

Town of Wellington, Colorado

Financial Statements
with Independent Auditor's Report

December 31, 2024



**HINKLE &
COMPANY**
Strategic ^{PC}
Business Advisors

Town of Wellington, Colorado

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December 31, 2024

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Business Advisors

Independent Auditor's Report

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

Report on the Audit of the Financial Statements

Opinions

We have audited the accompanying financial statements of the governmental activities, the business-type activities and each major fund, and the aggregate remaining fund information of the Town of Wellington, Colorado (the Town) as of and for the year ended December 31, 2024, and the related notes to the financial statements, which collectively comprise the basic financial statements of the Town, as listed in the table of contents.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities and each major fund, and the aggregate remaining fund information of the Town as of December 31, 2024, and the respective changes in financial position and cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinions

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

Responsibilities of Management for the Financial Statements

The Town's management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America, and for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

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In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the Town's ability to continue as a going concern for twelve months beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.

Auditor's Responsibilities for the Audit of the Financial Statements

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

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

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

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



Other Matters

Required Supplementary Information

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

Other Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Town's basic financial statements. The supplementary information and the local highway finance report listed in the table of contents are presented for purposes of additional analysis and are not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling the information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated, in all material respects, in relation to the basic financial statements as a whole.

Hick & Company, PC

Englewood, Colorado
February 9, 2026



Town of Wellington, Colorado
Management's Discussion and Analysis
December 31, 2024

The management team of the Town of Wellington (the Town) is pleased to present this narrative overview and analysis of the financial position and activities of the Town for the fiscal year ending December 31, 2024. Readers are encouraged to consider the information presented here in conjunction with the information furnished in the Basic Financial Statements, Notes to the Basic Financial Statements, and Supplementary Information.

FINANCIAL HIGHLIGHTS

Government-wide

- The assets of the Town of Wellington exceeded its liabilities (also referred to in these financial statements as the Town's Net Position) at the close of 2024 by \$107.3 million, a decrease of \$2.9 million from 2023 (Governmental Funds -\$4.0 million; Proprietary Funds +\$1.1 million).
 - Current assets across all funds total \$38.9 million, including \$27.6 million in pooled cash and investments (Governmental Funds \$14.5 million; Proprietary Funds \$13.0 million).
 - Capital assets include \$142.8 million in net fixed assets such as buildings, equipment, road, storm, water, and sewer infrastructure (Governmental Funds \$17.7 million; Proprietary Funds \$125.0 million).
 - Of the \$107.3 million total net position, \$77.3 million represents net investment in capital assets (all fixed assets less accumulated depreciation and related debt so it is not in a form that is available and spendable to the Town. Another \$25.5 million is classified as "unrestricted", consisting of cash and other current assets, less current liabilities and may be used to meet the Town's ongoing obligations to citizens and creditor (Governmental Funds \$9.7 million; Proprietary Funds \$15.8 million).
- The Town retired approximately \$2.6 million of long-term debt (excluding compensated absences) during the fiscal year due to semi-annual and annual principal payments made on the Town's outstanding obligations, including \$259,892 in Governmental Funds and \$2.3 million in Proprietary Funds (see Note 4).

Town of Wellington, Colorado
Management's Discussion and Analysis
December 31, 2024

Governmental Funds

- At the end of the calendar year 2023, fund balance in the General Fund was \$6.7 million. Expenditures, including transfers to the Water and Sewer Funds, exceeded revenues by \$2.6 million during the year.
- Street Fund expenditures, including capital outlay, exceeded revenue by \$450,270 in 2024, decreasing fund balance to \$4.6 million.
- In the Park Fund, net change in fund balance was -\$239,548, including debt service, and the end of year fund balance was \$2.0 million.
- The Conservation Trust Fund reported an increase in fund balance of \$28,656 in 2024 and no expenditure, bringing ending fund balance to \$1.0 million.

Proprietary Funds

- The Water Fund operating expenses exceeded operating revenue by \$35,399 in 2024. Nonoperating revenue added \$325,879, generating a net income before capital contributions and transfers of \$290,480. With capital contributions and transfers, including a \$600,000 from the General Fund, the change in net position was \$2.2 million. The net position of the Water Fund for 2024 was \$49.4 million.
- The Sewer Fund had an operating loss of \$833,013, and a net expense before capital contributions and transfers of \$1.7 million, including \$1.5 million in depreciation and \$1.4 million in interest expense. After plant investment fees and a \$300,000 transfer from the General Fund are factored in, the Sewer Fund's net position in 2024 remained decreased by \$1.0 million to \$22.1 million.
- The Drainage Fund net operating expense in 2024 was \$145,981. Including nonoperating revenues, the fund's net position decreased slightly by \$55,608 to \$4.1 million.

OVERVIEW OF THE FINANCIAL STATEMENTS

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

Town of Wellington, Colorado
Management's Discussion and Analysis
December 31, 2024

Government-wide financial statements. The government-wide financial statements provide a broad overview of the Town's finances using the accrual basis of accounting and economic resources measurement focus.

Statement of Net Position. The Statement of Net Position presents information on all the Town of Wellington's assets, deferred outflows of resources, liabilities, and deferred inflows of resources with the difference between the categories reported as net position. Over time, increases or decreases in net position may serve as a useful indicator of whether the financial position of the Town of Wellington is improving or deteriorating.

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

Both government-wide financial statements distinguish the functions of the Town of Wellington that are principally supported by taxes and intergovernmental revenues (*governmental activities*) from other functions that are intended to recover all or a significant portion of their costs through user fees and charges (*business type activities*). The governmental activities of the Town of Wellington include general government, public safety, public works, planning, library, parks, and recreation. The business-type activities of the Town of Wellington include water, sewer, and storm drainage operations.

The government-wide financial statements include only the Town of Wellington itself (known as the *primary government*) and can be found on page 5 of this report.

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

Town of Wellington, Colorado
Management's Discussion and Analysis
December 31, 2024

Governmental funds. Most of the Town's basic services are reported in governmental funds, which focus on how money flows into and out of those funds and the balances left at year-end available for spending. The funds are reported using an accounting method called modified accrual accounting, which measures cash and all other financial assets that can readily be converted to cash. The governmental funds statements provide a detailed short-term view to cash, the governmental fund operations, and the basic services it provides. These statements help one determine whether there are more or fewer financial resources that can be spent in the near future to finance the Town's programs. The relationship (or differences) between governmental activities (reported in the Statement of Net Position and the Statement of Activities) and governmental funds are described in reconciliations on pages 7 and 9. The basic governmental fund financial statements can be found on pages 6 to 9 of this report.

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

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

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

Notes to the financial statements. The notes provide significant additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements. The notes to the financial statements can be found on pages 15 to 27 of this report.

Town of Wellington, Colorado
Management's Discussion and Analysis
December 31, 2024

Other information. In addition to the basic financial statements and accompanying notes, this report also presents required and certain other supplementary information concerning the Town of Wellington's budget comparison statements for the General Fund, non-major Conservation Trust Fund and the Town's three major enterprise funds Water, Sewer and Storm Drainage. The other supplementary information can be found on pages 28 to 39 of this report.

GOVERNMENT-WIDE FINANCIAL ANALYSIS

A significant portion of the Town's net position (72.0%) reflects its investment in capital assets (e.g., land, buildings, machinery, and equipment), less any related outstanding debt used to acquire those assets, and accumulated depreciation. The Town uses these capital assets to provide services to citizens; consequently, these assets are not available for future spending. Although the Town's investment in its capital assets is reported net of related debt, it should be noted that the resources needed to repay this debt must be provided from other sources, since the capital assets themselves cannot be used to liquidate these liabilities. Unrestricted net position may be used to meet the Town's ongoing obligations to citizens and creditors. Below is condensed financial information for fiscal year 2024 compared with 2023 totals.

Town of Wellington, Colorado
Management's Discussion and Analysis
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Condensed Statement of Net Position

	2024			2023 Totals
	Governmental Activities	Business-Type Activities	Totals	
ASSETS				
Current Assets	\$17,672,081	\$21,193,660	\$38,865,741	\$75,282,873
Capital Assets	17,719,863	125,081,065	142,800,928	115,612,750
Total Assets	35,391,944	146,274,725	181,666,669	190,895,623
DEFERRED OUTFLOWS OF FINANCIAL RESOURCES				
	-	838	838	838
LIABILITIES				
Current Liabilities	1,087,676	5,316,037	6,403,713	10,185,108
Noncurrent Liabilities	378,608	62,702,223	63,080,831	65,638,911
Total Liabilities	1,466,284	68,018,260	69,484,544	75,824,018
DEFERRED INFLOWS OF FINANCIAL RESOURCES				
	2,223,390	2,623,337	4,846,727	4,846,727
NET POSITION				
Net Investment in Capital Assets	17,453,787	59,859,341	77,313,128	67,098,889
Restricted for:				
Emergencies	190,000	-	190,000	190,000
Other Purposes	4,378,344	-	4,378,344	5,438,778
Unrestricted	9,680,139	15,774,625	25,454,764	37,498,048
Total Net Position	\$31,702,270	\$75,633,966	\$107,336,236	\$110,225,715

The restricted portion of net position (4.3%) represents resources that are subject to external restrictions on how they may be used, such as street paving, water acquisition, capital construction due to growth and development, and open space and parks. The remaining balance of unrestricted net position of \$25.5 million may be used to meet the Town's ongoing obligations to citizens and creditors.

Town of Wellington, Colorado
Management's Discussion and Analysis
December 31, 2024

The table and discussion continued below focuses on changes in net position of the Town's governmental and business-type activities.

Condensed Statement of Activities

	2024		Totals	2023 Totals
	Governmental Activities	Business-Type Activities		
REVENUES				
Program Revenues				
Charges for Services	\$616,051	\$8,154,816	\$8,770,867	\$7,723,738
Operating Grants and Contributions	272,427	-	272,427	555,754
Capital Grants and Contributions	-	1,729,737	1,729,737	1,562,636
General Revenues				
Property Taxes	-	34,440	34,440	1,984,833
Sales and Use Taxes	5,680,113	-	5,680,113	5,995,854
Franchise Taxes	246,473	-	246,473	207,363
Investment Income	709,026	1,137,606	1,846,632	1,913,948
Other	44,053	(26,620)	17,433	374,932
Transfers	(900,000)	900,000	-	-
Total Revenues and Transfers	6,668,143	11,929,979	18,598,122	20,319,058
EXPENSES				
General Government	6,212,614	-	6,212,614	5,052,942
Public Safety	2,053,303	-	2,053,303	1,822,394
Public Works	2,079,935	-	2,079,935	1,477,952
Parks and Recreation	337,915	-	337,915	275,699
Water Utility	-	5,448,785	5,448,785	4,730,163
Wastewater Utility	-	4,509,465	4,509,465	3,535,318
Stormwater Utility	-	845,584	845,584	720,219
Total Expenses	10,683,767	10,803,834	21,487,601	17,614,684
Change in Net Position	(4,015,624)	1,126,145	(2,889,479)	2,704,374
Net Position, Beginning of Year	35,717,894	74,507,821	110,225,715	107,464,327
Prior Period Restatement	-	-	-	57,014
Net Position, Beginning (as restated)	35,717,894	74,507,821	110,225,715	107,521,341
Net Position, End of Year	\$31,702,270	\$75,633,966	\$107,336,236	\$110,225,715

Town of Wellington, Colorado
Management's Discussion and Analysis
December 31, 2024

FINANCIAL ANALYSIS OF THE TOWN'S FUNDS

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

At the end of 2024, the Town of Wellington's governmental funds (General, Streets, Parks, and Conservation Trust Funds) reported combined ending fund balances of \$14.4 million, a decrease of \$3.2 million in the combined governmental fund balances of the previous year. Approximately 58% of this combined fund balance constitutes unassigned fund balance, which is available for spending at the government's discretion. The remainder of fund balance is otherwise has been restricted to specific purposes (e.g. streets and parks) as follows:

Restricted	\$6,016,485
Unassigned	8,344,530
Total	\$14,361,015

GENERAL FUND BUDGETARY HIGHLIGHTS

The General Fund accounts for all the general services provided by the Town. At the end of 2024, the fund balance of the General Fund totaled \$6.7 million, a decrease of \$2.6 million from the fund balance at the end of 2023. The General Fund's primary source of revenue is property and sales taxes and to a lesser degree, fees for franchise agreements and services such as building permits and plan checking.

Property tax revenues in 2024 were delayed due to past due audited financial statements, thus coming in under budget estimates for 2024. Sales and use taxes also came in under projected budget estimates at \$2.9 million for the year, a shortage of \$304,078. These two revenue sources accounted for 74.4% of all General Fund revenues, which totaled \$3.9 million in 2024. Charges for services and investment income exceeded estimates for the year, coming in at \$76,933 and \$423,353, respectively.

In 2024, expenditures in the General Fund totaled \$5.6 million. This is \$943,004 under budgeted expenses in large part due to variances in insurance and professional fees in general government of \$171,719 and \$155,701 respectively. Additionally, capital outlay expenses came in \$210,168 lower than budgeted.

Town of Wellington, Colorado
Management's Discussion and Analysis
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Unlike 2023 and reverting to a budgetary and accounting method implemented by the Town in the years prior, overhead allocation transfers from the Street, Water, Sewer, Drainage, and Park Funds accounted for administrative services provided by the General Fund. As such, Street, Water, Sewer, Drainage, and Park Funds allocations for personnel services were reduced in the 2024 budget.

Note: The audit of financial statements for fiscal year 2022 was completed January 31, 2025. The audit of financial statements for fiscal year 2023 was completed June 26, 2025. Upon completion and submission of the independent auditor's report to the Colorado Office of the State Auditor, delayed property tax revenue were released to the Town of Wellington.

CAPITAL ASSET ADMINISTRATION

Capital assets. The Town of Wellington's net investment in capital assets for its governmental and business type activities as of December 31, 2024 and 2023, amounted to \$142.8 million (net of accumulated depreciation and debt) and \$115.6 million, respectively. This investment in capital assets includes land, buildings and improvements, machinery and equipment, park facilities, and roads.

Town of Wellington
Capital Assets at Year End

	Governmental Activities		Business-Type Activities		Total	
	2024	2023	2024	2023	2024	2023
Land and Water Rights:	\$2,073,796	\$2,073,796	\$8,432,324	\$8,432,324	\$10,506,120	\$10,506,120
Buildings and Improvements:	1,732,065	1,766,415	-	-	1,732,065	1,766,415
Infrastructure:	4,407,322	4,628,826	-	-	4,407,322	4,628,826
Streets and Improvements:	9,474,095	10,246,194	-	-	9,474,095	10,246,194
Equipment:	32,585	57,906	-	-	32,585	57,906
Utility Systems and Equipment:	-	-	76,006,348	30,601,932	76,006,348	30,601,932
Construction in Progress:	-	-	40,642,393	57,805,357	40,642,393	57,805,357
TOTAL	\$17,719,863	\$18,773,137	\$125,081,065	\$96,839,613	\$142,800,928	\$115,612,750

Town of Wellington, Colorado
Management’s Discussion and Analysis
December 31, 2024

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

DEBT ADMINISTRATION

Long-term debt. At the end of 2024, the Town of Wellington had total debt outstanding of \$62.9 million, compared with \$65.4 million in 2023 (not including \$191,849 in accrued compensated absences at year end). The Town’s debt represents bonds and loans secured solely by specified revenue sources, such as Water and Sewer Fund user fees.

**Town of Wellington
Outstanding Debt at Year End**

	Governmental Activities		Business-Type Activities		Total	
	2024	2023	2024	2023	2024	2023
2014 Park Fund Loan:	\$266,076	\$525,968	-	-	\$266,076	\$525,968
2019 CWRPDA – Water:	-	-	\$18,772,073	\$19,864,051	18,772,073	19,864,051
- Premium:	-	-	342,223	441,732	342,223	441,732
2022 WWTP – Loan Payable:	-	-	41,056,782	41,993,726	41,056,782	41,993,726
- Premium:	-	-	2,451,828	2,621,585	2,451,828	2,621,585
TOTAL	\$266,076	\$525,968	\$62,622,906	\$64,921,094	\$62,888.982	\$65,447,062

Additional information on the Town’s long-term debt can be found on pages 22 to 25.

ECONOMIC FACTORS AND NEXT YEAR’S BUDGET

The Annual Budget guides the efficient and effective use of Town resources, focusing on the highest priorities of the Town’s citizens as represented by the Board of Trustees (the Board). Through the Budget process, the Board establishes priorities and allocates resources to meet their goals. With the approval of the 2024 Budget, the Board appropriated \$65.9 million for expenditure in that year (not including transfers), a 27.7% increase over the budget in 2023. This amount was made up of \$21.3 million for operations in all funds and \$44.5 million for capital projects. The largest share of the capital projects budget went to the Water Treatment and Wastewater Treatment Plant expansion projects funded primarily by loan proceeds and fund reserves.

Town of Wellington, Colorado
Management's Discussion and Analysis
December 31, 2024

CONTACTING THE TOWN'S FINANCIAL MANAGEMENT

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

Basic Financial Statements

Town of Wellington, Colorado
Statement of Net Position
December 31, 2024

	Governmental Activities	Business-Type Activities	Totals
Assets			
Cash and Investments	\$ 14,552,360	\$ 13,011,213	\$ 27,563,573
Property Taxes Receivable	4,578,289	-	4,578,289
Accounts Receivable	91,705	4,040,569	4,132,274
Other Receivables	804,626	2,193,377	2,998,003
Cash with Fiscal Agent	-	1,880,585	1,880,585
Inventory	-	67,916	67,916
Capital Assets, <i>Not Being Depreciated</i>	2,073,796	49,074,717	51,148,513
Capital Assets, <i>Net of Accumulated Depreciation</i>	15,646,067	76,006,348	91,652,415
Total Assets	<u>37,746,843</u>	<u>146,274,725</u>	<u>184,021,568</u>
Deferred Outflows of Resources			
Loss on Debt Refunding, <i>Net of Accumulated Amortization</i>	-	838	838
Liabilities			
Accounts Payable	842,716	4,400,086	5,242,802
Retainage Payable	137,071	151,736	288,807
Accrued Salaries and Benefits	35,322	-	35,322
Accrued Interest Payable	-	760,715	760,715
Deposits and Escrows	72,567	3,500	76,067
Noncurrent Liabilities			
Due Within One Year	269,198	2,078,274	2,347,472
Due in More Than One Year	109,410	60,623,949	60,733,359
Total Liabilities	<u>1,466,284</u>	<u>68,018,260</u>	<u>69,484,544</u>
Deferred Inflows of Resources			
Deferred Property Taxes	2,112,290	-	2,112,290
Unearned Revenue	-	2,623,337	2,623,337
Deferred Inflows of Resources	<u>2,112,290</u>	<u>2,623,337</u>	<u>4,735,627</u>
Net Positions			
Net Investment in Capital Assets	17,453,787	59,859,341	77,313,128
Restricted for:			
Street Paving and Maintenance	3,376,856	-	3,376,856
Open Space and Parks	1,001,488	-	1,001,488
Emergencies	190,000	-	190,000
Unrestricted	<u>12,146,138</u>	<u>15,774,625</u>	<u>27,920,763</u>
Total Net Position	<u>\$ 34,168,269</u>	<u>\$ 75,633,966</u>	<u>\$ 109,802,235</u>

See Notes to the Financial Statements.

Town of Wellington, Colorado
Statement of Activities
For the Year Ended December 31, 2024

Functions/Programs	Expenses	Program Revenues			Net (Expense) Revenue and Change in Net Position		Totals
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Governmental Activities	Business-Type Activities	
Primary Government							
<i>Governmental Activities</i>							
General Government	\$ 6,212,614	\$ 268,761	\$ 61,291	\$ -	\$ (5,882,562)	\$ -	\$ (5,882,562)
Public Safety	2,053,303	18,353	-	-	(2,034,950)	-	(2,034,950)
Public Works	2,079,935	99,145	211,136	-	(1,769,654)	-	(1,769,654)
Parks and Recreation	337,915	229,792	-	-	(108,123)	-	(108,123)
Total Governmental Activities	<u>10,683,767</u>	<u>616,051</u>	<u>272,427</u>	<u>-</u>	<u>(9,795,289)</u>	<u>-</u>	<u>(9,795,289)</u>
<i>Business-Type Activities</i>							
Water Utility	5,448,785	5,140,179	-	1,330,639	-	1,022,033	1,022,033
Wastewater Utility	4,509,465	2,315,034	-	399,098	-	(1,795,333)	(1,795,333)
Storm Water Utility	845,584	699,603	-	-	-	(145,981)	(145,981)
Total Business-Type Activities	<u>10,803,834</u>	<u>8,154,816</u>	<u>-</u>	<u>1,729,737</u>	<u>-</u>	<u>(919,281)</u>	<u>(919,281)</u>
Total Primary Government	<u>\$ 21,487,601</u>	<u>\$ 8,770,867</u>	<u>\$ 272,427</u>	<u>\$ 1,729,737</u>	<u>(9,795,289)</u>	<u>(919,281)</u>	<u>(10,714,570)</u>
General Revenues							
Property Taxes					2,465,999	34,440	2,500,439
Sales and Use Taxes					5,680,113	-	5,680,113
Other Taxes					2,581	-	2,581
Impact Taxes					105,150	-	105,150
Cigarette Taxes					7,668	-	7,668
Franchise Taxes					246,473	-	246,473
Investment Income					709,026	1,137,606	1,846,632
Other Revenues					(74,324)	-	(74,324)
Gain (Loss) on Disposal of Assets					2,978	(26,620)	(23,642)
Transfers					(900,000)	900,000	-
Total General Revenues and Transfers					<u>8,245,664</u>	<u>2,045,426</u>	<u>10,291,090</u>
Change in Net Position					<u>(1,549,625)</u>	<u>1,126,145</u>	<u>(423,480)</u>
Net Position, Beginning of Year					<u>35,717,894</u>	<u>74,507,821</u>	<u>110,225,715</u>
Net Position, End of Year					<u>\$ 34,168,269</u>	<u>\$ 75,633,966</u>	<u>\$ 109,802,235</u>

Town of Wellington, Colorado
Balance Sheet
Governmental Funds
December 31, 2024

	General	Street	Park	(Nonmajor) Conservation Trust	Totals
Assets					
Cash and Investments	\$ 6,955,955	\$ 4,726,876	\$ 1,839,385	\$ 1,030,144	\$ 14,552,360
Property Taxes Receivable	2,112,290	-	-	-	2,112,290
Accounts Receivable	14,717	63,900	13,088	-	91,705
Other Receivable	507,780	155,674	141,172	-	804,626
Total Assets	\$ 9,590,742	\$ 4,946,450	\$ 1,993,645	\$ 1,030,144	\$ 17,560,981
Liabilities					
Accounts Payable	\$ 487,785	\$ 383,701	\$ (28,770)	\$ -	\$ 842,716
Retainage Payable	137,071	-	-	-	137,071
Accrued Salaries and Benefits	35,322	-	-	-	35,322
Deposits and Escrow	72,567	-	-	-	72,567
Total Liabilities	732,745	383,701	(28,770)	-	1,087,676
Deferred Inflows of Resources					
Deferred Property Taxes	2,112,290	-	-	-	2,112,290
Deferred Inflows of Resources	2,112,290	-	-	-	2,112,290
Fund Balances					
Restricted					
Emergencies	190,000	-	-	-	190,000
Capital Improvements	45,254	3,376,856	1,399,490	-	4,821,600
Open Space	-	-	-	1,001,488	1,001,488
Unrestricted, Unassigned	6,510,453	1,185,893	622,925	28,656	8,347,927
Total Fund Balances	6,745,707	4,562,749	2,022,415	1,030,144	14,361,015
Total Liabilities, Deferred Inflows of Resources and Fund Balances	\$ 9,590,742	\$ 4,946,450	\$ 1,993,645	\$ 1,030,144	\$ 17,560,981

Town of Wellington, Colorado
 Reconciliation of the Balance Sheet of Governmental Funds
 to the Statement of Net Position
 December 31, 2024

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

Total Fund Balances of Governmental Funds	\$ 14,361,015
Capital assets used in governmental activities are not financial resources and, therefore, are not reported in governmental funds	17,719,863
Amounts receivable not collected within a short period of time after the year are not reflected as receivables on the governmental funds statements.	2,465,999
Long-term liabilities and related items are not due and payable in the current year and, therefore, are not reported in governmental funds:	
Park Loan Payable	(266,076)
Compensated Absences Payable	<u>(112,532)</u>
Total Net Position of Governmental Activities	<u>\$ 34,168,269</u>

Town of Wellington, Colorado
Statement of Revenues, Expenditures and Changes in Fund Balances
Governmental Funds
For the Year Ended December 31, 2024

	General	Street	Park	(Nonmajor) Conservation Trust	Totals
Revenues					
Taxes	\$ 3,187,796	\$ 1,480,363	\$ 1,268,676	\$ -	\$ 5,936,835
Licenses and Permits	296,978	211,136	-	-	508,114
Intergovernmental	61,291	99,145	59,907	-	220,343
Charges for Services	18,353	-	-	-	18,353
Fines and Forfeitures	76,933	-	169,885	-	246,818
Investment Income	423,353	110,255	146,762	28,656	709,026
Miscellaneous	(156,017)	1,165	83,506	-	(71,346)
Total Revenues	<u>3,908,687</u>	<u>1,902,064</u>	<u>1,728,736</u>	<u>28,656</u>	<u>7,568,143</u>
Expenditures					
Current					
General Government	3,443,792	-	-	-	3,443,792
Public Safety	2,053,303	-	-	-	2,053,303
Public Works	30,835	1,165,729	-	-	1,196,564
Parks and Recreation	2,005	-	1,599,299	-	1,601,304
Capital Outlay	39,832	1,186,605	77,071	-	1,303,508
Debt Service					
Principal	-	-	260,866	-	260,866
Interest and Fees	-	-	31,048	-	31,048
Total Expenditures	<u>5,569,767</u>	<u>2,352,334</u>	<u>1,968,284</u>	<u>-</u>	<u>9,890,385</u>
Excess of Revenues Over (Under) Expenditures	<u>(1,661,080)</u>	<u>(450,270)</u>	<u>(239,548)</u>	<u>28,656</u>	<u>(2,322,242)</u>
Other Financing Sources (Uses)					
Transfers Out	(900,000)	-	-	-	(900,000)
Total Other Financing Sources (Uses)	<u>(900,000)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(900,000)</u>
Net Change in Fund Balances	(2,561,080)	(450,270)	(239,548)	28,656	(3,222,242)
Fund Balances, Beginning of Year	<u>9,306,787</u>	<u>5,013,019</u>	<u>2,261,963</u>	<u>1,001,488</u>	<u>17,583,257</u>
Fund Balances, End of Year	<u>\$ 6,745,707</u>	<u>\$ 4,562,749</u>	<u>\$ 2,022,415</u>	<u>\$ 1,030,144</u>	<u>\$ 14,361,015</u>

Town of Wellington, Colorado
 Reconciliation of the Statement of Revenues, Expenditures and Changes in
 Fund Balances of Governmental Funds to the Statement of Activities
 Governmental Funds
 For the Year Ended December 31, 2024

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

Net Change in Fund Balances of Governmental Funds	\$ (3,222,242)
<p>Capital outlays to purchase or construct capital assets are reported in governmental funds as expenditures. However, for governmental activities those costs are capitalized in the statement of net position and are allocated over their estimated useful lives as annual depreciation expense in the statement of activities.</p>	
Capital Outlay	79,797
Depreciation Expense	(1,133,071)
<p>Amounts receivable not collected within a short period of time after the year are not reflected as revenue on the governmental funds statements.</p>	
	2,465,999
<p>Repayments of debt principal are expenditures in governmental funds, but the repayments reduce long-term liabilities in the statement of net position and do not affect the statement of activities.</p>	
Park Loan Payable	259,892
<p>Some expenses reported in the statement of activities do not require the use of current financial resources and, therefore, are not reported as expenditures in governmental funds.</p>	
Accrued Interest Payable	<u>-</u>
Change in Net Position of Governmental Activities	\$ <u>(1,549,625)</u>

Town of Wellington, Colorado
Statement of Net Position
Proprietary Funds
December 31, 2024

