

**Town of Wellington, Colorado**

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

**December 31, 2022**



# Town of Wellington, Colorado

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December 31, 2022

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**HINKLE &  
COMPANY**  
Strategic <sup>PC</sup>  
Business Advisors

## Independent Auditor's Report

Honorable Mayor and Members of the Board of Trustees  
Town of Wellington, Colorado  
Wellington, Colorado

### Report on the Audit of the Financial Statements

#### Opinions

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

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

#### Basis for Opinions

We conducted our audit in accordance with auditing standards generally accepted in the United States of America (GAAS) and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the Town 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

The Town's 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, and for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

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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 Town's ability to continue as a going concern for twelve months beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.

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

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

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

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

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



**Other Matters**

*Required Supplementary Information*

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

**Other Information**

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Town's basic financial statements. The supplementary information and the local highway finance report listed in the table of contents 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 the 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 information is fairly stated, in all material respects, in relation to the basic financial statements as a whole.

*Hick & Company, PC*

Englewood, Colorado  
January 31, 2025



**Town of Wellington, Colorado**  
Management's Discussion and Analysis  
December 31, 2022

The management team of the Town of Wellington (the Town) is pleased to present this narrative overview and analysis of the financial position and activities of the Town for the fiscal year ending December 31, 2022. Readers are encouraged to consider the information presented here in conjunction with the information furnished in the Basic Financial Statements, Notes to the Basic Financial Statements, and Supplementary Information.

## **FINANCIAL HIGHLIGHTS**

### Government-wide

- The assets of the Town of Wellington exceeded its liabilities (also referred to in these financial statements as the Town's Net Position) at the close of 2022 by \$108 million, an increase of \$3.8 million from the year before.
  - Current assets include \$42.6 million in pooled cash, \$21.6 million in cash with fiscal agent in the Water Fund received from a state loan for the construction of a new Water Treatment Plant, and \$41.6 million in cash with fiscal agent in the Water Fund received from a state loan for the construction of a new Wastewater Treatment Plant.
  - Noncurrent assets include \$81.9 million in net fixed assets, such as buildings, equipment, and road, storm, water, and sewer infrastructure.
  - Of the \$107.5 million total net position, \$67.1 million consists of net investment in capital assets (all fixed assets less accumulated depreciation and related debt) so it is not in a form that is available and spendable to the Town. Another \$32.8 million is classified as "unrestricted", consisting of cash and other current assets, less current liabilities and may be used to meet the Town's ongoing obligations to citizens and creditors.
- The Town retired \$3.9 million of its long-term debt (excluding compensated absences) during the fiscal year due to semi-annual and annual principal payments made on the Town's outstanding obligations (see Note 4).

### Governmental Funds

- At the end of the calendar year 2022, fund balance in the General Fund was \$9.1 million and revenues exceeded expenditures by \$1.7 million during the year.

**Town of Wellington, Colorado**  
Management's Discussion and Analysis  
December 31, 2022

- Street Fund revenues exceeded expenditures by \$746,884 in 2022, increasing fund balance to \$4.4 million.
- In the Park Fund, capital outlay and debt service expenditures in 2022 decreased fund balance by \$288,423 to \$2.0 million.
- The Conservation Trust Fund reported an increase in fund balance of \$49,455 in 2022 and no expenditure, bringing ending fund balance to \$959,195.

Proprietary Funds

- The Water Fund operating expenses exceeded operating revenue by \$968,859 in 2022. Nonoperating revenues such as impact fees, investment income, and intergovernmental revenue added \$1.3 million, generating a net income before capital contributions and transfers of \$369,386. With capital contributions and transfers, including a \$653,000 transfer from the General Fund, the change in net position for 2022 was \$2.2 million. At the end of year, the net position of the Water Fund was \$46.5 million.
- The Sewer Fund had an operating loss of \$668,025, and a net expense before capital contributions and transfers of \$1.7 million, after \$662,702 in depreciation and \$1.1 million in interest expense. After plant investment fees and a \$390,000 transfer from the General Fund are factored in, the Sewer Fund's net position decreased by \$494,668 to \$23.2 million.
- The Drainage Fund net operating income in 2022 was \$104,459. Including nonoperating revenues, the fund's net position increased \$225,497 to \$4.0 million.

**OVERVIEW OF THE FINANCIAL STATEMENTS**

This discussion and analysis serve as an introduction to the Town of Wellington's basic financial statements, which are comprised of three components: 1) government-wide financial statements 2) fund financial statements, and 3) notes to the financial statements. This report also contains other supplementary information that supports the basic financial statements.

**Government-wide financial statements.** The government-wide financial statements are designed to provide readers with a broad overview of the Town of Wellington's finances. These statements are prepared in a manner similar to a private-sector business using the accrual basis of accounting and economic resources measurement focus.

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Management's Discussion and Analysis  
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*Statement of Net Position.* The Statement of Net Position presents information on all the Town of Wellington's assets, deferred outflows of resources, liabilities, and deferred inflows of resources with the difference between the categories 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 Town of Wellington is improving or deteriorating.

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

Both government-wide financial statements distinguish the functions of the Town of Wellington 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 Town of Wellington include general government, public safety, public works, planning, library, parks, and recreation. The business-type activities of the Town of Wellington include water, sewer, and storm drainage operations.

The government-wide financial statements include only the Town of Wellington itself (known as the *primary government*) and can be found on page 4 of this report.

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

*Governmental funds.* Most of the Town's basic services are reported in governmental funds, which focus on how money flows into and out of those funds and the balances left at year-end available for spending. The funds are reported using an accounting method called modified accrual accounting, 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. These statements help one determine whether there are more or fewer financial resources that can be spent in the near future to finance the Town's programs. The relationship (or differences) between governmental activities (reported in the Statement of Net Position and the Statement of Activities) and governmental funds are described in reconciliations on

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pages 7 and 9. The basic governmental fund financial statements can be found on pages 6 to 9 of this report.

*Proprietary funds.* The Town of Wellington currently maintains one type of proprietary fund, called enterprise funds. Enterprise funds are used to report the same functions presented as business-type activities in the government-wide financial statements. The Town of Wellington uses enterprise funds to account for its sewer, water, and storm drainage operations.

Business-type activities are reported providing the same type of information as the government-wide financial statements, only in more detail. The business-type financial statements provide separate information for sewer, water and storm drainage operations, which are major enterprise funds of the Town of Wellington. The basic proprietary fund financial statements detailing the business-type activities can be found on pages 10 to 12 of this report.

*Fiduciary funds.* Fiduciary funds are used to account for resources held for the benefit of parties outside the Town. Fiduciary funds are not reflected in the government-wide financial statement because the resources of those funds are not available to support the Town of Wellington's own programs. The accounting used for fiduciary funds is much like that used for proprietary funds. Additional information on the Town's Fiduciary Fund (Library Trust Fund) can be found on pages 13 and 14 of this report.

**Notes to the financial statements.** The notes provide significant 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 on pages 15 to 28 of this report.

**Other information.** In addition to the basic financial statements and accompanying notes, this report also presents required and certain other supplementary information concerning the Town of Wellington's budget comparison statements for the General Fund, non-major Conservation Trust Fund and the Town's three major enterprise funds Water, Sewer and Storm Drainage. The other supplementary information can be found on pages 29 to 42 of this report.

## **GOVERNMENT-WIDE FINANCIAL ANALYSIS**

A significant portion of the Town's net position (61.7%) reflects its investment in capital assets (e.g., land, buildings, machinery, and equipment), less any related outstanding debt used to acquire those assets, and accumulated depreciation. The Town uses these capital

**Town of Wellington, Colorado**  
Management's Discussion and Analysis  
December 31, 2022

assets to provide services to citizens; consequently, these assets are not available for future spending. Although the Town's investment in its capital assets is reported net of related debt, it should be noted that the resources needed to repay this debt must be provided from other sources, since the capital assets themselves cannot be used to liquidate these liabilities. Unrestricted net position may be used to meet the Town's ongoing obligations to citizens and creditors. Below and on the following pages is condensed financial information for fiscal year 2022 compared with 2021 totals.

**Condensed Statement of Net Position**

	2022			2021 Totals
	Governmental Activities	Business-Type Activities	Totals	
<b>ASSETS</b>				
Current Assets	\$20,117,796	\$89,486,393	\$109,604,189	\$73,014,143
Capital Assets	18,249,464	63,617,013	81,866,477	64,593,499
<b>Total Assets</b>	<b>38,367,260</b>	<b>153,103,406</b>	<b>191,470,666</b>	<b>137,607,642</b>
<b>DEFERRED OUTFLOWS OF FINANCIAL RESOURCES</b>				
	-	838	838	838
<b>LIABILITIES</b>				
Current Liabilities	1,901,203	12,558,363	14,459,566	6,054,714
Noncurrent Liabilities	893,853	66,883,422	67,777,275	25,507,648
<b>Total Liabilities</b>	<b>2,795,056</b>	<b>79,441,785</b>	<b>82,236,841</b>	<b>31,562,362</b>
<b>DEFERRED INFLOWS OF FINANCIAL RESOURCES</b>				
	<b>1,681,506</b>	<b>88,830</b>	<b>1,770,336</b>	<b>2,381,469</b>
<b>NET POSITION</b>				
Net Investment in Capital Assets	17,468,143	49,616,182	67,084,325	39,277,700
Restricted for:				
Emergencies	125,000	-	125,000	-
Other Purposes	7,435,329	-	7,435,329	27,223,010
Unrestricted	8,862,226	23,957,447	32,819,673	37,163,939
<b>Total Net Position</b>	<b>\$33,890,698</b>	<b>\$73,573,629</b>	<b>\$107,464,327</b>	<b>\$103,664,649</b>

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The restricted portion of net position (7.0%) represents resources that are subject to external restrictions on how they may be used, such as street paving, maintenance, and open space and parks. The remaining balance of unrestricted net position of \$32.8 million may be used to meet the Town's ongoing obligations to citizens and creditors.

**Town of Wellington, Colorado**  
Management's Discussion and Analysis  
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The table and discussion continued below and on the next page focuses on changes in net position of the Town's governmental and business-type activities.

**Condensed Statement of Activities**

	2022			
	Governmental Activities	Business-Type Activities	Totals	2021 Totals
<b>REVENUES</b>				
Program Revenues				
Charges for Services	\$800,583	\$7,685,300	\$8,485,883	\$7,409,935
Operating Grants and Contributions	1,195,025	1,325,760	2,520,785	578,514
Capital Grants and Contributions	-	1,962,992	1,962,992	5,307,791
General Revenues				
Property Taxes	1,648,885	175,721	1,824,606	1,751,816
Sales and Use Taxes	6,101,904	-	6,101,904	5,377,606
Franchise Taxes	234,962	-	2234,962	218,903
Investment Income	211,907	406,365	618,272	20,719
Other	368,876	2,444	371,320	567,029
Transfers	(1,043,000)	1,043,000	-	
<b>Total Revenues and Transfers</b>	<b>9,519,142</b>	<b>12,601,582</b>	<b>22,120,724</b>	<b>21,232,313</b>
<b>EXPENSES</b>				
General Government	2,285,434	-	2,285,434	1,876,096
Public Safety	1,655,435	-	1,655,435	1,492,267
Public Works	3,022,364	-	3,022,364	1,878,036
Parks and Recreation	680,113	-	680,113	1,856,854
Water Utility	-	6,254,116	6,254,116	5,009,111
Wastewater Utility	-	3,849,281	3,849,281	2,277,166
Stormwater Utility	-	574,303	574,303	762,413
<b>Total Expenses</b>	<b>7,643,346</b>	<b>10,677,700</b>	<b>18,321,046</b>	<b>15,152,024</b>
<b>Change in Net Position</b>	<b>1,875,796</b>	<b>1,923,882</b>	<b>3,799,678</b>	<b>6,080,289</b>
<b>Net Position, Beginning of Year</b>	<b>32,014,902</b>	<b>71,649,747</b>	<b>103,664,649</b>	<b>102,198,027</b>
<b>Prior Period Restatement</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>(4,613,667)</b>
<b>Net Position, Beginning (as restated)</b>	<b>32,014,902</b>	<b>71,649,747</b>	<b>103,664,649</b>	<b>97,584,360</b>
<b>Net Position, End of Year</b>	<b>\$33,890,698</b>	<b>\$73,573,629</b>	<b>\$107,464,327</b>	<b>\$103,664,649</b>

**Town of Wellington, Colorado**  
Management's Discussion and Analysis  
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**FINANCIAL ANALYSIS OF THE TOWN'S FUNDS**

**Governmental funds.** The focus of the Town of Wellington's governmental funds is to provide information on near-term inflows, outflows, and balances of spendable resources. Such information is useful in assessing the Town of Wellington's financing requirements. Unassigned fund balance may serve as a useful measure of a government's net resources available for spending at the end of the fiscal year.

