THE CITY OF
DURANGO, CO

Annual Comprehensive Financial Report

For the Year ending December 31, 2022



CITY of DURANGO

Diversity, Equity, Inclusion

Environmental and Social Sustainability

Financial Excellence and Transparency

Affordability & Economic Opportunity

Effective Infrastructure Network

Enhanced Livability & Sense of Place


CITY of
DURANGO

CITY OF DURANGO, COLORADO

ANNUAL COMPREHENSIVE FINANCIAL REPORT
For the year ended December 31, 2022

Prepared by the Finance Department


CITY of
DURANGO

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(Unaudited)

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CITY of
DURANGO

INTRODUCTORY SECTION


CITY of
DURANGO

CITY of DURANGO
City Manager's Office

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Durango, CO 81301
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www.durangogov.org

July 19, 2023

To the Mayor, Members of Council and Citizens of the City of Durango:

The Charter of the City of Durango (City) and State law requires local governments to publish the results of their annual audit and a comprehensive report of financial statements. The report is to conform to generally accepted accounting principles (GAAP) and audited in accordance with generally accepted auditing standards by a firm of licensed certified public accountants. Pursuant to that requirement, we hereby issue the annual comprehensive financial report of the City of Durango, Colorado for the fiscal year ended December 31, 2022.

We present the Annual Comprehensive Financial Report (ACFR) in four sections:

- The **Introductory Section** provides this transmittal letter, a list of City officials, Certificate of Achievement, and an organizational chart.
- The **Financial Section** includes the report from our external auditors, Eide Bailly LLP, the Management's Discussion and Analysis (MD&A), and basic financial statements. These documents include the government-wide financial statements comprised of the Statement of Net Position, the Statement of Activities, and the accompanying notes to the financial statements. The MD&A includes a narrative introduction, overview, and analysis of the basic financial statements and should be read in conjunction with this transmittal letter. The Financial Section also includes the fund financial statements including the governmental funds financial statements, the proprietary funds financial statements, and the combined individual funds financial statements for the nonmajor governmental and proprietary funds and the internal service funds. Required supplementary information, other than the MD&A, is also included in the Financial Section, which is comprised of the General Fund budget to the actual schedule and information about the City's defined benefit retirement plans.
- The **Statistical Section** presents select financial and demographic information.
- The **Compliance Section** contains a report summarizing the City's Local Highway Finance Report.

This report consists of management's representations concerning the finances of the City of Durango. Consequently, management retains full responsibility for the completeness and reliability of all information presented in this report. To provide a reasonable basis for making these representations, management has established a comprehensive internal control framework that is designed to both protect the City's assets from loss, theft, or misuse and to compile sufficient reliable information for the preparation of the City of Durango's financial statements in conformity with generally accepted accounting principles (GAAP). The cost of internal controls should not outweigh their benefits. Management has designed the City of Durango's framework of internal controls to provide reasonable rather than an absolute assurance that the financial statements will be free from material misstatement. As management, we assert, to the best of our knowledge and belief, that this financial report is complete and reliable in all material respects.

The City of Durango's financial statements have been audited by Eide Bailly LLP, a firm of licensed certified public accountants. The goal of the independent audit was to provide reasonable assurance that the financial statements for the fiscal year ended December 31, 2022, are free of material misstatement presented in accordance with United States GAAP. The audit involved examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements; assessing the accounting principles used and significant estimates made by management and evaluating the overall financial statement presentation. The independent auditor rendered an unmodified opinion for the City's fiscal year 2022 financial statements. As a result, we can provide reasonable assurance the financial information contained in this report is complete, reliable, and accurate. The independent auditor's report is presented as the first component of the financial section of this report.

Profile of the City of Durango

The City of Durango, incorporated in 1881, is located in southwest Colorado in the area known as the Four Corners, where the states of Colorado, Arizona, Utah and New Mexico converge. As the county seat for La Plata County, Durango is a regional hub for commerce. It is also home to Fort Lewis College, a four-year state college with approximately 3,400 students. The City has a population of 19,078 residents and encompasses 17.01 square miles. Durango is surrounded by two million acres of the San Juan National Forest. Public lands occupy over 41% of La Plata County's total acreage.

The City is a home rule city, organized under provisions of the Colorado Constitution. The City Charter, first adopted in 1912, provides for the council-manager form of local government. Policy making and legislative authority are vested in a governing council consisting of five members elected at large on a non-partisan basis to staggered four-year terms. The City Council is responsible, among other things, for passing ordinances, adopting the budget, appointing advisory and commission members, and hiring the city manager, city attorney, and municipal judge. The city manager is responsible for conducting the policies and ordinances of the City Council, overseeing the day-to-day operations of the City, and for appointing the department directors and other staff members.

The City provides a full range of services to its residents, including general government, public safety, streets maintenance, culture and recreation, transportation, planning and community development, economic development, public utilities, and public works. The City's recreation facilities and programs are utilized heavily by the residents of La Plata County, and we continue to be the largest provider of these services within the county. The City's utilities include water treatment, wastewater treatment, and solid waste disposal and recycling. The City also operates a transportation services enterprise, including a parking program covering metered spaces and several parking lots, and public transportation within the city limits.

Management includes component units in the reporting entity in conformance with GAAP. The financial statements include all funds that make up the legal entity of the "primary government", namely the City, as well as organizations for which the City is financially accountable. The City's reporting entity includes the Durango Conference Center Business Improvement District. The District is shown separately in the financial statements from the primary government. On May 5, 2020, the City Council established an Urban Renewal Authority, the Durango Renewal Partnership (the Partnership). Currently, the Partnership has initiated its first urban renewal area and is beginning to develop area plans. The City also participates in a joint venture with La Plata County. The Durango La Plata County Airport is jointly owned by the City of Durango and La Plata County and operates under an intergovernmental agreement signed by both parties. Separate financial statements are issued for the airport and it is reported as an investment in a joint venture in these financial statements.

The annual budget serves as the foundation for the City's financial planning and control. All departments of the City are required to submit requests to the city manager in August of each year for the following year's budget. The city manager then uses those requests to develop the proposed budget, typically presented to the City Council in September. The Council is required to hold a public hearing prior to the final adoption of the budget. Pursuant to the City Charter, the City Council shall adopt the final budget in a timely manner prior to the start of the ensuing budget year. Annual appropriation ordinances must also be adopted. The appropriation ordinances are prepared and adopted by the fund and in the case of capital projects and grants, by project and grant. The city manager may make transfers of appropriations within a department. Transfers of appropriations between departments and/or funds and additional appropriations require the additional approval of the City Council. Budget-to-actual comparisons are provided in this report for each individual fund for which an appropriated annual budget has been adopted. For the General Fund, this comparison is presented on page 80 as part of the Required Supplementary Information. For all other budgeted funds, these comparisons are presented in the Supplementary Information subsection, which starts on page 80.

Factors Affecting Financial Condition

The information presented in the financial statements is best understood when it is considered from the broader perspective of the environment within which the City of Durango operates.

Local economy: The City was impacted during the fiscal year ending December 31, 2022, by the ongoing effects of the coronavirus global pandemic (COVID-19). During the year, ongoing impacts most significantly involved navigating staffing constraints while maintaining a safe work environment and meeting the needs of the community. In addition, materials and supplies continued to be challenging to secure. Inflation is another residual impact remaining

from the pandemic that impacts the local and national economy. The General Fund balance actually increased $3,280,993 in 2022. For 2023, we estimate that the General Fund balance will remain flat as Council has directed spending from the general fund reserve for workforce housing efforts. The airport saw a 100% increase in passenger enplanements from 2021 to 2022 which is one of the economic indicators of tourism strength.

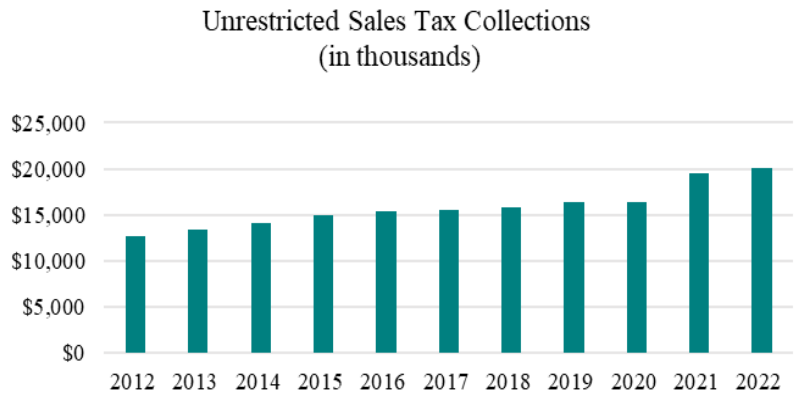
The City is the major shopping destination in a County of more than 56,000 people. The City has a mix of large national retailers, such as Wal-Mart, Office Depot, Home Depot, Ross and Tractor Supply, along with many locally owned businesses. Fort Lewis College continues to be an important community asset, adding to the area's economic stability, health, and cultural enhancement.

Downtown Durango is a regional draw and gathering place for community events such as Snowdown, Taste of Durango, Four Corners Bike Rally, Fiesta Days, Animas River Days, Noel Night, and 4th of July events and fireworks, among others. Recent positive press for the City include:

- No. 1 Most Loved Colorado Destination – *Tourism Sentiment Index*
- No. 36 Most Loved Destination Worldwide – *Tourism Sentiment Index*
- 100 Best Adventures in America on Public Lands – *Men's Journal*
- The 13 Small Towns That Are Even More Enchanting in the Winter – *Reader's Digest*
- Best Train Ride – *USA Today 10Best 2022 Reader's Choice*
- Best Rafting Tour – *USA Today 10Best 2022 Reader's Choice*
- Colorado Winter Festivals to Brighten Any Day – *The Denver Post*
- Colorado Food and Drink Festivals to Get Excited About – *The Denver Post*
- Best Colorado Towns to Live In – *uncovercolorado.com*
- 20 of the Best Festivals & Fairs in Denver & Colorado – *travelmag.com*

2022 saw a significant decrease compared to 2021 in the quantity of both commercial and residential construction permits, a 75% and 70% reduction respectively. However, the number of commercial permits in 2022 (10) has regressed closer to the historical average of 2012-2019 (8), before the economic turbulence of the Covid-19 pandemic. Residential permits fell below the historical average of 443 to 145. It is noteworthy to state that in 2021 the 485 permits were for 130 units, whereas the 145 permits in 2022 provided 185 units. Commercial permit value declined a stark 97%, whereas residential permit value only dropped 29%. The pipeline of approved projects ready for construction has enough supply to keep construction activity at high levels for the next few years. However, global, national, and regional factors, such as the price of materials, labor supply, and rising interest rates, are having and will continue to have an impact on how quickly these proposals turn into actual building permits and construction projects. These factors are likely the explanation behind the significant decline in residential and commercial permits.

City sales tax collections for 2022 increased 3% over 2021 collections. The positive increase for 2022 reflected a strong return of visitors to the community amidst the pandemic. Lodger's tax receipts increased by 44% in 2022. The city anticipates a continued positive trajectory for sales tax collections in 2023.



Based on the 2020 census, the Colorado State Demography Office reduced the estimated population slightly, approximately 2/10 of 1%. This is consistent with school enrollment in Durango 9-R schools which decreased 2.2%

this fall. Historically, the City of Durango has shown strong population growth. For the last ten years this growth has been more than 11%. The area's climate, variety of terrain and outdoor recreational opportunities, proximity to the Purgatory resort ski area, the presence of Fort Lewis College, and the "small town" appeal of Durango have all contributed to the historic sustained growth, as well as the ability for remote workers to now live and work in Durango.

The unemployment rate was 2.9% at December 31, 2022. This is slightly higher than the State and the national levels at that time.

Real estate values, as measured by the median list price increased 8%. Housing prices remain a problem for low to moderate income families. In addition to the strategic plan, discussed below, City Council has commissioned plans to resolve housing and homelessness. As part of the strategic plan, the City implemented a Housing Innovation division. The 2023 budget also includes $3.2 million for the Housing Innovation Incentive Program.

Per capita personal income remains above the national average but is lower than the amounts reported for the State of Colorado. Average weekly wages are less than those reported for both the State and nation.

Pandemic headwinds remain due to labor market inefficiencies and constrained global supply chains. Historically high inflation transpired in 2022 ending the year at 6.5%. Durango is an area that is dependent on a specific sector of the economy, tourism, and travel. Durango saw an increase in the remote workforce after the pandemic.

Long-term financial planning: in April of 2022, the City adopted its a revised strategic plan. The objectives of the plan are "*diversity, equity, inclusion; environmental resiliency and sustainability ; financial excellence and high performing government; affordability economic opportunity; enhanced livability and sense of place; and effective infrastructure network and engaged collaborative governance".* In the goal area Financial Excellence and High Performing Government, the 2023 Proposed Budget reflects movement towards budgeting for outcomes. 2023 is the first year the City will implement the Budgeting for Outcomes process to identify the various programs and services that should be funded to achieve different community outcomes in the Strategic Plan. Rather than focusing on organizational structure, Budgeting for Outcomes focuses on outcomes and results, putting the community's values and priorities first. Every funded budget item impacts at least one goal in the City's Strategic Plan. This budget also includes performance metrics bench marking against best-in-class cities. For the financial excellence and high performing government objective, the City's initiatives are:

- to adopt a fund balance reserve policy by the end of 2023;
- to develop a 10-year financial forecast for all funds;
- to develop a 10-year capital improvement financial plan; and
- to implement programs to enhance cyber security.

In the public engagement process *affordability and economic opportunity* was identified as the highest priority for the community, specifically housing, ranks highest in importance to the community. In the 2023 Budget, the housing division will add a coordinator position to increase capacity around workforce and affordable housing needs; in addition, the housing division will invest over $800,000 in housing related projects. In addition to the housing efforts, the City will in partnership with the County, Economic Development Alliance, and other community partners, continue, implementing the La Posta infrastructure investment strategy and advance annexation of certain parts of the La Posta Area. The City will leverage partnerships with private sector and non-profit entities to help shape and advance development in underutilized areas of the community for growth in the Durango Renewal Partnership- Urban Renewal Authority.

In *enhanced livability and sense of place*, the budget continues to make progress on enhancing our livability and sense of place. The City of Durango will maintain a commitment to offer an abundance of parks and recreation programs by adding frontline positions in our Parks and Recreation Budget. These positions will increase capacity of programs in Gametime, Learn to Swim, and Gymnastics. The 2023 Budget includes funding for the Public Safety Communications Accreditation Program which provides the communications center with a process to systemically review and internally assess its operations and procedures and focus on quality assurance, interoperability, emerging technologies, risk analysis, asset security, resources access, contemporary training, and a range of other operational functions. Public safety will continue the goal to improve community health and well-being by promoting a safe community where people can live, work, and play by strengthening community involvement in resident safety. The Durango Public library in 2023 will conduct ongoing research for expanding services and working as a partnership in the community.

In *diversity equity and inclusion*, the City of Durango continues its efforts to be a community that is diverse and inclusive for everyone. To support this goal City Council made Diversity, Equity, and Inclusion an all City-wide focus in 2023. The 2023 budget reflects $1.3 million dollars across departments supporting DEI efforts, ranging from translation and expansive language line resources to programs that expand accessibility and visibility to all members of our community. To serve as a model for the community, the organization will continue diversity, equity, and inclusion training into 2023 ensuring that our workforce understands the needs of our entire community while reviewing and enhancing policy development.

In *effective infrastructure network,* The Durango-La Plata County Airport experienced record-breaking travel numbers in 2022. To continue to keep up with the demand, the airport will complete many large infrastructure projects. This will allow our community to continue to thrive economically from leisure and business travel. The budget survey outlined community requests in infrastructure, specifically walkability, access and flow in multimodal. To support this the City has included multiple Capital Improvement Projects. The City will invest $7 million dollars in terminal infrastructure consistent with the 2020 Terminal Area Plan, this project includes approximately 4,400 square feet new building construction and heavy remodeling. This addition will add post-screening airline gate and holding room space, public restrooms, concessions, and utility development. Out of the Parks, Open, Space and Trails quarter cent fund, the SMART 160 project Trail East is incorporated in the 2023 budget to complete connectivity of the Animas River Trail from north side of River Road and Highway 160 intersection to the completed trail on the south of Three Springs. $3.5 million from the water construction fund will support the development of a tank project for State acceptance of clear well / auxiliary water tank, yard piping removals, relocation's and installations, valve vault and entry point to distribution, water quality monitoring structures and system controls.

In *Environmental Sustainability and Resilience,* there is a focus on reducing carbon footprint and increasing investment in electric vehicles and solar panels. In 2023, the Sustainability Programs Division will move to the City Manager's Office, moving the Sustainability function to the City Manager's Office aligns with our cross-departmental focus and the overarching strategic plan focus on Sustainability. In addition, the city will launch an essential & service worker program, offering rebates for E-bikes. Propose the next phase of expanded community compost service based on results of market study with Table to Farm Compost. The city is researching water and trash/recycle management at multifamily residences in order to identify targeted solutions for improving water conservation and increasing recycling participation.

During the 2022 Strategic Plan Refresh, City Council added *Engaged and Collaborative Governance* to support Community outreach the indicates a strong desire to preserve and cultivate a sense of place and vibrancy as Durango grows. The 2023 budget includes efforts to expand public engagement with new website platforms, focus website content to mesh with mobile users and a survey platform available to all departments.

Debt Management: The ratio of net general bonded debt to assessed valuation and the amount of general bonded debt per capita are useful indicators of the City's debt position to municipal management, citizens, and investors. The City does not have any general obligation debt outstanding.

At December 31, 2022, the City had $10,360,000 of sales and use tax revenue bonds, series 2016 and series 2017, outstanding. All required debt covenants are currently being met. Certificates of Participation were issued in the amount of $2,700,000 in 2014 for the construction of Wilson Gulch Road in Three Springs development. This road will provide the impetus for future commercial development in the area. There was $1,835,000 outstanding on the Wilson Gulch Road loan as of December 31, 2022. In addition, an additional $4,000,000 was borrowed in 2013 to secure water rights and water storage for many years to come. There was $2,328,034 outstanding at December 31, 2022 and this loan is being repaid by the Water Fund. In 2016, the City borrowed $62,200,000 to construct a new water reclamation facility. The Sewer Fund is repaying this loan. On December 31, 2022 $45,373,599 was outstanding. In 2022, having completed the construction project without drawing the total of the zero percent interest loan, the City rescinded the remaining loan proceeds and the debt was canceled by CWRPDA.

The City has two defined benefit plans which were open to police officers and firefighters hired prior to April 8, 1978. These are known as the Old Hire Plans. Effective in 2021 financial reporting, the discount rate was reduced from 7.5% to 4.5% The pension liability for the two plans for 2022 was $3.2 million. The City’s annual required combined contribution was $3.2 million in 2022.

Major Initiatives: The City continues to work toward financial sustainability. In 2023, as well as in the 2022 budget, major initiatives are set forth to take the city into the future. Infrastructure maintenance and building up fund balance in all funds continue to be a top priority. Recognizing the value of our employees continues to be an important aspect of our budget as well as customer service and citizen engagement. As we strive toward progress to achieve these goals and initiatives, we continue to meet existing financial goals and objectives as part of the overall effort.

Awards and Acknowledgments

The Government Finance Officers Association of the United States and Canada (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to the City of Durango for its annual comprehensive financial report (ACFR) for the fiscal year ended December 31, 2021. In order to be awarded a Certificate of Achievement, a government unit must public an easily readable and efficiently organized ACFR. This report must satisfy both generally accepted accounting principles and applicable legal requirements.

A Certificate of Achievement is valid for a period of one year only. We believe our current annual comprehensive financial report continues to meet the Certificate of Achievement Program's requirements, and we plan on submitting it to the GFOA to determine its eligibility for another certificate.

The preparation and completion of this report could not have been accomplished without the dedication and efficiency of the dedicated service of the employees of the Finance Department. Each member of the department has our sincere appreciation for the contributions made in the preparation of this report. This report is a tribute to our accounting staff, who worked long and hard in preparing the support information and financial statements for this report. I would like to express my appreciation to Eide Bailly LLC, the firm that serves as the City's external auditors. Credit must also be given to the City Council for their unfailing support for maintaining the highest standards of professionalism in the management of the City of Durango's finances.

Respectfully submitted,



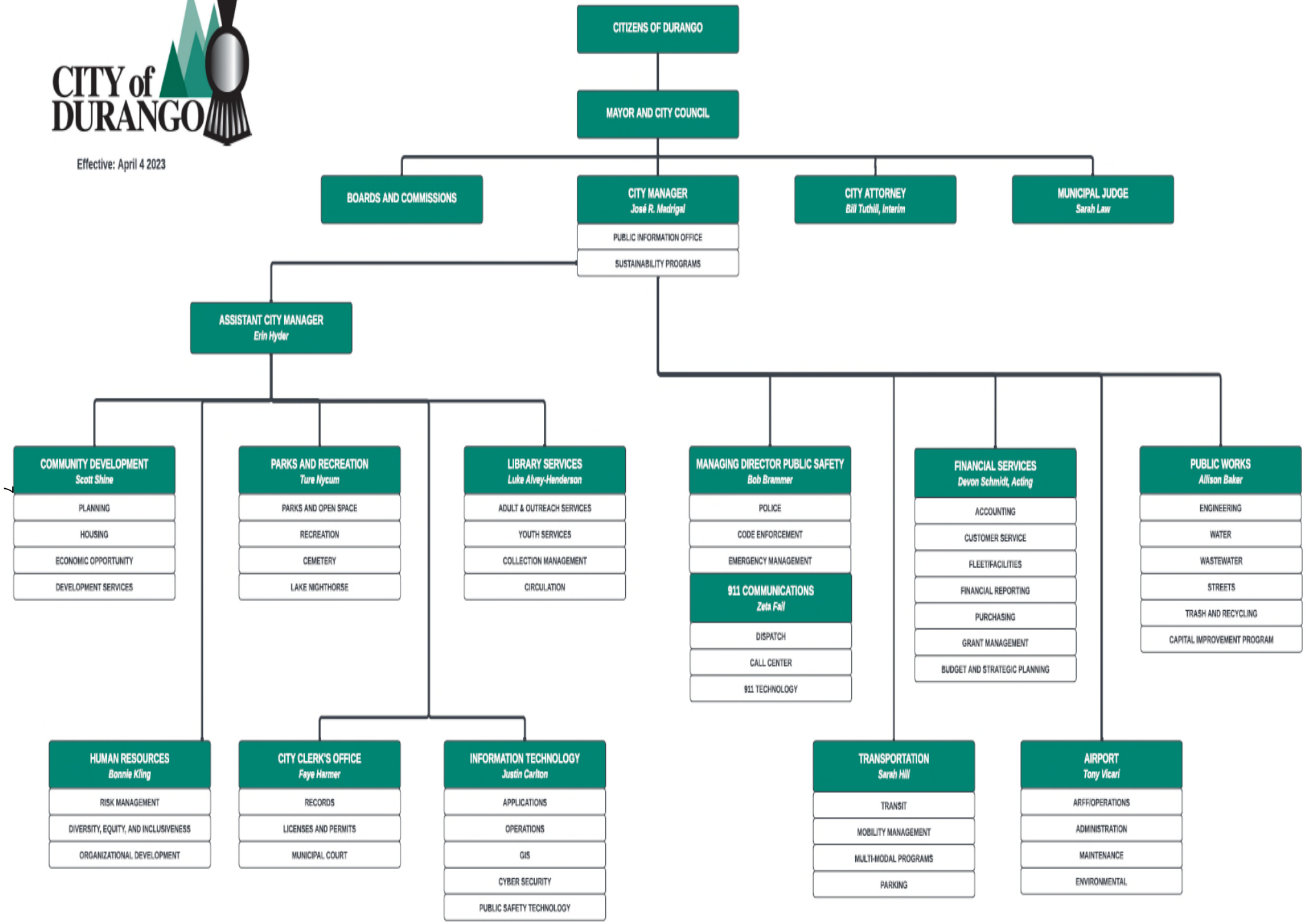
José Madrigal
City Manager



Devon Schmidt
Acting Chief Financial Officer

CITY of DURANGO

Effective: April 4 2023



Government Finance Officers Association

Certificate of Achievement for Excellence in Financial Reporting

Presented to

City of Durango
Colorado

For its Annual Comprehensive
Financial Report
For the Fiscal Year Ended

December 31, 2021

Christopher P. Morrill

Executive Director/CEO

City of Durango, Colorado
List of Elected and Appointed Officials
As of December 31, 2022

Elected Officials - City Council

Barbara Noseworthy	Mayor
Melissa Youssef	Mayor Pro Tem
Jessika Buell	Councilor
Olivier Bosmans	Councilor
Kim Baxter	Councilor

Council Appointed Officials

José Madrigal	City Manager
Bill Tuthill	Interim City Attorney
Sarah Law	Municipal Judge

Department Directors

Allison Baker	Public Works Director
Bob Brammer	Managing Director Public Safety/Police Chief
Justin Carlton	Information Services Director
Zeta Fail	911 Director
Faye Harmer	City Clerk
Luke Alvey-Henderson	Library Director
Sarah Hill	Transportation Director
Erin Hyder	Assistant City Manager
Bonnie Kling	Human Resources Director
Ture Nycum	Parks and Recreation Director
Scott Shine	Director of Community Development
Cynthia Sneed	Finance Director
Tony Vicari	Aviation Director


CITY of
DURANGO

FINANCIAL SECTION


CITY of
DURANGO

EideBailly

CPAs & BUSINESS ADVISORS

Independent Auditor's Report

To the Honorable Mayor and Members of the City Council
City of Durango, Colorado

Report on the Audit of the Financial Statements

Opinions

We have audited the financial statements of the governmental activities, the business-type activities, the discretely presented component unit, each major fund, and the aggregate remaining fund information of the City of Durango (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, the discretely presented component unit, 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) and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States *(Government Auditing Standards)*. 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.

Adoption of New Accounting Standard

As discussed in Note 1 to the financial statements, the City has adopted the provisions of Government Accounting Standards Board (GASB) Statement No. 87, *Leases*, for the year ended December 31, 2022. Our opinions are not modified with respect to this matter.

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of the 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 and *Government Auditing Standards* will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

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

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

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

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis, schedule of changes in net pension liability (asset) and related ratios-old hire fire plan, schedule of changes in net pension liability (asset) and related ratios-old hire police plan, schedule of pension contributions-old hire fire plan, schedule of pension contributions-old hire police plan, and the schedule of revenues, expenditures and changes in fund balances – budget and actual general fund as identified in the table of contents, be presented to supplement the basic financial statements. Such information is the responsibility of management and, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board 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.

Supplementary Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the City's basic financial statements. The combining and individual nonmajor fund financial statements, and other budgetary schedules are presented for purposes of additional analysis and are not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with GAAS. In our opinion, the combining and individual nonmajor fund financial statements and other budgetary schedules are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

Other Information

Management is responsible for the other information included in the annual report. The other information comprises the introductory section, statistical section, and local highway finance report but does not include the basic financial statements and our auditor's report thereon. Our opinions on the basic financial statements do not cover the other information, and we do not express an opinion or any form of assurance thereon.

In connection with our audit of the basic financial statements, our responsibility is to read the other information and consider whether a material inconsistency exists between the other information and the basic financial statements, or the other information otherwise appears to be materially misstated. If, based on the work performed, we conclude that an uncorrected material misstatement of the other information exists, we are required to describe it in our report.

Report on Summarized Comparative Information

We have previously audited the City's 2021 financial statements, and we expressed unmodified audit opinions on the respective financial statements of the governmental activities, the business-type activities, the discretely presented component unit, each major fund, and the aggregate remaining fund information in our report dated September 14, 2022. In our opinion, the summarized comparative information presented herein as of and for the year ended December 31, 2021 is consistent, in all material respects, with the audited financial statements from which it has been derived.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated July 19, 2023 on our consideration of the City's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the City's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the City's internal control over financial reporting and compliance.

Ede Bailly LLP

Denver, Colorado
July 19, 2023

MANAGEMENT'S DISCUSSION AND ANALYSIS

Within this section of the City of Durango, Colorado (the City) annual financial report, the City's management is pleased to provide this narrative discussion and analysis of the financial activities of the City for the fiscal year ended December 31, 2022. The City's financial performance is discussed and analyzed within the context of the accompanying financial statements and disclosures following this section.

Financial Highlights

- The City's assets and deferred outflows of resources exceeded its liabilities and deferred inflows of resources by $388,451,876 (net position) for the fiscal year reported.

- Total net position is comprised of the following:

  (1) Net investment in capital assets of $271,611,724 include property, plant, and equipment, net of accumulated depreciation, and reduced for outstanding debt related to the purchase or construction of capital assets.
  (2) Net position of $15,826,597 are restricted by constraints imposed from outside the City such as debt covenants, grantors, laws, or regulations.
  (3) Unrestricted net position of $101,013,555 represent the portion available to maintain the City's continuing obligations to citizens and creditors.

- The City's governmental funds reported total ending fund balance of $49,276,706 this year. This compares to the prior year ending fund balance of $34,828,227 showing an increase of $14,448,479 during the current year.

- At the end of the current fiscal year, unassigned and assigned fund balance for the General Fund was $20,949,055, or 46% of total General Fund expenditures and other financing uses.

The above financial highlights are explained in more detail in the "financial analysis" section of this document.

Overview of the Financial Statements

This Management Discussion and Analysis document introduces the City's basic financial statements. The basic financial statements include: (1) government-wide financial statements, (2) fund financial statements, and (3) notes to the basic financial statements. The City also includes in this report additional information to supplement the basic financial statements. Comparative data is presented where available.

Government-wide Financial Statements

The City's annual report includes two government-wide financial statements. These statements provide both long-term and short-term information about the City's overall financial status. Financial reporting at this level uses a perspective similar to that found in the private sector with its basis in accrual accounting and elimination or reclassification of activities between funds.

The first of these government-wide statements is the *Statement of Net Position.* This is the government-wide statement of position presenting information that includes all of the City's assets and deferred outflows of resources and liabilities and deferred inflows of resources, with the difference reported as *net position.* Over time, increases or decreases in net position may serve as a useful indicator of whether the financial position of the City as a whole is improving or deteriorating. Evaluation of the overall health of the City would extend to other nonfinancial factors such as diversification of the taxpayer base or the condition of City infrastructure, in addition to the financial information provided in this report.

The second government-wide statement is the *Statement of Activities,* which reports how the City's net position changed during the current fiscal year. All current year revenues and expenses are included regardless of when cash is received or paid. An important purpose of the design of the statement of activities is to show the financial reliance of the City's distinct activities or functions on revenues provided by the City's taxpayers. Both government-wide financial statements distinguish governmental activities of the City that are principally supported by sales taxes and from business-type activities that are

intended to recover all or a significant portion of their costs through user fees and charges. Governmental activities include general government, public safety, public works, parks and recreation, library, community services and economic development. Business-type activities include the water and sewer systems, solid waste, parking and transit.

The government-wide financial statements are presented on pages 30 through 31 of this report.

Fund Financial Statements

A fund is an accountability unit used to maintain control over resources segregated for specific activities or objectives. The City uses funds to ensure and demonstrate compliance with finance-related laws and regulations. Within the basic financial statements, fund financial statements focus on the City's most significant funds rather than the City as a whole. Major funds are separately reported while all others are combined into a single, aggregated presentation. Individual fund data for nonmajor funds is provided in the form of combining statements in a later section of this report.

The City has three kinds of funds:
Governmental funds are reported in the fund financial statements and encompass the same functions reported as governmental activities in the government-wide financial statements. However, the focus is very different with fund statements providing a distinctive view of the City's governmental funds. These statements report short-term fiscal accountability focusing on the use of spendable resources and balances of spendable resources available at the end of the year. They are useful in evaluating annual financing requirements of governmental programs and the commitment of spendable resources for the near-term.

Since the government-wide focus includes the long-term view, comparisons between these two perspectives may provide insight into the long-term impact of short-term financing decisions. Both the governmental fund balance sheet and the governmental fund operating statement provide a reconciliation to assist in understanding the differences between these two perspectives.

The basic governmental fund financial statements are presented on pages 32 through 35 of this report. Individual fund information for nonmajor governmental funds is found in combining statements in the supplementary section of this report.

Proprietary funds are reported in the fund financial statements and generally report services for which the City charges customers a fee. The City maintains two different types of proprietary funds. *Enterprise funds* are used to report the same functions presented as business-type activities in the government-wide financial statements. The City uses enterprise funds for its water and sewer systems, sustainable services, and parking and transit. *Internal service funds* are an accounting device used to accumulate and allocate costs internally among the City of Durango's various functions. The City of Durango uses internal service funds to account for its warehouse, fleet, risk management and insurance functions. Because these four services benefit both governmental and business-type activities, they have been included within governmental and business-type activities.

The basic enterprise fund financial statements are presented on pages 36 through 38 of this report. Individual fund information for nonmajor enterprise funds are found in the combining statements in the supplementary section of this report.

Notes to the Basic Financial Statements

The accompanying notes to the financial statements provide information essential to a full understanding of the government-wide and fund financial statements. The notes to the financial statements begin on page 40 of this report.

Required Supplementary Information

In addition to the basic financial statements, this report also presents certain required supplementary information (RSI) on the City's schedule of employer net pension liability and related ratios, changes in net pension liability, the employer contributions and investment returns for the Old Hire Police and Fire Plans. Included in RSI is a budgetary comparison schedule for the general fund. Budgetary comparison schedules for all other governmental funds can be found in a later section of this report. These statements and schedules demonstrate compliance with the City's adopted and final revised budget. Required supplementary information is on pages 75 to 80 of this report.

Supplementary Information

As discussed, the City reports major funds in the basic financial statements. Combining and individual statements and schedules for nonmajor funds can be found in the supplementary section of this report beginning on page 84 and ending on 161.

Government-wide Financial Analysis

As noted earlier, net position may serve over time as a useful indicator of a government's financial position. The City's assets and deferred outflows of resources at fiscal year-end exceeded liabilities and deferred inflows of resources by $388,451,876. The following table provides a summary of the City's net position:

Statement of Net Position

	Governmental Activities		Business-Type Activities		Total	
	2022	**2021**	**2022**	**2021**	**2022**	**2021**
Assets:						
Current and other assets	$ 107,712,972	$ 80,190,186	$ 29,119,237	$ 28,857,087	$ 136,832,209	$ 109,047,273
Capital assets	190,897,584	195,962,020	141,107,503	143,027,458	332,005,087	338,989,478
Total assets	298,610,556	276,152,206	170,226,740	171,884,545	468,837,296	448,036,751
Deferred Outflows of Resources						
Loss on refunding	(23,771)	255,771	-	-	(23,771)	255,771
Related to pensions	429,157	438,502	-	-	429,157	438,502
Total Deferred Outlfow of Resources	405,386	694,273	-	-	405,386	694,273
Liabilities:						
Other liabilities	9,005,573	7,017,814	4,230,559	595,999	13,236,132	7,613,813
Long-term liabilities	17,850,003	19,521,990	45,228,333	53,376,416	63,078,336	72,898,406
Total liabilities	26,855,576	26,539,804	49,458,892	53,972,415	76,314,468	80,512,219
Deferred inflows of resources						
Property taxes	2,938,338	2,931,452	-	-	2,938,338	2,931,452
Deferred inflows of resources	1,445,911	-	-	-	1,445,911.00	
Related to pensions deferred inflows	92,088	162,597	-	-	92,088	162,597
Total deferred inflows of resources	4,476,337	3,094,049	-	-	4,476,337	3,094,049
Net position:						
Net investments in capital assets	178,280,480	181,356,264	93,331,244	93,005,512	271,611,724	274,361,776
Restricted	15,477,111	11,101,885	349,486	-	15,826,597	11,101,885
Unrestricted	73,926,438	54,469,633	27,087,117	24,906,618	101,013,555	79,376,251
Total net position	$ 267,684,029	$ 246,927,782	$ 120,767,847	$ 117,912,130	$ 388,451,876	$ 364,839,912

By far the largest portion of the City's net position 69.92% reflects its investment in capital assets, including infrastructure, less any related debt used to acquire those assets that is still outstanding. The City of Durango uses these capital assets to provide services to citizens; consequently, these assets are not available for future spending. Although the City of Durango's investment in its capital assets is reported net of related debt, it should be noted that the funds needed to pay the annual debt service must be provided from other sources, since the capital assets themselves cannot be used to pay the debt.

At the end of the current fiscal year, the City of Durango is able to report positive balances in the government as a whole, as well as for both its governmental activities and business-type activities. Activities showed positive growth. Net position increased by $20,756,247 for governmental activities. The City's overall financial position improved during fiscal year 2022.

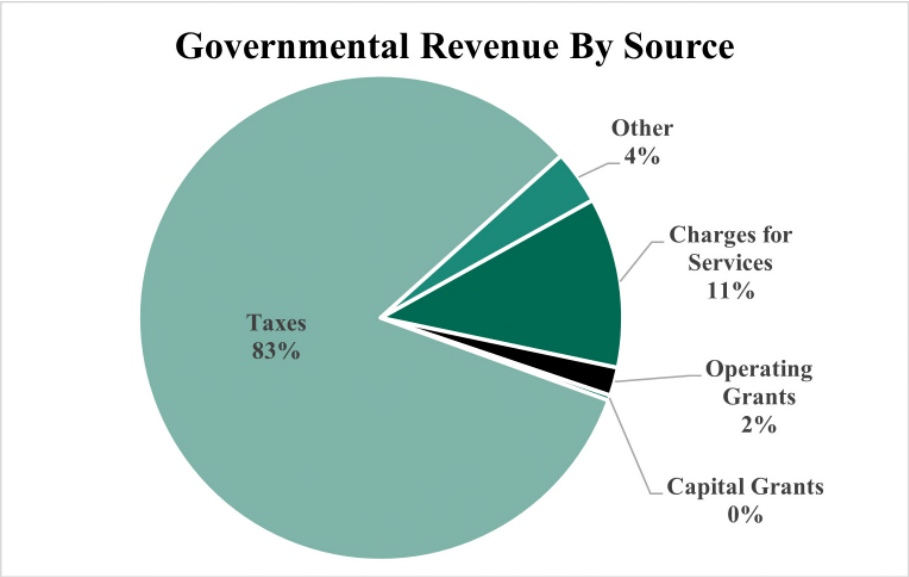
The following table provides a summary of the City's changes in net position:

Summary of Changes In Net Position

	Governmental Activities		Business-type Activities		Total	
	2022	**2021**	**2022**	**2021**	**2022**	**2021**
Revenues:						
Program:						
Charges for services	$ 8,160,420	$ 8,467,445	$ 19,477,365	$ 20,721,268	$ 27,637,785	$ 29,188,713
Joint venture airport	7,691,041	469,820	-	-	7,691,041	469,820
Operating grants	2,201,593	503,026	27,762	102,041	2,229,355	605,067
Capital grants	243,924	1,080,982	2,829,386	2,015,087	3,073,310	3,096,069
General:						
Taxes	58,306,384	52,157,579	-	-	58,306,384	52,157,579
Other	4,100,795	3,026,654	947,447	713,707	5,048,242	3,740,361
Total revenues	80,704,157	65,705,506	23,281,960	23,552,103	103,986,117	89,257,609
Program Expenses:						
General government	20,384,036	10,475,430	-	-	20,384,036	10,475,430
Public safety	16,810,822	20,552,848	-	-	16,810,822	20,552,848
Public works	3,680,950	7,507,837	-	-	3,680,950	7,507,837
Parks and recreation	11,457,545	8,164,467	-	-	11,457,545	8,164,467
Library	2,586,645	2,784,402	-	-	2,586,645	2,784,402
Community services	1,657,463	1,581,703	-	-	1,657,463	1,581,703
Economic development	616,970	629,607	-	-	616,970	629,607
Non-departmental	1,510,101	2,337,808	-	-	1,510,101	2,337,808
Interest	395,806	417,616	-	-	395,806	417,616
Water	-	-	5,627,737	5,541,113	5,627,737	5,541,113
Sewer	-	-	7,945,419	8,739,271	7,945,419	8,739,271
Sustainable services	-	-	3,023,135	2,937,392	3,023,135	2,937,392
Parking and transit	-	-	4,677,524	4,218,495	4,677,524	4,218,495
Total expenses	59,100,338	54,451,718	21,273,815	21,436,271	80,374,153	75,887,989
Excess	21,603,819	11,253,788	2,008,145	2,115,832	23,611,964	13,369,620
Transfers	(847,572)	(477,417)	847,572	477,417	-	-
Change in net position	20,756,247	10,776,371	2,855,717	2,593,249	23,611,964	13,369,620
Beginning net position	246,927,782	236,151,411	117,912,130	115,318,881	364,839,912	351,470,292
Ending net position	$ 267,684,029	$ 246,927,782	$ 120,767,847	$ 117,912,130	$ 388,451,876	$ 364,839,912

GOVERNMENTAL REVENUES

The City is heavily reliant on sales and use taxes to support governmental operations. City sales and use taxes account for 53.5% of the revenues for governmental activities. This is an increase of 3% over fiscal year 2021 and may be the result of COVID-19 pandemic where certain types of retailers saw an increase in sales. Sales and use taxes increased almost $2,074,655 from the taxes collected in 2021. The City increased the sales and use tax rate from 3.0% to 3.5% effective April 2, 2019. The increased revenue from the additional tax is restricted by voter authorization. Because of the City's healthy financial position, we have been able to earn $740,087 in interest earnings to support governmental activities related to the Federal Reserve raising interest rates in 2022. Program revenues covered 31.0% of governmental operating expenses in 2022. This means that the government's taxpayers and the City's other general revenues funded the balance of the governmental activities. As a result, the general economy and the local businesses have a major impact on the City's revenue streams. Program revenues for fiscal 2022 covered the same percentage of governmental operating expenses in 2021. The graph below shows governmental revenues by source:



GOVERNMENTAL FUNCTIONAL EXPENSES

Public safety comprises 20.9% of the City's total expenses and 28.4% of the total governmental expenses. Parks and recreation makes up 13.7% of the total expenses and 19.4% of the total governmental expenses. General government and public works are 14.4% of total expenses. While most expense categories were similar to last year, parks and recreation and public works changed significantly.