	Water	Sewer	Drainage	Totals
Assets				
<i>Current Assets</i>				
Cash and Investments	\$ 9,434,397	\$ 1,987,082	\$ 1,589,734	\$ 13,011,213
Accounts Receivable	3,797,671	2,365,482	70,793	6,233,946
Cash with Fiscal Agent	-	1,880,585	-	1,880,585
Due To/From Other Funds	(3,291,875)	3,291,875	-	-
Inventory	54,722	13,194	-	67,916
Total Current Assets	<u>9,994,915</u>	<u>9,538,218</u>	<u>1,660,527</u>	<u>21,193,660</u>
<i>Noncurrent Assets</i>				
Capital Assets, <i>Not Being Depreciated</i>	47,060,654	1,933,575	80,488	49,074,717
Capital Assets, <i>Net of Accumulated Depreciation</i>	12,480,570	61,127,552	2,398,226	76,006,348
Total Noncurrent Assets	<u>59,541,224</u>	<u>63,061,127</u>	<u>2,478,714</u>	<u>125,081,065</u>
Total Assets	<u>69,536,139</u>	<u>72,599,345</u>	<u>4,139,241</u>	<u>146,274,725</u>
Deferred Outflows of Resources				
Loss on Debt Refunding, <i>Net of Accumulated Amortization</i>	838	-	-	838
Liabilities				
<i>Current Liabilities</i>				
Accounts Payable	(1,829,646)	6,227,466	2,266	4,400,086
Retainage Payable	79,467	72,269	-	151,736
Deposits and Escrow	3,500	-	-	3,500
Accrued Interest Payable	154,212	606,503	-	760,715
Current Portion of Noncurrent Liabilities	1,109,550	968,724	-	2,078,274
Total Current Liabilities	<u>(482,917)</u>	<u>7,874,962</u>	<u>2,266</u>	<u>7,394,311</u>
<i>Noncurrent Liabilities</i>				
Accrued Compensated Absences	31,218	39,295	8,804	79,317
Bonds Payable	18,004,746	42,539,886	-	60,544,632
Total Noncurrent Liabilities	<u>18,035,964</u>	<u>42,579,181</u>	<u>8,804</u>	<u>60,623,949</u>
Total Liabilities	<u>17,553,047</u>	<u>50,454,143</u>	<u>11,070</u>	<u>68,018,260</u>
Deferred Inflows of Resources				
Unearned Revenue	2,623,337	-	-	2,623,337
Net Position				
Net Investment in Capital Assets	42,225,356	15,166,341	2,467,644	59,859,341
Restricted	9,603,123	-	542,117	10,145,240
Unrestricted	(2,467,886)	6,978,861	1,118,410	5,629,385
Total Net Position	<u>\$ 49,360,593</u>	<u>\$ 22,145,202</u>	<u>\$ 4,128,171</u>	<u>\$ 75,633,966</u>

See Notes to the Financial Statements.

Town of Wellington, Colorado
Statement of Revenues, Expenses and Changes in Net Position
Proprietary Funds
For the Year Ended December 31, 2024

	Water	Sewer	Drainage	Totals
Operating Revenues				
Charges for Services	\$ 5,140,179	\$ 2,315,034	\$ 699,603	\$ 8,154,816
Total Operating Revenues	<u>5,140,179</u>	<u>2,315,034</u>	<u>699,603</u>	<u>8,154,816</u>
Operating Expenses				
Management Fees	1,910,619	-	-	1,910,619
Personnel Service	393,500	393,500	112,342	899,342
Operations and Maintenance	1,303,533	1,248,196	498,021	3,049,750
Capital Outlay	160,490	40,136	114,830	315,456
Depreciation	1,407,436	1,466,215	120,391	2,994,042
Total Operating Expenses	<u>5,175,578</u>	<u>3,148,047</u>	<u>845,584</u>	<u>9,169,209</u>
Net Operating Income	<u>(35,399)</u>	<u>(833,013)</u>	<u>(145,981)</u>	<u>(1,014,393)</u>
Nonoperating Revenues (Expenses)				
Tax Revenue and Impact Fees	-	-	34,440	34,440
Insurance Proceeds	(25,649)	(1,733)	-	(27,382)
Investment Income	623,973	457,700	55,933	1,137,606
Interest Expense	(273,207)	(1,361,418)	-	(1,634,625)
Gain (Loss) on Disposal of Assets	762	-	-	762
Total Nonoperating Revenues (Expenses)	<u>325,879</u>	<u>(905,451)</u>	<u>90,373</u>	<u>(489,199)</u>
Net Income Before Capital Contributions and Transfers	290,480	(1,738,464)	(55,608)	(1,503,592)
Capital Contributions and Transfers				
Plant Investment Fees	438,360	399,098	-	837,458
Cash in Lieu of Fees	892,279	-	-	892,279
Transfers In	600,000	300,000	-	900,000
Change in Net Position	2,221,119	(1,039,366)	(55,608)	1,126,145
Net Position, Beginning of Year	<u>47,139,474</u>	<u>23,184,568</u>	<u>4,183,779</u>	<u>74,507,821</u>
Net Position, End of Year	<u>\$ 49,360,593</u>	<u>\$ 22,145,202</u>	<u>\$ 4,128,171</u>	<u>\$ 75,633,966</u>

Town of Wellington, Colorado
Statement of Cash Flows
Proprietary Funds
For the Year Ended December 31, 2024

	Water	Sewer	Drainage	Totals
Cash Flows From Operating Activities				
Cash Received from Customers	\$ 5,082,900	\$ 2,307,462	\$ 699,995	\$ 8,090,357
Cash Payments to Employees	(451,894)	(501,010)	-	(952,904)
Cash Payments to Vendors and Suppliers	<u>(7,038,409)</u>	<u>(978,430)</u>	<u>(725,331)</u>	<u>(8,742,170)</u>
Net Cash Provided by Operating Activities	<u>(2,407,403)</u>	<u>828,022</u>	<u>(25,336)</u>	<u>(1,604,717)</u>
Cash Flows From Noncapital Financing Activities				
Transfers to Other Funds, Net	<u>600,000</u>	<u>300,000</u>	<u>-</u>	<u>900,000</u>
Net Cash Used in Noncapital Financing Activities	<u>600,000</u>	<u>300,000</u>	<u>-</u>	<u>900,000</u>
Cash Flows From Capital and Related Financing Activities				
Tap Fees Received	-	-	34,440	34,440
Proceeds from Fiscal Agent	6,193,596	16,858,330	-	23,051,926
Intergovernmental Receipts	(1,485)	-	-	(1,485)
Plant Investment Fees	438,360	399,098	-	837,458
Cash Received in Lieu of Fees	892,279	-	-	892,279
Purchase of Capital Assets	(13,344,709)	(17,846,595)	(44,190)	(31,235,494)
Debt Principal Payments	(922,221)	(936,944)	-	(1,859,165)
Debt Interest Payments	<u>(273,207)</u>	<u>(1,531,175)</u>	<u>-</u>	<u>(1,804,382)</u>
Net Cash Provided by (Used in) Capital and Related Financing Activities	<u>(7,017,387)</u>	<u>(3,057,286)</u>	<u>(9,750)</u>	<u>(10,084,423)</u>
Cash Flows From Investing Activities				
Issuance Proceeds	(25,649)	(1,733)	-	(27,382)
Interest Received	354,707	457,700	55,933	868,340
Gain/Loss	<u>762</u>	<u>-</u>	<u>-</u>	<u>762</u>
Net Cash Provided by (Used in) Capital and Related Financing Activities	<u>329,820</u>	<u>455,967</u>	<u>55,933</u>	<u>841,720</u>
Net Increase In Cash	(8,494,970)	(1,473,297)	20,847	(9,947,420)
Cash, Beginning of Year	<u>17,929,367</u>	<u>3,460,379</u>	<u>1,568,887</u>	<u>22,958,633</u>
Cash, End of Year	<u>\$ 9,434,397</u>	<u>\$ 1,987,082</u>	<u>\$ 1,589,734</u>	<u>\$ 13,011,213</u>
Reconciliation of Net Operating Income to Net Cash Provided by (Used in) Operating Activities				
Net Operating Income	\$ (35,399)	\$ (833,013)	\$ (145,981)	\$ (1,014,393)
Adjustments to Reconcile Net Operating Income to Net Cash Provided by (Used in) Operating Activities				
Depreciation	1,407,436	1,466,215	120,391	2,994,042
Changes in Assets and Liabilities				
Accounts Receivable	(57,279)	(7,572)	392	(64,459)
Accounts Payable and Accrued Expenses	<u>(3,722,161)</u>	<u>202,392</u>	<u>(138)</u>	<u>(3,519,907)</u>
Net Cash Provided by (Used in) Operating Activities	<u>\$ (2,407,403)</u>	<u>\$ 828,022</u>	<u>\$ (25,336)</u>	<u>\$ (1,604,717)</u>

See Notes to the Financial Statements.

Town of Wellington, Colorado
Statement of Net Position
Fiduciary Funds
December 31, 2024

	Library Custodial Trust
Assets	
Cash and Investments	\$ 567,755
Total Assets	\$ 567,755
Net Position	
Restricted Net Position	\$ 567,755
Total Net Position	\$ 567,755

Town of Wellington, Colorado
Statement of Changes in Net Position
Fiduciary Funds
For the Year Ended December 31, 2024

	Library Custodial Trust
Revenues	
Impact Fees	\$ <u>10,250</u>
Total Revenues	<u>10,250</u>
Net Change in Fund Balances	10,250
Fund Balances, <i>Beginning of Year</i>	<u>557,505</u>
Fund Balances, <i>End of Year</i>	\$ <u><u>567,755</u></u>

Town of Wellington, Colorado

Notes to Financial Statements

December 31, 2024

Note 1: Summary of Significant Accounting Policies

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

The financial statements of the Town of Wellington, Colorado (the Town) have been prepared in conformity with generally accepted accounting principles (GAAP) as applicable to governmental entities. The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting and financial reporting principles. The more significant of the Town's accounting policies are described below.

