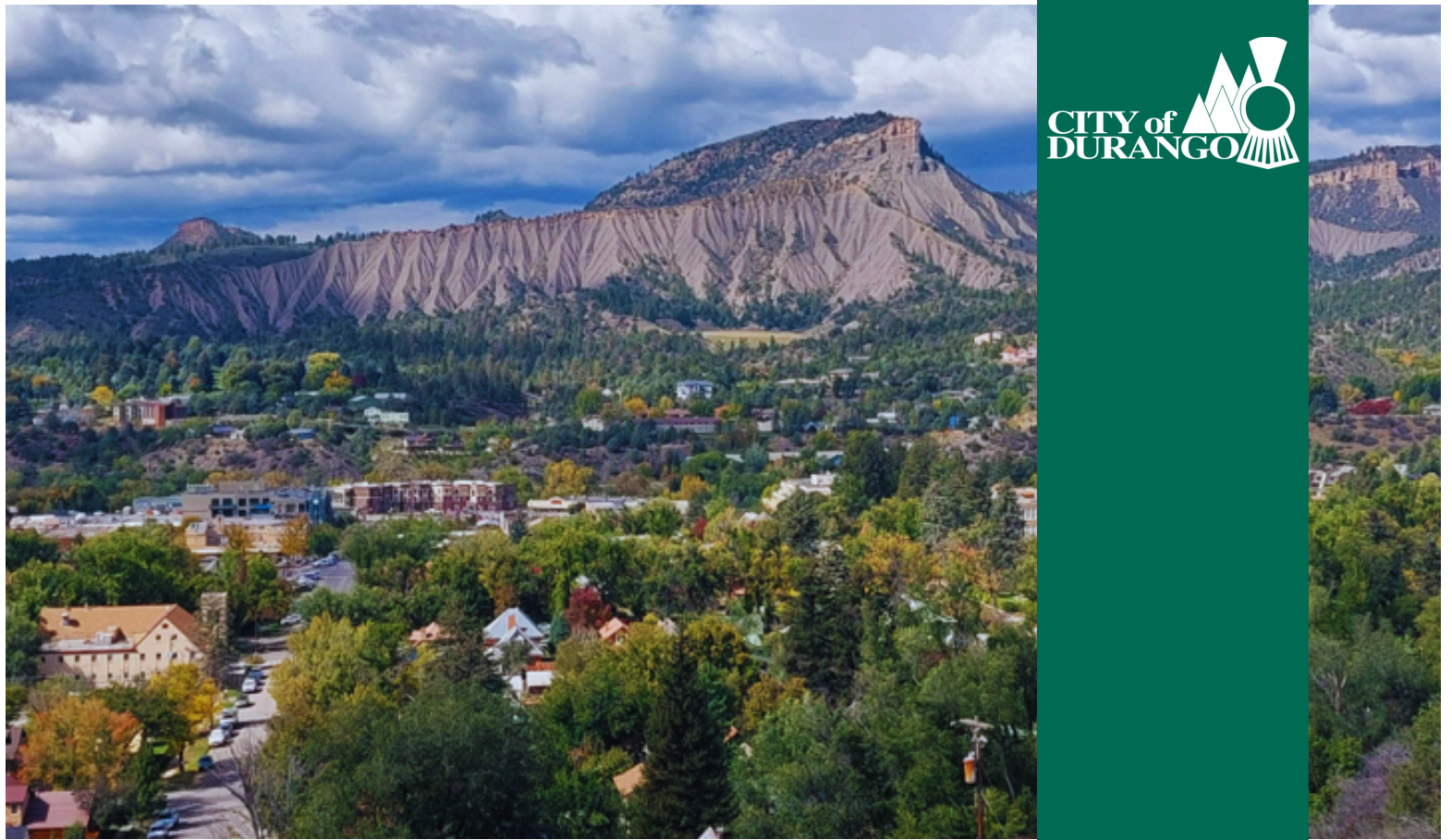




ANNUAL COMPREHENSIVE FINANCIAL REPORT

CITY OF DURANGO, COLORADO
FOR FISCAL YEAR ENDED DECEMBER 31, 2023



CITY OF DURANGO, COLORADO

ANNUAL COMPREHENSIVE FINANCIAL REPORT
For the year ended December 31, 2023

Prepared by the Finance Department



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INTRODUCTORY SECTION





June 25, 2024

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

The Charter of the City of Durango (City) and State law require 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 be 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, 2023.

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

- The **Introductory Section** provides this transmittal letter, a list of City officials, a 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 government-wide financial statements, which include the Statement of Net Position, the Statement of Activities, and the accompanying notes on 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 consists of 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, besides the MD&A, is also included in the Financial Section, which comprises 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 internal controls framework 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.

Eide Bailly LLP, a firm of licensed certified public accountants, has audited the City of Durango's financial statements. The goal of the independent audit was to provide reasonable assurance that the financial statements for the fiscal year ended December 31, 2023, are free of material misstatements 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 2023 financial statements. As a result, we can provide reasonable assurance that 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 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 3,320 students. The City has a population of 19,531 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. Durango has a rich history, with its roots in the mining industry and a vibrant culture that is reflected in its numerous art galleries, theaters, and music festivals.

The City operates under the provisions of the Colorado Constitution as a home-rule city. The City Charter, first adopted in 1912, establishes the council-manager form of local government. The governing council, comprising five members elected at large on a non-partisan basis to staggered four-year terms, holds the authority for policymaking and legislation. The City Council's responsibilities include passing ordinances, adopting the budget, and appointing key city officials such as the city manager, city attorney, and municipal judge. The city manager, in turn, is responsible for implementing the policies and ordinances of the City Council, overseeing the day-to-day operations of the City, and appointing department directors and other staff members.

The City is dedicated to providing its residents with comprehensive services, ensuring their well-being and quality of life. These services include general government, public safety, street maintenance, culture and recreation, transportation, planning and community development, economic development, public utilities, and public works. The City's recreation facilities and programs, which are heavily utilized by the residents of La Plata County, are the largest in the area. The City's utilities encompass 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, several parking lots, and public transportation within 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, and 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). 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 they are reported as investments in a joint venture in these financial statements.

The annual budget is 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 September 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 October. The Council must hold a public hearing before the budget's final adoption. 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 transfer appropriations within a department. Transfers of appropriations between departments and 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. This comparison is presented on page 79 as part of the Required Supplementary Information for the General Fund. These comparisons are presented in the Supplementary Information subsection for all other budgeted funds, starting on page 85.

Factors Affecting Financial Condition

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

Local economy: The year 2020 had a significant lingering impact on Durango due to the 20% increase in the cost of living since April of that year. Despite the challenges, the 2023 community survey revealed that people still desire to live in the area, indicating a strong attachment to the unique quality of life that Durango offers. The General Fund balance decreased by \$6,862,512 primarily due to the city's efforts towards workforce housing, demonstrating its

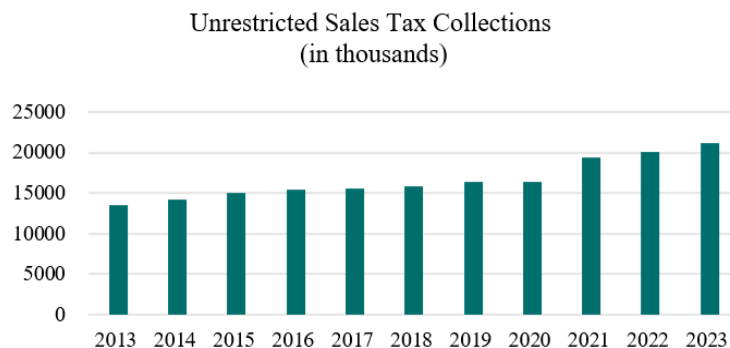
commitment to affordability. For 2024, we expect the General Fund balance to stabilize. The airport experienced an 18% increase in passenger enplanements from 2022 to 2023, indicating the city's robust tourism sector.

With a population of over 56,000 in La Plata County, Durango serves as a significant shopping hub in the county. It boasts a diverse retail landscape, with major national retailers such as Wal-Mart, Office Depot, Home Depot, Ross, and Tractor Supply alongside a thriving community of locally owned businesses. The presence of Fort Lewis College, a vital community asset, further enhances the area's economic stability, health, and cultural richness.

Downtown Durango is a regional attraction and a 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.

The number of commercial permits in 2023 (6) 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 333. It is noteworthy to state that in 2022 145 permits provided 185 units and the 333 permits were for 255 units, whereas the Commercial permit value declined 25%, whereas residential permit value only dropped 25%. 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.

City sales tax collections for 2023 increased 5% over 2022 collections. The positive increase for 2023 reflects the strong local economy and the ability to work remotely for a high quality of life. Lodger's tax receipts decreased by 12% in 2023. The city anticipates a conservative trajectory for sales tax collections in 2024.



According to the Colorado State Demography Office, the estimated population has slightly increased. This is inconsistent with school enrollment in Durango 9-R schools, which decreased due to declining birth rates. Historically, the City of Durango has shown strong population growth. This growth has grown by more than 11% for the last ten years. 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 2.8% on December 31, 2023. This was lower than at the state and national levels at that time.

Real estate values, as measured by the median list price, remained flat from 2022 to 2023. Housing prices remain a problem for low—to moderate-income families. In addition to the strategic plan discussed below, the City Council has commissioned plans to resolve housing. The city implemented a Housing Fund as part of the strategic plan. In 2023, \$3.2 million was allocated from the General Fund and appropriated for the Housing Innovation fund.

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. Inflation normalized ending the year at 3.4%. Durango is an area that is dependent on a specific sector of the economy, tourism, and travel.

Long-term financial planning: In April of 2022, the City adopted its revised strategic plan. To be effective, the goals that the City sets and the resources that are allocated must be consistent with the purpose of the organization. The context for all strategic and operational planning is provided by the City's vision; mission, and values.

Vision: Durango is an authentic, diverse, multigenerational, and thriving community. Our Residents value and enjoy our unique natural environment and benefit from the management of our City's resources in a fiscally responsible, environmental, and socially sustainable manner.

Mission: The City of Durango and our employees provide efficient city services, effectively maintain city assets and manage growth, are accountable, ethical, fiscally responsible, and collaborate with regional partners to improve the quality of life for our entire community.

Values: Teamwork | Dependability | Professionalism | Service | Respect | Innovation | Well-Being.

The plan's objectives 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.”

The 2024 Budget reflects a cautious financial projection. The City of Durango has experienced tremendous record-breaking revenue growth since 2019, especially in sales tax. However, The City is not immune to broader economic conditions, including inflationary pressures and supply chain shortages. Considering these and past historical data, we are budgeting for a slight increase of 1% in General Fund Revenues. In 2024, the focus for city operations will be investment in existing organizational services with a focus on efficiency and effectiveness.

The City has budgeted for notable expenditures, such as an approximate \$1M increase to the Durango Fire Protection District contract for fire services. As with the rest of the municipalities in Colorado, our Risk Management Fund reflects a 25% increase to our workmen's compensation and property and casualty insurance renewal. The increase in expenditures also includes an approximate 5% increase in our fleet maintenance costs as we have been unable to replace outdated vehicles due to the national vehicle shortage supply.

The 2024 budget was formulated to provide programs, services, and operations to achieve the City's mission, vision, values, and goals aligned with the strategic plan. The budget strategy is fourfold:

- Affordability and Economic Opportunity are essential for the community, particularly regarding housing. In the 2024 Budget, the housing division adopted a budget of over \$9MM to advance workforce and affordable housing efforts within the city.
- Environmental Sustainability and Resilience are prioritized goals, explicitly focusing on reducing carbon footprint and increasing investment in EVs and Solar Panels. In 2024, the Sustainability Programs Division will finalize work on the EPC project, monitor project outcomes, and explore further options for future sustainability programs.
- Capital Improvement Projects are also emphasized within the proposed 2024 budget. Major projects such as the Airport Terminal Expansion Phases 1A and 1B, County Road 250/251, Durango Mesa Park, Smart 160 Trail, College Mesa Water Treatment Plant 3 Million Gallon Tank, Animas River Trail Improvements, and improvements to the Chapman Hill Ski Area.
- Community Engagement, the City Manager's Office created 2023 a new position of Community Engagement Specialist in conjunction with the Connect and Engage forum's inaugural launch, which aims to enhance community input and engagement in 2024.

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, 2023, the City had \$8,155,000 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 for \$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 \$1,710,000 outstanding on the Wilson Gulch Road loan as of December 31, 2023. In addition, an additional \$4,000,000 was borrowed in 2013 to secure water rights and water storage for many years. There was \$2,126,186 outstanding on December 31, 2023, and the Water Fund is repaying this loan. 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, 2023 \$41,949,716 was outstanding. On May 30, 2023 the City entered into an agreement to finance the acquisition of certain improvements at various city City facilities as part of an Energy Performance Contract (EPC).

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 2023 was \$3.2 million. The City's annual required combined contribution was \$3.2 million in 2023.

Major Initiatives: In the 2023, the City achieved significant strides towards performance excellence, and it plans to continue its progress in the year 2024 by utilizing the Baldrige framework. This work towards financial sustainability entails several major initiatives that were set forth in the 2024 budget, which aim to lead the city into the future. Infrastructure maintenance and fund balance building in all funds remain top priorities. Additionally, the City values its employees and prioritizes customer service and citizen engagement as essential elements in its budget. As the City strives towards progress in achieving these goals and initiatives, it will continue to meet existing financial objectives while being 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, 2022. 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 one year only. We believe our current annual comprehensive financial report continues to meet the Certificate of Achievement Program's requirements, and we plan to submit 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 commitment and efficiency of the dedicated service of the employees of the Finance Department. Each department member has our sincere appreciation for the contributions made in preparing this report. This report is a tribute to our accounting staff, who worked long and hard to prepare the support information and financial statements for this report. I want 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 managing the City of Durango's finances.

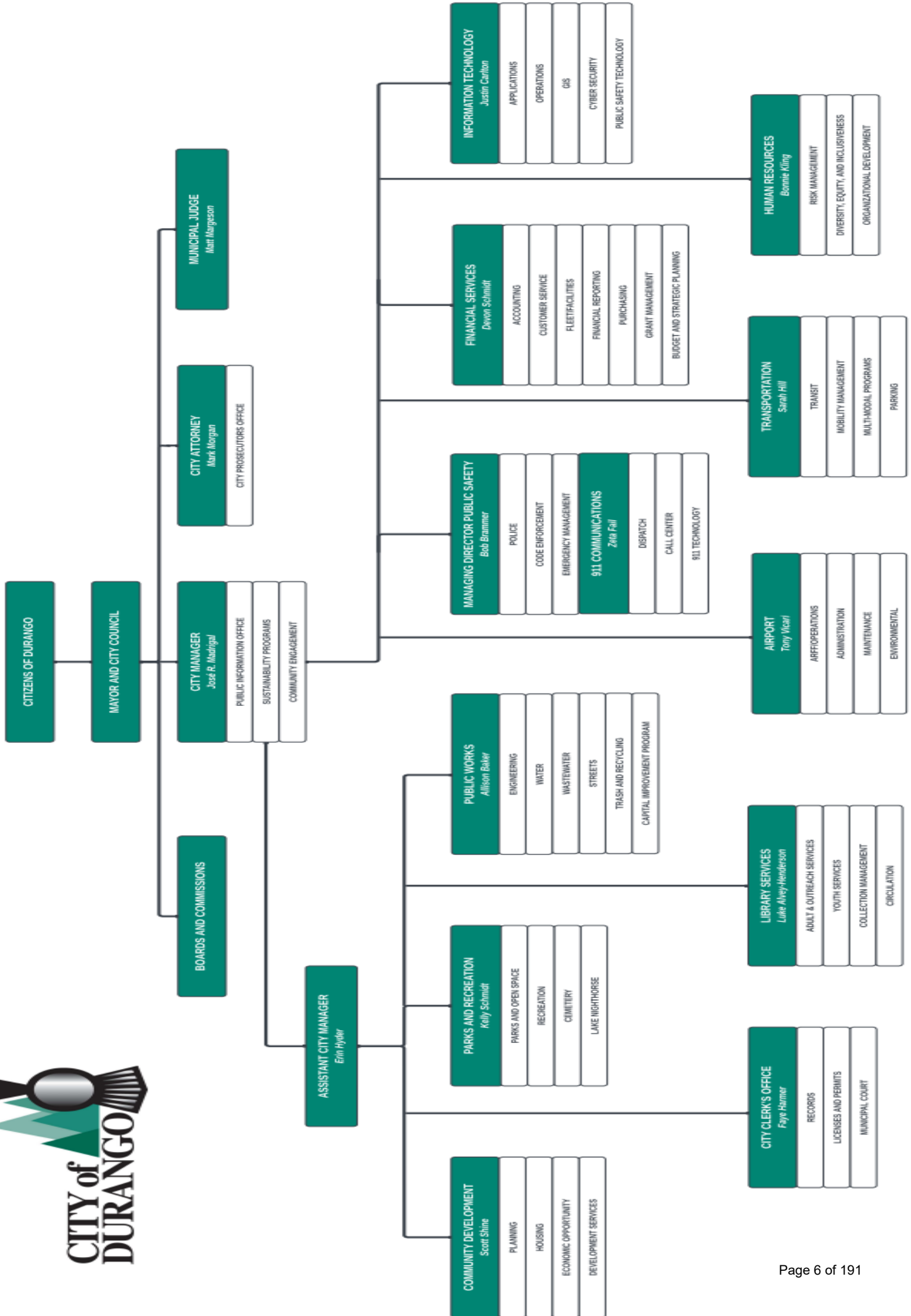
Respectfully submitted,



José Madrigal
City Manager



Devon Schmidt
Chief Financial Officer





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, 2022

Christopher P. Morill

Executive Director/CEO

City of Durango, Colorado
List of Elected and Appointed Officials
As of December 31, 2023

Elected Officials - City Council

Melissa Youssef	Mayor
Jessika Buell	Mayor Pro Tem
Oliver Bosmans	Councilor
Gilda Yazzie	Councilor
David Woodruff	Councilor

Council Appointed Officials

José Madrigal	City Manager
Mark Morgan	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
Kelly Schmidt	Parks and Recreation Director
Scott Shine	Director of Community Development
Devon Schmidt	Chief Finance Director
Tony Vicari	Aviation Director



FINANCIAL SECTION





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, 2023, 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, 2023, 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 Standards

As discussed in Note 1 to the financial statements, the City has adopted the provisions of Governmental Accounting Standards Board (GASB) Statements No. 94, *Public-Private and Public-Public Partnerships and Availability Payment Arrangements* and No. 96, *Subscription-Based Information Technology Arrangements*, for the year ended December 31, 2023. 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 GAAS, 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 as listed in the table of contents are presented for purposes of additional analysis and are not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling 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, in accordance with auditing standards generally accepted in the United States of America, the City's 2022 financial statements, and we expressed unmodified 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 July 19, 2023. In our opinion, the summarized comparative information presented herein as of and for the year ended December 31, 2022, is consistent, in all material respects, with the audited financial statements from which it has been derived.

The comparative statements of net position and the comparative statements of revenues, expenses and changes in net position within combining and individual nonmajor fund financial statements as listed in the table of contents for the year ended December 31, 2023 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 related directly to the underlying accounting and other records used to prepare the 2022 financial statements. The information was subjected to the audit procedures applied in the audit of the 2022 basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare those financial statements or to those financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the comparative statements of net position and the comparative statements of revenues, expenses and changes in net position are fairly stated in all material respects in relation to the basic financial statements as a whole for the year ended December 31, 2023.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated June 25, 2024 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, 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.}



Denver, Colorado
June 25, 2024

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, 2023. 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 \$409,462,411 (net position) for the fiscal year reported.
- Total net position is comprised of the following:
 - (1) Net investment in capital assets of \$286,942,959 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 \$12,483,422 are restricted by constraints imposed from outside the City such as debt covenants, grantors, laws, or regulations.
 - (3) Unrestricted net position of \$110,036,030 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 \$53,807,105 this year. This compares to the prior year ending fund balance of \$49,288,185 showing an increase of \$4,518,920 during the current year.
- At the end of the current fiscal year, unassigned and assigned fund balance for the General Fund was \$13,892,480, or 27.5% 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 29 through 30 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 34 through 36 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 31 through 34 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 38 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 81 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 85 and ending on 162.

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 \$409,462,411. The following table provides a summary of the City's net position:

Statement of Net Position

	Governmental Activities		Business-Type Activities		Total	
	2023	2022	2023	2022	2023	2022
Assets:						
Current and other assets	\$ 113,194,847	\$ 107,712,972	\$ 26,695,088	\$ 29,119,237	\$ 139,889,935	\$ 136,832,209
Capital assets	204,874,416	190,897,584	140,344,014	141,107,503	345,218,430	332,005,087
Total assets	318,069,263	298,610,556	167,039,102	170,226,740	485,108,365	468,837,296
Deferred Outflows of Resources						
Loss on refunding	182,693	(23,771)	-	-	182,693	(23,771)
Related to pensions	876,399	429,157	-	-	876,399	429,157
Total Deferred Outflow of Resources	1,059,092	405,386	-	-	1,059,092	405,386
Liabilities:						
Other liabilities	9,198,976	9,005,573	4,070,322	4,230,559	13,269,298	13,236,132
Long-term liabilities	19,774,349	17,850,003	42,349,689	45,228,333	62,124,038	63,078,336
Total liabilities	28,973,325	26,855,576	46,420,011	49,458,892	75,393,336	76,314,468
Deferred inflows of resources						
Property taxes	-	2,938,338	-	-	-	2,938,338
Deferred inflows of resources	1,311,710	1,445,911	-	-	2,757,621.00	
Related to pensions deferred inflows	-	92,088	-	-	-	92,088
Total deferred inflows of resources	1,311,710	4,476,337	-	-	2,757,621	3,030,426
Net position:						
Net investments						
in capital assets	190,621,675	178,280,480	96,321,284	93,331,244	286,942,959	271,611,724
Restricted	12,453,836	15,477,111	29,586	349,486	12,483,422	15,826,597
Unrestricted	85,767,809	73,926,438	24,268,221	27,087,117	110,036,030	101,013,555
Total net position	\$ 288,843,320	\$ 267,684,029	\$ 120,619,091	\$ 120,767,847	\$ 409,462,411	\$ 388,451,876

MANAGEMENT'S DISCUSSION AND ANALYSIS (Unaudited)
December 31, 2023

City of Durango, Colorado

By far the largest portion of the City's net position 70.08% 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.

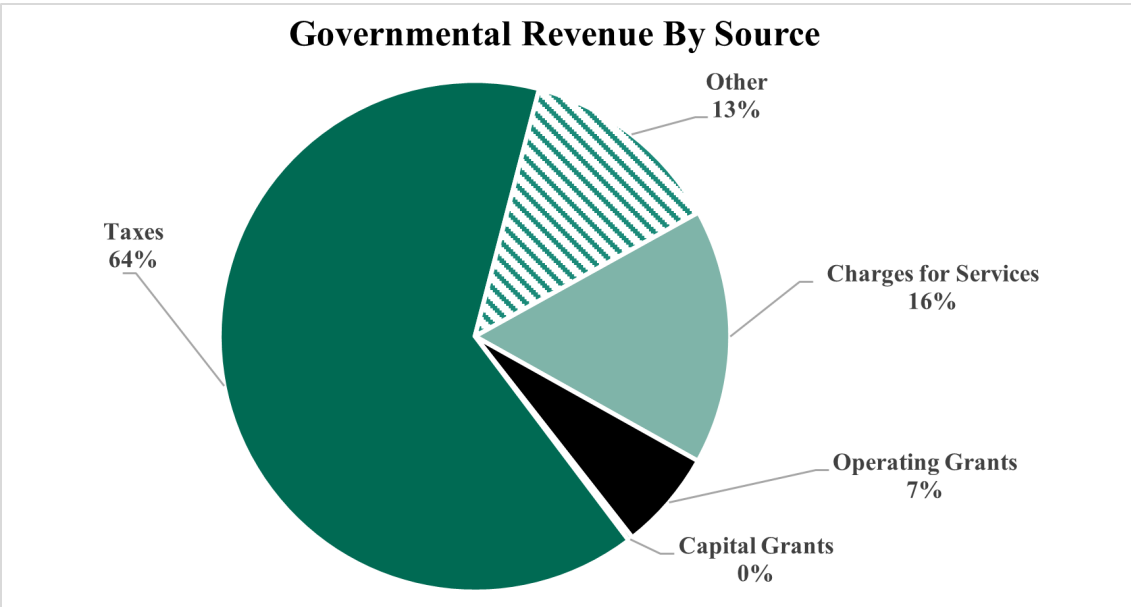
At the end of the current fiscal year, the City of Durango is able to report positive balances in the government as a whole, as well as for both its governmental activities and business-type activities. Activities showed positive growth. Net position increased by \$21,159,291 for governmental activities. The City's overall financial position improved during fiscal year 2023.

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	
	2023	2022	2023	2022	2023	2022
Revenues:						
Program:						
Charges for services	\$ 8,935,864	\$ 8,160,420	\$ 19,484,287	\$ 19,477,365	\$ 28,420,151	\$ 27,637,785
Joint venture airport	2,978,645	7,691,041	-	-	2,978,645	7,691,041
Operating grants	5,826,133	2,201,593	184,216	27,762	6,010,349	2,229,355
Capital grants	270,823	243,924	2,093,876	2,829,386	2,364,699	3,073,310
General:						
Taxes	59,260,266	58,306,384	-	-	59,260,266	58,306,384
Other	16,464,362	4,100,795	2,609,552	947,447	19,073,914	5,048,242
Total revenues	<u>93,736,093</u>	<u>80,704,157</u>	<u>24,371,931</u>	<u>23,281,960</u>	<u>118,108,024</u>	<u>103,986,117</u>
Program Expenses:						
General government	21,972,918	20,384,036	-	-	21,972,918	20,384,036
Public safety	18,638,589	16,810,822	-	-	18,638,589	16,810,822
Public works	11,511,903	3,680,950	-	-	11,511,903	3,680,950
Parks and recreation	14,286,959	11,457,545	-	-	14,286,959	11,457,545
Library	2,895,409	2,586,645	-	-	2,895,409	2,586,645
Community services	1,201,350	1,657,463	-	-	1,201,350	1,657,463
Economic development	768,291	616,970	-	-	768,291	616,970
Non-departmental	1,344,544	1,510,101	-	-	1,344,544	1,510,101
Interest	375,264	395,806	-	-	375,264	395,806
Water	-	-	7,067,960	5,627,737	7,067,960	5,627,737
Sewer	-	-	8,337,574	7,945,419	8,337,574	7,945,419
Sustainable services	-	-	3,639,926	3,023,135	3,639,926	3,023,135
Parking and transit	-	-	5,056,802	4,677,524	5,056,802	4,677,524
Total expenses	<u>72,995,227</u>	<u>59,100,338</u>	<u>24,102,262</u>	<u>21,273,815</u>	<u>97,097,489</u>	<u>80,374,153</u>
Excess	20,740,866	21,603,819	269,669	2,008,145	21,010,535	23,611,964
Transfers	<u>418,425</u>	<u>(847,572)</u>	<u>(418,425)</u>	<u>847,572</u>	<u>-</u>	<u>-</u>
Change in net position	21,159,291	20,756,247	(148,756)	2,855,717	21,010,535	23,611,964
Beginning net position	<u>267,684,029</u>	<u>246,927,782</u>	<u>120,767,847</u>	<u>117,912,130</u>	<u>388,451,876</u>	<u>364,839,912</u>
Ending net position	<u>\$ 288,843,320</u>	<u>\$ 267,684,029</u>	<u>\$ 120,619,091</u>	<u>\$ 120,767,847</u>	<u>\$ 409,462,411</u>	<u>\$ 388,451,876</u>

GOVERNMENTAL REVENUES

The City is heavily reliant on sales and use taxes to support governmental operations. City sales and use taxes account for 50.0% of the revenues for governmental activities. This is an increase of 3% over fiscal year 2022 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 \$1,580,565 from the taxes collected in 2022. 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 \$2,457,004 in interest earnings to support governmental activities related to the Federal Reserve raising interest rates in 2022. Program revenues covered 24.7% of governmental operating expenses in 2023. 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 2023 covered the same percentage of governmental operating expenses in 2023. The graph below shows governmental revenues by source:



GOVERNMENTAL FUNCTIONAL EXPENSES

Public safety comprises 19.2% of the City's total expenses and 25.5% of the total governmental expenses. Parks and recreation makes up 14.7% of the total expenses and 19.6% of the total governmental expenses. General government and public works are 11.9 % of total expenses.

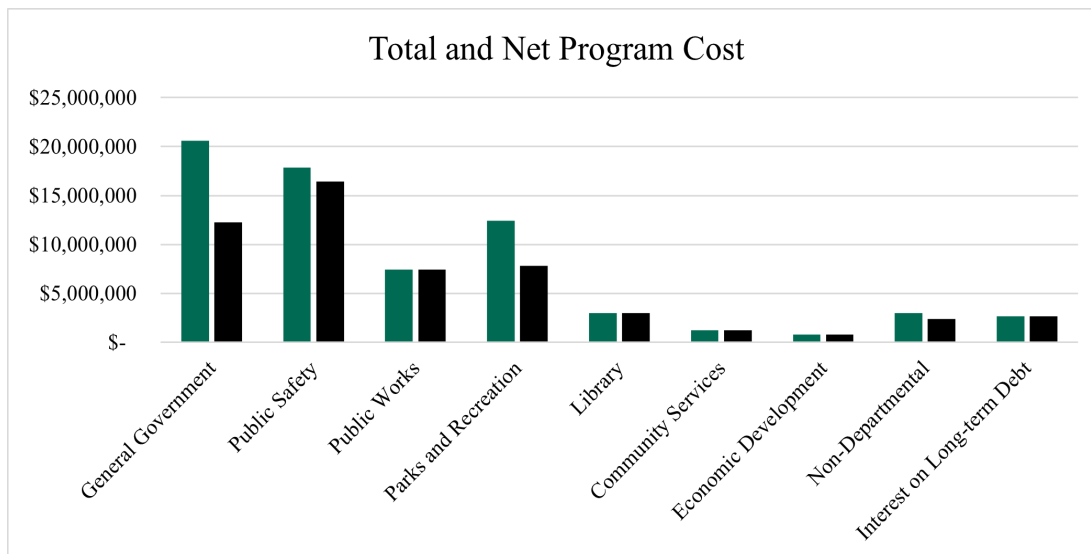
The overall increase in governmental expenses was 23.5 % over the prior fiscal year. In 2023, the efforts to provide resources to the housing innovation divisons increased expense, as well as the purchase of the historic school district building for a new location for the police and city hall.

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	\$ 21,972,918	30.1%	\$ 13,621,598	23.5%
Public safety	18,638,589	25.5%	17,190,968	29.7%
Public works	11,511,903	15.8%	11,510,238	19.9%
Parks and recreation	14,286,959	19.6%	9,669,166	16.7%
Library	2,895,409	4.0%	2,893,454	5.0%
Community services	1,201,350	1.6%	1,201,350	2.1%
Economic development	768,291	1.1%	768,291	1.3%
Non-departmental	1,344,544	1.8%	732,078	1.3%
Interest on long-term debt	375,264	0.5%	375,264	0.6%
Total	<u>\$ 72,995,227</u>	<u>100.0%</u>	<u>\$ 57,962,407</u>	<u>100.0%</u>

The parks and recreation function has the best cost recovery at 56% 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 2023. 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.

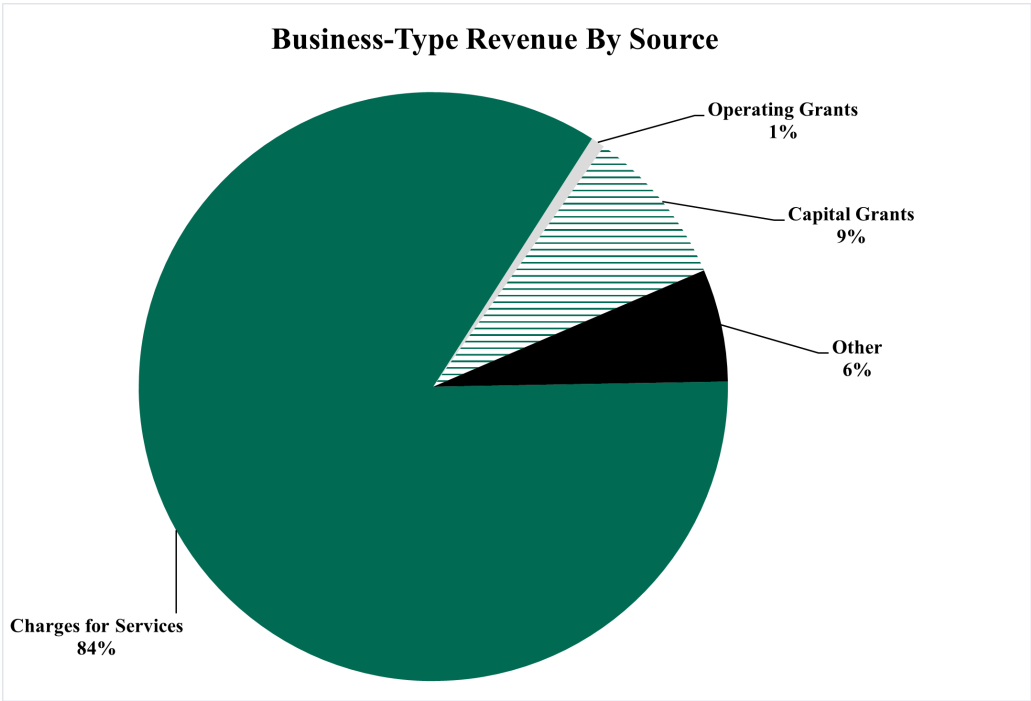


BUSINESS -TYPE ACTIVITIES

For the year ending December 31,2023 the City reported all enterprise funds as major funds. Business-type activities decreased the City’s net position by \$426,145. Key elements of business-type activities net position are as follows:

The operating revenues for all of the enterprise funds were 4.7 % greater than 2022, due to the changes in the water rates and operating expenses were 13.3 % more than 2022. Within the total business type activities of the City, these activities reported an operating income of \$3,534,417 compared to an operating income of \$618,541 for the prior year. Non-operating revenue increased by \$2,915,876 over 2022. Capital contributions for 2023 were \$2,031,433. This is a increase of \$1,319,171 from 2022. 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.



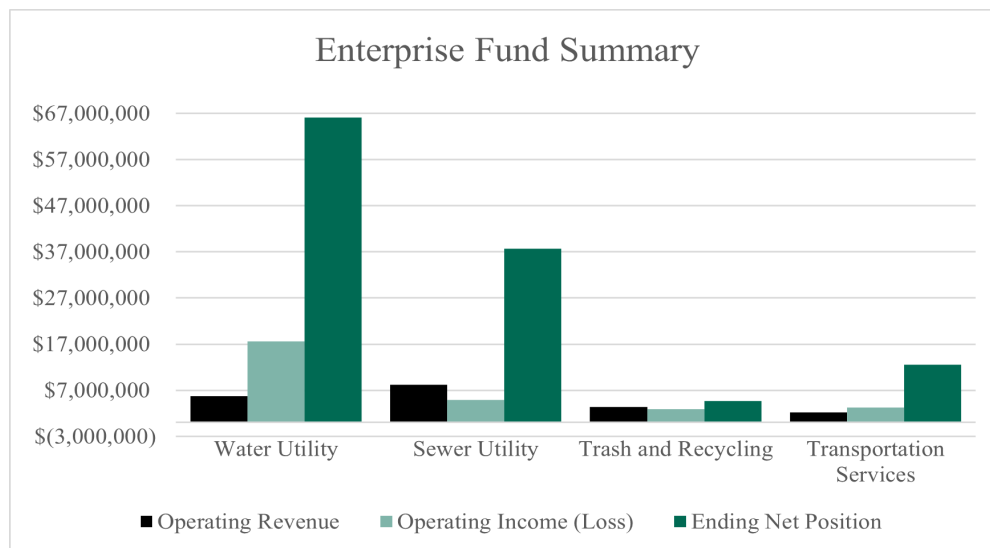
The water utility accounts for approximately 28.8% of operating revenues and 30.1% of operating expenses. This utility reported a net increase in net position of \$819,876. The water utility had operating loss of \$1,315,863 and capital contributions of \$1,361,294.

For the sewer utility fund, operating expenses decreased 8.2% over the prior year. Operating revenues saw an increase of 0.8% over the prior year. Net operating income for 2023 was \$649,861 in comparison to \$1,213,817 in 2022.

Trash and recycling made up 17.7% of operating revenues compared to 17.6% of operating expenses. The fund produced operating loss of \$137,380 and showed an improved net position by \$386,881.

Transportation comes in at 11.7% of operating revenues of all funds with 21.7% of combined operating expenses. This operation had an operating loss of \$2,731,035 which was offset by non-operating revenue of \$1,084,648 and transfers in of \$756,075 . The resulting change in net position for Transportation Services is down by \$788,940.

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 \$53,807,105. Of this year-end total, \$50,334,208 is restricted, committed or assigned fund balance, \$12,775,763 of that amount in the general fund with the remainder of \$40,532,023 in the grants fund and other governmental funds.

The total ending fund balances of governmental funds show an increase of \$37,558,445 over the prior year. This increase is primarily the result of the events and programs in the Special Revenue Funds, where capital project completion lagged. However, with supply chain stabilization and workforce stabilization, the City expects the fund balance to reduce in future years with project completion.

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 decreased by \$6,862,512. In fiscal year 2022, the fund balance increased by \$3,280,993. The decrease in the General Fund's fund balance was primarily related to the contribution to the Housing Innovation Fund for workforce and affordable housing efforts. In addition, the City purchased the School Administration Building for a future Police Station and City Hall.

Total revenues for 2023 were \$49,501,273, an increase of \$2,298,510 or 4.6% over 2022. The City's sale and use taxes both increased but were slightly to the prior year. The remaining revenue sources were comparable with the prior year.

Expenditures for 2023 were \$50,505,244, an increase of less than 7% over fiscal 2022. 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 12.6% overall when compared to the previous year.

Total public safety actual expenditures saw an increase in expenditure over the previous year of 6.8%. This function includes police services, the communication center and the city's contract for fire and rescue services. Police services increased expenditures by 9.1% over the prior year. Fire services increased by 1.3 % over the previous year.

Public works expenditures increased 212.7 % as compared to 2022. Parks and Recreation expenditures increased 15.2% over last year.

Non-departmental expenditures increased slightly in 2023 as compared to 2022. Buildings and plant account for over 30.0% of the expenditures in this division. Maintenance costs and utility charges for all general city buildings continue to affect expenditures.

The general fund transferred \$7,559,916 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 4.3% during 2023. Overall revenue did come in \$230,230 higher for the 2023 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 3.9% due to continued impacts of the COVID-19 Pandemic. All categories combined for 0.5% positive variance under the final 2023 budget or 99% accurate.

Investment earnings increased significantly 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 19.2% during 2023. Total amendments to the expenditures budget were \$9.6 million. \$7.3 million of the amendments was the contribution for the Housing Fund as well as the purchase of the School District Buildings for the new Police Department and City Hall.

The final general fund budget for expenditures had a favorable variance of \$1,739,079 . The City spent approximately 3.2 % 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, 2023, was \$190,621,675 and \$96,321,284. The net capital assets for the internal service funds are reported with the governmental activities on the statement of net position. The total increase in the net investment was 4.0% for governmental activities and a 0.2 % increase 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	
	2023	2022	2023	2022	2023	2022
Non-depreciable assets:						
Land	\$ 34,605,140	\$ 31,996,676	\$ 5,476,387	\$ 5,476,387	\$ 40,081,527	\$ 37,473,063
Water rights	-	-	5,870,232	5,870,232	5,870,232	5,870,232
Construction in progress	7,623,550	2,420,147	1,596,524	2,617,910	9,220,074	5,038,057
Total non-depreciable	42,228,690	34,416,823	12,943,143	13,964,529	55,171,833	48,381,352
Depreciable assets:						
Buildings	54,736,129	48,576,789	87,805,090	87,805,090	142,541,219	136,381,879
Improvements	15,315,152	14,811,101	-	-	15,315,152	14,811,101
Equipment	32,906,287	26,719,077	11,166,217	10,504,698	44,072,504	37,223,775
Infrastructure	256,832,589	253,075,474	84,346,664	79,965,283	341,179,253	333,040,757
Total depreciable assets	359,790,157	343,182,441	183,317,971	178,275,071	543,108,128	521,457,512
Less accumulated depreciation	197,430,761	187,114,153	55,917,102	51,132,098	253,347,863	238,246,251
Book value - depreciable assets	162,359,396	156,068,288	127,400,869	127,142,973	289,760,265	283,211,261
Percentage depreciated	55%	55%	31%	29%	47%	42%
Total book value	\$ 204,588,086	\$ 190,485,111	\$ 140,344,012	\$ 141,107,502	\$ 344,932,098	\$ 331,592,613
Total right to use leased assets being amortized	540,259	412,473	-	-	952,732	1,365,205
Total accumulated amortization	253,929	-	-	-	253,929	253,929
Net right to use leased assets	286,330	412,473	-	-	698,803	1,111,276
Total capital assets, net	\$ 204,874,416	\$ 190,897,584	\$ -	\$ -	\$ 345,630,901	\$ 332,703,889

At December 31, 2023, the depreciable capital assets for governmental activities were 55% depreciated. This is comparable to the December 31, 2022 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, 31% of the depreciable capital assets were depreciated at December 31, 2023 comparable to 29% at December 31, 2022.

Overall, the City's capital assets are depreciated at approximately 47%, 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 \$9,865,000 . This debt is for Florida Road, the public library and Wilson Gulch Road.

After a successful 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%. Loan payments in the amount of \$246,266 are due annually.

After another successful 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 \$2,481,893 was retired in 2023.

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

	Outstanding Borrowings						
	Governmental Activities		Business-type Activities		Totals		% Change
	2023	2022	2023	2022	2023	2022	
2014 Certificates of Participation	\$ 1,710,000	\$ 1,835,000	\$ -	\$ -	\$ 1,710,000	\$ 1,835,000	-7%
2016 Sales and Use Refunding Note	2,290,000	3,400,000	-	-	2,290,000	3,400,000	-33%
2017 Sales and Use Refunding Note	5,865,000	6,960,000	-	-	5,865,000	6,960,000	-16%
CWRPDA Loan-Water	-	-	2,126,186	2,328,034	2,126,186	2,328,034	-9%
CWRPDA Loan-Sewer	-	-	41,949,716	44,431,609	41,949,716	44,431,609	-6%
Energy Performance Contract Lease/Purchase Agreement	4,174,462	-	-	-	-	-	
Bond Premium Ammortization	-	-	883,116	941,990	883,116	941,990	-6%
Compensated absences	1,747,575	2,096,194	362,883	420,884	2,110,458	2,517,078	-16%
Lease Liability	294,078	416,971	-	-	-	-	-29%
Total	\$ 16,081,115	\$ 14,708,165	\$ 45,321,901	\$ 48,122,517	\$ 56,934,476	\$ 62,413,711	

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

Economic Conditions and Next Year's Budget

In a testament to Durango's resilience, 2023 saw a 5% increase in sales tax financial performance compared to previous years. Notably, the lodgers' tax, a key economic indicator for tourism, decreased by 12.4 % as travel resumed to more normalized travel patterns.

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" appearance 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 many residents of Durango face is the high cost of housing. The unemployment rate was 2.8% on December 31, 2023. This was lower than at the state and national levels at that time. Real estate values, as measured by the median list price, remained flat from 2022 to 2023. Housing prices remain a problem for low—to moderate-income families. In addition to the strategic plan discussed below, the City Council has commissioned plans to resolve housing. In 2023, \$3.2 million was allocated from the General Fund and appropriated for the Housing Innovation fund.

Economically, the City and La Plata County have a higher median household income of \$76,177, which is higher than the national average but 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. In 2022, inflation reached a 40-year high, and in 2023 declined from 6 percent to 3 percent. The 2024 Budget reflects a cautious financial projection. The City of Durango has experienced tremendous revenue growth since 2019, especially in sales tax. However, The City is not immune to broader economic conditions, including inflationary pressures and supply chain shortages. In 2024, the focus for city operations will be investment in existing organizational services with a focus on efficiency and effectiveness.

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 Chief Financial Officer at the City, 949 E. Second Avenue, Durango, CO 81301.



FINANCIAL SECTION

City of Durango, Colorado
Statement of Net Position
December 31, 2023

	Governmental Activities	Business-Type Activities	Total	Component Unit
Assets				
Cash and cash equivalents (Note 3-A)	\$ 60,019,596	\$ 23,822,606	\$ 83,842,202	\$ 222,524
Receivables:				
Accounts	8,401,402	2,573,089	10,974,491	-
Leases	1,364,808	-	1,364,808	-
Sales taxes	4,086,570	-	4,086,570	-
Franchise taxes	77,468	-	77,468	-
Lodgers taxes	238,308	-	238,308	-
Interest	408,916	-	408,916	-
Notes	-	79,177	79,177	-
Inventory	463,023	190,630	653,653	-
Prepaid items	11,995	-	11,995	500
Restricted assets (Note 3-A)	-	29,586	29,586	-
Investment in joint venture (Note 4-C)	38,122,761	-	38,122,761	-
Capital Assets (Note 3-D)				
Nondepreciable capital assets	42,228,690	12,943,143	55,171,833	-
Depreciable capital assets, net	162,359,396	127,400,871	289,760,267	-
Right to use leased assets, net	286,330	-	286,330	-
Total Assets	<u>318,069,263</u>	<u>167,039,102</u>	<u>485,108,365</u>	<u>223,024</u>
Deferred Outflows of Resources				
Loss on refunding	182,693	-	182,693	-
Deferred outflows-pensions	876,399	-	876,399	-
Total Deferred Outflows of Resources	<u>1,059,092</u>	<u>-</u>	<u>1,059,092</u>	<u>-</u>
Liabilities				
Accounts payable	3,945,973	673,985	4,619,958	1,160
Accrued expenses	533,683	109,234	642,917	-
Accrued interest payable	99,670	310,891	410,561	-
Deposits payable	722,679	-	722,679	-
Unearned revenue	3,896,971	4,000	3,900,971	-
Long-Term Liabilities: (Note 3-G and 3-H)				
Net pension liability	3,693,234	-	3,693,234	-
Due within one year	3,342,110	2,972,212	6,314,322	-
Leases due within one year	145,423	-	145,423	-
Due in more than one year	12,444,927	42,349,689	54,794,616	-
Leases due in more than one year	148,655	-	148,655	-
Total Liabilities	<u>28,973,325</u>	<u>46,420,011</u>	<u>75,393,336</u>	<u>1,160</u>
Deferred Inflows of Resources				
Deferred inflows of resources-lease related	1,311,710	-	1,311,710	-
Total Deferred Inflows of Resources	<u>1,311,710</u>	<u>-</u>	<u>1,311,710</u>	<u>-</u>
Net Position				
Net investment in capital assets (Note 3-J)	190,621,675	96,321,284	286,942,959	-
Restricted	12,453,836	29,586	12,483,422	-
Unrestricted	85,767,809	24,268,221	110,036,030	221,864
Total Net Position	<u>\$ 288,843,320</u>	<u>\$ 120,619,091</u>	<u>\$ 409,462,411</u>	<u>\$ 221,864</u>

City of Durango, Colorado
Statement of Activities
For the Year Ended December 31, 2023

Function/Program	Program Revenues				Net (Expense) Revenue and Changes in Net Position			
					Primary Government			
	Expenses	Charges for Services	Operating Grants, Contributions and Interest	Capital Grants and Contributions	Governmental Activities	Business-Type Activities	Total	Component Unit
Primary Government:								
Governmental Activities:								
General government	\$ 21,972,918	\$ 3,137,653	\$ 5,213,667	\$ -	\$ (13,621,598)	\$ -	\$ (13,621,598)	\$ -
Public safety	18,638,589	1,447,621	-	-	(17,190,968)	-	(17,190,968)	-
Public works	11,511,903	1,665	-	-	(11,510,238)	-	(11,510,238)	-
Parks and recreation	14,286,959	4,346,970	-	270,823	(9,669,166)	-	(9,669,166)	-
Library	2,895,409	1,955	-	-	(2,893,454)	-	(2,893,454)	-
Community services	1,201,350	-	-	-	(1,201,350)	-	(1,201,350)	-
Economic development	768,291	-	-	-	(768,291)	-	(768,291)	-
Non-departmental	1,344,544	-	612,466	-	(732,078)	-	(732,078)	-
Principal and interest	375,264	-	-	-	(375,264)	-	(375,264)	-
Joint venture airport	-	2,978,645	-	-	2,978,645	-	2,978,645	-
Total Governmental Activities	72,995,227	11,914,509	5,826,133	270,823	(54,983,762)	-	(54,983,762)	-
Business-type Activities:								
Water utility	7,067,960	5,686,502	-	867,524	-	(513,934)	(513,934)	-
Sewer utility	8,337,574	8,210,899	-	280,810	-	154,135	154,135	-
Sustainable services	3,639,926	3,408,423	84,479	-	-	(147,024)	(147,024)	-
Transportation Services	5,056,802	2,178,463	99,737	945,542	-	(1,833,060)	(1,833,060)	-
Total Business-type Activities	24,102,262	19,484,287	184,216	2,093,876	-	(2,339,883)	(2,339,883)	-
Total - Primary Government	\$ 97,097,489	\$ 31,398,796	\$ 6,010,349	\$ 2,364,699	(54,983,762)	(2,339,883)	(57,323,645)	-
Component Unit								
Durango Conference Center Business Improvement District	\$ 335,310	\$ -	\$ -	\$ -	-	-	-	(335,310)
General Revenues								
Property taxes levied for:								
General government purposes					3,039,906	-	3,039,906	312,296
Specific ownership tax					309,028	-	309,028	-
Sales tax					36,966,438	-	36,966,438	-
Use tax					2,564,909	-	2,564,909	-
La Plata County shared sales tax					6,461,453	-	6,461,453	-
La Plata County joint sales tax					2,931,237	-	2,931,237	-
Other taxes					1,463,682	-	1,463,682	-
Franchise fees and occupational taxes					1,666,089	-	1,666,089	-
Lodgers taxes					3,857,524	-	3,857,524	-
Gain (Loss) on Disposal of Capital Assets					2,599,126	(5,928)	2,593,198	-
Investment earnings					2,890,799	1,230,921	4,121,720	-
Lease revenue					503,549	-	503,549	-
Miscellaneous					10,470,888	1,384,559	11,855,447	-
Total General Revenues					75,724,628	2,609,552	78,334,180	312,296
Transfers					418,425	(418,425)	-	-
Total General Revenues and Transfers					76,143,053	2,191,127	78,334,180	312,296
Change in Net Position					21,159,291	(148,756)	21,010,535	(23,014)
Net Position Beginning of Year					267,684,029	120,767,847	388,451,876	244,878
Net Position End of Year					\$ 288,843,320	\$ 120,619,091	\$ 409,462,411	\$ 221,864

See accompanying notes to the basic financial statements

City of Durango, Colorado
Balance Sheet
Governmental Funds
December 31, 2023

	<u>General</u>	<u>Grants Fund</u>	<u>Other Governmental Funds</u>	<u>Total Governmental Funds</u>
Assets				
Cash on hand	\$ 5,224	\$ -	\$ -	\$ 5,224
Equity in cash and cash equivalents	13,688,396	2,557,506	33,165,209	49,411,111
Cash held in escrow	606,530	-	-	606,530
Receivables:				
Accounts receivable	758,268	-	515,361	1,273,629
Lease receivables	1,364,808	-	-	1,364,808
Sales taxes	2,335,066	-	1,751,504	4,086,570
Franchise taxes	77,468	-	-	77,468
Lodger's taxes	-	-	238,308	238,308
Intergovernmental	1,184,529	416,072	4,014,899	5,615,500
Interest	94,583	-	314,333	408,916
Prepaid expenses	11,995	-	-	11,995
Interfund receivables	20,000	-	-	20,000
Inventory	44,194	-	-	44,194
Total Assets	<u>\$ 20,191,061</u>	<u>\$ 2,973,578</u>	<u>\$ 39,999,614</u>	<u>\$ 63,164,253</u>
Liabilities, Deferred Inflows of Resources, and Fund Balances				
Liabilities				
Interest	\$ (25,116)	\$ -	\$ -	\$ (25,116)
Accounts payable	973,778	16,416	1,133,486	2,123,680
Accrued expenditures	471,445	-	6,331	477,776
Deposits	722,679	-	-	722,679
Unearned revenue	462,790	2,788,761	645,420	3,896,971
Total Liabilities	<u>2,605,576</u>	<u>2,805,177</u>	<u>1,785,237</u>	<u>7,195,990</u>
Deferred Inflows of Resources				
Deferred inflows-Unearned revenues	-	-	824,333	824,333
Deferred inflows resources - leases	1,336,825	-	-	1,336,825
Total Deferred Inflows of Resources	<u>1,336,825</u>	<u>-</u>	<u>824,333</u>	<u>2,161,158</u>
Fund Balances				
Nonspendable	391,885	-	-	391,885
Restricted	1,964,295	168,401	1,146,064	3,278,760
Committed	-	-	36,243,980	36,243,980
Assigned	10,811,468	-	-	10,811,468
Unassigned	3,081,012	-	-	3,081,012
Total Fund Balances	<u>16,248,660</u>	<u>168,401</u>	<u>37,390,044</u>	<u>53,807,105</u>
Total Liabilities, Deferred Inflows of Resources, and Fund Balances	<u>\$ 20,191,061</u>	<u>\$ 2,973,578</u>	<u>\$ 39,999,614</u>	<u>\$ 63,164,253</u>

See accompanying notes to the basic financial statements

**Reconciliation of the Governmental Funds Balance Sheet
to the Statement of Net Position
December 31, 2023**

Total Governmental Fund Balances		\$ 53,807,105
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, are 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	\$ 402,018,847	
Less: accumulated depreciation	(197,430,761)	
Right to use leased assets	540,259	
Less: accumulated amortization	<u>(253,929)</u>	204,874,416
City's joint venture equity interest in Durango-LaPlata County Airport		38,122,761
Other receivables are not available to pay for current-period expenditures and, therefore are reported as a deferred inflow of resources in the funds		824,333
Net pension liabilities are not recognized at the fund level but are reported at the government-wide level		(3,693,234)
Deferred outflows of resources used in governmental activities are not financial resources and, therefore, are not reported in the funds		
Deferred loss on refunding	\$ 182,693	
Amounts related to pensions	<u>929,577</u>	1,112,270
Deferred inflows of resources in governmental activities are not financial resources and, therefore, are not reported in the funds		
Amounts related to pensions		(53,178)
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		9,970,964
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	\$ (14,039,462)	
Accrued interest on long term debt	(41,002)	
Lease Payables	(294,078)	
Compensated absences	<u>(1,747,575)</u>	<u>(16,122,117)</u>
Net Position Of Governmental Activities		<u><u>\$ 288,843,320</u></u>
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, 2023

	General	Grants Fund	Other Governmental Funds	Total Governmental Funds
Revenues				
Property taxes	\$ 2,931,652	\$ -	\$ 108,254	\$ 3,039,906
Specific Ownership Taxes	309,028	-	-	309,028
Sales taxes	21,132,510	-	15,833,928	36,966,438
Use taxes	1,465,589	-	1,099,320	2,564,909
La Plata County shared sales tax	6,461,453	-	-	6,461,453
La Plata County joint sales tax	2,931,237	-	-	2,931,237
Lodgers taxes	-	-	3,857,524	3,857,524
Cigarette tax	85,663	-	-	85,663
Franchise fees and occupational taxes	1,666,089	-	-	1,666,089
Intergovernmental	2,692,722	986,330	5,110,626	8,789,678
Licenses and permits	794,174	-	8,200	802,374
Charges for services	6,676,795	-	165	6,676,960
Lease revenue	326,145	-	-	326,145
Fines and forfeitures	141,827	-	-	141,827
Investment earnings	1,053,157	-	1,403,847	2,457,004
Miscellaneous	833,232	-	1,122,909	1,956,141
Total Revenues	49,501,273	986,330	28,544,773	79,032,376
Expenditures				
Current:				
General government	12,235,441	182,958	8,184,292	20,602,691
Public safety	17,620,357	242,121	-	17,862,478
Public works	4,387,538	152,467	2,917,246	7,457,251
Parks and recreation	9,151,586	95,607	3,169,116	12,416,309
Library	2,974,661	-	-	2,974,661
Community services	938,132	263,218	-	1,201,350
Economic development	-	-	768,291	768,291
Non-departmental	2,704,674	-	-	2,704,674
Capital outlay	-	43,737	6,189,109	6,232,846
Debt Service:				
Capital Outlay - Lease	303,630	-	-	303,630
Principal retirement	125,000	-	2,205,000	2,330,000
Interest and fiscal charges	64,225	-	234,312	298,537
Total Expenditures	50,505,244	980,108	23,667,366	75,152,718
Excess (Deficiency) of Revenues Over (Under) Expenditures	(1,003,971)	6,222	4,877,407	3,879,658
Other Financing Sources (Uses)				
Other finance source- leases-lessee	220,837	-	-	220,837
Transfers in	1,480,538	-	12,010,552	13,491,090
Transfers out	(7,559,916)	(6,222)	(5,506,527)	(13,072,665)
Total Other Financing Sources (Uses)	(5,858,541)	(6,222)	6,504,025	639,262
Net Change in Fund Balances	(6,862,512)	-	11,381,432	4,518,920
Fund Balances Beginning of Year	23,111,172	168,401	26,008,612	49,288,185
Fund Balances End of Year	\$ 16,248,660	\$ 168,401	\$ 37,390,044	\$ 53,807,105

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, 2023*

Net Changes In Fund Balances - Total Governmental Funds	\$	4,518,920
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 and amortization expense exceeded capital outlay and loss on disposal of assets in the current period		
Depreciation and amortization expense	\$	(11,074,646)
Gain/Loss on disposal of assets		2,599,126
Capital outlay		<u>12,168,155</u>
		3,692,635
Governmental funds do not report contributed capital assets but they are reported on statement of activities		3,801,754
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		2,978,645
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		3,517,842
Elimination of transfers between governmental funds		
Transfers in	13,072,665	
Transfers out	<u>(13,072,665)</u>	-
Net Pension expense does not require the use of current financial resources and , therefore are not reported as expenditures in the governmental funds		85,123
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		(40,188)
Repayment of general obligation debt principal is an expenditure in the governmental funds, but the repayment reduces long-term liabilities in the statement of net position		2,330,000
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		(4,065)
Compensated absences reported in the statement of activities, do not require the use of current financial resources and therefore are not reported as expenditures in governmental funds		<u>299,864</u>
Change In Net Position of Governmental Activities	<u>\$</u>	<u>21,159,291</u>

See accompanying notes to the basic financial statements

City of Durango, Colorado
Statement of Net Position
Proprietary Funds
December 31, 2023

	Business-Type Activities - Enterprise Funds					Governmental Activities Internal Service Funds
	Water Utility Fund	Sewer Utility Fund	Trash and Recycling Fund	Transportation Services Fund	Total	
Assets						
Current Assets						
Equity in cash and cash equivalents	\$ 16,620,788	\$ 1,847,020	\$ 2,850,572	\$ 2,504,226	\$ 23,822,606	\$ 9,996,731
Cash held with fiscal agent	-	29,586	-	-	29,586	-
Receivables						
Accounts	646,393	1,144,109	488,262	122,126	2,400,890	1,512,273
Intergovernmental	-	-	38,400	133,799	172,199	-
Inventory	163,558	27,072	-	-	190,630	418,829
Total Current Assets	17,430,739	3,047,787	3,377,234	2,760,151	26,615,911	11,927,833
Noncurrent Assets						
Note receivable	65,918	13,259	-	-	79,177	-
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	1,265,366	257,812	73,346	-	1,596,524	1,565,833
Depreciable capital assets, net	43,758,060	76,628,431	1,718,311	5,296,069	127,400,871	9,408,368
Total Noncurrent Assets	52,138,197	77,220,811	1,881,279	9,182,904	140,423,191	11,042,090
Total Assets	69,568,936	80,268,598	5,258,513	11,943,055	167,039,102	22,969,923
Liabilities						
Current Liabilities						
Accounts payable	361,451	221,691	69,385	21,458	673,985	1,822,292
Accrued payroll	24,320	25,552	17,292	42,070	109,234	15,719
Compensated Absences - due in one year	45,457	30,043	32,245	73,696	181,441	24,217
Interfund payable	-	-	-	-	-	20,000
Loan payable	205,804	2,526,093	-	-	2,731,897	-
Loan payable EPC short term	-	-	-	-	-	88,322
Interest Payable	-	310,891	-	-	310,891	-
Interest payable EPC loan	-	-	-	-	-	98,856
Unearned revenue	-	-	4,000	-	4,000	-
Total Current Liabilities	637,032	3,114,270	122,922	137,224	4,011,448	2,069,406
Loan payable net of current portion	1,920,383	40,306,739	-	-	42,227,122	4,086,140
Long Term Liabilities						
Compensated absences net of current portion	45,456	30,043	32,245	73,697	181,441	24,218
Total Long Term Liabilities	45,456	30,043	32,245	73,697	181,441	24,218
Total Liabilities	2,602,871	43,451,052	155,167	210,921	46,420,011	6,179,764
Net position						
Net investment in capital assets	49,940,392	35,316,710	1,881,278	9,182,904	96,321,284	6,986,992
Restricted	-	29,586	-	-	29,586	6,823,627
Unrestricted	17,025,673	1,471,250	3,222,068	2,549,230	24,268,221	2,979,540
Total Net Position - Fund Level	\$ 66,966,065	\$ 36,817,546	\$ 5,103,346	\$ 11,732,134	\$ 120,619,091	\$ 16,790,159

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, 2023

	Business-Type Activities - Enterprise Funds					Governmental Activities - Internal Service Funds
	Water Utility Fund	Sewer Utility Fund	Trash and Recycling Fund	Transportation Services Fund	Total	
Operating Revenues						
Charges for sales and services	\$ 5,686,502	\$ 8,210,899	\$ 3,408,423	\$ 2,178,463	\$ 19,484,287	\$ 5,014,878
Services provided	-	-	-	-	-	10,194,873
Miscellaneous	21,178	62,838	94,123	147,304	325,443	110,366
Total Operating Revenues	5,707,680	8,273,737	3,502,546	2,325,767	19,809,730	15,320,117
Operating Expenses						
Administration	525,122	357,117	5,201	357,294	1,244,734	4,862,347
Source of supply	5,321	-	-	-	5,321	-
Pumping	93,861	-	-	-	93,861	-
Transmission and distribution	1,582,513	-	-	-	1,582,513	-
Treatment	1,241,208	2,146,649	-	-	3,387,857	-
Meter reading and repairs	218,832	-	-	-	218,832	-
Parking operations	-	-	-	838,736	838,736	-
Collections	-	1,222,186	1,486,842	-	2,709,028	-
Recycling	-	-	931,271	-	931,271	-
Recycling center	-	-	511,182	-	511,182	-
Sustainability	-	-	249,167	-	249,167	-
Loop system	-	-	-	3,176,549	3,176,549	-
Multi-modal	-	-	-	206,896	206,896	-
Building maintenance	60,476	4,878	-	-	65,354	(2,981,279)
Equipment maintenance	-	-	-	-	-	1,912,389
Insurance claims and premiums	-	-	-	-	-	1,818,706
Medical claims and premiums	-	-	-	-	-	7,092,103
Non-departmental	796,910	574,786	123,295	(180,767)	1,314,224	16,571
Payment for services	644,629	629,742	195,195	265,223	1,734,789	9,464
Depreciation	1,854,671	2,688,518	137,773	392,871	5,073,833	1,169,775
Total Operating Expenses	7,023,543	7,623,876	3,639,926	5,056,802	23,344,147	13,900,076
Operating Income (Loss)	(1,315,863)	649,861	(137,380)	(2,731,035)	(3,534,417)	1,420,041
Non-Operating Revenues (Expenses)						
Gain (loss) on the sale of capital assets	-	-	-	(5,928)	(5,928)	117,105
Intergovernmental grants	-	-	84,479	943,907	1,028,386	789,696
Investment earnings	818,862	131,320	134,070	146,669	1,230,921	418,495
Interest expense	(44,417)	(713,698)	-	-	(758,115)	(98,856)
Total Nonoperating Revenues (Expenses)	774,445	(582,378)	218,549	1,084,648	1,495,264	1,226,440
Income (Loss) Before Capital Contributions and Transfers	(541,418)	67,483	81,169	(1,646,387)	(2,039,153)	2,646,481
Capital contributions	1,361,294	403,555	165,212	101,372	2,031,433	(101,372)
Transfers in	-	6,937,391	140,500	756,075	7,833,966	-
Transfers out	-	(8,252,391)	-	-	(8,252,391)	-
Change in Net Position	819,876	(843,962)	386,881	(788,940)	(426,145)	2,545,109
Net Position Beginning of Year	66,146,189	37,661,508	4,716,465	12,521,074	121,045,236	14,245,050
Net Position End of Year	\$ 66,966,065	\$ 36,817,546	\$ 5,103,346	\$ 11,732,134	\$ 120,619,091	\$ 16,790,159

See accompanying notes to the basic financial statements.

