

**TOWN OF DOVE CREEK, COLORADO**

Independent Accountants' Reports  
And  
Basic Financial Statements

December 31, 2022

**TOWN OF DOVE CREEK, COLORADO**

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December 31, 2022

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**Certified Public Accountants**

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**INDEPENDENT AUDITOR'S REPORT**

To the Town Board  
Town of Dove Creek, Colorado  
Dove Creek, Colorado 81324

**Opinions**

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the Town of Dove Creek, Colorado as of and for the year ended December 31, 2022, and the related notes to the financial statements, which collectively comprise the Town's basic financial statements as listed in the table of contents.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the Town of Dove Creek, Colorado, as of December 31, 2022, and the respective changes in financial position and, where applicable, cash flows thereof and the respective budgetary comparison for the General Fund for the year then ended in accordance with accounting principles generally accepted in the United States of America.

**Basis for Opinions**

We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the Town of Dove Creek, Colorado, 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, which raise substantial doubt about the Town of Dove Creek, Colorado's ability to continue as a going concern for twelve months beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.

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

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

In performing an audit in accordance with generally accepted auditing standards, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Town of Dove Creek, Colorado'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 Town of Dove Creek, Colorado'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, as listed in the table of contents, be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the management's discussion and analysis 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.

### **Supplemental Information**

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Town of Dove Creek's basic financial statements. The budgetary comparison schedules for the Water and Sanitation Funds and the local 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, budgetary comparison schedules are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

*Majors and Haley P.C.*

Majors and Haley PC  
Cortez, Colorado  
May 25, 2023

## TOWN OF DOVE CREEK, COLORADO

### MANAGEMENT'S DISCUSSION AND ANALYSIS (UNAUDITED) For the Year Ended December 31, 2022

#### MANAGEMENT'S DISCUSSION AND ANALYSIS

Our discussion and analysis of the Town of Dove Creek, Colorado's (Town) financial performance provides an overview of the Town's financial activities for the fiscal year ended December 31, 2022. Please consider the information presented here in conjunction with additional information that can be found in the basic financial statements, as listed in the table of contents.

#### FINANCIAL HIGHLIGHTS

- The Town's net position increased \$209,204 as a result of this year's operations.
  - Net position of governmental activities increased \$81,067, which represents a 2.7% increase.
  - Net position of business type activities increased \$128,137 or 7.9%.
- The Town's total revenue was \$1,337,954 which is an increase of \$383,951 from \$954,003 in the prior year.
  - General revenues accounted for \$609,563 in revenue or 45.6% of all revenues. Program specific revenues in the form of charges for services, grants and contributions accounted for \$728,391 or the remaining 54.4%.
- The Town incurred \$1,128,750 in expenses which is a \$132,549 increase from \$996,201 in the prior year.
  - The general revenues of \$609,563 were adequate by \$209,204 to cover the expenditures that were not offset by program specific revenues.
- The General Fund reported a \$22,002 increase in fund balance from \$2,639,734 to \$2,661,736. This is a .8% increase. The General Fund had \$67,173 in capital outlay.
- The business type activities increase in net position of \$128,137 consisted of an increase in the Water Fund of \$142,117 and a decrease in the Sanitation Fund of \$13,980. Depreciation included was \$33,656 in the Water Fund and \$17,766 in the Sanitation Fund. Capital outlay was \$225,489 in the Water Fund. The Sanitation Fund did not have any capital outlay. The net increase in cash was \$61,431 and \$43,028 for the Water and Sanitation Funds.

## TOWN OF DOVE CREEK, COLORADO

### MANAGEMENT'S DISCUSSION AND ANALYSIS (UNAUDITED) For the Year Ended December 31, 2022

#### **OVERVIEW OF THE FINANCIAL STATEMENTS**

This annual report is comprised of a series of financial statements. Management's Discussion and Analysis is intended to serve as an introduction to the Town's basic financial statements. Comparison to prior year's activity is provided in this document. The basic financial statements are comprised of three components.

- Government-wide financial statements.
- Fund financial statements.
- Notes to the basic financial statements.

This report also contains required supplemental information, other supplementary information and information required by oversight authorities in addition to the basic financial statements themselves.

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

The government-wide financial statements report information about the Town as a whole using accounting methods similar to those used by private companies. The government-wide financial statements include the Statement of Net Position and the Statement of Activities.

- The Statement of Net Position presents information about all of the Town's assets and liabilities. The difference between assets and liabilities is reported as net position.
- The Statement of Activities presents information showing how the net position of the Town changed during the current fiscal year. Changes in net position are recorded in the Statement of Activities when the underlying event occurs regardless of the timing of related cash flow. Thus, all of the revenues and expenses are taken into account regardless of when cash is received or paid.

The Government-wide financial statements are one way to measure the Town's financial health, or financial position.

- Over time, increases or decreases in the Town's net position are an indicator of whether its financial position is improving or deteriorating.
- To assess the Town's overall health, you need to consider additional non-financial factors such as changes in the Town's property tax base and the condition of Town facilities.

## TOWN OF DOVE CREEK, COLORADO

### MANAGEMENT'S DISCUSSION AND ANALYSIS (UNAUDITED) For the Year Ended December 31, 2022

In the Government-wide financial statements, the Town's activities are divided into two categories:

- **Governmental activities-** Most of the Town's basic services are included here, such as general government, public safety, public works and culture and recreation. These activities are financed mainly through property taxes and sales taxes. The Town's General Fund is included here.
- **Business-type activities-** The Town charges fees to help cover the costs of certain services it provides. The Town's water and sanitation facilities are included here.

#### **Fund Financial Statements**

The fund financial statements provide more detailed information about the Town's funds, focusing on its most significant or "major" funds, not the Town as a whole. Funds are accounting devices the Town uses to keep track of specific sources of funding and spending on particular programs. Some funds are required to be established by state law. However, the Town can establish other funds to help it manage and control its finances to achieve certain results.

The Town uses two types of funds:

- **Governmental funds-** Most of the Town's basic services are included in governmental funds, which focus on how money flows into and out of those funds and the balances left at year-end that are available for spending. These funds are reported using the modified accrual basis of accounting, which measures cash and all other financial assets that can readily be converted to cash. The governmental fund statements provide a detailed short-term view of the Town's general operations and the services it provides. Governmental fund information helps one determine whether there are more or fewer financial resources that can be spent in the near future to finance the Town's programs. Because this information does not encompass the additional long-term focus of the Government-wide statements, additional information at the bottom of the governmental funds statements explains the relationship (or difference) between them.
- **Proprietary funds-** Services for which the Town charges a fee are generally reported in proprietary funds. Proprietary funds are reported in the same way as the Government-wide financial statements. The Town's enterprise funds (one type of proprietary fund) are the same as its business-type activities but provide more detail and additional information such as cash flow analysis.

**TOWN OF DOVE CREEK, COLORADO**

MANAGEMENT'S DISCUSSION AND ANALYSIS  
(UNAUDITED)  
For the Year Ended December 31, 2022

**FINANCIAL ANALYSIS OF THE TOWN AS A WHOLE**

Total Town's assets increased by \$751,346. The current assets increased \$180,662 and the noncurrent assets increased \$570,684. The Town's liabilities increased by \$195,486. The current liabilities increased \$81,614 and the noncurrent liabilities increased \$113,872.

The Town's combined net position was larger on December 31, 2022 than it was at December 31, 2021, increasing 4.6% to \$4,791,811. The net position of governmental activities increased \$81,067 to \$3,044,887. The net position of the Town's business type activities increased \$128,137 to \$1,746,924.

Our analysis below focuses on the net position (Table 1) and changes in net position (Table 2) on the Town's governmental and business-type activities.

**Table 1**  
**Comparative Summary Statement of Net Position**  
**December 31, 2022 and 2021**

	Governmental Activities		Business-type Activities		Total Town	
	2022	2021	2022	2021	2022	2021
<b>Assets</b>						
Current assets	\$ 2,953,642	\$ 2,858,893	\$ 935,409	\$ 849,496	\$ 3,889,051	\$ 3,708,389
Noncurrent assets			3,917	3,917	3,917	3,917
Capital assets net of depr	383,151	324,086	949,920	775,853	1,333,071	1,099,939
Operating lease right of use asset			337,552	346,492	337,552	
<b>Total assets</b>	<b>3,336,793</b>	<b>3,182,979</b>	<b>2,226,798</b>	<b>1,975,758</b>	<b>5,563,591</b>	<b>4,812,245</b>
<b>Liabilities</b>						
Current liabilities	170,598	95,015	25,450	19,419	196,048	114,434
Noncurrent liabilities			451,424	337,552	451,424	337,552
<b>Total liabilities</b>	<b>170,598</b>	<b>95,015</b>	<b>476,874</b>	<b>356,971</b>	<b>647,472</b>	<b>451,986</b>
Deferred Inflow of Resources	121,308	124,144			121,308	124,144
<b>Net Position</b>						
Net Invested in capital assets	383,151	324,086	836,048	775,853	1,219,199	1,099,939
TABOR	100,000	100,000			100,000	100,000
Unrestricted	2,561,736	2,539,734	910,876	824,934	3,472,612	3,364,668
<b>Total net assets</b>	<b>\$ 3,044,887</b>	<b>\$ 2,963,820</b>	<b>\$ 1,746,924</b>	<b>\$ 1,600,787</b>	<b>\$ 4,791,811</b>	<b>\$ 4,564,607</b>