Reporting Entity

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

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

Government-wide and Fund Financial Statements

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

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

Town of Wellington, Colorado

Notes to Financial Statements

December 31, 2024

Note 1: Summary of Significant Accounting Policies (Continued)

Measurement Focus, Basis of Accounting, and Financial Statement Presentation

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

The government-wide financial statements are reported using the *economic resources measurement focus* and the *accrual basis of accounting*, as are the proprietary fund financial statements. Revenues are recorded when earned and expenses are recorded when the liability is incurred, regardless of the timing of related cash flows. Property taxes are recognized as revenues in the year for which they are levied. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met.

Governmental fund financial statements are reported using the *current financial resources measurement focus* and the *modified accrual basis of accounting*. Revenues are recognized as soon as they are both measurable and available. Revenues are considered to be *available* when they are collected within the current year or soon enough thereafter to pay liabilities of the current year. For this purpose, the Town considers revenues to be available if they are collected within 60 days of the end of the current year.

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

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

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

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

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

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

Town of Wellington, Colorado

Notes to Financial Statements

December 31, 2024

Note 1: Summary of Significant Accounting Policies (Continued)

Measurement Focus, Basis of Accounting, and Financial Statement Presentation

(Continued)

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

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

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

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

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

Assets, Liabilities and Net Position/Fund Balances

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

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

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

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

Town of Wellington, Colorado

Notes to Financial Statements

December 31, 2024

Note 1: Summary of Significant Accounting Policies (Continued)

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

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

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

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

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

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

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

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

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

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

Town of Wellington, Colorado

Notes to Financial Statements

December 31, 2024

Note 1: Summary of Significant Accounting Policies (Continued)

Property Taxes

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

Subsequent Event

We have evaluated subsequent events through February 9, 2026. The date the financial statements were available to be issued.

Note 2: Cash and Investments

A summary of cash at December 31, 2024, follows:

	Total
Petty Cash	\$ 500
Cash in Bank	753,334
Cash Held in COLOTRUST	<u>26,809,739</u>
Total	<u>\$ 27,563,573</u>

Cash Deposits

The Colorado Public Deposit Protection Act (PDPA) requires all local government entities to deposit cash in eligible public depositories. Eligibility is determined by State regulations. Amounts on deposit in excess of federal insurance levels must be collateralized by eligible collateral as determined by the PDPA. The PDPA allows the financial institution to create a single collateral pool for all public funds held. The pool is to be maintained by another institution or held in trust for all uninsured public deposits as a group. The market value of the collateral must be at least equal to 102% of the uninsured deposits. At December 31, 2024, the Town had bank deposits of \$2,285,649 collateralized with securities held by the financial institution's agent but not in the Town's name.

Town of Wellington, Colorado

Notes to Financial Statements

December 31, 2024

Note 2: Cash and Investments (Continued)

Investments

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

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

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

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

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

Local Government Investment Pools - At December 31, 2024, the Town had \$36,221,447 invested in the Colorado Liquid Asset Trust (COLOTRUST). The pool is an investment vehicle established for local government entities in Colorado to pool surplus funds. The Colorado Division of Securities administers and enforces the requirements of creating and operating the pools. The pools operate in conformity with the Securities and Exchange Commission's Rule 2a-7. The pool is measured at the net asset value per share, with each share valued at \$1. The pool is rated AAAM by Standard and Poor's. Investments of the pool are limited to those allowed by State statutes. A designated custodial bank provides safekeeping and depository services in connection with the direct investment and withdrawal functions. The custodian's internal records identify the investments owned by the participating governments.

Town of Wellington, Colorado
Notes to Financial Statements
December 31, 2024

Note 3: Capital Assets

Capital asset activity for governmental activities for the year ended December 31, 2024, is summarized below.

	Balance 12/31/23	Additions	Transfers	Deletions	Balance 12/31/24
Governmental Activities					
<i>Capital Assets, Not Being Depreciated</i>					
Land and Water Rights	\$ 2,073,796	\$ -	\$ -	\$ -	\$ 2,073,796
Total Capital Assets, <i>Not Being Depreciated</i>	<u>2,073,796</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>2,073,796</u>
<i>Capital Assets, Being Depreciated</i>					
Buildings and Improvements	2,165,670	-	-	-	2,165,670
Infrastructure	6,948,848	-	-	-	6,948,848
Streets and Improvements	25,876,286	79,797	-	-	25,956,083
Equipment	606,297	-	-	-	606,297
Total Capital Assets, <i>Being Depreciated</i>	<u>35,597,101</u>	<u>79,797</u>	<u>-</u>	<u>-</u>	<u>35,676,898</u>
<i>Less Accumulated Depreciation</i>					
Buildings and Improvements	(399,255)	(34,350)	-	-	(433,605)
Infrastructure	(2,320,022)	(221,504)	-	-	(2,541,526)
Streets and Improvements	(15,630,092)	(851,896)	-	-	(16,481,988)
Equipment	(548,391)	(25,321)	-	-	(573,712)
Total Accumulated Depreciation	<u>(18,897,760)</u>	<u>(1,133,071)</u>	<u>-</u>	<u>-</u>	<u>(20,030,831)</u>
Total Capital Assets, <i>Being Depreciated, Net</i>	<u>16,699,341</u>	<u>(1,053,274)</u>	<u>-</u>	<u>-</u>	<u>15,646,067</u>
Governmental Activities Capital Assets, Net	<u>\$ 18,773,137</u>	<u>\$ (1,053,274)</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 17,719,863</u>

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

Governmental Activities	Total
Public Safety	\$ 50,563
Public Works	851,896
Parks and Recreation	230,612
Total	<u>\$ 1,133,071</u>

Town of Wellington, Colorado
Notes to Financial Statements
December 31, 2024

Note 3: Capital Assets (Continued)

Capital asset activity for business-type activities for the year ended December 31, 2024, is summarized below.

	Balance 12/31/23	Additions	Transfers	Deletions	Balance 12/31/24
Business-Type Activities					
<i>Capital Assets, Not Being Depreciated</i>					
Land and Water Rights	\$ 8,432,324	\$ -	\$ -	\$ -	\$ 8,432,324
Construction in Progress	57,805,357	31,195,017	(48,357,981)	-	40,642,393
Total Capital Assets, Not Being Depreciated	66,237,681	31,195,017	(48,357,981)	-	49,074,717
<i>Capital Assets, Being Depreciated</i>					
Utilities Systems	49,642,114	-	48,357,981	-	98,000,095
Machinery and Equipment	2,613,384	40,477	-	-	2,653,861
Total Capital Assets, Being Depreciated	52,255,498	40,477	48,357,981	-	100,653,956
<i>Less Accumulated Depreciation</i>					
Utilities Systems	(19,959,039)	(2,790,191)	-	-	(22,749,230)
Machinery and Equipment	(1,694,527)	(203,851)	-	-	(1,898,378)
Total Accumulated Depreciation	(21,653,566)	(2,994,042)	-	-	(24,647,608)
Total Capital Assets, Being Depreciated, Net	30,601,932	(2,953,565)	48,357,981	-	76,006,348
Business-Type Activities Capital Assets, Net	\$ 96,839,613	\$ 28,241,452	\$ -	\$ -	\$ 125,081,065

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

Business-Type Activities	Total
Water	\$ 1,407,436
Sewer	1,466,215
Drainage	120,391
Total	\$ 2,994,042

Note 4: Long-Term Debt

Governmental Activities

Following is a summary of long-term debt transactions of the governmental activities for the year ended December 31, 2024:

	Balance 12/31/23	Additions	Payments	Balance 12/31/24	Due Within One Year
Governmental Activities					
2014 Park Fund Loan	\$ 525,968	\$ -	\$ (259,892)	\$ 266,076	\$ 266,076
Compensated Absences	112,532	-	-	112,532	3,122
Total	\$ 638,500	\$ -	\$ (259,892)	\$ 378,608	\$ 269,198

Town of Wellington, Colorado
Notes to Financial Statements
December 31, 2024

Note 4: Long-Term Debt (Continued)

Governmental Activities (Continued)

In 2014, the Town borrowed \$2,400,000 from First National Bank, with monthly principal and interest payments beginning in 2016 and maturing in 2029. The loan requires monthly payments of \$22,455 with interest fixed at 2.31%. The Park Fund is required to maintain a coverage ratio of 1.25% of the required debt service. For the year ended December 31, 2024, the Town met the coverage requirement.

Annual debt service requirements for the outstanding Certificate of Participation at December 31, 2024, were as follows:

<u>Year Ended December 31,</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2025	\$ 266,076	\$ 3,384	\$ 269,460
Total	<u>\$ 266,076</u>	<u>\$ 3,384</u>	<u>\$ 269,460</u>

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

Business-Type Activities

Following are the changes in long-term debt of the business-type activities for the year ended December 31, 2024:

	<u>Balance</u> <u>12/31/23</u>	<u>Additions</u>	<u>Payments</u>	<u>Balance</u> <u>12/31/24</u>	<u>Due Within</u> <u>One Year</u>
Business-Type Activities					
2019 CWRPDA - Water	\$ 19,864,051	\$ -	\$ (1,091,978)	\$ 18,772,073	\$ 1,109,550
Premium	441,732	-	(99,509)	342,223	-
2022 WWTP Loan Payable	41,993,726	-	(936,944)	41,056,782	968,724
Premium	2,621,585	-	(169,757)	2,451,828	-
Compensated Absences	79,317	-	-	79,317	-
Total	<u>\$ 65,000,411</u>	<u>\$ -</u>	<u>\$ (2,298,188)</u>	<u>\$ 62,702,223</u>	<u>\$ 2,078,274</u>

1984 General Obligation Water Bond

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

Town of Wellington, Colorado
Notes to Financial Statements
December 31, 2024

Note 4: Long-Term Debt (Continued)

Business-Type Activities (Continued)

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

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

Annual debt service requirements for the outstanding bond at December 31, 2024, were as follows.

