

**City of Victor**  
Teller County, Colorado

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**Financial Statements and  
Independent Auditor's Report**

**December 31, 2021**

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Honorable Mayor and Members of the City Council  
City of Victor  
Victor, Colorado

## Opinions

We have audited the accompanying financial statements of the governmental activities, the business-type activities, and each major fund of the City of Victor, (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 of Victor, as of December 31, 2021, and the respective changes in financial position and, where applicable, and cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

## Basis for Opinions

We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Our responsibilities under those standards are further described in the 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 opinion.

## Responsibilities of Management for the Financial Statements

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

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 within one year after the date that the financial statements are available to be issued.

## 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 opinion. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with generally accepted auditing standards will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements, including omissions, 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 generally accepted auditing standards, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the 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.

### **Other Matters**

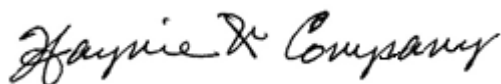
#### *Required Supplementary Information*

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis, and budgetary comparison information, as listed in the table of contents, be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

#### *Other Information*

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise City of Victor's financial statements as a whole. The accompanying state compliance section is presented for purposes of additional analysis and is not a required part of the financial statements.

The state compliance section is the responsibilities 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 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 auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated in all material respects in relation to the financial statements as a whole.



Littleton, Colorado

November 14, 2022

**City of Victor  
Management's Discussion and Analysis  
For the Year Ended December 31, 2021**

This section of the annual financial report offers readers of the City of Victor's (City) financial statements an analysis of the City's financial performance during the year ended December 31, 2021. We encourage readers to consider the information here in conjunction with additional information furnished in the City's financial statements which immediately follow this section.

**Financial Highlights**

- Assets exceeded liabilities by \$16.1 million at the close of 2021. Of the City's total assets, 75% consisted of capital assets and 23% consisted of cash and investments. Of the City's total liabilities, 68% consisted of accounts payable to vendors.
- Total net position increased by \$474 thousand, or 3%, from 2020. The increase in net position is primarily due to the additions to capital assets and decrease in noncurrent liabilities. Of the City's total net position at the close of 2021, (i) \$12.2 million, or 76%, represents the City's investment in capital assets net of debts that are attributable to the acquisition, construction or improvements of those assets, (ii) \$54 thousand, or .3%, represents restricted funds related to conservation trust and emergencies, and (iii) \$3.8 million, or 24%, represents unrestricted net position.
- At the close of 2021, the City's governmental funds reported combined ending fund balances of \$2.7 million. Of this amount: (i) \$54 thousand was restricted for emergencies (TABOR) and parks and recreation expenditures (conservation trust), (ii) \$2.3 million was committed for capital projects, (iii) \$39 thousand was assigned for Main Street projects and the Fire Department's discretionary expenditures, and (iv) \$376 thousand was unassigned and available for general government expenditures.
- At the close of 2021, the Utility Enterprise Fund had net investment in capital assets totaling \$5.1 million and unrestricted net position totaling \$1.1 million.

**Overview of the Financial Statements**

This discussion and analysis is intended to serve as an introduction to the City's basic financial statements. The City's basic financial statements are comprised of three components: 1) government-wide financial statements, 2) fund financial statements, and 3) notes to the financial statements. This report also contains supplementary information and schedules in addition to the basic financial statements.

**Government-wide Financial Statements**

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

The statement of net position presents information on all of the City's assets plus deferred outflows of resources and liabilities plus deferred inflows of resources, and the difference is 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 is improving or deteriorating.

The statement of activities presents information showing how the City'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 in this statement for some items that will only result in cash flows in future fiscal periods.

**City of Victor  
Management's Discussion and Analysis  
For the Year Ended December 31, 2021**

The statement of net position and the statement of activities report City activities in two categories – governmental activities and business-type activities. Both of the government-wide financial statements identify functions of the City that are principally to be supported by intergovernmental revenues (governmental activities). The governmental activities of the City include most of the basic services such as general government, public safety, public works, community development and parks and recreation. The basic government-wide financial statements can be found on pages 1 – 2 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, like other state and local governments, uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. The *funds* of the City include both governmental funds and a proprietary fund.

**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 evaluating a government's near-term financing requirements.

Because the focus of 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.

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 the General Fund and Capital Projects Fund. These two funds are considered to be major funds.

The City adopts an annual appropriated budget for its General Fund and Capital Projects Fund. A budgetary comparison schedule has been provided for each of these funds to demonstrate compliance with the State's Budget Law. The basic governmental fund financial statements can be found on pages 4 – 5 of this report.

**Proprietary fund.** The City maintains one proprietary fund. A proprietary fund is used to report the same functions presented as business-type activities in the government-wide financial statements. The City uses a proprietary fund, called the Utility Enterprise Fund, to account for its water and waste water operations. The basic proprietary fund financial statements can be found on pages 11 – 13 of this report.

**City of Victor  
Management's Discussion and Analysis  
For the Year Ended December 31, 2021**

**Notes to the Financial Statements**

The notes provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements, as well as the proprietary fund financial statements. The notes to the financial statements can be found on pages 14 – 26 of this report.

**Required Supplementary Information**

Budgetary comparison schedules have been provided in this section for the Capital Projects Fund and the Proprietary Fund to demonstrate compliance with the State's Budget Law. The budget schedules are found after the notes to the financial statements on pages 27 – 29 of this report.

**Other Supplementary Information**

This section includes a State compliance report on pages 30 and 31.

**Government-wide Financial Analysis**

As noted earlier, net position may serve over time as a useful indicator of a government's financial position. The City's net position increased from December 31, 2020, by \$474 thousand, a 3% increase.

**City of Victor  
Management's Discussion and Analysis  
For the Year Ended December 31, 2021**

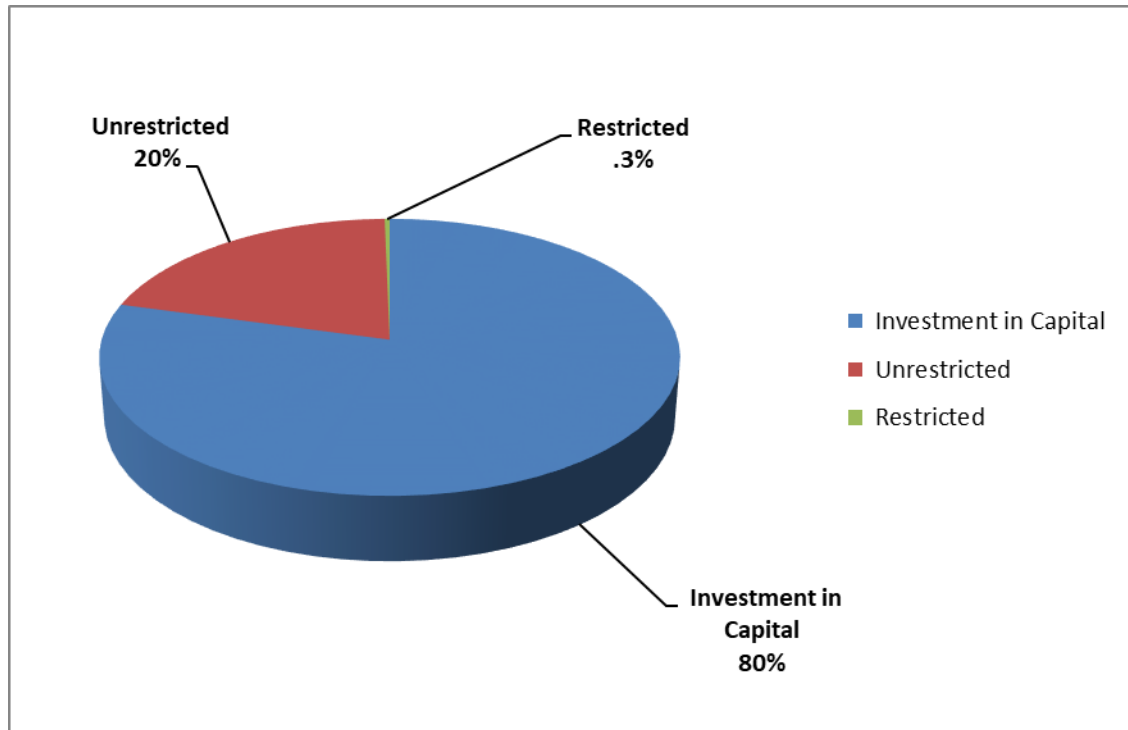
**Net Position - Governmental Activities**

	<u>2021</u>	<u>2020</u>
Current assets	\$ 2,912,345	\$ 3,144,210
Capital assets	<u>7,058,693</u>	<u>7,050,465</u>
Total assets	<u>9,971,038</u>	<u>10,194,675</u>
Noncurrent liabilities	<u>123,128</u>	<u>304,944</u>
Total liabilities	<u>123,128</u>	<u>304,944</u>
Property tax revenues	<u>72,775</u>	<u>70,178</u>
Total deferred inflows of resources	<u>72,775</u>	<u>70,178</u>
Net investment in capital assets	7,058,693	7,050,465
Restricted net position	54,127	49,159
Unrestricted net position	<u>2,662,315</u>	<u>2,719,929</u>
Total net position	<u><u>\$ 9,775,135</u></u>	<u><u>\$ 9,819,553</u></u>

**Net Position - Business-Type Activities**

	<u>2021</u>	<u>2020</u> <u>(as restated)</u>
Current assets	\$ 1,181,275	\$ 518,754
Capital assets	<u>5,143,069</u>	<u>5,335,758</u>
Total assets	<u>6,324,344</u>	<u>5,854,512</u>
Noncurrent liabilities	<u>37,547</u>	<u>58,433</u>
Total liabilities	<u>37,547</u>	<u>58,433</u>
Net investment in capital assets	5,143,069	5,335,758
Restricted net position	-	-
Unrestricted net position	<u>1,143,728</u>	<u>460,321</u>
Total net position	<u><u>\$ 6,286,797</u></u>	<u><u>\$ 5,796,079</u></u>

**City of Victor  
Management's Discussion and Analysis  
For the Year Ended December 31, 2021**



The largest portion of the City's net position (80%) reflects its net investment in capital assets. The City utilizes these capital assets to provide services to citizens. These assets are not available for future spending.

Approximately .3% of the City's net position represents resources that are subject to restrictions on how they can be used (e.g., emergency reserve) and are not currently available for the City's ongoing obligations.

Approximately 20% of the City's net position is unrestricted and may be used to meet the City's future expenditures.

At the end of 2021, the City is able to report positive balances in all three categories of net position.

**City of Victor  
Management's Discussion and Analysis  
For the Year Ended December 31, 2021**

**Change in Net Position - Governmental Activities**

	<b>2021</b>	<b>2020</b>
Revenues		
Program revenues:		
Charges for services	\$ 18,312	\$ 15,501
Operating grants and contributions	85,858	361,437
Capital grants and contributions	77,041	10,000
General revenues		
Taxes	223,619	214,658
Franchise fees	23,129	23,140
Net investment income	1,888	11,643
Other revenues and transfers in	782,462	1,775,764
Total revenues	1,212,309	2,412,143
<b>Expenses</b>		
General government	192,306	518,399
Public safety	226,410	325,923
Public works	256,227	162,207
Community development	505,765	876,915
Parks and recreation	76,019	58,332
Transfer of capital assets	-	-
Total expenses	1,256,727	1,941,776
<b>Change in Net Position</b>	<b>\$ (44,418)</b>	<b>\$ 470,367</b>

**Change in Net Position - Business-Type Activities**

	<b>2021</b>	<b>2020</b> <b>(as restated)</b>
Revenues		
Program revenues:		
Charges for services	\$ 2,268,179	\$ 2,027,728
Capital grants and contributions	34,578	37,078
General revenues		
Other revenues/(expenses)	2,574	5,248
Loss on asset disposal	-	-
Transfer of capital assets	138,446	641,082
Total revenues	2,443,777	2,711,136
<b>Expenses</b>		
Water and wastewater operations	1,228,059	1,237,511
Transfers out and other expenses	725,000	1,720,000
Total expenses	1,953,059	2,957,511
<b>Change in Net Position</b>	<b>\$ 490,718</b>	<b>\$ (246,375)</b>

**City of Victor  
Management's Discussion and Analysis  
For the Year Ended December 31, 2021**

All capital grants and contributions received by the City were recorded in the Capital Projects Fund. Since the Capital Projects Fund, a governmental fund, is used to account for all capital projects, transfers are recorded between the Capital Projects Fund and other funds, which are included as part of the *Transfers out and other expenses* above. The capital assets acquired within the governmental fund were then transferred to the proprietary fund which is reflected above as *Transfer of capital assets*.

**Financial Analysis of City's Funds**

**General Fund**

The General Fund was established and is continually funded to provide for the daily activities of the City. The primary funding sources for the General Fund are property and sales taxes, intergovernmental revenues and grants. The primary projects or program efforts for 2021 were public safety, public works and general government.

***General Fund Budgetary Highlights***

The City's budget is prepared in accordance with the Colorado Budget Law and is based on accounting for certain transactions on a basis of cash receipts and disbursements. The actual total expenditure for the year was \$837,729 less than the budget.

Section 20 of the Colorado Constitution (TABOR) requires the City to maintain an emergency reserve equivalent to at least 3% of fiscal year spending. At December 31, 2021, the City's emergency reserve amounted to \$27,000.

**Capital Assets**

The City added \$400k to its capital assets for governmental activities and business- type activities during calendar year 2021. This investment in capital assets during 2021 primarily consisted of drainage improvements, recreation improvements, infrastructure, and other projects.

Additional information on the City's capital assets can be found in Note 5 on pages 22 and 23 of this report.

**Long-Term Debt**

At the end of 2021 the City held no debt.

**City of Victor  
Management's Discussion and Analysis  
For the Year Ended December 31, 2021**

**Next Year's Budgets**

The 2021 budget reflects the Council's endeavor for a fiscally responsible budget built on conservative revenue projections, necessary and discretionary expenditure levels, and required and reasonable reserves.

The City has appropriated \$4.1 million for spending in 2022. Of this amount, \$1.1 million is budgeted for spending in the General Fund, \$1.7 million is budgeted in the Utility Enterprise Fund for the operations of water and wastewater systems, and \$1.3 million is budgeted in the Capital Projects Fund.

**Requests for Information**

This financial report is designed to provide a general overview of the City of Victor's finances for all those with an interest in the City's finances. Questions concerning any of the information provided in this report or requests for additional financial information should be addressed to the City Clerk and Treasurer at: City of Victor, PO Box 86, 500 Victor Avenue, Victor, CO 80860.

## **Basic Financial Statements**

**City of Victor**  
**Statement of Net Position**  
**December 31, 2021**

	<b>PRIMARY GOVERNMENT</b>		
	<b>GOVERNMENTAL</b>	<b>BUSINESS-TYPE</b>	<b>TOTAL</b>
	<b>ACTIVITIES</b>	<b>ACTIVITIES</b>	
<b>ASSETS</b>			
Cash and investments	\$ 2,764,942	\$ 969,291	\$ 3,734,233
Cash and investments - Restricted	66,589	-	66,589
Receivables:			
From other governments	-	5,224	5,224
Property taxes	72,775	-	72,775
Utility fees	-	206,760	206,760
Other	8,039	-	8,039
Capital assets, not being depreciated	232,662	241,055	473,717
Capital assets, net of accumulated depreciation	<u>6,826,031</u>	<u>4,902,014</u>	<u>11,728,045</u>
<b>TOTAL ASSETS</b>	<u>9,971,038</u>	<u>6,324,344</u>	<u>16,295,382</u>
<b>LIABILITIES</b>			
Accounts payable	73,659	36,329	109,988
Deposits	40,209	-	40,209
Compensated absences	<u>9,260</u>	<u>1,218</u>	<u>10,478</u>
<b>TOTAL LIABILITIES</b>	<u>123,128</u>	<u>37,547</u>	<u>160,675</u>
<b>DEFERRED INFLOWS OF RESOURCES</b>			
Property taxes revenue	<u>72,775</u>	-	<u>72,775</u>
<b>TOTAL DEFERRED INFLOW OF RESOURCES</b>	<u>72,775</u>	-	<u>72,775</u>
<b>NET POSITION</b>			
Net investment in capital assets	7,058,693	5,143,069	12,201,762
Restricted for:			
Emergencies	27,000	-	27,000
Conservation Trust	27,127	-	27,127
Unrestricted	<u>2,662,315</u>	<u>1,143,728</u>	<u>3,806,043</u>
<b>TOTAL NET POSITION</b>	<u>\$ 9,775,135</u>	<u>\$ 6,286,797</u>	<u>\$ 16,061,932</u>

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

**City of Victor**  
**Statement of Activities**  
**For the Year Ended December 31, 2021**

FUNCTIONS / PROGRAMS	EXPENSES	PROGRAM REVENUES			NET (EXPENSE) REVENUE AND CHANGES IN NET POSITION		
		CHARGES FOR SERVICES	OPERATING GRANTS AND CONTRIBUTIONS	CAPITAL GRANTS AND CONTRIBUTIONS	PRIMARY GOVERNMENT		
					GOVERNMENTAL ACTIVITIES	BUSINESS-TYPE ACTIVITIES	TOTAL
<b>PRIMARY GOVERNMENT:</b>							
<b>Governmental activities:</b>							
General Government	\$ 192,306	\$ 18,212	\$ 85,858	\$ -	\$ (88,236)	\$ -	\$ (88,236)
Public Safety	226,410	100	-	-	(226,310)	-	(226,310)
Public Works	256,227	-	-	77,041	(179,186)	-	(179,186)
Community Development	505,765	-	-	-	(505,765)	-	(505,765)
Parks and Recreation	76,019	-	-	-	(76,019)	-	(76,019)
<b>Total Governmental Activities</b>	<u>1,256,727</u>	<u>18,312</u>	<u>85,858</u>	<u>77,041</u>	<u>(1,075,516)</u>	<u>-</u>	<u>(1,075,516)</u>
<b>Business-Type Activities:</b>							
Water and Wastewater Operations	<u>1,228,059</u>	<u>2,268,179</u>	<u>-</u>	<u>34,578</u>	<u>-</u>	<u>1,074,698</u>	<u>1,074,698</u>
<b>Total Business-Type Activities</b>	<u>1,228,059</u>	<u>2,268,179</u>	<u>-</u>	<u>34,578</u>	<u>-</u>	<u>1,074,698</u>	<u>1,074,698</u>
<b>Total Primary Government</b>	<u>\$ 2,484,786</u>	<u>\$ 2,286,491</u>	<u>\$ 85,858</u>	<u>\$ 111,619</u>	<u>\$ (1,075,516)</u>	<u>\$ 1,074,698</u>	<u>\$ (818)</u>
General Revenues:							
					223,619	-	223,619
					23,129	-	23,129
					1,888	-	1,888
					57,462	2,574	60,036
					725,000	(725,000)	-
					-	138,446	138,446
					<u>1,031,098</u>	<u>(583,980)</u>	<u>447,118</u>
					<u>(44,418)</u>	<u>490,718</u>	<u>446,300</u>
					<u>9,819,553</u>	<u>5,796,079</u>	<u>15,615,632</u>
					<u>\$ 9,775,135</u>	<u>\$ 6,286,797</u>	<u>\$ 16,061,932</u>

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

**City of Victor**  
**Balance Sheet**  
**Governmental Funds**  
**December 31, 2021**

	<u>General Fund</u>	<u>Capital Projects Fund</u>	<u>Total Governmental Funds</u>
<b>ASSETS</b>			
Cash and investments	\$ 475,674	\$ 2,289,268	\$ 2,764,942
Cash and investments - restricted	66,589	-	66,589
Receivables:			
Property taxes	72,775	-	72,775
Other	8,039	-	8,039
<b>Total Assets</b>	<u>\$ 623,077</u>	<u>\$ 2,289,268</u>	<u>\$ 2,912,345</u>
<b>LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES</b>			
<b>LIABILITIES</b>			
Accounts Payable	41,178	32,481	73,659
Deposits	<u>40,209</u>	<u>-</u>	<u>40,209</u>
<b>Total Liabilities</b>	<u>81,387</u>	<u>32,481</u>	<u>113,868</u>
<b>DEFERED INFLOWS OF RESOURCES</b>			
Property taxes revenues	<u>72,775</u>	<u>-</u>	<u>72,775</u>
<b>Total Deferred Inflows of Resources</b>	<u>72,775</u>	<u>-</u>	<u>72,775</u>
<b>FUND BALANCES</b>			
Restricted:			
Emergencies	\$ 27,000	\$ -	\$ 27,000
Conservation Trust Funds	27,127	-	27,127
Committed:			
Capital projects	-	2,256,787	2,256,787
Assigned:			
Public safety - Fire Department Discretionary Fund	25,390	-	25,390
DREAM Discretionary Fund	13,569	-	13,569
Unassigned:			
General government	<u>375,829</u>	<u>-</u>	<u>375,829</u>
<b>Total Fund Balances</b>	<u>468,915</u>	<u>2,256,787</u>	<u>2,725,702</u>
<b>Total Liabilities, Deferred Inflows of Resources and Fund Balances</b>	<u>\$ 623,077</u>	<u>\$ 2,289,268</u>	<u>\$ 2,912,345</u>

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

**City of Victor**  
**Reconciliation of the Governmental Funds Balance Sheet**  
**to the Government-Wide Statement of Activities**  
**December 31, 2021**

Total Fund Balances - Governmental Funds	\$ 2,725,702
Total net position reported for governmental activities in the statement of net position is different because:	
Capital assets used in governmental activities are not current financial resources and, therefore, are not reported in the funds.	
Capital assets, not being depreciated	232,662
Capital assets, net of accumulated depreciation	6,826,031
Noncurrent liabilities are not due and payable in the current period and, therefore, are not reported in the funds.	
Compensated absences	(9,260)
<b>Net Position of Governmental Activities</b>	<b><u>\$ 9,775,135</u></b>

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

	<u>General Fund</u>	<u>Capital Projects Fund</u>	<u>Total Governmental Funds</u>
<b>REVENUES:</b>			
Taxes	\$ 223,619	\$ -	\$ 223,619
Franchise fees	23,129	-	23,129
Intergovernmental	34,777	-	34,777
Licenses, fees and charges	18,212	-	18,212
Fines and forfeitures	100	-	100
Administrative grants	85,858	-	85,858
Other revenue	22,685	-	22,685
Net investment income	1,034	854	1,888
Capital grants	<u>-</u>	<u>77,041</u>	<u>77,041</u>
<b>TOTAL REVENUES</b>	<u>409,414</u>	<u>77,895</u>	<u>487,309</u>
<b>EXPENDITURES:</b>			
<b>Current:</b>			
Legislative	61,407	-	61,407
Administrative	180,439	-	180,439
Facility maintenance	29,478	-	29,478
Revitalization and marketing	24,653	-	24,653
Police department	158,904	-	158,904
Fire department	34,471	-	34,471
Community development and planning	51,291	-	51,291
Public works	193,450	-	193,450
Parks and cemetery	76,019	-	76,019
Capital outlay	<u>-</u>	<u>454,474</u>	<u>454,474</u>
<b>TOTAL EXPENDITURES</b>	<u>810,112</u>	<u>454,474</u>	<u>1,264,586</u>
<b>EXCESS OF REVENUES OVER (UNDER) EXPENDITURES</b>	<b>(400,698)</b>	<b>(376,579)</b>	<b>(777,277)</b>
<b>OTHER FINANCING SOURCES (USES)</b>			
Operating transfer in	200,000	525,000	725,000
Operating transfer out	<u>-</u>	<u>-</u>	<u>-</u>
<b>NET CHANGE IN FUND BALANCE</b>	<b>(200,698)</b>	<b>148,421</b>	<b>(52,277)</b>
<b>FUND BALANCES, BEGINNING</b>	<u>669,613</u>	<u>2,108,366</u>	<u>2,777,979</u>
<b>FUND BALANCES, ENDING</b>	<u>\$ 468,915</u>	<u>\$ 2,256,787</u>	<u>\$ 2,725,702</u>

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

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

Net change in fund balances - total governmental funds \$ (52,277)

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

Governmental funds report capital outlays as expenditures. However, in the  
statement of activities the cost capitalized assets is allocated over their  
estimated useful lives and reported as depreciation expense.

Expenditures for capital assets	261,689
Depreciation expense	(253,461)

Certain revenues and expenses reported in the Statement of Activities do not  
provide or use current financial resources and, therefore, are not reported as  
revenues and expenditures in governmental funds

Change in compensated absences	(369)
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**Change in net position of governmental activities \$ (44,418)**

**City of Victor**  
**General Fund**  
**Schedule of Revenues, Expenditures**  
**and Changes in Fund Balances—Budget and Actual**  
**For the Year Ended December 31, 2021**

	<b>BUDGETED AMOUNTS</b>		<b>ACTUAL</b>	<b>VARIANCE WITH</b>
	<b>ORIGINAL</b>	<b>FINAL</b>		<b>FINAL BUDGET</b>
				<b>POSITIVE</b>
				<b>(NEGATIVE)</b>
<b>Revenues</b>				
Taxes:				
Property tax	70,178	70,178	70,250	72
Sales tax	130,000	130,000	145,630	15,630
Specific ownership tax	7,000	7,000	7,739	739
	<u>207,178</u>	<u>207,178</u>	<u>223,619</u>	<u>16,441</u>
Franchise fees:				
Franchise - Electric	16,000	16,000	15,480	(520)
Franchise - TV/Telephone	350	350	98	(252)
Franchise - Natural gas	7,000	7,000	7,551	551
	<u>23,350</u>	<u>23,350</u>	<u>23,129</u>	<u>(221)</u>
Intergovernmental:				
Cigarette tax	600	600	1,668	1,068
Mineral severance tax	15,500	15,500	6,644	(8,856)
Highway Users Tax (HUTF)	18,000	18,000	18,119	119
Conservation Trust entitlement	4,000	4,000	4,967	967
Motor vehicle	2,100	2,100	2,387	287
Road and bridge shareback	800	800	992	192
	<u>41,000</u>	<u>41,000</u>	<u>34,777</u>	<u>(6,223)</u>
Licenses, Fees and Charges:				
Business, liquor and other licenses	2,680	2,680	3,611	931
Building permit and service fees	10,000	10,000	14,601	4,601
	<u>12,680</u>	<u>12,680</u>	<u>18,212</u>	<u>5,532</u>
Fines and Forfeitures:				
Police department/court fees and fines	50	50	100	50
	<u>50</u>	<u>50</u>	<u>100</u>	<u>50</u>
Administrative Grants:				
State grants	123,500	123,500	85,858	(37,642)
Federal grants	-	-	-	-
Other grants/contributions	-	-	-	-
	<u>123,500</u>	<u>123,500</u>	<u>85,858</u>	<u>(37,642)</u>
Other Revenues:				
Donations and contributions	-	-	-	-
Fees for use of public facilities	100	100	1,200	1,100
Leases	8,500	8,500	13,311	4,811
Other income	100	100	8,174	8,074
	<u>8,700</u>	<u>8,700</u>	<u>22,685</u>	<u>13,985</u>
Net Investment Income:				
Net investment income	200	200	1,034	834
	<u>200</u>	<u>200</u>	<u>1,034</u>	<u>834</u>
<b>Total Revenues</b>	<u>416,658</u>	<u>416,658</u>	<u>409,414</u>	<u>(7,244)</u>

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

**City of Victor**  
**General Fund**  
**Schedule of Revenues, Expenditures**  
**and Changes in Fund Balances—Budget and Actual**  
**For the Year Ended December 31, 2021**

	<b>BUDGETED AMOUNTS</b>		<b>ACTUAL</b>	<b>VARIANCE WITH</b>
	<b>ORIGINAL</b>	<b>FINAL</b>		<b>FINAL BUDGET</b>
				<b>POSITIVE</b>
				<b>(NEGATIVE)</b>
<b>Expenditures</b>				
Legislative:				
City Council stipend	26,440	26,440	26,435	5
Donations to other organizations/projects	51,400	51,400	30,100	21,300
Dues and memberships	1,360	1,360	868	492
Travel and training	3,000	3,000	2,822	178
Miscellaneous	3,000	3,000	1,182	1,818
	<u>85,200</u>	<u>85,200</u>	<u>61,407</u>	<u>23,793</u>
Administrative:				
Salaries and benefits	115,209	115,209	107,597	7,612
Dues and memberships	1,500	1,500	1,209	291
Travel and training	6,000	6,000	1,843	4,157
Audit and accounting	4,500	4,500	4,600	(100)
County Treasurer's fees	2,105	2,105	1,434	671
Insurance	6,718	6,718	8,114	(1,396)
Legal	12,000	12,000	17,473	(5,473)
Legal services - Court	9,300	9,300	4,271	5,029
Magistrate	6,000	6,000	6,000	-
Election	1,500	1,500	1,453	47
Office supplies	5,300	5,300	2,832	2,468
Other professional services	3,000	3,000	2,090	910
Photocopy	2,800	2,800	2,387	413
Publication and publishing	2,700	2,700	1,638	1,062
Technical support	8,000	8,000	10,621	(2,621)
Miscellaneous	5,000	5,000	6,877	(1,877)
	<u>191,632</u>	<u>191,632</u>	<u>180,439</u>	<u>11,193</u>
Facility Maintenance:				
Maintenance - City Hall	18,000	18,000	12,476	5,524
Utilities - City Hall	15,250	15,250	12,928	2,322
Maintenance - Community Center (VICCI)	4,500	4,500	615	3,885
Utilities - Community Center (VICCI)	3,800	3,800	3,397	403
Maintenance - Agricultural and Mining Museum	1,000	1,000	-	1,000
Fixture/Equipment Maintenance	500	500	62	438
	<u>43,050</u>	<u>43,050</u>	<u>29,478</u>	<u>13,572</u>
Revitalization and Marketing:				
Salaries and benefits	8,376	8,376	14,777	(6,401)
Advertising	5,000	5,000	3,005	1,995
City sponsored events	10,000	10,000	3,124	6,876
Dues and memberships	1,600	1,600	500	1,100
Revitalization projects and programs	5,000	5,000	734	4,266
Utilities	700	700	532	168
Travel and training	8,000	8,000	1,337	6,663
Minor equipment	1,000	1,000	-	1,000
Office supplies	500	500	211	289
Miscellaneous	500	500	433	67
	<u>40,676</u>	<u>40,676</u>	<u>24,653</u>	<u>16,023</u>
Police Department:				
PD Operating	746	746	-	746
Animal control	400	400	62	338
Contract services	150,000	150,000	150,000	-
Utilities	3,500	3,500	3,409	91
Vehicle fuel	7,000	7,000	4,275	2,725
Miscellaneous	100	100	1,158	(1,058)
	<u>161,746</u>	<u>161,746</u>	<u>158,904</u>	<u>2,842</u>

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

**City of Victor**  
**General Fund**  
**Schedule of Revenues, Expenditures**  
**and Changes in Fund Balances—Budget and Actual**  
**For the Year Ended December 31, 2021**

	<b>BUDGETED AMOUNTS</b>		<b>ACTUAL</b>	<b>VARIANCE WITH</b>
	<b>ORIGINAL</b>	<b>FINAL</b>		<b>FINAL BUDGET</b>
				<b>POSITIVE</b>
				<b>(NEGATIVE)</b>
<b>Fire Department:</b>				
Fire Chief stipend	16,600	16,600	16,344	256
Dues and memberships	2,500	2,500	300	2,200
Insurance	1,866	1,866	1,919	(53)
Travel and training	3,000	3,000	-	3,000
Equipment maintenance, repair, oil and fuel	3,800	3,800	947	2,853
Building facility maintenance	5,000	5,000	5,581	(581)
Fixture and equipment maintenance	3,000	3,000	828	2,172
Minor equipment	5,000	5,000	283	4,717
Radios and maintenance	8,000	8,000	1,374	6,626
Technical support	3,000	3,000	2,377	623
Utilities	5,300	5,300	4,481	819
Volunteer bonus program	2,500	2,500	-	2,500
Miscellaneous	2,500	2,500	37	2,463
	<u>62,066</u>	<u>62,066</u>	<u>34,471</u>	<u>27,595</u>
<b>Community Development and Planning:</b>				
Salaries and benefits	-	-	12,199	(12,199)
Dues and memberships	-	-	145	(145)
Building code administration and enforcement	10,000	10,000	13,939	(3,939)
Dangerous building abatement	10,000	10,000	18,357	(8,357)
Legal services	4,000	4,000	5,979	(1,979)
Travel and training	-	-	37	(37)
Miscellaneous	500	500	635	(135)
	<u>24,500</u>	<u>24,500</u>	<u>51,291</u>	<u>(26,791)</u>
<b>Public Works:</b>				
Salaries and benefits	99,265	99,265	99,864	(599)
Travel and training	2,500	2,500	34	2,466
Insurance	9,330	9,330	10,095	(765)
Equipment maintenance, repair, oil and fuel	15,200	15,200	20,032	(4,832)
Building facility maintenance	5,000	5,000	1,154	3,846
Fixture maintenance	6,000	6,000	990	5,010
Road and sidewalk maintenance	45,000	45,000	23,788	21,212
Supplies	7,500	7,500	6,703	797
Professional services	3,000	3,000	150	2,850
Technical support	500	500	174	326
Tools and equipment	8,000	8,000	4,005	3,995
Utilities	26,600	26,600	22,743	3,857
Miscellaneous	3,500	3,500	3,718	(218)
	<u>231,395</u>	<u>231,395</u>	<u>193,450</u>	<u>37,945</u>
<b>Parks and Cemetery:</b>				
Salaries and benefits	40,888	40,888	49,511	(8,623)
Cemetery maintenance	2,500	2,500	1,859	641
Equipment maintenance, repair, oil and fuel	500	500	487	13
Minor equipment	4,000	4,000	229	3,771
Parks maintenance	14,500	14,500	15,047	(547)
Sanitation services	2,070	2,070	2,133	(63)
Supplies	4,000	4,000	1,416	2,584
Utilities	5,000	5,000	4,216	784
Miscellaneous	1,000	1,000	1,121	(121)
	<u>74,458</u>	<u>74,458</u>	<u>76,019</u>	<u>(1,561)</u>
<b>Total Expenditures</b>	<u>914,723</u>	<u>914,723</u>	<u>810,112</u>	<u>104,611</u>
<b>Excess Revenues over</b>				
<b>(under) Expenditures</b>	(498,065)	(498,065)	(400,698)	97,367

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

**City of Victor**  
**General Fund**  
**Schedule of Revenues, Expenditures**  
**and Changes in Fund Balances—Budget and Actual**  
**For the Year Ended December 31, 2021**

	<u>BUDGETED AMOUNTS</u>		<u>ACTUAL</u>	<u>VARIANCE WITH</u>
	<u>ORIGINAL</u>	<u>FINAL</u>		<u>FINAL BUDGET</u>
				<u>POSITIVE</u>
				<u>(NEGATIVE)</u>
<b>Other Financing Sources (Uses)</b>				
Transfers from other funds	200,000	200,000	200,000	-
Transfers to other funds	<u>(5,000)</u>	<u>(5,000)</u>	<u>-</u>	<u>5,000</u>
<b>Net Change in Fund Balance</b>	(303,065)	(303,065)	(200,698)	102,367
<b>Fund Balances, Beginning of Year</b>	<u>621,282</u>	<u>621,282</u>	<u>669,613</u>	<u>48,331</u>
<b>Fund Balances, End of Year</b>	<u>\$ 318,217</u>	<u>\$ 318,217</u>	<u>\$ 468,915</u>	<u>\$ 150,698</u>

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

**City of Victor**  
**Proprietary Funds**  
**Statement of Net Position**  
**December 31, 2021**

	<u>Utility Enterprise Fund</u>
<b>Assets</b>	
Cash and investments	\$ 969,291
Utility fees receivable	206,760
Other receivables	5,224
Capital assets, not being depreciated	241,055
Capital assets, net of accumulated depreciation	<u>4,902,014</u>
<b>Total Assets</b>	<u>6,324,344</u>
<b>Liabilities</b>	
Accounts payable	36,329
Compensated absences	<u>1,218</u>
<b>Total Liabilities</b>	<u>37,547</u>
<b>Net Position</b>	
Net investment in capital assets	5,143,069
Unrestricted	<u>1,143,728</u>
<b>Total Net Position</b>	<u><u>\$ 6,286,797</u></u>

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

**City of Victor**  
**Proprietary Funds**  
**Statement of Revenues, Expenditures**  
**and Changes in Fund Net Position**  
**For the Year Ended December 31, 2021**

	<u>Utility Enterprise Fund</u>
<b>Operating Revenues</b>	
Raw water sales	\$ 1,760,053
Raw water miscellaneous sales	188,175
Raw water wheeling and storage fees	43,988
Treated water sales - Residential	76,800
Treated water sales - Commercial	12,425
Wastewater sales - Residential	117,879
Wastewater sales - Commercial	26,154
Liquid waste disposal fees	<u>42,705</u>
<b>Total Operating Revenues</b>	<u>2,268,179</u>
<b>Operating Expenses</b>	
General and administration	31,938
Operations:	
Raw water	252,937
Treated water	291,139
Wastewater	320,910
Depreciation	<u>331,135</u>
<b>Total Operating Expenses</b>	<u>1,228,059</u>
<b>Income (Loss) From Operations</b>	<u>1,040,120</u>
<b>Other Income (Expenses)</b>	
Treated water - Capital replacement fees	21,576
Wastewater - Capital replacement fees	13,002
Other	<u>2,574</u>
<b>Total Other Income (Expenses)</b>	<u>37,152</u>
<b>Net Income Before Transfers</b>	1,077,272
Capital Asset Transfer In	138,446
Transfers In (Out)	<u>(725,000)</u>
<b>CHANGE IN NET POSITION</b>	<u>490,718</u>
<b>NET POSITION, BEGINNING OF YEAR - AS RESTATED</b>	<u>5,796,079</u>
<b>NET POSITION, END OF YEAR</b>	<u>\$ 6,286,797</u>

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

**City of Victor**  
**Proprietary Funds**  
**Statement of Cash Flows**  
**For the Year Ended December 31, 2021**

	<u>UTILITY ENTERPRISE FUND</u>
<b>CASH FLOWS FROM OPERATING ACTIVITIES:</b>	
Cash received from customers and other sources	\$ 2,266,427
Cash paid to suppliers	(582,210)
Cash paid to employees	(335,600)
<b>Net Cash From Operating Activities</b>	<u>1,348,617</u>
<b>CASH FLOWS FROM INVESTING ACTIVITIES:</b>	
Interest income	<u>2,574</u>
<b>Net Cash From Investing Activities</b>	<u>2,574</u>
<b>CASH FLOWS FROM NON-CAPITAL FINANCING ACTIVITIES:</b>	
Transfers in (out)	<u>(725,000)</u>
<b>Net Cash From Non-Capital Financing Activities</b>	<u>(725,000)</u>
<b>CASH FLOWS FROM CAPITAL AND FINANCING ACTIVITIES</b>	
Fees	<u>31,152</u>
<b>Net Cash From Capital and Financing Activities</b>	<u>31,152</u>
<b>Net Change in Cash and Cash Equivalents</b>	657,343
<b>CASH AND CASH EQUIVALENTS</b>	
<b>Beginning of Year</b>	<u>311,948</u>
<b>End of Year</b>	<u>\$ 969,291</u>
<b>Reconciliation of Operating Income (Loss) to Net Cash From Operating Activities</b>	
Net Operating Income (Loss)	\$ 1,040,120
Adjustments to reconcile operationg income (loss) to net cash flows from operating activities	
Depreciation	331,135
(Increase) Decrease in Accounts Receivable, Net	(1,752)
Increase (Decrease) in Accounts Payable	(8,710)
Increase (Decrease) in Compensated Absences	(12,176)
<b>Net Cash From Operating Activities</b>	<u>\$ 1,348,617</u>

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

# City of Victor

## Notes to Financial Statements

### December 31, 2021

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#### 1. Definition of Reporting Entity

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The City was founded in 1893. It operates under a Mayor/Council statutory form of government and provides the following services: public safety (police and fire), public works (highway and streets), water, sewer, parks and recreation, cemetery, community development (including planning, building and zoning), downtown revitalization and general government.

The City follows the Governmental Accounting Standards Board (GASB) accounting pronouncements which provide guidance for determining which governmental activities, organizations and functions should be included within the financial reporting entity. GASB pronouncements set forth the financial accountability of a governmental organization's elected governing body as the basic criterion for including a possible component governmental organization in a primary government's legal entity. Financial accountability includes, but is not limited to, appointment of a voting majority of the organization's governing body, ability to impose its will on the organization, a potential for the organization to provide specific financial benefits or burdens, and fiscal dependency.

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#### 2. Summary of Significant Accounting Policies

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The more significant accounting policies of the City are described as follows:

##### **Government-wide and Fund Financial Statements**

The government-wide financial statements include the statement of net position and the statement of activities. For the most part, the effect of interfund activity has been removed from these statements. Both statements distinguish between governmental activities, which are normally supported by taxes and intergovernmental revenues, and business-type activities, which rely to a significant extent on fees and charges for support.

The statement of net position reports all financial and capital resources of the primary government and its component units. The difference between the assets plus deferred outflows of resources and liabilities plus deferred inflows of resources of the City is reported as net position.

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

**City of Victor, Colorado**  
**Notes to Financial Statements (continued)**  
**December 31, 2021**

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**2. Summary of Significant Accounting Policies (continued)**

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

**Measurement Focus, Basis of Accounting and Financial Statement Presentation**

The government-wide financial statements are reported using the economic resources measurement focus and the accrual basis of accounting. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows. Grants and similar items are recognized as revenues as soon as all eligibility requirements imposed by the provider have been met. Depreciation is computed and recorded as an operating expense. Expenditures for property, equipment and infrastructure are shown as increases in assets, while the redemption of bonds and/or payment of debts (principal portion) are recorded as a reduction in liabilities.

Governmental fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Revenues are recognized as soon as they are both measurable and available. Revenues are considered to be available when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the government considers revenues to be available if they are collected within a reasonable period (typically within 60 days) following the end of the current fiscal period. The major sources of revenue susceptible to accrual are taxes and intergovernmental revenues. All other revenue items are considered to be measurable and available only when cash is received by the City. Expenditures, other than interest on long-term obligations, are recorded when the liability is incurred or the long-term obligation due.

Proprietary funds distinguish operating revenues and expenses from non-operating items. Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with the fund's principal ongoing operations. Operating expenses 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 non-operating revenues and expenses.

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 general government except those required to be accounted for in another fund.

The Capital Projects Fund is used to account for financial resources to be used for the acquisition and construction of capital improvements and equipment.

The City reports the following major proprietary fund:

The Utility Enterprise Fund accounts for activities related to the offering of water and wastewater services to the City's residents and certain outside users.

**City of Victor, Colorado**  
**Notes to Financial Statements (continued)**  
**December 31, 2021**

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**2. Summary of Significant Accounting Policies (continued)**

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**Budgets**

In accordance with the State Budget Law, the City Council holds public hearings in the fall each year to approve the budget and appropriate the funds for the ensuing year. The appropriation is at the total fund expenditures and other financing uses level and lapses at year end. The City Council can modify the budget by line item within the total appropriation without notification. The appropriation can only be modified upon completion of notification and publication requirements. The budget includes each fund on its basis of accounting, unless otherwise indicated.

**Pooled Cash and Investments**

The City follows the practice of pooling cash and investments of all funds to maximize interest earnings. Except when required by trust or other agreements, all cash is deposited to and disbursed from a single bank account. Cash in excess of immediate operating requirements is pooled for deposit and investment flexibility. Investment earnings are allocated periodically to the participating funds based upon each fund's average equity balance in the total cash.

Investments are carried at fair value or net asset value.

**Cash Equivalents**

For purposes of the statement of cash flows, the City considers cash deposits and highly liquid investments (including restricted assets) with a maturity of three months or less when purchased to be cash equivalents.

**Accounts Receivable and Allowance for Doubtful Accounts**

Tap fees, water and sewer fees and other similar fees constitute a perpetual lien on or against the property served until paid. Such fees, when uncollectible, can be certified to the County Treasurer and attach to the tax rolls. Therefore, no provision for doubtful accounts has been provided in the financial statements.

**Property Taxes**

Property taxes are levied by the City Council. The levy is based on assessed valuations determined by Teller County Assessor generally as of January of each year. The levy is set no later than December 15 by certifications to the Teller County Commissioners to put the tax lien on the property as of January 1 of the following year. Teller County bills and collects taxes for the City. At the option of the taxpayer, property taxes may be paid either in full on April 30, or two installments on February 28 and June 15. The County remits the taxes collected to the City on a monthly basis. Delinquent taxpayers are notified in August and sale of the tax liens on delinquent properties are generally held in November or December.

**City of Victor, Colorado**  
**Notes to Financial Statements (continued)**  
**December 31, 2021**

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**2. Summary of Significant Accounting Policies (continued)**

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Property taxes, net of estimated uncollectible taxes, are recorded as deferred inflows of resources in the year they are levied and measurable. The unearned property tax revenue is recorded as revenue in the year it is available and collected.

**Capital Assets**

Capital assets, which include property, plant, equipment and infrastructure assets (e.g., roads, sidewalks and similar items) are reported in the applicable governmental or business-type activities column in the government-wide financial statements. Capital assets are defined by the City as assets with an initial, individual cost of more than \$5,000 and an estimated life in excess of one year. Such assets are recorded at historical cost or estimated historical cost if purchased or constructed. Donated capital assets are recorded at estimated fair value at the date of donation.

The costs of normal maintenance and repairs that do not add to the value of the asset or materially extend assets lives are not capitalized. Improvements are capitalized and depreciated over the remaining useful lives of the related capital assets, as applicable. Depreciation expense has been computed using the straight-line method over the following estimated economic useful lives:

Buildings and improvements	30 - 50 years
Machinery, equipment and computers	5 - 15 years
Infrastructure	30 - 40 years

The City has elected to not retroactively report infrastructure.

**Compensated Absences**

Employees of the City are allowed to accumulate unused vacation time up to one year's accrual plus 40 hours. Upon termination of employment, an employee will be compensated for all eligible accrued vacation time at their current rate of pay. Vacation accrual is recorded in the government-wide financial statements.

**Fund Equity/Fund Balance**

In the government-wide financial statements, fund equity is classified as net position. Net position may be classified into three components: net investment in capital assets, restricted and unrestricted. These classifications are defined as follows:

- Net investment in capital assets - This component of net position consists of capital assets, net of accumulated depreciation, and reduced by the outstanding balances of any debt that is attributable to the acquisition, construction or improvement of those assets. If there are significant unspent debt proceeds at year end, the portion of the debt attributable to the unspent proceeds is not included in this component.

**City of Victor, Colorado**  
**Notes to Financial Statements (continued)**  
**December 31, 2021**

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**2. Summary of Significant Accounting Policies (continued)**

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- Restricted - This component of net position consists of assets that are restricted for use either externally imposed by creditors, grantors, contributors or laws or regulations of other governments or constraints imposed through constitutional provisions or enabling legislation.
- Unrestricted - The component of net position that does not meet the definition above.

In the governmental funds, fund balances should be reported in classifications that comprise a hierarchy based on the extent to which the government is bound to honor constraints on the specific purposes for which spending can occur. Governmental funds report up to five classifications of fund balance: nonspendable, restricted, committed, assigned, and unassigned. Because circumstances differ among governments, not every government or every governmental fund will present all of these components. The following classifications describe the relative strength of the spending constraints:

- *Nonspendable fund balance* – The portion of fund balance that cannot be spent because it is either not in spendable form (such as prepaid amounts or inventory) or legally or contractually required to be maintained intact.
- *Restricted fund balance* – The portion of fund balance that is constrained to being used for a specific purpose by external parties (such as bondholders), constitutional provisions, or enabling legislation.
- *Committed fund balance* – The portion of fund balance that can only be used for specific purposes pursuant to constraints imposed by formal action of the government's highest level of decision-making authority, City Council. The constraint may be removed or changed only through formal action of City Council.
- *Assigned fund balance* – The portion of fund balance that is constrained by the government's intent to be used for specific purposes, but is neither restricted nor committed. Intent is expressed by the City Council to be used for a specific purpose. Constraints imposed on the use of assigned amounts are more easily removed or modified than those imposed on amounts that are classified as committed.
- *Unassigned fund balance* – The residual portion of fund balance that does not meet any of the criteria described above.

If more than one classification of fund balances is available for use when an expenditure is incurred, it is the City's practice to use the least restrictive classification first.

**City of Victor, Colorado**  
**Notes to Financial Statements (continued)**  
**December 31, 2021**

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**3. Cash and Cash Equivalents**

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Cash and investments as of December 31, 2021, are classified in the accompanying financial statements as follows:

	<u>Governmental Activities</u>	<u>Business-type Activities</u>
Statement of net position:		
Cash and investments	\$ 2,764,942	\$ 969,291
Cash and investments - Restricted	<u>66,589</u>	<u>-</u>
Total cash and investments	<u>\$ 2,831,531</u>	<u>\$ 969,291</u>

Cash and investments as of December 31, 2021, consist of the following:

	<u>Governmental Activities</u>	<u>Business-type Activities</u>
Cash on hand	\$ 300	\$ -
Deposits with financial institutions	1,699,168	96,077
Investments	<u>1,132,063</u>	<u>873,214</u>
Total cash and investments	<u>\$ 2,831,531</u>	<u>\$ 969,291</u>

**Deposits with Financial Institutions**

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

The State Commissioners for banks and financial services are required by statute to monitor the naming of eligible depositories and reporting of the uninsured deposits and assets maintained in the collateral pools.

None of the City's deposits are subject to custodial risk since they are deposited in certified eligible public depositories under the PDPA.

As of December 31, 2021, the City's cash deposits for governmental and business-type activities had a bank balance totaling \$1,896,293 and a carrying balance totaling \$1,795,545.

**Investments**

The City has not adopted a formal investment policy; however, the City follows state statutes regarding investments.

**City of Victor, Colorado**  
**Notes to Financial Statements (continued)**  
**December 31, 2021**

**3. Cash and Cash Equivalents (continued)**

The City generally limits its concentration of investments to those noted with an asterisk (\*) below, which are believed to have minimal credit risk, minimal interest rate risk and no foreign currency risk. Additionally, the City is not subject to concentration risk disclosure requirements or to investment custodial credit risk for investments that are in the possession of another party.

Colorado Revised Statutes limit investment maturities to five years or less unless formally approved by the City Council. Such actions are generally associated with a debt service reserve or sinking fund requirements.

Colorado statutes specify investment instruments meeting defined rating and risk criteria in which local governments may invest which include:

- Obligations of the United States, certain U.S. government agency securities, and securities of the World Bank
- General obligation and revenue bonds of U.S. local government entities
- Certain certificates of participation
- Certain securities lending agreements
- Bankers' acceptances of certain banks
- Commercial paper
- Written repurchase agreements and certain reverse repurchase agreements collateralized by certain authorized securities
- Certain money market funds
- Guaranteed investment contracts
- \* Local government investment pools

As of December 31, 2021, the City had investments totaling \$2,005,277 as follows:

<b>Investment</b>	<b>Maturity</b>	<b><u>Governmental</u> <u>Activities</u></b>	<b><u>Business-type</u> <u>Activities</u></b>
Colorado Local Government Liquid Asset Trust (Colotrust)	Weighted average under 60 days	\$ <u>1,132,063</u>	\$ <u>873,214</u>

**COLOTRUST**

The City invested in the Colorado Local Government Liquid Asset Trust (the Trust), an investment vehicle established for local government entities in Colorado to pool surplus funds. The State Securities Commissioner administers and enforces all State statutes governing the Trust. The Trust operates similarly to a money market fund and each share is equal in value to \$1.00.

**City of Victor, Colorado**  
**Notes to Financial Statements (continued)**  
**December 31, 2021**

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**3. Cash and Cash Equivalents (continued)**

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COLOTRUST records its investments at fair value and the District records its investment in COLOTRUST using the net asset value method. The Trust offers shares in two portfolios, COLOTRUST PRIME and COLOTRUST PLUS+. Both portfolios may invest in U.S. Treasury securities and repurchase agreements collateralized by U.S. Treasury securities. COLOTRUST PLUS+ may also invest in certain obligations of U.S. government agencies, highest rated commercial paper and repurchase agreements collateralized by certain obligations of U.S. government agencies. A designated custodial bank serves as custodian for the Trust's portfolios pursuant to a custodian agreement. The custodian acts as safekeeping agent for the Trust's investment portfolios and provides services as the depository in connection with direct investments and withdrawals. The custodian's internal records segregate investments owned by the Trust. The Trust is rated AAAM by Standard & Poor's. There are no unfunded commitments, the redemption frequency is daily, and there is no redemption notice period.

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**4. Interfund Transfers**

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The following schedule summarizes the City's interfund transfers for the year ended December 31, 2021:

	<b>Transfers In</b>	
<b>Transfers Out</b>	<b>General Fund</b>	<b>Capital Projects Fund</b>
Utility Enterprise Fund	\$ 200,000	\$ 525,000

The transfers from the Utility Enterprise Fund to the General Fund and Capital Projects Fund were made during 2021 pursuant to the policies adopted by the City Council which commits/allocates the net available revenue (after operating expenses) of the raw water operations within the Utility Enterprise Fund to certain operational expenditures (General Fund) and capital outlay (Capital Projects Fund).

**City of Victor, Colorado**  
**Notes to Financial Statements (continued)**  
**December 31, 2021**

**5. Capital Assets**

Changes in governmental capital assets for the year ended December 31, 2021, follow:

<b><u>Governmental Activities</u></b>	<b>Balance December 31, 2020</b>	<b>Additions</b>	<b>Conveyances or Retirements</b>	<b>Balance December 31, 2021</b>
Capital assets, not being depreciated:				
Land	\$ 232,662	\$ -	\$ -	\$ 232,662
Capital Assets, being depreciated:				
Buildings and improvements	5,801,399	228,113	-	6,029,512
Machinery, equipment and computers	1,540,615	33,576	-	1,574,191
Infrastructure	<u>2,742,941</u>	<u>-</u>	<u>-</u>	<u>2,742,941</u>
Total depreciable assets	<u>10,084,955</u>	<u>261,689</u>	<u>-</u>	<u>10,346,644</u>
Total capital assets	<u>10,317,617</u>	<u>261,689</u>	<u>-</u>	<u>10,579,306</u>
Less accumulated depreciation:				
Total accumulated depreciation	<u>(3,267,152)</u>	<u>(253,461)</u>	<u>-</u>	<u>(3,520,613)</u>
Depreciable assets, net	<u>6,817,803</u>	<u>8,228</u>	<u>-</u>	<u>6,826,031</u>
Governmental activities assets, net	<u>\$ 7,050,465</u>	<u>\$ 8,228</u>	<u>\$ -</u>	<u>\$ 7,058,693</u>

	<b><u>Governmental Activities</u></b>
General government	\$ 157,649
Public safety	33,035
Public works	<u>62,777</u>
Total depreciation expense	<u>\$ 253,461</u>

**City of Victor, Colorado**  
**Notes to Financial Statements (continued)**  
**December 31, 2021**

**5. Capital Assets (continued)**

Changes in business-type capital assets for the year ended December 31, 2021, follow:

	Balance December 31, 2020 (as restated)	Additions	Conveyances or Retirements	Balance December 31, 2021
<b><u>Business-Type Activities</u></b>				
Capital assets, not being depreciated:				
Land and water rights	\$ 151,120	\$ -	\$ -	\$ 151,120
Construction in progress	<u>27,745</u>	<u>62,190</u>	<u>-</u>	<u>89,935</u>
Total non-depreciable assets	<u>178,865</u>	<u>62,190</u>	<u>-</u>	<u>241,055</u>
Capital Assets, being depreciated:				
Machinery, equipment and computers	506,782	12,700	-	519,482
Infrastructure	1,078,793	-	-	1,078,793
Water plant and systems	4,103,290	45,855	-	4,149,145
Wastewater plant and systems	<u>6,450,529</u>	<u>17,701</u>	<u>-</u>	<u>6,468,230</u>
Total depreciable assets	<u>12,139,394</u>	<u>76,256</u>	<u>-</u>	<u>12,215,650</u>
Total capital assets	<u>12,318,259</u>	<u>138,446</u>	<u>-</u>	<u>12,456,705</u>
Less accumulated depreciation:				
Total accumulated depreciation	<u>(6,982,501)</u>	<u>(331,135)</u>	<u>-</u>	<u>(7,313,636)</u>
Depreciable assets, net	<u>5,156,893</u>	<u>(254,879)</u>	<u>-</u>	<u>4,902,014</u>
Business-type activities capital assets, net	<u>\$ 5,335,758</u>	<u>\$ (192,689)</u>	<u>\$ -</u>	<u>\$ 5,143,069</u>

	<b><u>Business-Type Activities</u></b>
Water	\$ 72,557
Wastewater	<u>258,578</u>
Total depreciation expense	<u>\$ 331,135</u>

**6. Net Position**

The City has net position consisting of three components - net investment in capital assets, restricted and unrestricted.

Net investment in capital assets consists of capital assets, net of accumulated depreciation, and reduced by the outstanding balances of bonds, mortgages, notes, capital leases and other borrowings that are attributable to the acquisition, construction, or improvements of those assets. As of December 31, 2021, the City had net investment in capital assets calculated as follows:

**City of Victor, Colorado**  
**Notes to Financial Statements (continued)**  
**December 31, 2021**

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**6. Net Position (continued)**

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	<b>Governmental Activities</b>	<b>Business-type Activities</b>
Capital assets, net	\$ 7,058,693	\$ 5,143,069
Net investment in capital assets	\$ 7,058,693	\$ 5,143,069

The restricted component of net position consists of assets that are restricted for use either externally imposed by creditors, grantors, contributors or laws and regulations of other governments or imposed by law through constitutional provisions or enabling legislations. As of December 31, 2021, the City had restricted net position as follows:

	<b>Governmental Activities</b>
Restricted net position:	
Emergency reserve	\$ 27,000
Conservation Trust	27,127
	\$ 54,127

As of December 31, 2021, the City's unrestricted net position totaled \$3,806,043.

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**7. Commitments, Contingencies and Economic Dependency**

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The City receives financial assistance from federal and state governmental agencies in the form of grants. The disbursements of funds received under these programs generally require compliance with terms and conditions specified in the grant agreements and are subject to audit by the grantor agencies. Any disallowed claims resulting from such audits could become a liability of the General Fund or Capital Projects Fund. However, in the opinion of the City, any such disallowed claims will not have a material effect on the financial statements of the individual fund type or on the overall financial position of the City at December 31, 2021.

The City has only one major employer within its City limits, the Cripple Creek & Victor Gold Mining Company, which accounts for a significant portion of the City's utility fees revenue.

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**8. Risk Management**

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The City is exposed to various risks of loss related to torts; thefts of, damage to, or destruction of assets; errors or omissions; injuries to employees; or acts of God.

The City is a member of the Colorado Intergovernmental Risk Sharing Agency (CIRSA). CIRSA is a joint self-insurance pool created by intergovernmental agreement to provide property,

**City of Victor, Colorado**  
**Notes to Financial Statements (continued)**  
**December 31, 2021**

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**8. Risk Management (continued)**

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liability and workers' compensation coverage to its members. CIRSA is governed by a seven-member Board elected by and from its members.

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

Settled claims have not exceeded insurance coverage in the last three years.

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**9. Tax, Spending, Revenue and Debt Limitations**

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Article X, Section 20 of the Colorado Constitution, commonly known as the Taxpayer's Bill of Rights (TABOR), contains tax, spending, revenue and debt limitations which apply to the State of Colorado and all local governments.

Spending and revenue limits are determined based on the prior year's Fiscal Year Spending adjusted for allowable increases based upon inflation and local growth. Fiscal Year Spending is generally defined as expenditures plus reserve increases with certain exceptions. Revenue in excess of the Fiscal Year Spending limit must be refunded unless the voters approve retention of such revenue.

TABOR requires local governments to establish Emergency Reserves. These reserves must be at least 3% of Fiscal Year Spending (excluding bonded debt service). Local governments are not allowed to use the Emergency Reserves to compensate for economic conditions, revenue shortfalls, or salary or benefit increases. At December 31, 2021, the City has reserved \$27,000 for emergencies.

The City's management believes it is in compliance with the provisions of TABOR. However, TABOR is complex and subject to interpretation. Many of the provisions, including the interpretation of how to calculate Fiscal Year Spending limits, will require judicial interpretation.

**City of Victor, Colorado**  
**Notes to Financial Statements (continued)**  
**December 31, 2021**

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**10. Risks and Uncertainties**

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On March 11, 2020, the World Health Organization declared the outbreak of coronavirus (COVID-19) a pandemic. In response, many state and local governments instituted restrictions that substantially limited the operations of non-essential businesses and the activities of individuals. While some of these restrictions have been eased, there is still significant uncertainty around the extent and duration of those still in place and the possibility for restrictions to be increased again in the future. The extent to which the pandemic will impact the City's financial results in the coming periods depends on future developments, including where there are additional outbreaks of COVID-19 and the actions taken to contain or address the virus. However, the City believes it will be able to continue operations under current governmental guidelines while mitigating the impact as much as possible to minimize losses.

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**11. Restatement**

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During 2020 a construction project was started for a reservoir project. The expenses were a part of a larger project and should have been capitalized during 2020. The proprietary fund beginning net position was restated to correctly reflect the capitalization of these costs:

	December 30, 2020		December 30, 2020	
	As Originally Stated	Restatement	As Restated	
Net Position	\$ 5,768,334	\$ 27,745		\$ 5,796,079
Capital Assets, net	\$ 5,308,013	\$ 27,745		\$ 5,335,758
Operating Expenses	\$ 1,237,511	\$ (27,745)		\$ 1,209,766

# **City of Victor, Colorado**

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## **Required Supplementary Information**

**City of Victor**  
**Capital Projects Fund**  
**Schedule of Revenues, Expenditures**  
**And Changes in Fund Balances - Budget and Actual**  
**For the Year Ended December 31, 2021**

	<b>BUDGETED AMOUNTS</b>		<b>ACTUAL</b>	<b>VARIANCE WITH FINAL BUDGET POSITIVE (NEGATIVE)</b>
	<b>ORIGINAL</b>	<b>FINAL</b>		
<b>Revenues</b>				
Federal grants	\$ -	\$ -	\$ 53,537	\$ 53,537
State grants	510,000	510,000	9,734	(500,266)
Other grants and contributions	-	-	13,770	13,770
Net investment income	10,000	10,000	854	(9,146)
<b>Total Revenues</b>	<u>520,000</u>	<u>520,000</u>	<u>77,895</u>	<u>(442,105)</u>
<b>Expenditures</b>				
Land purchase	-	-	244	(244)
Capital improvements - General	328,000	328,000	247,440	80,560
Capital equipment - General	56,700	56,700	42,026	14,674
Capital improvements - Raw water	555,000	555,000	71,135	483,865
Capital improvements - Treated water	60,000	60,000	30,660	29,340
Capital equipment - Treated water	37,000	37,000	40,174	(3,174)
Capital improvements - Wastewater	60,000	60,000	18,621	41,379
Capital equipment - Wastewater	1,000	1,000	4,174	(3,174)
<b>Total Expenditures</b>	<u>1,097,700</u>	<u>1,097,700</u>	<u>454,474</u>	<u>643,226</u>
<b>Excess of Revenues over (under) Expenditures</b>	(577,700)	(577,700)	(376,579)	201,121
<b>Other Financing Sources (Uses)</b>				
Transfers from other funds	530,000	530,000	525,000	(5,000)
<b>Net Change in Fund Balance</b>	(47,700)	(47,700)	148,421	196,121
<b>Fund Balance, Beginning of Year</b>	<u>1,994,886</u>	<u>1,994,886</u>	<u>2,108,366</u>	<u>113,480</u>
<b>Fund Balance, End of Year</b>	<u>\$ 1,947,186</u>	<u>\$ 1,947,186</u>	<u>\$ 2,256,787</u>	<u>\$ 309,601</u>

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

**City of Victor**  
**Utility Fund**  
**Schedule of Revenues, Expenditures**  
**And Changes in Net Position—Budget and Actual**  
**For the Year Ended December 31, 2021**

	<b>BUDGETED AMOUNTS</b>		<b>ACTUAL</b>	<b>VARIANCE WITH</b>
	<b>ORIGINAL</b>	<b>FINAL</b>		<b>FINAL BUDGET</b>
				<b>POSITIVE</b>
				<b>(NEGATIVE)</b>
<b>Operating Revenues</b>				
Raw water sales	\$ 1,300,000	\$ 1,300,000	\$ 1,760,053	\$ 460,053
Raw water miscellaneous sales	188,176	188,176	188,175	(1)
Raw water wheeling and storage fees	25,000	25,000	43,988	18,988
Treated water sales - Residential	72,000	72,000	76,800	4,800
Treated water sales - Commercial	12,500	12,500	12,425	(75)
Wastewater sales - Residential	117,600	117,600	117,879	279
Wastewater sales - Commercial	26,600	26,600	26,154	(446)
Liquid waste disposal fees	30,000	30,000	42,705	12,705
<b>Total Operating Revenues</b>	<u>1,771,876</u>	<u>1,771,876</u>	<u>2,268,179</u>	<u>496,303</u>
<b>Operating Expenses</b>				
General and administration:				
Treated water - Salaries and benefits	208,903	208,903	162,165	46,738
Treated water - Dues and memberships	780	780	760	20
Treated water - Travel and training	2,000	2,000	300	1,700
Wastewater - Salaries and benefits	208,003	208,003	161,259	46,744
Wastewater - Dues and memberships	520	520	485	35
Wastewater - Travel and training	1,000	1,000	-	1,000
Audit and accounting	10,500	10,500	9,200	1,300
General engineering	6,000	6,000	-	6,000
Legal	10,000	10,000	-	10,000
Insurance	18,660	18,660	19,190	(530)
Other	14,000	14,000	31,465	(17,465)
Raw water:				
Legal and engineering services	52,000	52,000	31,937	20,063
Purchased water	188,176	188,176	240,675	(52,499)
Dam maintenance	25,000	25,000	12,262	12,738
Treated water:				
Collection and distribution lines repair	25,000	25,000	30,832	(5,832)
Equipment maintenance, repair, oil and fuel	8,500	8,500	5,739	2,761
Building facility maintenance	10,000	10,000	197	9,803
Fixture maintenance	10,000	10,000	2,104	7,896
Lab analysis and chemicals	21,000	21,000	13,107	7,893
Utilities	14,500	14,500	15,908	(1,408)
Equipment rentals and sanitation	1,400	1,400	1,380	20
Technical support	8,000	8,000	11,061	(3,061)
Tools and equipment	10,800	10,800	12,398	(1,598)
Permit fees	125	125	-	125
Miscellaneous/contingency	3,500	3,500	2,301	1,199

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

**City of Victor**  
**Utility Fund**  
**Schedule of Revenues, Expenditures**  
**And Changes in Net Position—Budget and Actual**  
**For the Year Ended December 31, 2021**  
(Continued)

	BUDGETED AMOUNTS		ACTUAL	VARIANCE WITH FINAL BUDGET POSITIVE (NEGATIVE)
	ORIGINAL	FINAL		
Wastewater:				
Collection and distribution lines repair	25,000	25,000	28,002	(3,002)
Equipment maintenance, repair, oil and fuel	7,000	7,000	5,482	1,518
Building facility maintenance	2,000	2,000	142	1,858
Fixture maintenance	15,000	15,000	35,103	(20,103)
Lab analysis and chemicals	25,000	25,000	16,624	8,376
Sludge hauling	22,000	22,000	15,428	6,572
Utilities	12,100	12,100	9,025	3,075
Technical support	8,000	8,000	7,927	73
Tools and equipment	5,500	5,500	6,428	(928)
Permit fees	1,849	1,849	1,849	-
Miscellaneous/contingency	5,000	5,000	6,189	(1,189)
<b>Total Operating Expenses</b>	986,816	986,816	896,924	89,892
<b>Other Income (Expenses)</b>				
Treated water - Capital replacement fees	21,000	21,000	21,576	576
Wastewater - Capital replacement fees	12,500	12,500	13,002	502
Interest/Penalties/Fees	1,300	1,300	1,404	104
Other Income	500	500	1,170	670
<b>Net Other Income (Expenses)</b>	35,300	35,300	37,152	1,852
<b>Net Income (Loss) Before Transfers</b>	820,360	820,360	1,408,407	588,047
<b>Transfers</b>				
Transfers to other funds	(725,000)	(725,000)	(725,000)	-
<b>Net Transfers</b>	(725,000)	(725,000)	(725,000)	-
<b>Excess (Deficiency) of</b>				
<b>Revenues over Expenditures</b>	\$ 95,360	\$ 95,360	683,407	\$ 588,047
<b>Budget to GAAP-Basis Adjustments:</b>				
Depreciation			(331,135)	
Capital assets transferred from Governmental Funds			138,446	
<b>Change in Net Position GAAP</b>			\$ 490,718	

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

**City of Victor, Colorado**

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**State Compliance Section**

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

<b>LOCAL HIGHWAY FINANCE REPORT</b>		City or County: Victor			
		YEAR ENDING : December 2021			
This Information From The Records Of : City of Victor		Prepared By: Debra Downs, Administrative Consultant			
<b>I. DISPOSITION OF HIGHWAY-USER REVENUES AVAILABLE FOR LOCAL GOVERNMENT EXPENDITURE</b>					
ITEM	<b>A. Local Motor-Fuel Taxes</b>	<b>B. Local Motor-Vehicle Taxes</b>	<b>C. Receipts from State Highway-User Taxes</b>	<b>D. Receipts from Federal Highway Administration</b>	
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					
<b>II. RECEIPTS FOR ROAD AND STREET PURPOSES</b>		<b>III. DISBURSEMENTS FOR ROAD AND STREET PURPOSES</b>			
ITEM	AMOUNT	ITEM	AMOUNT		
<b>A. Receipts from local sources:</b>		<b>A. Local highway disbursements:</b>			
1. Local highway-user taxes		1. Capital outlay (from page 2)	0		
a. Motor Fuel (from Item I.A.5.)		2. Maintenance:	151,024		
b. Motor Vehicle (from Item I.B.5.)		3. Road and street services:			
c. Total (a.+b.)		a. Traffic control operations			
2. General fund appropriations	199,554	b. Snow and ice removal	37,756		
3. Other local imposts (from page 2)	8,731	c. Other			
4. Miscellaneous local receipts (from page 2)		d. Total (a. through c.)	37,756		
5. Transfers from toll facilities		4. General administration & miscellaneous			
6. Proceeds of sale of bonds and notes:		5. Highway law enforcement and safety	87,233		
a. Bonds - Original Issues		6. Total (1 through 5)	276,013		
b. Bonds - Refunding Issues		<b>B. Debt service on local obligations:</b>			
c. Notes		1. Bonds:			
d. Total (a. + b. + c.)	-	a. Interest			
7. Total (1 through 6)	208,285	b. Redemption			
<b>B. Private Contributions</b>	0	c. Total (a. + b.)	0		
<b>C. Receipts from State government</b> (from page 2)	67,728	2. Notes:			
<b>D. Receipts from Federal Government</b> (from page 2)	0	a. Interest			
<b>E. Total receipts (A.7 + B + C + D)</b>	276,013	b. Redemption			
		c. Total (a. + b.)	0		
		3. Total (1.c + 2.c)	0		
		<b>C. Payments to State for highways</b>			
		<b>D. Payments to toll facilities</b>			
		<b>E. Total disbursements (A.6 + B.3 + C + D)</b>	276,013		
<b>IV. LOCAL HIGHWAY DEBT STATUS</b> (Show all entries at par)					
	Opening Debt	Amount Issued	Redemptions	Closing Debt	
<b>A. Bonds (Total)</b>				0	
1. Bonds (Refunding Portion)					
<b>B. Notes (Total)</b>	0	0	0	0	
<b>V. LOCAL ROAD AND STREET FUND BALANCE</b>					
	A. Beginning Balance	B. Total Receipts	Total Disbursements	D. Ending Balance	E. Reconciliation
	0	276,013	(276,013)	0	0
<b>Notes and Comments:</b>					

FORM FHWA-536 (Rev. 1-05)

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<b>LOCAL HIGHWAY FINANCE REPORT</b>		STATE: Colorado	
		YEAR ENDING (mm/yy): December 2021	
<b>II. RECEIPTS FOR ROAD AND STREET PURPOSES - DETAIL</b>			
<b>ITEM</b>	<b>AMOUNT</b>	<b>ITEM</b>	<b>AMOUNT</b>
<b>A.3. Other local imposts:</b>		<b>A.4. Miscellaneous local receipts:</b>	
a. Property Taxes and Assessments		a. Interest on investments	
b. Other local imposts:		b. Traffic Fines & Penalties	
1. Sales Taxes	992	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	7,739	g. Other Misc Gravel Sales	
6. Total (1. through 5.)	8,731	h. Other	
c. Total (a. + b.)	8,731	i. Total (a. through h.)	0
	(Carry forward to page 1)		(Carry forward to page 1)
<b>ITEM</b>	<b>AMOUNT</b>	<b>ITEM</b>	<b>AMOUNT</b>
<b>C. Receipts from State Government</b>		<b>D. Receipts from Federal Government</b>	
1. Highway-user taxes	18,119	1. FHWA (from Item I.D.5.)	
2. State general funds		2. Other Federal agencies:	
3. Other State funds:		a. Forest Service	
a. State bond proceeds		b. FEMA	
b. Project Match		c. HUD	
c. Motor Vehicle Registrations	2,388	d. Federal Transit Admin	
d. Other (Specify) - DOLA Grant	47,221	e. U.S. Corps of Engineers	
e. Other (Specify) - DOLA EIAF	0	f. Other Federal	
f. Total (a. through e.)	49,609	g. Total (a. through f.)	0
4. Total (1. + 2. + 3.f)	67,728	3. Total (1. + 2.g)	
			(Carry forward to page 1)
<b>III. DISBURSEMENTS FOR ROAD AND STREET PURPOSES - DETAIL</b>			
	ON NATIONAL HIGHWAY SYSTEM (a)	OFF NATIONAL HIGHWAY SYSTEM (b)	TOTAL (c)
<b>A.1. Capital outlay:</b>			
a. Right-Of-Way Costs			0
b. Engineering Costs			0
c. Construction:			
(1). New Facilities			0
(2). Capacity Improvements			0
(3). System Preservation			0
(4). System Enhancement & Operation			0
(5). Total Construction (1) + (2) + (3) + (4)	0	0	0
d. Total Capital Outlay (Lines 1.a. + 1.b. + 1.c.5)	0	0	0
			(Carry forward to page 1)
<b>Notes and Comments:</b>			