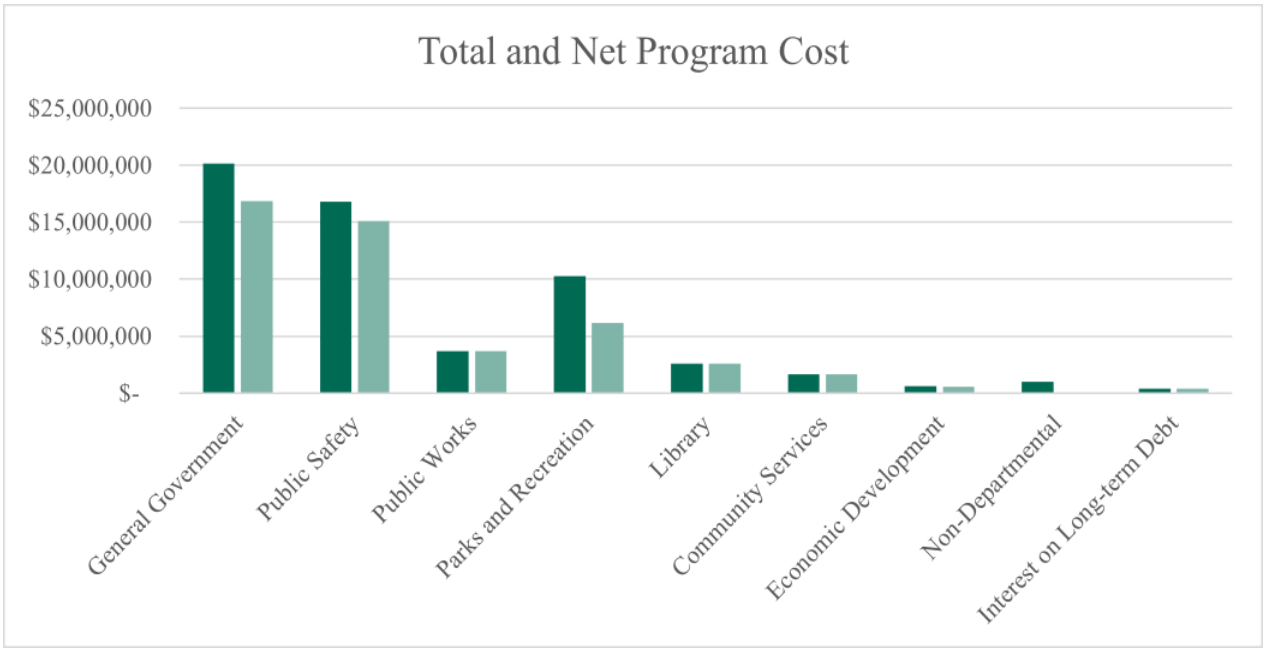
The overall increase in governmental expenses was 8% over the prior fiscal year. In 2022, the efforts to return to regular operations along with staffing challenges are likely causes of the nominal increase.

The following table presents the cost of each of the City's programs, including the net costs (i.e., total cost less revenues generated by the activities). The net costs illustrate the financial burden that was placed on the City's taxpayers by each of these functions.

Governmental Activities

	Total Cost of Services	Percentage of Total	Net Cost of Services	Percentage of Total
General government	$ 20,384,036	34.5%	$ 16,207,079	33.4%
Public safety	16,810,822	28.4%	15,089,591	31.1%
Public works	3,680,950	6.2%	3,679,450	7.6%
Parks and recreation	11,457,545	19.4%	7,315,561	15.1%
Library	2,586,645	4.4%	2,583,848	5.3%
Community services	1,657,463	2.8%	1,657,463	3.4%
Economic development	616,970	1.0%	571,447	1.2%
Non-departmental	1,519,142	2.6%	994,156	2.1%
Interest on long-term debt	395,806	0.7%	395,806	0.8%
Total	$ 59,109,379	100.0%	$ 48,494,401	100.0%

The parks and recreation function has the best cost recovery at 40% as shown in the graph below. Recreation center fees and recreation program revenues are set to recover approximately 90% of the expenses for the center and recreation programs. The City received more in the form of operating grants and less in the form of contributions and capital grants and developer contributions in 2022. While these program revenues can vary in any given years, the corresponding acquisition of assets does not appear as a program expense. For that reason, program revenues can fluctuate dramatically from year to year depending on the amount of capital grants and contributions received.

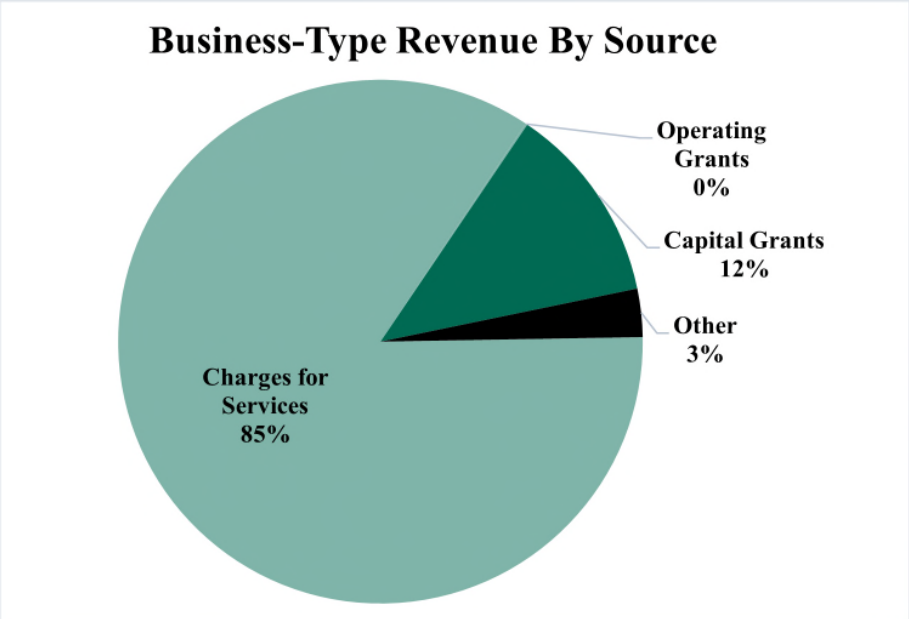


BUSINESS -TYPE ACTIVITIES

For the year ending December 31,2022 the City reported all enterprise funds as major funds. Business-type activities increased the City's net position by $2,855,717. Key elements of business-type activities net position are as follows:

The operating revenues for all of the enterprise funds were 4% greater than 2021, due to the changes in the water rates and operating expenses were 9% more than 2021. Within the total business type activities of the City, these activities reported an operating income of $618,541 compared to an operating income of $324,505 for the prior year. Non-operating revenue increased by $943,046 over 2021. Capital contributions for 2022 were $712,262. This is a decrease of 787,516 from 2021. Capital contributions include developer contributions of capital assets, capital grants, and plant investment fees.

As the graph below displays, the business-type activities rely on fees to pay operating costs. This is in stark contrast to the governmental activities.



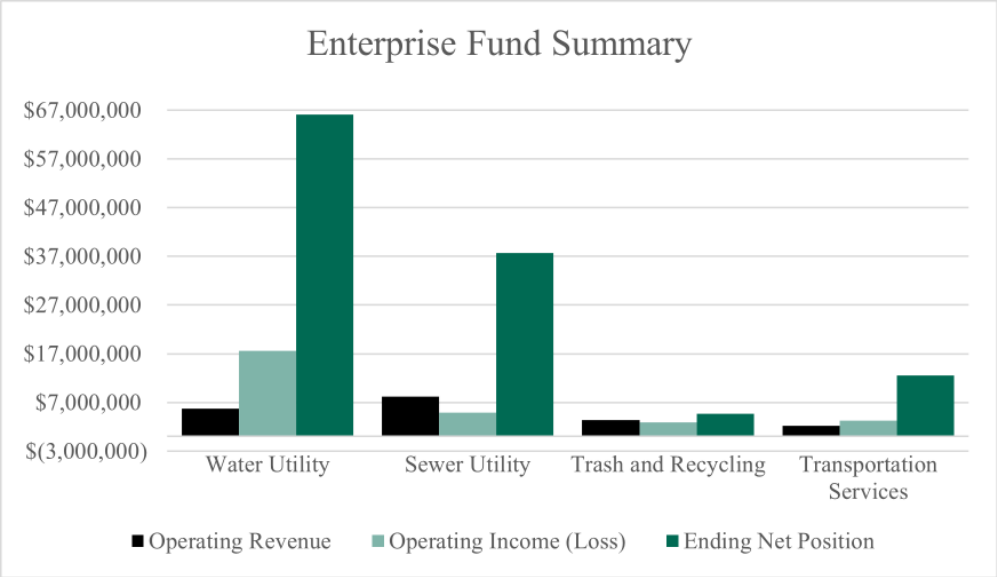
The water utility accounts for approximately 29.0% of operating revenues and 27.1% of operating expenses. This utility reported a net increase in net position of $855,730. The water utility had operating income of $202,093 and capital contributions of approximately $492,174.

For the sewer utility fund, operating expenses decreased 10.1% over the prior year. Operating revenues saw an increase of 2.2% over the prior year. Net operating income for 2022 was $1,213,817 in comparison to $324,966 in 2021.

Trash and recycling made up 17.6% of operating revenues compared to 16.4% of operating expenses. The fund produced operating income of $391,774 and showed an improved net position by $435,267.

Transportation comes in at 11.4% of operating revenues of all funds with 23.1% of combined operating expenses. This operation had a negative operating income of $2,426,225 which was offset by significant non-operating revenue of $2,379,196 and transfers in of $847,572 . The resulting change in net position for Transportation Services is up by $845,456 .

The next graph shows the relative size of the funds that make up the Enterprise Funds:



Financial Analysis of the City's Funds

Governmental Funds

As discussed, governmental funds are reported in the fund statements with a short-term, inflow and outflow of spendable resources focus. This information is useful in assessing resources available at the end of the year in comparison with upcoming financing requirements. Governmental funds reported ending fund balances of $49,276,706. Of this year-end total, approximately $38,459,804 is restricted, committed or assigned fund balance, approximately $12,282,791 of that amount in the general fund with the remainder of $26,177,013 in the grants funds and other governmental funds.

The total ending fund balances of governmental funds show an increase of $14,448,479 over the prior year. This increase is primarily the result of the events and programs in the General Fund.

Major Governmental Funds

The General Fund:
The General Fund is the City's primary operating fund and the largest source of day-to-day service delivery. The General Fund's fund balance increased by $3,280,993. In fiscal year 2021, the fund balance increased by $4,537,405 .

Total revenues for 2022 were $47,202,763, an increase of $2,726,916 or 5.8% over 2021. The City's sale and use taxes both increased but were slighty to the prior year. The remaining revenue sources were comparable with the prior year.

Expenditures for 2022 were $45,624,064, an increase of less than 2% over fiscal 2021. This reflects a return to standard service levels as the City had cut costs as a result of COVID-19 pandemic and increased costs reflect the return to regular operations.

General government expenditures increased approximately 13.6% overall when compared to the previous year.

Total public safety actual expenditures saw an increase in expenditure over the previous year of 3.8%. This function includes police services, the communication center and the city's contract for fire and rescue services. Police services increased expenditures by 8.3% over the prior year. Fire services decreased by 0.3 % over the previous year.

Public works expenditures increased 28% as compared to 2021. Parks and Recreation expenditures increased 17.1% over last year.

Non-departmental expenditures increased slightly in 2022 as compared to 2021. Buildings and plant account for over 27.4% of the expenditures in this division. Maintenance costs and utility charges for all general city buildings continue to affect expenditures.
The general fund transfered $874,696 to other funds. This amount fluctuates based on available resources in any given year and staff's ability to administer additional projects.

The Proprietary Funds

The proprietary fund statements share the same focus as the government-wide statements, reporting both short-term and long-term information about financial status.

Budgetary Highlights

The General Fund – Budget amendments increased the original revenue budget by 2.4% during 2022. Overall revenue did come in $85,112 lower for the 2022 year. The majority of revenue categories had unfavorable budget variances over final budget estimates. The largest of these was charges for services which had a negative budget variance of 14.7% due to continued impacts of the COVID-19 Pandemic. All categories combined for 0.2% positive variance under the final 2022 budget or 99% accurate.

Investment earnings increased signifagantly from original estimates because of higher than anticipated interest rates and the increase in revenues resulting in more funds to invest.

Budget amendments increased the original expenditure budget by 4.2% during 2022. Total amendments to the expenditures budget were $1,149,364.

The final general fund budget for expenditures had a favorable variance of $2,783,689 . The City spent approximately 7.6 % less than what was budgeted. This was due to difficulty in the labor market locally and nationally resulting in savings in those areas due to non-hiring and major supply chain disruptions.

Capital Assets and Debt Administration

Capital Assets

The City's net investments in capital assets, for governmental and business-type activities as of December 31, 2022, was $178,280,480 and $93,331,244 . The net capital assets for the internal service funds are reported with the governmental activities on the statement of net position. The total decrease in the net investment was 2.9% for governmental activities and a 3.1 % decrease for business-type activities. See Note 3-D for additional information about changes in capital assets during the fiscal year and outstanding at the end of the year. The following table provides a summary of capital asset activity.

Capital Assets

	Governmental Activities		Business Activities		Total	
	2022	**2021**	**2022**	**2021**	**2022**	**2021**
Non-depreciable assets:						
Land	$ 31,996,676	$ 31,757,350	$ 5,476,387	$ 5,476,387	$ 37,473,063	$ 37,233,737
Water rights	-	-	5,870,232	5,870,232	5,870,232	5,870,232
Construction in progress	2,420,147	3,494,465	2,617,910	411,527	5,038,057	3,905,992
Total non-depreciable	34,416,823	35,251,815	13,964,529	11,758,146	48,381,352	47,009,961
Depreciable assets:						
Buildings	48,576,789	48,851,094	87,805,090	88,005,090	136,381,879	136,856,184
Improvements	14,811,101	14,419,724	-	-	14,811,101	14,419,724
Equipment	26,719,077	26,253,001	10,504,698	9,961,899	37,223,775	36,214,900
Infrastructure	253,075,474	248,664,078	79,965,283	79,490,153	333,040,757	328,154,231
Total depreciable assets	343,182,441	338,187,897	178,275,071	177,457,142	521,457,512	515,645,039
Less accumulated depreciation	187,114,153	177,477,692	51,132,098	46,187,831	238,246,251	223,665,523
Book value - depreciable assets	156,068,288	160,710,205	127,142,973	131,269,311	283,211,261	291,979,516
Percentage depreciated	55%	50%	29%	27%	46%	42%
Total book value	$ 190,485,111	$ 195,962,020	$ 141,107,502	$ 143,027,457	$ 331,592,613	$ 338,989,477
Total right to use leased assets being amoritized	496,826	-	-	-	496,826	-
Total accumlated amoritzation	84,353	-	-	-	84,353	-
Net right ot use leased assets	412,473	-	-	-	412,473	-
Total capital assets, net	$ 190,897,584	$ -	$ -	$ -	$ 332,005,086	$ -

At December 31, 2022, the depreciable capital assets for governmental activities were 55% depreciated. This is comparable to the December 31, 2021 percentage. This comparison indicates that the City is replacing its assets at a comparable rate as they are depreciating which is a positive indicator.

With the City's business type activities, 29% of the depreciable capital assets were depreciated at December 31, 2022 comparable to the same percentage at December 31, 2021.

Overall, the City's capital assets are depreciated at approximately 42%, which demonstrates the City's continuing investment in capital.

Long-term Debt

At the end of the fiscal year, the City had total certificates of participation and notes outstanding of $12,195,000. This debt is for the Florida Road, and a new public library.

After a sucessful election 2012, the City obtained a long term loan from Colorado Water Resources and Power Development Authority in the amount of $4,000,000 to purchase water storage and rights for the Water Fund. The term of the loan is 20 years with an interest rate of 1.95%. The city retired principal in the amount of $197,968 in 2022.

After another sucessful election, the City received two loans from the Colorado Water Resources and Power Development in 2016 in the amount of $62,200,000 to fund the construction of the Wastewater Treatment Facility. Of this debt $2,438,774 was retired in 2022.

The following table provides a summary of long-term debt activity.

Outstanding Borrowings

	Governmental Activities		Business-type Activities		Totals		% Change
	2022	2021	2022	2021	2022	2021	
2014 Certificates of Participation	$ 1,835,000	$ 1,955,000	$ -	$ -	$ 1,835,000	$ 1,955,000	-5%
2016 Sales and Use Refunding Note	3,400,000	4,485,000	-	-	3,400,000	4,485,000	-16%
2017 Sales and Use Refunding Note	6,960,000	8,030,000	-	-	6,960,000	8,030,000	-10%
CWRPDA Loan-Water	-	-	2,328,034	2,526,002	2,328,034	2,526,002	-7%
CWRPDA Loan-Sewer	-	-	44,431,609	46,870,383	44,431,609	46,870,383	-10%
CWRPDA Loan-Sewer 0% Interest	-	-	-	1,937,500	-	1,937,500	-5%
Bond Premium Ammortization	-	-	941,990	1,000,864	941,990	1,000,864	-10%
Compensated absences	2,096,194	1,812,963	420,884	320,072	2,517,078	2,133,035	7%
Total	$ 14,291,194	$ 16,282,963	$ 48,122,517	$ 52,654,821	$ 62,413,711	$ 68,937,784	

See Note 3-H for additional information about the City's long-term debt.

Economic Conditions and Next Year's Budget

Financially, 2022 showed increases over previous years. Lodgers' tax, which is one of the economic indicators for tourism rebounded going up by 44.0 % controlled for a rate adjustment authorized by voters in spring of 2021.

The City, being a major shopping destination in the county as well as a regional tourism destination, has reaped the benefits of population growth and visitation in the form of increased sales tax collections over the past ten years. The area's climate, variety of terrain and outdoor recreational opportunities, proximity to the Purgatory ski area, the presence of Fort Lewis College, and the "small town" appear of Durango have all contributed to the sustained growth. Downtown Durango continues to be a regional draw and gathering place for community events.

An issue that faces many residents of Durango is the high cost of housing. Real estate values as measured by the median list price per square foot increased by 22.9% from December 2021 through December of 2022 (Source: Realtor.com, Housing Inventory: Median Listing Price per Square Feet in Durango, CO (CBSA)). This also is demonstrated by median gross rent of $2,425 which is higher than the National average. The City has developed a Housing Innovation Department in 2021 and staffed that department successfully in the 2022 year in an effort to work on the issue.

Economically the City and La Plata County has a higher median household income of $75,089 which is higher than the national average, but it is lower than the State of Colorado. Continued growth and balancing the needs of our existing residents and visitors are critical to the continued success of our community. Over the past two years, the global economic environment has faced many headwinds associated with the effects of the pandemic. The impacts transcend locally, the economic data and lasting impacts of the pandemic continue to make it extremely difficult to build an annual budget. The pandemic brought several economic issues that affect the City operations and citizens including supply chain disruptions, workforce shortages, high inflation and fuel prices. In 2022, inflation reached a 40-year high and is expected to curtail in the middle of 2023. The 2023 budget was assembled with these challenges in mind, while continuing to be guided by the City's mission, vision, values, goals and align with the strategic plan to continue to foster a culture of innovation.

Contacting the City's Financial Management

This financial report is designed to provide a general overview of the City's finances, comply with finance-related laws and regulations, and demonstrate the City's commitment to public accountability. If you have questions about this report or would like to request additional information, contact the City's Finance Director at the City, 949 E. Second Avenue, Durango, CO 81301.


CITY of
DURANGO

FINANCIAL SECTION

City of Durango, Colorado
Statement of Net Position
December 31, 2022

	Governmental Activities	Business-Type Activities	Total	Component Unit
Assets				
Cash and cash equivalents (Note 3-A)	$ 58,612,404	$ 26,447,124	$ 85,059,528	$ 244,337
Receivables:				
Accounts	4,044,969	1,961,711	6,006,680	-
Leases	1,476,494	-	1,476,494	-
Sales taxes	4,153,067	-	4,153,067	-
Property taxes	2,938,338	-	2,938,338	254,233
Franchise taxes	78,977	-	78,977	-
Lodgers taxes	237,299	-	237,299	-
Interest	308,710	349,486	658,196	-
Notes	-	92,807	92,807	-
Internal	277,389	(277,389)	-	-
Inventory	431,208	196,012	627,220	-
Prepaid items	10,000	-	10,000	500
Restricted assets (Note 3-A)	-	349,486	349,486	-
Investment in joint venture (Note 4-C)	35,144,117	-	35,144,117	-
Capital Assets (Note 3-D)				
Nondepreciable capital assets	34,416,823	13,964,530	48,381,353	-
Depreciable capital assets, net	156,068,288	127,142,973	283,211,261	922
Right to use leased assets, net	412,473	-	412,473	-
Total Assets	298,610,556	170,226,740	468,837,296	499,992
Deferred Outflows of Resources				
Loss on refunding	(23,771)	-	(23,771)	-
Defered outflows-pensions	429,157	-	429,157	-
Total Deferred Outflows of Resources	405,386	-	405,386	-
Liabilities				
Accounts payable	2,764,728	691,491	3,456,219	881
Accrued expenses	494,973	100,604	595,577	-
Interfund payable	-	384,331	384,331	-
Deposits payable	441,443	-	441,443	-
Unearned revenue	5,304,429	159,950	5,464,379	-
Long-Term Liabilities: (Note 3-G and 3-H)				
Net pension liability	3,239,027	-	3,239,027	-
Due within one year	3,329,503	2,953,057	6,282,560	-
Leases due within one year	131,800	-	131,800	-
Due in more than one year	10,864,502	45,169,460	56,033,962	-
Leases due in more than one year	285,171	-	285,171	-
Total Liabilities	26,855,576	49,458,893	76,314,469	881
Deferred Inflows of Resources				
Property taxes	2,938,338	-	2,938,338	254,233
Deferred inflows-pension	92,088	-	92,088	-
Deferred inflows of resources-lease related	1,445,911	-	1,445,911	-
Total Deferred Inflows of Resources	4,476,337	-	4,476,337	254,233
Net Position				
Net investment in capital assets (Note 3-J)	178,280,480	93,331,244	271,611,724	922
Restricted	15,477,111	349,486	15,826,597	-
Unrestricted	73,926,438	27,087,117	101,013,555	243,956
Total Net Position	$ 267,684,029	$ 120,767,847	$ 388,451,876	$ 244,878

See accompanying notes to the basic financial statements

City of Durango, Colorado
Statement of Activities
For the Year Ended December 31, 2022

Function/Program	Expenses	Program Revenues: Charges for Services	Program Revenues: Operating Grants, Contributions and Interest	Program Revenues: Capital Grants and Contributions	Net (Expense) Revenue and Changes in Net Position: Primary Government: Governmental Activities	Net (Expense) Revenue and Changes in Net Position: Primary Government: Business-Type Activities	Net (Expense) Revenue and Changes in Net Position: Primary Government: Total	Component Unit
Primary Government:								
Governmental Activities:								
General government	$ 20,384,036	$ 2,526,366	$ 1,650,591	$ -	$ (16,207,079)	$ -	$ (16,207,079)	$ -
Public safety	16,810,822	1,692,084	29,147	-	(15,089,591)	-	(15,089,591)	-
Public works	3,680,950	1,500	-	-	(3,679,450)	-	(3,679,450)	-
Parks and recreation	11,457,545	3,892,150	5,910	243,924	(7,315,561)	-	(7,315,561)	-
Library	2,586,645	2,797	-	-	(2,583,848)	-	(2,583,848)	-
Community services	1,657,463	-	-	-	(1,657,463)	-	(1,657,463)	-
Economic development	616,970	45,523	-	-	(571,447)	-	(571,447)	-
Non-departmental	1,510,101	-	515,945	-	(994,156)	-	(994,156)	-
Interest	395,806	-	-	-	(395,806)	-	(395,806)	-
Joint venture airport	-	7,691,041	-	-	7,691,041	-	7,691,041	-
Total Governmental Activities	59,100,338	15,851,461	2,201,593	243,924	(40,803,360)	-	(40,803,360)	-
Business-type Activities:								
Water utility	5,627,737	5,738,426	-	415,184	-	525,873	525,873	-
Sewer utility	7,945,419	8,261,029	-	66,090	-	381,700	381,700	-
Sustainable services	3,023,135	3,346,881	-	-	-	323,746	323,746	-
Transportation Services	4,677,524	2,131,029	27,762	2,348,112	-	(170,621)	(170,621)	-
Total Business-type Activities	21,273,815	19,477,365	27,762	2,829,386	-	1,060,698	1,060,698	-
Total - Primary Government	$ 80,374,153	$ 35,328,826	$ 2,229,355	$ 3,073,310	(40,803,360)	1,060,698	(39,742,662)	-
Component Unit								
Durango Conference Center Business Improvement District	$ 343,885	$ -	$ -	$ -	-	-	-	(343,885)
General Revenues								
Property taxes levied for:								
General government purposes					3,034,732	-	3,034,732	356,679
Specific ownership tax					335,397	-	335,397	-
Sales tax					36,318,924	-	36,318,924	-
Use tax					1,631,858	-	1,631,858	-
La Plata County shared sales tax					6,324,980	-	6,324,980	-
La Plata County joint sales tax					3,201,232	-	3,201,232	-
Other taxes					1,322,669	-	1,322,669	-
Franchise fees and occupational taxes					1,801,135	-	1,801,135	-
Lodgers taxes					4,335,457	-	4,335,457	-
Gain (Loss) on Disposal of Capital Assets					182,100	-	182,100	-
Investment earnings					894,693	692,433	1,587,126	-
Lease revenue					326,919	-	326,919	-
Miscellaneous					2,697,083	255,014	2,952,097	-
Total General Revenues					62,407,179	947,447	63,354,626	356,679
Transfers					(847,572)	847,572	-	-
Total General Revenues and Transfers					61,559,607	1,795,019	63,354,626	356,679
Change in Net Position					20,756,247	2,855,717	23,611,964	12,794
Net Position Beginning of Year					246,927,782	117,912,130	364,839,912	232,084
Net Position End of Year					$ 267,684,029	$ 120,767,847	$ 388,451,876	$ 244,878

See accompanying notes to the basic financial statements

City of Durango, Colorado
Balance Sheet
Governmental Funds
December 31, 2022

	General	Grants Fund	Other Governmental Funds	Total Governmental Funds
Assets				
Cash on hand	$ 5,224	$ -	$ -	$ 5,224
Equity in cash and cash equivalents	20,324,905	3,741,749	24,861,752	48,928,406
Cash held in escrow	347,691	-	-	347,691
Receivables:				
Accounts receivable	663,901	-	580,780	1,244,681
Lease receivables	1,449,248	-	-	1,449,248
Property taxes	2,925,373	-	12,965	2,938,338
Sales taxes	2,373,063	-	1,780,004	4,153,067
Franchise taxes	78,977	-	-	78,977
Lodger's taxes	-	-	237,299	237,299
Intergovernmental	1,643,215	811,012	15,000	2,469,227
Interest	9,677	-	299,033	308,710
Interest receivable - leases	27,246	-	-	27,246
Prepaid expenses	10,000	-	-	10,000
Inventory	32,715	-	-	32,715
Total Assets	$ 29,891,235	$ 4,552,761	$ 27,786,833	$ 62,230,829
Liabilities, Deferred Inflows of Resources, and Fund Balances				
Liabilities				
Accounts payable	$ 1,007,361	$ 77,135	$ 492,189	$ 1,576,685
Accrued expenditures	435,034	-	3,250	438,284
Deposits	441,443	-	-	441,443
Unearned revenue	536,420	4,307,225	460,784	5,304,429
Total Liabilities	2,420,258	4,384,360	956,223	7,760,841
Deferred Inflows of Resources				
Property taxes	2,925,373	-	12,965	2,938,338
Deferred inflows-Unearned revenues	-	-	809,033	809,033
Deferred inflows resources - leases	1,445,911	-	-	1,445,911
Total Deferred Inflows of Resources	4,371,284	-	821,998	5,193,282
Fund Balances				
Nonspendable	391,885	-	-	391,885
Restricted	1,757,067	168,401	6,537,005	8,462,473
Committed	1,686	-	19,471,607	19,473,293
Assigned	10,524,038	-	-	10,524,038
Unassigned	10,425,017	-	-	10,425,017
Total Fund Balances	23,099,693	168,401	26,008,612	49,276,706
Total Liabilities, Deferred Inflows of Resources, and Fund Balances	$ 29,891,235	$ 4,552,761	$ 27,786,833	$ 62,230,829

See accompanying notes to the basic financial statements

City of Durango, Colorado
Reconciliation of the Governmental Funds Balance Sheet
to the Statement of Net Position
December 31, 2022

Total Governmental Fund Balances		$ 49,276,706
Amounts reported for governmental activities in the statement of net position are different because:		
Capital assets and right to use leased assets used in governmental activities are not financial resources and therefore not reported in the funds. However, in the statement of net position the cost of these assets are capitalized and expensed over their estimated lives through annual depreciation and amortization expense		
Cost of capital assets	$ 377,599,264	
Less accumulated depreciation	(187,114,153)	
Right to use leased assets	496,826	
Less accumulated amortization	(84,353)	190,897,584
City's joint venture equity interest in Durango-LaPlata County Airport		35,144,116
Other receivables are not available to pay for current-period expenditures and, therefore are reported as a deferred inflow of resources in the funds.		809,033
Net Pension liabilities are not recognized at the fund level but are reported at the government-wide level		(3,239,027)
Deferred outflows of resources used in governmental activities are not financial resources and, therefore, are not reported in the funds		
Deferred loss on refunding	$ 219,232	
Amounts related to pensions	429,157	648,389
Deferred inflows of resources in governmental activites are not financial resources and, therefore, are not reported in the funds		
Amounts related to pensions		(92,088)
Internal service fund is used by management to charge the costs of general administrative services, equipment replacement and self-insurance to individual funds. The assets and liabilities of the internal service funds are included in governmental activities in the statement of net position.		8,896,296
Liabilities, including bonds, accrued interest and compensated absences are not due and payable in the current period and therefore are not reported in funds:		
Bonds and certificates of participation payable	$ (12,195,000)	
Accrued interest on long term debt	(46,004)	
Lease Payables	(416,971)	
Compensated absences	(1,999,005)	(14,656,980)
Net Position Of Governmental Activities		$ 267,684,029

See accompanying notes to the basic financial statements

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

	General	Grants Fund	Other Governmental Funds	Total Governmental Funds
Revenues				
Property taxes	$ 2,937,784	$ -	$ 96,948	$ 3,034,732
Specific Ownership Taxes	335,397	-	-	335,397
Sales taxes	20,568,926	-	15,749,998	36,318,924
Use taxes	934,342	-	697,516	1,631,858
La Plata County shared sales tax	6,324,980	-	-	6,324,980
La Plata County joint sales tax	3,201,232	-	-	3,201,232
Lodgers taxes	-	-	4,335,457	4,335,457
Cigarette tax	64,317	-	-	64,317
Franchise fees and occupational taxes	1,801,135	-	-	1,801,135
Intergovernmental	2,699,367	1,409,309	297,834	4,406,510
Licenses and permits	624,000	-	7,900	631,900
Charges for services	5,956,759	-	-	5,956,759
Lease revenue	240,487	-	-	240,487
Fines and forfeitures	159,893	-	-	159,893
Investment earnings	356,398	-	383,689	740,087
Miscellaneous	997,746	-	764,533	1,762,279
Total Revenues	47,202,763	1,409,309	22,333,875	70,945,947
Expenditures				
Current:				
General government	10,867,535	136,839	2,222,176	13,226,550
Public safety	16,423,103	67,580	-	16,490,683
Public works	3,349,078	-	1,165,814	4,514,892
Parks and recreation	7,943,037	24,750	2,344,389	10,312,176
Library	2,699,397	-	-	2,699,397
Community services	1,334,719	17,079	305,665	1,657,463
Economic development	-	-	616,970	616,970
Non-departmental	2,609,294	-	-	2,609,294
Capital outlay	-	932,594	335,448	1,268,042
Debt Service:				
Capital Outlay - Lease	209,904	-	-	209,904
Principal retirement	120,000	-	2,155,000	2,275,000
Interest and fiscal charges	67,997	-	281,805	349,802
Total Expenditures	45,624,064	1,178,842	9,427,267	56,230,173
Excess (Deficiency) of Revenues Over (Under) Expenditures	1,578,699	230,467	12,906,608	14,715,774
Other Financing Sources (Uses)				
Sale of capital assets	500	-	-	500
Other finance source- leases-lessee	579,777	-	-	579,777
Transfers in	1,996,713	-	4,580,107	6,576,820
Transfers out	(874,696)	(62,066)	(6,487,630)	(7,424,392)
Total Other Financing Sources (Uses)	1,702,294	(62,066)	(1,907,523)	(267,295)
Net Change in Fund Balances	3,280,993	168,401	10,999,085	14,448,479
Fund Balances Beginning of Year	19,818,700	-	15,009,527	34,828,227
Fund Balances End of Year	$ 23,099,693	$ 168,401	$ 26,008,612	$ 49,276,706

See accompanying notes to the basic financial statements

City of Durango, Colorado

Reconciliation of the Governmental Funds Statement of Revenues,

Expenditures and Changes in Fund Balances to the Statement of Activities

For the Year Ended December 31, 2022

Net Changes In Fund Balances - Total Governmental Funds			$ 14,448,479
Amounts reported for governmental activities in the statement of activities are different because			
Governmental funds report capital outlays as expenditures. However, in the statement of activities, the cost of those assets is allocated over their estimated useful lives as depreciation and amortization expense. This is an amount by which depreciation expense exceeded capital outlay and loss on disposal of assets in the current period.			
Depreciation and amortization expense	$ (9,773,985)		
Loss on disposal of assets	(207,157)		
Capital outlay	5,345,579		(4,635,563)
Governmental funds do not report contributed capital assets but they are reported on statement of activities			709,227
Long term notes receivable and the accrued interest which do not provide current financial resources are not reported in the funds			15,300
Government funds do not report the change in the investment in the joint venture but the change is reported on the statement of activity			7,691,041
The internal service funds used by management to charge the costs of the general services, equipment reserve, risk manager and self-insurance to individual funds are not reported in the government-wide statement of activities. Governmental fund expenditures and related internal service fund revenues are eliminated.			881,253
Elimination of transfers between governmental funds			
Transfers in	6,576,820		
Transfers out	(6,576,820)		-
Net Pension expense does not require the use of current financial resources and , therefore are not reported as expenditures in the governmental funds.			224,000
Interest expense reported in the statement of activities does not require the use of current financial resources and therefore are not reported as expenditures in governmental funds.			(46,004)
Repayment of general obligation debt principal is an expenditure in the governmental funds, but the repayment reduces long-term liabiliites in the statement of net position.			2,275,000
Deferred Loss on Refunding			(36,539)
The issuance of long-term debt provides current financial resources to governmental funds, but are not reported as revenues in the statement of activities.			
Lease Proceeds			(493,345)
Compensated absences reported in the statement of activities, do not require the use of current financial resouces and therefore are not reported as expenditures in governmental funds.			(276,602)
Change In Net Position of Governmental Activities			$ 20,756,247

See accompanying notes to the basic financial statements

City of Durango, Colorado
Statement of Net Position
Proprietary Funds
December 31, 2022

	Business-Type Activities - Enterprise Funds					
	Water Utility Fund	Sewer Utility Fund	Trash and Recycling Fund	Transportation Services Fund	Total	Governmental Activities Internal Service Funds
Assets						
Current Assets						
Equity in cash and cash equivalents	$ 17,142,070	$ 3,149,456	$ 2,638,141	$ 3,517,457	$ 26,447,124	$ 9,331,083
Cash held with fiscal agent	-	349,486	-	-	349,486	-
Receivables						
Accounts	614,560	1,249,422	411,935	35,278	2,311,195	331,061
Inventory	175,613	20,399	-	-	196,012	398,493
Total Current Assets	17,932,243	4,768,763	3,050,076	3,552,735	29,303,817	10,060,637
Noncurrent Assets						
Note receivable	76,726	16,081	-	-	92,807	-
Capital Assets						
Land, easements and water rights	7,048,853	321,309	89,622	3,886,835	11,346,619	67,889
Construction in progress	2,432,463	129,074	44,967	11,406	2,617,910	359,518
Depreciable capital assets, net	41,475,592	78,672,376	1,679,875	5,315,132	127,142,975	5,052,924
Total Noncurrent Assets	51,033,634	79,138,840	1,814,464	9,213,373	141,200,311	5,480,331
Total Assets	68,965,877	83,907,603	4,864,540	12,766,108	170,504,128	15,540,968
Liabilities						
Current Liabilities						
Accounts payable	356,367	227,799	46,740	60,585	691,491	1,188,043
Accrued payroll	22,350	22,930	16,906	38,418	100,604	10,685
Compensated Absences - due in one year	56,469	38,743	42,215	73,015	210,442	48,595
Loan payable	201,848	2,481,893	-	-	2,683,741	-
Interest Payable	-	384,331	-	-	384,331	-
Total Current Liabilities	637,034	3,155,696	105,861	172,018	4,070,609	1,247,323
Long Term Liabilities						
Unearned revenue	-	159,950	-	-	159,950	-
Compensated absences net of current portion	56,468	38,743	42,214	73,016	210,441	48,595
Loan payable net of current portion	2,126,186	42,891,706	-	-	45,017,892	-
Total Long Term Liabilities	2,182,654	43,090,399	42,214	73,016	45,388,283	48,595
Total Liabilities	2,819,688	46,246,095	148,075	245,034	49,458,892	1,295,918
Net position						
Net investment in capital assets	48,554,247	33,749,162	1,814,463	9,213,372	93,331,244	5,480,330
Restricted	-	349,486	-	-	349,486	7,387,574
Unrestricted	17,591,942	3,562,860	2,902,002	3,307,702	27,364,506	1,377,146
Total Net Position - Fund Level	$ 66,146,189	$ 37,661,508	$ 4,716,465	$ 12,521,074	$ 121,045,236	$ 14,245,050
Adjustment to reflect consolidation of internal service fund activities related to enterprise funds					(277,389)	
Net position of business type activities					$ 120,767,847	

See accompanying notes to the basic financial statements

City of Durango, Colorado
Statement of Revenues, Expenses and Changes in Fund Net Position
Proprietary Funds
For the Year Ended December 31, 2022

	Business-Type Activities - Enterprise Funds					
	Water Utility Fund	Sewer Utility Fund	Trash and Recycling Fund	Transportation Services Fund	Total	Governmental Activities - Internal Service Funds
Operating Revenues						
Charges for sales and services	$ 5,661,435	$ 8,151,944	$ 3,346,881	$ 2,131,029	$ 19,291,289	$ 10,334,323
Services provided	-	-	-	-	-	1,940,988
Miscellaneous	8,446	58,417	86,007	102,144	255,014	57,736
Total Operating Revenues	5,669,881	8,210,361	3,432,888	2,233,173	19,546,303	12,333,047
Operating Expenses						
Administration	292,981	272,470	3,420	345,797	914,668	262,506
Source of supply	10,211	-	-	-	10,211	-
Pumping	82,564	-	-	-	82,564	-
Transmission and distribution	1,083,671	-	-	-	1,083,671	-
Treatment	1,154,321	1,888,633	-	-	3,042,954	-
Meter reading and repairs	123,350	-	-	-	123,350	-
Parking operations	-	-	-	893,164	893,164	-
Collections	-	1,000,027	1,126,113	-	2,126,140	-
Recycling	-	-	875,214	-	875,214	-
Recycling center	-	-	361,611	-	361,611	-
Sustainability	-	-	178,118	-	178,118	-
Loop system	-	-	-	2,515,496	2,515,496	-
Multi-modal	-	-	-	176,973	176,973	-
Building maintenance	146,196	6,717	-	-	152,913	124,212
Equipment maintenance	-	-	-	-	-	1,582,860
Insurance claims and premiums	-	-	-	-	-	1,382,249
Medical claims and premiums	-	-	-	-	-	7,310,782
Non-departmental	197,997	482,809	129,405	168,629	978,840	-
Payment for services	563,481	663,242	222,488	190,880	1,640,091	-
Depreciation	1,813,016	2,682,646	144,745	368,459	5,008,866	1,389,166
Total Operating Expenses	5,467,788	6,996,544	3,041,114	4,659,398	20,164,844	12,051,775
Operating Income (Loss)	202,093	1,213,817	391,774	(2,426,225)	(618,541)	281,272
Non-Operating Revenues (Expenses)						
Gain (loss) on the sale of capital assets	(88,024)	(175,000)	-	-	(263,024)	181,600
Intergovernmental grants	-	-	-	2,330,961	2,330,961	-
Investment earnings	297,784	302,921	43,493	48,235	692,433	139,306
Interest expense	(48,297)	(750,684)	-	-	(798,981)	-
Total Nonoperating Revenues (Expenses)	161,463	(622,763)	43,493	2,379,196	1,961,389	320,906
Income (Loss) Before Capital Contributions and Transfers	363,556	591,054	435,267	(47,029)	1,342,848	602,178
Capital contributions	492,174	175,175	-	44,913	712,262	-
Transfers in	-	-	-	847,572	847,572	1,600,000
Transfers out	-	-	-	-	-	(1,600,000)
Change in Net Position	855,730	766,229	435,267	845,456	2,902,682	602,178
Net Position Beginning of Year	65,290,459	36,895,279	4,281,198	11,675,618	118,142,554	13,642,872
Net Position End of Year	$ 66,146,189	$ 37,661,508	$ 4,716,465	$ 12,521,074	121,045,236	$ 14,245,050

Change in Net Assets (from above)	2,902,682
Adjustment to reflect the consolidation of internal service fund activities related to enterprise funds.	(46,965)
Change in net assets of business-type activities.	$2,855,717

See accompanying notes to the basic financial statements.

City of Durango, Colorado
Statement of Cash Flows
Proprietary Funds
For the Year Ended December 31, 2022

	Water Utility Fund	Sewer Utility Fund	Substainable Services Fund	Transportation Services Fund	Total	Governmental and Business Type Activities-Internal Services Fund
Cash flows from operating activities						
Cash received from customers and users	$ 5,754,646	$ 8,003,397	$ 3,304,425	$ 2,102,824	$ 19,165,292	$ 10,902,544
Transfers from Other Funds						1,940,988
Other receipts	8,446	58,417	86,007	102,144	255,014	57,736
Cash payments to suppliers and employees	(3,598,320)	(4,079,170)	(2,886,272)	(4,227,692)	(14,791,454)	(10,108,193)
Net Cash Provided by (Used in) Operating Activities	2,164,772	3,982,644	504,160	(2,022,724)	4,628,852	2,793,075
Cash Flows from Noncapital Financing Activities						
Interfund borrowing	-	-	-	-	-	(272,000)
Transers from other funds	-	355,235	-	847,572	1,202,807	-
Net cash provided by (used for) noncapital financing activities	-	355,235	-	847,572	1,202,807	(272,000)
Cash flows from capital and related financing activities						
Principal paid on capital debt	(197,969)	(2,501,274)	-	-	(2,699,243)	-
Interest paid on capital debt	(48,297)	(691,810)	-	-	(740,107)	-
Sale of capital assets	-	-	-	-	-	181,600
Contributed capital	415,184	66,090	-	44,913	526,187	-
Intergovernmental capital grants	-	-	-	2,795,566	2,795,566	-
Purchase of fixed assets	(2,667,891)	(273,483)	(36,166)	(188,319)	(3,165,859)	(462,094)
Net cash used for capital and related financing	(2,498,973)	(3,400,477)	(36,166)	2,652,160	(3,283,456)	(280,494)
Cash flows from investing activities						
Investment earnings	297,784	302,921	43,493	48,235	692,433	139,305
Payments of loan receivables	10,569	4,290	-	-	14,859	-
Net cash provided by investing activities	308,353	307,211	43,493	48,235	707,292	139,305
Net change in cash and equivalents	(25,848)	1,244,613	511,487	1,525,243	3,255,495	2,379,886
Cash and equivalents, beginning of year	17,167,918	2,283,915	2,126,654	1,992,214	23,570,701	6,951,197
Cash and equivalents, end of year	$ 17,142,070	$ 3,528,528	$ 2,638,141	$ 3,517,457	$ 26,826,196	$ 9,331,083
Operating income (loss)	$ 202,093	$ 1,213,817	$ 391,774	$ (2,426,225)	$ (618,541)	$ 281,272
Adjustments to reconcile operating income to net cash provided by operating activities						
Depreciation	1,813,016	2,682,646	144,745	368,459	5,008,866	1,389,166
Decrease (increase) in accounts receivable	93,211	(148,547)	(42,456)	(28,205)	(125,997)	568,221
Decrease (increase) in inventory	(31,307)	7,500	-	-	(23,807)	(27,301)
Decrease (increase) in accounts payable	68,856	108,009	(14,416)	23,126	185,575	576,852
Decrease (increase) in accrued liabilities	1,186	(1,797)	2,004	9,128	10,521	(1,765)
Decrease (increase) deferred revenues	-	(98,105)	-	-	(98,105)	-
Decrease (increase) in compensated absences	17,717	29,585	22,513	30,993	100,808	6,630
Total adjustments	1,962,679	2,579,291	112,390	403,501	5,057,861	2,511,803
Net cash provided by (Used in) operating activities	$ 2,164,772	$ 3,793,108	$ 504,164	$ (2,022,724)	$ 4,439,320	$ 2,793,075
Noncash flow from capital and related financing activities						
Donations of capital assets	$ 76,990	$ 109,085	$ -	$ -	$ 186,075	$ -

See accompanying notes to the basic financial statements.

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Note 1 - Summary of Significant Accounting Policies

The City of Durango is a municipal corporation governed by an elected five-member council. The City operates under a Council-Manager form of government and provides the following services: public safety, highways and streets, sanitation, social services, culture-recreation, public improvements, planning and zoning, and general administrative services.

The financial statements of the City have been prepared in conformity with accounting principles generally accepted in the United States (GAAP) as applied to governments. The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for governmental accounting and financial reporting.

The most significant of the City's accounting policies are described below.

1-A. Reporting Entity

The reporting entity is comprised of the primary government and component unit that is included to ensure that the financial statements are not misleading. The primary government of the City consists of all funds, departments, boards and agencies that are not legally separate from the City. Component units are legally separate organizations for which the City is financially accountable. The City is financially accountable for an organization if the City appoints a voting majority of the organization's governing board and (1) the City is able to significantly influence the programs or services performed or provided by the organizations; or (2) the City is legally entitled to or can otherwise access the organization's resources; the City is legally obligated or has otherwise assumed the responsibility to finance the deficits of, or provide financial support to, the organization; or the City is obligated for the debt of the organization. Component units also may include organizations that are fiscally dependent on the City in that the City approves the budget, levies their taxes or issues their debt.

The component unit columns included on the government-wide financial statements identify the financial data of the City's discretely presented component unit. It is reported separately to emphasize that it is legally separate from the City.

On May 5, 2020, the City Council established an Urban Renewal Authority also known as the Durango Renewal Partnership (the Partnership). City Council appoints five of the nine board members. Currently, the Partnership has no sources of revenues and the City is paying its formation costs. Those amounts were reported in the general fund. As a result, the Partnership has no transactions to report for the year ended December 31, 2022. In future years it is anticipated that the Partnership will be reported as a blended component unit.

A description of the discretely presented component unit follows:

Durango Conference Center Business Improvement District (the District) – the District was formed for the purpose of developing a conference center in the City. The District encompasses commercial properties in a defined area. The members of the District's governing board are appointed by the City Council. The District is fiscally dependent on the City because the City Council must approve the operating plan and budget on an annual basis pursuant to the state statutes authorizing the formation of the District. The District is reported on the government-wide statements as a governmental fund. The District reports only a general fund, with property taxes being the primary source of revenue. Separate financial statements are not issued by the District.

1-B. Basis of Presentation

The City's basic financial statements consist of government-wide statements, including a statement of net position and a statement of activities and fund financial statements, which provide a more detailed level of financial information.

Government-wide Financial Statements - The government-wide financial statements include the statement of net position and the statement of activities. These statements report financial information for the City as a whole.

Note 1 - Summary of Significant Accounting Policies (Continued)

1-B. Basis of Presentation (continued)

The primary government and the component unit is presented separately within these financial statements with the focus on the primary government. Individual funds are not displayed but the statements distinguish governmental activities, generally supported by taxes and grants and City's general revenues, from business-type activities, generally financed in whole or in part with user fees charged to external customers.

The statement of net position presents the financial position of the governmental and business-type activities of the City and its discretely presented component unit at year-end. Neither fiduciary funds nor component units which are fiduciary in nature are included.

The statement of activities presents a comparison between direct expenses and program revenues for each function of the City's governmental activities and for each identifiable activity of the business-type activities of the City. Direct expenses are those that are specifically associated with a function and therefore clearly identifiable to that particular function. The City does not allocate indirect expenses to functions in the statement of activities. The statement of activities reports the expenses of a given function offset by program revenues directly connected with the functional program. A function is an assembly of similar activities and may include portions of a fund or summarize more than one fund to capture the expenses and program revenues associated with a distinct functional activity. Program revenues include: (1) charges for services which report fees and other charges to users of the City's services; (2) operating grants and contributions which finance annual operating activities including restricted investment income; and (3) capital grants and contributions which fund the acquisition, construction, or rehabilitation of capital assets. These revenues are subject to externally imposed restrictions to these program uses. For identifying to which function program revenue pertains, the determining factor for *charges for services* is which function *generates* the revenue. For *grants and contributions*, the determining factor is to which function the revenues are *restricted*. Other revenue sources not properly included with program revenues are reported as general revenues of the City. The comparison of direct expenses with program revenues identifies the extent to which each governmental function and each identifiable business activity is self-financing or draws from the general revenues of the City.

Fund Financial Statements **-** During the year, the City segregates transactions related to certain City functions or activities in separate funds in order to aid financial management and to demonstrate legal compliance. Fund financial statements are designed to present financial information of the City at this more detailed level. Fund financial statements are provided for governmental and proprietary funds. In the fund financial statements major individual governmental and enterprise funds are reported in separate columns.

Fund Accounting **-** The City uses funds to maintain its financial records during the year. A fund is a fiscal and accounting entity with a self-balancing set of accounts. The City uses two categories of funds: governmental and proprietary.

> ***Governmental Funds-*** Governmental funds are those through which most governmental functions typically are financed. Governmental fund reporting focuses on the sources, uses and balances of current financial resources. Expendable assets are assigned to the various governmental funds according to the purposes for which they may or must be used. Fund liabilities are assigned to the fund from which they will be liquidated. The City reports the difference between governmental fund assets and liabilities and deferred inflows of resources as fund balance. The following are the City's major governmental funds:
>
> > ***General Fund***– The general fund accounts for all financial resources except those required to be accounted for in another fund. The general fund's fund balance is available to the City for any purpose provided it is expended or transferred according to the general laws of Colorado.
> >
> > ***Grants Fund*** **-** to account for grants received for governmental fund purposes.
>
> ***Proprietary Funds-*** Proprietary fund reporting focuses on the determination of operating income, changes in net assets, financial position, and cash flows. The proprietary funds are classified as enterprise funds and internal service funds. The following are the City's major enterprise funds:

Note 1 - Summary of Significant Accounting Policies (Continued)

1-B. Basis of Presentation (continued)

Water Utility Fund –This fund accounts for revenues and expenses associated with providing water services to the City's residents and some county residents.

Sewer Utility Fund -This fund accounts for revenues and expenses associated with providing waste-water treatment services to residents of the City and some county residents

Trash and Recycling Fund - This fund accounts for revenues and expenses associated with refuse collection, recycling operations and sustainable programs.

Transportation Services Fund – This fund accounts for revenues and expenses associated with the operations of the City's parking program, including enforcement and facilities maintenance and to account for revenues and expenses associated with providing mass transportation within the City.

Additionally, the City reports *internal service funds*. The internal service funds provide support services to other City departments including vehicle and equipment maintenance, warehousing, building and plant supervision, equipment replacement, risk management and self-insurance. The six internal service funds are the General Services Fund, the Capital Equipment Replacement Fund, the Risk Management Fund, Technology Replacement Fund, Building Maintenance Fund, and the Self Insurance Fund.

1-C. Measurement Focus

Government-wide Financial Statements - The government-wide financial statements are prepared using the economic resources measurement focus. All assets and deferred outflows of resources and all liabilities and deferred inflows of resources associated with the operation of the City are included on the statement of net position. The statement of activities reports revenues and expenses.

Fund Financial Statements - All governmental funds are accounted for using a flow of current financial resources measurement focus. With this measurement focus, only current assets and deferred outflows of resources and current liabilities and deferred inflows of resources generally are included on the balance sheet. The statement of revenues, expenditures and changes in fund balances reports the sources (i.e., revenues and other financing sources) and uses (i.e., expenditures and other financing uses) of current financial resources. This approach differs from the manner in which the governmental activities of the government-wide financial statements are prepared. Governmental fund financial statements therefore include a reconciliation with brief explanations to better identify the relationship between the government-wide statements and the governmental fund statements.

Like the government-wide statements, all proprietary fund types are accounted for on a flow of economic resources measurement focus and the accrual basis of accounting on both financial reporting levels. All assets and deferred outflows of resources and all liabilities and deferred inflows of resources associated with the operation of these funds are included on the statements of net position.

The statements of changes in net position present increases (i.e., revenues) and decreases (i.e., expenses) in net total position. The statement of cash flows provides information about how the City finances and meets the cash flow needs of its proprietary activities.

1-D. Basis of Accounting

Basis of accounting determines when transactions are recorded in the financial records and reported on the financial statements. Government-wide financial statements are prepared using the accrual basis of accounting. At the fund reporting level, the governmental funds use the modified accrual basis of accounting.

Note 1 - Summary of Significant Accounting Policies (Continued)

1-D. Basis of Accounting (continued)

Proprietary funds use the accrual basis of accounting at both reporting levels. Differences in the accrual and the modified accrual basis of accounting arise in the recognition of revenue, the recording of deferred outflows and inflows of resources, and in the presentation of expenses versus expenditures.

Revenues - Exchange Transactions - Revenue resulting from exchange transactions, in which each party gives and receives essentially equal value, is recorded on the accrual basis when the exchange takes place. On the modified accrual basis, revenue is recorded when the exchange takes place and in the fiscal year in which the resources are measurable and become available.

Available means that the resources will be collected within the current fiscal year or are expected to be collected soon enough thereafter to be used to pay liabilities of the current fiscal year. For the City, the phrase "available for exchange transactions" means expected to be received within 60 days of year-end.

Revenues - Non-exchange Transactions - Non-exchange transactions in which the City receives value without directly giving equal value in return, include sales taxes, property taxes, grants, and donations. On an accrual basis, revenue from sales taxes is recognized in the period in which the taxable sale takes place. Revenue from property taxes is recognized in the fiscal year for which the taxes are levied (Note 3-C). Revenue from grants and donations is recognized in the fiscal year in which all eligibility requirements have been satisfied. Eligibility requirements include timing requirements, which specify the year when the resources are required to be used, or the year when use is first permitted, matching requirements, in which the City must provide local resources to be used for a specified purpose, and expenditure requirements, in which the resources are provided to the City on a reimbursement basis. On a modified accrual basis, revenue from non-exchange transactions also must be available before it can be recognized. The City defines availability for intergovernmental revenues as those anticipated to be collected in one year and all others as 60 days of year end.

Under the modified accrual basis, the following revenue sources are considered to be susceptible to accrual: property taxes, sales taxes, interest, and federal and state grants.

Unearned Revenue - Unearned revenue arises when assets are recognized before revenue recognition criteria have been satisfied. On the governmental fund financial statements (i.e., on the modified accrual basis), receivables that will not be collected within the available period have been reported as deferred inflows of resources (i.e., they are measurable but not available) rather than as revenue. Grants and entitlements received before the eligibility requirements are met (e.g., cash advances) are recorded as deferred inflows of resources.

Expenses/Expenditures - On the accrual basis of accounting, expenses are recognized at the time they are incurred. On the modified accrual basis, expenditures generally are recognized in the accounting period in which the related fund liability is incurred and due, if measurable.

1-E. Assets, Liabilities and Fund Balance/Net Position

1-E-1 Cash, Cash Equivalents, and Investments

The City maintains a cash and investment pool that is available for use by all funds. Each fund type's portion of this pool is displayed on statements of net position or balance sheets as "equity in cash and equivalents" and "cash held in escrow." Cash equivalents include the City's investments in short term investment pools where the maturities fall within the GASB definition of cash equivalents.

Equity in Cash and Equivalents - The City maintains a centralized bank account to maximize investment yields. Cash balances are pooled and invested. Investment income earned is allocated to the funds based on each fund's percentage ownership. Cash with fiscal agent is held separately and not pooled with other cash.

1-E. Assets, Liabilities and Fund Balance/Net Position (Continued)

1-E-1 Cash, Cash Equivalents, and Investments (continued)

For the purposes of cash flow statements, cash and cash equivalents include "equity in treasurer's cash and investments" and "cash held in escrow," as held by enterprise funds. Each fund has an interest in the pool that is available upon demand. Interest in the pool has been recorded consistent with any other demand deposits or investments with a maturity of three months or less.

Investments are reported at fair value based on valuation techniques discussed in Note 3-A with disclosures on the level of the fair value hierarchy based on inputs from the valuation technique. Investments in governmental external investment pools are reported at amortized cost or net asset value and are not subject to the fair value hierarchy. The City Charter authorizes the City to invest in any manner that is then permitted by the statutes of Colorado.

1-E-2 Receivables

All trade and property tax receivables are reported net of an allowance for uncollectible accounts, where applicable. Unbilled water and sewer charges are accrued as receivables and revenue at December 31, 2022.

The City was awarded a Community Development Block Grant in 1983. The grant proceeds were distributed as loans to qualifying businesses and residents. The loan receivable is recorded in the Revolving Loan Fund, a special revenue fund, net of the allowance for estimated loan losses. The allowance is management's best estimate based on past collection experience.

1-E-3 Interfund Balances

On the fund financial statements, receivables and payables resulting from short-term interfund loans are classified as "interfund receivables/interfund payables." These amounts are eliminated in the governmental and business-type activities columns of the statement of net position, except for any net residual amounts due between governmental and business-type activities, which are reclassified and presented as "internal balances."

1-E-4 Consumable Inventories

On the government-wide financial statements, inventories are presented at the lower of cost or market on a first-in, first-out basis and are expensed when used (i.e., the consumption method).

On the fund financial statements, inventories of governmental funds are stated at cost while inventories of proprietary funds are stated at the lower of cost or market. For all funds, cost is determined on a first-in, first-out basis. The cost of inventory items is recorded as an expenditure in the governmental fund types when purchased. Inventories of the proprietary funds are also expensed when consumed.

1-E-5 Prepaid Items

Payments made to vendors for services that will benefit periods beyond December 31, 2022, are recorded as prepaid items using the consumption method by recording an asset for the prepaid amount and reflecting the expenditure/expense in the year in which services are consumed. At the fund reporting level, an equal amount of fund balance is reflected as nonspendable as this amount is not available for general appropriation.

1-E-6 Capital Assets

General capital assets are those assets not specifically related to activities reported in the proprietary funds. These assets generally result from expenditures in governmental funds. The City reports these assets in the governmental activities column of the government-wide statement of net position but does not report these assets in the City fund

Note 1 – Summary of Significant Accounting Policies (Continued)

1-E-6 Capital Assets (continued)

financial statements. Capital assets utilized by enterprise funds are reported both in the business-type activities columns of the government-wide statement of net position and in the enterprise funds' statements of net position.

All capital assets are capitalized at acquisition value and updated for additions and retirements during the year.

Donated capital assets are recorded at their estimated acquisition values as of the date received. The City maintains a capitalization threshold of five thousand dollars. The City's infrastructure consists of roads, bridges and water and sewer lines. Improvements to capital assets are capitalized. The costs of normal maintenance and repairs that do not add to the value of the asset or materially extend an asset's life are expensed.

All reported capital assets are depreciated except for land, easements, water rights and construction in progress. Improvements are depreciated over the remaining useful lives of the related capital assets. Useful lives for infrastructure were estimated based on the City's historical records of necessary improvements and replacement. Depreciation is computed using the straight-line method over the following useful lives:

Buildings and improvements	20-75 years
Equipment	3-20 years
Utility System Infrastructure and Improvements	30-100 years
Public Domain Infrastructure	10-50 years

Right to use leased assets are recognized at the lease commencement date and represent the City's right to use an underlying asset for the lease term. Right to use leased assets are measured at the initial value of the lease liability plus any payments made to the lessor before commencement of the lease term, less any lease incentives received from the lessor at or before the commencement of the lease term, plus any initial direct costs necessary to place the lease asset into service. Right to use leased assets are amortized over the shorter of the lease term or useful life of the underlying asset using the straight-line method. The amortization period varies from 1 to 9 years.

1-E-7 Deferred Outflows/Inflows of Resources

In addition to assets, the statement of financial position will sometimes report a separate section for deferred outflows of resources. This separate financial statement element, deferred outflows of resources, represents a consumption of net assets that applies to future period(s) and so will not be recognized as an outflow of resources (expense/expenditure) until then. The City has two items that qualify as a deferred outflow of resources. These are deferred outflows of resources related to the loss on refunding and the Old Hire Fire and Police Pension Plans.

In addition to liabilities, the statement of financial position 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 assets that applies to a future period(s) and so will not be recognized as an inflow of resources (revenue) until that time. The government has three items which are considered deferred inflows of resources. Property tax revenue is considered a deferred inflow of resources in the year the taxes are levied and measurable and is recognized as an inflow of resources in the period for which they were levied. There is also a deferred inflow of resources related to the Old Hire Fire and Police Pension Plans. The third item is deferred inflows related to leases where City of Durango is the lessor and is reported in the governmental funds balance sheet and statement of net position. The deferred inflows of resources related to leases are recognized as an inflow of resources (revenue), such as on the straight-line basis over the term of the lease.

1-E-8 Compensated Absences

Governmental Funds – As of January 1, 2006 the City implemented a "Paid time off" (PTO) policy. Benefits are accrued as a liability as the benefits are earned if the employees' rights to receive compensation are attributable to services already rendered and it is probable that the employer will compensate the employees for the benefits through paid time off or some other means. All compensated absence liabilities include salary-related payments, where applicable.

Note 1 – Summary of Significant Accounting Policies (Continued)

The total compensated absence liability is reported on the government-wide financial statements. Governmental funds report the compensated absence liability at the fund reporting level only "*when due*."

Proprietary Funds – Accumulated paid time off at December 31, 2022, for employees of the proprietary funds have been accrued. These compensated absences are recognized as current salary costs when earned in the proprietary funds.

1-E-9 Accrued Liabilities and Long-term Obligations

All payables, accrued liabilities and long-term obligations are reported in the government-wide financial statements.

In general, governmental fund payables and accrued liabilities that, once incurred, are paid in a timely manner and in full from current financial resources, are reported as obligations of the these funds. However, compensated absences that will be paid from governmental funds are reported as a liability in the fund financial statements only to the extent that they are "due for payment" during the current year. Bonds and loans payable are recognized as a liability in the governmental activities on the government wide financial statements.

Lease liabilities represent the City's obligation to make lease payments arising from the lease. Lease liabilities are recognized at the lease commencement date based on the present value of future lease payments expected to be made during the lease term. The present value of lease payments are discounted based on a borrowing rate determined by the City.

1-E-10 Bond Premiums, Discounts, and Issuance Costs

On the government-wide statement of net position and the proprietary fund type statement of net position, bond premiums and discounts are netted against bonds payable. On the government-wide and proprietary fund type statement of activities, bond premiums and discounts are deferred and amortized over the life of the bonds using the effective interest method.

At the governmental fund reporting level, bond premiums and discounts are reported as other financing sources and uses, separately from the face amount of the bonds issued. Bond issuance costs are reported as an expenditure/expense.

1-E-11 Fund Balance/Net Position

Fund Balance – Generally, fund balance represents assets and deferred outflows of resources minus liabilities and deferred inflows of resources and is shown only in governmental fund statements. Financial reporting standards establish criteria for classifying fund balance amounts into specifically defined categories to make the nature and extent of constraints on those amounts more useful and understandable. The categories comprise a hierarchy based on the extent to which constraints must be honored for a specified purpose and for which amounts can be spent. Fund balances may be categorized as nonspendable, restricted, committed, assigned, and unassigned.

> *Nonspendable Fund Balance–* cannot be spent because it is either in nonspendable form or is legally or contractually required to be maintained intact. Examples include items not expected to be converted to cash such as inventories and prepaid items.
>
> *Restricted Fund Balance–* is restricted for specific purposes based on constraints externally imposed by creditors, grantors, contributors, laws, or regulations of other governments, or imposed by law through constitutional provisions or enabling legislation.
>
> *Committed Fund Balance–* is constrained for a specific purpose by resolution or ordinance adopted by the City Council and can be rescinded only through the same type of formal action used to establish the original commitment. Resolutions and ordinances are equally binding.

Note 1 – Summary of Significant Accounting Policies (Continued)

1-E-11 Fund Balance/Net Position (continued)

Assigned Fund Balance– is constrained for specified purposed by the City Manager or his designee as authorized by the City Council.

Unassigned Fund Balance– is unconstrained and comprised of residual uncategorized fund balance amounts. The General Fund is the only fund that reports a positive unassigned fund balance.

When expenditures are incurred for purposes for which both restricted and unrestricted amounts are available, restricted amounts are deemed to be used first. When expenditures are incurred for purposes for which amounts in any of the unrestricted fund balance classifications could be used, committed amounts are considered to be reduced first, followed by assigned amounts and then by unassigned amounts.

Net Position - Net position represents the difference between assets and deferred outflows of resources and liabilities and deferred inflows of resources. Net investment in capital assets consists of capital assets, net of accumulated depreciation, reduced by the outstanding balances of any borrowing used for the acquisition, construction, or improvement of those assets. Net position is reported as restricted when there are limitations imposed on their use either through the enabling legislation adopted by the City or through external restrictions imposed by creditors, grantors or laws or regulations of other governments. All other net position is reported as unrestricted.

The City applies restricted resources first when an expense is incurred for purposes for which both restricted and unrestricted net position is available.

1-E-12 Operating Revenues and Expenses

Operating revenues and expenses are generated directly from the primary ongoing operations of the proprietary funds. Operating revenues are charges for services to external customers for water, sewer, sustainable services, transit, and parking. Operating expenses for the proprietary funds include the costs of sales and services, administrative expenses and depreciation on capital assets necessarily incurred to provide the good or service that is the primary activity of each fund.. Revenues and expenses not meeting these definitions are reported as non-operating revenues and expenses.

Revenues from internal customers for services are for vehicle and equipment maintenance, centralized purchasing, warehousing, building and plant supervision, equipment replacement and self-insurance. Operating expenses are necessary costs incurred to provide the good or service that is the primary activity of each fund.

1-E-13 Contributions of Capital

Contributions of capital in proprietary fund financial statements arise from outside contributions of capital assets and plant investment fees to the extent they exceed the cost of the connection to the system, or from grants or outside contributions of resources restricted to capital acquisition and construction.

1-E-14 Interfund Activity

Exchange transactions between funds are reported as revenues in the seller funds and as expenditures/expenses in the purchaser funds. Flows of cash or goods from one fund to another without a requirement for repayment are reported as interfund transfers. Interfund transfers are reported as other financing sources/uses in governmental funds and after non-operating revenues/expenses section in proprietary funds. Repayments from funds responsible for particular expenditures/expenses to the funds that initially paid for them are not presented on the financial statements (i.e., they are netted). Transfers between governmental and business-type activities on the government-wide statement of activities are reported as general revenues. Transfers between funds reported in the governmental activities column are eliminated. The interfund services provided and used are not eliminated in the process of consolidation. Transfers between funds reported in the business-type activities column are eliminated.

Note 1 – Summary of Significant Accounting Policies (Continued)

1-E-15 Estimates

The preparation of the financial statements in conformity with accounting principles generally accepted in the United States, requires management to make estimates and assumptions that affect the amounts reported in the financial statements and accompanying notes. Actual results may differ from those estimates.

1-E-16 Comparative Data

Comparative total data for the prior year have been presented only for individual funds in the fund financial statements in order to provide an understanding of the changes in the financial position and operations of these funds. Also, certain amounts presented in the prior year data have been reclassified to be consistent with the current year's presentation.

1-E-17 Implementation of GASB Statement No. 87

As of January 1, 2022, the the City of Durango adopted GASB Statement No. 87, *Leases*. The implementation of this standard establishes a single model for lease accounting based on the foundational principle that leases are financings of the right to use an underlying asset. The standard requires recognition of certain right to use leased assets and liabilities for leases that previously were classified as operating leases and recognized as inflows of resources or outflows of resources based on the payment provisions of the contract. The standard also requires lessors to recognize a lease receivable and deferred inflow of resources. As a result of implementing this standard the the City of Durango recognized a lease receivable and deferred inflow of resources in the amount of $1,641,598 and $1,641,598 as of January 1, 2022, respectively. As a lessee, the City also recognized a right of use asset and lease liability of $496,826 and $496,826 as of January 1, 2022, respectively. As a result of these adjustments there was no effect on beginning net position. The additional disclosures required by this standard are included in Notes 3-G.

Note 2 – Stewardship, Compliance and Accountability

2-*A. Budgetary Information* – The governmental fund budgets are adopted on a basis consistent with GAAP except for the revolving loan fund, which has no adopted budget**.** In addition, the Durango Conference Center Business Improvement District, a discretely presented component unit, approves a budget each fiscal year, however, it is not presented as a budget and is not required. Adopted budgets for enterprise and internal service funds are presented on a non-GAAP basis.

Formal budgetary integration is employed as a management control device during the year for the general fund, all special revenue funds, the capital projects fund and all proprietary fund types. Budgetary control for funds not formally budgeted is alternatively achieved through financial management plans or as the result of established ordinances. The legal level of control (the level at which expenditures may not legally exceed appropriations) for each adopted annual operating budget generally is the department level within each individual fund. Any change in total to a fund or departmental appropriation within a fund requires City Council approval.

The City Council may authorize additional appropriations during the budget year for expenditures required, but not in excess of the amount that actual revenues exceed budgeted revenues and unappropriated surplus for that fund. The City Manager may transfer any unencumbered appropriation balance or portion thereof from one classification of expenditure to another within the same department, office, or agency. At the request of the City Manager, the City Council may, by resolution, transfer any unencumbered appropriation balance or portion thereof from one department, office, or agency to another. The City Council made additional appropriations during the year.

Unencumbered amounts for the operating portion of the budget lapse at year-end.

The following funds ended 2022 over budget: General Services Fund and Technology Replacement Fund.

Note 3 - Detailed Notes on All Funds

3-A. Deposits and Investments

Deposits – The Colorado Public Deposit Protection Act (PDPA) requires that all units of local government deposit cash in eligible public depositories. Statutes require that any public depository which accepts and holds public funds maintain, as security for public deposits accepted and held by it, not insured by federal depository insurance, eligible collateral having a market value, at all times, equal to at least one hundred and two percent of the amount of public deposits. Banking institutions are monitored by the State of Colorado Banking Commission and must report monthly on all public deposits held. Pledged collateral must be held in joint custody of the bank and the State of Colorado Banking Commission in accordance with the Public Deposit Protection Act in a safekeeping account held by a third party, usually the Federal Reserve Bank. The pledged collateral cannot be released unless approval is obtained by the banking commission. At December 31, 2022, the City's cash deposits had a bank balance of $14,124,101 and a carrying balance of $10,958,633. At December 31, 2022, of the City's deposits $250,000 was covered by the Federal Deposit Insurance Corporation (FDIC), and $13,874,101 was covered by the PDPA.

In July of 2022, the City rescinded the 2016 GPR WPCRF direct loan with Colorado Water Resource Power Development Authority. This was due to the completion of the Santa Rita Wastewater Treatment Plant as no further expenses were anticipated. The City was notified by the Authority the remaining credit balance of $454,083, representing the difference between the amount paid and the amount drawn and expended on the sewer's 2016 GPR direct loan, was to be applied to the City's future interest payments on the 2016 WPCRF leveraged loan. Credits of $104,597 were used in 2022 towards the leveraged loan payment. The remaining credit balance of $349,486 will be applied to 2023 and 2024 loan payments. The Authority's investments are either in local government investment pools or U.S. Treasuries or Obligations.

Note 3 - Detailed Notes on All Funds (Continued)

3-A. Deposits and Investments (continued)

At December 31, 2022 the bank and carrying balance of the Durango Conference Center Business Improvement District was $261,854 and $244,337 respectively. The amount of coverage by the Federal Deposit Insurance Corporation (FDIC) was $250,000 and $11,854 was covered by PDPA.

Investments – Colorado revised statutes and the City's investment policy specifies investment instruments meeting defined rating and risk criteria in which the City may invest:

United States Treasury Obligations
United States Government Agency and Instrumentality Obligations
Certificates of Deposits
Commercial Paper
Investment-grade Obligations of State
Repurchase Agreements
Money Market Mutual Funds
Local Government Investment Pools

Interest Rate Risk – As a means of limiting its exposure to fair value losses arising from prevailing market interest rates, the City's investment policy states that the City will minimize the interest rate risk by structuring the investment portfolio so that securities mature to meet cash requirements for ongoing operations, thereby avoiding the need to sell securities on the open market prior to maturity. The City investment policy states that the weighted average maturity of the portfolio shall be no greater than 3 years, and all investments shall have a final maturity not exceeding five years from the date of purchase.

Credit Risk -The City's investment policy is to apply the prudent person rule where investments are made as a prudent person would be expected to act. The City's investment policy limits investments in fixed income securities to U.S. Treasury Bills; U.S. Government Agencies; Certificates of Deposit; Commercial Paper; Investment-grade Obligations of State; Repurchase Agreements; Money Market Mutual Funds; and Local Government Investment Pools. The investment policy limits investments in commercial paper to be rated A-1 by Standard & Poor's, P-1 by Moody's, or F-1 by Fitch at the time of purchase. COLOTRUST records investments at fair value and the City records at net asset value. There are no unfunded commitments, the redemption frequency is daily, and there is no redemption notice period.

As of December 31, 2022, the City had $3,116,955 invested in the Colorado Local Governments Liquid Asset Trust (COLOTRUST). COLOTRUST is an investment vehicle established for local government entities in Colorado to pool surplus funds. The Colorado Division of Securities administers and enforces the requirements creating and operating COLOTRUST. Purchases and redemption's are available daily at a net asset value (NAV) of $1.00. The City is invested in the Plus+ and PRIME portfolios. COLOTRUST is rated AAAm by Standards and Poor's. At December 31, 2022 COLOTRUST had a weighted average maturity of 60 days or less. Investments of COLOTRUST are limited to those allowed by State statutes. A designated custodial bank provides safekeeping and depository services in connection with the direct investment and withdrawal functions. The custodian's internal records identify the investments owned by participating governments.

As of December 31, 2022, the City had $18,833,714 invested in the Colorado Surplus Asset Fund Trust (CSAFE) General and $53,794,939 invested in CSAFE Core. CSAFE is an investment vehicle established for local government entities in Colorado to pool surplus funds. At December 31, 2022 CSAFE had a weighted average maturity of 60 days or less.. Investments in CSAFE are shown at amortized cost for financial reporting purposes.

Note 3 - Detailed Notes on All Funds (Continued)

3-A. Deposits and Investments (continued)

CSAFE is rated AAAmmf by Fitch. CSAFE Core is rated AAAF/S1 by Fitch. Investments of CSAFE are limited to those allowed by State statutes. A designated custodial bank provides safekeeping and depository services in connection with the direct investment and withdrawal functions. The custodian's internal records identify the investments owned by participating governments. In 2022 the City expanded its investment portfolio by hiring Public Trust Advisors LLC, a Denver-based firm, to provide investment advisory services. As of December 31, 2022 the City had the following investments and maturities:

Investment Type	S&P/Fitch Rating	Less Than One Year	1-5 Years	Total	Percentage
ColoTrust	AAAm	$ 3,116,955	-	$ 3,116,955	4%
CSAFE	AAAmmf	18,833,714	-	18,833,714	22%
CSAFE - CORE	AAAF/S1	53,794,939	-	53,794,939	63%
US Treasury (managed)	AA+	-	2,472,791	2,472,791	3%
Cash Equivalents (managed)	AAAm	7,557,361	-	7,557,361	8%
Total		$ 83,302,969	$ 2,472,791	$ 85,775,760	

Reconciliation to Total Cash and Investments		
Investments		$ 85,775,760
Add:		
Cash on Hand and in Banks		10,958,633
Component Unit		244,337
Cash held with fiscal agent	349,486	
Investment in ICMA	37,538	
Investment in Empower Retirement	45,894	
Restricted Cash and Investments		432,918
Joint ventures share of pooled cash		(11,758,296)
Total Cash and Investments		$ 85,653,352

Cash & Investment Reconciliation:

The carrying amounts of deposits and investments are reflected in the accompanying financial statements as:

Note 3 - Detailed Notes on All Funds (Continued)

3-A. Deposits and Investments (continued)

Fund Reporting level:		
Governmental Funds - Cash on Hand	$	5,224
Governmental Funds - Equity in treasurer's cash and investments		48,928,406
Governmental Funds - Cash held in escrow		347,691
Proprietary Fund Type Statement of Net Position - Proprietary Funds		26,447,124
Proprietary Fund Type Statement of Net Position - Internal Service		9,331,084
Cash held with fiscal agent- Sewer Fund		349,486
Cash and investments - Component Unit		244,337
Total	$	85,653,352
Government-wide level:		
Cash and investments Governmental Activities - primary government	$	58,612,405
Cash and investments Business Type Activities - primary		26,447,124
Restricted assets		349,486
Cash and investments - Component Unit		244,337
	$	85,653,352
Durango Conference Center Business Improvement District:		
Cash on hand	$	200
Cash on deposit		244,137
	$	244,337

Concentration of Credit Risk – It is the intent of the City to diversify the investments within the portfolio to avoid incurring unreasonable risks inherent in over investing in specific instruments, individual financial institutions or maturities. The City's policy specifies that no more that 50 percent of the overall portfolio may be invested in the securities of a single issuer, except for securities of the U.S. Treasury. No more than 10 percent of the portfolio may be invested in each of the following categories of securities:

Commercial paper
Negotiable certificates of deposit
Banker's acceptance
Obligations not fully collateralized or insured

At least 5 percent of the portfolio shall be invested in overnight instruments or in marketable securities which can be sold to raise cash in one day's notice. The City's total portfolio was within these limits for the year ended December 31, 2022. Restricted cash and assets are those assets that are restricted by voter restriction or restricted legally by state statutes or city code of ordinances.

Fair Value – The City categorized its fair value measurements within the fair value hierarchy established by generally accepted accounting principles. The hierarchy is based on the valuation inputs used to measure the fair value of an asset. Level 1 inputs are quoted prices in active markets for identical assets; Level 2 inputs are valued using a matrix pricing technique. Matrix pricing is used to value securities based on the securities relationship to benchmark quoted prices; Level 3 inputs are significant unobservable inputs. As COLOTRUST is valued at net asset value, reporting of fair value measurements is not applicable. In addition, CSAFE is valued at amortized cost.

Note 3 - Detailed Notes on All Funds (Continued)

3-B. Receivables

Receivables at December 31, 2022, consisted of taxes, interest, accounts (billings for user charges, including unbilled utility receivables), and intergovernmental receivables arising from grants. Receivables and payables are recorded on the City's financial statements to the extent that the amounts are determined to be material and substantiated not only by supporting documentation, but also by a reasonable, systematic method of determining their existence, completeness, valuation, and in the case of receivables, collectability. The City has loans and has also deferred the collection of certain fees related to affordable housing projects. At December 31, 2022 the largest of these is a loan for $510,000, recorded in the Capital Projects Fund. This note carries an interest rate of 3%. Principal and accrued interest on this loan is due in 2033. The City has recorded accrued interest on this loan of $299,033. The Water Utility Fund has loans totaling $76,726 while the Sewer Utility Fund loan total is $16,081.