<u>Year Ended December 31,</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2025	\$ 1,109,550	\$ 160,300	\$ 1,269,850
2026	1,129,785	141,050	1,270,835
2027	1,148,102	122,550	1,270,652
2028	1,168,578	105,050	1,273,628
2029	1,183,462	88,550	1,272,012
2030-2034	6,154,981	267,900	6,422,881
2035-2039	<u>6,877,615</u>	<u>80,550</u>	<u>6,958,165</u>
Total	<u>\$ 18,772,073</u>	<u>\$ 965,950</u>	<u>\$ 19,738,023</u>

2022 Wastewater Treatment Plant (WWTP)

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

Town of Wellington, Colorado
Notes to Financial Statements
December 31, 2024

Note 4: Long-Term Debt (Continued)

Business-Type Activities (Continued)

Annual debt service requirements for the outstanding bond at December 31, 2024, were as follows.

<u>Year Ended December 31,</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2025	\$ 968,724	\$ 1,033,750	\$ 2,002,474
2026	1,000,567	1,002,750	2,003,317
2027	1,028,709	971,000	1,999,709
2028	1,065,269	938,750	2,004,019
2029	1,094,128	905,750	1,999,878
2030-2034	5,996,210	4,013,500	10,009,710
2035-2039	6,900,288	3,105,750	10,006,038
2040-2044	7,849,902	2,153,750	10,003,652
2045-2049	8,851,594	1,203,500	10,055,094
2050-2052	6,301,391	263,000	6,564,391
Total	<u>\$ 41,056,782</u>	<u>\$ 15,591,500</u>	<u>\$ 56,648,282</u>

Note 5: Interfund Transactions

Interfund transfers for the year ended December 31, 2024, were comprised of the following:

<u>Transfers In</u>	<u>Transfers Out</u>	<u>Amount</u>
Water Fund	General Fund	\$ 600,000
Sewer Fund	General Fund	300,000
Total		<u>\$ 900,000</u>

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

Note 6: Risk Management

Public Entity Risk Pool

The Town is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; injuries to employees; and natural disasters. For these risks of loss, the Town participates in the Colorado Intergovernmental Risk Sharing Agency (CIRSA), a separate and independent governmental and legal entity formed by intergovernmental agreement by member municipalities pursuant to the provisions of 24-10-115.5, Colorado Revised Statutes, and the Colorado Constitution, Article XIV, Section 18(2).

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

Town of Wellington, Colorado

Notes to Financial Statements

December 31, 2024

Note 6: Risk Management (Continued)

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

Note 7: Retirement Commitments

Defined Contribution Retirement Plan

The Town contributes to a single-employer defined contribution retirement plan on behalf of its employees. All employees are enrolled in the Plan upon hire. The Town is required to contribute at least 4% of each employee's compensation. The Town may contribute up to 6% of each employee's compensation based on the employee's tenure and/or the employee's optional additional contributions. No employee contributions are required. Employees become vested in the Town's contributions at 25% annually after one year of service. Employees become fully vested after four years of service. The contribution requirements of the Town and eligible employees are established and may be amended by the Board of Trustees. For the year ended December 31, 2024, the Town contributed \$224,927 to the Plan, equal to the required contributions.

Note 8: Commitments and Contingencies

Litigation

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

TABOR Amendment

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

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

Town of Wellington, Colorado
Notes to Financial Statements
December 31, 2024

Note 8: Commitments and Contingencies (Continued)

The Town has established an emergency reserve, representing 3% of qualifying expenditures, as required by the Amendment. At December 31, 2024, the emergency reserve was reported as restricted fund balance in the General Fund, in the amount of \$190,000.

Required Supplementary Information

Town of Wellington, Colorado
Budgetary Comparison Schedule
General Fund
For the Year Ended December 31, 2024

	Original Budget	Final Budget	Actual	Variance Positive (Negative)
Revenues				
Taxes				
Property Taxes	\$ 2,086,000	\$ 2,086,000	\$ -	\$ (2,086,000)
Sales and Use Taxes	3,235,152	3,235,152	2,931,074	(304,078)
Cigarette Taxes	7,000	7,000	7,668	668
Severance Taxes	108,000	108,000	44,445	(63,555)
Franchise Taxes	235,000	235,000	246,473	11,473
Other Taxes	3,933	3,933	2,581	(1,352)
Total Taxes	<u>5,675,085</u>	<u>5,675,085</u>	<u>3,232,241</u>	<u>(2,442,844)</u>
Licenses and Permits				
Liquor Licenses	-	-	4,202	4,202
Building Permits	425,545	425,545	271,868	(153,677)
Business Licenses	19,000	19,000	20,013	1,013
Other	-	-	895	895
Total Licenses and Permits	<u>444,545</u>	<u>444,545</u>	<u>296,978</u>	<u>(147,567)</u>
Intergovernmental				
Other Intergovernmental	52,500	52,500	16,846	(35,654)
Total Intergovernmental	<u>52,500</u>	<u>52,500</u>	<u>16,846</u>	<u>(35,654)</u>
Charges for Services				
Recreation/Community Center	6,500	6,500	12,851	6,351
Sales of Goods	9,500	9,500	15,325	5,825
Other Charges for Services	85,358	85,358	48,757	(36,601)
Total Charges for Services	<u>101,358</u>	<u>101,358</u>	<u>76,933</u>	<u>(24,425)</u>
Fines and Forfeitures	<u>20,000</u>	<u>20,000</u>	<u>18,353</u>	<u>(1,647)</u>
Investment Income	<u>378,000</u>	<u>378,000</u>	<u>423,353</u>	<u>45,353</u>
Other Revenue	<u>5,000</u>	<u>5,000</u>	<u>(156,017)</u>	<u>(161,017)</u>
Total Revenues	<u>6,676,488</u>	<u>6,676,488</u>	<u>3,908,687</u>	<u>(2,767,801)</u>

(Continued)

Town of Wellington, Colorado
Budgetary Comparison Schedule
General Fund
For the Year Ended December 31, 2024
(Continued)

Expenditures	Original Budget	Final Budget	Actual	Variance Positive (Negative)
Current				
General Government				
Personnel Services	\$ 2,818,119	\$ 2,818,119	\$ 3,452,582	\$ (634,463)
Insurance	158,655	190,624	18,905	171,719
Professional Fees	705,280	705,280	549,579	155,701
Repairs and Maintenance	130,400	158,400	134,073	24,327
Supplies	44,750	44,750	70,143	(25,393)
Telephone and Utilities	144,580	144,580	117,650	26,930
Travel and Training	50,492	50,492	28,904	21,588
Equipment Rental	-	-	259	(259)
Fuel	6,500	6,500	24,325	(17,825)
Other Expense	627,066	599,066	448,700	150,366
Overhead Allocation	(1,689,603)	(1,689,603)	(1,401,328)	(288,275)
Total General Government	<u>2,996,239</u>	<u>3,028,208</u>	<u>3,443,792</u>	<u>(415,584)</u>
Public Safety				
Personnel Services	2,000,620	2,000,620	2,000,741	(121)
Repairs and Maintenance	-	-	52,562	(52,562)
Total Public Safety	<u>2,000,620</u>	<u>2,000,620</u>	<u>2,053,303</u>	<u>(52,683)</u>
Public Works				
Personnel Services	1,013,433	1,013,433	-	1,013,433
Fuel and Automotive	24,000	24,000	-	24,000
Professional Fees	40,000	40,000	-	40,000
Repairs and Maintenance	72,800	72,800	14,689	58,111
Supplies	32,900	17,900	16,046	1,854
Travel and Training	15,310	15,310	-	15,310
Other Expense	20,500	20,500	100	20,400
Total Public Works	<u>1,218,943</u>	<u>1,203,943</u>	<u>30,835</u>	<u>1,173,108</u>
Parks and Recreation				
Cemetery	10,000	10,000	2,005	7,995
Other Expense	20,000	20,000	-	20,000
Total Parks and Recreation	<u>30,000</u>	<u>30,000</u>	<u>2,005</u>	<u>27,995</u>
Capital Outlay	<u>250,000</u>	<u>250,000</u>	<u>39,832</u>	<u>210,168</u>
Total Expenditures	<u>6,495,802</u>	<u>6,512,771</u>	<u>5,569,767</u>	<u>943,004</u>

(Continued)

Town of Wellington, Colorado
 Budgetary Comparison Schedule
 General Fund
 For the Year Ended December 31, 2024
 (Continued)

	Original Budget	Final Budget	Actual	Variance Positive (Negative)
Excess of Revenues Over (Under) Expenditures	180,686	163,717	(1,661,080)	(1,824,797)
Other Financing Sources (Uses)				
Transfers In	-	-	-	-
Transfers Out	(1,299,000)	(1,299,000)	(900,000)	399,000
Total Other Financing Sources (Uses)	(1,299,000)	(1,299,000)	(900,000)	399,000
Net Change in Fund Balance	(1,118,314)	(1,135,283)	(2,561,080)	(1,425,797)
Fund Balance, Beginning of Year	8,246,194	8,246,194	9,306,787	1,060,593
Fund Balance, End of Year	\$ 7,127,880	\$ 7,110,911	\$ 6,745,707	\$ (365,204)

Town of Wellington, Colorado
Budgetary Comparison Schedule
Street Fund
For the Year Ended December 31, 2024

	Original Budget	Final Budget	Actual	Variance Positive (Negative)
Revenues				
Taxes				
Sales and Use Tax	\$ 1,753,750	\$ 1,753,750	\$ 1,480,363	\$ (273,387)
Total Tax Revenue	<u>1,753,750</u>	<u>1,753,750</u>	<u>1,480,363</u>	<u>(273,387)</u>
Licenses and Permits				
Impact Fees	85,000	85,000	45,700	(39,300)
Other Licenses	-	-	53,445	53,445
Total Licenses and Permits	<u>85,000</u>	<u>85,000</u>	<u>99,145</u>	<u>14,145</u>
Intergovernmental Revenues				
Grants	850,000	850,000	-	(850,000)
Highway Users	399,600	399,600	211,136	(188,464)
Total Intergovernmental	<u>1,249,600</u>	<u>1,249,600</u>	<u>211,136</u>	<u>(1,038,464)</u>
Investment Income	<u>53,000</u>	<u>53,000</u>	<u>110,255</u>	<u>57,255</u>
Other Revenue	<u>1,000</u>	<u>1,000</u>	<u>1,165</u>	<u>165</u>
Total Revenues	<u>3,142,350</u>	<u>3,142,350</u>	<u>1,902,064</u>	<u>(1,240,286)</u>
Expenditures				
Public Works				
Personnel Services	606,322	606,321	626,160	(19,839)
Equipment Rental	3,000	3,000	2,075	925
Fuel and Automotive	-	-	1,072	(1,072)
Repairs and Maintenance	35,000	35,000	(531)	35,531
Supplies	49,000	49,000	25,413	23,587
Telephone and Utilities	216,000	216,000	201,224	14,776
Overhead Allocation	-	-	310,071	(310,071)
Other Expense	6,000	6,000	245	5,755
Capital Outlays	<u>2,328,595</u>	<u>2,328,595</u>	<u>1,186,605</u>	<u>1,141,990</u>
Total Public Works	<u>3,243,917</u>	<u>3,243,916</u>	<u>2,352,334</u>	<u>891,582</u>

(Continued)

Town of Wellington, Colorado
 Budgetary Comparison Schedule
 Street Fund
 For the Year Ended December 31, 2024
 (Continued)

	Original Budget	Final Budget	Actual	Variance Positive (Negative)
Excess Revenues Over (Under) Expenditures	<u>(101,567)</u>	<u>(101,566)</u>	<u>(450,270)</u>	<u>(348,704)</u>
Other Financing Sources (Uses)				
Transfers Out	<u>(2,684,577)</u>	<u>(2,684,577)</u>	<u>-</u>	<u>2,684,577</u>
Net Changes in Fund Balance	<u>(2,786,144)</u>	<u>(2,786,143)</u>	<u>(450,270)</u>	<u>2,335,873</u>
Fund Balance, Beginning of Year	<u>5,221,387</u>	<u>5,221,387</u>	<u>5,013,019</u>	<u>(208,368)</u>
Fund Balance, End of Year	<u>\$ 2,435,243</u>	<u>\$ 2,435,244</u>	<u>\$ 4,562,749</u>	<u>\$ 2,127,505</u>

Town of Wellington, Colorado
 Budgetary Comparison Schedule
 Park Fund
 For the Year Ended December 31, 2024

	Original Budget	Final Budget	Actual	Variance Positive (Negative)
Revenues				
Taxes				
Sales and Use Tax	\$ 1,264,950	\$ 1,264,950	\$ 1,268,676	\$ 3,726
Licenses and Permits				
Impact Fees	72,500	72,500	59,450	(13,050)
Other Licenses	-	-	457	457
Total Licenses and Permits	<u>72,500</u>	<u>72,500</u>	<u>59,907</u>	<u>(12,593)</u>
Charges for Services				
Recreation/Community Center Charges	63,800	63,800	166,308	102,508
Rents	-	-	3,577	3,577
Total Charges for Services	<u>63,800</u>	<u>63,800</u>	<u>169,885</u>	<u>106,085</u>
Investment Income	<u>116,700</u>	<u>116,700</u>	<u>146,762</u>	<u>30,062</u>
Other Revenues				
Insurance Proceeds	-	(25,757)	81,771	107,528
Sale of Capital Assets	-	-	1,735	1,735
Total Other Revenues	<u>-</u>	<u>(25,757)</u>	<u>83,506</u>	<u>109,263</u>
Total Revenues	<u>1,517,950</u>	<u>1,492,193</u>	<u>1,728,736</u>	<u>236,543</u>
Expenditures				
Public Works				
Personnel Services	729,630	762,630	745,355	17,275
Equipment Rental	20,000	20,000	19,096	904
Fuel and Automotive	6,200	6,200	13,975	(7,775)
Professional Fees	43,500	43,500	32,512	10,988
Repairs and Maintenance	317,800	317,800	386,413	(68,613)
Supplies	49,450	49,450	35,823	13,627
Telephone and Utilities	68,300	68,300	104,084	(35,784)
Travel and Training	10,000	10,000	9,658	342
Overhead Allocation	6,000	6,000	194,642	(188,642)
Other Expense	144,495	144,495	61,535	82,960
Debt Service				
Principal	252,000	252,000	260,866	(8,866)
Interest	17,460	17,460	31,048	(13,588)
Capital Outlay	<u>175,000</u>	<u>175,000</u>	<u>77,071</u>	<u>97,929</u>
Total Public Works	<u>1,839,835</u>	<u>1,872,835</u>	<u>1,972,078</u>	<u>(99,243)</u>
Total Expenditures	<u>1,839,835</u>	<u>1,872,835</u>	<u>1,972,078</u>	<u>(99,243)</u>

(Continued)

Town of Wellington, Colorado
 Budgetary Comparison Schedule
 Park Fund
 For the Year Ended December 31, 2024
 (Continued)

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Positive (Negative)</u>
Excess Revenues Over (Under) Expenditures	<u>(321,885)</u>	<u>(380,642)</u>	<u>(243,342)</u>	<u>137,300</u>
Other Financing Sources (Uses)				
Transfers In	<u>(404,338)</u>	<u>(404,338)</u>	<u>-</u>	<u>404,338</u>
Net Changes in Fund Balance	<u>(726,223)</u>	<u>(784,980)</u>	<u>(243,342)</u>	<u>541,638</u>
Fund Balance, Beginning of Year	<u>2,291,399</u>	<u>2,291,399</u>	<u>2,265,757</u>	<u>(25,642)</u>
Fund Balance, End of Year	<u>\$ 1,565,176</u>	<u>\$ 1,506,419</u>	<u>\$ 2,022,415</u>	<u>\$ 515,996</u>

Town of Wellington, Colorado
Notes to Required Supplementary Information
December 31, 2024

Note 1: Stewardship, Compliance and Accountability

Budgets and Budgetary Accounting

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

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

- Management submits to the Board of Trustees a proposed operating budget for the fiscal year commencing the following January 1. The operating budget includes proposed expenditures and the means of financing them.
- Public hearings are conducted to obtain taxpayer comments.
- Prior to December 31, the budget is legally adopted through passage of a resolution.
- Town management is authorized to transfer budgeted amounts between departments within any fund. However, revisions that alter the total expenditures of any fund must be approved by the Board of Trustees. State statutes stipulate that expenditures may not exceed budget appropriations at the fund level.
- All appropriations lapse at year end.

Supplementary Information

Town of Wellington, Colorado
 Budgetary Comparison Schedule
 Conservation Trust Fund
 For the Year Ended December 31, 2024

	Original Budget	Final Budget	Actual	Variance Positive (Negative)
Revenues				
Intergovernmental	\$ 122,500	\$ 122,500	\$ -	\$ (122,500)
Investment Income	-	-	28,656	28,656
Total Revenues	122,500	122,500	28,656	(93,844)
Other Financing Sources (Uses)				
Transfer In	-	-	-	-
Net Changes in Fund Balance	122,500	122,500	28,656	(93,844)
Fund Balance, Beginning of Year	1,001,488	1,001,488	1,001,488	-
Fund Balance, End of Year	<u>\$ 1,123,988</u>	<u>\$ 1,123,988</u>	<u>\$ 1,030,144</u>	<u>\$ (93,844)</u>

Town of Wellington, Colorado
Budgetary Comparison Schedule
Water Fund
For the Year Ended December 31, 2024

	Original Budget	Final Budget	Actual	Variance Positive (Negative)
Revenues				
Utility Charges	\$ 5,375,959	\$ 5,375,959	\$ 5,086,030	\$ (289,929)
Other Charges for Services	25,553	25,553	54,149	28,596
Plant Investment Fees	550,410	550,410	438,360	(112,050)
Cash in Lieu of Fees	310,250	310,250	892,279	582,029
Gain on Sale of Assets	2,598,641	2,572,992	(24,887)	(2,597,879)
Investment Income	652,000	652,000	623,973	(28,027)
Transfers In	691,000	691,000	600,000	(91,000)
Total Revenues	<u>10,203,813</u>	<u>10,178,164</u>	<u>7,669,904</u>	<u>(2,508,260)</u>
Expenditures				
Operating Expenses				
Raw Water Purchases	3,065,000	3,065,000	1,910,619	1,154,381
Management Fees	-	-	393,500	(393,500)
Personnel Services	703,443	703,443	640,872	62,571
Operating Supplies	80,750	80,750	47,536	33,214
Professional Fees	155,000	155,000	67,022	87,978
Repairs and Maintenance	240,500	240,500	155,762	84,738
Travel and Training	11,500	11,500	5,583	5,917
Treatment	350,000	350,000	180,116	169,884
Telephone and Utilities	206,008	206,008	208,186	(2,178)
Other Operating Expenses	-	-	(1,544)	1,544
Capital Outlay	19,154,459	19,252,459	13,505,199	5,747,260
Debt Services				
Principal	1,091,978	1,091,978	(1,091,978)	2,183,956
Interest	372,716	372,716	273,207	99,509
Transfers Out	19,615,888	19,615,888	-	19,615,888
Total Expenditures	<u>45,047,242</u>	<u>45,145,242</u>	<u>16,294,080</u>	<u>28,851,162</u>
Change in Net Position, Budgetary Basis	<u>\$ (34,843,429)</u>	<u>\$ (34,967,078)</u>	(8,624,176)	<u>\$ 26,342,902</u>
Adjustments to GAAP Basis				
Depreciation			(1,407,436)	
Capital Outlay			13,344,709	
Debt Principal			(1,091,978)	
Change in Net Position, GAAP Basis			<u>\$ 2,221,119</u>	

Town of Wellington, Colorado
Budgetary Comparison Schedule
Sewer Fund
For the Year Ended December 31, 2024

	Original Budget	Final Budget	Actual	Variance Positive (Negative)
Revenues				
Utility Charges	\$ 2,637,019	\$ 2,637,019	\$ 2,315,034	\$ (321,985)
Intergovernmental Revenues	60,000	-	-	-
Plant Investment Fees	511,455	511,455	399,098	(112,357)
Insurance Proceeds	-	(7,603)	(1,733)	5,870
Loan Proceeds	17,365,003	17,365,003	-	(17,365,003)
Investment Income	377,000	377,000	457,700	80,700
Transfers In	358,000	358,000	300,000	(58,000)
Total Revenues	21,308,477	21,240,874	3,470,099	(17,770,775)
Expenditures				
Operating Expenses				
Management Fees	-	-	393,500	(393,500)
Personnel Services	625,594	625,594	699,886	(74,292)
Operating Supplies	78,500	78,500	48,108	30,392
Professional Fees	65,000	65,000	36,854	28,146
Repairs and Maintenance	170,000	170,000	97,498	72,502
Travel and Training	11,500	11,500	5,416	6,084
Treatment	60,000	60,000	16,917	43,083
Telephone and Utilities	298,564	298,564	339,420	(40,856)
Other Operating Expenses	5,000	5,000	4,097	903
Capital Outlay	21,730,457	21,730,457	16,479,710	5,250,747
Debt Services				
Principal	936,944	936,944	936,944	-
Interest	1,531,175	1,531,175	1,361,418	169,757
Transfers Out	22,193,449	22,193,449	-	22,193,449
Total Expenditures	47,706,183	47,706,183	20,419,768	27,286,415
Change in Net Position, Budgetary Basis	\$ (26,397,706)	\$ (26,465,309)	(16,949,669)	\$ 9,515,640
Adjustments to GAAP Basis				
Depreciation			(1,466,215)	
Capital Outlay			16,439,574	
Debt Principal			936,944	
Change in Net Position, GAAP Basis			\$ (1,039,366)	

Town of Wellington, Colorado
 Budgetary Comparison Schedule
 Drainage Fund
 For the Year Ended December 31, 2024

	Original Budget	Final Budget	Actual	Variance Positive (Negative)
Revenues				
Utility Charges	\$ 673,722	\$ 673,722	\$ 699,603	\$ 25,881
Tax Revenue & Impact Fees	42,000	42,000	34,440	(7,560)
Intergovernmental Revenues	646,000	646,000	-	(646,000)
Investment Income	45,300	45,300	55,933	10,633
Total Revenues	1,407,022	1,407,022	789,976	(617,046)
Expenditures				
Operating Expenses				
Management Fees	-	-	112,342	(112,342)
Professional Fees	56,107	56,107	66,628	(10,521)
Repairs and Maintenance	2,000	2,000	1,044	956
Telephone and Utilities	424,946	424,946	430,349	(5,403)
Capital Outlay	874,082	898,927	159,020	739,907
Transfers Out	1,053,943	1,053,943	-	1,053,943
Total Expenditures	2,411,078	2,435,923	769,383	1,666,540
Change in Net Position, Budgetary Basis	\$ (1,004,056)	\$ (1,028,901)	20,593	\$ 1,049,494
Adjustments to GAAP Basis				
Depreciation			(120,391)	
Capital Outlay			44,190	
Change in Net Position, GAAP Basis			\$ (55,608)	

Compliance Section

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

LOCAL HIGHWAY FINANCE REPORT	STATE: COLORADO YEAR ENDING (mm/yy): 12/24
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This Information From The Records Of: Town of Wellington, Colorado	Prepared By: Finance Department 970.568.3381
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I. DISPOSITION OF HIGHWAY-USER REVENUES AVAILABLE FOR LOCAL GOVERNMENT EXPENDITURE

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

II. RECEIPTS FOR ROAD AND STREET PURPOSES		III. EXPENDITURES FOR ROAD AND STREET PURPOSES	
ITEM	AMOUNT	ITEM	AMOUNT
A. Receipts from local sources:		A. Local highway expenditures:	
1. Local highway-user taxes		1. Capital outlay (from page 2)	\$ 1,128,173.81
a. Motor Fuel (from Item I.A.5.)		2. Maintenance:	\$ 15,384.02
b. Motor Vehicle (from Item I.B.5.)		3. Road and street services:	
c. Total (a.+b.)		a. Traffic control operations	\$ 22,503.32
2. General fund appropriations		b. Snow and ice removal	\$ 21,088.70
3. Other local imposts (from page 2)	\$ 753,613.76	c. Other	\$ 200,523.73
4. Miscellaneous local receipts (from page 2)	\$ 156,901.46	d. Total (a. through c.)	\$ 244,115.75
5. Transfers from toll facilities		4. General administration & miscellaneous	\$ 626,159.71
6. Proceeds of sale of bonds and notes:		5. Highway law enforcement and safety	
a. Bonds - Original Issues		6. Total (1 through 5)	\$ 2,013,833.29
b. Bonds - Refunding Issues		B. Debt service on local obligations:	
c. Notes		1. Bonds:	
d. Total (a. + b. + c.)	\$ -	a. Interest	
7. Total (1 through 6)	\$ 910,515.22	b. Redemption	
B. Private Contributions		c. Total (a. + b.)	\$ -
C. Receipts from State government (from page 2)	\$ 983,585.87	2. Notes:	
D. Receipts from Federal Government (from page 2)	\$ -	a. Interest	
E. Total receipts (A.7 + B + C + D)	\$ 1,894,101.09	b. Redemption	
		c. Total (a. + b.)	\$ -
		3. Total (1.c + 2.c)	\$ -
		C. Payments to State for highways	
		D. Payments to toll facilities	
		E. Total expenditures (A.6 + B.3 + C + D)	\$ 2,013,833.29

IV. LOCAL HIGHWAY DEBT STATUS

(Show all entries at par)

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

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
	\$ 6,511,888.74	\$ 1,894,101.09	\$ 2,013,833.29	\$ 6,392,156.54	\$ -

Notes and Comments:

LOCAL HIGHWAY FINANCE REPORT

STATE:
COLORADO
 YEAR ENDING (mm/yy):
12/24

II. RECEIPTS FOR ROAD AND STREET PURPOSES - DETAIL

ITEM	AMOUNT	ITEM	AMOUNT
A.3. Other local imposts:		A.4. Miscellaneous local receipts:	
a. Property Taxes and Assessments		a. Interest on investments	\$ 102,291.75
b. Other local imposts:		b. Traffic Fines & Penalties	
1. Sales Taxes	\$ 707,913.76	c. Parking Garage Fees	
2. Infrastructure & Impact Fees	\$ 45,700.00	d. Parking Meter Fees	
3. Liens		e. Sale of Surplus Property	\$ 1,164.64
4. Licenses		f. Charges for Services	
5. Specific Ownership &/or Other		g. Other Misc. Receipts	\$ 53,445.07
6. Total (1. through 5.)	\$ 753,613.76	h. Other	
c. Total (a. + b.)	\$ 753,613.76	i. Total (a. through h.)	\$ 156,901.46
<i>(Carry forward to page 1)</i>		<i>(Carry forward to page 1)</i>	

ITEM	AMOUNT	ITEM	AMOUNT
C. Receipts from State Government		D. Receipts from Federal Government	
1. Highway-user taxes (from Item I.C.5.)	\$ 211,136.43	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	\$ 772,449.44	d. Federal Transit Administration	
d. DOLA Grant		e. U.S. Corps of Engineers	
e. Other		f. Other Federal ARPA	
f. Total (a. through e.)	\$ 772,449.44	g. Total (a. through f.)	\$ -
4. Total (1. + 2. + 3.f)	\$ 983,585.87	3. Total (1. + 2.g)	\$ -
<i>(Carry forward to page 1)</i>		<i>(Carry forward to page 1)</i>	

III. EXPENDITURES FOR ROAD AND STREET PURPOSES - DETAIL

	ON NATIONAL HIGHWAY SYSTEM (a)	OFF NATIONAL HIGHWAY SYSTEM (b)	TOTAL (c)
A.1. Capital outlay:			
a. Right-Of-Way Costs			\$ -
b. Engineering Costs	\$ 407,175.34		\$ 407,175.34
c. Construction:			
(1). New Facilities			\$ -
(2). Capacity Improvements			\$ -
(3). System Preservation		\$ 661,231.47	\$ 661,231.47
(4). System Enhancement And Operation		\$ 59,767.00	\$ 59,767.00
(5). Total Construction (1)+(2)+(3)+(4)	\$ -	\$ 720,998.47	\$ 720,998.47
d. Total Capital Outlay (Lines 1.a. + 1.b. + 1.c.4)	\$ 407,175.34	\$ 720,998.47	\$ 1,128,173.81
<i>(Carry forward to page 1)</i>			

Notes and Comments: