

**CITY OF
CENTRAL, COLORADO**

BASIC FINANCIAL STATEMENTS

December 31, 2022

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FINANCIAL SECTION



**PROSPECTIVE
BUSINESS
SOLUTIONS, LLC**
Certified Public Accountants

Auditing, Accounting, and Consulting Services for
Governments and Nonprofit Organizations

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

INDEPENDENT AUDITOR'S REPORT

Opinions

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

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

Basis for Opinions

We conducted our audit in accordance with auditing standards generally accepted in the United States of America (GAAS). Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the City, and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with 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.

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

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

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

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis, the budgetary comparison information, the schedule of the changes in net pension position, liability, and related ratios and contributions on pages 37-42 be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Other Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the City's basic financial statements. The combining and individual fund statements and schedules 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 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 financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the combining and individual fund statements and schedules and the local highway finance report are fairly stated in all material respects in relation to the financial statements as a whole.

PB Solutions LLC

Littleton, Colorado
July 17, 2023

City of Central, Colorado
Management Discussion & Analysis
December 31, 2022

As management of the City of Central, (“City”), we offer readers of the City’s financial statements this narrative overview and analysis of the financial activities of the City for the fiscal year that ended December 31, 2022.

USING THIS ANNUAL REPORT

This discussion and analysis report is intended to serve as an introduction to the City’s basic financial statements and provide the reader with greater detail and explanation of areas and/or issues the City’s Management feels are significant. This discussion and analysis is divided into two basic parts. The first section provides an overview and discussion of the basic components of the financial statements. The second section of this report provides figurative analysis of the financial statements themselves. Management recommends reviewing the financial statements in conjunction with this report.

The City’s financial statements are comprised of several components including: government-wide financial statements, fund financial statements, notes to the financial statements, required supplementary information, other supplementary information, and compliance reports. Each of these components provides readers with differing levels of detail and discusses the City’s activities and financial position in different scopes.

Government-wide financial statements: The government-wide financial statements are designed to provide readers with a broad overview of the City’s finances, in a manner similar to a private-sector business. For that reason, the government-wide financial statements are calculated using the accrual basis of accounting like the private-sector. Government-wide statements incorporate all aspects of the City’s financial condition and provide the reader general knowledge of its financial activities.

The *Statement of Net Position* presents information on all City assets, deferred outflows of resources, liabilities, and deferred inflows of resources with the difference reported as *net position*. Over time, increases or decreases in net position may serve as useful indicators of whether the financial position of the City is improving or deteriorating.

The *Statement of Activities* presents information showing how the City’s net position changed during the most recent fiscal year. While the *Statement of Net Position* focuses on total changes in assets and liabilities, the *Statement of Activities* focuses on the underlying causes of those total changes. 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 personal leave).

Both government-wide financial statements distinguish functions of the City that are principally supported by taxes and intergovernmental revenues (governmental activities) from functions of the City that are intended to recover all or a significant portion of their costs through user fees and charges (business-type activities). The governmental activities of the City include general government, public safety (police services), fire, public works, community development, and

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historic preservation. The business-type activities of the City include water distribution and system maintenance.

The government-wide financial statements can be found on pages 1 and 2 of this report.

Fund financial statements: Fund Financial Statements detail the status and changes within certain Fund groups. A fund is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. The City, like other state and local governments, uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. All City funds can be divided into two separate categories: Governmental Funds and Proprietary Funds.

Governmental Funds--Most of the City's basic services are reported in governmental funds, which focus on how money flows into and out of those funds. The balances left at year-end are available for spending in future years, provided that balances restricted for certain purposes are spent for those purposes only. Governmental Funds utilize the modified accrual accounting method, which measures cash and all other financial assets that can readily be converted to cash. The governmental fund statements display detailed short-term views of cash, operations, and the basic services provided. Governmental fund statements show the reader whether there are more or fewer financial resources available at the end of a fiscal year that can be spent in the near future to finance government programs and objectives.

Because the focus of governmental funds is narrower than that of the government-wide financial statements, it is useful to compare the information presented for governmental funds with similar information presented for governmental activities in the government-wide financial statements. By doing so, readers may better understand the long-term impact of a government's near-term financing decisions. Both the *Balance Sheet--Governmental Funds* and the *Statement of Revenues, Expenditures and Changes in Fund Balances--Governmental Funds* provide reconciliations to facilitate this comparison between governmental funds reported on the modified accrual basis of accounting, and governmental activities reported on the full accrual basis.

The City of Central maintains nine (9) individual governmental funds. Information is presented by fund name in the *Balance Sheet--Governmental Funds* and the *Statement of Revenues, Expenditures and Changes in Fund Balances--Governmental Funds* for six of these funds because they meet the criteria to be considered "major funds" (General Fund, Historic Preservation Fund, Belvidere Foundation Fund, Transportation Fund, Public Safety Fund, Public Property Trust Fund, and Capital Improvement Fund). The other two (Conservation Trust Fund and Impact Fees Fund) are combined in a column titled "Nonmajor Governmental Funds." Individual fund data for these nonmajor governmental funds is provided in the back of this report in the section titled "Supplementary Information."

Proprietary Fund--The City's water utility operations and all related financial activity are reported in a proprietary fund known as the Water Fund. Proprietary funds focus on overall economic position rather than year-end fund balances, and they utilize the full accrual method of accounting. An Enterprise Fund is the type of proprietary fund used to account for utility operations. It reports the same functions that are presented as business-type activities in the government-wide financial

City of Central, Colorado
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statements, only in a bit more detail. Proprietary fund financial statements can be found on pages 7-9 of this report.

Notes to Financial Statements: The notes provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements. The notes to the financial statements are the final section of the basic financial statements. They can be found on pages 10-36 of this report.

Supplementary Information: In addition to the basic financial statements and accompanying notes, this report also presents required supplementary information concerning the City's budget and pension plan. Certain pension plan information and budgetary comparison statements for the General Fund, Historic Preservation Fund, Transportation Fund, Public Safety Fund, and Public Property Trust Fund are included as "Required Supplementary Information" (RSI) on pages 37-42 of this report. Combining information for the non-major funds and budgetary comparison schedules for the City funds not included in RSI are displayed on pages 43-48 in the "Combining and Individual Fund Statements and Schedules" section of the report. These statements and schedules demonstrate compliance with the City's adopted and final revised budgets.

Government-Wide Financial Analysis

As mentioned previously, net position may serve over time as a useful indicator of a government's financial position. The chart on the following page displays the changes in net position experienced by the City over the last two years. The City of Central's total assets and deferred outflows of resources exceeded its liabilities and deferred inflows of resources by \$37,865,128 at the close of 2022.

City of Central, Colorado
Management Discussion & Analysis
December 31, 2022

City of Central's Condensed Net Position

	Governmental		Business-type		Total	
	Activities		Activities			
	<u>2022</u>	<u>2021</u>	<u>2022</u>	<u>2021</u>	<u>2022</u>	<u>2021</u>
Current and other assets	\$ 10,197,642	\$ 7,514,526	\$ 1,358,535	\$ 1,082,267	\$ 11,556,177	\$ 8,596,793
Capital assets, net	19,651,319	21,137,312	9,096,650	9,164,485	28,747,969	30,301,797
Net pension asset--Volunteer Fire	29,763	-	-	-	29,763	-
Net pension asset--FPPA	-	12,565	-	-	-	12,565
Total assets	\$ 29,878,724	\$ 28,664,403	\$ 10,455,185	\$ 10,246,752	\$ 40,333,909	\$ 38,911,155
Deferred Outflows of Resources	\$ 29,512	\$ 55,453	\$ -	\$ -	\$ 29,512	\$ 55,453
Current liabilities	\$ 621,708	\$ 476,714	\$ 414,665	\$ 174,843	\$ 1,036,373	\$ 651,557
Long-term debt outstanding	676,366	856,943	461,549	477,075	1,137,915	1,334,018
Net pension liability--Volunteer Fire	-	28,682	-	-	-	28,682
Total liabilities	\$ 1,298,074	\$ 1,362,339	\$ 876,214	\$ 651,918	\$ 2,174,288	\$ 2,014,257
Deferred Inflows of Resources	\$ 324,005	\$ 308,273	\$ -	\$ -	\$ 324,005	\$ 308,273
Net position:						
Net investment in capital assets	\$ 19,154,752	\$ 20,483,230	\$ 8,654,772	\$ 8,705,611	\$ 27,809,524	\$ 29,188,841
Restricted	6,640,976	2,811,466	-	-	6,640,976	2,811,466
Unrestricted	2,490,429	3,754,548	924,199	889,223	3,414,628	4,643,771
Total net position	\$ 28,286,157	\$ 27,049,244	\$ 9,578,971	\$ 9,594,834	\$ 37,865,128	\$ 36,644,078

The largest portion of the City's total net position is its investment in capital assets (i.e. land, buildings, improvements, and equipment). Capital assets net of related debt account for 73.4% of total net position. While capital assets make up the most significant portion of the City's net position, it is the current assets comprised of cash, investments, and receivables with which the City operates. These assets increased from the end of 2021 to the end of 2022 by a total of \$2,959,384 (34.4%). Overall, the City's Total Net Position increased by 3.3%, or \$1,221,050 during 2022.

In the Governmental Activities, current assets at December 31, 2022 exceeded total liabilities by \$8,899,568 (685.6%). In the Business-type Activities, current assets exceeded total liabilities by \$482,321 (55.0%).

Approximately 17.5% of the City's total net position is restricted for emergencies, historic preservation, public safety, capital assets, and parks and open space. The remainder may be used to meet the City's obligations to residents, businesses, and creditors. The City utilizes both capital assets and current assets to provide other services to citizens, local businesses, and visitors and to fund daily City operations.

The chart below displays the changes in net position experienced by the City over the last two years. An analysis of these changes follows for both its Governmental and Business-type Activities.

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City of Central's Condensed Changes in Net Position

	Governmental		Business-type		Total	
	Activities		Activities			
	2022	2021	2022	2021	2022	2021
Program revenues:						
Charges for services	\$ 524,657	\$ 488,121	\$ 773,394	\$ 739,942	\$ 1,298,051	\$ 1,228,063
Operating grants & contributions	1,042,103	715,095	-	-	1,042,103	715,095
Capital grants & contributions	115,978	468,438	186,839	145,160	302,817	613,598
General revenues:					-	-
Taxes	1,636,387	1,612,785	-	-	1,636,387	1,612,785
State Gaming Tax	1,178,594	966,007	-	-	1,178,594	966,007
Gaming device fees	2,209,078	2,129,809	-	-	2,209,078	2,129,809
Investment income	118,030	5,579	12,432	554	130,462	6,133
Other revenue	15,930	40,264	-	-	15,930	40,264
Gain from sale of assets	2,318,458	-	-	-	2,318,458	-
Transfer In/(Out)	40,000	-	(40,000)	-	-	-
Total revenues	\$ 9,199,215	\$ 6,426,098	\$ 932,665	\$ 885,656	\$ 10,131,880	\$ 7,311,754
Program expenses:						
General Government	\$ 1,408,542	\$ 1,211,253	\$ -	\$ -	\$ 1,408,542	\$ 1,211,253
Community Development	655,486	318,502	-	-	655,486	318,502
Public Safety	1,150,402	1,001,973	-	-	1,150,402	1,001,973
Public Works	3,827,056	3,513,218	-	-	3,827,056	3,513,218
Fire	330,012	268,990	-	-	330,012	268,990
Historic Preservation	571,616	316,396	-	-	571,616	316,396
Parks	4,641	-	-	-	4,641	-
Interest on Long-Term Debt	14,547	18,433	-	-	14,547	18,433
Water	-	-	948,528	857,321	948,528	857,321
Total expenses	\$ 7,962,302	\$ 6,648,765	\$ 948,528	\$ 857,321	\$ 8,910,830	\$ 7,506,086
Increase/(decrease)in net assets	\$ 1,236,913	\$ (222,667)	\$ (15,863)	\$ 28,335	\$ 1,221,050	\$ (194,332)
Net Position, Beginning	27,049,244	27,271,911	9,594,834	9,566,499	36,644,078	36,838,410
Net Position, Ending	\$28,286,157	\$27,049,244	\$ 9,578,971	\$9,594,834	\$37,865,128	\$36,644,078

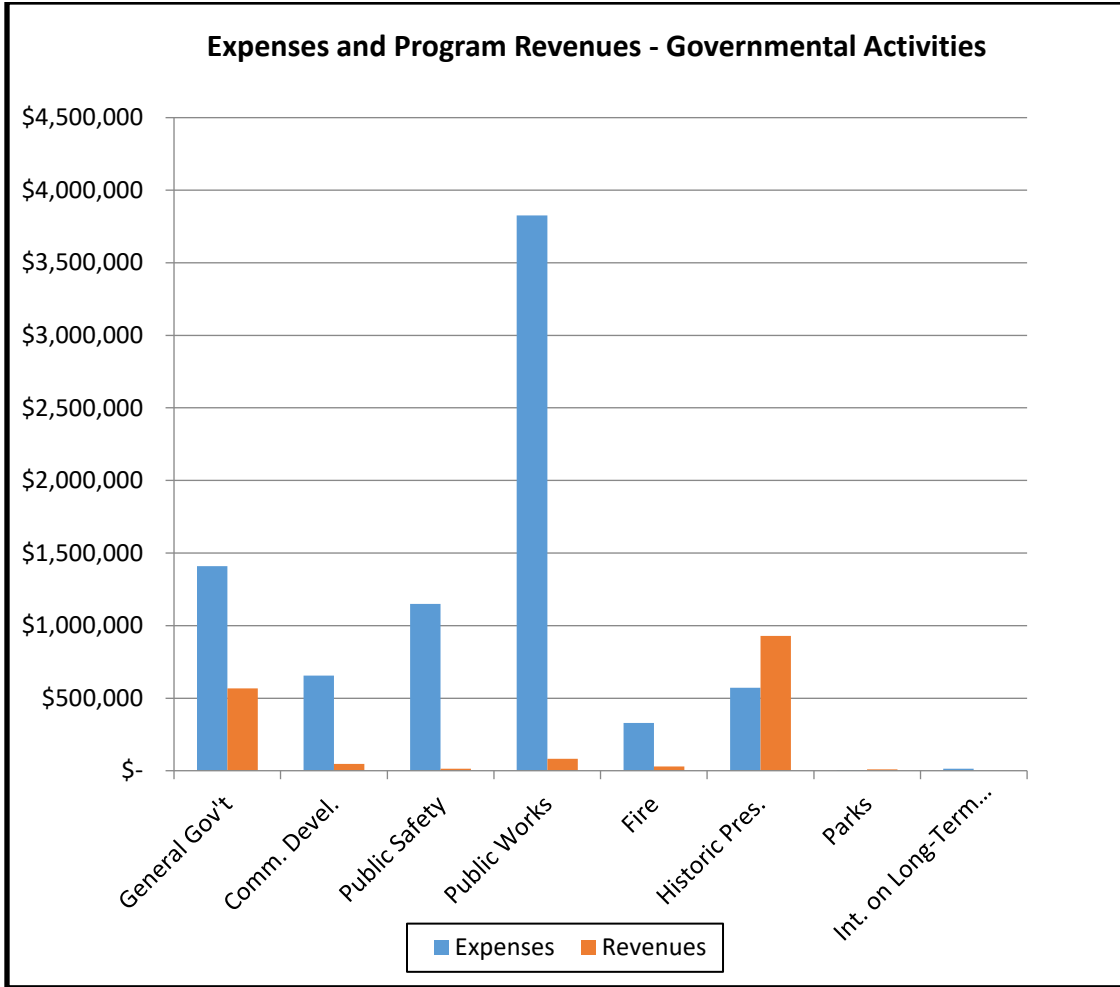
Governmental Activities

Governmental activities caused the City's net position to increase by \$1,236,913 in 2022. Key elements of this increase are as follows:

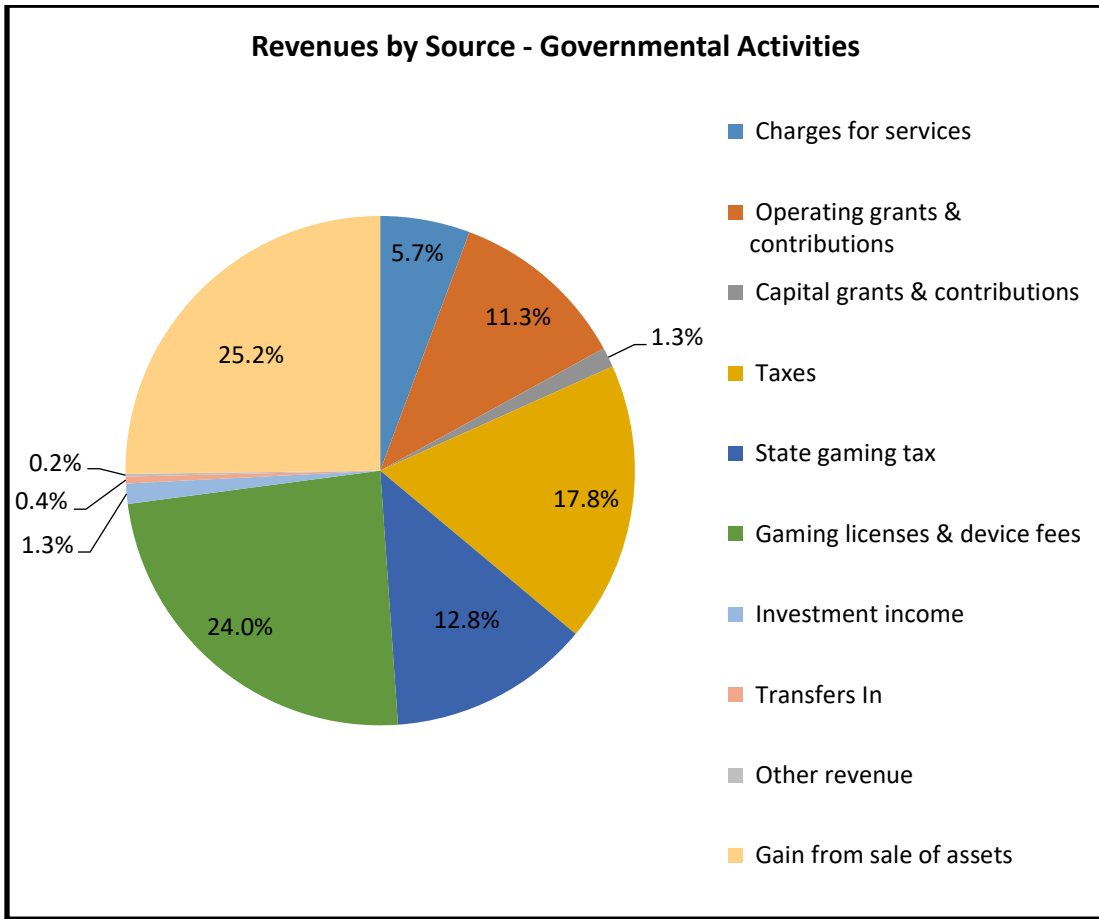
- Operating grants and contributions increased by \$327,008 (45.7%).
- State Gaming Tax increased by \$212,587 (22.0%) as the casino industry continued to recover from the business restrictions imposed during the Corona virus pandemic.
- The former Scarlett property was sold resulting in most of the gain from sale of assets totaling \$2,318,458.

The following two charts illustrate the 2022 expenses and related program revenues of the Governmental Activities.

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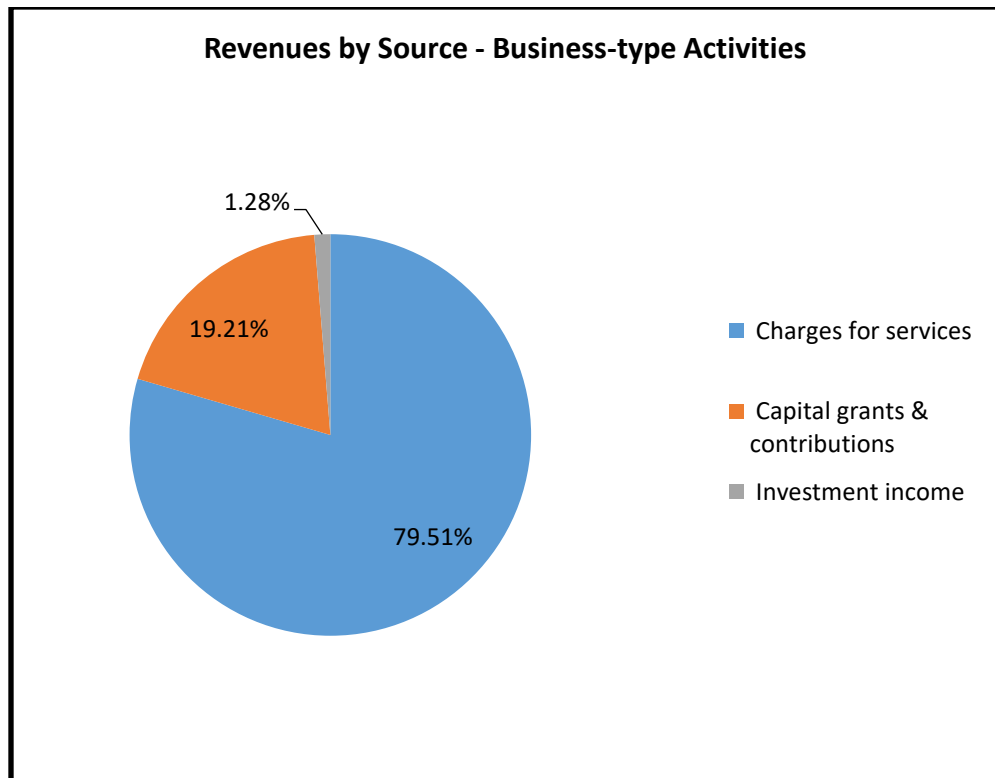
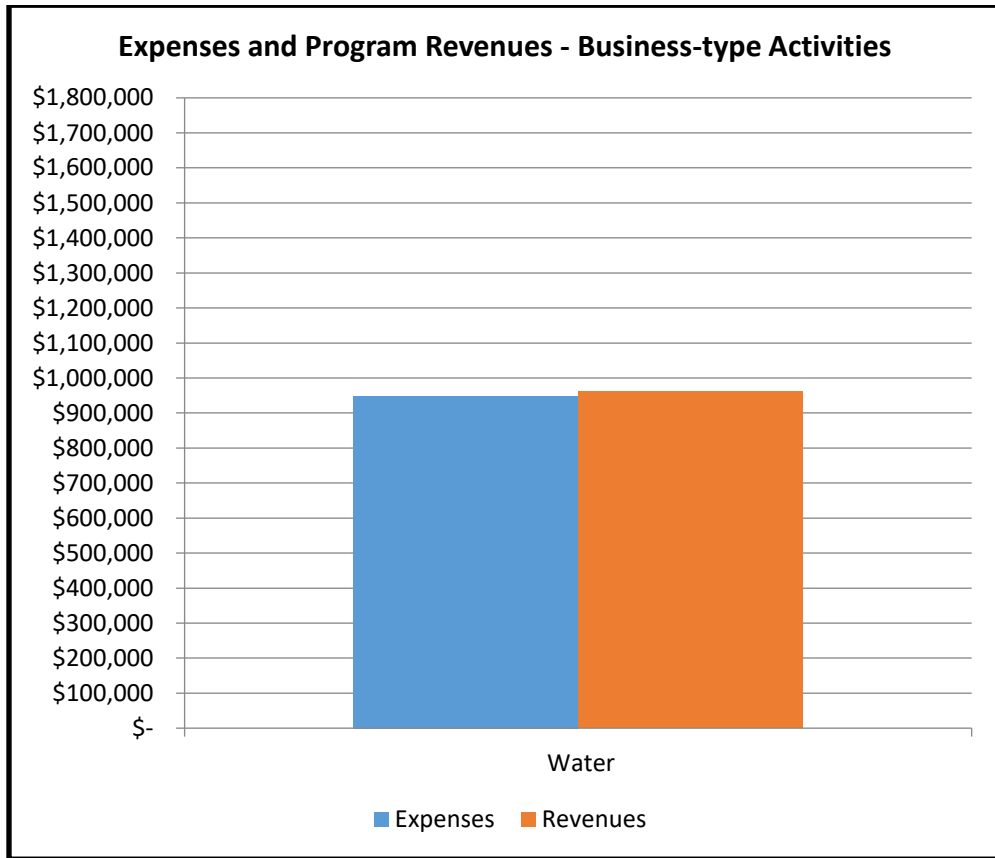
Device fees and state gaming taxes comprised 36.8% of the revenues for Governmental Activities in the City of Central in 2022. This reflected a decrease in that percentage of total revenues from 48.2% in 2021 because of increased total revenues from other services even though both revenue sources increased in 2022. Management closely tracks these revenues because of their importance to the City’s budget.

Business-type Activities

Business-type activities had a very small impact on changes in the City’s net position in 2022, causing it to decrease by \$15,863 (-0.2%). Charges for services increased by \$33,452 (4.5%). Charges for services exceeded operating expenses not including depreciation by \$153,004 (24.7%).

The following two charts illustrate the Business-type Activities total expenses including depreciation and related program revenues. Program revenues included capital grants and contributions of \$186,839 from tap fees, service line fees, and capital improvement fees in addition to the charges for services discussed above.

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Fund Financial Analysis

As noted earlier, the City of Central uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. The Governmental Funds utilize the modified accrual basis of accounting, and the balances of the spendable resources (fund balances) in each fund are shown at year end. At the close of 2022, the City’s governmental funds reported combined ending fund balances of \$9,333,116. This was an increase of \$2,541,851 (37.4%) over the prior year’s ending fund balances. Governmental Fund Revenues increased by \$414,659 (6.4%) primarily due to intergovernmental revenues and recovering gaming revenues, but the Net Proceeds from Sale of Assets accounted for most of the increases in fund balances. Expenditures increased by \$1,600,252 (31.4%) compared to 2021 primarily due to increased expenses in all areas of operations.

The following chart details the City’s governmental fund balances for the past ten (10) years:

City of Central Ending Governmental Fund Balances

Fund	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022
General	\$ 1,585,809	\$2,263,848	\$ 2,632,780	\$ 3,195,011	\$ 3,562,725	\$ 4,179,433	\$ 2,166,483	\$ 2,377,387	\$ 3,345,835	\$ 2,405,962
Transportation	-	-	1,036,963	903,560	1,006,456	726,806	577,837	394,275	498,179	355,384
Capital Improvement	-	-	938,042	702,966	667,614	606,170	260,463	307,660	309,785	140,794
Historic Preservation	239,395	218,420	341,390	386,807	724,879	931,440	2,031,391	2,078,016	2,168,942	3,442,068
Public Safety ¹	-	-	-	-	-	-	155,163	163,298	114,501	157,894
TABOR ²	204,932	205,021	-	-	-	-	-	-	-	-
Conservation Trust	45,937	52,479	59,086	67,461	74,878	83,945	93,405	84,429	90,145	102,327
Belvidere Foundation	-	-	-	-	-	-	-	-	128,228	235,058
Public Property Trust	227,075	(11,754)	(11,029)	-	-	-	43,066	43,299	123,019	2,444,344
Impact Fees Fund	(129,585)	(129,585)	(129,585)	-	6,018	6,018	12,457	12,519	12,631	49,285
Total	\$ 2,173,563	\$2,598,429	\$ 4,867,647	\$ 5,255,805	\$ 6,042,570	\$ 6,533,812	\$ 5,340,265	\$ 5,460,883	\$ 6,791,265	\$ 9,333,116

¹ Public Safety Fund was established in 2019.

² TABOR Fund was combined with General Fund beginning in 2015.

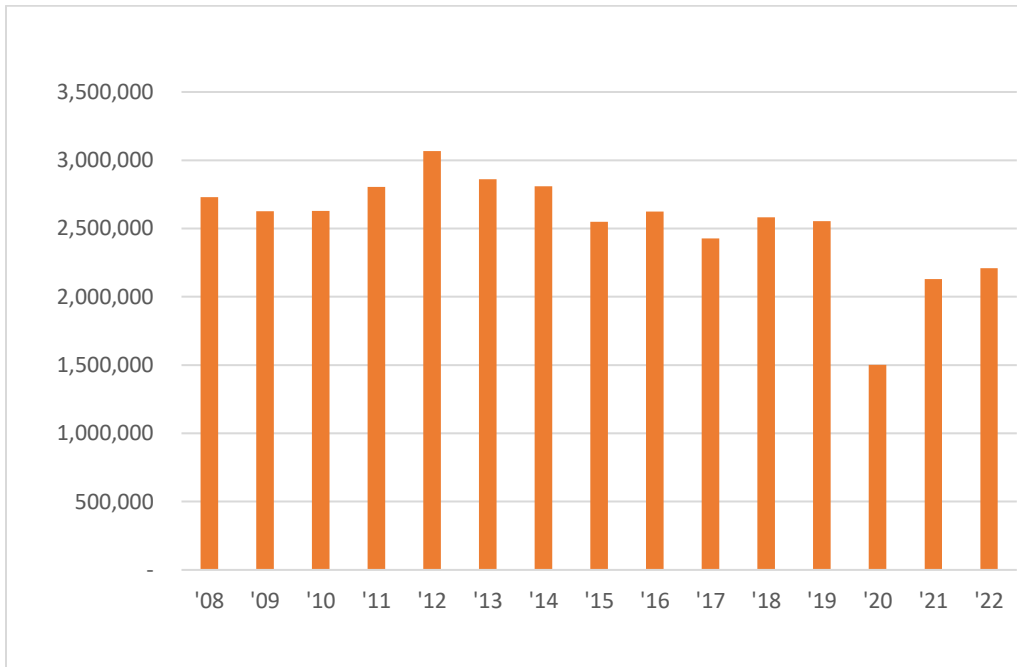
³ Belvidere Foundation Fund was established in 2021.

The General Fund Balance improved steadily from 2015 – 2018. During 2019, transfers totaling \$1,562,555 were made from the General Fund to the Historic Preservation Fund (\$1,000,000), Transportation Fund (\$492,555), and Water Fund (\$70,000). During 2020, the General Fund Balance increased again by \$210,904, and by \$968,448 during 2021. In 2022, the General Fund transferred \$1,000,000 to the Historic Preservation Fund, causing the General Fund Balance to reflect a decrease of \$939,873.

Device Fees and Licenses: Device fees are the City’s most significant source of revenue. During 2022, device fees and licenses collected by all governmental funds totaled \$2,209,078 and accounted for 32.3% of all governmental fund revenues. The graph below illustrates the total amount of device revenue collected for all governmental funds over the last fifteen years. The reduction in 2020 due to the restrictions on travel and tourism during the pandemic, and the City’s associated forgiveness of Gaming Device Fees for 2-1/2 months, are clearly seen in the graph below. Gaming Device Fees were \$629,210 (42.0%) higher in 2021 than in 2020, and continued to increase slightly in 2022.

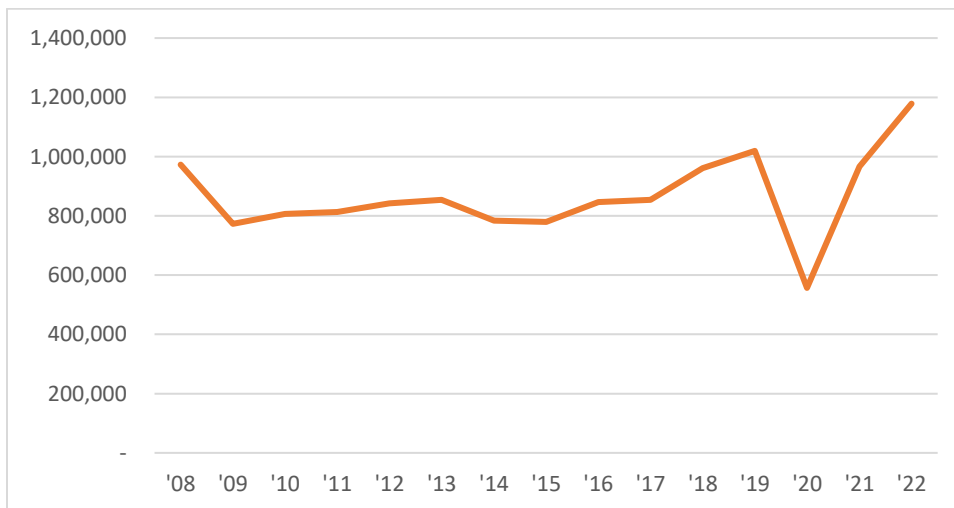
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Gaming Device Revenue



Gaming Taxes: The City’s third most important governmental revenue source after sales/use taxes and gaming device revenue is state gaming taxes. The amount of state gaming tax received annually is based on a calculation involving each Colorado gambling city’s proportion of gaming taxes paid to the state. Central City received \$1,178,594 in 2022 compared to \$966,007 in 2021, which was an increase of \$212,587 (22.0%). Below is a graph illustrating state gaming tax revenue for the past fifteen years.

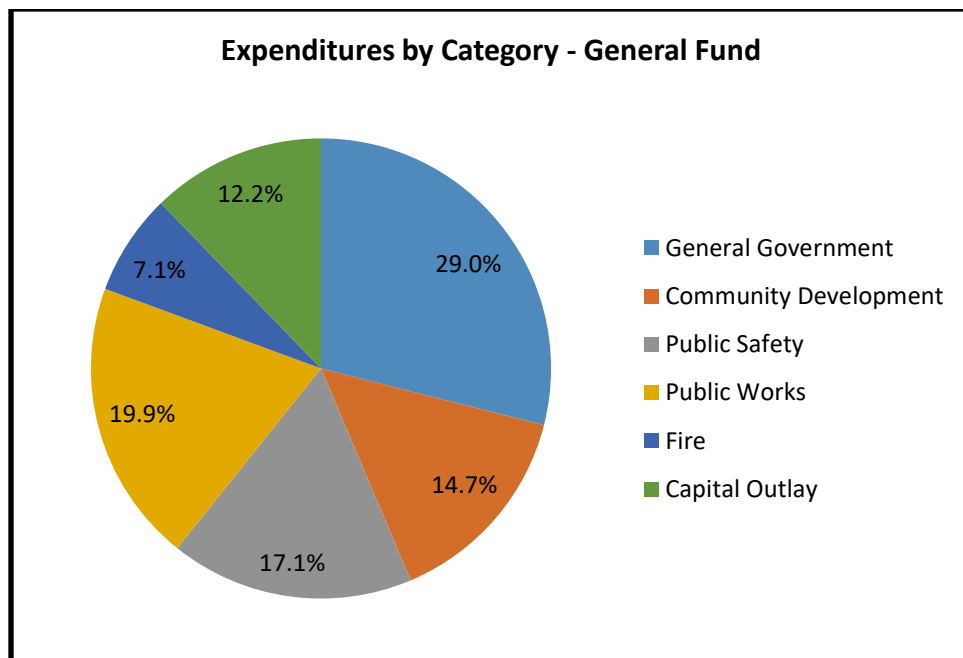
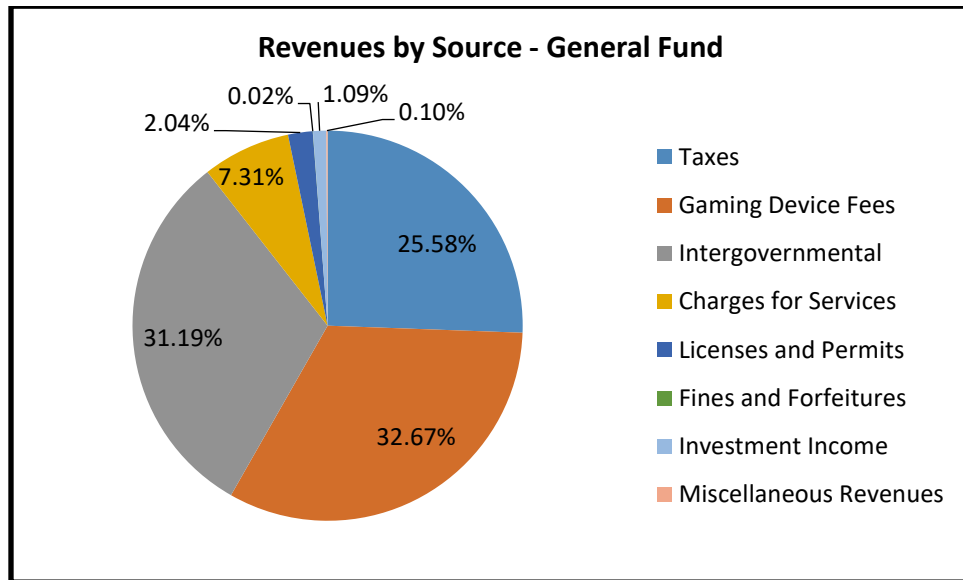
State Gaming Tax



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General Fund: The General Fund is the chief operating fund of the City of Central. It accounts for all of the general services provided by the City. The General Fund Balance decreased in 2022 by \$939,873 (-28.1%) due to the \$1 million transfer to the Historic Preservation Fund. Revenues increased by \$315,983 (7.5%) in 2022 primarily due to improved intergovernmental revenues. General Fund expenditures increased by \$1,345,491 (41.3%) during 2022 primarily due to increases in community development, public safety, fire, and general government operations, and capital outlay.

The following two tables illustrate General Fund revenues and expenditures during 2022.



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During 2022, the City received \$4,543,475 in General Fund revenues. The percentage of the total General Fund revenues derived from Taxes increased from 27.9% in 2021 to 29.0% in 2022. The percentage of total General Fund expenditures spent for Community Development activities increased from 9.8% in 2021 to 14.7% in 2022.

Transportation Fund: The Transportation Fund received \$724,693 in gaming device fees during 2022, which was 3.7% more than 2021. During 2022 the Transportation Fund balance decreased by \$142,795 (-28.7%). The fund's expenditures included a D Street paving project, repair and maintenance of the Central City Parkway and city streets, shuttle services, and loan repayments as required to the Colorado Department of Transportation's State Infrastructure Bank.

Capital Improvement Fund: During 2022, the Capital Improvement Fund balance decreased by \$168,991 (54.6%). The fund's expenditures included vehicle and equipment purchases and replacements, City Hall window improvements, and Spring Street sidewalk improvements.

Historic Preservation Fund: The Historic Preservation Fund's most significant source of revenue---historic preservation funding from the state--is also derived from gaming. Like the state gaming tax, historic preservation monies are allocated based on a calculation involving each City's proportionate share of gaming taxes paid to the state. The funds are to be used for the preservation and protection of historical buildings and properties within the City. In 2022, the City received \$843,120 in state grant revenue, which was 79.0% more than in 2021. Other revenues include sales from the Visitors Center.

Public Safety Fund: Voters of the City approved a 2% sales and use tax beginning January 1, 2019 for the purpose of funding fire protection and public safety services, programs and facilities. During 2022, the Public Safety Fund received \$333,354 from these taxes. The fund's expenditures of \$292,386 provided police dispatch and ambulance services performed by outside agencies and an equipment purchase.

Public Property Trust Fund: During 2022, the Public Property Trust Fund sold a property (the former Scarlett building) and received \$2,275,875 from the sale. The fund's expenditures included \$8,838 for property transaction costs and \$20,700 for the Stairway to Heaven project.

Water Fund: At December 31, 2022 the Net Position of the Water Fund was \$9,578,971. Revenues from charges for services of \$773,394 were 4.5% higher than 2021. Operating expenses of \$948,528 in 2022 were \$91,207 (10.6%) higher than 2021. The Water Fund had an operating loss of -\$175,134 in 2022 compared to -\$117,379 in 2021. As in most years, the 2022 operating loss for the Water Fund was related to depreciation (\$328,138) of plant and equipment. Charges for services covered 81.5% of operating expenses in 2022 compared to 86.3% of operating expenses in 2021 (and 77.3%, 73.3%, 79.9%, 84.1% and 80.8% of operating expenses in 2020, 2019, 2018, 2017 and 2016 respectively).

CAPITAL ASSETS AND DEBT ADMINISTRATION

Capital Assets. At December 31, 2022 the City had invested in a range of capital assets including land, buildings and improvements, vehicles, office equipment, utility lines, and streets. Note 4 of

City of Central, Colorado
Management Discussion & Analysis
December 31, 2022

the financial statements provides a summary of these assets. City capital acquisitions and expenses during 2022 included:

Water Plant and Lines	\$ 198,558
Buildings and Improvements	35,945
Machinery and Equipment	408,272
Improvements and Infrastructure	600,151
Construction in Progress	51,697

Debt Administration. Note 5 of the financial statements provides a summary of the City’s long-term debt. At December 31, 2022 the City owed \$496,567 on the loan from the Colorado Department of Transportation’s State Infrastructure Bank (SIB). The SIB loan is payable from the general revenues of the governmental funds. At December 31, 2022 the City owed \$441,878 on its interest-free loan from the Colorado Water Resources & Power Development Authority that is payable from Water Fund revenues through 2048. In addition, the City had contractual obligations for compensated absences and accrued longevity pay totaling \$179,799 in the General Fund and \$19,671 in the Water Fund. These debts are to be repaid from revenues of the respective funds as they come due.

ECONOMIC FACTORS AND NEXT YEAR’S BUDGETS AND RATES

The 2023 Budget conservatively estimated revenues from the City’s six casinos, and fees, licenses, permits, and other general revenues are projected to improve over 2022 levels. Federal spending, unemployment insurance policies, restrictions on domestic energy production, and considerable expansion of the monetary supply is causing significant inflation throughout all sectors of the economy. The full economic impact these state- and federal-imposed policies and restrictions on the City’s 2023 and future budgets has yet to be determined.

REQUESTS FOR INFORMATION

This financial report is designed to provide the City of Central’s residents, taxpayers, customers, investors, and creditors with a general overview of the City’s finances and to show the City’s accountability for the funds and assets it receives. Questions concerning any of the information provided in this report or requests for additional financial information should be addressed to the City of Central, Finance Department, PO Box 249, Central City, Colorado 80427-0249.

BASIC FINANCIAL STATEMENTS

CITY OF CENTRAL, COLORADO

STATEMENT OF NET POSITION

December 31, 2022

	GOVERNMENTAL ACTIVITIES	BUSINESS-TYPE ACTIVITIES	TOTAL
ASSETS			
Cash and Investments	\$ 9,629,445	\$ 1,282,492	\$ 10,911,937
Cash Held with County Treasurer	11,545	-	11,545
Receivables			
Property Taxes	248,508	-	248,508
Sales and Other	286,003	-	286,003
Accounts	-	74,341	74,341
Prepaid Expenses	22,141	1,702	23,843
Capital Assets, Not Depreciated	6,599,555	1,884,261	8,483,816
Capital Assets, Depreciated, Net of Accumulated Depreciation	13,051,764	7,212,389	20,264,153
Net Pension Asset	29,763	-	29,763
TOTAL ASSETS	29,878,724	10,455,185	40,333,909
DEFERRED OUTFLOWS OF RESOURCES			
Related to Pensions - Volunteer Fire Department Pension Plan	29,512	-	29,512
LIABILITIES			
Accounts Payable	298,696	54,665	353,361
Accrued Expenses	42,878	-	42,878
Unearned Revenue	116,182	360,000	476,182
Deposits	158,262	-	158,262
Accrued Interest Payable	5,690	-	5,690
Noncurrent Liabilities			-
Due Within One Year	172,518	18,963	191,481
Due in More Than One Year	335,114	424,882	759,996
Compensated Absences Due in More Than One Year	99,590	17,704	117,294
Longevity Pay Due in More Than One Year	69,144	-	69,144
TOTAL LIABILITIES	1,298,074	876,214	2,174,288
DEFERRED INFLOWS OF RESOURCES			
Related to Pensions - Volunteer Fire Department Pension Plan	75,497	-	75,497
Deferred Property Tax Revenue	248,508	-	248,508
TOTAL DEFERRED INFLOWS OF RESOURCES	324,005	-	324,005
NET POSITION			
Net Investment in Capital Assets	19,154,752	8,654,772	27,809,524
Restricted	6,640,976	-	6,640,976
Unrestricted	2,490,429	924,199	3,414,628
TOTAL NET POSITION	\$ 28,286,157	\$ 9,578,971	\$ 37,865,128

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

CITY OF CENTRAL, COLORADO

STATEMENT OF ACTIVITIES
Year Ended December 31, 2022

FUNCTIONS/PROGRAMS	EXPENSES	PROGRAM REVENUES		
		CHARGES FOR SERVICES	OPERATING GRANTS AND CONTRIBUTIONS	CAPITAL GRANTS AND CONTRIBUTIONS
PRIMARY GOVERNMENT				
Governmental Activities				
General Government	\$ 1,408,542	\$ 462,158	\$ 105,770	\$ -
Community Development	655,486	25,429	-	22,113
Public Safety	1,150,402	14,500	-	-
Public Works	3,827,056	-	83,288	-
Fire	330,012	9,994	-	19,696
Historic Preservation	571,616	12,576	843,120	74,169
Parks	4,641	-	9,925	-
Interest and Fiscal Charges	14,547	-	-	-
Total Governmental Activities	7,962,302	524,657	1,042,103	115,978
Business-Type Activities				
Water	948,528	773,394	-	186,839
Total Business-Type Activities	948,528	773,394	-	186,839
GENERAL REVENUES				
Taxes				
Grants and Contributions Not Restricted to Specific Programs				
Gaming Device Fees				
State Gaming Tax				
Other Revenues				
Earnings on Investments				
SPECIAL ITEM - Gain from Sale of Assets				
Transfers				
TOTAL GENERAL REVENUES				
CHANGE IN NET POSITION				
NET POSITION, Beginning				
NET POSITION, Ending				

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

NET (EXPENSE) REVENUE AND CHANGES
IN NET POSITION

GOVERNMENTAL ACTIVITIES	BUSINESS-TYPE ACTIVITIES	TOTALS
\$ (840,614)	\$ -	\$ (840,614)
(607,944)	-	(607,944)
(1,135,902)	-	(1,135,902)
(3,743,768)	-	(3,743,768)
(300,322)	-	(300,322)
358,249	-	358,249
5,284	-	5,284
(14,547)	-	(14,547)
<u>(6,279,564)</u>	<u>-</u>	<u>(6,279,564)</u>
<u>-</u>	<u>11,705</u>	<u>11,705</u>
<u>-</u>	<u>11,705</u>	<u>11,705</u>
1,566,512	-	1,566,512
69,875	-	69,875
2,209,078	-	2,209,078
1,178,594	-	1,178,594
15,930	-	15,930
118,030	12,432	130,462
2,318,458	-	2,318,458
40,000	(40,000)	-
<u>7,516,477</u>	<u>(27,568)</u>	<u>7,488,909</u>
1,236,913	(15,863)	1,221,050
<u>27,049,244</u>	<u>9,594,834</u>	<u>36,644,078</u>
<u>\$ 28,286,157</u>	<u>\$ 9,578,971</u>	<u>\$ 37,865,128</u>

CITY OF CENTRAL, COLORADO

BALANCE SHEET
GOVERNMENTAL FUNDS
December 31, 2022

	GENERAL FUND	HISTORIC PRESERVATION FUND	BELVIDERE FOUNDATION FUND	TRANSPORTATION FUND
ASSETS				
Cash and Investments	\$ 2,753,489	\$ 3,496,993	\$ 189,270	\$ 323,823
Cash Held at County Treasurer	11,545	-	-	-
Due From Other Funds	-	-	48,804	-
Property Taxes Receivable	248,508	-	-	-
Accounts Receivable	157,234	-	-	59,581
Prepaid Expenses	22,141	-	-	-
TOTAL ASSETS	\$ 3,192,917	\$ 3,496,993	\$ 238,074	\$ 383,404
LIABILITIES, DEFERRED INFLOWS, AND FUND BALANCES				
LIABILITIES				
Accounts Payable	\$ 223,695	\$ 3,551	\$ 3,016	\$ 28,020
Accrued Expenses	42,878	-	-	-
Due to Other Funds	-	48,804	-	-
Unearned Revenues	116,182	-	-	-
Deposits	155,692	2,570	-	-
TOTAL LIABILITIES	538,447	54,925	3,016	28,020
DEFERRED INFLOWS OF RESOURCES				
Deferred Property Tax Revenues	248,508	-	-	-
FUND BALANCES				
Nonspendable	22,141	-	-	-
Restricted	210,000	3,442,068	235,058	-
Committed	-	-	-	355,384
Assigned	820,638	-	-	-
Unassigned	1,353,183	-	-	-
TOTAL FUND BALANCES	2,405,962	3,442,068	235,058	355,384
TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES	\$ 3,192,917	\$ 3,496,993	\$ 238,074	\$ 383,404

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

PUBLIC SAFETY FUND	PUBLIC PROPERTY TRUST FUND	CAPITAL IMPROVEMENT FUND	OTHER GOVERNMENTAL FUNDS	TOTAL GOVERNMENTAL FUNDS
\$ 141,061	\$ 2,435,029	\$ 138,168	\$ 151,612	\$ 9,629,445
-	-	-	-	11,545
-	-	-	-	48,804
-	-	-	-	248,508
41,650	19,613	7,925	-	286,003
-	-	-	-	22,141
<u>\$ 182,711</u>	<u>\$ 2,454,642</u>	<u>\$ 146,093</u>	<u>\$ 151,612</u>	<u>\$ 10,246,446</u>

\$ 24,817	\$ 10,298	\$ 5,299	\$ -	\$ 298,696
-	-	-	-	42,878
-	-	-	-	48,804
-	-	-	-	116,182
-	-	-	-	158,262
<u>24,817</u>	<u>10,298</u>	<u>5,299</u>	<u>-</u>	<u>664,822</u>

-	-	-	-	248,508
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-	-	-	-	22,141
157,894	2,444,344	-	151,612	6,640,976
-	-	-	-	355,384
-	-	140,794	-	961,432
-	-	-	-	1,353,183
<u>157,894</u>	<u>2,444,344</u>	<u>140,794</u>	<u>151,612</u>	<u>9,333,116</u>

<u>\$ 182,711</u>	<u>\$ 2,454,642</u>	<u>\$ 146,093</u>	<u>\$ 151,612</u>	<u>\$ 10,246,446</u>
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CITY OF CENTRAL, COLORADO

RECONCILIATION OF THE GOVERNMENTAL FUNDS
BALANCE SHEET TO THE STATEMENT OF NET POSITION
Year Ended December 31, 2022

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

Total fund balances of governmental funds			\$ 9,333,116
Capital assets used in governmental activities are not financial resources, and therefore, are not reported in the funds.			
	Capital Assets, Not Depreciated	6,599,555	
	Capital Assets, Depreciated	55,872,606	
	Accumulated Depreciation	<u>(42,820,842)</u>	19,651,319
Long-term liabilities and related assets are not due and payable in the current period and, therefore, are not reported in the funds.			
	Loan Payable	(496,567)	
	Accrued Interest Payable	(5,690)	
	Compensated Absences	(110,655)	
	Accrued Longevity Pay	(69,144)	
	Net Pension Asset	<u>29,763</u>	<u>(652,293)</u>
Deferred outflows and inflows of resources related to pensions are applicable to future periods and, therefore, are not reported in the funds.			
	Deferred outflows of resources - Volunteer Fire Department Pension Plan	29,512	
	Deferred inflows of resources - Volunteer Fire Department Pension Plan	<u>(75,497)</u>	<u>(45,985)</u>
Net position of governmental activities			<u>\$ 28,286,157</u>

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

CITY OF CENTRAL, COLORADO

STATEMENT OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCES
GOVERNMENTAL FUNDS
Year Ended December 31, 2022

	GENERAL FUND	HISTORIC PRESERVATION FUND	BELVIDERE FOUNDATION FUND	TRANSPORTATION FUND
REVENUES				
Taxes	\$ 1,162,028	\$ -	\$ -	\$ -
Gaming Device Fees	1,484,385	-	-	724,693
Intergovernmental Revenue	1,417,078	843,120	650	-
Impact Fees	-	-	-	-
Charges for Services	331,968	12,576	-	-
Licenses and Permits	92,593	-	-	-
Fines and Forfeitures	960	-	-	-
Contributions and Donations	-	-	73,519	20,000
Earnings on Investments	49,698	48,127	-	4,136
Miscellaneous	4,765	101	-	11,063
TOTAL REVENUES	4,543,475	903,924	74,169	759,892
EXPENDITURES				
Current				
General Government	1,333,200	-	-	-
Community Development	674,884	-	-	-
Public Safety	787,909	-	-	-
Public Works	915,737	-	-	599,159
Fire	328,685	-	-	-
Historic Preservation	-	550,997	16,143	-
Parks	-	-	-	-
Capital Outlay	564,120	30,997	-	129,661
Debt Service				
Principal	-	-	-	157,515
Interest	-	-	-	16,352
TOTAL EXPENDITURES	4,604,535	581,994	16,143	902,687
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	(61,060)	321,930	58,026	(142,795)
OTHER FINANCING SOURCES (USES)				
Net Proceeds from Sale of Assets	81,187	-	-	-
Transfer Out	(1,000,000)	(48,804)	-	-
Transfer In	40,000	1,000,000	48,804	-
TOTAL OTHER FINANCING SOURCES (USES)	(878,813)	951,196	48,804	-
NET CHANGE IN FUND BALANCES	(939,873)	1,273,126	106,830	(142,795)
FUND BALANCES, Beginning	3,345,835	2,168,942	128,228	498,179
FUND BALANCES, Ending	<u>\$ 2,405,962</u>	<u>\$ 3,442,068</u>	<u>\$ 235,058</u>	<u>\$ 355,384</u>

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

PUBLIC SAFETY FUND	PUBLIC PROPERTY TRUST FUND	CAPITAL IMPROVEMENT FUND	OTHER GOVERNMENTAL FUNDS	TOTAL GOVERNMENTAL FUNDS
\$ 333,354	\$ -	\$ 71,130	\$ -	\$ 1,566,512
-	-	-	-	2,209,078
-	22,113	20,145	9,925	2,313,031
-	-	-	35,823	35,823
-	50,738	-	-	395,282
-	-	-	-	92,593
-	-	-	-	960
-	-	-	-	93,519
2,425	2,137	3,778	7,729	118,030
-	-	-	-	15,929
<u>335,779</u>	<u>74,988</u>	<u>95,053</u>	<u>53,477</u>	<u>6,840,757</u>
-	8,838	-	-	1,342,038
-	-	-	-	674,884
267,588	-	-	-	1,055,497
-	-	-	-	1,514,896
-	-	-	-	328,685
-	-	-	-	567,140
-	-	-	4,641	4,641
24,798	20,700	264,044	-	1,034,320
-	-	-	-	157,515
-	-	-	-	16,352
<u>292,386</u>	<u>29,538</u>	<u>264,044</u>	<u>4,641</u>	<u>6,695,968</u>
<u>43,393</u>	<u>45,450</u>	<u>(168,991)</u>	<u>48,836</u>	<u>144,789</u>
-	2,275,875	-	-	2,357,062
-	-	-	-	(1,048,804)
-	-	-	-	1,088,804
-	<u>2,275,875</u>	-	-	<u>2,397,062</u>
43,393	2,321,325	(168,991)	48,836	2,541,851
114,501	123,019	309,785	102,776	6,791,265
<u>\$ 157,894</u>	<u>\$ 2,444,344</u>	<u>\$ 140,794</u>	<u>\$ 151,612</u>	<u>\$ 9,333,116</u>

CITY OF CENTRAL, COLORADO

RECONCILIATION OF THE STATEMENT OF REVENUES,
EXPENDITURES AND CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS
TO THE STATEMENT OF ACTIVITIES
Year Ended December 31, 2022

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

Net change in fund balances - total governmental funds			\$ 2,541,851
Capital outlays to purchase or build capital assets are reported in governmental funds as expenditures. However, for governmental activities those costs are shown in the statement of net position and allocated over their estimated useful lives as annual depreciation expense in the statement of activities.			
	Capital Outlay	1,034,320	
	Depreciation	<u>(2,481,709)</u>	(1,447,389)
In the statement of activities, only the gain on sale of capital assets is reported, whereas in the governmental fund, the entire proceeds from the sale increase financial resources. Thus, the change in net position differs from the change in fund balances by the cost of the capital assets sold.			
			(38,604)
Repayment of long-term obligations are reported as expenditures in the governmental funds, but they reduce long-term liabilities in the statement of net position and do not affect the statement of activities.			
	Loan Payments		157,515
Some expenses reported in the statement of activities do not require current financial resources and are not reported in the funds.			
	Changes in Accrued Interest Payable	1,805	
	Changes in Accrued Longevity Pay	19,398	
	Changes in Compensated Absences	<u>3,664</u>	24,867
Deferred Charges related to pensions are not recognized in the governmental funds. However, for the government-wide funds those amounts are capitalized and amortized.			
	FPPA Statewide Defined Benefit Pension Plan	(23,964)	
	Volunteer Fire Department Pension Plan	<u>22,637</u>	<u>(1,327)</u>
Change in net position of governmental activities			<u>\$ 1,236,913</u>

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

CITY OF CENTRAL, COLORADO

STATEMENT OF NET POSITION
 PROPRIETARY FUND
 December 31, 2022

	<u>WATER</u>
ASSETS	
Current Assets	
Cash and Investments	\$ 1,282,492
Accounts Receivable	74,341
Prepaid Expenses	<u>1,702</u>
Total Current Assets	<u>1,358,535</u>
Noncurrent Assets	
Capital Assets, Not Being Depreciated	1,884,261
Capital Assets, Net of Accumulated Depreciation	<u>7,212,389</u>
Total Noncurrent Assets	<u>9,096,650</u>
TOTAL ASSETS	<u>10,455,185</u>
LIABILITIES	
Current Liabilities	
Accounts Payable	54,665
Unearned Revenues	360,000
Accrued Compensated Absences, Current Portion	1,967
Note Payable, Current Portion	<u>16,996</u>
Total Current Liabilities	<u>433,628</u>
Noncurrent Liabilities	
Accrued Compensated Absences	17,704
Note Payable	<u>424,882</u>
Total Noncurrent Liabilities	<u>442,586</u>
TOTAL LIABILITIES	<u>876,214</u>
NET POSITION	
Net Investment in Capital Assets	8,654,772
Unrestricted	<u>924,199</u>
TOTAL NET POSITION	<u>\$ 9,578,971</u>

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

CITY OF CENTRAL, COLORADO
STATEMENT OF REVENUES, EXPENSES
AND CHANGES IN FUND NET POSITION
PROPRIETARY FUND
Year Ended December 31, 2022

	WATER
OPERATING REVENUES	
Charges for Services	\$ 773,394
TOTAL OPERATING REVENUES	773,394
OPERATING EXPENSES	
Personnel Services	235,511
Professional Services	137,474
Water Operations	247,405
Depreciation	328,138
TOTAL OPERATING EXPENSES	948,528
NET OPERATING INCOME (LOSS)	(175,134)
NON-OPERATING REVENUES (EXPENSES)	
Earnings on Investments	12,432
TOTAL NON-OPERATING REVENUES (EXPENSES)	12,432
INCOME (LOSS) BEFORE CAPITAL CONTRIBUTIONS AND TRANSFERS	(162,702)
Capital Contribution	186,839
Transfer Out	(40,000)
CHANGE IN NET POSITION	(15,863)
NET POSITION, Beginning	9,594,834
NET POSITION, Ending	\$ 9,578,971

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

CITY OF CENTRAL, COLORADO
STATEMENT OF CASH FLOWS
PROPRIETARY FUND
Year Ended December 31, 2022
Increase (Decrease) in Cash and Cash Equivalents

	WATER
CASH FLOWS FROM OPERATING ACTIVITIES	
Cash Received from Customers	\$ 1,170,137
Cash Paid to Suppliers and Employees	(739,247)
Net Cash Provided by Operating Activities	430,890
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES	
Purchase of Capital Assets	(260,303)
Principal Payments on Long Term Debt	(16,996)
Capital Contribution	186,839
Net Cash Used by Capital and Related Financing Activities	(90,460)
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES	
Payments to Other Funds	(40,000)
CASH FLOWS FROM INVESTING ACTIVITIES	
Interest Received	12,432
NET INCREASE(DECREASE) IN CASH AND CASH EQUIVALENTS	312,862
CASH AND CASH EQUIVALENTS, Beginning	969,630
CASH AND CASH EQUIVALENTS, Ending	\$ 1,282,492
RECONCILIATION OF OPERATING INCOME (LOSS) TO NET CASH USED BY OPERATING ACTIVITIES	
Operating Income (Loss)	\$ (175,134)
Adjustments to Reconcile Operating Loss to Net Cash Used by Operating Activities	
Depreciation Expense	328,138
Changes in Assets and Liabilities	
Accounts Receivable	36,743
Prepaid Expenses	(149)
Accounts Payable	(120,178)
Accrued Expenses	1,470
Unearned Revenues	360,000
Total Adjustments	606,024
Net Cash Provided by Operating Activities	\$ 430,890

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

CITY OF CENTRAL
NOTES TO THE FINANCIAL STATEMENTS
December 31, 2022

NOTE 1: **SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

The City of Central, Colorado (the “City”) was incorporated in 1886 and became a home rule city in 1991. The City is governed by an elected Mayor and City Council.

The accounting policies of the City conform to generally accepted accounting principles (GAAP) as applicable to governmental units. Following is a summary of the more significant policies:

Reporting Entity

The financial reporting entity consists of the City and organizations for which the City is financially accountable. All funds, organizations, institutions, agencies, departments, and offices that are not legally separate are part of the City. In addition, any legally separate organizations for which the City is financially accountable are considered part of the reporting entity. Financial accountability exists if the City appoints a voting majority of the organization’s governing board and is able to impose its will on the organization, or if the organization provides benefits to, or imposes financial burdens on the City.

Based upon the application of these criteria, the City includes the following Organizations in its reporting entity.

Central City Building Corporation

The Central City Building Corporation (the “Corporation”) is a nonprofit public benefit corporation organized under the Colorado Nonprofit Corporation Act. The Corporation was established to purchase, lease, or otherwise acquire real estate and to construct thereon any and all public improvements within the City’s boundaries. The activities of the Corporation are blended into the City’s General Fund. Separate financial statements for the Corporation are not available.

The Belvidere Foundation

The Belvidere Foundation (the “Foundation”) is a nonprofit Corporation established in 2019 under the provisions of the Colorado Nonprofit Corporation Act. The Foundation’s purpose is to restore, preserve, and improve the historic structure and property commonly known as the Belvidere Theater, located in Central City. The Foundation is also responsible for the administration and operation, marketing, and programming of the theater as well as fundraising and other fiscal transactions that support and further the theater’s purpose. The activities of the Foundation are included in the City’s financial statements as a blended component unit. Separate financial statements for the Foundation are not available.

CITY OF CENTRAL
NOTES TO THE FINANCIAL STATEMENTS
December 31, 2022

NOTE 1: **SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES** (Continued)

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 of the activities of the City. For the most part, the effect of interfund activity has been removed from these statements. *Governmental activities*, which normally are supported by taxes 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 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*.

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

Measurement Focus, Basis of Accounting, and Financial Statement Presentation

The government-wide financial statements are reported using the *economic resources measurement focus* and the *accrual basis of accounting*, 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 period or soon enough thereafter to pay liabilities of the current period. For this purpose, the City considers revenues to be available if they are collected within 60 days of the end of the current fiscal period.

CITY OF CENTRAL
NOTES TO THE FINANCIAL STATEMENTS
December 31, 2022

NOTE 1: **SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES** (Continued)

Measurement Focus, Basis of Accounting, and Financial Statement Presentation
(Continued)

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

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 the 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 use, it is the City's practice to use restricted resources first, then unrestricted resources as they are needed.

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

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

The *Historic Preservation Fund* accounts for the City's state-share revenues, grants, and donations received for the preservation of the historic structures and history of the City.

The *Belvidere Foundation Fund* accounts for the Foundation's activities and is reported in the City's financial statements as a blended component unit.

The *Transportation Fund* was established to account for a portion of the gaming device fees committed by City Council ordinance for transportation services and improvements.

CITY OF CENTRAL
NOTES TO THE FINANCIAL STATEMENTS
December 31, 2022

NOTE 1: **SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES** (Continued)

Measurement Focus, Basis of Accounting, and Financial Statement Presentation
(Continued)

The *Public Safety Fund* accounts for 2 percent sales and use tax to be used for public safety expenditures.

The *Public Property Trust Fund* accounts for the purchase, restoration, and sale of City owned properties.

The *Capital Improvement Fund* accounts for infrastructure and other capital improvements financed primarily with marijuana sales taxes and grants from other governments.

Additionally, the City reports the following major proprietary fund:

The *Water Fund* accounts for the financial activities associated with the provision of water to residents and businesses within the City limits.

Assets, Liabilities, and Fund Balance/Net Position

Cash and Cash Equivalents – For purposes of the statement of cash flows, the City considers cash and cash equivalents to be all demand deposits as well as short- term investments with a maturity date of three months or less. Investments are stated at fair value.

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

Prepaid Items – On the government-wide and governmental fund financial statements, prepaid expenses are presented using the consumption method.

Capital Assets – Capital assets, which include land, water rights, infrastructure, utility plant and lines, and property and equipment, are reported in the applicable governmental or business-type activities columns in the government-wide financial statements. Capital assets are defined by the City as assets with an initial, individual cost of more than \$5,000 and an estimated 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 estimated acquisition value at the date of donation.

CITY OF CENTRAL
NOTES TO THE FINANCIAL STATEMENTS
December 31, 2022

NOTE 1: **SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES** (Continued)

Assets, Liabilities, and Fund Balance/Net Position (Continued)

The cost 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	40 years
Improvements and Infrastructure	10-50 years
Machinery and Equipment	5-10 years

Unearned Revenues – The deferred revenues include gaming device fees collected in advance. On December 31, 2022, the City reports \$116,182 in unearned revenues related to the advance of device fees from a local casino. The Water Fund reports \$360,000 of unearned revenue related to water augmentation fees received in advance.

Compensated Absences – City employees are entitled to certain compensated absences based on their length of employment and are allowed to accumulate unused absences. Upon termination of employment, employees are entitled to receive compensation for any unused vacation time, up to a maximum of 312 hours, at their current rate of pay. These compensated absences are expended when paid in the governmental fund types. Compensated absences are expended when earned in the proprietary fund type.

A long-term liability in the amount of \$110,655 and \$19,671 has been recorded in the governmental activities and business-type activities, respectively, in the statement of net position for the accrued benefits.

Volunteer Firefighter Length of Service Award – The City has established the Volunteer Firefighter Length of Service Award Plan. Every volunteer firefighter is eligible to participate in the plan and shall become a participant in the plan on the date they first perform service as a volunteer firefighter. Service awards in any plan year may be awarded at the sole and exclusive discretion of the City, and in an amount determined at the sole and exclusive discretion of the City. In order to be eligible to receive a service award, a participant must complete 36 training hours and respond to at least 15% of the calls during the year. The annual award amounts are allocated to all eligible participants based on years of service, ranging from \$600 to \$3,000. Plan participants are fully vested in the awarded amounts at all times. Participants will be paid all accrued award amounts and any interest earnings in a lump-sum distribution within fifteen days upon separation from service to the City. If separation is the result of death, the distribution will be paid to the participant’s beneficiary.

CITY OF CENTRAL
NOTES TO THE FINANCIAL STATEMENTS
December 31, 2022

NOTE 1: **SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES** (Continued)

Assets, Liabilities, and Fund Balance/Net Position (Continued)

These benefits are recognized as expenditures in the governmental funds when due. A long-term liability in the amount of \$69,144 is reported in the governmental activities in the government-wide statement of net position for the accrued benefits.

Deferred Outflows and Deferred Inflows of Resources – In addition to assets, the statement of financial position and balance sheets will sometimes report a separate section for deferred outflows of resources. This separate financial statement element, deferred outflow of resources, represents a consumption of net position and fund balance that applies to a future period(s) and so will not be recognized as an outflow of resources (expense/expenditure) until then. In addition to liabilities, the statement of financial position and balance sheets will sometimes report a separate section for deferred inflows of resources. This separate financial statement element, deferred inflows of resources, represents an acquisition of net position and fund balance that applies to a future period(s) and so will not be recognized as an inflow of resources (revenue) until that time.

Long-Term Debt – In the government-wide financial statements, and proprietary fund types in the fund financial statements, long-term debt and other long-term obligations are reported as liabilities in the applicable governmental activities, business-type activities, or proprietary funds. Bond premiums and discounts are deferred and amortized over the life of the bonds using the straight-line method.

In the fund financial statements, governmental fund types recognize bond premiums and discounts, as well as bond issuance costs, during the current period. 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 on debt issuances are reported as other financing uses. Issuance costs, whether or not withheld from the actual debt proceeds received, are reported as current expenditures.

Pensions – The City maintains the Volunteer Fire Department Pension Plan, an agent multiple-employer defined benefit pension plan administered by the Fire & Police Pension Association of Colorado (FPPA). The net pension asset, deferred outflows of resources, deferred inflows of resources related to pensions, pension expense, information about the fiduciary net position and additions to and deductions from the plan’s fiduciary net position have been determined using the economic resources measurement focus and the accrual basis of accounting, the same basis of accounting used by the plan.

CITY OF CENTRAL
NOTES TO THE FINANCIAL STATEMENTS
December 31, 2022

NOTE 1: **SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES** (Continued)

Assets, Liabilities, and Fund Balance/Net Position (Continued)

For this purpose, benefit payments are recognized when due and payable in accordance with benefit terms. Employer contributions are recognized in the year the contributions are paid.

Property Taxes – Property taxes are levied on December 15 based on the assessed value of property as certified by the County Assessor on October 1. The property tax may be paid in total by April 30 or one-half payment by February 28 and the second half by June 15. The billings are considered due on these dates. The bill becomes delinquent, and penalties and interest may be assessed by the County Treasurer on the postmark day following these dates. The tax sale date is the first Thursday of November.

Under Colorado Law, all property taxes become due and payable on January 1, in the year following that in which they are levied. The County Treasurer’s Office collects property taxes and remits to the City 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.

Net Position– The government-wide and business-type fund financial statements utilize a net position presentation. Net position is categorized as investment in capital assets, restricted, and unrestricted.

Investment in Capital Assets is intended to reflect the portions of net position which are associated with non-liquid, capital assets less outstanding capital asset related debt. The net related debt is the debt less the outstanding liquid assets and any associated unamortized cost.

Restricted Net Position represents liquid assets that have third party limitations on their use.

Unrestricted Net Position represents assets that do not have any third-party limitation on their use. While City management may have categorized and segmented portions for various purposes, the City Council has the unrestricted right to revisit or alter these managerial decisions.

CITY OF CENTRAL
NOTES TO THE FINANCIAL STATEMENTS
December 31, 2022

NOTE 1: **SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES** (Continued)

Assets, Liabilities, and Fund Balance/Net Position (Continued)

Fund Balance Classification – The governmental fund financial statements present fund balance classifications based on a hierarchy of constraints on the purposes for which amounts can be spent. Classifications used in the governmental fund financial statements are as follows:

- Nonspendable – This classification includes amounts that cannot be spent because they are not in a spendable form or because they are legally or contractually required to be maintained intact. The City reports prepaid expenses as nonspendable on December 31, 2022.

- Restricted – This classification includes amounts for which constraints have been placed on the use of the resources either (a) by external creditors (such as through a debt covenant), grantors, contributors, or laws or regulations of other governments, or (b) by law through constitutional provisions or enabling legislation. The City has classified Emergency Reserves as being restricted because their use is restricted by State Statute for declared emergencies. In addition, the City reports restricted fund balances in the Historic Preservation Fund, Belvidere Foundation Fund, Public Safety Fund, Conservation Trust Fund, Public Property Trust Fund, and Impact Fees Fund. These balances are restricted for historic preservation, capital improvements, and certain parks and recreation purposes.

- Committed – This classification includes amounts that can be used only for specific purposes pursuant to constraints imposed by formal action of the City Council. These amounts cannot be used for any other purpose unless the Council removes or changes the specified use by taking the same type of action (ordinance or resolution) that was employed when the funds were initially committed. This classification also includes contractual obligations to the extent that existing resources have been specifically committed for use in satisfying those contractual requirements. The City reports the fund balance in the Transportation Fund as committed resources for the respective fund purpose as of December 31, 2022.

CITY OF CENTRAL
NOTES TO THE FINANCIAL STATEMENTS
December 31, 2022

NOTE 1: **SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES** (Continued)

Assets, Liabilities, and Fund Balance/Net Position (Continued)

- Assigned – This classification includes amounts the government intends to use for specific purposes that do not meet the criteria to be classified as restricted or committed. The City reports the fund balance in the Capital Improvement Fund as assigned for the respective fund purpose as of December 31, 2022.

- Unassigned – This classification includes the residual fund balance for the General Fund. The Unassigned classification also includes negative residual fund balance of any other governmental fund that cannot be eliminated by offsetting of Assigned fund balance amounts.

The City would typically use restricted fund balances first, followed by committed resources, and then assigned resources, as appropriate opportunities arise, but reserves the right to selectively spend unassigned fund balance.

Risk Management

The City is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; injuries to employees; and natural disasters. The City 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 member defined liability, property, and workers compensation coverages and to assist members in preventing and reducing losses and injuries to municipal property and to persons or property which might result in claims made against members of CIRSA, their employees and officers.

It is the intent 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.

CIRSA is a legal separate entity, and the City does not approve budgets, nor does it have the ability to significantly affect the operations of CIRSA.

CITY OF CENTRAL
NOTES TO THE FINANCIAL STATEMENTS
December 31, 2022

NOTE 1: **SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES** (Continued)

Subsequent Events

The City has evaluated events subsequent to the year ended December 31, 2022 through July 17, 2023, the date these financial statements were issued, and has incorporated any required recognition into these financial statements.

NOTE 2: **STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY**

Budgets

Budgets are adopted on a basis consistent with generally accepted accounting principles (GAAP). Budgetary comparison for the proprietary fund is presented on a non-GAAP budgetary basis. Capital outlay is budgeted as an expenditure and depreciation is not budgeted. Annual appropriated budgets are adopted for all funds. All appropriations lapse at fiscal year-end.

The City adheres to the following procedures in establishing the budgetary data reflected in the financial statements:

- Budgets are required by state law for all funds. Management submits to the City Council a proposed operating budget for the fiscal year commencing the following January 1. The budget includes proposed expenditures and the means of financing them. All budgets lapse at year end.
- Public hearings are conducted to obtain taxpayer comments.
- Prior to December 31, the budget is adopted by formal resolution.
- Expenditures may not legally exceed appropriations at the fund level.
- 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 City Council.
- Budgeted amounts reported in the accompanying financial statements are as originally adopted or amended by the City Council.

CITY OF CENTRAL
NOTES TO THE FINANCIAL STATEMENTS
December 31, 2022

NOTE 3: CASH AND INVESTMENTS

Cash and investments on December 31, 2022 consist of the following:

Deposits	\$ 1,011,282
Investments	<u>9,902,912</u>
Total	<u>\$ 10,914,194</u>

The above amounts are classified in the statement of net position as follows:

Cash and Investments - Governmental Activities	\$ 9,631,702
Cash and Investments - Business-Type Activities	<u>1,282,492</u>
	<u>\$ 10,914,194</u>

Deposits

Custodial Credit Risk – Deposits

Custodial credit risk is the risk that in the event of a bank failure, the government's deposits may not be returned to it. The Colorado Public Deposit Protection Act (PDPA) requires that all units of local government deposit cash in eligible public depositories. Eligibility is determined by state regulations. On December 31, 2022 State regulatory commissioners have indicated that all financial institutions holding deposits for the City are eligible public depositories. 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 the uninsured public deposits as a group. The market value of the collateral must be at least equal to 102% of the uninsured deposits.

The City has no policy regarding custodial credit risk for deposits.

On December 31, 2022, the City had deposits with financial institutions with a carrying amount of \$1,011,282. The bank balances with the financial institutions were \$1,170,446. Of these balances, \$472,666 was covered by federal depository insurance and \$697,780 was covered by collateral held by authorized escrow agents in the financial institutions name (PDPA).

CITY OF CENTRAL
NOTES TO THE FINANCIAL STATEMENTS
December 31, 2022

NOTE 3: **CASH AND INVESTMENTS** (Continued)

Investments

The City is required to comply with State statutes and the City's investment policy which specify investment instruments meeting defined rating, maturity, and concentration of credit risk criteria in which the City may invest.

Interest Rate Risk

State statutes generally limit investments to an original maturity of five years unless the governing board authorizes the investment for a period in excess of five years.

Credit Risk

Colorado statutes specify in which instruments the units of local government may invest which includes:

- Obligations of the United States and certain U.S. government 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

Concentration of Credit Risk

Except for corporate securities, State statutes do not limit the amount the City may invest in any single investment or issuer.

CITY OF CENTRAL
NOTES TO THE FINANCIAL STATEMENTS
December 31, 2022

NOTE 3: **CASH AND INVESTMENTS** (Continued)

Investments (Continued)

Local Government Investment Pools

The City had invested \$9,902,912 in the Colorado Government Liquid Asset Trust (ColoTrust) which has a credit rating of AAAM by Standard and Poor’s. ColoTrust is an investment vehicle established for local government entities in Colorado to pool surplus funds and is regulated by the State Securities Commissioner. It operates similarly to a money market fund and each share is equal in value to \$1.00. Investments consist of U.S. Treasury and U.S. Agency securities, and repurchase agreements collateralized by U.S. Treasury and U.S. Agency securities. A designated custodial bank provides safekeeping and depository services in connection with the direct investment and withdrawal functions. Substantially all securities owned are held by the Federal Reserve Bank in the account maintained for the custodial bank. The custodian’s internal records identify the investments owned by the entities.

ColoTrust is not a 2a7-like external investment pool. The unit of account is each share held, and the value of the position would be the fair value of the pool’s share price multiplied by the number of shares held. The government-investor does not “look through” the pool to report a pro rata share of the pool’s investments, receivables, and payables.

CITY OF CENTRAL
NOTES TO THE FINANCIAL STATEMENTS
December 31, 2022

NOTE 4: CAPITAL ASSETS

	<u>Balance 12/31/2021</u>	<u>Additions</u>	<u>Deletions/ Transfers</u>	<u>Balance 12/31/2022</u>
Governmental Activities				
Capital Assets, Not Depreciated				
Land	\$ 6,159,144	\$ -	\$ -	\$ 6,159,144
Construction in Progress	388,714	51,697	-	440,411
Total Capital Assets, Not Depreciated	<u>6,547,858</u>	<u>51,697</u>	<u>-</u>	<u>6,599,555</u>
Capital Asset, Being Depreciated				
Buildings	3,422,663	35,945	45,597	3,413,011
Improvements/Infrastructure	47,683,023	585,936	11,670	48,257,289
Machinery and Equipment	4,175,793	360,742	334,229	4,202,306
Total Capital Assets, Being Depreciated	<u>55,281,479</u>	<u>982,623</u>	<u>391,496</u>	<u>55,872,606</u>
Accumulated Depreciation				
Buildings	1,922,030	104,220	9,319	2,016,931
Improvements/Infrastructure	36,056,334	2,194,206	9,344	38,241,196
Machinery and Equipment	2,713,661	183,283	334,229	2,562,715
Total Depreciation	<u>40,692,025</u>	<u>2,481,709</u>	<u>352,892</u>	<u>42,820,842</u>
Capital Assets, Depreciated Net	<u>14,589,454</u>	<u>(1,499,086)</u>	<u>38,604</u>	<u>13,051,764</u>
Net Capital Assets	<u>\$ 21,137,312</u>	<u>\$ (1,447,389)</u>	<u>\$ 38,604</u>	<u>\$ 19,651,319</u>

Depreciation expense was charged to functions/programs of the City as follows:

Governmental Activities	
General Government	\$ 70,168
Public Safety	94,905
Public Works	2,312,160
Historic Preservation	<u>4,476</u>
Total	<u>\$ 2,481,709</u>

CITY OF CENTRAL
NOTES TO THE FINANCIAL STATEMENTS
December 31, 2022

NOTE 4: CAPITAL ASSETS (Continued)

	Balance 12/31/2021	Additions	Transfers	Balance 12/31/2022
Business-Type Activities				
Capital Assets, Not Depreciated				
Land	\$ 630,898	\$ -	\$ -	\$ 630,898
Water Rights	1,253,363	-	-	1,253,363
Total Capital Assets, Not Depreciated	<u>1,884,261</u>	<u>-</u>	<u>-</u>	<u>1,884,261</u>
Capital Asset, Being Depreciated				
Buildings	1,108,086	198,558	-	1,306,644
Improvements/Infrastructure	14,309,670	14,215	-	14,323,885
Machinery and Equipment	592,627	47,530	41,750	681,907
Total Capital Assets, Being Depreciated	<u>16,010,383</u>	<u>260,303</u>	<u>41,750</u>	<u>16,312,436</u>
Accumulated Depreciation				
Buildings	897,330	12,913	-	910,243
Improvements/Infrastructure	7,417,204	287,790	-	7,704,994
Machinery and Equipment	415,625	27,435	41,750	484,810
Total Depreciation	<u>8,730,159</u>	<u>328,138</u>	<u>41,750</u>	<u>9,100,047</u>
Capital Assets, Depreciated Net	<u>7,280,224</u>	<u>(67,835)</u>	<u>-</u>	<u>7,212,389</u>
Net Capital Assets	<u>\$ 9,164,485</u>	<u>\$ (67,835)</u>	<u>\$ -</u>	<u>\$ 9,096,650</u>

During the year ended December 31, 2022, the General Fund transferred equipment in the amount of \$41,750 to the Water Fund. The equipment was fully depreciated.

CITY OF CENTRAL
NOTES TO THE FINANCIAL STATEMENTS
December 31, 2022

NOTE 5: LONG-TERM DEBT

The following is a summary of the City’s long-term debt transactions for the year ended December 31, 2022:

Governmental Activities	12/31/2021			12/31/2022	
	<u>Balance</u>	<u>Additions</u>	<u>Payments</u>	<u>Balance</u>	<u>Due Within One Year</u>
Loan Payable	\$ 654,082	\$ -	\$ 157,515	\$ 496,567	\$ 161,453
Compensated Absences	114,319	83,553	87,217	110,655	11,065
Accrued Longevity Pay	88,542	8,500	27,898	69,144	-
Total	<u>\$ 856,943</u>	<u>\$ 92,053</u>	<u>\$ 272,630</u>	<u>\$ 676,366</u>	<u>\$ 172,518</u>

Loan Payable

In July 2015, the City entered into a loan agreement in the amount of \$1,521,693 with the Colorado Department of Transportation State Infrastructure Bank. Loan proceeds were used to fund public transportation projects, including a stormwater drainage master plan, Central City Parkway repairs, retaining wall repairs, and rock fall mitigation. The loan carries an interest rate of 2.5% per annum. Principal and interest payments in the amount of \$173,867 are due annually in July, beginning in 2016 through 2025. The loan is payable solely from gaming device fees committed for transportation services in the City’s Transportation Fund.

The following is a summary of the debt service requirements for the loan:

<u>Year Ended December 31,</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2023	\$ 161,453	\$ 12,414	\$ 173,867
2024	165,489	8,378	173,867
2025	169,625	4,242	173,867
Total	<u>\$ 496,567</u>	<u>\$ 25,034</u>	<u>\$ 521,601</u>

Compensated absences and accrued longevity pay are expected to be liquidated with revenues from the General Fund.

CITY OF CENTRAL
NOTES TO THE FINANCIAL STATEMENTS
December 31, 2022

NOTE 5: **LONG-TERM DEBT** (Continued)

Business-Type Activities	12/31/2021			12/31/2022	
	Balance	Additions	Payments	Balance	Due Within One Year
DWRF Loan	\$ 458,874	\$ -	\$ 16,996	\$ 441,878	\$ 16,996
Compensated Absences	18,201	1,470	-	19,671	1,967
Total	\$ 477,075	\$ 1,470	\$ 16,996	\$ 461,549	\$ 18,963

DWRF Loan

In May 2018, the City entered into a loan agreement in the amount of \$610,000 with the Colorado Water Resources and Power Development Authority (CWRPDA). Proceeds of the loan were used to provide funding for improvements to three existing source water diversion structures in remote locations in Central City. The loan accrues no interest. The original agreement required the City to make semi-annual principal payments in the amount of \$10,310 beginning in May 2019 through 2048.

In March 2019, the original loan agreement was amended. \$107,242 of unused project funds were allocated toward the outstanding principal balance of the loan. The semi-annual principal and interest payments were reduced to \$8,498.

The loan principal is payable solely from pledged revenues of the City's Water Fund. Under the terms of the loan agreement, the City is required to establish and collect rates, fees, and charges for the use of the system that are estimated to be sufficient to pay operation and maintenance expenses and a sum equal to 110% of the debt service due on the loan during the calendar year.

For the year ended December 31, 2022, the City is in compliance with the required covenants.

CITY OF CENTRAL
NOTES TO THE FINANCIAL STATEMENTS
December 31, 2022

NOTE 5: **LONG-TERM DEBT** (Continued)

The annual debt service requirement on the outstanding loan is as follows:

<u>Year Ended December 31,</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2023	\$ 16,996	\$ -	\$ 16,996
2024	16,996	-	16,996
2025	16,996	-	16,996
2026	16,996	-	16,996
2027	16,996	-	16,996
2028-2032	84,975	-	84,975
2033-2037	84,975	-	84,975
2038-2042	84,976	-	84,976
2043-2047	84,976	-	84,976
2048-2049	16,996	-	16,996
Total	<u>\$ 441,878</u>	<u>\$ -</u>	<u>\$ 441,878</u>

NOTE 6: **INTERFUND BALANCES AND TRANSFERS**

During the year ended December 31, 2022 the General Fund transferred \$1,000,000 to the Historic Preservation Fund to provide funding for capital projects. The Historic Preservation Fund transferred \$48,804 to the Belvidere Foundation Fund to provide funding for capital projects. The Water Fund transferred \$40,000 to the General Fund for the purchase of equipment.

At December 31, 2022, the Historic Preservation Fund reports \$48,804 due to the Belvidere Foundation Fund to provide funding to the Foundation for capital projects.

CITY OF CENTRAL
NOTES TO THE FINANCIAL STATEMENTS
December 31, 2022

NOTE 7: VOLUNTEER FIRE DEPARTMENT PENSION PLAN

General Information about the Volunteer Firefighters' Pension Plan

Plan description. The City, on behalf of its volunteer firefighters, contributes to the Volunteer Firefighters' Pension Plan, a defined benefit pension plan for volunteer firefighters as authorized by state statutes. The City Council serves as the plan's Board of Trustees. The Board of Trustees establishes and is authorized to amend the plan provisions and determines the contributions made by the City. The plan is administered by the Fire & Police Pension Association of Colorado (FPPA). The FPPA issues a publicly available comprehensive annual financial report that includes the assets of the volunteer plan. That report may be obtained at www.fppaco.org.

The net pension asset, deferred outflows of resources and deferred inflows of resources related to pensions, pension expense, information about the fiduciary net position and additions to/deductions from the fiduciary net position of the plan have been determined using the economic resources measurement focus and the accrual basis of accounting. For this purpose, benefit payments are recognized when due and payable in accordance with the benefit terms. Investments are reported at fair value.

Volunteers covered and benefits provided. The retirement benefit provision and plan requirements were established by the City under Colorado Revised Statutes. Any volunteer firefighter who has both attained the age of fifty and completed twenty years of active service is eligible for a monthly pension benefit of \$500. Monthly survivor benefits as a result of death in the line of duty or after retirement of the beneficiary are \$250. A volunteer firefighter is vested in the plan after ten years of service and is eligible for an additional monthly pension benefit of \$25 between ten and twenty years of service.

On December 31, 2022, there are 9 retired volunteers receiving benefits, 8 active volunteers and 5 inactive, nonretired volunteers.

Contributions. The plan may receive contributions from the City in an amount not to exceed one-half mill of property tax revenue. As established by its Legislature, the State of Colorado may provide a matching contribution of ninety percent of the City's contribution. Contributions are not actuarially determined. The actuary issued to determine the adequacy of contributions. Based on the January 1, 2021, actuarial evaluation, the actuarially determined contributions expected to finance the costs of benefits earned during the year, with an additional amount to finance the unfunded liability, were \$17,442. During the year ended December 31, 2022, the City contributed \$11,064 to the plan. The State of Colorado contributed \$6,417.

CITY OF CENTRAL
NOTES TO THE FINANCIAL STATEMENTS
December 31, 2022

NOTE 7: VOLUNTEER FIRE DEPARTMENT PENSION PLAN (Continued)

Actuarial assumptions. The City’s net pension liability was based on an actuarial valuation performed as of January 1, 2021, and a measurement date of December 31, 2019. The total pension liability for the December 31, 2021, measurement date was determined using the following actuarial assumptions, applied to all periods included in the measurement:

Actuarial cost method	Entry Age Normal
Amortization method	Level dollar - open
Remaining amortization period	20 years*
Asset valuation method	5 – year smoothed fair value
Inflation	2.5%
Projected salary increases	N/A
Investment rate of return	7.0% per annum
Retirement age	50% per year of eligibility until 100% at age 65
Mortality	<u>Pre-retirement:</u> 2006 central rates from the RP-2014 Mortality Tables for males and females, projected to 2018, using MP-2017 projection scales, and then projected prospectively using the ultimate rates of the scale for all years, 50% multiplier for off duty mortality. <u>Post retirement:</u> 2006 central rates from the RP-2014 Mortality Tables for males and females, projected to 2018, using MP-2017 projection scales, and then projected prospectively using the ultimate rates of the scale for all years. <u>Disabled:</u> 2006 central rates from the RP-2014 Mortality Tables for males and females, projected to 2018, using MP-2017 projection scales, and then projected prospectively using the ultimate rates of the scale for all years.

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

CITY OF CENTRAL
NOTES TO THE FINANCIAL STATEMENTS
December 31, 2022

NOTE 7: VOLUNTEER FIRE DEPARTMENT PENSION PLAN (Continued)

Single Discount Rate. Projected benefit payments are discounted to their actuarial present values using a Single Discount Rate that reflects (1) a long-term expected rate of return on pension plan investments (to the extent that the plan's fiduciary net position is projected to be sufficient to pay benefits) and (2) tax-exempt municipal bond rate based on an index of 20-year general obligation bonds with an average AA credit rating as of the measurement date (to the extent that the plan's projected fiduciary net position is not sufficient to pay benefits).

For the purpose of this valuation, the long-term expected rate of return on pension plan investments is 7.00%; the municipal bond rate is 1.84% (based on the weekly rate closest to but not later than the measurement date of the "state & local bonds" rate from Federal Reserve statistical release (H.15)); and the resulting Single Discount Rate is 7.00%.

Changes in the Net Pension Liability

Changes in the City's net pension liability for the year ended December 31, 2022, were as follows:

	Total Pension Liability (a)	Plan Fiduciary Net Position (b)	Net Pension Liability (a)-(b)
Balance, December 31, 2021	\$ 666,973	\$ 638,291	\$ 28,682
Service Cost	6,540	-	6,540
Interest	45,458	-	45,458
Contributions	-	23,859	(23,859)
Net Investment Income	-	92,798	(92,798)
Benefit Payments	(42,300)	(42,300)	-
Administrative Expenses	-	(6,214)	6,214
Total	\$ 676,671	\$ 706,434	\$ (29,763)

Sensitivity of the City's Net Pension (Asset) Liability to Changes in the Discount Rate. The following presents the net pension liability calculated using the discount rate of 7.00 percent, as well as what the net pension liability would be if it were calculated using a discount rate that is 1- percentage-point lower (6.00 percent) or 1-percentage-point higher (8.00 percent) than the current rate:

CITY OF CENTRAL
NOTES TO THE FINANCIAL STATEMENTS
December 31, 2022

NOTE 7: VOLUNTEER FIRE DEPARTMENT PENSION PLAN (Continued)

	1% Decrease 6%	Discount Rate 7%	1% Increase 8%
City's net pension liability (asset)	\$ 54,807	\$ (29,763)	\$ (98,864)

Pension Expense (Income) and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions

For the year ended December 31, 2022, the City recognized pension expense of (\$22,637). On December 31, 2022, the City reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Difference between expected and actual experience	\$ 7,030	\$ -
Change in assumptions	3,149	-
Net difference between projected and actual earnings on investments	8,269	75,497
Contributions subsequent to measurement date	11,064	-
Total	\$ 29,512	\$ 75,497

The City's contributions subsequent to the measurement date of \$11,064 will be recognized as a reduction of the net pension liability in the subsequent fiscal year. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

<u>Year Ended December 31,</u>	
2023	\$ (8,997)
2024	(21,514)
2025	(16,744)
2026	(9,794)
Total	\$ (57,049)

CITY OF CENTRAL
NOTES TO THE FINANCIAL STATEMENTS
December 31, 2022

NOTE 8: **OTHER RETIREMENT COMMITMENTS**

Fire and Police Department Pension Plan

The City contributes to the Statewide Money Purchase Plan, a multiple employer defined contribution plan, on behalf of the Fire Chief. The plan is administered by the Fire & Police Pension Association of Colorado (FPPA). The contribution requirements of the plan are established by State statutes. Currently, plan participants contribute 8% of base salary, which is matched by the City. Participants vest immediately in their contributions. Vesting in the City's contributions and related investments earnings occur at 20% per year after the first year of service, with full vesting after five years of service. During the year ended December 31, 2022, the City contributed \$8,116 to the plan, equal to the required contributions.

Defined Contribution Money Purchase Pension Plan

The City has established a single employer defined contribution money purchase pension plan on behalf of all permanent employees not covered by the Fire and Police Department Pension Plan. The plan provisions and contribution requirements are established and may be amended by City Council. The City matches employee contributions up to 5% of compensation. Employees may make additional voluntary contributions not to exceed the limits established by federal regulations.

During the year ended December 31, 2022, the City and employees each contributed \$68,348 to the plan. The plan investments are managed by MissionSquare Retirement.

Other Post Employment Commitments

The City has established a 457 Governmental Deferred Compensation Plan on behalf of all full-time employees excluding sworn officers and fire department staff. The plan provision and contribution requirements are established and may be amended by City Council. The City matches employee contributions up to 5% of compensation. Employees may make voluntary contributions not to exceed the limits established by federal regulations.

During the year ended December 31, 2022, the City contributed \$52,064 to the plan. The plan investments are managed by MissionSquare Retirement.

CITY OF CENTRAL
NOTES TO THE FINANCIAL STATEMENTS
December 31, 2022

NOTE 9: COMMITMENTS AND CONTINGENCIES

Claims and Judgments

The City participates in a number of federal and state programs that are fully or partially funded by grants received from other governmental units. Expenditures financed by grants are subject to audit by the appropriate grantor government. If expenditures are disallowed due to noncompliance with grant program regulations, the City may be required to reimburse the grantor government. As of December 31, 2022, significant amounts of grant expenditures have not been audited but the City believes that disallowed expenditures, if any, based on subsequent audits will not have a material effect on the overall financial position of the City.

Conduit Debt

On September 1, 1996, the City issued Variable Rate Demand Multifamily Housing Revenue Bonds, Series 1996, in the amount of \$9,250,000. The bonds were used to finance the acquisition and construction of a multifamily housing facility for persons of low-income within the City known as the Gold Mountain Apartments. The bonds mature on April 1, 2029 and are payable solely from revenues generated by the facility. On December 31, 2022, the outstanding balance of the bonds was \$6,015,000.

Tabor Amendment

In November 1992, Colorado voters passed an amendment to the State Constitution, Article X, Section 20 (the "Tabor Amendment"), which has several limitations, including revenue raising, spending abilities, and other specific requirements of state and local government. The Tabor Amendment is complex and subject to judicial interpretations. The City believes it has complied with the Amendment.

In November 1993, voters permitted the City to collect, retain, and expend the full proceeds of the City's sales and use tax, device tax, state gaming tax, and nonfederal grants notwithstanding the limitations established by the amendment.

The City has established a reserve, representing 3% of qualifying expenditures, as required by the amendment. On December 31, 2022, the emergency reserve of \$210,000 was reported as a restriction of net position and fund balance in the Governmental Activities and General Fund, respectively.

CITY OF CENTRAL
NOTES TO THE FINANCIAL STATEMENTS
December 31, 2022

NOTE 9: **COMMITMENTS AND CONTINGENCIES** (Continued)

Gaming License Fee Rebate Incentive Agreement

Advance Payment

During 2015, the City received an advance payment of \$600,000 to purchase a parking lot from a casino owner. The City will repay the advance through license fee rebates equal to 20% of the annual license fees paid. During the year ended December 31, 2022, the City rebated \$70,830 under the terms of the agreement. On December 31, 2022, the remaining advance of \$116,182 was reported as unearned revenue in the General Fund.

Gilpin County Sheriff Intergovernmental Agreement

On September 9, 2016, the City entered into an Intergovernmental Agreement (IGA) with the Gilpin County Sheriff's Office for the provision of law enforcement and public safety services beginning on January 1, 2017. The original agreement terminated on December 31, 2017 and renews annually for a one-year period commencing on January 1 and ending on December 31 unless the City or the County provides written notice of its intent to terminate the agreement. During the year ended December 31, 2022, the City paid \$783,800 to the County Sheriff under the terms of the agreement.

Ambulance Authority Intergovernmental Agreement

On June 2, 2009, Gilpin County, the City of Black Hawk and the City of Central entered into a governmental agreement to establish the Gilpin County Ambulance Authority (the "Authority"). The purpose of the Authority is to affect the planning development and provision of ambulance resources, systems, and facilities to provide emergency medical and trauma services and all related services, facilities and programs for the people and property of Gilpin County. Each party to the agreement is responsible to fund a portion of the Authority's annual budget. For the year ended December 31, 2022 the City paid \$237,000 to the Authority under the terms of the agreement.

Shuttle Service Intergovernmental Agreement.

On December 9, 2015, the City entered into an Intergovernmental Agreement with the City of Black Hawk for the provision of municipal bus service commencing January 1, 2016. The cost of the municipal bus service is allocated to Black Hawk and the City with Black Hawk's share being an amount not to exceed \$353,400, or 57% of the cost of the municipal bus service. The City's share of the cost is 43% of the cost of the municipal bus service. During the year ended December 31, 2022, the City paid \$229,682 under the terms of the agreement.

CITY OF CENTRAL
NOTES TO THE FINANCIAL STATEMENTS
December 31, 2022

NOTE 9: **COMMITMENTS AND CONTINGENCIES** (Continued)

Lease Purchase Agreement

In April 2021, the City entered into a lease purchase agreement with SPRT Entertainment LLC (the “Tenant”) for the City owned property located at 130 Main Street. The purchase price of the property was \$1,940,000. The property was scheduled to be leased to the Tenant until December 31, 2023, requiring an annual lease payment of \$60,000 in 2021, and \$180,000 for fiscal years 2022 and 2023. The Tenant had the option to purchase the property on or before December 31, 2021, and to close on or after September 16, 2022, but before the end of the lease term. During the year ended December 31, 2022, the tenant paid \$50,739 in lease payments but elected not to exercise the purchase option and the agreement was cancelled.

In December 2022, the City sold the property. Net proceeds of \$2,275,875 were deposited in the Public Property Trust Fund.

Water Augmentation Agreement

In November 2022, the City entered into an agreement to furnish augmentation water with Albert Frei & Sons, Inc. (“Frei”). Under the terms of the agreement, the City agrees to provide up to 120 acre-feet of augmentation water annually, at a delivery rate of up to a maximum of fifteen acre feet per month, together with associated raw water storage, exchange, accounting, and administrative coordination. The initial term of the agreement is for a period of ten years, beginning on January 1, 2023. The agreement will automatically renew at the end of each term for the next renewal term unless either the City or Frei elects to terminate the agreement at the end of the then-current term, providing notice of such termination.

Frei will pay the City \$3,000 per acre-foot of water made available by the City to Frei. For water made available to Frei during the first year of the contract (2023), Frei will pay the City the amount of \$360,000. For each year thereafter, Frei shall pay the City the acre-foot payment for an annual amount of 120 acre-feet.

The price of \$3,000 per acre-foot will automatically increase by 20% every five years following the initial term and any renewal term of the agreement unless at any time the City elects to retain an appraiser to determine the then-current fair market value of the water provided under this agreement.

For the year ended December 31, 2022, Frei paid the City \$360,000 under the terms of the agreement. The amount is reported as unearned revenue in the Water Fund statement of net position.

CITY OF CENTRAL
NOTES TO THE FINANCIAL STATEMENTS
December 31, 2022

NOTE 9: **COMMITMENTS AND CONTINGENCIES** (Continued)

Litigation

The City is periodically involved in pending or threatened litigation. However, management believes the outcome of any litigation will not have a significant effect on the City's financial position.

NOTE 10: **CONCENTRATION OF RISK**

For the year ended December 31, 2022, approximately 50% of the revenues of the City's governmental funds were generated from gaming license and device fees and state gaming taxes. A reduction of this revenue, if it were to occur, could have a significant effect on the City's programs and activities.

NOTE 11: **CHANGE IN ACCOUNTING PRINCIPLES- LEASES**

For the year ended December 31, 2022, the City implemented Governmental Accounting Standards Board (GASB) Statement No. 87, Leases. GASB 87 enhances the relevance and consistency of information for the government's leasing activities. For lessees, the accounting standard establishes requirements for lease accounting based on the principle that leases are financings of the right to use a leased asset. The standard also establishes requirements for lessors to recognize a lease receivable and deferred inflow of resources. The City has determined that it has no agreements that would require disclosure under the new standard.

NOTE 12: **SUBSEQUENT EVENT**

Hauling Fee Agreement

On June 2, 2022, the City entered into a hauling fee agreement with Young Ranch Resource LLC. The purpose of the agreement is to provide funding for maintenance and capital repair to the Central City Parkway as a result of Young Ranch Resource LLC's hauling operations. Under the terms of the agreement, Young Ranch Resource LLC will pay the City a hauling fee ranging from \$.30 per ton to \$.70 per ton based on the number of tons of product transported on the Central City Parkway. The hauling fee is to be paid quarterly by the end of each quarter beginning in 2023.

REQUIRED SUPPLEMENTARY INFORMATION

CITY OF CENTRAL, COLORADO

BUDGETARY COMPARISON SCHEDULE

GENERAL FUND

Year Ended December 31, 2022

	ORIGINAL AND FINAL BUDGET	ACTUAL	VARIANCE Positive (Negative)	2021 ACTUAL
REVENUES				
Property Taxes	\$ 213,387	\$ 253,462	\$ 40,075	\$ 265,530
Specific Ownership Taxes	20,422	19,828	(594)	19,806
Sales and Use Tax	606,442	637,910	31,468	638,755
Motor Vehicle Sales Tax	99,445	112,213	12,768	139,124
Lodging Tax	56,024	61,257	5,233	58,292
Franchise Tax	56,160	77,358	21,198	57,969
State Gaming Tax	975,000	1,178,594	203,594	966,007
Gaming Device Fees	1,445,000	1,484,385	39,385	1,431,120
Intergovernmental Revenue	158,785	238,484	79,699	218,920
Charges for Services	338,320	331,968	(6,352)	318,745
Licenses and Permits	32,500	92,593	60,093	76,165
Fines and Forfeitures	1,500	960	(540)	2,122
Earnings on Investments	3,500	49,698	46,198	3,659
Miscellaneous	-	4,765	4,765	31,278
TOTAL REVENUES	4,006,485	4,543,475	536,990	4,227,492
EXPENDITURES				
Current				
General Government	1,374,708	1,333,200	41,508	1,152,273
Community Development	855,604	674,884	180,720	318,502
Public Safety	787,800	787,909	(109)	553,250
Public Works	1,132,883	915,737	217,146	913,938
Fire	397,832	328,685	69,147	265,443
Capital Outlay	375,000	564,120	(189,120)	55,638
TOTAL EXPENDITURES	4,923,827	4,604,535	319,292	3,259,044
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	(917,342)	(61,060)	856,282	968,448
OTHER FINANCING SOURCES (USES)				
Proceeds from Sale of Assets	-	81,187	81,187	-
Transfers In	-	40,000	40,000	-
Transfers Out	-	(1,000,000)	(1,000,000)	-
TOTAL OTHER FINANCING SOURCES (USES)	-	(878,813)	(878,813)	-
CHANGE IN FUND BALANCE	(917,342)	(939,873)	(22,531)	968,448
FUND BALANCES, Beginning	3,214,716	3,345,835	131,119	2,377,387
FUND BALANCES, Ending	\$ 2,297,374	\$ 2,405,962	\$ 108,588	\$ 3,345,835

See the accompanying independent auditor's report

CITY OF CENTRAL, COLORADO

BUDGETARY COMPARISON SCHEDULE
 HISTORIC PRESERVATION FUND
 Year Ended December 31, 2022

	ORIGINAL BUDGET	FINAL BUDGET	ACTUAL	VARIANCE Positive (Negative)	2021 ACTUAL
REVENUES					
Charges for Services	\$ 7,500	\$ 7,500	\$ 12,576	\$ 5,076	\$ 10,985
Intergovernmental Revenue	837,427	1,837,427	843,120	(994,307)	471,093
Contributions and Donations	-	-	-	-	-
Earnings on Investments	1,450	1,450	48,127	46,677	1,247
Miscellaneous	751	751	101	(650)	186
TOTAL REVENUES	847,128	1,847,128	903,924	(943,204)	483,511
EXPENDITURES					
Current					
Historic Preservation	548,408	548,408	550,997	(2,589)	302,625
Capital Outlay	122,840	4,412,838	30,997	4,381,841	9,960
TOTAL EXPENDITURES	671,248	4,961,246	581,994	4,379,252	312,585
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	175,880	(3,114,118)	321,930	3,436,048	170,926
OTHER FINANCING SOURCES (USES)					
Transfers In	-	1,000,000	1,000,000	-	(80,000)
Transfers Out	-	-	(48,804)	(48,804)	-
TOTAL OTHER FINANCING SOURCES (USES)	-	1,000,000	951,196	(48,804)	(80,000)
CHANGE IN FUND BALANCE	175,880	(2,114,118)	1,273,126	3,436,048	90,926
FUND BALANCES, Beginning	2,177,874	2,177,874	2,168,942	(8,932)	2,078,016
FUND BALANCES, Ending	\$ 2,353,754	\$ 63,756	\$ 3,442,068	\$ 3,427,116	\$ 2,168,942

See the accompanying independent auditor's report

CITY OF CENTRAL, COLORADO

BUDGETARY COMPARISON SCHEDULE
 TRANSPORTATION FUND
 Year Ended December 31, 2022

	ORIGINAL BUDGET	FINAL BUDGET	ACTUAL	VARIANCE Positive (Negative)	2021 ACTUAL
REVENUES					
Gaming Device Fees	\$ 667,790	\$ 667,790	\$ 724,693	\$ 56,903	\$ 698,689
Contributions	20,000	20,000	20,000	-	20,000
Earnings on Investments	210	210	4,136	3,926	231
Miscellaneous	-	-	11,063	11,063	-
TOTAL REVENUES	688,000	688,000	759,892	71,892	718,920
EXPENDITURES					
Current					
Public Works	568,882	700,560	599,159	101,401	283,673
Capital Outlay	346,244	214,566	129,661	84,905	157,476
Debt Service					
Principal	157,515	157,515	157,515	-	153,673
Interest	16,352	16,352	16,352	-	20,194
TOTAL EXPENDITURES	1,088,993	1,088,993	902,687	186,306	615,016
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	(400,993)	(400,993)	(142,795)	258,198	103,904
OTHER FINANCING SOURCES					
Transfers In	-	-	-	-	-
TOTAL OTHER FINANCING SOURCES	-	-	-	-	-
CHANGE IN FUND BALANCE	(400,993)	(400,993)	(142,795)	258,198	103,904
FUND BALANCES, Beginning	441,715	441,715	498,179	56,464	394,275
FUND BALANCES, Ending	\$ 40,722	\$ 40,722	\$ 355,384	\$ 314,662	\$ 498,179

See the accompanying independent auditor's report

CITY OF CENTRAL, COLORADO

BUDGETARY COMPARISON SCHEDULE
 PUBLIC SAFETY FUND
 Year Ended December 31, 2022

	ORIGINAL BUDGET	FINAL BUDGET	ACTUAL	VARIANCE Positive (Negative)	2021 ACTUAL
REVENUES					
Sales and Use Taxes	\$ 310,235	\$ 310,235	\$ 333,354	\$ 23,119	\$ 309,636
Earnings on Investments	100	100	2,425	2,325	102
TOTAL REVENUES	310,335	310,335	335,779	25,444	309,738
EXPENDITURES					
Current					
Public Safety	282,000	282,000	267,588	14,412	358,535
Capital Outlay	60,000	60,000	24,798	35,202	-
TOTAL EXPENDITURES	342,000	342,000	292,386	49,614	358,535
CHANGE IN FUND BALANCE	(31,665)	(31,665)	43,393	75,058	(48,797)
FUND BALANCES, Beginning	112,978	112,978	114,501	1,523	163,298
FUND BALANCES, Ending	\$ 81,313	\$ 81,313	\$ 157,894	\$ 76,581	\$ 114,501

See the accompanying independent auditor's report

CITY OF CENTRAL, COLORADO

BUDGETARY COMPARISON SCHEDULE
 PUBLIC PROPERTY TRUST FUND
 Year Ended December 31, 2022

	ORIGINAL BUDGET	FINAL BUDGET	ACTUAL	VARIANCE Positive (Negative)	2021 ACTUAL
REVENUES					
Charges for Services	\$ -	\$ -	\$ 50,738	\$ 50,738	\$ 80,000
Intergovernmental Revenue	-	-	22,113	22,113	-
Earnings on Investments	85	85	2,137	2,052	75
TOTAL REVENUES	85	85	74,988	74,903	80,075
EXPENDITURES					
General Government	-	-	8,838	(8,838)	355
Capital Outlay	90,000	90,000	20,700	69,300	-
TOTAL EXPENDITURES	90,000	90,000	29,538	60,462	355
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	(89,915)	(89,915)	45,450	135,365	79,720
OTHER FINANCING SOURCES					
Net Proceeds from Sale of Assets	-	-	2,275,875	2,275,875	-
CHANGE IN FUND BALANCE	(89,915)	(89,915)	2,321,325	2,411,240	79,720
FUND BALANCES, Beginning	123,008	123,008	123,019	11	43,299
FUND BALANCES, Ending	\$ 33,093	\$ 33,093	\$ 2,444,344	\$ 2,411,251	\$ 123,019

See the accompanying independent auditor's report

CITY OF CENTRAL, COLORADO

SCHEDULE OF CHANGES IN NET POSITION, LIABILITY, AND RELATED RATIOS AND CONTRIBUTIONS
VOLUNTEER FIRE DEPARTMENT PENSION PLAN

Years Ended December 31,

	2021	2020	2019	2018
Total Pension Liability				
Service Cost	\$ 6,540	\$ 5,909	\$ 5,909	\$ 9,916
Interest	45,458	43,923	43,420	43,333
Differences Between Expected and Actual Experience	-	14,084	-	3,226
Changes in Assumptions	-	-	-	28,353
Benefit Payments	(42,300)	(42,300)	(42,000)	(38,700)
Net Change in Total Pension Liability	9,698	21,616	7,329	46,128
Total Pension Liability, Beginning	666,973	645,357	638,028	591,900
Total Pension Liability, Ending	<u>\$ 676,671</u>	<u>\$ 666,973</u>	<u>\$ 645,357</u>	<u>\$ 638,028</u>
Plan Fiduciary Net Position				
Contributions - Employer	11,025	11,025	15,691	22,044
Contributions - State of Colorado	12,834	6,417	6,417	-
Net Investment Income	92,798	75,187	75,744	164
Benefit Payments	(42,300)	(42,300)	(42,000)	(38,700)
Administrative Expenses	(6,214)	(3,754)	(6,648)	(4,948)
Net Change in Fiduciary Net Position	68,143	46,575	49,204	(21,440)
Plan Fiduciary Net Position, Beginning	638,291	591,716	542,512	563,952
Plan Fiduciary Net Position, Ending	<u>\$ 706,434</u>	<u>\$ 638,291</u>	<u>\$ 591,716</u>	<u>\$ 542,512</u>
City's Net Pension Liability	<u>\$ (29,763)</u>	<u>\$ 28,682</u>	<u>\$ 53,641</u>	<u>\$ 95,516</u>
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	104.40%	95.70%	91.69%	85.03%
City Contributions				
Actuarially Determined Contributions	17,442	17,442	15,691	15,691
Contributions in Relation to the Actuarially Determined Contributions	23,859	17,442	22,108	22,044
Contributions Deficiency (Excess)	<u>\$ (6,417)</u>	<u>\$ -</u>	<u>\$ (6,417)</u>	<u>\$ (6,353)</u>
Covered Payroll	N/A	N/A	N/A	N/A
Contributions as a Percentage of Covered Payroll	N/A	N/A	N/A	N/A

NOTE: Information for the prior two years was not available for this report

See the accompanying independent auditor's report

2017	2016	2015	2014
\$ 9,916	\$ 8,359	\$ 8,359	\$ 11,469
42,318	42,429	41,339	42,634
-	(22,416)	-	(46,649)
-	7,819	-	(33,192)
<u>(38,700)</u>	<u>(38,200)</u>	<u>(32,233)</u>	<u>(27,333)</u>
13,534	(2,009)	17,465	(53,071)
578,366	580,375	562,910	615,981
<u>\$ 591,900</u>	<u>\$ 578,366</u>	<u>\$ 580,375</u>	<u>\$ 562,910</u>
29,546	-	-	11,656
-	-	6,417	6,417
72,742	26,616	9,668	34,187
(38,700)	(38,200)	(32,233)	(27,333)
<u>(5,525)</u>	<u>(1,073)</u>	<u>(2,101)</u>	<u>(1,171)</u>
58,063	(12,657)	(18,249)	23,756
505,889	518,546	536,795	513,039
<u>\$ 563,952</u>	<u>\$ 505,889</u>	<u>\$ 518,546</u>	<u>\$ 536,795</u>
<u>\$ 27,948</u>	<u>\$ 72,477</u>	<u>\$ 61,829</u>	<u>\$ 26,115</u>
95.28%	87.47%	89.35%	95.36%
11,022	11,022	18,524	18,524
29,546	-	6,417	18,073
<u>\$ (18,524)</u>	<u>\$ 11,022</u>	<u>\$ 12,107</u>	<u>\$ 451</u>
N/A	N/A	N/A	N/A
N/A	N/A	N/A	N/A

**COMBINING AND INDIVIDUAL FUND STATEMENTS
AND SCHEDULES**

CITY OF CENTRAL, COLORADO
 COMBINING BALANCE SHEET
 NONMAJOR GOVERNMENTAL FUNDS
 December 31, 2022

	<u>CONSERVATION TRUST FUND</u>	<u>IMPACT FEES FUND</u>	<u>TOTALS</u>
ASSETS			
Cash and Investments	<u>\$ 102,327</u>	<u>\$ 49,285</u>	<u>\$ 151,612</u>
TOTAL ASSETS	<u><u>\$ 102,327</u></u>	<u><u>\$ 49,285</u></u>	<u><u>\$ 151,612</u></u>
LIABILITIES AND FUND BALANCE			
LIABILITIES			
Accounts Payable	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
TOTAL LIABILITIES	<u>-</u>	<u>-</u>	<u>-</u>
FUND EQUITY			
Fund Balance			
Restricted	<u>102,327</u>	<u>49,285</u>	<u>151,612</u>
TOTAL FUND EQUITY	<u>102,327</u>	<u>49,285</u>	<u>151,612</u>
TOTAL LIABILITIES AND FUND BALANCES	<u><u>\$ 102,327</u></u>	<u><u>\$ 49,285</u></u>	<u><u>\$ 151,612</u></u>

See the accompanying independent auditor's report

CITY OF CENTRAL, COLORADO

COMBINING STATEMENT OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCES
NONMAJOR GOVERNMENTAL FUNDS
Year Ended December 31, 2022

	CONSERVATION TRUST FUND	IMPACT FEES FUND	TOTALS
REVENUES			
Intergovernmental Revenue	\$ 9,925	\$ -	\$ 9,925
Impact Fees	-	35,823	35,823
Earnings on Investments	6,898	831	7,729
TOTAL REVENUES	<u>\$ 16,823</u>	<u>\$ 36,654</u>	<u>\$ 53,477</u>
EXPENDITURES			
Current			
Public Works	\$ -	\$ -	\$ -
Parks	4,641	-	4,641
TOTAL EXPENDITURES	<u>4,641</u>	<u>-</u>	<u>4,641</u>
NET CHANGE IN FUND BALANCES	<u>12,182</u>	<u>36,654</u>	<u>48,836</u>
FUND BALANCES, Beginning	<u>90,145</u>	<u>12,631</u>	<u>102,776</u>
FUND BALANCES, Ending	<u>\$ 102,327</u>	<u>\$ 49,285</u>	<u>\$ 151,612</u>

See the accompanying independent auditor's report

CITY OF CENTRAL, COLORADO

BUDGETARY COMPARISON SCHEDULE
 CONSERVATION TRUST FUND
 Year Ended December 31, 2022

	ORIGINAL BUDGET	FINAL BUDGET	ACTUAL	VARIANCE Positive (Negative)	2021 ACTUAL
REVENUES					
Intergovernmental Revenue	\$ 7,794	\$ 7,794	\$ 9,925	\$ 2,131	\$ 9,401
Earnings on Investments	40	40	6,898	6,858	48
TOTAL REVENUES	7,834	7,834	16,823	8,989	9,449
EXPENDITURES					
Public Works	75,000	75,000	-	75,000	3,733
Parks	-	-	4,641	(4,641)	-
TOTAL EXPENDITURES	75,000	75,000	4,641	70,359	3,733
CHANGE IN FUND BALANCE	(67,166)	(67,166)	12,182	79,348	5,716
FUND BALANCES, Beginning	82,942	82,942	90,145	7,203	84,429
FUND BALANCES, Ending	\$ 15,776	\$ 15,776	\$ 102,327	\$ 86,551	\$ 90,145

See the accompanying independent auditor's report

CITY OF CENTRAL, COLORADO

BUDGETARY COMPARISON SCHEDULE

IMPACT FEES FUND

Year Ended December 31, 2022

	ORIGINAL BUDGET	FINAL BUDGET	ACTUAL	VARIANCE Positive (Negative)	2021 ACTUAL
REVENUES					
Impact Fees	\$ -	\$ -	\$ 35,823	\$ 35,823	\$ 104
Earnings on Investments	10	10	831	821	8
TOTAL REVENUES	10	10	36,654	36,644	112
EXPENDITURES					
Parks and Recreation	-	-	-	-	-
TOTAL EXPENDITURES	-	-	-	-	-
CHANGE IN FUND BALANCE	10	10	36,654	36,644	112
FUND BALANCES, Beginning	12,527	12,527	12,631	104	12,519
FUND BALANCES, Ending	<u>\$ 12,537</u>	<u>\$ 12,537</u>	<u>\$ 49,285</u>	<u>\$ 36,748</u>	<u>\$ 12,631</u>

See the accompanying independent auditor's report

CITY OF CENTRAL, COLORADO

BUDGETARY COMPARISON SCHEDULE
 CAPITAL IMPROVEMENT FUND
 Year Ended December 31, 2022

	ORIGINAL BUDGET	FINAL BUDGET	ACTUAL	VARIANCE Positive (Negative)	2021 ACTUAL
REVENUES					
Sales Tax	\$ 86,703	\$ 86,703	\$ 71,130	\$ (15,573)	\$ 93,857
Intergovernmental Revenue	29,319	29,319	20,145	(9,174)	435,021
Earnings on Investments	200	200	3,778	3,578	209
Miscellaneous	-	-	-	-	8,800
TOTAL REVENUES	116,222	116,222	95,053	(21,169)	537,887
EXPENDITURES					
Fire	46,000	46,000	-	46,000	18,913
Capital Outlay	319,000	319,000	264,044	54,956	516,849
TOTAL EXPENDITURES	365,000	365,000	264,044	100,956	535,762
CHANGE IN FUND BALANCE	(248,778)	(248,778)	(168,991)	79,787	2,125
FUND BALANCES, Beginning	266,852	266,852	309,785	42,933	307,660
FUND BALANCES, Ending	\$ 18,074	\$ 18,074	\$ 140,794	\$ 122,720	\$ 309,785

See the accompanying independent auditor's report

CITY OF CENTRAL, COLORADO

BUDGETARY COMPARISON SCHEDULE
 WATER FUND
 Year Ended December 31, 2022

	ORIGINAL BUDGET	FINAL BUDGET	ACTUAL	VARIANCE Positive (Negative)	2021 ACTUAL
REVENUES					
Charges for Services	\$ 725,838	\$ 725,838	\$ 773,394	\$ 47,556	\$ 739,942
Capital Contribution	154,127	154,127	186,839	32,712	145,160
Earnings on Investments	535	535	12,432	11,897	554
TOTAL REVENUES	880,500	880,500	972,665	92,165	885,656
EXPENDITURES					
Current					
Personnel Services	232,382	248,882	235,511	13,371	219,178
Professional Services	241,000	241,000	137,474	103,526	128,604
Water Operations	282,750	282,750	247,405	35,345	193,484
Debt Service	16,996	16,996	16,996	-	16,995
Capital Outlay	94,500	180,000	260,303	(80,303)	181,420
Transfer Out	-	-	40,000	(40,000)	-
TOTAL EXPENDITURES	867,628	969,628	937,689	31,939	739,681
CHANGE IN NET POSITION, Budgetary Basis	\$ 12,872	\$ (89,128)	34,976	\$ 124,104	145,975
Adjustments to GAAP Basis					
Note Principal Payment			16,996		16,995
Capital Outlay			260,303		181,420
Depreciation			(328,138)		(316,055)
CHANGE IN NET POSITION, GAAP Basis			(15,863)		28,335
NET POSITION, Beginning			9,594,834		9,566,499
NET POSITION, Ending			\$ 9,578,971		\$ 9,594,834

See the accompanying independent auditor's report

COMPLIANCE

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

LOCAL HIGHWAY FINANCE REPORT

City or County:
Central City
YEAR ENDING :
December 2022

This Information From The Records Of (example - City of _ or County of _) Prepared By: Lorraine Trotter, Professional Mgmt Solutions
City of Central, Colorado Phone: 303-910-9197

I. DISPOSITION OF HIGHWAY-USER REVENUES AVAILABLE FOR LOCAL GOVERNMENT EXPENDITURE

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

II. RECEIPTS FOR ROAD AND STREET PURPOSES

III. DISBURSEMENTS FOR ROAD AND STREET PURPOSES

ITEM	AMOUNT	ITEM	AMOUNT
A. Receipts from local sources:		A. Local highway disbursements:	
1. Local highway-user taxes		1. Capital outlay (from page 2)	585,936
a. Motor Fuel (from Item I.A.5.)		2. Maintenance:	737,424
b. Motor Vehicle (from Item I.B.5.)		3. Road and street services:	
c. Total (a.+b.)		a. Traffic control operations	120,364
2. General fund appropriations	1,501,092	b. Snow and ice removal	182,825
3. Other local imposts (from page 2)	31,528	c. Other	
4. Miscellaneous local receipts (from page 2)	892,998	d. Total (a. through c.)	303,189
5. Transfers from toll facilities		4. General administration & miscellaneous	89,599
6. Proceeds of sale of bonds and notes:		5. Highway law enforcement and safety	587,932
a. Bonds - Original Issues		6. Total (1 through 5)	2,304,080
b. Bonds - Refunding Issues		B. Debt service on local obligations:	
c. Notes		1. Bonds:	
d. Total (a. + b. + c.)	0	a. Interest	
7. Total (1 through 6)	2,425,618	b. Redemption	
B. Private Contributions		c. Total (a. + b.)	0
C. Receipts from State government (from page 2)	52,329	2. Notes:	
D. Receipts from Federal Government (from page 2)	0	a. Interest	16,352
E. Total receipts (A.7 + B + C + D)	2,477,947	b. Redemption	157,515
		c. Total (a. + b.)	173,867
		3. Total (1.c + 2.c)	173,867
		C. Payments to State for highways	
		D. Payments to toll facilities	
		E. Total disbursements (A.6 + B.3 + C + D)	2,477,947

IV. LOCAL HIGHWAY DEBT STATUS
(Show all entries at par)

	Opening Debt	Amount Issued	Redemptions	Closing Debt
A. Bonds (Total)				0
1. Bonds (Refunding Portion)				
B. Notes (Total)	654,082	0	157,515	496,567

V. LOCAL ROAD AND STREET FUND BALANCE

	A. Beginning Balance	B. Total Receipts	C. Total Disbursements	D. Ending Balance	E. Reconciliation
	0	2,477,947	2,477,947	(0)	0

Notes and Comments:

LOCAL HIGHWAY FINANCE REPORT		STATE: Colorado	
		YEAR ENDING (mm/yy): December 2022	
II. RECEIPTS FOR ROAD AND STREET PURPOSES - DETAIL			
ITEM	AMOUNT	ITEM	AMOUNT
A.3. Other local imposts:		A.4. Miscellaneous local receipts:	
a. Property Taxes and Assessments		a. Interest on investments	4,136
b. Other local imposts:		b. Traffic Fines & Penalties	960
1. Sales Taxes	0	c. Parking Garage Fees	
2. Infrastructure & Impact Fees	11,900	d. Parking Meter Fees	
3. Liens		e. Sale of Surplus Property	121,187
4. Licenses	0	f. Charges for Services	0
5. Specific Ownership &/or Other	19,628	g. Other Mis Device Fees & BID & Misc	755,756
6. Total (1. through 5.)	31,528	h. Other County Road & Bridge	10,959
c. Total (a. + b.)	31,528	i. Total (a. through h.)	892,998
	(Carry forward to page 1)		(Carry forward to page 1)
ITEM	AMOUNT	ITEM	AMOUNT
C. Receipts from State Government		D. Receipts from Federal Government	
1. Highway-user taxes	52,329	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	0
b. Project Match		c. HUD	
c. Motor Vehicle Registrations		d. Federal Transit Admin	
d. Other (Specify)	0	e. U.S. Corps of Engineers	
e. Other (Specify)		f. Other Federal	
f. Total (a. through e.)	0	g. Total (a. through f.)	0
4. Total (1. + 2. + 3.f)	52,329	3. Total (1. + 2.g)	
			(Carry forward to page 1)
III. DISBURSEMENTS FOR ROAD AND STREET PURPOSES - DETAIL			
	ON NATIONAL HIGHWAY SYSTEM (a)	OFF NATIONAL HIGHWAY SYSTEM (b)	TOTAL (c)
A.1. Capital outlay:			
a. Right-Of-Way Costs			0
b. Engineering Costs			0
c. Construction:			
(1). New Facilities			0
(2). Capacity Improvements			0
(3). System Preservation		445,709	445,709
(4). System Enhancement & Operation		140,227	140,227
(5). Total Construction (1) + (2) + (3) + (4)	0	585,936	585,936
d. Total Capital Outlay (Lines 1.a. + 1.b. + 1.c.5)	0	585,936	585,936
			(Carry forward to page 1)
Notes and Comments:			