**TOWN OF DOVE CREEK, COLORADO**

MANAGEMENT'S DISCUSSION AND ANALYSIS  
(UNAUDITED)  
For the Year Ended December 31, 2022

**Table 2**  
**Comparative Summary Changes in Net Position**  
**For the Year Ending December 31, 2022 and 2021**

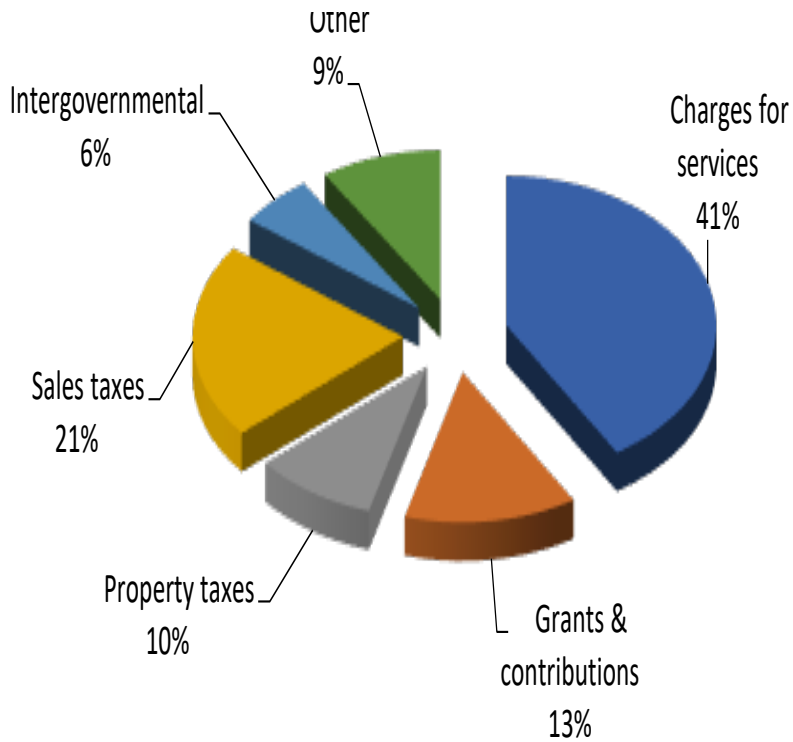
	Governmental Activities		Business-type Activities		Total Town	
	2022	2021	2022	2021	2022	2021
<b>Revenues</b>						
Program revenues						
Charges for services	\$ 95,524	\$ 68,232	\$ 455,454	\$ 304,849	\$ 550,978	\$ 373,081
Operating grants & contributions	65,795	79,508			65,795	79,508
Capital grants & contributions			111,618		111,618	-
General revenues						
Property taxes	126,220	127,686			126,220	127,686
Sales taxes	283,362	232,663			283,362	232,663
Other	198,863	139,937	1,118	1,128	199,981	141,065
<b>Total revenues</b>	<b>769,764</b>	<b>648,026</b>	<b>568,190</b>	<b>305,977</b>	<b>1,337,954</b>	<b>954,003</b>
<b>Expenses</b>						
General government	322,262	313,665			322,262	313,665
Public safety	102,561	96,394			102,561	96,394
Public works	164,480	135,518	440,053	378,586	604,533	514,104
Culture and recreation	99,394	72,038			99,394	72,038
<b>Total expenses</b>	<b>688,697</b>	<b>617,615</b>	<b>440,053</b>	<b>378,586</b>	<b>1,128,750</b>	<b>996,201</b>
<b>Increase (decrease) in net position</b>	<b>\$ 81,067</b>	<b>\$ 30,411</b>	<b>\$ 128,137</b>	<b>\$ (72,609)</b>	<b>\$ 209,204</b>	<b>\$ (42,198)</b>

**TOWN OF DOVE CREEK, COLORADO**

**MANAGEMENT'S DISCUSSION AND ANALYSIS  
(UNAUDITED)  
For the Year Ended December 31, 2022**

Intergovernmental revenues accounted for 6% of the Town's total revenues. Another 31% came from property and sales taxes; 41% from charges for services; and the remaining 22% came from operating and capital grants and other revenue.

**Table 3  
Sources of Revenue for Fiscal Year 2022**

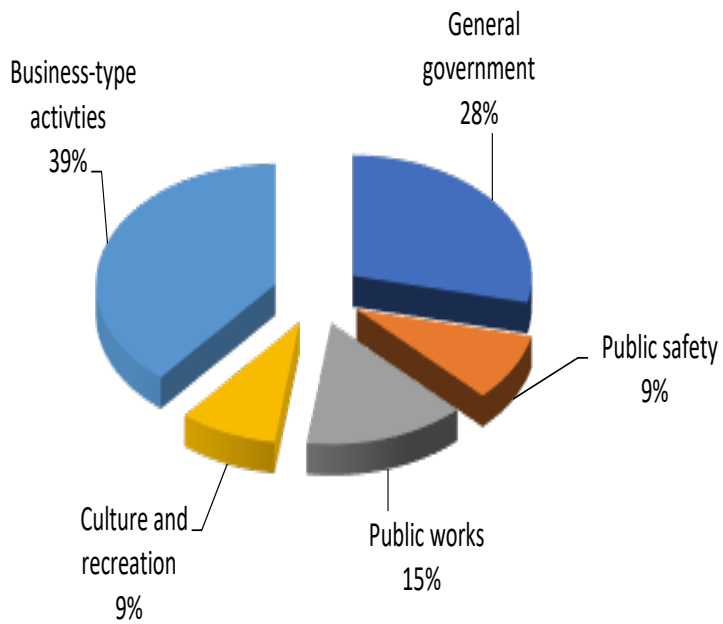


**TOWN OF DOVE CREEK, COLORADO**

**MANAGEMENT'S DISCUSSION AND ANALYSIS  
(UNAUDITED)  
For the Year Ended December 31, 2022**

The Town's expenses are predominately related to business-type activities and general government which are 39% and 28%. Public works and public safety were 15% and 9%; the Town's culture and recreation activities accounted for the balance of 9%.

**Table 4  
Expenses for Fiscal Year 2022**



**TOWN OF DOVE CREEK, COLORADO**

**MANAGEMENT'S DISCUSSION AND ANALYSIS  
(UNAUDITED)  
For the Year Ended December 31, 2022**

**GOVERNMENTAL ACTIVITIES**

The primary sources of operating revenue for the Town governmental activities come from general property taxes, sales taxes and other revenues (primarily mineral leasing).

The statement of activities shows the cost of program services and the charges for services and grants offsetting those service costs. Table 5 shows, for governmental activities, the total cost of services and net cost of services. That is, it identifies the cost of these services supported by general revenues including general property taxes and sales taxes.

**Table 5  
Government Activities  
For the Year Ending December 31, 2022 and 2021**

	Total Cost of Services		Net Cost of Services	
	2022	2021	2022	2021
General government	\$ 322,262	\$ 313,665	\$ 272,676	\$ 252,103
Public safety	102,561	96,394	43,449	64,706
Public works	164,480	135,518	133,449	102,451
Culture and recreation	99,394	72,038	77,804	50,615
Total	<u>\$ 688,697</u>	<u>\$ 617,615</u>	<u>\$ 527,378</u>	<u>\$ 469,875</u>

The cost of all governmental activities during the year was \$688,697.

- \$95,524 of the cost was financed by the users of the Town's programs.
- Federal and state government subsidized certain programs with grants and contributions of \$65,795.
- However, \$527,378 was financed by state and town taxpayers. The general revenues of \$608,445 was adequate to cover this. The general revenues consist of \$102,496 in Mineral Leasing payments, \$132,957 in property and specific ownership taxes, \$283,362 in sales taxes and \$89,630 in other general revenues.

**TOWN OF DOVE CREEK, COLORADO**

**MANAGEMENT'S DISCUSSION AND ANALYSIS  
(UNAUDITED)  
For the Year Ended December 31, 2022**

***BUSINESS-TYPE ACTIVITIES***

Business-type activities are made up of the Water Fund and the Sanitation Fund. These programs had revenues of \$568,190 and expenses of \$440,053.

***FINANCIAL ANALYSIS OF THE TOWN'S FUNDS***

Information about the Town's major governmental fund (the Town only has the General Fund) starts on page 16. This fund is accounted for using the modified accrual basis of accounting. The General Fund had revenues of \$769,764 and expenditures of \$747,762.

***General Fund Budgetary Highlights***

The Town's budget is prepared according to Colorado law and is based on accounting for certain transactions on a basis of cash receipts and disbursements. The most significant budgeted fund is the General Fund.

- Actual expenditures were \$592,217 less than budget in the General Fund, primarily because the Town budgets conservatively on expected revenues.

***CAPITAL ASSET ADMINISTRATION***

By the end of 2022, the Town has invested \$4,475,132 in land, buildings, and equipment (including vehicles), of this total \$657,349 was from governmental activities.

***Table 6  
Capital Assets at December 31, 2022 and 2021***

	Governmental Activities		Business-Type Activities		Total Town	
	2022	2021	2022	2021	2022	2021
Land	\$ 158,185	\$ 158,185	\$ 32,652	\$ 32,652	\$ 190,837	\$ 190,837
Buildings	250,853	183,680	519,547	519,547	770,400	703,227
Equipment/Facilities	248,311	248,311	3,265,584	3,040,095	3,513,895	3,288,406
Total	<u>\$ 657,349</u>	<u>\$ 590,176</u>	<u>\$ 3,817,783</u>	<u>\$ 3,592,294</u>	<u>\$ 4,475,132</u>	<u>\$ 4,182,470</u>

**TOWN OF DOVE CREEK, COLORADO**

**MANAGEMENT'S DISCUSSION AND ANALYSIS  
(UNAUDITED)  
For the Year Ended December 31, 2022**

Additional information on the Town's capital assets can be found in the Notes to the Financial Statements on page 31 of this report.

***FACTORS BEARING ON THE TOWN'S FUTURE***

At the time these financial statements were prepared and audited, the Town is not aware of any existing circumstances that could significantly affect its financial health in the future.

***CONTACTING THE TOWN'S FINANCIAL MANAGEMENT***

This financial report is designed to provide the Town's citizens, taxpayers, and creditors with a general overview of the Town's finances and to demonstrate the Town's accountability for the money it receives. If you have questions about this report or need additional financial information, contact the Town of Dove Creek Administration Office, PO Box 508 Dove Creek, Colorado 81324.

**TOWN OF DOVE CREEK, COLORADO**

Statement of Net Position

December 31, 2022

	<u>Governmental Activities</u>	<u>Business-type Activities</u>	<u>Total</u>
<b>Assets</b>			
Current assets			
Cash-unrestricted	\$ 2,624,641	\$ 1,009,050	\$ 3,633,691
Property tax receivable	121,308		121,308
Other receivables		33,055	33,055
Intergovernmental receivable		66,226	66,226
Due from other funds	172,922	(172,922)	-
Due from other governments	34,771		34,771
Noncurrent assets			
Investments in water taps		3,917	3,917
Capital assets, net of depreciation	383,151	949,920	1,333,071
Operating lease right of use asset		337,552	337,552
<b>Total Assets</b>	<u>3,336,793</u>	<u>2,226,798</u>	<u>5,563,591</u>
<b>Liabilities</b>			
Current liabilities			
Accounts payable	17,357	28,450	45,807
Accrued payroll tax liabilities	3,279		3,279
Unearned grant revenue	149,962		149,962
Long-term liabilities			
Operating lease liability			
Due within one year		9,483	9,483
Due in more than one year		441,941	441,941
<b>Total Liabilities</b>	<u>170,598</u>	<u>479,874</u>	<u>650,472</u>
<b>Deferred Inflow of Resources</b>			
Unearned tax revenue	<u>121,308</u>		<u>121,308</u>
<b>Net Position</b>			
Net investment in capital assets	383,151	836,048	1,219,199
Restricted			
TABOR	100,000		100,000
Debt service		33,884	33,884
Unrestricted	2,561,736	876,992	3,438,728
<b>Total Net Position</b>	<u>\$ 3,044,887</u>	<u>\$ 1,746,924</u>	<u>\$ 4,791,811</u>

The accompanying notes are an integral part of this statement.

**TOWN OF DOVE CREEK, COLORADO**

Statement of Activities

For the Year Ended December 31, 2022

	Program Revenues				Net (Expenses) Revenue And Changes in Net Position		
	Expenses	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Governmental Activities	Business- type Activities	Total
<b>Governmental Activities</b>							
General government	\$ 322,262	\$ 22,956	\$ 26,630		\$ (272,676)		\$ (272,676)
Public safety	102,561	59,112			(43,449)		(43,449)
Public works	164,480		31,031		(133,449)		(133,449)
Culture and recreation	99,394	13,456	8,134		(77,804)		(77,804)
<b>Total Governmental Activities</b>	<b>688,697</b>	<b>95,524</b>	<b>65,795</b>		<b>(527,378)</b>		<b>(527,378)</b>
<b>Business-Type Activities</b>							
Water	290,123	320,465		\$ 111,618		\$ 141,960	141,960
Sanitation	149,930	134,989				(14,941)	(14,941)
<b>Total Business-Type Activities</b>	<b>440,053</b>	<b>455,454</b>	<b>-</b>	<b>111,618</b>		<b>127,019</b>	<b>127,019</b>
<b>Total Town</b>	<b>\$ 1,128,750</b>	<b>\$ 550,978</b>	<b>\$ 65,795</b>	<b>\$ 111,618</b>	<b>(527,378)</b>	<b>127,019</b>	<b>(400,359)</b>

**General Revenues**

Property tax	126,220	126,220
Specific Ownership tax	6,737	6,737
Sales and Use tax	283,362	283,362
Motor Vehicle License Fees	3,491	3,491
Franchise tax	47,147	47,147
Road and Bridge Fee	7,584	7,584
Intergovernmental		
Mineral Leasing	102,496	102,496
Severance Tax	30,734	30,734
Tobacco Products tax	674	674
Earnings on investments		1,118

**Total General Revenues**

608,445	1,118	609,563
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**Change in Net Position**

81,067	128,137	209,204
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Net Position Beginning of the Year

2,963,820	1,618,787	4,582,607
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**Net Position End of the Year**

<b>\$ 3,044,887</b>	<b>\$ 1,746,924</b>	<b>\$ 4,791,811</b>
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The accompanying notes are an integral part of this statement.

**TOWN OF DOVE CREEK, COLORADO**

Balance Sheet  
Governmental Fund

December 31, 2022

	General Fund
<b>Assets</b>	
Cash-unrestricted	\$ 2,624,641
Property tax receivable	121,308
Due from other funds	172,922
Due from other governments	34,771
<b>Total Assets</b>	<b>\$ 2,953,642</b>
<b>Liabilities</b>	
Accounts payable	\$ 17,357
Accrued payroll tax liabilities	3,279
Unearned grant revenue	149,962
<b>Total Liabilities</b>	<b>170,598</b>
<b>Deferred Inflow of Resources</b>	
Unearned revenue property tax	121,308
<b>Fund Balance</b>	
Restricted	
TABOR	100,000
Assigned	
Subsequent year's expenditures	2,561,736
<b>Total Fund Balance</b>	<b>2,661,736</b>
<b>Total Liabilities and Fund Balance</b>	<b>\$ 2,953,642</b>

**Reconciliation of the Governmental Fund Balance Sheet  
with the Statement of Net Position**

<b>Total Fund Balance Governmental Fund</b>	\$	2,661,736
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Amounts reported for governmental activities in the  
Statement of Net Position are different because

Capital assets used in governmental activities  
are not financial resources and therefore are not  
reported as assets in governmental funds.

Capital assets	\$	657,349
Accumulated depreciation		(274,198)
		383,151

<b>Total Net Position Governmental Activities</b>	<b>\$</b>	<b>3,044,887</b>
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The accompanying notes are an integral part of this statement.

**TOWN OF DOVE CREEK, COLORADO**  
Statement of Revenues, Expenditures, and Changes in Fund Balance  
Governmental Fund

For the Year Ended December 31, 2022

	General Fund
<b>Revenues</b>	
Taxes	\$ 474,541
Licenses and permits	3,569
Intergovernmental	199,699
Charges for services	2,589
Fines and forfeitures	59,112
Miscellaneous	30,254
<b>Total Revenues</b>	769,764
<b>Expenditures</b>	
General government	317,414
Public safety	102,561
Public works	164,480
Culture and recreation	96,134
Capital outlay	67,173
<b>Total Expenditures</b>	747,762
<b>Excess revenues over (under) expenditures</b>	22,002
<b>Net Change in Fund Balances</b>	22,002
Fund Balances beginning of the year	2,639,734
<b>Fund Balances end of the year</b>	\$ 2,661,736
 <b>Reconciliation of the Governmental Fund Statement of Revenues, Expenditures and Changes in Fund Balances to the Statement of Activities</b>	
<b>Net Change in Fund Balances Governmental Fund</b>	\$ 22,002
<p>Amounts reported for governmental activities in the Statement of Activities are different because Governmental funds report capital outlay as expenditures. However, in the Statement of Activities, the cost of those assets is allocated over their estimated useful lives as depreciation expense. This is the amount by which depreciation exceeded capital outlay in the current period.</p>	
Capital outlay	\$ 67,173
Depreciation expense	(8,108)
	59,065
<b>Change in Net Position of Governmental Activities</b>	\$ 81,067

The accompanying notes are an integral part of this statement.

**TOWN OF DOVE CREEK, COLORADO**

Statement of Net Position  
Proprietary Fund Types - Enterprise Funds  
December 31, 2022

	Business-type Activities		
	Water	Sanitation	Total
<b>Assets</b>			
<b>Current Assets</b>			
Cash	\$ 480,774	\$ 528,276	\$ 1,009,050
Receivables-net			
Accounts receivable	21,413	11,642	33,055
Intergovernmental receivable	66,226		66,226
<b>Noncurrent Assets</b>			
Investments in Water Taps	3,917		3,917
Capital assets, net of depreciation	718,876	231,044	949,920
Operating lease right of use asset	337,552		337,552
<b>Total Assets</b>	1,628,758	770,962	2,399,720
<b>Liabilities</b>			
<b>Current Liabilities</b>			
Accounts payable	26,513	1,937	28,450
Due to other funds	86,461	86,461	172,922
Current portion of operating lease liability	9,483		9,483
<b>Noncurrent Liabilities</b>			
Operating lease liability	328,069		328,069
Note payable CWCB	113,872		113,872
<b>Total Liabilities</b>	564,398	88,398	652,796
<b>Net Position</b>			
Net investment in capital assets	605,004	231,044	836,048
Restricted for debt service	33,884		33,884
Unrestricted	425,472	451,520	876,992
<b>Total Net Position</b>	\$ 1,064,360	\$ 682,564	\$ 1,746,924

The accompanying notes are an integral part of this statement

**TOWN OF DOVE CREEK, COLORADO**

Statement of Revenues, Expenses and Changes in Net Position  
 Proprietary Fund Types - Enterprise Funds  
For the Year Ended December 31, 2022

	Business-type Activities		
	Water	Sanitation	Total
<b>Operating revenues</b>			
Water sales and sewer fees	\$ 261,397	\$ 131,989	\$ 393,386
Water sales - Celsius	14,050		14,050
Water dock	22,861		22,861
Miscellaneous revenue	3,245		3,245
<b>Total operating revenues</b>	301,553	131,989	433,542
<b>Operating expenses</b>			
Administration	41,417	31,868	73,285
Source of supply	64,931		64,931
Water and sewer treatment	77,376	100,296	177,672
Transmission and distribution	72,743		72,743
Depreciation	33,656	17,766	51,422
<b>Total operating expenses</b>	290,123	149,930	440,053
Operating income (loss)	11,430	(17,941)	(6,511)
<b>Non-operating revenues (expenses)</b>			
Interest revenue	157	961	1,118
Tap fees	18,912	3,000	21,912
Capital grant	112,745		112,745
Loan originaton fees	(1,127)		(1,127)
<b>Total non-operating revenues (expenses)</b>	130,687	3,961	134,648
<b>Change in net position</b>	142,117	(13,980)	128,137
Net position beginning of the year	922,243	696,544	1,618,787
<b>Net position end of the year</b>	\$ 1,064,360	\$ 682,564	\$ 1,746,924

The accompanying notes are an integral part of this statement.

TOWN OF DOVE CREEK, COLORADO

Statement of Cash Flows  
Proprietary Fund Type - Enterprise Funds

For the Year Ended December 31, 2022

	Business-type Activities		
	Water	Sanitation	Total
<b>Cash Flows From Operating Activities</b>			
Cash received from customers	\$ 291,395	\$ 126,142	\$ 417,537
Cash received from miscellaneous income	3,245		3,245
Cash payments to employees for services	(34,467)	(40,924)	(75,391)
Cash payments to suppliers for goods and services	(151,586)	(46,151)	(197,737)
<b>Net Cash Flows provided (used) by Operating Activities</b>	<b>108,587</b>	<b>39,067</b>	<b>147,654</b>
<b>Cash Flows From Capital and Related Financing Activities</b>			
Tap fees	18,912	3,000	21,912
Capital grant received	79,632		79,632
Proceed from long-term debt	79,632		79,632
Capital asset acquisitions	(225,489)		(225,489)
<b>Net Cash Flows provided (used) by Capital and Financing Activities</b>	<b>(47,313)</b>	<b>3,000</b>	<b>(44,313)</b>
<b>Cash Flows from Investing Activities</b>			
Interest Income	157	961	1,118
<b>Net Increase (Decrease) in Cash and Cash Equivalents</b>	<b>61,431</b>	<b>43,028</b>	<b>104,459</b>
Cash and Cash Equivalents - Beginning	419,343	485,248	904,591
<b>Cash and Cash Equivalents - Ending</b>	<b>\$ 480,774</b>	<b>\$ 528,276</b>	<b>\$ 1,009,050</b>
<b>Reconciliation of operating income (loss) to Net Cash provided (used) by Operating Activities</b>			
Operating income (loss)	\$ 11,430	\$ (17,941)	\$ (6,511)
Adjustments to reconcile operating income (loss) to net cash provided by operating activities			
Depreciation	33,656	17,766	51,422
Changes in Assets and Liabilities (Increase) Decrease in			
Accounts receivable	(6,913)	(5,847)	(12,760)
Increase (Decrease) in Accounts payable	18,420	(449)	17,971
Due to other funds	51,994	45,538	97,532
<b>Net Cash provided (used) by Operating Activities</b>	<b>\$ 108,587</b>	<b>\$ 39,067</b>	<b>\$ 147,654</b>
<b>Supplemental Cash Flows Information</b>			
Right of use assets obtained in exchange for lease obligations			
Operating lease			
Principal	\$ 22,002		\$ 22,002
Interest	8,940		8,940
Facilities purchased through issuance of long term debt	21,008		21,008
<b>Total</b>	<b>\$ 51,950</b>	<b>\$ -</b>	<b>\$ 51,950</b>

The accompanying notes are an integral part of this statement.

TOWN OF DOVE CREEK, COLORADO

Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual  
 General Fund  
 For the Year Ended December 31, 2022

	Budgeted Amounts		Actual	Variance Favorable (Unfavorable)
	Original	Final		
<b>Revenues</b>				
Taxes				
Property	\$ 124,144	\$ 124,144	\$ 126,220	\$ 2,076
Specific ownership	5,000	5,000	6,737	1,737
General sales and use	125,000	125,000	283,362	158,362
Motor vehicle registration	1,800	1,800	3,491	1,691
Franchise	35,000	35,000	47,147	12,147
Road and Bridge Fee	6,000	6,000	7,584	1,584
<b>Total taxes</b>	<b>296,944</b>	<b>296,944</b>	<b>474,541</b>	<b>177,597</b>
Licenses and permits				
Business licenses and permits	500	500	2,569	2,069
Nonbusiness licenses and permits	850	850	1,000	150
<b>Total licenses and permits</b>	<b>1,350</b>	<b>1,350</b>	<b>3,569</b>	<b>2,219</b>
Intergovernmental revenues				
Mineral leasing	1,000	1,000	102,496	101,496
Severance	4,000	4,000	30,734	26,734
Highway users	25,000	25,000	31,031	6,031
Tobacco product	500	500	674	174
Lottery funds	4,500	4,500	8,134	3,634
Grants	79,677	79,677	26,630	(53,047)
<b>Total intergovernmental revenues</b>	<b>114,677</b>	<b>114,677</b>	<b>199,699</b>	<b>85,022</b>
Charges for services - recreation	2,000	2,000	2,589	589
Fines and forfeitures	12,000	12,000	59,112	47,112
Miscellaneous revenues - recreation	6,500	6,500	10,867	4,367
Miscellaneous revenues	1,000	1,000	19,387	18,387
<b>Total revenues</b>	<b>434,471</b>	<b>434,471</b>	<b>769,764</b>	<b>335,293</b>

Continued

The accompanying notes are an integral part of this statement.

**TOWN OF DOVE CREEK, COLORADO**

Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual

General Fund

For the Year Ended December 31, 2022

	Budgeted Amounts		Actual	Variance Favorable (Unfavorable)
	Original	Final		
<b>Expenditures</b>				
General government				
Legislative	\$ 28,000	\$ 28,000	\$ 25,698	\$ 2,302
Judicial	5,000	5,000	3,630	1,370
Elections	2,000	2,000	4,710	(2,710)
Administrative				
Salary	89,500	89,500	26,944	62,556
Payroll taxes	5,300	5,300	2,115	3,185
Employee benefits	30,000	30,000	102,060	(72,060)
Office	50,000	50,000	54,699	(4,699)
Printing and publications	6,000	6,000	4,895	1,105
Utilities and telephone	12,000	12,000	12,694	(694)
Technology	15,000	15,000	17,957	(2,957)
Legal	30,000	30,000	19,345	10,655
Auditing	10,000	10,000	9,000	1,000
Outside services	4,000	4,000	1,470	2,530
Insurance	22,000	22,000	21,724	276
Miscellaneous	20,000	20,000	7,921	12,079
Treasurer's fees	4,500	4,500	2,552	1,948
<b>Total general government</b>	<b>333,300</b>	<b>333,300</b>	<b>317,414</b>	<b>15,886</b>
Public safety				
Sherriff contract	100,000	100,000	83,993	16,007
Jail	1,500	1,500		1,500
Supplies	7,500	7,500	1,709	5,791
Animal control	15,000	15,000	10,979	4,021
Code enforcement	33,000	33,000	5,455	27,545
Miscellaneous	2,500	2,500	425	2,075
<b>Total public safety</b>	<b>159,500</b>	<b>159,500</b>	<b>102,561</b>	<b>56,939</b>
Public works				
Director	58,000	58,000	19,441	38,559
General labor	26,000	26,000	51,866	(25,866)
Payroll tax	3,000	3,000	5,598	(2,598)
Employee benefits	20,500	20,500	1,473	19,027
Maintenance of condition	100,000	100,000	44,842	55,158
Snow and ice removal	6,000	6,000		6,000
Highway equipment	40,000	40,000	16,995	23,005
Supplies	15,000	15,000	5,337	9,663
Repairs	15,000	15,000	2,294	12,706
Street lights	22,000	22,000	15,290	6,710
Miscellaneous			1,344	(1,344)
<b>Total public works</b>	<b>305,500</b>	<b>305,500</b>	<b>164,480</b>	<b>141,020</b>

The accompanying notes are an integral part of this statement.

Continued

**TOWN OF DOVE CREEK, COLORADO**

Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual  
General Fund  
For the Year Ended December 31, 2022

	Budgeted Amounts		Actual	Variance Favorable (Unfavorable)
	Original	Final		
Culture and recreation				
Recreation director	\$ 33,100	\$ 33,100	\$ 32,400	\$ 700
Payroll tax	2,700	2,700	2,543	157
Employee benefits	1,025	1,025	972	53
Operating supplies	7,000	7,000	808	6,192
Community Center and Park	35,000	35,000	28,244	6,756
Utilities and telephone	14,000	14,000	10,290	3,710
Insurance	2,500	2,500	2,000	500
Office	4,000	4,000	585	3,415
Sports and education	15,000	15,000	15,776	(776)
Janitorial	2,000	2,000	2,205	(205)
Repairs	15,000	15,000	311	14,689
Miscellaneous	1,000	1,000		1,000
<b>Total Culture and recreation</b>	<b>132,325</b>	<b>132,325</b>	<b>96,134</b>	<b>36,191</b>
Capital Outlay	409,354	409,354	67,173	342,181
<b>Total expenditures</b>	<b>1,339,979</b>	<b>1,339,979</b>	<b>747,762</b>	<b>592,217</b>
<b>Excess (deficit) of revenues and other financing sources over (under) expenditures and other financing uses</b>	<b>(905,508)</b>	<b>(905,508)</b>	<b>22,002</b>	<b>927,510</b>
Fund balance, beginning of the year	2,792,159	2,792,159	2,639,734	(152,425)
<b>Fund balance, end of the year</b>	<b>\$ 1,886,651</b>	<b>\$ 1,886,651</b>	<b>\$ 2,661,736</b>	<b>\$ 775,085</b>

The accompanying notes are an integral part of this statement.

## TOWN OF DOVE CREEK, COLORADO

### NOTES TO THE FINANCIAL STATEMENTS

December 31, 2022

***Summary of Significant Accounting Policies*** - The Town of Dove Creek, Colorado's (the Town) financial statements are prepared in conformity with generally accepted accounting principles (GAAP) as applied to local governmental units. The Governmental Accounting Standards Board (GASB) is responsible for establishing GAAP for state and local governments through its pronouncements (Statement of Interpretations).

The following significant accounting policies were applied to the preparation of the accompanying financial statements.

***Reporting Entity*** – Town of Dove Creek, Colorado is a statutory (non-home-rule) Town and serves as an administrative unit of the State of Colorado.

Town board members are elected by the citizens of the Town, not appointed by any other governing body. The Board selects the Town Manager. The Board is solely responsible for the Town's budget adoption process. The Town has the authority to levy taxes and issue debt. The Town meets the criteria of a primary government; its' board is the publicly elected governing body; it is a legally separate entity; and it is fiscally independent. The Town is not included in any other government reporting entity. In addition, there are no component units based on criteria set forth in GASB Statement 61, the financial reporting entity omnibus an amendment of GASB Statement 14 and 34.

#### **Government-wide and Fund Financial Statement Presentation**

The government-wide financial statements (the Statement of Net Position and the Statement of Activities) display information on all the non-fiduciary activities of the primary government. The effect of Interfund activities has been removed from these statements. These statements distinguish between the governmental and business-type activities of the Town. Governmental activities are supported by taxes and intergovernmental revenues. Business-type activities are financed, to a significant extent, by fees and charges.

The statement of activities demonstrates the degree to which 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) fees and charges to customers or applicants who purchase, use, or directly benefit from goods, services or privileges provided by a given function or segment and 2) grants and contributions that are restricted to meeting the operational or capital requirements of a particular function or segment. Revenues that are not classified as program revenues, including all taxes, are reported as general revenues.

# TOWN OF DOVE CREEK, COLORADO

## NOTES TO THE FINANCIAL STATEMENTS

December 31, 2022

The accounts of the Town are organized based on funds, each of which is considered a separate accounting entity. Separate financial statements are provided for governmental funds and proprietary funds. Major individual funds represent the Town's most important funds and are reported as separate columns in the fund financial statements. All remaining funds are aggregated and reported as non-major funds. The Town has no non-major funds.

### **Measurement Focus and Basis of Accounting**

The government-wide financial statements are reported using the economic resources measurement focus and the accrual basis of accounting, as are the proprietary funds financial statements. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of the related cash flow. On an accrual basis, property taxes are recognized as revenue in the year for which they become enforceable. Grants and similar items are recognized as revenue in the fiscal year in which all eligibility requirements imposed by the provider have been met.

The effect of interfund activity has generally been eliminated from the government-wide financial statements. Exceptions to this are charges between the Town's governmental and business-type activities. Elimination of these charges would distort the direct costs and program revenues reported for the various functions concerned.

**Governmental Funds** are used to account for the Town's general governmental activities. 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 available when they are collectible within the period or soon enough thereafter to pay liabilities of the current fiscal period. For this purpose, the government considers revenues to be available if they are collected within 60 days of the end of the current fiscal period. Expenditures generally are recorded when a liability is incurred, as under accrual accounting. However, debt services expenditures, as well as expenditures related to compensated absences and claims and judgments, are recorded only when payment is due and payable. General capital asset acquisitions are reported as expenditures in governmental funds. Proceeds from long-term debt and capital leases are reported as other financing sources.

Those revenues subject to accrual are property taxes, charges for services and expended grants associated with the current fiscal period. All other revenue items are considered measurable and available only when cash is received by the government.

# TOWN OF DOVE CREEK, COLORADO

## NOTES TO THE FINANCIAL STATEMENTS

December 31, 2022

The accounts of the Town are organized and operated based on funds. A fund is an independent fiscal accounting entity, with a self-balancing set of accounts. Fund accounting segregates funds according to their intended purpose and is used to aid management in demonstrating compliance with finance-related legal and contractual provisions. The minimum number of funds maintained by the Town is consistent with legal and managerial requirements.

The following is the Town's only major governmental fund.

**General Fund** – is the general operating fund of the Town. It is used to account for all financial resources except those required to be accounted for in another fund. Major revenue sources include local property taxes, specific ownership taxes and sales taxes.

**Proprietary Funds** distinguish operating revenues and expenses from non-operating items. Operating revenues and expenses generally result from providing services and delivering goods relating to a proprietary fund's principal ongoing operations. The principal revenues of the Town's enterprise funds are charges for services. Operating expenses for enterprise funds include cost of sales and services, administrative expenses, and depreciation on capital assets. All revenues and expenses not meeting this definition are reported as non-operating revenues and expenses.

The Town's major enterprise funds are:

**Water Fund** - is used to account for the financial transactions related to the water treatment and distribution operations of the Town.

**Sanitation Fund** - accounts for the sanitation services provided by the Town.

**Cash and Cash Equivalents** – for the purpose of the Statement of Cash Flows of the Enterprise Funds it is considered to be cash on hand, demand deposits, and the highly liquid investments with a maturity of six months or less.

**Capital Assets**, which include land, buildings and improvements, and equipment, are reported in the applicable governmental or business-type activities column in the government-wide financial statements. Capital assets are defined by the Town as assets with an initial, individual cost of more than \$5,000 and an estimated useful life in excess of two years. Such assets are recorded at historical cost or estimated historical cost if actual historical cost is not available. Donated capital assets are valued at their estimated fair value on the date donated. The Town maintains a capitalization threshold of \$10,000 for major outlays for buildings and improvements. As per GASB 34 the Town has elected to report infrastructure assets on a prospective basis. Therefore, infrastructure acquired before January 1, 2004 is not included in the financial statements.

**TOWN OF DOVE CREEK, COLORADO**

**NOTES TO THE FINANCIAL STATEMENTS**

December 31, 2022

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

All reported capital assets are depreciated. Depreciation is computed using the straight-line method over the following useful lives:

Description	Governmental Activities <u>Estimated Lives</u>	Business-Type Activities <u>Estimated Lives</u>
Buildings and Improvements	15-50 Years	N/A
Furniture and Equipment	10 Years	10-40 Years
Vehicles	5-8 Years	N/A

**Deferred Outflows/Inflows of Resources-** arises when potential revenue or expense does not meet both the “measurable” and “available” criteria for recognition in the current period. In subsequent periods, when both revenue recognition criteria are met, or when the Town has a legal claim to the resources, the liability for unearned revenue is removed and revenue is recognized.

**Compensated absences -** Compensated absences arise from policies concerning vacation and personal leave. Town employees receive two weeks of vacation per year. Personal leave is granted at the rate of one week per year. Vacation and sick leave do not vest or accumulate with employees; that is, the employees have no right to be paid for any of these if not taken in the time indicated, or if they terminate. Under generally accepted accounting principles there is, therefore, no expense or liability included in the financial statements.

**Short-term Inter-Fund Receivables/Payables -** During the course of operations, certain transactions occur between individual funds for goods provided or services rendered. These receivables and payables are classified as internal balances on the Government - wide statement of net position and, classified as due from other funds or due to other funds on the balance sheet.

**Operating Revenues and Expenses-** Operating revenues are those revenues that are generated directly from the primary activity of the proprietary funds. For the Town, these revenues are sales related to water and sanitation services. Operating expenses are necessary costs incurred to provide the goods or services that are the primary activities of the fund. All revenues and expenses not meeting this definition are reported as non-operating revenues and expenses.

## TOWN OF DOVE CREEK, COLORADO

### NOTES TO THE FINANCIAL STATEMENTS

December 31, 2022

***Inter-fund Transactions*** - Quasi-external transactions 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 inter-fund transactions, except quasi-external transactions and reimbursements, are reported as transfers.

***Estimates*** – The preparation of financial statements in conformity with generally accepted accounting principles requires the Town’s management to make estimates and assumptions that affect the reported amounts of assets, liabilities, deferred outflows and inflows of resources, revenues, and expenditures (expenses). Actual results could differ from those estimates and assumptions used.

***Property Tax Revenue Recognition*** - Property taxes are billed and collected on behalf of the Town by the Dolores County Treasurer. The property taxes are levied and certified in December of the year prior to the year the taxes are collected. Property taxes become an enforceable lien on January 1 of each year. Secured property taxes are due in two equal installments on February 28 and June 15 and are delinquent after February 28 and June 15, respectively. The entire balance can be paid by April 30 without penalty. Property taxes levied are recorded as deferred revenues in the year levied, as they are not due or enforceable until the following year.

***Budgets and Budgetary Accounting*** – The Town is required by Colorado Statutes to adopt annual budgets for all funds. Each budget is prepared on the same basis (U.S. GAAP basis) as that used for accounting purposes, except for the Proprietary Funds, which are prepared essentially on the modified accrual basis of accounting. This basis of accounting is at variance with U.S. GAAP.

The following procedures are followed in establishing the budgetary data reflected in the financial statements:

Prior to October 15, the Town Clerk submits to the Town Board a proposed operating budget for the fiscal year commencing the following January 1.

The operating budget includes proposed expenditures and the means of financing them.

Public hearings are conducted to obtain comment.

Prior to December 31, the budget is legally adopted through passage of adoption and appropriations resolutions.

Formal budgetary integration is employed as a management control device during the year.

## TOWN OF DOVE CREEK, COLORADO

### NOTES TO THE FINANCIAL STATEMENTS

December 31, 2022

The Town Clerk is authorized to transfer budget amounts within the department. However, the Town Board must approve any revisions that alter the total expenditures of any department.

Appropriations are adopted by resolution for each fund in total and lapse at the end of each year. Over-expenditures are not deemed to exist unless the fund as a total has expenditures in excess of appropriations.

**Net Position** - Net position represent the difference between assets, deferred outflows of resources, liabilities, and deferred inflows of resources. Net Position should be displayed in the following three components:

- Net investment in capital assets represents capital assets, net accumulated depreciation, reduced by the outstanding balances of any borrowing that are attributable to the acquisition, construction, or improvement of those assets.
- Restricted consists of restricted assets that have limitations imposed on their use either through the enabling legislation or through external restrictions imposed by creditors, grantors, or laws or regulations of other governments.
- Unrestricted consists of the net amounts of assets, deferred outflows and inflows or resources and liabilities that are not included in the determination of net investment in capital assets or the restricted components of the net position.

When determining categories of net position, it is assumed that the type of expenditures determines the primary use of net position. When an expenditure is incurred for purposes for which both restricted and unrestricted net position is available, the Town considers restricted funds to have been spent first.

**Governmental Fund Balances** – The fund balances of the governmental funds are reported in classifications based on the extent to which the Town is bound to honor constraints for the specific purposes on which amounts in the fund can be spent as follows:

- Nonspendable fund balance represents assets that cannot be spent because of their form or legally or contractually must be maintained intact.
- Restricted fund balance reflects resources that are subject to externally enforceable legal limitations.
- Committed fund balance is the portion that is limited to specific purposes determined by a formal action of the Town Board, the Town's highest level of decision-making authority. Commitments may be modified or rescinded only through resolutions approved by the Town Board.

## TOWN OF DOVE CREEK, COLORADO

### NOTES TO THE FINANCIAL STATEMENTS

December 31, 2022

- Assigned fund balance displays the Town's intended use of these resources. The assigned fund balance amounts are assigned by the Town Board per the Town policy.
- Unassigned fund balance represents resources with residual net resources.

When determining categories of fund balance, it is assumed that the type of expenditure determines the primary use of fund balance. When an expenditure is incurred for purposes for which both restricted and unrestricted fund balance is available, the Town considers restricted funds to have been spent first. Once the commitment or assignment is satisfied unassigned resources are used.

**Cash and Investments** – The Town maintains its cash in the form of deposits in financial institutions.

**Custodial Credit Risk** – for deposits is the risk that, in the event of a bank failure, the Town's deposits might not be received. However, there is no custodial risk for public deposits because they are collateralized under the Colorado Public Deposit Protection Act (PDPA). PDPA specify eligible depositories for public cash deposits, which must be Colorado institutions and must maintain federal insurance on deposits held. Each eligible depository with deposits in excess of the insured levels must pledge a collateral pool of defined eligible assets, to be maintained by another institution or held in trust for all of its local government depositors as a group, with a fair market value at least equal to 102% of the uninsured deposits. The State Regulatory Commissions for banks and savings and loan associations are required by statute to monitor the naming of eligible depositories and the reporting of uninsured deposits and assets maintained in collateral pools.

At December 31, 2022, the carrying amount of the Town's deposits was \$3,633,691 and the bank balance was \$3,722,303. The Town's bank balances at December 31, 2022 and during the year then ended were entirely covered by FDIC insurance or pledged collateral held by the Town's agent bank in the name of governmental accounts of which the Town is a part.

**Investments** - At December 31, 2022, the Town had no investments other than \$3,917 invested in water taps within the Water Fund.

**TOWN OF DOVE CREEK, COLORADO**

NOTES TO THE FINANCIAL STATEMENTS

December 31, 2022

**Capital Assets** – Capital asset activity for the fiscal year ended December 31, 2022

Are as follows:

	<u>Assets</u>	<u>Additions</u>	<u>Deletions</u>	<u>Assets</u>
	<u>Jan 1, 2022</u>			<u>Dec 31, 2022</u>
<b>Governmental Activities</b>				
Capital assets, not being depreciated				
Land	<u>\$ 158,185</u>			<u>\$ 158,185</u>
Capital assets, being depreciated				
Buildings and improvements	183,680	\$ 67,173		250,853
Equipment and vehicles	248,311			248,311
Total capital assets being depreciated	<u>431,991</u>	<u>67,173</u>		<u>499,164</u>
Less accumulated depreciation	(266,090)	(8,108)		(274,198)
Total capital assets being depreciated, net	<u>165,901</u>	<u>59,065</u>		<u>224,966</u>
Total governmental activities, net	<u>\$ 324,086</u>	<u>\$ 59,065</u>	<u>\$ -</u>	<u>\$ 383,151</u>
<b>Business-Type Activities</b>				
Capital assets, not being depreciated				
Land	<u>\$ 32,652</u>			<u>\$ 32,652</u>
Capital assets, being depreciated				
Buildings and improvements	519,547			519,547
Equipment and facilities	3,040,095	\$ 225,489		3,265,584
Total capital assets being depreciated	<u>3,559,642</u>	<u>225,489</u>		<u>3,785,131</u>
Less accumulated depreciation	(2,816,441)	(51,422)		(2,867,863)
Total capital assets being depreciated, net	<u>743,201</u>	<u>174,067</u>		<u>917,268</u>
Total business-type activities, net	<u>\$ 775,853</u>	<u>\$ 174,067</u>	<u>\$ -</u>	<u>\$ 949,920</u>

**TOWN OF DOVE CREEK, COLORADO**

**NOTES TO THE FINANCIAL STATEMENTS**

December 31, 2022

Depreciation expense was charged as a direct expense to the following governmental programs:

Depreciation Expense	
General government	\$ 4,848
Culture and recreation	3,260
	<hr/>
Total depreciation governmental activities	<u>\$ 8,108</u>

**Enterprise Fund – Water Fund Project to design and construct reservoir**

– In 2022 the Town entered into contracts with the Colorado Water Conservation Board (CWCB). The purpose of the contracts was to fund a project to design and construct a new reservoir to meet the water demand of the Town’s users during drought and during times when the Dove Creek canal is unable to convey water. With this project, the Town will be able to increase and improve the reliability of the water it has available and deliver it to the treatment facility and its customers. The cost of the project is estimated at \$1,600,000, including design, engineering, legal, financing and administrative costs relating thereto, and any other costs incidental thereto. To fund this project, the Town received a grant with the CWCB with a maximum amount of \$800,000. The grant required a matching expense that the Town funded with a loan from the CWCB for a maximum amount of \$800,000. The loan includes a 1% loan origination fee of the actual amount received. The loan is to be repaid with an annual loan payment of \$33,883.41 including interest at 1.55% over 30 years starting from the substantial completion date of the project or five (5) years from the projected performance beginning date of the project. For all loan funds disbursed by the CWCB prior to the contract project performance end date, interest shall accrue on the disbursed funds at the rate set by the CWCB for this loan (1.55%). The CWCB shall calculate the amount of the interest that accrued prior to the project’s substantial completion (as determined by the CWCB) and notify the Town of such amount. The Town shall repay that amount to the CWCB either (1) within thirty (30) days of notification from the CWCB, (2) at the CWCB’s discretion, said interest shall be deducted from the final disbursement of loans funds that the CWCB make to the Town, or (3) at the CWCB’s discretion, said interest shall be rolled into the Town’s total loan amount due. Due to the uncertainty of the outcome the Town has not accrued interest on this loan in the current financial statements. The Town pledges to the CWCB, for the purpose of repaying the total loan amount, pledged revenues, in such amount as is necessary to make each annual payment due under this contract. The Town has restricted the first annual payment of \$33,833.41.

