net Position - Proprietary Funds | C8 |
| Statement of Cash Flows - Proprietary Funds | C9 |
| Notes to the Financial Statements | D1 – D29 |
| Required Supplementary Information: | |
| Schedule of Revenues, Expenditures and Changes in Fund Balance Budget and Actual – General Fund | E1 – E2 |
| Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual – Street Fund | E3 |
| Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual – Economic Development Fund | E4 |
| Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual – Lodging Tax Fund | E5 |
| Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual – Conservation Trust Fund | E6 |

**City of Salida, Colorado
Annual Comprehensive Financial Report
December 31, 2021**

**Table of Contents
(Continued)**

| | Page |
|--------------------------------------------------------------------------------------------------------------------------------------------|-------------|
| Required Supplementary Information (continued): | |
| Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual – Housing Fund | E7 |
| Schedule of City’s Proportionate Share of Net Pension Asset/Liability – FPPA Defined Benefit Plan | E8 |
| Schedule of City’s Contributions – FPPA Defined Benefit Plan | E9 |
| Schedule of Changes in Net Pension Asset/Liability – Fire “Old Hire” Plan | E10 |
| Schedule of Changes in Net Pension Asset/Liability – Police “Old Hire” Plan | E11 |
| Schedule of City’s Contributions – “Old Hire” Plan | E12 |
| Notes to Required Supplementary Information | E13 – E15 |
| Supplementary Information: | |
| Schedule of Revenues and Expenditures – Budget (Non-GAAP Basis) and Actual with Reconciliation to GAAP Basis – Capital Improvement Fund | F1 |
| Schedule of Revenues and Expenditures - Budget (Non-GAAP Basis) and Actual with Reconciliation to GAAP Basis – Water Fund | F2 – F3 |
| Schedule of Revenues and Expenditures - Budget (Non-GAAP Basis) and Actual with Reconciliation to GAAP Basis – Sewer Fund | F4 – F5 |
| Local Highway Finance Report | F6 – F7 |
| Statistical Information: | |
| Financial Trends: | |
| Net Position by Component | G1 |
| Changes in Net Position | G2 – G3 |
| Fund Balances of Governmental Funds | G4 |
| Changes in Fund Balances of Governmental Funds | G5 |
| Revenue Capacity: | |
| Tax Revenues by Source – Governmental Funds | G6 |
| Assessed Value and Estimated Actual Value of Taxable Property | G7 |
| District and Overlapping Sales Tax Rates | G8 |
| Taxable Sales and Sales Tax Collections by Category | G9 |
| Principal Sales Tax Taxpayers | G10 |
| Debt Capacity: | |
| Ratios of Outstanding Debt by Type | G11 |
| Ratios of Net General Bonded Debt Outstanding | G12 |
| District and Overlapping Governmental Activities Debt | G13 |
| Legal Debt Margin Information | G14 |
| Demographic and Economic Data: | |
| Demographic and Economic Statistics | G15 |
| Principal Employers | G16 |
| Operating Information: | |
| Operating Information – Full-time Equivalent Employees by Function | G17 |
| Operating Indicators by Function | G18 |
| Capital Asset Statistics by Function | G19 |

**City of Salida, Colorado
Annual Comprehensive Financial Report
December 31, 2021**

**Table of Contents
(Continued)**

| | Page |
|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-------------|
| Statutory Report Section: | |
| Single Audit Reports and Schedules: | |
| Independent Auditor's Report on Internal Control Over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with <i>Government Auditing Standards</i> | H1 – H2 |
| Independent Auditor's Report on Compliance for Each Major Federal Program and on Internal Control over Compliance Required by the Uniform Guidance | H3 – H5 |
| Schedule of Findings and Questioned Costs | H6 |
| Schedule of Prior Audit Findings and Questioned Costs | H7 |
| Schedule of Expenditures of Federal Awards | H8 |



May 17, 2022

To the Honorable Mayor, Members of the City Council and Citizens of the City of Salida:

State law requires that every general purpose local government publish a complete set of audited financial statements. This report is published to fulfill that requirement for the fiscal year ended December 31, 2021.

Management assumes full responsibility for the completeness and reliability of the information contained in this report, based upon a comprehensive framework of internal control that it has established for this purpose. Because the cost of internal control should not exceed anticipated benefits, the objective is to provide reasonable, rather than absolute, assurance that the financial statements are free of any material misstatements.

McMahan and Associates, LLC, a firm of licensed Certified Public Accountants, have issued an unmodified (“clean”) opinion on the City of Salida’s financial statements for the year ended December 31, 2021. The independent auditor’s report is located at the front of the financial section of this report.

Management’s discussion and analysis (MD&A) immediately follows the independent auditor’s report and provides a narrative introduction, overview, and analysis of the basic financial statements. MD&A complements this letter of transmittal and should be read in conjunction with it.

Profile of the government

The City of Salida, incorporated in 1880, is known as the “Heart of the Rockies.” Salida is located approximately two to three hours from the more densely populated urban “front range” communities of Colorado, such as Colorado Springs, Denver and Boulder. Salida is the county seat of Chaffee County and its largest city, with a population of approximately 5,666. The City is the service, supply, and tourism center for the Upper Arkansas River Valley in central Colorado. Although flanked by majestic 14,000-foot snow-capped peaks, at just over 7,000 feet in elevation, Salida enjoys a surprisingly mild climate that some refer to as the Banana Belt. Salida has a relaxed pace and a small hometown feel along with world-class recreational opportunities.

The City limits currently occupy just over 2.2 square miles. The City of Salida is empowered to levy a property tax on real property located within its boundaries, but the tax was repealed in 2008. It relies primarily on sales tax revenue to provide government services. It also is empowered by state statute to extend its corporate limits by annexation, which it has done from time to time.

Salida is organized as a statutory city under the constitution of the State of Colorado that follows the mayor-council form of government. The Mayor, the Treasurer and six Council members are directly elected. There are three wards in the City, and two Council members represent each ward. Policy-making and legislative authority are vested in the governing body consisting of the Mayor and six Council members. Council members serve four-year terms, with three members

elected every two years. The Mayor is elected for a two-year term. According to Colorado statutes, officials elected to two-year terms are eligible for three terms. Council members and the Treasurer are elected to four-year terms and are limited to two terms. The City Council appoints the City Administrator, City Attorney and City Clerk. The City Administrator appoints department heads.

Services provided by municipalities vary widely. Although citizens have many of the same services available to them in any incorporated area, some may be served by a special district or other governmental entity. Therefore, one town or city may not be directly comparable to another. It is important that readers of the financial statements and budgets know what services the City provides in order to understand the reports. The broad services provided by Salida's employees across the various divisions (described below) include the following:

- Public safety –
 - 24/7 police protection including vehicle, bicycle and foot patrol, crime prevention and law enforcement; vehicle identification number inspections, school safety, special event support, DUI awareness programs, drug task force, regional preparedness, E911 board representation. The Community Services Division extends safety and public service while protecting the welfare of domestic animals, as well as maintaining the integrity of the Salida City Code through education, citizen engagement and enforcement.
 - 24/7 professional fire response (structural and wildland), emergency medical services, hazardous material response, technical rescue (ice, swift water, confined space, high and low angles), installation of smoke detectors, inspection and plan reviews, code enforcement, fire prevention and CPR classes, fireworks displays, staffing for fire protection district, regional preparedness and various other education and civic activities
- Public works – operation, maintenance and improvement of streets, alleys, walkways, parking lots, parks, play features, public structures, underground distribution or collection lines and appurtenances, trees, and other public infrastructure
- Water and Wastewater plant operations – Treatment and distribution of municipal water; collection, treatment of and safe discharge of wastewater (including wastewater services for the Town of Poncha Springs); lab testing, acceptance and treatment of outside septage.
- Community development – land use and zoning, review of development plans, subdivisions, building and sign permits, long range and current planning, historic preservation, grant writing and reporting
- Parks and recreation – aquatic center, swimming lessons, fitness and recreation programs, and maintenance of park facilities, sports complexes, and trails
- Arts and culture – services for event centers activities and special events for community members of all ages, alliance with outside organizations (Chamber of Commerce, Salida Business Alliance, etc.), and a creative district.
- Administrative services – liquor, marijuana and arborists licensing, vendor and special event permitting, billing and collection of water and wastewater services, protection of water rights, birth and death certificates, municipal court, grant writing and reporting, intergovernmental facility management, payroll, accounts payable, accounts receivable, budgeting, financial reporting, human resources, legal, cash management / treasury, risk management, records management, public information, meeting coordination, and other general government and administrative services

Water treatment and distribution and wastewater collection and treatment services are provided through an enterprise fund. See the MD&A for an explanation about different types of funds.

Annual Budget Process

The Council is required to adopt an initial budget for the fiscal year no later than December 31 preceding the beginning of the fiscal year on January 1. This annual budget serves as the foundation for the City of Salida's financial planning and control. The budget is prepared by fund, function or department (e.g., police). Department heads may transfer resources within a department as they see fit. Transfers between departments within the same fund, however, need approval from the Finance Director or City Administrator. Changes to a fund's total bottom line must be done with an amendment by Council after posting the amendment and holding a public hearing on it.

Each year, the budget development process kicks off with a strategic planning meeting with Council, Treasurer and key City staff. Department heads set goals for the upcoming fiscal year and develop their requested budget based on the outcomes of the strategic planning meeting. The finance office review the budget for affordability, makes necessary adjustments and prepares are recommended budget for Council (this recommended budget is available for public inspection). A series of public meetings with council are held to go over the budget and provide feedback. After making final adjustments as directed by Council, a public hearing is held prior to Council adoption. Typically, council adopts the budget by mid-October.

Local economy

The City of Salida serves as a shopping hub for the surrounding small towns and rural areas. Tourism is a major contributor to the local economy. Sales tax revenue peaks in the "summer season" of June to September, with July being the strongest month. Salida is a short drive from the Monarch Ski area, which draws winter visitors to the area and contributes to the local economy. However, February, which falls in the middle of the "ski season" is the slowest month for collections. Increasingly, Salida is experiencing growth in sales tax collections during the "shoulder season" defined as April-May and October-November when the weather is typically suitable for many outdoor activities that attract visitors to the area.

Sales tax increases (to include County earned sales tax shared with the City) year over year have been strong averaging 12.3% over the last five years. In 2021, the sales tax increased 20.1% over 2020. The retail NAICS industry sector is the City's largest representing 67.8% of all businesses that contribute sales tax. Growth in the retail sector was 12.9%. The highest growth came from the Accommodation and Food Services (38.4%); Wholesale Trade (44.8%), Construction (39.3%) and Real Estate, Rental & Leasing (51.0%) sectors.

Reliable unemployment information for just the City of Salida is unavailable, consequently Chaffee County unemployment data is utilized for monitoring purposes. Unemployment in Chaffee County ended the year at 3.2% which is comparable to the state rate of 3.5%.

Long-term financial planning and major initiatives

Unrestricted fund balance in the general fund at year end was 72.4% of total general fund operating expenses. This amount is significantly above policy guidelines set by Council for budgetary and planning purposes (25%). The strong fund balance coupled with continued growth projections provides the confidence to plan for significant projects in the future. The City has worked with a financial advisor to refine a long term financial plan to help achieve capital goals (some wants and some needs) such as the addition of hot spring soaking pools at the aquatic

center, a new fire station, aquatic center hot water delivery line replacements, fire equipment replacements, a sports complex and a recreation center.

The Street fund has high priority projects planned out through 2024 with estimated annual expenditures in the long term plan thereafter. 32% of the City-generated sales tax is allocated to this fund and can predominantly support the anticipated expenditures complemented by grants and possibly some debt issuance for a single bridge repair project planned for 2024.

The City Water and Wastewater funds underwent a rate study in 2020 resulting in recommended rate increases of 2.58% for water and 8.85% for wastewater each year for the 5 subsequent years. The first of this series of rate increases was implemented in 2021 and will go a long way toward making these funds sustainable and keeping the City's water and sewer activities operating at a high level.

Low-interest new debt financing in the amount of \$4.1 million was approved in 2021 and will be drawn upon in 2022 to accomplish a larger than normal replacement of major water lines.

Relevant financial policies

The City of Salida has adopted a comprehensive set of financial policies. An important one designed to maintain fiscal health is the Fund Balance Policy which requires a minimum level of unrestricted general fund reserves to be maintained at amount no less than 25% of general fund operating expenses. Since the City is very reliant on sales tax and sales tax has volatility, the 25% minimum level is deemed sufficient to keep the City operating effectively during economic downturns.

As a service organization, the City of Salida recognizes employees as the most important resource of the City. In order to ensure that the City provides employees with a total compensation package of pay and benefits comparable to other governmental and private employers, a consultant was hired to perform a comprehensive market pay analysis and the resulting recommendation were budgeted for 2022. During 2021, to help with recruitment and retention of valuable City staff, Council set the minimum pay level for any employee at \$15 per hour. These measurers have helped the City maintain a reasonable turnover level.

The preparation of this report would not have been possible without the skill, effort, and dedication of the entire staff of the finance and administration department. We wish to thank all government departments for their assistance in providing the data necessary to prepare this report. Credit also is due to the Mayor and Council for their unfailing support for maintaining the highest standards of professionalism in the management of the City of Salida's finances.

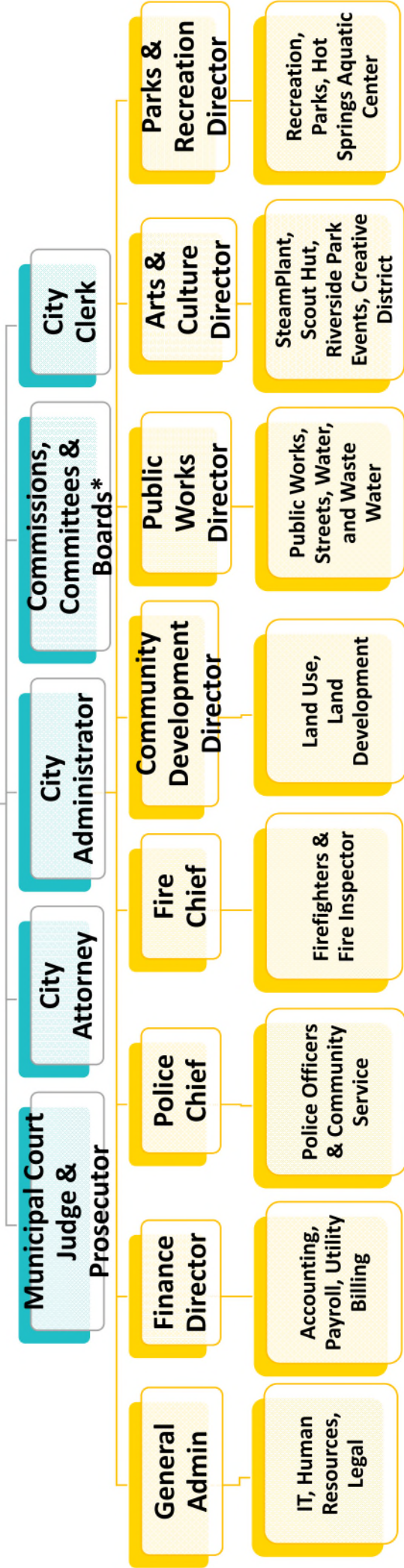
Respectfully submitted,

Drew Nelson
City Administrator

Aimee Tihonovich
Finance Director

Salida Citizens

Mayor, City Council & Treasurer



*Planning Commission, Recreation Advisory Board, Historic Preservation Commission, Tree Board, Finance Committee, Board of Adjustment

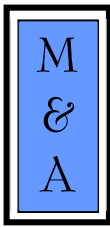
CITY OF SALIDA, COLORADO
List of Elected and Appointed Officials
as of December 31, 2021

Elected Officials

| | |
|-------------------------|---------------------|
| Mayor | Dan Shore |
| Council Member - Ward 1 | Dominique Naccarato |
| Council Member - Ward 1 | Jane Templeton |
| Council Member - Ward 2 | Justin Critelli |
| Council Member - Ward 2 | Mike Pollock |
| Council Member - Ward 3 | Harald Kasper |
| Council Member - Ward 3 | Alisa Pappenfort |
| Treasurer | Merrell Bergin |

Appointed Officials & Staff

| | |
|----------------------------------------------|--------------------|
| Municipal Court Judge | Cheryl Hardy-Moore |
| Municipal Prosecutor | Matthew Krob |
| Planning Commission Chairperson | Greg Follet |
| Recreation Advisory Board Chairperson | Lisa DeYoung |
| Historic Preservation Commission Chairperson | Keith Krebs |
| Tree Board President | Marilyn Moore |
| Board of Adjustment Chairperson | Greg Follet |
| City Administrator | Drew Nelson |
| City Attorney | Nina Williams |
| City Clerk | Erin Kelley |
| Arts & Culture Director | Michael Varnum |
| Community Development Director | Bill Almquist |
| Finance Director | Aimee Tihonovich |
| Fire Chief | Doug Bess |
| Parks & Recreation Director | Mike (Diesel) Post |
| Police Chief | Russ Johnson |
| Public Works Director | David Lady |



MCMAHAN AND ASSOCIATES, L.L.C.

Certified Public Accountants and Consultants

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INDEPENDENT AUDITOR'S REPORT

**To the City Council
City of Salida, Colorado**

Report on the Audit of the Financial Statements

Opinions

We have audited the accompanying financial statements of the governmental activities, the business-type activities, and each major fund of the City of Salida, Colorado (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 financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, and each major fund 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 ("U.S. GAAP").

Basis for Opinions

We conducted our audit in accordance with auditing standards generally accepted in the United States of America ("U.S. 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 these financial statements in accordance with U.S. GAAP; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the City's ability to continue as a going concern for one year after the date that the financial statements are issued.

Member: American Institute of Certified Public Accountants

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INDEPENDENT AUDITOR'S REPORT
To the City Council
City of Salida, Colorado

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 U.S. GAAS will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with U.S. GAAS, 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

U.S. GAAP require that the Management's Discussion and Analysis in Section B, the Schedule of City's Proportionate Share of the Net Pension Liability (Asset), the Schedule of City Contributions, and the Notes to the Required Supplementary Information in Section E 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 U.S. GAAS, 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.

The budgetary comparison information in section E is not a required part of the basic financial statements but is supplementary information required by U.S. GAAP. The budgetary comparison information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with U.S. GAAS. In our opinion, the information is fairly stated in all material respects in relation to the financial statements as a whole.

INDEPENDENT AUDITOR'S REPORT
To the City Council
City of Salida, Colorado

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 individual fund budgetary information, the Local Highway Finance Report, and the Schedule of Expenditures of Federal Awards as required by *Title 2, U.S. Code of Federal Regulations, Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* included in the Single Audit Section listed in the accompanying table of contents are presented for purposes of additional analysis and are not a required part of the basic financial statements.

The individual fund budgetary information, the Local Highway Finance Report, and the Schedule of Expenditures of Federal Awards included in the Single Audit Section listed in the accompanying table of contents is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements 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 U.S. GAAS. In our opinion, the individual fund budgetary information, the Local Highway Finance Report, and the Schedule of Expenditures of Federal Awards included in the Single Audit Section listed in the accompanying table of contents is 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 and statistical section 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.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated May 17, 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 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 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 on compliance.

McMahan and Associates, L.L.C.

McMahan and Associates, L.L.C.
Avon, Colorado
May 17, 2022

MANAGEMENT'S DISCUSSION AND ANALYSIS



Management's Discussion and Analysis

As Management of the City of Salida, we offer readers of the City of Salida's financial statements this narrative overview and analysis of the financial activities of the City of Salida for the fiscal year ended December 31, 2021. We encourage readers to consider the information presented here in conjunction with additional information that we have furnished in our letter of transmittal, which can be found on pages i - iv of this report.

Financial Highlights

- The assets and deferred outflows of resources of the City of Salida exceeded its liabilities at the close of the most recent fiscal year by \$62,641,928 (net position). Of this amount, \$13,736,964 represents unrestricted net position, which may be used to meet the government's ongoing obligations to citizens and creditors.
- The City of Salida's total net position increased by \$4,281,399 due largely to explosive growth in the area as demonstrated by a record level of sales tax revenue with 2,098,657 (20.4%) more collected in 2021 compared to 2020 and a high collection of system development fees related to new development in the City (\$1,095,345 or 86.9% more collected in 2021 compared to 2020).
- At the close of the current fiscal year, the City of Salida's governmental funds reported combined fund balances of \$9,166,078, an increase of \$1,768,129 (23.9%) in comparison with the prior year. 90.4% of this amount (\$8,282,134) is available for spending at the government's discretion (*unassigned & committed fund balance*).
- At the end of the current fiscal year, unrestricted fund balance for the General Fund was \$6,924,055, or approximately 72.4% of total general fund expenditures.
- The City of Salida's total outstanding long-term debt decreased by \$709,036 during the current fiscal period due to principal payments exceeding new debt added.

Overview of the Financial Statements

The discussion and analysis provided here are intended to serve as an introduction to the City of Salida's basic financial statements. The City of Salida's basic financial statements consist of three components: 1) government-wide financial statements, 2) fund financial statements, and 3) the notes to financial statements. This report also includes supplementary information intended to furnish additional detail to support the basic financial statements themselves.

Government-wide Financial Statements

The *government-wide financial statements* are designed to provide readers with a broad overview of the City of Salida's finances, in a manner similar to a private-sector business.

The *statement of net position* presents financial information on all of the City of Salida's assets, liabilities, and deferred inflows/outflows 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 of Salida is improving or deteriorating.

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

Both of the government-wide financial statements distinguish functions of the City of Salida that are principally supported by taxes and intergovernmental revenues (*governmental activities*) from other functions that are intended to recover all or a significant portion of their costs through user fees and charges (*business-type activities*). The governmental activities of the City of Salida include general government, public safety, public works/streets, arts and culture, parks and recreation. The business-type activities of the City of Salida include water and sewer services.

The government-wide financial statements can be found on pages C1 to C2 of this report.

Fund Financial Statements

A fund is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. The City of Salida, like other state and local governments, uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. All of the funds of the City of Salida can be divided into two categories: governmental and proprietary funds.

Governmental funds. Governmental funds are used to account for essentially the same functions reported as governmental activities in the government-wide financial statements. However, unlike the government-wide financial statements, governmental fund financial statements focus on *near term inflows and outflows of spendable resources*, as well as on *balances of spendable resources* available at the end of the fiscal year. Such information may be useful in assessing a government's near-term financing requirements.

Because the focus of the governmental funds is narrower than that of the government-wide financial statements, it is useful to compare the information presented for *governmental funds* with similar information presented for *governmental activities* in the government-wide financial statements. By doing so, readers may better understand the long-term impact of the

government's near-term financing decisions. Both the governmental fund balance sheet and the governmental fund statement of revenues, expenditures, and changes in fund balances provide a reconciliation to facilitate this comparison between *governmental funds* and *governmental activities*.

The City of Salida maintains seven individual governmental funds. Information is presented separately in the governmental fund balance sheet and in the governmental fund statement of revenues, expenditures, and changes in fund balances for all seven funds (the general fund, the Street Fund, the Capital Improvement Fund, the Economic Development Fund, the Lodging Tax Fund, the Conservation Trust Fund and the Housing Fund).

The basic governmental fund financial statements can be found on pages C3 to C6 of this report.

Proprietary Funds. The City of Salida maintains two proprietary funds, both are *enterprise funds*. Enterprise funds are used to report the same functions presented as *business-type activities* in the government-wide financial statements. The City of Salida uses enterprises funds to account for its water and sewer operations. It should be noted that in previous years, the SteamPlant event center operations were accounted for as an enterprise fund. That fund has been closed and the event center (now called Arts & Culture Department) operations are now a department within the general fund.

Proprietary funds provide the same type of information as the government-wide financial statements, only in more detail.

The basic proprietary fund financial statements can be found on pages C7 to C9 of this report.

Notes to the Financial Statements

The notes provide additional information that is necessary to acquire a full understanding of the data provided in the government-wide and fund financial statements. The notes to the financial statements can be found on pages D1 to D29 of this report.

Other Information

The City of Salida adopts an annual appropriated budget for its general fund and all other funds. A budgetary comparison statement for the governmental funds is provided in the *required supplementary information* section. The City of Salida also presents *required supplementary information* concerning the City of Salida's progress in funding its obligation to provide pension benefits to its fire and police employees. The required supplementary information can be found on pages E1 to E15

Finally, budget comparison statements for proprietary funds are presented in the *supplementary information* section as well as the Local Highway Finance Report filed with the State of Colorado. This supplemental information can be found on pages F1 to F7 of this report.

Government-wide Overall Financial Analysis

As noted earlier, net position over time may serve as a useful indicator of a government's financial position. In the case of the City of Salida, assets and deferred outflows of resources exceeded liabilities by \$62,641,928.

City of Salida's Net Position

| | <u>Governmental Activities</u> | | <u>Business-type activities</u> | | <u>Total</u> | |
|--------------------------------------|--------------------------------|---------------|---------------------------------|---------------|---------------|---------------|
| | <u>2021</u> | <u>2020</u> | <u>2021</u> | <u>2020</u> | <u>2021</u> | <u>2020</u> |
| Current and other assets | \$ 10,814,871 | \$ 8,330,038 | \$ 8,349,669 | \$ 7,798,689 | \$ 19,164,540 | \$ 16,128,727 |
| Capital Assets | 29,629,169 | 28,517,023 | 29,714,331 | 29,252,447 | 59,343,500 | 57,769,470 |
| Total Assets | 40,444,040 | 36,847,061 | 38,064,000 | 37,051,136 | 78,508,040 | 73,898,197 |
| Total Deferred outflows of resources | 1,075,360 | 1,078,992 | - | - | 1,075,360 | 1,078,992 |
| Long-term liabilities | 2,395,938 | 2,486,061 | 12,251,756 | 12,724,410 | 14,647,694 | 15,210,471 |
| Other liabilities | 1,099,291 | 786,374 | 496,022 | 278,016 | 1,595,313 | 1,064,390 |
| Total liabilities | 3,495,229 | 3,272,435 | 12,747,778 | 13,002,426 | 16,243,007 | 16,274,861 |
| Total Deferred inflows of resources | 698,465 | 341,799 | - | - | 698,465 | 341,799 |
| Net position: | | | | | | |
| Net investment in capital assets | 28,835,011 | 27,366,982 | 18,727,404 | 16,565,969 | 47,562,415 | 43,932,951 |
| Restricted | 1,342,549 | 670,645 | - | 1,034,732 | 1,342,549 | 1,705,377 |
| Unrestricted | 7,148,146 | 6,274,192 | 6,588,818 | 6,448,009 | 13,736,964 | 12,722,201 |
| Total net position | \$ 37,325,706 | \$ 34,311,819 | \$ 25,316,222 | \$ 24,048,710 | \$ 62,641,928 | \$ 58,360,529 |

Current and other assets increased in governmental activities by \$2,484,833 from the prior year due primarily to an increase in cash. The City is experiencing record growth in both visitors and new home starts. In addition, it has been difficult to find contractors so a number of our capital projects are running somewhat slower than expected with projects originally budgeted to be completed in 2021 rolling into 2022.

Other liabilities in governmental activities increased by \$312,917 primarily due to having a higher unearned revenue balance. This is the result of receiving federal American Rescue Plan Act (ARPA) funds upfront. These funds are restricted and have not been fully expended.

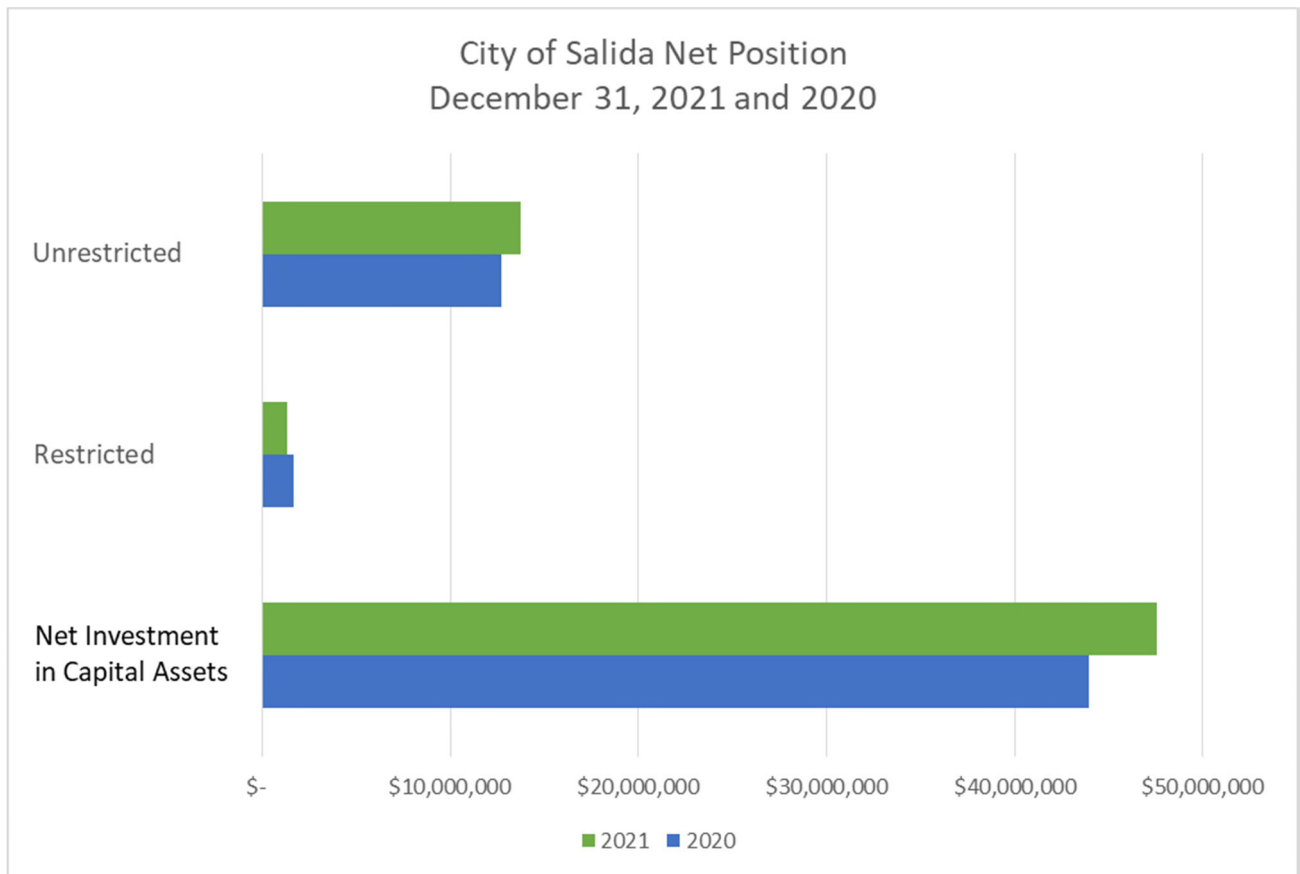
Long-term liabilities, which consist of bonds, notes, leases, accrued compensated absences and pension liability decreased by \$562,777 (3.7%) from the previous year for governmental and business-type activities combined due to principal payments on debt exceeding any additions to debt.

By far, the largest portion of the City of Salida's net position (75.9%) reflects its investment in capital assets (e.g., land, buildings, machinery, equipment, vehicles, and infrastructure), less any related outstanding debt that was used to acquire those assets. The City of Salida uses these capital assets to provide a variety of services to its citizens. Accordingly, these assets are

not available for future spending. Although the City of Salida’s investment in capital assets is reported net of related debt, it should be noted that the resources used to repay this debt must be provided from other sources, since the capital assets themselves cannot be used to liquidate these liabilities.

An additional portion of the City of Salida’s net position, \$1,342,549 (2.1%) represents resources that are subject to external restrictions on how they may be used. The remaining balance of \$12,722,201 is unrestricted and may be used to meet the government’s ongoing obligations to its citizens and creditors.

At the end of the current fiscal year, the City of Salida is able to report positive balances in all reported categories of net position, both for the government as a whole, as well as for its separate governmental and business-type activities. The same situation held true for the prior fiscal year.



The City of Salida’s overall net position increased by \$4,281,399 from the prior fiscal year. The reasons for this overall increase are discussed in the following sections for governmental activities and business-type activities.

City of Salida's Changes in Net Position

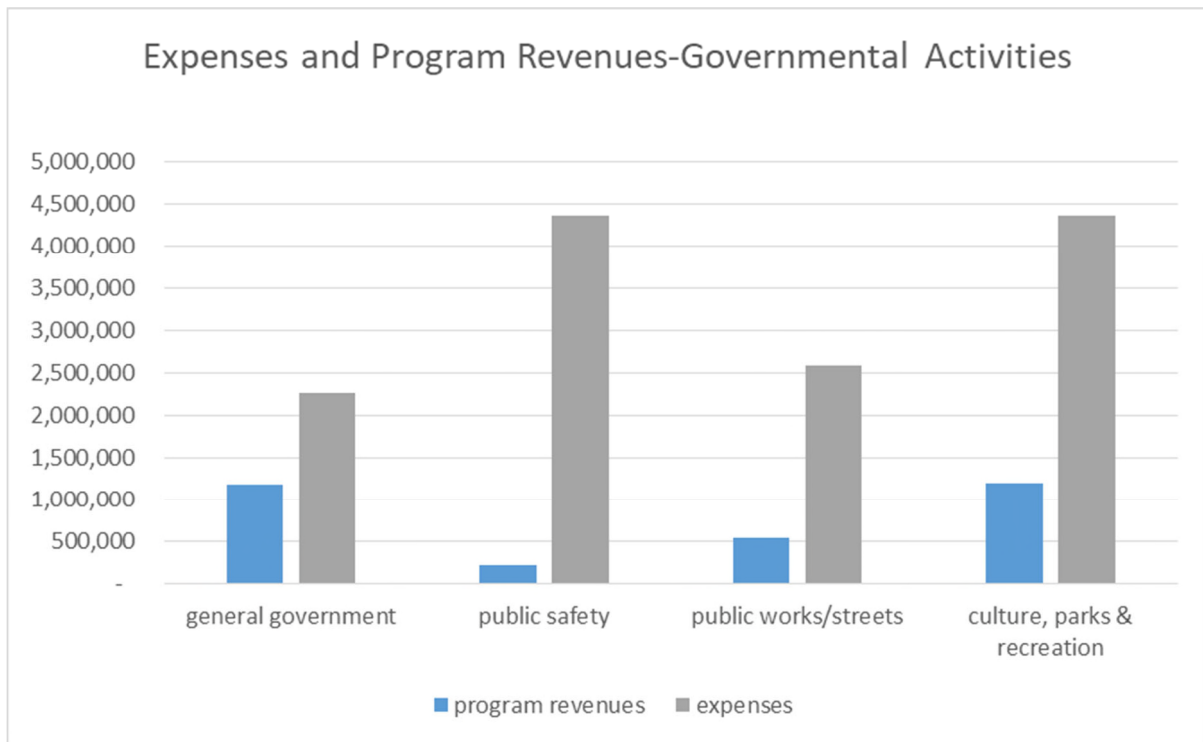
| | <u>Governmental Activities</u> | | <u>Business-type activities</u> | | <u>Total</u> | |
|------------------------------------------------------|--------------------------------|----------------------|---------------------------------|----------------------|----------------------|----------------------|
| | <u>2021</u> | <u>2020</u> | <u>2021</u> | <u>2020</u> | <u>2021</u> | <u>2020</u> |
| Revenues: | | | | | | |
| Program revenues | | | | | | |
| Charges for service | \$ 1,091,395 | \$ 931,322 | \$ 3,565,031 | \$ 3,416,158 | \$ 4,656,426 | \$ 4,347,480 |
| Operating grants and contributions | 1,651,206 | 648,226 | | - | 1,651,206 | 648,226 |
| Capital grants and contributions | 400,902 | 28,944 | 2,616,685 | 1,283,573 | 3,017,587 | 1,312,517 |
| General revenues: | | | | | | |
| Taxes | 13,221,295 | 11,352,085 | | | 13,221,295 | 11,352,085 |
| Unrestricted investment earnings (net market loss) | (17,573) | 79,103 | (20,906) | 98,662 | (38,479) | 177,765 |
| Other | 300,283 | 159,024 | 600 | | 300,883 | 159,024 |
| Total revenues | 16,647,508 | 13,198,704 | 6,161,410 | 4,798,393 | 22,808,918 | 17,997,097 |
| Expenses: | | | | | | |
| General government | 2,270,818 | 2,515,773 | | | 2,270,818 | 2,515,773 |
| Public safety | 4,371,506 | 4,389,355 | | | 4,371,506 | 4,389,355 |
| Public works/streets | 2,591,055 | 2,862,257 | | | 2,591,055 | 2,862,257 |
| Culture, parks and recreation | 4,365,276 | 2,812,178 | | | 4,365,276 | 2,812,178 |
| Interest on long term debt | 34,966 | 41,070 | | | 34,966 | 41,070 |
| Water | | | 1,946,386 | 2,194,312 | 1,946,386 | 2,194,312 |
| Sewer | | | 2,947,512 | 2,699,215 | 2,947,512 | 2,699,215 |
| Event center | | | | - | - | - |
| Total expenses | 13,633,621 | 12,620,633 | 4,893,898 | 4,893,527 | 18,527,519 | 17,514,160 |
| Increase (decrease) in net position before transfers | 3,013,887 | 578,071 | 1,267,512 | (95,134) | 4,281,399 | 482,937 |
| Transfers | - | 1,732,313 | - | (1,732,313) | - | - |
| Increase (decrease) in net position | 3,013,887 | 2,310,384 | 1,267,512 | (1,827,447) | 4,281,399 | 482,937 |
| Net position-beginning | 34,311,819 | 32,001,435 | 24,048,710 | 25,876,157 | 58,360,529 | 57,877,592 |
| Net position-ending | \$ 37,325,706 | \$ 34,311,819 | \$ 25,316,222 | \$ 24,048,710 | \$ 62,641,928 | \$ 58,360,529 |

Governmental Activities. During the current fiscal year, net position for governmental activities increased \$3,013,887 from the prior fiscal year for an ending balance of \$37,325,706. This increase can be attributed to record high sales tax collections coming in higher than the increase in spending needs and higher than average grant revenues which helped offset increased spending on capital projects.

Revenues increased \$3,448,804 from the prior year due mostly to strong tax revenues. Taxes (primarily sales and lodging) remain the largest source of revenue at \$13,221,295 for the year.

Expenses grew during the current year, increasing from \$12,620,633 in the prior year to \$13,633,621 in the current year, an increase of \$1,012,988. In 2021, approximately \$998,000 more was spent on housing projects compared to 2020 to help with the affordable housing shortage in the community. The City of Salida utilized federal government relief program funding as well as a pass-through grant in order to make this additional spending possible (Salida Ridge and Jane’s Place Housing project contributions).

As shown in the chart below, direct revenues generated by the City of Salida’s programs are not sufficient to cover the costs. The City of Salida relies on sales tax, lodging tax, and other general revenues to cover the costs associated with various programs.



Business-type Activities. For the City of Salida’s business-type activities, net position increased to an ending balance of \$25,316,222. The total increase in net position for business-type activities (water and sewer) was \$1,267,512 from the prior fiscal year and can primarily be explained by an increase in system development fees collected on new development projects.

Financial Analysis of Governmental Funds

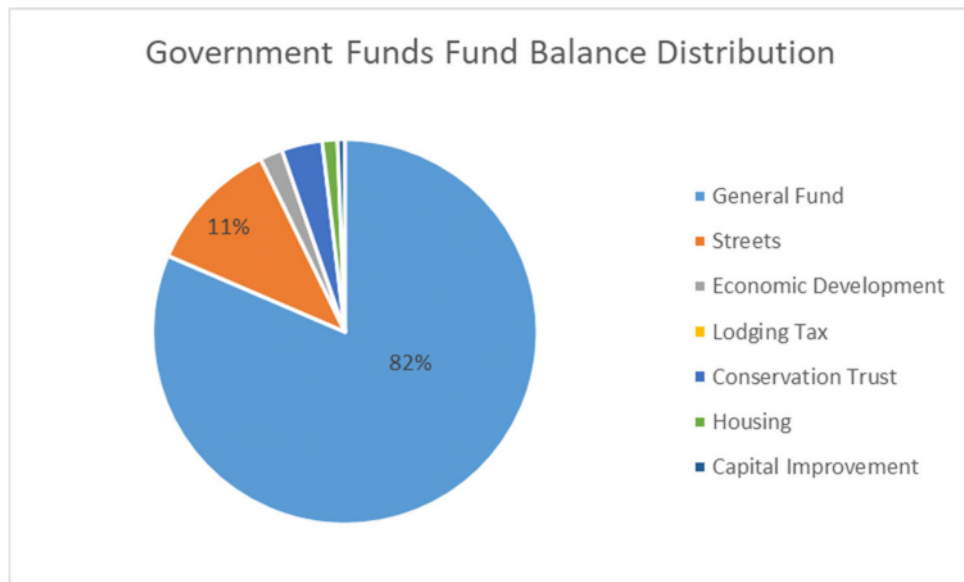
As noted earlier, the City of Salida uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements.

Governmental Funds. The focus of the City of Salida’s governmental funds is to provide information on near-term inflows, outflows, and balances of spendable resources. Such

information is useful in assessing the City of Salida’s financing requirements. In particular, unassigned fund balance may serve as a useful measure of a government’s net resources available for discretionary use as it represents the portion of fund balance which has not yet been limited to use for a particular purpose by either an external party, the City of Salida itself, or a group or individual that has been delegated authority to assign resources for use for particular purposes by the Salida City Council.

At December 31, 2021, the City of Salida’s governmental funds reported combined fund balances of \$9,166,078, an increase of \$1,768,129 in comparison with the prior year. Of this amount, \$8,282,134, or 90.4% constitutes *unassigned and committed fund balance*, which is available for spending at the government’s discretion. The remainder of the fund balance is either *nonspendable or restricted* to indicate that it is 1) not in spendable form (\$90,900), 2) legally required to be maintained intact (\$480,000), or 3) restricted for particular purposes (\$313,044).

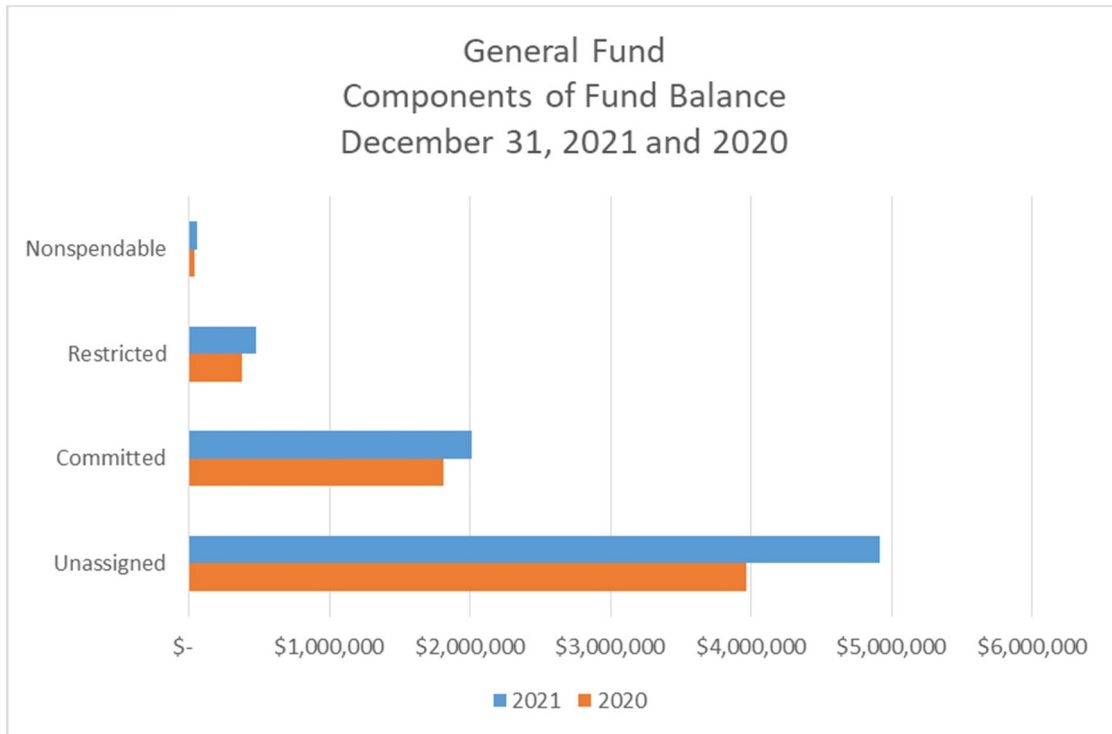
There are seven funds within the *governmental* funds presentation. The City considers all of its governmental funds to be *major* as various readers of financial reports have a diverse set of interests and prefer to see details of each fund. The distribution of the \$9,166,078 fund balance is as shown in the following pie chart.



Analysis of Individual Funds

The general fund is the chief operating fund of the City of Salida. At the end of the current fiscal year, unassigned and committed fund balance of the general fund was \$6,924,055, while total fund balance increased to \$7,466,482. As a measure of the general fund’s liquidity, it may be useful to compare both unrestricted (combination of unassigned and committed) fund balance and total fund balance to total general fund expenditures. Unrestricted fund balance

represents approximately 72.4% percent of total general fund expenditures, while total fund balance represents approximately 78.0% of that same amount.



The fund balance of the general fund increased by \$1,274,956 during the current fiscal year. The increase was due to strong sales tax collections which offset other reductions in income related to imposing restrictions on various fee generating activities during the pandemic.

The Street Fund had a \$414,121 increase in fund balance during the current fiscal year which put the overall fund balance to \$1,037,749. The primary revenue source for the Street Fund is an allocation of the local sales tax. This fund also benefited from the stronger than expected sales tax collections during the year.

The Economic Development Fund is also primarily funded with an allocation of sales tax revenues and ended the year with a fund balance of \$175,088, an increase of \$12,583.

The Lodging Tax Fund accounts for the lodging tax revenues earned. These revenues are utilized to support the operations of the aquatic center and the SteamPlant event center and thus are transferred into the general fund where these activities are recorded. The Fund Balance at year end is typically zero as a result of this transfer.

The Conservation Trust fund accounts for the City’s share of state restricted lottery fund dollars. The fund balance at year end (all restricted) is \$313,044.

Finally, the Housing Fund is primarily funded with inclusionary housing fees. In 2021, pass-through funding from grants and federal ARPA funds assisted with important affordable

housing projects. The Fund balance increased by \$46,870 bringing the ending fund balance to \$117,611.

Proprietary Funds. The City of Salida’s proprietary funds Statement of Net Position on page C7 provides the same type of information found in the government-wide financial statements, but in more detail.

Unrestricted net position of the Water Fund at the end of the year was \$4,334,495 and for the Wastewater (Sewer) Fund was \$2,189,008. The total growth (decline) in net position for the Water and Wastewater funds was \$1,291,826 and (\$24,314), respectively. Infrastructure maintenance projects performed in 2021 were fairly routine in nature and the change in net position was at an anticipated level with the wastewater fund running a slight deficit which was covered by reserves.

General Fund Budgetary Highlights

Original budget compared to final budget. During the year, the general fund budget was amended twice in order to accommodate changes in the spending plan for items that came up during the year. Changes made included adding increased part-time labor for Parks & Recreation who were impacted by an increased demand for recreational opportunities as COVID restrictions were eased. The City also instituted a \$15 minimum wage for City workers to help with the inflationary measures impacting staff, especially around housing. Additionally, land was identified that met the criteria for a new firehouse, which is in the long-term plan for the City, and a budget amendment was made to accommodate that purchase. Finally, federal American Rescue Plan Act (ARPA) funds were received from the federal Treasury and the budget was amended to accommodate the use of some of those funds toward an affordable housing project.

Final budget compared to actual results. The most significant differences between budgeted revenues and actual revenues in the General Fund were as follows:

| Revenue source | Final Budget | Actual revenues | Difference |
|---------------------------|--------------|-----------------|--------------|
| Sales Tax | \$ 4,276,320 | \$ 5,332,914 | \$ 1,056,594 |
| Sales Tax - County shared | 2,400,000 | 3,207,757 | \$ 807,757 |
| Federal Grants | 764,000 | 350,000 | \$ (414,000) |
| Insurance Proceeds | 10,000 | 173,131 | \$ 163,131 |

As noted previously, sales tax collections were surprisingly high. It is felt that the COVID pandemic impacted people’s travel and recreating patterns. Smaller communities with high outdoor recreation possibilities such as the City of Salida increased in popularity thereby contributing toward this positive impact in the revenue stream. The City also experienced losses covered by insurance due to a water leak in a building and a totaled police cruiser.

Although the City received the full amount of ARPA funds anticipated in the amended budget (\$764,000), the unspent portion of those funds were moved to a deferred revenue account at year-end giving the appearance of a revenue shortfall.

Capital Assets and Debt Administration

Capital assets. The City of Salida’s capital assets for its governmental and business-type activities as of December 31, 2021, amount to \$59,343,500 (net of accumulated depreciation/amortization). Capital assets includes land, water rights, buildings, park land and improvements, water and sewer lines, infrastructure and software and other intangibles. The total increase in net capital assets for the current fiscal year was 2.7%.

City of Salida's Capital Assets (net of depreciation/amortization)

| | Governmental activities | | Business-type activities | | Total | |
|--------------------------------|-------------------------|----------------------|--------------------------|----------------------|----------------------|----------------------|
| | 2021 | 2020 | 2021 | 2020 | 2021 | 2020 |
| Land | \$ 5,028,214 | \$ 4,722,477 | \$ 89,435 | \$ 89,435 | \$ 5,117,649 | \$ 4,811,912 |
| Water rights | | | 1,391,521 | 1,391,521 | 1,391,521 | 1,391,521 |
| Construction in progress | 236,483 | 411,889 | 1,364,740 | 150,965 | 1,601,223 | 562,854 |
| Buildings | 7,117,376 | 7,540,067 | | | 7,117,376 | 7,540,067 |
| Park land and improvements | 3,661,963 | 3,075,156 | 369,823 | 409,615 | 4,031,786 | 3,484,771 |
| Lines | | | 8,865,454 | 8,659,350 | 8,865,454 | 8,659,350 |
| Structures | | | 9,013,401 | 9,490,540 | 9,013,401 | 9,490,540 |
| Equipment & Vehicles | 1,632,146 | 1,750,794 | 8,619,957 | 9,061,021 | 10,252,103 | 10,811,815 |
| Infrastructure | 11,948,626 | 11,010,271 | | | 11,948,626 | 11,010,271 |
| Software and other intangibles | 4,361 | 6,369 | | | 4,361 | 6,369 |
| | <u>\$ 29,629,169</u> | <u>\$ 28,517,023</u> | <u>\$ 29,714,331</u> | <u>\$ 29,252,447</u> | <u>\$ 59,343,500</u> | <u>\$ 57,769,470</u> |

Major capital asset events during the current fiscal year included the following:

- Significant progress was made on a large water line replacement project in Salida’s “low water zone” at a cost of \$1,350,768.
- A new outdoor skatepark was completed at Centennial Park for a cost of \$857,203. This project was partially funded by grants and donations.
- A portion of the land necessary for a future new home for a fire station was purchased for a cost of \$316,310. A neighboring lot was purchased early in 2022 and will complete the needs for this project.
- A freightliner tandem dump truck was purchased and will be utilized by the Street, Water and Wastewater Funds for a cost of \$147,704.

Long-term Debt. At the end of the current fiscal year, the City of Salida had total debt outstanding of \$12,922,876. Of this amount, \$647,628 are notes payable, \$11,125,337 are revenue bonds and \$1,149,911 are Leases Payable.

City of Salida's Outstanding Debt

| | <u>Governmental activities</u> | | <u>Business-type activities</u> | | <u>Total</u> | |
|----------------|--------------------------------|-------------------|---------------------------------|----------------------|----------------------|----------------------|
| | <u>2021</u> | <u>2020</u> | <u>2021</u> | <u>2020</u> | <u>2021</u> | <u>2020</u> |
| Notes payable | \$ - | - | \$ 647,628 | \$ 708,987 | \$ 647,628 | \$ 708,987 |
| Revenue bonds | | - | 11,125,337 | 11,481,071 | 11,125,337 | 11,481,071 |
| Leases payable | 754,292 | 974,656 | 395,619 | 467,198 | 1,149,911 | 1,441,854 |
| | <u>\$ 754,292</u> | <u>\$ 974,656</u> | <u>\$ 12,168,584</u> | <u>\$ 12,657,256</u> | <u>\$ 12,922,876</u> | <u>\$ 13,631,912</u> |

The City of Salida's total debt decreased by \$709,036 (5.2%) as no new debt was incurred and scheduled debt payments were made.

Additional information on the City of Salida's long-term debt can be found on page D15 in the Notes to the Financial Statements of this report.

Economic Factors and Next Year's Budgets and Rates

The following economic factors currently affect the City of Salida and were considered in developing the 2022 fiscal year budget.

- 2021 city and shared county sales tax rose 20.1% over the previous year. The City anticipates that this is a high level and this rate of increase cannot continue indefinitely, thus the 2022 budget anticipates sales tax levels to be the same as 2021 (no growth).
- A rate study was performed in 2020 which calls for an annual increase of 2.58% for water usage fees and 8.85% for wastewater fees which is necessary for properly maintaining this important infrastructure. That level of rate increase was built into the 2022 budget.
- The actual value of all real property within the City per the County Assessor increased 22.1% in 2021 over the previous year making affordable housing a priority for 2022.
- According to Zillow.com, average home values in Salida are \$548,444, up 17.9% from the previous year.
- The most recent population estimate for Salida comes from the April 1, 2020 census and is 5,666 which is an 8.2% increase from the April 1, 2010 census. There are not reliable statistics to show for the growth in 2021 and 2022 but there is every indication that there has been a significant increase in population during this time.

At the end of the current fiscal year, the unassigned fund balance in the general fund was \$4,913,821. The City of Salida has appropriated \$923,193 of this amount for spending in the 2022 fiscal year budget for the purpose of investing in some community projects that will ensure our infrastructure is healthy and that we have the amenities to continue to provide citizens with an excellent quality of life and to attract tourists, which are the driving force that provide revenue for the City.

Request for Information

This financial report is designed to provide a general overview of the City of Salida's finances for all those with an interest in the government's finances. Questions concerning any of the information provided in this report or requests for additional information should be addressed to Aimee.Tihonovich@CityofSalida.com.

GOVERNMENT-WIDE FINANCIAL STATEMENTS

CITY OF SALIDA, COLORADO
Statement of Net Position
December 31, 2021

| | Governmental Activities | Business-type Activities | Total |
|----------------------------------------------------------------------|------------------------------------|-------------------------------------|-------------------|
| Assets: | | | |
| Cash and investments | 7,717,147 | 5,878,572 | 13,595,719 |
| Restricted cash | - | 1,249,195 | 1,249,195 |
| Receivables (net of allowance) | 2,457,319 | 1,186,578 | 3,643,897 |
| Prepays | 90,900 | 35,324 | 126,224 |
| Net pension asset | 549,505 | - | 549,505 |
| Capital assets not being depreciated | 5,264,697 | 2,845,697 | 8,110,394 |
| Capital assets being depreciated, net of accumulated depreciation | 24,364,472 | 26,868,634 | 51,233,106 |
| Total Assets | <u>40,444,040</u> | <u>38,064,000</u> | <u>78,508,040</u> |
| Deferred Outflows of Resources: | | | |
| Deferred outflows related to pensions | 1,075,360 | - | 1,075,360 |
| Liabilities: | | | |
| Accounts payable and other current liabilities | 609,592 | 323,583 | 933,175 |
| Retainage payable | 39,863 | 67,538 | 107,401 |
| Interest payable | - | 68,901 | 68,901 |
| Unearned revenue | 449,836 | 36,000 | 485,836 |
| Noncurrent liabilities: | | | |
| Due within one year | 348,705 | 516,152 | 864,857 |
| Due in more than one year | 765,308 | 11,735,604 | 12,500,912 |
| Net pension liability | 1,281,925 | - | 1,281,925 |
| Total Liabilities | <u>3,495,229</u> | <u>12,747,778</u> | <u>16,243,007</u> |
| Deferred Inflows of Resources: | | | |
| Deferred inflows related to pensions: | 698,465 | - | 698,465 |
| Net Position: | | | |
| Net investment in capital assets | 28,835,011 | 18,727,404 | 47,562,415 |
| Restricted for: | | | |
| Emergencies | 480,000 | - | 480,000 |
| Parks and recreation | 313,044 | - | 313,044 |
| Pensions | 549,505 | - | 549,505 |
| Unrestricted | 7,148,146 | 6,588,818 | 13,736,964 |
| Total Net Position | <u>37,325,706</u> | <u>25,316,222</u> | <u>62,641,928</u> |

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

CITY OF SALIDA, COLORADO
Statement of Activities
For the Year Ended December 31, 2021

| Functions/Programs | Program Revenues | | | Net (Expense) Revenue and Change in Net Assets | | | |
|-------------------------------------------------------------|-------------------|----------------------|------------------------------------|------------------------------------------------|-------------------------|--------------------------|---------------------|
| | Expenses | Charges for Services | Operating Grants and Contributions | Capital Grants and Contributions | Governmental Activities | Business-type Activities | Total |
| Governmental activities: | | | | | | | |
| General government | 2,270,818 | 307,328 | 480,020 | 400,902 | (1,082,568) | - | (1,082,568) |
| Public safety | 4,371,506 | 208,595 | 10,083 | - | (4,152,828) | - | (4,152,828) |
| Public works/Streets | 2,591,055 | 96,372 | 441,805 | - | (2,052,878) | - | (2,052,878) |
| Culture, parks and recreation | 4,365,276 | 479,100 | 719,298 | - | (3,166,878) | - | (3,166,878) |
| Interest on long-term debt | 34,966 | - | - | - | (34,966) | - | (34,966) |
| Total governmental activities | 13,633,621 | 1,091,395 | 1,651,206 | 400,902 | (10,490,118) | - | (10,490,118) |
| Business-type activities: | | | | | | | |
| Water | 1,946,386 | 1,868,307 | - | 1,380,556 | - | 1,302,477 | 1,302,477 |
| Sewer | 2,947,512 | 1,696,724 | - | 1,236,129 | - | (14,659) | (14,659) |
| Total business-type activities | 4,893,898 | 3,565,031 | - | 2,616,685 | - | 1,287,818 | 1,287,818 |
| Total Primary Government | 18,527,519 | 4,656,426 | 1,651,206 | 3,017,587 | (10,490,118) | 1,287,818 | (9,202,300) |
| General revenues: | | | | | | | |
| Taxes: | | | | | | | |
| Sales taxes | | | | | 9,194,557 | - | 9,194,557 |
| Sales taxes - County | | | | | 3,207,757 | - | 3,207,757 |
| Franchise taxes | | | | | 351,746 | - | 351,746 |
| Occupation taxes | | | | | 467,235 | - | 467,235 |
| Unrestricted investment earnings | | | | | (17,573) | (20,906) | (38,479) |
| Miscellaneous | | | | | 300,283 | - | 300,283 |
| Gain on sale of assets | | | | | - | 600 | 600 |
| Total general revenues, special items, and transfers | | | | | 13,504,005 | (20,306) | 13,483,699 |
| Change in Net Position | | | | | 3,013,887 | 1,267,512 | 4,281,399 |
| Net position - beginning | | | | | 34,311,819 | 24,048,710 | 58,360,529 |
| Net position - ending | | | | | 37,325,706 | 25,316,222 | 62,641,928 |

The accompanying notes are an integral part of these financial statements.
C2

FUND FINANCIAL STATEMENTS

CITY OF SALIDA, COLORADO
Balance Sheet
Governmental Funds
December 31, 2021

| | General Fund | Street Fund | Economic Development Fund | Lodging Tax Fund | Conservation Trust Fund | Housing Fund | Capital Improvement Fund | Total Governmental Funds |
|---------------------------------------------------------------------|---------------------|--------------------|----------------------------------|-------------------------|--------------------------------|---------------------|---------------------------------|---------------------------------|
| Assets | | | | | | | | |
| Cash and cash equivalents | 6,079,973 | 967,250 | 144,988 | - | 312,114 | 117,611 | 95,211 | 7,717,147 |
| Receivables, net: | | | | | | | | |
| Taxes receivable | 2,048,543 | - | - | 76,257 | - | - | - | 2,124,800 |
| Accounts receivable | 106,168 | 212,015 | - | - | 930 | - | - | 319,113 |
| Intergovernmental | 13,406 | - | - | - | - | - | - | 13,406 |
| Due from other funds | 74,057 | - | 2,200 | - | - | - | - | 76,257 |
| Prepaid items | 62,427 | 573 | 27,900 | - | - | - | - | 90,900 |
| Total Assets | <u>8,384,574</u> | <u>1,179,838</u> | <u>175,088</u> | <u>76,257</u> | <u>313,044</u> | <u>117,611</u> | <u>95,211</u> | <u>10,341,623</u> |
| Liabilities: | | | | | | | | |
| Accounts payable | 274,769 | 97,833 | - | - | - | - | 39,107 | 411,709 |
| Retainage payable | - | 39,863 | - | - | - | - | - | 39,863 |
| Due to other funds | - | - | - | 76,257 | - | - | - | 76,257 |
| Accrued wages and benefits | 55,636 | 3,393 | - | - | - | - | - | 59,029 |
| Accrued liabilities | 11,917 | - | - | - | - | - | - | 11,917 |
| Customer deposits | 126,934 | - | - | - | - | - | - | 126,934 |
| Unearned revenue | 448,836 | 1,000 | - | - | - | - | - | 449,836 |
| Total Liabilities | <u>918,092</u> | <u>142,089</u> | <u>-</u> | <u>76,257</u> | <u>-</u> | <u>-</u> | <u>39,107</u> | <u>1,175,545</u> |
| Fund Balances | | | | | | | | |
| Nonspendable | 62,427 | 573 | 27,900 | - | - | - | - | 90,900 |
| Restricted for: | | | | | | | | |
| Parks and recreation | - | - | - | - | 313,044 | - | - | 313,044 |
| Emergencies | 480,000 | - | - | - | - | - | - | 480,000 |
| Committed to: | | | | | | | | |
| Operating reserve | 2,010,234 | 182,967 | 144,008 | - | - | - | - | 2,337,209 |
| Capital outlay | - | - | - | - | - | - | 56,104 | 56,104 |
| Public works | - | 854,209 | - | - | - | - | - | 854,209 |
| Community and economic development | - | - | 3,180 | - | - | - | - | 3,180 |
| Affordable housing | - | - | - | - | - | 117,611 | - | 117,611 |
| Unassigned | 4,913,821 | - | - | - | - | - | - | 4,913,821 |
| Total Fund Balances | <u>7,466,482</u> | <u>1,037,749</u> | <u>175,088</u> | <u>-</u> | <u>313,044</u> | <u>117,611</u> | <u>56,104</u> | <u>9,166,078</u> |
| Total liabilities, deferred inflows of resources, and fund balances | <u>8,384,574</u> | <u>1,179,838</u> | <u>175,088</u> | <u>76,257</u> | <u>313,044</u> | <u>117,611</u> | <u>95,211</u> | <u>10,341,623</u> |

The accompanying notes are an integral part of these financial statements.
C3

CITY OF SALIDA, COLORADO
Reconciliation of the Balance Sheet of Governmental Funds
to the Statement of Net Position
December 31, 2021

| | | |
|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|---------------------|--------------------------|
| Total fund balances - governmental funds | 9,166,078 | |
| Amounts reported for governmental activities in the statement of net assets are different because: | | |
| Capital assets used in governmental activities are not financial resources and therefore, are not reported in the funds. | | |
| Governmental capital assets | 51,069,024 | |
| Accumulated depreciation | <u>(21,439,855)</u> | |
| | | 29,629,169 |
| Long-term liabilities, are not due and payable in the current period and therefore are not reported in the funds. | | |
| Capital leases | (754,295) | |
| Net pension liability | (1,281,925) | |
| Compensated absences | <u>(359,721)</u> | |
| | | (2,395,941) |
| Deferred outflows and inflows of resources related to pensions and net pension assets are applicable to future reporting periods and therefore are not reported in the funds. | | |
| Deferred outflows of resources | 1,075,360 | |
| Deferred inflows of resources | (698,465) | |
| Net pension asset | <u>549,505</u> | |
| | | 926,400 |
| Total net position - governmental activities | | <u><u>37,325,706</u></u> |

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

CITY OF SALIDA, COLORADO
Statement of Revenues, Expenditures, and Changes in
Fund Balances - Governmental Funds
For the Year Ended December 31, 2021

| | General Fund | Street Fund | Economic Development Fund | Lodging Tax Fund | Conservation Trust Fund | Housing Fund | Capital Improvement Fund | Total Governmental Funds |
|----------------------------------------------|--------------|-------------|---------------------------|------------------|-------------------------|--------------|--------------------------|--------------------------|
| REVENUES | | | | | | | | |
| Taxes | 5,684,660 | 2,942,204 | 183,888 | 467,235 | - | - | 735,551 | 10,013,538 |
| Intergovernmental | 3,963,179 | 285,466 | - | - | 74,039 | 648,000 | 367,980 | 5,338,664 |
| Charges for services | 699,405 | - | - | - | - | 46,870 | - | 746,275 |
| Fines and forfeitures | 49,037 | - | - | - | - | - | - | 49,037 |
| Interest revenue | (22,138) | - | - | - | 4,565 | - | - | (17,573) |
| Insurance proceeds | 173,131 | - | - | - | - | - | - | 173,131 |
| Other revenues | 313,356 | 10,970 | - | - | - | - | 25,100 | 349,426 |
| Total Revenues | 10,860,630 | 3,238,640 | 183,888 | 467,235 | 78,604 | 694,870 | 1,128,631 | 16,652,498 |
| EXPENDITURES | | | | | | | | |
| Current: | | | | | | | | |
| General government | 1,888,036 | - | 140,180 | - | - | - | - | 2,028,216 |
| Public safety | 4,086,886 | - | - | - | - | - | - | 4,086,886 |
| Public works/streets | 697,061 | 692,466 | - | - | - | 1,029,125 | - | 2,418,652 |
| Culture, parks and recreation | 2,433,578 | - | - | - | - | - | - | 2,433,578 |
| Capital outlay | 213,472 | 2,132,053 | - | - | 56,205 | - | 1,267,801 | 3,669,531 |
| Debt service: | | | | | | | | |
| Principal | 212,540 | - | - | - | - | - | - | 212,540 |
| Interest and fiscal charges | 34,966 | - | - | - | - | - | - | 34,966 |
| Total Expenditures | 9,566,539 | 2,824,519 | 140,180 | - | 56,205 | 1,029,125 | 1,267,801 | 14,884,369 |
| Excess of Revenues Over (Under) Expenditures | 1,294,091 | 414,121 | 43,708 | 467,235 | 22,399 | (334,255) | (139,170) | 1,768,129 |
| Other Financing Sources (Uses): | | | | | | | | |
| Transfers in | 467,235 | - | - | - | - | 381,125 | 136,370 | 984,730 |
| Transfers out | (486,370) | - | (31,125) | (467,235) | - | - | - | (984,730) |
| Total Other Financing Sources (Uses) | (19,135) | - | (31,125) | (467,235) | - | 381,125 | 136,370 | - |
| Net change in fund balances | 1,274,956 | 414,121 | 12,583 | - | 22,399 | 46,870 | (2,800) | 1,768,129 |
| Fund balances, beginning of year | 6,191,526 | 623,628 | 162,505 | - | 290,645 | 70,741 | 58,904 | 7,397,949 |
| Fund balances, end of year | 7,466,482 | 1,037,749 | 175,088 | - | 313,044 | 117,611 | 56,104 | 9,166,078 |

The accompanying notes are an integral part of these financial statements.
C5

CITY OF SALIDA, COLORADO
Reconciliation of the Statement of Revenues, Expenditures
and Changes in Fund Balances of Governmental Funds
For the Year Ended December 31, 2021

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

| | | |
|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|--------------------|-------------------------|
| Net change in fund balances - total governmental funds | | 1,768,129 |
| <p>Governmental funds report capital outlays as expenditures. However, in the statement of activities, the costs of those assets is allocated over their estimated useful lives and reported as depreciation expense. This is the difference between depreciation expense and capital outlays in the current period.</p> | | |
| Capital outlay | 3,096,406 | |
| Depreciation expense | <u>(1,911,117)</u> | 1,185,289 |
| <p>Governmental fund reports the loss from the sale of capital assets as an expense. However, in the statement of activities, the loss on the sale of capital assets is reported net of its net book value.</p> | | |
| | | (73,147) |
| <p>Repayment of long term debt principal is an expenditure in the governmental funds, but the repayment reduces long-term liabilities in the statement of net assets.</p> | | |
| | | 220,363 |
| <p>Pension contributions are reported as expenditures in the governmental funds when made. However, they are reported as deferred outflows of resources in the Statement of Net Position because the net pension liability is measured a year before the City's report date. Pension expense, which is the change in the net pension liability adjusted for changes in deferred outflows and inflows of resources related to pensions, is reported in the Statement of Activities.</p> | | |
| Pension expense (revenue) | <u>(4,247)</u> | (4,247) |
| <p>Compensated absences expenses 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.</p> | | |
| | | (82,500) |
| Change in net position of governmental activities | | <u><u>3,013,887</u></u> |

CITY OF SALIDA, COLORADO
Statement of Net Position
Proprietary Funds
December 31, 2021

| | Water | Sewer | Combined Total |
|-------------------------------------------|--------------------------|--------------------------|--------------------------|
| Assets | | | |
| Current assets: | | | |
| Cash | 3,875,630 | 2,002,942 | 5,878,572 |
| Restricted cash | - | 1,249,195 | 1,249,195 |
| Receivables (net of allowance) | 536,617 | 410,648 | 947,265 |
| Due from other governments | 239,313 | - | 239,313 |
| Prepays | 31,123 | 4,201 | 35,324 |
| Total current assets | <u>4,682,683</u> | <u>3,666,986</u> | <u>8,349,669</u> |
| Capital assets: | | | |
| Land | 49,772 | 39,663 | 89,435 |
| Water rights | 1,391,521 | - | 1,391,521 |
| Construction in progress | 1,356,266 | 8,475 | 1,364,741 |
| Plant and equipment | 18,273,603 | 27,952,381 | 46,225,984 |
| Accumulated depreciation | <u>(8,326,415)</u> | <u>(11,030,935)</u> | <u>(19,357,350)</u> |
| Total capital assets | <u>12,744,747</u> | <u>16,969,584</u> | <u>29,714,331</u> |
| Total Assets | <u>17,427,430</u> | <u>20,636,570</u> | <u>38,064,000</u> |
| Liabilities | | | |
| Current liabilities: | | | |
| Accounts payable | 232,020 | 78,102 | 310,122 |
| Accrued wages and benefits | 6,191 | 7,270 | 13,461 |
| Retainage payable | 67,538 | - | 67,538 |
| Interest payable | 2,223 | 66,678 | 68,901 |
| Unearned revenue | - | 36,000 | 36,000 |
| Accrued compensated absences - current | 14,146 | 13,578 | 27,724 |
| Loans, leases and bonds payable - current | 188,193 | 300,235 | 488,428 |
| Total current liabilities | <u>510,311</u> | <u>501,863</u> | <u>1,012,174</u> |
| Noncurrent liabilities: | | | |
| Accrued compensated absences | 28,293 | 27,155 | 55,448 |
| Loans, leases and bonds payable | 1,359,435 | 10,320,721 | 11,680,156 |
| Total noncurrent liabilities | <u>1,387,728</u> | <u>10,347,876</u> | <u>11,735,604</u> |
| Total liabilities | <u>1,898,039</u> | <u>10,849,739</u> | <u>12,747,778</u> |
| Net Position | | | |
| Net investment in capital assets | 11,129,581 | 7,597,823 | 18,727,404 |
| Unrestricted | 4,399,810 | 2,189,008 | 6,588,818 |
| Total net position | <u>15,529,391</u> | <u>9,786,831</u> | <u>25,316,222</u> |

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

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

| | Water | Wastewater | Combined Total |
|---------------------------------------------------------|--------------------------|-------------------------|--------------------------|
| Operating Revenues | | | |
| Charges for services | 1,859,628 | 1,632,030 | 3,491,658 |
| Other revenues | 8,679 | 64,694 | 73,373 |
| Total operating revenues | <u>1,868,307</u> | <u>1,696,724</u> | <u>3,565,031</u> |
| Operating Expenses | | | |
| Administrative | 172,838 | 149,044 | 321,882 |
| Operations | 665,855 | 1,229,910 | 1,895,765 |
| Public Works | 552,860 | 335,464 | 888,324 |
| Depreciation | 512,619 | 960,775 | 1,473,394 |
| Total operating expenses | <u>1,904,172</u> | <u>2,675,193</u> | <u>4,579,365</u> |
| Operating Income (loss) | <u>(35,865)</u> | <u>(978,469)</u> | <u>(1,014,334)</u> |
| Non-Operating Revenues (Expenses) | | | |
| Investment earnings (loss) | (10,651) | (10,255) | (20,906) |
| Interest expense and fiscal charges | (42,214) | (272,319) | (314,533) |
| Total non-operating revenue (expenses) | <u>(52,865)</u> | <u>(282,574)</u> | <u>(335,439)</u> |
| Income (loss) before contributions and transfers | (88,730) | (1,261,043) | (1,349,773) |
| Capital Contributions, Grants and Transfers: | | | |
| Development fees and other capital revenue | 1,141,243 | 1,236,129 | 2,377,372 |
| Capital grants | 239,313 | - | 239,313 |
| Gain (Loss) on sale of assets | - | 600 | 600 |
| Total capital contributions, grants and transfers | <u>1,380,556</u> | <u>1,236,729</u> | <u>2,617,285</u> |
| Change in net position | 1,291,826 | (24,314) | 1,267,512 |
| Net Position, beginning of year | <u>14,237,565</u> | <u>9,811,145</u> | <u>24,048,710</u> |
| Net position, end of year | <u><u>15,529,391</u></u> | <u><u>9,786,831</u></u> | <u><u>25,316,222</u></u> |

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

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

| | Water | Sewer | Combined Total |
|--------------------------------------------------------------------------------------------|-------------------------|-------------------------|-------------------------|
| Cash Flows From Operating Activities: | | | |
| Cash received from customers, service fees | 1,704,384 | 1,550,742 | 3,255,126 |
| Cash paid to suppliers | (483,318) | (1,042,798) | (1,526,116) |
| Cash paid to employees | (640,345) | (672,436) | (1,312,781) |
| Net Cash Provided by Operating Activities | <u>580,721</u> | <u>(164,492)</u> | <u>416,229</u> |
| Cash Flows From Capital and Related Financing Activities: | | | |
| Purchase of capital assets | (1,525,310) | (439,190) | (1,964,500) |
| Sale of assets | - | 600 | 600 |
| Principal paid on long-term debt | (196,359) | (292,313) | (488,672) |
| Interest paid | (42,395) | (275,445) | (317,840) |
| Development fees and other capital revenue | 1,141,243 | 1,236,129 | 2,377,372 |
| Capital grants | 8,000 | - | 8,000 |
| Net cash flows from capital and related financing activities | <u>(614,821)</u> | <u>229,781</u> | <u>(385,040)</u> |
| Cash Flows From Investing Activities | | | |
| Investment earnings (loss) | <u>(10,651)</u> | <u>(10,255)</u> | <u>(20,906)</u> |
| Net change in cash and cash equivalents | (44,751) | 55,034 | 10,283 |
| Cash and cash equivalents, beginning of year | <u>3,920,381</u> | <u>3,197,103</u> | <u>7,117,484</u> |
| Cash and Cash Equivalents, End of Year | <u><u>3,875,630</u></u> | <u><u>3,252,137</u></u> | <u><u>7,127,767</u></u> |
| Reconciliation of Operating Income to net cash provided by operating activities: | | | |
| Net operating income/(loss) | <u>(35,865)</u> | <u>(978,469)</u> | <u>(1,014,334)</u> |
| Adjustments to reconcile net income/(loss) to net cash provided by operating activities | | | |
| Depreciation/amortization | 512,619 | 960,775 | 1,473,394 |
| Changes in operating assets and liabilities | | | |
| (Increase)/decrease in accounts receivable | (163,923) | (139,982) | (303,905) |
| (Increase)/decrease in prepaids | (2,521) | (2,961) | (5,482) |
| Increase/(decrease) in payables | 192,812 | (8,531) | 184,281 |
| Increase/(decrease) in accrued liabilities | 77,599 | 10,676 | 88,275 |
| Increase/(decrease) in unearned revenue | - | (6,000) | (6,000) |
| Total adjustments | <u>616,586</u> | <u>813,977</u> | <u>1,430,563</u> |
| Net cash flows from operating activities | <u><u>580,721</u></u> | <u><u>(164,492)</u></u> | <u><u>416,229</u></u> |

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

NOTES TO THE FINANCIAL STATEMENTS

CITY OF SALIDA, COLORADO
Notes to the Financial Statements
December 31, 2021

I. Summary of Significant Accounting Policies

The City of Salida, Colorado (the "City"), was incorporated under the laws of the State of Colorado. An elected Mayor and City Council are responsible for setting policy, appointing administrative personnel and adopting an annual budget in accordance with state statutes. The City's major operations include police and fire protection, road maintenance, utilities, culture and recreation.

The City's financial statements are prepared in accordance with generally accepted accounting principles ("GAAP"). The Governmental Accounting Standards Board ("GASB") is responsible for establishing GAAP for state and local governments through its pronouncements (Statements and Interpretations). The more significant accounting policies established by GAAP used by the City are discussed below.

A. Reporting Entity

The reporting entity consists of (a) the primary government; i.e., the City, and (b) organizations for which the City is financially accountable. The City is considered financially accountable for legally separate organizations if it is able to appoint a voting majority of an organization's governing body and is either able to impose its will on that organization or there is a potential for the organization to provide specific financial benefits to, or to impose specific financial burdens on, the City. Consideration is also given to other organizations, which are fiscally dependent; i.e., unable to adopt a budget, levy taxes, or issue debt without approval by the City. Organizations for which the nature and significance of their relationship with the City are such that exclusion would cause the reporting entity's financial statements to be misleading or incomplete are also included in the reporting entity.

Based on the criteria above, the City is not financially accountable to any other entity and the City is not a component unit of any other government.

B. Government-wide and Fund Financial Statements

The City's basic financial statements include both government-wide (reporting the City as a whole) and fund financial statements (reporting the City's major funds). Both the government-wide and fund financial statements categorize primary activities as either governmental or business type. The City's police and fire protection, road maintenance, culture and recreation, and administration are classified as governmental activities. The City's utilities are classified as business activities.

1. Government-wide Financial Statements

In the government-wide Statement of Net Position, both the governmental and business-type activities columns are (a) presented on a consolidated basis by column, and (b) reported on a full accrual, economic resource basis, which recognizes all long-term assets and receivables as well as long-term debt and obligations. The City's net position is reported in three parts - invested in capital assets, net of related debt; restricted net position; and unrestricted net position.

CITY OF SALIDA, COLORADO
Notes to the Financial Statements
December 31, 2021
(Continued)

I. Summary of Significant Accounting Policies (continued)

B. Government-wide and Fund Financial Statements (continued)

1. Government-wide Financial Statements (continued)

The government-wide Statement of Activities reports both the gross and net cost of each of the City's functions and business-type activities (public safety, highways and streets, utilities, etc.). The functions are also supported by general government revenues (Sales and franchise taxes, intergovernmental revenue, fines and permits, etc.). The Statement of Activities reduces gross expenses (including depreciation) by related program revenues, operating and capital grants. Program revenues must be directly associated with the function (police, roads, etc.) or a business-type activity. Operating grants include operating-specific and discretionary (either operating or capital) grants while the capital grants column reflects capital-specific grants.

The net costs (by function or business-type activity) are normally covered by general revenue (sales and franchise taxes, interest income, etc.).

The government-wide focus is on the sustainability of the City as an entity and the change in the City's net position resulting from the current year's activities.

2. Fund Financial Statements

The financial transactions of the City are reported in individual funds in the fund financial statements. Each fund is accounted for by providing a separate set of self-balancing accounts that comprises its assets, liabilities, reserves, fund equity, revenues and expenditures/expenses.

The fund focus is on current available resources and budget compliance.

The City reports the following major governmental funds:

The *General Fund* is the City's primary operating fund. It accounts for all financial resources of the City, except those required to be accounted for in another fund.

The City reports the following special revenue funds:

The *Streets Fund* accounts for sales taxes to be used solely for the construction, operating, maintenance and repair of city streets and street-related infrastructure.

The *Economic Development Fund* accounts for sales taxes to be used for economic development purposes.

The *Lodging Tax Fund* accounts for revenues derived from lodging taxes to be used primarily for capital improvements and operations expenses for parks and recreation and arts facilities.

The *Conservation Trust Fund* accounts for lottery proceeds required to be expended solely on park and recreation improvements.

The *Housing Fund* accounts for inclusionary housing fee in lieu revenues required to be expended on affordable housing projects.

CITY OF SALIDA, COLORADO
Notes to the Financial Statements
December 31, 2021
(Continued)

I. Summary of Significant Accounting Policies (continued)

B. Government-wide and Fund Financial Statements (continued)

2. Fund Financial Statements (Continued)

The *Capital Improvement Fund* is a capital project fund that accounts for sales taxes to be used to provide capital improvements, other than streets.

The City reports the following proprietary or business-type funds:

The *Water Fund* accounts for the delivery of water to the citizens of the City.

The *Wastewater Fund* accounts for sewer service to the citizens of the City.

C. Measurement Focus, Basis of Accounting, and Financial Statement Presentation

Measurement focus refers to whether financial statements measure changes in current resources only (current financial focus) or changes in both current and long-term resources (long-term economic focus). Basis of accounting refers to the point at which revenues, expenditures, or expenses are recognized in the accounts and reported in the financial statements. Financial statement presentation refers to classification of revenues by source and expenses by function.

1. Long-term Economic Focus and Accrual Basis

Both governmental and business-type activities in the government-wide financial statements and the proprietary and fiduciary fund financial statements use the long-term economic focus and are presented on the accrual basis of accounting. Revenues are recognized when earned and expenses are recognized when incurred, regardless of the timing of the related cash flows.

2. Current Financial Focus and Modified Accrual Basis

The governmental fund financial statements use the current financial focus and are presented on the modified accrual basis of accounting. Under the modified accrual basis of accounting, revenues are recorded when susceptible to accrual; i.e., both measurable and available. "Available" means collectible within the current period or soon enough thereafter to be used to pay liabilities of the current period (within 60 days after December 31). A few exceptions to this general rule involve the treatment of expenditure-driven grants, accrued interest and reimbursement of expenditures. Expenditure driven grants are recognized as revenue when qualified expenditures have been incurred and all other grant requirements have been met. Accrued interest at year-end is recorded as a receivable even if not paid within the 60 day timeframe. Finally, a reimbursement of expense is recorded in the period the original expenditures were incurred if the reimbursement amount is measurable within 60 days after December 31. Sales taxes, intergovernmental revenues, other taxes, and investment income associated with the current fiscal period are all considered to be susceptible to accrual and have been recognized as revenues of the current fiscal period. Expenditures are generally recognized when the related liability is incurred. The exception to this general rule is that principal and interest on general long-term debt, if any, is recognized when due.

CITY OF SALIDA, COLORADO
Notes to the Financial Statements
December 31, 2021
(Continued)

I. Summary of Significant Accounting Policies (continued)

C. Measurement Focus, Basis of Accounting, and Financial Statement Presentation (continued)

3. Financial Statement Presentation

Amounts reported as program revenues include 1) charges to customers for goods and services provided, 2) operating grants and contributions, and 3) capital grants and contributions, including special assessments. Internally dedicated resources are reported as *general revenues* rather than as program revenues. Likewise, general revenues include all taxes.

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

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

D. Financial Statement Accounts

1. Cash, Cash Equivalents and Investments

Cash and cash equivalents include amounts in demand deposits as well as short-term investments with a maturity date within 3 months of the date acquired by the City.

Investments are stated at fair value, net asset value, or amortized cost. The change in fair value, net asset value, or amortized cost of investments is recognized as an increase or decrease to investment assets and investment income.

Colorado state statutes permit investments in the following type of obligations:

- U.S. Treasury Obligations (maximum maturity of 60 months)
- Federal Instrumentality Securities (maximum maturity of 60 months)
- FDIC-insured Certificates of Deposit (maximum maturity of 18 months)
- Corporate Bonds (maximum maturity of 36 months)
- Prime Commercial Paper (maximum maturity of 9 months)
- Eligible Bankers Acceptances
- Repurchase Agreements
- General Obligations and Revenue Obligations
- Local Government Investment Pools
- Money Market Mutual Funds

CITY OF SALIDA, COLORADO
Notes to the Financial Statements
December 31, 2021
(Continued)

I. Summary of Significant Accounting Policies (continued)

D. Financial Statement Accounts (continued)

2. Receivables

Receivables are reported net of an allowance for uncollectible accounts.

3. Interfund Receivables and Payables

Balances at year-end between funds are reported as “due to / from other funds” in the fund financial statements. Any residual balances not eliminated between the governmental and business-type activities are reported as “internal balances” in the government-wide financial statements.

4. Prepaid Expenses

Prepaid expenses are amounts paid in the current year for expenses related to subsequent years. The expense is recorded in the year in which services are consumed.

5. Inventory

Inventory consists of supplies for the City's use and is carried at cost using the first-in, first-out method. The cost of inventory items is recorded as an expenditure/expense in the funds when consumed.

6. Capital Assets

Capital assets, which include land, buildings, equipment, vehicles, and infrastructure assets, are reported in the applicable governmental or business-type activity columns in the government-wide financial statements. Capital assets are defined by the City as assets with an initial cost of \$5,000 or more and an estimated useful life in excess of two years. Such assets are recorded at historical cost. Donated capital assets are recorded at acquisition value at the date of donation.

Capital outlay for projects is capitalized as projects are constructed. Interest incurred during the construction phase is capitalized as part of the value of the assets constructed in the business-type activities.

Infrastructure, buildings, and equipment are depreciated using the straight line method over the following estimated useful lives:

| <u>Asset</u> | <u>Years</u> |
|----------------------------|--------------|
| Infrastructure | 40 |
| Buildings and improvements | 20 - 40 |
| Distribution systems | 10 - 50 |
| Equipment and vehicles | 5 - 10 |

7. Compensated Absences

Earned but unused paid time off benefits are accrued when incurred in the government-wide and proprietary fund financial statements. A liability for the amounts is reported in governmental funds only if they are required to be paid out within 60 days of year-end.

CITY OF SALIDA, COLORADO
Notes to the Financial Statements
December 31, 2021
(Continued)

I. Summary of Significant Accounting Policies (continued)

D. Financial Statement Accounts (continued)

8. Pensions

The City participates in the Statewide Defined Benefit Plan, administered by the Fire and Police Pension Association of Colorado ("FPPA"). The Statewide Defined Benefit Plan is a cost-sharing multiple-employer defined benefit pension plan. The City also sponsors the fire and police "old hire" single employer defined plan. The net pension asset (liability), deferred outflows of resources and deferred inflows of resources related to pensions, pension expense, information about the fiduciary net position and additions to/deductions from the fiduciary net position of the plans have been determined using the economic resources measurement focus and the accrual basis of accounting. For this purpose, benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with the benefit terms. Investments are reported at fair value.

9. Deferred Outflows of Resources

In addition to assets, the statement of net 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 a future period(s) and so will not be recognized as an outflow of resources (expense/ expenditure) until then. The City has one item that qualifies for reporting in this category, which is the pension-related deferred outflows reported in the government-wide statement of net position.

10. Deferred Inflows of Resources

In addition to liabilities, the statement of net 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 and so will not be recognized as an inflow of resources (revenue) until that time. The City has one item that qualifies for this type of reporting, pension-related deferred inflows.

11. Fund Balance

The City classifies governmental fund balances as follows:

Non-spendable - includes fund balance amounts that cannot be spent either because it is not in spendable form or because of legal or contractual requirements.

Restricted – includes fund balance amounts that are constrained for specific purposes which are externally imposed by providers, such as creditors or amounts constrained due to constitutional provisions or enabling legislation.

Committed – includes fund balance amounts that are constrained for specific purposes that are internally imposed by the government through formal action of the highest level of decision-making authority which is the City Council. The City Council must take formal action through either an ordinance or resolution – both of which are equally binding – to establish, modify, or rescind committed fund balance amounts.

CITY OF SALIDA, COLORADO
Notes to the Financial Statements
December 31, 2021
(Continued)

I. Summary of Significant Accounting Policies (continued)

D. Financial Statement Accounts (continued)

11. Fund Balance (continued)

Assigned – includes spendable fund balance amounts that are intended to be used for specific purposes that are neither considered restricted or committed. Fund balance may be assigned by the City Council or its management designee.

Unassigned - includes residual positive fund balance within the General Fund which has not been classified within the other above mentioned categories. Unassigned fund balance may also include negative balances for any governmental fund if expenditures exceed amounts restricted, committed, or assigned for those specific purposes.

The City requires restricted amounts to be spent first when both restricted and unrestricted fund balance is available unless there are legal documents/contracts that prohibit doing this, such as in grant agreements requiring dollar for dollar spending. Additionally, the City first uses committed, then assigned, and lastly unassigned amounts of unrestricted fund balance when expenditures are made.

The City has adopted a minimum fund balance policy, which includes the following requirements:

1. A General Fund reserve of 25% of the previous year's operating expenditures. Amount may be modified by Council upon analysis of trends and forecast along with any likely or known factors that would reduce the City's revenue.
2. A Street Fund reserve of 25% of the previous year's operating expenditures. Amount may be modified by Council upon analysis of trends and forecast along with any likely or known factors that would reduce the City's revenue. It is possible that this fund balance could grow as funds are saved up for large maintenance projects.
3. An Economic Development reserve of 25% of previous year's operating expenditures.
4. A Water and Wastewater reserve of 25% of the previous year's operating expenditures should be maintained for operations. For capital, reserves should accumulate for future debt service payments and in anticipation of future capital needs.

E. Use of Estimates

The preparation of financial statements in conformity with U.S. generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amount of revenues and expenses during the reporting period. Actual results could differ from those estimates.

CITY OF SALIDA, COLORADO
Notes to the Financial Statements
December 31, 2021
(Continued)

II. Reconciliation of Government-wide and Fund Financial Statements

A. Explanation of certain differences between the governmental fund Balance Sheet and the government-wide Statement of Net Position

The governmental fund Balance Sheet includes reconciliation between *fund balance – total governmental funds* and *net position of governmental activities* as reported in the government-wide Statement of Net Position. One element of that reconciliation explains that “Capital assets used in governmental activities are not financial resources and therefore, are not reported in the funds”. The \$29,629,169 difference is related to capital assets of \$51,069,024 less accumulated depreciation of \$21,439,855.

B. Explanation of certain differences between the governmental fund Statement of Revenue, Expenditures and Changes in Fund Balances and the government-wide Statement of Activities

The governmental fund Statement of Revenues, Expenditures and Changes in Fund Balances includes reconciliation between *net change in fund balances of governmental funds* and *changes in net position of governmental activities* as reported in the government-wide Statement of Activities.

III. Stewardship, Compliance, and Accountability

A. Budgetary Information

Budgets are adopted on a basis consistent with generally accepted accounting principles, except for the proprietary funds. Annual appropriations are adopted for all funds. Expenditures may not legally exceed appropriations at the fund level. All appropriations lapse at year end.

As required by Colorado Statutes, the City followed the required timetable noted below in preparing, approving, and enacting its budget for 2021.

1. The Mayor, or other qualified person appointed by the Council, submitted to the Council, on or before October 15, 2020, a recommended budget which detailed available revenues to meet the City’s operating requirements.
2. Prior to December 15, 2020, a public hearing was held for the budget, and the Council adopted the proposed budget and an appropriating ordinance that legally appropriated expenditures for the upcoming year.
3. After adoption of the budget resolution, the City may make the following changes: a) it may transfer appropriated money between funds; b) approve supplemental appropriations to the extent of revenues in excess of estimated revenues in the budget; c) approve emergency appropriations; and d) reduce appropriations for which originally estimated revenues are insufficient.

Encumbrance accounting, under which purchase orders, contracts, and other commitments for the expenditure of monies are recorded in order to reserve that portion of the applicable appropriation, is not employed by the City because it is at present considered not necessary to assure effective budgetary control or to facilitate effective cash planning and control.

For the year ended December 31, 2021, expenditures exceeded appropriations in the Sewer fund by \$115,504. This may be a violation of Colorado budget law.

CITY OF SALIDA, COLORADO
Notes to the Financial Statements
December 31, 2021
(Continued)

III. Stewardship, Compliance, and Accountability (continued)

B. TABOR Amendment

In November 1992, Colorado voters amended Article X of the Colorado Constitution by adding Section 20; commonly known as the Taxpayer's Bill of Rights ("TABOR"). TABOR contains revenue, spending, tax and debt limitations that apply to the State of Colorado and local governments. TABOR requires, with certain exceptions, advance voter approval for any new tax, tax rate increase, mill levy above that for the prior year, extension of any expiring tax, or tax policy change directly causing a net tax revenue gain to any local government.

Except for refinancing bonded debt at a lower interest rate or adding new employees to existing pension plans, TABOR requires advance voter approval for the creation of any multiple-fiscal year debt or other financial obligation unless adequate present cash reserves are pledged irrevocably and held for payments in all future fiscal years.

TABOR also requires local governments to establish an emergency reserve to be used for declared emergencies only. The reserve is calculated at 3% of fiscal year spending. Fiscal year spending excludes bonded debt service and enterprise spending. The City has reserved \$480,000, which is the approximate required reserve at December 31, 2021.

The City's voters approved a ballot question which will allow the City to collect, retain, and expend the full proceeds of the County's and City's sales and taxes, grants, revenue from the State of Colorado, admission charges from the Salida Hot Springs Swimming Pool, and fines and court costs imposed by the Salida Municipal Court, without increasing or adding taxes of any kind, and notwithstanding any State restrictions on fiscal year spending, including without limitation the restrictions of Article X, Section 20 of the Colorado Constitution, from the date of January 1, 1993, and thereafter.

On November 4, 2008, the City's voters approved the following ballot questions:

"Shall the City of Salida sales tax be increased by not more than \$1,500,000 in the first full fiscal year, and by such additional amounts as are generated annually thereafter, by an increase in City sales tax by one percent (1.0%) from two percent (2.0%) to three percent (3.0%) total, which increase shall take effect on January 1, 2009, and which revenues therefore, together with investment earnings thereon, shall be used solely for construction, operation, maintenance, and repair of roads and other public infrastructure of the City, and shall such revenues be collected by the City as a voter approved revenue change and tax policy change, notwithstanding any applicable revenue or expenditure limitation imposed by Article X, Section 20 of the Colorado Constitution. C.R.S. Section 29-1-301, or any other law, and shall the City of Salida's property tax be repealed?"

CITY OF SALIDA, COLORADO
Notes to the Financial Statements
December 31, 2021
(Continued)

III. Stewardship, Compliance, and Accountability (continued)

B. TABOR Amendment (continued)

“Shall the City of Salida’s taxes be increased by an estimated \$800,000 annually (First fiscal year increase) or such other amount that may be collected thereafter by the imposition of an occupational lodging tax on the leasing or renting of rooms or other accommodations in commercial lodging within the City for less than 30 days at a rate of \$4.82 per night per occupied room, commencing January 1, 2009, the proceeds of such tax, together with investment earnings thereon, shall be used primarily for capital improvements and operations expenses for parks and recreation and arts facilities in the City, including, without limitation, the aquatic center and SteamPlant theater, and shall such revenues be collected by the City of Salida as a voter approved revenue change and tax policy change, notwithstanding any revenue or expenditure limitation set forth in Article X, Section 20 of the Colorado Constitution, C.R.S. Section 29-1-301, or any other law?”

On November 7, 2017, the City’s voters approved the following ballot question:

“Without raising tax rates or levying any new tax, shall the City of Salida be authorized to collect, keep and spend the revenues it receives from all sources commencing on January 1, 2017 as a voter approved revenue change pursuant to the Article X, Section 20 of the Colorado Constitution.”

The City’s management believes it is in compliance with the financial provisions of TABOR. However, TABOR is complex and subject to interpretation. Many of its provisions, including the interpretation of how to calculate fiscal year spending limits, will require judicial interpretation.

IV. Detailed Notes on All Funds

A. Deposits and Investments

The City’s deposits are entirely covered by federal depository insurance (“FDIC”) or by collateral held under Colorado’s Public Deposit Protection Act (“PDPA”). The FDIC insures the first \$250,000 of the City’s deposits at each financial institution. Deposit balances over \$250,000 are collateralized as required by PDPA.

Fair Value of Investments

The City measures and records its investments using fair value measurement guidelines established by generally accepted accounting principles. These guidelines recognize a three-tiered fair value hierarchy, as follows:

- *Level 1:* Quoted prices for identical investments in active markets;
- *Level 2:* Observable inputs other than quoted market prices; and,
- *Level 3:* Unobservable inputs.

CITY OF SALIDA, COLORADO
Notes to the Financial Statements
December 31, 2021
(Continued)

IV. Detailed Notes on All Funds (continued)

A. Deposits and Investments (continued)

At December 31, 2021, the City had the following recurring fair value measurements.

| <u>Investments Measured at Fair Value</u> | <u>Total</u> | <u>Fair Value Measurements Using</u> | | |
|------------------------------------------------|----------------------|--------------------------------------|----------------------|----------------|
| | | <u>Level 1</u> | <u>Level 2</u> | <u>Level 3</u> |
| Certificates of deposit | \$ 1,899,116 | \$ - | \$ 1,899,116 | \$ - |
| U.S. government agency securities | 6,348,077 | - | 6,348,077 | - |
| U.S. treasuries | 999,960 | - | 999,960 | - |
| Corporate bonds | 790,575 | - | 790,575 | - |
| Money market | 4,025,460 | 4,025,460 | - | - |
| Total | <u>\$ 14,063,188</u> | <u>\$ 4,025,460</u> | <u>\$ 10,037,728</u> | <u>\$ -</u> |
| | | | | |
| <u>Investments Measured at Net Asset Value</u> | | | | |
| CSIP | | \$ 328,297 | | |
| Total | | <u>\$ 328,297</u> | | |

Debt and equity securities classified in Level 1 are valued using prices quoted in active markets for those securities. Debt and equity securities classified in Level 2 are valued using the following approaches:

- U.S. Agencies: quoted prices for identical securities in markets that are not active;
- Negotiable Certificates of Deposit: matrix pricing based on the securities' relationship to benchmark quoted prices;
- Money Market Funds: published fair value per share (unit) for each fund.

The Investment Pool represents investments in CSIP. The fair value of the pool is determined by the pool's share price. They operate similarly to a money market fund and each share is equal in value to \$1. The City has no regulatory oversight for the pool. At December 31, 2021, the City's investments in CSIP were 2% of the City's investment portfolio respectively.

Interest Rate Risk. As a means of limiting its exposure to interest rate risk, the City diversifies its investments by security type and institution, and limits holdings in any one type of investment with any one issuer and type of issuer. The City coordinates its investment maturities to closely match cash flow needs and restricts the maximum investment term to less than five years (less in some cases) from the purchase date. As a result of the limited length of maturities the City has limited its interest rate risk.

Credit Risk. City investment policy limits investments to those authorized by State statutes as listed in Note 1C. The City's general investment policy is to apply the prudent-person rule: investments are made as a prudent person would be expected to act, with discretion and intelligence, to seek reasonable income, preserve capital, and, in general, avoid speculative investments.

Concentration of Credit Risk. The City diversifies its investments by security type and institution. Financial institutions holding City funds must provide the City a copy of the certificate from the Banking Authority that states that the institution is an eligible public depository.

CITY OF SALIDA, COLORADO
Notes to the Financial Statements
December 31, 2021
(Continued)

IV. Detailed Notes on All Funds (continued)

A. Deposits and Investments (continued)

The City had the following cash and investments with the following maturities:

| | Standard & Poors Rating | Carrying Amounts | Less than one year | Less than five years |
|----------------------|--------------------------------------------|-----------------------------|-------------------------------|---------------------------------|
| <i>Deposits:</i> | | | | |
| Cash on hand | <i>Not Rated</i> | \$ 3,770 | \$ 3,770 | \$ - |
| Checking and savings | <i>Not Rated</i> | 449,659 | 449,659 | - |
| CD | <i>Not Rated</i> | 1,899,116 | 410,381 | 1,488,735 |
| <i>Investments:</i> | | | | |
| Pools | <i>AAAm</i> | 328,297 | 328,297 | - |
| U.S. agencies | <i>AA+</i> | 6,348,077 | 6,348,077 | - |
| U.S. treasuries | <i>AA+</i> | 999,960 | 999,960 | - |
| Corporate bonds | <i>AA-</i> | 790,575 | 302,736 | 487,839 |
| Money Market | <i>AAAm</i> | <u>4,025,460</u> | 4,025,460 | - |
| Total | | <u>\$ 14,844,914</u> | | |

The City's cash and investments are presented on the Statement of Net Position as follows:

| | Governmental Activities | Business- type Activities | Total |
|----------------------|------------------------------------|------------------------------------------|-----------------------------|
| Cash and investments | \$ 7,717,147 | \$ 5,878,572 | \$ 13,595,719 |
| Restricted cash | - | 1,249,195 | 1,249,195 |
| Total | <u>\$ 7,717,147</u> | <u>\$ 7,127,767</u> | <u>\$ 14,844,914</u> |

B. Receivables

Receivables as of December 31, 2021, for the City's funds, including applicable allowances for uncollectible accounts, are as follows:

| | General | Street | Lodging Tax | Conservation Trust | Water | Sewer | Total |
|-----------------------------------|----------------------------|--------------------------|-------------------------|-------------------------------|--------------------------|--------------------------|----------------------------|
| Receivables: | | | | | | | |
| Taxes | \$ 2,048,543 | \$ - | \$ 76,257 | \$ - | \$ - | \$ - | \$ 2,124,800 |
| Accounts | 106,168 | 212,015 | - | 930 | 536,617 | 410,648 | 1,266,378 |
| Intergovernmental | 13,406 | - | - | - | 239,313 | - | 252,719 |
| Gross receivables | <u>2,168,117</u> | <u>212,015</u> | <u>76,257</u> | <u>930</u> | <u>775,930</u> | <u>410,648</u> | <u>3,643,897</u> |
| Less: allowance for uncollectible | - | - | - | - | - | - | - |
| Net receivables | <u>\$ 2,168,117</u> | <u>\$ 212,015</u> | <u>\$ 76,257</u> | <u>\$ 930</u> | <u>\$ 775,930</u> | <u>\$ 410,648</u> | <u>\$ 3,643,897</u> |

CITY OF SALIDA, COLORADO
Notes to the Financial Statements
December 31, 2021
(Continued)

IV. Detailed Notes on All Funds (continued)

C. Capital Assets

Capital asset activity for the year ended December 31, 2021 was as follows:

| | Beginning Balance | Increases | Decreases | Ending Balance |
|----------------------------------------------------|----------------------|---------------------|-----------------------|----------------------|
| Governmental Activities: | | | | |
| Capital assets, not being depreciated: | | | | |
| Land | \$ 4,722,477 | \$ 316,310 | \$ (10,573) | \$ 5,028,214 |
| Construction in progress | 411,889 | 1,307,158 | (1,482,564) | 236,483 |
| Total capital assets, not being depreciated | <u>5,134,366</u> | <u>1,623,468</u> | <u>(1,493,137)</u> | <u>5,264,697</u> |
| Capital assets, being depreciated: | | | | |
| Buildings | 15,113,560 | - | (4,499) | 15,109,061 |
| Park land and improvements | 5,543,552 | 857,203 | - | 6,400,755 |
| Vehicles | 3,200,659 | 57,226 | (256,853) | 3,001,032 |
| Equipment | 2,119,647 | 212,599 | (77,236) | 2,255,010 |
| Infrastructure | 17,186,002 | 1,801,874 | - | 18,987,876 |
| Software and other intangibles | 50,593 | - | - | 50,593 |
| Total capital assets being depreciated | <u>43,214,013</u> | <u>2,928,902</u> | <u>(338,588)</u> | <u>45,804,327</u> |
| Less accumulated depreciation for: | | | | |
| Buildings | (7,573,493) | (422,496) | 4,304 | (7,991,685) |
| Park land and improvements | (2,468,396) | (270,396) | - | (2,738,792) |
| Vehicles | (2,311,585) | (155,098) | 233,853 | (2,232,830) |
| Equipment | (1,257,927) | (197,600) | 64,461 | (1,391,066) |
| Infrastructure | (6,175,731) | (863,519) | - | (7,039,250) |
| Software and other intangibles | (44,224) | (2,008) | - | (46,232) |
| Total accumulated depreciation | <u>(19,831,356)</u> | <u>(1,911,117)</u> | <u>302,618</u> | <u>(21,439,855)</u> |
| Total capital assets, being depreciated, net | <u>23,382,657</u> | <u>1,017,785</u> | <u>(35,970)</u> | <u>24,364,472</u> |
| Governmental activities capital assets, net | <u>\$ 28,517,023</u> | <u>\$ 2,641,253</u> | <u>\$ (1,529,107)</u> | <u>\$ 29,629,169</u> |

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CITY OF SALIDA, COLORADO
Notes to the Financial Statements
December 31, 2021
(Continued)

IV. Detailed Notes on All Funds (continued)

C. Capital Assets (continued)

| | Beginning Balance | Increases | Decreases | Ending Balance |
|-----------------------------------------------------|----------------------|--------------------|---------------------|----------------------|
| Business-type Activities: | | | | |
| Capital assets, not being depreciated: | | | | |
| Land | \$ 89,435 | \$ - | \$ - | \$ 89,435 |
| Water rights | 1,391,521 | - | - | 1,391,521 |
| Construction in progress | 150,965 | 1,369,317 | (155,542) | 1,364,740 |
| Total capital assets, not being depreciated | <u>1,631,921</u> | <u>1,369,317</u> | <u>(155,542)</u> | <u>2,845,696</u> |
| Capital assets, being depreciated: | | | | |
| Lines | 14,238,672 | 520,586 | - | 14,759,258 |
| Structures | 15,484,238 | - | - | 15,484,238 |
| Land improvements | 697,266 | - | - | 697,266 |
| Equipment and vehicles | 15,154,006 | 200,917 | (69,700) | 15,285,223 |
| Total capital assets being depreciated | <u>45,574,182</u> | <u>721,503</u> | <u>(69,700)</u> | <u>46,225,985</u> |
| Less accumulated depreciation for: | | | | |
| Lines | (5,579,321) | (314,484) | - | (5,893,805) |
| Structures | (5,993,698) | (477,138) | - | (6,470,836) |
| Land improvements | (287,651) | (39,792) | - | (327,443) |
| Equipment and vehicles | (6,092,986) | (641,980) | 69,700 | (6,665,266) |
| Total accumulated depreciation | <u>(17,953,656)</u> | <u>(1,473,394)</u> | <u>69,700</u> | <u>(19,357,350)</u> |
| Total capital assets, being depreciated, net | <u>27,620,526</u> | <u>(751,891)</u> | <u>-</u> | <u>26,868,635</u> |
| Business-type activities capital assets, net | <u>\$ 29,252,447</u> | <u>\$ 617,426</u> | <u>\$ (155,542)</u> | <u>\$ 29,714,331</u> |

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

Governmental activities:

| | |
|-------------------------------------------------------------|---------------------|
| General government | \$ 128,097 |
| Public safety | 212,612 |
| Public works | 989,311 |
| Culture and recreation | 581,097 |
| Total depreciation expense - governmental activities | <u>\$ 1,911,117</u> |

Business-type activities:

| | |
|--------------------------------------------------------------|---------------------|
| Water | \$ 512,619 |
| Sewer | 960,775 |
| Total depreciation expense - business-type activities | <u>\$ 1,473,394</u> |

CITY OF SALIDA, COLORADO
Notes to the Financial Statements
December 31, 2021
(Continued)

IV. Detailed Notes on All Funds (continued)

D. Interfund Receivables, Payables, and Transfers

Interfund balances were as follows:

| | Due to | Due from | Purpose |
|----------------------|------------------|------------------|---------------------------------|
| General Fund | \$ 74,057 | \$ - | Interfund services and time lag |
| Economic Development | 2,200 | - | Interfund services and time lag |
| Lodging | - | 76,257 | Interfund services and time lag |
| Total | \$ 76,257 | \$ 76,257 | |

Transfers were as follows:

| | In | Out | Purpose |
|----------------------|-------------------|-------------------|--------------------------------------------|
| General Fund | \$ 467,235 | \$ 486,370 | From Steamplant and Lodging |
| Capital Improvement | 136,370 | - | To fund capital projects |
| Economic Development | - | 31,125 | To Housing Fund |
| Lodging | - | 467,235 | To fund General Fund |
| Housing | 381,125 | - | From General Fund and Economic Development |
| Total | \$ 984,730 | \$ 984,730 | |

E. Long-term Liabilities

1. Lease Purchase – Community Services Complex 2008 and 2009

On September 1, 2008, the City entered into a \$1,975,000 lease purchase agreement with Capital One Public Funding. The lease payments were amended in March 2012 and requires monthly payments of \$13,486 and bears an interest rate of 3.40%. The lease matures on February 15, 2026. Proceeds from the lease were used for construction of a new police station and are secured by the land on which the station was constructed.

2. Lease Purchase – Equipment

On August 3, 2018, the City entered into a \$161,723 lease to purchase radio equipment for the Police, Fire, and Public Works departments. The lease requires five annual payments of \$35,484 and bears an interest rate of 4.722%. The lease matures August 15, 2022.

On June 21, 2019, the City entered into a \$255,835 lease to purchase a mechanical sweeper for the Public Works department. The lease requires five annual payments of \$56,251 and bears an interest rate of 4.2%. The lease matures October 21, 2023.

CITY OF SALIDA, COLORADO
Notes to the Financial Statements
December 31, 2021
(Continued)

IV. Detailed Notes on All Funds (continued)

E. Long-term Liabilities (continued)

2. Lease Purchase – Equipment (continued)

On February 15, 2020, the City entered into a \$542,177 lease to purchase a Vacuum Truck and Sewer Camera for the Sewer Fund. The lease requires seven annual payments of \$87,274 and bears an interest rate of 3.36%. The lease matures October 15, 2026.

The net book value of the assets acquired through a capital lease is computed as follows at December 31, 2021:

| | |
|--------------------------------|----------------------------|
| Cost | \$ 2,934,735 |
| Less: accumulated depreciation | <u>(1,113,502)</u> |
| Net book value | <u><u>\$ 1,821,233</u></u> |

3. Water and Sewer Enterprise Revenue Refunding Bonds 2016

On December 6, 2016, the City issued Water and Sewer Enterprise Revenue Refunding Bonds, Series 2016, in the principal amount of \$1,535,000. Proceeds from the 2016 Bonds were used to advance refund a portion of the City's Water and Sewer Refunding and Improvement Revenue Bonds, Series 2004. As a result, the refunded 2004 bonds are considered to be defeased, and the City realized a net present value on the refunding of \$135,476.

The 2016 bonds require variable annual principal payments ranging from \$110,000 to \$155,000. Interest payments are payable semi-annually on June 1 and December 1 through 2027 and bear an interest rate of 2.16%. As of December 31, 2021, the City has reserved \$166,416 for the bonds.

4. Water and Sewer Revenue Bond, Series 2013

In March 2013, the City issued Water and Sewer Revenue Bonds, Series 2013, in the principal amount of \$12,103,000, which are owned by the United States Department of Agriculture. The note requires semi-annual payments of \$240,242 due March 27 and September 27 and bears interest at 2.5%. The note matures September 27, 2052. The proceeds were used to upgrade the wastewater treatment plant.

The 2013 bonds require the City to maintain a debt service reserve and asset management reserve equal to 10% of the monthly payment each month over the life of the bonds until one annual installment is accumulated. The bonds also require a reserve equal to the lesser of the combined maximum annual principal. As of December 31, 2021, the City has reserved \$1,082,779 for the bonds.

CITY OF SALIDA, COLORADO
Notes to the Financial Statements
December 31, 2021
(Continued)

IV. Detailed Notes on All Funds (continued)

E. Long-term Liabilities (continued)

5. Colorado Water Resources and Power Development Authority Note

On December 21, 2011, the City entered into a \$545,000 non-interest-bearing note with the Colorado Water Resources and Power Development Authority. The note requires semi-annual payments of \$13,625 due November 1 and May 1. The note matures May 1, 2032. The proceeds were for the necessary repairs to the water treatment facility.

The Colorado Water Resources and Power Development Authority Loan Agreement sets forth certain covenants and restrictions. As of December 31, 2016, the City appears to be in compliance with all covenants and restrictions as set forth in Exhibit A and Exhibit F, Additional Covenants and Requirements.

Rate Covenant: The City shall establish and collect such rates, fees, and charges for the use or the sale of the products and services of the System as, together with other moneys available therefore, are expected to produce Gross revenue for each calendar year that will be at least sufficient for such calendar year to pay the sum of estimated operation and maintenance expenses, 110% of the debt service coming due on the bond during the calendar year and other debt service requirements. Gross revenue as defined in Para (3) of Exhibit A to the Loan Agreement is all income and revenues directly or indirectly derived by the government agency for the operation and use of the system, including investment income, but excluding, property taxes and grants received for capital improvements.

Total Gross Revenue requirement \$ 1,229,598

Total water fund revenues, excluding capital grants \$1,868,307

Excess (deficiency) of gross revenues \$ 638,709

6. 2017 CWRPDA Loan – Drinking Water Revolving Fund

On February 28, 2017, the City entered into a \$1,505,000 note with CWRPDA for the purposes of installing a UV disinfection system. The note requires semi-annual payments of \$18,622, and are due May 1 and November 1, bearing interest at 1% per annum. The note matures November 1, 2037. As of December 31, 2019, payments were amended to semiannual payments of \$12,253 due May and November 1 on debt balance of \$401,911, net of draws, forgiven debts, and rescissions. The City had no remaining authorized but unissued debt.

7. 2021 CWRPDA Loan

On June 15, 2021, the City entered into a \$4,184,000 note with CWRPDA for the purpose of replacing an existing water transmission main and improvements at the treatment plant, including replacement of the pump station and disinfection facilities. The note requires semi-annual payments of \$123,689, and are due May 1 and November 1, bearing interest at 1% per annum. The note matures November 1, 2041. As of December 31, 2021, no draws were made on the loan and no balance was due. The City had \$4,184,000 authorized and unissued debt as of year end. The loan is subject to a rate covenant described in Note IV.E.5.

CITY OF SALIDA, COLORADO
Notes to the Financial Statements
December 31, 2021
(Continued)

IV. Detailed Notes on All Funds (continued)

E. Long-term Liabilities (continued)

8. Schedule of Debt Service Requirements

| Year ending December 31 | Governmental Activities | | | Business Type Activities | | |
|----------------------------|-------------------------|------------------|-------------------|--------------------------|---------------------|----------------------|
| | Principal | Interest | Total | Principal | Interest | Total |
| 2022 | \$ 228,798 | \$ 24,769 | \$ 253,567 | \$ 488,428 | \$ 290,526 | \$ 778,954 |
| 2023 | 202,077 | 16,005 | 218,082 | 506,861 | 279,115 | 785,976 |
| 2024 | 153,209 | 8,623 | 161,832 | 515,431 | 267,259 | 782,690 |
| 2025 | 155,592 | 6,240 | 161,832 | 524,282 | 255,168 | 779,450 |
| 2026 | 14,616 | 62 | 14,678 | 538,375 | 242,835 | 781,210 |
| 2027 - 2032 | - | - | - | 2,077,356 | 1,260,806 | 3,338,162 |
| 2033 - 2037 | - | - | - | 1,682,738 | 842,212 | 2,524,950 |
| 2038 - 2042 | - | - | - | 1,770,318 | 632,102 | 2,402,420 |
| 2043 - 2047 | - | - | - | 2,004,479 | 397,941 | 2,402,420 |
| 2048 - 2052 | - | - | - | 2,060,316 | 132,806 | 2,193,122 |
| | <u>\$ 754,292</u> | <u>\$ 55,699</u> | <u>\$ 809,991</u> | <u>\$ 12,168,584</u> | <u>\$ 4,600,770</u> | <u>\$ 16,769,354</u> |

9. Accrued Compensated Absences

Earned but unused paid time off benefits amounted to \$359,721 in governmental activities and \$55,448 in business-type activities at December 31, 2021.

10. Schedule of Changes in Long-term Liabilities

| | Beginning Balance | Additions | Reductions | Ending Balance | Due Within One Year |
|---------------------------------------|----------------------|------------------|---------------------|----------------------|------------------------|
| Governmental Activities: | | | | | |
| Capital leases | \$ 974,656 | \$ - | \$ (220,364) | \$ 754,292 | \$ 228,798 |
| Net pension liability | 1,234,184 | 47,741 | - | 1,281,925 | - |
| Accrued compensated absences | 277,221 | 416,633 | (334,133) | 359,721 | 119,907 |
| Total Governmental Activities | | | | | |
| Long-term Liabilities | <u>\$ 2,486,061</u> | <u>464,374</u> | <u>(554,497)</u> | <u>2,395,938</u> | <u>348,705</u> |
| Business-type Activities: | | | | | |
| 2001 DOLA Note Payable | \$ 13,374 | \$ - | \$ (13,374) | \$ - | \$ - |
| 2011 CWRPDA Loan | 313,375 | - | (27,250) | 286,125 | 27,250 |
| 2013 Water and Sewer Revenue Bonds | 10,446,071 | - | (220,734) | 10,225,337 | 226,252 |
| 2016 Water and Sewer Revenue Bonds | 1,035,000 | - | (135,000) | 900,000 | 140,000 |
| 2017 CWRPDA DWRP Loan | 382,238 | - | (20,735) | 361,503 | 20,735 |
| Capital leases | 467,198 | - | (71,579) | 395,619 | 74,191 |
| Accrued compensated absences | 67,154 | 96,331 | (80,313) | 83,172 | 27,724 |
| Total Business-type Activities | | | | | |
| Long-term Liabilities | <u>\$ 12,724,410</u> | <u>\$ 96,331</u> | <u>\$ (568,985)</u> | <u>\$ 12,251,756</u> | <u>\$ 516,152</u> |

CITY OF SALIDA, COLORADO
Notes to the Financial Statements
December 31, 2021
(Continued)

IV. Detailed Notes on All Funds (continued)

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

1. FPPA Statewide Defined Benefit Plan ("SWDB")

Plan Description. The Plan is a cost-sharing multiple-employer defined benefit pension plan covering substantially all full-time employees of participating fire or police departments in Colorado hired on or after April 8, 1978 (New Hires), provided they are not already covered by a statutorily exempt plan. As of August 5, 2003, the Plan may include clerical and other personnel from fire districts whose services are auxiliary to fire protection. The plan became effective January 1, 1980.

The plan assets are included in the Fire & Police Members' Benefit Investment Fund and the Fire & Police Members' Self-Director Investment Fund (for Deferred Retirement Option Plan ("DROP") assets and Separate Retirement Account assets from eligible retired members).

Contributions. Through December 31, 2020, contribution rates for the SWDB plan are set by state statute. Member contribution rates can be amended by state statute or election of the membership. Effective January 1, 2021, contribution rates may be increased by the FPPA Board of Directors upon approval through an election by both the employers and members.

In 2014, the members elected to increase the member contribution rate 0.5% annually from 2015 through 2022 to a total of 12% of base salary. Employer contributions will increase 0.5% annually beginning in 2021 through 2030 to a total of 13%. In 2020, employees and employers are contributing at a rate of 11% and 8%, respectively, of base salary for a total contribution rate of 19%.

Contributions from members and employers of plans reentering the system are established by resolution and approved by the FPPA Board of Directors. The reentry group has a combined contribution rate of 23% and 23.5% of pensionable earnings in 2020 and 2021, respectively. It is a local decision as to whether the member or employer pays the additional 4 percent contribution. The member and employer contribution rates will increase through 2030 as described above for the non-reentering departments. Effective January 1, 2021, reentry departments may submit a resolution to the FPPA Board of Directors to reduce the additional 4% contribution to the plan for reentry contributions. Each reentry department is responsible to remit contributions to the plan in accordance with their most recent FPPA Board of Directors approved resolution.

The contribution rate for members and employers of affiliated social security employers is 5.5% and 4% of base salary for a total contribution rate of 9.5% in 2020 and 9.75% in 2021. Per the 2014 member election, the affiliated social security group will also have their required member contribution rate increase 0.25% annually beginning in 2015 through 2022 to a total of 6% of base salary. Employer contributions are 4% and 4.25% in 2020 and 2021, respectively. Employer contributions will increase 0.25% annually beginning in 2021 through 2030 to a total of 6.5% of pensionable earnings.

CITY OF SALIDA, COLORADO
Notes to the Financial Statements
December 31, 2021
(Continued)

IV. Detailed Notes on All Funds (continued)

F. Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions (continued)

1. FPPA Statewide Defined Benefit Plan (continued)

Benefits. On May 23, 1983, the Colorado Revised Statutes were amended to allow the Trustees of the Plan to change the retirement age on an annual basis, depending upon the results of the actuarial valuation and other circumstances. The amended statutes state that retirement age should not be less than age 55 or more than age 60. The Trustees subsequently elected to amend the retirement provisions, effective July 1, 1983, such that any member with at least 25 years of service may retire at any time after age 55 and shall be eligible for a normal retirement pension. Effective January 1, 2021, a member may also qualify for a normal retirement pension if the member's combined years of service and age equals at least 80, with a minimum age of 50.

The annual normal retirement benefit is 2% of the average of the member's highest three years' base salary for each year of credited service up to ten years, plus 2.5% for each year of service thereafter. The benefit earned prior to January 1, 2007 for members of affiliated Social Security employers will be reduced by the amount of Social Security income payable to the member annually. Effective January 1, 2007, members currently covered under Social Security will receive half the benefit when compared to the Statewide Defined Benefit Plan. Benefits paid to retired members are evaluated and may be re-determined every October 1. The amount of any increase is based on the Board's discretion and can range from 0 to the higher of 3% or the Consumer Price Index for Urban Wage Earners and Clerical Workers (CPI-W).

A member is eligible for an early retirement after completion of 30 years of service or attainment of age 50 with at least five years of credited service. The early retirement benefit equals the normal retirement benefit reduced on an actuarially equivalent basis. Upon termination, an employee may elect to have member contributions, along with 5% as interest, returned as a lump sum distribution. Alternatively, a member with at least five years of accredited service may leave contributions with the Plan and remain eligible for a retirement pension at age 55 equal to 2% of the member's average highest three years' base salary for each year of credited service up to ten years, plus 2.5% for each year of service thereafter.

Net Pension Liability (Asset): At December 31, 2021, the City reported (\$243,809) and (\$305,696) for its proportionate share of the net pension liability (asset) for fire and police respectively. The net pension liability (asset) was measured as of December 31, 2020, and the total pension liability used to calculate the net pension liability (asset) was determined by an actuarial valuation as of January 1, 2021. The City's proportion of the net pension liability (asset) was based on City contributions to the Plan for the calendar year 2020 relative to the total contributions of participating employers to the Plan.

CITY OF SALIDA, COLORADO
Notes to the Financial Statements
December 31, 2021
(Continued)

IV. Detailed Notes on All Funds (continued)

F. Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions (continued)

1. FPPA Statewide Defined Benefit Plan (continued)

At the pension measurement date of December 31, 2020 and 2019, the City's proportionate shares for fire and police were as follows:

| | Proportionate Share | |
|--------|---------------------|----------|
| | 2020 | 2019 |
| Fire | 0.11230% | 0.10950% |
| Police | 0.14081% | 0.14814% |

For the year ended December 31, 2021, the City recognized net pension expense (revenue) of \$13,329 and \$34,958 for fire and police respectively, totaling \$48,287.

At December 31, 2021, the City reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

| | Fire | | Police | |
|----------------------------------------------------------------------------------|--------------------------------------|-------------------------------------|--------------------------------------|-------------------------------------|
| | Deferred Outflows of Resources | Deferred Inflows of Resources | Deferred Outflows of Resources | Deferred Inflows of Resources |
| Difference between expected and actual experience | \$ 206,773 | 970 | 259,260 | 1,215 |
| Changes of assumptions or other inputs | 103,696 | - | 130,018 | - |
| Net difference between projected and actual earnings on pension plan investments | - | 250,427 | - | 313,994 |
| Changes in proportionate share of contributions | 25,138 | 42,558 | 37,699 | 60,256 |
| Contributions subsequent to the measurement date | 83,963 | - | 103,000 | - |
| Total | \$ 419,570 | 293,955 | 529,977 | 375,465 |

19

Contributions subsequent to the measurement date of December 31, 2020, which are reported as deferred outflows of resources related to pensions, will be recognized as a reduction of the net pension liability in the subsequent year. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

| Year Ending | Amortization | |
|--------------|--------------|-------------|
| December 31: | Fire | Police |
| 2022 | \$ (29,053) | \$ (37,419) |
| 2023 | 3,429 | 3,308 |
| 2024 | (38,703) | (49,518) |
| 2025 | 3,741 | 3,365 |
| Thereafter | 102,238 | 131,776 |
| | \$ 41,652 | \$ 51,512 |

CITY OF SALIDA, COLORADO
Notes to the Financial Statements
December 31, 2021
(Continued)

IV. Detailed Notes on All Funds (continued)

F. Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions (continued)

1. FPPA Statewide Defined Benefit Plan (continued)

Actuarial assumptions. The total pension asset in the December 31, 2020 actuarial valuation was determined using the following actuarial assumptions and other inputs:

| | Total Pension Liability 2021 | Actuarially Determined Contributions 2020 |
|---------------------------------------|----------------------------------|----------------------------------------------------|
| Actuarial Method | Entry Age Normal | Entry Age Normal |
| Amortization Method | N/A | Level % of Payroll, Open |
| Amortization Period | N/A | 30 Years |
| Asset Valuation Method | 5-Year Smoothed Fair Value | 5-Year Smoothed Fair Value |
| Long-term investment Rate of Return * | 7.0 | 7.0 |
| Projected Salary Increases | 4.25% to 11.25% | 4.25% to 11.25% |
| Cost of Living Adjustments | 0% | 0% |
| * Includes Inflation at | 2.50% | 2.50% |

For determining the total pension liability, the post-retirement mortality tables for non-disabled retirees uses the 2006 central rates from the RP-2014 Annuitant Mortality Tables projected to 2018 using the MP-2017 projection scales, and the projected prospectively using the ultimate rates of the scale for all years. The pre-retirement off-duty mortality tables are adjusted to 50% of the RP-2014 mortality tables for active employees. The on-duty mortality rate is 0.00015.

At least every five years the FPPA's Board of Directors, in accordance with best practices, reviews its economic and demographic actuarial assumptions. At its July 2018 meeting, the Board of Directors reviewed and approved recommended changes to the actuarial assumptions. The recommendations were made by the FPPA's actuaries, Gabriel, Roeder, Smith & Co., based upon their analysis of past experience and expectations of the future. The assumption changes were effective for actuarial valuations beginning January 1, 2019. The actuarial assumptions impact actuarial factors for benefit purposes such as purchases of service credit and other benefits where actuarial factors are used.

The long-term expected rate of return on pension plan investments was determined using a building-block method in which best-estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighing the expected future real rates of return by the target asset allocation percentage and by adding expected inflation (assumed at 2.5 percent).

CITY OF SALIDA, COLORADO
Notes to the Financial Statements
December 31, 2021
(Continued)

IV. Detailed Notes on All Funds (continued)

F. Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions (continued)

1. FPPA Statewide Defined Benefit Plan (continued)

Best estimates of arithmetic real rates of return for each major asset class included in the Fund's target asset allocation as of December 31, 2020 are summarized in the following table:

| Asset Class | Target Allocation | Long Term Expected Rate of Return |
|-----------------------|--------------------------|------------------------------------------|
| Global Equity | 39% | 8.23% |
| Equity Long/Short | 8% | 6.87% |
| Illiquid Alternatives | 26% | 10.63% |
| Fixed Income | 10% | 4.01% |
| Absolute Return | 5% | 5.25% |
| Managed Futures | 10% | 5.60% |
| Cash | 2% | 2.32% |
| Total | 100% | |

Discount Rate used to measure the total pension liability was 7.00%. The projection of cash flows used to determine the discount rate assumed that contributions from participating employers will be made based on the actuarially determined rates based on the Board's funding policy, which establishes the contractually required rates under Colorado statutes. Based on those assumptions, the SWDB plan fiduciary net position was projected to be available to make all the projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

CITY OF SALIDA, COLORADO
Notes to the Financial Statements
December 31, 2021
(Continued)

IV. Detailed Notes on All Funds (continued)

F. Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions (continued)

1. FPPA Statewide Defined Benefit Plan (continued)

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 expected rate of return on pension plan investments is 7.00%; the municipal bond rate is 2.75% (based on the weekly rate closest to but not later than the measurement date of the “state & local bonds” rate from Federal Reserve statistical release (H.15)); and the resulting Single Discount Rate is 7.00%.

Sensitivity of the District’s proportionate share of the net pension liability (asset) to changes in the discount rate - The following presents the proportionate share of the net pension liability (asset) calculated using the discount rate of 7.00 percent, as well as what the proportionate share of the net pension liability would be if it were calculated using a discount rate that is 1-percentage-point lower (6.0 percent) or 1-percentage-point higher (8.00 percent) than the current rate:

| | 1% Decrease (6.0%) | Current Discount Rate (7.0%) | 1% Increase (8.0%) |
|------------------------------------------------------|-----------------------|---------------------------------|-----------------------|
| Proportionate share of net pension liability (asset) | | | |
| Fire | \$ 245,356 | (243,810) | (648,900) |
| Police | \$ 307,635 | (305,696) | (813,611) |

Pension plan fiduciary net position: Detailed information about the Plan’s fiduciary net position is available in FPPA’s comprehensive annual financial report, which can be obtained at: http://www.fppaco.org/annual_reports.htm.

Subsequent Disclosure. During 2020, legislation was passed effective January 1, 2021 that amended the Statewide Defined Benefit Plan. Amendments to the related contribution rates and benefits of this plan are described in the summary notes above. Additionally, the stabilization reserve accounts (SRA) of the Defined Benefit System became self-directed accounts with assets of \$123.6 million transferred to the FPPA Members’ Self-Directed Investment Fund after the January 1, 2021 actuarial valuation date. This transfer does not impact the net pension liability/(asset) of the plan as the transfer of assets will reduce both the total pension liability and the plan fiduciary net position.

CITY OF SALIDA, COLORADO
Notes to the Financial Statements
December 31, 2021
(Continued)

IV. Detailed Notes on All Funds (continued)

F. Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions (continued)

2. Agent “Old Hire” Pension Plan

Plan Description: The City is trustee of a single-employer defined benefit pension plan available to provide retirement income for all firefighters and police hired before April 8, 1978 (“old hires”) in recognition of their service to the City. FPPA administers an agent multiple-employer Public Employee Retirement System (“PERS”). The PERS represents the assets of numerous separate plans that have been pooled for investment purposes. The pension plans have elected to affiliate with FPPA for plan administration and investment only. FPPA issues a publicly available comprehensive annual financial report that can be obtained at <http://fppaco.org>.

The plan provides normal retirement benefits, severance, and death and disability benefits. Normal retirement benefits begin at 50 years of age and upon completion of 18 years of service and include monthly pension equal to one-half of his monthly salary at the date of his retirement. For severances, firefighters and police have the option to refund their contribution with 5% annual interest, or to receive deferred retirement pensions equal to one-half their monthly salary if they meet the age and service requirements of the normal retirement benefit. If a firefighter or policeman is eligible to receive or is receiving benefits dies in retirement, the surviving spouse shall receive, until death or remarriage, a monthly pension equal to one-half the monthly pension the firefighter or policeman was entitled to receive. There are no vested retirement benefits.

As of January 1, 2021 the latest actuarial valuation date, there were no active members, no inactive, nonretired members and 3 retirees and beneficiaries in the Salida Old Hire Fire Pension Fund.

As of January 1, 2021 the latest actuarial valuation date, there were no active members, no inactive, nonretired members and 6 retirees and beneficiaries in the Salida Old Hire Police Pension Fund.

Funding Policy: The funding of the plan by the City and members is authorized by the Board of Trustees. The contribution by the State of Colorado (the “State”) toward fire pension funds has been a fixed dollar amount established by the legislature and allocated pro rata to all fire pension funds in the State who apply for State matching funds, based upon the amounts contributed by the employer up to a maximum of one half (1/2) mill on the assessed valuation or 90% of City contributions, whichever is less. Since the City currently offers maximum retirement benefits in excess of \$300 per month, the State will match at the level determined above but no greater than the maximum of: (1) the amount necessary to fund a pension of \$300 per month on an actuarially sound basis, and (2) the amount of State contributions provided in the prior year

Net Pension Liability: At December 31, 2021, the Old Hire pension fund reported a net pension liability of \$171,835 and \$1,110,090 for Fire and Police, respectively. The net pension liability was measured as of December 31, 2020, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of January 1, 2021.

CITY OF SALIDA, COLORADO
Notes to the Financial Statements
December 31, 2021
(Continued)

IV. Detailed Notes on All Funds (continued)

F. Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions (continued)

2. Agent “Old Hire” Pension Plan (continued)

Actuarial Assumptions: The significant actuarial assumptions used in the valuation as of January 1, 2021 were:

| | |
|---------------------------------------|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Actuarial Method | Entry Age Normal |
| Amortization Method | Level Dollar, Open |
| Amortization Period | 16 Years* |
| Asset Valuation Method | 5-Year Smoothed Fair Value |
| Inflation | 2.50% |
| Long-term investment Rate of Return * | 7.5% |
| Retirement age | Any remaining activities 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% rate for females. |

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

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 & local bonds” rate from Federal Reserve statistical release (H.15)); and the resulting Single Discount Rate is 4.50%

CITY OF SALIDA, COLORADO
Notes to the Financial Statements
December 31, 2021
(Continued)

IV. Detailed Notes on All Funds (continued)

F. Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions (continued)

2. Agent “Old Hire” Pension Plan (continued)

Regarding the sensitivity of the net pension asset (liability) to changes in the Single Discount Rate, the following represent 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:

| | 1% Decrease (3.5%) | Current Discount Rate (4.5%) | 1% Increase (5.5%) |
|------------------------------------------------------|-----------------------|---------------------------------|-----------------------|
| Proportionate share of net pension liability (asset) | | | |
| Fire | \$ 187,854 | 171,835 | 157,637 |
| Police | \$ 1,247,675 | 1,110,090 | 992,543 |

In connection with the City’s Fire and Police Protection Retirement Plan, the following deferred outflow of resources and deferred inflows of resources were reported at December 31, 2021:

| | Fire | | Police | |
|----------------------------------------------------------------------------------|--------------------------------------|-------------------------------------|--------------------------------------|-------------------------------------|
| | Deferred Outflows of Resources | Deferred Inflows of Resources | Deferred Outflows of Resources | Deferred Inflows of Resources |
| Net difference between projected and actual earnings on pension plan investments | \$ - | 2,340 | \$ 13,962 | 26,705 |
| Contributions subsequent to the measurement date | 19,964 | - | 91,887 | - |
| Total | \$ 19,964 | 2,340 | \$ 105,849 | 26,705 |

Contributions subsequent to the measurement date of December 31, 2020, which are reported as deferred outflows of resources related to pensions, will be recognized as a reduction of the net pension liability in subsequent years. Other amounts reported as deferred outflow of resources and deferred inflow of resources related to pensions will be recognized as a component of pension expense in future years as follows:

| Year Ending | Amortization | |
|--------------|--------------|-------------|
| | Fire | Police |
| December 31: | | |
| 2022 | \$ (1,090) | \$ (5,483) |
| 2023 | 280 | 1,054 |
| 2024 | (1,112) | (5,930) |
| 2025 | (418) | (2,384) |
| Thereafter | - | - |
| | \$ (2,340) | \$ (12,743) |

CITY OF SALIDA, COLORADO
Notes to the Financial Statements
December 31, 2021
(Continued)

IV. Detailed Notes on All Funds (continued)

G. Restricted Net Position

The City restricted net position in the following funds as of December 31, 2021:

| | <u>General Fund</u> | <u>Conservation Trust Fund</u> | <u>Sewer Fund</u> | <u>Description</u> |
|--------------------|-------------------------|------------------------------------|-------------------|-------------------------|
| Restricted: | | | | |
| Emergency Reserve | \$ 480,000 | - | - | Legislative restriction |
| Conservation Trust | - | 313,044 | - | Legislative restriction |

V. Other Information

A. Other Retirement Plans

1. Deferred Compensation Plans – Section 401

In 1997, the City established a defined contribution money purchase plan in the form of the ICMA Retirement Corporation Prototype Money Purchase Plan and Trust under code section 401 of the Internal Revenue Code. The normal retirement age is age 60 (not to exceed age 65). All full time employees except Fire and Police personnel are entitled to participate in the plan. The City contributes on behalf of each participant 3% of earnings for the Plan Year. There is no minimum required contribution by the employee. Participants are 100% vested immediately and may direct their investment, without restriction, among various investment options available under the Trust. The City's contributions vest at a rate of 25% per year.

The City is the trustee of the plan and has the duty of due care that would be required of an ordinary prudent investor, but has no liability for losses under the plan.

2. Deferred Compensation Plan - Section 457

In 1997, the City established a defined contribution money purchase plan in the form of the ICMA Retirement Corporation Prototype Money Purchase Plan and Trust under code section 457 of the Internal Revenue code. The normal retirement age is age 60 (not to exceed age 65). All full-time employees except Fire and Police personnel are entitled to participate in the plan. The City will match up to 3% of employee contributions. There is no minimum required contribution by the employee. Participants are 100% vested immediately in their direct investment. The City's contributions vest at a rate of 25% per year.

B. Other Employee Benefits – Cafeteria Plan

The City offers a cafeteria compensation plan organized under IRS Section 125 that includes the following benefits: death and disability, term life insurance, health expense reimbursement and child care benefits. No cost to the City is recognized as the plan is a salary reduction plan.

CITY OF SALIDA, COLORADO
Notes to the Financial Statements
December 31, 2021
(Continued)

V. Other Information (continued)

C. Risk Management

The City is exposed to various risks of loss related to torts; theft of, damage to, or destruction of assets; errors and omissions, and employee health claims. The City insures against these risks through its participation in the Colorado Intergovernmental Risk Sharing Agency ("CIRSA") and the purchase of commercial insurance.

The City's management is unaware of any excess losses which may have been incurred by CIRSA. There have been no settled claims in excess of coverage in any of the last three years.

REQUIRED SUPPLEMENTARY INFORMATION

CITY OF SALIDA, COLORADO
Schedule of Revenues, Expenditures and Changes in Fund Balance
General Fund - Budget and Actual
For the Year Ended December 31, 2021

| REVENUES: | <u>Original Budget</u> | <u>Final Budget</u> | <u>Actual Amounts</u> | <u>Variance with Final Budget</u> |
|------------------------------------|----------------------------|-------------------------|---------------------------|---------------------------------------|
| Taxes: | | | | |
| Sales tax | 3,955,000 | 4,276,320 | 5,332,914 | 1,056,594 |
| Other taxes | 350,000 | 350,000 | 351,746 | 1,746 |
| Total taxes | <u>4,305,000</u> | <u>4,626,320</u> | <u>5,684,660</u> | <u>1,058,340</u> |
| Charges for services: | | | | |
| Planning and zoning fees | 111,500 | 111,500 | 99,325 | (12,175) |
| Public works charges | 13,500 | 13,500 | 27,114 | 13,614 |
| Public safety charges | 47,450 | 47,450 | 66,637 | 19,187 |
| Hot springs pool | 318,750 | 318,750 | 254,729 | (64,021) |
| Arts and culture | 191,750 | 191,750 | 176,640 | (15,110) |
| Other general governmental charges | 22,800 | 22,800 | 27,228 | 4,428 |
| Other recreation revenues | 26,250 | 26,250 | 47,732 | 21,482 |
| Total charges for services | <u>732,000</u> | <u>732,000</u> | <u>699,405</u> | <u>(32,595)</u> |
| Intergovernmental: | | | | |
| Sales tax - County | 2,400,000 | 2,400,000 | 3,207,758 | 807,758 |
| Federal grants | - | 764,000 | 350,000 | (414,000) |
| State grants | 45,000 | 45,000 | 137,173 | 92,173 |
| South Ark Fire District | 70,000 | 70,000 | 70,000 | - |
| Other intergovernmental revenue | 149,500 | 149,500 | 198,248 | 48,748 |
| Total intergovernmental | <u>2,664,500</u> | <u>3,428,500</u> | <u>3,963,179</u> | <u>534,679</u> |
| Fines and Forfeitures | <u>64,000</u> | <u>64,000</u> | <u>49,037</u> | <u>(14,963)</u> |
| Licenses, Permits and Fees: | | | | |
| Business licenses | 10,000 | 10,000 | 59,390 | 49,390 |
| Other licenses and permits | 18,000 | 18,000 | 24,393 | 6,393 |
| | <u>28,000</u> | <u>28,000</u> | <u>83,783</u> | <u>55,783</u> |
| Other Revenues: | | | | |
| Capital revenue | | | | |
| Insurance proceeds | 10,000 | 10,000 | 173,131 | 163,131 |
| Other capital revenues | - | - | 12,477 | 12,477 |
| Miscellaneous revenue | | | | |
| Investment earnings (loss) | 125,000 | 125,000 | (22,138) | (147,138) |
| Rent, leases and royalties | 55,000 | 55,000 | 104,658 | 49,658 |
| Land dedication fees in lieu | - | - | 66,000 | 66,000 |
| Donations | 2,000 | 2,000 | 189 | (1,811) |
| Other miscellaneous revenues | 4,500 | 15,500 | 46,249 | 30,749 |
| | <u>196,500</u> | <u>207,500</u> | <u>380,566</u> | <u>173,066</u> |
| TOTAL REVENUES | <u>7,990,000</u> | <u>9,086,320</u> | <u>10,860,630</u> | <u>1,774,310</u> |

(continued)

CITY OF SALIDA, COLORADO
Schedule of Revenues, Expenditures and Changes in Fund Balance
General Fund - Budget and Actual (continued)
For the Year Ended December 31, 2021

| EXPENDITURES: | Original Budget | Final Budget | Actual Amounts | Variance with Final Budget |
|-------------------------------------------------|--------------------|--------------------|-------------------|-------------------------------|
| General Government: | | | | |
| Administration | 1,478,421 | 1,502,421 | 1,522,410 | (19,989) |
| Community Development | 643,871 | 654,871 | 365,626 | 289,245 |
| Total General Government | <u>2,122,292</u> | <u>2,157,292</u> | <u>1,888,036</u> | <u>269,256</u> |
| Public Safety | | | | |
| Police | 2,321,248 | 2,338,248 | 2,447,489 | (109,241) |
| Fire | 1,680,273 | 1,682,273 | 1,639,397 | 42,876 |
| Total Public Safety | <u>4,001,521</u> | <u>4,020,521</u> | <u>4,086,886</u> | <u>(66,365)</u> |
| Public Works | | | | |
| Public Works | 285,886 | 289,886 | 347,593 | (57,707) |
| Other | 397,000 | 397,000 | 349,468 | 47,532 |
| Total Public Works | <u>682,886</u> | <u>686,886</u> | <u>697,061</u> | <u>(10,175)</u> |
| Culture, Parks and Recreation | | | | |
| Pool and Recreation | 908,095 | 969,095 | 951,633 | 17,462 |
| Parks, Open Space and Trails | 687,564 | 768,564 | 881,623 | (113,059) |
| Arts and culture | 602,095 | 615,096 | 600,322 | 14,774 |
| Total Culture, Parks and Recreation | <u>2,197,754</u> | <u>2,352,755</u> | <u>2,433,578</u> | <u>(80,823)</u> |
| Capital outlays | <u>304,450</u> | <u>304,450</u> | <u>213,472</u> | <u>90,978</u> |
| Debt service | | | | |
| Principal | 220,476 | 220,476 | 212,540 | 7,936 |
| Interest | 33,159 | 33,159 | 34,966 | (1,807) |
| Total debt service | <u>253,635</u> | <u>253,635</u> | <u>247,506</u> | <u>6,129</u> |
| TOTAL EXPENDITURES | <u>9,562,538</u> | <u>9,775,539</u> | <u>9,566,539</u> | <u>209,000</u> |
| Excess of Revenues Over (Under) Expenditures | <u>(1,572,538)</u> | <u>(689,219)</u> | <u>1,294,091</u> | <u>1,983,310</u> |
| Other Financing Sources (Uses): | | | | |
| Transfer in | 420,000 | 420,000 | 467,235 | 47,235 |
| Transfer (out) | (1,018,200) | (2,158,200) | (486,370) | 1,671,830 |
| Total Other Financing Sources (Uses) | <u>(598,200)</u> | <u>(1,738,200)</u> | <u>(19,135)</u> | <u>1,719,065</u> |
| Net change in fund balance | (2,170,738) | (2,427,419) | 1,274,956 | 3,702,375 |
| Fund balance, beginning of year | <u>5,516,958</u> | <u>5,516,958</u> | <u>6,191,526</u> | <u>674,568</u> |
| Fund balance, end of year | <u>3,346,220</u> | <u>3,089,539</u> | <u>7,466,482</u> | <u>4,376,943</u> |

CITY OF SALIDA, COLORADO
Schedule of Revenues, Expenditures and Changes in Fund Balance
Street Fund
Budget and Actual
For the Year Ended December 31, 2021

| REVENUES: | Original Budget | Final Budget | Actual Amounts | Variance with Final Budget |
|-----------------------------------------------|---------------------|-----------------------|-------------------------|-------------------------------|
| Taxes: | | | | |
| Sales tax | 2,213,400 | 2,390,680 | 2,942,204 | 551,524 |
| Intergovernmental: | | | | |
| Highway users tax | 205,000 | 205,000 | 251,461 | 46,461 |
| State grants | 426,176 | 426,176 | 34,005 | (392,171) |
| Public improvement - payments in lieu | - | - | 10,970 | 10,970 |
| Total revenues | <u>2,844,576</u> | <u>3,021,856</u> | <u>3,238,640</u> | <u>216,784</u> |
| EXPENDITURES: | | | | |
| Public Works: | | | | |
| Personnel services | 387,435 | 403,435 | 399,459 | 3,976 |
| Contracted services | 150,000 | 150,000 | 140,585 | 9,415 |
| Supplies and materials | 43,300 | 43,300 | 53,263 | (9,963) |
| Other operating costs | 90,500 | 90,500 | 99,159 | (8,659) |
| Capital purchases and improvements (\$5,000+) | 3,077,557 | 3,077,557 | 2,132,053 | 945,504 |
| Total Expenditures | <u>3,748,792</u> | <u>3,764,792</u> | <u>2,824,519</u> | <u>940,273</u> |
| Net change in fund balance | (904,216) | (742,936) | 414,121 | 1,157,057 |
| Fund balances, beginning of year | <u>910,558</u> | <u>910,558</u> | <u>623,628</u> | <u>(286,930)</u> |
| Fund balances, end of year | <u><u>6,342</u></u> | <u><u>167,622</u></u> | <u><u>1,037,749</u></u> | <u><u>870,127</u></u> |

CITY OF SALIDA, COLORADO
Schedule of Revenues, Expenditures and Changes in Fund Balance
Economic Development Fund
Budget and Actual
For the Year Ended December 31, 2021

| REVENUES: | <u>Original Budget</u> | <u>Final Budget</u> | <u>Actual Amounts</u> | <u>Variance with Final Budget</u> |
|-------------------------------------------------|----------------------------|-------------------------|---------------------------|---------------------------------------|
| Taxes: | | | | |
| Sales tax | 136,200 | 147,280 | 183,888 | 36,608 |
| Total revenues | <u>136,200</u> | <u>147,280</u> | <u>183,888</u> | <u>36,608</u> |
| EXPENDITURES: | | | | |
| Community development | 247,000 | 247,000 | 140,180 | 106,820 |
| Total Expenditures | <u>247,000</u> | <u>247,000</u> | <u>140,180</u> | <u>106,820</u> |
| Excess of Revenues Over (Under) Expenditures | <u>(110,800)</u> | <u>(99,720)</u> | <u>43,708</u> | <u>143,428</u> |
| Other Financing Sources (Uses): | | | | |
| Transfer (out) | - | - | (31,125) | (31,125) |
| Total Other Financing Sources (Uses) | <u>-</u> | <u>-</u> | <u>(31,125)</u> | <u>(31,125)</u> |
| Net change in fund balance | (110,800) | (99,720) | 12,583 | 112,303 |
| Fund balances, beginning of year | <u>125,122</u> | <u>125,122</u> | <u>162,505</u> | <u>37,383</u> |
| Fund balances, end of year | <u><u>14,322</u></u> | <u><u>25,402</u></u> | <u><u>175,088</u></u> | <u><u>149,686</u></u> |

CITY OF SALIDA, COLORADO
Schedule of Revenues, Expenditures and Changes in Fund Balance
Lodging Tax Fund
Budget and Actual
For the Year Ended December 31, 2021

| REVENUES: | Original & Final Budget | Actual Amounts | Variance with Final Budget |
|-------------------------------------------------|-------------------------------|-------------------|-------------------------------|
| Taxes: | | | |
| Sales tax | 420,000 | 467,235 | 47,235 |
| Total revenues | <u>420,000</u> | <u>467,235</u> | <u>47,235</u> |
| Excess of Revenues Over (Under) Expenditures | <u>420,000</u> | <u>467,235</u> | <u>47,235</u> |
| Other Financing Sources (Uses): | | | |
| Transfer out | (420,000) | (467,235) | (47,235) |
| Total Other Financing Sources (Uses) | <u>(420,000)</u> | <u>(467,235)</u> | <u>(47,235)</u> |
| Net change in fund balance | - | - | - |
| Fund balances, beginning of year | <u>-</u> | <u>-</u> | <u>-</u> |
| Fund balances, end of year | <u><u>-</u></u> | <u><u>-</u></u> | <u><u>-</u></u> |

CITY OF SALIDA, COLORADO
Schedule of Revenues, Expenditures and Changes in Fund Balance
Conservation Trust Fund
Budget and Actual
For the Year Ended December 31, 2021

| REVENUES: | Original & Final Budget | Actual Amounts | Variance with Final Budget |
|--------------------------------------|-------------------------------|-----------------------|-------------------------------|
| Intergovernmental revenue: | | | |
| State lottery | 60,000 | 74,039 | 14,039 |
| Interest income | 2,000 | 4,565 | 2,565 |
| Total revenues | <u>62,000</u> | <u>78,604</u> | <u>16,604</u> |
| EXPENDITURES: | | | |
| Parks and recreation: | | | |
| Capital outlay | 340,000 | 56,205 | 283,795 |
| Total Expenditures | <u>340,000</u> | <u>56,205</u> | <u>283,795</u> |
| Net change in fund balance | (278,000) | 22,399 | 300,399 |
| Fund balances, beginning of year | <u>286,103</u> | <u>290,645</u> | <u>4,542</u> |
| Fund balances, end of year | <u><u>8,103</u></u> | <u><u>313,044</u></u> | <u><u>304,941</u></u> |

CITY OF SALIDA, COLORADO
Schedule of Revenues, Expenditures and Changes in Fund Balance
Housing Fund
Budget and Actual
For the Year Ended December 31, 2021

| REVENUES: | Original Budget | Final Budget | Actual Amounts | Variance with Final Budget |
|--------------------------------------|-----------------------|-----------------------|-----------------------|-------------------------------|
| Housing fee in lieu | 50,000 | 50,000 | 46,870 | (3,130) |
| Intergovernmental revenue: | | | | |
| State grants | - | 720,000 | 648,000 | (72,000) |
| Total revenues | <u>50,000</u> | <u>770,000</u> | <u>694,870</u> | <u>(75,130)</u> |
| EXPENDITURES: | | | | |
| Expenditures | | | | |
| Housing | - | 1,102,000 | 1,029,125 | 72,875 |
| Total Expenditures | <u>-</u> | <u>1,102,000</u> | <u>1,029,125</u> | <u>72,875</u> |
| Excess of Revenues | | | | |
| Over (Under) Expenditures | <u>50,000</u> | <u>(332,000)</u> | <u>(334,255)</u> | <u>(2,255)</u> |
| Other Financing Sources (Uses): | | | | |
| Transfer in | - | 382,000 | 381,125 | (875) |
| Total Other Financing Sources (Uses) | <u>-</u> | <u>382,000</u> | <u>381,125</u> | <u>(875)</u> |
| Net change in fund balance | 50,000 | 50,000 | 46,870 | (3,130) |
| Fund balances, beginning of year | <u>50,000</u> | <u>50,000</u> | <u>70,741</u> | <u>20,741</u> |
| Fund balances, end of year | <u><u>100,000</u></u> | <u><u>100,000</u></u> | <u><u>117,611</u></u> | <u><u>17,611</u></u> |

CITY OF SALIDA, COLORADO
Schedule of City's Proportionate Share of Net Pension Asset / Liability
Statewide Defined Benefit Plans
Fire and Police Pension Association of Colorado
Last 10 Fiscal Years *

| | 2020 | 2019 | 2018 | 2017 | 2016 | 2015 | 2014 | 2013 |
|-----------------------------------------------------------------------------------------------------|-----------|-----------|-----------|-----------|-----------|-----------|-----------|-----------|
| Measurement period ending December 31, | | | | | | | | |
| Fire: | | | | | | | | |
| City's portion of the net pension asset - Fire | 0,112303% | 0,109500% | 0,102460% | 0,113522% | 0,105545% | 0,111828% | 0,109666% | 0,105488% |
| City's proportionate share of the net pension liability (asset) - Fire | (243,809) | (61,929) | 129,538 | (163,320) | 38,138 | (1,971) | (123,767) | (94,326) |
| City's covered payroll - Fire | 902,025 | 1,059,250 | 686,338 | 664,025 | 540,163 | 542,116 | 493,175 | 458,177 |
| City's proportionate share of the net pension asset as a percentage of its covered payroll - Fire | -27,03% | -5,85% | 18,87% | -24,60% | 7,06% | -0,36% | -25,10% | -20,59% |
| Police: | | | | | | | | |
| City's portion of the net pension asset - Police | 0,140809% | 0,148143% | 0,136943% | 0,134815% | 0,119709% | 0,126477% | 0,117005% | 0,129598% |
| City's proportionate share of the net pension liability (asset)- Police | (305,696) | (83,784) | 173,134 | (193,953) | 43,255 | (2,230) | (132,049) | (115,885) |
| City's covered payroll - Police | 1,130,988 | 1,091,863 | 917,325 | 788,575 | 612,650 | 613,126 | 525,825 | 562,895 |
| City's proportionate share of the net pension asset as a percentage of its covered payroll - Police | -27,03% | -7,67% | 18,87% | -24,60% | 7,06% | -0,36% | -25,11% | -20,59% |
| Plan fiduciary net position as a percentage of the total pension liability | 106,70% | 101,90% | 95,20% | 106,30% | 98,21% | 100,10% | 106,80% | 105,80% |

* The amounts presented for each fiscal year were determined as of the calendar year-end that occurred one year prior. Information is only available beginning in fiscal year 2014 for the employer plan, and fiscal year 2015 for the volunteer plan.

CITY OF SALIDA, COLORADO
Schedule of City's Contributions
Statewide Defined Benefit Plans
Fire and Police Pension Association of Colorado
Last 10 Fiscal Years *

| Statewide Defined Benefit Plan: | 2021 | 2020 | 2019 | 2018 | 2017 | 2016 | 2015 | 2014 |
|----------------------------------------------------------------------|-------------|-------------|-------------|-------------|-------------|-------------|-------------|-------------|
| Fire: | | | | | | | | |
| Contractually required contribution | 83,964 | 72,162 | 84,740 | 54,907 | 53,122 | 43,213 | 43,369 | 39,454 |
| Contributions in relation to the contractually required contribution | (83,964) | (72,162) | (84,740) | (54,907) | (53,122) | (43,213) | (43,369) | (39,454) |
| Contribution deficiency (excess) | - | - | - | - | - | - | - | - |
| City's covered payroll | 987,812 | 902,025 | 1,059,250 | 686,338 | 664,025 | 540,163 | 542,116 | 493,175 |
| Contributions as a percentage of covered payroll | 8.50% | 8.00% | 8.00% | 8.00% | 8.00% | 8.00% | 8.00% | 8.00% |
| Police: | | | | | | | | |
| Contractually required contribution | 103,000 | 90,479 | 87,349 | 73,386 | 63,086 | 49,012 | 49,050 | 42,066 |
| Contributions in relation to the contractually required contribution | (103,000) | (90,479) | (87,349) | (73,386) | (63,086) | (49,012) | (49,050) | (42,066) |
| Contribution deficiency (excess) | - | - | - | - | - | - | - | - |
| City's covered payroll | 1,211,761 | 1,130,988 | 1,091,863 | 917,325 | 788,575 | 612,650 | 613,126 | 525,825 |
| Contributions as a percentage of covered payroll | 8.50% | 8.00% | 8.00% | 8.00% | 8.00% | 8.00% | 8.00% | 8.00% |

* Information is only available beginning in fiscal year 2014. Additional years' information will be displayed as it becomes available

CITY OF SALIDA, COLORADO
Schedule of Changes in Net Pension Asset / Liability
Fire "Old Hire" Plan
Fire and Police Pension Association of Colorado
Last 10 Fiscal Years *

| Measurement period ending December 31, | 2020 | 2019 | 2018 | 2017 | 2016 | 2015 | 2014 |
|------------------------------------------------------------------------|-----------------|----------------|-----------------|----------------|-----------------|-----------------|-----------------|
| Total Pension Liability | | | | | | | |
| Interest on the Total Pension Liability | 10,586 | 14,821 | 15,698 | 15,903 | 16,704 | 15,943 | 16,742 |
| Difference between Expected and Actual Experience Assumption Changes | - | 10,431 | - | 8,761 | - | 8,172 | - |
| Benefit Payments | (27,391) | (27,391) | (27,391) | (27,391) | (27,391) | (27,391) | (27,391) |
| Net Change in Total Pension Liability | (16,805) | 37,733 | (11,693) | (2,727) | (10,687) | 10,150 | (10,649) |
| Total Pension Liability - Beginning | 248,797 | 211,064 | 222,757 | 225,484 | 236,171 | 226,021 | 236,670 |
| Total Pension Liability - Ending (a) | 231,992 | 248,797 | 211,064 | 222,757 | 225,484 | 236,171 | 226,021 |
| Plan Fiduciary Net Position | | | | | | | |
| Employer Contributions | - | 14,622 | 14,074 | 14,074 | 9,539 | 9,539 | 5,426 |
| Pension Plan Net Investment Income | 5,246 | 9,670 | 382 | 14,284 | 5,806 | 2,452 | 9,441 |
| Benefit Payments | (27,391) | (27,391) | (27,391) | (27,391) | (27,391) | (27,391) | (27,391) |
| Pension Plan Administrative Expense | (2,723) | (1,585) | (3,401) | (1,065) | (2,052) | (544) | (3,351) |
| Net Change in Plan Fiduciary Net Position | (24,868) | (4,684) | (16,336) | (98) | (14,098) | (15,944) | (15,875) |
| Plan Fiduciary Net Position - Beginning | 85,025 | 89,709 | 106,045 | 106,143 | 120,241 | 136,185 | 152,060 |
| Plan Fiduciary Net Position - Ending (b) | 60,157 | 85,025 | 89,709 | 106,045 | 106,143 | 120,241 | 136,185 |
| Net Pension Liability/(Asset) - Ending (a) - (b) | 171,835 | 163,772 | 121,355 | 116,712 | 119,341 | 115,930 | 89,836 |
| Plan Fiduciary Net Position as a Percentage of Total Pension Liability | 25.93% | 34.17% | 42.50% | 47.61% | 47.07% | 50.91% | 60.25% |
| Covered Payroll | N/A | N/A | N/A | N/A | N/A | N/A | N/A |
| Net Pension Liability as a Percentage of Covered Payroll | N/A | N/A | N/A | N/A | N/A | N/A | N/A |

* Information is only available beginning in fiscal year 2014. Additional years' information will be displayed as it becomes available

CITY OF SALIDA, COLORADO
Schedule of Changes in Net Pension Asset / Liability
Police "Old Hire" Plan
Fire and Police Pension Association of Colorado
Last 10 Fiscal Years *

| Measurement period ending December 31, | 2020 | 2019 | 2018 | 2017 | 2016 | 2015 | 2014 |
|------------------------------------------------------------------------|------------------|------------------|------------------|------------------|------------------|------------------|------------------|
| Total Pension Liability | | | | | | | |
| Interest on the Total Pension Liability | 65,909 | 86,476 | 89,445 | 90,074 | 92,791 | 89,922 | 92,650 |
| Difference between Expected and Actual Experience Assumption Changes | - | 34,811 | - | 30,567 | - | 27,855 | - |
| Benefit Payments | (128,718) | (129,025) | (129,025) | (129,025) | (129,025) | (129,025) | (129,025) |
| Net Change in Total Pension Liability | <u>(62,809)</u> | <u>311,926</u> | <u>(39,580)</u> | <u>(8,384)</u> | <u>(36,234)</u> | <u>38,262</u> | <u>(36,375)</u> |
| Total Pension Liability - Beginning | <u>1,528,291</u> | <u>1,216,365</u> | <u>1,255,945</u> | <u>1,264,329</u> | <u>1,300,563</u> | <u>1,262,301</u> | <u>1,298,676</u> |
| Total Pension Liability - Ending (a) | <u>1,465,482</u> | <u>1,528,291</u> | <u>1,216,365</u> | <u>1,255,945</u> | <u>1,264,329</u> | <u>1,300,563</u> | <u>1,262,301</u> |
| Plan Fiduciary Net Position | | | | | | | |
| Employer Contributions | - | 80,582 | 75,808 | 75,808 | 66,481 | 66,481 | 56,214 |
| Pension Plan Net Investment Income | 29,590 | 50,225 | 1,542 | 68,209 | 27,005 | 10,580 | 39,097 |
| Benefit Payments | (128,718) | (129,025) | (129,025) | (129,025) | (129,025) | (129,025) | (129,025) |
| Pension Plan Administrative Expense | (3,359) | (2,211) | (4,047) | (1,628) | (2,683) | (1,127) | (3,771) |
| Net Change in Plan Fiduciary Net Position | <u>(102,487)</u> | <u>(429)</u> | <u>(55,722)</u> | <u>13,364</u> | <u>(38,222)</u> | <u>(53,091)</u> | <u>(37,485)</u> |
| Plan Fiduciary Net Position - Beginning | <u>457,879</u> | <u>458,308</u> | <u>514,030</u> | <u>500,666</u> | <u>538,888</u> | <u>591,979</u> | <u>629,464</u> |
| Plan Fiduciary Net Position - Ending (b) | <u>355,392</u> | <u>457,879</u> | <u>458,308</u> | <u>514,030</u> | <u>500,666</u> | <u>538,888</u> | <u>591,979</u> |
| Net Pension Liability/(Asset) - Ending (a) - (b) | <u>1,110,090</u> | <u>1,070,412</u> | <u>758,057</u> | <u>741,915</u> | <u>763,663</u> | <u>761,675</u> | <u>670,322</u> |
| Plan Fiduciary Net Position as a Percentage of Total Pension Liability | 24.25% | 29.96% | 37.68% | 40.93% | 39.60% | 41.43% | 46.90% |
| Covered Payroll | N/A | N/A | N/A | N/A | N/A | N/A | N/A |
| Net Pension Liability as a Percentage of Covered Payroll | N/A | N/A | N/A | N/A | N/A | N/A | N/A |

* Information is only available beginning in fiscal year 2014. Additional years' information will be displayed as it becomes available

CITY OF SALIDA, COLORADO
Schedule of City's Contributions
"Old Hire" Plan
Fire and Police Pension Association of Colorado
Last 10 Fiscal Years *

| | 2021 | 2020 | 2019 | 2018 | 2017 | 2016 | 2015 | 2014 |
|--------------------------------------------------|----------|----------|----------|----------|----------|----------|----------|----------|
| Agent - Fire "Old Hire" Plan: | | | | | | | | |
| Actuarially determined contribution | 19,964 | 14,622 | 14,622 | 14,074 | 14,074 | 9,539 | 9,539 | 5,426 |
| Actual contribution | (19,964) | (14,622) | (14,622) | (14,074) | (14,074) | (9,539) | (9,539) | (5,426) |
| Contribution deficiency (excess) | - | - | - | - | - | - | - | - |
| City's 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 |
| Agent - Police "Old Hire" Plan: | | | | | | | | |
| Actuarially determined contribution | 91,887 | 91,887 | 80,582 | 75,808 | 78,808 | 66,481 | 66,481 | 56,214 |
| Actual contribution | (91,887) | (91,887) | (80,582) | (75,808) | (78,808) | (66,481) | (66,481) | (56,214) |
| Contribution deficiency (excess) | - | - | - | - | - | - | - | - |
| City's 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 |

* The amounts presented for each fiscal year were determined as of the calendar year-end that occurred one year prior. Information is only available beginning in fiscal year 2014. Additional years' information will be displayed as it becomes available.

City of Salida
Notes to the Required Supplementary Information
December 31, 2021

I. Schedule of City's Proportionate Share of the Net Pension (Asset) Liability – Statewide Defined Benefit Plans

A. Changes to assumptions or other inputs

1. Changes Since the January 1, 2018 Actuarial Valuation are as Follows:

For determining the total pension liability, the post-retirement mortality tables for non-disabled retirees uses the 2006 central rate from the RP-2014 annuitant mortality tables projected to 2018 using the MP-2017 projection scales, and the projected prospectively using the ultimate rates of the scale for all years. The pre-retirement off-duty mortality tables are adjusted to 50% of the RP-2014 mortality tables for active employees. The on-duty mortality rate is 0.00015.

2. Changes Since the January 1, 2015 Actuarial Valuation are as Follows:

Effective January 1, 2016, the post-retirement mortality tables for non-disabled retirees is a blend of the Annuitant and Employee RP-2014 generational mortality tables with blue collar adjustment projected with Scale BB. The occupationally disabled post-retirement mortality assumption uses the same table as used for healthy annuitants, except that is a three-year set-forward, meaning a disabled member age 70 will be valued as if they were a 73-year-old healthy retiree. The totally disabled post-retirement mortality assumption uses the RP-2014 generational mortality tables for disabled annuitants, except an additional provision to apply a minimum 3% mortality probability to males and 2% mortality probability for females is included to reflect substantial impairment for this population. The pre-retirement off-duty mortality tables are adjusted to 55% of the RP-2014 mortality tables for active employees. The on-duty mortality rate is 0.00020.

3. Changes Since the January 1, 2014 Actuarial Valuation are as Follows:

For determining the total pension liability, the RP-2014 Mortality Tables for Blue Collar Employees, projected with Scale BB, 55 percent multiplier for off-duty mortality is used in the valuation for off-duty mortality of active members. On-duty related mortality is assumed to be 0.00020 per year for all members of post-retirement benefits for members under age 55. For post-retirement members ages 65 and older, the RP-2014 Mortality Tables for Blue Collar Healthy Annuitants, projected with Scale BB are used.

B. Changes of benefit terms

No changes during the years presented.

C. Changes of size or composition of population covered by benefit terms

No changes during the years presented.

City of Salida
Notes to the Required Supplementary Information
December 31, 2021

- II. Notes to the Schedule of City’s Contributions – Statewide Defined Benefit Plans**
- A. Changes to assumptions or other inputs**
- No changes during the years presented.
- B. Changes of benefit terms**
- No changes during the years presented.
- C. Changes of size or composition of population covered by benefit terms.**
- No changes during the years presented.
- III. Schedule of Changes in Net Pension Asset / Liability – Fire and Police “Old Hire” Plan**
- A. Changes to assumptions**
- 1. Changes Since the January 1, 2020 Actuarial Valuation are as Follows:**
- The investment rate of return changed to 4.5%.
- Post-retirement mortality assumptions: 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) mortality assumptions: Post-retirement rates set forward three years.
- 2. Changes Since the January 1, 2014 Actuarial Valuation are as Follows:**
- The inflation assumption was reduced from 3.0% to 2.5%.
- Post-retirement mortality assumptions: 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 Annuitant. For ages 55 through 64, a blend of the previous tables. All tables are projected with Scale BB.
- Disabled (pre-1930) mortality assumptions: RP-2014 Disabled Generational Mortality Table generationally projected with Scale BB with a minimum 3% rate for males and 2% for females.
- B. Changes of benefit terms**
- No changes during the years presented.
- C. Changes of size or composition of population covered by benefit terms.**
- No changes during the years presented.

City of Salida
Notes to the Required Supplementary Information
December 31, 2021

IV. Schedule of City's Contributions – Fire and Police "Old Hire" Plan

A. Changes to assumptions

1. Changes Since the January 1, 2014 Actuarial Valuation are as Follows:

The asset method valuation approximates smoothing over a five-year period by recognizing 20% of the difference between the projected actuarial value and the market value at the valuation date. The remaining amortization period is 17 years.

Disabled (pre-1980) mortality assumptions: RP-2000 Disabled Mortality Table generationally projected with Scale AA.

B. Changes of benefit terms

No changes during the years presented.

C. Changes of size or composition of population covered by benefit terms.

No changes during the years presented.

SUPPLEMENTARY INFORMATION

CITY OF SALIDA, COLORADO
Schedule of Revenues, Expenditures and Changes in Fund Balance
Capital Improvement Fund
Budget and Actual
For the Year Ended December 31, 2021

| REVENUES: | <u>Original Budget</u> | <u>Final Budget</u> | <u>Actual Amounts</u> | <u>Variance with Final Budget</u> |
|-------------------------------------------------|----------------------------|-------------------------|---------------------------|---------------------------------------|
| Taxes: | | | | |
| Sales tax | 553,300 | 597,620 | 735,551 | 137,931 |
| Intergovernmental revenue: | | | | |
| State grants | 200,000 | 200,000 | 367,980 | 167,980 |
| Miscellaneous revenue | 180,000 | 180,000 | 25,100 | (154,900) |
| Total revenues | <u>933,300</u> | <u>977,620</u> | <u>1,128,631</u> | <u>151,011</u> |
| EXPENDITURES: | | | | |
| Public safety: | | | | |
| Capital outlay | - | 790,000 | 319,110 | 470,890 |
| Public works: | | | | |
| Capital outlay | 50,000 | 50,000 | 59,245 | (9,245) |
| Culture, parks, and recreation | | | | |
| Capital outlay | 1,901,500 | 2,185,500 | 889,446 | 1,296,054 |
| Total Expenditures | <u>1,951,500</u> | <u>3,025,500</u> | <u>1,267,801</u> | <u>1,757,699</u> |
| Excess of Revenues Over (Under) Expenditures | <u>(1,018,200)</u> | <u>(2,047,880)</u> | <u>(139,170)</u> | <u>1,908,710</u> |
| Other Financing Sources (Uses): | | | | |
| Transfer in | 1,018,200 | 1,808,200 | 136,370 | (1,671,830) |
| Total Other Financing Sources (Uses) | <u>1,018,200</u> | <u>1,808,200</u> | <u>136,370</u> | <u>(1,671,830)</u> |
| Net change in fund balance | - | (239,680) | (2,800) | 236,880 |
| Fund balances, beginning of year | 173,894 | 173,894 | 58,904 | (114,990) |
| Fund balances, end of year | <u>173,894</u> | <u>(65,786)</u> | <u>56,104</u> | <u>121,890</u> |

CITY OF SALIDA, COLORADO
Schedule of Revenues, Expenditures and Changes in Fund Balance
Water Fund
Budget and Actual with Reconciliation to US GAAP Basis
For the Year Ended December 31, 2021

| Revenues | <u>Original Budget</u> | <u>Final Budget</u> | <u>Actual Amounts</u> | <u>Variance with Final Budget</u> |
|---------------------------------|----------------------------|-------------------------|---------------------------|---------------------------------------|
| Fees for General Services: | | | | |
| Service and usage fees | 1,404,800 | 1,404,800 | 1,483,391 | 78,591 |
| Water line maintenance | 200,900 | 200,900 | 228,394 | 27,494 |
| Commercial demand charges | 102,000 | 102,000 | 100,248 | (1,752) |
| Other revenues | 37,400 | 37,400 | 47,711 | 10,311 |
| Water leases | 5,000 | 5,000 | (116) | (5,116) |
| Total Fees for General Services | <u>1,750,100</u> | <u>1,750,100</u> | <u>1,859,628</u> | <u>109,528</u> |
| Intergovernmental Revenue | | | | |
| State grants | - | - | 239,313 | 239,313 |
| Total Intergovernmental Revenue | <u>-</u> | <u>-</u> | <u>239,313</u> | <u>239,313</u> |
| Capital Revenue: | | | | |
| System development fees | 430,000 | 430,000 | 1,118,958 | 688,958 |
| Sale of water meters | 16,000 | 16,000 | 22,285 | 6,285 |
| Total Capital Revenue | <u>446,000</u> | <u>446,000</u> | <u>1,141,243</u> | <u>695,243</u> |
| Other Revenue: | | | | |
| Investment earnings (loss) | 8,000 | 8,000 | (10,651) | (18,651) |
| Miscellaneous revenue | 500 | 500 | 8,679 | 8,179 |
| | <u>8,500</u> | <u>8,500</u> | <u>(1,972)</u> | <u>(10,472)</u> |
| Total Revenues | <u>2,204,600</u> | <u>2,204,600</u> | <u>3,238,212</u> | <u>1,033,612</u> |
| Expenses | | | | |
| Administration - Water: | | | | |
| Personnel services | 106,618 | 110,618 | 120,664 | (10,046) |
| Contracted services | 49,000 | 49,000 | 29,181 | 19,819 |
| Supplies and materials | 2,000 | 2,000 | 2,201 | (201) |
| Other operating costs | 14,100 | 14,100 | 20,792 | (6,692) |
| Total Administration - Water | <u>171,718</u> | <u>175,718</u> | <u>172,838</u> | <u>2,880</u> |
| Public Works - Water: | | | | |
| Personnel services | 281,382 | 292,382 | 265,365 | 27,017 |
| Contracted services | 64,000 | 64,000 | 40,376 | 23,624 |
| Supplies and materials | 18,800 | 18,800 | 23,279 | (4,479) |
| Utilities | - | - | 381 | (381) |
| Other operating costs | 43,150 | 43,150 | 31,529 | 11,621 |
| Financing obligations | 166,000 | 166,000 | 234,802 | (68,802) |
| Total Public Works - Water | <u>573,332</u> | <u>584,332</u> | <u>595,732</u> | <u>(11,400)</u> |

(continued)

CITY OF SALIDA, COLORADO
Schedule of Revenues, Expenditures and Changes in Fund Balance
Water Fund (Continued)
Budget and Actual with Reconciliation to US GAAP Basis
For the Year Ended December 31, 2021

| | Original Budget | Final Budget | Actual Amounts | Variance with Final Budget |
|---------------------------------------------|--------------------|------------------|-------------------|-------------------------------|
| Expenses, Continued | | | | |
| Water Plant: | | | | |
| Personnel services | 248,670 | 258,670 | 264,377 | (5,707) |
| Contracted services | 257,500 | 257,500 | 186,408 | 71,092 |
| Supplies and materials | 51,650 | 51,650 | 22,473 | 29,177 |
| Utilities | 85,900 | 85,900 | 101,773 | (15,873) |
| Other operating costs | 131,500 | 131,500 | 90,824 | 40,676 |
| Financing obligations | 239,100 | 239,100 | 3,771 | 235,329 |
| Total Water Plant | <u>1,014,320</u> | <u>1,024,320</u> | <u>669,626</u> | <u>354,694</u> |
| Capital outlay | 4,259,500 | 4,259,500 | 1,717,240 | 2,542,260 |
| Total Expenses | <u>6,018,870</u> | <u>6,043,870</u> | <u>3,155,436</u> | <u>2,888,434</u> |
| Other Financing Sources (Uses) | | | | |
| Financing proceeds | 3,910,000 | 3,910,000 | - | (3,910,000) |
| Total Other Financing Sources (Uses) | <u>3,910,000</u> | <u>3,910,000</u> | <u>-</u> | <u>(3,910,000)</u> |
| Excess of Revenues Over (Under) | | | | |
| Expenses - Budget Basis | <u>95,730</u> | <u>70,730</u> | <u>82,776</u> | <u>12,046</u> |
| GAAP Basis Adjustments | | | | |
| Capitalized expenses | | | 1,525,310 | |
| Depreciation | | | (512,619) | |
| Debt principal | | | 196,359 | |
| Total GAAP Basis Adjustments | | | <u>1,209,050</u> | |
| Net Income - GAAP Basis | | | 1,291,826 | |
| Net Position, beginning of year | | | 14,237,565 | |
| Net Position, end of year | | | <u>15,529,391</u> | |

CITY OF SALIDA, COLORADO
Schedule of Revenues, Expenditures and Changes in Net Assets
Sewer Fund
Budget and Actual with Reconciliation to US GAAP Basis
For the Year Ended December 31, 2021

| Revenues | <u>Original Budget</u> | <u>Final Budget</u> | <u>Actual Amounts</u> | <u>Variance with Final Budget</u> |
|-----------------------------------|----------------------------|-------------------------|---------------------------|---------------------------------------|
| Fees for General Services: | | | | |
| Metered service and usage fees | 1,217,500 | 1,217,500 | 1,422,240 | 204,740 |
| Unmetered wastewater charges | 81,500 | 81,500 | 86,393 | 4,893 |
| Septage receiving | 85,000 | 85,000 | 102,798 | 17,798 |
| Lab analysis fees | 28,000 | 28,000 | 9,254 | (18,746) |
| Other | 15,000 | 15,000 | 11,345 | (3,655) |
| Total Fees for General Services | <u>1,427,000</u> | <u>1,427,000</u> | <u>1,632,030</u> | <u>205,030</u> |
| Capital Revenue: | | | | |
| System development fees | 450,000 | 450,000 | 1,236,129 | 786,129 |
| Total Capital Revenue | <u>450,000</u> | <u>450,000</u> | <u>1,236,129</u> | <u>786,129</u> |
| Other Revenue: | | | | |
| Investment earnings (loss) | 50,000 | 50,000 | (10,255) | (60,255) |
| Miscellaneous revenue | - | - | 64,694 | 64,694 |
| Total Other Revenue | <u>50,000</u> | <u>50,000</u> | <u>54,439</u> | <u>4,439</u> |
| Total Revenues | <u>1,927,000</u> | <u>1,927,000</u> | <u>2,922,598</u> | <u>995,598</u> |
| Expenses | | | | |
| Administration - Wastewater: | | | | |
| Personnel services | 106,618 | 110,618 | 120,107 | (9,489) |
| Contracted services | 4,000 | 4,000 | 3,471 | 529 |
| Supplies and materials | 1,500 | 1,500 | 2,201 | (701) |
| Other operating costs | 14,600 | 14,600 | 23,265 | (8,665) |
| Total Administration - Wastewater | <u>126,718</u> | <u>130,718</u> | <u>149,044</u> | <u>(18,326)</u> |
| Public Works - Wastewater: | | | | |
| Personnel services | 280,391 | 291,391 | 267,515 | 23,876 |
| Contracted services | 48,500 | 48,500 | 40,345 | 8,155 |
| Supplies and materials | 12,900 | 12,900 | 15,384 | (2,484) |
| Utilities | 700 | 700 | 1,942 | (1,242) |
| Other operating costs | 38,250 | 38,250 | 10,278 | 27,972 |
| Total Public Works - Wastewater | <u>380,741</u> | <u>391,741</u> | <u>335,464</u> | <u>56,277</u> |

(continued)

CITY OF SALIDA, COLORADO
Schedule of Revenues, Expenditures and Changes in Fund Balance
Sewer Fund (Continued)
Budget and Actual with Reconciliation to US GAAP Basis
For the Year Ended December 31, 2021

| | <u>Original Budget</u> | <u>Final Budget</u> | <u>Actual Amounts</u> | <u>Variance with Final Budget</u> |
|----------------------------------|----------------------------|-------------------------|---------------------------|---------------------------------------|
| Expenses, Continued | | | | |
| Wastewater Plant: | | | | |
| Personnel services | 272,055 | 284,055 | 295,490 | (11,435) |
| Contracted services | 133,000 | 133,000 | 70,826 | 62,174 |
| Supplies and materials | 66,000 | 66,000 | 58,493 | 7,507 |
| Utilities | 138,800 | 138,800 | 146,427 | (7,627) |
| Other operating costs | 136,700 | 136,700 | 140,714 | (4,014) |
| Financing obligations | 482,000 | 482,000 | 564,632 | (82,632) |
| Total WasteWater Plant | <u>1,228,555</u> | <u>1,240,555</u> | <u>1,276,582</u> | <u>(36,027)</u> |
| Capital outlay | <u>810,500</u> | <u>810,500</u> | <u>927,928</u> | <u>(117,428)</u> |
| Total Expenses | <u>2,546,514</u> | <u>2,573,514</u> | <u>2,689,018</u> | <u>(115,504)</u> |
| Excess of Revenues Over (Under) | | | | |
| Expenses - Budget Basis | <u>(619,514)</u> | <u>(646,514)</u> | <u>233,580</u> | <u>880,094</u> |
| GAAP Basis Adjustments | | | | |
| Capitalized expenses | | | 409,968 | |
| Gain (loss) on sale of assets | | | 600 | |
| Depreciation | | | (960,775) | |
| Debt service principal | | | 292,313 | |
| Total GAAP Basis Adjustments | | | <u>(257,894)</u> | |
| Net Income - GAAP Basis | | | (24,314) | |
| Net Position, beginning of year | | | <u>9,811,145</u> | |
| Net Position, end of year | | | <u>9,786,831</u> | |

| | |
|----------------------------------------------------------------------------|------------------------------------------|
| LOCAL HIGHWAY FINANCE REPORT | City or County: City of Salida, Colorado |
| YEAR ENDING : December 2021 | |
| This Information From The Records Of (example - City of _ or County of _): | 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 | D. Receipts from Federal Highway Administration |
|----------------------------------------------|---------------------------|------------------------------|-------------------------------------------|-------------------------------------------------|
| 1. Total receipts available | | | | |
| 2. Minus amount used for collection expenses | | | | |
| 3. Minus amount used for nonhighway purposes | | | | |
| 4. Minus amount used for mass transit | | | | |
| 5. Remainder used for highway purposes | | | | |

II. RECEIPTS FOR ROAD AND STREET PURPOSES

III. DISBURSEMENTS FOR ROAD AND STREET PURPOSES

| ITEM | AMOUNT | ITEM | AMOUNT |
|----------------------------------------------------------|-----------|---------------------------------------------------|-----------|
| A. Receipts from local sources: | | A. Local highway disbursements: | |
| 1. Local highway-user taxes | | 1. Capital outlay (from page 2) | 1,480,934 |
| a. Motor Fuel (from Item I.A.5.) | | 2. Maintenance: | 232,165 |
| b. Motor Vehicle (from Item I.B.5.) | | 3. Road and street services: | |
| c. Total (a.+b.) | | a. Traffic control operations | 9,315 |
| 2. General fund appropriations | - | b. Snow and ice removal | 59,591 |
| 3. Other local imposts (from page 2) | 2,128,256 | c. Other | 66,753 |
| 4. Miscellaneous local receipts (from page 2) | 45,132 | d. Total (a. through c.) | 135,659 |
| 5. Transfers from toll facilities | - | 4. General administration & miscellaneous | 364,859 |
| 6. Proceeds of sale of bonds and notes: | | 5. Highway law enforcement and safety | 518,977 |
| a. Bonds - Original Issues | - | 6. Total (1 through 5) | 2,732,594 |
| b. Bonds - Refunding Issues | - | B. Debt service on local obligations: | |
| c. Notes | - | 1. Bonds: | |
| d. Total (a. + b. + c.) | - | a. Interest | - |
| 7. Total (1 through 6) | 2,173,388 | b. Redemption | - |
| B. Private Contributions | - | c. Total (a. + b.) | - |
| C. Receipts from State government (from page 2) | 309,255 | 2. Notes: | |
| D. Receipts from Federal Government (from page 2) | - | a. Interest | - |
| E. Total receipts (A.7 + B + C + D) | 2,482,643 | b. Redemption | - |
| | | c. Total (a. + b.) | - |
| | | 3. Total (1.c + 2.c) | - |
| | | C. Payments to State for highways | - |
| | | D. Payments to toll facilities | - |
| | | E. Total disbursements (A.6 + B.3 + C + D) | 2,732,594 |

IV. LOCAL HIGHWAY DEBT STATUS

(Show all entries at par)

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

V. LOCAL ROAD AND STREET FUND BALANCE

| | A. Beginning Balance | B. Total Receipts | C. Total Disbursements | D. Ending Balance | E. Reconciliation |
|--|----------------------|-------------------|------------------------|-------------------|-------------------|
| | | 2,482,643 | 2,732,594 | | (249,951) |

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 | - | a. Interest on investments | - |
| b. Other local imposts: | | b. Traffic Fines & Penalties | 45,132 |
| 1. Sales Taxes | 2,128,256 | c. Parking Garage Fees | - |
| 2. Infrastructure & Impact Fees | - | d. Parking Meter Fees | - |
| 3. Liens | - | e. Sale of Surplus Property | - |
| 4. Licenses | - | f. Charges for Services | - |
| 5. Specific Ownership &/or Other | - | g. Other Misc. Receipts | - |
| 6. Total (1. through 5.) | 2,128,256 | h. Other | - |
| c. Total (a. + b.) | 2,128,256 | i. Total (a. through h.) | 45,132 |
| | (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 | 272,925 | 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 | 36,330 | d. Federal Transit Admin | - |
| d. Other (Specify) - DOLA Grant | - | e. U.S. Corps of Engineers | - |
| e. Other (Specify) | - | f. Other Federal | - |
| f. Total (a. through e.) | 36,330 | g. Total (a. through f.) | - |
| 4. Total (1. + 2. + 3.f) | 309,255 | 3. Total (1. + 2.g) | |
| | | | (Carry forward to page 1) |

III. DISBURSEMENTS FOR ROAD AND STREET PURPOSES - DETAIL

| | ON NATIONAL HIGHWAY SYSTEM (a) | OFF NATIONAL HIGHWAY SYSTEM (b) | TOTAL (c) |
|-----------------------------------------------------|-----------------------------------------|------------------------------------------|---------------------------|
| A.1. Capital outlay: | | | |
| a. Right-Of-Way Costs | - | - | - |
| b. Engineering Costs | 20,688 | 161,416 | 182,104 |
| c. Construction: | | | |
| (1). New Facilities | - | - | - |
| (2). Capacity Improvements | - | - | - |
| (3). System Preservation | 304 | 8,484 | 8,788 |
| (4). System Enhancement & Operation | - | 1,290,042 | 1,290,042 |
| (5). Total Construction (1) + (2) + (3) + (4) | 304 | 1,298,526 | 1,298,830 |
| d. Total Capital Outlay (Lines 1.a. + 1.b. + 1.c.5) | 20,992 | 1,459,942 | 1,480,934 |
| | | | (Carry forward to page 1) |

Notes and Comments:

STATISTICAL INFORMATION

STATISTICAL SECTION

This part of the Government's comprehensive annual 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 government's overall financial health.

| Contents | Page |
|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-------------|
| Financial Trends | G1 - G5 |
| <i>These schedules contain trend information to help the reader understand how the government's financial performance and well-being have changed over time.</i> | |
| Revenue Capacity | G6 - G10 |
| <i>These schedules include information to help the reader assess the government's most significant local revenue source. The City of Salida's most important revenue source is sales tax.</i> | |
| Debt Capacity | G11 - G14 |
| <i>These schedules present information to help the reader assess the affordability of the government's current level of outstanding debt and the government's ability to issue additional debt in the future.</i> | |
| Demographic and Economic Information | G15 - G16 |
| <i>These schedules help the reader understand the environment within which the government's financial activities take place.</i> | |
| Operating Information | G17 - G19 |
| <i>These schedules contain service and infrastructure data to help the reader understand how the information in the government's financial report relates to the services the government provides and the activities it performs.</i> | |

CITY OF SALUDA, COLORADO
 Net Position by Component
 Last Ten Fiscal Years
 (Accrual Basis of Accounting)
 Schedule 1

| | Fiscal Year | | | | | | | | | |
|----------------------------------------------|-------------------|-------------------|-------------------|-------------------|-------------------|-------------------|-------------------|-------------------|-------------------|-------------------|
| | 2021 | 2020 | 2019 | 2018 | 2017 | 2016 | 2015 | 2014 | 2013 | 2012 |
| Governmental Activities | | | | | | | | | | |
| Net Investment in Capital Assets | 28,475,293 | 27,366,982 | 25,457,709 | 24,397,257 | 19,889,837 | 19,869,497 | 19,852,447 | 14,698,702 | 13,442,842 | 12,218,760 |
| Restricted | 793,044 | 670,645 | 596,103 | 415,821 | 357,296 | 673,749 | 394,208 | 2,794,809 | 3,254,234 | 1,483,322 |
| Unrestricted | 8,057,369 | 6,274,192 | 5,947,623 | 4,945,600 | 4,770,534 | 5,986,284 | 4,321,561 | 1,543,801 | 1,012,202 | 2,629,204 |
| Subtotal Governmental Activities | 37,325,706 | 34,311,819 | 32,001,435 | 29,758,678 | 25,017,667 | 26,529,530 | 24,568,216 | 19,037,312 | 17,709,278 | 16,331,286 |
| Business-type Activities | | | | | | | | | | |
| Net Investment in Capital Assets | 17,543,524 | 16,565,969 | 19,103,620 | 19,543,829 | 19,251,243 | 17,626,979 | 17,385,077 | 15,351,346 | 14,149,193 | 12,784,270 |
| Restricted | 1,249,195 | 1,034,732 | 986,683 | 914,823 | - | - | - | 913,515 | 1,221,792 | 726,037 |
| Unrestricted | 6,523,503 | 6,448,009 | 5,785,854 | 6,143,842 | 4,829,020 | 4,044,718 | 3,908,583 | 3,023,309 | 3,093,102 | 3,024,469 |
| Subtotal Business-type Activities | 25,316,222 | 24,048,710 | 25,876,157 | 26,602,494 | 24,080,263 | 21,671,697 | 21,293,660 | 19,288,170 | 18,464,087 | 16,534,776 |
| Primary Government | | | | | | | | | | |
| Net Investment in Capital Assets | 47,562,415 | 43,932,951 | 44,561,329 | 43,941,086 | 39,141,080 | 37,496,476 | 37,237,524 | 30,050,048 | 27,592,035 | 25,003,030 |
| Restricted | 1,342,549 | 1,705,377 | 1,582,786 | 1,330,644 | 357,296 | 673,749 | 394,208 | 3,708,324 | 4,476,026 | 2,209,359 |
| Unrestricted | 13,736,964 | 12,722,201 | 11,733,477 | 11,089,442 | 9,599,554 | 10,031,002 | 8,230,144 | 4,567,110 | 4,105,304 | 5,653,673 |
| Total Primary Government Net Position | 62,641,928 | 58,360,529 | 57,877,592 | 56,361,172 | 49,097,930 | 48,201,227 | 45,861,876 | 38,325,482 | 36,173,365 | 32,866,062 |

CITY OF SALIDA, COLORADO
Changes in Net Position
Last Ten Fiscal Years
(Accrual Basis of Accounting)
Schedule 2

| | Fiscal Year | | | | | | | | | |
|-------------------------------------------------------|-----------------|-----------------|----------------|----------------|----------------|----------------|----------------|----------------|----------------|----------------|
| | 2021 | 2020 | 2019 | 2018 | 2017 | 2016 | 2015 | 2014 | 2013 | 2012 |
| Expenses | | | | | | | | | | |
| Governmental Activities: | | | | | | | | | | |
| General Government | \$ 2,270,818 | \$ 2,515,773 | \$ 915,020 | \$ 1,175,900 | \$ 1,574,671 | \$ 1,524,785 | \$ 1,175,090 | \$ 1,414,429 | \$ 1,929,106 | \$ 1,730,060 |
| Public Safety | 4,371,506 | 4,389,355 | 3,509,183 | 3,283,906 | 3,096,405 | 2,715,406 | 2,578,402 | 2,529,710 | 2,354,999 | 2,255,274 |
| Public works/Streets | 2,591,055 | 2,862,257 | 3,445,982 | 1,827,415 | 2,056,193 | 1,568,062 | 1,275,564 | 1,109,882 | 705,819 | 650,668 |
| Culture, parks and recreation | 4,365,276 | 2,812,178 | 2,044,294 | 1,824,233 | 1,520,283 | 1,301,834 | 1,241,164 | 948,611 | 975,610 | 748,978 |
| Interest on long-term debt | 34,966 | 41,070 | 42,165 | 37,263 | 41,032 | 252,804 | 299,103 | 52,890 | 60,074 | 97,739 |
| Total Governmental Activities | 13,633,621 | 12,620,633 | 9,956,644 | 8,148,717 | 8,288,584 | 7,362,891 | 6,569,323 | 6,055,522 | 6,025,608 | 5,482,719 |
| Business-type Activities: | | | | | | | | | | |
| Water | 1,946,386 | 2,194,312 | 1,799,018 | 1,286,580 | 1,421,395 | 1,993,682 | 1,405,023 | 1,344,957 | 1,304,607 | 1,239,112 |
| Sewer | 2,947,512 | 2,699,215 | 2,434,702 | 2,365,047 | 2,173,083 | 2,117,033 | 2,014,136 | 2,189,182 | 1,753,919 | 1,022,594 |
| Steamplant Event Center | - | - | 747,091 | 715,902 | 548,550 | 480,588 | 431,307 | 428,950 | 401,821 | 371,219 |
| Total Business-type Activities | 4,893,898 | 4,893,527 | 4,980,811 | 4,367,529 | 4,143,028 | 4,590,303 | 3,850,466 | 3,963,089 | 3,460,347 | 2,632,925 |
| Total Primary Government Expenses | \$ 18,527,519 | \$ 17,514,160 | \$ 14,937,455 | \$ 12,516,246 | \$ 12,431,612 | \$ 11,953,194 | \$ 10,419,789 | \$ 10,018,611 | \$ 9,485,955 | \$ 8,115,644 |
| Program Revenues | | | | | | | | | | |
| Governmental Activities: | | | | | | | | | | |
| Charges for services | \$ 307,328 | \$ 334,350 | \$ 193,202 | \$ 314,597 | \$ 251,388 | \$ 196,540 | \$ 185,753 | \$ 76,164 | \$ 282,533 | \$ 134,861 |
| General government | 208,595 | 250,794 | 202,702 | 79,729 | 91,675 | 85,844 | 116,168 | 56,244 | 118,978 | 135,587 |
| Public safety | 96,372 | 35,033 | 26,733 | 23,147 | 24,230 | 56,644 | 29,631 | 26,659 | 17,931 | 23,246 |
| Public works/Streets | 479,100 | 311,145 | 524,994 | 472,912 | 464,586 | 466,241 | 843,380 | 414,489 | 376,135 | 360,572 |
| Culture, parks and recreation | 1,651,206 | 1,017,909 | 499,086 | 389,021 | 327,318 | 311,556 | 417,178 | 1,854,868 | 1,692,996 | 271,211 |
| Operating grants and contributions | 400,902 | 28,944 | 371,830 | 827,669 | 363,576 | 305,619 | 1,736,311 | 200,965 | 176,603 | 904,196 |
| Capital grants and contributions | 3,143,503 | 1,978,175 | 1,818,547 | 2,107,095 | 1,522,773 | 1,422,444 | 3,328,421 | 2,629,389 | 2,665,176 | 1,829,673 |
| Total Governmental Activities | 1,868,307 | 1,859,763 | 1,746,298 | 1,756,919 | 1,671,803 | 1,659,177 | 1,521,749 | 1,527,072 | 1,639,583 | 1,497,352 |
| Water | 1,696,724 | 1,556,395 | 1,378,262 | 1,377,798 | 1,345,584 | 1,345,305 | 1,304,101 | 1,239,528 | 1,232,454 | 1,301,950 |
| Sewer | N/A | N/A | 392,721 | 368,684 | 324,615 | 259,240 | 220,070 | 258,640 | 249,756 | 196,014 |
| Steamplant Event Center | - | - | 903 | 5,060 | 16,911 | 8,031 | 44,479 | - | - | - |
| Operating grants and contributions | 2,616,685 | 1,283,573 | 1,198,157 | 2,191,124 | 2,677,589 | 1,554,433 | 2,536,446 | 1,530,286 | 2,177,661 | 329,240 |
| Capital grants and contributions | 6,181,716 | 4,699,731 | 4,716,341 | 5,699,585 | 6,036,502 | 4,826,186 | 5,626,845 | 4,555,526 | 5,299,454 | 3,324,556 |
| Total Business-type activities | 9,325,219 | 6,677,906 | 6,534,888 | 7,806,680 | 7,559,275 | 6,248,630 | 8,955,266 | 7,184,915 | 7,964,630 | 5,154,229 |
| Total Primary Government Program Revenues | \$ 9,325,219 | \$ 6,677,906 | \$ 6,534,888 | \$ 7,806,680 | \$ 7,559,275 | \$ 6,248,630 | \$ 8,955,266 | \$ 7,184,915 | \$ 7,964,630 | \$ 5,154,229 |
| Net (Expense)/Revenue | | | | | | | | | | |
| Governmental Activities | \$ (10,490,118) | \$ (10,642,458) | \$ (6,138,097) | \$ (6,041,622) | \$ (6,765,811) | \$ (5,940,447) | \$ (3,240,902) | \$ (3,426,133) | \$ (3,360,432) | \$ (3,653,046) |
| Business-type Activities | 1,287,818 | (193,796) | (264,470) | 1,332,056 | 1,893,474 | 235,883 | 1,776,379 | 592,437 | 1,839,107 | 691,631 |
| Total Primary Government Net (Expense)/Revenue | \$ (9,202,300) | \$ (10,836,254) | \$ (6,402,567) | \$ (4,709,566) | \$ (4,872,337) | \$ (5,704,564) | \$ (1,464,523) | \$ (2,833,696) | \$ (1,521,325) | \$ (2,961,415) |

CITY OF SALIDA, COLORADO
Changes in Net Position
Last Ten Fiscal Years
(Accrual Basis of Accounting)
Schedule 2 (Continued)

| | Fiscal Year | | | | | | | | | |
|-----------------------------------------------------------|---------------|---------------|--------------|---------------|--------------|--------------|--------------|--------------|--------------|--------------|
| | 2021 | 2020 | 2019 | 2018 | 2017 | 2016 | 2015 | 2014 | 2013 | 2012 |
| General Revenues and other changes in net position | | | | | | | | | | |
| Governmental Activities: | | | | | | | | | | |
| Sales Tax | \$ 9,194,557 | \$ 7,723,299 | \$ 6,609,399 | \$ 6,110,252 | \$ 5,725,577 | \$ 5,162,570 | \$ 4,859,598 | \$ 4,399,693 | \$ 4,172,734 | \$ 5,246,250 |
| Sales Tax - County | 3,207,757 | 2,580,358 | 2,303,168 | 1,997,746 | 1,849,781 | 1,785,695 | 1,586,472 | - | - | - |
| Franchise Taxes | 351,746 | 329,232 | 345,904 | 339,620 | 308,338 | 303,382 | 334,172 | 344,284 | 370,021 | 291,694 |
| Occupation Taxes | 467,235 | 349,513 | 337,316 | - | - | 248,230 | 205,150 | 217,212 | 242,902 | 176,543 |
| Unrestricted Investment Earnings | (17,573) | 79,103 | 115,718 | 75,419 | 32,320 | 15,386 | 10,256 | 10,482 | 3,834 | 6,552 |
| Capital Contributions | - | - | - | 3,172,780 | - | - | - | - | - | - |
| Miscellaneous | 300,283 | 159,024 | 76,441 | 214,764 | 433,146 | 518,794 | 11,112 | 3,362 | 33,333 | 75,822 |
| Gain (Loss) on sale of assets | - | - | 17,628 | - | (9,328) | 75,903 | - | - | - | (2,231,233) |
| Transfers in (out) | - | 1,732,313 | 575,280 | (1,127,948) | (635,280) | (124,100) | (220,103) | (220,866) | (84,400) | (100,000) |
| Total general revenues, special items, and transfers | 13,504,005 | 12,952,842 | 10,380,854 | 10,782,633 | 7,704,554 | 7,985,860 | 6,786,657 | 4,754,167 | 4,738,424 | 3,465,628 |
| Business-type Activities: | | | | | | | | | | |
| Unrestricted investment earnings | \$ (20,906) | \$ 98,662 | \$ 113,413 | \$ 62,227 | \$ 33,354 | \$ 18,054 | \$ 9,008 | \$ 10,782 | \$ 6,193 | \$ 7,592 |
| Miscellaneous | - | - | - | - | (10,316) | - | - | - | (389) | (260,671) |
| Gain (Loss) on sale of assets | 600 | - | - | - | 635,280 | 124,100 | 220,103 | 220,866 | 84,400 | 100,000 |
| Transfers in (out) | - | (1,732,313) | (575,280) | 1,127,948 | 658,318 | 142,154 | 229,111 | 231,648 | 90,204 | (153,079) |
| Total Business-type activities | (20,306) | (1,633,651) | (461,867) | 1,190,175 | 658,318 | 142,154 | 229,111 | 231,648 | 90,204 | (153,079) |
| Total primary government | \$ 13,483,699 | \$ 11,319,191 | \$ 9,918,987 | \$ 11,972,808 | \$ 8,362,872 | \$ 8,128,014 | \$ 7,015,768 | \$ 4,985,815 | \$ 4,828,628 | \$ 3,312,549 |
| Change in Net Position | | | | | | | | | | |
| Governmental Activities | \$ 3,013,887 | \$ 2,310,384 | \$ 2,242,757 | \$ 4,741,011 | \$ 938,743 | \$ 2,045,413 | \$ 3,545,755 | \$ 1,328,034 | \$ 1,377,992 | \$ (187,418) |
| Business-type Activities | 1,267,512 | (1,827,447) | (726,337) | 2,522,231 | 2,551,792 | 378,037 | 2,005,490 | 824,085 | 1,929,311 | 538,552 |
| Total Change in Net Position | \$ 4,281,399 | \$ 482,937 | \$ 1,516,420 | \$ 7,263,242 | \$ 3,490,535 | \$ 2,423,450 | \$ 5,551,245 | \$ 2,152,119 | \$ 3,307,303 | \$ 351,134 |

CITY OF SALIDA, COLORADO
Fund Balances of Governmental Funds
Last Ten Fiscal Years
(Modified Accrual Basis of Accounting)
Schedule 3

| | Fiscal Year | | | | | | | | | |
|------------------------------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|
| | 2021 | 2020 | 2019 | 2018 | 2017 | 2016 | 2015 | 2014 | 2013 | 2012 |
| General Fund | | | | | | | | | | |
| Nonspendable | \$ 62,427 | \$ 37,072 | \$ 24,454 | \$ 22,985 | \$ 92,753 | \$ 57,959 | \$ 10,846 | \$ - | \$ 54,524 | \$ 50,496 |
| Restricted | 480,000 | 380,000 | 360,000 | 224,000 | 225,000 | 265,000 | 275,014 | 226,411 | 230,935 | 211,288 |
| Committed | 2,010,234 | 1,809,178 | - | - | - | - | 1,117,840 | 2,444,494 | 2,709,676 | 1,009,819 |
| Assigned | - | - | - | - | - | - | 8,855 | 6,677 | 4,720 | 4,862 |
| Unassigned | 4,913,821 | 3,965,276 | 5,477,983 | 5,235,354 | 5,126,170 | 5,553,396 | 3,297,580 | 1,612,216 | 1,016,692 | 2,631,135 |
| Total General Fund | \$ 7,466,482 | \$ 6,191,526 | \$ 5,862,437 | \$ 5,482,339 | \$ 5,443,923 | \$ 5,876,355 | \$ 4,710,135 | \$ 4,289,798 | \$ 4,016,747 | \$ 3,907,600 |
| All other governmental funds | | | | | | | | | | |
| Nonspendable | \$ 28,473 | \$ 27,100 | \$ 18,612 | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - |
| Restricted | 313,044 | 290,645 | 236,103 | 191,821 | 132,296 | 125,983 | 119,194 | - | - | - |
| Committed | 1,358,079 | 888,678 | 146,016 | 580,679 | 281,084 | 282,766 | 253,277 | - | - | - |
| Assigned | - | - | 280,558 | - | - | - | - | 117,227 | 308,903 | 257,353 |
| Unassigned | - | - | - | (893,418) | (729,473) | - | - | - | - | - |
| Total all other governmental funds | \$ 1,699,596 | \$ 1,206,423 | \$ 681,289 | \$ (120,918) | \$ (316,093) | \$ 408,749 | \$ 372,471 | \$ 117,227 | \$ 308,903 | \$ 257,353 |

CITY OF SAUIDA, COLORADO
Changes in Fund Balances of Governmental Funds
Last Ten Fiscal Years
(Modified Accrual Basis of Accounting)
Schedule 4

| | Fiscal Year | | | | | | | | | |
|---------------------------------------------------------|---------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|
| | 2021 | 2020 | 2019 | 2018 | 2017 | 2016 | 2015 | 2014 | 2013 | 2012 |
| Revenues | | | | | | | | | | |
| Taxes | \$ 10,013,538 | \$ 8,416,772 | \$ 7,306,779 | \$ 6,456,172 | \$ 6,033,915 | \$ 5,714,182 | \$ 5,398,920 | \$ 4,961,189 | \$ 4,785,657 | \$ 5,714,487 |
| Intergovernmental | 5,338,664 | 3,757,916 | 3,288,305 | 3,308,118 | 2,646,707 | 2,508,023 | 3,072,527 | 2,047,493 | 1,851,599 | 1,267,633 |
| Charges for services | 746,275 | 572,005 | 680,845 | 689,228 | 641,149 | 628,553 | 635,945 | 485,844 | 524,658 | 470,926 |
| Fines and forfeitures | 49,037 | 47,791 | 57,472 | 72,183 | 61,756 | 46,737 | 50,192 | 51,383 | 61,892 | 65,587 |
| Interest revenue | (17,573) | 79,094 | 115,718 | 75,419 | 32,320 | 15,386 | 10,256 | - | - | 6,552 |
| Insurance Proceeds | 173,131 | 90,788 | - | - | - | - | - | - | - | - |
| Other revenues | 349,426 | 251,933 | 187,374 | 243,776 | 456,088 | 648,401 | 701,104 | 58,514 | 264,194 | 101,369 |
| Total Revenues | 16,652,498 | 13,216,299 | 11,636,493 | 10,844,896 | 9,871,935 | 9,561,282 | 9,868,944 | 7,604,423 | 7,488,000 | 7,626,554 |
| Expenditures | | | | | | | | | | |
| Current: | | | | | | | | | | |
| General government | 2,028,216 | 2,259,376 | 1,718,222 | 1,334,406 | 1,445,588 | 1,241,479 | 1,041,907 | 969,145 | 922,737 | 845,762 |
| Public safety | 4,086,886 | 3,638,008 | 3,394,005 | 3,003,536 | 2,820,575 | 2,451,591 | 2,509,421 | 2,390,535 | 2,228,947 | 2,155,541 |
| Public works/streets | 2,418,652 | 1,301,433 | 1,303,326 | 1,079,137 | 1,134,641 | 937,511 | 737,210 | 639,958 | 622,001 | 564,611 |
| Culture, parks and recreation | 2,433,578 | 2,228,879 | 1,522,322 | 1,254,096 | 1,186,520 | 1,036,540 | 902,875 | 980,854 | 1,107,569 | 877,023 |
| Capital outlay | 3,669,531 | 2,583,790 | 3,093,862 | 3,995,457 | 3,362,007 | 2,014,813 | 3,523,792 | 2,159,856 | 2,199,817 | 1,998,705 |
| Debt service: | | | | | | | | | | |
| Principal | 212,540 | 212,495 | 211,401 | 160,053 | 120,800 | 418,536 | 216,677 | 109,103 | 105,460 | 76,778 |
| Interest and fiscal charges | 34,966 | 41,070 | 42,165 | 37,263 | 41,032 | 134,214 | 280,670 | 52,730 | 56,372 | 95,910 |
| Total Expenditures | 14,884,369 | 12,265,051 | 11,285,303 | 10,863,948 | 10,111,163 | 8,234,684 | 9,212,552 | 7,302,181 | 7,242,903 | 6,614,330 |
| Excess (Deficiency) of Revenue over Expenditures | \$ 1,768,129 | \$ 951,248 | \$ 351,190 | \$ (19,052) | \$ (239,228) | \$ 1,326,598 | \$ 656,392 | \$ 302,242 | \$ 245,097 | \$ 1,012,224 |
| Other Financing Sources (Uses): | | | | | | | | | | |
| Transfers in | \$ 984,730 | \$ 252,488 | \$ 1,580,006 | \$ 796,319 | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - |
| Transfers out | (984,730) | (349,513) | (1,004,726) | (1,061,128) | (635,280) | (124,100) | (220,103) | (220,866) | (84,400) | (100,000) |
| Lease proceeds | - | - | 255,835 | 161,723 | - | - | - | - | - | - |
| TABOR Refund | - | - | - | (84,101) | - | - | - | - | - | - |
| Capital Contributions | - | - | - | 439,830 | - | - | - | - | - | - |
| Total Other Financing Sources (Uses) | - | (97,025) | 831,115 | 252,643 | (635,280) | (124,100) | (220,103) | (220,866) | (84,400) | (100,000) |
| Net change in fund balances | \$ 1,768,129 | \$ 854,223 | \$ 1,182,305 | \$ 233,591 | \$ (874,508) | \$ 1,202,498 | \$ 436,289 | \$ 81,376 | \$ 160,697 | \$ 912,224 |
| Debt service as a percentage of noncapital expenditures | 2.10% | 2.42% | 2.90% | 2.78% | 3.97% | 8.80% | 8.74% | 3.11% | 3.07% | 3.64% |

CITY OF SALIDA, COLORADO
Tax Revenues by Source - Governmental Funds
(Major Component of Revenue Base)
Last Ten Fiscal Years
Schedule 5

| | Fiscal Year | | | | | | | | | |
|----------------------------------------------|----------------------|---------------------|---------------------|---------------------|---------------------|---------------------|---------------------|---------------------|---------------------|--------------|
| | 2021 | 2020 | 2019 | 2018 | 2017 | 2016 | 2015 | 2014 | 2013 | 2012 |
| Tax Revenue Source | | | | | | | | | | |
| Sales Tax (net of rebates) | \$ 9,194,557 | \$ 7,723,299 | \$ 6,609,399 | \$ 5,881,098 | \$ 5,540,130 | \$ 5,162,570 | \$ 4,859,598 | \$ 4,399,693 | \$ 4,172,734 | \$ 5,246,250 |
| Sales Tax - County | 3,207,757 | 2,580,358 | 2,303,168 | 1,997,746 | 1,849,781 | 1,785,695 | 1,586,472 | 1,432,420 | 1,354,142 | - |
| Franchise Tax | 351,746 | 329,232 | 345,904 | 339,620 | 308,338 | 303,382 | 334,172 | 344,284 | 370,021 | 291,694 |
| Occupation Tax | 467,235 | 349,513 | 337,316 | 229,154 | 185,447 | 248,230 | 205,150 | 217,212 | 242,902 | 176,543 |
| \$ 13,221,295 | \$ 10,982,402 | \$ 9,595,787 | \$ 8,447,618 | \$ 7,883,696 | \$ 7,499,877 | \$ 6,985,392 | \$ 6,393,609 | \$ 6,139,799 | \$ 5,714,487 | |
| % Change from Prior Year | 20.4% | 14.5% | 13.6% | 7.2% | 5.1% | 7.4% | 9.3% | 4.1% | 7.4% | 9.2% |
| Percentage of Total Tax Revenues | | | | | | | | | | |
| Sales Tax | 69.5% | 70.3% | 68.9% | 69.6% | 70.3% | 68.8% | 69.6% | 68.8% | 68.0% | 91.8% |
| Sales Tax - County | 24.3% | 23.5% | 24.0% | 23.6% | 23.5% | 23.8% | 22.7% | 22.4% | 22.1% | 0.0% |
| Franchise Tax | 2.7% | 3.0% | 3.6% | 4.0% | 3.9% | 4.0% | 4.8% | 5.4% | 6.0% | 5.1% |
| Occupation Tax | 3.5% | 3.2% | 3.5% | 2.7% | 2.4% | 3.3% | 2.9% | 3.4% | 4.0% | 3.1% |
| % of Total Tax Revenue | 100% | 100% | 100% | 100% | 100% | 100% | 100% | 100% | 100% | 100% |
| % of Total Governmental Fund Revenues | 79.4% | 83.2% | 82.5% | 77.9% | 79.9% | 78.4% | 70.8% | 84.1% | 82.0% | 74.9% |

CITY OF SALIDA, COLORADO
Assessed Value and Estimated Actual Value of Taxable Property
 Last Nine Fiscal Years
 Schedule 6

| | Fiscal Year | | | | | | | | |
|------------------------------------------------------------------|------------------|------------------|------------------|------------------|------------------|----------------|----------------|----------------|----------------|
| | 2021 | 2020 | 2019 | 2018 | 2017 | 2016 | 2015 | 2014 | 2013 |
| Estimated Actual Value | | | | | | | | | |
| Agricultural | \$ 500,329 | \$ 373,360 | \$ 372,599 | \$ 411,421 | \$ 412,401 | \$ 288,370 | \$ 363,277 | \$ 404,854 | \$ 331,309 |
| Commercial | 223,353,032 | 182,739,025 | 176,804,847 | 163,298,276 | 166,688,470 | 152,410,307 | 146,664,715 | 147,105,506 | 147,318,330 |
| Exempt | 186,727,835 | 170,604,354 | 169,805,691 | 160,488,186 | 157,538,242 | 153,549,567 | 136,538,236 | 120,307,392 | 101,809,706 |
| Industrial | 9,718,900 | 6,694,588 | 7,168,079 | 6,630,129 | 6,196,817 | 6,033,518 | 6,048,389 | 5,512,666 | 5,592,221 |
| Residential | 1,233,372,796 | 1,030,166,281 | 1,007,678,761 | 777,475,475 | 749,999,937 | 625,274,481 | 611,270,187 | 557,137,874 | 548,748,243 |
| State Assessed | 19,297,800 | 17,964,430 | 24,065,520 | 15,012,280 | 15,498,090 | 14,512,700 | 14,115,300 | 12,044,100 | 13,094,190 |
| Vacant Land | 37,012,498 | 25,768,674 | 24,853,057 | 16,867,409 | 17,512,005 | 13,762,393 | 14,155,190 | 12,550,939 | 12,937,332 |
| Total estimated actual value | \$ 1,709,983,190 | \$ 1,434,310,712 | \$ 1,410,748,554 | \$ 1,140,183,176 | \$ 1,113,845,962 | \$ 965,831,336 | \$ 929,155,294 | \$ 855,063,331 | \$ 829,831,331 |
| Percentage change from prior year | 19.2% | 1.7% | 23.7% | 2.4% | 15.3% | 3.9% | 8.7% | 3.0% | |
| Taxable Assessed Value | | | | | | | | | |
| Agricultural | \$ 145,100 | \$ 108,270 | \$ 108,050 | \$ 119,330 | \$ 119,620 | \$ 83,620 | \$ 105,350 | \$ 117,410 | \$ 96,080 |
| Commercial | 64,772,360 | 52,993,970 | 51,273,260 | 47,356,280 | 48,339,590 | 44,199,170 | 42,532,780 | 42,660,720 | 42,722,430 |
| Exempt | 52,609,260 | 48,250,180 | 48,018,550 | 45,541,060 | 44,766,580 | 43,567,690 | 38,634,410 | 33,945,000 | 28,634,530 |
| Industrial | 2,818,450 | 1,941,430 | 2,078,740 | 1,922,740 | 1,797,080 | 1,749,690 | 1,753,990 | 1,598,660 | 1,621,740 |
| Residential | 88,187,840 | 73,657,000 | 72,049,270 | 55,977,910 | 53,999,620 | 49,772,610 | 48,657,930 | 44,346,970 | 43,679,120 |
| State Assessed | 5,594,520 | 5,208,320 | 6,978,990 | 4,353,570 | 4,494,450 | 4,208,710 | 4,093,360 | 3,494,260 | 3,799,320 |
| Vacant Land | 10,733,980 | 7,472,980 | 7,207,490 | 4,891,620 | 5,079,520 | 3,991,168 | 4,105,053 | 3,639,778 | 3,751,829 |
| Total Taxable Assessed Value | \$ 224,861,510 | \$ 189,632,150 | \$ 187,714,350 | \$ 160,162,510 | \$ 158,596,460 | \$ 147,572,658 | \$ 139,882,873 | \$ 129,802,798 | \$ 124,305,049 |
| Taxable Assessed Value as a Percentage of Estimated Actual Value | | | | | | | | | |
| Agricultural | 29.0% | 29.0% | 29.0% | 29.0% | 29.0% | 29.0% | 29.0% | 29.0% | 29.0% |
| Commercial | 29.0% | 29.0% | 29.0% | 29.0% | 29.0% | 29.0% | 29.0% | 29.0% | 29.0% |
| Exempt | 28.2% | 28.3% | 28.3% | 28.4% | 28.4% | 28.4% | 28.3% | 28.2% | 28.1% |
| Industrial | 29.0% | 29.0% | 29.0% | 29.0% | 29.0% | 29.0% | 29.0% | 29.0% | 29.0% |
| Residential | 7.2% | 7.2% | 7.2% | 7.2% | 7.2% | 8.0% | 8.0% | 8.0% | 8.0% |
| State Assessed | 29.0% | 29.0% | 29.0% | 29.0% | 29.0% | 29.0% | 29.0% | 29.0% | 29.0% |
| Vacant Land | 29.0% | 29.0% | 29.0% | 29.0% | 29.0% | 29.0% | 29.0% | 29.0% | 29.0% |
| Total | 13.1% | 13.2% | 13.3% | 14.0% | 14.2% | 15.3% | 15.1% | 15.2% | 15.0% |

Source: County Assessor's Office
 Note: The City of Salida does not levy a property tax.
 Property in the county is reassessed every two years in each odd-numbered year (2019, 2017, etc)

CITY OF SALIDA, COLORADO
Direct and Overlapping Sales Tax Rates
 Last Ten Fiscal Years
 Schedule 7

| Taxing Entity | Fiscal Year | | | | | | | | | |
|-----------------------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|
| | 2021 | 2020 | 2019 | 2018 | 2017 | 2016 | 2015 | 2014 | 2013 | 2012 |
| City of Salida | 3.0% | 3.0% | 3.0% | 3.0% | 3.0% | 3.0% | 3.0% | 3.0% | 3.0% | 3.0% |
| Chaffee County | 2.75% | 2.75% | 2.75% | 2.5% | 2.5% | 2.5% | 2.0% | 2.0% | 2.0% | 2.0% |
| State of Colorado | 2.9% | 2.9% | 2.9% | 2.9% | 2.9% | 2.9% | 2.9% | 2.9% | 2.9% | 2.9% |
| Total Sales Tax Rate | 8.65% | 8.65% | 8.65% | 8.40% | 8.40% | 8.40% | 7.90% | 7.90% | 7.90% | 7.90% |

CITY OF SALIDA, COLORADO
Taxable Sales and Sales Tax Collections by Category
Last Seven Fiscal Years
Schedule 8

| | Fiscal Year | | | | | | |
|-----------------------------------------------------------------|----------------|----------------|----------------|----------------|----------------|----------------|----------------|
| | 2021 | 2020 | 2019 | 2018 | 2017 | 2016 | 2015 |
| Total Sales (Calculated) * | \$ 306,485,233 | \$ 257,443,300 | \$ 221,688,582 | \$ 198,080,774 | \$ 184,671,000 | \$ 175,391,233 | \$ 166,062,700 |
| Sales Tax Collections | | | | | | | |
| Retail trade | \$ 6,231,857 | \$ 5,517,768 | \$ 4,404,863 | \$ 4,048,814 | \$ 3,748,399 | \$ 3,617,791 | \$ 3,421,713 |
| Accommodation & Food Service | 1,670,369 | 1,206,824 | 1,307,816 | 1,203,600 | 1,147,335 | 1,036,736 | 975,740 |
| Wholesale Trade | 272,264 | 188,030 | 162,239 | 67,657 | 58,350 | 58,009 | 51,792 |
| Manufacturing | 266,513 | 228,877 | 170,388 | 159,524 | 112,518 | 91,631 | 66,813 |
| Other Services | 182,374 | 143,086 | 125,846 | 103,786 | 93,025 | 79,785 | 84,828 |
| Construction | 140,568 | 100,919 | 100,171 | 64,623 | 61,360 | 69,343 | 60,775 |
| Information | 92,519 | 77,196 | 123,619 | 87,368 | 90,414 | 95,678 | 100,060 |
| Real Estate and Rental and Leasing | 67,624 | 44,797 | 66,721 | 51,782 | 42,320 | 38,071 | 43,768 |
| Arts, Entertainment & Recreation | 49,272 | 24,642 | 20,076 | 17,051 | 15,021 | 10,345 | 11,956 |
| Professional, Scientific and Technical | 38,621 | 31,931 | 15,078 | 15,808 | 13,186 | 19,576 | 13,580 |
| Finance and Insurance | 7,948 | 7,617 | 6,670 | 3,847 | 3,023 | 2,965 | 2,270 |
| Administrative and Support and Waste Management and Remediation | 6,743 | 3,426 | 7,349 | 2,184 | 3,828 | 2,941 | 3,743 |
| Transportation and Warehousing | 2,687 | 3,207 | 2,302 | - | - | - | - |
| Health Care and Social Assistance | 2,574 | 1,602 | 1,687 | 1,671 | 1,373 | 6,669 | 11,992 |
| Mining, Quarrying and Oil & Gas Extraction | 2,211 | 1,961 | 1,467 | 327 | - | 31 | 192 |
| Agriculture, Forestry, Fishing and Hunting | 2,118 | 1,415 | 3,042 | 3,042 | 2,454 | 2,312 | 1,796 |
| Educational Services | 1,335 | 524 | 372 | 77 | 180 | 221 | 378 |
| Management of Companies and Enterprises | NR | NR | NR | NR | NR | NR | NR |
| Public Administration | NR | NR | NR | NR | NR | NR | NR |
| Utilities | NR | NR | NR | NR | NR | NR | NR |
| Grand Total | \$ 9,194,557 | \$ 7,723,299 | \$ 6,650,657 | \$ 5,942,423 | \$ 5,540,130 | \$ 5,261,737 | \$ 4,981,881 |
| Percentage of Total Sales Tax | | | | | | | |
| Retail trade | 67.8% | 71.4% | 66.2% | 68.1% | 67.7% | 68.8% | 68.7% |
| Accommodation & Food Service | 18.2% | 15.6% | 19.7% | 20.3% | 20.7% | 19.7% | 19.6% |
| Manufacturing | 3.0% | 2.4% | 2.4% | 1.1% | 1.1% | 1.1% | 1.0% |
| Wholesale Trade | 2.9% | 3.0% | 2.6% | 2.7% | 2.0% | 1.7% | 1.3% |
| Other Services | 2.0% | 1.9% | 1.9% | 1.7% | 1.7% | 1.5% | 1.7% |
| Construction | 1.5% | 1.3% | 1.5% | 1.1% | 1.1% | 1.3% | 1.2% |
| Information | 1.0% | 1.0% | 1.9% | 1.5% | 1.6% | 1.8% | 2.0% |
| Real Estate and Rental and Leasing | 0.7% | 0.6% | 1.0% | 0.9% | 0.8% | 0.7% | 0.9% |
| Professional, Scientific and Technical | 0.5% | 0.3% | 0.3% | 0.3% | 0.3% | 0.2% | 0.2% |
| Arts, Entertainment & Recreation | 0.4% | 0.4% | 0.2% | 0.3% | 0.2% | 0.3% | 0.3% |
| Finance and Insurance | 0.1% | 0.1% | 0.1% | 0.1% | 0.1% | 0.1% | 0.0% |
| Administrative and Support and Waste Management and Remediation | 0.1% | 0.0% | 0.1% | 0.0% | 0.0% | 0.1% | 0.1% |
| Transportation and Warehousing | 0.0% | 0.0% | 0.0% | 0.0% | 0.0% | 0.0% | 0.0% |
| Mining, Quarrying and Oil & Gas Extraction | 0.0% | 0.0% | 0.0% | 0.0% | 0.0% | 0.1% | 0.2% |
| Health Care and Social Assistance | 0.0% | 0.0% | 0.0% | 0.0% | 0.0% | 0.0% | 0.0% |
| Agriculture, Forestry, Fishing and Hunting | 0.0% | 0.0% | 0.1% | 0.1% | 0.0% | 0.0% | 0.0% |
| Educational Services | 0.0% | 0.0% | 0.0% | 0.0% | 0.0% | 0.0% | 0.0% |
| NR | 1.7% | 1.8% | 2.0% | 1.9% | 2.7% | 2.5% | 2.6% |
| | 100.0% | 100.0% | 100.0% | 100.0% | 100.0% | 100.0% | 100.0% |

* As a Colorado Statutory City, the state manages sales tax collections. The state does not share total sales so this number has been calculated based on the City's tax rate of 3%.
 NR - Not releasable due to taxpayer confidentiality requirements. Total includes NR data.

CITY OF SALIDA, COLORADO
Principal Sales Tax Taxpayers

Current Year and 7 years ago (not tracked previously)
Schedule 9

| Taxpayer | 2021 Rank | 2015 Rank |
|-----------------------------------------------------|----------------------|----------------------|
| Wal-Mart Stores Inc & Subsidiaries | 1 | 1 |
| Safeway Store Forty Six Inc | 2 | 2 |
| Murdoch's Ranch & Home Supply | 3 | 3 |
| Town & Country Autoplex Salida Inc | 4 | 9 |
| Amazon.Com Services | 5 | |
| Vitamin Cottage Natural Food Market | 6 | |
| American Hunting and Firearms Service | 7 | |
| FCI Ind Inc | 8 | |
| AIRBNB Inc | 9 | |
| Public Service Co of Colorado | 10 | 5 |
| Hylton Lumber Co | | 4 |
| JIF&C Inc | | 6 |
| McDonald's of Salida | | 7 |
| Atmos Energy Corp | | 8 |
| Cheyenne Hotels LLC | | 10 |
| Total sales taxes paid by top 10 taxpayers * | \$ 4,015,741 | \$ 2,936,083 |
| Percentage of Total Sales Tax Collected | 43.7% | 50.1% |

* Sales tax vendor information is confidential and can only be disclosed in the aggregate.

Note: The City of Salida does not collect a property tax.

CITY OF SALIDA, COLORADO
Ratios of Outstanding Debt by Type
Last Ten Fiscal Years
Schedule 10

| | Fiscal Year | | | | | | | | | |
|-----------------------------------|---------------|---------------|---------------|---------------|---------------|---------------|---------------|---------------|---------------|---------------|
| | 2021 | 2020 | 2019 | 2018 | 2017 | 2016 | 2015 | 2014 | 2013 | 2012 |
| Governmental Activities | | | | | | | | | | |
| Leases | \$ 754,202 | \$ 974,784 | \$ 1,187,150 | \$ 1,142,716 | \$ 1,141,046 | \$ 1,261,846 | \$ 1,378,614 | \$ 1,491,483 | \$ 1,600,585 | \$ 1,706,046 |
| Business Type Activities | | | | | | | | | | |
| Notes & Loans | \$ 647,628 | \$ 708,987 | \$ 768,647 | \$ 678,551 | \$ 444,919 | \$ 483,172 | \$ 2,465,900 | \$ 2,778,130 | \$ 3,089,885 | \$ 3,376,187 |
| Revenue Bond | 11,125,337 | 11,481,071 | 11,831,388 | 12,176,422 | 12,491,301 | 12,811,155 | 13,416,102 | 13,944,005 | 14,465,700 | 14,848,000 |
| Leases | 395,619 | 467,198 | - | - | - | - | - | - | - | - |
| Total | \$ 12,168,584 | \$ 12,657,256 | \$ 12,600,035 | \$ 12,854,973 | \$ 12,936,270 | \$ 13,294,327 | \$ 15,882,002 | \$ 16,722,135 | \$ 17,555,585 | \$ 18,224,187 |
| Total Debt | \$ 12,922,786 | \$ 13,632,040 | \$ 13,787,185 | \$ 13,997,689 | \$ 14,077,266 | \$ 14,556,173 | \$ 17,260,616 | \$ 18,213,618 | \$ 19,156,170 | \$ 19,930,233 |
| Percentage of Personal Income (1) | (2) | 7.8% | 7.9% | 8.3% | 8.5% | 9.6% | 13.2% | 13.4% | 14.9% | 15.0% |
| Debt per Capita (1) | (2) | \$ 2,241 | \$ 2,307 | \$ 2,402 | \$ 2,503 | \$ 2,668 | \$ 3,233 | \$ 3,367 | \$ 3,606 | \$ 3,774 |

(1) Personal income and population are disclosed on Demographic and Economic Statistics table.

(2) Statistics are not yet available for 2021.

CITY OF SALIDA, COLORADO
Ratios of Net General Bonded Debt Outstanding
Last Ten Fiscal Years
Schedule 11

| | Fiscal Year | | | | | | | | | |
|--------------------------------------------------------------|---------------|---------------|---------------|---------------|---------------|---------------|---------------|---------------|---------------|---------------|
| | 2021 | 2020 | 2019 | 2018 | 2017 | 2016 | 2015 | 2014 | 2013 | 2012 |
| Revenue Bonds | \$ 11,125,337 | \$ 11,481,071 | \$ 11,831,388 | \$ 12,176,422 | \$ 12,491,301 | \$ 12,811,155 | \$ 13,416,102 | \$ 13,944,005 | \$ 14,465,700 | \$ 14,848,000 |
| Less: Bond Reserves | 1,082,779 | 1,034,732 | 986,683 | 914,823 | - | - | - | 913,515 | 1,221,792 | 726,037 |
| Total | \$ 10,042,558 | \$ 10,446,339 | \$ 10,844,705 | \$ 11,261,599 | \$ 12,491,301 | \$ 12,811,155 | \$ 13,416,102 | \$ 13,030,490 | \$ 13,243,908 | \$ 14,121,963 |
| Percentage of Estimated Actual Value of Taxable Property (1) | 0.59% | 0.73% | 0.77% | 0.99% | 1.12% | 1.33% | 1.44% | 1.52% | 1.60% | * |
| Debt per Capita (2) | \$ * | \$ 1,844 | \$ 1,783 | \$ 1,884 | \$ 2,143 | \$ 2,278 | \$ 2,459 | \$ 2,441 | \$ 2,448 | \$ 2,659 |

* Population or taxable property values are not available

(1) Actual Property values are disclosed on Assessed Value and Estimated Actual Value of Taxable Property Schedule

(2) Population figures are disclosed on Demographic and Economic Statistics table

CITY OF SALIDA, COLORADO
Direct and Overlapping Governmental Activities Debt
As of December 31, 2021
Schedule 12

| Government Unit | Debt Outstanding | Estimated Percentage Applicable (2) | Amount Applicable to City of Salida |
|-----------------------------------|------------------|-------------------------------------|-------------------------------------|
| Salida School District (1) | \$ 19,105,691 | 100.0% | \$ 19,105,691 |
| Chaffee County | 13,983,088 | 22.9% | 3,198,618 |
| Subtotal Overlapping Debt | | | 22,304,309 |
| City of Salida direct debt | | | <u>974,656</u> |
| Total direct and overlapping debt | | | <u>\$ 23,278,965</u> |

(1) As of June 30, 2021.

(2) Assessed values used to estimate applicable percents.

CITY OF SALIDA, COLORADO
 Legal Debt Margin Information
 Last Eight Fiscal Years
 Schedule 13

| | Fiscal Year | | | | | | | |
|--------------------------------------------------------|------------------|------------------|------------------|------------------|----------------|----------------|----------------|----------------|
| | 2021 | 2020 | 2019 | 2018 | 2017 | 2016 | 2015 | 2014 |
| Actual Value * | \$ 1,587,986,772 | \$ 1,301,081,857 | \$ 1,274,522,142 | \$ 1,019,622,128 | \$ 993,692,869 | \$ 850,354,292 | \$ 831,734,976 | \$ 770,019,521 |
| Debt Limit (3% of Actual Value) | 47,639,603 | 39,032,456 | 38,235,664 | 30,588,664 | 29,810,786 | 25,510,629 | 24,952,049 | 23,100,586 |
| Debt Applicable to Limit - General Obligation Bonds | - | - | - | - | - | - | - | - |
| Legal Debt Margin | \$ 47,639,603 | \$ 39,032,456 | \$ 38,235,664 | \$ 30,588,664 | \$ 29,810,786 | \$ 25,510,629 | \$ 24,952,049 | \$ 23,100,586 |

The Constitutional debt limitation applies to all general obligation bonds authorized. Additional general obligation bonds may be authorized to be issued if so approved by a majority of those voting in an election held for that purpose.

* Source: County Abstract of Assessment

CITY OF SALIDA, COLORADO
Demographic and Economic Statistics
Last Ten Fiscal Years
Schedule 14

| | 2021 | 2020 | 2019 | 2018 | 2017 | 2016 | 2015 | 2014 | 2013 | 2012 |
|-----------------------------------------------------------------|-------|----------------|----------------|----------------|----------------|----------------|----------------|----------------|----------------|----------------|
| Population (1) | * | 5,666 | 6,082 | 5,977 | 5,828 | 5,624 | 5,455 | 5,339 | 5,409 | 5,312 |
| Median Age (1)(4) ~ | * | 44.0 | 47.2 | 46.7 | 50.0 | 48.9 | 46.6 | 47.0 | 45.7 | 45.7 |
| Per Capita Income (1)(4) ~ | * | \$ 29,727 | \$ 28,619 | \$ 29,382 | \$ 28,991 | \$ 29,281 | \$ 27,743 | \$ 24,459 | \$ 25,165 | \$ 24,255 |
| Personal Income | * | \$ 168,433,182 | \$ 174,060,758 | \$ 175,616,214 | \$ 168,959,548 | \$ 164,676,344 | \$ 151,338,065 | \$ 130,586,601 | \$ 136,117,485 | \$ 128,842,560 |
| Public School Enrollment (PreK-12) (2) | 1,449 | 1,362 | 1,445 | 1,380 | 1,373 | 1,343 | 1,291 | 1,194 | 1,176 | 1,156 |
| Unemployment Rate (3) | 3.2 | 5.4 | 2.2 | 2.6 | 2.3 | 2.0 | 2.7 | 3.9 | 5.4 | 6.9 |
| Median Household Income for all Occupied Housing Units (1)(4) ~ | * | \$ 49,939 | \$ 46,875 | \$ 46,308 | \$ 39,741 | \$ 39,706 | \$ 40,801 | \$ 39,547 | \$ 38,140 | \$ 40,056 |
| Median Value of Owner-Occupied Housing Units (1)(4) ~ | * | \$ 342,200 | \$ 328,200 | \$ 306,100 | \$ 274,900 | \$ 252,900 | \$ 248,400 | \$ 235,000 | \$ 245,000 | \$ 236,289 |

Sources and Explanatory Notes:

- (1) U.S. Census Bureau
- (2) Salida Public School District R-32-J and Salida Montessori Charter School (Note: The Salida Montessori Charter School opened 2015)
- (3) fred.stlouisfed.org
- (4) American Community Survey

~ Approximate values are from the American Community Survey which is a 5-year estimate so the figures were not exact
 * Statistics not yet released for 2021

CITY OF SALIDA, COLORADO
Principal Employers
Fiscal Year 2021
Schedule 15

| Employer | 2021 | Percentage of Total City Employment |
|----------------------------------------------------|--------------|----------------------------------------------------|
| Heart Of The Rockies Regional Medical Center | 463 | 14.0% |
| Chaffee County Government | 244 | 7.4% |
| Salida School District R32 (Admin and all schools) | 237 | 7.2% |
| Walmart Supercenter | 160 | 4.8% |
| City of Salida | 93 | 2.8% |
| Columbine Manor Care Center | 53 | 1.6% |
| | 1,250 | 37.7% |

Source: Information received directly from employers listed.

Note: Total City Employment estimate based on census bureau reporting 58.5% of population is in the labor force.

CITY OF SALIDA, COLORADO
 Operating Information - Full-time Equivalent Employees by Function
 Schedule 16

| | Fiscal Years | | | | | | | | | | |
|----------------------------------------|--------------|-------|-------|-------|-------|-------------|-------|-------|-------|-------|--|
| | 2021 | 2020 | 2019 | 2018 | 2017 | 2016 | 2015 | 2014 | 2013 | 2012 | |
| General Fund | | | | | | | | | | | |
| Administration & Finance | 6.67 | 5.90 | 5.90 | 5.90 | 5.83 | Not Tracked | 5.23 | 5.23 | 4.50 | 4.50 | |
| Community Development | 3.33 | 3.00 | 3.00 | 3.00 | 2.82 | Not Tracked | 2.88 | 2.88 | 2.50 | 2.00 | |
| Police Department | 21.33 | 21.00 | 20.00 | 20.00 | 18.55 | Not Tracked | 17.00 | 17.00 | 17.00 | 16.00 | |
| Fire Department | 14.83 | 14.00 | 13.15 | 13.15 | 12.11 | Not Tracked | 10.67 | 10.67 | 10.70 | 10.60 | |
| Public Works - General | 1.00 | 1.00 | 1.00 | 1.00 | 1.00 | Not Tracked | 1.00 | 1.00 | 1.00 | 1.00 | |
| Public Works - Streets | 4.34 | 4.34 | 4.34 | 4.34 | 4.34 | Not Tracked | 4.34 | 4.34 | 4.34 | 4.34 | |
| Arts & Culture* | 5.90 | 6.40 | 7.00 | 7.00 | 7.08 | Not Tracked | 5.18 | 5.18 | 4.50 | 4.00 | |
| Parks & Recreation | 20.53 | 17.70 | 19.25 | 19.25 | 18.39 | Not Tracked | 11.13 | 11.13 | 11.90 | 11.80 | |
| Subtotals | 77.93 | 73.34 | 73.64 | 73.64 | 70.12 | Not Tracked | 57.43 | 57.43 | 56.44 | 54.24 | |
| Water and Wastewater Enterprise | | | | | | | | | | | |
| Water Plant | 7.28 | 6.68 | 6.53 | 6.53 | 7.28 | Not Tracked | 7.28 | 7.28 | 7.28 | 7.28 | |
| Sewer Plant | 7.36 | 7.28 | 7.43 | 7.43 | 7.19 | Not Tracked | 8.28 | 8.28 | 8.28 | 8.28 | |
| Totals | 92.57 | 87.30 | 87.60 | 87.60 | 84.59 | Not Tracked | 72.99 | 72.99 | 72.00 | 69.80 | |

*Prior to 2020, this department was a separate Enterprise fund, the SteamPlant fund.

CITY OF SALIDA, COLORADO
Operating Indicators by Function
Schedule 17

| | 2021 | 2020 | 2019 | 2018 | 2017 | 2016 | 2015 | 2014 | 2013 | 2012 |
|--------------------------------------|---------|---------|---------|--------------------|--------------------|---------|---------|--------------------|--------------------|---------|
| General Government: | | | | | | | | | | |
| Building permits | 253 | 183 | 192 | 192 | 183 | 197 | 151 | 133 | 74 | 85 |
| Birth certificates processed | 346 | 249 | 415 | 412 | 412 | 392 | 430 | 371 | 307 | 380 |
| Death certificates processed | 1371 | 1440 | 1355 | 1188 | 1321 | 1370 | 1421 | 416 | 205 | 52 |
| Liquor licenses processed | 45 | | | Data Not Available | | | | 48 | 63 | 57 |
| Council resolutions | 44 | 47 | 65 | 57 | 70 | 97 | 103 | 95 | 86 | 77 |
| Council ordinances | 20 | 14 | 18 | 17 | 23 | 28 | 24 | 28 | 35 | 31 |
| Open records requests | 41 | 54 | 126 | 92 | 48 | 87 | 66 | 45 | 84 | 17 |
| Public Safety: | | | | | | | | | | |
| Number of police calls for service | 7,969 | 6,747 | 5,381 | 5,287 | 5,826 | 5,782 | 4,717 | Data Not Available | Data Not Available | |
| Number of arrests | 432 | 355 | 373 | 397 | 440 | 351 | 275 | 391 | 404 | 341 |
| Number of citations | 837 | 932 | 863 | 1,273 | 1,228 | 860 | 778 | Data Not Available | Data Not Available | |
| Number of parking violations | 469 | 145 | 405 | 765 | 766 | 780 | 712 | 756 | 570 | 569 |
| Number of fire emergency responses | 1,053 | 1,088 | 984 | 956 | 969 | 897 | 1,081 | 1,048 | 961 | 1,064 |
| Number of fires extinguished | 27 | 16 | 19 | 21 | 61 | 23 | 22 | 27 | 29 | 29 |
| Number of fire inspections | 244 | 213 | 247 | 246 | 250 | 242 | 276 | 165 | 153 | 155 |
| Water Treatment Plant: | | | | | | | | | | |
| Water Usage (in millions of gallons) | 383,962 | 443,956 | 396,455 | 414,923 | 365,144 | 381,303 | 354,766 | 364,984 | 390,700 | 427,600 |
| Number of new taps | 183 | 65 | 58 | 93 | 64 | 76 | 52 | 46 | 24 | 20 |
| Wastewater Treatment Plant: | | | | | | | | | | |
| Sewer Usage (in millions of gallons) | 387,125 | 407,262 | 375,463 | 395,997 | 350,436 | 352,081 | 343,106 | 160,177 | Data Not Available | |
| Number of new taps* | 271 | 146 | 118 | 133 | 93 | 116 | 68 | 53 | 27 | 25 |
| Pool, Parks and Recreation**: | | | | | | | | | | |
| Park rentals booked | 138 | 79 | | | Data Not Available | | | 139 | 108 | 119 |
| Participants in Rec Programs | 1,047 | 266 | | | Data Not Available | | | | | |
| Number of Access passes sold | 1,843 | 6,266 | | | Data Not Available | | | | | |
| Number of Drop-in Registrations | 26,131 | 41,993 | | | Data Not Available | | | 28,444 | 26,484 | 25,130 |
| Arts and Culture: | | | | | | | | | | |
| Number of events at SteamPlant | 576 | 361 | 825 | 661 | 498 | 528 | 590 | 546 | 506 | 520 |
| SteamPlant event hours | 2,200 | 1,062 | 2,920 | 2,461 | 1,649 | 1,247 | 1,563 | 1,520 | 1,429 | 1,531 |
| SteamPlant free events | 140 | 117 | 243 | 204 | 174 | 204 | 238 | 244 | 201 | 177 |
| People attending events | 16,525 | 10,775 | 46,248 | 39,719 | 31,160 | 31,416 | 35,468 | 34,434 | 35,442 | 35,983 |

*Beginning in 2017, the City of Salida started handling Town of Poncha Springs Sewer Taps
 **Estimated figures for 2020
 Sources: Various City Departments

CITY OF SALIDA, COLORADO
Capital Asset Statistics by Function
Schedule 18

| | 2021 | 2020 | 2019 | 2018 | 2017 | 2016 | 2015 | 2014 | 2013 | 2012 |
|---------------------------------------------------|------|------|------|------|------|------|------|------|------|------|
| General Government | | | | | | | | | | |
| Number of General Government Buildings | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 |
| Number of Airports* | 0.5 | 0.5 | 0.5 | 0.5 | 0.5 | 0.5 | 0.5 | 0.5 | 0.5 | 0.5 |
| Number of Community Centers | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 |
| Number of Museums | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 |
| Number of Golf Courses | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 |
| Public Safety | | | | | | | | | | |
| Number of Police Stations | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 |
| Number of Police Vehicles | 21 | 20 | 20 | 19 | 19 | 19 | 18 | 18 | 18 | 17 |
| Number of Mobile Speed Trailers | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 |
| Number of Fire Stations | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 |
| Number of Fire Trucks | 3 | 3 | 3 | 3 | 3 | 4 | 4 | 4 | 4 | 4 |
| Water / Wastewater Treatment | | | | | | | | | | |
| Number of Treatment Plants | 4 | 4 | 4 | 4 | 4 | 4 | 4 | 4 | 4 | 4 |
| Miles of Sewer Lines | 48.6 | 46.7 | 45.8 | 44.3 | 44.1 | 43.7 | 43.2 | 43 | 43 | 43 |
| Miles of Water Lines | 57.4 | 44.6 | 44.2 | 44.2 | 44.2 | 43.2 | 42.8 | 42.5 | 42.5 | 42.5 |
| Public Works | | | | | | | | | | |
| Miles of Streets | 40 | 39.2 | 38.7 | 37.7 | 37.4 | 37.4 | 37.4 | 37.2 | 37.2 | 37.2 |
| Number of Street Lights*** | 565 | 560 | 550 | 540 | 530 | 525 | 525 | 525 | 525 | 525 |
| Number of Electric Vehicle (EV) Charging Stations | 5 | 3 | 3 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Parks & Recreation | | | | | | | | | | |
| Number of Aquatic Centers | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 |
| Miles of Hot Water Lines | 3.85 | 3.85 | 3.85 | 3.85 | 3.85 | 3.85 | 3.85 | 3.85 | 3.85 | 3.85 |
| Number of Bike Racks | 21 | 21 | 21 | 21 | 21 | 21 | 21 | 21 | 21 | 21 |
| Number of Skate Parks | 2 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 |
| Acres of Parks** | 445 | 445 | 445 | 445 | 445 | 445 | 445 | 445 | 445 | 445 |
| Number of Parks | 16 | 16 | 16 | 16 | 16 | 16 | 16 | 16 | 16 | 16 |
| Number of Trees | 533 | 533 | 533 | 533 | 533 | 533 | 533 | 533 | 533 | 533 |
| Number of Amphitheaters | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 |
| Miles of Trails | 6.55 | 6.55 | 6.55 | 6.55 | 6.55 | 6.55 | 6.55 | 6.55 | 6.55 | 6.55 |
| Number of Trash Cans | 95 | 95 | 95 | 95 | 95 | 95 | 95 | 95 | 95 | 95 |
| Number of Mutt Mitt Stations | 17 | 17 | 17 | 17 | 17 | 17 | 17 | 17 | 17 | 17 |
| Number of Irrigation Heads | 726 | 726 | 726 | 726 | 726 | 726 | 726 | 726 | 726 | 726 |
| Number of Playgrounds | 9 | 9 | 9 | 9 | 9 | 9 | 9 | 9 | 9 | 9 |
| Number of Picnic Tables | 62 | 62 | 62 | 62 | 62 | 62 | 62 | 62 | 62 | 62 |
| Arts & Culture | | | | | | | | | | |
| Number of Arts & Culture Facilities | 4 | 4 | 4 | 4 | 3 | 3 | 3 | 3 | 3 | 3 |
| Number of Sculpture Gardens | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 |

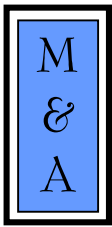
Notes:

* The City of Salida shares ownership of the Salida Harriet Alexander Airport with Chaffee County.

**This includes acreage for Vandaveer Ranch property and Arkansas Hills

***Estimate prior to 2020

Sources: Various City Departments



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Certified Public Accountants and Consultants

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INDEPENDENT AUDITOR'S REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH GOVERNMENT AUDITING STANDARDS

**To the Mayor and Members of City Council
City of Salida**

We have audited, in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States, the financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City of Salida (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 and have issued our report thereon dated May 17, 2022.

Internal Control Over Financial Reporting

In planning and performing our audit on the financial statements, we considered the City's internal control over financial reporting (internal control) to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the City's internal control. Accordingly, we do not express an opinion on the effectiveness of the City's internal control.

A deficiency in internal control exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct misstatements on a timely basis. *A material weakness* is a deficiency, or combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the City's financial statements will not be prevented, or detected and corrected on a timely basis. *A significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

Member: American Institute of Certified Public Accountants

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INDEPENDENT AUDITOR'S REPORT
To the Mayor and Members of City Council
City of Salida

Compliance and Other Matters

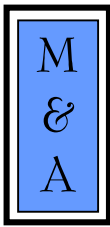
As part of obtaining reasonable assurance about whether the City's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit and, accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the City's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the City's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

McMahan and Associates, L.L.C.

McMahan and Associates, L.L.C.
Avon, Colorado
May 17, 2022



MCMAHAN AND ASSOCIATES, L.L.C.

Certified Public Accountants and Consultants

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INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE FOR EACH MAJOR FEDERAL PROGRAM AND ON INTERNAL CONTROL OVER COMPLIANCE REQUIRED BY THE UNIFORM GUIDANCE

**To the Mayor and Members of City Council
City of Salida**

Opinion on Compliance for Each Major Program

We have audited the compliance of the City of Salida's (the "City") with the types of compliance requirements described in the U.S. Office of Management and Budget's *Compliance Supplement* that could have a direct and material effect on each of the City's major federal programs for the year ended December 31, 2021. The City's major federal programs are identified in the Summary of Auditor's Results section of the accompanying Schedule of Findings and Questioned Costs.

In our opinion, the City complied, in all material respects, with the compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended December 31, 2021.

Basis for Opinion on Each Major Federal Program

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America (GAAS); the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States (*Government Auditing Standards*); and the audit requirements of Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Our responsibilities under those standards and the Uniform Guidance are further described in the Auditor's Responsibilities for the Audit of Compliance section of our report.

We are required to be independent of the City and to meet our other ethical responsibilities, in accordance with 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 opinion on compliance for each major federal program. Our audit does not provide a legal determination of the City's compliance with the compliance requirements referred to above.

Responsibilities of Management for Compliance

Management is responsible for compliance with the requirements referred to above and for the design, implementation, and maintenance of effective internal control over compliance with the requirements of laws, statutes, regulations, rules and provisions of contracts or grant agreements applicable to the City's federal programs.

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INDEPENDENT AUDITOR'S REPORT
To the Mayor and Members of City Council
City of Salida

Auditor's Responsibilities for the Audit of Compliance

Our objectives are to obtain reasonable assurance about whether material noncompliance with the compliance requirements referred to above occurred, whether due to fraud or error, and express an opinion on the City's compliance based on our audit. 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, *Government Auditing Standards*, and the Uniform Guidance will always detect material noncompliance when it exists. The risk of not detecting material noncompliance resulting from fraud is higher than for that resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Noncompliance with the compliance requirements referred to above is considered material, if there is a substantial likelihood that, individually or in the aggregate, it would influence the judgment made by a reasonable user of the report on compliance about the City's compliance with the requirements of each major federal program as a whole.

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

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material noncompliance, 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 City's compliance with the compliance requirements referred to above and performing such other procedures as we considered necessary in the circumstances.
- Obtain an understanding of the City's internal control over compliance relevant to the audit in order to design audit procedures that are appropriate in the circumstances and to test and report on internal control over compliance in accordance with the Uniform Guidance, but not for the purpose of expressing an opinion on the effectiveness of the City's internal control over compliance. Accordingly, no such opinion is expressed.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and any significant deficiencies and material weaknesses in internal control over compliance that we identified during the audit.

Report on Internal Control Over Compliance

A deficiency in internal control over compliance exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a type of compliance requirement of a federal program or on a timely basis. *A material weakness in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of a federal program will not be prevented, or detected and corrected, on a timely basis. *A significant deficiency in internal control over compliance* is a deficiency, or combination of deficiencies, in internal control over compliance with a type of compliance requirement of a federal program that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charges with governance.

Our consideration of the internal control over compliance was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

Our audit was not designed for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, no such opinion is expressed.

INDEPENDENT AUDITOR'S REPORT
To the Mayor and Members of City Council
City of Salida

The purpose of this report in internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of Uniform Guidance. Accordingly, this report is not suitable for any other purpose.

McMahan and Associates, L.L.C.

McMahan and Associates, L.L.C.
Avon, Colorado
May 17, 2022

City of Salida, Colorado
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
For the Year Ended December 31, 2021

Part I – Summary of Auditor’s Results

Financial Statements:

Type of auditor’s report issued Unmodified

Internal control over financial reporting:

| | |
|------------------------------------------------------|------------|
| Material weakness identified | None noted |
| Significant deficiency identified | None noted |
| Noncompliance material to financial statements noted | None noted |

Federal Awards:

Internal control over major programs:

| | |
|-----------------------------------------------------------------------------------------------------------------------------------------|------------|
| Material weakness identified | None noted |
| Significant deficiency identified | None noted |
| Type of auditor’s report issued on compliance for major programs | Unmodified |
| Any audit findings disclosed that are required to be reported in accordance with Title 2, U.S. Code of Federal Regulations, Part 200 | No |

Major programs:

| | |
|-----------------------------------|------------|
| Community Development Block Grant | ALN 14.228 |
|-----------------------------------|------------|

Dollar threshold used to identify Type A from Type B programs: \$750,000

Identified as low-risk auditee No

Part II – Findings Related to Financial Statements

Findings related to financial statements as required by *Government Auditing Standards* None noted

Auditor-assigned reference number Not applicable

Part III – Findings Related to Federal Awards

Internal control findings None noted

Compliance findings None

Questioned costs None

City of Salida
SCHEDULE OF PRIOR AUDIT FINDINGS AND QUESTIONED COSTS
For the Year Ended December 31, 2021

There were no findings for the year ended December 31, 2020.

City of Salida
Schedule of Expenditures of Federal Awards
For the Year Ended December 31, 2021

| <u>Program Title</u> | <u>Assistance Listing Number</u> | <u>Pass-through Entity Identifying Number</u> | <u>Federal Expenditures</u> |
|--------------------------------------------------------------|----------------------------------|-----------------------------------------------|-----------------------------|
| <u>Department of Housing and Urban Development</u> | | | |
| Passed through Colorado Department of Local Affairs: | | | |
| Community Development Block Grant | 14.228 | H1CDB20120 | \$ 648,000 |
| Total - Department of Housing and Urban Development | | | 648,000 |
| <u>Department of Treasury:</u> | | | |
| Passed through Colorado Department of Local Affairs: | | | |
| Coronavirus Relief Fund | 21.019 | | 30,225 |
| Passed through Colorado Department of Human Services: | | | |
| Coronavirus State and Local Fiscal Recovery Funds | 21.027 | | 350,000 |
| Total - Department of Treasury | | | 380,225 |
| TOTALS | | | \$ 1,028,225 |

Notes to the Schedule of Expenditures of Federal Awards For the Year Ended December 31, 2021

Note 1. Basis of Presentation:

The Schedule of Expenditures of Federal Awards includes the federal grant activity of the City of Salida (the "City") and is presented on the modified accrual basis of accounting. The information in this schedule is presented in accordance with the requirements of Title 2, U.S. Code of Federal Regulations, Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (the "Uniform Guidance"). Therefore, some amounts presented in this schedule or used in this schedule may differ from amounts presented in or used in the preparation of the City's general purpose financial statements.

Note 2. Determining the Value of Non-cash Awards Expended:

The City had no non-cash awards expended during 2021.

Note 3. Indirect Facilities and Administration costs

The City does not use the 10% de minimis cost rate allowed in in §200.414, *Indirect (F&A) Costs*, of the Uniform Guidance. Instead, the City prepares an annual cost allocation plan to allocate indirect costs.