At the end of 2022, the Town of Wellington's governmental funds (General, Streets, Parks, and Conservation Trust Funds) reported combined ending fund balances of \$16.5 million, an increase of \$2.2 million over the combined governmental fund balances of the previous year. Approximately half of this combined fund balance constitutes unassigned fund balance, which is available for spending at the government's discretion. The remainder of fund balance is otherwise classified to indicate that it is not available for new spending because the asset itself is in a non-spendable form (e.g., prepaid expenses) or that portions of fund balance have been restricted or committed to specific purposes (e.g. streets and parks) as follows:

Non-spendable	\$61,493
Restricted	1,084,195
Committed	6,476,134
Unassigned	8,915,309
<b>Total</b>	<b>\$16,537,131</b>

**GENERAL FUND BUDGETARY HIGHLIGHTS**

The General Fund accounts for all the general services provided by the Town. At the end of 2022, the fund balance of the General Fund totaled \$9,101,802, an increase of \$1.7 million over the fund balance at the end of 2021. The General Fund's primary source of revenue is property and sales taxes and to a lesser degree, fees for franchise agreements and services such as building permits and plan checking.

Property tax revenues of \$1.6 million came in right at budget estimates for 2022 and sales taxes exceeded budget estimates coming in at \$2.6 million for the year. These two revenue sources accounted for 62% of all General Fund revenues, which totaled \$6.8 million in 2022. Franchise fees and building permits also exceeded estimates for the year coming in at \$234,962 and \$552,177, respectively.

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Management's Discussion and Analysis  
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In 2022, expenditures in the General Fund totaled just under \$4 million. Of this total, \$379,979 was expended on capital projects, the largest of which was \$357,336 for the expansion of the Municipal Service Building, housing Town administrative offices.

In 2022 administrative services provided by the General Fund were charged to the street, water, sewer, drainage, and park funds in the total amount of \$3.1 million as detailed in the 2022 budget document. This methodology provides for full costing of services in these funds and reimburses the General Fund for services provided to other funds. To better understand the expenditures for the General Fund shown in the Statement of Revenues, Expenditures, and Changes in Fund Balance it is important to know that this \$3.1 million was allocated to the General Fund as follows: \$2,469,625 to that General Government category, and \$631,107 to the Public Works expenditure category in that Statement (see page 30). This method of applying administrative overhead charges resulted in net General Government expenditures of \$1,311,126 (total before allocation of overhead was \$3,780,751) and expenditures of \$631,196 in net Public Works expenditures (total before allocation of overhead was \$1,262,303).

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**CAPITAL ASSET ADMINISTRATION**

**Capital assets.** The Town of Wellington's net investment in capital assets for its governmental and business type activities as of December 31, 2022 and 2021, amounted to \$81.9 million (net of accumulated depreciation and debt) and \$64.6 million, respectively. This investment in capital assets includes land, buildings and improvements, machinery and equipment, park facilities and roads.

**Town of Wellington  
Capital Assets at Year End**

	Governmental Activities		Business-Type Activities		Total	
	2022	2021	2022	2021	2021	2021
<b>Land and Water Rights:</b>	\$2,073,796	\$1,716,459	\$8,432,324	\$7,405,793	\$10,506,120	\$9,122,252
<b>Buildings and Improvements:</b>	1,836,047	1,836,047	-	-	1,836,047	1,836,047
<b>Infrastructure:</b>	3,688,126	3,688,126	-	-	3,688,126	3,688,126
<b>Streets and Improvements:</b>	10,737,796	11,480,009	-	-	10,737,796	11,480,009
<b>Equipment:</b>	(86,301)	147,714	-	-	(86,301)	147,714
<b>Utility Systems and Equipment:</b>	-	-	32,041,750	33,171,747	32,041,750	33,171,747
<b>Construction in Progress:</b>	-	-	23,142,939	5,147,604	23,142,939	5,147,604
<b>TOTAL</b>	<b>\$18,249,464</b>	<b>\$18,868,355</b>	<b>\$63,617,013</b>	<b>\$45,725,144</b>	<b>\$81,866,477</b>	<b>\$64,593,499</b>

Additional information on the Town's capital assets can be found on pages 21 and 22 of this report.

**DEBT ADMINISTRATION**

**Long-term debt.** At the end of 2022, the Town of Wellington had total debt outstanding of \$67.8 million, compared with \$26.0 million in 2021 (not including \$191,849 in accrued compensated absences at year end). The Town's debt represents bonds and loans secured solely by specified revenue sources, such as Water and Sewer Fund user fees.

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 Management's Discussion and Analysis  
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**Town of Wellington**  
**Outstanding Debt at Year End**

	Governmental Activities		Business-Type Activities		Total	
	2022	2021	2022	2021	2022	2021
<b>2014 Park Fund Loan:</b>	\$781,321	\$1,027,920	-	-	\$781,321	\$1,027,920
<b>1982 CWCB Loan – Water:</b>	-	-	\$69,563	\$108,627	\$69,563	\$108,627
<b>1984 GO Bond – Water:</b>	-	-	\$28,000	\$55,000	\$28,000	\$55,000
<b>2001 CWRPDA Loan – Water:</b>	-	-	-	\$36,027	-	\$36,027
<b>2002 CWRPDA Loan – Sewer:</b>	-	-	-	\$335,835	-	\$335,835
<b>2014 GO Bond – Sewer:</b>	-	-	-	\$1,770,000	-	\$1,770,000
<b>2019 CWRPDA – Water:</b>	-	-	\$20,932,534	\$21,982,391	\$20,932,534	\$21,982,391
<b>- Premium:</b>	-	-	\$541,241	\$640,750	\$541,241	\$640,750
<b>2022 WWTP – Loan Payable:</b>	-	-	\$42,441,425	-	\$42,441,425	-
<b>- Premium:</b>	-	-	\$2,791,342	-	\$2,791,342	-
<b>TOTAL</b>	<b>\$781,321</b>	<b>\$1,027,920</b>	<b>\$66,804,105</b>	<b>\$24,928,629</b>	<b>\$67,585,426</b>	<b>\$25,956,550</b>

Additional information on the Town's long-term debt can be found on pages 22 to 26.

**ECONOMIC FACTORS AND NEXT YEAR'S BUDGET**

The Annual Budget guides the efficient and effective use of Town resources, focusing on the highest priorities of the Town's citizens as represented by the Board of Trustees (the Board). Through the Budget process, the Board establishes priorities and allocates resources to meet their goals. With the approval of the 2022 Budget, the Board appropriated \$50.1 million for expenditure in that year (not including transfers), a 34.7% increase over the budget in 2020. This amount was made up of \$18.0 million for operations in all funds and \$32.1 million for capital projects. The largest share of the capital projects budget went to the Water Treatment and Wastewater Treatment Plant expansion projects.

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December 31, 2022

**CONTACTING THE TOWN'S FINANCIAL MANAGEMENT**

This financial report is designed to provide a general overview of the Town of Wellington's finances for all those with an interest in the Town's finances. Questions concerning any of the information provided in this report or requests for additional financial information should be addressed to: Town of Wellington Finance Department, 8225 Third Street (PO Box 127), Wellington, Colorado 80549.

## **Basic Financial Statements**

**Town of Wellington, Colorado**  
**Statement of Net Position**  
**December 31, 2022**

	Governmental Activities	Business-Type Activities	Totals
<b>Assets</b>			
Cash and Investments	\$ 17,318,656	\$ 25,319,791	\$ 42,638,447
Property Taxes Receivable	1,681,506	88,830	1,770,336
Accounts Receivable	9,561	790,115	799,676
Other Receivables	962,267	-	962,267
Cash with Fiscal Agent	84,313	63,219,741	63,304,054
Inventory	-	67,916	67,916
Prepaid Expenses	61,493	-	61,493
Capital Assets, <i>Not Being Depreciated</i>	2,073,796	31,575,263	33,649,059
Capital Assets, <i>Net of Accumulated Depreciation</i>	16,175,668	32,041,750	48,217,418
	<u>38,367,260</u>	<u>153,103,406</u>	<u>191,470,666</u>
<b>Deferred Outflows of Resources</b>			
Loss on Debt Refunding, <i>Net of Accumulated Amortization</i>	-	838	838
	<u>-</u>	<u>838</u>	<u>838</u>
<b>Liabilities</b>			
Accounts Payable	957,080	10,337,150	11,294,230
Retainage payable	137,071	151,736	288,807
Accrued Salaries and Benefits	246,291	-	246,291
Accrued Interest Payable	2,044	754,308	756,352
Deposits and Escrows	558,717	3,500	562,217
Deferred Revenue	-	1,311,669	1,311,669
Noncurrent Liabilities			
Due within one year	257,034	1,613,745	1,870,779
Due in More Than One Year	636,819	65,269,677	65,906,496
	<u>2,795,056</u>	<u>79,441,785</u>	<u>82,236,841</u>
<b>Deferred Inflows of Resources</b>			
Deferred Property Taxes	1,681,506	88,830	1,770,336
	<u>1,681,506</u>	<u>88,830</u>	<u>1,770,336</u>
<b>Net Positions</b>			
Net Investment in Capital Assets	17,468,143	49,616,182	67,084,325
Restricted for:			
Street Paving and Maintenance	4,437,290	-	4,437,290
Open Space and Parks	2,998,039	-	2,998,039
Emergencies	125,000	-	125,000
Unrestricted	8,862,226	23,957,447	32,819,673
	<u>33,890,698</u>	<u>73,573,629</u>	<u>107,464,327</u>
Total Net Position	<u>\$ 33,890,698</u>	<u>\$ 73,573,629</u>	<u>\$ 107,464,327</u>

See Notes to the Financial Statements.