3-C. Property Taxes

Property taxes as set by the City Council are collected by the County Treasurer. The County Treasurer remits property taxes collected to the City by the 10th day of the month following collection. Property taxes receivable represents 2022 taxes levied and budgeted for and collectible in calendar year 2023. This amount also is reflected as deferred inflow of resources at the fund financial reporting level and the government-wide financial reporting level. Following are details of the property tax calendar:

Lien date	January 1 (current year)
Levy date	December 15 (prior year)
First half installment due	March 1
Second half installment due	June 15
If paid in full	April 30

Note 3 - Detailed Notes on All Funds (Continued)

3-D. Capital Assets (continued)

Capital asset activity for governmental activities including internal service funds for the year ended December 31, 2022, were as follows:

	Balance 1/1/2022, restated	Additions	Deductions	Transfers/ Adjustments	Balance 12/31/2022
Governmental activities:					
Capital assets not being depreciated					
Land	$ 31,757,350	$ -	$ -	$ 239,326	$ 31,996,676
Construction in progress	3,494,465	1,662,912	-	(2,737,230)	2,420,147
Total capital assets not being depreciated	35,251,815	1,662,912	-	(2,497,904)	34,416,823
Other capital assets:					
Buildings	48,851,094	-	(274,305)	-	48,576,789
Improvements	14,419,724	330,362	-	61,015	14,811,101
Equipment	26,253,001	1,074,366	(1,375,189)	766,899	26,719,077
Infrastructure	248,664,078	2,741,406	-	1,669,990	253,075,474
Total depreciable capital assets	338,187,897	4,146,134	(1,649,494)	2,497,904	343,182,441
Accumulated depreciation:					
Buildings	17,320,343	1,029,722	(67,148)	-	18,282,917
Improvements	1,623,329	502,695	-	-	2,126,024
Equipment	17,412,188	1,892,962	(1,375,189)	-	17,929,961
Infrastructure	141,121,832	7,653,419	-	-	148,775,251
Total accumulated depreciation	177,477,692	11,078,798	(1,442,337)	-	187,114,153
Total depreciable capital assets, net	160,710,205	(6,932,664)	(207,157)	-	156,068,288
Governmental activities capital assets, net	$ 195,962,020	$ (5,269,752)	$ (207,157)	$ (2,497,904)	$ 190,485,111
Right to use leased assets being amortized, restated					
Right to use leased building	199,810	-	-	-	199,810
Right to use leased equipment	277,089	-	-	-	277,089
Right to use leased land	19,927	-	-	-	19,927
Total right to use leased assets being amortized	496,826	-	-	-	496,826
Less Accumulated Amortization for					
Right to use leased building	-	58,767	-	-	58,767
Right to use leased equipment	-	18,944	-	-	18,944
Right to use leased land	-	6,642	-	-	6,642
Total accumulated amortization	-	84,353	-	-	84,353
Net right to use leased assets, restated	496,826	(84,353)	-	-	412,473
Total capital assets, net	$ 196,458,846	$ (5,354,105)	$ (207,157)	$ -	$ 190,897,584

Note 3 - Detailed Notes on All Funds (Continued)

3-D. Capital Assets (continued)

The following are the changes in the business-type activities, excluding internal service funds, for the year ended December 31, 2022:

	Balance 1/1/2022	Additions	Deductions	Transfers/ Adjustments	Balance 12/31/2022
Business-type activities					
Capital assets not being depreciated:					
Land	$ 5,476,387	$ -	$ -	$ -	$ 5,476,387
Water Rights	5,870,232	-	-	-	5,870,232
Construction in progress	411,527	2,339,293	(88,024)	(44,885)	2,617,911
Total capital assets not being depreciated	11,758,146	2,339,293	(88,024)	(44,885)	13,964,530
Other capital assets:					
Buildings	88,005,090	-	(200,000)	-	87,805,090
Equipment	9,961,899	542,799	-	-	10,504,698
Infrastructure	79,490,153	469,844	(39,599)	44,885	79,965,283
Total depreciable capital assets	177,457,142	1,012,643	(239,599)	44,885	178,275,071
Accumulated depreciation:					
Buildings	10,124,561	2,382,605	(25,000)	-	12,482,166
Equipment	6,120,339	530,427	-	-	6,650,766
Infrastructure	29,942,931	2,095,835	(39,600)	-	31,999,166
Total accumulated depreciation	46,187,831	5,008,867	(64,600)	-	51,132,098
Total depreciable capital assets, net	131,269,311	(3,996,224)	(174,999)	44,885	127,142,973
Business type activities capital assets, net	$ 143,027,457	$ (1,656,931)	$ (263,023)	$ -	$ 141,107,503

Note 3 - Detailed Notes on All Funds (Continued)

3-D. Capital Assets (continued)

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

Governmental activities depreciation and amortization expense is allocated as follows:

General government	$ 1,955,866
Public safety	58,214
Public works	6,196,688
Library	402,121
Parks and recreation	2,550,262
Total governmental activities depreciation	$ 11,163,151

Business-type activities depreciation expense is allocated as follows:

Water	$ 1,813,016
Sewer	2,682,647
Trash and Recycle	144,745
Transportation Services	368,459
Total business-type activities depreciation	$ 5,008,867

3-E. – Interfund Balances and Transfers

At December 31, 2022, there were no interfund loan receivables or interfund loan payables.

Fund Level	Interfund Receivable	Interfund Payable
	$ -	$ -
	-	-
	-	-
	$ -	$ -

Note 3 - Detailed Notes on All Funds (Continued)

3-E. – Interfund Balances and Transfers

	Transfers From			
Transfers To	Non-major governmental funds	Grants Fund	General	Total
General fund	$ 1,996,713	$ -	$ -	$ 1,996,713
Non-major	3,643,345	62,006	874,696	4,580,047
Transportation	847,572		-	847,572
	$ 6,487,630	$ 62,006	$ 874,696	$ 7,424,332

Transfers are used to report revenues from the fund that statute or budget requires to collect them to the fund that statute or budget requires to expend them and unrestricted revenues collected in the general fund to finance various programs accounted for in other funds in accordance with budgetary authorizations; to segregate money for anticipated capital projects; to provide additional resources for current operations or debt service; and to return money to the fund from which it was originally provided once a project is completed. All City transfers either occur on a regular basis or are consistent with the purpose of the fund making the transfer.

3-F. Compensated Absences

All permanent employees of the City are permitted to accumulate a maximum carryover of accrued PTO in the amount of two times the accrual rate in effect for that employee. Maximum carryover for employees with 20 years of service or more is 62 days (496) hours. In the event an employee reaches their maximum accrued PTO, they will no longer accrue PTO until their PTO balance is brought below their maximum accrual.

Note 3 - Detailed Notes on All Funds (Continued)

3-G. Leases

On January 1, 2022, the City implemented GASB Standard No. 87. As a lessee, the City recorded $496,826 as the right of use assets and associated lease payable of $496,826. As a lessor, the City recorded lease receivables of $1,641,598 and associated deferred inflow of resources of $1,641,598. The overall impact to the City's net position was zero.

Lessor

The City leases land and buildings for several leases as the lessor. Lease revenue in 2022 was $195,687 and lease interest revenue was $44,800. Lease receivables are recorded by the City as the present value of the future lease payments expected to be received from the lessee during the lease terms. Lease receivables are then reduced over the life of the lease as payments are received and applied in the appropriate period. The interest rate used for lease receivables ranges from 1.35% to 3.29% and is based on State and Local Government Series (SLGS) securities statistics. For these leases the City is reporting lease receivables of $1,449,248 and deferred inflow of resources of $1,445,911 as of December 31, 2022. Final receipt is expected in fiscal year 2042.

Future minimum payments:

Fiscal Year	Principal	Interest	Total
2023	$ 173,360	$ 40,270	$ 213,630
2024	184,348	35,410	219,758
2025	192,116	30,089	222,205
2026	116,335	25,670	142,005
2027	124,071	22,123	146,194
2028-2032	370,744	65,595	436,340
2033-2037	161,996	32,382	194,378
2038-2042	126,278	4,368	130,646
Total	$ 1,449,248	$ 255,907	$ 1,705,156

Short-term Leases
In accordance with GASB No. 87, the City does not recognize a lease receivable and deferred inflow of resources for short-term leases. Short-term leases are certain leases that have a maximum possible term of 12 months or less, including options to extend. Short-term leases do not include leases that automatically renew in perpetuity. The City recognized lease revenue of $0 in fiscal year 2022 for short-term leases.

Lessee

The City is a lessee for leases of buildings, office space and equipment through 2027. In association with these leases, the City recorded right of use assets of $412,473 and lease liabilities of $416,971 as of December 31, 2022. The interest rate by lease ranges from 1.35% to 3.29% and is based on SLGS securities statistics. The right of use assets are disclosed in the capital assets footnote combined for the Governmental activities, net of accumulated amortization, as of December 31,2022, is $412,473.

Future minimum payments:

Fiscal Year	Principal	Interest	Total
2023	$ 130,598	$ 10,372	$ 140,970
2024	136,516	6,464	142,980
2025	53,452	3,710	57,162
2026	50,904	1,924	52,828
2027	41,856	509	42,365
Total	$ 413,326	$ 22,979	$ 436,305

Note 3 - Detailed Notes on All Funds (Continued)

3-H. Long-Term Debt

Changes in Long-term Debt **-** Changes in the City's long-term obligations consisted of the following for the year ended December 31, 2022:

Governmental Activities	Balance January 1, 2022, as restated	Additions	Deletions	Balance December 31, 2022	Amounts Due in One Year
Direct Borrowings and Placements					
2014 Certificates of Participation	$ 1,955,000	$ -	$ 120,000	$ 1,835,000	$ 125,000
2016 Sales & Uses Refunding Note	4,485,000	-	1,085,000	3,400,000	1,110,000
2017 Sales & Uses Refunding Note	8,030,000	-	1,070,000	6,960,000	1,095,000
Compensated absences	1,722,403	1,433,501	1,156,899	1,999,005	999,503
Subtotal	16,192,403	1,433,501	3,431,899	14,194,005	3,329,503
Compensated absences - ISF	90,560	64,129	57,500	97,189	48,595
Lease Liability	496,826	-	$ 79,855	416,971	131,800
Total Governmental Activities	$ 16,779,789	$ 1,497,630	$ 3,569,254	$ 14,708,165	$ 3,509,898

Business Type Activities	Balance January 1, 2022	Additions	Deletions	Balance December 31, 2022	Amounts Due in One Year
Direct Borrowings and Placements					
Colorado Water Loan - Water	$ 2,526,002	$ -	$ 197,968	$ 2,328,034	$ 201,848
Colorado Water Loan - Sewer	46,870,383	-	2,438,774	44,431,609	2,481,893
Colorado Water Loan - Sewer 0% Interest	1,937,500	-	1,937,500	-	-
Loan Premium Amortization	1,000,864	-	58,874	941,990	58,874
Compensated absences - enterprise funds	320,075	366,553	265,744	420,884	210,442
Total Business Type Activities	$ 52,654,824	$ 366,553	$ 4,898,860	$ 48,122,517	$ 2,953,057

Revenue Bonds **–** In 2007, the City issued $15,890,000 Sales and Use Tax Revenue Bonds, Series 2007, with interest rates ranging from 4.00 percent to 4.125 percent due in annual installments of $625,000 to $1,215,000 beginning December 1, 2008 through December 1, 2025. In April of 2016, the City advanced refunded these bonds. The Sales and Use Revenue Refunding Note has an interest rate of 2.04 percent. Payment for the bonds is from a one-half of one percent sales and use tax. The 2016 Sales and Use Revenue Refunding Note were originally issued for the construction of a new Public Library. Annual debt service requirements to amortize the 2016 sales and use tax revenue bonds outstanding, as of December 31, 2022 follow:

Year Ending	Principal	Interest	Total
2023	1,110,000	69,360	1,179,360
2024	1,130,000	46,716	1,176,716
2025	1,160,000	23,664	1,183,664
Total	$ 3,400,000	$ 139,740	$ 3,539,740

In 2009, the City issued $17,585,000 Sales and Use Tax Revenue Bonds, series 2009, with interest rates ranging from 2.50 percent to 5.0 percent due in annual installments of $655,000 to $1,275,000 beginning December 1, 2009 through December 1, 2028. These bonds were advanced refunded in 2017. The City refunded the bonds to reduce its debt service requirements over the next 11 years. The Sales and Use Refunding Note has an interest rate of 2.37 percent.

Note 3 - Detailed Notes on All Funds (Continued)

3-H. Long-Term Debt (continued)

The amount of the deferred outflow on the refunding was $328,849. The 2009 bonds were issued for the reconstruction of Florida Road. Payment for the bonds is from a two percent sales and use tax.

Annual debt service requirements to amortize the 2017 sales and use tax revenue bonds outstanding, as of December 31, 2022 follow:

Year Ending	Principal	Interest	Total
2023	1,095,000	164,952	1,259,952
2024	1,120,000	139,001	1,259,001
2025	1,145,000	112,457	1,257,457
2026	1,170,000	85,320	1,255,320
2027	1,200,000	57,592	1,257,592
2028	1,230,000	29,152	1,259,152
Total	$ 6,960,000	$ 588,474	$ 7,548,474

In 2013, the City obtained a long-term loan from Colorado Water Resources and Power Development Authority (CWRPDA) in the amount of $4,000,000 to purchase water storage and rights for the Water Fund. The term of the loan is 20 years with an interest rate of 1.95%. Loan payments in the amount of $246,266 are due annually.

Year Ending	Principal	Interest	Total
2023	201,848	44,418	246,266
2024	205,803	40,462	246,265
2025	209,836	36,429	246,265
2026	213,948	32,318	246,266
2027	218,140	28,126	246,266
2028-2032	1,156,515	74,812	1,231,327
2033	121,944	1,190	123,134
Total	$ 2,328,034	$ 257,755	$ 2,585,789

In 2016, the City obtained two long-term State Revolving loans from Colorado Water Resources and Power Development Authority (CWRPDA) in the amount of $58,404,764 and $2,500,000 to construct a wastewater treatment plant. The term of the loans are 20 years. The larger of the two loans has an interest rate of 1.74 percent while the smallest loan is a zero percent interest rate. In 2022, having completed the construction project without drawing the total of the zero percent interest loan, the City rescinded the remaining loan proceeds, the debt was canceled by CWRPDA. Upon cancellation, principal payments paid by the City above amounts drawn from on the loan were to be applied to pay down interest payments on the larger loan until exhausted.. In 2023, a total of $349,486 remained in these payments which are recognized as unearned revenue in the sewer fund and will be applied to future interest payments due on the larger sewer loan.

Note 3 - Detailed Notes on All Funds (Continued)

3-H. Long-Term Debt (Continued)

Year Ending	Principal	Interest	Total
2023	2,481,893	627,188	3,109,081
2024	2,526,094	746,138	3,272,232
2025	2,565,548	707,138	3,272,686
2026	2,602,125	670,638	3,272,763
2027	2,631,986	636,888	3,268,874
2028-2032	13,518,958	2,838,606	16,357,564
2033-2037	14,904,558	1,449,964	16,354,522
2038	3,200,447	72,311	3,272,758
Total	$ 44,431,609	$ 7,748,871	$ 52,180,480

Certificates of Participation **-** In 2014, the City issued series 2014 Certificates of Participation in the amount of $2,700,000, with an interest rate of 3.5% proceeds will be used to construct Wilson Gulch Road in what is known as Three Springs within the City limits. This road will provide for economic development with big box retailers to ensure long term viability for the City. The City has leased real property, the Public Works Building, to the lender who leased the property back to the City. In the event of a default, the City may have to vacate the building and the lender can lease the real property to another entity. A schedule, by years, of future minimum lease payments under the lease agreement as of December 31, 2022 follows:

Year Ending	Principal	Interest	Total
2023	125,000	64,225	189,225
2024	130,000	59,850	189,850
2025	135,000	55,300	190,300
2026	140,000	50,575	190,575
2027	145,000	45,676	190,676
2028-2032	800,000	148,751	948,751
2033-2034	360,000	19,076	379,076
Total	$ 1,835,000	$ 443,453	$ 2,278,453

The Water Fund charges and services provide funding for annual payments on the water storage loan. The Sewer Fund charges and services provide funding for annual payments on the two loans. The City believes they are in compliance with all covenants related to all long-term debt. The compensated absences liability will be paid from the fund from which the employees' salaries are paid. The General fund is used to liquidate the compensated absences liability.

3-I. Pensions

The City, on behalf of certain paid firefighters and police officers, contributes to the Old Hire Police Pension Plan (Police Plan) and the Old Hire Fire Pension Plan (Fire Plan), both defined benefit, single employer plans that are affiliated with the Colorado Fire and Police Pension Association (FPPA). Assets of the plans are commingled for investment purposes in the Fire and Police Member's Benefit fund; an agent multiple-employer defined benefit pension plan administered by FPPA. FPPA is the trustee for these funds. The plans provide retirement benefits for members and beneficiaries according to the plan provisions as enacted and recommended by the Pension Board of each plan and further approved by the City Council. Title 31, Article 30 of the Colorado Revised Statutes (CRS), as amended, establishes basic benefit provisions under the plans. FPPA issues a publicly available annual financial report that includes the assets of the plans and separate biennial actuarial reports for each of the plans. The reports may be obtained by writing to FPPA, 5290 DTC Parkway, Suite 100, Greenwood Village, Colorado, 80111, or by calling FPPA at 1-800-770-3772.

Note 3 - Detailed Notes on All Funds (Continued)

3-I. Pensions (continued)

Fire Plan Description – The Fire Pension Plan covers only those firefighters hired prior to April 8, 1978 and provides retirement benefits to plan members and their beneficiaries. Cost-of-living adjustments are provided at the discretion of the City Council. Title 31 of the Colorado Revised Statutes assigns the authority to establish and amend the benefit provisions of the plan to the City Council with the input of the Pension Board.

Fire Plan Benefits Provided - Members are eligible for retirement benefits upon reaching age 50 with 20 years of service. Such benefits are equivalent to a monthly pension equal to 2.5 percent of final salary times service limited to 20 years plus 1.75 percent of final salary times service in excess of 20 years served since January 1, 1992. The maximum benefit amount is limited to 70 percent of final salary. Members are vested after ten years of service. A Deferred Retirement Option Plan (DROP) amendment received a favorable determination by the Internal Revenue Service in December 2001.

The amendment allows active members to elect to have a monthly benefit, along with their employee contributions to the plan, deposited into a separate account while they continue to be employed. However, they must terminate from the City no later than five years after the election. Upon termination, the participant receives the benefit of all funds accumulated in their DROP account as well as a monthly pension payment. As of December 31, 2022 there are no active members in the plan.

Police Plan Description - The Police Pension Plan covers only those police officers hired prior to April 8, 1978 and provides retirement benefits to plan members and their beneficiaries. Title 31 of the Colorado Revised Statutes assigns the authority to establish and amend the benefit provisions of the plan to the City Council with the input of the Pension Board.

Police Plan Benefits Provided - Members are eligible for retirement benefits upon reaching age 55 with 20 years service or upon completion of 25 years of service, if earlier. Such benefits are equivalent to a monthly pension equal to 2.5 percent of final salary times service limited to 20 years plus 2.0 percent of final salary times service in excess of 20 years, limited to a maximum total benefit of 75 percent of final salary. Members are vested after ten years of service. A Deferred Retirement Option Plan (DROP) amendment received a favorable determination by the Internal Revenue Service in December 2001. The amendment allows active members to elect to have a monthly benefit, along with their employee contributions to the plan, deposited into a separate account while they continue to be employed. However, they must terminate from the City no later than five years after the election. Upon termination, the participant receives the benefit of all funds accumulated in their DROP account as well as a monthly pension payment. As of December 31, 2022 there are no active members in the plan.

Membership of each plan was comprised of the following on December 31, 2022:

	Fire Pension	Police Pension
Retirees and beneficiaries	5	6
Inactive, Nonretired Members	-	-
Active plan members	-	-
	5	6

Contributions - The contributions of plan members and the City are established by state statute under Title 31, Article 30 of the CRS, as amended. The City is contributing to the plans at the level required by the actuarial valuations. The General Fund has typically been used to liquidate pension liabilities.

Note 3 - Detailed Notes on All Funds (Continued)

3-I. Pensions (continued)

Contributions to the plans for the year ended December 31, 2022 were as follows:

	Fire Pension	Police Pension
Employer Contributions	$ 152,371	$ 160,894

Net Pension Liability – Fire Plan

The City of Durango's net pension liability for the Plan is measured as of December 31, 2021, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation dated January 1, 2022. A summary of principal assumptions and methods used to determine the net pension liability is shown below.

Actuarial Assumptions

The total pension liabilities in the January 1, 2022 actuarial valuations were determined using the following actuarial assumptions:

Actuarial Cost Method	Entry Age Normal
Amortization Method	N/A
Remaining Amortization Period	N/A
Asset Valuation Method	5-Year smoothed fair value
Inflation	2.50%
Salary Increases	N/A
Investment Rate of Return	4.50%
Retirement Age	Any remaining actives are assumed to retire immediately.
Mortality	Post-retirement: 2006 central rates from the RP-2014Annuitant Mortality Tables for males and females projected to 2018 using the MP-2017 projection scales, and then projected prospectively using the ultimate rates of the scale for all years. Disabled (pre-1980): Post-retirement rates set forward three years.

The assumptions shown above pertain to the actuarial valuation as of January 1, 2022 and the associated Actuarially Determined Contribution for the year ending December 31, 2022. Following an experience study in 2020 and asset allocation study in 2018-2019, the Board adopted a new assumption set for first use in the January 1, 2021 valuations.

The primary changes, which can be observed in the January 1, 2022 valuation, as compared to the assumptions shown are as follows:

Investment Rate of Return	4.50%
Mortality Post-retirement:	2006 central rates from the RP-2014 Annuitant Mortality Tables for males and females projected to 2018 using the MP-2017 projection scales, and then projected prospectively using the ultimate rates of the scale for all years.
Disabled (pre-1980):	Post-retirement rates set forward three years.

Note 3 - Detailed Notes on All Funds (Continued)

3-I. Pensions (continued)

Asset Allocation for FPPA
As of the most recent analysis of the long-term expected rate of return, the target allocation and 5-year real rates of return for each major asset class are summarized in the following table:

Asset Class	Target Allocation	Long-Term Expected Nominal Rate of Return
Cash	10.00%	0.10%
Fixed Income-Rates	70.00%	2.30%
Fixed Income-Credits	10.00%	3.50%
Absolute Return	0.00%	5.60%
Equity Long/Short	0.00%	6.90%
Global Equity	10.00%	7.80%
Private Capital	0.00%	10.50%
Total	100.00%	

Discount Rate
Projected benefit payments are required to be 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 4.50%; the municipal bond rate is 1.84% (based on the weekly rate closest to but not later than the measurement date of the "state and local bonds" rate from Federal Reserve statistical release (H.15); and the resulting Single Discount Rate is 4.50%.

Note 3 - Detailed Notes on All Funds (Continued)

3-I. Pensions (continued)

Schedule of Changes in Net Pension Liability and Related Ratios Current Period
Measurement Period Ended December 31, 2021

Total pension liability		
Interest on the Total Pension Liability	$	111,529
Benefit Changes		133,811
Difference between expected and actual experience of the Total Pension Liability		(455,288)
Changes of assumptions		
Benefit payments		(238,262)
Net change in total pension - liability		(448,210)
Total pension liability - beginning		2,596,240
Total pension liability - ending	$	2,148,030
Plan fiduciary net position		
Contribution - employer	$	176,893
Net investment income		4,281
Benefit payments		(238,262)
Pension Plan Administrative Expense		(2,384)
Net change in plan fiduciary net position		(59,472)
Plan fiduciary net position - beginning		974,020
Plan fiduciary net position - ending		914,548
Net pension liability/(asset)	$	1,233,482
Plan fiduciary net position as percentage of total pension liability		42.58%

Sensitivity of the net pension liability to changes in the discount rate
Regarding the sensitivity of the net pension liability/ (asset) to changes in the Single Discount Rate, the following presents the plan's net pension liability/(asset), calculated using a Single Discount Rate of 4.50%, as well as what the plan's net pension liability/(asset) would be if it were calculated using a Single Discount Rate that is one percent lower or one percent higher.

	Sensitivity		
	1% Decrease 3.50%	**Rate Assumption 4.50%**	**1% Increase 5.50%**
Old Hire - Fire - Pension Liability	$ 1,429,161	$ 1,233,482	$ 1,064,634

Pension Plan Fiduciary Net Position
Detailed information about the pension plan's fiduciary net position is available in the separately issued FPPA financial reports.

Pension Expense and Deferred Outflows of Resources and Deferred Inflows of Resources
For the year ended December 31, 2022, the City recognized pension expense of $254.716. At December 31, 2022, the City reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

Note 3 - Detailed Notes on All Funds (Continued)

3-I. Pensions (continued)

	Deferred Outflows of Resources	Deferred Inflows of Resources
Net difference between projected and actual earnings on investments	$ 45,735	$ 36,282
Contributions Subsequent to measurement date	152,371	-
Total	$ 198,106	$ 36,282

$152,371 reported as deferred outflows of resources related to pensions, resulting from contributions subsequent to the measurement date, will be recognized as a reduction of the net pension liability in the year ended December 31, 2023. Amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

2023	$ 7,460
2024	(7,769)
2025	2,135
2026	7,627
Total	$ 9,453

Net Pension Liability – Police Plan
The City of Durango's net pension liability for the Plan is measured as of December 31, 2021, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation dated January 1, 2022. A summary of principal assumptions and methods used to determine the net pension liability is shown below.

Actuarial Assumptions
The total pension liabilities in the January 1, 2022 actuarial valuations were determined using the following actuarial assumptions:

Actuarial Cost Method	Entry Age Normal
Amortization Method	N/A
Remaining Amortization Period	N/A*
Asset Valuation Method	5-Year smoothed fair value
Inflation	2.50%
Salary Increases	N/A
Investment Rate of Return	4.50%
Retirement Age	Any remaining actives are assumed to retire immediately.
Mortality	Post-retirement: 2006 central rates from the RP-2014 Annuitant Mortality Tables for males and females projected to 2018 using the MP-2017 projection scales, and then projected prospectively using the ultimate rates of the scale for all years. Disabled (pre-1980): Post-retirement rates set forward three years.

The assumptions shown above pertain to the actuarial valuation as of January 1, 2022 and the associated Actuarially Determined Contribution for the year ending December 31, 2021. Following an experience study in 2018 and asset allocation study in 2018-2019, the Board adopted a new assumption set for first use in the January 1, 2020 valuations.

Note 3 - Detailed Notes on All Funds (Continued)

3-I. Pensions (continued)

The primary changes, which can be observed in the January 1, 2022 valuation, as compared to the assumptions shown are as follows:

Investment Rate of Return	4.50%
Mortality Post-retirement:	2006 central rates from the RP-2014 Annuitant Mortality Tables for males and females projected to 2018 using the MP-2017 projection scales, and then projected prospectively using the ultimate rates of the scale for all years.
Disabled (pre-1980):	Post-retirement rates set forward three years.

Asset Allocation for FPPA

As of the most recent analysis of the long-term expected rate of return, the target allocation and 5-year real rates of return for each major asset class are summarized in the following table:

Long-Term Expected

Asset Class	Target Allocation	Long-Term Expected Nominal Rate of Return
Cash	10.00%	0.10%
Fixed Income-Rates	70.00%	2.30%
Fixed Income-Credits	10.00%	3.50%
Absolute Return	0.00%	5.60%
Equity Long/Short	0.00%	6.90%
Global Equity	10.00%	7.80%
Private Capital	0.00%	10.50%
Total	100.00%	

Discount Rate

Projected benefit payments are required to be 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 4.50%; the municipal bond rate is 1.84% (based on the weekly rate closest to but not later than the measurement date of the "state and local bonds" rate from Federal Reserve statistical release (H.15)); and the resulting Single Discount Rate is 4.50%.

Note 3 - Detailed Notes on All Funds (Continued)

3-I. Pensions (continued)

Schedule of Changes in Net Pension Liability and Related Ratios Current Period
Measurement Period Ended December 31, 2021

Total pension liability		
Interest on the Total Pension Liability	$	147,138
Benefit Changes		143,858
Difference between expected and actual experience of the Total Pension Liability		2,514
Changes of assumptions		
Benefit payments		(291,801)
Net change in total pension - liability		1,709
Total pension liability - beginning		3,414,020
Total pension liability - ending	$	3,415,729
Plan fiduciary net position		
Contribution - employer	$	184,960
Net investment income		6,805
Benefit payments		(291,801)
Pension Plan Administrative Expense		(2,149)
Net change in plan fiduciary net position		(102,185)
Plan fiduciary net position - beginning		1,512,369
Plan fiduciary net position - ending		1,410,184
Net pension liability/(asset)	$	2,005,545
Plan fiduciary net position as percentage of total pension liability		41.29%

Sensitivity of the net pension liability to changes in the discount rate
Regarding the sensitivity of the net pension liability/ (asset) to changes in the Single Discount Rate, the following presents the plan's net pension liability/(asset), calculated using a Single Discount Rate of 4.50%, as well as what the plan's net pension liability/(asset) would be if it were calculated using a Single Discount Rate that is one percent lower or one percent higher.

	Sensitivity		
	1% Decrease 3.50%	**Rate Assumption 4.50%**	**1% Increase 5.50%**
Old Hire - Police - Pension Liability	$ 2,319,123	$ 2,005,545	$ 1,734,520

Pension Plan Fiduciary Net Position
Detailed information about the pension plan's fiduciary net position is available in the separately issued FPPA financial reports.

Pension Expense and Deferred Outflows of Resources and Deferred Inflows of Resources
For the year ended December 31, 2022, the City recognized pension expense of $221,973. At December 31, 2022, the City reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

Note 3 - Detailed Notes on All Funds (Continued)

3-I. Pensions (continued)

	Deferred Outflows of Resources	Deferred Inflows of Resources
Net difference between projected and actual earnings on investments	$ 70,157	$ 55,806
Contributions Subsequent to measurement date	160,894	-
Total	$ 231,051	$ 55,806

$160,894 reported as deferred outflows of resources related to pensions, resulting from contributions subsequent to the measurement date, of the net pension liability but before the end of the reporting period, will be recognized as a reduction of the net pension liability in the year ended December 31, 2023. Amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

2023	$ 11,347
2024	(11,751)
2025	2,989
2026	11,766
Total	$ 14,351

The City participates in two defined contribution plans.

401A Money Purchase Plan Fire and Police: Effective January 1, 1988 eligible firefighters and police officers, with hire dates on or after April 8, 1978, elected to withdraw from the state administered Colorado Fire and Police Pension Association, a defined benefit pension plan. The state legislation allowing the withdrawal states that the alternate pension plan must be a money purchase plan. The new plan offered to eligible participants is a 401(a) Money Purchase Plan administered by the ICMA Retirement Corporation. Each participant has an individual account with ICMA into which all contributions flow. The participants are offered various investment options through the plan and are allowed to invest all monies in their account, at their own discretion, among the options. The City may amend, modify, or terminate the Plan, upon approval of such amendment, modification or termination by 65% of the active participants, provided that no amendment or modification shall reduce the account balances of any participant accrued to the date of the change.

In a defined contribution plan, benefits depend solely on amounts contributed to the plan plus investment earnings. Employees covered by this plan are eligible to participate from the date of employment. The plan defines the City and employee contributions at 11.2% and 9% respectively. The City's contributions for each employee are fully vested after five years. The contributions are vested at 20% each year. City contributions for and interest forfeited by employees who leave employment before five years of service are used to reduce the City’s obligations to contributed. The City applied participant forfeitures of $19,317 to reduce the City share of contributions. As of December 31, 2022, the City had $37,538 in unapplied forfeitures, which are reported as cash in these financial statements.

The City's total payroll for the year ended December 31, 2022 was $25,709,823 The City's payroll for employees covered by the plan was $4,290201. The contribution to the plan totaled $847,304, which consists of $386,118 contributed by employees and $480,503 contributed by the City.

401A Money Purchase Plan Empower Retirement - Effective November 1, 1989, the City withdrew from Public Employees Retirement Association of Colorado, a defined benefit pension plan. The City has set up an alternate plan in the form of a money purchase plan. The plan offered to eligible participants is a 401(a) Money Purchase Plan administered by Empower Retirement. The participants are offered various investment options through the plan and are allowed to invest all monies in their account, at their own discretion, among the options.

Note 3 - Detailed Notes on All Funds (Continued)

3-I. Pensions (continued)

The City may amend, modify, or terminate the Plan, upon approval of such amendment, modification or termination by 65% of the active participants, provided that no amendment or modification shall reduce the account balances of any participant accrued to the date of the change.

In a defined contribution plan, benefits depend solely on amounts contributed to the plan plus investment earnings. Employees covered by this plan are eligible to participate from the date of employment. The plan defines the City and employee contributions at 11.2% and 9% respectively. The City's contributions for each employee are fully vested after five years. These contributions are vested at 20% each year. City contributions, and the interest thereon, for employees who leave employment prior to becoming vested are applied towards the City's obligation to contribute.

The City applied participant forfeitures of $82,814 to reduce the City share of contributions. As of December 31, 2022, the City had $45,894 in unapplied forfeitures, which are reported as cash in these financial statements.

The City's total payroll for the year ended December 31, 2021 was $25,709,823. The City's payroll for employees covered by the plan was $19,125,080. The contribution to the plan totaled $3,678,243, which consists of $1,638,823 contributed by employees and $2,039,420 contributed by the City.

The net aggregate pension expense for all pension plans was $2,833,188.

3-J. Net Investment in Capital Assets

Net investment in capital assets on the government-wide statement of net position as of December 31, 2022 are as follows:

	Governmental Activities	Business Type Activities
Cost of Capital Assets	$ 378,096,090	$ 192,239,601
Less accumulated depreciation	(187,198,506)	(51,132,098)
Book value	190,897,584	141,107,503
Less capital related debt	(12,195,000)	(47,701,633)
Less retainage	(5,133)	(74,626)
Less lease liability	(416,971)	-
Net investment in capital assets	$ 178,280,480	$ 93,331,244

3-K Fund Equity

Fund Balances - Fund balances are classified as follows:

- ***Nonspendable -***The following fund balances are nonspendable because they are not in spendable form:

General Fund:	
Deposits	$ 347,691
Inventory	44,194
Total	$ 391,885

Note 3 - Detailed Notes on All Funds (Continued)

3-K Fund Equity (continued)

- ***Restricted*** **-** The following fund balances are legally restricted to specified purposes:

General Fund:		
Emergencies	$	1,673,636
Pension		83,431
Total	$	1,757,067
Grants Fund:		
ARPA		168,401
Total	$	168,401
Nonmajor Govermental Funds:		
Capital Improvements	$	700,142
2007 Sales Tax Bond Debt		183,213
Parks, Open Space & Trails		5,000,401
Conservation Trust		653,249
Total	$	6,537,005

- ***Committed-*** The following fund balances are committed to the following purposes:

General Fund:		
Police confiscations	$	1,686
Nonmajor Govermental Funds:		
Streets Improvement		5,800,821
Durango Tourism		1,861,770
Recreation Complex/Trails		8,251,425
Road Impact		589,502
Housing		1,496,766
Storm Drainage		8,298
Parks and Recreation Development Fund		136,111
Durango Renewal Partnership		806,423
Capital projects		379,236
Revolving loan		4,846
Conservation Trust Fund		66
Capital Improvement Fund		60,351
Parks, Open, Space and Trails		75,992
Total	$	19,471,607

- ***Assigned*** **-** The following fund balances are assigned to the following purposes:

General Fund:		
Fund Balance Reserve	$	10,431,700
PEG Fees		75,782
Donations		16,556
Total	$	10,524,038

Note 4 - Other Notes

4-A. Risk Management

Employee Medical Insurance - Effective January 1, 1985, the City began a self-insurance program for medical claims. The purpose of the program is to pay medical claims of City employees and their covered dependents up to certain limits and to minimize the total cost of annual medical insurance to the City. The employer pays employee and a percentage of the dependent coverage.

Claims are processed and paid by Meritain Health, a third-party administrator. Individual excess risk coverage commences after an individual has incurred $100,000 of claims in a year. The City carried the aggregate coverage for any claims up to a maximum of $1,000,000 in 2022. The excess risk coverage for both individual and aggregate claims coverage was covered by Risk Assessment Management, a private insurance carrier. Settled claims have not exceeded coverage in any of the past three fiscal years. The claims liability reported in the Self Insurance Fund (an internal service fund) at December 31, 2022 is based on claims reported if information prior to the issuance of the financial statements indicates that it is probable that a liability has been incurred at the date of the financial statements and the amount of the loss can be reasonably estimated.

Changes in balance in claims liabilities can be summarized as follows:

Date	Beginning of Year Liability	Current Year Claims and Changes in estimates	Claims Payments	End of Year Liability
2020	379,906	3,841,155	3,854,780	366,281
2021	366,281	4,804,272	4,683,104	487,449
2022	487,448	5,710,862	5,249,951	948,359

Property, Casualty and Workers Compensation Insurance - The City is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; injuries to employees; and natural disasters. The Colorado Intergovernmental Risk Sharing Agency (CIRSA) is a public entity risk pool currently operating as a common risk management and insurance program for over 100 municipalities. The City, as member of the pool, pays annual premiums to CIRSA for its property and casualty insurance and workers' compensation insurance coverage. The bylaws and Intergovernmental Agreement of CIRSA provides that CIRSA will provide coverage through pooling of self-insured losses and the purchase of stop-loss insurance coverage.

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

Ultimate liability to the City resulting from claims not covered by CIRSA is not presently determinable. Management and the City attorney are of the opinion that the final outcome of such claims, if any, will not have a material adverse effect on the City's financial statements.

There were no significant reductions in insurance coverage from prior years, and there have been no settlements that exceed the City’s insurance coverage during the past three years.

4-*B. Contingent Liabilities*

The City has received federal and state grants for specific purposes that are subject to review and audit by the grantor agencies or their designee. These audits could result in a request for reimbursement to the grantor agency for costs disallowed under terms of the grant. Based on prior experience, the City believes such disallowances, if any, will be immaterial.

The City was a defendant in several lawsuits at December 31, 2022. In the opinion of City management, the outcome of these contingencies will not have a material effect on the financial position of the City.

4-C. Joint Ventures

The City is a participant with La Plata County (the County) in a joint venture to operate the Durango-La Plata County Airport. Pursuant to an intergovernmental agreement, the Airport Commission was created. The commission consists of nine members, three of which are appointed by the City Council. The airport manager is employed by the concurrent action of the City Council and the Board of County Commissioners. The City and County each have a 50 percent interest in all airport property. Through an intergovernmental agreement entered into by the City and the County, fiscal administration of the airport was delegated to the City.

The Airport's net position at fiscal year-end was $70,288,232. The City's 50 percent equity interest is booked as joint venture in the airport and is reported in the government-wide statements as joint venture investment in capital assets. The City's equity interest in the Durango-La Plata County Airport was $35,144,116, as of December 31, 2022. The Durango La Plata County Airport issues separate financial statements which may be obtained from the Airport or from the City of Durango Finance Department.

Condensed Statement of Net Position

	Business-type Activities 2022
Assets:	
Current assets	$ 17,128,595
Capital assets	55,645,088
Total assets	72,773,683
Liabilities:	
Current liabilities	667,178
Long-term liabilities	1,818,273
Total liabilities	2,485,451
Net Position:	
Net investment in Capital Assets	55,645,088
Restricted	5,001,228
Unrestricted	9,641,916
Total net position	$ 70,288,232

Note 4 - Other Notes (Continued)

4-C. Joint Ventures (continued)

The following table provides a summary of the Airport's changes in net position:

Summary of Changes in Net Position

	Business-type Activities 2022
Revenues:	
Operating revenues	$ 4,745,628
Non-operating revenues	17,524,468
Total revenues	22,270,096
Expenses:	
Operating expense	3,679,108
Depreciation	3,208,907
Total expenses	6,888,015
Changes in net position	15,382,081
Beginning net position	54,906,151
Ending net position	$ 70,288,232

4-D. Tax, Spending and Debt Limitations

Colorado voters passed an amendment to the State Constitution, Article X, Section 20, which has several limitations, including revenue raising, spending abilities, and other specific requirements of state and local governments. The Amendment, also known as TABOR, is complex and subject to judicial interpretation. The City believes it is in compliance with the requirements of the amendment. However, the City has made certain interpretations of the amendment's language in order to determine its compliance.

TABOR requires local governments to establish Emergency Reserves. These reserves must be at least 3% of Fiscal Year Spending (excluding bonded debt service). Local governments are not allowed to use the emergency reserves to compensate for economic conditions, revenue shortfalls, or salary or benefit increases. As described in Note 3-K, these financial statements report an emergency reserve of $1,673,636. During 2020, the City Council passed an ordinance which allows the City to fund the TABOR emergency reserves with unencumbered or unrestricted cash, real property or any unused TABOR Emergency Reserves.

At the April 4, 1995 municipal election, the voters authorized the City to collect and retain all revenues received during the period beginning January 1, 1994 and extending through December 31, 1997, notwithstanding any revenue or spending limitations on fiscal year spending pursuant to the Amendment. The authority to collect and retain all revenues received was extended for the year 1998 and all subsequent years at the April 1, 1997 municipal election.

City of Durango, Colorado
Required Supplementary Information
For the Year Ended December 31, 2022

Schedule of Changes in Net Pension Liability (Asset) and Related Ratios
Old Hire Fire Pension Plan

Measurement Year Ending December 31,

For Reporting Year Ending December 31,	2014	2015	2016	2017	2018	2019	2020	2021
	2015	**2016**	**2017**	**2018**	**2019**	**2020**	**2021**	**2022**
Total pension liability								
Interest on the Total Pension Liability	$ 153,060	$ 156,903	$ 167,874	$ 162,946	$ 166,841	$ 160,868	$ 117,019	$ 111,529
Benefit Changes	146,102	-	131,823	-	120,167	-	-	133,811
Difference between expected and actual experience	-	19,701	-	17,472	-	21,086	-	(455,288)
Changes of assumptions	-	91,649	-	-	-	521,325	-	-
Benefit payments	(253,376)	(242,277)	(238,568)	(257,593)	(239,393)	(253,843)	(239,743)	(238,262)
Net change in total pension liability	45,786	25,976	61,129	(77,175)	47,615	449,436	(122,724)	(448,210)
Total pension liability - beginning	2,165,197	2,210,983	2,236,959	2,299,088	2,221,913	2,269,528	2,718,964	2,596,240
Total pension liability - ending	$ 2,210,983	$ 2,236,959	$ 2,298,088	$ 2,221,913	$ 2,269,528	$ 2,718,964	$ 2,596,240	$ 2,148,030
Plan fiduciary net position								
Contribution - employer	$ 234,321	$ 117,868	$ 117,868	$ 126,278	$ 258,101	$ 142,388	$ 137,304	$ 176,893
Net investment income	71,839	19,430	49,741	130,707	(1,245)	120,642	70,544	4,281
Benefit payments	(253,376)	242,277	(238,568)	(257,593)	(239,393)	(253,843)	(239,743)	(238,262)
Pension Plan Administrative Expense	(5,792)	5,037	(4,730)	(2,004)	(5,777)	(2,419)	(4,871)	(2,384)
Net change in plan fiduciary net position	46,992	384,612	(75,689)	(2,612)	11,686	6,768	(36,766)	(59,472)
Plan fiduciary net position - beginning	1,133,657	1,180,649	1,070,633	994,944	992,332	1,004,018	1,010,786	974,020
Plan fiduciary net position - ending	$ 1,180,649	$ 1,565,261	$ 994,944	$ 992,332	$ 1,004,018	$ 1,010,786	$ 974,020	$ 914,548
Net pension liability/(asset)	$ 1,030,334	$ 671,698	$ 1,304,144	$ 1,229,581	$ 1,265,510	$ 1,708,178	$ 1,622,220	$ 1,233,482
Plan fiduciary net position as percentage of total pension liability	53.40%	47.86%	43.28%	44.66%	44.24%	37.18%	37.52%	42.58%
Covered payroll	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Net pension liability/(asset) as a percentage of covered payroll	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A

Note: Schedule is intended to show information for 10 years. Additional years will be displayed as the information becomes available.

Schedule of Pension Contributions
Old Hire Fire Pension Plan

Fiscal Year Ending December 31,

For Reporting Year Ending December 31,	2013	2014	2015	2016	2017	2018	2019	2020	2021
	2014	**2015**	**2016**	**2017**	**2018**	**2019**	**2020**	**2021**	**2022**
Actuarially determined annual required contribution	$ 93,408	$ 117,868	$ 117,868	$ 126,278	$ 126,278	$ 142,388	$ 142,388	$ 151,991	$ 164,632
Contributions in relation to the actuarially determined contribution	234,321	117,868	117,868	126,278	126,278	142,388	151,991	137,304	176,893
Contribution deficiency (excess)	$ (140,913)	$ -	$ -	$ -	$ -	$ -	$ 9,603	$ (14,687)	$ 12,261
Covered payroll	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Contributions as a percentage of covered payroll	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A

Note: Schedule is intended to show information for 10 years. Additional years will be displayed as the information becomes available.

Notes to schedule:

Actuarial determined contribution rates are calculated as of January 1 of even numbered years. The contribution rates have a one year lag, so the actuarial valuation as of January 1, 2020, determines the contribution amounts for 2021 and 2022.

City of Durango, Colorado
Required Supplementary Information
For the Year Ended December 31, 2022

Methods and Assumptions Used to Determine Contribution Rates for the Fiscal Year Ending December 31, 2022:

Actuarial Cost Method	Entry Age Normal
Amortization Method	N/A
Remaining Amortization Period	N/A
Asset Valuation Method	5-Year smoothed fair value
Inflation	2.50%
Salary Increases	N/A
Investment Rate of Return	4.50%
Retirement Age	Any remaining actives are assumed to retire immediately.
Mortality	Post-retirement: 2006 central rates from the RP-2014 Annuitant Mortality Tables for males and females projected to 2018 using the MP-2017 projection scales, and then projected prospectively using the ultimate rates of the scale for all years. Disabled (pre-1980): Post-retirement rates set forward three years.

City of Durango, Colorado
Required Supplementary Information
For the Year Ended December 31, 2022

Schedule of Changes in Net Pension Liability (Asset) and Related Ratios
Old Hire Police Pension Plan
For the Last Ten Fiscal Years

Measurement Year Ending December 31,	2014	2015	2016	2017	2018	2019	2020	2021
For Reporting Year Ending December 31,	**2015**	**2016**	**2017**	**2018**	**2019**	**2020**	**2021**	**2022**
Total pension liability								
Interest on the Total Pension Liability	$ 199,962	$ 205,124	$ 216,400	$ 210,904	$ 218,807	$ 213,805	$ 153,063	$ 147,138
Benefit Changes	153,187	-	137,606	-	132,122	-	-	143,858
Difference between expected and actual experience	-	(29,987)	-	52,524	-	(116,414)	-	2,514
Changes of assumptions	-	114,413	-	-	-	741,283	-	-
Benefit payments	(290,415)	(278,021)	(275,542)	(304,342)	(275,496)	(295,881)	(277,831)	(291,801)
Net change in total pension liability	62,734	11,529	78,464	(40,914)	75,433	542,793	(124,768)	1,709
Total pension liability - beginning	2,808,749	2,871,483	2,883,012	2,299,088	2,920,562	2,995,995	3,538,788	3,414,020
Total pension liability - ending	$ 2,871,483	$ 2,883,012	$ 2,961,476	$ 2,258,174	$ 2,995,995	$ 3,538,788	$ 3,414,020	$ 3,415,729
Plan fiduciary net position								
Contribution - employer	$ 253,957	$ 110,495	$ 110,495	$ 122,870	$ 260,476	$ 141,741	$ 141,741	$ 184,960
Net investment income	108,853	29,792	77,637	204,149	(775)	181,762	110,192	6,805
Benefit payments	(290,415)	(278,021)	(275,542)	(304,342)	(275,496)	(295,881)	(277,831)	(291,801)
Pension Plan Administrative Expense	(6,641)	(2,741)	(5,561)	(2,004)	(5,777)	(2,419)	(4,871)	(2,149)
Net change in plan fiduciary net position	65,754	(140,475)	(92,971)	20,673	(21,572)	25,203	(30,769)	(102,185)
Plan fiduciary net position - beginning	1,686,526	1,752,280	1,611,805	1,518,834	1,539,507	1,517,935	1,543,138	1,512,369
Plan fiduciary net position - ending	$ 1,752,280	$ 1,611,805	$ 1,518,834	$ 1,539,507	$ 1,517,935	$ 1,543,138	$ 1,512,369	$ 1,410,184
Net pension liability/(asset)	$ 1,119,203	$ 1,271,207	$ 1,442,642	$ 718,667	$ 1,478,060	$ 1,995,650	$ 1,901,651	$ 2,005,545
Plan fiduciary net position as percentage of total pension liability	61.02%	55.91%	51.29%	52.71%	44.24%	43.61%	44.30%	41.29%
Covered payroll	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Net pension liability/(asset) as a percentage of covered payroll	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A

Note: Schedule is intended to show information for 10 years. Additional years will be displayed as the information becomes available.

Schedule of Pension Contributions
Old Hire Police Pension Plan
For The Last Ten Fiscal Years

Measurement Year Ending December 31,	2013	2014	2015	2016	2017	2018	2019	2020	2021
For Reporting Year Ending December 31,	**2014**	**2015**	**2016**	**2017**	**2018**	**2019**	**2020**	**2021**	**2022**
Actuarially determined annual required contribution	$ 106,210	$ 110,495	$ 110,495	$ 122,870	$ 122,870	$ 141,741	$ 156,271	$ 156,271	$ 172,927
Actual Contribution	253,957	110,495	110,495	122,870	122,870	260,476	141,741	141,741	184,960
Contribution deficiency (excess)	$ (147,747)	$ -	$ -	$ -	$ -	$ (118,735)	$ 14,530	$ 14,530	$ (12,033)
Covered payroll	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Contributions as a percentage of covered payroll	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A

Note: Schedule is intended to show information for 10 years. Additional years will be displayed as the information becomes available.

Notes to schedule:
Actuarial determined contribution rates are calculated as of January 1 of even numbered years. The contribution rates have a one year lag, so the actuarial valuation as of January 1, 2018, determines the contribution amounts for 2019 and 2020.

City of Durango, Colorado
Required Supplementary Information
For the Year Ended December 31, 2022

Methods and Assumptions Used to Determine Contribution Rates for the Fiscal Year Ending December 31, 2022:

Actuarial Cost Method	Entry Age Normal
Amortization Method	Level Dollar, Open*
Remaining Amortization Period	18 years*
Asset Valuation Method	5-Year smoothed fair value
Inflation	2.50%
Salary Increases	N/A
Investment Rate of Return	4.50%
Retirement Age	Any remaining actives are assumed to retire immediately.
Mortality	Post-retirement: For ages less than 55, RP_2014 Mortality Tables for Blue Collar Employees. For ages 65 and older, RP-2014 Mortality Tables for Blue Collar Healthy Annuitants. For ages 55 through 64, a blend of the previous tables. All tables are projected with Scale BB. Disabled (pre-1980): RP-2014 Disabled Generational Mortality Table generationally projected with Scale BB with a minimum 3% rate for males and 2% for females.

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

Required Supplementary Information
City of Durango, Colorado
General Fund
Schedule of Revenues, Expenditures and Changes in Fund Balances - Budget and Actual
For the Year Ended December 31, 2022
(With Comparative Actual Amounts for the Year Ended December 31, 2021)

	2022				2021
	Original Budget	Final Budget	Actual	Variance with Final Budget - Positive (Negative)	Actual
Revenues					
Property taxes	$ 3,013,056	$ 3,013,056	$ 2,937,784	$ (75,272)	$ 2,938,082
Specific ownership taxes	325,000	325,000	335,397	10,397	333,851
Sales taxes	18,800,000	19,565,831	20,568,926	1,003,095	19,532,413
Use taxes	1,208,715	1,208,715	934,342	(274,373)	966,944
Sales and use tax audit	100,000	100,000	-	(100,000)	118,148
La Plata County shared sales tax	6,610,977	6,610,977	6,324,980	(285,997)	5,945,741
La Plata County joint sales tax	2,968,238	3,325,738	3,201,232	(124,506)	2,188,710
Cigarette tax	85,000	85,000	64,317	(20,683)	95,819
Franchise fees and occupational taxes	1,792,500	1,792,500	1,801,135	8,635	1,845,991
Special assessments	-	-	-	-	6,850
Intergovernmental	2,480,975	2,480,975	2,699,367	218,392	2,399,472
Licenses and permits	772,850	772,850	624,000	(148,850)	693,371
Charges for services	6,787,683	6,787,683	5,956,759	(830,924)	5,962,098
Lease revenue	-	-	240,487	240,487	-
Fines and forfeitures	98,000	98,000	159,893	61,893	66,551
Investment earnings	110,000	110,000	356,398	246,398	(18,672)
Miscellaneous	996,550	1,011,550	997,746	(13,804)	1,400,478
Total Revenues	46,149,544	47,287,875	47,202,763	(85,112)	44,475,847
Expenditures					
Current					
General government	11,016,982	12,060,443	10,867,535	1,192,908	9,564,556
Public safety	17,046,872	17,164,251	16,423,103	741,148	15,798,021
Public works	4,130,756	4,161,756	3,349,078	812,678	3,248,496
Parks and recreation	8,703,744	8,703,744	7,943,037	760,707	6,781,281
Library	2,815,898	2,835,898	2,699,397	136,501	2,366,421
Community services	1,262,508	1,262,508	1,334,719	(72,211)	1,581,703
Non-departmental	2,093,204	2,030,728	2,609,294	(578,566)	2,067,697
Capital Outlay - Lease	-	-	209,904	(209,904)	-
Principal retirement	120,000	120,000	120,000	-	115,000
Interest and fiscal charges	68,425	68,425	67,997	428	72,450
Total Expenditures	47,258,389	48,407,753	45,624,064	2,783,689	41,595,625
Excess (Deficiency) of Revenues Over (Under) Expenditures	(1,108,845)	(1,119,878)	1,578,699	2,698,577	2,880,222
Other Financing Sources (Uses)					
Sale of capital assets	5,000	5,000	500	(4,500)	-
Other finance source- leases-lessee	-	-	579,777	579,777	-
Transfers in	2,009,349	2,009,349	1,996,713	(12,636)	2,663,312
Transfers out	(1,106,203)	(1,921,595)	(874,696)	1,046,899	(1,006,129)
Total Other Financing Sources (Uses)	908,146	92,754	1,702,294	1,609,540	1,657,183
Net Change in Fund Balances	$ (200,699)	$ (1,027,124)	3,280,993	$ 4,308,117	4,537,405
Fund Balances Beginning of Year			19,818,700		15,281,295
Fund Balances End of Year			$ 23,099,693		$ 19,818,700

City of Durango, Colorado
Required Supplementary Information
General Fund
Notes to the Schedule of Revenues, Expenditures and Changes in Fund Balance
Budget and Actual
For the Year Ended December 31, 2022

The 2022 budget was guided by the City's mission, vision, values, and goals and coordinated with the strategic plan that fosters a culture of innovation and transparency focusing specifically on the below goal areas:

- Financial Excellence and Transparency
- Enhanced Livability and Sense of Place
- Affordability & Economic Opportunity
- Diversity, Equity and Inclusion
- Environmental and Social Sustainability
- Ensure Effective Infrastructure Network

The City of Durango's strong tourism economy and conservative budgeting in 2021 mitigated the financial impacts of the COVID-19 pandemic. Sales tax revenue rebounded significantly from 2020, allowing the City to meet its fund balance policy obligations and provide employees a mid-year cost of living adjustment.

The 2022 budget was prepared with the assumption that sales tax revenue would increase 22.4% compared to the 2021 budget and a conservative 1.3% decrease over estimated 2021 actuals. While conservative and based on 5-year actuals, the 2022 budget focused on enhanced services returning to pre-pandemic levels. Further aligned with the strategic plan, the 2022 budget provided a 5% pay increase to City staff. It will also addressed compression issues that had occurred over time and resulted in pay discrepancies between new employees and employees with tenure. The compression issues will take a few years to resolve completely.

The general fund budget is adopted on a basis consistent with GAAP. The legal level of control (the level at which expenditures may not legally exceed appropriations) for each adopted annual operating budget generally is the department level within the general fund. Any change in total to a fund or departmental appropriation within a fund requires City Council approval. The City Council may authorize additional appropriations during the budget year for expenditures required, but not in excess of the amount that actual revenues exceed budgeted revenues and unappropriated surplus for that fund. The City Manager may transfer any unencumbered appropriation balance or portion thereof from one classification of expenditure to another within the same department, office, or agency. At the request of the City Manager, the City Council may, by resolution, transfer any unencumbered appropriation balance or portion thereof from one department, office, or agency to another.

The City Council made additional appropriations as follows during the year:

	Original Budget	Supplemental Appropriations	Final Budget
Revenues	$ 46,149,544	$ 1,138,331	$ 47,287,875
Expenditures	47,258,389	1,149,364	48,407,753
Excess of Revenues over expenditures	$ (1,108,845)	$ (11,033)	$ (1,119,878)



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NONMAJOR GOVERNMENTAL FUNDS

Special Revenue Funds

Recreation Complex/Trails – to account for the one-half cent sales and use tax revenues originally voted on and adopted by the electorate in April 1999 and reauthorized in April of 2015. The revenues may only be used to pay the debt service on the Sales and Use Tax Revenue Bonds, series 2008, for Parks and Recreation and Multi Modal projects and operations.

Revolving Loan Fund - to account for the loan repayments made by the recipients of Community Development Block Grant monies.

Streets Improvement Fund - to account for sales and use tax revenues. These funds can be used for streets improvements and street maintenance.

Durango Tourism Fund - to account for a tax levied on lodgers within the City. These funds are set aside for destination management purposes.

Parks and Recreation Development Fund - to account for payment of fees in lieu of land dedication. These fees are made at the time of recording a final plat. These funds can only be used for acquisition and park development.

Conservation Trust Fund - to account for the State lottery proceeds. These funds can only be used for acquisition, capital improvements and maintenance of parks, recreation and open space programs.

Road Impact Fund – to account for fees imposed for road impacts as a result of new development within the City's service area. These fees must be used for identified road projects within a certain time frame or they must be refunded.

Housing Fund - to account for revenues and expenditures related to workflorce and affordable housing.

Storm Drainage Fund - to account for storm drainage developer fees. These funds can be used only for capital improvements to storm sewer facilities.

Durango Renewal Partnership Fund- to account for revenues and expenditures related to facilitating reinvestment and redevelopment in the community through public/private partnerships and other collaborative arrangements

Debt Service Funds

2007 Sales Tax Bonds Debt Service Fund - To accumulate monies for payment of the 2009, 2016 and 2017 Series Sales and Use Tax Revenue Bonds.

Capital Project Funds

Capital Improvements Fund - to account for fifty percent of the one-half cent sales and use tax revenues voted on and adopted by the electroate in April 2005. These revenues may only be used to finance capital improvements. The tax sunsets in 2026.

Parks, Open Space and Trails Fund - to account for fifty percent of the one-half cent sales and use tax revenues voted on and adopted by the electroate in April 2005. These revenues may only be used to finance improvements or acquiring parks, open space, and trails. The tax sunsets in 2026.

Capital Projects Fund - to account for the financial resources used for the acquisition and/or construction of major capital improvements included in the City capital improvement program.

City of Durango, Colorado
Combining Balance Sheet
Nonmajor Governmental Funds - By Fund Type
December 31, 2022

	Nonmajor Special Revenue Funds	Nonmajor Debt Service Funds	Nonmajor Capital Projects Funds	Total Nonmajor Governmental Funds
Assets				
Equity in cash and cash equivalents	$ 18,704,440	$ 183,213	$ 5,974,099	$ 24,861,752
Receivables				
Accounts receivable	70,780	-	510,000	580,780
Property taxes	12,965	-	-	12,965
Sales and use taxes	1,186,946	-	593,058	1,780,004
Lodger's taxes	237,299	-	-	237,299
Intergovernmental	15,000	-	-	15,000
Interest	-	-	299,033	299,033
Total Assets	$ 20,227,430	$ 183,213	$ 7,376,190	$ 27,786,833
Liabilities and Fund Balances				
Liabilities				
Accounts payable	$ 338,854	$ -	$ 153,335	$ 492,189
Accrued expenditures	3,250	-	-	3,250
Unearned revenue	263,084	-	197,700	460,784
Property taxes	12,965	-	-	12,965
Total Liabilities	618,153	-	351,035	969,188
Deferred Inflows of Resources				
Unearned revenues	-	-	809,033	809,033
Fund Balances				
Restricted	653,249	183,213	5,700,543	6,537,005
Committed	18,956,028	-	515,579	19,471,607
Total Fund Balances	19,609,277	183,213	6,216,122	26,008,612
Total Liabilities and Fund Balances	$ 20,227,430	$ 183,213	$ 7,376,190	$ 27,786,833

City of Durango, Colorado
Combining Statement of Revenues, Expenditures and Changes in Fund Balances
Nonmajor Governmental Funds - By Fund Type
For the Year Ended December 31, 2022

	Nonmajor Special Revenue Funds	Nonmajor Debt Service Funds	Nonmajor Capital Projects Funds	Total Nonmajor Governmental Funds
Revenues				
Property taxes	$ 96,948	$ -	$ -	$ 96,948
Sales taxes	10,562,298	-	5,187,700	15,749,998
Use taxes	465,120	-	232,396	697,516
Lodgers' taxes	4,335,457	-	-	4,335,457
Intergovernmental	291,924	-	5,910	297,834
Licenses and permits	7,900	-	-	7,900
Investment earnings	147,521	-	236,168	383,689
Miscellaneous	664,375	-	100,158	764,533
Total Revenues	16,571,543	-	5,762,332	22,333,875
Expenditures				
Current				
General government	2,023,439	-	198,737	2,222,176
Public works	630,577	-	535,237	1,165,814
Parks and recreation	2,344,389	-	-	2,344,389
Community services	305,665	-	-	305,665
Economic development	616,970	-	-	616,970
Capital outlay	-	-	335,448	335,448
Debt Service				
Principal retirement	-	2,155,000	-	2,155,000
Interest and fiscal charges	-	281,805	-	281,805
Total Expenditures	5,921,040	2,436,805	1,069,422	9,427,267
Excess (Deficiency) of Revenues Over (Under) Expenditures	10,650,503	(2,436,805)	4,692,910	12,906,608
Other Financing Sources (Uses)				
Transfers in	1,890,254	2,437,015	252,838	4,580,107
Transfers out	(3,597,058)	-	(2,890,572)	(6,487,630)
Total Other Financing Sources (Uses)	(1,706,804)	2,437,015	(2,637,734)	(1,907,523)
Net Change in Fund Balances	8,943,699	210	2,055,176	10,999,085
Fund Balances Beginning of Year	10,665,578	183,003	4,160,946	15,009,527
Fund Balances End of Year	$ 19,609,277	$ 183,213	$ 6,216,122	$ 26,008,612

City of Durango, Colorado
General Fund
Comparative Balance Sheet
December 31, 2022 and 2021

	2022	2021
Assets		
Cash on hand	$ 5,224	$ 4,927
Equity in cash and cash equivalents	20,324,905	17,423,992
Cash held in escrow	347,691	582,086
Receivables:		
Accounts receivable	663,901	206,327
Lease receivables	1,449,248	-
Property taxes	2,925,373	2,931,452
Sales and use taxes receivable	2,373,063	1,890,618
Franchise taxes	78,977	74,151
Special assessments	-	2,537
Intergovernmental receivables	1,643,215	1,535,759
Interest	9,677	263
Interest receivable - leases	27,246	-
Prepaid expenses	10,000	-
Interfund	-	272,000
Inventory	32,715	55,673
Total Assets	$ 29,891,235	$ 24,979,785
Liabilities, Deferred Inflows of Resources, and Fund Balances		
Liabilities		
Accounts payable	$ 1,007,361	$ 702,831
Accrued expenditures	435,034	368,700
Deposits	441,443	700,284
Unearned revenue	536,420	457,818
Total Liabilities	2,420,258	2,229,633
Deferred Inflows of Resources		
Property taxes	2,925,373	2,931,452
Deferred inflows resources - leases	1,445,911	-
Total Deferred Inflows of Resources	4,371,284	2,931,452
Total Liabilities and Deferred Inflows of Resources	6,791,542	5,161,085
Fund Balances		
Nonspendable	391,885	1,338,045
Restricted	1,757,067	1,928,144
Committed	1,686	1,686
Assigned	10,524,038	8,908,669
Unassigned	10,425,017	7,642,156
Total Fund Balances	23,099,693	19,818,700
Total Liabilities, Deferred Inflows of Resources, and Fund Balances	$ 29,891,235	$ 24,979,785

City of Durango, Colorado
General Fund
Schedule of Revenues - Budget and Actual
For the Year Ended December 31, 2022
(With Comparative Actual Amounts for the Year Ended December 31, 2021)

	2022				2021
	Original Budget	Final Budget	Actual	Variance with Final Budget - Positive (Negative)	Actual
Taxes:					
Property	$ 3,013,056	$ 3,013,056	$ 2,937,784	$ (75,272)	$ 2,938,082
Specific ownership	325,000	325,000	335,397	10,397	333,851
Sales tax	18,800,000	19,565,831	20,568,926	1,003,095	19,532,413
Use tax	1,208,715	1,208,715	934,342	(274,373)	966,944
Sales and use tax audit	100,000	100,000	-	(100,000)	118,148
La Plata County sales tax	6,610,977	6,610,977	6,324,980	(285,997)	5,945,741
Joint sales tax	2,968,238	3,325,738	3,201,232	(124,506)	2,188,710
Cigarette tax	85,000	85,000	64,317	(20,683)	95,819
Franchise and business tax	1,792,500	1,792,500	1,801,135	8,635	1,845,991
Total Taxes	34,903,486	36,026,817	36,168,113	141,296	33,965,699
Licenses and Permits:					
Business license and permits	396,850	396,850	382,032	(14,818)	361,100
Building permits	376,000	376,000	241,968	(134,032)	332,271
Total Licenses and Permits	772,850	772,850	624,000	(148,850)	693,371
Intergovernmental:					
Grants	221,775	221,775	29,147	(192,628)	402,327
Highway user tax	526,000	526,000	594,942	68,942	602,975
Severance/mineral lease	125,000	125,000	379,319	254,319	68,933
Motor vehicle registration	70,000	70,000	73,410	3,410	71,300
Road and bridge	197,000	197,000	210,681	13,681	212,530
Other intergovernmental	1,341,200	1,341,200	1,411,868	70,668	1,041,407
Total Intergovernmental	2,480,975	2,480,975	2,699,367	218,392	2,399,472
Charges for Services:					
General government charges	319,340	319,340	205,486	(113,854)	162,616
Public safety charges	150,932	150,932	168,643	17,711	134,061
Cemetery charges	95,500	95,500	125,450	29,950	136,450
Recreation Center charges	2,763,035	2,763,035	1,980,470	(782,565)	1,372,079
Recreation program charges	1,872,475	1,872,475	1,722,593	(149,882)	1,489,170
Total Charges for Services	5,201,282	5,201,282	4,202,642	(998,640)	3,294,376
Fines and Forfeits:					
Traffic fines	75,000	75,000	142,983	67,983	53,324
Non-traffic fines	22,000	22,000	14,113	(7,887)	11,138
Library fines	1,000	1,000	2,797	1,797	2,089
Total Fines and Forfeits	98,000	98,000	159,893	61,893	66,551
Special assessments	-	-	-	-	6,850
Miscellaneous					
Pension forfeitures	150,000	150,000	120,360	(29,640)	173,726
Rents and royalties	380,000	380,000	376,107	(3,893)	404,389
Contributions and donations	5,300	20,300	140,160	119,860	22,088
Other miscellaneous	462,750	462,750	603,083	140,333	800,275
Total Miscellaneous	998,050	1,013,050	1,239,710	226,660	1,400,478
Services provided	1,584,901	1,584,901	1,752,640	167,739	2,667,722
Investment earnings	110,000	110,000	356,398	246,398	(18,672)
Total Revenues	46,149,544	47,287,875	47,202,763	(85,112)	44,475,847
Other Financing Sources (Uses)					
Lease Revenue	-	-	579,777	579,777	-
Sale of capital assets	5,000	5,000	500	(4,500)	-
Transfers in	2,009,349	2,009,349	1,996,713	(12,636)	2,663,312
Total Other Financing Sources (Uses)	2,014,349	2,014,349	2,576,990	562,641	2,663,312
Total Revenues and Other Financing Sources	$ 48,163,893	$ 49,302,224	$ 49,779,753	$ 477,529	$ 47,139,159

City of Durango, Colorado
General Fund
Schedule of Expenditures - Budget and Actual
For the Year Ended December 31, 2022
(With Comparative Actual Amounts for the Year Ended December 31, 2021)

	2022				2021
	Original Budget	Final Budget	Actual	Variance with Final Budget - Positive (Negative)	Actual
General Government					
Legislative					
City council	$ 348,889	$ 443,804	$ 342,998	$ 100,806	$ 315,989
City boards	-	-	226	(226)	-
Total Legislative	348,889	443,804	343,224	100,580	315,989
Executive and Legal					
City manager	885,466	1,352,099	1,339,466	12,633	498,921
City attorney	400,078	477,863	450,965	26,898	338,229
Total Executive and Legal	1,285,544	1,829,962	1,790,431	39,531	837,150
Administrative					
Human resources	782,222	763,425	732,953	30,472	691,981
City clerk	818,843	801,727	701,907	99,820	638,171
Public Information	-	-	-	-	463,066
Information Technology	2,841,811	2,932,717	2,635,272	297,445	2,379,724
Total Administrative	4,442,876	4,497,869	4,070,132	427,737	4,172,942
Finance					
Accounting	1,671,486	1,999,110	1,473,442	525,668	1,764,341
Finance	612,198	489,047	472,047	17,000	506,814
Municipal court	294,079	294,079	287,075	7,004	266,645
Total Finance	2,577,763	2,782,236	2,232,564	549,672	2,537,800
Capital Improvement Projects					
Capital Improvement Projects	327,206	331,868	438,815	(106,947)	-
Total Capital Improvement Projects	327,206	331,868	438,815	(106,947)	-
Community Development					
Planning	2,034,704	2,174,704	1,992,369	182,335	1,664,592
Urban Renewal	-	-	-	-	33,558
Total Community Development	2,034,704	2,174,704	1,992,369	182,335	1,698,150
Total General Government	11,016,982	12,060,443	10,867,535	1,192,908	9,562,031
Public Safety					
Police					
Administration	9,049,917	9,167,296	8,800,460	366,836	8,071,798
Code enforcement	-	-	-	-	93,398
Total Police	9,049,917	9,167,296	8,800,460	366,836	8,165,196
911 Communications	2,190,505	2,190,505	1,745,218	445,287	1,738,056
Fire					
Fire services	5,806,450	5,806,450	5,877,425	(70,975)	5,894,769
Total Public Safety	17,046,872	17,164,251	16,423,103	741,148	15,798,021

City of Durango, Colorado
General Fund
Schedule of Expenditures - Budget and Actual
For the Year Ended December 31, 2022
(With Comparative Actual Amounts for the Year Ended December 31, 2021)

	2022				2021
	Original Budget	Final Budget	Actual	Variance with Final Budget - Positive (Negative)	Actual
Public Works					
Engineering	1,212,718	1,243,718	990,828	252,890	907,483
Street maintenance	1,784,770	1,784,770	1,403,903	380,867	1,367,369
Snow and ice	742,713	742,713	577,260	165,453	622,997
Street cleaning	390,555	390,555	377,087	13,468	353,172
Total Public Works	4,130,756	4,161,756	3,349,078	812,678	3,251,021
Parks and Recreation					
Parks and recreation administration	632,754	497,443	480,131	17,312	541,270
Recreation administration	210,895	210,895	229,822	(18,927)	173,728
Recreation programs	996,956	996,956	915,379	81,577	701,271
Cemetery	455,951	455,951	371,554	84,397	340,857
Parks	3,344,624	3,479,935	3,017,507	462,428	2,654,268
Recreation center	2,584,787	2,584,787	2,394,968	189,819	1,953,680
Chapman Hill	477,777	477,777	533,676	(55,899)	416,207
Total Parks and Recreation	8,703,744	8,703,744	7,943,037	760,707	6,781,281
Community Services					
Library	2,815,898	2,835,898	2,699,397	136,501	2,366,421
Community Services	1,262,508	1,262,508	1,334,719	(72,211)	1,581,703
Total Community Services	4,078,406	4,098,406	4,034,116	64,290	3,948,124
Non-Departmental					
Miscellaneous	2,360,424	3,175,816	2,075,724	1,100,092	2,124,759
Buildings and plant	929,930	867,454	1,701,435	(833,981)	1,038,268
Durango Welcome Center	97,478	97,478	104,732	(7,254)	98,249
Total Non-Departmental	3,387,832	4,140,748	3,881,891	258,857	3,261,276
Total Expenditures	$ 48,364,592	$ 50,329,348	$ 46,498,760	$ 3,830,588	$ 42,601,754

City of Durango, Colorado
Combining Balance Sheet
Nonmajor Special Revenue Funds
December 31, 2022

	Recreation Complex/Trails	Revolving Loan	Streets Improvement Fund	Durango Tourism
Assets				
Equity in cash and cash equivalents	$ 7,725,758	$ -	$ 5,209,949	$ 1,795,175
Receivables				
Accounts receivable	-	4,846	-	-
Property taxes	-	-	-	-
Sales taxes	593,473	-	593,473	-
Lodger's taxes	-	-	-	237,299
Intergovernmental	-	-	-	-
Total Assets	$ 8,319,231	$ 4,846	$ 5,803,422	$ 2,032,474
Liabilities and Fund Balances				
Liabilities				
Accounts payable	$ 67,806	$ -	$ 2,601	$ 170,704
Accrued expenditures	-	-	-	-
Unearned revenue	-	-	-	-
Property taxes	-	-	-	-
Total Liabilities	67,806	-	2,601	170,704
Fund Balances				
Restricted	-	-	-	-
Committed	8,251,425	4,846	5,800,821	1,861,770
Total Fund Balances	8,251,425	4,846	5,800,821	1,861,770
Total Liabilities and Fund Balances	$ 8,319,231	$ 4,846	$ 5,803,422	$ 2,032,474

(continued)

Parks & Recreation Development	Conservation Trust	Road Impact	Housing Fund	Storm Drainage	Durango Renewal Partnership Fund	Total Nonmajor Special Revenue Funds
$ 136,111	$ 653,315	$ 589,502	$ 1,682,956	$ 8,298	$ 903,376	$ 18,704,440
-	-	-	65,934	-	-	70,780
-	-	-	-	-	12,965	12,965
-	-	-	-	-	-	1,186,946
-	-	-	-	-	-	237,299
-	-	-	15,000	-	-	15,000
$ 136,111	$ 653,315	$ 589,502	$ 1,763,890	$ 8,298	$ 916,341	$ 20,227,430
$ -	$ -	$ -	$ 790	$ -	$ 96,953	$ 338,854
-	-	-	3,250	-	-	3,250
-	-	-	263,084	-	-	263,084
-	-	-	-	-	12,965	12,965
-	-	-	267,124	-	109,918	618,153
-	653,249	-	-	-	-	653,249
136,111	66	589,502	1,496,766	8,298	806,423	18,956,028
136,111	653,315	589,502	1,496,766	8,298	806,423	19,609,277
$ 136,111	$ 653,315	$ 589,502	$ 1,763,890	$ 8,298	$ 916,341	$ 20,227,430

City of Durango, Colorado
Combining Statement of Revenues, Expenditures and Changes in Fund Balances
Nonmajor Special Revenue Funds
For the Year Ended December 31, 2022

	Recreation Complex/Trails	Revolving Loan	Streets Improvement Fund	Durango Tourism
Revenues				
Property taxes	$ -	$ -	$ -	$ -
Sales taxes	5,191,331	-	5,195,379	-
Use taxes	232,560	-	232,560	-
Lodgers taxes	-	-	-	4,335,457
Intergovernmental	-	-	-	-
Licenses and permits	-	-	-	-
Investment earnings	-	-	72,078	43,240
Miscellaneous	-	-	-	-
Total Revenues	5,423,891	-	5,500,017	4,378,697
Expenditures				
Current				
General government	-	2,101	-	1,738,356
Public works	-	-	630,577	-
Parks and recreation	2,344,389	-	-	-
Community services	-	-	-	-
Economic development	-	-	-	341,595
Total Expenditures	2,344,389	2,101	630,577	2,079,951
Excess (Deficiency) of Revenues Over (Under) Expenditures	3,079,502	(2,101)	4,869,440	2,298,746
Other Financing Sources (Uses)				
Transfers in	-	-	-	-
Transfers out	(271,710)	-	(1,124,082)	(1,601,266)
Total Other Financing Sources (Uses)	(271,710)	-	(1,124,082)	(1,601,266)
Net Change in Fund Balances	2,807,792	(2,101)	3,745,358	697,480
Fund Balances Beginning of Year	5,443,633	6,947	2,055,463	1,164,290
Fund Balances End of Year	$ 8,251,425	$ 4,846	$ 5,800,821	$ 1,861,770

(continued)

Parks & Recreation Development	Conservation Trust	Road Impact	Housing Fund	Storm Drainage	Durango Renewal Partnership Fund	Total Nonmajor Special Revenue Funds
$ -	$ -	$ -	$ -	$ -	$ 96,948	$ 96,948
-	-	-	-	-	175,588	10,562,298
-	-	-	-	-	-	465,120
-	-	-	-	-	-	4,335,457
-	243,924	-	48,000	-	-	291,924
7,900	-	-	-	-	-	7,900
2,013	9,485	-	8,273	136	12,296	147,521
25,650	-	162,658	476,067	-	-	664,375
35,563	253,409	162,658	532,340	136	284,832	16,571,543
-	-	-	282,982	-	-	2,023,439
-	-	-	-	-	-	630,577
-	-	-	-	-	-	2,344,389
-	-	-	305,665	-	-	305,665
-	-	-	33,000	-	242,375	616,970
-	-	-	621,647	-	242,375	5,921,040
35,563	253,409	162,658	(89,307)	136	42,457	10,650,503
-	-	-	1,126,288	-	763,966	1,890,254
-	-	-	(600,000)	-	-	(3,597,058)
-	-	-	526,288	-	763,966	(1,706,804)
35,563	253,409	162,658	436,981	136	806,423	8,943,699
100,548	399,906	426,844	1,059,785	8,162	-	10,665,578
$ 136,111	$ 653,315	$ 589,502	$ 1,496,766	$ 8,298	$ 806,423	$ 19,609,277

City of Durango, Colorado
Recreation Complex and Trails Fund
Comparative Balance Sheet
December 31, 2022 and 2021

	2022	2021
Assets		
Equity in cash and cash equivalents	$ 7,725,758	$ 5,127,693
Sales and use taxes receivable	593,473	472,821
Total Assets	$ 8,319,231	$ 5,600,514
Liabilities and Fund Balances		
Liabilities		
Accounts payable	$ 67,806	$ 156,881
Total Liabilities	67,806	156,881
Fund Balances		
Committed	8,251,425	5,443,633
Total Fund Balances	8,251,425	5,443,633
Total Liabilities and Fund Balances	$ 8,319,231	$ 5,600,514

City of Durango, Colorado
Recreation Complex and Trails Fund
Schedule of Revenues, Expenditures and
Changes in Fund Balances - Budget and Actual
For the Year Ended December 31, 2022
(With Comparative Actual Amounts for the Year Ended December 31, 2021)

	2022				2021
	Original Budget	**Final Budget**	**Actual**	**Variance with Final Budget - Positive (Negative)**	**Actual**
Revenues					
Sales taxes	$ 4,700,000	$ 4,700,000	$ 5,191,331	$ 491,331	$ 4,884,966
Use taxes	282,443	282,443	232,560	(49,883)	241,821
Intergovernmental	3,079,877	-	-	-	-
Investment earnings	1,000	1,000	-	(1,000)	-
Total Revenues	8,063,320	4,983,443	5,423,891	440,448	5,126,787
Expenditures					
Parks and recreation	10,031,543	9,694,103	2,344,389	7,349,714	2,008,693
Total Expenditures	10,031,543	9,694,103	2,344,389	7,349,714	2,008,693
Excess (Deficiency) of Revenues Over (Under) Expenditures	(1,968,223)	(4,710,660)	3,079,502	7,790,162	3,118,094
Other Financing Sources (Uses)					
Transfers out	(271,710)	(271,710)	(271,710)	-	(924,101)
Net Change in Fund Balances	$ (2,239,933)	$ (4,982,370)	2,807,792	$ 7,790,162	2,193,993
Fund Balances Beginning of Year			5,443,633		3,249,640
Fund Balances End of Year			$ 8,251,425		$ 5,443,633

City of Durango, Colorado
Revolving Loan Fund
Comparative Balance Sheet
December 31, 2022 and 2021

	2022	2021
Assets		
Accounts receivable	$ 4,846	$ 6,947
Total Assets	$ 4,846	$ 6,947
Liabilities and Fund Balances		
Fund Balances		
Committed	$ 4,846	$ -
Assigned	-	6,947
Total Fund Balances	4,846	6,947
Total Liabilities and Fund Balances	$ 4,846	$ 6,947

City of Durango, Colorado
Revolving Loan Fund
Schedule of Revenues, Expenditures and Changes in Fund Balances - Budget and Actual
For the Year Ended December 31, 2022
(With Comparative Actual Amounts for the Year Ended December 31, 2021)

	2022				2021
	Original Budget	**Final Budget**	**Actual**	**Variance with Final Budget - Positive (Negative)**	**Actual**
Expenditures					
General government	$ -	$ -	$ 2,101	$ (2,101)	$ -
Total Expenditures	-	-	2,101	(2,101)	-
Net Change in Fund Balances	$ -	$ -	(2,101)	$ (2,101)	-
Fund Balances Beginning of Year			6,947		8,275
Fund Balances End of Year			$ 4,846		$ 8,275

City of Durango, Colorado
Streets Improvement Fund
Comparative Balance Sheet
December 31, 2022 and 2021

	2022	2021
Assets		
Equity in cash and cash equivalents	$ 5,209,949	$ 1,638,222
Sales and use taxes receivable	593,473	472,820
Total Assets	$ 5,803,422	$ 2,111,042
Liabilities and Fund Balances		
Liabilities		
Accounts payable	$ 2,601	$ 55,579
Total Liabilities	2,601	55,579
Fund Balances		
Committed	5,800,821	2,055,463
Total Fund Balances	5,800,821	2,055,463
Total Liabilities and Fund Balances	$ 5,803,422	$ 2,111,042

City of Durango, Colorado
Streets Improvement Fund
Schedule of Revenues, Expenditures and Changes in Fund Balances - Budget and Actual
For the Year Ended December 31, 2022
(With Comparative Actual Amounts for the Year Ended December 31, 2021)

	2022				2021
	Original Budget	**Final Budget**	**Actual**	**Variance with Final Budget - Positive (Negative)**	**Actual**
Revenues					
Sales taxes	$ 4,700,000	$ 4,700,000	$ 5,195,379	$ 495,379	$ 4,884,966
Use taxes	282,443	282,443	232,560	(49,883)	241,821
Special assessments	50,000	50,000	-	(50,000)	-
Investment earnings	1,000	1,000	72,078	71,078	(158)
Miscellaneous	550,000	550,000	-	(550,000)	-
Total Revenues	5,583,443	5,583,443	5,500,017	(83,426)	5,126,629
Expenditures					
General government	4,148,000	-	-	-	-
Public works	-	1,937,050	630,577	1,306,473	2,861,908
Total Expenditures	4,148,000	1,937,050	630,577	1,306,473	2,861,908
Excess (Deficiency) of Revenues Over (Under) Expenditures	1,435,443	3,646,393	4,869,440	1,223,047	2,264,721
Other Financing Sources (Uses)					
Transfers out	(1,124,082)	(1,124,082)	(1,124,082)	-	(1,703,154)
Net Change in Fund Balances	$ 311,361	$ 2,522,311	3,745,358	$ 1,223,047	561,567
Fund Balances Beginning of Year			2,055,463		1,493,896
Fund Balances End of Year			$ 5,800,821		$ 2,055,463

City of Durango, Colorado
Durango Tourism Fund
Comparative Balance Sheet
December 31, 2022 and 2021

	2022	2021
Assets		
Equity in cash and cash equivalents	$ 1,795,175	$ 1,726,725
Lodger's taxes receivable	237,299	226,189
Total Assets	$ 2,032,474	$ 1,952,914
Liabilities and Fund Balances		
Liabilities		
Accounts payable	$ 170,704	$ 104,936
Unearned revenue	-	683,688
Total Liabilities	170,704	788,624
Fund Balances		
Committed	1,861,770	1,164,290
Total Fund Balances	1,861,770	1,164,290
Total Liabilities and Fund Balances	$ 2,032,474	$ 1,952,914

City of Durango, Colorado
Durango Tourism Fund
Schedule of Revenues, Expenditures and Changes in Fund Balances - Budget and Actual
For the Year Ended December 31, 2022
(With Comparative Actual Amounts for the Year Ended December 31, 2021)

	2022				2021
	Original Budget	**Final Budget**	**Actual**	**Variance with Final Budget - Positive (Negative)**	**Actual**
Revenues					
Lodgers taxes	$ 3,000,000	$ 3,000,000	$ 4,335,457	$ 1,335,457	$ 2,428,667
Investment earnings	-	-	43,240	43,240	176
Total Revenues	3,000,000	3,000,000	4,378,697	1,378,697	2,428,843
Expenditures					
General government	3,313,698	3,214,091	1,738,356	1,475,735	144,875
Economic development	-	-	341,595	(341,595)	629,607
Total Expenditures	3,313,698	3,214,091	2,079,951	1,134,140	774,482
Excess (Deficiency) of Revenues Over (Under) Expenditures	(313,698)	(214,091)	2,298,746	2,512,837	1,654,361
Other Financing Sources (Uses)					
Transfers out	(588,000)	(748,000)	(1,601,266)	(853,266)	(477,417)
Net Change in Fund Balances	$ (901,698)	$ (962,091)	697,480	$ 1,659,571	1,176,944
Fund Balances Beginning of Year			1,164,290		(12,654)
Fund Balances End of Year			$ 1,861,770		$ 1,164,290

City of Durango, Colorado
Parks and Recreation Development Fund
Comparative Balance Sheet
December 31, 2022 and 2021

	2022	2021
Assets		
Equity in cash and cash equivalents	$ 136,111	$ 100,548
Total Assets	$ 136,111	$ 100,548
Liabilities and Fund Balances		
Fund Balances		
Committed	$ 136,111	$ 100,548
Total Fund Balances	136,111	100,548
Total Liabilities and Fund Balances	$ 136,111	$ 100,548

City of Durango, Colorado
Parks and Recreation Development Fund
Schedule of Revenues, Expenditures and
Changes in Fund Balances - Budget and Actual
For the Year Ended December 31, 2022
(With Comparative Actual Amounts for the Year Ended December 31, 2021)

	2022				2021
	Original Budget	**Final Budget**	**Actual**	**Variance with Final Budget - Positive (Negative)**	**Actual**
Revenues					
Licenses and permits	$ 10,500	$ 10,500	$ 7,900	$ (2,600)	$ 6,900
Investment earnings	-	-	2,013	2,013	16
Miscellaneous	15,000	15,000	25,650	10,650	16,709
Total Revenues	25,500	25,500	35,563	10,063	23,625
Net Change in Fund Balances	$ 25,500	$ 25,500	35,563	$ 10,063	23,625
Fund Balances Beginning of Year			100,548		76,923
Fund Balances End of Year			$ 136,111		$ 100,548

City of Durango, Colorado
Conservation Trust Fund
Comparative Balance Sheet
December 31, 2022 and 2021

	2022	2021
Assets		
Equity in cash and cash equivalents	$ 653,315	$ 399,906
Total Assets	$ 653,315	$ 399,906
Liabilities and Fund Balances		
Fund Balances		
Restricted	$ 653,249	$ 399,906
Committed	66	-
Total Fund Balances	653,315	399,906
Total Liabilities and Fund Balances	$ 653,315	$ 399,906

City of Durango, Colorado
Conservation Trust Fund
Schedule of Revenues, Expenditures and Changes in Fund Balances - Budget and Actual
For the Year Ended December 31, 2022
(With Comparative Actual Amounts for the Year Ended December 31, 2021)

	2022				2021
	Original Budget	**Final Budget**	**Actual**	**Variance with Final Budget - Positive (Negative)**	**Actual**
Revenues					
Intergovernmental	$ 195,000	$ 195,000	$ 243,924	$ 48,924	$ 232,185
Investment earnings	200	200	9,485	9,285	87
Total Revenues	195,200	195,200	253,409	58,209	232,272
Net Change in Fund Balances	$ 195,200	$ 195,200	253,409	$ 58,209	232,272
Fund Balances Beginning of Year			399,906		167,634
Fund Balances End of Year			$ 653,315		$ 399,906

City of Durango, Colorado
Road Impact Fund
Comparative Balance Sheet
December 31, 2022 and 2021

	2022	2021
Assets		
Equity in cash and cash equivalents	$ 589,502	$ 426,844
Total Assets	$ 589,502	$ 426,844
Liabilities and Fund Balances		
Fund Balances		
Committed	$ 589,502	$ 426,844
Total Fund Balances	589,502	426,844
Total Liabilities and Fund Balances	$ 589,502	$ 426,844

City of Durango, Colorado
Road Impact Fund
Schedule of Revenues, Expenditures and Changes in Fund Balances - Budget and Actual
For the Year Ended December 31, 2022
(With Comparative Actual Amounts for the Year Ended December 31, 2021)

	2022				2021
	Original Budget	**Final Budget**	**Actual**	**Variance with Final Budget - Positive (Negative)**	**Actual**
Revenues					
Miscellaneous	$ 350,000	$ 350,000	$ 162,658	$ (187,342)	$ 312,758
Total Revenues	350,000	350,000	162,658	(187,342)	312,758
Other Financing Sources (Uses)					
Transfers out	-	-	-	-	(324,149)
Net Change in Fund Balances	$ 350,000	$ 350,000	162,658	$ (187,342)	(11,391)
Fund Balances Beginning of Year			426,844		438,235
Fund Balances End of Year			$ 589,502		$ 426,844

City of Durango, Colorado
Housing Fund
Comparative Balance Sheet
December 31, 2022 and 2021

	2022	2021
Assets		
Equity in cash and cash equivalents	$ 1,682,956	$ 692,859
Accounts receivable	65,934	400,815
Intergovernmental	15,000	-
Total Assets	$ 1,763,890	$ 1,093,674
Liabilities and Fund Balances		
Liabilities		
Accounts payable	$ 790	$ 7,164
Accrued expenditures	3,250	1,575
Unearned revenue	263,084	25,150
Total Liabilities	267,124	33,889
Fund Balances		
Committed	1,496,766	1,059,785
Total Fund Balances	1,496,766	1,059,785
Total Liabilities and Fund Balances	$ 1,763,890	$ 1,093,674

City of Durango, Colorado
Housing Fund
Schedule of Revenues, Expenditures and Changes in Fund Balances - Budget and Actual
For the Year Ended December 31, 2022
(With Comparative Actual Amounts for the Year Ended December 31, 2021)

	2022				2021
	Original Budget	**Final Budget**	**Actual**	**Variance with Final Budget - Positive (Negative)**	**Actual**
Revenues					
Intergovernmental	$ 789,900	$ 3,789,900	$ 48,000	$ (3,741,900)	$ -
Investment earnings	-	-	8,273	8,273	-
Miscellaneous	440,000	440,000	476,067	36,067	190,419
Total Revenues	1,229,900	4,229,900	532,340	(3,697,560)	190,419
Expenditures					
General government	797,598	3,547,598	282,982	3,264,616	-
Community services	-	305,665	305,665	-	136,763
Economic development	789,900	789,900	33,000	756,900	-
Total Expenditures	1,587,498	4,643,163	621,647	4,021,516	136,763
Excess (Deficiency) of Revenues Over (Under) Expenditures	(357,598)	(413,263)	(89,307)	323,956	53,656
Other Financing Sources (Uses)					
Transfers in	237,934	757,892	1,126,288	368,396	1,006,129
Transfers out	-	(600,000)	(600,000)	-	-
Net Change in Fund Balances	$ (119,664)	$ (255,371)	436,981	$ 692,352	1,059,785
Fund Balances Beginning of Year			1,059,785		-
Fund Balances End of Year			$ 1,496,766		$ 1,059,785

City of Durango, Colorado
Storm Drainage Fund
Comparative Balance Sheet
December 31, 2022 and 2021

	2022	2021
Assets		
Equity in cash and cash equivalents	$ 8,298	$ 8,162
Total Assets	$ 8,298	$ 8,162
Liabilities and Fund Balances		
Fund Balances		
Committed	$ 8,298	$ 8,162
Total Fund Balances	8,298	8,162
Total Liabilities and Fund Balances	$ 8,298	$ 8,162

City of Durango, Colorado
Storm Drainage Fund
Schedule of Revenues, Expenditures and Changes in Fund Balances - Budget and Actual
For the Year Ended December 31, 2022
(With Comparative Actual Amounts for the Year Ended December 31, 2021)

	2022				2021
	Original Budget	**Final Budget**	**Actual**	**Variance with Final Budget - Positive (Negative)**	**Actual**
Revenues					
Charges for services	$ 100	$ 100	$ -	$ (100)	$ 10
Investment earnings	100	100	136	36	-
Total Revenues	200	200	136	(64)	10
Net Change in Fund Balances	$ 200	$ 200	136	$ (64)	10
Fund Balances Beginning of Year			8,162		8,152
Fund Balances End of Year			$ 8,298		$ 8,162

City of Durango, Colorado
Durango Renewal Partnership Fund
Comparative Balance Sheet
December 31, 2022 and 2021

	2022	2021
Assets		
Equity in cash and cash equivalents	$ 903,376	$ -
Property taxes	12,965	-
Total Assets	$ 916,341	$ -
Liabilities and Fund Balances		
Liabilities		
Accounts payable	$ 96,953	$ -
L-Property taxes	12,965	-
Total Liabilities	109,918	-
Fund Balances		
Committed	806,423	-
Total Fund Balances	806,423	-
Total Liabilities and Fund Balances	$ 916,341	$ -

City of Durango, Colorado
Durango Renewal Partnership Fund
Schedule of Revenues, Expenditures and Changes in Fund Balances - Budget and Actual
For the Year Ended December 31, 2022
(With Comparative Actual Amounts for the Year Ended December 31, 2021)

	2022				2021
	Original Budget	**Final Budget**	**Actual**	**Variance with Final Budget - Positive (Negative)**	**Actual**
Revenues					
Property taxes	$ 95,000	$ 95,000	$ 96,948	$ 1,948	$ -
Sales taxes	200,000	200,000	175,588	(24,412)	-
Investment earnings	-	-	12,296	12,296	-
Total Revenues	295,000	295,000	284,832	(10,168)	-
Expenditures					
Economic development	311,291	911,291	242,375	668,916	-
Total Expenditures	311,291	911,291	242,375	668,916	-
Excess (Deficiency) of Revenues Over (Under) Expenditures	(16,291)	(616,291)	42,457	658,748	-
Other Financing Sources (Uses)					
Transfers in	163,966	763,966	763,966	-	-
Net Change in Fund Balances	$ 147,675	$ 147,675	806,423	$ 658,748	-
Fund Balances Beginning of Year			-		-
Fund Balances End of Year			$ 806,423		$ -

City of Durango, Colorado
Combining Balance Sheet
Nonmajor Debt Service Funds
December 31, 2022

	2007 Sales Tax Bonds Debt Service Fund	Total Nonmajor Debt Service Funds
Assets		
Equity in cash and cash equivalents	$ 183,213	$ 183,213
Fund balances		
Restricted	183,213	183,213
Total Liabilities and Fund Balance	$ 183,213	$ 183,213

City of Durango, Colorado
Combining Statement of Revenues, Expenditures and Changes in Fund Balances
Nonmajor Debt Service Funds
For the Year Ended December 31, 2022

	2007 Sales Tax Bonds Debt Service Fund	Total Nonmajor Debt Service Funds
Expenditures		
Debt Service		
Principal retirement	$ 2,155,000	$ 2,155,000
Interest and fiscal charges	281,805	281,805
Total Expenditures	2,436,805	2,436,805
Excess (deficiency) of revenues over expenditures	(2,436,805)	(2,436,805)
Other financing sources (uses)		
Transfers in	2,437,015	2,437,015
Total Other Financing Sources (Uses)	2,437,015	2,437,015
Net Change in Fund Balances	210	210
Fund Balances Beginning of Year	183,003	183,003
Fund Balances End of Year	$ 183,213	$ 183,213

City of Durango, Colorado
2007 Sales Tax Bonds Debt Service Fund
Comparative Balance Sheet
December 31, 2022 and 2021

	2022	2021
Assets		
Equity in cash and cash equivalents	$ 183,213	$ 183,003
Fund balances		
Restricted	183,213	183,003
Total Liabilities and Fund Balances	$ 183,213	$ 183,003

City of Durango, Colorado
2007 Sales Tax Bonds Debt Service Fund
Schedule of Revenues, Expenditures and
Changes in Fund Balances - Budget and Actual
For the Year Ended December 31, 2022
(With Comparative Actual Amounts for the Year Ended December 31, 2021)

	2022				2021
	Original Budget	**Final Budget**	**Actual**	**Variance with Final Budget - Positive (Negative)**	**Actual**
Expenditures					
Principal retirement	$ -	$ 2,155,000	$ 2,155,000	$ -	$ 2,100,000
Interest and fiscal charges	-	281,806	281,805	1	328,077
Total Expenditures	-	2,436,806	2,436,805	1	2,428,077
Excess (Deficiency) of Revenues Over (Under) Expenditures	-	(2,436,806)	(2,436,805)	1	(2,428,077)
Other Financing Sources (Uses)					
Transfers in	-	2,436,806	2,437,015	209	2,428,996
Total Other Financing Sources (Uses)	-	2,436,806	2,437,015	209	2,428,996
Net Change in Fund Balances	$ -	$ -	210	$ 210	919
Fund Balances Beginning of Year			183,003		182,084
Fund Balances End of Year			$ 183,213		$ 183,003

City of Durango, Colorado
Combining Balance Sheet
Nonmajor Governmental Funds
Capital Projects Funds
December 31, 2022

	Capital Improvements Fund	Parks, Open Space and Trails Fund	Capital Projects Fund	Total Nonmajor Capital Projects Funds
Assets				
Equity in cash and cash equivalents	$ 463,964	$ 4,847,361	$ 662,774	$ 5,974,099
Accounts receivable	-	-	510,000	510,000
Sales and use tax receivable	296,529	296,529	-	593,058
Interest	-	-	299,033	299,033
Total Assets	$ 760,493	$ 5,143,890	$ 1,471,807	$ 7,376,190
Liabilities and fund balances				
Liabilities				
Accounts payable	$ -	$ 67,497	$ 85,838	$ 153,335
Unearned revenue	-	-	197,700	197,700
Deferred inflows-Unearned revenues	-	-	809,033	809,033
Total Liabilities	-	67,497	1,092,571	1,160,068
Fund balances				
Restricted	700,142	5,000,401	-	5,700,543
Committed	60,351	75,992	379,236	515,579
Total Fund Balances	760,493	5,076,393	379,236	6,216,122
Total Liabilities and Fund Balances	$ 760,493	$ 5,143,890	$ 1,471,807	$ 7,376,190

City of Durango, Colorado
Combining Statement of Revenues, Expenditures and Changes in Fund Balances
Nonmajor Governmental Funds
Capital Projects Funds
For the Year Ended December 31, 2022

	Capital Improvements Fund	Parks, Open Space and Trails Fund	Capital Projects Fund	Total Nonmajor Capital Projects Funds
Revenues				
Sales taxes	$ 2,593,849	$ 2,593,851	$ -	$ 5,187,700
Use taxes	116,198	116,198	-	232,396
Intergovernmental	-	-	5,910	5,910
Investment earnings	30,454	72,980	132,734	236,168
Miscellaneous	-	-	100,158	100,158
Total Revenues	2,740,501	2,783,029	238,802	5,762,332
Expenditures				
General government	-	-	198,737	198,737
Public works	-	-	535,237	535,237
Capital outlay	-	335,448	-	335,448
Total Expenditures	-	335,448	733,974	1,069,422
Excess (deficiency) of revenues over expenditures	2,740,501	2,447,581	(495,172)	4,692,910
Other Financing Sources (Uses)				
Transfers in	-	-	252,838	252,838
Transfers out	(2,437,015)	(453,557)	-	(2,890,572)
Total Other Financing Sources (Uses)	(2,437,015)	(453,557)	252,838	(2,637,734)
Net Changes in Fund Balance	303,486	1,994,024	(242,334)	2,055,176
Fund Balances - Beginning of Year	457,007	3,082,369	621,570	4,160,946
Fund Balances - End of Year	$ 760,493	$ 5,076,393	$ 379,236	$ 6,216,122

City of Durango, Colorado
Capital Improvements Fund
Comparative Balance Sheet
December 31, 2022 and 2021

	2022	2021
Assets		
Equity in cash and cash equivalents	$ 463,964	$ 220,762
Sales and use tax receivable	296,529	236,245
Total Assets	$ 760,493	$ 457,007
Liabilities and Fund Balances		
Net Position		
Restricted	$ 700,142	$ 457,007
Committed	60,351	-
Total Net Position	760,493	457,007
Total Liabilities and Fund Balances	$ 760,493	$ 457,007

City of Durango, Colorado
Capital Improvements Fund
Schedule of Revenues, Expenditures and
Changes in Fund Balances - Budget and Actual
For the Year Ended December 31, 2022
(With Comparative Actual Amounts for the Year Ended December 31, 2021)

	2022				2021
	Original Budget	**Final Budget**	**Actual**	**Variance with Final Budget - Positive (Negative)**	**Actual**
Revenues					
Sales taxes	$ 2,350,000	$ 2,350,000	$ 2,593,849	$ 243,849	$ 2,440,772
Use taxes	121,248	121,248	116,198	(5,050)	120,826
Investment earnings	-	-	30,454	30,454	(218)
Total Revenues	2,471,248	2,471,248	2,740,501	269,253	2,561,380
Expenditures					
Total Expenditures	-	-	-	-	-
Excess (Deficiency) of Revenues Over (Under) Expenditures	2,471,248	2,471,248	2,740,501	269,253	2,561,380
Other Financing Sources (Uses)					
Transfers in	-	-	-	-	324,149
Transfers out	(2,436,806)	(2,436,806)	(2,437,015)	(209)	(2,428,805)
Total Other Financing Sources (Uses)	(2,436,806)	(2,436,806)	(2,437,015)	(209)	(2,104,656)
Net Change in Fund Balances	$ 34,442	$ 34,442	303,486	$ 269,044	456,724
Fund Balances Beginning of Year			457,007		283
Fund Balances End of Year			$ 760,493		$ 457,007

City of Durango, Colorado
Parks, Open Space and Trails Fund
Comparative Balance Sheet
December 31, 2022 and 2021

	2022	2021
Assets		
Equity in cash and cash equivalents	$ 4,847,361	$ 2,862,140
Sales and use tax receivable	296,529	236,245
Intergovernmental	-	89,694
Total Assets	$ 5,143,890	$ 3,188,079
Liabilities and Fund Balances		
Liabilities		
Accounts payable	$ 67,497	$ 105,710
Total Liabilities	67,497	105,710
Net Position		
Restricted	5,000,401	3,082,369
Committed	75,992	-
Total Net Position	5,076,393	3,082,369
Total Liabilities and Fund Balances	$ 5,143,890	$ 3,188,079

City of Durango, Colorado
Parks, Open Space and Trails Fund
Schedule of Revenues, Expenditures and
Changes in Fund Balances - Budget and Actual
For the Year Ended December 31, 2022
(With Comparative Actual Amounts for the Year Ended December 31, 2021)

	2022				2021
	Original Budget	**Final Budget**	**Actual**	**Variance with Final Budget - Positive (Negative)**	**Actual**
Revenues					
Sales taxes	$ 2,350,000	$ 2,350,000	$ 2,593,851	$ 243,851	$ 2,440,772
Use taxes	121,248	121,248	116,198	(5,050)	120,826
Intergovernmental	-	-	-	-	162,360
Investment earnings	25,000	25,000	72,980	47,980	(285)
Total Revenues	2,496,248	2,496,248	2,783,029	286,781	2,723,673
Expenditures					
Community services	-	-	-	-	25,000
Capital outlay	2,320,779	2,898,161	335,448	2,562,713	2,366,958
Total Expenditures	2,320,779	2,898,161	335,448	2,562,713	2,391,958
Excess (Deficiency) of Revenues Over (Under) Expenditures	175,469	(401,913)	2,447,581	2,849,494	331,715
Other Financing Sources (Uses)					
Transfers out	(453,557)	(453,557)	(453,557)	-	(453,557)
Total Other Financing Sources (Uses)	(453,557)	(453,557)	(453,557)	-	(453,557)
Net Change in Fund Balances	$ (278,088)	$ (855,470)	1,994,024	$ 2,849,494	(121,842)
Fund Balances Beginning of Year			3,082,369		3,204,211
Fund Balances End of Year			$ 5,076,393		$ 3,082,369

City of Durango, Colorado
Capital Projects Fund
Comparative Balance Sheet
December 31, 2022 and 2021

	2022	2021
Assets		
Equity in cash and cash equivalents	$ 662,774	$ 870,428
Accounts receivable	510,000	510,000
Interest	299,033	283,733
Total Assets	$ 1,471,807	$ 1,664,161
Liabilities and Fund Balances		
Liabilities		
Accounts payable	$ 85,838	$ 51,158
Unearned revenue	197,700	197,700
Long term notes receivable	-	793,733
Deferred inflows-Unearned revenues	809,033	-
Total Liabilities	1,092,571	1,042,591
Net Position		
Committed	379,236	621,570
Total Net Position	379,236	621,570
Total Liabilities and Fund Balances	$ 1,471,807	$ 1,664,161

City of Durango, Colorado
Capital Projects Fund
Schedule of Revenues, Expenditures and Changes in Fund Balances - Budget and Actual
For the Year Ended December 31, 2022
(With Comparative Actual Amounts for the Year Ended December 31, 2021)

	2022				2021
	Original Budget	**Final Budget**	**Actual**	**Variance with Final Budget - Positive (Negative)**	**Actual**
Revenues					
Intergovernmental	$ 417,500	$ -	$ 5,910	$ 5,910	$ -
Investment earnings	-	-	132,734	132,734	218
Miscellaneous	-	-	100,158	100,158	-
Total Revenues	417,500	-	238,802	238,802	218
Expenditures					
General government	1,045,000	627,500	198,737	428,763	360,705
Public works	198,737	613,580	535,237	78,343	170,224
Parks and recreation	-	-	-	-	175,768
Total Expenditures	1,243,737	1,241,080	733,974	507,106	706,697
Excess (Deficiency) of Revenues Over (Under) Expenditures	(826,237)	(1,241,080)	(495,172)	745,908	(706,479)
Other Financing Sources (Uses)					
Transfers in	826,237	1,183,737	252,838	(930,899)	417,500
Total Other Financing Sources (Uses)	826,237	1,183,737	252,838	(930,899)	417,500
Net Change in Fund Balances	$ -	$ (57,343)	(242,334)	$ (184,991)	(288,979)
Fund Balances Beginning of Year			621,570		910,549
Fund Balances End of Year			$ 379,236		$ 621,570


CITY of
DURANGO

MAJOR ENTERPRISE FUNDS

Water Utility Fund - to account for revenues and expenses associated with providing water services to the City of Durango residents and some county residents.

Sewer Utility Fund - to account for revenues and expenses associated with providing waste water treatment services to residents of the City of Durango and some county residents.

Trash and Recycling Fund - to account for revenues and expenses associated with refuse collection and recycling operations.

Transportation Services Fund - to account for revenues and expenses associated with the operations of the City's parking programs, including enforcement and facilities maintenance and to account for revenues and expenses associated with providing mass transportation within the City.

City of Durango, Colorado
Water Utility Fund
Comparative Statement of Net Position
December 31, 2022 and 2021

	2022	2021
Assets		
Current Assets		
Equity in cash and cash equivalents	$ 17,142,070	$ 17,167,918
Receivables		
Accounts	614,560	707,771
Inventory	175,613	144,306
Total Current Assets	17,932,243	18,019,995
Noncurrent Assets		
Note receivable	76,726	87,295
Capital Assets		
Land, easements and water rights	7,048,853	7,048,853
Construction in progress	2,432,463	402,729
Depreciable capital assets, net	41,475,592	42,661,485
Total Noncurrent Assets	51,033,634	50,200,362
Total Assets	68,965,877	68,220,357
Liabilities		
Current Liabilities		
Accounts payable	356,367	287,511
Accrued wages	22,350	21,164
Compensated Absences - due in one year	56,469	47,610
Loan payable	201,848	197,969
Total Current Liabilities	637,034	554,254
Long Term Liabilities		
Compensated absences net of current portion	56,468	47,610
Loan payable net of current portion	2,126,186	2,328,034
Total Liabilities	2,819,688	2,929,898
Net Position		
Net investment in capital assets	48,554,247	47,583,908
Unrestricted	17,591,942	17,706,551
Total Net Position	$ 66,146,189	$ 65,290,459

City of Durango, Colorado
Water Utility Fund
Comparative Statement of Revenues, Expenses, and Changes in Net Position
For the Years Ended December 31, 2022 and 2021

	2022	2021
Operating Revenues		
Charges for sales and services	$ 5,661,435	$ 6,903,516
Miscellaneous	8,446	97,251
Total Operating Revenues	5,669,881	7,000,767
Operating Expenses		
Administration	292,981	363,201
Source of supply	10,211	75,174
Pumping	82,564	67,489
Transmission and distribution	1,083,671	954,044
Treatment	1,154,321	937,698
Meter reading and repairs	123,350	86,094
Building maintenance	146,196	75,843
Non-departmental	197,997	268,174
Payment for services	563,481	749,620
Depreciation	1,813,016	1,674,225
Total Operating Expenses	5,467,788	5,251,562
Operating Income	202,093	1,749,205
Non-Operating Revenues (Expenses)		
Gain (loss) on the sale of capital assets	(88,024)	-
Investment earnings	297,784	6,326
Interest expense	(48,297)	(52,101)
Total Non-Operating Revenues (Expenses)	161,463	(45,775)
Income Before Capital Contributions and Transfers	363,556	1,703,430
Capital contributions	492,174	1,275,773
Change in Net Position	855,730	2,979,203
Net Position Beginning of Year	65,290,459	62,311,256
Net Position End of Year	$ 66,146,189	$ 65,290,459

City of Durango, Colorado
Water Utility Fund
Schedule of Revenues and Expenditures -
Budget and Actual - (Non-GAAP Budgetary Basis)
For the Year Ended December 31, 2022

	Original Budget	Final Budget	Actual	Variance with Final Budget - Positive (Negative)
Revenues				
Charges for sales and services	$ 12,714,044	$ 12,714,044	$ 5,661,435	$ (7,052,609)
Miscellaneous	15,500	15,500	8,446	(7,054)
Gain (loss) on the sale of capital assets	-	-	(88,024)	(88,024)
Investment earnings	185,500	185,500	297,784	112,284
Interest expense	(60,000)	(60,000)	(48,297)	11,703
Capital contributions	660,000	660,000	492,174	(167,826)
Total Revenues	13,515,044	13,515,044	6,323,518	(7,191,526)
Expenditures				
Administration	422,382	408,484	292,981	115,503
Source of supply	207,000	207,000	10,211	196,789
Pumping	124,000	124,000	82,564	41,436
Transmission and distribution	1,258,798	1,258,798	1,083,671	175,127
Treatment	1,124,242	1,124,242	1,154,321	(30,079)
Meter reading and repairs	123,215	123,215	123,350	(135)
Building maintenance	111,875	111,875	146,196	(34,321)
Non-departmental	11,074,044	6,368,634	3,031,752	3,336,882
Payment for services	563,481	563,481	563,481	-
Contingency	100,000	100,000	-	100,000
Total Expenditures	15,109,037	10,389,729	6,488,527	3,901,202
Transfers out	(5,633,194)	(5,633,194)	-	5,633,194
Excess (Deficiency) of Revenues Over (Under) Expenditures	$ (7,227,187)	$ (2,507,879)	(165,009)	$ 2,342,870
Reconciliation to GAAP Net Income:				
Remove Capital Outlay			2,635,786	
Remove Principal Payments			197,969	
Add Depreciation			(1,813,016)	
Net Income (Loss)			$ 855,730	

City of Durango, Colorado
Sewer Utility Fund
Comparative Statement of Net Position
December 31, 2022 and 2021

	2022	2021
Assets		
Current Assets		
Equity in cash and cash equivalents	$ 3,149,456	$ 2,283,915
Cash held with fiscal agent	349,486	2,329,083
Receivables		
Accounts	1,249,422	1,100,875
Interfund	-	258,053
Inventory	20,399	27,899
Total Current Assets	4,768,763	5,999,825
Noncurrent Assets		
Note receivable	16,081	20,371
Capital Assets		
Land, easements and water rights	321,309	321,309
Construction in progress	129,074	-
Depreciable capital assets, net	78,672,376	81,276,530
Total Noncurrent Assets	79,138,840	81,618,210
Total Assets	83,907,603	87,618,035
Liabilities		
Current Liabilities		
Accounts payable	227,799	119,790
Accrued wages	22,930	24,727
Compensated Absences - due in one year	38,743	23,950
Loan payable	2,481,893	2,622,648
Interest Payable	384,331	463,535
Total Current Liabilities	3,155,696	3,254,650
Long Term Liabilities		
Unearned revenue	159,950	258,055
Compensated absences net of current portion	38,743	23,951
Loan payable net of current portion	42,891,706	47,186,100
Total Liabilities	46,246,095	50,722,756
Net Position		
Net investment in capital assets	33,749,162	34,105,052
Restricted	349,486	-
Unrestricted	3,562,860	2,790,227
Total Net Position	$ 37,661,508	$ 36,895,279

City of Durango, Colorado
Sewer Utility Fund
Comparative Statement of Revenues, Expenses, and Changes in Net Position
For the Years Ended December 31, 2022 and 2021

	2022	2021
Operating Revenues		
Charges for sales and services	$ 8,151,944	$ 8,022,685
Miscellaneous	58,417	3,288
Total Operating Revenues	8,210,361	8,025,973
Operating Expenses		
Administration	272,470	363,032
Treatment	1,888,633	1,664,976
Collections	1,000,027	960,263
Building maintenance	6,717	5,475
Non-departmental	482,809	263,929
Payment for services	663,242	792,922
Depreciation	2,682,646	3,650,410
Total Operating Expenses	6,996,544	7,701,007
Operating Income	1,213,817	324,966
Non-Operating Revenues (Expenses)		
Gain (loss) on the sale of capital assets	(175,000)	-
Investment earnings	302,921	204,420
Interest expense	(750,684)	(914,721)
Total Non-Operating Revenues (Expenses)	(622,763)	(710,301)
Income Before Capital Contributions and Transfers	591,054	(385,335)
Capital contributions	175,175	208,933
Change in Net Position	766,229	(176,402)
Net Position Beginning of Year	36,895,279	37,071,681
Net Position End of Year	$ 37,661,508	$ 36,895,279

City of Durango, Colorado
Sewer Utility Fund
Schedule of Revenues and Expenditures -
Budget and Actual - (Non-GAAP Budgetary Basis)
For the Year Ended December 31, 2022

	Original Budget	Final Budget	Actual	Variance with Final Budget - Positive (Negative)
Revenues				
Charges for sales and services	$ 7,950,000	$ 7,950,000	$ 8,151,944	$ 201,944
Services provided	-	-	-	-
Miscellaneous	10,000	10,000	58,417	48,417
Gain (loss) on the sale of capital assets	-	-	(175,000)	(175,000)
Investment earnings	60,000	60,000	302,921	242,921
Interest expense	(920,138)	(920,138)	(750,684)	169,454
Capital contributions	165,000	165,000	175,175	10,175
Total Revenues	7,264,862	7,264,862	7,762,773	497,911
Expenditures				
Administration	370,238	356,340	272,470	83,870
Treatment	1,999,033	1,999,033	1,888,633	110,400
Collections	1,075,934	1,075,934	1,000,027	75,907
Building maintenance	5,375	5,375	6,717	(1,342)
Non-departmental	5,298,655	4,109,075	3,257,565	851,510
Payment for services	663,242	663,242	663,242	-
Total Expenditures	9,412,477	8,208,999	7,088,654	1,120,345
Excess (Deficiency) of Revenues Over (Under) Expenditures	$ (2,147,615)	$ (944,137)	674,119	$ 1,618,256
Reconciliation to GAAP Net Income:				
Remove Capital Outlay			273,481	
Remove Principal Payments			2,501,275	
Add Depreciation			(2,682,646)	
Net Income (Loss)			$ 766,229	

City of Durango, Colorado
Trash and Recycling Fund
Comparative Statement of Net Position
December 31, 2022 and 2021

	2022	2021
Assets		
Equity in cash and cash equivalents	$ 2,638,141	$ 2,126,654
Accounts	411,935	369,479
Land, easements and water rights	89,622	89,622
Construction in progress	44,967	8,798
Depreciable capital assets, net	1,679,875	1,824,619
Total Assets	4,864,540	4,419,172
Liabilities		
Accounts payable	46,740	61,156
Accrued wages	16,906	14,902
Compensated Absences - due in one year	42,215	30,958
Compensated absences net of current portion	42,214	30,958
Total Liabilities	148,075	137,974
Net Position		
Net investment in capital assets	1,814,463	1,923,039
Unrestricted	2,902,002	2,358,159
Total Net Position	$ 4,716,465	$ 4,281,198

City of Durango, Colorado
Trash and Recycling Fund
Comparative Statement of Revenues, Expenses, and Changes in Net Position
For the Years Ended December 31, 2022 and 2021

	2022	2021
Operating Revenues		
Charges for sales and services	$ 3,346,881	$ 3,247,038
Miscellaneous	86,007	89,013
Total Operating Revenues	3,432,888	3,336,051
Operating Expenses		
Administration	3,420	3,000
Collections	1,126,113	1,130,206
Recycling	875,214	776,051
Recycling center	361,611	329,858
Sustainability	178,118	128,720
Non-departmental	129,405	121,495
Payment for services	222,488	303,317
Depreciation	144,745	144,745
Total Operating Expenses	3,041,114	2,937,392
Operating Income	391,774	398,659
Non-Operating Revenues (Expenses)		
Intergovernmental grants	-	31,786
Investment earnings	43,493	112
Total Non-Operating Revenues (Expenses)	43,493	31,898
Change in Net Position	435,267	430,557
Net Position Beginning of Year	4,281,198	3,850,641
Net Position End of Year	$ 4,716,465	$ 4,281,198

City of Durango, Colorado
Trash and Recycling Fund
Schedule of Revenues and Expenditures -
Budget and Actual - (Non-GAAP Budgetary Basis)
For the Year Ended December 31, 2022

	Original Budget	Final Budget	Actual	Variance with Final Budget - Positive (Negative)
Revenues				
Charges for sales and services	$ 3,003,050	$ 3,003,050	$ 3,346,881	$ 343,831
Services provided	-	-	-	-
Miscellaneous	90,000	90,000	86,007	(3,993)
Investment earnings	15,000	15,000	43,493	28,493
Total Revenues	3,108,050	3,108,050	3,476,381	368,331
Expenditures				
Administration	3,200	3,200	3,420	(220)
Collections	1,226,231	1,236,231	1,126,113	110,118
Recycling	793,819	793,819	875,214	(81,395)
Recycling center	406,422	406,422	361,611	44,811
Sustainability	183,557	183,557	178,118	5,439
Non-departmental	178,865	199,543	165,574	33,969
Payment for services	222,488	222,488	222,488	-
Total Expenditures	3,014,582	3,045,260	2,932,538	112,722
Excess (Deficiency) of Revenues Over (Under) Expenditures	$ 93,468	$ 62,790	543,843	$ 481,053
Reconciliation to GAAP Net Income:				
Remove Capital Outlay			36,169	
Add Depreciation			(144,745)	
Net Income (Loss)			$ 435,267	

City of Durango, Colorado
Transportation Services Fund
Comparative Statement of Net Position
December 31, 2022 and 2021

	2022	2021
Assets		
Current Assets		
Equity in cash and cash equivalents	$ 3,517,457	$ 1,992,214
Receivables		
Accounts	35,278	7,073
Intergovernmental	-	464,605
Total Current Assets	3,552,735	2,463,892
Noncurrent Assets		
Capital Assets		
Land, easements and water rights	3,886,835	3,886,835
Construction in progress	11,406	-
Depreciable capital assets, net	5,315,132	5,506,678
Total Noncurrent Assets	9,213,373	9,393,513
Total Assets	12,766,108	11,857,405
Liabilities		
Current Liabilities		
Accounts payable	60,585	37,459
Accrued wages	38,418	29,290
Compensated Absences - due in one year	73,015	57,519
Total Current Liabilities	172,018	124,268
Long Term Liabilities		
Compensated absences net of current portion	73,016	57,519
Total Liabilities	245,034	181,787
Net Position		
Net investment in capital assets	9,213,372	9,393,513
Unrestricted	3,307,702	2,282,105
Total Net Position	$ 12,521,074	$ 11,675,618

City of Durango, Colorado
Transportation Services Fund
Comparative Statement of Revenues, Expenses, and Changes in Net Position
For the Years Ended December 31, 2022 and 2021

	2022	2021
Operating Revenues		
Charges for sales and services	$ 2,131,029	$ 1,994,097
Miscellaneous	102,144	9,811
Total Operating Revenues	2,233,173	2,003,908
Operating Expenses		
Administration	345,797	266,339
Parking operations	893,164	701,053
Loop system	2,515,496	1,933,444
Multi-modal	176,973	127,949
Non-departmental	168,629	238,355
Payment for services	190,880	460,533
Depreciation	368,459	424,560
Total Operating Expenses	4,659,398	4,152,233
Operating Income	(2,426,225)	(2,148,325)
Non-Operating Revenues (Expenses)		
Gain (loss) on the sale of capital assets	-	66,600
Intergovernmental grants	2,330,961	1,385,317
Investment earnings	48,235	246
Total Non-Operating Revenues (Expenses)	2,379,196	1,452,163
Income Before Capital Contributions and Transfers	(47,029)	(696,162)
Capital contributions	44,913	15,072
Transfers in	847,572	477,417
Change in Net Position	845,456	(203,673)
Net Position Beginning of Year	11,675,618	11,879,291
Net Position End of Year	$ 12,521,074	$ 11,675,618

City of Durango, Colorado
Transportation Services Fund
Schedule of Revenues and Expenditures -
Budget and Actual - (Non-GAAP Budgetary Basis)
For the Year Ended December 31, 2022

	Original Budget	Final Budget	Actual	Variance with Final Budget - Positive (Negative)
Revenues				
Charges for sales and services	$ 1,691,858	$ 1,819,641	$ 2,131,029	$ 311,388
Services provided	588,000	744,000	-	(744,000)
Miscellaneous	227,783	100,000	102,144	2,144
Intergovernmental grants	2,236,571	6,312,747	2,330,961	(3,981,786)
Investment earnings	25,000	25,000	48,235	23,235
Capital contributions	-	-	44,913	44,913
Transfers in	-	-	847,572	847,572
Total Revenues	4,769,212	9,001,388	5,504,854	(3,496,534)
Expenditures				
Administration	250,310	373,461	345,797	27,664
Parking operations	991,743	999,108	893,164	105,944
Loop system	2,318,520	3,235,314	2,703,815	531,499
Multi-modal	225,906	3,419,843	176,973	3,242,870
Non-departmental	213,869	213,869	168,629	45,240
Payment for services	224,170	190,881	190,880	1
Total Expenditures	4,224,518	8,432,476	4,479,258	3,953,218
Excess (Deficiency) of Revenues Over (Under) Expenditures	$ 544,694	$ 568,912	1,025,596	$ 456,684
Reconciliation to GAAP Net Income:				
Remove Capital Outlay			188,319	
Add Depreciation			(368,459)	
Net Income (Loss)			$ 845,456	

INTERNAL SERVICE FUNDS

General Services Fund - to account for the costs of providing support services used by other City departments. These services include vehicle and equipment maintenance, central purchasing, warehousing and building and plant supervision.

Capital Equipment Reserve Fund - to accumulate funds provided by other City departments through rental fees for the orderly replacement of City vehicles, radios and equipment.

Self Insurance Fund - to accumulate funds to pay medical claims for employees and covered dependents through insurance premiums billed to other City departments.

Risk Manager Fund- to account for the costs of property and casualty insurance as well as the costs associated with worker's compensation insurance.

Technology Replacement Fund-to accumulate funds provided by other City departments through rental fees for the orderly replacement of City computers.

Building Maintenance Fund- to accumulate funds for the building maintenance of City assets.

City of Durango, Colorado
Combining Statement of Net Position
Internal Service Funds
December 31, 2022

	General Services Fund	Capital Equipment Replacement Fund	Self Insurance Fund	Risk Management Fund	Technology Replacement Fund	Building Maintenance Fund	Total
Assets							
Current Assets							
Equity in cash and cash equivalents	$ 108,187	$ 6,702,939	$ 830,697	$ 378,249	$ 321,233	$ 989,778	$ 9,331,083
Accounts receivable	-	2,200	300,818	28,043	-	-	331,061
Inventory	131,464	267,029	-	-	-	-	398,493
Total Current Assets	239,651	6,972,168	1,131,515	406,292	321,233	989,778	10,060,637
Noncurrent Assets							
Capital Assets							
Land, easements and water rights	67,889	-	-	-	-	-	67,889
Construction in progress	-	359,518	-	-	-	-	359,518
Depreciable capital assets, net	1,005,826	4,047,098	-	-	-	-	5,052,924
Total Noncurrent Assets	1,073,715	4,406,616	-	-	-	-	5,480,331
Total Assets	1,313,366	11,378,784	1,131,515	406,292	321,233	989,778	15,540,968
Liabilities							
Current Liabilities							
Accounts payable	54,697	160,497	948,359	22,068	2,422	-	1,188,043
Accrued wages	1,106	8,032	-	1,547	-	-	10,685
Compensated Absences - due in one year	4,741	38,453	-	5,401	-	-	48,595
Total Current Liabilities	60,544	206,982	948,359	29,016	2,422	-	1,247,323
Long Term Liabilities							
Compensated absences net of current portion	4,741	38,451	-	5,403	-	-	48,595
Total Long Term Liabilities	4,741	38,451	-	5,403	-	-	48,595
Total Liabilities	65,285	245,433	948,359	34,419	2,422	-	1,295,918
Net Position							
Net investment in capital assets	1,073,714	4,406,616	-	-	-	-	5,480,330
Restricted	-	7,387,574	-	-	-	-	7,387,574
Unrestricted	174,367	(660,839)	183,156	371,873	318,811	989,778	1,377,146
Total Net Position	$ 1,248,081	$ 11,133,351	$ 183,156	$ 371,873	$ 318,811	$ 989,778	$ 14,245,050

City of Durango, Colorado
Combining Statement of Revenues Expenses and Changes in Fund Net Position
Internal Service Funds
For the Year Ended December 31, 2022

	General Services Fund	Capital Equipment Replacement Fund	Self Insurance Fund	Risk Management Fund	Technology Replacement Fund	Building Maintenance Fund	Total
Operating Revenues							
Charges for sales and services	$ 252,840	$ 3,295,212	$ 5,782,915	$ 1,003,356	$ -	$ -	$ 10,334,323
Services provided	140,000	-	1,458,186	342,802	-	-	1,940,988
Miscellaneous	-	-	56,173	1,563	-	-	57,736
Total Operating Revenues	392,840	3,295,212	7,297,274	1,347,721	-	-	12,333,047
Operating Expenses							
Administration	109,955	-	20,715	131,836	-	-	262,506
Building maintenance	98,146	-	-	-	-	26,066	124,212
Equipment maintenance	-	1,293,971	-	-	288,889	-	1,582,860
Insurance claims and premiums	-	-	-	1,382,249	-	-	1,382,249
Medical claims and premiums	-	-	7,310,782	-	-	-	7,310,782
Depreciation	78,214	1,310,952	-	-	-	-	1,389,166
Total Operating Expenses	286,315	2,604,923	7,331,497	1,514,085	288,889	26,066	12,051,775
Operating Income (Loss)	106,525	690,289	(34,223)	(166,364)	(288,889)	(26,066)	281,272
Non-Operating Revenues (Expenses)							
Gain (loss) on the sale of capital assets	-	181,600	-	-	-	-	181,600
Investment earnings	1,688	101,482	7,368	5,224	7,700	15,844	139,306
Total Non-Operating Revenues (Expenses)	1,688	283,082	7,368	5,224	7,700	15,844	320,906
Income (Loss) Before Contributions and Transfers	108,213	973,371	(26,855)	(161,140)	(281,189)	(10,222)	602,178
Transfers in	-	-	-	-	600,000	1,000,000	1,600,000
Transfers out	-	(1,600,000)	-	-	-	-	(1,600,000)
Change in Net Position	108,213	(626,629)	(26,855)	(161,140)	318,811	989,778	602,178
Net Position Beginning of Year	1,139,868	11,759,980	210,011	533,013	-	-	13,642,872
Net Position End of Year	$ 1,248,081	$ 11,133,351	$ 183,156	$ 371,873	$ 318,811	$ 989,778	$ 14,245,050

City of Durango, Colorado
Combining Statement of Cash Flows
Internal Service Funds
For the Year Ended December 31, 2022

	General Services	Capital Equipment Reserve	Self Insurance	Risk Manager	Technology Replacement	Building Maintenance	Total
Increase (Decrease) in Cash and Cash Equivalents							
Cash Flows from Operating Activities							
Cash received from customers and users	$ 252,840	$ 3,295,562	$ 6,371,012	$ 983,130	$ -	$ -	$ 10,902,544
Transfers from Other Funds	140,000	-	1,458,186	342,802	-	-	1,940,988
Other receipts	-	-	56,173	1,563	-	-	57,736
Cash payments to suppliers and employees	(206,820)	(1,185,576)	(6,870,585)	(1,532,679)	(286,467)	(26,066)	(10,108,193)
Net Cash Provided by (Used in) Operating Activities	186,020	2,109,986	1,014,786	(205,184)	(286,467)	(26,066)	2,793,075
Cash Flows from Noncapital Financing Activities							
Interfund borrowings	(80,000)	-	(192,000)	-	-	-	(272,000)
Transfers from Other Funds	-	(1,600,000)	-	-	600,000	1,000,000	-
Net Cash Provided by Noncapital Financing Activities	(80,000)	(1,600,000)	(192,000)	-	600,000	1,000,000	(272,000)
Cash Flows from Capital and Related Financing Activities							
Sale of capital assets	-	181,600	-	-	-	-	181,600
Payments for capital acquisitions	-	(462,094)	-	-	-	-	(462,094)
Net Cash Used in Capital and Related Financing Activities	-	(280,494)	-	-	-	-	(280,494)
Cash Flows from Investing Activities							
Investment earnings	1,687	101,482	7,368	5,224	7,700	15,844	139,305
Net Cash Provided from (Used in) Investing Activities	1,687	101,482	7,368	5,224	7,700	15,844	139,305
Net Increase (Decrease) in Cash and Cash Equivalents	107,707	330,974	830,154	(199,960)	321,233	989,778	2,379,886
Cash and Cash Equivalents Beginning of Year	480	6,371,965	543	578,209	-	-	6,951,197
Cash and Cash Equivalents End of Year	$ 108,187	$ 6,702,939	$ 830,697	$ 378,249	$ 321,233	$ 989,778	$ 9,331,083
Reconciliation of Operating Income (Loss) to Net Cash Provided by (Used in) Operating Activities							
Operating Income (Loss)	$ 106,525	$ 690,289	$ (34,223)	$ (166,364)	$ (288,889)	$ (26,066)	$ 281,272
Adjustments:							
Depreciation	78,214	1,310,952	-	-	-	-	1,389,166
(Increase) Decrease in Assets:							
Accounts receivable	-	350	588,097	(20,226)	-	-	568,221
Inventory	(6,405)	(20,896)	-	-	-	-	(27,301)
Increase (Decrease) in Liabilities:							
Accounts payable	9,102	122,791	460,912	(18,375)	2,422		576,852
Accrued liabilities	(881)	(938)	-	54	-	-	(1,765)
Compensated Absences	(535)	7,438	-	(273)	-	-	6,630
Total Adjustments	79,495	1,419,697	1,049,009	(38,820)	2,422	-	2,511,803
Net Cash Provided by (Used in) Operating Activities	$ 186,020	$ 2,109,986	$ 1,014,786	$ (205,184)	$ (286,467)	$ (26,066)	$ 2,793,075

City of Durango, Colorado
General Services Fund
Comparative Statement of Net Position
December 31, 2022 and 2021

	2022	2021
Assets		
Current Assets:		
Equity in cash and cash equivalents	$ 108,187	$ 480
Inventory	131,464	125,059
Total Current Assets	239,651	125,539
Noncurrent Assets		
Capital Assets		
Land, easements and water rights	67,889	67,889
Depreciable capital assets, net	1,005,826	1,084,039
Total Noncurrent Assets	1,073,715	1,151,928
Total Assets	1,313,366	1,277,467
Liabilities		
Current Liabilities:		
Accounts payable	54,697	45,595
Accrued wages	1,106	1,987
Compensated Absences - due in one year	4,741	5,008
Total Current Liabilities	60,544	52,590
Long Term Liabilities		
Interfund payable	-	80,000
Compensated absences net of current portion	4,741	5,009
Total Liabilities	65,285	137,599
Net Position		
Net investment in capital assets	1,073,714	1,151,928
Unrestricted	174,367	(12,060)
Total Net Position	$ 1,248,081	$ 1,139,868

City of Durango, Colorado
General Services Fund
Comparative Statement of Revenues, Expenses, and Changes in Fund Net Position
For the Years Ended December 31, 2022 and 2021

	2022	2021
Operating Revenues		
Charges for sales and services	$ 252,840	$ 5,898
Services provided	140,000	50,004
Miscellaneous	-	129
Total Operating Revenues	392,840	56,031
Operating Expenses		
Administration	109,955	129,838
Building maintenance	98,146	101,284
Non-departmental	-	41
Depreciation	78,214	37,786
Total Operating Expenses	286,315	268,949
Operating Income (Loss)	106,525	(212,918)
Non-Operating Revenues (Expenses)		
Investment earnings	1,688	22
Total Non-Operating Revenues (Expenses)	1,688	22
Change in Net Position	108,213	(212,896)
Net Position Beginning of Year	1,139,868	1,352,764
Net Position End of Year	$ 1,248,081	$ 1,139,868

City of Durango, Colorado
General Services Fund
Schedule of Revenues and Expenditures -
Budget and Actual - (Non-GAAP Budgetary Basis)
For the Year Ended December 31, 2022

	Original Budget	Final Budget	Actual	Variance with Final Budget - Positive (Negative)
Revenues				
Charges for sales and services	$ 261,500	$ 261,500	$ 252,840	$ (8,660)
Services provided	140,000	140,000	140,000	-
Investment earnings	7,000	7,000	1,688	(5,312)
Total Revenues	408,500	408,500	394,528	(13,972)
Expenditures				
Administration	146,508	94,984	109,955	(14,971)
Building maintenance	102,549	102,549	98,146	4,403
Total Expenditures	249,057	197,533	208,101	(10,568)
Excess (Deficiency) of Revenues Over (Under) Expenditures	$ 159,443	$ 210,967	186,427	$ (24,540)
Reconciliation to GAAP Net Income:				
Add Depreciation			(78,214)	
Net Income (Loss)			$ 108,213	

City of Durango, Colorado
Capital Equipment Replacement Fund
Comparative Statement of Net Position
December 31, 2022 and 2021

	2022	2021
Assets		
Equity in cash and cash equivalents	$ 6,702,939	$ 6,371,965
Accounts receivable	2,200	2,550
Inventory	267,029	246,133
Construction in progress	359,518	766,899
Depreciable capital assets, net	4,047,098	4,488,575
Total Assets	11,378,784	11,876,122
Liabilities		
Accounts payable	160,497	37,706
Accrued wages	8,032	8,970
Compensated Absences - due in one year	38,453	34,734
Compensated absences net of current portion	38,451	34,732
Total Liabilities	245,433	116,142
Net Position		
Net investment in capital assets	4,406,616	5,255,474
Restricted	7,387,574	6,504,506
Unrestricted	(660,839)	-
Total Net Position	$ 11,133,351	$ 11,759,980

City of Durango, Colorado
Capital Equipment Replacement Fund
Comparative Statement of Revenues, Expenses, and Changes in Fund Net Position
For the Years Ended December 31, 2022 and 2021

	2022	2021
Operating Revenues		
Charges for sales and services	$ 3,295,212	$ 3,298,777
Miscellaneous	-	5,178
Total Operating Revenues	3,295,212	3,303,955
Operating Expenses		
Equipment maintenance	1,293,971	1,299,983
Depreciation	1,310,952	1,535,173
Total Operating Expenses	2,604,923	2,835,156
Operating Income (Loss)	690,289	468,799
Non-Operating Revenues (Expenses)		
Gain (loss) on the sale of capital assets	181,600	224,400
Investment earnings	101,482	134
Total Non-Operating Revenues (Expenses)	283,082	224,534
Income (Loss) Before Contributions and Transfers	973,371	693,333
Capital contributions	-	44,461
Transfers out	(1,600,000)	-
Change in Net Position	(626,629)	737,794
Net Position Beginning of Year	11,759,980	11,022,186
Net Position End of Year	$ 11,133,351	$ 11,759,980

City of Durango, Colorado

Capital Equipment Replacement Fund
Schedule of Revenues and Expenditures -
Budget and Actual - (Non-GAAP Budgetary Basis)
For the Year Ended December 31, 2022

	Original Budget	Final Budget	Actual	Variance with Final Budget - Positive (Negative)
Revenues				
Charges for sales and services	$ 3,332,515	$ 3,332,515	$ 3,295,212	$ (37,303)
Miscellaneous	3,500	3,500	-	(3,500)
Gain (loss) on the sale of capital assets	150,000	150,000	181,600	31,600
Investment earnings	50,000	50,000	101,482	51,482
Total Revenues	3,536,015	3,536,015	3,578,294	42,279
Expenditures				
Equipment maintenance	4,656,469	5,090,969	1,756,065	3,334,904
Total Expenditures	4,656,469	5,090,969	1,756,065	3,334,904
Transfers out	(1,602,417)	(1,602,417)	(1,600,000)	2,417
Excess (Deficiency) of Revenues Over (Under) Expenditures	$ (2,722,871)	$ (3,157,371)	222,229	$ 3,379,600
Reconciliation to GAAP Net Income:				
Add Depreciation			(1,310,952)	
Remove Capital Outlay			462,094	
Net Income (Loss)			$ (626,629)	

City of Durango, Colorado
Self Insurance Fund
Comparative Statement of Net Position
December 31, 2022 and 2021

	2022	2021
Assets		
Current Assets		
Equity in cash and cash equivalents	$ 830,697	$ 543
Accounts receivable	300,818	888,915
Total Assets	1,131,515	889,458
Liabilities		
Current Liabilities		
Accounts payable	948,359	487,447
Interfund payable	-	192,000
Total Liabilities	948,359	679,447
Net Position		
Unrestricted	183,156	210,011
Total Net Position	$ 183,156	$ 210,011

City of Durango, Colorado
Self Insurance Fund
Comparative Statement of Revenues, Expenses, and Changes in Fund Net Position
For the Years Ended December 31, 2022 and 2021

	2022	2021
Operating Revenues		
Charges for sales and services	$ 5,782,915	$ 573,406
Services provided	1,458,186	5,219,201
Miscellaneous	56,173	40,597
Total Operating Revenues	7,297,274	5,833,204
Operating Expenses		
Administration	20,715	7,221
Medical claims and premiums	7,310,782	6,833,840
Total Operating Expenses	7,331,497	6,841,061
Operating Income (Loss)	(34,223)	(1,007,857)
Non-Operating Revenues (Expenses)		
Investment earnings	7,368	471
Total Non-Operating Revenues (Expenses)	7,368	471
Income (Loss) Before Contributions and Transfers	(26,855)	(1,007,386)
Transfers in	-	480,490
Change in Net Position	(26,855)	(526,896)
Net Position Beginning of Year	210,011	736,907
Net Position End of Year	$ 183,156	$ 210,011

City of Durango, Colorado
Self Insurance Fund
Schedule of Revenues and Expenditures -
Budget and Actual - (Non-GAAP Budgetary Basis)
For the Year Ended December 31, 2022

	Original Budget	Final Budget	Actual	Variance with Final Budget - Positive (Negative)
Revenues				
Charges for sales and services	$ 6,472,474	$ 6,472,474	$ 5,782,915	$ (689,559)
Services provided	1,333,229	1,333,229	1,458,186	124,957
Miscellaneous	75,000	75,000	56,173	(18,827)
Investment earnings	12,000	12,000	7,368	(4,632)
Total Revenues	7,892,703	7,892,703	7,304,642	(588,061)
Expenditures				
Administration	25,000	25,000	20,715	4,285
Medical claims and premiums	7,130,132	7,306,498	7,310,782	(4,284)
Total Expenditures	7,155,132	7,331,498	7,331,497	1
Excess (Deficiency) of Revenues Over (Under) Expenditures	$ 737,571	$ 561,205	(26,855)	$ (588,060)
Reconciliation to GAAP Net Income:				
Net Income (Loss)			$ (26,855)	

City of Durango, Colorado
Risk Management Fund
Comparative Statement of Net Position
December 31, 2022 and 2021

	2022	2021
Assets		
Equity in cash and cash equivalents	$ 378,249	$ 578,209
Accounts receivable	28,043	7,817
Total Assets	406,292	586,026
Liabilities		
Accounts payable	22,068	40,443
Accrued wages	1,547	1,493
Compensated Absences - due in one year	5,401	5,538
Compensated absences net of current portion	5,403	5,539
Total Liabilities	34,419	53,013
Net Position		
Unrestricted	371,873	533,013
Total Net Position	$ 371,873	$ 533,013

City of Durango, Colorado
Risk Management Fund
Comparative Statement of Revenues, Expenses, and Changes in Fund Net Position
For the Years Ended December 31, 2022 and 2021

	2022	2021
Operating Revenues		
Charges for sales and services	$ 1,003,356	$ -
Services provided	342,802	1,339,415
Miscellaneous	1,563	65
Total Operating Revenues	1,347,721	1,339,480
Operating Expenses		
Administration	131,836	123,886
Insurance claims and premiums	1,382,249	1,232,592
Total Operating Expenses	1,514,085	1,356,478
Operating Income (Loss)	(166,364)	(16,998)
Non-Operating Revenues (Expenses)		
Investment earnings	5,224	(9)
Total Non-Operating Revenues (Expenses)	5,224	(9)
Income (Loss) Before Contributions and Transfers	(161,140)	(17,007)
Transfers in	-	17,335
Change in Net Position	(161,140)	328
Net Position Beginning of Year	533,013	532,685
Net Position End of Year	$ 371,873	$ 533,013

City of Durango, Colorado
Risk Management Fund
Schedule of Revenues and Expenditures -
Budget and Actual - (Non-GAAP Budgetary Basis)
For the Year Ended December 31, 2022

	Original Budget	Final Budget	Actual	Variance with Final Budget - Positive (Negative)
Revenues				
Charges for sales and services	$ 971,471	$ 971,471	$ 1,003,356	$ 31,885
Services provided	342,802	342,802	342,802	-
Miscellaneous	-	-	1,563	1,563
Investment earnings	6,500	6,500	5,224	(1,276)
Total Revenues	1,320,773	1,320,773	1,352,945	32,172
Expenditures				
Administration	128,940	128,940	131,836	(2,896)
Insurance claims and premiums	1,353,440	1,385,144	1,382,249	2,895
Total Expenditures	1,482,380	1,514,084	1,514,085	(1)
Excess (Deficiency) of Revenues Over (Under) Expenditures	$ (161,607)	$ (193,311)	(161,140)	$ 32,171
Reconciliation to GAAP Net Income:				
Net Income (Loss)			$ (161,140)	

City of Durango, Colorado
Technology Replacement Fund
Comparative Statement of Net Position
December 31, 2022 and 2021

	2022	2021
Assets		
Equity in cash and cash equivalents	$ 321,233	$ -
Total Assets	321,233	-
Liabilities		
Accounts payable	2,422	-
Total Liabilities	2,422	-
Net Position		
Unrestricted	318,811	-
Total Net Position	$ 318,811	$ -

City of Durango, Colorado
Technology Replacement Fund
Comparative Statement of Revenues, Expenses, and Changes in Fund Net Position
For the Years Ended December 31, 2022 and 2021

	2022	2021
Operating Expenses		
Equipment maintenance	$ 288,889	$ -
Total Operating Expenses	288,889	-
Operating Income (Loss)	(288,889)	-
Non-Operating Revenues (Expenses)		
Investment earnings	7,700	-
Total Non-Operating Revenues (Expenses)	7,700	-
Income (Loss) Before Contributions and Transfers	(281,189)	-
Transfers in	600,000	-
Change in Net Position	318,811	-
Net Position Beginning of Year	-	-
Net Position End of Year	$ 318,811	$ -

City of Durango, Colorado
Technology Replacement Fund
Schedule of Revenues and Expenditures -
Budget and Actual - (Non-GAAP Budgetary Basis)
For the Year Ended December 31, 2022

	Original Budget	Final Budget	Actual	Variance with Final Budget - Positive (Negative)
Revenues				
Investment earnings	$ -	$ -	$ 7,700	$ 7,700
Total Revenues	-	-	7,700	7,700
Expenditures				
Equipment maintenance	130,000	250,000	288,889	(38,889)
Total Expenditures	130,000	250,000	288,889	(38,889)
Transfers in	600,000	600,000	600,000	-
Excess (Deficiency) of Revenues Over (Under) Expenditures	$ 470,000	$ 350,000	318,811	$ (31,189)
Reconciliation to GAAP Net Income:				
Net Income (Loss)			$ 318,811	

City of Durango, Colorado
Building Maintenance Fund
Comparative Statement of Net Position
December 31, 2022 and 2021

	2022	2021
Assets		
Equity in cash and cash equivalents	$ 989,778	$ -
Total Assets	989,778	-
Net Position		
Unrestricted	989,778	-
Total Net Position	$ 989,778	$ -

City of Durango, Colorado
Building Maintenance Fund
Comparative Statement of Revenues, Expenses, and Changes in Fund Net Position
For the Years Ended December 31, 2022 and 2021

	2022	2021
Operating Expenses		
Building maintenance	$ 26,066	$ -
Total Operating Expenses	26,066	-
Operating Income (Loss)	(26,066)	-
Non-Operating Revenues (Expenses)		
Investment earnings	15,844	-
Total Non-Operating Revenues (Expenses)	15,844	-
Income (Loss) Before Contributions and Transfers	(10,222)	-
Transfers in	1,000,000	-
Change in Net Position	989,778	-
Net Position Beginning of Year	-	-
Net Position End of Year	$ 989,778	$ -

City of Durango, Colorado
Building Maintenance Fund
Schedule of Revenues and Expenditures -
Budget and Actual - (Non-GAAP Budgetary Basis)
For the Year Ended December 31, 2022

	Original Budget	Final Budget	Actual	Variance with Final Budget - Positive (Negative)
Revenues				
Investment earnings	$ -	$ -	$ 15,844	$ 15,844
Total Revenues	-	-	15,844	15,844
Expenditures				
Building maintenance	-	145,000	26,066	118,934
Total Expenditures	-	145,000	26,066	118,934
Transfers in	1,000,000	1,000,000	1,000,000	-
Excess (Deficiency) of Revenues Over (Under) Expenditures	$ 1,000,000	$ 855,000	989,778	$ 134,778
Reconciliation to GAAP Net Income:				
Net Income (Loss)			$ 989,778	

STATISTICAL SECTION

This part of the City of Durango's annual comprehensive financial report presents detailed information as a context for understanding what the information in the financial statements, note disclosures, and required supplementary information says about the city's overall financial health.

Financial Trends

These schedules contain trend information to help the reader understand how the city's financial performance and well-being have changed over time.

Revenue Capacity

These schedules contain information to help the reader assess the city's most significant local revenue source, the sales and use tax.

Debt Capacity

These schedules present information to help the reader assess the affordability of the city's current levels of outstanding debt and the city's ability to issue additional debts in the future.

Demographic and Economic Information

These schedules offer demographic and economic indicators to help the reader understand the environment within which the city's financial activities take place.

Operating Information

These schedules contain service and infrastructure data to help the reader understand how the information in the city's financial report relates to the services the city provides and the activities it performs.

Sources: Unless otherwise noted, the information in these schedules is derived from the comprehensive annual financial reports for the relevant year. The city implemented Statement 34 in 2003, schedules presenting government-wide information include information beginning in that year.


CITY of
DURANGO

City of Durango, Colorado
Net Position by Component
Last Ten Fiscal Years (Unaudited)
(accrual basis of accounting)

	Fiscal Year									
	2013	**2014**	**2015**	**2016**	**2017**	**2018**	**2019**	**2020**	**2021**	**2022**
Governmental activities										
Net investment in capital assets	$ 143,944,307	$ 149,052,567	$ 153,845,848	$ 160,730,499	$ 168,087,849	$ 171,770,608	$ 173,568,700	$ 181,849,022	$ 181,356,264	$ 178,280,480
Restricted	14,631,856	9,628,560	4,406,072	8,532,447	3,027,602	4,197,716	4,214,407	5,215,592	-	15,477,111
Unrestricted	25,926,898	28,998,660	35,295,804	32,517,436	35,588,691	36,833,835	44,846,760	49,086,797	54,469,633	73,926,438
Total governmental activities net position	$ 184,503,061	$ 187,679,787	$ 193,547,724	$ 201,780,382	$ 206,704,142	$ 212,802,159	$ 222,629,867	$ 236,151,411	$ 235,825,897	$ 267,684,029
Business-type activities										
Net investment in capital assets	$ 62,578,879	$ 58,365,508	$ 60,179,815	$ 65,312,858	$ 72,528,998	$ 79,246,150	$ 83,552,646	$ 91,928,606	$ 93,005,512	$ 93,331,244
Unrestricted	9,429,992	14,668,271	17,283,617	21,401,015	12,529,984	25,507,735	27,053,438	23,390,275	24,906,618	27,087,117
Restricted										$ 349,486
Total business-type activities	$ 72,008,871	$ 73,033,779	$ 77,463,432	$ 86,713,873	$ 85,058,982	$ 104,753,885	$ 110,606,084	$ 115,318,881	$ 117,912,130	$ 120,767,847
Primary Government										
Net investment in capital assets	$ 206,523,186	$ 207,418,075	$ 214,025,663	$ 226,043,357	$ 240,616,847	$ 251,016,758	$ 257,121,346	$ 273,777,628	$ 274,361,776	$ 271,611,724
Restricted	14,631,856	9,628,560	4,406,072	8,532,447	3,027,602	4,197,716	4,214,407	5,215,592	-	15,826,597
Unrestricted	35,356,890	43,666,931	52,579,421	53,918,451	48,118,675	62,341,570	71,900,198	72,477,072	79,376,251	101,013,555
Total primary government net position	$ 256,511,932	$ 260,713,566	$ 271,011,156	$ 288,494,255	$ 291,763,124	$ 317,556,044	$ 333,235,951	$ 351,470,292	$ 353,738,027	$ 388,451,876

City of Durango, Colorado
Changes in Net Position
Last Ten Fiscal Years
(accrual basis of accounting)

	Fiscal Year									
	2013	**2014**	**2015**	**2016**	**2017**	**2018**	**2019**	**2020**	**2021**	**2022**
Expenses										
Governmental activities:										
General government	$ 7,894,128	$ 8,821,889	$ 9,259,225	$ 9,568,011	$ 8,855,109	$ 9,889,447	$ 10,838,196	$ 9,981,486	$ 10,475,430	$ 20,384,036
Public safety	10,709,354	10,867,750	11,859,989	12,242,685	12,335,341	14,551,095	14,679,218	16,496,684	20,552,848	16,810,822
Public works	5,064,353	7,740,688	9,893,562	7,543,224	4,748,322	8,258,321	9,390,279	7,578,880	7,507,837	3,680,950
Parks and recreation	8,350,689	5,625,209	6,088,070	7,886,241	13,907,700	10,306,478	10,158,829	8,383,958	8,164,467	11,457,545
Library	2,290,097	2,424,281	2,408,555	2,123,310	2,198,153	2,275,892	2,785,741	2,617,126	2,784,402	2,586,645
Community services	876,147	1,621,398	1,177,037	1,432,160	1,323,105	1,168,207	1,302,020	2,162,734	1,581,703	1,657,463
Economic development	633,280	777,227	758,775	806,000	706,821	724,246	862,114	794,934	629,607	616,970
Joint venture - Airport	335,969	-	-	-	300,236	-	-	1,775,445	2,337,808	
Interest	1,354,291	1,275,537	1,236,752	1,136,023	794,394	666,491	570,216	446,713	417,616	395,806
Total governmental activities expenses	37,508,308	39,153,979	42,681,965	42,737,654	45,169,181	47,840,177	50,586,613	50,237,960	54,451,718	57,590,237
Business-type activities:										
Water utility	3,992,105	5,048,918	4,697,072	4,949,709	5,539,135	4,742,452	5,335,098	5,492,253	5,541,113	5,467,788
Sewer utility	3,210,315	3,687,699	3,691,696	3,662,081	5,207,201	5,107,230	5,402,629	7,584,020	8,739,271	8,210,361
Parking	999,530	-	-	-	-	-	-	152,132	155,784	
Sustainable services / Trash & Recycle	2,189,067	2,097,284	2,146,425	2,397,968	2,566,943	2,838,228	2,856,608	2,709,293	2,937,392	3,432,888
Transportation services	2,498,054	3,422,104	3,556,523	3,771,789	3,769,823	3,359,309	3,606,291	3,356,843	4,077,783	4,659,398
Total business-type expenses	12,889,071	14,256,005	14,091,716	14,781,547	17,083,102	16,047,219	17,200,626	19,294,541	21,451,343	21,770,435
Total primary government expenses	$ 50,397,379	$ 53,409,984	$ 56,773,681	$ 57,519,201	$ 62,252,283	$ 63,887,396	$ 67,787,239	$ 69,532,501	$ 75,903,061	$ 79,360,672
Program Revenues										
Governmental activities:										
Charges for services										
General government	$ 1,946,179	$ 1,945,001	$ 2,671,977	$ 1,774,979	$ 1,711,347	$ 3,228,028	$ 4,646,606	$ 5,054,779	$ 4,058,162	$ 205,486
Public safety	1,234,866	1,056,131	1,089,447	1,154,793	42,407	1,210,808	1,183,597	1,179,904	1,188,101	168,643
Public works	-	600	-	500	1,050	1,500	600	1,000	510	
Parks and recreation	2,818,971	3,011,398	3,124,615	3,157,875	3,245,745	3,645,773	3,723,470	2,094,716	3,046,235	3,828,513
Library	35,236	32,870	28,206	19,558	-	25,817	23,349	2,885	2,089	2,797
Economic Development	-	-	-	-	-	-	-	7,638	51,929	
Joint venture - airport	-	11,115	245,400	2,387,802	-	1,145,902	2,779,828	2,649,144	120,419	
Operating grants and contributions	1,728,609	27,578	682,853	1,057,299	1,904,987	783,635	1,162,030	2,918,484	503,026	
Capital grants and contributions	706,725	3,273,358	5,954,033	4,580,550	5,288,510	3,812,042	1,934,943	2,430,642	1,080,982	2,699,367
Total governmental activities program revenues	8,470,586	9,358,051	13,796,531	14,133,356	12,194,046	13,853,505	15,454,423	16,339,192	10,051,453	6,904,806
Business-type activities:										
Charges for services										
Water utility	3,534,133	4,757,161	5,164,166	6,088,731	6,627,997	7,736,203	6,766,656	8,067,785	7,732,940	5,661,435
Sewer utility	2,788,708	4,165,434	5,670,452	7,260,261	7,680,011	7,834,816	7,876,675	8,174,344	8,061,360	8,151,944
Parking	966,059	-	-	-	-	-	-	-	-	
Sustainable services	1,930,001	1,957,999	2,072,075	2,261,480	2,467,388	2,714,050	2,916,117	3,061,918	3,199,038	3,346,881
Transportation Services	283,200	1,741,650	1,903,358	2,048,400	2,246,691	1,966,020	2,275,070	1,382,212	1,727,930	2,131,029
Operating grants and contributions	1,427,220	1,285,444	1,727,167	1,027,923	1,005,912	1,082,586	1,266,078	10,616	102,041	255,014
Capital grants and contributions	1,420,396	900,912	1,295,610	4,429,964	6,185,080	2,265,850	1,967,353	2,542,137	2,030,159	2,330,961
Total business-type activities program revenues	12,349,717	14,808,600	17,832,828	23,116,759	26,213,079	23,599,525	23,067,949	23,239,012	22,853,468	20,756,247
Total primary government program revenues	$ 20,820,303	$ 24,166,651	$ 31,629,359	$ 37,250,115	$ 38,407,125	$ 37,453,030	$ 38,522,372	$ 39,578,204	$ 32,904,921	$ 27,661,053

City of Durango, Colorado
Changes in Net Position
Last Ten Fiscal Years
(accrual basis of accounting)

(Continued)	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022
Net (expense) revenue										
Governmental activities	$ (29,037,722)	$ (29,795,928)	$ (28,885,434)	$ (28,604,298)	$ (32,975,675)	$ (33,986,672)	$ (35,132,190)	$ (33,898,768)	$(43,930,445)	$ (40,803,360)
Business-type activities	(539,354)	552,595	3,741,112	8,335,212	9,129,977	7,552,306	5,867,323	3,944,471	1,402,125	1,060,698
Total primary governmental net expense	$ (29,577,076)	$ (29,243,333)	$ (25,144,322)	$ (20,269,086)	$ (23,845,698)	$ (26,434,366)	$ (29,264,867)	$ (29,954,297)	$ (42,528,320)	$ (39,742,662)
General Revenues and Other Changes in										
Net Position										
Governmental activities:										
Taxes										
Property taxes	$ 1,300,863	$ 1,153,727	$ 1,175,954	$ -	$ 1,424,827	$ 2,977,475	$ 3,011,855	$ 3,207,880	$ 3,271,933	$ 3,034,732
Sales and use taxes	21,693,087	22,815,810	24,038,473	24,549,475	25,510,996	25,554,110	28,433,421	30,897,881	35,994,275	37,950,782
Shared sales taxes	4,270,249	4,523,288	4,977,814	3,854,966	4,077,966	4,045,539	4,432,322	5,055,318	5,945,741	6,324,980
Other shared taxes	1,017,165	1,274,246	1,891,568	1,979,176	2,063,007	2,097,138	2,232,115	2,106,311	2,188,710	3,201,232
Lodgers' taxes	820,832	918,679	974,572	1,062,509	1,067,684	1,035,151	1,098,958	750,023	2,428,667	4,335,457
Other taxes	138,508	110,407	202,161	1,149,102	1,026,266	1,195,532	1,307,271	1,024,846	1,051,557	1,984,985
Franchise fees and occupational taxes	1,009,105	1,121,995	1,138,859	1,532,637	1,547,100	1,497,396	1,514,111	1,052,583	1,064,214	1,801,135
Gain/loss on disposal of capital assets	26,520	-	11,619	2,395	-	6,090	1,176	225,622	(8,944)	182,100
Investment earnings	34,780	222,369	194,144	198,604	145,168	276,091	588,877	223,309	(2,919)	894,693
Miscellaneous	1,351,027	1,297,042	1,779,906	1,333,735	1,968,521	1,475,496	2,135,938	2,777,019	3,038,517	2,697,083
Transfers	(169,444)	(156,847)	(147,361)	(363,373)	(191,011)	(250,000)	(350,000)	(87,500)	(477,417)	(847,572)
Total governmental activities	$ 31,492,692	$ 33,280,716	$ 36,237,709	$ 35,299,226	$ 38,640,524	$ 39,910,018	$ 44,406,044	$ 47,233,292	$ 54,494,334	$ 61,559,607
Business-type activities:										
Gain/loss on disposal of capital assets	$ 52,036	$ 20,740	$ 38,628	$ 110,239	$ -	$ 21,186	$ -	$ (34,315)	66,600	$ -
Investment earnings	55,114	161,282	180,197	130,115	174,242	393,793	520,909	156,382	211,104	692,433
Miscellaneous	371,881	387,731	322,355	311,502	294,822	357,432	274,962	558,759	436,003	255,014
Transfers	169,444	156,847	147,361	363,373	191,011	250,000	350,000	87,500	477,417	847,572
Total business-type activities	$ 648,475	$ 726,600	$ 688,541	$ 915,229	$ 660,075	$ 1,022,411	$ 1,145,871	$ 768,326	$ 1,191,124	$ 1,795,019
Total Primary Government	$ 32,141,167	$ 34,007,316	$ 36,926,250	$ 36,214,455	$ 39,300,599	$ 40,932,429	$ 45,551,915	$ 48,001,618	$ 55,685,458	$ 63,354,626
Change in Net Postion										
Governmental activities	$ 2,454,970	$ 3,484,788	$ 7,352,275	$ 6,694,928	$ 5,664,849	$ 5,923,346	$ 9,273,854	$ 13,334,524	$ 10,563,889	$ 20,756,247
Business-type activities	109,121	1,279,195	4,429,653	9,250,441	9,790,052	8,574,717	7,013,194	4,712,797	2,593,249	2,855,717
Total Primary Government	$ 2,564,091	$ 4,763,983	$ 11,781,928	$ 15,945,369	$ 15,454,901	$ 14,498,063	$ 16,287,048	$ 18,047,321	$ 13,157,138	$ 23,611,964

Note: The City began to report accrual information when it implemented GASB Statement 34 in fiscal year 2003

City of Durango, Colorado
Fund Balances of Governmental Funds
Last Ten Fiscal Years (Unaudited)
(modified accrual basis of accounting)

	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022
General fund										
Non-spendable	$ 15,536	$ 45,189	$ 44,071	$ 49,977	$ 51,539	$ 69,880	$ 57,311	$ 658,711	$ 1,338,045	$ 391,885
Restricted	1,284,613	1,428,167	1,638,931	1,448,321	1,479,416	1,580,768	1,747,322	1,718,717	1,928,144	1,757,067
Committed	2,404,098	1,500,000	42,191	153,335	146,407	124,197	124,837	80,901	81,586	1,686
Assigned	6,659,658	566,016	1,574,489	841,280	684,432	1,088,811	63,478	1,487,101	8,828,769	10,524,038
Unassigned	1,542,339	5,767,924	4,755,657	4,173,476	4,106,955	4,583,723	8,312,876	11,335,865	7,642,156	10,425,017
Total General Fund	$ 11,906,244	$ 9,307,296	$ 8,055,339	$ 6,666,389	$ 6,468,749	$ 7,447,379	$ 10,305,824	$ 15,281,295	$ 19,818,700	$ 23,099,693
Grants fund										
Restricted	-	-	-		-	-	-	-	-	168,401
Total Grants Fund	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ 168,401
All other governmental funds										
Non-spendable	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Restricted	925,001	7,241,225	6,251,229	7,282,374	1,623,824	2,809,046	289,980	3,554,403	4,122,285	6,537,005
Committed	7,872,639	4,670,089	6,871,049	6,720,670	9,544,754	8,082,415	9,478,548	6,177,395	10,880,295	19,471,607
Assigned	46,994	25,361	14,764	(165,881)	40,054	41,315	9,711	8,275	6,947	-
Unassigned	(587,668)	(675,401)	(356,873)	(239,508)	(68,553)	-	(430,489)	(12,654)	-	-
Total all other governmental funds	$ 8,256,966	$ 11,261,274	$ 12,780,169	$ 13,597,655	$ 11,140,079	$ 10,932,776	$ 9,347,750	$ 9,727,419	$ 15,009,527	$ 26,008,612

City of Durango, Colorado
Changes in Fund Balances of Governmental Funds
Last Nine Fiscal Years (Unadited)
(modified accrual basis of accounting)

	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022
Revenues										
Taxes	$ 29,417,038	$ 30,978,221	$ 33,668,032	$ 34,611,683	$ 35,957,074	$ 37,466,900	$ 40,978,772	$ 43,858,498	$ 51,771,136	$ 58,784,850
Special Assessments	37,649	32,941	32,512	21,832	19,156	12,971	-	-	6,850	-
Intergovernmental	4,202,231	5,170,192	7,172,715	7,535,413	3,837,102	3,973,751	4,383,810	5,316,993	2,814,208	4,406,510
Licenses and permits	600,710	605,419	769,915	642,712	920,358	769,516	740,108	638,933	700,271	631,900
Charges for services	4,076,208	4,302,784	4,410,489	4,334,873	4,808,904	5,047,270	6,539,922	4,852,108	5,962,108	5,956,759
Fines and forfeitures	476,236	318,307	257,379	244,388	188,606	186,064	138,544	62,661	66,551	159,893
Investment earnings	25,453	222,370	194,144	198,604	133,946	276,091	588,877	177,650	(18,836)	740,087
Miscellaneous	1,410,025	1,310,357	2,861,885	1,353,983	1,988,147	1,566,737	2,135,938	2,020,385	1,920,364	1,762,279
Total Revenues	**$ 40,245,550**	**$ 42,940,591**	**$ 49,367,071**	**$ 48,943,488**	**$ 47,853,293**	**$ 49,299,300**	**$ 55,505,971**	**$ 56,927,228**	**$ 63,222,652**	**$ 72,442,278**
Expenditures										
General government	$ 5,757,125	$ 6,982,575	$ 7,307,093	$ 7,814,532	$ 8,217,052	$ 8,091,890	$ 8,519,852	$ 6,956,815	10,071,464	$ 13,226,550
Public safety	10,380,683	11,248,010	11,397,958	12,076,794	12,335,341	14,551,095	14,558,963	15,188,575	15,798,021	16,490,683
Public works	5,499,208	6,819,504	11,675,027	8,657,493	4,748,322	4,393,110	3,634,304	3,370,776	6,280,628	4,514,892
Parks and recreation	7,718,598	7,358,718	7,103,637	7,886,241	8,616,568	11,186,165	8,146,656	6,265,879	8,965,742	10,312,176
Library	1,901,877	2,030,290	2,019,770	2,123,310	2,198,153	2,275,892	2,383,009	2,210,082	2,366,421	2,699,397
Community Services	876,147	1,621,398	1,177,037	1,432,160	1,323,105	1,168,207	1,302,020	2,162,734	1,763,657	2,699,397
Economic development	633,280	777,227	758,775	806,000	706,821	724,246	862,114	794,934	629,607	616,970
Non-departmental	1,531,075	1,598,260	1,612,742	1,586,592	1,563,947	1,684,325	1,833,941	1,753,736	2,067,697	2,609,294
Operating capital	1,710,127	3,004,317	1,967,238	3,088,627	5,948,601	420,241	7,208,024	13,341,534	2,366,958	1,268,042
Debt service										
Principal	2,400,000	2,475,000	2,675,000	1,915,000	2,965,000	3,170,000	2,105,000	2,175,000	2,215,000	2,275,000
Interest	1,360,774	1,282,979	1,281,357	1,057,091	868,500	637,233	511,742	449,942	400,527	349,802
Total Expenditures	**$ 39,768,894**	**$ 45,198,278**	**$ 48,975,634**	**$ 48,443,840**	**$ 49,491,410**	**$ 48,302,404**	**$ 51,065,625**	**$ 54,670,007**	**$ 52,925,722**	**$ 57,062,203**
Excess of revenues over (under) expenditures	$ 476,656	$ (2,257,687)	$ 391,437	$ 499,648	$ (1,638,117)	$ 996,896	$ 4,440,346	$ 2,257,221	$ 10,296,930	$ 15,380,075
Other financing sources (uses)										
Issuance of debt	$ -	$ 2,700,000	$ -	$ 9,580,000	$ 10,310,000	$ -	$ -	$ -	$ -	$ -
Premium on issuance of debt	-	-	-	(10,409,413)	(10,258,338)	-	-	-	-	-
Transfers in	9,582,188	12,085,037	12,481,114	9,314,997	13,499,941	8,094,955	8,022,312	8,803,682	6,840,086	6,576,820
Transfers out	(9,697,183)	(12,220,037)	(12,616,114)	(9,564,997)	(13,749,941)	(8,344,955)	(8,372,312)	(8,891,182)	(7,317,503)	(7,424,392)
Sale of capital assets	21,370	68,394	11,619	2,395	21,718	6,090	1,176	-	-	
Total other financing sources (uses)	$ (93,625)	$ 2,633,394	$ (123,381)	$ (1,077,018)	$ (176,620)	$ (243,910)	$ (348,824)	$ (87,500)	$ (477,417)	$ (847,572)
Net Change in Fund Balances	**$ 383,031**	**$ 375,707**	**$ 268,056**	**$ (577,370)**	**$ (1,814,737)**	**$ 752,986**	**$ 4,091,522**	**$ 2,169,721**	**$ 9,819,513**	**$ 14,448,479**
Debt service as a percentage of noncapital expenditures	9.8%	6.9%	5.7%	7.7%	9.6%	8.9%	6.3%	6.8%	5.5%	4.6%

City of Durango, Colorado
General Governmental Tax Revenues by Source
Last Ten Fiscal Years (Unaudited)
(modified accrual basis of accounting)

Fiscal Year	Property & SOT	City Sales Tax	City Use Tax	County Sales Tax	Franchise & Business	Lodgers Tax	Other Taxes	Total
2013	$ 1,300,863	$ 20,314,633	$ 1,378,454	$ 3,390,224	$ 1,193,499	$ 820,832	$ 1,056,182	$ 29,454,687
2014	$ 1,264,134	$ 21,364,739	$ 1,196,928	$ 3,570,505	$ 1,362,019	$ 918,679	$ 1,301,217	$ 30,978,221
2015	$ 1,285,137	$ 22,528,320	$ 1,449,705	$ 3,814,184	$ 1,571,120	$ 974,572	$ 2,044,994	$ 33,668,032
2016	$ 1,382,357	$ 23,152,987	$ 1,307,583	$ 3,854,966	$ 1,688,010	$ 1,062,509	$ 2,074,366	$ 34,522,778
2017	$ 1,424,827	$ 23,719,956	$ 1,791,040	$ 4,077,966	$ 1,722,803	$ 1,067,684	$ 2,152,795	$ 35,957,071
2018	$ 2,977,475	$ 23,809,794	$ 1,611,519	$ 4,045,539	$ 1,672,067	$ 1,035,151	$ 2,182,558	$ 37,334,103
2019	$ 3,011,855	$ 26,945,036	$ 1,488,385	$ 4,432,322	$ 1,692,419	$ 1,098,958	$ 2,309,797	$ 40,978,772
2020	$ 3,207,880	$ 29,048,819	$ 1,849,062	$ 5,055,318	$ 1,760,040	$ 750,023	$ 2,187,356	$ 43,858,498
2021	$ 3,271,933	$ 34,302,037	$ 1,692,238	$ 5,945,741	$ 1,845,991	$ 2,428,667	$ 2,284,529	$ 51,771,136
2022	$ 3,273,181	$ 36,318,924	$ 1,631,858	$ 6,324,980	$ 1,801,135	$ 4,335,457	$ 3,201,232	$ 56,886,767

Notes:
- Effective June 1, 2018, the City increased the city mill levy rate from 2.5007 to 5.0007.
- Effective July 1, 2021, the City increased the Lodgers' Tax percentage from 2.0% to 5.25%.

City of Durango, Colorado
City Sales and Use Tax Revenue
Last Ten Fiscal Years (Unaudited)
(modified accrual basis of accounting)

Fiscal Year	General City Sales and Use Tax	Recreation Complex/Trails Sales and Use Tax	Open Space, Parks and Trails Sales and Use Tax	Capital Improvements Sales and Use Tax	Streets Improvements Sales and Use Tax	Total Revenue	Total Direct Tax Rate
2013	$ 14,462,913	$ 3,616,172	$ 1,807,001	$ 1,807,001	$ -	$ 21,693,087	3.0%
2014	$ 15,041,756	$ 3,761,086	$ 1,879,414	$ 1,879,414	$ -	$ 22,561,670	3.0%
2015	$ 15,986,262	$ 3,997,080	$ 1,997,341	$ 1,997,341	$ -	$ 23,978,024	3.0%
2016	$ 16,308,028	$ 4,077,494	$ 2,037,524	$ 2,037,524	$ -	$ 24,460,570	3.0%
2017	$ 16,775,259	$ 4,194,347	$ 2,095,914	$ 2,095,914	$ -	$ 25,161,434	3.0%
2018	$ 15,873,878	$ 3,969,148	$ 1,983,384	$ 1,983,384	$ -	$ 23,809,794	3.0%
2019	$ 17,423,706	$ 4,348,889	$ 2,173,024	$ 2,173,023	$ 2,314,779	$ 28,433,421	3.5%
2020	$ 17,754,153	$ 4,382,264	$ 2,189,600	$ 2,189,600	$ 4,382,264	$ 30,897,881	3.5%
2021	$ 20,617,505	$ 5,126,787	$ 2,561,598	$ 2,561,598	$ 5,126,787	$ 35,994,275	3.5%
2022	$ 21,568,747	$ 5,423,894	$ 2,782,536	$ 2,740,436	$ 5,499,489	$ 38,015,102	

Notes:
- The Recreation Complex/Trails sales and use tax (0.5%) became effective on June 1, 1999 and sunsets on December 31, 2019.
- The Open Space, Parks and Trails sales and use tax (0.25%) and the Capital Improvements sales and use tax (0.25%) were effective July 1, 2005 and sunset on December 31, 2026.

City of Durango, Colorado
Direct and Overlapping Sales Tax Rates
Last Ten Fiscal Years (Unaudited)

Fiscal Year	City Direct Rate	La Plata County	State of Colorado
2013	3.0%	2.0%	2.9%
2014	3.0%	2.0%	2.9%
2015	3.0%	2.0%	2.9%
2016	3.0%	2.0%	2.9%
2017	3.0%	2.0%	2.9%
2018	3.0%	2.0%	2.9%
2019	3.5%	2.0%	2.9%
2020	3.5%	2.0%	2.9%
2021	3.5%	2.0%	2.9%
2022	3.5%	2.0%	2.9%

Note:
The city sales tax rate may be increased only with the approval of the city voters.

City of Durango, Colorado
Principal Sales Tax Remitters
Last Ten Fiscal Years (Unaudited)

Classification of Individual Business	2022 Sales Tax Remitted	Percentage of Total Tax Remitted	2022 Rank	2013 Sales Tax Remitted	Percentage of Total Tax Remitted	2013 Rank
Grocery & Drug	5,292,590	16.32%	1	N/A	-	
Misc Retail	4,876,842	15.04%	2	N/A	-	
Department Stores	4,871,197	15.02%	3	N/A	-	
Restaurants & Taverns	4,735,745	14.60%	4	N/A	-	
Hardware & Lumber	3,845,360	11.86%	5	N/A	-	
Hotels & Motels	2,982,473	9.20%	6	N/A	-	
Automotive	2,541,754	7.84%	7	N/A	-	
Utilities & Telecom	1,539,685	4.75%	8	N/A	-	
Liquor Stores	891,013	2.75%	9	N/A	-	
Retail Marijuana	854,686	2.64%	10	N/A	-	
Total City Sales Tax Collected by 10 Largest Businesses	$ 32,431,345	100.0%		$ -	-%	
Total City Sales Tax Collected by All Businesses	$ 36,990,478	100%		$ 20,314,632	100%	

Source: City of Durango Finance Department
Notes: Figures are based on cash basis remittances
The names of the ten largest remitters are confidential pursuant to the City Charter.
The business classification has been substituted for the name of the business.
Business classification has been updated to reflect 2022 business types, therefore 2013 type is not availble.

City of Durango, Colorado
Ratios of Outstanding Debt by Type
Last Ten Fiscal Years (Unaudited)

Fiscal Year	Governmental Activities: Sales and Use Tax Revenue Bonds	Governmental Activities: Certificates of Participation	Business-type Activities: Water & Sewer Fund Loans	Total Primary Government	Percentage of Estimated Actual Taxable Value of Property [1]	Per Capita [2]
2013	$ 31,435,000	$ -	$ 3,978,753	$ 35,413,753	1.21%	2,051
2014	$ 28,960,000	$ 2,700,000	$ 3,809,251	$ 35,469,251	1.19%	2,005
2015	$ 26,385,000	$ 2,600,000	$ 3,636,428	$ 32,621,428	0.98%	1,829
2016	$ 24,181,490	$ 2,500,000	$ 65,660,219	$ 92,341,709	2.45%	5,101
2017	$ 21,745,726	$ 2,400,000	$ 63,137,297	$ 87,283,023	2.28%	4,717
2018	$ 18,670,000	$ 2,295,000	$ 6,513,091	$ 27,478,091	2.13%	4,413
2019	$ 16,675,000	$ 2,185,000	$ 57,837,153	$ 76,697,153	1.86%	4,154
2020	$ 14,615,000	$ 2,070,000	$ 55,110,240	$ 71,795,240	1.71%	3,763
2021	$ 12,515,000	$ 1,955,000	$ 52,338,480	$ 66,808,480	1.54%	3,475
2022	$ 10,360,000	$ 1,835,000	$ 46,759,644	$ 58,954,644	1.09%	3,065

[1] Personal income data is not available at the municipal level for the City of Durango. The estimated taxable value of property has been used instead. Data for actual taxable value was obtained from the La Planta County Assessor's Office and is detailed on the schedule of Property Value and Construction.
[2] See the Schedule of Demographic and Economic Statistics for population data.

Note:
- Details regarding the city's outstanding debt can be found in the notes to the financial statements.

City of Durango, Colorado
Ratios of General Bonded Debt Outstanding
Last Ten Fiscal Years (Unaudited)

Fiscal Year	General Obligation Bonds	Less: Amounts Available in Debt Service Fund	Total	Percentage of Estimated Actual Taxable Value of Property	Per Capita
2013	$ -	$ -	$ -	$ -	$ -
2014	$ -	$ -	$ -	$ -	$ -
2015	$ -	$ -	$ -	$ -	$ -
2016	$ -	$ -	$ -	$ -	$ -
2017	$ -	$ -	$ -	$ -	$ -
2018	$ -	$ -	$ -	$ -	$ -
2019	$ -	$ -	$ -	$ -	$ -
2020	$ -	$ -	$ -	$ -	$ -
2021	$ -	$ -	$ -	$ -	$ -
2022	$ -	$ -	$ -	$ -	$ -

Notes:
- Details regarding the city's outstanding debt can be found in the notes to the financial statements.
- The city did not have any general obligation bonds outstanding in the last ten fiscal years.

City of Durango, Colorado
Direct and Overlapping Governmental Activities Debt
As of December 31, 2022 (Unaudited)

Governmental Unit	Debt Outstanding	Estimated Percentage Applicable [1]	Estimated Share of Overlapping Debt
Debt repaid with property taxes			
School District 9-R	$ 105,275,000	44.1%	$ 46,426,275
Other debt			
La Plata County Certificates of Participation	$ 192,473	34.8%	$ 66,981
Subtotal, overlapping debt			$ 46,493,256
City direct debt			$ 14,470,000
Total direct and overlapping debt			**$ 60,963,256**

[1] The estimated percentage applicable for debt repaid with property taxes is calculated using the property value of the overlapping area and the overlapping government. The estimated percentage applicable for other debt is calculated using the estimated population totals for the overlapping area and the overlapping government.

Source:
Assessed valuation data was obtained from the LaPlata County Assessor's certificates of value.

Notes:
- Overlapping governments are those that coincide, at least in part, with the geographic boundaries of the city.
- This schedule estimates the portion of the outstanding debt of those overlapping governments that is borne by the residents and businesses of the City of Durango.
- This process recognizes that, when considering the government's ability to issue and repay long-term debt, the entire debt burden borne by the residents and businesses should be taken into account.
- This does not imply that every taxpayer is a resident, and therefore responsible for repaying the debt, of each overlapping government.

City of Durango, Colorado
Legal Debt Margin Information
Last Ten Fiscal Years (Unaudited)

	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022
Debt limit	$ 47,020,225	$ 48,078,341	$ 51,642,484	$ 52,671,610	$ 54,941,624	$ 55,446,342	$ 55,463,420	$ 59,460,416	$ 59,907,752	$ 59,882,242
Total net debt applicable to limit	-	-	-	-	-	-	-	-	-	-
Legal debt margin	$ 47,020,225	$ 48,078,341	$ 51,642,484	$ 52,671,610	$ 54,941,624	$ 55,446,342	$ 55,463,420	$ 59,460,416	$ 59,907,752	$ 59,882,242
Legal debt margin as a percentage of the debt limit	**100%**	**100%**	**100%**	**100%**	**100%**	**100%**	**100%**	**100%**	**100%**	**100%**

Legal Debt Margin Calculation for Fiscal Year 2021

Assessed value	$ 598,822,420
Debt limit (10% of assessed valuation)	59,882,242
Debt applicable to limit:	-
General obligation bonds	-
Less: amount set aside for repayment	-
Total net debt applicable to limit	-
Legal Debt Margin	**$ 59,882,242**

Note:
Under the provisions of the City of Durango Charter, Aricle IV, Section 21, the aggregate amount of bonds or other forms of indebtedness payable inwhole or in part from the proceeds of ad valorem taxes, or to which the full faith and credit of the City are pledged (excluding such debt relating to water and excluding securities issued under Section 23) shall not exceed ten.

City of Durango, Colorado
Pledged-Revenue Coverage
Sales and Use Tax Revenue Bonds- Series 2007
Last Ten Fiscal Years (Unaudited)

Fiscal Year	Pledged Sales Tax	Pledged Use Tax	Revenue Available for Debt Service	Debt Service			Coverage
				Principal	Interest	Total	
2013	$ 1,692,176	$ 114,825	$ 1,807,001	$ 750,000	$ 502,719	$ 1,252,719	1.44%
2014	$ 1,779,655	$ 99,759	$ 1,879,414	$ 780,000	$ 472,719	$ 1,252,719	1.50%
2015	$ 1,876,581	$ 120,760	$ 1,997,341	$ 815,000	$ 441,519	$ 1,256,519	1.31%
2016							
2017							-
2018							-
2019							-
2020							-
2021							-
2022			-				-

Note:
- The pledged revenue for the Series 2007 issue is fifty percent of a one-half cent sales and use tax increase that became effective in July 2005. The pledged taxes sunset December 31, 2026. These are held in the Capital Improvements Fund. These bonds were refinanced in 2016.

City of Durango, Colorado
Pledged-Revenue Coverage
Sales and Use Tax Revenue Bonds- Series 2008
Last Ten Fiscal Years (Unaudited)

Fiscal Year	Pledged Sales Tax	Pledged Use Tax	Revenue Available for Debt Service	Debt Service			
				Principal	Interest	Total	Coverage
2013	$ 13,543,897	$ 919,016	$ 14,462,913	$ 935,000	$ 239,545	$ 1,174,545	12.31%
2014	$ 14,243,981	$ 797,772	$ 15,041,753	$ 965,000	$ 209,625	$ 1,174,625	12.81%
2015	$ 15,019,744	$ 966,518	$ 15,986,262	$ 1,005,000	$ 173,438	$ 1,178,438	13.57%
2016	$ 15,436,263	$ 871,765	$ 16,308,028	$ 1,040,000	$ 133,238	$ 1,173,238	13.90%
2017	$ 15,581,172	$ 1,194,087	$ 16,775,259	$ 1,085,000	$ 91,638	$ 1,176,638	14.26%
2018	$ 15,873,878	$ 1,074,400	$ 16,948,278	$ 1,135,000	$ 48,238	$ 1,183,238	14.32%
2019	$ -	$ -	$ -	$ -	$ -	$ -	-
2020	$ -	$ -	$ -	$ -	$ -	$ -	-
2021	$ -	$ -	$ -	$ -	$ -	$ -	-
2022	$ -	$ -	$ -	$ -	$ -	$ -	-

Note:
- The pledged revenue for the Series 2008 issue is the General Fund two percent sales and use tax.
- The bonds were paid in full during 2018.

City of Durango, Colorado
Pledged-Revenue Coverage
Sales and Use Tax Revenue Bonds- Series 2009
Last Ten Fiscal Years (Unaudited)

Fiscal Year	Pledged Sales Tax	Pledged Use Tax	Revenue Available for Debt Service	Debt Service			Coverage
				Principal	Interest	Total	
2013	$ 13,543,897	$ 919,016	$ 14,462,913	$ 715,000	$ 618,510	$ 1,333,510	10.85%
2014	$ 14,243,981	$ 797,772	$ 15,041,753	$ 730,000	$ 600,635	$ 1,330,635	11.30%
2015	$ 15,019,744	$ 966,518	$ 15,986,262	$ 755,000	$ 578,735	$ 1,333,735	11.99%
2016	$ 15,436,263	$ 871,765	$ 16,308,028	$ 775,000	$ 554,198	$ 1,329,198	12.27%
2017	$ 15,581,172	$ 1,194,087	$ 16,775,259	$ 800,000	$ 529,010	$ 1,329,010	12.62%
2018	$ 15,873,878	$ 1,074,400	$ 16,948,278	$ 830,000	$ 65,525	$ 895,525	18.93%
2019	$ 16,381,884	$ 1,009,212	$ 17,391,096	$ 860,000	$ 34,400	$ 894,400	19.44%
2020	$ -	$ -	$ -	$ -	$ -	$ -	-
2021	$ -	$ -	$ -	$ -	$ -	$ -	-
2022	$ -	$ -	$ -	$ -	$ -	$ -	-

Note:
- The pledged revenue for the Series 2009 issue the General Fund two percent sales and use tax.
- The bonds were paid in full in 2019.

City of Durango, Colorado
Pledged-Revenue Coverage
Sales and Use Tax Revenue Note- Series 2016
Last Ten Fiscal Years (Unaudited)

Fiscal Year	Pledged Sales Tax	Pledged Use Tax	Revenue Available for Debt Service	Debt Service			Coverage
				Principal	Interest	Total	
2013	$ -	$ -	$ -	$ -	$ -	$ -	-
2014	$ -	$ -	$ -	$ -	$ -	$ -	-
2015	$ -	$ -	$ -	$ -	$ -	$ -	-
2016	$ 1,928,602	$ 108,922	$ 2,037,524	$ -	$ -	$ -	-
2017	$ 1,946,721	$ 149,493	$ 2,096,214	$ 980,000	$ 195,432	$ 1,175,432	1.78%
2018	$ 1,983,384	$ 134,239	$ 2,117,623	$ 1,000,000	$ 175,440	$ 1,175,440	1.80%
2019	$ 2,046,925	$ 126,098	$ 2,173,023	$ 1,015,000	$ 155,040	$ 1,170,040	1.86%
2020	$ 2,057,577	$ 132,023	$ 2,189,600	$ 1,040,000	$ 133,334	$ 1,173,334	1.87%
2021	$ 2,440,772	$ 120,826	$ 2,561,598	$ 1,070,000	$ 190,312	$ 1,260,312	2.03%
2022	$ 2,593,849	$ 116,198	$ 2,710,047	$ 1,085,000	$ 91,494	$ 1,176,494	2.30

Note:
- The pledged revenue for the Series 2007 issue is fifty percent of a one-half-cent sales and use tax increase that became effective in July 2005.
- The pledged taxes sunset on December 31, 2026. They are held in the Capital Improvements Fund.

City of Durango, Colorado
Demographic and Economic Statistics
Last Ten Fiscal Years (Unaudited)

Fiscal Year	City Population [1]	County Population [1]	Personal Income [2]	Per capita Personal Income [2]	Unemployment Rate [3]	Median Age [4]	K-12 Enrollment [5]	Higher Education Enrollment [6]
2013	17,269	53,446	2,484,802	46,492	5.5%	38.7	4,659	4,065
2014	17,689	54,629	2,534,109	46,388	4.2%	38.8	4,564	4,021
2015	17,834	54,688	2,745,644	50,206	5.5%	38.4	4,697	4,065
2016	18,101	55,623	2,925,107	52,588	2.4%	38.8	5,053	3,585
2017	18,503	55,589	2,932,803	52,795	2.6%	39.0	5,251	3,598
2018	18,465	56,310	3,142,492	55,807	3.1%	40.0	5,419	3,356
2019	19,117	56,221	3,272,944	58,216	2.5%	39.8	5,545	3,310
2020	19,078	55,638	2,271,199	40,821	7.3%	40.8	6,931	3,443
2021	19,223	56,250	2,279,756	40,529	3.5%	41.3	5,797	3,550
2022	19,223	56,607	n/a	n/a	3.2%	36.5	6,980	3,360

[1] U.S. Census Bureau

[2] U.S. Census Bureau - Per capita income for La Plata County in past 12 months (in 2020 dollars), 2017-2021 not availble till July 1 for 2022.

[3] U.S. Bureau of Labor Statistics - data for La Plata County as of December 2020

[4] U.S. Census Bureau American Community Survey - data for La Plata County not availble till July 1 for 2022.

[5] Colorado Department of Education pupil membership data Durango 9-R

[6] Higher Education Enrollment is for Fort Lewis College only

City of Durango, Colorado
Principal Employers
Current Year and Nine Years Ago (Unaudited)

Employer	Type of Business	2022[1] Number of Employees	2022[1] Percentage of Total County Employment	2022[1] Rank	2013 Number of Employees	2013 Percentage of Total County Employment	2013 Rank
Southern Ute Tribe	Government	1,416	4.30%	1	1,500	4.25%	1
Durango School District 9R	Government-Education	943	2.86%	2	573	1.62%	4
Mercy Medical Center	Health	756	2.30%	3	900	2.55%	2
Fort Lewis College	Government-Education	673	2.04%	4	709	2.01%	3
La Plata County	Government	422	1.28%	5	400	1.13%	7
Bayfield School District 11JT	Government-Education	226	0.69%	6	N/A	-	
Wal-Mart	Retailer	338	1.03%	7	354	1.00%	9
City of Durango	Government	328	1.00%	8	475	1.34%	5
Rocky Mountain Chocolate Factory	Retailer	190	0.58%	9	N/A	-	
Purgatory Recreational Management	Recreation	136	0.41%	10	N/A	-	
Mercury Payments (Later Vantiv)	Finance	N/A	-		417	1.18%	6
Durango Mountain Resort	Recreation	N/A	-		400	1.13%	8
San Juan Basin Health Unit	Government	N/A	-		226	0.64%	10
Total		**5,428**	16.49%		**5,954**	**16.85%**	
Total Employment for La Plata County		**35,325**	**100%**		**23,555**	**100%**	

[1] Based on the most recent data from 2020. Per source, data for 2022 will not be available until Fall 2023.

Source:
Region 9 Economic Development District of SW Colorado

Notes:
- Employer data is not available at the municipal level, so data presented is for La Plata County.

City of Durango, Colorado
Property Value and Construction
Last Ten Fiscal Years (Unaudited)

Fiscal Year	Property Value [1]			Commercial Construction [2]		New Residential & Other Construction [2]	
	Commercial	Residential	Total	Number of Permits	Value	Number of Permits(Units)	Value
2013	$ 911,382,230	$ 2,009,083,420	$ 2,920,465,650	5	$ 11,803,699	516 (100)	$ 36,622,639
2014	$ 935,081,880	$ 2,047,280,250	$ 2,982,362,130	4	$ 4,745,726	70 (138)	$ 20,860,867
2015	$ 957,824,280	$ 2,382,562,440	$ 3,340,386,720	7	$ 9,909,232	495 (196)	$ 49,571,608
2016	$ 1,039,534,330	$ 2,729,145,880	$ 3,768,680,210	7	$ 2,164,878	434 (111)	$ 37,586,147
2017	$ 1,047,965,070	$ 2,786,167,240	$ 3,834,132,310	12	$ 27,641,356	533 (355)	$ 56,964,095
2018	$ 1,047,711,180	$ 2,786,423,670	$ 3,834,134,850	10	$ 21,990,065	571 (124)	$ 37,190,578
2019	$ 1,104,836,000	$ 3,017,104,310	$ 4,121,940,310	9	$ 7,092,303	539 (89)	$ 45,984,765
2020	$ 1,117,497,080	$ 3,076,277,520	$ 4,193,774,600	56	$ 18,311,601	399 (96)	$ 20,249,153
2021	$ 1,084,916,620	$ 3,254,749,280	$ 4,339,665,900	40	$ 13,651,770	485 (130)	$ 49,335,624
2022	$ 1,090,131,350	$ 4,306,136,320	$ 5,396,267,670	10	$ 373,587	145(185)	$ 35,012,082

[1] Estimated actual value was obtained from the La Plata County Assessor's Office.

[2] Per the City of Durango Planning and Community Development Department.

City of Durango, Colorado
Full-time Regular City Government Employees by Function/Program
Last Ten Fiscal Years (Unaudited)

	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022
Function/Program										
General Government	57.25	66.42	69.42	69.42	72.55	72.55	79.75	82.75	96.00	93.90
Public Safety	85.00	86.00	86.00	87.00	88.00	88.00	88.00	89.00	73.00	95.79
Public Works	19.00	19.00	21.00	23.00	23.10	24.10	24.10	24.10	43.00	35.30
Parks and Recreation	29.00	30.00	32.00	32.00	33.00	38.00	38.00	39.00	43.00	39.80
Library	20.50	20.50	20.50	20.50	20.50	20.00	20.00	21.00	20.00	21.00
Joint Venture Airport	17.00	17.00	21.00	23.00	23.00	23.00	23.00	23.00	21.00	22.00
Water Utility	17.00	21.60	20.80	21.80	21.35	20.25	18.00	18.00	21.00	17.75
Sewer Utility	16.00	16.40	17.40	17.80	21.35	23.45	21.90	21.90	18.00	20.75
Parking	6.00	-	-	-	-	-	-	-	-	-
Sustainable Services	12.50	12.00	12.33	13.34	13.15	13.15	12.00	12.00	12.00	13.00
Public Transit/Transportation Services	19.33	27.33	30.00	32.00	32.25	27.25	26.00	26.00	35.00	33.00
Total	298.58	316.25	330.45	339.86	348.25	349.75	350.75	356.75	382.00	392.29

Source:
City Finance Department

Notes:
- The General Government function includes internal service funds full-time employees. Represents full time, benefited positions for each year presented.
- The Airport is jointly owned by the City and the County. The City took over the management responsibility for operations of the airport in 2003.
- In 2014, Parking staff were merged into the Public Transit/Transporation Services department.

City of Durango, Colorado
Operating Indicators by Function/Program
Last Ten Fiscal Years (Unaudited)

	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022
General Government										
Building permits issued	521	572	502	441	545	581	515	455	456	400
Value of buildings (millions of dollars)	48	40	43	40	85	59	80	39	40	25
Building construction inspections	1,191	1,141	1,182	1,126	1,100	1,177	1,139	901	1,137	823
Acres annexed	774.82	3,655.90	3,655.90	3,655.90	91.41	1,994.80	3.21	3.21	3.03	9.59
Area in square miles	13.85	19.57	19.57	19.57	13.98	17.07	17.10	17.10	17.10	17.12
Public Safety										
Total number of police incidents	34,105	37,466	39,702	40,673	38,705	37,106	32,233	32,682	39,163	43,695
Number of 911 calls received	17,677	18,855	19,002	20,195	19,644	19,995	20,169	21,967	18,136	21,544
Public Works										
Street miles swept	10,840	10,630	11,317	12,100	13,594	12,286	11,093	11,886	10,134	5,885
Tons hot mix applied	302	225	359	339	407	360	345	197	158	102
Signs replaced/installed	2,149	1,546	1,439	1,933	1,750	1,314	1,314	1,589	1,142	1,046
Snow hauled (cubic yards)	8,998	380	15,190	17,620	11,970	566	27,161	1,775	10,810	2,260
Parks and Recreation										
Recreation Center admissions	362,889	371,149	366,006	370,376	370,385	386,613	379,483	141,231	211,502	305,645
Program participants	34,541	36,712	37,445	38,373	42,795	88,714	124,725	18,220	61,822	24,650
Park & river permits issued	221	250	267	303	288	226	217	92	178	182
Library										
Number of volumes/materials	106,432	107,963	120,508	116,455	118,413	120,185	114,202	104,067	95,178	98,609
Collection use	430,803	438,058	448,803	408,506	402,591	412,874	420,978	210,024	263,720	303,486
Water utility										
Gallons of water treated (MG)	1,560	1,428	1,194	1,232	1,225	1,218	1,177	1,253	1,364	1,298
Number of water consumers	6,467	6,554	6,485	6,410	6,432	7,023	7,327	7,450	7,334	7,359
Water main breaks	25	27	19	32	24	61	17	32	26	10
Sewer utility										
Gallons of wastwater treated (MG)	698	667	718	730	717	542	590	570	599	299
Average daily use (MG)	1.914	1.826	1.982	1.996	1,935	1,488	1.604	14.556	1.637	1,600
Solid waste										
Commercial accounts	486	537	552	571	589	600	617	632	634	698
Residential	4,542	4,548	4,574	4,746	4,991	5,111	5,153	5,187	5,248	5,328
Cubic yars of refuse hauled	24,288	23,584	24,826	25,146	26,145	25,510	24,300	25,875	25,818	6,848
Tons of recyclables divered from landfill	4,094	3,859	4,361	4,215	4,260	3,451	3,336	3,223	3,471	4,275
Public transit										
Passengers	613,621	583,756	472,943	470,703	478,358	359,368	373,845	232,798	243,989	329,743
Cost per trip (dollars)	3.29	2.59	4.64	4.95	4.47	6.54	3.77	7.97	8.38	6.65

Sources:
City department managers and December department monthly reports.

City of Durango, Colorado
Capital Asset Statistics by Function/Program
Last Ten Fiscal Years (Unaudited)

	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022
Public Safety										
Number of police vehicles	37	37	37	38	39	39	39	36	38	39
Public Works										
Miles of streets	74.9	74.9	74.9	77.2	77.2	77.2	77.2	77.4	79.6	78.0
Parks and Recreation										
Parkland-developed acres	175.7	175.7	193.7	193.7	197.6	197.6	197.5	197.5	197.5	267.0
Parkland- undeveloped acres	112.6	112.6	109.9	109.9	108.1	108.1	108.1	108.1	108.1	7.0
Open space -acres	2,867	3,001	3,002	3,005	4,994	4,994	4,994	3,039	3,349	3,290
Number of playgrounds	19	19	19	19	22	22	22	22	22	23
Library										
Number of libraries	1	1	1	1	1	1	1	1	1	1
Water utility										
Miles of water lines	135.6	136.0	137.0	145.6	146.4	146.4	149.2	149.2	153.2	150.0
Sewer utility										
Miles of sewer lines	100.0	101.5	101.5	104.7	107.1	107.1	107.1	107.1	108.4	105.00
Parking										
Number of parking lots	4	4	4	4	4	4	4	4	4	4
Solid waste										
Transfer station	1	1	1	1	1	1	1	1	1	1
Recycling center	1	1	1	1	1	1	1	1	1	1
Public transit										
Number of buses	16	16	16	16	16	13	13	12	13	13


CITY of
DURANGO

COMPLIANCE SECTION

The public report burden for this information collection is estimated to average 380 hours annually. Form # 350-050-36

LOCAL HIGHWAY FINANCE REPORT

City or County: Durango

YEAR ENDING : December 2022

This Information From The Records Of (example - City of _ or County of _): City of Durango, Colorado

Prepared By:
Phone:

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

ITEM	AMOUNT
A. Receipts from local sources:	
1. Local highway-user taxes	
a. Motor Fuel (from Item I.A.5.)	
b. Motor Vehicle (from Item I.B.5.)	
c. Total (a.+b.)	
2. General fund appropriations	2,358,249
3. Other local imposts (from page 2)	5,590,597
4. Miscellaneous local receipts (from page 2)	435,841
5. Transfers from toll facilities	
6. Proceeds of sale of bonds and notes:	
a. Bonds - Original Issues	
b. Bonds - Refunding Issues	
c. Notes	
d. Total (a. + b. + c.)	
7. Total (1 through 6)	8,384,687
B. Private Contributions	220,128.00
C. Receipts from State government (from page 2)	668,352
D. Receipts from Federal Government (from page 2)	132,498
E. Total receipts (A.7 + B + C + D)	9,405,665

III. DISBURSEMENTS FOR ROAD AND STREET PURPOSES

ITEM	AMOUNT
A. Local highway disbursements:	
1. Capital outlay (from page 2)	630,577
2. Maintenance:	1,403,901
3. Road and street services:	
a. Traffic control operations	0
b. Snow and ice removal	557,260
c. Other	377,088
d. Total (a. through c.)	954,348
4. General administration & miscellaneous	24,255
5. Highway law enforcement and safety	208,373
6. Total (1 through 5)	3,221,454
B. Debt service on local obligations:	
1. Bonds:	
a. Interest	190,311
b. Redemption	1,070,000
c. Total (a. + b.)	1,260,311
2. Notes:	
a. Interest	0
b. Redemption	0
c. Total (a. + b.)	0
3. Total (1.c + 2.c)	1,260,311
C. Payments to State for highways	
D. Payments to toll facilities	
E. Total disbursements (A.6 + B.3 + C + D)	4,481,765

IV. LOCAL HIGHWAY DEBT STATUS

(Show all entries at par)

	Opening Debt	Amount Issued	Redemptions	Closing Debt
A. Bonds (Total)	8,030,000		1,070,000	6,960,000
1. Bonds (Refunding Portion)				
B. Notes (Total)				0

V. LOCAL ROAD AND STREET FUND BALANCE

A. Beginning Balance	B. Total Receipts	C. Total Disbursements	D. Ending Balance	E. Reconciliation
2,924,290	9,405,665	4,481,765	7,848,190	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	0	a. Interest on investments	
b. Other local imposts:		b. Traffic Fines & Penalities	
1. Sales Taxes	5,427,939	c. Parking Garage Fees	
2. Infrastructure & Impact Fees	162,658	d. Parking Meter Fees	
3. Liens		e. Sale of Surplus Property	
4. Licenses		f. Charges for Services	
5. Specific Ownership &/or Other		g. Other Misc. Receipts	225,160
6. Total (1. through 5.)	5,590,597	h. Other County Road $ Bridge	210,681
c. Total (a. + b.)	5,590,597	i. Total (a. through h.)	435,841
	(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	594,942	1. FHWA (from Item I.D.5.)	-
2. State general funds		2. Other Federal agencies:	
3. Other State funds:		a. Forest Service	
a. State bond proceeds		b. FEMA	
b. Project Match		c. HUD	
c. Motor Vehicle Registrations	73,410	d. Federal Transit Admin	
d. Other (Specify)		e. U.S. Corps of Engineers	
e. Other (Specify)		f. Other Feder American Rescue Plan Act	132,498
f. Total (a. through e.)	73,410	g. Total (a. through f.)	132,498
4. Total (1. + 2. + 3.f)	668,352	3. Total (1. + 2.g)	132,498
			(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			
b. Engineering Costs			
c. Construction:			
(1). New Facilities			
(2). Capacity Improvements			
(3). System Preservation		630,577	630,577
(4). System Enhancement & Operation			
(5). Total Construction (1) + (2) + (3) + (4)		630,577	630,577
d. Total Capital Outlay (Lines 1.a. + 1.b. + 1.c.5)		630,577	630,577
			(Carry forward to page 1)

Notes and Comments:

FORM FHWA-536 (Rev.1-05) PREVIOUS EDITIONS OBSOLETE