**TOWN OF DOVE CREEK, COLORADO**

NOTES TO THE FINANCIAL STATEMENTS

December 31, 2022

During 2022 the Town spent \$225,489 on this project. The grant monies for 2022 were \$112,745 and the loan payable totaled \$113,872 (loan of \$112,745 plus \$1,127 of loan origination fees). This entire loan is reported as noncurrent liabilities of the Enterprise Fund – Water Fund.

**Enterprise Fund – Water Fund Water Contract** - On February 23, 1988, in accordance with Article 7 of the contract 7-07-40-W0470 between the United States Department of Interior Bureau of Reclamation and the Dolores Water Conservancy District dated September 23, 1977, issuance of the Development Block Notice 3 for the Town of Dove Creek, Colorado to provide an annual average project water supply of 600 acre-feet within the Town’s water delivery system with a repayment obligation of \$898,998 with a project interest rate of 6.063 percent was signed. The first annual payment of \$54,249 was due February 1, beginning in the year 1997 and continuing until they year 2046. On March 12, 1991 the Development Block Notice 3 was amended to allow for water deliveries and repayment to begin in the year 1991. On June 23, 1997 the Development Block Notice 3 was again amended to allocate 320 acre-feet back to the Dolores Water Conservancy District leaving the Town of Dove Creek with 280 acre-feet at a total obligation of \$497,701 and changed the annual payment for 1997 to \$25,317, then \$30,426 annually through 2001, \$29,948 annually through 2040 and then diminishing through the final payment of \$1,015 in 2046.

This is an operating lease to purchase water during the contract with no transferring of the ownership rights. It is recorded as a right of use asset (\$354,922) and liability (\$354,922 and as an operating lease (\$29,948) on the financial statements in the Enterprise Water Fund.

The annual payments are summarized below.

Year Ending December 31	<u>Payment</u>	<u>Interest</u>	<u>Principal</u>	<u>Balance</u>
2023	\$ 29,948	\$ 20,465	\$ 9,483	\$ 328,069
2024	29,948	19,892	10,056	318,013
2025	29,948	19,281	10,667	307,346
2026	29,948	18,635	11,313	296,033
2027	29,948	17,949	11,999	284,034
2028-2032	149,740	77,906	71,834	212,200
2033-2037	149,740	53,323	96,417	115,783
2038-2042	129,430	20,779	108,651	7,132
2043-2046	7,908	776	7,132	-

**TOWN OF DOVE CREEK, COLORADO**

NOTES TO THE FINANCIAL STATEMENTS

December 31, 2022

**Summary of Long Term Debt** - consist of the following:

	Balance January 1, 2022	Additions	Deletions	Balance December 31, 2022
Enterprise Fund				
Water Fund				
Water Fund Project				
CWCB	\$ -	\$ 113,872		\$ 113,872
Operating Lease	346,492	-	\$ 8,940	337,552
	\$ 346,492	\$ 113,872	\$ 8,940	\$ 451,424

**Interfund Receivables and Payables** - consist of the following:

	Due To	Due From
General Fund	\$ 172,922	
Water Fund		\$ 86,461
Sanitation Fund		86,461
 Total	\$ 172,922	\$ 172,922

**Fund Balance Restrictions and Assignments** – Restricted indicates that a portion of the fund balance can only be spent for specific purposes because of state or federal laws, or externally imposed conditions by grantors or creditors. Assigned indicates the amounts that are designated for a specific purpose by the Town Board but are not spendable until appropriated. If both restricted and unrestricted amounts of fund balance are available for use when an expenditure is incurred, it is the Town policy to use restricted amounts first. The Town uses the following restrictions and assignments.

Restricted – TABOR - indicates that a portion of the fund balance has been segregated for expenditures for declared emergencies only. Fund balance restricted for TABOR consists of \$100,000 in the General Fund.

Restricted – Debt service – indicates the first annual payment (\$33,884) due on the CWCB note payable.

Assigned - Designated for future expenditures- indicates anticipated fund balance available for appropriation in the next budget year. Fund balance designated for subsequent year’s expenditures consists of \$2,561,736 in the General Fund.

## TOWN OF DOVE CREEK, COLORADO

### NOTES TO THE FINANCIAL STATEMENTS

December 31, 2022

**Retirement Plans** – The Town has adopted a deferred compensation plan under Internal Revenue Code Section 401(a). The plan is a defined contribution plan and participation is mandatory for full time employees after 90 days on the job. An eligible employee will make a 3% contribution based on the employee’s compensation each pay period and the Town will match the contribution. For the year ending December 31, 2022, the Town’s matching contributions totaled \$7,681. The Town also adopted a 457 plan that is optional to the employees and the Town does not contribute to this plan.

**Commitments and Contingent Liabilities** – There appear to be no commitments or contingencies that would pose a threat of significant liability to the Town.

**Tax Spending, Revenue and Debt Limitations**- Colorado voters passed an amendment to the State Constitution, Article X, Section 20, which has several limitations, including revenue raising, spending abilities, and other specific requirements of state and local governments.

The people of the Town voted to authorize the spending of all monies in existing funds and to collect, retain, and expend the full revenues, including state grants and taxes, generated during 1998 and for each subsequent year regardless of any limitation contained in Article X, Section 20, of the Colorado Constitution. The Amendment is complex and subject to judicial interpretation. The Town believes it is in compliance with the requirements of the amendment. However, the Town has made certain interpretations of the amendment’s language in order to determine its compliance.

**Risk Management** – The Town is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; injuries to employees, and natural disasters. The Town has purchased commercial insurance for such risks including worker’s compensation and employee health and accident insurance. Settled claims resulting from these risks have not exceeded commercial insurance in any of the past three years.

**TOWN OF DOVE CREEK, COLORADO**

Other Supplementary Information

December 31, 2022

Other supplementary information includes financial statements and schedules not required by the GASB, or a part of the basic financial statements, but are presented for purposes of additional analysis.

These statements and schedules include:

Budgetary Comparison Schedule - Enterprise Fund-Water Fund

Budgetary Comparison Schedule - Enterprise Fund-Sanitation Fund

Information Required by Oversight Authorities

Local Highway Finance Report

**TOWN OF DOVE CREEK, COLORADO**  
Statement of Revenues, Expenditures, and Changes in Net Position - Budget and Actual  
Proprietary Fund Type - Enterprise Fund  
Water Fund

For the Year Ended December 31, 2022

	Budgeted Amounts		(Non GAAP Basis) Actual	Variance Favorable
	Original	Final	Amounts	(Unfavorable)
<b>Operating Revenues</b>				
Water sales	\$ 200,000	\$ 200,000	\$ 261,397	\$ 61,397
Water sales-Celsius	14,050	14,050	14,050	-
Water dock	18,500	18,500	22,861	4,361
Miscellaneous revenue			3,245	3,245
<b>Total operating revenues</b>	232,550	232,550	301,553	69,003
<b>Operating Expenses</b>				
Administration				
Salaries	47,500	47,500	26,944	20,556
Payroll tax	3,750	3,750	2,115	1,635
Employee benefits	21,500	21,500	808	20,692
Office	4,000	4,000	3,032	968
Utilities			6,825	(6,825)
Miscellaneous	1,000	1,000	1,693	(693)
<b>Total administration</b>	86,250	77,750	41,417	36,333
Source of supply				
Fuel and power	6,000	6,000	1,326	4,674
Repairs and maintenance	15,000	15,000		15,000
Water	5,000	5,000	8,070	(3,070)
Water lease	30,000	30,000	29,948	52
O&M charges	8,000	8,000	22,587	(14,587)
Water dock	5,000	5,000	3,000	2,000
<b>Total source of supply</b>	69,000	69,000	64,931	4,069
Water treatment				
Salaries	38,000	38,000	51,151	(13,151)
Payroll tax	3,000	3,000	4,015	(1,015)
Employee benefits	20,200	20,200	1,428	18,772
Professional fees	20,000	20,000	5,300	14,700
Operating supplies	15,000	15,000	8,181	6,819
Water plant duty	3,000	3,000	4,720	(1,720)
Repairs and maintenance	15,000	15,000	2,581	12,419
Miscellaneous	3,000	3,000		3,000
<b>Total water treatment</b>	117,200	117,200	77,376	39,824

Continued

**TOWN OF DOVE CREEK, COLORADO**  
Statement of Revenues, Expenditures, and Changes in Net Position - Budget and Actual  
Proprietary Fund Type - Enterprise Fund  
Water Fund

For the Year Ended December 31, 2022

	Budgeted Amounts		(Non GAAP Basis) Actual	Variance Favorable
	Original	Final	Amounts	(Unfavorable)
Transmission and distribution				
Chemicals	\$ 18,700	\$ 18,700	\$ 11,670	\$ 7,030
Fuel and power	13,200	13,200	8,922	4,278
Outside services	2,000	2,000	15,734	(13,734)
Repairs and maintenance			88	(88)
Supplies			26,308	(26,308)
Insurance	6,000	6,000	8,000	(2,000)
Water dock			1,437	(1,437)
Miscellaneous			584	(584)
<b>Total transmission and distribution</b>	<b>39,900</b>	<b>39,900</b>	<b>72,743</b>	<b>(32,843)</b>
Capital outlay	1,660,000	1,660,000	225,489	1,434,511
<b>Total Operating Expenses</b>	<b>1,972,350</b>	<b>1,963,850</b>	<b>481,956</b>	<b>1,481,894</b>
Operating income (loss)	(1,739,800)	(1,731,300)	(180,403)	1,550,897
<b>Non-Operating Revenue (Expenses)</b>				
Interest revenue	100	100	157	57
Water tap fees			18,912	18,912
Capital grant	1,615,000	1,615,000	112,745	(1,502,255)
Loan origination fees			(1,127)	(1,127)
<b>Total Non-Operating Revenue</b>	<b>1,615,100</b>	<b>1,615,100</b>	<b>130,687</b>	<b>(1,484,413)</b>
Change in net position non GAAP basis	(124,700)	(116,200)	(49,716)	66,484
Add capital outlay			225,489	225,489
Less depreciation expense			(33,656)	(33,656)
Change in net position	(124,700)	(116,200)	142,117	258,317
Net position beginning of the year	462,712	462,712	922,243	459,531
<b>Net position end of the year</b>	<b>\$ 338,012</b>	<b>\$ 346,512</b>	<b>\$ 1,064,360</b>	<b>\$ 717,848</b>

**TOWN OF DOVE CREEK, COLORADO**  
Statement of Revenues, Expenditures, and Changes in Net Position - Budget and Actual  
Proprietary Fund Type - Enterprise Fund  
Sanitation Fund

For the Year Ended December 31, 2022

	Budgeted Amounts		(Non GAAP Basis) Actual	Variance Favorable
	Original	Final	Amounts	(Unfavorable)
<b>Operating Revenues</b>				
Sewer fees	\$ 70,000	\$ 70,000	\$ 131,989	\$ 61,989
Sewer tap connection fees			3,000	3,000
<b>Total operating revenues</b>	70,000	70,000	134,989	64,989
<b>Operating Expenses</b>				
Administration				
Salaries	47,500	47,500	26,944	20,556
Payroll tax	3,750	3,750	2,115	1,635
Employee benefits	21,500	21,500	808	20,692
Office	4,000	4,000	1,557	2,443
Miscellaneous	500	500	444	56
Total administration	77,250	77,250	31,868	45,382
Sewer treatment				
Salaries	38,000	38,000	51,151	(13,151)
Payroll tax	3,000	3,000	4,016	(1,016)
Employee benefits	20,200	20,200	1,428	18,772
Operating supplies	5,000	5,000	4,588	412
Chemicals	20,000	20,000	10,632	9,368
Fuel and power	20,000	20,000	12,603	7,397
Outside services	14,000	14,000	11,200	2,800
Repairs and maintenance	15,000	15,000	1,314	13,686
Insurance	4,000	4,000	3,000	1,000
Miscellaneous	2,500	2,500	364	2,136
Total sewer treatment	141,700	141,700	100,296	41,404
Capital outlay	90,000	90,000		90,000
<b>Total Operating Expenses</b>	308,950	308,950	132,164	176,786
Operating income (loss)	(238,950)	(238,950)	2,825	241,775
<b>Non-Operating Revenue (Expenses)</b>				
Interest revenue	500	500	961	461
<b>Total Non-Operating Revenue</b>	500	500	961	461
Change in net position non GAAP basis	(238,450)	(238,450)	3,786	242,236
Add capital outlay			-	-
Less depreciation expense			(17,766)	(17,766)
Change in net position	(238,450)	(238,450)	(13,980)	224,470
Net position beginning of the year	463,524	463,524	696,544	233,020
<b>Net position end of the year</b>	\$ 225,074	\$ 225,074	\$ 682,564	\$ 457,490

## INFORMATION REQUIRED BY OVERSIGHT AUTHORITIES

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

<b>LOCAL HIGHWAY FINANCE REPORT</b>	STATE: <b>COLORADO</b> YEAR ENDING (mm/yy): <b>12/22</b>
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This Information From The Records Of: <b>Town of Dove Creek Colorado</b>	Prepared By: <b>Majors and Haley PC - Lori H Haley CPA 970-565-9521</b>
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**I. DISPOSITION OF HIGHWAY-USER REVENUES AVAILABLE FOR LOCAL GOVERNMENT EXPENDITURE**

ITEM	A. Local Motor-Fuel Taxes	B. Local Motor-Vehicle Taxes	C. Receipts from State Highway-User Taxes	D. Receipts from Federal Highway Administration
1. Total receipts available				
2. Minus amount used for collection expenses				
3. Minus amount used for nonhighway purposes				
4. Minus amount used for mass transit				
5. Remainder used for highway purposes				

II. RECEIPTS FOR ROAD AND STREET PURPOSES		III. EXPENDITURES FOR ROAD AND STREET PURPOSES	
ITEM	AMOUNT	ITEM	AMOUNT
<b>A. Receipts from local sources:</b>		<b>A. Local highway expenditures:</b>	
1. Local highway-user taxes		1. Capital outlay (from page 2)	\$ -
a. Motor Fuel (from Item I.A.5.)		2. Maintenance:	\$ 127,819.00
b. Motor Vehicle (from Item I.B.5.)		3. Road and street services:	
c. Total (a.+b.)		a. Traffic control operations	\$ 15,290.00
2. General fund appropriations		b. Snow and ice removal	
3. Other local imposts (from page 2)	\$ 129,958.00	c. Other	
4. Miscellaneous local receipts (from page 2)	\$ -	d. Total (a. through c.)	\$ 15,290.00
5. Transfers from toll facilities		4. General administration & miscellaneous	\$ 21,371.00
6. Proceeds of sale of bonds and notes:		5. Highway law enforcement and safety	
a. Bonds - Original Issues		6. Total (1 through 5)	\$ 164,480.00
b. Bonds - Refunding Issues		<b>B. Debt service on local obligations:</b>	
c. Notes		1. Bonds:	
d. Total (a. + b. + c.)	\$ -	a. Interest	
7. Total (1 through 6)	\$ 129,958.00	b. Redemption	
<b>B. Private Contributions</b>		c. Total (a. + b.)	\$ -
<b>C. Receipts from State government</b>		2. Notes:	
(from page 2)	\$ 34,522.00	a. Interest	
<b>D. Receipts from Federal Government</b>		b. Redemption	
(from page 2)	\$ -	c. Total (a. + b.)	\$ -
<b>E. Total receipts (A.7 + B + C + D)</b>	\$ 164,480.00	3. Total (1.c + 2.c)	\$ -
		<b>C. Payments to State for highways</b>	
		<b>D. Payments to toll facilities</b>	
		<b>E. Total expenditures (A.6 + B.3 + C + D)</b>	\$ 164,480.00

**IV. LOCAL HIGHWAY DEBT STATUS**

(Show all entries at par)

	Opening Debt	Amount Issued	Redemptions	Closing Debt
<b>A. Bonds (Total)</b>				\$ -
1. Bonds (Refunding Portion)				\$ -
<b>B. Notes (Total)</b>				\$ -

**V. LOCAL ROAD AND STREET FUND BALANCE (RECEIPTS AND DISBURSEMENTS ONLY)**

	A. Beginning Balance	B. Total Receipts	C. Total Disbursements	D. Ending Balance	E. Reconciliation
		\$ 164,480.00	\$ 164,480.00		\$ -

Notes and Comments:

**LOCAL HIGHWAY FINANCE REPORT**

STATE:  
**COLORADO**  
 YEAR ENDING (mm/yy):  
**12/22**

**II. RECEIPTS FOR ROAD AND STREET PURPOSES - DETAIL**

ITEM	AMOUNT	ITEM	AMOUNT
<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	\$ 122,374.00	c. Parking Garage Fees	
2. Infrastructure & Impact Fees	\$ 7,584.00	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.)	\$ 129,958.00	h. Other	
c. Total (a. + b.)	\$ 129,958.00	i. Total (a. through h.)	\$ -
<i>(Carry forward to page 1)</i>		<i>(Carry forward to page 1)</i>	

ITEM	AMOUNT	ITEM	AMOUNT
<b>C. Receipts from State Government</b>		<b>D. Receipts from Federal Government</b>	
1. Highway-user taxes (from Item I.C.5.)	\$ 31,031.00	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	\$ 3,491.00	d. Federal Transit Administration	
d. DOLA Grant		e. U.S. Corps of Engineers	
e. Other		f. Other Federal	
f. Total (a. through e.)	\$ 3,491.00	g. Total (a. through f.)	\$ -
4. Total (1. + 2. + 3.f)	\$ 34,522.00	3. Total (1. + 2.g)	\$ -
<i>(Carry forward to page 1)</i>		<i>(Carry forward to page 1)</i>	

**III. EXPENDITURES FOR ROAD AND STREET PURPOSES - DETAIL**

	ON NATIONAL HIGHWAY SYSTEM (a)	OFF NATIONAL HIGHWAY SYSTEM (b)	TOTAL (c)
<b>A.1. Capital outlay:</b>			
a. Right-Of-Way Costs			\$ -
b. Engineering Costs			\$ -
c. Construction:			
(1). New Facilities			\$ -
(2). Capacity Improvements			\$ -
(3). System Preservation			\$ -
(4). System Enhancement And Operation			\$ -
(5). Total Construction (1)+(2)+(3)+(4)	\$ -	\$ -	\$ -
d. Total Capital Outlay (Lines 1.a. + 1.b. + 1.c.4)	\$ -	\$ -	\$ -

*(Carry forward to page 1)*

**Notes and Comments:**