**Town of Wellington, Colorado**  
**Statement of Activities**  
For the Year Ended December 31, 2022

Functions/Programs	Expenses	Program Revenues			Net (Expense) Revenue and Change in Net Position		
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Governmental Activities	Business-Type Activities	Totals
<b>Primary Government</b>							
<i>Governmental Activities</i>							
General Government	\$ 2,285,434	\$ 363,148	\$ 844,007	\$ -	\$ (1,078,279)	\$ -	\$ (1,078,279)
Public Safety	1,655,435	17,581	-	-	(1,637,854)	-	(1,637,854)
Public Works	3,022,364	143,760	312,481	-	(2,566,123)	-	(2,566,123)
Parks and Recreation	680,113	276,094	38,537	-	(365,482)	-	(365,482)
Total Governmental Activities	7,643,346	800,583	1,195,025	-	(5,647,738)	-	(5,647,738)
<i>Business-Type Activities</i>							
Water Utility	6,254,116	4,965,526	1,311,669	1,170,667	-	1,193,746	1,193,746
Wastewater Utility	3,849,281	2,041,012	-	792,325	-	(1,015,944)	(1,015,944)
Storm Water Utility	574,303	678,762	14,091	-	-	118,550	118,550
Total Business-Type	10,677,700	7,685,300	1,325,760	1,962,992	-	296,352	296,352
Total Primary Government	\$ 18,321,046	\$ 8,485,883	\$ 2,520,785	\$ 1,962,992	(5,647,738)	296,352	(5,351,386)
<b>General Revenues</b>							
Property Taxes					1,648,885	175,721	1,824,606
Specific Ownership Taxes					103,916	-	103,916
Sales and Use Taxes					6,101,904	-	6,101,904
Other Taxes					9,573	-	9,573
Impact Taxes					230,860	-	230,860
Cigarette Taxes					5,115	-	5,115
Franchise Taxes					234,962	-	234,962
Investment Income					211,907	406,365	618,272
Other Revenues					4,970	-	4,970
Gain (Loss) on Disposal of Assets					14,442	2,444	16,886
<b>Transfers</b>					(1,043,000)	1,043,000	-
Total General Revenues and Transfers					7,523,534	1,627,530	9,151,064
<b>Change in Net Position</b>					1,875,796	1,923,882	3,799,678
<b>Net Position, Beginning of Year</b>					32,014,902	71,649,747	103,664,649
<b>Net Position, End of Year</b>					\$ 33,890,698	\$ 73,573,629	\$ 107,464,327

**Town of Wellington, Colorado**  
 Balance Sheet  
 Governmental Funds  
 December 31, 2022

	General	Street	Park	(Nonmajor) Conservation Trust	Totals
<b>Assets</b>					
Cash and Investments	\$ 10,171,692	\$ 4,171,885	\$ 2,015,884	\$ 959,195	\$ 17,318,656
Property Taxes Receivable	1,681,506	-	-	-	1,681,506
Accounts Receivable	9,561	-	-	-	9,561
Other Receivable	542,132	285,090	135,045	-	962,267
Cash with Fiscal Agent	-	69,980	14,333	-	84,313
Prepaid Expenses	61,493	-	-	-	61,493
	<u>\$ 12,466,384</u>	<u>\$ 4,526,955</u>	<u>\$ 2,165,262</u>	<u>\$ 959,195</u>	<u>\$ 20,117,796</u>
<b>Liabilities</b>					
Accounts Payable	\$ 740,997	\$ 89,665	\$ 126,418	\$ -	\$ 957,080
Retainage Payable	137,071	-	-	-	137,071
Accrued Salaries and Benefits	246,291	-	-	-	246,291
Deposits and Escrow	558,717	-	-	-	558,717
	<u>1,683,076</u>	<u>89,665</u>	<u>126,418</u>	<u>-</u>	<u>1,899,159</u>
<b>Deferred Inflows of Resources</b>					
Deferred Property Taxes	1,681,506	-	-	-	1,681,506
	<u>1,681,506</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>1,681,506</u>
<b>Fund Balances</b>					
Nonspendable	61,493	-	-	-	61,493
Restricted:					
Emergencies	125,000	-	-	-	125,000
Open Space	-	-	-	959,195	959,195
Committed to:					
Capital Improvements	-	4,437,290	2,038,844	-	6,476,134
Unrestricted, Unassigned	8,915,309	-	-	-	8,915,309
	<u>9,101,802</u>	<u>4,437,290</u>	<u>2,038,844</u>	<u>959,195</u>	<u>16,537,131</u>
Total Liabilities, Deferred Inflows of Resources and Fund Balances	<u>\$ 12,466,384</u>	<u>\$ 4,526,955</u>	<u>\$ 2,165,262</u>	<u>\$ 959,195</u>	<u>\$ 20,117,796</u>

**Town of Wellington, Colorado**  
 Reconciliation of the Balance Sheet of Governmental Funds  
 to the Statement of Net Position  
 December 31, 2022

**Amounts Reported for Governmental Activities in the Statement of Net Position are Different Because:**

Total Fund Balances of Governmental Funds	\$ 16,537,131
Capital assets used in governmental activities are not financial resources and, therefore, are not reported in governmental funds	18,249,465
Long-term liabilities and related items are not due and payable in the current year and, therefore, are not reported in governmental funds:	
Park Loan Payable	(781,321)
Accrued Interest Payable	(2,045)
Compensated Absences Payable	(112,532)
	(112,532)
Total Net Position of Governmental Activities	\$ <u>33,890,698</u>

**Town of Wellington, Colorado**  
Statement of Revenues, Expenditures and Changes in Fund Balances  
Governmental Funds  
For the Year Ended December 31, 2022

	General	Street	Park	(Nonmajor) Conservation Trust	Totals
<b>Revenues</b>					
Taxes	\$ 5,173,001	\$ 1,744,786	\$ 1,186,568	\$ -	\$ 8,104,355
Licenses and Permits	560,268	312,481	-	38,537	911,286
Intergovernmental	844,007	143,760	98,633	-	1,086,400
Charges for Services	17,581	-	-	-	17,581
Fines and Forfeitures	33,740	-	177,461	-	211,201
Investment Income	127,335	30,760	42,894	10,918	211,907
Miscellaneous	4,600	10,633	4,179	-	19,412
<b>Total Revenues</b>	<u>6,760,532</u>	<u>2,242,420</u>	<u>1,509,735</u>	<u>49,455</u>	<u>10,562,142</u>
<b>Expenditures</b>					
Current					
General Government	680,019	-	-	-	680,019
Public Safety	1,655,435	-	-	-	1,655,435
Public Works	1,262,303	1,308,294	-	-	2,570,597
Parks and Recreation	(375)	-	1,515,074	-	1,514,699
Capital Outlay	379,979	187,242	13,624	-	580,845
Debt Service					
Principal	-	-	246,599	-	246,599
Interest and Fees	-	-	22,861	-	22,861
<b>Total Expenditures</b>	<u>3,977,361</u>	<u>1,495,536</u>	<u>1,798,158</u>	<u>-</u>	<u>7,271,055</u>
<b>Excess of Revenues Over (Under) Expenditures</b>	<u>2,783,171</u>	<u>746,884</u>	<u>(288,423)</u>	<u>49,455</u>	<u>3,291,087</u>
<b>Other Financing Sources (Uses)</b>					
Transfers Out	(1,043,000)	-	-	-	(1,043,000)
<b>Total Other Financing Sources (Uses)</b>	<u>(1,043,000)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(1,043,000)</u>
<b>Net Change in Fund Balances</b>	1,740,171	746,884	(288,423)	49,455	2,248,087
<b>Fund Balances, Beginning of Year</b>	<u>7,361,631</u>	<u>3,690,406</u>	<u>2,327,267</u>	<u>909,740</u>	<u>14,289,044</u>
<b>Fund Balances, End of Year</b>	<u>\$ 9,101,802</u>	<u>\$ 4,437,290</u>	<u>\$ 2,038,844</u>	<u>\$ 959,195</u>	<u>\$ 16,537,131</u>

**Town of Wellington, Colorado**  
 Reconciliation of the Statement of Revenues, Expenditures and Changes in  
 Fund Balances of Governmental Funds to the Statement of Activities  
 Governmental Funds  
 For the Year Ended December 31, 2022

**Amounts Reported for Governmental Activities in the Statement of Activities are Different Because:**

Net Change in Fund Balances of Governmental Funds	\$ 2,248,087
<p>Capital outlays to purchase or construct capital assets are reported in governmental funds as expenditures. However, for governmental activities those costs are capitalized in the statement of net position and are allocated over their estimated useful lives as annual depreciation expense in the statement of activities.</p>	
Capital Outlay	566,781
Depreciation Expense	(1,185,671)
<p>Repayments of debt principal are expenditures in governmental funds, but the repayments reduce long-term liabilities in the statement of net position and do not affect the statement of activities.</p>	
Park Loan Payable	246,599
<p>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.</p>	
Accrued Interest Payable	-
Compensated Absences Payable	-
	-
Change in Net Position of Governmental Activities	\$ <u>1,875,796</u>

**Town of Wellington, Colorado**  
**Statement of Net Position**  
**Proprietary Funds**  
**December 31, 2022**

	Water	Sewer	Drainage	Totals
<b>Assets</b>				
<i>Current Assets</i>				
Cash and Investments	\$ 19,946,941	\$ 4,123,470	\$ 1,249,380	\$ 25,319,791
Property Tax Receivable	88,830	-	-	88,830
Accounts Receivable	463,012	251,349	75,754	790,115
Cash with Fiscal Agent	21,662,025	41,557,716	-	63,219,741
Inventory	54,722	13,194	-	67,916
Total Current Assets	<u>42,215,530</u>	<u>45,945,729</u>	<u>1,325,134</u>	<u>89,486,393</u>
<i>Noncurrent Assets</i>				
Capital Assets, <i>Not Being Depreciated</i>	17,511,046	14,064,217	-	31,575,263
Capital Assets, <i>Net of Accumulated Depreciation</i>	14,594,020	14,808,101	2,639,629	32,041,750
Total Noncurrent Assets	<u>32,105,066</u>	<u>28,872,318</u>	<u>2,639,629</u>	<u>63,617,013</u>
Total Assets	<u>74,320,596</u>	<u>74,818,047</u>	<u>3,964,763</u>	<u>153,103,406</u>
<b>Deferred Outflows of Resources</b>				
Loss on Debt Refunding, <i>Net of Accumulated Amortization</i>	838	-	-	838
<b>Liabilities</b>				
<i>Current Liabilities</i>				
Accounts Payable	4,614,969	5,721,100	1,081	10,337,150
Retainage Payable	79,467	72,269	-	151,736
Accrued Salaries and Benefits	-	-	-	-
Deposits and Escrow	3,500	-	-	3,500
Accrued Interest Payable	162,754	591,554	-	754,308
Deferred Revenue	1,311,669	-	-	1,311,669
Current Portion of Noncurrent Liabilities	1,166,046	447,699	-	1,613,745
Total Current Liabilities	<u>7,338,405</u>	<u>6,832,622</u>	<u>1,081</u>	<u>14,172,108</u>
<i>Noncurrent Liabilities</i>				
Accrued Compensated Absences	31,218	39,295	8,804	79,317
Bonds Payable	20,405,292	44,785,068	-	65,190,360
Total Noncurrent Liabilities	<u>20,436,510</u>	<u>44,824,363</u>	<u>8,804</u>	<u>65,269,677</u>
Total Liabilities	<u>27,774,915</u>	<u>51,656,985</u>	<u>9,885</u>	<u>79,441,785</u>
<b>Deferred Inflows of Resources</b>				
Deferred Property Taxes	88,830	-	-	88,830
	<u>88,830</u>	<u>-</u>	<u>-</u>	<u>88,830</u>
<b>Net Position</b>				
Net Investment in Capital Assets	27,549,566	19,436,872	2,629,744	49,616,182
Unrestricted	18,908,123	3,724,190	1,325,134	23,957,447
Total Net Position	<u>\$ 46,457,689</u>	<u>\$ 23,161,062</u>	<u>\$ 3,954,878</u>	<u>\$ 73,573,629</u>

See Notes to the Financial Statements.

