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***CITY OF WALSENBURG,  
COLORADO  
FINANCIAL STATEMENTS  
DECEMBER 31, 2021***

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1900 16th Street  
Suite 300  
Denver, CO 80202

T: 303.698.1883  
E: info@rubinbrown.com  
www.RubinBrown.com

CERTIFIED PUBLIC ACCOUNTANTS & BUSINESS CONSULTANTS

## **Independent Auditors' Report**

City Council  
City of Walsenburg, Colorado

### **Report On The Audit Of The Financial Statements**

#### ***Opinions***

We have audited the financial statements of the governmental activities, the business-type activities, each major fund and the aggregate remaining fund information of the City of Walsenburg, 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 accompanying financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund and the aggregate remaining fund information of the City as of December 31, 2021, and the respective changes in financial position and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

#### ***Basis For Opinions***

We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Our responsibilities under those standards are further described in the Auditors' 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 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 for 12 months beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.

### ***Auditors' 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 auditors' 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 auditing standards generally accepted in the United States of America 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 auditing standards generally accepted in the United States of America, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the City's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the City's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings and certain internal control-related matters that we identified during the audit.

***Required Supplementary Information***

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis on pages i through vii and budgetary comparison information on page 40 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, which considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

***Supplementary Information***

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the City's basic financial statements. The accompanying combining and individual fund financial statements and schedules and Annual Highway Finance Report are presented for purposes of additional analysis and are not a required part of the basic financial statements.

Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the combining and individual fund financial statements and schedules and Annual Highway Finance Report are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

*RubinBrown LLP*

November 28, 2022

**City of Walsenburg, Colorado**  
**Management's Discussion and Analysis**  
**December 31, 2021**

This discussion and analysis of the City of Walsenburg's (the City) financial performance provides an overview of the City's financial activities for the fiscal year ended December 31, 2021. Please read it in conjunction with the City's financial statements.

**FINANCIAL HIGHLIGHTS**

- The City of Walsenburg's overall financial position continues to be strong, increasing by \$672 thousand (2.39%) during 2021.
- The assets of the City exceeded its liabilities at the close of 2021 by approximately \$29.86 million (net position). Of this amount, approximately \$5.11 million is unrestricted and may be used to meet the City's ongoing obligations to citizens and creditors.
- At December 31, 2021, the combined net position of the City's governmental activities was approximately \$10.86 million, an increase of approximately \$1.18 million, (see page 5 – Governmental Activities). The total governmental fund balance increased by approximately \$1.64 million. Of the \$5,259,064 fund balance, 59% is held in the Street Improvement fund, 21% is held in the Capital Improvement fund and the remaining 11% is in other non-major funds. The fund balance in the General Fund increased by \$342,958 in 2021. The Street Improvement fund balance increased by \$744,892 and the Capital Improvement fund balance increased by \$383,708.
- At December 31, 2021, the combined net position of the City's business-type activities was approximately \$19.00 million, a decrease of approximately \$506,000 (see page 4 – Business-type Activities).
- Total tax revenues, which include real property taxes and on-going sales and use tax remittances, increased by approximately \$510,000 (21%) over 2020 collections.

**USING THIS ANNUAL REPORT**

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

## CITY OF WALSENBURG, COLORADO

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### Management's Discussion and Analysis (*Continued*)

#### **Government-wide Financial Statements**

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

The ***statement of net position*** presents information on all of the City of Walsenburg's assets, deferred outflows of resources, liabilities and deferred inflows of resources, with the difference reported as net position. Over time, increases or decreases in net position may serve as a useful indicator of whether the financial position of the City of Walsenburg is improving or deteriorating.

The ***statement of activities*** presents information showing how the City of Walsenburg'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 reported in this statement for some items 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 Walsenburg 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 Walsenburg include general government, public safety (code enforcement), public works administration, streets, planning and economic development, and parks and recreation. The Business-type Activities of the City of Walsenburg include Gas, Water/Sewer and the Wild Waters Park.

The government-wide financial statements include only the City of Walsenburg.

#### **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. Some funds are required to be established by State law and bond covenants, however, City Council establishes other funds to help control and manage spendable resources for particular purposes (i.e. Street Improvement Fund). All of the City's funds can be divided into three categories: governmental funds, proprietary funds, and fiduciary funds.

***Governmental funds*** — Some important basic services are reported in governmental funds, which focus on how spendable resources flow into and out of those funds and the balances left at year-end that are available for future years. The funds are reported using an accounting method called modified accrual accounting,

## CITY OF WALSENBURG, COLORADO

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### Management's Discussion and Analysis (*Continued*)

which measures cash and all other financial assets that can readily be converted to cash. The governmental funds statements provide a detailed short-term view to cash, the governmental fund operations and the basic services it provides. Governmental fund information helps you determine whether there are more or fewer financial resources that can be spent in the near future to finance the City's programs. We describe the relationship (or differences) between governmental activities (reported in the Statement of Net Position and the Statement of Activities) and governmental funds in a reconciliation that accompanies the fund financial statements. Walsenburg's government funds are the following: General Fund, Capital Improvement Fund, Streets Improvement Fund, Northlands General Improvement District Fund, Downtown General Improvement District Fund and Conservation Trust Fund.

***Proprietary funds*** — The City maintains governmental proprietary funds as well as the business-type proprietary funds. Financial activity in these funds wholly comprises all relationships between the operational costs for the particular services each fund represents and all fees that are collected to compensate these service expenditures. Proprietary funds are reported in the same way that all activities are reported in the Statement of Net Position and the Statement of Activities. For the business-type propriety funds the City provides several utilities, or enterprise funds. All are reported in the government-wide statements, but more detail and additional information are provided in the fund statements including statements of cash flows. Walsenburg's proprietary funds are the Gas Fund, Water/Sewer Fund, Wild Waters Fund.

***Fiduciary funds*** — Resources held for the benefit of parties outside the government are reported in fiduciary funds. Fiduciary funds are not reflected in the government-wide financial statements because the resources of those funds are not available to support the City's operations. The accounting used for fiduciary funds is similar to that used for proprietary funds. The City maintains a Volunteer Firefighters' Pension Fund.

The basic fiduciary fund financial statements can be found within the basic financial statements, just before the Notes to the Financial Statements.

### **Notes to 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. The notes to the financial statements can be found immediately after the basic financial statements.

# CITY OF WALSENBURG, COLORADO

## Management's Discussion and Analysis (*Continued*)

### Other Supplementary Information

In addition to the basic financial statements and accompanying notes, this report also presents the combining statements for the City's non-major Governmental Funds. Schedules that compare actual revenues and expenditures/expenses to budgeted amounts are also included. Combining and individual fund statements and schedules can be found after the Notes in the financial section. Non-major government funds are the Northlands General Improvement District Fund, Downtown General Improvement District Fund and Conservation Trust Fund.

### FINANCIAL ANALYSIS OF THE CITY AS A WHOLE

As noted earlier, net assets may serve over time as a useful indicator of a government's financial position. For the City, assets plus deferred outflows of resources exceeded liabilities plus deferred inflows of resources by approximately \$29.86 million at the close of 2021. A condensed Statement of Net Position follows:

	Governmental Activities		Business-type Activities		Total Primary	
	2021	2020	2021	2020	2021	2020
Current and other assets	\$ 5,670,199	\$ 4,183,242	\$ 5,973,570	\$ 5,876,533	\$ 11,643,769	\$ 10,059,775
Capital assets	5,619,542	5,872,350	30,558,360	31,468,931	36,177,902	37,341,281
<b>Total Assets</b>	<b>11,289,741</b>	<b>10,055,592</b>	<b>36,531,930</b>	<b>37,345,464</b>	<b>47,821,671</b>	<b>47,401,056</b>
<b>Deferred Inflows of Resources</b>	<b>—</b>	<b>—</b>	<b>94,180</b>	<b>103,958</b>	<b>94,180</b>	<b>103,958</b>
Current liabilities	123,021	68,251	801,182	761,751	924,203	830,002
Long-term liabilities	14,943	32,046	16,446,385	17,183,325	16,461,328	17,215,371
<b>Total Liabilities</b>	<b>137,964</b>	<b>100,297</b>	<b>17,247,567</b>	<b>17,945,076</b>	<b>17,385,531</b>	<b>18,045,373</b>
<b>Deferred Inflows of Resources</b>	<b>288,114</b>	<b>270,985</b>	<b>—</b>	<b>—</b>	<b>288,114</b>	<b>270,985</b>
Net Position:						
Net investment in capital assets	5,593,853	5,846,661	14,261,913	14,480,434	19,855,766	20,327,095
Restricted	4,840,209	3,527,595	54,417	1,682,071	4,894,626	5,209,666
Unrestricted	429,601	310,054	4,681,544	3,341,841	5,111,145	3,651,895
<b>Total Net Position</b>	<b>\$ 10,863,663</b>	<b>\$ 9,684,310</b>	<b>\$ 18,997,874</b>	<b>\$ 19,504,346</b>	<b>\$ 29,861,537</b>	<b>\$ 29,188,656</b>

Restricted net position at the end of 2021 were \$4.89 million and are available only for specific projects as identified in the respective funding documents. Net investment in capital assets totaled \$19.86 million at December 31, 2021, leaving unrestricted net position of \$5.11 million, which may be used to meet the City's ongoing obligations to citizens and creditors.

The City continues to maintain positive net position for the primary government, as well as for the governmental and business-type activities.

# CITY OF WALSENBURG, COLORADO

## Management's Discussion and Analysis (Continued)

### CHANGES IN NET POSITION

The City's total revenues of \$7.14 million exceeded program expenditures of \$6.47 million. The total increase in net position for 2021 is approximately \$673 thousand.

	Governmental Activities		Business-type Activities		Total Primary	
	2021	2020	2021	2020	2021	2020
<b>Program Revenues:</b>						
Charges for services	\$ 164,122	\$ 117,372	\$ 3,483,911	\$ 3,564,973	\$ 3,648,033	\$ 3,682,345
Operating Grants	221,153	219,488	—	—	221,153	219,488
Capital Grants & Contribution	18,419	61,345	25,000	—	43,419	61,345
General Revenues:						
Taxes	2,953,024	2,443,193	—	—	2,953,024	2,443,193
Paid in lieu of taxes	204,521	217,683	—	—	204,521	217,683
Earnings on Investments	6,264	9,513	83,469	91,335	89,733	100,848
Other revenues (losses)	(24,041)	58,453	4,231	32,304	(19,810)	90,757
<b>Total Revenues</b>	<b>3,543,462</b>	<b>3,127,047</b>	<b>3,596,611</b>	<b>3,688,612</b>	<b>7,140,073</b>	<b>6,815,659</b>
<b>Program expenses:</b>						
General Government	729,746	426,519	—	—	729,746	426,519
Public Safety	714,217	714,281	—	—	714,217	714,281
Public works	466,873	400,308	—	—	466,873	400,308
Culture, parks and recreation	74,904	75,900	—	—	74,904	75,900
Economic Development	93,513	131,683	—	—	93,513	131,683
Debt Service						
Interest	2,965	1,139	—	—	2,965	1,139
Gas	—	—	1,253,799	1,150,024	1,253,799	1,150,024
Water/Sewer	—	—	3,050,864	2,710,444	3,050,864	2,710,444
Wild Waters	—	—	80,311	146,150	80,311	146,150
<b>Total Expenses</b>	<b>2,082,218</b>	<b>1,749,830</b>	<b>4,384,974</b>	<b>4,006,618</b>	<b>6,467,192</b>	<b>5,756,448</b>
Excess (deficiency) of revenue over expenditures	1,461,244	1,377,217	(788,363)	(318,006)	672,881	1,059,211
Transfers In (Out)	(281,891)	(280,000)	281,891	280,000	—	—
Change in net position	1,179,353	1,097,217	(506,472)	(38,006)	672,881	1,059,211
Beginning net position	9,684,310	8,587,093	19,504,346	19,542,352	29,188,656	28,129,445
Ending net position	\$ 10,863,663	\$ 9,684,310	\$ 18,997,874	\$ 19,504,346	\$ 29,861,537	\$ 29,188,656

### Governmental Activities

Governmental activities increased Walsenburg's net position by approximately \$1.18 million during the year 2021. This was largely due to tax revenues in the General Fund.

## CITY OF WALSENBURG, COLORADO

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### Management's Discussion and Analysis (*Continued*)

#### **Business-type Activities**

Business-type activities decreased Walsenburg's net position by \$506,472 during the year 2021. The gas, water/sewer and Wild Water funds generated net operating loss and a decrease in net position before fund transfers.

#### **Budgetary Highlights**

The City's budgets are prepared in accordance with the Colorado Revised Statutes.

Differences between the original and final budgets result from transfers between departments and supplemental appropriations made during the year. The transfers between departments are generally the result of the City's budget management process which monitors department budgets and the budget in total. The City Council, upon request of the City Administrator, may transfer funds from departments with anticipated budget surpluses to those with anticipated budget shortfalls. Transfers of this type have no impact on the budget in total.

- \$78,206 transferred to the Northlands GID Fund from the Capital Improvement Fund.
- \$281,891 transferred to the Water/Sewer Fund from the Capital Improvement Fund.
- \$12,289, the remaining fund balance, was transferred from the Downtown GID Fund to the General Fund as the City will no longer present the Downtown GID as a separate fund.

General Fund revenues in 2021 were greater than the anticipated budget by \$433,656 primarily due to additional payments in lieu of taxes and intergovernmental revenue that were not anticipated. General fund expenditures exceeded budgeted expenditures by \$258,732 primarily due to increased general government expenditures.

#### **Capital Asset and Debt Administration**

**Capital Assets** - The City of Walsenburg invested approximately \$214,000 and \$107,000 in capital assets for its governmental-type and business-type activities, respectively, during the year ended December 31, 2021. The City's total investment in land, buildings, equipment and vehicles is \$36.2 million city-wide after applying depreciation.

The City depreciates all capital assets except land utilizing straight-line depreciation applied to the useful life of each respective asset.

## **CITY OF WALSENBURG, COLORADO**

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### Management's Discussion and Analysis (*Continued*)

***Long-term Debt*** - At the end of 2021, the City has long-term debt totaling \$16.39 million which applies to business-type activities. The amount of principal scheduled to be retired in 2021 was approximately \$855,000, and all currently recorded debt should be retired by 2057.

### **Other Matters**

Factors which are expected to have a significant impact on the City's 2022 budget include:

*1. Tax revenues will provide a favorable result*

Sales taxes collections in 2021 increased over 2020 receipts due the consistent improving economy. This has reduced the pressure on the City to seek additional revenues to meet the needs of its citizens and is expected to continue to improve through 2022.

*2. Capital and Maintenance Initiatives*

A general assessment of repair and maintenance issues have been identified in all areas of the City. Priority will be given to water and sewer infrastructure, the water treatment plant, the filter media project based on State mandates, waste water treatment plant and streets and parks.

## **CONTACTING THE CITY'S FINANCIAL MANAGEMENT**

This financial report is designed to provide our citizens, taxpayers, customers and investors and creditors with a general overview of the City's finances and to show the City's accountability for the funds and assets it receives. If you have questions about this report, or should you need additional financial information, contact the City's Administrator at City of Walsenburg, 525 South Albert Street, Walsenburg, CO 81089, or at [cityadmin@walsenburg.org](mailto:cityadmin@walsenburg.org).

# CITY OF WALSENBURG, COLORADO

## STATEMENT OF NET POSITION

December 31, 2021

	Governmental Activities	Business-Type Activities	Total
<b>Assets and Deferred Outflows of Resources</b>			
<b>Assets</b>			
Cash and investments	\$ 4,923,038	\$ 2,996,653	\$ 7,919,691
Accounts receivable, net of allowance	421,452	563,855	985,307
Property tax receivable	294,915	—	294,915
Internal balances	(66,994)	66,994	—
Current portion of notes receivable	—	116,742	116,742
Prepaid expenses	97,788	106,484	204,272
Inventory	—	4,322	4,322
Restricted cash and cash equivalents	—	1,552,510	1,552,510
Noncurrent assets:			
Notes receivable	—	566,010	566,010
Capital assets, net	5,619,542	30,558,360	36,177,902
<b>Total Assets</b>	<b>11,289,741</b>	<b>36,531,930</b>	<b>47,821,671</b>
<b>Deferred Outflows of Resources</b>			
Deferred charges on refunding	—	94,180	94,180
<b>Liabilities and Deferred Inflows of Resources</b>			
<b>Liabilities</b>			
Accounts payable and accrued expenses	123,021	500,018	623,039
Deposits and escrows	—	301,164	301,164
Unearned grant revenue	—	380,669	380,669
Noncurrent liabilities:			
Due within one year	14,943	776,048	790,991
Due in more than one year	—	15,670,337	15,670,337
<b>Total Liabilities</b>	<b>137,964</b>	<b>17,628,236</b>	<b>17,766,200</b>
<b>Deferred Inflows of Resources</b>			
Deferred property taxes	288,114	—	288,114
<b>Total Deferred Inflows of Resources</b>	<b>288,114</b>	<b>—</b>	<b>288,114</b>
<b>Net Position</b>			
Net investment in capital assets	5,593,853	14,261,913	19,855,766
Restricted for:			
Emergencies	61,000	—	61,000
Capital Improvements	4,201,713	—	4,201,713
Debt service	505,929	54,417	560,346
Parks & recreation	71,567	—	71,567
Unrestricted	429,601	4,681,544	5,111,145
<b>Total Net Position</b>	<b>\$ 10,863,663</b>	<b>\$ 18,997,874</b>	<b>\$ 29,861,537</b>

See the notes to the financial statements.

**CITY OF WALSENBURG, COLORADO**

STATEMENT OF ACTIVITIES  
For the Year Ended December 31, 2021

Functions/Programs	Expenses	Program Revenues			Net Revenue (Expense) and Changes in Net Position		Total
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Governmental Activities	Business- Type Activities	
Primary government:							
Governmental activities:							
General government	\$ 729,746	\$ 147,872	\$ 82,871	\$ —	\$ (499,003)	\$ —	\$ (499,003)
Public safety	714,217	2,698	138,282	—	(573,237)	—	(573,237)
Public works	466,873	13,552	—	—	(453,321)	—	(453,321)
Culture, parks and recreation	74,904	—	—	18,419	(56,485)	—	(56,485)
Economic Development	93,513	—	—	—	(93,513)	—	(93,513)
Interest on long-term debt	2,965	—	—	—	(2,965)	—	(2,965)
<b>Total Governmental Activities</b>	<b>2,082,218</b>	<b>164,122</b>	<b>221,153</b>	<b>18,419</b>	<b>(1,678,524)</b>	<b>—</b>	<b>(1,678,524)</b>
Business-type activities:							
Gas	1,253,799	1,050,296	—	—	—	(203,503)	(203,503)
Water & Sewer	3,050,864	2,433,615	—	25,000	—	(592,249)	(592,249)
Water park	80,311	—	—	—	—	(80,311)	(80,311)
<b>Total Business-Type Activities</b>	<b>4,384,974</b>	<b>3,483,911</b>	<b>—</b>	<b>25,000</b>	<b>—</b>	<b>(876,063)</b>	<b>(876,063)</b>
<b>Total Primary Government</b>	<b>\$ 6,467,192</b>	<b>\$ 3,648,033</b>	<b>\$ 221,153</b>	<b>\$ 43,419</b>	<b>(1,678,524)</b>	<b>(876,063)</b>	<b>(2,554,587)</b>
<b>General Revenues</b>							
Taxes:							
Property taxes					298,898	—	298,898
Specific ownership taxes					30,880	—	30,880
Sales and use taxes					2,352,108	—	2,352,108
Franchise taxes					140,554	—	140,554
Other taxes					130,584	—	130,584
Paid in lieu of taxes					204,521	—	204,521
Earnings on investments					6,264	83,469	89,733
Other revenues (losses)					(24,041)	4,231	(19,810)
<b>Transfers</b>					(281,891)	281,891	—
<b>Total General Revenues and Transfers</b>					<b>2,857,877</b>	<b>369,591</b>	<b>3,227,468</b>
<b>Changes in Net Position</b>					<b>1,179,353</b>	<b>(506,472)</b>	<b>672,881</b>
<b>Net Position at Beginning of Year</b>					<b>9,684,310</b>	<b>19,504,346</b>	<b>29,188,656</b>
<b>Net Position at End of Year</b>					<b>\$ 10,863,663</b>	<b>\$ 18,997,874</b>	<b>\$ 29,861,537</b>

**CITY OF WALSENBURG, COLORADO**

**BALANCE SHEET  
GOVERNMENTAL FUNDS  
December 31, 2021**

	Capital Projects			Nonmajor Governmental Funds	Total Governmental Funds
	General	Capital Improvement	Street Improvement		
<b>Assets</b>					
Cash and investments	\$ 548,934	\$ 1,045,521	\$ 2,756,560	\$ 572,023	\$ 4,923,038
Accounts receivable	208,367	98,600	98,600	15,885	421,452
Property tax receivable	294,915	—	—	—	294,915
Due from other funds	333,455	1,261,342	233,683	96,625	1,925,105
Prepaid items	97,788	—	—	—	97,788
<b>Total Assets</b>	<b>\$ 1,483,459</b>	<b>\$ 2,405,463</b>	<b>\$ 3,088,843</b>	<b>\$ 684,533</b>	<b>\$ 7,662,298</b>
<b>Liabilities, Deferred Inflows of Resources And Fund Balances</b>					
<b>Liabilities</b>					
Accounts payable	\$ 22,443	\$ —	\$ —	\$ —	\$ 22,443
Accrued liabilities	100,577	—	—	—	100,577
Due to other funds	580,181	1,304,882	—	107,037	1,992,100
<b>Total Liabilities</b>	<b>703,201</b>	<b>1,304,882</b>	<b>—</b>	<b>107,037</b>	<b>2,115,120</b>
<b>Deferred Inflows Of Resources</b>					
Unavailable property tax revenue	288,114	—	—	—	288,114
<b>Fund Balances</b>					
Nonspendable	97,788	—	—	—	97,788
Restricted for emergencies	61,000	—	—	—	61,000
Restricted for capital improvements	12,289	1,100,581	3,088,843	—	4,201,713
Restricted for parks & recreation	—	—	—	71,567	71,567
Restricted for debt service	—	—	—	505,929	505,929
Unassigned	321,067	—	—	—	321,067
<b>Total Fund Balances</b>	<b>492,144</b>	<b>1,100,581</b>	<b>3,088,843</b>	<b>577,496</b>	<b>5,259,064</b>
<b>Total Liabilities, Deferred Inflows of Resources and Fund Balances</b>	<b>\$ 1,483,459</b>	<b>\$ 2,405,463</b>	<b>\$ 3,088,843</b>	<b>\$ 684,533</b>	<b>\$ 7,662,298</b>

See the notes to the financial statements.

**CITY OF WALSENBURG, COLORADO**  
**RECONCILIATION OF THE GOVERNMENTAL FUNDS**  
**BALANCE SHEET WITH THE GOVERNMENT-WIDE**  
**STATEMENT OF NET POSITION**  
**December 31, 2021**

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**Total Fund Balances - Governmental Funds** \$ 5,259,064

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

Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the fund financial statements, but are reported in the governmental activities of the statement of net position.

Capital assets	\$ 8,726,009	
Less: Accumulated depreciation	<u>(3,106,467)</u>	5,619,542

Long-term liabilities are not due and payable from current financial resources and, therefore, are not reported as liabilities on the fund financial statements. Long-term liabilities at year end consist of:

Accrued compensated absences	<u>(14,943)</u>
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**Total Net Position of Governmental Activities** \$ 10,863,663

**CITY OF WALSENBURG, COLORADO**

**STATEMENT OF REVENUES, EXPENDITURES AND  
CHANGE IN FUND BALANCES -  
GOVERNMENTAL FUNDS  
For The Year Ended December 31, 2021**

	Capital Projects			Nonmajor Governmental Funds	Total Governmental Funds
	General	Capital Improvement	Street Improvement		
<b>Revenues</b>					
Taxes	\$ 1,574,354	\$ 743,069	\$ 743,069	\$ 2,309	\$ 3,062,801
Licenses and permits	143,372	—	—	—	143,372
Intergovernmental	270,282	—	—	18,419	288,701
Grants and contributions	—	—	—	82,871	82,871
Fines and forfeitures	2,698	—	—	—	2,698
Charges for services	4,500	—	—	—	4,500
Paid in lieu of taxes	204,521	—	—	—	204,521
Earnings on investments	1,365	867	1,823	2,209	6,264
Miscellaneous	14,906	—	—	—	14,906
<b>Total Revenues</b>	<b>2,215,998</b>	<b>743,936</b>	<b>744,892</b>	<b>105,808</b>	<b>3,810,634</b>
<b>Expenditures</b>					
Current:					
General government	563,633	—	—	—	563,633
Public safety	714,217	—	—	—	714,217
Public works	404,964	131	—	—	405,095
Economic Development	93,513	—	—	—	93,513
Culture, parks and recreation	80,348	—	—	—	80,348
Debt service					
Principal	25,689	—	—	—	25,689
Interest	2,965	—	—	—	2,965
<b>Total Expenditures</b>	<b>1,885,329</b>	<b>131</b>	<b>—</b>	<b>—</b>	<b>1,885,460</b>
<b>Excess of Revenues Over Expenditures</b>	<b>330,669</b>	<b>743,805</b>	<b>744,892</b>	<b>105,808</b>	<b>1,925,174</b>
<b>Other Financing Sources (Uses)</b>					
Transfers in	12,289	—	—	78,206	90,495
Transfers out	—	(360,097)	—	(12,289)	(372,386)
<b>Total Other Financing Sources (Uses)</b>	<b>12,289</b>	<b>(360,097)</b>	<b>—</b>	<b>65,917</b>	<b>(281,891)</b>
<b>Net Change in Fund Balances</b>	<b>342,958</b>	<b>383,708</b>	<b>744,892</b>	<b>171,725</b>	<b>1,643,283</b>
<b>Fund Balance at Beginning of Year</b>	<b>149,186</b>	<b>716,873</b>	<b>2,343,951</b>	<b>405,771</b>	<b>3,615,781</b>
<b>Fund Balance at End of Year</b>	<b>\$ 492,144</b>	<b>\$ 1,100,581</b>	<b>\$ 3,088,843</b>	<b>\$ 577,496</b>	<b>\$ 5,259,064</b>

See the notes to the financial statements.

**CITY OF WALSENBURG, COLORADO**

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**RECONCILIATION OF THE GOVERNMENTAL FUND STATEMENT OF  
REVENUES, EXPENDITURES AND CHANGE IN FUND BALANCES  
WITH THE GOVERNMENT-WIDE STATEMENT OF ACTIVITIES  
For The Year Ended December 31, 2021**

**Total Net Change in Fund Balance - Governmental Funds** \$ 1,643,283

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

Capital outlays to purchase or build capital assets are reported in governmental funds as expenditures. However, in the statement of activities, the cost of those capital assets is allocated over their estimated useful lives and reported as depreciation expense in the current period.

Depreciation expense	\$ (213,858)	
Net book value of assets disposed	<u>(38,950)</u>	(252,808)

Repayment of long-term debt principal is an expenditure in the governmental funds, but the payment reduces long-term liabilities in the statement of net position. 25,689

Some 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.

Change in accrued compensated absences (8,586)

Deferred inflows of resources for amounts not received within the availability period are not reported as revenue in the governmental funds, negative amounts reflect revenue reported in the governmental funds that has previously been recognized in the statement of activities (228,225)

**Change in Net Position of Governmental Activities** \$ 1,179,353

**CITY OF WALSENBURG, COLORADO**

**STATEMENT OF NET POSITION -  
PROPRIETARY FUNDS  
December 31, 2021**

	<b>Business-Type Activities</b>			<b>Total</b>
	<b>Gas</b>	<b>Water &amp; Sewer</b>	<b>Non-Major</b>	
			<b>Wild Waters</b>	
<b>Assets</b>				
<b>Current Assets</b>				
Cash and investments	\$ 1,879,010	\$ 1,117,643	\$ —	\$ 2,996,653
Accounts receivable, net of allowance	157,278	406,577	—	563,855
Due from other funds	375,639	1,956,603	—	2,332,242
Current portion of notes receivable	—	116,742	—	116,742
Prepaid expenses	27,851	77,880	753	106,484
Inventory	4,322	—	—	4,322
Restricted cash and investments	—	1,552,510	—	1,552,510
<b>Total Current Assets</b>	<b>2,444,100</b>	<b>5,227,955</b>	<b>753</b>	<b>7,672,808</b>
<b>Noncurrent Assets</b>				
Notes receivable	—	566,010	—	566,010
Capital assets, being depreciated	1,557,110	23,887,757	1,412,600	26,857,467
Capital assets, not being depreciated	35,500	3,592,292	73,101	3,700,893
<b>Total Noncurrent Assets</b>	<b>1,592,610</b>	<b>28,046,059</b>	<b>1,485,701</b>	<b>31,124,370</b>
<b>Total Assets</b>	<b>4,036,710</b>	<b>33,274,014</b>	<b>1,486,454</b>	<b>38,797,178</b>
<b>Deferred Outflows</b>				
Deferred charges on refunding	—	94,180	—	94,180
<b>Liabilities</b>				
<b>Current Liabilities</b>				
Due to other funds	267,796	1,511,697	485,755	2,265,248
Accounts payable	231,035	54,636	1,460	287,131
Accrued expenses	22,070	190,817	—	212,887
Deposits and escrows	177,943	123,221	—	301,164
Accrued compensated absences	33,906	21,852	—	55,758
Unearned grant revenue	—	380,669	—	380,669
Current portion of long-term debt	—	720,290	—	720,290
<b>Total Current Liabilities</b>	<b>732,750</b>	<b>3,003,182</b>	<b>487,215</b>	<b>4,223,147</b>
<b>Noncurrent Liabilities</b>				
Long-term debt	—	15,670,337	—	15,670,337
<b>Total Liabilities</b>	<b>732,750</b>	<b>18,673,519</b>	<b>487,215</b>	<b>19,893,484</b>
<b>Net Position</b>				
Net investment in capital assets	1,592,610	11,183,602	1,485,701	14,261,913
Restricted	—	54,417	—	54,417
Unrestricted	1,711,350	3,456,656	(486,462)	4,681,544
<b>Total Net Position</b>	<b>\$ 3,303,960</b>	<b>\$ 14,694,675</b>	<b>\$ 999,239</b>	<b>\$ 18,997,874</b>

**CITY OF WALSENBURG, COLORADO**

**STATEMENT OF REVENUES, EXPENSES AND  
CHANGES IN NET POSITION -  
PROPRIETARY FUNDS**

**For The Year Ended December 31, 2021**

	<b>Business-Type Activities</b>				
		<b>Non-Major</b>			
		<b>Gas</b>	<b>Water &amp; Sewer</b>	<b>Wild Waters</b>	
<b>Operating Revenues</b>					
Charges for services	\$ 1,045,765	\$ 2,362,915	\$ —	\$	\$ 3,408,680
Miscellaneous	—	4,231	—	—	4,231
<b>Total Operating Revenues</b>	<b>1,045,765</b>	<b>2,367,146</b>	<b>—</b>	<b>—</b>	<b>3,412,911</b>
<b>Operating Expenses</b>					
Personnel services	356,171	602,018	5,179		963,368
Administrative/office expenses	33,046	53,112	—		86,158
Contract services	25,855	127,507	—		153,362
Commodity charges	528,342	—	—		528,342
Utilities	27,080	247,460	7,622		282,162
Repairs and maintenance	17,213	240,491	4,521		262,225
Other supplies and expenses	65,548	322,545	32		388,125
Insurance expense	26,047	52,096	—		78,143
Payment in lieu of taxes	62,746	141,775	—		204,521
Depreciation	111,751	842,460	62,957		1,017,168
<b>Total Operating Expenses</b>	<b>1,253,799</b>	<b>2,629,464</b>	<b>80,311</b>		<b>3,963,574</b>
<b>Operating Income (Loss)</b>	<b>(208,034)</b>	<b>(262,318)</b>	<b>(80,311)</b>		<b>(550,663)</b>
<b>Nonoperating Revenues (Expenses)</b>					
Investment income	9,336	74,133	—		83,469
Tap fees	4,531	70,700	—		75,231
Interest expense	—	(421,400)	—		(421,400)
<b>Total Nonoperating Revenues (Expenses)</b>	<b>13,867</b>	<b>(276,567)</b>	<b>—</b>		<b>(262,700)</b>
<b>Capital Contributions and Transfers</b>					
Capital contributions	—	25,000	—		25,000
Transfers in	—	281,891	—		281,891
<b>Change in Net Position</b>	<b>(194,167)</b>	<b>(231,994)</b>	<b>(80,311)</b>		<b>(506,472)</b>
<b>Net Position at Beginning of Year</b>	<b>3,498,127</b>	<b>14,926,669</b>	<b>1,079,550</b>		<b>19,504,346</b>
<b>Net Position at End of Year</b>	<b>\$ 3,303,960</b>	<b>\$ 14,694,675</b>	<b>\$ 999,239</b>	<b>\$</b>	<b>\$ 18,997,874</b>

# CITY OF WALSENBURG, COLORADO

## STATEMENT OF CASH FLOWS - PROPRIETARY FUNDS For The Year Ended December 31, 2021

	Business-Type Activities			Total
	Gas	Water & Sewer	Non-Major Wild Waters	
<b>Cash Flows from Operating Activities</b>				
Cash received from customers	\$ 1,115,835	\$ 2,462,858	\$ —	\$ 3,578,693
Cash payments to suppliers	(781,798)	(1,265,801)	(13,265)	(2,060,864)
Cash payments to employees	(370,924)	(583,322)	(5,179)	(959,425)
<b>Net Cash Provided by (Used in) Operating Activities</b>	<b>(36,887)</b>	<b>613,735</b>	<b>(18,444)</b>	<b>558,404</b>
<b>Cash Flows from Noncapital Financing Activities</b>				
Cash from other funds	192,075	561,774	18,444	772,293
Cash to other funds	—	(662,560)	—	(662,560)
<b>Net Cash Provided by (Used in) Noncapital Financing Activities</b>	<b>192,075</b>	<b>(100,786)</b>	<b>18,444</b>	<b>109,733</b>
<b>Cash Flows from Capital and Related Financing Activities</b>				
Capital contributions	4,531	476,369	—	480,900
Principal paid on debt	—	(701,828)	—	(701,828)
Interest paid on debt	—	(414,870)	—	(414,870)
Acquisition of capital assets	—	(106,597)	—	(106,597)
<b>Net Cash Used in Capital and Related Financing Activities</b>	<b>4,531</b>	<b>(746,926)</b>	<b>—</b>	<b>(742,395)</b>
<b>Cash Flows from Investing Activities</b>				
Earnings on investments	9,336	74,133	—	83,469
<b>Net Cash Provided by (Used in) Investing Activities</b>	<b>9,336</b>	<b>74,133</b>	<b>—</b>	<b>83,469</b>
<b>Net Change in Cash and Cash Equivalents</b>	<b>169,055</b>	<b>(159,844)</b>	<b>—</b>	<b>(131,645)</b>
<b>Cash and Cash Equivalents at Beginning of Year</b>	<b>1,709,955</b>	<b>2,829,997</b>	<b>—</b>	<b>4,539,952</b>
<b>Cash and Cash Equivalents at End of Year</b>	<b>\$ 1,879,010</b>	<b>\$ 2,670,153</b>	<b>\$ —</b>	<b>\$ 4,549,163</b>
Cash and investments	\$ 1,879,010	\$ 1,117,643	\$ —	\$ 2,996,653
Restricted cash and investments	—	1,552,510	—	1,552,510
<b>Total Cash and Cash Equivalents</b>	<b>\$ 1,879,010</b>	<b>\$ 2,670,153</b>	<b>\$ —</b>	<b>\$ 4,549,163</b>
<b>Reconciliation of Operating Income (Loss) to Net Cash Provided by (Used in) Operating Activities</b>				
Operating income (loss):	\$ (208,034)	\$ (262,318)	\$ (80,311)	\$ (550,663)
Adjustments to reconcile operating income (loss) to net cash provided by (used in) operating activities:				
Depreciation expense	111,751	842,460	62,957	1,017,168
(Increase) decrease in:				
Receivables	70,070	95,712	—	165,782
Prepaid expenses	(27,360)	(54,718)	628	(81,450)
Increase (decrease) in:				
Accounts payable	26,499	(30,782)	(1,718)	(6,001)
Accrued expenses	(14,753)	18,696	—	3,943
Deposits and escrows	4,940	4,685	—	9,625
<b>Net Cash Provided by (Used in) Operating Activities</b>	<b>\$ (36,887)</b>	<b>\$ 613,735</b>	<b>\$ (18,444)</b>	<b>\$ 558,404</b>

See notes to the financial statements.

# CITY OF WALSENBURG, COLORADO

## STATEMENT OF FIDUCIARY NET POSITION

December 31, 2021

	<b>Volunteer Firefighters' Pension Fund</b>
<b>Assets</b>	
Cash and investments	\$ 25,020
<b>Total Assets</b>	<u>25,020</u>
<b>Liabilities</b>	
Accounts Payable	(450)
<b>Total Liabilities</b>	<u>(450)</u>
<b>Net Position</b>	
Net position held in trust for pension benefits	<u>25,470</u>
<b>Total Net Position</b>	<u>\$ 25,470</u>

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

# CITY OF WALSENBURG, COLORADO

## STATEMENT OF CHANGES IN FIDUCIARY NET POSITION For The Year Ended December 31, 2021

	<b>Volunteer Firefighters' Pension Fund</b>
<b>Additions</b>	
Earnings on investments	\$ 514
<b>Total Additions</b>	<u>514</u>
<b>Deductions</b>	
Benefits paid	<u>4,275</u>
<b>Total Deductions</b>	<u>4,275</u>
<b>Change in Net Position</b>	(3,761)
<b>Net Position at Beginning of Year</b>	<u>29,231</u>
<b>Net Position at End of Year</b>	<u>\$ 25,470</u>

# CITY OF WALSENBURG, COLORADO

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## NOTES TO FINANCIAL STATEMENTS

December 31, 2021

### 1. Summary of Significant Accounting Policies

The City of Walsenburg, Colorado (the City), a municipal corporation, as defined by Colorado Revised Statutes (CRS), was established in 1873. 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 is located in Huerfano County, Colorado, and its major operations include police protection, road maintenance, utilities and culture and recreation.

The City's financial statements are prepared in accordance with accounting principles generally accepted in the United States of America (GAAP). The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting and financial reporting principles. The more significant of the City's accounting policies are described below.

#### **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 either it is able to impose its will on that organization or there is a potential for the organization to provide specific financial benefits to, or to impose specific financial burdens on, the 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.

## **CITY OF WALSENBURG, COLORADO**

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### Notes To Financial Statements (*Continued*)

Based on the criteria above, the City has two component units. The Northlands General Improvement District (the Northlands GID) has the power to acquire, construct or install public improvements within its own boundaries and to finance such improvements by levying a general property tax upon the benefiting property. The Northlands GID is a blended component unit presented as a nonmajor debt service fund. The Walsenburg General Improvement District (the Downtown GID) is a blended component unit and is presented herein as a nonmajor special revenue fund. Each district is an entity which is legally separate from the City. The City Council, as required by state statute, sits as the Board of Directors for both districts. Services provided by each district are entirely for the benefit of the citizens of that district. The fiscal year end for both districts is December 31.

The City is not considered a component unit of any other government.

### **Basis of Presentation**

#### *Government-Wide Financial Statements*

The government-wide financial statements (i.e., the statement of net position and the statement of activities) report information on all of the activities of the City. For the most part, the effect of interfund activity has been removed from these statements. Governmental activities, which normally are supported by taxes, charges for services and intergovernmental revenues, are reported separately from business-type activities, which rely to a significant extent on user charges for support.

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

#### *Fund Financial Statements*

Fund financial statements report detailed information about the City. The focus of governmental and enterprise fund financial statements is on major funds, rather than reporting funds by type. Each major fund is presented in a separate column. Nonmajor funds are aggregated and presented in a single column.

## CITY OF WALSENBURG, COLORADO

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### Notes To Financial Statements (*Continued*)

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

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

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 City considers revenues to be available if they are collected within 60 days of the end of the current fiscal period. Expenditures generally are recognized when a liability is incurred, as under accrual accounting. However, debt service expenditures, as well as expenditures related to compensated absences and claims and judgments, are recognized only when payments are due.

Sales taxes, intergovernmental grants and investment income associated with the current fiscal period are all considered to be susceptible to accrual and so have been recognized as revenues of the current fiscal period. All other revenue items are considered to be measurable and available only when cash is received by the City.

Governmental funds are used to account for all or most of a government's general activities, including the collection and disbursement of earmarked funds (special revenue funds) and the capital projects funds. The following are the City's major and nonmajor 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 *Street Improvement Fund* is a major fund, categorized as a capital projects fund used to fund maintenance and/or capital outlay relating specifically to street improvements, supported by a designated 1.0% sales tax.

The *Capital Improvement Fund* is a major fund, categorized as a capital projects fund that is used to account for capital projects that are supported by a 1.0% sales tax, appropriations and/or advances from the General Fund or donations from private or public sources.

## CITY OF WALSENBURG, COLORADO

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### Notes To Financial Statements (*Continued*)

The *Northlands GID Fund* is a nonmajor fund, categorized as a debt service fund because it accounts for the resources used to repay the Water/Sewer Fund for the debt incurred related to sewer capital assets constructed within the district's boundaries.

The *Downtown GID Fund (formerly the Walsenburg General Improvement District)*, a nonmajor special revenue fund, accounts for assets and earnings restricted for the use of specific purposes. This fund was dissolved into the General Fund at the end of 2021.

The *Conservation Trust Fund*, a nonmajor special revenue fund, accounts for lottery proceeds required to be expended solely on park and recreation activities.

Proprietary funds focus on the determination of the changes in net position, financial position and cash flows and are classified as enterprise funds or internal service funds. Enterprise funds may be used to account for any activity for which a fee is charged to external users for goods or services. The City reports the following proprietary or business-type funds:

The *Water & Sewer Fund* is a major enterprise fund used to account for the purchase and delivery of water to the citizens and the sewer operations of the City.

The *Gas Fund* is a major enterprise fund used to account for the purchase and delivery of natural gas to the citizens of the City.

The *Wild Waters Fund* is a nonmajor enterprise fund used to account for the membership, admissions and concessions revenues received by the City for the operation of a seasonal municipal swimming pool and water park.

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 a proprietary

## **CITY OF WALSENBURG, COLORADO**

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### Notes To Financial Statements (*Continued*)

fund's principal ongoing operations. Cost reimbursement grants are recorded as unearned revenue when proceeds are received in advance.

Fiduciary funds are used to account for assets held by the City in a trustee capacity or as an agent for individuals, private organizations and other governments and for other funds. The City reports the following fiduciary fund that is not included in the government-wide statements since the resources of the fund are not available to the City:

The *Volunteer Firefighters' Pension Fund* accounts for the volunteer firefighters' pension investments.

#### **Cash and Cash Equivalents**

Cash and cash equivalents include cash on hand, demand deposits and participation in local government investment pools. All cash equivalents have an original maturity date of less than three months. Cash balances from different funds are combined and invested to the extent possible in local government investment pools.

To improve cash management, cash received by the City is pooled and invested. Monies for all funds are maintained in this pool. Individual fund integrity is maintained through the City's records. Investments of the City's cash management pool and investments with an original maturity of three months or less at the time they are purchased by the City are presented on the financial statements as cash equivalents. Investments with an initial maturity of more than three months that were not purchased from the pool are reported as investments.

#### **Investments**

Investments are stated at fair value based on quoted market values, with the exception of certificates of deposit. These are stated at cost plus accrued interest, which approximates fair value.

#### **Accounts Receivable**

Receivables are reported net of an allowance for uncollectible accounts. The City writes off bad debts when accounts are deemed uncollectible. Receivables are reviewed annually to determine accounts that should be written off and to make any adjustments to allowance for doubtful accounts. As of December 31, 2021, the City had an allowance for uncollectible accounts relating to the Water/Sewer Fund of \$5,500 and Gas Fund of \$4,874, totaling \$10,374.

## **CITY OF WALSENBURG, COLORADO**

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### Notes To Financial Statements (*Continued*)

#### **Property Taxes**

Annual property taxes are levied and assessed on January 1 and are certified by the City by November 1 of the current year. On January 1 of the following year, the County Treasurer bills the property owners, thus establishing an enforceable lien on the property. The County Treasurer also collects the property taxes and remits the collections on a monthly basis to the City. The City recognizes a receivable, net of estimated uncollectible accounts, for property tax levied upon certification by the County Treasurer. Property taxes are recognized as revenue in the year in which they are intended to finance operating expenses. Therefore, a deferred inflow of resources is recorded in the same amount since the taxes are not available at year end to fund expenditures of the current year.

#### **Inventory**

Inventory consists of supplies for the City's use and, in the Gas Fund, natural gas held in storage. Inventories are carried at the lower of cost or market using the first-in, first-out method.

#### **Capital Assets**

Capital assets, which include land, land improvements, distribution systems, buildings, equipment and vehicles, 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 \$4,000 or more and an estimated useful life in excess of one year for all assets. Such assets are recorded at historical cost. Donated capital assets are recorded at acquisition value at the date of donation.

The costs of normal maintenance and repairs that do not add to the value of the asset or materially extend asset lives are not capitalized. Improvements are capitalized and depreciated over the remaining useful lives of the related fixed assets, as applicable.

Capital outlay for business-type activities projects are 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.

## CITY OF WALSENBURG, COLORADO

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### Notes To Financial Statements (*Continued*)

Capital assets are depreciated using the straight-line method over the following estimated useful lives:

<u>Asset Description</u>	<u>Years</u>
Land	N/A
Utility plant	40
Streets	40
Buildings and improvements	15 - 40
Equipment and furniture	3 - 15
Software	3 - 5

### **Deferred Outflows and Inflows of Resources**

In addition to assets, the statement of net position and governmental funds balance sheet will sometimes include a separate section for deferred outflows of resources. This separate financial statement element represents a consumption of net position that applies to a future period or periods and so will not be recognized as an outflow of resources until then, such as deferred charges related to debt refunding.

In addition to liabilities, the statement of net position and governmental funds balance sheet will sometimes include a separate section for deferred inflows of resources. This separate financial statement element represents an acquisition of net position that applies to a future period or periods and so will not be recognized as an inflow of resources until then. On the modified accrual basis of accounting, the City has recorded certain receivables where the related revenue is unavailable. Unavailable revenues have been reported as deferred inflows of resources on the governmental fund balance sheet. Property taxes levied in the subsequent year in which they are intended to finance operating expenses were recorded as deferred inflows of resources for governmental activities on the government-wide statement of net position.

### **Accrued Compensated Absences Payable**

In accordance with accounting standards, vested or accumulated vacation pay that is expected to be liquidated with expendable available financial resources is reported as an expenditure and a fund liability of the governmental fund that will pay it. Amounts of vested or accumulated vacation pay that are not expected to be liquidated with expendable available financial resources are reported on the government-wide financial statements and the enterprise fund financial statements. Compensated absences are reported in governmental funds only if they have matured.

## **CITY OF WALSENBURG, COLORADO**

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### Notes To Financial Statements (*Continued*)

#### **Accrued Liabilities and Long-Term Obligations**

All payables, accrued liabilities and long-term obligations are reported in the government-wide financial statement, and all payables, accrued liabilities and long-term obligations payable from proprietary funds are reported in the proprietary fund financial statements.

In general, payables and accrued liabilities that will be paid from governmental funds are reported on the governmental fund financial statements if they will be liquidated with current resources. Bonds and other long-term obligations that will be paid from governmental funds are not recognized as a liability in the fund financial statements until due.

#### **Bond Premium and Debt Issuance Costs**

In the government-wide and proprietary fund financial statements, bond premiums and discounts are deferred and amortized over the life of the bonds using a method which approximates the effective interest method. Bonds payable are reported net of the applicable bond premium or discount. Bond issuance costs are expensed in the period in which the debt is issued.

In the fund financial statements, governmental fund types recognize bond premiums and discounts, as well as bond issuance costs, during the period in which the debt is issued. The face amount of debt issued and any related premiums or discounts are reported as other financing sources/uses. Issuance costs, whether or not withheld from the actual debt proceeds received, are reported as debt service expenditures during the year they are incurred.

#### **Fund Balance and Net Position**

In the government-wide and proprietary fund financial statements, net position is classified in the following categories:

*Net Investment in Capital Assets* - This category groups all capital assets, including infrastructure, into one component of net position. Accumulated depreciation and the outstanding balances of debt that are attributable to the acquisition, construction or improvement of these assets reduce this category.

*Restricted Net Position* - This category presents external restrictions imposed by creditors, grantors, contributors or laws or regulations of other governments and restrictions imposed by law through constitutional provisions or enabling legislation.

## CITY OF WALSENBURG, COLORADO

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### Notes To Financial Statements (*Continued*)

*Unrestricted Net Position* - This category represents the net position of the City which is not restricted for any project or other purpose. A deficit will require future funding.

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.

Accounting standards define the different types of fund balances that a governmental entity must use for governmental fund financial reporting purposes. These standards require the fund balance amounts to be reported within one of the categories listed below:

*Nonspendable Fund Balance* - cannot ever be spent, such as fund balance associated with inventories, prepaid items, long-term loans and notes receivable and property held for resale (unless the proceeds are restricted, committed or assigned).

*Restricted Fund Balance* - indicates constraints placed on the use of resources are either (a) externally imposed by creditors (such as through debt covenants), grantors, contributors or laws or regulations of other governments or (b) imposed by law through constitutional provisions or enabling legislation.

*Committed Fund Balance* - includes amounts that can be used only for the specific purposes determined by a resolution approved by the City Council.

*Assigned Fund Balance* - intended to be used by the government for specific purposes but do not meet the criteria to be classified as restricted or committed. Assigned fund balance allows City Council to delegate the authority to spend to the City Manager or designee.

*Unassigned Fund Balance* - the residual classification for the government's General Fund and includes all spendable amounts not contained in the other classifications.

Based on the definitions above, the City only has nonspendable, restricted and unassigned fund balances. When both restricted and unassigned resources are available for use, it is the City's policy to use restricted resources first, then unassigned resources as they are needed.

## **CITY OF WALSENBURG, COLORADO**

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### Notes To Financial Statements (*Continued*)

#### **Interfund Transactions**

Interfund services provided and used are accounted for as revenues, expenditures or expenses. Transactions that constitute reimbursements to a fund for expenditures/expenses initially made from it that are properly applicable to another fund are recorded as expenditures/expenses in the reimbursing fund and as reductions of expenditures/expenses in the fund that is reimbursed. All other interfund transactions are reported as transfers.

#### **Use of Estimates**

The preparation of financial statements in conformity with GAAP requires the City's management to make estimates and assumptions that affect the reported amounts of assets and liabilities, the disclosure of contingent assets and liabilities at the date of the financial statements and the reported amount of revenues and expenditures or expenses during the reporting period. Actual results could differ from those estimates.

#### **New Accounting Standards**

The GASB issued Statement No. 95, Postponement of the Effective Dates of Certain Authoritative Guidance in May 2020. The objective of GASB 95 is to postpone effective dates to provide temporary relief in light of the COVID-19 pandemic. The effective date of the following pronouncement is postponed by 18 months: Statement No. 87, Leases. The City has elected to delay implementation of this standard in accordance with Standard No. 95.

## CITY OF WALSENBURG, COLORADO

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### Notes To Financial Statements *(Continued)*

#### 2. Cash and Investments

The composition of the City's cash and cash equivalents, including restricted cash on December 31, 2021, is as follows:

Cash on hand	\$	370
Cash deposits		5,503,778
Certificates of deposit		245,279
Local government investment pools		<u>3,747,794</u>
<b>Total</b>	\$	<u><u>9,497,221</u></u>

The above amounts are classified in the government-wide statement of net position and in the fiduciary statement of net position as follows:

Cash and investments	\$	7,919,691
Restricted cash and investments		1,552,510
Fiduciary cash and investments		<u>25,020</u>
<b>Total</b>	\$	<u><u>9,497,221</u></u>

**Custodial Credit Risk - Deposits**

There is the risk that, in the event of failure of a depository financial institution, a government will not be able to recover its deposits. The City's deposit policy is in accordance with CRS 11-10.5-101, the Colorado Public Deposit Protection Act (PDPA), which governs the investment of public funds. PDPA requires that all units of local government deposit cash in eligible public depositories. Eligibility is determined by state regulations. Amounts on deposit in excess of federal insurance limits must be collateralized by eligible collateral as determined by PDPA. The financial institution is allowed to create a single collateral pool for all public funds held. The pool is maintained by another institution or held in trust for all of the uninsured public deposits as a group. The market value of the collateral must be at least equal to 102% of the uninsured deposits. The institution's internal records identify collateral by depositor, and as such, these deposits are considered uninsured but collateralized. The State Regulatory Commission for banks and financial services is required by statute to monitor the naming of eligible depositories and reporting of the uninsured deposits and assets maintained in the collateral pools. As of December 31, 2021, the City's cash deposits had a bank balance of \$6,120,584. Of the bank balance, \$623,574 was covered by the Federal Deposit Insurance Corporation (FDIC) federal depository insurance. The remainder of the bank balance, \$5,497,010, was collateralized with securities held by the pledging financial institution and covered by eligible collateral as determined by the PDPA.

## CITY OF WALSENBURG, COLORADO

### Notes To Financial Statements (Continued)

### 3. Investments

#### Investments

At December 31, 2021, the City's investments in debt securities, certificates of deposit and other investments consisted of the following:

Investment Type	Fair Value	Investment Maturities		
		Up To 120 Days	121 Days To 5 Years	5 Years To 20 Years
Certificates of deposit	\$ 245,279	\$ —	\$ 245,279	\$ —
COLOTRUST	3,747,794	3,747,794	—	—
<b>Total</b>	<b>\$ 3,993,073</b>	<b>\$ 3,747,794</b>	<b>\$ 245,279</b>	<b>\$ —</b>

#### Investments Measured at Net Asset Value

COLOTRUST	\$ 3,747,794
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#### Investments Measured at Amortized Cost

Certificates of deposit	\$ 245,279
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#### Total Investments Controlled by the City

\$ 3,993,073
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#### Local Government Investment Pool

At December 31, 2021, the City had invested \$3,747,794 in the Colorado Government Liquid Asset Trust (COLOTRUST), a local government investment pool established in Colorado to pool surplus funds for investment purposes. These funds operate similarly to a money market fund, and each share is equal in value to \$1.00. The designated custodial bank of the pooled investment provides safekeeping and depository services in connection with the direct investment and withdrawal functions of the pooled investment. All securities owned by pooled investments are held by the Federal Reserve Bank in the account maintained for the custodial bank. Investments of pooled investments consist of U.S. Treasury bills, notes and note strips and repurchase agreements collateralized by U.S. Treasury notes. The final maturity of any and all securities purchased by pooled investments may not exceed one year. COLOTRUST is rated AAAM by Standard & Poor's. The investment policy of COLOTRUST does not include investing in derivatives.

## **CITY OF WALSENBURG, COLORADO**

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### Notes To Financial Statements (*Continued*)

#### **Credit Risk**

The City's investment policy defines allowable investment instruments including:

- U.S. Treasury obligations
- U.S. instrumentality obligations
- Certificates of deposit with original maturities of three months or more
- Commercial paper rated in the highest tier by a nationally recognized rating agency
- Repurchase agreements
- Investment grade obligations of state, county and local governments and public authorities
- Money market mutual funds regulated by the Securities and Exchange Commission whose portfolios consist of only dollar-denominated securities
- Local government investment pools

#### **Custodial Credit Risk - Investments**

For investments, custodial credit risk is the risk that, in the event of a failure of a counter party, the City would not be able to recover the value of its investments or collateral securities that are in the possession of an outside party. The City does not have a specific policy for custodial credit risk. As of December 31, 2021, the City has substantially mitigated its exposure to credit risk by investing the majority of its assets in U.S. Treasury securities and certificates of deposit covered by FDIC and PDPA.

#### **Interest Rate Risk**

CRS and the City's investment policies limit investment maturities to five years or less from the date of purchase. This limit on investment maturities is a means of limiting exposure to fair value losses arising from increasing interest rates.

#### **Restricted Cash and Investments**

At December 31, 2021, the Water/Sewer restricted cash balance of \$1,552,510 represents the required debt service and maintenance reserves in accordance the Series 2017A, 2017B and 2017C revenue bond ordinances and Colorado Water Conservancy Board note payable and community agreements with Northlands GID.

## CITY OF WALSENBURG, COLORADO

### Notes To Financial Statements (Continued)

#### 4. Interfund Transfers and Balances

Transfers are used to move revenues from the fund that statute or budget requires to collect them to the fund that statute or budget requires to expend them.

Following is a schedule of operating transfers during the year:

	<u>Transfers In</u>	<u>Transfers Out</u>
<b>Governmental Funds</b>		
General Fund	\$ 12,289	\$ —
Capital Improvement Fund	—	360,097
Northlands General Improvement District Fund	78,206	—
Downtown GID Fund	—	12,289
<b>Enterprise Funds</b>		
Water/Sewer Fund	281,891	—
<b>Total</b>	<u>\$ 372,386</u>	<u>\$ 372,386</u>

Following is a schedule of outstanding interfund balances at December 31, 2021:

	<u>Due To</u>	<u>Due From</u>
<b>Governmental Funds</b>		
General Fund	\$ 580,181	\$ 333,456
Street Improvement Fund	—	233,683
Northlands GID Fund	79,268	78,206
Capital Improvement Fund	1,304,882	1,261,342
Downtown GID Fund	14,044	—
Conservation Trust Fund	13,725	18,419
<b>Enterprise Funds</b>		
Gas Fund	267,796	375,639
Water/Sewer Fund	1,511,697	1,956,603
Wild Waters Fund	485,755	—
<b>Total</b>	<u>\$ 4,257,348</u>	<u>\$ 4,257,348</u>

## CITY OF WALSENBURG, COLORADO

### Notes To Financial Statements (Continued)

#### 5. Note Receivable

In December 2015, the City entered into a loan agreement with Martra Operating Partnership, L.P. in the amount of \$1,066,160 for the sale of property owned by the City's Water Fund. The loan bears interest at 8% with the first year's interest added to the loan balance for a total principal balance of \$1,151,453. The loan then requires 120 monthly payments of \$13,970 through December 2026. The outstanding balance of the loan is \$682,752 as of December 31, 2021 with \$116,742 of principal anticipated to be repaid during 2022.

#### 6. Capital Assets

The following is a summary of changes in capital assets in the governmental activities for the year ended December 31, 2021:

	Beginning Balance	Additions/ Transfers	Deletions/ Transfers	Ending Balance
<b>Governmental Activities</b>				
Capital assets, not being depreciated:				
Land	\$ 2,023,373	\$ —	\$ —	\$ 2,023,373
<b>Total Capital Assets, Not Being Depreciated</b>	<b>2,023,373</b>	<b>—</b>	<b>—</b>	<b>2,023,373</b>
Capital assets, being depreciated:				
Land improvements	1,523,828	—	—	1,523,828
Buildings and improvements	1,759,356	—	—	1,759,356
Streets	2,476,339	—	—	2,476,339
Equipment and furniture	973,657	—	(51,139)	922,518
Software	20,595	—	—	20,595
<b>Total Capital Assets, Being Depreciated</b>	<b>6,753,775</b>	<b>—</b>	<b>(51,139)</b>	<b>6,702,636</b>
Less accumulated depreciation for:				
Land improvements	60,953	60,953	—	121,906
Buildings and improvements	1,356,099	32,250	—	1,388,349
Streets	807,717	61,909	—	869,626
Equipment and furniture	659,434	58,746	(12,189)	705,991
Software	20,595	—	—	20,595
<b>Total Accumulated Depreciation</b>	<b>2,904,798</b>	<b>213,858</b>	<b>(12,189)</b>	<b>3,106,467</b>
<b>Capital Assets Being Depreciated, Net</b>	<b>3,848,977</b>	<b>(213,858)</b>	<b>(38,950)</b>	<b>3,596,169</b>
<b>Total Governmental Activities Capital Assets</b>	<b>\$ 5,872,350</b>	<b>\$ (213,858)</b>	<b>\$ (38,950)</b>	<b>\$ 5,619,542</b>

## CITY OF WALSENBURG, COLORADO

### Notes To Financial Statements (Continued)

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

General government	\$ 151,949
Public works	<u>61,909</u>
	<u>\$ 213,858</u>

The following is a summary of changes in capital assets in the business-type activities for the year ended December 31, 2021:

	<u>Beginning Balance</u>	<u>Additions/ Transfers</u>	<u>Deletions/ Transfers</u>	<u>Ending Balance</u>
<b>Business-Type Activities</b>				
Capital assets, not being depreciated:				
Land, easements and water rights	\$ 3,700,893	\$ —	\$ —	\$ 3,700,893
Construction in progress	146,284	—	(146,284)	—
<b>Total Capital Assets, Not Being Depreciated</b>	<u>3,847,177</u>	<u>—</u>	<u>(146,284)</u>	<u>3,700,893</u>
Capital assets, being depreciated:				
Utility plant	30,641,739	252,881	—	30,894,620
Buildings and improvements	12,637,449	—	—	12,637,449
Equipment and furniture	1,644,398	—	—	1,644,398
<b>Total Capital Assets, Being Depreciated</b>	<u>44,923,586</u>	<u>252,881</u>	<u>—</u>	<u>45,176,467</u>
Less: Accumulated depreciation	17,301,832	1,017,168	—	18,319,000
<b>Capital Assets, Being Depreciated, Net</b>	<u>27,621,754</u>	<u>(764,287)</u>	<u>—</u>	<u>26,857,467</u>
<b>Total Business-Type Activities</b>				
<b>Capital Assets</b>	<u>\$ 31,468,931</u>	<u>\$ (764,287)</u>	<u>\$ (146,284)</u>	<u>\$ 30,558,360</u>

## 7. Long-Term Liabilities

### Governmental Activities

#### Capital Lease

In 2016, the City entered into a capital lease for the purchase of a street sweeper with an original principal balance of \$161,965. The lease accrues interest at a rate of approximately 2.45% and is payable in equal monthly installments of \$2,865, with a maturity date of September 29, 2021 when the lease was paid off using the resources of the General Fund.

**Business-Type Activities**

*Series 2017A/Series 2017B Water and Sewer Revenue Refunding Bonds*

In April 2017, the City issued \$3,626,000 of Series 2017A and \$72,000 of Series 2017B Water and Sewer Revenue Refunding Bonds through the U.S. Department of Agriculture Rural Utility Service (RUS). The bonds are special limited obligations of the City payable solely from the net revenue derived by the City from operation of the City's water and sewer systems. The Bonds constitute an irrevocable lien (but not necessarily an exclusive such lien) upon the net revenue. The bonds do not constitute a general obligation of the City or an obligation of the State of Colorado or Huerfano County. The City has committed to a rate maintenance provision equal to 120% of annual debt service related to the bonds and any parity debt. The bonds were issued by the City to repay the construction loan related to the City's Northlands sewer project.

The Series 2017A bonds carry a 2.75% interest rate and are payable in monthly installments of \$12,747 maturing in April 2057. The Series 2017B bonds bear a 2.25% interest rate and are payable in monthly installments of \$229, also maturing in April 2057. The Series 2017A bonds require a reserve equal to an annual installment of \$149,688 while the Series 2017B bonds require a \$2,748 reserve. The reserves were funded through monthly deposits of \$12,474 and \$229, respectively, commencing in 2017 until fully funded. The bonds also require a "Short-lived Asset Replacement Reserve Account" in the amount of \$13,000 per year. This money can be used for short-lived asset replacement upon advance approval of RUS.

While this loan is secured by a pledge of water and sewer revenues and constitutes debt of the Water/Sewer Fund, the City has an agreement with the property owners located within the Northlands GID to provide funding for all debt service related to capital improvements located with the improvement district.

*Series 2017C Water and Sewer Revenue Refunding Bonds*

In September 2017, the City issued \$8,045,000 of Series 2017C Water and Sewer Revenue Refunding Bonds. The bonds are special limited obligations of the City payable solely from the net revenue derived by the City from operation of the City's water and sewer systems. The bonds constitute an irrevocable lien (but not necessarily an exclusive such lien) upon the net revenue. The bonds do not constitute a general obligation of the City or an obligation of the State of Colorado or Huerfano County. The City has committed to a rate maintenance provision equal to 120% of annual debt service related to the bonds and any parity debt. The bonds were issued by the City to fully refund the City's 2007 Water and Sewer Bonds.

## CITY OF WALSENBURG, COLORADO

### Notes To Financial Statements (Continued)

The Series 2017C bonds carry a 2.80% interest rate and are payable in monthly installments of \$54,726 through November 2031. There is a balloon payment due in December 2031 of \$714,726 representing final maturity. The Series 2017C bonds require a reserve of \$710,000. The City incurred \$221,236 of costs related to the issuance, which were expensed in the year incurred, and recognized a deferred charge of \$131,852 on refunding that will be amortized through December 2031, the shorter of the remaining repayment period of the original bonds and the refunding bonds.

#### Colorado Water Conservation Board (CWCB) Loan

In October 2018, the City entered in to an agreement with CWCB for a loan to be used for City Lake Dam improvements. The project was completed in 2020. The final loan amount was \$6,889,210, and includes a 1% loan origination fee. The loan carries a 2% interest rate and is payable in annual installments of \$307,603 through February 2050.

Changes in long-term debt for the year ended December 31, 2021 were as follows:

	Beginning Balance	Additions	Deletions	Ending Balance	Due Within One Year
<b>Governmental Activities</b>					
Compensated absences	\$ 6,357	\$ 33,018	\$ (24,432)	\$ 14,943	\$ 14,943
Capital lease obligations	25,689	—	(25,689)	—	—
<b>Total Governmental Activities</b>	<b>\$ 32,046</b>	<b>\$ —</b>	<b>\$ (50,121)</b>	<b>\$ 14,943</b>	<b>\$ 14,943</b>
<b>Business-Type Activities</b>					
Revenue bonds:					
2017A revenue bonds	\$ 3,438,845	\$ —	\$ (55,899)	\$ 3,382,946	\$ 57,385
2017B revenue bonds	68,043	—	(825)	67,218	924
2017C revenue bonds	6,696,357	—	(475,286)	6,221,071	488,766
Colorado Water Conservation Board (CWCB) note payable	6,889,210	—	(169,818)	6,719,392	173,215
Compensated absences	90,870	36,768	(71,880)	55,758	55,758
<b>Total Business-Type Activities</b>	<b>\$ 17,183,325</b>	<b>\$ 36,768</b>	<b>\$ (773,708)</b>	<b>\$ 16,446,385</b>	<b>\$ 776,048</b>

## CITY OF WALSENBURG, COLORADO

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### Notes To Financial Statements *(Continued)*

The following table represents future debt service requirements of the City's long-term liabilities:

Year Ending December 31,	<u>Business-Type Activities</u>	
	<u>Principal</u>	<u>Interest</u>
2022	\$ 720,290	\$ 414,926
2023	739,247	396,464
2024	758,711	377,507
2025	778,697	358,043
2026	799,249	338,057
2027 - 2031	4,983,720	1,260,049
2032 - 2036	1,504,928	795,265
2037 - 2041	1,679,240	620,953
2042 - 2046	1,874,281	425,912
2047 - 2051	1,784,986	207,605
2052 - 2056	704,229	57,951
2057	63,049	327
<b>Total</b>	<b>\$ 16,390,627</b>	<b>\$ 5,253,059</b>

## CITY OF WALSENBURG, COLORADO

### Notes To Financial Statements (Continued)

#### 8. Rate Maintenance - Water and Sewer Fund

The City has pledged future water and sewer customer revenues, as discussed in Note 7, to repay the outstanding revenue refunding bonds, equal to 120% of the amount necessary to pay the principal and interest on the bonds. The City has not complied with these requirements in the aggregate. The computation for compliance is as follows:

	<u>Water/Sewer Fund</u>
<b>Revenues</b>	
Charges for services	2,362,915
Investment income	74,133
Miscellaneous	4,231
Capital contributions	25,000
Tap fees	70,700
Transfers in	281,891
<b>Total Revenues</b>	<b>2,818,870</b>
Less: Capital contributions	(25,000)
Less: Transfers in	(281,891)
<b>Total Allowable Revenues</b>	<b>2,511,979</b>
<b>Expenses</b>	
Operating expenses	2,629,464
Less: Payments in lieu of taxes	(141,775)
Less: Depreciation	(842,460)
<b>Total Allowable Expenses</b>	<b>1,645,229</b>
<b>Net Operating Revenues</b>	<b>866,750</b>
<b>Debt Service Requirements</b>	
2017A bond payment and reserve payments due in 2021	162,688
2017B bond payment due in 2021	2,748
2017C bond payment due in 2021	656,715
CWCB bond payment due in 2021	307,603
<b>Total Debt Service</b>	<b>1,129,754</b>
<b>Debt Coverage Ratio Requirement</b>	<b>120%</b>
<b>Debt Coverage Requirement</b>	<b>1,355,705</b>
<b>Coverage Excess (Shortfall)</b>	<b>\$ (488,955)</b>

The debt covenants were not met. The City has not yet received any waivers of covenants from any of the bond holders. The City expects that a utility rate study may be required to be undertaken and future utility rates may need to be raised to prevent future coverage shortfalls if the City fails to obtain waivers.

## **9. Retirement Plans**

### **Volunteer Firefighters' Pension Fund**

The Volunteer Firefighters' Pension Fund is a closed defined benefit plan. The City Council established a \$75 per month payout to participants. As of December 31, 2021, the fund had three participants. The City is no longer contributing to the fund. The fund will continue to exist until the death of the beneficiaries. The City has not yet established a policy on the payout of any remaining funds at the end of the payout period. Due to the inactivity and size, no actuarial valuation has been prepared.

### **Defined Contribution Plan**

In October 1995, the City adopted a single-employer defined contribution retirement plan for City employees. The plan is maintained by Principal Mutual Life Insurance Company.

Participants are required to contribute 3% of their eligible wages. Additional contributions can be made to the plan by employees. The maximum amount allowable is the lesser of 25% of eligible compensation or \$30,000. The City is required to contribute 3% of eligible wages. Eligible wages were \$924,484 for 2021. Employee and employer contributions were \$64,289 for 2021.

All City employees are covered under the plan if they meet eligibility requirements specified in the plan document.

The employee contribution is fully refundable. Participants become vested in employer contributions at 20% per year after two years of service and are fully vested after seven years or more. Participants are eligible for retirement benefits upon death, retirement or termination of employment. A lump sum distribution or an annuity of vested benefits is payable upon death. Retirement benefits may be made in a single life payment or joint life payments. The employee may elect to receive a lump sum payment of all vested benefits upon termination of employment.

## **10. Risk Management**

The City is exposed to various risks of loss related to torts; thefts of, damage to and destruction of assets; errors and omissions; injuries to employees and natural disasters. The City participates in the Colorado Intergovernmental Risk Sharing Agency (CIRSA), a public entity risk pool currently operating as a common risk management and insurance program for member towns and cities. The City pays an annual premium to CIRSA for its property/casualty, workers compensation, boiler and machinery and volunteer accident medical insurance coverage. The agreement for the formation of CIRSA provides that it will be self-sustaining through member premiums and will provide members the coverage authorized through joint self-insurance, insurance, reinsurance or any combination thereof, provide claims services related to such coverage and provide risk management and loss control services.

The City continues to contribute toward commercial insurance for employee health and accident insurance. The City, in its opinion, has obtained adequate coverage as required by CRS to settle claims in the ordinary course of business. However, due to the unknown nature of potential liability, some claims may arise that fall outside the coverage limits for which the City would be financially responsible. Settled claims resulting from these risks have not exceeded commercial insurance the past three years.

## **11. Commitments and Contingencies**

### **Litigation**

The City is currently involved in legal proceedings which, in the opinion of management, will not have a material adverse effect upon the financial position of the City.

### **Grants**

The City has received federal and state grants for specific purposes that are subject to review and audit by the grantor agencies. Such audits could lead to request for reimbursements to grantor agencies for expenditures disallowed under the terms of the grant. Based upon prior experience, City management believes such disallowances, if any, will be immaterial.

**Environmental Matters**

It is likely that several City buildings contain asbestos, and the City is a potentially responsible party regarding environmental impacts. Although a loss is probable, it is not possible to reasonably estimate the amount of any obligation for remediation that would be material to the City's financial statements at December 31, 2021.

**Landfill**

The City is required to comply with the Colorado Department of Health under CRS 30-20-100.5 through 30-20-119 in regards to its municipal solid waste landfill. State and federal laws and regulations require that the City perform certain maintenance and monitoring functions at the landfill sites for a period of time after closure. The City closed the landfill in 1996 and has not incurred any additional costs for the landfill. Although a liability is probable, it is not possible to reasonably estimate the amount of any obligation for post-closure care costs that would be material to the City's financial statements at December 31, 2021.

**COVID-19**

In March 2020, the City identified and saw a rapid spread of a novel coronavirus (COVID-19) throughout its local area and throughout the State of Colorado. Certain orders were subsequently issued by the State of Colorado requiring various potential restrictions on operations of the City. While the restrictions have not significantly impacted the revenue sources or overall operations of the City at this time, the ongoing impact is difficult to predict and will depend on future developments, which are uncertain.

**12. TABOR Amendment**

In November 1992, Colorado voters amended Article X of the Colorado Constitution by adding Section 20, commonly known as the Taxpayer 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.

## **CITY OF WALSENBURG, COLORADO**

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### Notes To Financial Statements *(Continued)*

Except for refinancing bonded debt at a lower interest rate or adding new employees to existing pension plans, TABOR required 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 \$61,000 for TABOR.

In 1995, the City's residents voted to retain revenues and not be subject to the fiscal year spending limitations of TABOR, providing that no local tax rate or mill levy shall be increased without further voter approval. In August of 2011, it was determined by management of the City that the City had violated provisions of TABOR by increasing the property tax mill levy without voter approval. Pursuant to TABOR, the City is required to refund excess revenues by issuing temporary tax credits or a tax rate reduction. The amount to be refunded, including interest accrued at 10% using a simple-interest method, was paid in full as of December 31, 2020.

#### **14. Subsequent Events**

Management has reviewed the effect of subsequent events on the financial statements through the financial statement date, which is the date of the auditor's report.

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**Required Supplementary Information**

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# CITY OF WALSENBURG, COLORADO

## BUDGETARY COMPARISON SCHEDULE -

### GENERAL FUND

For The Year Ended December 31, 2021

	Budgeted Amounts Original	Budgeted Amounts Final	Actual Basis	Variance With Final Budget Positive (Negative)
<b>Revenues</b>				
Taxes and fees	\$ 1,440,500	\$ 1,440,500	\$ 1,574,354	\$ 133,854
Licenses and permits	83,920	83,920	143,372	59,452
Intergovernmental	10,000	10,000	270,282	260,282
Fines and forfeitures	5,150	5,150	2,698	(2,452)
Charges for services	1,800	1,800	4,500	2,700
Paid in lieu of taxes	250,887	250,887	204,521	(46,366)
Earnings on investments	75	75	1,365	1,290
Miscellaneous	2,299	2,299	14,906	12,607
<b>Total Revenues</b>	<b>1,794,631</b>	<b>1,794,631</b>	<b>2,215,998</b>	<b>421,367</b>
<b>Expenditures</b>				
Current:				
General government	257,685	257,685	563,633	(305,948)
Public safety	744,600	744,600	714,217	30,383
Public works	455,983	455,983	404,964	51,019
Culture, parks and recreation	163,329	163,329	80,348	82,981
Economic Development	—	—	93,513	(93,513)
Debt service				
Principal	—	—	25,689	(25,689)
Interest	—	—	2,965	(2,965)
Capital outlay	5,000	5,000	—	5,000
<b>Total Expenditures</b>	<b>1,626,597</b>	<b>1,626,597</b>	<b>1,885,329</b>	<b>(258,732)</b>
<b>Excess of Revenues Over Expenditures</b>	<b>168,034</b>	<b>168,034</b>	<b>330,669</b>	<b>162,635</b>
<b>Other Financing Sources (Uses)</b>				
Transfers in	—	—	12,289	12,289
Transfer out	(75,000)	(75,000)	—	75,000
<b>Total Other Financing Sources (Uses)</b>	<b>(75,000)</b>	<b>(75,000)</b>	<b>12,289</b>	<b>87,289</b>
<b>Total Other Financing Sources</b>	<b>(75,000)</b>	<b>(75,000)</b>	<b>12,289</b>	<b>87,289</b>
<b>Net Change in Fund Balance</b>	<b>\$ 93,034</b>	<b>\$ 93,034</b>	<b>342,958</b>	<b>\$ 249,924</b>
<b>Fund Balance at Beginning of Year</b>			<b>149,186</b>	
<b>Fund Balance at End of Year</b>			<b>\$ 492,144</b>	

See the independent auditors' report and notes to required supplementary information.

# CITY OF WALSENBURG, COLORADO

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## NOTE TO REQUIRED SUPPLEMENTARY INFORMATION For The Year Ended December 31, 2021

### 1. **Budgetary Information and Budget Violations**

An annual budget and appropriation ordinance is adopted by the City Council in accordance with CRS. The budget is prepared on a basis consistent with GAAP for governmental and fiduciary funds and on a budgetary basis for proprietary funds.

On or about October 15, the City staff submits to the City Council a proposed operating budget for the fiscal year commencing the following January 1. The operating budget includes proposed expenditures and the means of financing them. Public hearings are conducted at a special meeting and at regular City Council meetings to obtain taxpayer comments. Prior to December 15, the budget is legally adopted by the City Council.

Colorado law requires that all funds have legally adopted budgets and that total expenditures for each fund cannot exceed the amount appropriated. The fund level of classification is the level of classification at which expenditures may not legally exceed appropriations.

All appropriations lapse at the end of each fiscal year. Appropriations for a fund may be increased provided they are offset by unanticipated resources.

Budgeted amounts reported in the accompanying financial statements are as originally adopted and as amended by the City Council throughout the year.

During 2021, the expenditure estimates were not amended and expenditures exceeded final budgeted amounts in the General fund and the Downtown GID fund.

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**Other Supplementary Information**

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**CITY OF WALSENBURG, COLORADO**

**COMBINING BALANCE SHEET  
NONMAJOR GOVERNMENTAL FUNDS  
December 31, 2021**

	<u>Debt Service</u>	<u>Special Revenue</u>		<u>Total</u>
	<u>Northlands</u>	<u>Downtown</u>	<u>Conservation</u>	
	<u>GID</u>	<u>GID</u>	<u>Trust</u>	
<b>Assets</b>				
Cash and investments	\$ 491,106	\$ 14,044	\$ 66,873	\$ 572,023
Accounts receivable	15,885	—	—	15,885
Due from other funds	78,206	—	18,419	96,625
<b>Total Assets</b>	<b>\$ 585,197</b>	<b>\$ 14,044</b>	<b>\$ 85,292</b>	<b>\$ 684,533</b>
<b>Liabilities</b>				
Due to other funds	\$ 79,268	\$ 14,044	\$ 13,725	\$ 107,037
<b>Fund Balance</b>				
Restricted for debt service	505,929	—	—	505,929
Restricted for parks & recreation	—	—	71,567	71,567
Total Fund Balance	505,929	—	71,567	577,496
<b>Total Liabilities and Fund Balances</b>	<b>\$ 585,197</b>	<b>\$ 14,044</b>	<b>\$ 85,292</b>	<b>\$ 684,533</b>

## CITY OF WALSENBURG, COLORADO

### COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES - NONMAJOR GOVERNMENTAL FUNDS For The Year Ended December 31, 2021

	Debt Service	Special Revenue		Total
	Northlands GID	Downtown GID	Conservation Trust	
<b>Revenues</b>				
Taxes	\$ —	\$ 2,309	\$ —	\$ 2,309
Intergovernmental	—	—	18,419	18,419
Grants and contributions	82,871	—	—	82,871
Earnings on investments	948	102	1,159	2,209
<b>Total Revenues</b>	83,819	2,411	19,578	105,808
<b>Other Financing Sources (Uses)</b>				
Transfer in	78,206	—	—	78,206
Transfers out	—	(12,289)	—	(12,289)
<b>Total Other Financing Sources (Uses)</b>	78,206	(12,289)	—	65,917
<b>Change in Fund Balance</b>	162,025	(9,878)	19,578	171,725
<b>Fund Balance at Beginning of Year</b>	343,904	9,878	51,989	405,771
<b>Fund Balance at End of Year</b>	\$ 505,929	\$ —	\$ 71,567	\$ 577,496

**CITY OF WALSENBURG, COLORADO**

**BUDGETARY COMPARISON SCHEDULE -**

**CAPITAL IMPROVEMENT FUND**

**For The Year Ended December 31, 2021**

	<b>Budgeted Amounts Original</b>	<b>Budgeted Amounts Final</b>	<b>Actual Budget Basis</b>	<b>Variance With Final Budget Positive (Negative)</b>
<b>Revenues</b>				
Taxes and fees	\$ 450,000	\$ 450,000	\$ 743,069	\$ 293,069
Earnings on investments	3,700	3,700	867	(2,833)
<b>Total Revenues</b>	<b>453,700</b>	<b>453,700</b>	<b>743,936</b>	<b>290,236</b>
<b>Expenditures</b>				
Current:				
Public works	150,000	150,000	131	149,869
Capital outlay	—	—	—	—
<b>Total Expenditures</b>	<b>150,000</b>	<b>150,000</b>	<b>131</b>	<b>149,869</b>
<b>Excess of Revenues Over Expenditures</b>	<b>303,700</b>	<b>303,700</b>	<b>743,805</b>	<b>440,105</b>
<b>Other Financing Uses</b>				
Transfers out	(300,000)	(300,000)	(360,097)	(60,097)
<b>Net Change in Fund Balance</b>	<b>\$ 3,700</b>	<b>\$ 3,700</b>	<b>383,708</b>	<b>\$ 380,008</b>
<b>Fund Balance at Beginning of Year</b>			<u>716,873</u>	
<b>Fund Balance at End of Year</b>			<u><u>\$ 1,100,581</u></u>	

**CITY OF WALSENBURG, COLORADO**

**BUDGETARY COMPARISON SCHEDULE -**

**STREET IMPROVEMENT FUND**

**For The Year Ended December 31, 2021**

		<b>Budgeted Amounts Original</b>	<b>Budgeted Amounts Final</b>	<b>Actual Budget Basis</b>	<b>Variance With Final Budget Positive (Negative)</b>
<b>Revenues</b>					
Taxes	\$	450,000	\$ 450,000	\$ 743,069	\$ 293,069
Earnings on investments		8,100	8,100	1,823	(6,277)
<b>Total Revenues</b>		458,100	458,100	744,892	286,792
<b>Expenditures</b>					
Current:					
Public works		10,000	10,000	—	10,000
Capital outlay		440,000	440,000	—	440,000
<b>Total Expenditures</b>		450,000	450,000	—	450,000
<b>Excess of Revenues Over Expenditures</b>		8,100	8,100	744,892	736,792
<b>Change in Fund Balance</b>	\$	8,100	\$ 8,100	744,892	\$ 736,792
<b>Fund Balance at Beginning of Year</b>				2,343,951	
<b>Fund Balance at End of Year</b>				\$ 3,088,843	

## CITY OF WALSENBURG, COLORADO

### BUDGETARY COMPARISON SCHEDULE - BUDGETARY BASIS - GAS FUND

For The Year Ended December 31, 2021

	<b>Budgeted Amounts Original</b>	<b>Budgeted Amounts Final</b>	<b>Actual Budget Basis</b>	<b>Variance With Final Budget Positive (Negative)</b>
<b>Operating Revenues</b>				
Charges for services	1,337,175	1,337,175	1,045,765	(291,410)
<b>Total Operating Revenues</b>	<b>1,337,175</b>	<b>1,337,175</b>	<b>1,045,765</b>	<b>(291,410)</b>
<b>Operating Expenses</b>				
Personnel services	388,082	388,082	356,171	31,911
Administrative/office expenses	24,450	24,450	33,046	(8,596)
Contract services	67,100	67,100	25,855	41,245
Gas expense	550,000	550,000	528,342	21,658
Utilities	20,500	20,500	27,080	(6,580)
Repairs and maintenance	53,900	53,900	17,213	36,687
Other supplies and expenses	23,700	23,700	65,548	(41,848)
Insurance expense	11,766	11,766	26,047	(14,281)
Payment in lieu of taxes	—	—	62,746	(62,746)
Capital outlay	125,000	125,000	—	125,000
<b>Total Operating Expenses</b>	<b>1,264,498</b>	<b>1,264,498</b>	<b>1,142,048</b>	<b>122,450</b>
<b>Operating Income (loss)</b>	<b>72,677</b>	<b>72,677</b>	<b>(96,283)</b>	<b>(168,960)</b>
<b>Other Revenue (Expense) and Transfers</b>				
Investment income	19,500	19,500	9,336	(10,164)
Tap fees	200	200	4,531	4,331
Transfers out	(81,413)	(81,413)	—	81,413
<b>Total Other Revenue (Expense) and Transfers</b>	<b>(61,713)</b>	<b>(61,713)</b>	<b>13,867</b>	<b>75,580</b>
<b>Change in Net Position - Budgetary Basis</b>	<b>\$ 10,964</b>	<b>\$ 10,964</b>	<b>\$ (82,416)</b>	<b>\$ (93,380)</b>
<b>Reconciliation to GAAP Basis</b>				
Depreciation			(111,751)	
<b>Change In Net Position - GAAP Basis</b>			<b>(194,167)</b>	
<b>Net Position at Beginning of Year</b>			<b>3,498,127</b>	
<b>Net Position at End of Year</b>			<b>\$ 3,303,960</b>	

See the independent auditors' report.

**CITY OF WALSENBURG, COLORADO**  
**BUDGETARY COMPARISON SCHEDULE - BUDGETARY BASIS -**  
**WATER & SEWER FUND**  
**For The Year Ended December 31, 2021**

	Budgeted Amounts Original	Budgeted Amounts Final	Actual Budget Basis	Variance With Final Budget Positive (Negative)
<b>Operating Revenues</b>				
Charges for services	\$ 2,383,827	\$ 2,383,827	\$ 2,362,915	\$ (20,912)
Miscellaneous	20,800	20,800	4,231	(16,569)
<b>Total Operating Revenues</b>	2,404,627	2,404,627	2,367,146	(37,481)
<b>Operating Expenses</b>				
Personnel services	659,639	659,639	602,018	57,621
Administrative/office expenses	79,700	79,700	53,112	26,588
Contract services	135,658	135,658	127,507	8,151
Utilities	171,582	171,582	247,460	(75,878)
Repairs and maintenance	73,070	73,070	240,491	(167,421)
Other supplies and expenses	140,893	140,893	322,545	(181,652)
Insurance expense	—	—	52,096	(52,096)
Payment in lieu of taxes	168,974	168,974	141,775	27,199
Miscellaneous expense	76,228	76,228	—	76,228
Principal paid	701,828	701,828	701,828	—
Capital outlay	415,000	415,000	106,597	308,403
<b>Total Operating Expenses</b>	2,622,572	2,622,572	2,595,429	27,143
<b>Operating Income</b>	(217,945)	(217,945)	(228,283)	(10,338)
<b>Other Revenue (Expense) and Transfers</b>				
Investment income	103,100	103,100	74,133	(28,967)
Tap fees	8,500	8,500	70,700	62,200
Capital contributions	50,000	50,000	25,000	(25,000)
Transfers in	250,000	250,000	281,891	31,891
Interest expense	(414,926)	(414,926)	(421,400)	(6,474)
<b>Total Other Expense and Transfers</b>	(3,326)	(3,326)	30,324	33,650
<b>Change in Net Position - Budgetary Basis</b>	\$ (221,271)	\$ (221,271)	(197,959)	\$ 23,312
<b>Reconciliation to GAAP Basis</b>				
Principal paid			701,828	
Capital outlay			106,597	
Depreciation			(842,460)	
<b>Change in Net Position - GAAP Basis</b>			(231,994)	
<b>Net Position at Beginning of Year</b>			14,926,669	
<b>Net Position at End of Year</b>			\$ 14,694,675	

See the independent auditors' report.

# CITY OF WALSENBURG, COLORADO

## BUDGETARY COMPARISON SCHEDULE - BUDGETARY BASIS - WILD WATERS FUND For The Year Ended December 31, 2021

	<b>Budgeted Amounts Final</b>	<b>Actual Budget Basis</b>	<b>Variance With Final Budget Positive (Negative)</b>
<b>Operating Revenues</b>			
Charges for services	\$ 57,000	\$ —	\$ (57,000)
<b>Total Operating Revenues</b>	<b>57,000</b>	<b>—</b>	<b>(57,000)</b>
<b>Operating Expenses</b>			
Personnel services	51,941	5,179	46,762
Administrative/office expenses	9,476	—	9,476
Repairs and maintenance	5,000	4,521	479
Other supplies and expenses	28,050	32	28,018
Utilities	24,700	7,622	17,078
<b>Total Operating Expenses</b>	<b>119,167</b>	<b>17,354</b>	<b>101,813</b>
<b>Operating Loss</b>	<b>(62,167)</b>	<b>(17,354)</b>	<b>44,813</b>
<b>Other Revenue (Expense) and Transfers</b>			
Transfers in	75,000	—	(75,000)
<b>Total Other Revenue and Transfers</b>	<b>75,000</b>	<b>—</b>	<b>(75,000)</b>
<b>Change in Net Position - Budgetary Basis</b>	<b>\$ 12,833</b>	<b>(17,354)</b>	<b>\$ (30,187)</b>
<b>Reconciliation to GAAP Basis</b>			
Depreciation		(62,957)	
<b>Change in Net Position - GAAP Basis</b>		<b>(80,311)</b>	
<b>Net Position at Beginning of Year</b>		<b>1,079,550</b>	
<b>Net Position at End of Year</b>		<b>\$ 999,239</b>	

See the independent auditors' report.

**CITY OF WALSENBURG, COLORADO**

**BUDGETARY COMPARISON SCHEDULE - FIDUCIARY FUND -**

**VOLUNTEER FIREFIGHTERS' PENSION FUND**

**For The Year Ended December 31, 2021**

	<b>Budgeted Amounts Final</b>	<b>Actual Budget Basis</b>	<b>Variance With Final Budget Positive (Negative)</b>
<b>Revenues</b>			
Earnings on investments	\$ 2,200	\$ 514	\$ (1,686)
<b>Total Revenues</b>	2,200	514	(1,686)
<b>Expenditures</b>			
Benefits paid	4,500	4,275	225
<b>Total Expenses</b>	4,500	4,275	225
<b>Change in Net Position</b>	<u>\$ (2,300)</u>	<u>(3,761)</u>	<u>\$ (1,461)</u>
<b>Net Position at Beginning of Year</b>		<u>29,231</u>	
<b>Net Position at End of Year</b>		<u>\$ 25,470</u>	

**CITY OF WALSENBURG, COLORADO**

**BUDGETARY COMPARISON SCHEDULE -**

**NORTHLANDS GID FUND**

**For The Year Ended December 31, 2021**

	<b>Budgeted Amounts Final</b>	<b>Actual Budget Basis</b>	<b>Variance With Final Budget Positive (Negative)</b>
<b>Revenues</b>			
Grants and contributions	\$ 104,846	\$ 82,871	\$ (21,975)
Public improvement fee revenue	72,500	—	(72,500)
Earnings on investments	5,000	948	(4,052)
<b>Total Revenues</b>	<b>182,346</b>	<b>83,819</b>	<b>(98,527)</b>
<b>Expenditures</b>			
Current:			
Public works	10,000	—	10,000
Debt service	152,436	—	152,436
<b>Total Expenditures</b>	<b>162,436</b>	<b>—</b>	<b>162,436</b>
<b>Deficiency of Revenues Over Expenditures</b>	<b>19,910</b>	<b>83,819</b>	<b>63,909</b>
<b>Other Financing Sources</b>			
Transfers in	—	78,206	78,206
<b>Total Other Financing Sources</b>	<b>—</b>	<b>78,206</b>	<b>78,206</b>
<b>Change in Fund Balance</b>	<b>\$ 19,910</b>	<b>162,025</b>	<b>\$ 142,115</b>
<b>Fund Balance at Beginning of Year</b>		<b>343,904</b>	
<b>Fund Balance at End of Year</b>		<b>\$ 505,929</b>	

**CITY OF WALSENBURG, COLORADO**

**BUDGETARY COMPARISON SCHEDULE -  
NONMAJOR GOVERNMENTAL FUNDS -  
DOWNTOWN GID FUND  
For The Year Ended December 31, 2021**

	<b>Budgeted Amounts Final</b>	<b>Actual Budget Basis</b>	<b>Variance With Final Budget Positive (Negative)</b>
<b>Revenues</b>			
Taxes	\$ —	\$ 2,309	\$ 2,309
Earnings on investments	—	102	102
<b>Total Revenues</b>	<b>—</b>	<b>2,411</b>	<b>2,411</b>
<b>Other Revenue (Expense) and Transfers</b>			
Transfers out	—	(12,289)	(12,289)
<b>Total Other Revenue and Transfers</b>	<b>—</b>	<b>(12,289)</b>	<b>(12,289)</b>
<b>Change in Fund Balance</b>	<b>\$ —</b>	<b>\$ (9,878)</b>	<b>\$ 2,411</b>
<b>Fund Balance at Beginning of Year</b>		<u>9,878</u>	
<b>Fund Balance at End of Year</b>		<u>\$ —</u>	

**CITY OF WALSENBURG, COLORADO**

**BUDGETARY COMPARISON SCHEDULE -  
NONMAJOR GOVERNMENTAL FUNDS -  
CONSERVATION TRUST FUND  
For The Year Ended December 31, 2021**

	<b>Budgeted Amounts Final</b>	<b>Actual Budget Basis</b>	<b>Variance With Final Budget Positive (Negative)</b>
<b>Revenues</b>			
Intergovernmental:			
State-shared revenue	\$ 14,000	\$ 18,419	\$ 4,419
Earnings on investments	5,000	1,159	(3,841)
<b>Total Revenues</b>	<b>19,000</b>	<b>19,578</b>	<b>578</b>
<b>Expenditures</b>			
Culture, parks and recreation	20,000	—	20,000
<b>Total Expenditures</b>	<b>20,000</b>	<b>—</b>	<b>20,000</b>
<b>Excess of Revenues Over Expenditures</b>	<b>(1,000)</b>	<b>19,578</b>	<b>20,578</b>
<b>Change in Fund Balance</b>	<b>\$ (1,000)</b>	<b>19,578</b>	<b>\$ 20,578</b>
<b>Fund Balance at Beginning of Year</b>		<u>51,989</u>	
<b>Fund Balance at End of Year</b>		<u>\$ 71,567</u>	

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**Special Reports Section**

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

<b>LOCAL HIGHWAY FINANCE REPORT</b>		City or County: <b>Walsenburg</b>
		YEAR ENDING : December 2021
This Information From The Records Of (example - City of _ or County of _ City of Walsenburg	Prepared By: Phone:	Jim Moore 719-695-1036

**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			131,950	
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
<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:	
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		b. Snow and ice removal	
3. Other local imposts (from page 2)	0	c. Other	
4. Miscellaneous local receipts (from page 2)	0	d. Total (a. through c.)	0
5. Transfers from toll facilities		4. General administration & miscellaneous	
6. Proceeds of sale of bonds and notes:		5. Highway law enforcement and safety	
a. Bonds - Original Issues		6. Total (1 through 5)	0
b. Bonds - Refunding Issues		<b>B. Debt service on local obligations:</b>	
c. Notes		1. Bonds:	
d. Total (a. + b. + c.)	0	a. Interest	
7. Total (1 through 6)	0	b. Redemption	
<b>B. Private Contributions</b>		c. Total (a. + b.)	0
<b>C. Receipts from State government</b> (from page 2)	131,950	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>	131,950	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>	0

**IV. LOCAL HIGHWAY DEBT STATUS**

(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

**V. LOCAL ROAD AND STREET FUND BALANCE**

	A. Beginning Balance	B. Total Receipts	C. Total Disbursements	D. Ending Balance	E. Reconciliation
	0	131,950	0	131,950	0

**Notes and Comments:**

<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		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.)	0	h. Other	
c. Total (a. + b.)	0	i. Total (a. through h.)	0
	(Carry forward to page 1)		(Carry forward to page 1)
<b>III. DISBURSEMENTS FOR ROAD AND STREET PURPOSES - DETAIL</b>			
<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	131,950	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		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.)	0	g. Total (a. through f.)	0
4. Total (1. + 2. + 3.f)	131,950	3. Total (1. + 2.g)	
			(Carry forward to page 1)
		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		0.00	0
(4). System Enhancement & Operation			0
(5). Total Construction (1) + (2) + (3) + (4)		0	0
d. Total Capital Outlay (Lines 1.a. + 1.b. + 1.c.5)		0	0
			(Carry forward to page 1)
<b>Notes and Comments:</b>			