City of Durango, Colorado
Statement of Cash Flows
Proprietary Funds
For the Year Ended December 31, 2023

	Water Utility Fund	Sewer Utility Fund	Trash and Recycling Fund	Transportation Services Fund	Total	Governmental and Business Type Activities-Internal Services Fund
<u>Cash flows from operating activities</u>						
Cash received from customers and users	\$ 5,654,669	\$ 8,156,262	\$ 3,336,096	\$ 2,091,615	\$ 19,238,642	\$ 4,356,576
Transfers from other funds	-	-	-	-	-	9,671,963
Other receipts	21,178	62,838	94,123	147,304	325,443	110,366
Cash payments to suppliers and employees	(5,171,787)	(4,962,917)	(3,499,061)	(4,698,044)	(18,331,809)	(12,160,109)
Net Cash Provided by (Used in) Operating Activities	504,060	3,256,183	(68,842)	(2,459,125)	1,232,276	1,978,796
<u>Cash Flows from Noncapital Financing Activities</u>						
Interfund borrowing	-	-	-	-	-	20,000
Intergovernmental Revenue	-	-	-	-	-	789,696
Transfers from other funds	-	(1,315,000)	140,500	756,075	(418,425)	-
Net cash provided by (used for) noncapital financing activities	-	(1,315,000)	140,500	756,075	(418,425)	809,696
<u>Cash flows from capital and related financing activities</u>						
Principal paid on capital debt	(201,848)	(2,540,767)	-	-	(2,742,615)	-
Interest paid on capital debt	(44,417)	(467,240)	-	-	(511,657)	-
Sale of capital assets	-	-	-	(5,928)	(5,928)	117,105
Contributed capital	867,525	280,810	-	101,372	1,249,707	-
Intergovernmental capital grants	-	-	46,079	810,108	856,187	-
Purchase of capital assets	(2,476,272)	(650,564)	(39,376)	(362,402)	(3,528,614)	(2,658,445)
Net cash used for capital and related financing	(1,855,012)	(3,377,761)	6,703	543,150	(4,682,920)	(2,541,340)
<u>Cash flows from investing activities</u>						
Investment earnings	818,862	131,320	134,070	146,669	1,230,921	418,496
Payments of loan receivables	10,808	2,822	-	-	13,630	-
Net cash provided by investing activities	829,670	134,142	134,070	146,669	1,244,551	418,496
Net change in cash and equivalents	(521,282)	(1,302,436)	212,431	(1,013,231)	(2,624,518)	665,648
Cash and equivalents, beginning of year	17,142,070	3,149,456	2,638,141	3,517,457	26,447,124	9,331,083
Cash and equivalents, end of year	\$ 16,620,788	\$ 1,847,020	\$ 2,850,572	\$ 2,504,226	\$ 23,822,606	\$ 9,996,731
Operating income (loss)	\$ (1,315,863)	\$ 649,861	\$ (137,380)	\$ (2,731,035)	\$ (3,534,417)	\$ 1,420,041
Adjustments to reconcile operating income to net cash provided by operating activities						
Depreciation	1,854,671	2,688,518	137,773	392,871	5,073,833	1,169,775
Decrease (increase) in accounts receivable	(31,833)	105,313	(76,327)	(86,848)	(89,695)	(1,181,212)
Decrease (increase) in inventory	12,055	(6,673)	-	-	5,382	(20,336)
Decrease (increase) in accounts payable	5,084	(6,108)	22,645	(39,127)	(17,506)	634,249
Decrease (increase) in accrued liabilities	1,970	2,622	386	3,652	8,630	5,034
Decrease (increase) deferred revenues	-	(159,950)	4,000	-	(155,950)	-
Decrease (increase) in compensated absences	(22,024)	(17,400)	(19,939)	1,362	(58,001)	(48,755)
Total adjustments	1,819,923	2,606,322	68,538	271,910	4,766,693	558,755
Net cash provided by (Used in) operating activities	\$ 504,060	\$ 3,256,183	\$ (68,842)	\$ (2,459,125)	\$ 1,232,276	\$ 1,978,796
<u>Noncash flow from capital and related financing activities</u>						
Capital assets acquired through Energy Performance Contract	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 4,174,462
Donation of capital assets	\$ 493,770	\$ 122,745	\$ 165,212	\$ -	\$ 781,727	\$ -
	\$ 493,770	\$ 122,745	\$ 165,212	\$ -	\$ 781,727	\$ 4,174,462

See accompanying notes to the basic financial statements.

City of Durango, Colorado
Notes to the Basic Financial Statements
For the Year Ended December 31, 2023

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City of Durango, Colorado
Notes to the Basic Financial Statements
For the Year Ended December 31, 2023

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. 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.

City of Durango, Colorado
Notes to the Basic Financial Statements
For the Year Ended December 31, 2023

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— The grants fund accounts for all governmental grant resources except those required to be accounted for in another fund. The grants funds are utilized per the grant agreement.

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:

City of Durango, Colorado
Notes to the Basic Financial Statements
For the Year Ended December 31, 2023

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.

City of Durango, Colorado
Notes to the Basic Financial Statements
For the Year Ended December 31, 2023

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.

City of Durango, Colorado
Notes to the Basic Financial Statements
For the Year Ended December 31, 2023

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. With the passage of SB23B-001 in the 2023 extraordinary session, assessment calendar changes affected the ability to reflect receivable of property taxes due to the delay in certification until January 9, 2024. Unbilled water and sewer charges are accrued as receivables and revenue at December 31, 2023.

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, 2023, 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

City of Durango, Colorado
Notes to the Basic Financial Statements
For the Year Ended December 31, 2023

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 deferred outflow of resources. A deferred outflow of resources related to the City Old Hire Fire and Police Pension Plans have been recorded as of December 31, 2023, which consists of two components: 1) contributions subsequent to measurement date; and 2) a change in investment earnings. The other item that qualifies as a deferred outflow of resources is a deferred loss on refunding from the difference in the carrying value of refunded debt and its reacquisition price. This amount is deferred and amortized over the shorter of the life of the refunded or refunding debt.

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 two items which are considered deferred inflows of resources. The City has lease agreements where the City is the lessor and activity 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. There is also a deferred inflow of resources related to the Old Hire Police and Fire Pension Plan (netted with deferred outflows).

City of Durango, Colorado
Notes to the Basic Financial Statements
For the Year Ended December 31, 2023

Note 1 – Summary of Significant Accounting Policies (Continued)

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.

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, 2023, 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.

City of Durango, Colorado
Notes to the Basic Financial Statements
For the Year Ended December 31, 2023

Note 1 – Summary of Significant Accounting Policies (Continued)

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

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.

Assigned Fund Balance– is constrained for specified purposes 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.

City of Durango, Colorado
Notes to the Basic Financial Statements
For the Year Ended December 31, 2023

Note 1 – Summary of Significant Accounting Policies (Continued)

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.

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. 94

The GASB issued Statement No. 94, Public-Private and Public-Public Partnerships (PPPs) and Availability Payment Arrangements, effective for fiscal years beginning after June 15, 2022. The primary objective of this Statement is to improve financial reporting by addressing issues related to PPP arrangements. As used in this Statement, a PPP is an arrangement in which a government (the transferor) contracts with an operator (a governmental or nongovernmental entity) to provide public services by conveying control of the right to operate or use a nonfinancial asset, such as infrastructure or other capital asset (the underlying PPP asset), for a period of time in an exchange or exchange-like transaction. The City's did not have any of these PPP arrangements for the fiscal year ended December 31, 2023

1-E-18 Implementation of GASB Statement No. 96

In March 2020, GASB issued Statement No. 96, *Subscription-Based Information Technology Arrangements*. This Statement provides guidance on the accounting and financial reporting for subscription-based information technology arrangements (SBITAs) for government end users (governments). This Statement (1) defines a SBITA; (2) establishes that a SBITA results in a right-to-use subscription asset—an intangible asset—and a corresponding subscription liability; (3) provides the capitalization criteria for outlays other than subscriptions payments, including implementation costs of a SBITA; and (4) requires note disclosures regarding a SBITA. Implementation of this Statement did not have a significant effect on the on the City's financial statements for the fiscal year ended December 31, 2023.

City of Durango, Colorado
Notes to the Basic Financial Statements
For the Year Ended December 31, 2023

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 governmental funds ended 2023 over budget: Risk Management 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, 2023, the City's cash deposits had a bank balance of \$12,875,294 and a carrying balance of \$12,336,652. At December 31, 2023, of the City's deposits \$250,000 was covered by the Federal Deposit Insurance Corporation (FDIC), and \$12,625,294 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. In 2023, credits of \$319,900 were used towards the leveraged loan payment. The remaining credit balance of \$29,586 will be applied to 2024 loan payments. The Authority's investments are either in local government investment pools or U.S. Treasuries or Obligations.

City of Durango, Colorado
Notes to the Basic Financial Statements
For the Year Ended December 31, 2023

Note 3 - Detailed Notes on All Funds (Continued)

3-A. Deposits and Investments (continued)

At December 31, 2023 the bank and carrying balance of the Durango Conference Center Business Improvement District was \$227,990 and \$222,624 respectively. The amount of coverage by the Federal Deposit Insurance Corporation (FDIC) was \$227,990.

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, 2023, the City had \$3,273,832 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, 2023 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, 2023, the City had \$8,702,535 invested in the Colorado Surplus Asset Fund Trust (CSAFE) General and \$62,909,302 invested in CSAFE Core. CSAFE is an investment vehicle established for local government entities in Colorado to pool surplus funds. At December 31, 2023 CSAFE had a weighted average maturity of 60 days or less. Investments in CSAFE are shown at amortized cost for financial reporting purposes.

City of Durango, Colorado
Notes to the Basic Financial Statements
For the Year Ended December 31, 2023

Note 3 - Detailed Notes on All Funds (Continued)

3-A. Deposits and Investments (continued)

CSAFE is rated AAmmf 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. As of December 31, 2023 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	\$ 3,273,832	-	\$ 3,273,832	4%
CSAFE	AAmmf	8,702,535	-	8,702,535	10%
CSAFE - CORE	AAAF/S1	62,909,302	-	62,909,302	72%
US Treasury (managed)	AA+	1,739,903	8,923,521	10,663,424	12%
Other securities (managed)	Lowest is A-	-	1,573,049	1,573,049	2%
Cash Equivalents (managed)	AAAm	284,076	-	284,076	-%
Total		<u>\$ 76,909,648</u>	<u>\$ 10,496,570</u>	<u>\$ 87,406,218</u>	

Reconciliation to Total Cash and Investments

Investments		\$ 87,406,218
Add:		
Cash on Hand and in Banks		12,336,653
Component Unit		222,524
Cash held with fiscal agent	\$ 29,586	
Investment in Mission Square	37,845	
Investment in Empower Retirement	54,156	
Restricted Cash and Investments		121,587
Joint ventures share of pooled cash		(15,992,670)
Total Cash and Investments		<u>\$ 84,094,312</u>

City of Durango, Colorado
Notes to the Basic Financial Statements
For the Year Ended December 31, 2023

Note 3 - Detailed Notes on All Funds (Continued)

3-A. Deposits and Investments (continued)

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

Fund Reporting level:

Governmental Funds - Cash on Hand	\$ 5,224
Governmental Funds - Equity in treasurer's cash and investments	49,411,111
Governmental Funds - Cash held in escrow	606,530
Proprietary Fund Type Statement of Net Position - Proprietary Funds	23,822,605
Proprietary Fund Type Statement of Net Position - Internal Service	9,996,731
Cash held with fiscal agent- Sewer Fund	29,586
Cash and investments - Component Unit	222,524
Total	<u><u>\$ 84,094,311</u></u>

Government-wide level:

Cash and investments Governmental Activities - primary government	\$ 60,019,595
Cash and investments Business Type Activities - primary	23,822,606
Restricted assets	29,586
Cash and investments - Component Unit	222,524
	<u><u>\$ 84,094,311</u></u>

Durango Conference Center Business Improvement District:

Cash on hand	\$ 100
Cash on deposit	222,424
	<u><u>\$ 222,524</u></u>

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 than 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, 2023. 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.

City of Durango, Colorado
Notes to the Basic Financial Statements
For the Year Ended December 31, 2023

Note 3 - Detailed Notes on All Funds (Continued)

3-B. Receivables

Receivables at December 31, 2023, 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, 2023 the largest of these is a loan for \$4,000,000, recorded in the Housing Fund. The City with Developer TWG secured this funding for a hotel conversion project for low income housing. This note carries an interest rate of 1%. Principal and accrued interest on this loan is due in 2043. This loan is deemed to be uncollectible and was fully allowed for as of December 31, 2023. In addition there 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 \$314,333. The Water Utility Fund has loans totaling \$65,918 while the Sewer Utility Fund loan total is \$13,259.

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 2023 taxes levied and budgeted for and collectible in calendar year 2024. 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

With the passage of SB23B-001 in the 2023 extraordinary session, assessment calendar changes affected the ability to reflect receivable of property taxes due to the delay in certification until January 9, 2024.

City of Durango, Colorado
Notes to the Basic Financial Statements
For the Year Ended December 31, 2023

Note 3 - Detailed Notes on All Funds (Continued)

3-D. Capital Assets

Capital asset activity for governmental activities including internal service funds for the year ended December 31, 2023, were as follows:

	Balance 1/1/2023	Additions	Deductions	Transfers/ Adjustments	Balance 12/31/2023
Governmental activities:					
Capital assets not being depreciated					
Land	\$ 31,996,676	\$ 2,601,564	\$ -	\$ 6,900	\$ 34,605,140
Construction in progress	2,420,147	5,717,846	-	(514,443)	7,623,550
Total capital assets not being depreciated	34,416,823	8,319,410	-	(507,543)	42,228,690
Other capital assets:					
Buildings	48,576,789	6,406,444	(247,104)	-	54,736,129
Improvements	14,811,101	524,901	(168,875)	148,025	15,315,152
Equipment	26,719,077	6,213,890	(386,198)	359,518	32,906,287
Infrastructure	253,075,474	3,757,115	-	-	256,832,589
Total depreciable capital assets	343,182,441	16,902,350	(802,177)	507,543	359,790,157
Accumulated depreciation:					
Buildings	18,282,917	1,023,226	(168,489)	-	19,137,654
Improvements	2,126,024	493,807	(33,775)	-	2,586,056
Equipment	17,929,961	1,651,975	(386,198)	-	19,195,738
Infrastructure	148,775,251	7,736,062	-	-	156,511,313
Total accumulated depreciation	187,114,153	10,905,070	(588,462)	-	197,430,761
Total depreciable capital assets, net	156,068,288	5,997,280	(213,715)	507,543	162,359,396
Governmental activities capital assets, net	\$ 190,485,111	\$ 14,316,690	\$ (213,715)	\$ -	\$ 204,588,086
Right to use leased assets being amortized					
Right to use leased building	199,810	43,433	-	-	243,243
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	43,433	-	-	540,259
Less Accumulated Amortization for					
Right to use leased building	58,767	105,268	-	-	164,035
Right to use leased equipment	18,944	57,666	-	-	76,610
Right to use leased land	6,642	6,642	-	-	13,284
Total accumulated amortization	84,353	169,576	-	-	253,929
Net right to use leased assets	412,473	(126,143)	-	-	286,330
Total capital assets, net	\$ 190,897,584	\$ 14,190,547	\$ (213,715)	\$ -	\$ 204,874,416

City of Durango, Colorado
Notes to the Basic Financial Statements
For the Year Ended December 31, 2023

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, 2023:

	Balance 1/1/2023	Additions	Deductions	Transfers/ Adjustments	Balance 12/31/2023
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	2,617,911	1,227,257	-	(2,248,644)	1,596,524
Total capital assets not being depreciated	13,964,530	1,227,257	-	(2,248,644)	12,943,143
Other capital assets:					
Buildings	87,805,090	-	-	-	87,805,090
Equipment	10,504,698	975,763	(323,042)	8,798	11,166,217
Infrastructure	79,965,283	2,153,249	(11,714)	2,239,846	84,346,664
Total depreciable capital assets	178,275,071	3,129,012	(334,756)	2,248,644	183,317,971
Accumulated depreciation:					
Buildings	12,482,166	2,413,998	-	-	14,896,164
Equipment	6,650,766	539,288	(279,750)	-	6,910,304
Infrastructure	31,999,166	2,120,547	(9,079)	-	34,110,635
Total accumulated depreciation	51,132,098	5,073,833	(288,828)	-	55,917,102
Total depreciable capital assets, net	127,142,973	(1,944,821)	(45,928)	2,248,644	127,400,869
Business type activities capital assets, net	\$ 141,107,503	\$ (717,564)	\$ (45,928)	\$ -	\$ 140,344,012

City of Durango, Colorado
Notes to the Basic Financial Statements
For the Year Ended December 31, 2023

Note 3 - Detailed Notes on All Funds (Continued)

3-D. Capital Assets (continued)

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

General government	\$ 1,454,019
Public safety	50,233
Public works	6,399,028
Library	446,555
Parks and recreation	2,724,811
Total governmental activities depreciation	<u>\$ 11,074,646</u>

Business-type activities depreciation expense is allocated as follows:

Water	\$ 1,854,671
Sewer	2,688,518
Trash and Recycle	137,773
Transportation Services	392,871
Total business-type activities depreciation	<u>\$ 5,073,833</u>

3-E. – Interfund Balances and Transfers

Of the interfund balances for the year ended December 31, 2023, the \$20,000 interfund receivable from the general fund to the general services fund is related to a short-term cash loan that will be paid back in 2024.

Fund Level	Interfund Receivable	Interfund Payable
General Fund	\$ 20,000	\$ -
Internal Service Fund	-	20,000
	<u>\$ 20,000</u>	<u>\$ 20,000</u>

City of Durango, Colorado
Notes to the Basic Financial Statements
For the Year Ended December 31, 2023

Note 3 - Detailed Notes on All Funds (Continued)

3-E. – Interfund Balances and Transfers

Transfers To	Transfers From				
	General Fund	Grants Fund	Non-major Governmental Funds	Sewer Fund	Total
General fund	\$ -	\$ 6,222	\$ 1,474,316	\$ -	\$ 1,480,538
Non-major	7,559,916	-	3,135,636	1,315,000	12,010,552
Transportation	-	-	756,075	-	756,075
Trash and Recycle	-	-	140,500	-	140,500
	<u>\$ 7,559,916</u>	<u>\$ 6,222</u>	<u>\$ 5,506,527</u>	<u>\$ 1,315,000</u>	<u>\$ 14,387,665</u>

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.

City of Durango, Colorado
Notes to the Basic Financial Statements
For the Year Ended December 31, 2023

Note 3 - Detailed Notes on All Funds (Continued)

3-G. Leases

Lessor

The City leases land and buildings for several leases as the lessor. Lease revenue in 2023 was \$282,294 and lease interest revenue was \$43,851. 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 3.31% and is based on State and Local Government Series (SLGS) securities statistics. For these leases the City is reporting lease receivables of \$1,364,808 and deferred inflow of resources of \$1,336,826 as of December 31, 2023. Final receipt is expected in fiscal year 2043.

Future minimum payments:

<u>Fiscal Year</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2024	\$ 273,277	\$ 39,228	\$ 312,505
2025	192,120	32,724	224,844
2026	116,338	27,381	143,719
2027	124,073	23,957	148,030
2028	132,147	20,324	152,471
2029-2033	266,661	61,559	328,220
2034-2038	173,379	32,364	205,743
2039-2043	86,813	4,356	91,169
Total	\$ 1,364,808	\$ 241,893	\$ 1,606,701

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 2023 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 \$540,259 and lease liabilities of \$294,078 as of December 31, 2023. The interest rate by lease ranges from 1.35% to 6.15% 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, 2023, is \$286,330.

Future minimum payments:

<u>Fiscal Year</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2024	\$ 145,423	\$ 7,014	\$ 152,437
2025	53,452	3,833	57,285
2026	50,904	2,038	52,942
2027	44,299	582	44,881
Total	\$ 294,078	\$ 13,467	\$ 307,545

City of Durango, Colorado
Notes to the Basic Financial Statements
For the Year Ended December 31, 2023

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, 2023:

Governmental Activities	Balance			Balance	Amounts Due
	January 1, 2023	Additions	Deletions	December 31, 2023	
Direct Borrowings and Placements					
2014 Certificates of Participation	\$ 1,835,000	\$ -	\$ 125,000	\$ 1,710,000	\$ 130,000
2016 Sales & Uses Refunding Note	3,400,000	-	1,110,000	2,290,000	1,130,000
2017 Sales & Uses Refunding Note	6,960,000	-	1,095,000	5,865,000	1,120,000
Energy Performance Contract Lease/ Purchase Agreement	-	4,174,462	-	4,174,462	88,322
Compensated absences	1,999,005	933,821	1,233,685	1,699,141	849,571
Compensated absences - ISF	97,189	24,346	73,101	48,434	24,217
Subtotal	14,291,194	5,132,629	3,636,786	15,787,037	3,342,110
Lease Liability	416,971	43,433	166,326	294,078	145,423
Total Governmental Activities	<u>\$ 14,708,165</u>	<u>\$ 5,176,062</u>	<u>\$ 3,803,112</u>	<u>\$ 16,081,115</u>	<u>\$ 3,487,533</u>
Business Type Activities	Balance			Balance	Amounts Due
	January 1, 2023	Additions	Deletions	December 31, 2023	
Direct Borrowings and Placements					
Colorado Water Loan - Water	\$ 2,328,034	\$ -	\$ 201,848	\$ 2,126,186	\$ 205,803
Colorado Water Loan - Sewer	44,431,609	-	2,481,893	41,949,716	2,526,094
Loan Premium Amortization	941,990	-	58,874	883,116	58,874
Compensated absences - enterprise funds	420,884	227,268	285,269	362,883	181,442
Total Business Type Activities	<u>\$ 48,122,517</u>	<u>\$ 227,268</u>	<u>\$ 3,027,884</u>	<u>\$ 45,321,901</u>	<u>\$ 2,972,213</u>

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, 2023 follow:

Year Ending	Principal	Interest	Total
2024	1,130,000	46,716	1,176,716
2025	1,160,000	23,664	1,183,664
Total	<u>\$ 2,290,000</u>	<u>\$ 70,380</u>	<u>\$ 2,360,380</u>

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.

City of Durango, Colorado
Notes to the Basic Financial Statements
For the Year Ended December 31, 2023

Note 3 - Detailed Notes on All Funds (Continued)

3-H. Long-Term Debt (continued)

The amount of the deferred outflow on the refunding is \$182,693. 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, 2023 follow:

Year Ending	Principal	Interest	Total
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	<u>\$ 5,865,000</u>	<u>\$ 423,522</u>	<u>\$ 6,288,522</u>

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
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	222,413	23,852	246,265
2029-2033	1,056,046	52,150	1,108,196
Total	<u>\$ 2,126,186</u>	<u>\$ 213,337</u>	<u>\$ 2,339,523</u>

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 2024, a total of \$29,586 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.

City of Durango, Colorado
Notes to the Basic Financial Statements
For the Year Ended December 31, 2023

Note 3 - Detailed Notes on All Funds (Continued)

3-H. Long-Term Debt (Continued)

Year Ending	Principal	Interest	Total
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	2,652,863	618,588	3,271,451
2029-2033	13,703,733	2,654,382	16,358,115
2034-2038	15,267,367	1,087,922	16,355,289
Total	<u>\$ 41,949,716</u>	<u>\$ 7,121,694</u>	<u>\$ 49,071,410</u>

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, 2023 follows:

Year Ending	Principal	Interest	Total
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	150,000	40,600	190,600
2029-2033	825,000	120,751	945,751
2034	185,000	6,475	191,475
Total	<u>\$ 1,710,000</u>	<u>\$ 379,227</u>	<u>\$ 2,089,227</u>

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.

City of Durango, Colorado
Notes to the Basic Financial Statements
For the Year Ended December 31, 2023

Energy Contract Performance Lease Purchase - On May 30, 2023, the City entered into an agreement to finance the acquisition of certain improvements at various city facilities as part of an Energy Performance Contract (EPC). The improvements are funded with a \$4,204,344 Equipment Lease/Purchase Agreement including a \$60,000 cost of issuance. The total debt and total gross asset balance are both \$4,174,462 due to the discount rate. Project funds are deposited in an escrow account. Disbursements are made from the escrow account to pay for the cost of acquiring the Equipment/Improvements. The energy performance improvements are recorded as capital asset. Annual payments, including principal and interest accruing at 3.981%, are due on March 1, 2024 through 2043, following the payment scheduled as outlined in the Lease/Purchase Agreement. A penalty-free pre-payment is allowable up to \$1,200,000 at any point prior to March 1, 2026. Beginning on March 1, 2024 through March 1, 2034, the City of Durango has the option to prepay its obligations in whole only with a prepayment premium of 102% of the outstanding principal balance remaining. Beginning on March 1, 2035 through the Maturity Date, the city of Durango has the option to prepay its obligations under this lease in whole only with a prepayment premium of 101% of the outstanding principal balance. In the event of default, the lessor may repossess the improvements.

Year	Principal	Interest	Total
2024	\$ 89,655	\$ 125,996	\$ 215,651
2025	74,319	163,806	238,125
2026	85,933	160,847	246,780
2027	108,905	157,426	266,331
2028	120,232	153,091	273,323
2029-2033	796,338	683,653	1,479,991
2034-2038	1,198,835	494,900	1,693,735
2039-2043	1,730,127	216,283	1,946,410
Total	<u>\$ 4,204,344</u>	<u>\$ 2,156,002</u>	<u>\$ 6,360,346</u>

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.

City of Durango, Colorado
Notes to the Basic Financial Statements
For the Year Ended December 31, 2023

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, 2023 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, 2023 there are no active members in the plan.

Membership of each plan was comprised of the following on December 31, 2023:

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

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.

City of Durango, Colorado
Notes to the Basic Financial Statements
For the Year Ended December 31, 2023

Note 3 - Detailed Notes on All Funds (Continued)

3-I. Pensions (continued)

Contributions to the plans for the year ended December 31, 2023 were as follows:

	Fire Pension	Police Pension
Employer Contributions	\$ 262,180	\$ 301,995

Net Pension Liability – Fire Plan

The City of Durango's net pension liability for the Plan is measured as of December 31, 2023, 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, 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.

City of Durango, Colorado
Notes to the Basic Financial Statements
For the Year Ended December 31, 2023

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%	4.40%
Fixed Income-Rates	70.00%	4.90%
Fixed Income-Credits	10.00%	6.60%
Absolute Return	0.00%	6.90%
Equity Long/Short	0.00%	6.70%
Global Equity	10.00%	8.70%
Private Capital	0.00%	10.20%
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%.

City of Durango, Colorado
Notes to the Basic Financial Statements
For the Year Ended December 31, 2023

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, 2023

Total pension liability	
Interest on the Total Pension Liability	\$ 96,966
Benefit Changes	97,548
Difference between expected and actual experience of the Total Pension Liability	-
Changes of assumptions	
Benefit payments	(183,555)
Net change in total pension - liability	10,959
Total pension liability - beginning	2,148,030
Total pension liability - ending	\$ 2,158,989
Plan fiduciary net position	
Contribution - employer	\$ 152,371
Net investment income	(112,425)
Benefit payments	(183,555)
Pension Plan Administrative Expense	(4,916)
Net change in plan fiduciary net position	(148,525)
Plan fiduciary net position - beginning	914,548
Plan fiduciary net position - ending	766,023
Net pension liability/(asset)	\$ 1,392,966
Plan fiduciary net position as percentage of total pension liability	35.48%

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	\$ 1,573,938	\$ 1,392,966	\$ 1,236,392

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, 2023, the City recognized pension expense of \$197,094. At December 31, 2023, the City reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

City of Durango, Colorado
Notes to the Basic Financial Statements
For the Year Ended December 31, 2023

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	\$ 145,100	\$ 20,886
Contributions Subsequent to measurement date	262,180	-
Total	<u>\$ 407,280</u>	<u>\$ 20,886</u>

\$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:

2024	\$ 22,786
2025	32,690
2026	38,182
2027	30,556
Total	<u>\$ 124,214</u>

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, 2023 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.

City of Durango, Colorado
Notes to the Basic Financial Statements
For the Year Ended December 31, 2023

Note 3 - Detailed Notes on All Funds (Continued)

3-I. Pensions (continued)

The primary changes, which can be observed in the January 1, 2023 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%	4.40%
Fixed Income-Rates	70.00%	4.90%
Fixed Income-Credits	10.00%	6.60%
Absolute Return	0.00%	6.90%
Equity Long/Short	0.00%	6.70%
Global Equity	10.00%	8.70%
Private Capital	0.00%	10.20%
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%.

City of Durango, Colorado
Notes to the Basic Financial Statements
For the Year Ended December 31, 2023

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, 2023

Total pension liability	
Interest on the Total Pension Liability	\$ 153,156
Benefit Changes	126,687
Difference between expected and actual experience of the Total Pension Liability	-
Changes of assumptions	
Benefit payments	(281,001)
Net change in total pension - liability	(1,158)
Total pension liability - beginning	3,415,729
Total pension liability - ending	<u>\$ 3,414,571</u>
Plan fiduciary net position	
Contribution - employer	\$ 160,894
Net investment income	(170,587)
Benefit payments	(281,001)
Pension Plan Administrative Expense	(5,187)
Net change in plan fiduciary net position	(295,881)
Plan fiduciary net position - beginning	1,410,184
Plan fiduciary net position - ending	<u>1,114,303</u>
Net pension liability/(asset)	<u><u>\$ 2,300,268</u></u>
Plan fiduciary net position as percentage of total pension liability	32.63%

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	\$ 2,590,775	\$ 2,300,268	\$ 2,048,389

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, 2023, the City recognized pension expense of \$160,894. At December 31, 2023, the City reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

City of Durango, Colorado
Notes to the Basic Financial Statements
For the Year Ended December 31, 2023

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	\$ 220,302	\$ 32,292
Contributions Subsequent to measurement date	301,995	-
Total	<u>\$ 522,297</u>	<u>\$ 32,292</u>

\$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:

2024	\$ 34,500
2025	49,240
2026	58,017
2027	46,253
Total	<u>\$ 188,010</u>

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 Mission Square Retirement Corporation. Each participant has an individual account with Mission Square 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 \$37,384 to reduce the City share of contributions. As of December 31, 2023, the City had \$36,703 in unapplied forfeitures, which are reported as cash in these financial statements.

The City's total payroll for the year ended December 31, 2023 was \$27,085,644. The City's payroll for employees covered by the plan was \$4,486,848. The contribution to the plan totaled \$906,344, which consists of \$403,817 contributed by employees and \$502,527 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.

City of Durango, Colorado
Notes to the Basic Financial Statements
For the Year Ended December 31, 2023

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 \$192,111 to reduce the City share of contributions. As of December 31, 2023, the City had \$37,384 in unapplied forfeitures, which are reported as cash in these financial statements.

The City's total payroll for the year ended December 31, 2023 was \$27,085,644. The City's payroll for employees covered by the plan was \$25,142,924. The contribution to the plan totaled \$4,022,233 which consists of \$1,792,085 contributed by employees and \$2,230,148 contributed by the City.

The net aggregate pension expense for all pension plans was \$2,732,675.

3-J. Net Investment in Capital Assets

Net investment in capital assets on the government-wide statement of net position as of December 31, 2023 are as follows:

	Governmental Activities	Business Type Activities
Cost of Capital Assets	\$ 402,559,106	\$ 196,261,112
Less accumulated depreciation	(197,684,690)	(55,917,099)
Book value	204,874,416	140,344,013
Less capital related debt	(14,039,462)	(43,133,913)
Less retainage	(101,894)	(5,700)
Less unamortized balance of premium on capital-related debt	-	(883,116)
Less lease liability	(294,078)	-
Add unamortized balance of capital- related loss on refunding	182,693	-
Net investment in capital assets	<u>\$ 190,621,675</u>	<u>\$ 96,321,284</u>

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	<u>\$ 391,885</u>

City of Durango, Colorado
Notes to the Basic Financial Statements
For the Year Ended December 31, 2023

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	\$ 1,872,293
Pension	92,002
Total	<u>\$ 1,964,295</u>

Grants Fund:

ARPA	168,401
Total	<u>\$ 168,401</u>

Nonmajor Governmental Funds:

2007 Sales Tax Bond Debt	182,914
Conservation Trust	963,150
Total	<u>\$ 1,146,064</u>

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

General Fund:

Police confiscations	<u>\$ 1,684</u>
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Nonmajor Governmental Funds:

Streets Improvement	\$ 9,018,526
Durango Tourism	1,975,660
Recreation Complex/Trails	10,248,828
Road Impact	426,555
Housing	4,799,481
Storm Drainage	8,882
Parks and Recreation Development Fund	209,606
Durango Renewal Partnership	367,484
Capital projects	2,043,064
Revolving loan	3,111
Capital Improvement Fund	934,533
Parks, Open Space and Trails	6,208,250
Total	<u>\$ 36,243,980</u>

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

General Fund:

Fund Balance Reserve	\$ 10,704,899
PEG Fees	89,863
Donations	16,706
Total	<u>\$ 10,811,468</u>

City of Durango, Colorado
Notes to the Basic Financial Statements
For the Year Ended December 31, 2023

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 2023. 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, 2023 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
2021	366,281	4,804,272	4,863,104	487,449
2022	487,448	5,710,862	5,249,951	948,359
2023	948,359	3,691,618	4,280,860	359,117

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.

City of Durango, Colorado
Notes to the Basic Financial Statements
For the Year Ended December 31, 2023

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, 2023. 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 \$76,245,522. 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 \$38,122,761, as of December 31, 2023. 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 2023
Assets:	
Current assets	\$ 20,537,890
Capital assets	58,000,662
Long-term lease receivable	2,411,506
Total assets	<u>80,950,058</u>
Liabilities:	
Current liabilities	1,368,766
Long-term liabilities	81,125
Deferred inflows related to leases	3,254,645
Total liabilities	<u>4,704,536</u>
Net Position:	
Net investment in Capital Assets	57,817,235
Restricted	6,285,393
Unrestricted	12,142,894
Total net position	<u><u>\$ 76,245,522</u></u>

City of Durango, Colorado
Notes to the Basic Financial Statements
For the Year Ended December 31, 2023

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 2023
Revenues:	
Operating revenues	\$ 5,768,913
Non-operating revenues	8,786,536
Total revenues	<u>14,555,449</u>
Expenses:	
Operating expense	4,376,713
Depreciation	4,221,446
Total expenses	<u>8,598,159</u>
Changes in net position	5,957,290
Beginning net position	70,288,232
Ending net position	<u><u>\$ 76,245,522</u></u>

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 \$1,870,609. 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, 2023

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,	2015	2016	2017	2018	2019	2020	2021	2022
	2016	2017	2018	2019	2020	2021	2022	2023
Total pension liability								
Interest on the Total Pension Liability	\$ 156,903	\$ 167,874	\$ 162,946	\$ 166,841	\$ 160,868	\$ 117,019	\$ 111,529	\$ 96,966
Benefit Changes	-	131,823	-	120,167	-	-	133,811	97,548
Difference between expected and actual experience	19,701	-	17,472	-	21,086	-	(455,288)	-
Changes of assumptions	91,649	-	-	-	521,325	-	-	-
Benefit payments	(242,277)	(238,568)	(257,593)	(239,393)	(253,843)	(239,743)	(238,262)	(183,555)
Net change in total pension liability	25,976	61,129	(77,175)	47,615	449,436	(122,724)	(448,210)	10,959
Total pension liability - beginning	2,210,983	2,236,959	2,299,088	2,221,913	2,269,528	2,718,964	2,596,240	2,148,030
Total pension liability - ending	\$ 2,236,959	\$ 2,298,088	\$ 2,221,913	\$ 2,269,528	\$ 2,718,964	\$ 2,596,240	\$ 2,148,030	\$ 2,158,989
Plan fiduciary net position								
Contribution - employer	\$ 117,868	\$ 117,868	\$ 126,278	\$ 258,101	\$ 142,388	\$ 137,304	\$ 176,893	\$ 152,371
Net investment income	19,430	49,741	130,707	(1,245)	120,642	70,544	4,281	(112,425)
Benefit payments	242,277	(238,568)	(257,593)	(239,393)	(253,843)	(239,743)	(238,262)	(183,555)
Pension Plan Administrative Expense	5,037	(4,730)	(2,004)	(5,777)	(2,419)	(4,871)	(2,384)	(4,916)
Net change in plan fiduciary net position	384,612	(75,689)	(2,612)	11,686	6,768	(36,766)	(59,472)	(148,525)
Plan fiduciary net position - beginning	1,180,649	1,070,633	994,944	992,332	1,004,018	1,010,786	974,020	914,548
Plan fiduciary net position - ending	\$ 1,565,261	\$ 994,944	\$ 992,332	\$ 1,004,018	\$ 1,010,786	\$ 974,020	\$ 914,548	\$ 766,023
Net pension liability/(asset)	\$ 671,698	\$ 1,304,144	\$ 1,229,581	\$ 1,265,510	\$ 1,708,178	\$ 1,622,220	\$ 1,233,482	\$ 1,392,966
Plan fiduciary net position as percentage of total pension liability	47.86%	43.28%	44.66%	44.24%	37.18%	37.52%	42.58%	35.48%
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,	2014	2015	2016	2017	2018	2019	2020	2021	2022
	2015	2016	2017	2018	2019	2020	2021	2022	2023
Actuarially determined annual required contribution	\$ 117,868	\$ 117,868	\$ 126,278	\$ 126,278	\$ 142,388	\$ 142,388	\$ 151,991	\$ 164,632	\$ 164,632
Contributions in relation to the actuarially determined contribution	117,868	117,868	126,278	126,278	142,388	151,991	137,304	176,893	152,371
Contribution deficiency (excess)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ (9,603)	\$ 14,687	\$ (12,261)	\$ 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.

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

City of Durango, Colorado
Required Supplementary Information
For the Year Ended December 31, 2023

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, 2023

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,

For Reporting Year Ending December 31,	2015	2016	2017	2018	2019	2020	2021	2022
	2016	2017	2018	2019	2020	2021	2022	2023
Total pension liability								
Interest on the Total Pension Liability	\$ 205,124	\$ 216,400	\$ 210,904	\$ 218,807	\$ 213,805	\$ 153,063	\$ 147,138	\$ 153,156
Benefit Changes	-	137,606	-	132,122	-	-	143,858	126,687
Difference between expected and actual experience	(29,987)	-	52,524	-	(116,414)	-	2,514	-
Changes of assumptions	114,413	-	-	-	741,283	-	-	-
Benefit payments	(278,021)	(275,542)	(304,342)	(275,496)	(295,881)	(277,831)	(291,801)	(281,001)
Net change in total pension liability	11,529	78,464	(40,914)	75,433	542,793	(124,768)	1,709	(1,158)
Total pension liability - beginning	2,871,483	2,883,012	2,299,088	2,920,562	2,995,995	3,538,788	3,414,020	3,415,729
Total pension liability - ending	\$ 2,883,012	\$ 2,961,476	\$ 2,258,174	\$ 2,995,995	\$ 3,538,788	\$ 3,414,020	\$ 3,415,729	\$ 3,414,571
Plan fiduciary net position								
Contribution - employer	\$ 110,495	\$ 110,495	\$ 122,870	\$ 260,476	\$ 141,741	\$ 141,741	\$ 184,960	\$ 160,894
Net investment income	29,792	77,637	204,149	(775)	181,762	110,192	6,805	(170,587)
Benefit payments	(278,021)	(275,542)	(304,342)	(275,496)	(295,881)	(277,831)	(291,801)	(281,001)
Pension Plan Administrative Expense	(2,741)	(5,561)	(2,004)	(5,777)	(2,419)	(4,871)	(2,149)	(5,187)
Net change in plan fiduciary net position	(140,475)	(92,971)	20,673	(21,572)	25,203	(30,769)	(102,185)	(295,881)
Plan fiduciary net position - beginning	1,752,280	1,611,805	1,518,834	1,539,507	1,517,935	1,543,138	1,512,369	1,410,184
Plan fiduciary net position - ending	\$ 1,611,805	\$ 1,518,834	\$ 1,539,507	\$ 1,517,935	\$ 1,543,138	\$ 1,512,369	\$ 1,410,184	\$ 1,114,303
Net pension liability/(asset)	\$ 1,271,207	\$ 1,442,642	\$ 718,667	\$ 1,478,060	\$ 1,995,650	\$ 1,901,651	\$ 2,005,545	\$ 2,300,268
Plan fiduciary net position as percentage of total pension liability	61.02%	55.91%	51.29%	52.71%	44.24%	43.61%	44.30%	32.63%
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,

For Reporting Year Ending December 31,	2014	2015	2016	2017	2018	2019	2020	2021	2022
	2015	2016	2017	2018	2019	2020	2021	2022	2023
Actuarially determined annual required contribution	\$ 110,495	\$ 110,495	\$ 122,870	\$ 122,870	\$ 141,741	\$ 156,271	\$ 156,271	\$ 172,927	\$ 172,927
Actual Contribution	110,495	110,495	122,870	122,870	260,476	141,741	141,741	184,960	160,894
Contribution deficiency (excess)	\$ -	\$ -	\$ -	\$ -	\$ (118,735)	\$ 14,530	\$ 14,530	\$ (12,033)	\$ 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, 2023

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, 2023
(With Comparative Actual Amounts for the Year Ended December 31, 2022)

	2023				2022
	Original Budget	Final Budget	Actual	Variance with Final Budget - Positive (Negative)	Actual
Revenues					
Property taxes	\$ 3,000,947	\$ 3,000,947	\$ 2,931,652	\$ (69,295)	\$ 2,937,784
Specific ownership taxes	340,000	340,000	309,028	(30,972)	335,397
Sales taxes	20,094,000	20,094,000	21,132,510	1,038,510	20,568,926
Use taxes	1,136,000	1,136,000	1,465,589	329,589	934,342
Sales and use tax audit	100,000	100,000	-	(100,000)	-
La Plata County shared sales tax	6,512,490	6,512,490	6,461,453	(51,037)	6,324,980
La Plata County joint sales tax	3,279,619	3,279,619	2,931,237	(348,382)	3,201,232
Cigarette tax	95,000	95,000	85,663	(9,337)	64,317
Franchise fees and occupational taxes	1,947,500	1,947,500	1,666,089	(281,411)	1,801,135
Intergovernmental	2,908,956	3,100,056	2,692,722	(407,334)	2,699,367
Licenses and permits	822,500	822,500	794,174	(28,326)	624,000
Charges for services	6,868,883	6,941,431	6,676,795	(264,636)	5,956,759
Lease revenue	-	-	326,145	326,145	240,487
Fines and forfeitures	162,000	162,000	141,827	(20,173)	159,893
Investment earnings	125,000	625,000	1,053,157	428,157	356,398
Miscellaneous	1,090,500	1,114,500	833,232	(281,268)	997,746
Total Revenues	48,483,395	49,271,043	49,501,273	230,230	47,202,763
Expenditures					
Current					
General government	12,637,519	13,055,776	12,235,441	820,335	10,867,535
Public safety	17,491,140	18,351,141	17,620,357	730,784	16,423,103
Public works	4,278,912	4,508,246	4,387,538	120,708	3,349,078
Parks and recreation	9,334,541	9,521,037	9,151,586	369,451	7,943,037
Library	3,000,064	3,017,897	2,974,661	43,236	2,699,397
Community services	1,142,258	1,172,258	938,132	234,126	1,334,719
Non-departmental	1,935,893	2,428,742	2,704,674	(275,932)	2,609,294
Capital Outlay - Lease	-	-	303,630	(303,630)	209,904
Principal retirement	125,000	125,000	125,000	-	120,000
Interest and fiscal charges	64,226	64,226	64,225	1	67,997
Total Expenditures	50,009,553	52,244,323	50,505,244	1,739,079	45,624,064
Excess (Deficiency) of Revenues Over (Under) Expenditures	(1,526,158)	(2,973,280)	(1,003,971)	1,969,309	1,578,699
Other Financing Sources (Uses)					
Sale of capital assets	-	-	-	-	500
Other finance source- leases-lessee	-	-	220,837	220,837	579,777
Transfers in	1,546,864	1,474,316	1,480,538	6,222	1,996,713
Transfers out	(187,166)	(7,559,916)	(7,559,916)	-	(874,696)
Total Other Financing Sources (Uses)	1,359,698	(6,085,600)	(5,858,541)	227,059	1,702,294
Net Change in Fund Balances	\$ (166,460)	\$ (9,058,880)	(6,862,512)	\$ 2,196,368	3,280,993
Fund Balances Beginning of Year			23,111,172		19,818,700
Fund Balances End of Year			\$ 16,248,660		\$ 23,099,693

Required Supplementary Information
City of Durango, Colorado
Grants Fund
Schedule of Revenues, Expenditures and Changes in Fund Balances - Budget and Actual
For the Year Ended December 31, 2023
(With Comparative Actual Amounts for the Year Ended December 31, 2022)

	2023				2022
	Original Budget	Final Budget	Actual	Variance with Final Budget - Positive (Negative)	Actual
Revenues					
Intergovernmental	\$ 2,666,621	\$ 5,312,409	\$ 986,330	\$ (4,326,079)	\$ 1,409,309
Total Revenues	2,666,621	5,312,409	986,330	(4,326,079)	1,409,309
Expenditures					
General government	-	630,627	182,958	447,669	136,839
Public safety	-	726,316	242,121	484,195	67,580
Public works	417,500	417,500	152,467	265,033	-
Parks and recreation	-	95,609	95,607	2	24,750
Community services	237,799	237,799	263,218	(25,419)	17,079
Capital outlay	646,398	839,634	43,737	795,897	932,594
Total Expenditures	1,301,697	2,947,485	980,108	1,967,377	1,178,842
Excess (Deficiency) of Revenues Over (Under) Expenditures	1,364,924	2,364,924	6,222	(2,358,702)	230,467
Other Financing Sources (Uses)					
Transfers out	(1,364,924)	(2,364,924)	(6,222)	2,358,702	(62,066)
Total Other Financing Sources (Uses)	(1,364,924)	(2,364,924)	(6,222)	2,358,702	(62,066)
Net Change in Fund Balances	\$ -	\$ -	-	\$ -	168,401
Fund Balances Beginning of Year			168,401		-
Fund Balances End of Year			\$ 168,401		\$ 168,401

City of Durango, Colorado
Required Supplementary Information
Notes to the Schedule of Revenues, Expenditures and Changes in Fund Balance Budget
and Actual
For the Year Ended December 31, 2023

Note 1 Budgetary Information

Budgets for major governmental funds are 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 fund.

Budgets and Budgetary Accounting

The City adheres to the following procedures in establishing budgets:

1. Budgets are required by state law and City Charter for all governmental and proprietary funds.
2. During October, the City Manager will submit to the City Council a proposed budget for the fiscal year commencing the following January 1. The budget includes proposed expenditures and the means of financing them.
3. Public hearings are conducted to obtain public input.
4. Prior to December 31, the budget is adopted by formal resolution and ordinance.
5. Expenditures may not legally exceed appropriations at the fund level.
6. Revenue and expenditures are monitored by means of a monthly budget report, comparing budget to actual.
7. Budget appropriations lapse at the end of each year. Any Capital Projects that span multiple years must be re-appropriated in the annual budget or by way of resolution throughout the year.

The 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
- Engaged Collaborative Governance

Note 2 Expenditures/Expenses in Excess of Appropriation

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.



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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 workforce 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 electorate 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 electorate 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, 2023

	Nonmajor Special Revenue Funds	Nonmajor Debt Service Funds	Nonmajor Capital Projects Funds	Total Nonmajor Governmental Funds
Assets				
Equity in cash and cash equivalents	\$ 24,063,490	\$ 182,914	\$ 8,918,805	\$ 33,165,209
Receivables				
Accounts receivable	5,361	-	510,000	515,361
Sales and use taxes	1,167,942	-	583,562	1,751,504
Lodger's taxes	238,308	-	-	238,308
Intergovernmental	4,014,899	-	-	4,014,899
Interest	-	-	314,333	314,333
Total Assets	<u><u>\$ 29,490,000</u></u>	<u><u>\$ 182,914</u></u>	<u><u>\$ 10,326,700</u></u>	<u><u>\$ 39,999,614</u></u>
Liabilities and Fund Balances				
Liabilities				
Accounts payable	\$ 1,018,561	\$ -	\$ 114,925	\$ 1,133,486
Accrued expenditures	4,936	-	1,395	6,331
Unearned revenue	445,220	-	200,200	645,420
Total Liabilities	<u>1,468,717</u>	<u>-</u>	<u>316,520</u>	<u>1,785,237</u>
Deferred Inflows of Resources				
Unearned revenues	-	-	824,333	824,333
Fund Balances				
Restricted	963,150	182,914	-	1,146,064
Committed	27,058,133	-	9,185,847	36,243,980
Total Fund Balances	<u>28,021,283</u>	<u>182,914</u>	<u>9,185,847</u>	<u>37,390,044</u>
Total Liabilities and Fund Balances	<u><u>\$ 29,490,000</u></u>	<u><u>\$ 182,914</u></u>	<u><u>\$ 10,326,700</u></u>	<u><u>\$ 39,999,614</u></u>

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, 2023

	Nonmajor Special Revenue Funds	Nonmajor Debt Service Funds	Nonmajor Capital Projects Funds	Total Nonmajor Governmental Funds
Revenues				
Property taxes	\$ 108,254	\$ -	\$ -	\$ 108,254
Sales taxes	10,558,414	-	5,275,514	15,833,928
Use taxes	733,052	-	366,268	1,099,320
Lodgers' taxes	3,857,524	-	-	3,857,524
Intergovernmental	5,110,626	-	-	5,110,626
Licenses and permits	8,200	-	-	8,200
Charges for services	165	-	-	165
Investment earnings	526,484	-	877,363	1,403,847
Miscellaneous	1,122,909	-	-	1,122,909
Total Revenues	22,025,628	-	6,519,145	28,544,773
Expenditures				
Current				
General government	7,957,892	-	226,400	8,184,292
Public works	2,384,877	-	532,369	2,917,246
Parks and recreation	3,169,116	-	-	3,169,116
Economic development	768,291	-	-	768,291
Capital outlay	-	-	6,189,109	6,189,109
Principal retirement	-	2,205,000	-	2,205,000
Interest and fiscal charges	-	234,312	-	234,312
Total Expenditures	14,280,176	2,439,312	6,947,878	23,667,366
Excess (Deficiency) of Revenues Over (Under) Expenditures	7,745,452	(2,439,312)	(428,733)	4,877,407
Other Financing Sources (Uses)				
Transfers in	3,363,966	2,439,013	6,207,573	12,010,552
Transfers out	(2,697,412)	-	(2,809,115)	(5,506,527)
Debt Service				
Total Other Financing Sources (Uses)	666,554	2,439,013	3,398,458	6,504,025
Net Change in Fund Balances	8,412,006	(299)	2,969,725	11,381,432
Fund Balances Beginning of Year	19,609,277	183,213	6,216,122	26,008,612
Fund Balances End of Year	\$ 28,021,283	\$ 182,914	\$ 9,185,847	\$ 37,390,044

City of Durango, Colorado
General Fund
Comparative Balance Sheet
December 31, 2023 and 2022

	<u>2023</u>	<u>2022</u>
Assets		
Cash on hand	\$ 5,224	\$ 5,224
Equity in cash and cash equivalents	13,688,396	20,324,905
Cash held in escrow	606,530	347,691
Receivables:		
Accounts receivable	758,268	663,901
Lease receivables	1,364,808	1,449,248
Property taxes	-	2,925,373
Sales and use taxes receivable	2,335,066	2,373,063
Franchise taxes	77,468	78,977
Intergovernmental receivables	1,184,529	1,643,215
Interest	94,583	9,677
Interest receivable - leases	-	27,246
Prepaid expenses	11,995	10,000
Interfund receivables	20,000	-
Inventory	44,194	32,715
Total Assets	<u>\$ 20,191,061</u>	<u>\$ 29,891,235</u>
Liabilities, Deferred Inflows of Resources, and Fund Balances		
Liabilities		
Interest	(25,116)	-
Accounts payable	\$ 973,778	\$ 1,007,361
Accrued expenditures	471,445	435,034
Deposits	722,679	441,443
Unearned revenue	462,790	536,420
Total Liabilities	<u>2,605,576</u>	<u>2,420,258</u>
Deferred Inflows of Resources		
Property taxes	-	2,925,373
Deferred inflows resources - leases	1,336,825	1,445,911
Total Deferred Inflows of Resources	<u>1,336,825</u>	<u>4,371,284</u>
Total Liabilities and Deferred Inflows of Resources	<u>3,942,401</u>	<u>6,791,542</u>
Fund Balances		
Nonspendable	391,885	391,885
Restricted	1,964,295	1,757,067
Committed	-	1,686
Assigned	10,811,468	10,524,038
Unassigned	3,081,012	10,425,017
Total Fund Balances	<u>16,248,660</u>	<u>23,099,693</u>
Total Liabilities, Deferred Inflows of Resources, and Fund Balances	<u>\$ 20,191,061</u>	<u>\$ 29,891,235</u>

City of Durango, Colorado
General Fund
Schedule of Revenues - Budget and Actual
For the Year Ended December 31, 2023
(With Comparative Actual Amounts for the Year Ended December 31, 2022)

	2023			2022	
	Original Budget	Final Budget	Actual	Variance with Final Budget - Positive (Negative)	Actual
Taxes:					
Property	\$ 3,000,947	\$ 3,000,947	\$ 2,931,652	\$ (69,295)	\$ 2,937,784
Specific ownership	340,000	340,000	309,028	(30,972)	335,397
Sales tax	20,094,000	20,094,000	21,132,510	1,038,510	20,568,926
Use tax	1,136,000	1,136,000	1,465,589	329,589	934,342
Sales and use tax audit	100,000	100,000	-	(100,000)	-
La Plata County sales tax	6,512,490	6,512,490	6,461,453	(51,037)	6,324,980
Joint sales tax	3,279,619	3,279,619	2,931,237	(348,382)	3,201,232
Cigarette tax	95,000	95,000	85,663	(9,337)	64,317
Franchise and business tax	1,947,500	1,947,500	1,666,089	(281,411)	1,801,135
Total Taxes	36,505,556	36,505,556	36,983,221	477,665	36,168,113
Licenses and Permits:					
Business license and permits	446,500	446,500	357,726	(88,774)	382,032
Building permits	376,000	376,000	436,448	60,448	241,968
Total Licenses and Permits	822,500	822,500	794,174	(28,326)	624,000
Intergovernmental:					
Grants	-	-	-	-	29,147
Highway user tax	580,000	580,000	595,546	15,546	594,942
Severance/mineral lease	206,900	206,900	507,529	300,629	379,319
Motor vehicle registration	75,000	75,000	64,534	(10,466)	73,410
Road and bridge	218,000	218,000	210,410	(7,590)	210,681
Other intergovernmental	1,829,056	2,020,156	1,314,703	(705,453)	1,411,868
Total Intergovernmental	2,908,956	3,100,056	2,692,722	(407,334)	2,699,367
Charges for Services:					
General government charges	261,550	261,550	154,211	(107,339)	205,486
Public safety charges	160,700	160,700	145,360	(15,340)	168,643
Cemetery charges	140,500	140,500	81,250	(59,250)	125,450
Recreation Center charges	2,400,000	2,400,000	2,296,132	(103,868)	1,980,470
Recreation program charges	1,895,000	1,895,000	1,910,237	15,237	1,722,593
Total Charges for Services	4,857,750	4,857,750	4,587,190	(270,560)	4,202,642
Fines and Forfeits:					
Traffic fines	135,000	135,000	123,291	(11,709)	142,983
Non-traffic fines	25,000	25,000	16,581	(8,419)	14,113
Library fines	2,000	2,000	1,955	(45)	2,797
Total Fines and Forfeits	162,000	162,000	141,827	(20,173)	159,893
Miscellaneous					
Pension forfeitures	172,000	172,000	238,065	66,065	120,360
Rents and royalties	406,000	406,000	374,927	(31,073)	376,107
Contributions and donations	6,500	6,500	11,225	4,725	140,160
Other miscellaneous	507,500	531,500	537,982	6,482	603,083
Total Miscellaneous	1,092,000	1,116,000	1,162,199	46,199	1,239,710
Services provided	2,009,633	2,082,181	2,086,783	4,602	1,752,640
Investment earnings	125,000	625,000	1,053,157	428,157	356,398
Total Revenues	48,483,395	49,271,043	49,501,273	230,230	47,202,763
Other Financing Sources (Uses)					
Lease Revenue	-	-	43,433	43,433	579,777
Sale of capital assets	-	-	-	-	500
Transfers in	1,546,864	1,474,316	1,480,538	6,222	1,996,713
Total Other Financing Sources (Uses)	1,546,864	1,474,316	1,523,971	49,655	2,576,990
Total Revenues and Other Financing Sources	\$ 50,030,259	\$ 50,745,359	\$ 51,025,244	\$ 279,885	\$ 49,779,753

City of Durango, Colorado
General Fund
Schedule of Expenditures - Budget and Actual
For the Year Ended December 31, 2023
(With Comparative Actual Amounts for the Year Ended December 31, 2022)

	2023			2022	
	Original Budget	Final Budget	Actual	Variance with Final Budget - Positive (Negative)	Actual
General Government					
Legislative					
City council	\$ 351,384	\$ 355,884	\$ 321,896	\$ 33,988	\$ 342,998
City boards	-	-	-	-	226
Total Legislative	<u>351,384</u>	<u>355,884</u>	<u>321,896</u>	<u>33,988</u>	<u>343,224</u>
Executive and Legal					
City manager	1,588,403	1,522,403	1,485,479	36,924	1,339,466
City attorney	610,548	817,093	690,826	126,267	450,965
Total Executive and Legal	<u>2,198,951</u>	<u>2,339,496</u>	<u>2,176,305</u>	<u>163,191</u>	<u>1,790,431</u>
Administrative					
Human resources	719,534	722,867	714,836	8,031	732,953
City clerk	709,812	733,145	678,727	54,418	701,907
Information Technology	3,308,872	3,322,205	2,960,878	361,327	2,635,272
Total Administrative	<u>4,738,218</u>	<u>4,778,217</u>	<u>4,354,441</u>	<u>423,776</u>	<u>4,070,132</u>
Finance					
Accounting	2,154,571	2,222,704	2,056,696	166,008	1,473,442
Finance	490,509	490,509	484,785	5,724	472,047
Municipal court	371,579	371,579	299,769	71,810	287,075
Total Finance	<u>3,016,659</u>	<u>3,084,792</u>	<u>2,841,250</u>	<u>243,542</u>	<u>2,232,564</u>
Capital Improvement Projects					
Capital Improvement Projects	468,561	498,461	726,530	(228,069)	438,815
Total Capital Improvement Projects	<u>468,561</u>	<u>498,461</u>	<u>726,530</u>	<u>(228,069)</u>	<u>438,815</u>
Community Development					
Planning	1,863,746	1,998,926	1,812,017	186,909	1,992,369
Housing	-	-	3,002	(3,002)	-
Natural lands preservation	208,443	208,443	187,827	20,616	-
Total Community Development	<u>2,072,189</u>	<u>2,207,369</u>	<u>2,002,846</u>	<u>204,523</u>	<u>1,992,369</u>
Total General Government	<u>12,845,962</u>	<u>13,264,219</u>	<u>12,423,268</u>	<u>840,951</u>	<u>10,867,535</u>
Public Safety					
Police					
Administration	9,343,611	9,810,279	9,682,323	127,956	8,800,460
Code enforcement	-	-	272	(272)	-
Total Police	<u>9,343,611</u>	<u>9,810,279</u>	<u>9,682,595</u>	<u>127,684</u>	<u>8,800,460</u>
911 Communications	2,388,574	2,781,907	1,985,808	796,099	1,745,218
Fire					
Fire services	5,758,955	5,758,955	5,951,953	(192,998)	5,877,425
Total Public Safety	<u>17,491,140</u>	<u>18,351,141</u>	<u>17,620,356</u>	<u>730,785</u>	<u>16,423,103</u>

City of Durango, Colorado
General Fund
Schedule of Expenditures - Budget and Actual
For the Year Ended December 31, 2023
(With Comparative Actual Amounts for the Year Ended December 31, 2022)

	2023			2022	
	Original Budget	Final Budget	Actual	Variance with Final Budget - Positive (Negative)	Actual
Public Works					
Engineering	1,386,300	1,409,967	1,284,600	125,367	990,828
Street maintenance	1,751,079	1,786,746	1,838,379	(51,633)	1,403,903
Snow and ice	745,482	915,482	831,522	83,960	577,260
Street cleaning	396,051	396,051	433,038	(36,987)	377,087
Total Public Works	<u>4,278,912</u>	<u>4,508,246</u>	<u>4,387,539</u>	<u>120,707</u>	<u>3,349,078</u>
Parks and Recreation					
Parks and recreation administration	593,249	603,749	591,117	12,632	480,131
Recreation administration	208,517	219,359	223,665	(4,306)	229,822
Recreation programs	1,250,553	1,250,553	1,187,001	63,552	915,379
Cemetery	456,557	456,557	426,718	29,839	371,554
Parks	3,399,335	3,537,385	3,148,396	388,989	3,017,507
Recreation center	2,720,140	2,720,140	2,787,118	(66,978)	2,394,968
Chapman Hill	497,747	524,851	599,744	(74,893)	533,676
Total Parks and Recreation	<u>9,126,098</u>	<u>9,312,594</u>	<u>8,963,759</u>	<u>348,835</u>	<u>7,943,037</u>
Community Services					
Library	3,000,064	3,017,897	2,974,661	43,236	2,699,397
Community Services	1,142,258	1,172,258	938,132	234,126	1,334,719
Total Community Services	<u>4,142,322</u>	<u>4,190,155</u>	<u>3,912,793</u>	<u>277,362</u>	<u>4,034,116</u>
Non-Departmental					
Miscellaneous	1,518,895	9,041,832	9,054,930	(13,098)	2,075,724
Buildings and plant	693,390	1,036,052	1,418,843	(382,791)	1,701,435
Durango Welcome Center	100,000	100,000	106,268	(6,268)	104,732
Total Non-Departmental	<u>2,312,285</u>	<u>10,177,884</u>	<u>10,580,041</u>	<u>(402,157)</u>	<u>3,881,891</u>
Total Expenditures	<u>\$ 50,196,719</u>	<u>\$ 59,804,239</u>	<u>\$ 57,887,756</u>	<u>\$ 1,916,483</u>	<u>\$ 46,498,760</u>

City of Durango, Colorado
Combining Balance Sheet
Nonmajor Special Revenue Funds
December 31, 2023

	<u>Recreation Complex/Trails</u>	<u>Revolving Loan</u>	<u>Streets Improvement Fund</u>	<u>Durango Tourism</u>
Assets				
Equity in cash and cash equivalents	\$ 9,844,802	\$ -	\$ 8,816,432	\$ 1,868,802
Receivables				
Accounts receivable	-	3,111	-	-
Sales taxes	583,971	-	583,971	-
Lodger's taxes	-	-	-	238,308
Intergovernmental	-	-	-	-
Total Assets	<u><u>\$ 10,428,773</u></u>	<u><u>\$ 3,111</u></u>	<u><u>\$ 9,400,403</u></u>	<u><u>\$ 2,107,110</u></u>
Liabilities and Fund Balances				
Liabilities				
Accounts payable	\$ 179,782	\$ -	\$ 381,820	\$ 131,450
Accrued expenditures	163	-	57	-
Unearned revenue	-	-	-	-
Total Liabilities	<u>179,945</u>	<u>-</u>	<u>381,877</u>	<u>131,450</u>
Fund Balances				
Restricted	-	-	-	-
Committed	10,248,828	3,111	9,018,526	1,975,660
Total Fund Balances	<u>10,248,828</u>	<u>3,111</u>	<u>9,018,526</u>	<u>1,975,660</u>
Total Liabilities and Fund Balances	<u><u>\$ 10,428,773</u></u>	<u><u>\$ 3,111</u></u>	<u><u>\$ 9,400,403</u></u>	<u><u>\$ 2,107,110</u></u>

(continued)

Parks & Recreation Development	Conservation Trust	Road Impact	Housing Fund	Storm Drainage	Durango Renewal Partnership Fund	Total Nonmajor Special Revenue Funds
\$ 209,606	\$ 963,150	\$ 426,555	\$ 1,381,926	\$ 8,882	\$ 543,335	\$ 24,063,490
-	-	-	2,250	-	-	5,361
-	-	-	-	-	-	1,167,942
-	-	-	-	-	-	238,308
-	-	-	4,014,899	-	-	4,014,899
<u>\$ 209,606</u>	<u>\$ 963,150</u>	<u>\$ 426,555</u>	<u>\$ 5,399,075</u>	<u>\$ 8,882</u>	<u>\$ 543,335</u>	<u>\$ 29,490,000</u>
\$ -	\$ -	\$ -	\$ 149,658	\$ -	\$ 175,851	\$ 1,018,561
-	-	-	4,716	-	-	4,936
-	-	-	445,220	-	-	445,220
-	-	-	599,594	-	175,851	1,468,717
-	963,150	-	-	-	-	963,150
209,606	-	426,555	4,799,481	8,882	367,484	27,058,133
209,606	963,150	426,555	4,799,481	8,882	367,484	28,021,283
<u>\$ 209,606</u>	<u>\$ 963,150</u>	<u>\$ 426,555</u>	<u>\$ 5,399,075</u>	<u>\$ 8,882</u>	<u>\$ 543,335</u>	<u>\$ 29,490,000</u>

City of Durango, Colorado
Combining Statement of Revenues, Expenditures and Changes in Fund Balances
Nonmajor Special Revenue Funds
For the Year Ended December 31, 2023

	Recreation Complex/Trails	Revolving Loan	Streets Improvement Fund	Durango Tourism
Revenues				
Property taxes	\$ -	\$ -	\$ -	\$ -
Sales taxes	5,279,207	-	5,279,207	-
Use taxes	366,526	-	366,526	-
Lodgers taxes	-	-	-	3,857,524
Intergovernmental	-	-	-	-
Licenses and permits	-	-	-	-
Charges for services	-	-	-	-
Investment earnings	-	-	381,849	-
Miscellaneous	-	-	-	-
Total Revenues	<u>5,645,733</u>	<u>-</u>	<u>6,027,582</u>	<u>3,857,524</u>
Expenditures				
Current				
General government	-	1,735	-	2,647,059
Public works	-	-	2,384,877	-
Parks and recreation	3,169,116	-	-	-
Economic development	-	-	-	-
Total Expenditures	<u>3,169,116</u>	<u>1,735</u>	<u>2,384,877</u>	<u>2,647,059</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>2,476,617</u>	<u>(1,735)</u>	<u>3,642,705</u>	<u>1,210,465</u>
Other Financing Sources (Uses)				
Transfers in	-	-	-	-
Transfers out	(479,214)	-	(425,000)	(1,096,575)
Total Other Financing Sources (Uses)	<u>(479,214)</u>	<u>-</u>	<u>(425,000)</u>	<u>(1,096,575)</u>
Net Change in Fund Balances	1,997,403	(1,735)	3,217,705	113,890
Fund Balances Beginning of Year	<u>8,251,425</u>	<u>4,846</u>	<u>5,800,821</u>	<u>1,861,770</u>
Fund Balances End of Year	<u><u>\$ 10,248,828</u></u>	<u><u>\$ 3,111</u></u>	<u><u>\$ 9,018,526</u></u>	<u><u>\$ 1,975,660</u></u>

(continued)

Parks & Recreation Development	Conservation Trust	Road Impact	Housing Fund	Storm Drainage	Durango Renewal Partnership Fund	Total Nonmajor Special Revenue Funds
\$ -	\$ -	\$ -	\$ -	\$ -	\$ 108,254	\$ 108,254
-	-	-	-	-	-	10,558,414
-	-	-	-	-	-	733,052
-	-	-	-	-	-	3,857,524
-	270,823	-	4,839,803	-	-	5,110,626
8,200	-	-	-	-	-	8,200
-	-	-	-	165	-	165
8,295	39,012	-	63,777	419	33,132	526,484
57,000	-	533,676	532,233	-	-	1,122,909
73,495	309,835	533,676	5,435,813	584	141,386	22,025,628
-	-	-	5,309,098	-	-	7,957,892
-	-	-	-	-	-	2,384,877
-	-	-	-	-	-	3,169,116
-	-	-	24,000	-	744,291	768,291
-	-	-	5,333,098	-	744,291	14,280,176
73,495	309,835	533,676	102,715	584	(602,905)	7,745,452
-	-	-	3,200,000	-	163,966	3,363,966
-	-	(696,623)	-	-	-	(2,697,412)
-	-	(696,623)	3,200,000	-	163,966	666,554
73,495	309,835	(162,947)	3,302,715	584	(438,939)	8,412,006
136,111	653,315	589,502	1,496,766	8,298	806,423	19,609,277
<u>\$ 209,606</u>	<u>\$ 963,150</u>	<u>\$ 426,555</u>	<u>\$ 4,799,481</u>	<u>\$ 8,882</u>	<u>\$ 367,484</u>	<u>\$ 28,021,283</u>

City of Durango, Colorado
Recreation Complex and Trails Fund
Comparative Balance Sheet
December 31, 2023 and 2022

	<u>2023</u>	<u>2022</u>
Assets		
Equity in cash and cash equivalents	\$ 9,844,802	\$ 7,725,758
Sales and use taxes receivable	<u>583,971</u>	<u>593,473</u>
Total Assets	<u><u>\$ 10,428,773</u></u>	<u><u>\$ 8,319,231</u></u>
Liabilities and Fund Balances		
Liabilities		
Accounts payable	\$ 179,782	\$ 67,806
Accrued expenditures	<u>163</u>	<u>-</u>
Total Liabilities	<u>179,945</u>	<u>67,806</u>
Fund Balances		
Committed	<u>10,248,828</u>	<u>8,251,425</u>
Total Fund Balances	<u>10,248,828</u>	<u>8,251,425</u>
Total Liabilities and Fund Balances	<u><u>\$ 10,428,773</u></u>	<u><u>\$ 8,319,231</u></u>

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, 2023
(With Comparative Actual Amounts for the Year Ended December 31, 2022)

	2023				2022
	Original Budget	Final Budget	Actual	Variance with Final Budget - Positive (Negative)	Actual
Revenues					
Sales taxes	\$ 5,025,258	\$ 5,025,258	\$ 5,279,207	\$ 253,949	\$ 5,191,331
Use taxes	286,700	286,700	366,526	79,826	232,560
Investment earnings	1,000	1,000	-	(1,000)	-
Total Revenues	<u>5,312,958</u>	<u>5,312,958</u>	<u>5,645,733</u>	<u>332,775</u>	<u>5,423,891</u>
Expenditures					
Parks and recreation	<u>9,443,810</u>	<u>14,942,958</u>	<u>3,169,116</u>	<u>11,773,842</u>	<u>2,344,389</u>
Total Expenditures	<u>9,443,810</u>	<u>14,942,958</u>	<u>3,169,116</u>	<u>11,773,842</u>	<u>2,344,389</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>(4,130,852)</u>	<u>(9,630,000)</u>	<u>2,476,617</u>	<u>12,106,617</u>	<u>3,079,502</u>
Other Financing Sources (Uses)					
Transfers in	646,398	646,398	-	(646,398)	-
Transfers out	<u>(479,214)</u>	<u>(479,214)</u>	<u>(479,214)</u>	<u>-</u>	<u>(271,710)</u>
Net Change in Fund Balances	<u>\$ (3,963,668)</u>	<u>\$ (9,462,816)</u>	<u>1,997,403</u>	<u>\$ 11,460,219</u>	<u>2,807,792</u>
Fund Balances Beginning of Year			<u>8,251,425</u>		<u>5,443,633</u>
Fund Balances End of Year			<u>\$ 10,248,828</u>		<u>\$ 8,251,425</u>

City of Durango, Colorado
Revolving Loan Fund
Comparative Balance Sheet
December 31, 2023 and 2022

	<u>2023</u>	<u>2022</u>
Assets		
Accounts receivable	\$ 3,111	\$ 4,846
Total Assets	<u>\$ 3,111</u>	<u>\$ 4,846</u>
Liabilities and Fund Balances		
Fund Balances		
Committed	\$ 3,111	\$ 4,846
Total Fund Balances	<u>3,111</u>	<u>4,846</u>
Total Liabilities and Fund Balances	<u>\$ 3,111</u>	<u>\$ 4,846</u>

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, 2023
(With Comparative Actual Amounts for the Year Ended December 31, 2022)

	2023				2022
	Original Budget	Final Budget	Actual	Variance with Final Budget - Positive (Negative)	Actual
Expenditures					
General government	\$ -	\$ -	\$ 1,735	\$ (1,735)	\$ 2,101
Total Expenditures	-	-	1,735	(1,735)	2,101
Net Change in Fund Balances	<u>\$ -</u>	<u>\$ -</u>	(1,735)	<u>\$ (1,735)</u>	(2,101)
Fund Balances Beginning of Year			4,846		6,947
Fund Balances End of Year			<u>\$ 3,111</u>		<u>\$ 4,846</u>

City of Durango, Colorado
Streets Improvement Fund
Comparative Balance Sheet
December 31, 2023 and 2022

	<u>2023</u>	<u>2022</u>
Assets		
Equity in cash and cash equivalents	\$ 8,816,432	\$ 5,209,949
Sales and use taxes receivable	<u>583,971</u>	<u>593,473</u>
Total Assets	<u><u>\$ 9,400,403</u></u>	<u><u>\$ 5,803,422</u></u>
Liabilities and Fund Balances		
Liabilities		
Accounts payable	\$ 381,820	\$ 2,601
Accrued expenditures	<u>57</u>	<u>-</u>
Total Liabilities	<u>381,877</u>	<u>2,601</u>
Fund Balances		
Committed	<u>9,018,526</u>	<u>5,800,821</u>
Total Fund Balances	<u>9,018,526</u>	<u>5,800,821</u>
Total Liabilities and Fund Balances	<u><u>\$ 9,400,403</u></u>	<u><u>\$ 5,803,422</u></u>

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, 2023
(With Comparative Actual Amounts for the Year Ended December 31, 2022)

	2023				2022
	Original Budget	Final Budget	Actual	Variance with Final Budget - Positive (Negative)	Actual
Revenues					
Sales taxes	\$ 5,025,258	\$ 5,025,258	\$ 5,279,207	\$ 253,949	\$ 5,195,379
Use taxes	286,700	286,700	366,526	79,826	232,560
Special assessments	25,000	25,000	-	(25,000)	-
Investment earnings	5,000	237,288	381,849	144,561	72,078
Miscellaneous	3,500,000	200,000	-	(200,000)	-
Total Revenues	8,841,958	5,774,246	6,027,582	253,336	5,500,017
Expenditures					
Public works	11,544,000	10,707,598	2,384,877	8,322,721	630,577
Total Expenditures	11,544,000	10,707,598	2,384,877	8,322,721	630,577
Excess (Deficiency) of Revenues Over (Under) Expenditures	(2,702,042)	(4,933,352)	3,642,705	8,576,057	4,869,440
Other Financing Sources (Uses)					
Transfers out	(425,000)	(425,000)	(425,000)	-	(1,124,082)
Net Change in Fund Balances	\$ (3,127,042)	\$ (5,358,352)	3,217,705	\$ 8,576,057	3,745,358
Fund Balances Beginning of Year			5,800,821		2,055,463
Fund Balances End of Year			\$ 9,018,526		\$ 5,800,821

City of Durango, Colorado
Durango Tourism Fund
Comparative Balance Sheet
December 31, 2023 and 2022

	<u>2023</u>	<u>2022</u>
Assets		
Equity in cash and cash equivalents	\$ 1,868,802	\$ 1,795,175
Lodger's taxes receivable	<u>238,308</u>	<u>237,299</u>
Total Assets	<u><u>\$ 2,107,110</u></u>	<u><u>\$ 2,032,474</u></u>
Liabilities and Fund Balances		
Liabilities		
Accounts payable	<u>\$ 131,450</u>	<u>\$ 170,704</u>
Total Liabilities	<u>131,450</u>	<u>170,704</u>
Fund Balances		
Committed	<u>1,975,660</u>	<u>1,861,770</u>
Total Fund Balances	<u>1,975,660</u>	<u>1,861,770</u>
Total Liabilities and Fund Balances	<u><u>\$ 2,107,110</u></u>	<u><u>\$ 2,032,474</u></u>

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, 2023
(With Comparative Actual Amounts for the Year Ended December 31, 2022)

	2023				2022
	Original Budget	Final Budget	Actual	Variance with Final Budget - Positive (Negative)	Actual
Revenues					
Lodgers taxes	\$ 3,627,369	\$ 3,627,369	\$ 3,857,524	\$ 230,155	\$ 4,335,457
Investment earnings	-	-	-	-	43,240
Total Revenues	<u>3,627,369</u>	<u>3,627,369</u>	<u>3,857,524</u>	<u>230,155</u>	<u>4,378,697</u>
Expenditures					
General government	2,712,826	3,480,225	2,647,059	833,166	1,738,356
Economic development	-	-	-	-	341,595
Total Expenditures	<u>2,712,826</u>	<u>3,480,225</u>	<u>2,647,059</u>	<u>833,166</u>	<u>2,079,951</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>914,543</u>	<u>147,144</u>	<u>1,210,465</u>	<u>1,063,321</u>	<u>2,298,746</u>
Other Financing Sources (Uses)					
Transfers out	(983,512)	(1,076,464)	(1,096,575)	(20,111)	(1,601,266)
Net Change in Fund Balances	<u>\$ (68,969)</u>	<u>\$ (929,320)</u>	<u>113,890</u>	<u>\$ 1,043,210</u>	<u>697,480</u>
Fund Balances Beginning of Year			<u>1,861,770</u>		<u>1,164,290</u>
Fund Balances End of Year			<u>\$ 1,975,660</u>		<u>\$ 1,861,770</u>

City of Durango, Colorado
Parks and Recreation Development Fund
Comparative Balance Sheet
December 31, 2023 and 2022

	<u>2023</u>	<u>2022</u>
Assets		
Equity in cash and cash equivalents	\$ 209,606	\$ 136,111
Total Assets	<u>\$ 209,606</u>	<u>\$ 136,111</u>
Liabilities and Fund Balances		
Fund Balances		
Committed	\$ 209,606	\$ 136,111
Total Fund Balances	<u>209,606</u>	<u>136,111</u>
Total Liabilities and Fund Balances	<u>\$ 209,606</u>	<u>\$ 136,111</u>

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, 2023
(With Comparative Actual Amounts for the Year Ended December 31, 2022)

	2023				2022
	Original Budget	Final Budget	Actual	Variance with Final Budget - Positive (Negative)	Actual
Revenues					
Licenses and permits	\$ 21,500	\$ 21,500	\$ 8,200	\$ (13,300)	\$ 7,900
Investment earnings	500	500	8,295	7,795	2,013
Miscellaneous	15,000	15,000	57,000	42,000	25,650
Total Revenues	<u>37,000</u>	<u>37,000</u>	<u>73,495</u>	<u>36,495</u>	<u>35,563</u>
Net Change in Fund Balances	<u>\$ 37,000</u>	<u>\$ 37,000</u>	<u>73,495</u>	<u>\$ 36,495</u>	<u>35,563</u>
Fund Balances Beginning of Year			<u>136,111</u>		<u>100,548</u>
Fund Balances End of Year			<u>\$ 209,606</u>		<u>\$ 136,111</u>

City of Durango, Colorado
Conservation Trust Fund
Comparative Balance Sheet
December 31, 2023 and 2022

	<u>2023</u>	<u>2022</u>
Assets		
Equity in cash and cash equivalents	\$ 963,150	\$ 653,315
Total Assets	<u>\$ 963,150</u>	<u>\$ 653,315</u>
Liabilities and Fund Balances		
Fund Balances		
Restricted	\$ 963,150	\$ 653,249
Committed	<u>-</u>	<u>66</u>
Total Fund Balances	<u>963,150</u>	<u>653,315</u>
Total Liabilities and Fund Balances	<u>\$ 963,150</u>	<u>\$ 653,315</u>

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, 2023
(With Comparative Actual Amounts for the Year Ended December 31, 2022)

	2023				2022
	Original Budget	Final Budget	Actual	Variance with Final Budget - Positive (Negative)	Actual
Revenues					
Intergovernmental	\$ 200,000	\$ 200,000	\$ 270,823	\$ 70,823	\$ 243,924
Investment earnings	2,000	2,000	39,012	37,012	9,485
Total Revenues	<u>202,000</u>	<u>202,000</u>	<u>309,835</u>	<u>107,835</u>	<u>253,409</u>
Expenditures					
General government	600,000	600,000	-	600,000	-
Total Expenditures	<u>600,000</u>	<u>600,000</u>	<u>-</u>	<u>600,000</u>	<u>-</u>
Net Change in Fund Balances	<u>\$ (398,000)</u>	<u>\$ (398,000)</u>	<u>309,835</u>	<u>\$ 707,835</u>	<u>253,409</u>
Fund Balances Beginning of Year			<u>653,315</u>		<u>399,906</u>
Fund Balances End of Year			<u>\$ 963,150</u>		<u>\$ 653,315</u>

City of Durango, Colorado
Road Impact Fund
Comparative Balance Sheet
December 31, 2023 and 2022

	<u>2023</u>	<u>2022</u>
Assets		
Equity in cash and cash equivalents	\$ 426,555	\$ 589,502
Total Assets	<u>\$ 426,555</u>	<u>\$ 589,502</u>
Liabilities and Fund Balances		
Fund Balances		
Committed	\$ 426,555	\$ 589,502
Total Fund Balances	<u>426,555</u>	<u>589,502</u>
Total Liabilities and Fund Balances	<u>\$ 426,555</u>	<u>\$ 589,502</u>

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, 2023
(With Comparative Actual Amounts for the Year Ended December 31, 2022)

	2023				2022
	Original Budget	Final Budget	Actual	Variance with Final Budget - Positive (Negative)	Actual
Revenues					
Miscellaneous	\$ 350,000	\$ 350,000	\$ 533,676	\$ 183,676	\$ 162,658
Total Revenues	<u>350,000</u>	<u>350,000</u>	<u>533,676</u>	<u>183,676</u>	<u>162,658</u>
Other Financing Sources (Uses)					
Transfers out	-	(696,623)	(696,623)	-	-
Net Change in Fund Balances	<u>\$ 350,000</u>	<u>\$ (346,623)</u>	<u>(162,947)</u>	<u>\$ 183,676</u>	<u>162,658</u>
Fund Balances Beginning of Year			<u>589,502</u>		<u>426,844</u>
Fund Balances End of Year			<u>\$ 426,555</u>		<u>\$ 589,502</u>

City of Durango, Colorado
Housing Fund
Comparative Balance Sheet
December 31, 2023 and 2022

	<u>2023</u>	<u>2022</u>
Assets		
Equity in cash and cash equivalents	\$ 1,381,926	\$ 1,682,956
Accounts receivable	2,250	65,934
Intergovernmental	<u>4,014,899</u>	<u>15,000</u>
Total Assets	<u><u>\$ 5,399,075</u></u>	<u><u>\$ 1,763,890</u></u>
Liabilities and Fund Balances		
Liabilities		
Accounts payable	\$ 149,658	\$ 790
Accrued expenditures	4,716	3,250
Unearned revenue	<u>445,220</u>	<u>263,084</u>
Total Liabilities	<u>599,594</u>	<u>267,124</u>
Fund Balances		
Committed	<u>4,799,481</u>	<u>1,496,766</u>
Total Fund Balances	<u>4,799,481</u>	<u>1,496,766</u>
Total Liabilities and Fund Balances	<u><u>\$ 5,399,075</u></u>	<u><u>\$ 1,763,890</u></u>

City of Durango, Colorado
Housing Fund
Schedule of Revenues, Expenditures and
Changes in Fund Balances - Budget and Actual
For the Year Ended December 31, 2023
(With Comparative Actual Amounts for the Year Ended December 31, 2022)

	2023				2022
	Original Budget	Final Budget	Actual	Variance with Final Budget - Positive (Negative)	Actual
Revenues					
Intergovernmental	\$ -	\$ 5,120,000	\$ 4,839,803	\$ (280,197)	\$ 48,000
Investment earnings	-	50,000	63,777	13,777	8,273
Miscellaneous	425,000	425,000	532,233	107,233	476,067
Total Revenues	425,000	5,595,000	5,435,813	(159,187)	532,340
Expenditures					
General government	1,364,924	10,451,352	5,309,098	5,142,254	282,982
Community services	-	-	-	-	305,665
Economic development	-	-	24,000	(24,000)	33,000
Total Expenditures	1,364,924	10,451,352	5,333,098	5,118,254	621,647
Excess (Deficiency) of Revenues Over (Under) Expenditures	(939,924)	(4,856,352)	102,715	4,959,067	(89,307)
Other Financing Sources (Uses)					
Transfers in	1,364,924	4,564,924	3,200,000	(1,364,924)	1,126,288
Transfers out	-	-	-	-	(600,000)
Net Change in Fund Balances	<u>\$ 425,000</u>	<u>\$ (291,428)</u>	3,302,715	<u>\$ 3,594,143</u>	436,981
Fund Balances Beginning of Year			1,496,766		1,059,785
Fund Balances End of Year			<u>\$ 4,799,481</u>		<u>\$ 1,496,766</u>

City of Durango, Colorado
Storm Drainage Fund
Comparative Balance Sheet
December 31, 2023 and 2022

	<u>2023</u>	<u>2022</u>
Assets		
Equity in cash and cash equivalents	\$ 8,882	\$ 8,298
Total Assets	<u>\$ 8,882</u>	<u>\$ 8,298</u>
Liabilities and Fund Balances		
Fund Balances		
Committed	\$ 8,882	\$ 8,298
Total Fund Balances	<u>8,882</u>	<u>8,298</u>
Total Liabilities and Fund Balances	<u>\$ 8,882</u>	<u>\$ 8,298</u>

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, 2023
(With Comparative Actual Amounts for the Year Ended December 31, 2022)

	2023				2022
	Original Budget	Final Budget	Actual	Variance with Final Budget - Positive (Negative)	Actual
Revenues					
Charges for services	\$ 100	\$ 100	\$ 165	\$ 65	\$ -
Investment earnings	100	100	419	319	136
Total Revenues	200	200	584	384	136
Net Change in Fund Balances	<u>\$ 200</u>	<u>\$ 200</u>	584	<u>\$ 384</u>	136
Fund Balances Beginning of Year			8,298		8,162
Fund Balances End of Year			<u>\$ 8,882</u>		<u>\$ 8,298</u>

City of Durango, Colorado
Durango Renewal Partnership Fund
Comparative Balance Sheet
December 31, 2023 and 2022

	<u>2023</u>	<u>2022</u>
Assets		
Equity in cash and cash equivalents	\$ 543,335	\$ 903,376
Property taxes	<u>-</u>	<u>12,965</u>
Total Assets	<u><u>\$ 543,335</u></u>	<u><u>\$ 916,341</u></u>
Liabilities and Fund Balances		
Liabilities		
Accounts payable	\$ 175,851	\$ 96,953
L-Property taxes	<u>-</u>	<u>12,965</u>
Total Liabilities	<u>175,851</u>	<u>109,918</u>
Fund Balances		
Committed	<u>367,484</u>	<u>806,423</u>
Total Fund Balances	<u>367,484</u>	<u>806,423</u>
Total Liabilities and Fund Balances	<u><u>\$ 543,335</u></u>	<u><u>\$ 916,341</u></u>

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, 2023
(With Comparative Actual Amounts for the Year Ended December 31, 2022)

	2023				2022
	Original Budget	Final Budget	Actual	Variance with Final Budget - Positive (Negative)	Actual
Revenues					
Property taxes	\$ 95,000	\$ 95,000	\$ 108,254	\$ 13,254	\$ 96,948
Sales taxes	200,000	200,000	-	(200,000)	175,588
Investment earnings	-	-	33,132	33,132	12,296
Total Revenues	<u>295,000</u>	<u>295,000</u>	<u>141,386</u>	<u>(153,614)</u>	<u>284,832</u>
Expenditures					
Economic development	<u>1,036,791</u>	<u>1,055,782</u>	<u>744,291</u>	<u>311,491</u>	<u>242,375</u>
Total Expenditures	<u>1,036,791</u>	<u>1,055,782</u>	<u>744,291</u>	<u>311,491</u>	<u>242,375</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>(741,791)</u>	<u>(760,782)</u>	<u>(602,905)</u>	<u>157,877</u>	<u>42,457</u>
Other Financing Sources (Uses)					
Transfers in	<u>163,966</u>	<u>163,966</u>	<u>163,966</u>	<u>-</u>	<u>763,966</u>
Net Change in Fund Balances	<u><u>\$ (577,825)</u></u>	<u><u>\$ (596,816)</u></u>	<u>(438,939)</u>	<u><u>\$ 157,877</u></u>	<u>806,423</u>
Fund Balances Beginning of Year			<u>806,423</u>		<u>-</u>
Fund Balances End of Year			<u><u>\$ 367,484</u></u>		<u><u>\$ 806,423</u></u>

City of Durango, Colorado
Combining Balance Sheet
Nonmajor Debt Service Funds
December 31, 2023

	2007 Sales Tax Bonds Debt Service Fund	Total Nonmajor Debt Service Funds
Assets		
Equity in cash and cash equivalents	\$ 182,914	\$ 182,914
	<u>182,914</u>	<u>182,914</u>
Fund balances		
Restricted	182,914	182,914
	<u>182,914</u>	<u>182,914</u>
Total Liabilities and Fund Balance	<u>\$ 182,914</u>	<u>\$ 182,914</u>

City of Durango, Colorado
Combining Statement of Revenues, Expenditures and Changes in Fund Balances
Nonmajor Debt Service Funds
For the Year Ended December 31, 2023

	2007 Sales Tax Bonds Debt Service Fund	Total Nonmajor Debt Service Funds
Expenditures		
Debt Service		
Principal retirement	\$ 2,205,000	\$ 2,205,000
Interest and fiscal charges	234,312	234,312
Total Expenditures	<u>2,439,312</u>	<u>2,439,312</u>
Excess (deficiency) of revenues over expenditures	<u>(2,439,312)</u>	<u>(2,439,312)</u>
Other financing sources (uses)		
Transfers in	<u>2,439,013</u>	<u>2,439,013</u>
Total Other Financing Sources (Uses)	<u>2,439,013</u>	<u>2,439,013</u>
Net Change in Fund Balances	(299)	(299)
Fund Balances Beginning of Year	<u>183,213</u>	<u>183,213</u>
Fund Balances End of Year	<u><u>\$ 182,914</u></u>	<u><u>\$ 182,914</u></u>

City of Durango, Colorado
2007 Sales Tax Bonds Debt Service Fund
Comparative Balance Sheet
December 31, 2023 and 2022

	<u>2023</u>	<u>2022</u>
Assets		
Equity in cash and cash equivalents	\$ 182,914	\$ 183,213
	<u>182,914</u>	<u>183,213</u>
Fund balances		
Restricted	182,914	183,213
	<u>182,914</u>	<u>183,213</u>
Total Liabilities and Fund Balances	\$ 182,914	\$ 183,213
	<u>182,914</u>	<u>183,213</u>

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, 2023
(With Comparative Actual Amounts for the Year Ended December 31, 2022)

	2023				2022
	Original Budget	Final Budget	Actual	Variance with Final Budget - Positive (Negative)	Actual
Expenditures					
Principal retirement	\$ 2,205,000	\$ 2,205,000	\$ 2,205,000	\$ -	\$ 2,155,000
Interest and fiscal charges	234,312	234,312	234,312	-	281,805
Total Expenditures	<u>2,439,312</u>	<u>2,439,312</u>	<u>2,439,312</u>	<u>-</u>	<u>2,436,805</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>(2,439,312)</u>	<u>(2,439,312)</u>	<u>(2,439,312)</u>	<u>-</u>	<u>(2,436,805)</u>
Other Financing Sources (Uses)					
Transfers in	<u>2,439,312</u>	<u>2,439,312</u>	<u>2,439,013</u>	<u>(299)</u>	<u>2,437,015</u>
Total Other Financing Sources (Uses)	<u>2,439,312</u>	<u>2,439,312</u>	<u>2,439,013</u>	<u>(299)</u>	<u>2,437,015</u>
Net Change in Fund Balances	<u>\$ -</u>	<u>\$ -</u>	<u>(299)</u>	<u>\$ (299)</u>	<u>210</u>
Fund Balances Beginning of Year			<u>183,213</u>		<u>183,003</u>
Fund Balances End of Year			<u>\$ 182,914</u>		<u>\$ 183,213</u>

City of Durango, Colorado
Combining Balance Sheet
Nonmajor Governmental Funds
Capital Projects Funds
December 31, 2023

	Capital Improvements Fund	Parks, Open Space and Trails Fund	Capital Projects Fund	Total Nonmajor Capital Projects Funds
Assets				
Equity in cash and cash equivalents	\$ 692,489	\$ 5,967,468	\$ 2,258,848	\$ 8,918,805
Accounts receivable	-	-	510,000	510,000
Sales and use tax receivable	291,781	291,781	-	583,562
Interest	-	-	314,333	314,333
Total Assets	<u><u>\$ 984,270</u></u>	<u><u>\$ 6,259,249</u></u>	<u><u>\$ 3,083,181</u></u>	<u><u>\$ 10,326,700</u></u>
Liabilities and fund balances				
Liabilities				
Accounts payable	\$ 49,455	\$ 47,971	\$ 17,499	\$ 114,925
Accrued expenditures	282	528	585	1,395
Unearned revenue	-	2,500	197,700	200,200
Deferred inflows-Unearned revenues	-	-	824,333	824,333
Total Liabilities	<u>49,737</u>	<u>50,999</u>	<u>1,040,117</u>	<u>1,140,853</u>
Fund balances				
Committed	<u>934,533</u>	<u>6,208,250</u>	<u>2,043,064</u>	<u>9,185,847</u>
Total Fund Balances	<u>934,533</u>	<u>6,208,250</u>	<u>2,043,064</u>	<u>9,185,847</u>
Total Liabilities and Fund Balances	<u><u>\$ 984,270</u></u>	<u><u>\$ 6,259,249</u></u>	<u><u>\$ 3,083,181</u></u>	<u><u>\$ 10,326,700</u></u>

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, 2023

	Capital Improvements Fund	Parks, Open Space and Trails Fund	Capital Projects Fund	Total Nonmajor Capital Projects Funds
Revenues				
Sales taxes	\$ 2,637,757	\$ 2,637,757	\$ -	\$ 5,275,514
Use taxes	183,134	183,134	-	366,268
Investment earnings	95,596	283,845	497,922	877,363
Total Revenues	<u>2,916,487</u>	<u>3,104,736</u>	<u>497,922</u>	<u>6,519,145</u>
Expenditures				
General government	-	-	226,400	226,400
Public works	-	-	532,369	532,369
Capital outlay	4,586,332	1,602,777	-	6,189,109
Total Expenditures	<u>4,586,332</u>	<u>1,602,777</u>	<u>758,769</u>	<u>6,947,878</u>
Excess (deficiency) of revenues over expenditures	<u>(1,669,845)</u>	<u>1,501,959</u>	<u>(260,847)</u>	<u>(428,733)</u>
Other Financing Sources (Uses)				
Transfers in	4,282,898	-	1,924,675	6,207,573
Transfers out	(2,439,013)	(370,102)	-	(2,809,115)
Total Other Financing Sources (Uses)	<u>1,843,885</u>	<u>(370,102)</u>	<u>1,924,675</u>	<u>3,398,458</u>
Net Changes in Fund Balance	<u>174,040</u>	<u>1,131,857</u>	<u>1,663,828</u>	<u>2,969,725</u>
Fund Balances - Beginning of Year	<u>760,493</u>	<u>5,076,393</u>	<u>379,236</u>	<u>6,216,122</u>
Fund Balances - End of Year	<u><u>\$ 934,533</u></u>	<u><u>\$ 6,208,250</u></u>	<u><u>\$ 2,043,064</u></u>	<u><u>\$ 9,185,847</u></u>

City of Durango, Colorado
Capital Improvements Fund
Comparative Balance Sheet
December 31, 2023 and 2022

	<u>2023</u>	<u>2022</u>
Assets		
Equity in cash and cash equivalents	\$ 692,489	\$ 463,964
Sales and use tax receivable	291,781	296,529
Total Assets	<u>\$ 984,270</u>	<u>\$ 760,493</u>
Liabilities and Fund Balances		
Liabilities		
Accounts payable	\$ 49,455	\$ -
Accrued expenditures	282	-
Total Liabilities	<u>49,737</u>	<u>-</u>
Net Position		
Restricted	-	700,142
Committed	934,533	60,351
Total Net Position	<u>934,533</u>	<u>760,493</u>
Total Liabilities and Fund Balances	<u>\$ 984,270</u>	<u>\$ 760,493</u>

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, 2023
(With Comparative Actual Amounts for the Year Ended December 31, 2022)

	2023			2022	
	Original Budget	Final Budget	Actual	Variance with Final Budget - Positive (Negative)	Actual
Revenues					
Sales taxes	\$ 2,510,871	\$ 2,510,871	\$ 2,637,757	\$ 126,886	\$ 2,593,849
Use taxes	141,030	141,030	183,134	42,104	116,198
Investment earnings	5,000	5,000	95,596	90,596	30,454
Total Revenues	<u>2,656,901</u>	<u>2,656,901</u>	<u>2,916,487</u>	<u>259,586</u>	<u>2,740,501</u>
Expenditures					
Capital outlay	-	4,786,275	4,586,332	199,943	-
Total Expenditures	<u>-</u>	<u>4,786,275</u>	<u>4,586,332</u>	<u>199,943</u>	<u>-</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>2,656,901</u>	<u>(2,129,374)</u>	<u>(1,669,845)</u>	<u>459,529</u>	<u>2,740,501</u>
Other Financing Sources (Uses)					
Transfers in	-	4,282,898	4,282,898	-	-
Transfers out	(2,439,312)	(2,439,312)	(2,439,013)	299	(2,437,015)
Total Other Financing Sources (Uses)	<u>(2,439,312)</u>	<u>1,843,586</u>	<u>1,843,885</u>	<u>299</u>	<u>(2,437,015)</u>
Net Change in Fund Balances	<u>\$ 217,589</u>	<u>\$ (285,788)</u>	<u>174,040</u>	<u>\$ 459,828</u>	<u>303,486</u>
Fund Balances Beginning of Year			<u>760,493</u>		<u>457,007</u>
Fund Balances End of Year			<u>\$ 934,533</u>		<u>\$ 760,493</u>

City of Durango, Colorado
Parks, Open Space and Trails Fund
Comparative Balance Sheet
December 31, 2023 and 2022

	<u>2023</u>	<u>2022</u>
Assets		
Equity in cash and cash equivalents	\$ 5,967,468	\$ 4,847,361
Sales and use tax receivable	291,781	296,529
Total Assets	<u>\$ 6,259,249</u>	<u>\$ 5,143,890</u>
Liabilities and Fund Balances		
Liabilities		
Accounts payable	\$ 47,971	\$ 67,497
Accrued expenditures	528	-
Unearned revenue	2,500	-
Total Liabilities	<u>50,999</u>	<u>67,497</u>
Net Position		
Restricted	-	5,000,401
Committed	6,208,250	75,992
Total Net Position	<u>6,208,250</u>	<u>5,076,393</u>
Total Liabilities and Fund Balances	<u>\$ 6,259,249</u>	<u>\$ 5,143,890</u>

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, 2023
(With Comparative Actual Amounts for the Year Ended December 31, 2022)

	2023			2022	
	Original Budget	Final Budget	Actual	Variance with Final Budget - Positive (Negative)	Actual
Revenues					
Sales taxes	\$ 2,510,871	\$ 2,510,871	\$ 2,637,757	\$ 126,886	\$ 2,593,851
Use taxes	141,030	141,030	183,134	42,104	116,198
Investment earnings	25,000	25,000	283,845	258,845	72,980
Total Revenues	<u>2,676,901</u>	<u>2,676,901</u>	<u>3,104,736</u>	<u>427,835</u>	<u>2,783,029</u>
Expenditures					
Capital outlay	<u>5,600,000</u>	<u>7,286,633</u>	<u>1,602,777</u>	<u>5,683,856</u>	<u>335,448</u>
Total Expenditures	<u>5,600,000</u>	<u>7,286,633</u>	<u>1,602,777</u>	<u>5,683,856</u>	<u>335,448</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>(2,923,099)</u>	<u>(4,609,732)</u>	<u>1,501,959</u>	<u>6,111,691</u>	<u>2,447,581</u>
Other Financing Sources (Uses)					
Transfers in	600,000	-	-	-	-
Transfers out	<u>(370,102)</u>	<u>(370,102)</u>	<u>(370,102)</u>	<u>-</u>	<u>(453,557)</u>
Total Other Financing Sources (Uses)	<u>229,898</u>	<u>(370,102)</u>	<u>(370,102)</u>	<u>-</u>	<u>(453,557)</u>
Net Change in Fund Balances	<u>\$ (2,693,201)</u>	<u>\$ (4,979,834)</u>	<u>1,131,857</u>	<u>\$ 6,111,691</u>	<u>1,994,024</u>
Fund Balances Beginning of Year			<u>5,076,393</u>		<u>3,082,369</u>
Fund Balances End of Year			<u>\$ 6,208,250</u>		<u>\$ 5,076,393</u>

City of Durango, Colorado
Capital Projects Fund
Comparative Balance Sheet
December 31, 2023 and 2022

	<u>2023</u>	<u>2022</u>
Assets		
Equity in cash and cash equivalents	\$ 2,258,848	\$ 662,774
Accounts receivable	510,000	510,000
Interest	314,333	299,033
Total Assets	<u>\$ 3,083,181</u>	<u>\$ 1,471,807</u>
Liabilities and Fund Balances		
Liabilities		
Accounts payable	\$ 17,499	\$ 85,838
Accrued expenditures	585	-
Unearned revenue	197,700	197,700
Deferred inflows-Unearned revenues	824,333	809,033
Total Liabilities	<u>1,040,117</u>	<u>1,092,571</u>
Net Position		
Committed	<u>2,043,064</u>	<u>379,236</u>
Total Net Position	<u>2,043,064</u>	<u>379,236</u>
Total Liabilities and Fund Balances	<u>\$ 3,083,181</u>	<u>\$ 1,471,807</u>

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, 2023
(With Comparative Actual Amounts for the Year Ended December 31, 2022)

	2023			2022	
	Original Budget	Final Budget	Actual	Variance with Final Budget - Positive (Negative)	Actual
Revenues					
Intergovernmental	\$ -	\$ -	\$ -	\$ -	\$ 5,910
Investment earnings	-	345,146	497,922	152,776	132,734
Miscellaneous	-	3,300,000	-	(3,300,000)	100,158
Total Revenues	-	3,645,146	497,922	(3,147,224)	238,802
Expenditures					
General government	925,000	925,000	226,400	698,600	198,737
Public works	52,000	3,333,000	532,369	2,800,631	535,237
Total Expenditures	977,000	4,258,000	758,769	3,499,231	733,974
Excess (Deficiency) of Revenues Over (Under) Expenditures	(977,000)	(612,854)	(260,847)	352,007	(495,172)
Other Financing Sources (Uses)					
Transfers in	-	609,675	1,924,675	1,315,000	252,838
Total Other Financing Sources (Uses)	-	609,675	1,924,675	1,315,000	252,838
Net Change in Fund Balances	<u>\$ (977,000)</u>	<u>\$ (3,179)</u>	1,663,828	<u>\$ 1,667,007</u>	(242,334)
Fund Balances Beginning of Year			379,236		621,570
Fund Balances End of Year			<u>\$ 2,043,064</u>		<u>\$ 379,236</u>



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, 2023 and 2022

	2023	2022
Assets		
Current Assets		
Equity in cash and cash equivalents	\$ 16,620,788	\$ 17,142,070
Receivables		
Accounts	646,393	614,560
Inventory	163,558	175,613
Total Current Assets	17,430,739	17,932,243
Noncurrent Assets		
Note receivable	65,918	76,726
Capital Assets		
Land, easements and water rights	7,048,853	7,048,853
Construction in progress	1,265,366	2,432,463
Depreciable capital assets, net	43,758,060	41,475,592
Total Noncurrent Assets	52,138,197	51,033,634
Total Assets	69,568,936	68,965,877
Liabilities		
Current Liabilities		
Accounts payable	361,451	356,367
Accrued wages	24,320	22,350
Compensated Absences - due in one year	45,457	56,469
Loan payable	205,804	201,848
Total Current Liabilities	637,032	637,034
Loan payable net of current portion	1,920,383	2,126,186
Long Term Liabilities		
Compensated absences net of current portion	45,456	56,468
Total Liabilities	2,602,871	2,819,688
Net Position		
Net investment in capital assets	49,940,392	48,554,247
Unrestricted	17,025,673	17,591,942
Total Net Position	\$ 66,966,065	\$ 66,146,189

City of Durango, Colorado
Water Utility Fund
Comparative Statement of Revenues, Expenses, and Changes in Net Position
For the Years Ended December 31, 2023 and 2022

	<u>2023</u>	<u>2022</u>
Operating Revenues		
Charges for sales and services	\$ 5,686,502	\$ 5,661,435
Miscellaneous	21,178	8,446
Total Operating Revenues	<u>5,707,680</u>	<u>5,669,881</u>
Operating Expenses		
Administration	525,122	292,981
Source of supply	5,321	10,211
Pumping	93,861	82,564
Transmission and distribution	1,582,513	1,083,671
Treatment	1,241,208	1,154,321
Meter reading and repairs	218,832	123,350
Building maintenance	60,476	146,196
Non-departmental	796,910	197,997
Payment for services	644,629	563,481
Depreciation	1,854,671	1,813,016
Total Operating Expenses	<u>7,023,543</u>	<u>5,467,788</u>
Operating Income	<u>(1,315,863)</u>	<u>202,093</u>
Non-Operating Revenues (Expenses)		
Gain (loss) on the sale of capital assets	-	(88,024)
Investment earnings	818,862	297,784
Interest expense	(44,417)	(48,297)
Total Non-Operating Revenues (Expenses)	<u>774,445</u>	<u>161,463</u>
Income Before Capital Contributions and Transfers	<u>(541,418)</u>	<u>363,556</u>
Capital contributions	1,361,294	492,174
Change in Net Position	<u>819,876</u>	<u>855,730</u>
Net Position Beginning of Year	<u>66,146,189</u>	<u>65,290,459</u>
Net Position End of Year	<u><u>\$ 66,966,065</u></u>	<u><u>\$ 66,146,189</u></u>

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, 2023

	Original Budget	Final Budget	Actual	Variance with Final Budget - Positive (Negative)
Revenues				
Charges for sales and services	\$ 14,064,552	\$ 14,064,552	\$ 5,686,502	\$ (8,378,050)
Miscellaneous	15,815	15,815	21,178	5,363
Investment earnings	189,275	602,466	818,862	216,396
Interest expense	(44,418)	(44,418)	(44,417)	1
Capital contributions	673,431	673,431	1,361,294	687,863
Total Revenues	14,898,655	15,311,846	7,843,419	(7,468,427)
Expenditures				
Administration	494,333	494,333	525,122	(30,789)
Source of supply	178,262	178,262	5,321	172,941
Pumping	121,452	121,452	93,861	27,591
Transmission and distribution	1,576,885	1,792,721	1,582,513	210,208
Treatment	1,216,456	1,266,456	1,241,208	25,248
Meter reading and repairs	164,695	164,695	218,832	(54,137)
Building maintenance	109,575	109,575	60,476	49,099
Non-departmental	8,768,316	11,599,879	3,475,031	8,124,848
Payment for services	644,629	644,629	644,629	-
Total Expenditures	13,274,603	16,372,002	7,846,993	8,525,009
Excess (Deficiency) of Revenues Over (Under) Expenditures	1,624,052	(1,060,156)	(3,574)	1,056,582
Transfers out	(8,408,750)	(8,408,750)	-	8,408,750
Excess (Deficiency) of Revenues Over (Under) Expenditures	\$ (6,784,698)	\$ (9,468,906)	(3,574)	\$ 9,465,332
Reconciliation to GAAP Net Income:				
Remove Capital Outlay			2,476,273	
Remove Principal Payments			201,848	
Add Depreciation			(1,854,671)	
Net Income (Loss)			\$ 819,876	

City of Durango, Colorado
Sewer Utility Fund
Comparative Statement of Net Position
December 31, 2023 and 2022

	2023	2022
Assets		
Current Assets		
Equity in cash and cash equivalents	\$ 1,847,020	\$ 3,149,456
Cash held with fiscal agent	29,586	349,486
Receivables		
Accounts	1,144,109	1,249,422
Inventory	27,072	20,399
Total Current Assets	3,047,787	4,768,763
Noncurrent Assets		
Note receivable	13,259	16,081
Capital Assets		
Land, easements and water rights	321,309	321,309
Construction in progress	257,812	129,074
Depreciable capital assets, net	76,628,431	78,672,376
Total Noncurrent Assets	77,220,811	79,138,840
Total Assets	80,268,598	83,907,603
Liabilities		
Current Liabilities		
Accounts payable	221,691	227,799
Accrued wages	25,552	22,930
Compensated Absences - due in one year	30,043	38,743
Loan payable	2,526,093	2,481,893
Interest Payable	310,891	384,331
Loan payable net of current portion	40,306,739	42,891,706
Unearned revenue	-	159,950
Total Current Liabilities	43,421,009	46,207,352
Long Term Liabilities		
Compensated absences net of current portion	30,043	38,743
Total Liabilities	43,451,052	46,246,095
Net Position		
Net investment in capital assets	35,316,710	33,749,162
Restricted	29,586	349,486
Unrestricted	1,471,250	3,562,860
Total Net Position	\$ 36,817,546	\$ 37,661,508

City of Durango, Colorado
Sewer Utility Fund
Comparative Statement of Revenues, Expenses, and Changes in Net Position
For the Years Ended December 31, 2023 and 2022

	<u>2023</u>	<u>2022</u>
Operating Revenues		
Charges for sales and services	\$ 8,210,899	\$ 8,151,944
Miscellaneous	62,838	58,417
Total Operating Revenues	<u>8,273,737</u>	<u>8,210,361</u>
Operating Expenses		
Administration	357,117	272,470
Treatment	2,146,649	1,888,633
Collections	1,222,186	1,000,027
Building maintenance	4,878	6,717
Non-departmental	574,786	482,809
Payment for services	629,742	663,242
Depreciation	2,688,518	2,682,646
Total Operating Expenses	<u>7,623,876</u>	<u>6,996,544</u>
Operating Income	<u>649,861</u>	<u>1,213,817</u>
Non-Operating Revenues (Expenses)		
Gain (loss) on the sale of capital assets	-	(175,000)
Investment earnings	131,320	302,921
Interest expense	(713,698)	(750,684)
Total Non-Operating Revenues (Expenses)	<u>(582,378)</u>	<u>(622,763)</u>
Income Before Capital Contributions and Transfers	67,483	591,054
Capital contributions	403,555	175,175
Transfers in	6,937,391	-
Transfers out	(8,252,391)	-
Change in Net Position	(843,962)	766,229
Net Position Beginning of Year	<u>37,661,508</u>	<u>36,895,279</u>
Net Position End of Year	<u><u>\$ 36,817,546</u></u>	<u><u>\$ 37,661,508</u></u>

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, 2023

	Original Budget	Final Budget	Actual	Variance with Final Budget - Positive (Negative)
Revenues				
Charges for sales and services	\$ 8,173,692	\$ 8,173,692	\$ 8,210,899	\$ 37,207
Miscellaneous	10,204	10,204	62,838	52,634
Investment earnings	61,221	104,000	131,320	27,320
Interest expense	(467,239)	(467,239)	(713,698)	(246,459)
Capital contributions	168,358	168,358	403,555	235,197
Transfers in	1,315,000	8,252,391	6,937,391	(1,315,000)
Total Revenues	9,261,236	16,241,406	15,032,305	(1,209,101)
Expenditures				
Administration	353,855	395,216	357,117	38,099
Treatment	1,905,803	2,040,803	2,146,649	(105,846)
Collections	1,343,587	1,359,423	1,222,186	137,237
Building maintenance	5,624	5,624	4,878	746
Non-departmental	3,917,494	4,637,340	3,707,243	930,097
Payment for services	629,742	629,742	629,742	-
Total Expenditures	8,156,105	9,068,148	8,067,815	1,000,333
Excess (Deficiency) of Revenues Over (Under) Expenditures	1,105,131	7,173,258	6,964,490	(208,768)
Transfers out	(1,315,000)	(8,252,391)	(8,252,391)	-
Excess (Deficiency) of Revenues Over (Under) Expenditures	\$ (209,869)	\$ (1,079,133)	(1,287,901)	\$ (208,768)
Reconciliation to GAAP Net Income:				
Remove Capital Outlay			650,564	
Remove Principal Payments			2,481,893	
Add Depreciation			(2,688,518)	
Net Income (Loss)			\$ (843,962)	

City of Durango, Colorado
Trash and Recycling Fund
Comparative Statement of Net Position
December 31, 2023 and 2022

	<u>2023</u>	<u>2022</u>
Assets		
Equity in cash and cash equivalents	\$ 2,850,572	\$ 2,638,141
Accounts	488,262	411,935
Intergovernmental	38,400	-
Land, easements and water rights	89,622	89,622
Construction in progress	73,346	44,967
Depreciable capital assets, net	<u>1,718,311</u>	<u>1,679,875</u>
Total Assets	<u>5,258,513</u>	<u>4,864,540</u>
Liabilities		
Accounts payable	69,385	46,740
Accrued wages	17,292	16,906
Compensated Absences - due in one year	32,245	42,215
Unearned revenue	4,000	-
Compensated absences net of current portion	<u>32,245</u>	<u>42,214</u>
Total Liabilities	<u>155,167</u>	<u>148,075</u>
Net Position		
Net investment in capital assets	1,881,278	1,814,463
Unrestricted	<u>3,222,068</u>	<u>2,902,002</u>
Total Net Position	<u><u>\$ 5,103,346</u></u>	<u><u>\$ 4,716,465</u></u>

City of Durango, Colorado
Trash and Recycling Fund
Comparative Statement of Revenues, Expenses, and Changes in Net Position
For the Years Ended December 31, 2023 and 2022

	<u>2023</u>	<u>2022</u>
Operating Revenues		
Charges for sales and services	\$ 3,408,423	\$ 3,346,881
Miscellaneous	94,123	86,007
Total Operating Revenues	<u>3,502,546</u>	<u>3,432,888</u>
Operating Expenses		
Administration	5,201	3,420
Collections	1,486,842	1,126,113
Recycling	931,271	875,214
Recycling center	511,182	361,611
Sustainability	249,167	178,118
Non-departmental	123,295	129,405
Payment for services	195,195	222,488
Depreciation	137,773	144,745
Total Operating Expenses	<u>3,639,926</u>	<u>3,041,114</u>
Operating Income	<u>(137,380)</u>	<u>391,774</u>
Non-Operating Revenues (Expenses)		
Intergovernmental grants	84,479	-
Investment earnings	134,070	43,493
Total Non-Operating Revenues (Expenses)	<u>218,549</u>	<u>43,493</u>
Income Before Capital Contributions and Transfers	81,169	435,267
Capital contributions	165,212	-
Transfers in	140,500	-
Change in Net Position	386,881	435,267
Net Position Beginning of Year	<u>4,716,465</u>	<u>4,281,198</u>
Net Position End of Year	<u><u>\$ 5,103,346</u></u>	<u><u>\$ 4,716,465</u></u>

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, 2023

	Original Budget	Final Budget	Actual	Variance with Final Budget - Positive (Negative)
Revenues				
Charges for sales and services	\$ 3,506,451	\$ 3,506,451	\$ 3,408,423	\$ (98,028)
Services provided	-	-	-	-
Miscellaneous	95,500	120,500	94,123	(26,377)
Intergovernmental grants	60,000	85,000	84,479	(521)
Investment earnings	11,501	11,501	134,070	122,569
Capital contributions	-	-	165,212	165,212
Transfers in	-	140,500	140,500	-
Total Revenues	3,673,452	3,863,952	4,026,807	162,855
Expenditures				
Administration	4,100	4,100	5,201	(1,101)
Collections	1,529,231	1,529,564	1,486,842	42,722
Recycling	865,310	964,472	931,271	33,201
Recycling center	444,171	444,171	511,182	(67,011)
Sustainability	218,869	284,769	249,167	35,602
Non-departmental	143,235	311,747	162,671	149,076
Payment for services	195,195	96,366	195,195	(98,829)
Total Expenditures	3,400,111	3,635,189	3,541,529	93,660
Excess (Deficiency) of Revenues Over (Under) Expenditures	273,341	228,763	485,278	256,515
Reconciliation to GAAP Net Income:				
Remove Capital Outlay			39,376	
Add Depreciation			(137,773)	
Net Income (Loss)			\$ 386,881	

City of Durango, Colorado
Transportation Services Fund
Comparative Statement of Net Position
December 31, 2023 and 2022

	2023	2022
Assets		
Current Assets		
Equity in cash and cash equivalents	\$ 2,504,226	\$ 3,517,457
Receivables		
Accounts	122,126	35,278
Intergovernmental	133,799	-
Total Current Assets	<u>2,760,151</u>	<u>3,552,735</u>
Noncurrent Assets		
Capital Assets		
Land, easements and water rights	3,886,835	3,886,835
Construction in progress	-	11,406
Depreciable capital assets, net	5,296,069	5,315,132
Total Noncurrent Assets	<u>9,182,904</u>	<u>9,213,373</u>
Total Assets	<u>11,943,055</u>	<u>12,766,108</u>
Liabilities		
Current Liabilities		
Accounts payable	21,458	60,585
Accrued wages	42,070	38,418
Compensated Absences - due in one year	73,696	73,015
Total Current Liabilities	<u>137,224</u>	<u>172,018</u>
Long Term Liabilities		
Compensated absences net of current portion	73,697	73,016
Total Liabilities	<u>210,921</u>	<u>245,034</u>
Net Position		
Net investment in capital assets	9,182,904	9,213,372
Unrestricted	2,549,230	3,307,702
Total Net Position	<u><u>\$ 11,732,134</u></u>	<u><u>\$ 12,521,074</u></u>

City of Durango, Colorado
Transportation Services Fund
Comparative Statement of Revenues, Expenses, and Changes in Net Position
For the Years Ended December 31, 2023 and 2022

	<u>2023</u>	<u>2022</u>
Operating Revenues		
Charges for sales and services	\$ 2,178,463	\$ 2,131,029
Miscellaneous	147,304	102,144
Total Operating Revenues	<u>2,325,767</u>	<u>2,233,173</u>
Operating Expenses		
Administration	357,294	345,797
Parking operations	838,736	893,164
Loop system	3,176,549	2,515,496
Multi-modal	206,896	176,973
Non-departmental	(180,767)	168,629
Payment for services	265,223	190,880
Depreciation	392,871	368,459
Total Operating Expenses	<u>5,056,802</u>	<u>4,659,398</u>
Operating Income	<u>(2,731,035)</u>	<u>(2,426,225)</u>
Non-Operating Revenues (Expenses)		
Gain (loss) on the sale of capital assets	(5,928)	-
Intergovernmental grants	943,907	2,330,961
Investment earnings	146,669	48,235
Total Non-Operating Revenues (Expenses)	<u>1,084,648</u>	<u>2,379,196</u>
Income Before Capital Contributions and Transfers	<u>(1,646,387)</u>	<u>(47,029)</u>
Capital contributions	101,372	44,913
Transfers in	756,075	847,572
Change in Net Position	<u>(788,940)</u>	<u>845,456</u>
Net Position Beginning of Year	<u>12,521,074</u>	<u>11,675,618</u>
Net Position End of Year	<u><u>\$ 11,732,134</u></u>	<u><u>\$ 12,521,074</u></u>

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, 2023

	Original Budget	Final Budget	Actual	Variance with Final Budget - Positive (Negative)
Revenues				
Charges for sales and services	\$ 1,935,686	\$ 1,935,686	\$ 2,178,463	\$ 242,777
Services provided	710,964	-	-	-
Miscellaneous	100,000	100,000	147,304	47,304
Gain (loss) on the sale of capital assets	-	-	(5,928)	(5,928)
Intergovernmental grants	5,475,265	5,568,665	943,907	(4,624,758)
Investment earnings	10,000	111,039	146,669	35,630
Capital contributions	-	-	101,372	101,372
Transfers in	-	710,964	756,075	45,111
Total Revenues	8,231,915	8,426,354	4,267,862	(4,158,492)
Expenditures				
Administration	431,259	451,592	357,294	94,298
Parking operations	924,650	945,298	838,736	106,562
Loop system	3,011,018	3,146,518	3,176,549	(30,031)
Multi-modal	3,480,609	3,494,009	206,896	3,287,113
Equipment maintenance	-	-	408,330	(408,330)
Non-departmental	1,298,230	1,298,230	(180,767)	1,478,997
Payment for services	265,223	265,223	265,223	-
Total Expenditures	9,410,989	9,600,870	5,072,261	4,528,609
Excess (Deficiency) of Revenues Over (Under) Expenditures	(1,179,074)	(1,174,516)	(804,399)	370,117
Reconciliation to GAAP Net Income:				
Remove Capital Outlay			408,330	
Add Depreciation			(392,871)	
Net Income (Loss)			\$ (788,940)	

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, 2023

	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	\$ (5,883)	\$ 6,822,932	\$ 2,116,863	\$ 346,272	\$ 417,336	\$ 299,211	\$ 9,996,731
Accounts receivable	-	-	125,138	-	-	1,387,135	1,512,273
Inventory	119,041	299,788	-	-	-	-	418,829
Total Current Assets	113,158	7,122,720	2,242,001	346,272	417,336	1,686,346	11,927,833
Noncurrent Assets							
Capital Assets							
Land, easements and water rights	67,889	-	-	-	-	-	67,889
Construction in progress	-	1,565,833	-	-	-	-	1,565,833
Depreciable capital assets, net	971,463	4,258,283	-	-	123,524	4,055,098	9,408,368
Total Noncurrent Assets	1,039,352	5,824,116	-	-	123,524	4,055,098	11,042,090
Total Assets	1,152,510	12,946,836	2,242,001	346,272	540,860	5,741,444	22,969,923
Liabilities							
Current Liabilities							
Accounts payable	9,626	247,680	359,118	35,102	-	1,170,766	1,822,292
Accrued wages	1,150	12,976	-	1,593	-	-	15,719
Compensated Absences - due in one year	531	19,219	-	4,467	-	-	24,217
Interfund payable	20,000	-	-	-	-	-	20,000
Total Current Liabilities	31,307	279,875	359,118	41,162	-	1,170,766	1,882,228
Long Term Liabilities							
Loan payable EPC short term	-	-	-	-	-	88,322	88,322
Interest payable EPC loan	-	-	-	-	-	98,856	98,856
Loan payable net of current portion	-	-	-	-	-	4,086,140	4,086,140
Compensated absences net of current portion	531	19,218	-	4,469	-	-	24,218
Total Long Term Liabilities	531	19,218	-	4,469	-	4,273,318	4,297,536
Total Liabilities	31,838	299,093	359,118	45,631	-	5,444,084	6,179,764
Net Position							
Net investment in capital assets	1,039,352	5,824,116	-	-	123,524	-	6,986,992
Restricted	-	6,823,627	-	-	-	-	6,823,627
Unrestricted	81,320	-	1,882,883	300,641	417,336	297,360	2,979,540
Total Net Position	\$ 1,120,672	\$ 12,647,743	\$ 1,882,883	\$ 300,641	\$ 540,860	\$ 297,360	\$ 16,790,159

City of Durango, Colorado
Combining Statement of Revenues
Expenses and Changes in Fund Net Position
Internal Service Funds
For the Year Ended December 31, 2023

	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	\$ 10,017	\$ 4,111,394	\$ 893,467	\$ -	\$ -	\$ -	\$ 5,014,878
Services provided	80,000	-	7,842,498	1,829,465	218,401	224,509	10,194,873
Miscellaneous	-	-	39,953	56,228	-	14,185	110,366
Total Operating Revenues	90,017	4,111,394	8,775,918	1,885,693	218,401	238,694	15,320,117
Operating Expenses							
Administration	83,128	-	17,348	148,557	-	4,613,314	4,862,347
Building maintenance	101,832	-	-	-	-	(3,083,111)	(2,981,279)
Equipment maintenance	-	1,912,389	-	-	-	-	1,912,389
Insurance claims and premiums	-	-	-	1,818,706	-	-	1,818,706
Medical claims and premiums	-	-	7,092,103	-	-	-	7,092,103
Non-departmental	-	-	-	-	16,571	-	16,571
Payment for services	1,704	7,760	-	-	-	-	9,464
Depreciation	34,362	1,016,049	-	-	-	119,364	1,169,775
Total Operating Expenses	221,026	2,936,198	7,109,451	1,967,263	16,571	1,649,567	13,900,076
Operating Income (Loss)	(131,009)	1,175,196	1,666,467	(81,570)	201,830	(1,410,873)	1,420,041
Non-Operating Revenues (Expenses)							
Gain (loss) on the sale of capital assets	-	117,105	-	-	-	-	117,105
Intergovernmental grants	-	-	-	-	-	789,696	789,696
Investment earnings	3,600	323,463	33,260	10,338	20,219	27,615	418,495
Interest expense	-	-	-	-	-	(98,856)	(98,856)
Total Non-Operating Revenues (Expenses)	3,600	440,568	33,260	10,338	20,219	718,455	1,226,440
Income (Loss) Before Contributions and Transfers	(127,409)	1,615,764	1,699,727	(71,232)	222,049	(692,418)	2,646,481
Capital contributions	-	(101,372)	-	-	-	-	(101,372)
Change in Net Position	(127,409)	1,514,392	1,699,727	(71,232)	222,049	(692,418)	2,545,109
Net Position Beginning of Year	1,248,081	11,133,351	183,156	371,873	318,811	989,778	14,245,050
Net Position End of Year	\$ 1,120,672	\$ 12,647,743	\$ 1,882,883	\$ 300,641	\$ 540,860	\$ 297,360	\$ 16,790,159

City of Durango, Colorado
Combining Statement of Cash Flows
Internal Service Funds
For the Year Ended December 31, 2023

	General Services	Equipment Reserve	Self Insurance	Risk Management	Technology Replacement	Building Maintenance	Total
Increase (Decrease) in Cash and Cash Equivalents							
<u>Cash Flows from Operating Activities</u>							
Cash received from customers and users	\$ 90,017	\$ 4,113,594	\$ 1,069,147	\$ 28,043	\$ 218,401	\$ (1,162,626)	\$ 4,356,576
Transfers from Other Funds	-	-	7,842,498	1,829,465	-	-	9,671,963
Other receipts	-	-	39,953	56,228	-	14,185	110,366
Cash payments to suppliers and employees	(227,688)	(1,899,248)	(7,698,692)	(1,956,051)	(18,993)	(359,437)	(12,160,109)
Net Cash Provided by (Used in) Operating Activities	(137,671)	2,214,346	1,252,906	(42,315)	199,408	(1,507,878)	1,978,796
<u>Cash Flows from Noncapital Financing Activities</u>							
Interfund borrowings	20,000	-	-	-	-	-	20,000
Intergovernmental Revenue	-	-	-	-	-	789,696	789,696
Transfers from Other Funds	-	-	-	-	-	-	-
Net Cash Provided by Noncapital Financing Activities	20,000	-	-	-	-	789,696	809,696
<u>Cash Flows from Capital and Related Financing Activities</u>							
Sale of capital assets	-	117,105	-	-	-	-	117,105
Payments for capital acquisitions	-	(2,534,921)	-	-	(123,524)	-	(2,658,445)
Net Cash Used in Capital and Related Financing Activities	-	(2,417,816)	-	-	(123,524)	-	(2,541,340)
<u>Cash Flows from Investing Activities</u>							
Investment earnings	3,601	323,463	33,260	10,338	20,219	27,615	418,496
Net Cash Provided from (Used in) Investing Activities	3,601	323,463	33,260	10,338	20,219	27,615	418,496
Net Increase (Decrease) in Cash and Cash Equivalents	(114,070)	119,993	1,286,166	(31,977)	96,103	(690,567)	665,648
Cash and Cash Equivalents Beginning of Year	108,187	6,702,939	830,697	378,249	321,233	989,778	9,331,083
Cash and Cash Equivalents End of Year	\$ (5,883)	\$ 6,822,932	\$ 2,116,863	\$ 346,272	\$ 417,336	\$ 299,211	\$ 9,996,731
Reconciliation of Operating Income (Loss) to Net Cash Provided by (Used in) Operating Activities							
Operating Income (Loss)	\$ (131,009)	\$ 1,175,196	\$ 1,666,467	\$ (81,570)	\$ 201,830	\$ (1,410,873)	\$ 1,420,041
Adjustments:							
Depreciation	34,362	1,016,049	-	-	-	119,364	1,169,775
(Increase) Decrease in Assets:							
Accounts receivable	-	2,200	175,680	28,043	-	(1,387,135)	(1,181,212)
Inventory	12,423	(32,759)	-	-	-	-	(20,336)
Increase (Decrease) in Liabilities:							
Accounts payable	(45,071)	87,183	(589,241)	13,034	(2,422)	1,170,766	634,249
Accrued liabilities	44	4,944	-	46	-	-	5,034
Compensated Absences	(8,420)	(38,467)	-	(1,868)	-	-	(48,755)
Total Adjustments	(6,662)	1,039,150	(413,561)	39,255	(2,422)	(97,005)	558,755
Net Cash Provided by (Used in) Operating Activities	\$ (137,671)	\$ 2,214,346	\$ 1,252,906	\$ (42,315)	\$ 199,408	\$ (1,507,878)	\$ 1,978,796

City of Durango, Colorado
General Services Fund
Comparative Statement of Net Position
December 31, 2023 and 2022

	<u>2023</u>	<u>2022</u>
Assets		
Current Assets:		
Equity in cash and cash equivalents	\$ (5,883)	\$ 108,187
Inventory	119,041	131,464
Total Current Assets	<u>113,158</u>	<u>239,651</u>
Noncurrent Assets		
Capital Assets		
Land, easements and water rights	67,889	67,889
Depreciable capital assets, net	971,463	1,005,826
Total Noncurrent Assets	<u>1,039,352</u>	<u>1,073,715</u>
Total Assets	<u>1,152,510</u>	<u>1,313,366</u>
Liabilities		
Current Liabilities:		
Accounts payable	9,626	54,697
Accrued wages	1,150	1,106
Compensated Absences - due in one year	531	4,741
Total Current Liabilities	<u>11,307</u>	<u>60,544</u>
Long Term Liabilities		
Interfund payable	20,000	-
Compensated absences net of current portion	531	4,741
Total Liabilities	<u>31,838</u>	<u>65,285</u>
Net Position		
Net investment in capital assets	1,039,352	1,073,714
Unrestricted	81,320	174,367
Total Net Position	<u>\$ 1,120,672</u>	<u>\$ 1,248,081</u>

City of Durango, Colorado
General Services Fund
Comparative Statement of Revenues, Expenses, and Changes in Fund Net Position
For the Years Ended December 31, 2023 and 2022

	<u>2023</u>	<u>2022</u>
Operating Revenues		
Charges for sales and services	\$ 10,017	\$ 252,840
Services provided	<u>80,000</u>	<u>140,000</u>
Total Operating Revenues	<u>90,017</u>	<u>392,840</u>
Operating Expenses		
Administration	83,128	109,955
Building maintenance	101,832	98,146
Payment for services	1,704	-
Depreciation	<u>34,362</u>	<u>78,214</u>
Total Operating Expenses	<u>221,026</u>	<u>286,315</u>
Operating Income (Loss)	<u>(131,009)</u>	<u>106,525</u>
Non-Operating Revenues (Expenses)		
Investment earnings	<u>3,600</u>	<u>1,688</u>
Total Non-Operating Revenues (Expenses)	<u>3,600</u>	<u>1,688</u>
Change in Net Position	(127,409)	108,213
Net Position Beginning of Year	<u>1,248,081</u>	<u>1,139,868</u>
Net Position End of Year	<u><u>\$ 1,120,672</u></u>	<u><u>\$ 1,248,081</u></u>

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, 2023

	Original Budget	Final Budget	Actual	Variance with Final Budget - Positive (Negative)
Revenues				
Charges for sales and services	\$ 62,000	\$ 10,000	\$ 10,017	\$ 17
Services provided	8,000	80,000	80,000	-
Investment earnings	7,000	7,000	3,600	(3,400)
Total Revenues	<u>77,000</u>	<u>97,000</u>	<u>93,617</u>	<u>(3,383)</u>
Expenditures				
Administration	96,780	96,780	83,128	13,652
Building maintenance	94,111	94,111	101,832	(7,721)
Payment for services	1,704	1,704	1,704	-
Total Expenditures	<u>192,595</u>	<u>192,595</u>	<u>186,664</u>	<u>5,931</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>(115,595)</u>	<u>(95,595)</u>	<u>(93,047)</u>	<u>2,548</u>
Transfers in	20,000	-	-	-
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>\$ (95,595)</u>	<u>\$ (95,595)</u>	<u>(93,047)</u>	<u>\$ 2,548</u>
Reconciliation to GAAP Net Income:				
Add Depreciation			<u>(34,362)</u>	
Net Income (Loss)			<u>\$ (127,409)</u>	

City of Durango, Colorado
Capital Equipment Replacement Fund
Comparative Statement of Net Position
December 31, 2023 and 2022

	<u>2023</u>	<u>2022</u>
Assets		
Equity in cash and cash equivalents	\$ 6,822,932	\$ 6,702,939
Accounts receivable	-	2,200
Inventory	299,788	267,029
Construction in progress	1,565,833	359,518
Depreciable capital assets, net	<u>4,258,283</u>	<u>4,047,098</u>
Total Assets	<u>12,946,836</u>	<u>11,378,784</u>
Liabilities		
Accounts payable	247,680	160,497
Accrued wages	12,976	8,032
Compensated Absences - due in one year	19,219	38,453
Compensated absences net of current portion	<u>19,218</u>	<u>38,451</u>
Total Liabilities	<u>299,093</u>	<u>245,433</u>
Net Position		
Net investment in capital assets	5,824,116	4,406,616
Restricted	6,823,627	7,387,574
Unrestricted	<u>-</u>	<u>(660,839)</u>
Total Net Position	<u><u>\$ 12,647,743</u></u>	<u><u>\$ 11,133,351</u></u>

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, 2023 and 2022

	<u>2023</u>	<u>2022</u>
Operating Revenues		
Charges for sales and services	\$ 4,111,394	\$ 3,295,212
Total Operating Revenues	<u>4,111,394</u>	<u>3,295,212</u>
Operating Expenses		
Equipment maintenance	1,912,389	1,293,971
Payment for services	7,760	-
Depreciation	<u>1,016,049</u>	<u>1,310,952</u>
Total Operating Expenses	<u>2,936,198</u>	<u>2,604,923</u>
Operating Income (Loss)	<u>1,175,196</u>	<u>690,289</u>
Non-Operating Revenues (Expenses)		
Gain (loss) on the sale of capital assets	117,105	181,600
Investment earnings	<u>323,463</u>	<u>101,482</u>
Total Non-Operating Revenues (Expenses)	<u>440,568</u>	<u>283,082</u>
Income (Loss) Before Contributions and Transfers	1,615,764	973,371
Capital contributions	(101,372)	-
Transfers out	<u>-</u>	<u>(1,600,000)</u>
Change in Net Position	1,514,392	(626,629)
Net Position Beginning of Year	<u>11,133,351</u>	<u>11,759,980</u>
Net Position End of Year	<u><u>\$ 12,647,743</u></u>	<u><u>\$ 11,133,351</u></u>

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, 2023

	Original Budget	Final Budget	Actual	Variance with Final Budget - Positive (Negative)
Revenues				
Charges for sales and services	\$ 3,997,175	\$ 4,111,394	\$ 4,111,394	\$ -
Miscellaneous	5,000	5,000	-	(5,000)
Gain (loss) on the sale of capital assets	150,000	150,000	117,105	(32,895)
Investment earnings	50,000	50,000	323,463	273,463
Capital contributions	-	-	(101,372)	(101,372)
Total Revenues	4,202,175	4,316,394	4,450,590	134,196
Expenditures				
Equipment maintenance	3,849,498	3,849,498	3,118,704	730,794
Payment for services	7,660	7,660	7,760	(100)
Total Expenditures	3,857,158	3,857,158	3,126,464	730,694
Excess (Deficiency) of Revenues Over (Under) Expenditures	345,017	459,236	1,324,126	864,890
Transfers out	(10,000)	(10,000)	-	10,000
Excess (Deficiency) of Revenues Over (Under) Expenditures	\$ 335,017	\$ 449,236	1,324,126	\$ 874,890
Reconciliation to GAAP Net Income:				
Add Depreciation			(1,016,049)	
Remove Capital Outlay			1,206,315	
Net Income (Loss)			\$ 1,514,392	

City of Durango, Colorado
Self Insurance Fund
Comparative Statement of Net Position
December 31, 2023 and 2022

	<u>2023</u>	<u>2022</u>
Assets		
Current Assets		
Equity in cash and cash equivalents	\$ 2,116,863	\$ 830,697
Accounts receivable	125,138	300,818
Total Assets	<u>2,242,001</u>	<u>1,131,515</u>
Liabilities		
Current Liabilities		
Accounts payable	359,118	948,359
Total Liabilities	<u>359,118</u>	<u>948,359</u>
Net Position		
Unrestricted	1,882,883	183,156
Total Net Position	<u><u>\$ 1,882,883</u></u>	<u><u>\$ 183,156</u></u>

City of Durango, Colorado
Self Insurance Fund
Comparative Statement of Revenues, Expenses, and Changes in Fund Net Position
For the Years Ended December 31, 2023 and 2022

	<u>2023</u>	<u>2022</u>
Operating Revenues		
Charges for sales and services	\$ 893,467	\$ 5,782,915
Services provided	7,842,498	1,458,186
Miscellaneous	39,953	56,173
Total Operating Revenues	<u>8,775,918</u>	<u>7,297,274</u>
Operating Expenses		
Administration	17,348	20,715
Medical claims and premiums	7,092,103	7,310,782
Total Operating Expenses	<u>7,109,451</u>	<u>7,331,497</u>
Operating Income (Loss)	<u>1,666,467</u>	<u>(34,223)</u>
Non-Operating Revenues (Expenses)		
Investment earnings	33,260	7,368
Total Non-Operating Revenues (Expenses)	<u>33,260</u>	<u>7,368</u>
Change in Net Position	1,699,727	(26,855)
Net Position Beginning of Year	<u>183,156</u>	<u>210,011</u>
Net Position End of Year	<u><u>\$ 1,882,883</u></u>	<u><u>\$ 183,156</u></u>

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, 2023

	Original Budget	Final Budget	Actual	Variance with Final Budget - Positive (Negative)
Revenues				
Charges for sales and services	\$ 7,218,565	\$ 800,000	\$ 893,467	\$ 93,467
Services provided	913,920	7,731,845	7,842,498	110,653
Miscellaneous	75,000	75,000	39,953	(35,047)
Investment earnings	12,000	12,000	33,260	21,260
Total Revenues	8,219,485	8,618,845	8,809,178	190,333
Expenditures				
Administration	25,000	25,000	17,348	7,652
Medical claims and premiums	7,777,762	8,003,762	7,092,103	911,659
Total Expenditures	7,802,762	8,028,762	7,109,451	919,311
Excess (Deficiency) of Revenues Over (Under) Expenditures	416,723	590,083	1,699,727	1,109,644
Transfers in	399,360	-	-	-
Excess (Deficiency) of Revenues Over (Under) Expenditures	\$ 816,083	\$ 590,083	1,699,727	\$ 1,109,644
Reconciliation to GAAP Net Income:				
Net Income (Loss)			\$ 1,699,727	

City of Durango, Colorado
Risk Management Fund
Comparative Statement of Net Position
December 31, 2023 and 2022

	<u>2023</u>	<u>2022</u>
Assets		
Equity in cash and cash equivalents	\$ 346,272	\$ 378,249
Accounts receivable	-	28,043
Total Assets	<u>346,272</u>	<u>406,292</u>
Liabilities		
Accounts payable	35,102	22,068
Accrued wages	1,593	1,547
Compensated Absences - due in one year	4,467	5,401
Compensated absences net of current portion	4,469	5,403
Total Liabilities	<u>45,631</u>	<u>34,419</u>
Net Position		
Unrestricted	<u>300,641</u>	<u>371,873</u>
Total Net Position	<u><u>\$ 300,641</u></u>	<u><u>\$ 371,873</u></u>

City of Durango, Colorado
Risk Management Fund
Comparative Statement of Revenues, Expenses, and Changes in Fund Net Position
For the Years Ended December 31, 2023 and 2022

	<u>2023</u>	<u>2022</u>
Operating Revenues		
Charges for sales and services	\$ -	\$ 1,003,356
Services provided	1,829,465	342,802
Miscellaneous	56,228	1,563
Total Operating Revenues	<u>1,885,693</u>	<u>1,347,721</u>
Operating Expenses		
Administration	148,557	131,836
Insurance claims and premiums	1,818,706	1,382,249
Total Operating Expenses	<u>1,967,263</u>	<u>1,514,085</u>
Operating Income (Loss)	<u>(81,570)</u>	<u>(166,364)</u>
Non-Operating Revenues (Expenses)		
Investment earnings	10,338	5,224
Total Non-Operating Revenues (Expenses)	<u>10,338</u>	<u>5,224</u>
Change in Net Position	(71,232)	(161,140)
Net Position Beginning of Year	<u>371,873</u>	<u>533,013</u>
Net Position End of Year	<u><u>\$ 300,641</u></u>	<u><u>\$ 371,873</u></u>

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, 2023

	Original Budget	Final Budget	Actual	Variance with Final Budget - Positive (Negative)
Revenues				
Charges for sales and services	\$ 1,344,499	\$ -	\$ -	\$ -
Services provided	338,756	1,803,763	1,829,465	25,702
Miscellaneous	-	-	56,228	56,228
Investment earnings	6,500	6,500	10,338	3,838
Total Revenues	<u>1,689,755</u>	<u>1,810,263</u>	<u>1,896,031</u>	<u>85,768</u>
Expenditures				
Administration	140,625	140,625	148,557	(7,932)
Insurance claims and premiums	1,641,740	1,783,240	1,818,706	(35,466)
Total Expenditures	<u>1,782,365</u>	<u>1,923,865</u>	<u>1,967,263</u>	<u>(43,398)</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>(92,610)</u>	<u>(113,602)</u>	<u>(71,232)</u>	<u>42,370</u>
Transfers in	120,508	-	-	-
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>\$ 27,898</u>	<u>\$ (113,602)</u>	<u>(71,232)</u>	<u>\$ 42,370</u>
Reconciliation to GAAP Net Income:				
Net Income (Loss)			<u>\$ (71,232)</u>	

City of Durango, Colorado
Technology Replacement Fund
Comparative Statement of Net Position
December 31, 2023 and 2022

	<u>2023</u>	<u>2022</u>
Assets		
Equity in cash and cash equivalents	\$ 417,336	\$ 321,233
Depreciable capital assets, net	123,524	-
Total Assets	<u>540,860</u>	<u>321,233</u>
Liabilities		
Accounts payable	-	2,422
Total Liabilities	<u>-</u>	<u>2,422</u>
Net Position		
Net investment in capital assets	123,524	-
Unrestricted	417,336	318,811
Total Net Position	<u>\$ 540,860</u>	<u>\$ 318,811</u>

City of Durango, Colorado
Technology Replacement Fund
Comparative Statement of Revenues, Expenses, and Changes in Fund Net Position
For the Years Ended December 31, 2023 and 2022

	<u>2023</u>	<u>2022</u>
Operating Revenues		
Services provided	\$ 218,401	\$ -
Total Operating Revenues	<u>218,401</u>	<u>-</u>
Operating Expenses		
Equipment maintenance	-	288,889
Non-departmental	<u>16,571</u>	<u>-</u>
Total Operating Expenses	<u>16,571</u>	<u>288,889</u>
Operating Income (Loss)	<u>201,830</u>	<u>(288,889)</u>
Non-Operating Revenues (Expenses)		
Investment earnings	<u>20,219</u>	<u>7,700</u>
Total Non-Operating Revenues (Expenses)	<u>20,219</u>	<u>7,700</u>
Income (Loss) Before Contributions and Transfers	222,049	(281,189)
Transfers in	<u>-</u>	<u>600,000</u>
Change in Net Position	222,049	318,811
Net Position Beginning of Year	<u>318,811</u>	<u>-</u>
Net Position End of Year	<u><u>\$ 540,860</u></u>	<u><u>\$ 318,811</u></u>

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, 2023

	Original Budget	Final Budget	Actual	Variance with Final Budget - Positive (Negative)
Revenues				
Charges for sales and services	\$ 178,932	\$ -	\$ -	\$ -
Services provided	10,343	218,401	218,401	-
Investment earnings	-	-	20,219	20,219
Total Revenues	<u>189,275</u>	<u>218,401</u>	<u>238,620</u>	<u>20,219</u>
Expenditures				
Non-departmental	<u>138,600</u>	<u>138,600</u>	<u>140,095</u>	<u>(1,495)</u>
Total Expenditures	<u>138,600</u>	<u>138,600</u>	<u>140,095</u>	<u>(1,495)</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>50,675</u>	<u>79,801</u>	<u>98,525</u>	<u>18,724</u>
Transfers in	29,126	-	-	-
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>\$ 79,801</u>	<u>\$ 79,801</u>	<u>98,525</u>	<u>\$ 18,724</u>
Reconciliation to GAAP Net Income:				
Remove Capital Outlay			<u>123,524</u>	
Net Income (Loss)			<u>\$ 222,049</u>	

City of Durango, Colorado
Building Maintenance Fund
Comparative Statement of Net Position
December 31, 2023 and 2022

	<u>2023</u>	<u>2022</u>
Assets		
Equity in cash and cash equivalents	\$ 299,211	\$ 989,778
Accounts receivable	1,387,135	-
Depreciable capital assets, net	<u>4,055,098</u>	<u>-</u>
Total Assets	<u>5,741,444</u>	<u>989,778</u>
Liabilities		
Accounts payable	1,170,766	-
Loan payable EPC short term	88,322	-
Interest payable EPC loan	98,856	-
Loan payable net of current portion	<u>4,086,140</u>	<u>-</u>
Total Liabilities	<u>5,444,084</u>	<u>-</u>
Net Position		
Unrestricted	<u>297,360</u>	<u>989,778</u>
Total Net Position	<u><u>\$ 297,360</u></u>	<u><u>\$ 989,778</u></u>

City of Durango, Colorado
Building Maintenance Fund
Comparative Statement of Revenues, Expenses, and Changes in Fund Net Position
For the Years Ended December 31, 2023 and 2022

	<u>2023</u>	<u>2022</u>
Operating Revenues		
Services provided	\$ 224,509	\$ -
Miscellaneous	14,185	-
Total Operating Revenues	<u>238,694</u>	<u>-</u>
Operating Expenses		
Administration	4,613,314	-
Building maintenance	(3,083,111)	26,066
Depreciation	119,364	-
Total Operating Expenses	<u>1,649,567</u>	<u>26,066</u>
Operating Income (Loss)	<u>(1,410,873)</u>	<u>(26,066)</u>
Non-Operating Revenues (Expenses)		
Intergovernmental grants	789,696	-
Investment earnings	27,615	15,844
Interest expense	(98,856)	-
Total Non-Operating Revenues (Expenses)	<u>718,455</u>	<u>15,844</u>
Income (Loss) Before Contributions and Transfers	<u>(692,418)</u>	<u>(10,222)</u>
Transfers in	-	1,000,000
Change in Net Position	<u>(692,418)</u>	<u>989,778</u>
Net Position Beginning of Year	<u>989,778</u>	<u>-</u>
Net Position End of Year	<u><u>\$ 297,360</u></u>	<u><u>\$ 989,778</u></u>

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, 2023

	Original Budget	Final Budget	Actual	Variance with Final Budget - Positive (Negative)
Revenues				
Charges for sales and services	\$ -	\$ 35,000	\$ -	\$ (35,000)
Services provided	-	140,190	224,509	84,319
Miscellaneous	-	5,272,948	14,185	(5,258,763)
Intergovernmental grants	-	1,000,000	789,696	(210,304)
Investment earnings	-	-	27,615	27,615
Interest expense	-	-	(98,856)	(98,856)
Total Revenues	-	6,448,138	957,149	(5,490,989)
Expenditures				
Administration	-	7,048,454	4,613,314	2,435,140
Building maintenance	-	-	(3,083,111)	3,083,111
Depreciation	-	-	119,364	(119,364)
Total Expenditures	-	7,048,454	1,649,567	5,398,887
Excess (Deficiency) of Revenues Over (Under) Expenditures	-	(600,316)	(692,418)	(92,102)
Reconciliation to GAAP Net Income:				
Net Income (Loss)			<u>\$ (692,418)</u>	

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

	Fiscal Year									
	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>	<u>2021</u>	<u>2022</u>	<u>2023</u>
Governmental activities										
Net investment in capital assets	\$ 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	\$ 190,621,675
Restricted	9,628,560	4,406,072	8,532,447	3,027,602	4,197,716	4,214,407	5,215,592	-	-	12,453,836
Unrestricted	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	85,767,809
Total governmental activities net position	<u>\$ 187,679,787</u>	<u>\$ 193,547,724</u>	<u>\$ 201,780,382</u>	<u>\$ 206,704,142</u>	<u>\$ 212,802,159</u>	<u>\$ 222,629,867</u>	<u>\$ 236,151,411</u>	<u>\$ 235,825,897</u>	<u>\$ 252,206,918</u>	<u>\$ 288,843,320</u>
Business-type activities										
Net investment in capital assets	\$ 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	\$ 96,321,284
Unrestricted	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	24,268,221
Restricted										\$ 29,586
Total business-type activities	<u>\$ 73,033,779</u>	<u>\$ 77,463,432</u>	<u>\$ 86,713,873</u>	<u>\$ 85,058,982</u>	<u>\$ 104,753,885</u>	<u>\$ 110,606,084</u>	<u>\$ 115,318,881</u>	<u>\$ 117,912,130</u>	<u>\$ 120,418,361</u>	<u>\$ 120,619,091</u>
Primary Government										
Net investment in capital assets	\$ 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	\$ 286,942,959
Restricted	9,628,560	4,406,072	8,532,447	3,027,602	4,197,716	4,214,407	5,215,592	-	-	12,483,422
Unrestricted	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	110,036,030
Total primary government net position	<u><u>\$ 260,713,566</u></u>	<u><u>\$ 271,011,156</u></u>	<u><u>\$ 288,494,255</u></u>	<u><u>\$ 291,763,124</u></u>	<u><u>\$ 317,556,044</u></u>	<u><u>\$ 333,235,951</u></u>	<u><u>\$ 351,470,292</u></u>	<u><u>\$ 353,738,027</u></u>	<u><u>\$ 372,625,279</u></u>	<u><u>\$ 409,462,411</u></u>

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

Fiscal Year

	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
Expenses										
Governmental activities:										
General government	\$ 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	\$ 21,972,918
Public safety	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	18,638,589
Public works	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	11,511,903
Parks and recreation	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	14,286,959
Library	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	2,895,409
Community services	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	1,201,350
Economic development	777,227	758,775	806,000	706,821	724,246	862,114	794,934	629,607	616,970	768,291
Joint venture - Airport	-	-	-	300,236	-	-	1,775,445	2,337,808	-	-
Interest	1,275,537	1,236,752	1,136,023	794,394	666,491	570,216	446,713	417,616	395,806	375,264
Total governmental activities expenses	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	71,650,683
Business-type activities:										
Water utility	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	7,023,543
Sewer utility	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	8,273,737
Parking	-	-	-	-	-	-	152,132	155,784	-	-
Sustainable services / Trash & Recycle	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	3,502,546
Transportation services	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	5,056,802
Total business-type expenses	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	23,856,628
Total primary government expenses	\$ 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	\$ 95,507,311
Program Revenues										
Governmental activities:										
Charges for services										
General government	\$ 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	\$ 154,211
Public safety	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	145,360
Public works	600	-	500	1,050	1,500	600	1,000	510	-	-
Parks and recreation	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	4,287,619
Library	32,870	28,206	19,558	-	25,817	23,349	2,885	2,089	2,797	1,955
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	27,578	682,853	1,057,299	1,904,987	783,635	1,162,030	2,918,484	503,026	-	-
Capital grants and contributions	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	2,692,722
Total governmental activities program revenues	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	7,281,867
Business-type activities:										
Charges for services										
Water utility	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	5,686,502
Sewer utility	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	8,210,899
Parking	-	-	-	-	-	-	-	-	-	-
Sustainable services	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	3,408,423
Transportation Services	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	2,178,463
Operating grants and contributions	1,285,444	1,727,167	1,027,923	1,005,912	1,082,586	1,266,078	10,616	102,041	255,014	325,443
Capital grants and contributions	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	1,028,386
Total business-type activities program revenues	14,808,600	17,832,828	23,116,759	26,213,079	23,599,525	23,067,949	23,239,012	22,853,468	21,877,264	20,756,247
Total primary government program revenues	\$ 24,166,651	\$ 31,629,359	\$ 37,250,115	\$ 38,407,125	\$ 37,453,030	\$ 38,522,372	\$ 39,578,204	\$ 32,904,921	\$ 28,782,070	\$ 28,038,114

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

(Continued)

	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>	<u>2021</u>	<u>2022</u>	<u>2023</u>
Net (expense) revenue										
Governmental activities	\$ (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)	\$ (54,983,762)
Business-type activities	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	(2,339,883)
Total primary governmental net expense	<u>\$ (29,243,333)</u>	<u>\$ (25,144,322)</u>	<u>\$ (20,269,086)</u>	<u>\$ (23,845,698)</u>	<u>\$ (26,434,366)</u>	<u>\$ (29,264,867)</u>	<u>\$ (29,954,297)</u>	<u>\$ (42,528,320)</u>	<u>\$ (39,742,662)</u>	<u>\$ (57,323,645)</u>

General Revenues and Other Changes in

Net Position

Governmental activities:

Taxes										
Property taxes	\$ 1,153,727	\$ 1,175,954	\$ -	\$ 1,424,827	\$ 2,977,475	\$ 3,011,855	\$ 3,207,880	\$ 3,271,933	\$ 3,034,732	\$ 3,039,906
Sales and use taxes	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	39,531,347
Shared sales taxes	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	6,461,453
Other shared taxes	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	2,931,237
Lodgers' taxes	918,679	974,572	1,062,509	1,067,684	1,035,151	1,098,958	750,023	2,428,667	4,335,457	3,857,524
Other taxes	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	2,276,259
Franchise fees and occupational taxes	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	1,666,089
Gain/loss on disposal of capital assets	-	11,619	2,395	-	6,090	1,176	225,622	(8,944)	182,100	2,599,126
Investment earnings	222,369	194,144	198,604	145,168	276,091	588,877	223,309	(2,919)	894,693	2,890,799
Miscellaneous	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	10,470,888
Transfers	(156,847)	(147,361)	(363,373)	(191,011)	(250,000)	(350,000)	(87,500)	(477,417)	(847,572)	418,425
Total governmental activities	<u>\$ 33,280,716</u>	<u>\$ 36,237,709</u>	<u>\$ 35,299,226</u>	<u>\$ 38,640,524</u>	<u>\$ 39,910,018</u>	<u>\$ 44,406,044</u>	<u>\$ 47,233,292</u>	<u>\$ 54,494,334</u>	<u>\$ 61,559,607</u>	<u>\$ 76,143,053</u>

Business-type activities:

Gain/loss on disposal of capital assets	\$ 20,740	\$ 38,628	\$ 110,239	\$ -	\$ 21,186	\$ -	\$ (34,315)	66,600	-	\$ (5,928)
Investment earnings	161,282	180,197	130,115	174,242	393,793	520,909	156,382	211,104	692,433	1,230,921
Miscellaneous	387,731	322,355	311,502	294,822	357,432	274,962	558,759	436,003	255,014	1,384,559
Transfers	156,847	147,361	363,373	191,011	250,000	350,000	87,500	477,417	847,572	(418,425)
Total business-type activities	<u>\$ 726,600</u>	<u>\$ 688,541</u>	<u>\$ 915,229</u>	<u>\$ 660,075</u>	<u>\$ 1,022,411</u>	<u>\$ 1,145,871</u>	<u>\$ 768,326</u>	<u>\$ 1,191,124</u>	<u>\$ 1,795,019</u>	<u>\$ 2,191,127</u>
Total Primary Government	<u>\$ 34,007,316</u>	<u>\$ 36,926,250</u>	<u>\$ 36,214,455</u>	<u>\$ 39,300,599</u>	<u>\$ 40,932,429</u>	<u>\$ 45,551,915</u>	<u>\$ 48,001,618</u>	<u>\$ 55,685,458</u>	<u>\$ 63,354,626</u>	<u>\$ 78,334,180</u>

Change in Net Postion

Governmental activities	\$ 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	\$ 21,159,291
Business-type activities	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	(148,756)
Total Primary Government	<u>\$ 4,763,983</u>	<u>\$ 11,781,928</u>	<u>\$ 15,945,369</u>	<u>\$ 15,454,901</u>	<u>\$ 14,498,063</u>	<u>\$ 16,287,048</u>	<u>\$ 18,047,321</u>	<u>\$ 13,157,138</u>	<u>\$ 23,611,964</u>	<u>\$ 21,010,535</u>

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)

	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>	<u>2021</u>	<u>2022</u>	<u>2023</u>
General fund										
Non-spendable	\$ 45,189	\$ 44,071	\$ 49,977	\$ 51,539	\$ 69,880	\$ 57,311	\$ 658,711	\$ 1,338,045	\$ 391,885	\$ 391,885
Restricted	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	1,964,295
Committed	1,500,000	42,191	153,335	146,407	124,197	124,837	80,901	81,586	1,686	-
Assigned	566,016	1,574,489	841,280	684,432	1,088,811	63,478	1,487,101	8,828,769	10,524,038	10,811,468
Unassigned	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	3,081,012
Total General Fund	<u>\$ 9,307,296</u>	<u>\$ 8,055,339</u>	<u>\$ 6,666,389</u>	<u>\$ 6,468,749</u>	<u>\$ 7,447,379</u>	<u>\$ 10,305,824</u>	<u>\$ 15,281,295</u>	<u>\$ 19,818,700</u>	<u>\$ 23,099,693</u>	<u>\$ 16,248,660</u>
Grants fund							-	-	-	
Restricted	-	-	-	-	-	-	-	-	168,401	168,401
Total Grants Fund	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 168,401</u>	<u>\$ 168,401</u>
All other governmental funds										
Non-spendable	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Restricted	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	1,146,064
Committed	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	36,243,980
Assigned	25,361	14,764	(165,881)	40,054	41,315	9,711	8,275	6,947	-	-
Unassigned	(675,401)	(356,873)	(239,508)	(68,553)	-	(430,489)	(12,654)	-	-	-
Total all other governmental funds	<u>\$ 11,261,274</u>	<u>\$ 12,780,169</u>	<u>\$ 13,597,655</u>	<u>\$ 11,140,079</u>	<u>\$ 10,932,776</u>	<u>\$ 9,347,750</u>	<u>\$ 9,727,419</u>	<u>\$ 15,009,527</u>	<u>\$ 26,008,612</u>	<u>\$ 37,390,044</u>

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

	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>	<u>2021</u>	<u>2022</u>	<u>2023</u>
Revenues										
Taxes	\$ 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	\$ 59,462,673
Special Assessments	32,941	32,512	21,832	19,156	12,971	-	-	6,850	-	-
Intergovernmental	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	8,789,678
Licenses and permits	605,419	769,915	642,712	920,358	769,516	740,108	638,933	700,271	631,900	802,374
Charges for services	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	6,676,960
Fines and forfeitures	318,307	257,379	244,388	188,606	186,064	138,544	62,661	66,551	159,893	141,827
Investment earnings	222,370	194,144	198,604	133,946	276,091	588,877	177,650	(18,836)	740,087	2,457,004
Miscellaneous	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	1,956,141
Total Revenues	\$ 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	\$ 80,286,657
Expenditures										
General government	\$ 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	\$ 20,602,691
Public safety	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	17,862,478
Public works	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	7,457,251
Parks and recreation	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	12,416,309
Library	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	2,974,661
Community Services	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	2,974,661
Economic development	777,227	758,775	806,000	706,821	724,246	862,114	794,934	629,607	616,970	768,291
Non-departmental	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	2,704,674
Operating capital	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	6,232,846
Debt service										
Principal	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	2,330,000
Interest	1,282,979	1,281,357	1,057,091	868,500	637,233	511,742	449,942	400,527	349,802	298,537
Total Expenditures	\$ 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	\$ 76,622,399
Excess of revenues over (under) expenditures	\$ (2,257,687)	\$ 391,437	\$ 499,648	\$ (1,638,117)	\$ 996,896	\$ 4,440,346	\$ 2,257,221	\$ 10,296,930	\$ 15,380,075	\$ 3,664,258
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	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	13,491,090
Transfers out	(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)	(13,072,665)
Sale of capital assets	68,394	11,619	2,395	21,718	6,090	1,176	-	-	-	-
Total other financing sources (uses)	\$ 2,633,394	\$ (123,381)	\$ (1,077,018)	\$ (176,620)	\$ (243,910)	\$ (348,824)	\$ (87,500)	\$ (477,417)	\$ (847,572)	\$ 418,425
Net Change in Fund Balances	\$ 375,707	\$ 268,056	\$ (577,370)	\$ (1,814,737)	\$ 752,986	\$ 4,091,522	\$ 2,169,721	\$ 9,819,513	\$ 14,532,503	\$ 14,448,479
Debt service as a percentage of noncapital expenditures	6.9%	5.7%	7.7%	9.6%	8.9%	6.3%	6.8%	5.5%	5.2%	3.4%

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

<u>Fiscal Year</u>	<u>Property & SOT</u>	<u>City Sales Tax</u>	<u>City Use Tax</u>	<u>County Sales Tax</u>	<u>Franchise & Business</u>	<u>Lodgers Tax</u>	<u>Other Taxes</u>	<u>Total</u>
2014	\$ 1,153,727	\$ 21,364,739	\$ 1,196,928	\$ 4,523,288	\$ 1,362,019	\$ 918,679	\$ 1,301,217	\$ 31,820,597
2015	\$ 1,175,954	\$ 22,528,320	\$ 1,449,705	\$ 4,977,814	\$ 1,571,120	\$ 974,572	\$ 2,044,994	\$ 34,722,479
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
2023	\$ 3,039,906	\$ 36,966,440	\$ 2,564,909	\$ 6,461,453	\$ 1,666,089	\$ 3,857,523	\$ 2,931,237	\$ 57,487,557

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)

<u>Fiscal Year</u>	<u>General City Sales and Use Tax</u>	<u>Recreation Complex/Trails Sales and Use Tax</u>	<u>Open Space, Parks and Trails Sales and Use Tax</u>	<u>Capital Improvements Sales and Use Tax</u>	<u>Streets Improvements Sales and Use Tax</u>	<u>Total Revenue</u>	<u>Total Direct Tax Rate</u>
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	3.5%
2023	\$ 22,598,099	\$ 5,645,733	\$ 2,820,891	\$ 2,820,891	\$ 5,645,735	\$ 39,531,349	3.5%

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)

<u>Fiscal Year</u>	<u>City Direct Rate</u>	<u>La Plata County</u>	<u>State of Colorado</u>
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%
2023	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)

<u>Classification of Individual Business</u>	<u>2023 Sales Tax Remitted</u>	<u>Percentage of Total Tax Remitted</u>	<u>2023 Rank</u>	<u>2014 Sales Tax Remitted</u>	<u>Percentage of Total Tax Remitted</u>	<u>2014 Rank</u>
Hotels & Motels	6,427,646	15.46%	1	1,465,302	6.92%	6
Grocery & Drug	5,795,006	13.93%	2	3,348,534	15.81%	2
Restaurants & Taverns	5,115,147	12.30%	3	2,872,042	13.56%	3
Misc Retail	5,103,198	12.27%	4	1,799,486	8.49%	5
Department Stores	5,083,678	12.22%	5	3,766,657	17.78%	1
Hardware & Lumber	4,019,859	9.67%	6	1,805,955	8.52%	4
Automotive	2,911,882	7.00%	7	1,254,501	5.92%	8
Utilities & Telecom	1,643,046	3.95%	8	1,368,422	6.46%	7
Liquor Stores	841,716	2.02%	9	608,954	2.87%	9
Retail Marijuana	610,702	1.47%	10	-	0.00%	-
Total City Sales Tax Collected by 10 Largest Businesses	<u><u>\$ 31,124,234</u></u>	<u><u>90.3%</u></u>		<u><u>\$ 16,824,551</u></u>	<u><u>79.4%</u></u>	
Total City Sales Tax Collected by All Businesses	<u><u>\$ 41,587,863</u></u>	<u><u>100%</u></u>		<u><u>\$ 21,184,321</u></u>	<u><u>100%</u></u>	

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.

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

<u>Fiscal Year</u>	<u>Governmental Activities</u>					<u>Business-type Activities</u>	<u>Total</u>	<u>Percentage of Estimated Actual Taxable</u>	<u>Per Capita</u> ²
	<u>Sales and Use</u>	<u>Certificates</u>	<u>Energy Performance</u>	<u>Contract Lease</u>	<u>Lease</u>	<u>Water & Sewer</u>			
	<u>Tax Revenue</u>	<u>of</u>	<u>Purchase</u>	<u>Agreement</u>	<u>Agreements</u>	<u>Fund</u>	<u>Primary</u>	<u>Value of</u>	
	<u>Bonds</u>	<u>Participation</u>				<u>Loans</u>	<u>Government</u>	<u>Property</u> ¹	
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	\$	-	\$ 416,971	\$ 46,759,644	\$ 59,371,615	1.09%	3,065
2023	\$ 8,155,000	\$ 1,710,000	\$	4,174,462	\$ 294,078	\$ 44,959,018	\$ 59,292,558	1.18%	2,727

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 Plata 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)

<u>Fiscal Year</u>	<u>General Obligation Bonds</u>	<u>Less: Amounts Available in Debt Service Fund</u>	<u>Total</u>	<u>Percentage of Estimated Actual Taxable Value of Property</u>	<u>Per Capita</u>
2014	\$	- \$	- \$	- \$	-
2015	\$	- \$	- \$	- \$	-
2016	\$	- \$	- \$	- \$	-
2017	\$	- \$	- \$	- \$	-
2018	\$	- \$	- \$	- \$	-
2019	\$	- \$	- \$	- \$	-
2020	\$	- \$	- \$	- \$	-
2021	\$	- \$	- \$	- \$	-
2022	\$	- \$	- \$	- \$	-
2023	\$	- \$	- \$	- \$	-

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, 2023 (Unaudited)

<u>Governmental Unit</u>	<u>Debt Outstanding</u>	<u>Estimated Percentage Applicable</u> ¹	<u>Estimated Share of Overlapping Debt</u>
Debt repaid with property taxes			
School District 9-R	\$ 99,490,000	44.1%	\$ 43,875,090
Other debt			
La Plata County Certificates of Participation	\$ 179,370	34.8%	\$ 62,421
Subtotal, overlapping debt			\$ 43,937,511
City direct debt			\$ 14,333,540
Total direct and overlapping debt			\$ 58,271,051

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)

	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>	<u>2021</u>	<u>2022</u>	<u>2023</u>
Debt limit	\$ 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	\$ 67,514,988
Total net debt applicable to limit	-	-	-	-	-	-	-	-	-	-
Legal debt margin	<u>\$ 48,078,341</u>	<u>\$ 51,642,484</u>	<u>\$ 52,671,610</u>	<u>\$ 54,941,624</u>	<u>\$ 55,446,342</u>	<u>\$ 55,463,420</u>	<u>\$ 59,460,416</u>	<u>\$ 59,907,752</u>	<u>\$ 59,882,242</u>	<u>\$ 67,514,988</u>
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 2023

Assessed value	\$ 675,149,880
Debt limit (10% of assessed valuation)	67,514,988
Debt applicable to limit:	-
General obligation bonds	-
Less: amount set aside for repayment	-
Total net debt applicable to limit	-
Legal Debt Margin	<u><u>\$ 67,514,988</u></u>

Note:

Under the provisions of the City of Durango Charter, Article IV, Section 21, the aggregate amount of bonds or other forms of indebtedness payable in whole 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)

<u>Fiscal Year</u>	<u>Pledged Sales Tax</u>	<u>Pledged Use Tax</u>	<u>Revenue Available for Debt Service</u>	<u>Debt Service</u>			<u>Coverage</u>
				<u>Principal</u>	<u>Interest</u>	<u>Total</u>	
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							-
2023			-				-

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			Coverage
				Principal	Interest	Total	
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	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	-
2023	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	-

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)

<u>Fiscal Year</u>	<u>Pledged Sales Tax</u>	<u>Pledged Use Tax</u>	<u>Revenue Available for Debt Service</u>	<u>Debt Service</u>			<u>Coverage</u>
				<u>Principal</u>	<u>Interest</u>	<u>Total</u>	
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 \$	- \$	- \$	- \$	- \$	- \$	-	-
2023 \$	- \$	- \$	- \$	- \$	- \$	-	-

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)

<u>Fiscal Year</u>	<u>Pledged Sales Tax</u>	<u>Pledged Use Tax</u>	<u>Revenue Available for Debt Service</u>	<u>Debt Service</u>		<u>Total</u>	<u>Coverage</u>
				<u>Principal</u>	<u>Interest</u>		
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%
2023 \$	2,637,757 \$	183,134 \$	2,820,891 \$	1,110,000 \$	69,360 \$	1,179,360	2.39%

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)

<u>Fiscal Year</u>	<u>City Population</u> ¹	<u>County Population</u> ¹	<u>Personal Income</u> ²	<u>Per capita Personal Income</u> ²	<u>Unemployment Rate</u> ³	<u>Median Age</u> ⁴	<u>K-12 Enrollment</u> ⁵	<u>Higher Education Enrollment</u> ⁶
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	19,531	56,607	3,894,248	44,836	2.8%	36	6,980	3,360
2023	19,743	56,407	n/a	44,836	3.0%	36.5	5595	3425

¹ U.S. Census Bureau

² U.S. Census Bureau - Per capita income for La Plata County in past 12 months (in 2022 dollars), 2018-2022 not available till July 1 for 2023.

³ U.S. Bureau of Labor Statistics - data for La Plata County as of December 2023

⁴ U.S. Census Bureau American Community Survey - data for La Plata County not available till July 1 for 2023.

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)

<u>Employer</u>	<u>Type of Business</u>	<u>Number of Employees</u>	<u>2023</u> ¹		<u>2014</u>		
			<u>Percentage of Total County Employment</u>	<u>Rank</u>	<u>Number of Employees</u>	<u>Percentage of Total County Employment</u>	<u>Rank</u>
Southern Ute Tribe	Government	1,600	4.50%	1	1,245	4.30%	1
Durango School District 9R	Government-Education	998	2.80%	2	632	2.20%	3
Mercy Medical Center	Health	901	2.50%	3	1,200	4.20%	2
Purgatory Recreational Management	Recreation	850	2.40%	4	N/A		
Fort Lewis College	Government-Education	683	1.90%	5	570	2.00%	5
La Plata County	Government	445	1.30%	6	401	1.40%	7
Wal-Mart	Retailer	437	1.20%	7			
City of Durango	Government	354	1.00%	8	300	1.00%	9
Bayfield School District 11JT	Government-Education	216	0.60%	9	N/A	-	
Rocky Mountain Chocolate Factory	Retailer	200	0.60%	10	N/A	-	
Mercury Payments (Later Vantiv)	Finance	N/A	-		630	2.20%	4
Durango Mountain Resort	Recreation	N/A	-		479	1.70%	6
Crossfire	Energy	N/A	-		322	1.10%	8
Total		6,684	18.80%		5,779	20.10%	
Total Employment for La Plata County		35,325	100%		23,555	100%	

¹ Based on the most recent data from 2022. Per source, data for 2023 will not be available until Fall 2024.

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	
	<u>Commercial</u>	<u>Residential</u>	<u>Total</u>	<u>Number of Permits</u>	<u>Value</u>	<u>Number of Permits(Units)</u>	<u>Value</u>
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	\$ 1,182,346,740	\$ 3,387,930,680	\$ 4,570,277,420	10	\$ 373,587	145(185)	\$ 35,012,082
2023	\$ 1,348,198,110	\$ 4,111,989,590	\$ 5,460,187,700	31	\$ 45,225,654	140 (260)	\$ 37,317,666

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)

	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>	<u>2021</u>	<u>2022</u>	<u>2023</u>
Function/Program										
General Government	66.42	69.42	69.42	72.55	72.55	79.75	82.75	96.00	93.90	85.00
Public Safety	86.00	86.00	87.00	88.00	88.00	88.00	89.00	73.00	95.79	87.50
Public Works	19.00	21.00	23.00	23.10	24.10	24.10	24.10	43.00	35.30	43.40
Parks and Recreation	30.00	32.00	32.00	33.00	38.00	38.00	39.00	43.00	39.80	41.00
Library	20.50	20.50	20.50	20.50	20.00	20.00	21.00	20.00	21.00	18.00
Joint Venture Airport	17.00	21.00	23.00	23.00	23.00	23.00	23.00	21.00	22.00	21.00
Water Utility	21.60	20.80	21.80	21.35	20.25	18.00	18.00	21.00	17.75	15.30
Sewer Utility	16.40	17.40	17.80	21.35	23.45	21.90	21.90	18.00	20.50	17.30
Parking	-	-	-	-	-	-	-	-	-	-
Sustainable Services	12.00	12.33	13.34	13.15	13.15	12.00	12.00	12.00	13.00	12.00
Public Transit/Transportation Services	27.33	30.00	32.00	32.25	27.25	26.00	26.00	35.00	33.00	35.50
Total	316.25	330.45	339.86	348.25	349.75	350.75	356.75	382.00	392.04	376.00

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/Transportation Services department.

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

	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>	<u>2021</u>	<u>2022</u>	<u>2023</u>
General Government										
Building permits issued	572	502	441	545	581	515	455	456	400	333
Value of buildings (millions of dollars)	40	43	40	85	59	80	39	40	25	87
Building construction inspections	1,141	1,182	1,126	1,100	1,177	1,139	901	1,137	823	746
Acres annexed	3,655.90	3,655.90	3,655.90	91.41	1,994.80	3.21	3.21	3.03	9.59	1,870.95
Area in square miles	19.57	19.57	19.57	13.98	17.07	17.10	17.10	17.10	17.12	20.03
Public Safety										
Total number of police incidents	37,466	39,702	40,673	38,705	37,106	32,233	32,682	39,163	43,695	43,877
Number of 911 calls received	18,855	19,002	20,195	19,644	19,995	20,169	21,967	18,136	21,544	21,419
Public Works										
Street miles swept	10,630	11,317	12,100	13,594	12,286	11,093	11,886	10,134	5,885	10,250
Tons hot mix applied	225	359	339	407	360	345	197	158	102	236
Signs replaced/installed	1,546	1,439	1,933	1,750	1,314	1,314	1,589	1,142	1,046	1,110
Snow hauled (cubic yards)	380	15,190	17,620	11,970	566	27,161	1,775	10,810	2,260	19,508
Parks and Recreation										
Recreation Center admissions	371,149	366,006	370,376	370,385	386,613	379,483	141,231	211,502	305,645	341,527
Program participants	36,712	37,445	38,373	42,795	88,714	124,725	18,220	61,822	24,650	23,630
Park & river permits issued	250	267	303	288	226	217	92	178	182	220
Library										
Number of volumes/materials	107,963	120,508	116,455	118,413	120,185	114,202	104,067	95,178	98,609	103,720
Collection use	438,058	448,803	408,506	402,591	412,874	420,978	210,024	263,720	303,486	322,436
Water utility										
Gallons of water treated (MG)	1,428	1,194	1,232	1,225	1,218	1,177	1,253	1,364	1,298	1,248
Number of water consumers	6,554	6,485	6,410	6,432	7,023	7,327	7,450	7,334	7,359	7,512
Water main breaks	27	19	32	24	61	17	32	26	10	16
Sewer utility										
Gallons of wastewater treated (MG)	667	718	730	717	542	590	570	599	299	560
Average daily use (MG)	1.826	1.982	1.996	1,935	1,488	1.604	14.556	1.637	1,600	1,535
Solid waste										
Commercial accounts	537	552	571	589	600	617	632	634	698	630
Residential	4,548	4,574	4,746	4,991	5,111	5,153	5,187	5,248	5,328	5,350
Cubic yars of refuse hauled	23,584	24,826	25,146	26,145	25,510	24,300	25,875	25,818	6,848	25,004
Tons of recyclables divered from landfill	3,859	4,361	4,215	4,260	3,451	3,336	3,223	3,471	425	3,200
Public transit										
Passengers	583,756	472,943	470,703	478,358	359,368	373,845	232,798	243,989	329,743	425,244
Cost per trip (dollars)	2.59	4.64	4.95	4.47	6.54	3.77	7.97	8.38	6.65	5.97

Sources:

City department managers and December department monthly reports.

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

	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>	<u>2021</u>	<u>2022</u>	<u>2023</u>
Public Safety										
Number of police vehicles	37	37	38	39	39	39	36	38	39	41
Public Works										
Miles of streets	74.9	74.9	77.2	77.2	77.2	77.2	77.4	79.6	78.0	83.0
Parks and Recreation										
Parkland-developed acres	175.7	193.7	193.7	197.6	197.6	197.5	197.5	197.5	267.0	267.0
Parkland- undeveloped acres	112.6	109.9	109.9	108.1	108.1	108.1	108.1	108.1	7.0	7.0
Open space -acres	3,001	3,002	3,005	4,994	4,994	4,994	3,039	3,349	3,290	3,337
Number of playgrounds	19	19	19	22	22	22	22	22	23	22
Library										
Number of libraries	1	1	1	1	1	1	1	1	1	1
Water utility										
Miles of water lines	136.0	137.0	145.6	146.4	146.4	149.2	149.2	153.2	150.0	151.5
Sewer utility										
Miles of sewer lines	101.5	101.5	104.7	107.1	107.1	107.1	107.1	108.4	105.00	108.80
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	13	13	12	13	13	16



COMPLIANCE SECTION

LOCAL HIGHWAY FINANCE REPORT

STATE:
Colorado
YEAR ENDING (mm/yy):
12/2023This Information From The Records Of (example - City of _ or County of _):
City of Durango, ColoradoPrepared By: Helen Bruckbauer
Phone: 970-375-5000

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

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

II. RECEIPTS FOR ROAD AND STREET PURPOSES

III. DISBURSEMENTS FOR ROAD AND STREET PURPOSES

ITEM	AMOUNT	ITEM	AMOUNT
A. Receipts from local sources:		A. Local highway disbursements:	
1. Local highway-user taxes		1. Capital outlay (from page 2)	2,351,347
a. Motor Fuel (from Item I.A.5.)		2. Maintenance:	1,838,377
b. Motor Vehicle (from Item I.B.5.)		3. Road and street services:	
c. Total (a.+b.)		a. Traffic control operations	0
2. General fund appropriations	3,102,937	b. Snow and ice removal	831,522
3. Other local imposts (from page 2)	6,179,410	c. Other	433,039
4. Miscellaneous local receipts (from page 2)	210,410	d. Total (a. through c.)	1,264,561
5. Transfers from toll facilities		4. General administration & miscellaneous	121,888
6. Proceeds of sale of bonds and notes:		5. Highway law enforcement and safety	218,792
a. Bonds - Original Issues		6. Total (1 through 5)	5,794,965
b. Bonds - Refunding Issues		B. Debt service on local obligations:	
c. Notes		1. Bonds:	
d. Total (a. + b. + c.)		a. Interest	164,952
7. Total (1 through 6)	9,492,757	b. Redemption	1,095,000
B. Private Contributions	1,502,219	c. Total (a. + b.)	1,259,952
C. Receipts from State government (from page 2)	660,080	2. Notes:	
D. Receipts from Federal Government (from page 2)	182,957	a. Interest	0
E. Total receipts (A.7 + B + C + D)	11,838,013	b. Redemption	0
		c. Total (a. + b.)	0
		3. Total (1.c + 2.c)	1,259,952
		C. Payments to State for highways	
		D. Payments to toll facilities	
		E. Total disbursements (A.6 + B.3 + C + D)	7,054,917

IV. LOCAL HIGHWAY DEBT STATUS

(Show all entries at par)

	Opening Debt	Amount Issued	Redemptions	Closing Debt
A. Bonds (Total)	6,960,000		1,095,000	5,865,000
1. Bonds (Refunding Portion)				
B. Notes (Total)				0

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

	A. Beginning Balance	B. Total Receipts	C. Total Disbursements	D. Ending Balance	E. Reconciliation
	7,848,191	11,838,013	7,054,917	12,631,287	0

Notes and Comments:

LOCAL HIGHWAY FINANCE REPORT		STATE:	
		Colorado	
		YEAR ENDING (mm/yy):	
		12/2023	
II. RECEIPTS FOR ROAD AND STREET PURPOSES - DETAIL			
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 & Penalties	
1. Sales Taxes	5,645,733	c. Parking Garage Fees	
2. Infrastructure & Impact Fees	533,677	d. Parking Meter Fees	
3. Liens		e. Sale of Surplus Property	
4. Licenses		f. Charges for Services	
5. Specific Ownership &/or Other		g. Other Misc. Receipts	
6. Total (1. through 5.)	6,179,410	h. Other County Road \$ Bridge	210,410
c. Total (a. + b.)	6,179,410	i. Total (a. through h.)	210,410
	(Carry forward to page 1)		(Carry forward to page 1)
ITEM		AMOUNT	
C. Receipts from State Government		D. Receipts from Federal Government	
1. Highway-user taxes	595,546	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	64,534	d. Federal Transit Admin	
d. DOLA Grant		e. U.S. Corps of Engineers	
e. Other (Specify)		f. Other Feder American Rescue Plan Act	182,957
f. Total (a. through e.)	64,534	g. Total (a. through f.)	182,957
4. Total (1. + 2. + 3.f)	660,080	3. Total (1. + 2.g)	182,957
	(Carry forward to page 1)		(Carry forward to page 1)
III. EXPENDITURES 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		2,351,347	2,351,347
(4). System Enhancement & Operation			
(5). Total Construction (1) + (2) + (3) + (4)		2,351,347	2,351,347
d. Total Capital Outlay (Lines 1.a. + 1.b. + 1.c.5)		2,351,347	2,351,347
			(Carry forward to page 1)
Notes and Comments:			