**Town of Wellington, Colorado**  
Statement of Revenues, Expenses and Changes in Net Position  
Proprietary Funds  
For the Year Ended December 31, 2022

	Water	Sewer	Drainage	Totals
<b>Operating Revenues</b>				
Charges for Services	\$ 4,965,526	\$ 2,041,012	\$ 678,762	\$ 7,685,300
Total Operating Revenues	<u>4,965,526</u>	<u>2,041,012</u>	<u>678,762</u>	<u>7,685,300</u>
<b>Operating Expenses</b>				
Management Fees	2,058,854	-	-	2,058,854
Personnel Service	974,426	842,378	242,833	2,059,637
Operations and Maintenance	1,565,689	1,158,764	99,676	2,824,129
Capital Outlay	533,757	45,193	128,472	707,422
Depreciation	801,659	662,702	103,322	1,567,683
Total Operating Expenses	<u>5,934,385</u>	<u>2,709,037</u>	<u>574,303</u>	<u>9,217,725</u>
<b>Net Operating Income</b>	<u>(968,859)</u>	<u>(668,025)</u>	<u>104,459</u>	<u>(1,532,425)</u>
<b>Nonoperating Revenues (Expenses)</b>				
Tax Revenue and Impact Fees	85,593	-	90,128	175,721
Intergovernmental Revenue	1,311,669	-	14,091	1,325,760
Investment Income	258,330	131,216	16,819	406,365
Interest Expense	(319,731)	(1,140,244)	-	(1,459,975)
Gain (Loss) on Disposal of Assets	2,384	60	-	2,444
Total Nonoperating Revenues (Expenses)	<u>1,338,245</u>	<u>(1,008,968)</u>	<u>121,038</u>	<u>450,315</u>
<b>Net Income Before Capital Contributions and Transfers</b>	369,386	(1,676,993)	225,497	(1,082,110)
<b>Capital Contributions and Transfers</b>				
Plant Investment Fees	654,415	792,325	-	1,446,740
Cash in Lieu of Fees	516,252	-	-	516,252
Transfers In	653,000	390,000	-	1,043,000
<b>Change in Net Position</b>	2,193,053	(494,668)	225,497	1,923,882
<b>Net Position, Beginning of Year</b>	<u>44,264,636</u>	<u>23,655,730</u>	<u>3,729,381</u>	<u>71,649,747</u>
<b>Net Position, End of Year</b>	<u>\$ 46,457,689</u>	<u>\$ 23,161,062</u>	<u>\$ 3,954,878</u>	<u>\$ 73,573,629</u>

**Town of Wellington, Colorado**  
**Statement of Cash Flows**  
**Proprietary Funds**  
**For the Year Ended December 31, 2022**

	Water	Sewer	Drainage	Totals
<b>Cash Flows From Operating Activities</b>				
Cash Received from Customers	\$ 4,932,000	\$ 1,944,902	\$ 675,113	\$ 7,552,015
Cash Payments to Employees	(564,972)	(525,931)	(60,837)	(1,151,740)
Cash Payments to Vendors and Suppliers	(1,411,359)	3,568,092	(872,826)	1,283,907
Net Cash Provided by Operating Activities	2,955,669	4,987,063	(258,550)	7,684,182
<b>Cash Flows From Noncapital Financing Activities</b>				
Transfers to Other Funds, net	653,000	390,000	-	1,043,000
Net Cash Used in Noncapital Financing Activities	653,000	390,000	-	1,043,000
<b>Cash Flows From Capital and Related Financing Activities</b>				
Tap Fees Received	3,223,568	-	90,128	3,313,696
Intergovernmental Receipts	1,311,669	-	14,091	1,325,760
Plant Investment Fees	654,415	792,325	-	1,446,740
Cash Received in Lieu of Fees	516,252	-	-	516,252
Proceeds from Issuance of Debt	-	3,942,284	-	3,942,284
Purchase of Capital Assets	(8,325,824)	(11,131,284)	-	(19,457,108)
Debt Principal Payments	(1,097,045)	(2,318,166)	-	(3,415,211)
Debt Interest Payments	(330,503)	(633,405)	-	(963,908)
Net Cash Provided by (Used in) Capital and Related Financing Activities	(4,047,468)	(9,348,246)	104,219	(13,291,495)
<b>Cash Flows From Investing Activities</b>				
Interest Received	103,919	131,216	16,819	251,954
<b>Net Increase In Cash</b>	(334,880)	(3,839,967)	(137,512)	(4,312,359)
<b>Cash, Beginning of Year</b>	20,281,821	7,963,437	1,386,892	29,632,150
<b>Cash, End of Year</b>	\$ 19,946,941	\$ 4,123,470	\$ 1,249,380	\$ 25,319,791
<b>Reconciliation of Net Operating Income to Net Cash Provided by (Used in) Operating Activities</b>				
Net Operating Income	\$ (968,859)	\$ (668,025)	\$ 104,459	\$ (1,532,425)
Adjustments to Reconcile Net Operating Income to Net Cash Provided by (Used in) Operating Activities				
Depreciation	801,659	662,702	103,322	1,567,683
Changes in Assets and Liabilities				
Accounts Receivable	(33,526)	(96,110)	(3,649)	(133,285)
Accounts Payable and Accrued Expenses	3,156,395	5,088,496	(462,682)	7,782,209
Net Cash Provided by (Used in) Operating Activities	\$ 2,955,669	\$ 4,987,063	\$ (258,550)	\$ 7,684,182

See Notes to the Financial Statements.

**Town of Wellington, Colorado**  
Statement of Net Position  
Fiduciary Funds  
December 31, 2022

	Library Custodial Trust Fund
<b>Assets</b>	
<i>Current Assets</i>	
Cash and Investments	\$ <u>541,755</u>
Total Assets	<u>541,755</u>
<b>Net Position</b>	
Restricted Net Position	<u>541,755</u>
Total Net Position	\$ <u><u>541,755</u></u>

**Town of Wellington, Colorado**  
Statement of Changes in Net Position  
Fiduciary Funds  
For the Year Ended December 31, 2022

	Library Custodial Trust Fund
<b>Additions</b>	
Impact Fees	\$ 21,250
<b>Change in Net Position</b>	21,250
<b>Net Position, <i>Beginning of Year</i></b>	520,505
<b>Net Position, <i>End of Year</i></b>	\$ 541,755

# Town of Wellington, Colorado

## Notes to Financial Statements

December 31, 2022

### Note 1: Summary of Significant Accounting Policies

The Town of Wellington, Colorado (the Town) was founded on November 10, 1905 as a statutory town. The Town's major operations include general government, public safety, public works, parks and recreation, economic development, and the library.

The financial statements of the Town have been prepared in conformity with generally accepted accounting principles (GAAP) as applicable to governmental entities. 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 Town's accounting policies are described below.

#### **Reporting Entity**

The financial reporting entity consists of the Town, organizations for which the Town is financially accountable and organizations that raise and hold economic resources for the direct benefit of the Town. All funds, organizations, institutions, agencies, departments, and offices that are not legally separate are part of the Town. Legally separate organizations for which the Town is financially accountable are considered part of the reporting entity. Financial accountability exists if the Town appoints a voting majority of the organization's governing board and is able to impose its will on the organization, or if there is potential for the organization to provide benefits to, or impose financial burdens on, the Town.

Based on the application of this criteria, the Town does not include additional organizations in its reporting entity.

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

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

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

# Town of Wellington, Colorado

## Notes to Financial Statements

December 31, 2022

### Note 1: Summary of Significant Accounting Policies (Continued)

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

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

The government-wide financial statements are reported using the *economic resources measurement focus* and the *accrual basis of accounting*, as are the proprietary fund financial statements. Revenues are recorded when earned and expenses are recorded when the 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 collected within the current year or soon enough thereafter to pay liabilities of the current year. For this purpose, the Town considers revenues to be available if they are collected within 60 days of the end of the current year.

Taxes, intergovernmental revenues, and interest associated with the current year are considered to be susceptible to accrual and so have been recognized as revenues of the current year. All other revenues are considered measurable and available only when cash is received by the Town.

Expenditures generally are recorded when a liability is incurred, as under accrual accounting. However, debt service expenditures, as well as expenditures related to compensated absences, are recorded only when payment is due.

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

When both restricted and unrestricted resources are available for a specific use, it is the Town's practice to use restricted resources first, then unrestricted resources as they are needed.

In the fund financial statements, the Town reports the following major governmental funds:

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

The *Street Fund* is a special revenue fund, which accounts for motor vehicle ownership taxes, motor vehicle registration taxes and highway user taxes. In addition, this fund accounts for impact fees relating to new construction from building permits. Amounts collected are disbursed for the maintenance of the Town's streets and alleys.

# Town of Wellington, Colorado

## Notes to Financial Statements

December 31, 2022

### Note 1: Summary of Significant Accounting Policies (Continued)

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

(Continued)

The *Park Fund* is a special revenue fund, which accounts for sales taxes, use taxes, motor vehicle use taxes, and open space sales taxes. In addition, this fund accounts for impact fees relating to new construction from building permits. Amounts collected are disbursed for the maintenance of the Town's parks and open spaces.

In addition, the Town reports the following major proprietary funds:

The *Water Fund* accounts for the financial activities associated with the provision of water services to the Town residents.

The *Sewer Fund* accounts for the financial activities associated with the operation and maintenance of the sewer system.

#### **Assets, Liabilities and Net Position/Fund Balances**

*Cash Equivalents* - For purposes of the statement of cash flows, cash equivalents include investment with original maturities of three months or less.

*Receivables* - Receivables are reported at their gross value and, where appropriate, are reduced by the estimated portion that is expected to be uncollectible.

*Prepaid Expenses* - Certain payments to vendors reflect costs applicable to future years and are reported as prepaid expenses using the consumption method.

*Capital Assets* - Capital assets, which include land, buildings, utility systems, equipment, and all infrastructure owned by the Town, are reported in the applicable governmental or business-type activities columns in the government-wide financial statements and the proprietary funds in the fund financial statements. Capital assets are defined by the Town as assets with an initial, individual cost of \$5,000 or more and an estimated useful life in excess of one year. Such assets are recorded at historical cost or estimated historical cost if purchased or constructed. Donated capital assets are recorded at the acquisition value on the date of donation. The costs of normal maintenance and repairs that do not add to the value of the assets or materially extend asset lives are not capitalized.

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

Buildings and Improvements	10 - 40 years
Improvements Other than Buildings	5 - 50 years
Infrastructure	20 - 40 years
Machinery and Equipment	5 - 20 years
Utility Systems	50 years

# Town of Wellington, Colorado

## Notes to Financial Statements

December 31, 2022

### Note 1: Summary of Significant Accounting Policies (Continued)

#### **Assets, Liabilities and Net Position/Fund Balances** (Continued)

*Deferred Inflows of Resources* - Property taxes earned but levied for a subsequent year are reported as deferred inflows of resources in the financial statements.

*Compensated Absences* - Employees of the Town are allowed to accumulate unused vacation and sick leave up to a maximum based on years of service. Upon termination of employment from the Town, employees with at least ten years of service will be paid for one-third of their accumulated sick leave up to a maximum of 320 hours, and for all accumulated vacation leave up to a maximum of 240 hours, at their current pay rate.

A liability for these compensated absences is reported when earned in the proprietary funds and when due in the governmental funds. A long-term liability has been reported in the government-wide financial statement for the accrued compensated absences.

*Long-Term Debt* - In the government-wide financial statements and the proprietary funds in the fund financial statements, long-term debt and other long-term obligations are reported as liabilities. Debt premiums, discounts and accounting losses resulting from debt refunding's are deferred and amortized over the life of the debt using the straight-line method. In the governmental fund financial statements, the face amount of debt issued is reported as other financing sources. Premiums received on debt issuances are reported as other financing sources while discounts are reported as other financing uses.

Debt issuance costs, whether or not withheld from the debt proceeds, are reported as current expenses or expenditures.

*Net Position/Fund Balances* - In the government-wide and fund financial statements, net position and fund balances are restricted when constraints placed on the use of resources are externally imposed. In the fund financial statements, governmental funds report committed fund balances when the Board of Trustees approves an ordinance that places constraints on the use of resources for a specific purpose. Assigned fund balances arise from an informal action of the Board of Trustees.

The Town has not established a formal policy for its use of restricted and unrestricted fund balances. However, if both restricted and unrestricted fund balances are available for a specific purpose, the Town uses restricted fund balances first, followed by committed, assigned, and unassigned balances.

#### **Property Taxes**

Property taxes attach as an enforceable lien on property on January 1, are levied the following December, and collected in the subsequent calendar year. Taxes are payable in full on April 30 or in two installments on February 28 and June 15. The County Treasurer's Office collects property taxes and remits to the Town on a monthly basis. Since property tax revenues are collected in arrears during the succeeding year, receivables and corresponding deferred inflows of resources are reported at year end.

# Town of Wellington, Colorado

## Notes to Financial Statements

December 31, 2022

### Note 1: Summary of Significant Accounting Policies (Continued)

#### Subsequent Events

We have evaluated subsequent events through January 31, 2025. The date the financial statements were available to be issued.

### Note 2: Cash and Investments

A summary of cash at December 31, 2022, follows:

	Total
Petty Cash	\$ 300
Cash in Bank	6,907,478
Cash held in Colotrust	35,730,669
	<hr/>
Total	\$ 42,638,447
	<hr/>

Cash is reported in the financial statements as follows:

	Total
Cash	\$ 42,638,447
Restricted Cash	-
	<hr/>
Total	\$ 42,638,447
	<hr/>

#### Cash Deposits

The Colorado Public Deposit Protection Act (PDPA) requires all local government entities to deposit cash in eligible public depositories. Eligibility is determined by State regulations. Amounts on deposit in excess of federal insurance levels must be collateralized by eligible collateral as determined by the PDPA. The PDPA allows the financial institution to create a single collateral pool for all public funds held. The pool is to be maintained by another institution or held in trust for all uninsured public deposits as a group. The market value of the collateral must be at least equal to 102% of the uninsured deposits. At December 31, 2022, the Town had bank deposits of \$6,998,255 collateralized with securities held by the financial institution's agent but not in the Town's name.

#### Investments

The Town is required to comply with State statutes which specify investment instruments meeting defined rating, maturity, and concentration risk criteria in which the Town may invest, which include the following. State statutes do not address custodial risk.

## Town of Wellington, Colorado

### Notes to Financial Statements

December 31, 2022

#### **Note 2: Cash and Investments (Continued)**

##### **Investments** (Continued)

- Obligations of the United States and certain U.S. Agency securities
- Certain international agency securities
- General obligation and revenue bonds of U.S. local government entities
- Bankers' acceptances of certain banks
- Commercial paper
- Local government investment pools
- Written repurchase agreements collateralized by certain authorized securities
- Certain money market funds
- Guaranteed investment contracts (GICs)

*Interest Rate Risk* - State statutes generally limit the maturity of investment securities to five years from the date of purchase unless the governing board authorizes the investment for a period in excess of five years.

*Credit Risk* - State statutes limit certain investments to those with specified ratings from nationally recognized statistical rating organizations, depending on the type of investment.

*Concentration of Credit Risk* - State statutes do not limit the amount the Town may invest in one issuer of investment securities, except for corporate securities.

*Local Government Investment Pools* - At December 31, 2022, the Town had \$35,730,669 invested in the Colorado Liquid Asset Trust (ColoTrust). The pool is an investment vehicle established for local government entities in Colorado to pool surplus funds. The Colorado Division of Securities administers and enforces the requirements of creating and operating the pools. The pools operate in conformity with the Securities and Exchange Commission's Rule 2a-7. The pool is measured at the net asset value per share, with each share valued at \$1. The pool is rated AAAM by Standard and Poor's. Investments of the pool are limited to those allowed by State statutes. A designated custodial bank provides safekeeping and depository services in connection with the direct investment and withdrawal functions. The custodian's internal records identify the investments owned by the participating governments.

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

At December 31, 2022, the Town reported restricted cash of \$41,557,716 Sewer Fund. The restricted cash represents unspent loan proceeds.

**Town of Wellington, Colorado**  
**Notes to Financial Statements**  
**December 31, 2022**

**Note 3: Capital Assets**

Capital asset activity for governmental activities for the year ended December 31, 2022, is summarized below.

	Balance 12/31/21	Additions	Transfers	Deletions	Balance 12/31/22
<b>Governmental Activities</b>					
<i>Capital Assets, Not Being Depreciated</i>					
Land and Water Rights	\$ 1,716,459	\$ 357,337	\$ -	\$ -	\$ 2,073,796
<b>Total Capital Assets, Not Being Depreciated</b>	<b>1,716,459</b>	<b>357,337</b>	<b>-</b>	<b>-</b>	<b>2,073,796</b>
<i>Capital Assets, Being Depreciated</i>					
Buildings and Improvements	2,165,670	-	-	-	2,165,670
Infrastructure	6,926,084	-	-	-	6,926,084
Streets and Improvements	25,291,449	209,444	-	-	25,500,893
Equipment	629,062	-	-	-	629,062
<b>Total Capital Assets, Being Depreciated</b>	<b>35,012,265</b>	<b>209,444</b>	<b>-</b>	<b>-</b>	<b>35,221,709</b>
<i>Less Accumulated Depreciation</i>					
Buildings and Improvements	(329,623)	-	-	-	(329,623)
Infrastructure	(3,237,958)	-	-	-	(3,237,958)
Streets and Improvements	(13,811,440)	(951,657)	-	-	(14,763,097)
Equipment	(481,348)	(234,015)	-	-	(715,363)
<b>Total Accumulated Depreciation</b>	<b>(17,860,369)</b>	<b>(1,185,672)</b>	<b>-</b>	<b>-</b>	<b>(19,046,041)</b>
<b>Total Capital Assets, Being Depreciated, net</b>	<b>17,151,896</b>	<b>(976,228)</b>	<b>-</b>	<b>-</b>	<b>16,175,668</b>
<b>Governmental Activities Capital Assets, net</b>	<b>\$ 18,868,355</b>	<b>\$ (618,891)</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 18,249,464</b>

Depreciation expense was charged to programs of the Town as follows:

Governmental Activities	Total
Public Safety	\$ -
Public Works	951,657
Parks and Recreation	234,015
<b>Total</b>	<b>\$ 1,185,672</b>

**Town of Wellington, Colorado**  
Notes to Financial Statements  
December 31, 2022

**Note 3: Capital Assets (Continued)**

Capital asset activity for business-type activities for the year ended December 31, 2022, is summarized below.

<b>Business-Type Activities</b>	Balance 12/31/21	Additions	Transfers	Deletions	Balance 12/31/22
<i>Capital Assets, Not Being Depreciated</i>					
Land and Water Rights	\$ 7,405,793	\$ 1,026,531	\$ -	\$ -	\$ 8,432,324
Construction in Progress	5,147,604	17,995,335	-	-	23,142,939
<b>Total Capital Assets, not being Depreciated</b>	<b>12,553,397</b>	<b>19,021,866</b>	<b>-</b>	<b>-</b>	<b>31,575,263</b>
<i>Capital Assets, being depreciated</i>					
Utilities Systems	49,480,348	71,057	3,827	-	49,555,232
Machinery and Equipment	2,199,865	366,628	(3,827)	-	2,562,666
<b>Total Capital Assets, Being Depreciated</b>	<b>51,680,213</b>	<b>437,685</b>	<b>-</b>	<b>-</b>	<b>52,117,898</b>
<i>Less Accumulated Depreciation</i>					
Utilities Systems	(17,259,768)	(1,338,688)	-	-	(18,598,456)
Machinery and Equipment	(1,248,698)	(228,994)	-	-	(1,477,692)
<b>Total Accumulated Depreciation</b>	<b>(18,508,466)</b>	<b>(1,567,682)</b>	<b>-</b>	<b>-</b>	<b>(20,076,148)</b>
<b>Total Capital Assets, Being Depreciated, net</b>	<b>33,171,747</b>	<b>(1,129,997)</b>	<b>-</b>	<b>-</b>	<b>32,041,750</b>
<b>Business - Type Activities Capital Assets, net</b>	<b>\$ 45,725,144</b>	<b>\$ 17,891,869</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 63,617,013</b>

Depreciation expense was charged to various business-type activities of the Town as follows:

Business-type Activities	Total
Water	\$ 801,658
Sewer	662,702
Drainage	103,322
<b>Total</b>	<b>\$ 1,567,682</b>

**Note 4: Long-Term Debt**

**Governmental Activities**

Following is a summary of long-term debt transactions of the governmental activities for the year ended December 31, 2022:

	Balance 12/31/21	Additions	Payments	Balance 12/31/22	Due Within One Year
2014 Park Fund Loan	\$ 1,027,920	\$ -	\$ (246,599)	\$ 781,321	\$ 253,912
Compensated Absences	112,532	-	-	112,532	3,122
<b>Total</b>	<b>\$ 1,140,452</b>	<b>\$ -</b>	<b>\$ (246,599)</b>	<b>\$ 893,853</b>	<b>\$ 257,034</b>

**Town of Wellington, Colorado**  
Notes to Financial Statements  
December 31, 2022

**Note 4: Long-Term Debt (Continued)**

**Governmental Activities** (Continued)

In 2014, the Town borrowed \$2,400,000 from First National Bank, with monthly principal and interest payments beginning in 2016 and maturing in 2029. The loan requires monthly payments of \$22,455 with interest fixed at 2.31%. The Park Fund is required to maintain a coverage ratio of 1.25% of the required debt service. For the year ended December 31, 2022, the Town met the coverage requirement.

Annual debt service requirements for the outstanding Certificate of Participation at December 31, 2022, were as follows:

Year Ended December 31,	Principal	Interest	Total
2023	\$ 253,912	\$ 15,548	\$ 269,460
2024	259,892	9,568	269,460
2025	267,517	3,384	270,901
Total	<u>\$ 781,321</u>	<u>\$ 28,500</u>	<u>\$ 809,821</u>

Compensated absences are expected to be liquidated primarily with revenues of the General Funds.

**Business-Type Activities**

Following are the changes in long-term debt of the business-type activities for the year ended December 31, 2022:

	Balance 12/31/21	Additions	Payments	Balance 12/31/22	Due Within One Year
1982 CWCB Loan - Water	\$ 108,626	\$ -	\$ (39,063)	\$ 69,563	\$ 69,563
1984 GO Bond - Water	55,000	-	(27,000)	28,000	28,000
2001 CWPRDA Loan - Water	36,027	-	(36,027)	-	-
2002 CWRPDA Loan - Sewer	335,835	-	(335,835)	-	-
2014 GO Bond - Sewer	1,770,000	-	(1,770,000)	-	-
2019 CWRPDA - Water	21,982,391	-	(1,049,857)	20,932,534	1,068,483
Premium	640,750	-	(99,509)	541,241	-
2022 WWTP Loan Payable	-	42,653,756	(212,331)	42,441,425	447,699
Premium	-	2,846,244	(54,902)	2,791,342	-
Compensated Absences	79,317	-	-	79,317	-
Total	<u>\$ 25,007,946</u>	<u>\$ 45,500,000</u>	<u>\$ (3,624,524)</u>	<u>\$ 66,883,422</u>	<u>\$ 1,613,745</u>

***1982 Colorado Water Conservation Board Water (CWCB) Note Payable***

During 1982, the Town entered into a loan agreement with the Colorado Water Conservation Board requiring annual payments of \$57,593, including interest at 4.0% through December 31, 2023. Revenues of the Town are pledged in an amount sufficient to pay the annual amounts due under the loan agreement.

**Town of Wellington, Colorado**  
Notes to Financial Statements  
December 31, 2022

**Note 4: Long-Term Debt** (Continued)

**Business-Type Activities** (Continued)

Annual debt service requirements for the outstanding note payable at December 31, 2022, were as follows.

<u>Year Ended December 31,</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2023	\$ 69,563	\$ 2,215	\$ 71,778
Total	<u>\$ 69,563</u>	<u>\$ 2,215</u>	<u>\$ 71,778</u>

*1984 General Obligation Water Bond*

During 1984, the Town entered into a general Obligation (GO) water bond in the amount of \$500,000. The bond is due in escalating installments and matures on December 1, 2023. Interest is fixed at 5.0%.

Annual debt service requirements for the outstanding bond at December 31, 2022, were as follows.

<u>Year Ended December 31,</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2023	\$ 28,000	\$ 1,400	\$ 29,400
Total	<u>\$ 28,000</u>	<u>\$ 1,400</u>	<u>\$ 29,400</u>

*2001 Colorado Water Resource and Power Development Authority (CWRPDA) Water Note Payable*

In 2001, the Town entered into a loan payable with CWRPDA requiring semi-annual payments of \$36,747, including interest at 4.0% through May 1, 2022. The loan was a special revenue obligation of the Water Fund payable from water rates, fees, standby charges, and charges from the use and operation of the system and from such other funds legally available after the payment of operation and maintenance expenses of the system. The loan was paid in full during 2022.

*2002 Colorado Water Resource and Power Development Authority (CWRPDA) Sewer Note Payable*

In 2002, the Town entered into a loan payable with the Colorado Water Resource and Power Development Authority. The 20-year note required varying semi-annual payments, including interest at 3.71%, through August 1, 2002. The loan was a special revenue obligation of the Sewer Fund payable from sewer rates, fees, standby charges, and charges from the use and operation of the system and from such other funds legally available after the payment of operation and maintenance expenses of the system. The loan was paid in full during 2022.

*2014 General Obligation (GO) Sewer Bond*

**Town of Wellington, Colorado**  
Notes to Financial Statements  
December 31, 2022

**Note 4: Long-Term Debt** (Continued)

**Business-Type Activities** (Continued)

In 2014, the Town entered into a 20-year general obligation (GO) sewer bond in the amount of \$2,400,000, due in 2024. The special revenue bond has a variable interest rate, not to exceed 4.0%, and contains escalating principal payments. During the year ended 2022, the Town paid the bond in full.

*2019 Colorado Water Resource and Power Development Authority (CWRPDA) Note Payable*

In 2019, the Town entered into a loan payable with the Colorado Water Resource and Power Development Authority. The 20-year loan requires varying semi-annual principal and interest payments, with interest ranging from 3.0% to 5.0%, through August 1, 2039. The loan is a special revenue obligation of the Water Fund payable from water rates, fees, standby charges, and charges from the use and operation of the system and from such other funds legally available after the payment of operation and maintenance expenses of the system. As of December 31, 2022, the Town had remaining funds of \$21,662,025 to be received and is reflected as cash held with fiscal agent in the accompanying financial statements.

Annual debt service requirements for the outstanding bond at December 31, 2022, were as follows.

<u>Year Ended December 31,</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2023	\$ 1,068,483	\$ 201,050	\$ 1,269,533
2024	1,091,978	180,550	1,272,528
2025	1,109,550	160,300	1,269,850
2026	1,129,785	141,050	1,270,835
2027	-	-	-
2028-2032	5,901,906	451,950	6,353,856
2033-2036	6,412,390	181,000	6,593,390
2037-2039	4,218,442	31,650	4,250,092
Total	<u>\$ 20,932,534</u>	<u>\$ 1,347,550</u>	<u>\$ 22,280,084</u>

*2022 Wastewater Treatment Plant (WWTP)*

In 2022, the Town entered into a loan payable with the Colorado Water Resource and Power Development Authority (CWRPDA). The 30-year loan requires varying semi-annual principal and interest payments, with interest ranging from 2.0% to 2.5%, through August 1, 2052. The loan is a special revenue obligation of the Sewer Fund payable from sewer rates, fees, standby charges, and charges from the use and operation of the system and from such other funds legally available after the payment of operation and maintenance expenses of the system. As of December 31, 2022, the Town had remaining funds of \$21,662,025 to be received and is reflected as cash held with fiscal agent in the accompanying financial statements.

**Town of Wellington, Colorado**  
Notes to Financial Statements  
December 31, 2022

**Note 4: Long-Term Debt (Continued)**

**Business-Type Activities** (Continued)

Annual debt service requirements for the outstanding bond at December 31, 2022, were as follows.

<u>Year Ended December 31,</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2023	\$ 447,699	\$ 1,078,500	\$ 1,526,199
2024	936,944	1,064,000	2,000,944
2025	968,724	1,033,750	2,002,474
2026	1,000,567	1,022,750	2,023,317
2027	1,028,709	971,000	1,999,709
2028-2032	5,649,150	4,358,000	10,007,150
2033-2037	6,532,340	3,475,750	10,008,090
2038-2042	7,467,994	2,537,750	10,005,744
2043-2047	8,417,333	1,579,250	9,996,583
2048-2052	9,991,965	633,250	10,625,215
Total	<u>\$ 42,441,425</u>	<u>\$ 17,754,000</u>	<u>\$ 60,195,425</u>

**Water Fund Rate Maintenance**

Pursuant to the 2019 CWRPDA loan agreement and the 2022 WWTP loan agreement, the Town shall establish, levy, and collect rents, rates, and other charges for the products and services provided by the Town's water system and sewer system, respectively, in amounts sufficient to (1) meet the operation and maintenance expenses, (2) comply with all covenants in the loan agreements, and (3) pay at least 110% of the debt service on all indebtedness or at least 110% of all such debt if connection fees are included as a source of payment.

Per the loan agreements, in the event that gross revenue collected during a fiscal year are not sufficient to meet the requirements set forth in the Rate Covenant contained in the loan agreements, the Town is required to hire an independent firm of accountants or consulting engineers to do a rate study within 90 days of year-end to recommend a rate increase to meet the loan agreement. The Town shall within six months of receipt of such study, adopt rates, fees and charges for the use of the systems, based upon the recommendations contained in such study, which provide compliance with said rate covenants.

**Note 5: Interfund Transactions**

Interfund transfers for the year ended December 31, 2022, were comprised of the following:

<u>Transfers In</u>	<u>Transfers Out</u>	<u>Amount</u>
Water Fund	General Fund	\$ 653,000
Sewer Fund	General Fund	390,000
Total		<u>\$ 1,043,000</u>

# Town of Wellington, Colorado

## Notes to Financial Statements

December 31, 2022

### **Note 5: Interfund Transactions (Continued)**

During 2022, the Board of Trustees authorized an annual transfer of funds between the General Fund and the Water and Sewer Funds. The purpose of the transfer is to support the operations of those funds.

### **Note 6: Risk Management**

#### **Public Entity Risk Pool**

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. For these risks of loss, the Town participates in the Colorado Intergovernmental Risk Sharing Agency (CIRSA), a separate and independent governmental and legal entity formed by intergovernmental agreement by member municipalities pursuant to the provisions of 24-10-115.5, Colorado Revised Statutes, and the Colorado Constitution, Article XIV, Section 18(2).

The purposes of CIRSA are to provide members with defined liability, property, and workers compensation coverages and to assist members to prevent and reduce losses and injuries to municipal property and to persons or property which might result in claims being made against members of CIRSA, their employees and officers.

It is the intent of the members of CIRSA to create an entity in perpetuity which will administer and use funds contributed by the members to defend and indemnify, in accordance with the bylaws, any member of CIRSA against stated liability of loss, to the limit of the financial resources of CIRSA. It is also the intent of the members to have CIRSA provide continuing stability and availability of needed coverages at reasonable costs. All income and assets of CIRSA shall be at all times dedicated to the exclusive benefit of its members.

### **Note 7: Retirement Commitments**

#### **Defined Contribution Retirement Plan**

The Town contributes to a single-employer defined contribution retirement plan on behalf of its employees. All employees are eligible to participate in the Plan after one full year of employment. The Town is required to contribute 6% of each participating employee's compensation. No employee contributions are required. Employees become vested in the Town's contributions at 20% annually after one year of employment. Participants become fully vested after five years of service. The contribution requirements of the Town and eligible employees are established and may be amended by the Board of Trustees.

For the year ended December 31, 2022, the Town contributed \$195,900 to the Plan, equal to the required contributions.

## Town of Wellington, Colorado

Notes to Financial Statements

December 31, 2022

### Note 8: Commitments and Contingencies

#### Litigation

The Town is from time to time involved in various threatened and pending litigation. However, the outcome of this litigation cannot be determined at this time.

#### TABOR Amendment

In November 1992, Colorado voters passed the TABOR Amendment to the State Constitution which limits state and local government taxing powers and imposes spending limitations. The Town is subject to the TABOR Amendment. Fiscal year 1992 provides the basis for limits in future years, to which may be applied allowable increases for inflation and property valuation. Revenue received in excess of the limitations may be required to be refunded unless the Town's electorate vote to retain the revenue. The TABOR Amendment is subject to many interpretations, but the Town believes it is in substantial compliance with the Amendment.

In November 1994, voters permitted the Town, without increasing or adding any taxes of any kind, to collect, retain or expend revenues generated from all sources during 1994 and each subsequent year for trails, parks, and open space, storm water facilities and drainage, street, curb and sidewalk construction, repair and maintenance, police services, and for other basic municipal services and lawful purposes, without limitation.

The Town has established an emergency reserve, representing 3% of qualifying expenditures, as required by the Amendment. At December 31, 2022, the emergency reserve was reported as restricted fund balance in the General Fund, in the amount of \$228,191.

## **Required Supplementary Information**

**Town of Wellington, Colorado**  
 Budgetary Comparison Schedule  
 General Fund  
 For the Year Ended December 31, 2022

	Original Budget	Final Budget	Actual	Variance Positive (Negative)
<b>Revenues</b>				
Taxes				
Property Taxes	\$ 1,653,374	\$ 1,653,374	\$ 1,648,885	\$ (4,489)
Sales and Use Taxes	2,524,069	2,524,069	3,274,466	750,397
Cigarette Taxes	4,300	4,300	5,115	815
Severance Taxes	42,538	42,538	90,019	47,481
Franchise Taxes	199,400	199,400	234,962	35,562
Other Taxes	7,500	7,500	9,573	2,073
Total Taxes	<u>4,431,181</u>	<u>4,431,181</u>	<u>5,263,020</u>	<u>831,839</u>
Licenses and Permits				
Liquor Licenses	1,200	1,200	854	(346)
Building Permits	481,800	481,800	542,918	61,118
Business Licenses	17,500	17,500	15,360	(2,140)
Other Licenses	-	-	1,136	1,136
Total Licenses and Permits	<u>500,500</u>	<u>500,500</u>	<u>560,268</u>	<u>59,768</u>
Intergovernmental				
Other Intergovernmental	<u>3,757,592</u>	<u>3,767,242</u>	<u>753,988</u>	<u>(3,013,254)</u>
Total Intergovernmental	<u>3,757,592</u>	<u>3,767,242</u>	<u>753,988</u>	<u>(3,013,254)</u>
Charges for Services				
Recreation/Community Center	10,000	10,000	6,843	(3,157)
Sales of Goods	5,000	5,000	8,100	3,100
Rents	9,000	9,000	-	(9,000)
Other Charges for Services	17,700	17,700	18,797	1,097
Total Charges for Services	<u>41,700</u>	<u>41,700</u>	<u>33,740</u>	<u>(7,960)</u>
Fines and Forfeitures	<u>4,000</u>	<u>4,000</u>	<u>17,581</u>	<u>13,581</u>
Investment Income	<u>5,200</u>	<u>5,200</u>	<u>127,335</u>	<u>122,135</u>
Other Revenue	<u>3,000</u>	<u>3,000</u>	<u>4,600</u>	<u>1,600</u>
Total Revenues	<u>8,743,173</u>	<u>8,752,823</u>	<u>6,760,532</u>	<u>(1,992,291)</u>

(Continued)

**Town of Wellington, Colorado**  
 Budgetary Comparison Schedule  
 General Fund  
 For the Year Ended December 31, 2022  
 (Continued)

<b>Expenditures</b>	Original Budget	Final Budget	Actual	Variance Positive (Negative)
<b>Current</b>				
General Government				
Personnel Services	\$ 2,486,376	\$ 2,486,376	\$ 1,766,246	\$ 720,130
Insurance	160,000	160,000	169,320	(9,320)
Professional Fees	724,798	724,798	578,107	146,691
Repairs and Maintenance	31,550	31,550	25,295	6,255
Supplies	38,675	38,675	36,120	2,555
Telephone and Utilities	108,400	108,400	90,809	17,591
Travel and Training	59,822	59,822	18,497	41,325
Other Expense	1,144,600	1,144,600	1,096,357	48,243
Overhead Allocation	(2,469,625)	(2,469,625)	(2,469,625)	-
Total General Government	<u>2,284,596</u>	<u>2,284,596</u>	<u>1,311,126</u>	<u>973,470</u>
Public Safety				
Personnel Services	1,569,976	1,569,976	1,630,834	(60,858)
Fuel and Automotive	-	-	7,420	(7,420)
Repairs and Maintenance	17,000	17,000	15,126	1,874
Telephone and Utilities	-	-	1,376	(1,376)
Other Expense	1,000	1,000	679	321
Total Public Safety	<u>1,587,976</u>	<u>1,587,976</u>	<u>1,655,435</u>	<u>(67,459)</u>
Public Works				
Personnel Services	1,581,456	1,581,456	942,500	638,956
Fuel and Automotive	18,000	18,000	20,001	(2,001)
Professional Fees	60,000	60,000	53,406	6,594
Repairs and Maintenance	169,000	169,000	153,027	15,973
Supplies	25,700	25,700	20,779	4,921
Telephone and Utilities	41,000	41,000	44,696	(3,696)
Travel and Training	22,000	22,000	4,595	17,405
Other Expense	61,559	61,559	23,299	38,260
Overhead Allocation	(631,107)	(631,107)	(631,107)	-
Total Public Works	<u>1,347,608</u>	<u>1,347,608</u>	<u>631,196</u>	<u>716,412</u>
Parks and Recreation				
Cemetery	30,000	30,000	-	30,000
Other Expense	-	-	(375)	375
Total Parks and Recreation	<u>30,000</u>	<u>30,000</u>	<u>(375)</u>	<u>30,375</u>
Capital Outlay	<u>1,686,100</u>	<u>250,000</u>	<u>379,979</u>	<u>(129,979)</u>
Total Expenditures	<u>6,936,280</u>	<u>5,500,180</u>	<u>3,977,361</u>	<u>1,522,819</u>
<b>Excess of Revenues Over (Under) Expenditures</b>	<u>1,806,893</u>	<u>3,252,643</u>	<u>2,783,171</u>	<u>(469,472)</u>

(Continued)

**Town of Wellington, Colorado**  
 Budgetary Comparison Schedule  
 General Fund  
 For the Year Ended December 31, 2022  
 (Continued)

	Original Budget	Final Budget	Actual	Variance Positive (Negative)
<b>Excess of Revenues Over (Under) Expenditures</b>	\$ 1,806,893	\$ 3,252,643	\$ 2,783,171	\$ (469,472)
<b>Other Financing Sources (Uses)</b>				
Transfers In	-	-	-	-
Transfers Out	-	(1,043,000)	(1,043,000)	-
<b>Total Other Financing Sources (Uses)</b>	-	(1,043,000)	(1,043,000)	-
<b>Net Change in Fund Balance</b>	1,806,893	2,209,643	1,740,171	(469,472)
<b>Fund Balance, Beginning of Year</b>	7,361,631	7,361,631	7,361,631	-
<b>Fund Balance, End of Year</b>	\$ 9,168,524	\$ 9,571,274	\$ 9,101,802	\$ (469,472)

**Town of Wellington, Colorado**  
 Budgetary Comparison Schedule  
 Street Fund  
 For the Year Ended December 31, 2022

	Original Budget	Final Budget	Actual	Variance Positive (Negative)
<b>Revenues</b>				
Taxes				
Specific Ownership Taxes	\$ 100,000	\$ 100,000	\$ 103,916	\$ 3,916
Sales and Use Tax	1,794,000	1,794,000	1,640,870	(153,130)
Total Tax Revenue	<u>1,894,000</u>	<u>1,894,000</u>	<u>1,744,786</u>	<u>(149,214)</u>
Licenses and Permits				
Impact Fees	168,300	168,300	132,260	(36,040)
Other Licenses	21,000	21,000	11,500	(9,500)
Total Licenses and Permits	<u>189,300</u>	<u>189,300</u>	<u>143,760</u>	<u>(45,540)</u>
Intergovernmental Revenues				
Grants	1,030,000	1,030,000	-	(1,030,000)
Highway Users	242,000	242,000	281,611	39,611
Road and Bridge	40,000	40,000	30,870	(9,130)
Total Intergovernmental	<u>1,312,000</u>	<u>1,312,000</u>	<u>312,481</u>	<u>(999,519)</u>
Investment Income	<u>750</u>	<u>750</u>	<u>30,760</u>	<u>30,010</u>
Other Revenue	<u>1,000</u>	<u>1,000</u>	<u>10,633</u>	<u>9,633</u>
Total Revenues	<u>3,397,050</u>	<u>3,397,050</u>	<u>2,242,420</u>	<u>(1,154,630)</u>
<b>Expenditures</b>				
Public Works				
Personnel Services	-	-	243,076	(243,076)
Management Fees	631,107	631,107	631,107	-
Equipment Rental	3,000	3,000	3,325	(325)
Fuel and Automotive	-	-	7,308	(7,308)
Professional Fees	32,000	32,000	-	32,000
Repairs and Maintenance	-	-	2,552	(2,552)
Supplies	17,500	17,500	8,200	9,300
Telephone and Utilities	185,492	185,492	211,336	(25,844)
Travel and Training	-	-	850	(850)
Other Expense	4,000	4,000	200,540	(196,540)
Capital Outlays	<u>2,115,991</u>	<u>2,115,991</u>	<u>187,242</u>	<u>1,928,749</u>
Total Public Works	<u>2,989,090</u>	<u>2,989,090</u>	<u>1,495,536</u>	<u>1,493,554</u>
<b>Excess Revenues Over (Under) Expenditures</b>	<u>407,960</u>	<u>407,960</u>	<u>746,884</u>	<u>338,924</u>

(Continued)

**Town of Wellington, Colorado**  
 Budgetary Comparison Schedule  
 Street Fund  
 For the Year Ended December 31, 2022  
 (Continued)

	Original Budget	Final Budget	Actual	Variance Positive (Negative)
<b>Excess Revenues Over (Under) Expenditures</b>	\$ 407,960	\$ 407,960	\$ 746,884	\$ 1,439,269
<b>Other Financing Sources (Uses)</b>				
Transfers In	-	-	-	-
Transfers Out	-	-	-	-
<b>Net Changes in Fund Balance</b>	407,960	407,960	746,884	338,924
<b>Fund Balance, Beginning of Year</b>	3,690,406	3,690,406	3,690,406	-
<b>Fund Balance, End of Year</b>	<u>\$ 4,098,366</u>	<u>\$ 4,098,366</u>	<u>\$ 4,437,290</u>	<u>\$ 338,924</u>

**Town of Wellington, Colorado**  
 Budgetary Comparison Schedule  
 Park Development Fund  
 For the Year Ended December 31, 2022

	Original Budget	Final Budget	Actual	Variance Positive (Negative)
<b>Revenues</b>				
Taxes				
Sales and Use Tax	\$ 850,000	\$ 850,000	\$ 1,186,568	\$ 336,568
Licenses and Permits				
Impact Fees	143,550	143,550	98,600	(44,950)
Other Licenses	-	-	33	33
Total Licenses and Permits	<u>143,550</u>	<u>143,550</u>	<u>98,633</u>	<u>(44,917)</u>
Charges for Services				
Recreation/Community Center Charges	32,000	32,000	175,861	143,861
Rents	-	-	1,600	1,600
Total Charges for Services	<u>32,000</u>	<u>32,000</u>	<u>177,461</u>	<u>145,461</u>
Investment Income	<u>500</u>	<u>500</u>	<u>42,894</u>	<u>42,394</u>
Other Revenues				
Donations	-	-	474	474
Sale of Capital Assets	-	-	3,705	3,705
Total Other Revenues	<u>-</u>	<u>-</u>	<u>4,179</u>	<u>4,179</u>
Total Revenues	<u>1,026,050</u>	<u>1,026,050</u>	<u>1,509,735</u>	<u>483,685</u>
<b>Expenditures</b>				
Public Works				
Personnel Services	636,449	636,449	681,522	(45,073)
Management Fees	409,988	409,988	409,988	-
Equipment Rental	11,000	11,000	15,774	(4,774)
Fuel and Automotive	2,500	2,500	7,466	(4,966)
Professional Fees	41,000	41,000	31,621	9,379
Repairs and Maintenance	204,500	204,500	176,550	27,950
Supplies	34,700	34,700	25,967	8,733
Telephone and Utilities	53,150	53,150	51,379	1,771
Travel and Training	8,500	8,500	2,224	6,276
Other Expense	125,120	125,120	112,583	12,537
Debt Service				
Principal	246,599	246,599	246,599	-
Interest	760,911	760,911	22,861	738,050
Capital Outlay	<u>219,325</u>	<u>219,325</u>	<u>13,624</u>	<u>205,701</u>
Total Public Works	<u>2,753,742</u>	<u>2,753,742</u>	<u>1,798,158</u>	<u>955,584</u>
Total Expenditures	<u>2,753,742</u>	<u>2,753,742</u>	<u>1,798,158</u>	<u>955,584</u>
<b>Excess Revenues Over (Under) Expenditures</b>	<u>(1,727,692)</u>	<u>(1,727,692)</u>	<u>(288,423)</u>	<u>1,439,269</u>

(Continued)

**Town of Wellington, Colorado**  
 Budgetary Comparison Schedule  
 Park Development Fund  
 For the Year Ended December 31, 2022  
 (Continued)

	Original Budget	Final Budget	Actual	Variance Positive (Negative)
<b>Excess Revenues Over (Under) Expenditures</b>	\$ (1,727,692)	\$ (1,727,692)	\$ (288,423)	\$ 1,439,269
<b>Other Financing Sources (Uses)</b>				
Transfers In	-	-	-	-
<b>Net Changes in Fund Balance</b>	(1,727,692)	(1,727,692)	(288,423)	1,439,269
<b>Fund Balance, Beginning of Year</b>	<u>2,327,267</u>	<u>2,327,267</u>	<u>2,327,267</u>	<u>-</u>
<b>Fund Balance, End of Year</b>	<u>\$ 599,575</u>	<u>\$ 599,575</u>	<u>\$ 2,038,844</u>	<u>\$ 1,439,269</u>

**Town of Wellington, Colorado**  
Notes to Required Supplementary Information  
December 31, 2022

**Note 1: Stewardship, Compliance and Accountability**

**Budgets and Budgetary Accounting**

Budgets are adopted for all funds of the Town in accordance with State statutes. Budgets for the governmental funds are adopted on a basis consistent with generally accepted accounting principles (GAAP). Budgetary comparisons for the enterprise funds are presented on a non-GAAP budgetary basis. Capital outlay and debt principal are budgeted as expenditures, but depreciation is not budgeted.

The Town follows these procedures to establish the budgetary information reflected in the financial statements:

- Management submits to the Board of Trustees 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 taxpayer comments.
- Prior to December 31, the budget is legally adopted through passage of a resolution.
- Town management is authorized to transfer budgeted amounts between departments within any fund. However, revisions that alter the total expenditures of any fund must be approved by the Board of Trustees. State statutes stipulate that expenditures may not exceed budget appropriations at the fund level.
- All appropriations lapse at year end.

## **Supplementary Information**

**Town of Wellington, Colorado**  
 Budgetary Comparison Schedule  
 Conservation Trust Fund  
 For the Year Ended December 31, 2022

	Original Budget	Final Budget	Actual	Variance Positive (Negative)
<b>Revenues</b>				
Intergovernmental	\$ -	\$ -	\$ 38,537	\$ 38,537
Investment Income	-	-	10,918	10,918
	<hr/>	<hr/>	<hr/>	<hr/>
Total Revenues	-	-	49,455	49,455
<b>Other Financing Sources (Uses)</b>				
Transfer In	-	-	-	-
	<hr/>	<hr/>	<hr/>	<hr/>
<b>Net Changes in Fund Balance</b>	-	-	49,455	49,455
<b>Fund Balance, Beginning of Year</b>	<hr/> 909,740	<hr/> 909,740	<hr/> 909,740	<hr/> -
<b>Fund Balance, End of Year</b>	<u>\$ 909,740</u>	<u>\$ 909,740</u>	<u>\$ 959,195</u>	<u>\$ 49,455</u>

**Town of Wellington, Colorado**  
 Budgetary Comparison Schedule  
 Water Fund  
 For the Year Ended December 31, 2022

	Original Budget	Final Budget	Actual	Variance Positive (Negative)
<b>Revenues</b>				
Utility Charges	\$ 5,752,566	\$ 5,752,566	\$ 4,961,270	\$ (791,296)
Other Charges for Services	-	-	4,256	4,256
Tax Revenue & Impact Fees	85,593	85,593	85,593	-
Intergovernmental Revenues	10,500,804	10,500,804	1,311,669	(9,189,135)
Plant Investment Fees	782,100	782,100	654,415	(127,685)
Cash in Lieu of Fees	3,283,731	3,283,731	516,252	(2,767,479)
Gain on Sale of Assets	-	-	2,384	2,384
Investment Income	2,000	2,000	258,330	256,330
Transfers In	-	653,000	653,000	-
Total Revenues	20,406,794	21,059,794	8,447,169	(12,612,625)
<b>Expenditures</b>				
Operating Expenses				
Raw Water Purchases	2,058,854	2,058,854	2,058,854	-
Management Fees	974,426	974,426	974,426	-
Personnel Services	530,825	530,825	737,610	(206,785)
Operating Supplies	59,200	59,200	55,917	3,283
Professional Fees	193,000	193,000	150,499	42,501
Repairs and Maintenance	213,000	213,000	256,643	(43,643)
Travel and Training	14,000	14,000	4,678	9,322
Treatment	180,000	180,000	241,867	(61,867)
Telephone and Utilities	127,700	127,700	118,074	9,626
Other Operating Expenses	-	-	401	(401)
Capital Outlay	13,890,303	13,890,303	1,988,675	11,901,628
Debt Services				
Principal	1,151,947	1,151,947	1,151,947	-
Interest	436,480	436,480	319,731	116,749
Total Expenditures	19,829,735	19,829,735	8,059,322	11,770,413
<b>Change in Net Position, Budgetary Basis</b>	\$ 577,059	\$ 1,230,059	387,847	\$ (842,212)
Adjustments to GAAP Basis				
Depreciation			(801,659)	
Capital Outlay			1,454,918	
Proceeds from Issuance of Debt			-	
Debt Principal			1,151,947	
<b>Change in Net Position, GAAP Basis</b>			\$ 2,193,053	

**Town of Wellington, Colorado**  
 Budgetary Comparison Schedule  
 Sewer Fund  
 For the Year Ended December 31, 2022

	Original Budget	Final Budget	Actual	Variance Positive (Negative)
<b>Revenues</b>				
Utility Charges	\$ 2,970,864	\$ 2,970,864	\$ 2,041,012	\$ (929,852)
Intergovernmental Revenues	12,193,740	12,193,740	45,500,000	33,306,260
Plant Investment Fees	965,250	965,250	792,325	(172,925)
Gain on Sale of Assets	-	-	60	60
Investment Income	3,000	3,000	131,216	128,216
Transfers In	-	390,000	390,000	-
Total Revenues	16,132,854	16,522,854	48,854,613	32,331,759
<b>Expenditures</b>				
Operating Expenses				
Management Fees	842,378	842,378	842,378	-
Personnel Services	477,333	477,333	696,417	(219,084)
Operating Supplies	29,000	29,000	17,625	11,375
Professional Fees	98,000	98,000	147,447	(49,447)
Repairs and Maintenance	117,500	117,500	115,961	1,539
Travel and Training	12,000	12,000	3,820	8,180
Treatment	50,000	50,000	33,729	16,271
Telephone and Utilities	143,800	143,800	140,877	2,923
Other Operating Expenses	5,000	5,000	2,888	2,112
Capital Outlay	14,221,986	14,221,986	3,524,730	10,697,256
Debt Services				
Principal	445,835	445,835	2,105,835	(1,660,000)
Interest	71,552	71,552	1,140,244	(1,068,692)
Total Expenditures	16,514,384	16,514,384	8,771,951	7,742,433
<b>Change in Net Position, Budgetary Basis</b>	\$ (381,530)	\$ 8,470	40,082,662	\$ 40,074,192
Adjustments to GAAP Basis				
Depreciation			(662,702)	
Capital Outlay			3,479,537	
Proceeds from Issuance of Debt			(45,500,000)	
Debt Principal			2,105,835	
<b>Change in Net Position, GAAP Basis</b>			\$ (494,668)	

**Town of Wellington, Colorado**  
 Budgetary Comparison Schedule  
 Drainage Fund  
 For the Year Ended December 31, 2022

	Original Budget	Final Budget	Actual	Variance Positive (Negative)
<b>Revenues</b>				
Utility Charges	\$ 693,560	\$ 693,560	\$ 678,762	\$ (14,798)
Tax Revenue & Impact Fees	58,400	58,400	90,128	31,728
Intergovernmental Revenues	112,000	112,000	14,091	(97,909)
Investment Income	300	300	16,819	16,519
Total Revenues	864,260	864,260	799,800	(64,460)
<b>Expenditures</b>				
Operating Expenses				
Administrative Office	6,500	6,500	8,273	(1,773)
Management Fees	242,833	242,833	242,833	-
Personnel Services	-	-	85,690	(85,690)
Operating Supplies	-	-	14	(14)
Professional Fees	63,560	63,560	-	63,560
Repairs and Maintenance	2,000	2,000	4,233	(2,233)
Telephone and Utilities	391,000	391,000	1,466	389,534
Capital Outlay	387,832	387,832	191,617	196,215
Total Expenditures	1,093,725	1,093,725	534,126	559,599
<b>Change in Net Position, Budgetary Basis</b>	\$ (229,465)	\$ (229,465)	265,674	\$ 495,139
Adjustments to GAAP Basis				
Depreciation			(103,322)	
Capital Outlay			63,145	
<b>Change in Net Position, GAAP Basis</b>			\$ 225,497	

## **Compliance Section**

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>

This Information From The Records Of: <b>Town of Wellington</b>	Prepared By: <b>Janice Foster</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)	\$ 41,019.50
a. Motor Fuel (from Item I.A.5.)		2. Maintenance:	\$ 421,265.62
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)	\$ 1,862,343.04	c. Other	
4. Miscellaneous local receipts (from page 2)	\$ 48,328.55	d. Total (a. through c.)	\$ -
5. Transfers from toll facilities		4. General administration & miscellaneous	\$ 452,620.18
6. Proceeds of sale of bonds and notes:		5. Highway law enforcement and safety	
a. Bonds - Original Issues		6. Total (1 through 5)	\$ 914,905.30
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)	\$ 1,910,671.59	b. Redemption	
<b>B. Private Contributions</b>		c. Total (a. + b.)	\$ -
<b>C. Receipts from State government</b> (from page 2)	\$ 185,347.36	2. Notes:	
<b>D. Receipts from Federal Government</b> (from page 2)	\$ -	a. Interest	
<b>E. Total receipts (A.7 + B + C + D)</b>	\$ 2,096,018.95	b. Redemption	
		c. Total (a. + b.)	\$ -
		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>	\$ 914,905.30

**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
	\$ 3,690,405.72	\$ 2,096,018.95	\$ 914,905.30	\$ 4,922,739.01	\$ (51,219.64)

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	\$ 37,695.95
b. Other local imposts:		b. Traffic Fines & Penalties	
1. Sales Taxes	\$ 1,617,510.50	c. Parking Garage Fees	
2. Infrastructure & Impact Fees	\$ 133,560.00	d. Parking Meter Fees	
3. Liens		e. Sale of Surplus Property	\$ 10,632.60
4. Licenses		f. Charges for Services	
5. Specific Ownership &/or Other	\$ 111,272.54	g. Other Misc. Receipts	
6. Total (1. through 5.)	\$ 1,862,343.04	h. Other	
c. Total (a. + b.)	\$ 1,862,343.04	i. Total (a. through h.)	\$ 48,328.55
<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.)	\$ 148,883.47	1. FHWA (from Item I.D.5.)	
2. State general funds		2. Other Federal agencies:	
3. Other State funds:		a. Forest Service	
a. State bond proceeds		b. FEMA	
b. Project Match		c. HUD	
c. Motor Vehicle Registrations	\$ 36,463.89	d. Federal Transit Administration	
d. DOLA Grant		e. U.S. Corps of Engineers	
e. Other		f. Other Federal	
f. Total (a. through e.)	\$ 36,463.89	g. Total (a. through f.)	\$ -
4. Total (1. + 2. + 3.f)	\$ 185,347.36	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		\$ 41,019.50	\$ 41,019.50
(4). System Enhancement And Operation			\$ -
(5). Total Construction (1)+(2)+(3)+(4)	\$ -	\$ 41,019.50	\$ 41,019.50
d. Total Capital Outlay (Lines 1.a. + 1.b. + 1.c.4)	\$ -	\$ 41,019.50	\$ 41,019.50
<i>(Carry forward to page 1)</i>			

Notes and Comments: