
CITY OF WALSENBURG,
COLORADO
FINANCIAL STATEMENTS
DECEMBER 31, 2024



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Independent Auditors' Report

City Council
City of Walsenburg, Colorado

Report On The Audit Of The Financial Statements

Opinions

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

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

Basis For Opinions

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

Responsibilities Of Management For The Financial Statements

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

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the City's ability to continue as a going concern for 12 months beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.

Auditors' 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 auditors' 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 auditing standards generally accepted in the United States of America 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 auditing standards generally accepted in the United States of America, we:

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

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

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis on pages i through vii and budgetary comparison information on pages 38 and 40 be presented to supplement the basic financial statements. Such information is the responsibility of management and, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, which considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Supplementary Information

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

RubinBrown LLP

October 16, 2025

City of Walsenburg, Colorado
Management's Discussion and Analysis
December 31, 2024

This discussion and analysis of the City of Walsenburg's (the City) financial performance provides an overview of the City's financial activities for the fiscal year ended December 31, 2024. Please read it in conjunction with the City's financial statements.

FINANCIAL HIGHLIGHTS

- The City of Walsenburg's overall financial position continues to be strong, increasing by \$2.15 million (6.67%) during 2024.
- The assets of the City exceeded its liabilities at the close of 2024 by approximately \$34.39 million (net position). Of this amount, approximately \$2.70 million is unrestricted and may be used to meet the City's ongoing obligations to citizens and creditors.
- At December 31, 2024, the combined net position of the City's governmental activities was approximately \$15.13 million, an increase of approximately \$1.18 million, (see page 5 – Governmental Activities). The total governmental fund balance increased by approximately \$743 thousand. Of the \$9,417,947 fund balance, 55% is held in the Street Improvement fund, 21% is held in the Capital Improvement fund, 21% is held in the General Fund, and the remaining 3%, excluding the General Fund, is in other non-major funds. The fund balance in the General Fund increased by \$410,331 in 2024. The Street Improvement fund balance increased by \$451,824 and the Capital Improvement fund balance decreased by \$164,988. The Northlands GID had a fund balance increase of \$8,335.
- At December 31, 2024, the combined net position of the City's business-type activities was approximately \$19.3 million, an increase of approximately \$974,000 (see page 4 – Business-type Activities).
- Total tax revenues, which include real property taxes and on-going sales and use tax remittances, decreased by approximately \$164,000 (4.8%) under 2023 collections.

USING THIS ANNUAL REPORT

This discussion and analysis is intended to serve as an introduction to the City of Walsenburg's basic financial statements. The City's basic financial statements comprise three components: 1) the government-wide financial statements, 2) fund financial statements, and 3) notes to the financial statements. This report also contains other and required supplementary information in addition to the basic financial statements themselves.

CITY OF WALSENBURG, COLORADO

Management's Discussion and Analysis (*Continued*)

Government-wide Financial Statements

The government-wide financial statements are designed to provide readers with a broad overview of the City of Walsenburg's finances, in a manner similar to a private-sector business.

The ***statement of net position*** presents information on all of the City of Walsenburg's assets, deferred outflows of resources, liabilities and deferred inflows of resources, with the difference reported as net position. Over time, increases or decreases in net position may serve as a useful indicator of whether the financial position of the City of Walsenburg is improving or deteriorating.

The ***statement of activities*** presents information showing how the City of Walsenburg's net position changed during the most recent 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 reported in this statement for some items will result in cash flows in future fiscal periods (e.g., uncollected taxes and earned but unused vacation leave).

Both of the government-wide financial statements distinguish functions of the City of Walsenburg 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 City of Walsenburg include general government, public safety (code enforcement), public works administration, streets, planning and economic development, and parks and recreation. The Business-type Activities of the City of Walsenburg include Gas, Water & Sewer and the Wild Waters Park.

The government-wide financial statements include only the City of Walsenburg.

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. Some funds are required to be established by State law and bond covenants, however, City Council establishes other funds to help control and manage spendable resources for particular purposes (i.e. Street Improvement Fund). All of the City's funds can be divided into three categories: governmental funds, proprietary funds, and fiduciary funds.

Governmental funds — Some important basic services are reported in governmental funds, which focus on how spendable resources flow into and out of those funds and the balances left at year-end that are available for future years. The funds are reported using an accounting method called modified accrual accounting,

CITY OF WALSENBURG, COLORADO

Management's Discussion and Analysis (*Continued*)

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. Governmental fund information helps you determine whether there are more or fewer financial resources that can be spent in the near future to finance the City's programs. We describe the relationship (or differences) between governmental activities (reported in the Statement of Net Position and the Statement of Activities) and governmental funds in a reconciliation that accompanies the fund financial statements. Walsenburg's government funds are the following: General Fund, Capital Improvement Fund, Streets Improvement Fund, Northlands General Improvement District Fund, and Conservation Trust Fund (nonmajor fund).

Proprietary funds — The City maintains business-type proprietary funds. Financial activity in these funds wholly comprises all relationships between the operational costs for the particular services each fund represents and all fees that are collected to compensate these service expenditures. Proprietary funds are reported in the same way that all activities are reported in the Statement of Net Position and the Statement of Activities. For the business-type proprietary funds the City provides several utilities, or enterprise funds. All are reported in the government-wide statements, but more detail and additional information are provided in the fund statements including statements of cash flows. Walsenburg's proprietary funds are the Gas Fund, Water & Sewer Fund, Wild Waters Fund.

Fiduciary funds — Resources held for the benefit of parties outside the government are reported in fiduciary funds. Fiduciary funds are not reflected in the government-wide financial statements because the resources of those funds are not available to support the City's operations. The accounting used for fiduciary funds is similar to that used for proprietary funds. The City maintains a Volunteer Firefighters' Pension Fund.

The basic fiduciary fund financial statements can be found within the basic financial statements, just before the Notes to the Financial Statements.

Notes to Financial Statements

The notes provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements. The notes to the financial statements can be found immediately after the basic financial statements.

CITY OF WALSENBURG, COLORADO

Management's Discussion and Analysis (*Continued*)

Other Supplementary Information

Schedules that compare actual revenues and expenditures/expenses to budgeted amounts are also included and can be found after the Notes in the financial section. The non-major government fund is the Conservation Trust Fund.

FINANCIAL ANALYSIS OF THE CITY AS A WHOLE

As noted earlier, net position may serve over time as a useful indicator of a government's financial position. For the City, assets plus deferred outflows of resources exceeded liabilities plus deferred inflows of resources by approximately \$34.39 million at the close of 2024. A condensed Statement of Net Position follows:

| | Governmental Activities | | Business-type Activities | | Total Primary | |
|---------------------------------------|-------------------------|----------------------|--------------------------|----------------------|----------------------|----------------------|
| | 2024 | 2023 | 2024 | 2023 | 2024 | 2023 |
| Current and other assets | \$ 10,218,742 | \$ 9,703,401 | \$ 6,040,607 | \$ 5,611,172 | \$ 16,259,349 | \$ 15,314,573 |
| Capital assets | 5,513,054 | 5,282,473 | 29,303,486 | 29,253,274 | 34,816,540 | 34,535,747 |
| Total Assets | 15,731,796 | 14,985,874 | 35,344,093 | 34,864,446 | 51,075,889 | 49,850,320 |
| Deferred Outflows of Resources | — | — | 65,899 | 75,317 | 65,899 | 75,317 |
| Current liabilities | 315,674 | 758,687 | 1,943,589 | 1,686,877 | 2,259,263 | 2,445,564 |
| Long-term liabilities | 7,821 | 4,218 | 14,202,013 | 14,962,159 | 14,209,834 | 14,966,377 |
| Total Liabilities | 323,495 | 762,905 | 16,145,602 | 16,649,036 | 16,469,097 | 17,411,941 |
| Deferred Inflows of Resources | 278,981 | 269,835 | — | — | 278,981 | 269,835 |
| Net Position: | | | | | | |
| Net investment | | | | | | |
| in capital assets | 5,513,054 | 5,282,473 | 16,479,746 | 15,619,710 | 21,992,800 | 20,902,183 |
| Restricted | 7,539,184 | 7,167,447 | 130,948 | 1,318,628 | 7,670,132 | 8,486,075 |
| Unrestricted | 2,077,082 | 1,503,214 | 2,653,696 | 1,352,389 | 4,730,778 | 2,855,603 |
| Total Net Position | \$ 15,129,320 | \$ 13,953,134 | \$ 19,264,390 | \$ 18,290,727 | \$ 34,393,710 | \$ 32,243,861 |

Restricted net position at the end of 2024 was \$7.67 million and is available only for specific projects as identified in the fund financial statements. Net investment in capital assets totaled \$21.99 million at December 31, 2024, leaving unrestricted net position of \$4.73 million, which may be used to meet the City's ongoing obligations to citizens and creditors.

The City continues to maintain positive net position for the primary government, as well as for the governmental and business-type activities.

CITY OF WALSENBURG, COLORADO

Management's Discussion and Analysis (*Continued*)

CHANGES IN NET POSITION

The City's total revenues of \$10.22 million exceeded program expenditures of \$8.07 million. The total increase in net position for 2024 is approximately \$2.15 million.

| | Governmental Activities | | Business-type Activities | | Total Primary | |
|--|-------------------------|------------------|--------------------------|------------------|-------------------|------------------|
| | 2024 | 2023 | 2024 | 2023 | 2024 | 2023 |
| Program Revenues: | | | | | | |
| Charges for services | \$ 109,177 | \$ 141,403 | \$ 4,299,511 | \$ 4,326,830 | \$ 4,408,688 | \$ 4,468,233 |
| Operating Grants | 224,466 | 101,432 | — | — | 224,466 | 101,432 |
| Capital Grants & Contribution | 465,824 | 44,140 | 1,041,642 | 100,200 | 1,507,466 | 144,340 |
| General Revenues: | | | | | | |
| Taxes | 3,283,343 | 3,447,092 | — | — | 3,283,343 | 3,447,092 |
| Paid in lieu of taxes | 257,971 | 259,612 | — | — | 257,971 | 259,612 |
| Earnings on Investments | 78,011 | 43,958 | 339,265 | 182,034 | 417,276 | 225,992 |
| Other revenues | 105,875 | 46,213 | 13,137 | 21,561 | 119,012 | 67,774 |
| Total Revenues | 4,524,667 | 4,083,850 | 5,693,555 | 4,630,625 | 10,218,222 | 8,714,475 |
| Program expenses: | | | | | | |
| General Government | 710,870 | 676,532 | — | — | 710,870 | 676,532 |
| Public Safety | 933,173 | 818,259 | — | — | 933,173 | 818,259 |
| Public works | 1,283,007 | 384,369 | — | — | 1,283,007 | 384,369 |
| Culture, parks and recreation | 63,768 | 77,063 | — | — | 63,768 | 77,063 |
| Economic Development | 2,663 | 11,279 | — | — | 2,663 | 11,279 |
| Donations | — | — | — | — | — | — |
| Debt Service | — | — | — | — | — | — |
| Interest | — | — | — | — | — | — |
| Gas | — | — | 1,394,051 | 1,647,602 | 1,394,051 | 1,647,602 |
| Water/Sewer | — | — | 3,613,346 | 3,370,714 | 3,613,346 | 3,370,714 |
| Wild Waters | — | — | 67,497 | 73,190 | 67,497 | 73,190 |
| Total Expenses | 2,993,481 | 1,967,502 | 5,074,894 | 5,091,506 | 8,068,375 | 7,059,008 |
| Excess (deficiency) of revenue over expenditures | 1,531,186 | 2,116,348 | 618,661 | (460,881) | 2,149,847 | 1,655,467 |
| Transfers In (Out) | (355,000) | (295,746) | 355,000 | 295,746 | — | — |
| Change in net position | 1,176,186 | 1,820,602 | 973,661 | (165,135) | 2,149,847 | 1,655,467 |
| Beginning net position, as restated | 13,953,134 | 12,132,532 | 18,290,727 | 18,455,862 | 32,243,861 | 30,588,394 |
| Ending net position | \$ 15,129,320 | \$ 13,953,134 | \$ 19,264,388 | \$ 18,290,727 | \$ 34,393,708 | \$ 32,243,861 |

Governmental Activities

Governmental activities increased Walsenburg's net position by approximately \$1.18 million during the year 2023. This was largely due to excess tax revenues in the Street Improvement Fund and excess revenue over expenditures in the General Fund.

Business-type Activities

Business-type activities increased Walsenburg's net position by \$973,662 during the year 2024. The gas fund generated net operating income which was offset by the water & sewer and wild water funds generating net operating losses and decreases

CITY OF WALSENBURG, COLORADO

Management’s Discussion and Analysis (*Continued*)

in net position before capital contributions non-operating revenue and fund transfers. The majority of the positive change in overall net position was the result of contributed capital assets from the Capital Improvement Fund to the water enterprise of \$892,657 relating to the water meter replacement project.

Budgetary Highlights

The City’s budgets are prepared in accordance with the Colorado Revised Statutes.

Differences between the original and final budgets result from transfers between departments and supplemental appropriations made during the year. The transfers between departments are generally the result of the City’s budget management process which monitors department budgets and the budget in total. The City Council, upon request of the City Administrator, may transfer funds from departments with anticipated budget surpluses to those with anticipated budget shortfalls. Transfers of this type have no impact on the budget in total.

General Fund revenues in 2024 were less than the anticipated budget by \$460,858 primarily due less than anticipated tax and intergovernmental revenue. General fund budgeted expenditures exceeded actual expenditures by \$831,014 primarily due to decreased general government expenditures and delayed capital expenditures.

Capital Asset and Debt Administration

Capital Assets - The City of Walsenburg invested approximately \$1.33 million and \$159 thousand in capital assets for its governmental-type and business-type activities, respectively, during the year ended December 31, 2024. As noted above, there was a transfer of approximately \$893 thousand in assets from governmental activities to business-type activities in 2024. The City’s total investment in land, buildings, equipment and vehicles is \$34.82 million city-wide after applying depreciation.

The City depreciates all capital assets except land utilizing straight-line depreciation applied to the useful life of each respective asset.

Long-term Debt - At the end of 2024, the City has long-term debt totaling \$14.17 million which applies to business-type activities. The amount of principal scheduled to be retired in 2024 was approximately \$760,000, and all currently recorded debt should be retired by 2057.

CITY OF WALSENBURG, COLORADO

Management's Discussion and Analysis (*Continued*)

Other Matters

Factors which are expected to have a significant impact on the City's 2025 budget include:

1. Capital and Maintenance Initiatives

A general assessment of repair and maintenance issues have been identified in all areas of the City. Priority will be given to water and sewer infrastructure, the water treatment plant, the filter media project based on State mandates, waste water treatment plant and streets and parks.

2. Water and Sewer Rates

During 2023 and 2024, a rate study was done to determine if water and sewer rates covered debt payments along with operating expenses. The rate study was completed in early 2024 and water and sewer rates increased starting August 1, 2024. These rate increases should be fully implemented in 2025.

CONTACTING THE CITY'S FINANCIAL MANAGEMENT

This financial report is designed to provide our citizens, taxpayers, customers and investors and creditors with a general overview of the City's finances and to show the City's accountability for the funds and assets it receives. If you have questions about this report, or should you need additional financial information, contact the City's Administrator at City of Walsenburg, 525 South Albert Street, Walsenburg, CO 81089, or at cityadmin@walsenburg.org.

CITY OF WALSENBURG, COLORADO

STATEMENT OF NET POSITION

December 31, 2024

| | Governmental Activities | Business-Type Activities | Total |
|--|----------------------------|-----------------------------|---------------|
| Assets and Deferred Outflows of Resources | | | |
| Assets | | | |
| Cash and investments | \$ 9,786,686 | \$ 2,612,043 | \$ 12,398,729 |
| Accounts receivable, net of allowance | 424,470 | 922,053 | 1,346,523 |
| Grant receivable | 206,140 | — | 206,140 |
| Property tax receivable | 278,981 | — | 278,981 |
| Internal balances | (477,535) | 477,535 | — |
| Inventory | — | 148,000 | 148,000 |
| Restricted cash and cash equivalents | — | 1,366,159 | 1,366,159 |
| Noncurrent assets: | | | |
| Notes receivable | — | 514,817 | 514,817 |
| Capital assets, net | 5,513,054 | 29,303,486 | 34,816,540 |
| Total Assets | 15,731,796 | 35,344,093 | 51,075,889 |
| Deferred Outflows of Resources | | | |
| Deferred charges on refunding | — | 65,899 | 65,899 |
| Liabilities and Deferred Inflows of Resources | | | |
| Liabilities | | | |
| Accounts payable and accrued expenses | 285,674 | 915,140 | 1,200,814 |
| Deposits and escrows | — | 315,140 | 315,140 |
| Unearned revenue | 30,000 | 713,309 | 743,309 |
| Noncurrent liabilities: | | | |
| Due within one year | 7,821 | 808,297 | 816,118 |
| Due in more than one year | — | 13,393,716 | 13,393,716 |
| Total Liabilities | 323,495 | 16,145,602 | 16,469,097 |
| Deferred Inflows of Resources | | | |
| Deferred property taxes | 278,981 | — | 278,981 |
| Total Deferred Inflows Of Resources | 278,981 | — | 278,981 |
| Net Position | | | |
| Net Investment in Capital Assets | 5,513,054 | 16,479,746 | 21,992,800 |
| Restricted for: | | | |
| Emergencies | 110,000 | — | 110,000 |
| Capital improvements | 7,180,639 | — | 7,180,639 |
| Asset replacement | — | 130,948 | 130,948 |
| Other | 248,545 | — | 248,545 |
| Unrestricted | 2,077,082 | 2,653,696 | 4,730,778 |
| Total Net Position | \$ 15,129,320 | \$ 19,264,390 | \$ 34,393,710 |

See the notes to the financial statements.

CITY OF WALSENBURG, COLORADO

**STATEMENT OF ACTIVITIES
For the Year Ended December 31, 2024**

| Functions/Programs | Expenses | Program Revenues | | | Net Revenue (Expense) and Changes in Net Position | | |
|---------------------------------------|---------------------|----------------------------|--|--|--|---------------------------------|--------------------|
| | | Charges for Services | Operating Grants and Contributions | Capital Grants and Contributions | Governmental Activities | Business- Type Activities | Total |
| Primary government: | | | | | | | |
| Governmental activities: | | | | | | | |
| General government | \$ 710,870 | \$ 105,226 | \$ 141,964 | 446,609 | \$ (17,071) | \$ — | \$ (17,071) |
| Public safety | 933,173 | 3,951 | 82,502 | — | (846,720) | — | (846,720) |
| Public works | 1,283,007 | — | — | — | (1,283,007) | — | (1,283,007) |
| Culture, parks and recreation | 63,768 | — | — | 19,215 | (44,553) | — | (44,553) |
| Economic development | 2,663 | — | — | — | (2,663) | — | (2,663) |
| Total Governmental Activities | 2,993,481 | 109,177 | 224,466 | 465,824 | (2,194,014) | — | (2,194,014) |
| Business-type activities: | | | | | | | |
| Gas | 1,394,051 | 1,458,776 | — | — | — | 64,725 | 64,725 |
| Water/Sewer | 3,613,346 | 2,840,735 | — | 1,041,642 | — | 269,031 | 269,031 |
| Water park | 67,497 | — | — | — | — | (67,497) | (67,497) |
| Total Business-Type Activities | 5,074,894 | 4,299,511 | — | 1,041,642 | — | 266,259 | 266,259 |
| Total Primary Government | \$ 8,068,375 | \$ 4,408,688 | \$ 224,466 | \$ 1,507,466 | (2,194,014) | 266,259 | (1,927,755) |

General Revenues

| | | | | |
|---|--|----------------------|----------------------|----------------------|
| Taxes: | | | | |
| Property taxes | | 308,246 | — | 308,246 |
| Specific ownership taxes | | 30,281 | — | 30,281 |
| Sales and use taxes | | 2,596,267 | — | 2,596,267 |
| Franchise taxes | | 313,985 | — | 313,985 |
| Other taxes | | 34,564 | — | 34,564 |
| Paid in lieu of taxes | | 257,971 | — | 257,971 |
| Earnings on investments | | 78,011 | 339,265 | 417,276 |
| Other revenues | | 105,875 | 13,137 | 119,012 |
| Transfers | | (355,000) | 355,000 | — |
| Total General Revenues and Transfers | | 3,370,200 | 707,402 | 4,077,602 |
| Changes in Net Position | | 1,176,186 | 973,661 | 2,149,847 |
| Net Position at Beginning Of Year | | 13,953,134 | 18,290,727 | 32,243,861 |
| Net Position at End Of Year | | \$ 15,129,320 | \$ 19,264,388 | \$ 34,393,708 |

See the notes to the financial statements.

CITY OF WALSENBURG, COLORADO

**BALANCE SHEET
GOVERNMENTAL FUNDS
December 31, 2024**

| | Capital Projects | | | Special Revenue | Nonmajor Governmental | Total |
|---|---------------------|---------------------|---------------------|-------------------|-----------------------|-----------------------|
| | General | Capital Improvement | Street Improvement | Northlands GID | | Governmental Funds |
| Assets | | | | | | |
| Cash and investments | \$ 1,243,488 | \$ 3,031,679 | \$ 4,883,950 | \$ 371,398 | \$ 256,171 | \$ 9,786,686 |
| Accounts receivable | 403,976 | 206,140 | — | 20,494 | 14,897 | 645,507 |
| Property tax receivable | 264,084 | — | — | — | — | 264,084 |
| Due from other funds | 1,051,719 | 527,541 | 287,072 | — | — | 1,866,332 |
| Total Assets | \$ 2,963,267 | \$ 3,765,360 | \$ 5,171,022 | \$ 391,892 | \$ 271,068 | \$ 12,562,609 |
| Liabilities, Deferred Inflows Of Resources And Fund Balances | | | | | | |
| Liabilities | | | | | | |
| Accounts payable | \$ 103,996 | \$ — | \$ 6,200 | \$ 163,032 | \$ — | \$ 273,228 |
| Accrued liabilities | 12,446 | — | — | — | — | 12,446 |
| Unearned revenue | — | — | — | — | 30,000 | 30,000 |
| Due to other funds | 593,978 | 1,543,403 | — | 206,486 | — | 2,343,867 |
| Total Liabilities | 710,420 | 1,543,403 | 6,200 | 369,518 | 30,000 | 2,659,541 |
| Deferred Inflows Of Resources | | | | | | |
| Unavailable property tax revenue | 264,084 | — | — | — | 14,897 | 278,981 |
| Unavailable grant revenue | — | 206,140 | — | — | — | 206,140 |
| Total Deferred Inflows of Resources | 264,084 | 206,140 | — | — | 14,897 | 485,121 |
| Fund Balances | | | | | | |
| Restricted for emergencies | 110,000 | — | — | — | — | 110,000 |
| Restricted for capital improvements | — | 2,015,817 | 5,164,822 | — | — | 7,180,639 |
| Restricted for economic development | — | — | — | — | 81,169 | 81,169 |
| Restricted for parks and recreation | — | — | — | — | 145,002 | 145,002 |
| Restricted for Northlands District | — | — | — | 22,374 | — | 22,374 |
| Unassigned | 1,878,763 | — | — | — | — | 1,878,763 |
| Total Fund Balances | 1,988,763 | 2,015,817 | 5,164,822 | 22,374 | 226,171 | 9,417,947 |
| Total Liabilities, Deferred Inflows Of Resources And Fund Balances | \$ 2,963,267 | \$ 3,765,360 | \$ 5,171,022 | \$ 391,892 | \$ 271,068 | \$ 12,562,609 |

See the notes to the financial statements.

CITY OF WALSENBURG, COLORADO
RECONCILIATION OF THE GOVERNMENTAL FUNDS
BALANCE SHEET WITH THE GOVERNMENT-WIDE
STATEMENT OF NET POSITION
December 31, 2024

Total Fund Balances - Governmental Funds \$ 9,417,947

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

Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the fund financial statements, but are reported in the governmental activities of the statement of net position.

| | | |
|--------------------------------|--------------------|-----------|
| Capital assets | \$ 9,253,727 | |
| Less: Accumulated depreciation | <u>(3,740,673)</u> | 5,513,054 |

Long-term liabilities are not due and payable from current financial resources and, therefore, are not reported as liabilities on the fund financial statements. Long-term liabilities at year end consist of:

| | |
|------------------------------|---------|
| Accrued compensated absences | (7,821) |
|------------------------------|---------|

Deferred inflows of resources for amounts not received within the availability period are not reported as revenue in the governmental funds

| |
|----------------|
| <u>206,140</u> |
|----------------|

| | |
|--|-----------------------------|
| Total Net Position Of Governmental Activities | <u><u>\$ 15,129,320</u></u> |
|--|-----------------------------|

CITY OF WALSENBURG, COLORADO

STATEMENT OF REVENUES, EXPENDITURES AND

CHANGE IN FUND BALANCES -

GOVERNMENTAL FUNDS

For The Year Ended December 31, 2024

| | Capital Projects | | | Special | Nonmajor | Total |
|---|---------------------|---------------------|---------------------|---------------------------|-------------------|-----------------------|
| | General | Capital Improvement | Street Improvement | Revenue Northlands GID | Governmental | Governmental Funds |
| Revenues | | | | | | |
| Taxes | \$ 1,602,835 | \$ 832,817 | \$ 832,818 | \$ — | \$ 14,873 | \$ 3,283,343 |
| Licenses and permits | 104,102 | — | — | — | — | 104,102 |
| Intergovernmental | 82,502 | 240,469 | — | — | 19,215 | 342,186 |
| Grants and contributions | — | — | — | 121,397 | — | 121,397 |
| Fines and forfeitures | 4,940 | — | — | — | — | 4,940 |
| Pledge revenue | — | — | — | 20,567 | — | 20,567 |
| Paid in lieu of taxes | 257,971 | — | — | — | — | 257,971 |
| Earnings on investments | 12,482 | 9,383 | 20,601 | 29,403 | 6,142 | 78,011 |
| Miscellaneous | 106,010 | — | — | — | — | 106,010 |
| Total Revenues | 2,170,842 | 1,082,669 | 853,419 | 171,367 | 40,230 | 4,318,527 |
| Expenditures | | | | | | |
| Current: | | | | | | |
| General government | 403,695 | — | — | 163,032 | — | 566,727 |
| Public safety | 933,173 | — | — | — | — | 933,173 |
| Public works | 327,906 | — | 47,680 | — | — | 375,586 |
| Economic Development | — | — | — | — | 2,663 | 2,663 |
| Culture, parks and recreation | 63,768 | — | — | — | — | 63,768 |
| Capital outlay | 31,969 | 892,657 | 353,915 | — | — | 1,278,541 |
| Total Expenditures | 1,760,511 | 892,657 | 401,595 | 163,032 | 2,663 | 3,220,458 |
| Excess Of Revenues Over Expenditures | 410,331 | 190,012 | 451,824 | 8,335 | 37,567 | 1,098,069 |
| Other Financing Sources (Uses) | | | | | | |
| Transfers out | — | (355,000) | — | — | — | (355,000) |
| Net Change In Fund Balances | 410,331 | (164,988) | 451,824 | 8,335 | 37,567 | 743,069 |
| Fund Balance At Beginning Of Year | 1,578,432 | 2,180,805 | 4,712,998 | 14,039 | 188,604 | 8,674,878 |
| Fund Balance At End Of Year | \$ 1,988,763 | \$ 2,015,817 | \$ 5,164,822 | \$ 22,374 | \$ 226,171 | \$ 9,417,947 |

See the notes to the financial statements.

CITY OF WALSENBURG, COLORADO

**RECONCILIATION OF THE GOVERNMENTAL FUND STATEMENT OF
REVENUES, EXPENDITURES AND CHANGE IN FUND BALANCES
WITH THE GOVERNMENT-WIDE STATEMENT OF ACTIVITIES
For The Year Ended December 31, 2024**

| | |
|--|-----------------------------------|
| Total Net Change in Fund Balance - Governmental Funds | \$ 743,069 |
| Amounts reported for governmental activities in the statement of activities are different because: | |
| Capital outlays to purchase or build capital assets are reported in governmental funds as expenditures. However, in the statement of activities, the cost of those capital assets is allocated over their estimated useful lives and reported as depreciation expense in the current period. | |
| Capital outlay | \$ 1,326,224 |
| Depreciation expense | <u>(202,983)</u> |
| | 1,123,241 |
| Transfer of assets to the Water Fund | (892,658) |
| 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. | |
| Change in accrued compensated absences | (3,606) |
| Deferred inflows of resources for amounts not received within the availability period are not reported as revenue in the governmental funds | |
| | <u>206,140</u> |
| Change In Net Position of Governmental Activities | <u><u>\$ 1,176,186</u></u> |

CITY OF WALSENBURG, COLORADO

STATEMENT OF NET POSITION - PROPRIETARY FUNDS December 31, 2024

| | Business-Type Activities | | | |
|--|--------------------------|----------------------|-------------------|----------------------|
| | Gas | Water & Sewer | Non-Major | |
| | | | Wild Waters | Total |
| Assets | | | | |
| Current Assets | | | | |
| Cash and investments | \$ 2,605,820 | \$ 6,223 | \$ — | \$ 2,612,043 |
| Accounts receivable, net of allowance | 343,929 | 578,122 | — | 922,051 |
| Due from other funds | 7,012 | 1,762,711 | — | 1,769,723 |
| Inventory | 148,000 | — | — | 148,000 |
| Restricted cash and investments | — | 1,366,159 | — | 1,366,159 |
| Total Current Assets | 3,104,761 | 3,713,215 | — | 6,817,976 |
| Noncurrent Assets | | | | |
| Notes receivable | — | 514,817 | — | 514,817 |
| Capital assets, being depreciated, net | 1,381,827 | 22,845,017 | 1,226,781 | 25,453,625 |
| Capital assets, not being depreciated | 35,500 | 3,741,260 | 73,101 | 3,849,861 |
| Total Noncurrent Assets | 1,417,327 | 27,101,094 | 1,299,882 | 29,818,303 |
| Total Assets | 4,522,088 | 30,814,309 | 1,299,882 | 36,636,279 |
| Deferred Outflows | | | | |
| Deferred charges on refunding | — | 65,899 | — | 65,899 |
| Liabilities | | | | |
| Current Liabilities | | | | |
| Due to other funds | 199,887 | 558,165 | 534,136 | 1,292,188 |
| Accounts payable | 317,354 | 415,064 | 1,439 | 733,857 |
| Accrued expenses | 35,001 | 146,281 | — | 181,282 |
| Deposits and escrows | 177,964 | 137,176 | — | 315,140 |
| Accrued compensated absences | 10,896 | 18,736 | — | 29,632 |
| Unearned revenue | 261,338 | 451,971 | — | 713,309 |
| Current portion of long-term debt | — | 778,665 | — | 778,665 |
| Total Current Liabilities | 1,002,440 | 2,506,058 | 535,575 | 4,044,073 |
| Noncurrent Liabilities | | | | |
| Long-term debt | — | 13,393,716 | — | 13,393,716 |
| Total Liabilities | 1,002,440 | 15,899,774 | 535,575 | 17,437,789 |
| Net Position | | | | |
| Net investment in capital assets | 1,417,327 | 13,762,537 | 1,299,882 | 16,479,746 |
| Restricted | — | 130,948 | — | 130,948 |
| Unrestricted | 2,102,321 | 1,086,949 | (535,575) | 2,653,695 |
| Total Net Position | \$ 3,519,648 | \$ 14,980,434 | \$ 764,307 | \$ 19,264,389 |

See the notes to the financial statements.

CITY OF WALSENBURG, COLORADO

**STATEMENT OF REVENUES, EXPENSES AND
CHANGES IN NET POSITION -
PROPRIETARY FUNDS**

For The Year Ended December 31, 2024

| | Business-Type Activities | | | Total |
|---|---------------------------------|------------------------------|--------------------------------------|----------------------|
| | Gas | Water & Sewer | Non-Major Wild Waters | |
| Operating Revenues | | | | |
| Charges for services | \$ 1,458,776 | \$ 2,840,735 | \$ — | \$ 4,299,511 |
| Miscellaneous | 7,459 | 5,677 | — | 13,136 |
| Total Operating Revenues | 1,466,235 | 2,846,412 | — | 4,312,647 |
| Operating Expenses | | | | |
| Personnel services | 320,175 | 673,481 | 1,769 | 995,425 |
| Administrative/office expenses | 27,841 | 82,862 | 250 | 110,953 |
| Contract services | 141,778 | 695,772 | — | 837,550 |
| Commodity charges | 608,749 | — | — | 608,749 |
| Utilities | 24,293 | 160,565 | 5,571 | 190,429 |
| Repairs and maintenance | 20,935 | 213,954 | 2 | 234,891 |
| Other supplies and expenses | 16,062 | 321,885 | — | 337,947 |
| Insurance expense | 38,247 | 77,495 | — | 115,742 |
| Payment in lieu of taxes | 87,527 | 170,444 | — | 257,971 |
| Miscellaneous | 151 | 174 | — | 325 |
| Depreciation | 108,292 | 863,252 | 59,905 | 1,031,449 |
| Total Operating Expenses | 1,394,050 | 3,259,884 | 67,497 | 4,721,431 |
| Operating Income (Loss) | 72,185 | (413,472) | (67,497) | (408,784) |
| Nonoperating Revenues (Expenses) | | | | |
| Investment income | 133,803 | 205,462 | — | 339,265 |
| Tap fees | — | 148,985 | — | 148,985 |
| Interest expense | — | (353,461) | — | (353,461) |
| Total Nonoperating Revenues (Expenses) | 133,803 | 986 | — | 134,789 |
| Capital Contributions And Transfers | | | | |
| Capital contributions | — | 892,657 | — | 892,657 |
| Transfers in | — | 355,000 | — | 355,000 |
| Change In Net Position | 205,988 | 835,171 | (67,497) | 973,662 |
| Net Position At Beginning Of Year | 3,313,660 | 14,145,263 | 831,804 | 18,290,727 |
| Net Position At End Of Year | \$ 3,519,648 | \$ 14,980,434 | \$ 764,307 | \$ 19,264,389 |

See the notes to the financial statements.

CITY OF WALSENBURG, COLORADO

**STATEMENT OF CASH FLOWS -
PROPRIETARY FUNDS
For The Year Ended December 31, 2024**

| | Business-Type Activities | | | Total |
|--|--------------------------|---------------------|-----------------------------|---------------------|
| | Gas | Water & Sewer | Non-Major Wild Waters | |
| Cash Flows From Operating Activities | | | | |
| Cash received from customers | \$ 1,520,887 | \$ 3,314,142 | \$ — | \$ 4,835,029 |
| Cash payments to suppliers | (892,180) | (1,524,813) | (7,064) | (2,424,057) |
| Cash payments to employees | (324,004) | (684,734) | (1,498) | (1,010,236) |
| Net Cash Provided By (Used In) Operating Activities | 304,703 | 1,104,595 | (8,562) | 1,400,736 |
| Cash Flows From Noncapital Financing Activities | | | | |
| Cash to/from other funds | 87,526 | (481,745) | 8,562 | (385,657) |
| Cash Flows From Capital And Related Financing Activities | | | | |
| Capital contributions | — | 148,985 | — | 148,985 |
| Proceeds from sale of capital assets | — | — | — | — |
| Principal paid on debt | — | (758,711) | — | (758,711) |
| Interest paid on debt | — | (344,132) | — | (344,132) |
| Acquisition of capital assets | (6,248) | (182,753) | — | (189,001) |
| Net Cash Provided by (Used In) Capital And Related Financing Activities | (6,248) | (1,136,611) | — | (1,142,859) |
| Cash Flows From Investing Activities | | | | |
| Earnings on investments | 133,802 | 205,462 | — | 339,264 |
| Net Change In Cash And Cash Equivalents | 519,783 | (308,299) | — | 211,484 |
| Cash And Cash Equivalents At Beginning Of Year | 2,086,037 | 1,680,681 | — | 3,766,718 |
| Cash And Cash Equivalents At End Of Year | \$ 2,605,820 | \$ 1,372,382 | \$ — | \$ 3,978,202 |
| Cash and investments | \$ 2,605,820 | \$ 6,223 | \$ — | \$ 2,612,043 |
| Restricted cash and investments | — | 1,366,159 | — | 1,366,159 |
| Total Cash And Cash Equivalents | \$ 2,605,820 | \$ 1,372,382 | \$ — | \$ 3,978,202 |
| Reconciliation Of Operating Income (Loss) To Net Cash Provided By (Used In) Operating Activities | | | | |
| Operating income (loss): | \$ 72,185 | \$ (413,473) | \$ (67,497) | \$ (408,785) |
| Adjustments to reconcile operating income (loss) to net cash provided by (used in) operating activities: | | | | |
| Depreciation expense | 108,292 | 863,252 | 59,905 | 1,031,449 |
| Bad debt expense | 49,924 | 43,749 | — | 93,673 |
| (Increase) decrease in: | | | | |
| Receivables | 4,881 | 424,155 | — | 429,036 |
| Increase (decrease) in: | | | | |
| Accounts payable | 78,405 | 192,713 | (1,240) | 269,878 |
| Accrued expenses | (3,831) | (11,252) | 270 | (14,813) |
| Deposits and escrows | (5,153) | 5,451 | — | 298 |
| Net Cash Provided By (Used In) Operating Activities | \$ 304,703 | \$ 1,104,595 | \$ (8,562) | \$ 1,400,736 |
| Schedule of noncash investing, capital and financing activities | | | | |
| Capital assets contributed from governmental activities | \$ — | \$ 892,660 | \$ — | \$ — |

See notes to the financial statements.

CITY OF WALSENBURG, COLORADO

STATEMENT OF FIDUCIARY NET POSITION

December 31, 2024

| | Volunteer Firefighters' Pension Fund |
|---|---|
| Assets | |
| Cash and investments | \$ 27,147 |
| Liabilities | |
| Accounts Payable | 75 |
| Net Position | |
| Net position held in trust for pension benefits | \$ 27,072 |

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

CITY OF WALSENBURG, COLORADO
STATEMENT OF CHANGES IN FIDUCIARY NET POSITION
For The Year Ended December 31, 2024

| | Volunteer Firefighters' Pension Fund |
|--|---|
| Additions | |
| Earnings on investments | <u>\$ 4,343</u> |
| Deductions | |
| Benefits paid | <u> 975</u> |
| Change In Net Position | 3,368 |
| Net Position At Beginning Of Year | <u> 23,704</u> |
| Net Position At End Of Year | <u><u> \$ 27,072</u></u> |

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

CITY OF WALSENBURG, COLORADO

NOTES TO FINANCIAL STATEMENTS

December 31, 2024

1. Summary of Significant Accounting Policies

The City of Walsenburg, Colorado (the City), a municipal corporation, as defined by Colorado Revised Statutes (CRS), was established in 1873. An elected Mayor and City Council are responsible for setting policy, appointing administrative personnel and adopting an annual budget in accordance with state statutes. The City is located in Huerfano County, Colorado, and its major operations include police protection, road maintenance, utilities and culture and recreation.

The City's financial statements are prepared in accordance with accounting principles generally accepted in the United States of America (GAAP). 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 City's accounting policies are described below.

Reporting Entity

The reporting entity consists of (a) the primary government, i.e., the City and (b) organizations for which the City is financially accountable. The City is considered financially accountable for legally separate organizations if it is able to appoint a voting majority of an organization's governing body and either it is able to impose its will on that organization or there is a potential for the organization to provide specific financial benefits to, or to impose specific financial burdens on, the City. Consideration is also given to other organizations which are fiscally dependent, i.e., unable to adopt a budget, levy taxes or issue debt without approval by the City. Organizations for which the nature and significance of their relationship with the City are such that exclusion would cause the reporting entity's financial statements to be misleading or incomplete are also included in the reporting entity.

CITY OF WALSENBURG, COLORADO

Notes To Financial Statements (*Continued*)

Based on the criteria above, the City has one component unit. The Northlands General Improvement District (the Northlands GID) has the power to acquire, construct or install public improvements within its own boundaries and to finance such improvements by levying a general property tax upon the benefiting property. The Northlands GID is a blended component unit presented as a major special revenue fund. The district is an entity which is legally separate from the City. The City Council, as required by state statute, sits as the Board of Directors for the district. Services provided by the district are entirely for the benefit of the citizens of the district. The fiscal year end for the district is December 31.

The City is not considered a component unit of any other government.

Basis of Presentation

Government-Wide Financial Statements

The government-wide financial statements (i.e., the statement of net position and the statement of activities) report information on all of the activities of the City. For the most part, the effect of interfund activity has been removed from these statements. Governmental activities, which normally are supported by taxes and intergovernmental revenues, are reported separately from business-type activities, which rely to a significant extent on user charges for support.

The statement of activities demonstrates the degree to which the direct expenses of a 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 those 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.

Fund Financial Statements

Fund financial statements report detailed information about the City. The focus of governmental and enterprise fund financial statements is on major funds, rather than reporting funds by type. Each major fund is presented in a separate column. Nonmajor funds are aggregated and presented in a single column.

CITY OF WALSENBURG, COLORADO

Notes To Financial Statements (*Continued*)

Measurement Focus and Basis of Accounting and Financial Statement Presentation

The government-wide financial statements are reported using the economic resources measurement focus and the accrual basis of accounting, as are the proprietary and fiduciary fund financial statements. Revenues are recorded when earned, and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows. Property taxes are recognized as revenues in the year for which they are for. 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 collectible within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the City considers revenues to be available if they are collected within 60 days of the end of the current fiscal period. Expenditures generally are recognized when a liability is incurred, as under accrual accounting. However, debt service expenditures, as well as expenditures related to compensated absences and claims and judgments, are recognized only when payments are due.

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

Governmental funds are used to account for all or most of a government's general activities, including the collection and disbursement of earmarked funds (special revenue funds) and the capital projects funds. The following are the City's major and nonmajor governmental funds:

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

The *Street Improvement Fund* is a major fund, categorized as a capital projects fund used to fund maintenance and/or capital outlay relating specifically to street improvements, supported by a designated 1.0% sales tax.

The *Capital Improvement Fund* is a major fund, categorized as a capital projects fund that is used to account for capital projects that are supported by a 1.0% sales tax, appropriations and/or advances from the General Fund or donations from private or public sources.

CITY OF WALSENBURG, COLORADO

Notes To Financial Statements (*Continued*)

The *Northlands GID Fund* is a major fund, categorized as a special revenue fund. Revenue sources include a Public Improvement Fee collected by District businesses, pledges from residents and sales taxes. It accounts for the resources used to pay for services provided and potential further capital projects within the District's boundaries.

Non-Major Governmental Funds -

The *Conservation Trust Fund*, a nonmajor special revenue fund, accounts for lottery proceeds required to be expended solely on park and recreation activities.

The *Urban Renewal Fund*, a nonmajor special revenue fund, accounts for sales taxes required to be expended for economic development within the City.

Proprietary funds focus on the determination of the changes in net position, financial position and cash flows and are classified as enterprise funds or internal service funds. Enterprise funds may be used to account for any activity for which a fee is charged to external users for goods or services. The City reports the following proprietary or business-type funds:

The *Water & Sewer Fund* is a major enterprise fund used to account for the purchase and delivery of water to the citizens of the City.

The *Gas Fund* is a major enterprise fund used to account for the purchase and delivery of natural gas to the citizens of the City.

Non-Major Proprietary Funds –

The *Wild Waters Fund* is a nonmajor enterprise fund used to account for the membership, admissions and concessions revenues received by the City for the operation of a seasonal municipal swimming pool and water park.

Proprietary funds distinguish operating revenues and expenses from non-operating items. Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with a proprietary

CITY OF WALSENBURG, COLORADO

Notes To Financial Statements (*Continued*)

fund's principal ongoing operations. Cost reimbursement grants are recorded as unearned revenue when proceeds are received in advance.

Fiduciary funds are used to account for assets held by the City in a trustee capacity or as an agent for individuals, private organizations and other governments and for other funds. The City reports the following fiduciary trust fund that is not included in the government-wide statements since the resources of the fund are not available to the City:

The *Volunteer Firefighters' Pension Fund* accounts for the volunteer firefighters' pension investments.

Cash and Cash Equivalents

Cash and cash equivalents include cash on hand, demand deposits and participation in local government investment pools. All cash equivalents have an original maturity date of less than three months. Cash balances from different funds are combined and invested to the extent possible in local government investment pools.

To improve cash management, cash received by the City is pooled and invested. Monies for all funds are maintained in this pool. Individual fund integrity is maintained through the City's records. Investments of the City's cash management pool and investments with an original maturity of three months or less at the time they are purchased by the City are presented on the financial statements as cash equivalents. Investments with an initial maturity of more than three months that were not purchased from the pool are reported as investments.

Investments

Investments are stated at fair value based on quoted market values, with the exception of certificates of deposit. These are considered investments by the City and stated at cost plus accrued interest, which approximates fair value.

Accounts Receivable

Receivables are reported net of an allowance for uncollectible accounts. The City writes off bad debts when accounts are deemed uncollectible. Receivables are reviewed annually to determine accounts that should be written off and to make any adjustments to allowance for doubtful accounts. As of December 31, 2024, the City had an allowance for uncollectible accounts relating to the Water & Sewer Fund of \$39,449 and Gas Fund of \$54,872 totaling \$94,321.

CITY OF WALSENBURG, COLORADO

Notes To Financial Statements (*Continued*)

Property Taxes

Annual property taxes are levied and assessed on January 1 and are certified by the City by November 1 of the current year. On January 1 of the following year, the County Treasurer bills the property owners, thus establishing an enforceable lien on the property. The County Treasurer also collects the property taxes and remits the collections on a monthly basis to the City. The City recognizes a receivable, net of estimated uncollectible accounts, for property tax levied upon certification by the County Treasurer. Property taxes are recognized as revenue in the year in which they are intended to finance operating expenses. Therefore, a deferred inflow of resources is recorded in the same amount since the taxes are not available at year end to fund expenditures of the current year.

Inventory

Inventory consists of supplies for the City's use and, in the Gas Fund, natural gas held in storage. Inventories are carried at the lower of cost or market using the first-in, first-out method.

Capital Assets

Capital assets, which include land, land improvements, distribution systems, buildings, equipment and vehicles, are reported in the applicable governmental or business-type activity columns in the government-wide financial statements and enterprise funds. Capital assets are defined by the City as assets with an initial cost of \$4,000 or more and an estimated useful life in excess of one year for all assets. Such assets are recorded at historical cost. Donated capital assets are recorded at acquisition value at the date of donation.

The costs of normal maintenance and repairs that do not add to the value of the asset or materially extend asset lives are not capitalized. Improvements are capitalized and depreciated over the remaining useful lives of the related fixed assets, as applicable.

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

| <u>Asset Description</u> | <u>Years</u> |
|----------------------------|--------------|
| Land | N/A |
| Utility plant | 40 |
| Streets | 40 |
| Buildings and improvements | 15 - 40 |
| Equipment and furniture | 3 - 15 |
| Software | 3 - 5 |

Deferred Outflows and Inflows of Resources

In addition to assets, the statement of net position and governmental funds balance sheet will sometimes include a separate section for deferred outflows of resources. This separate financial statement element represents a consumption of net assets that applies to a future period or periods and so will not be recognized as an outflow of resources until then, such as deferred charges related to debt refunding.

In addition to liabilities, the statement of net position and governmental funds balance sheet will sometimes include a separate section for deferred inflows of resources. This separate financial statement element represents an acquisition of net assets that applies to a future period or periods and so will not be recognized as an inflow of resources until then. On the modified accrual basis of accounting, the City has recorded certain receivables where the related revenue is unavailable. Unavailable revenues have been reported as deferred inflows of resources on the governmental fund balance sheet. Unearned property taxes were recorded as deferred inflows of resources for governmental activities on the government-wide statement of net position.

Accrued Compensated Absences Payable

The accumulated vacation pay is paid using the last-in first-out method. Amounts of vested or accumulated vacation pay that are not expected to be liquidated with expendable available financial resources are reported on the government-wide financial statements and the enterprise fund financial statements.

Accrued Liabilities and Long-Term Obligations

All payables, accrued liabilities and long-term obligations are reported in the government-wide financial statement, and all payables, accrued liabilities and long-term obligations payable from proprietary funds are reported on the proprietary fund financial statements.

In general, payables and accrued liabilities that will be paid from governmental funds are reported on the governmental fund financial statements if they will be liquidated with current resources. Bonds and other long-term obligations that will be paid from governmental funds are not recognized as a liability in the fund financial statements until due.

CITY OF WALSENBURG, COLORADO

Notes To Financial Statements (*Continued*)

Bond Premium and Debt Issuance Costs

In the government-wide and proprietary fund financial statements, bond premiums and discounts are deferred and amortized over the life of the bonds using a method which approximates the effective interest method. Bonds payable are reported net of the applicable bond premium or discount. Bond issuance costs are expensed in the period in which the debt is issued.

In the fund financial statements, governmental fund types recognize bond premiums and discounts, as well as bond issuance costs, during the period in which the debt is issued. The face amount of debt issued and any related premiums or discounts are reported as other financing sources/uses. Issuance costs, whether or not withheld from the actual debt proceeds received, are reported as debt service expenditures during the year they are incurred.

Fund Balance and Net Position

In the government-wide and proprietary fund financial statements, net position is classified in the following categories:

Net Investment in Capital Assets - This category groups all capital assets, including infrastructure, into one component of net position. Accumulated depreciation and the outstanding balances of debt that are attributable to the acquisition, construction or improvement of these assets reduce this category.

Restricted Net Position - This category presents external restrictions imposed by creditors, grantors, contributors or laws or regulations of other governments and restrictions imposed by law through constitutional provisions or enabling legislation.

Unrestricted Net Position - This category represents the net position of the City which is not restricted for any project or other purpose. A deficit will require future funding.

When both restricted and unrestricted resources are available for use, it is the City's policy to use restricted resources first, then unrestricted resources as they are needed.

CITY OF WALSENBURG, COLORADO

Notes To Financial Statements (*Continued*)

Accounting standards define the different types of fund balances that a governmental entity must use for governmental fund financial reporting purposes. These standards require the fund balance amounts to be reported within one of the categories listed below:

Nonspendable Fund Balance - cannot ever be spent, such as fund balance associated with inventories, prepaid items, long-term loans and notes receivable and property held for resale (unless the proceeds are restricted, committed or assigned)

Restricted Fund Balance - indicates constraints placed on the use of resources are either (a) externally imposed by creditors (such as through debt covenants), grantors, contributors or laws or regulations of other governments or (b) imposed by law through constitutional provisions or enabling legislations

Committed Fund Balance - includes amounts that can be used only for the specific purposes determined by a formal action of the City's highest level of decision-making authority, the resolution approved by the City Council.

Assigned Fund Balance - intended to be used by the government for specific purposes but do not meet the criteria to be classified as restricted or committed. Assigned fund balance allows City Council to delegate the authority to spend to the City Manager or designee.

Unassigned Fund Balance - the residual classification for the government's General Fund and includes all spendable amounts not contained in the other classifications

Based on the definitions above, the City only has nonspendable, restricted and unassigned fund balances. When both restricted and unassigned resources are available for use, it is the City's policy to use restricted resources first, then unassigned resources as they are needed.

Interfund Transactions

Interfund services provided and used are accounted for as revenues, expenditures or expenses. Transactions that constitute reimbursements to a fund for expenditures/expenses initially made from it that are properly applicable to another fund are recorded as expenditures/expenses in the reimbursing fund and as reductions of expenditures/expenses in the fund that is reimbursed. All other interfund transactions are reported as transfers.

CITY OF WALSENBURG, COLORADO

Notes To Financial Statements (*Continued*)

Use of Estimates

The preparation of financial statements in conformity with GAAP requires the City's management to make estimates and assumptions that affect the reported amounts of assets and liabilities, the disclosure of contingent assets and liabilities at the date of the financial statements and the reported amount of revenues and expenditures or expenses during the reporting period. Actual results could differ from those estimates.

New Accounting Standards

For 2024, the District implemented Governmental Accounting Standards Board (GASB) Statement No. 100, *Accounting Changes and Error Corrections*. GASB Statement No. 100 enhances accounting and financial reporting requirements for accounting changes and error corrections to provide more understandable, reliable, relevant, consistent, and comparable information for making decisions or assessing accountability.

For 2024, the District implemented Governmental Accounting Standards Board (GASB) Statement No. 101, *Compensated Absences*. GASB Statement No. 101 updates the recognition and measurement guidance for compensated absences by aligning the recognition and measurement guidance under a unified model and by amending certain previously required disclosures.

2. Cash, Cash Equivalents and Investments

The composition of the City's cash, cash equivalents and investments, including restricted cash and investments on December 31, 2024, is as follows:

| | | |
|-----------------------------------|-----------|--------------------------|
| Cash on hand | \$ | 370 |
| Cash deposits | | 3,410,891 |
| Money market funds | | 5,520,571 |
| Deposit with third party | | 101,803 |
| Certificates of deposit | | 239,686 |
| Local government investment pools | | <u>4,518,714</u> |
| Total | \$ | <u>13,792,035</u> |

CITY OF WALSENBURG, COLORADO

Notes To Financial Statements (*Continued*)

The above amounts are classified in the government-wide statement of net position and in the fiduciary statement of net position as follows:

| | |
|---------------------------------|-----------------------------|
| Cash and investments | \$ 12,398,729 |
| Restricted cash and investments | 1,366,159 |
| Fiduciary cash and investments | <u>27,147</u> |
| Total | <u>\$ 13,792,035</u> |

Custodial Credit Risk - Deposits

There is the risk that, in the event of failure of a depository financial institution, a government will not be able to recover its deposits. The City's deposit policy is in accordance with CRS 11-10.5-101, the Colorado Public Deposit Protection Act (PDPA), which governs the investment of public funds. PDPA requires that all units of local government deposit cash in eligible public depositories. Eligibility is determined by state regulations. Amounts on deposit in excess of federal insurance limits must be collateralized by eligible collateral as determined by PDPA. The financial institution is allowed to create a single collateral pool for all public funds held. The pool is maintained by another institution or held in trust for all of the uninsured public deposits as a group. The market value of the collateral must be at least equal to 102% of the uninsured deposits. The institution's internal records identify collateral by depositor, and as such, these deposits are considered uninsured but collateralized. The State Regulatory Commission for banks and financial services is required by statute to monitor the naming of eligible depositories and reporting of the uninsured deposits and assets maintained in the collateral pools. As of December 31, 2024, the City's cash deposits had a bank balance of \$9,271,293. Of the bank balance, \$750,000 was covered by the Federal Deposit Insurance Corporation (FDIC) federal depository insurance. The remainder of the bank balance, \$8,521,293, was collateralized with securities held by the pledging financial institution and covered by eligible collateral as determined by the PDPA.

CITY OF WALSENBURG, COLORADO

Notes To Financial Statements (Continued)

3. Investments

Investments

At December 31, 2024, the City's investments in debt securities, certificates of deposit and other investments consisted of the following:

| <u>Investment Type</u> | <u>Amount</u> | <u>Investment Maturities Less than 1 Year</u> |
|-------------------------|---------------------|---|
| Certificates of deposit | \$ 239,686 | \$ 239,686 |
| COLOTRUST | 4,518,714 | 4,518,714 |
| Total | \$ 4,758,400 | \$ 4,758,400 |

Investments Measured at Net Asset Value

| | |
|-----------|--------------|
| COLOTRUST | \$ 4,518,714 |
|-----------|--------------|

Investments Measured at Amortized Cost

| | |
|-------------------------|------------|
| Certificates of deposit | \$ 239,686 |
|-------------------------|------------|

Total Investments Controlled by the City

| |
|--------------|
| \$ 4,758,400 |
|--------------|

Local Government Investment Pool

At December 31, 2024, the City had invested \$4,518,714 in the Colorado Government Liquid Asset Trust (COLOTRUST), a local government investment pool established in Colorado to pool surplus funds for investment purposes. These funds operate similarly to a money market fund, and each share is equal in value to \$1.00. The designated custodial bank of the pooled investment provides safekeeping and depository services in connection with the direct investment and withdrawal functions of the pooled investment. All securities owned by pooled investments are held by the Federal Reserve Bank in the account maintained for the custodial bank. Investments of pooled investments consist of U.S. Treasury bills, notes and note strips and repurchase agreements collateralized by U.S. Treasury notes. The final maturity of any and all securities purchased by pooled investments may not exceed one year. COLOTRUST is rated AAAM by Standard & Poor's. The investment policy of COLOTRUST does not include investing in derivatives.

Credit Risk

The City's investment policy defines allowable investment instruments including:

- U.S. Treasury obligations
- U.S. instrumentality obligations
- Certificates of deposit with original maturities of three months or more
- Commercial paper rated in the highest tier by a nationally recognized rating agency
- Repurchase agreements
- Investment grade obligations of state, county and local governments and public authorities
- Money market mutual funds regulated by the Securities and Exchange Commission whose portfolios consist of only dollar-denominated securities
- Local government investment pools

Custodial Credit Risk - Investments

For investments, custodial credit risk is the risk that, in the event of a failure of a counterparty, the City would not be able to recover the value of its investments or collateral securities that are in the possession of an outside party. The City does not have a specific policy for custodial credit risk. As of December 31, 2024, the City has substantially mitigated its exposure to credit risk by investing the majority of its assets in local government investment pools.

Interest Rate Risk

Colorado Revised Statutes (CRS) and the City's investment policies limit investment maturities to five years or less from the date of purchase. This limit on investment maturities is a means of limiting exposure to fair value losses arising from increasing interest rates.

Restricted Cash and Investments

At December 31, 2024, the Water & Sewer restricted cash and investments of \$1,366,159, represents the required debt service and asset replacement reserves in accordance the Series 2017A, 2017B and 2017C revenue bond ordinances and Colorado Water Conservancy Board note payable and community agreements with Northlands GID.

CITY OF WALSENBURG, COLORADO

Notes To Financial Statements (Continued)

4. Interfund Transfers and Balances

Transfers are used to move revenues from the fund that statute or budget requires to collect them to the fund that statute or budget requires to expend them.

Following is a schedule of operating transfers during the year:

| | <u>Transfers In</u> | <u>Transfers Out</u> |
|---------------------------|---------------------|----------------------|
| Governmental Funds | | |
| Capital Improvement Fund | \$ — | \$ 355,000 |
| Enterprise Funds | | |
| Water/Sewer Fund | 355,000 | — |
| Total | \$ 355,000 | \$ 355,000 |

Following is a schedule of outstanding interfund balances at December 31, 2024:

| | <u>Due To</u> | <u>Due From</u> |
|---------------------------|---------------------|---------------------|
| Governmental Funds | | |
| General Fund | \$ 593,978 | \$ 1,051,719 |
| Capital Improvement Fund | 1,543,403 | 527,541 |
| Street Improvement Fund | — | 287,072 |
| Northlands GID Fund | 206,486 | — |
| Enterprise Funds | | |
| Gas Fund | 199,887 | 7,012 |
| Water/Sewer Fund | 558,165 | 1,762,711 |
| Wild Waters Fund | 534,136 | — |
| Total | \$ 3,636,055 | \$ 3,636,055 |

During the year capital assets were transferred from the Capital Improvements fund to the Water Fund in the amount of \$892,660. The assets transferred were water meters.

5. Note Receivable

In December 2015, the City entered into a loan agreement with Martra Operating Partnership, L.P. in the amount of \$1,066,160 for the sale of property owned by the City's Water & Sewer Fund. The loan bears interest at 8% with the first year's interest added to the loan balance for a total principal balance of \$1,151,453. The loan then requires 120 monthly payments of \$13,970 through December 2026. The outstanding balance of the loan is \$514,817 as of December 31, 2024. The current owners are making interest only payments which the City has agreed to and no principal payments are expected in 2025. There is no suggestion of default or the need for a potential reserve for uncollectability.

CITY OF WALSENBURG, COLORADO

Notes To Financial Statements (*Continued*)

6. Capital Assets

The following is a summary of changes in capital assets in the governmental activities for the year ended December 31, 2024:

| | Beginning Balance | Additions/ Transfers | Deletions/ Transfers | Ending Balance |
|---|------------------------------|---------------------------------|---------------------------------|---------------------------|
| Governmental Activities | | | | |
| Capital assets, not being depreciated: | | | | |
| Land | \$ 2,023,373 | \$ — | \$ — | \$ 2,023,373 |
| Total Capital Assets, Not Being Depreciated | 2,023,373 | — | — | 2,023,373 |
| Capital assets, being depreciated: | | | | |
| Land improvements | 1,523,828 | 4,758 | — | 1,528,586 |
| Buildings and improvements | 1,759,356 | — | — | 1,759,356 |
| Streets | 2,497,743 | 401,595 | — | 2,899,338 |
| Public works | — | 892,660 | (892,660) | — |
| Equipment and furniture | 995,271 | 27,211 | — | 1,022,482 |
| Software | 20,595 | — | — | 20,595 |
| Total Capital Assets, Being Depreciated | 6,796,793 | 1,326,224 | (892,660) | 7,230,357 |
| Less accumulated depreciation for: | | | | |
| Land improvements | 243,812 | 60,954 | — | 304,766 |
| Buildings and improvements | 1,452,603 | 29,289 | — | 1,481,892 |
| Streets | 993,979 | 62,444 | — | 1,056,423 |
| Equipment and furniture | 826,704 | 50,296 | — | 877,000 |
| Software | 20,595 | — | — | 20,595 |
| Total Accumulated Depreciation | 3,537,693 | 202,983 | — | 3,740,676 |
| Capital Assets Being Depreciated, Net | 3,259,100 | 1,123,241 | (892,660) | 3,489,681 |
| Total Governmental Activities Capital Assets | \$ 5,282,473 | \$ 1,123,241 | \$ (892,660) | \$ 5,513,054 |

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

| | |
|--------------------|-------------------|
| General government | \$ 140,539 |
| Public works | <u>62,444</u> |
| | <u>\$ 202,983</u> |

CITY OF WALSENBURG, COLORADO

Notes To Financial Statements (Continued)

The following is a summary of changes in capital assets in the business-type activities for the year ended December 31, 2024:

| | Beginning Balance | Additions/ Transfers | Deletions/ Transfers | Ending Balance |
|--|----------------------|-------------------------|-------------------------|---|
| Business-Type Activities | | | | |
| Capital assets, not being depreciated: | | | | |
| Land, easements and water rights | \$ 3,700,893 | \$ — | \$ — | \$ 3,700,893 |
| Construction in progress | 118,500 | 30,468 | — | 148,968 |
| Total Capital Assets, Not Being Depreciated | 3,819,393 | 30,468 | — | 3,849,861 |
| Capital assets, being depreciated: | | | | |
| Utility plant | 30,894,620 | — | — | 30,894,620 |
| Buildings and improvements | 12,685,926 | 6,248 | — | 12,692,174 |
| Equipment and furniture | 2,217,914 | 1,073,301 | — | 3,291,215 |
| Total Capital Assets, Being Depreciated | 45,798,460 | 1,079,549 | — | 46,878,009 |
| Less: Accumulated depreciation | 20,364,579 | 1,034,825 | — | 21,399,404 |
| Capital Assets, Being Depreciated, Net | 25,433,881 | 44,724 | — | 25,478,605 |
| Total Business-Type Activities | | | | |
| Capital Assets | \$ 29,253,274 | \$ 75,192 | \$ — | \$ 29,328,466 |
| | | | | Plus deferred amount on refunding 65,899 |
| | | | | Plus restricted cash to service debt 1,282,742 |
| | | | | Less outstanding financial purchases (14,172,381) |
| | | | | <u>Net investment in capital assets \$ 16,504,726</u> |

7. Long-Term Liabilities

Business-Type Activities

Series 2017A/Series 2017B Water and Sewer Revenue Refunding Bonds

In April 2017, the City issued \$3,626,000 of Series 2017A and \$72,000 of Series 2017B Water and Sewer Revenue Refunding Bonds through the U.S. Department of Agriculture Rural Utility Service (RUS). The bonds are special limited obligations of the City payable solely from the net revenue derived by the City from operation of the City's water and sewer systems. The Bonds constitute an irrevocable lien (but not necessarily an exclusive such lien) upon the net revenue. The bonds do not constitute a general obligation of the City or an obligation of the State of Colorado or Huerfano County. The City has committed to a rate maintenance provision equal to 120% of annual debt service related to the bonds and any parity debt. The bonds were issued by the City to repay the construction loan related to the City's Northlands sewer project.

The Series 2017A bonds carry a 2.75% interest rate and are payable in monthly installments of \$12,747 maturing in April 2057. The Series 2017B bonds bear a 2.25% interest rate and are payable in monthly installments of \$229, also maturing in April 2057. The Series 2017A bonds require a reserve equal to an annual installment of \$149,688 while the Series 2017B bonds require a \$2,748 reserve. The reserves were funded through monthly deposits of \$12,474 and \$229, respectively, commencing in 2017 until fully funded. The bonds also require a "Short-lived Asset Replacement Reserve Account" in the amount of \$13,000 per year. This money can be used for short-lived asset replacement upon advance approval of RUS.

While this loan is secured by a pledge of water and sewer revenues and constitutes debt of the Water/Sewer Fund, the City has an agreement with the property owners located within the Northlands GID to provide funding for all debt service related to capital improvements located with the improvement district.

Series 2017C Water and Sewer Revenue Refunding Bonds

In September 2017, the City issued \$8,045,000 of Series 2017C Water and Sewer Revenue Refunding Bonds. The bonds are special limited obligations of the City payable solely from the net revenue derived by the City from operation of the City's water and sewer systems. The bonds constitute an irrevocable lien (but not necessarily an exclusive such lien) upon the net revenue. The bonds do not constitute a general obligation of the City or an obligation of the State of Colorado or Huerfano County. The City has committed to a rate maintenance provision equal to 120% of annual debt service related to the bonds and any parity debt. The

CITY OF WALSENBURG, COLORADO

Notes To Financial Statements (Continued)

bonds were issued by the City to fully refund the City's 2007 Water and Sewer Bonds.

The Series 2017C bonds carry a 2.80% interest rate and are payable in monthly installments of \$54,726 through November 2031. There is a balloon payment due in December 2031 of \$714,726 representing final maturity. The Series 2017C bonds require a reserve of \$710,000. The City incurred \$221,236 of costs related to the issuance, which were expensed in the year incurred, and recognized a deferred charge of \$131,852 on refunding that will be amortized through December 2031, the shorter of the remaining repayment period of the original bonds and the refunding bonds.

Colorado Water Conservation Board (CWCB) Loan

In October 2018, the City entered in to an agreement with CWCB for a loan to be used for City Lake Dam improvements. The project was completed in 2020. The final loan amount was \$6,889,210, and includes a 1% loan origination fee. The loan carries a 2% interest rate and is payable in annual installments of \$307,603 through February 2050.

Changes in compensated absences and long-term debt for the year ended December 31, 2024 were as follows:

| | Beginning | | Ending | | Due Within |
|---------------------------------------|------------------|-------------------|------------------|------------------|------------|
| | Balance | Net Change | Balance | One Year | |
| Governmental Activities | | | | | |
| Compensated absences | \$ 4,218 | \$ 3,603 | \$ 7,821 | \$ 7,821 | |
| Total Governmental Activities | \$ 4,218 | \$ 3,603 | \$ 7,821 | \$ 7,821 | |
| Business-Type Activities | | | | | |
| Compensated absences | \$ 31,067 | \$ (1,435) | \$ 29,632 | \$ 29,632 | |
| Total Business-Type Activities | \$ 31,067 | \$ (1,435) | \$ 29,632 | \$ 29,632 | |

| | Beginning | | | Ending | Due Within |
|--|----------------------|-------------|---------------------|----------------------|-------------------|
| | Balance | Additions | Deletions | Balance | One Year |
| Business-Type Activities | | | | | |
| Revenue bonds: | | | | | |
| 2017A revenue bonds | \$ 3,266,578 | \$ — | \$ (60,626) | \$ 3,205,952 | \$ 62,315 |
| 2017B revenue bonds | 65,338 | — | (988) | 64,350 | 988 |
| 2017C revenue bonds | 5,229,677 | — | (516,884) | 4,712,793 | 531,545 |
| Colorado Water Conservation Board (CWCB) note payable | 6,369,499 | — | (180,213) | 6,189,286 | 183,817 |
| Total Business-Type Activities | \$ 14,931,092 | \$ — | \$ (758,711) | \$ 14,172,381 | \$ 778,665 |

CITY OF WALSENBURG, COLORADO

Notes To Financial Statements *(Continued)*

The following table represents future debt service requirements of the City's long-term liabilities:

| Year Ending December 31, | Business-Type Activities | |
|---------------------------------|---------------------------------|---------------------|
| | Principal | Interest |
| 2025 | 778,697 | 338,057 |
| 2026 | 799,249 | 317,535 |
| 2027 | 820,291 | 317,535 |
| 2028 | 841,929 | 296,462 |
| 2029 | 864,148 | 252,606 |
| 2030 - 2034 | 3,340,474 | 933,150 |
| 2035 - 2039 | 1,607,160 | 693,033 |
| 2040 - 2044 | 1,793,622 | 506,572 |
| 2045 - 2049 | 2,002,298 | 297,895 |
| 2050 - 2054 | 968,098 | 101,685 |
| 2055 - 2059 | 356,415 | 11,835 |
| Total | \$ 14,172,381 | \$ 4,066,365 |

CITY OF WALSENBURG, COLORADO

Notes To Financial Statements (Continued)

8. Rate Maintenance - Water & Sewer Fund

The City has pledged future water and sewer customer revenues, as discussed in Note 7, to repay the outstanding revenue refunding bonds, equal to 120% of the amount necessary to pay the principal and interest on the bonds. The City has not complied with these requirements in the aggregate. The computation for compliance for the year ended December 31, 2024 is as follows:

| | <u>Water & Sewer Fund</u> |
|--|-----------------------------------|
| Revenues | |
| Charges for services | 2,840,735 |
| Investment income | 205,462 |
| Miscellaneous | 5,677 |
| Tap fees | 148,985 |
| Transfers in | 355,000 |
| Total Revenues | <u>3,555,859</u> |
| Expenses | |
| Operating expenses | 3,259,885 |
| Less: Depreciation | (863,252) |
| Total Expenses | <u>2,396,633</u> |
| Net Operating Revenues | <u>1,159,226</u> |
| Debt Service Requirements | |
| 2017A bond payment due in 2025 | 149,688 |
| 2017B bond payment due in 2025 | 2,748 |
| 2017C bond payment due in 2025 | 656,715 |
| CWCB bond payment due in 2025 | 307,603 |
| Total Debt Service | <u>1,116,754</u> |
| Debt Coverage Ratio Requirement | 120% |
| Debt Coverage Requirement | <u>1,340,105</u> |
| Coverage Excess (Shortfall) | <u>\$ (180,879)</u> |

The City has initiated a comprehensive rate study in partnership with staff of the Colorado Rural Water Association and the City has raised rates effective August 1, 2024, based on recommendations to address future shortfalls.

9. Retirement Plans

Volunteer Firefighters' Pension Fund

The Volunteer Firefighters' Pension Fund is a closed defined benefit plan. The City Council established a \$75 per month payout to participants. As of December 31, 2024, the fund had one participant. The City is no longer contributing to the fund. The fund will continue to exist until the death of the beneficiaries. The City has not yet established a policy on the payout of any remaining funds at the end of the payout period. Due to the inactivity and size, no actuarial valuation has been prepared.

Defined Contribution Plan

In October 1995, the City adopted a single-employer defined contribution retirement plan for City employees. The plan is maintained by Principal Mutual Life Insurance Company.

Participants are required to contribute 3% of their eligible wages. Additional contributions can be made to the plan by employees. The maximum amount allowable is the lesser of 25% of eligible compensation or \$30,000. The City is required to contribute 3% of eligible wages. Eligible wages were \$1,059,055 for 2024. Employee and employer contributions were \$68,276 for 2024.

All City employees are covered under the plan if they meet eligibility requirements specified in the plan document.

The employee contribution is fully refundable. Participants become vested in employer contributions at 20% per year after two years of service and are fully vested after seven years or more. Participants are eligible for retirement benefits upon death, retirement or termination of employment. A lump sum distribution or an annuity of vested benefits is payable upon death. Retirement benefits may be made in a single life payment or joint life payments. The employee may elect to receive a lump sum payment of all vested benefits upon termination of employment.

10. Risk Management

The City is exposed to various risks of loss related to torts; thefts of, damage to and destruction of assets; errors and omissions; injuries to employees and natural disasters. The City participates in the Colorado Intergovernmental Risk Sharing Agency (CIRSA), a public entity risk pool currently operating as a common risk management and insurance program for member towns and cities. The City pays an annual premium to CIRSA for its property/casualty, workers compensation, boiler and machinery and volunteer accident medical insurance coverage. The agreement for the formation of CIRSA provides that it will be self-sustaining through member premiums and will provide members the coverage authorized through joint self-insurance, insurance, reinsurance or any combination thereof, provide claims services related to such coverage and provide risk management and loss control services.

The City continues to contribute toward commercial insurance for employee health and accident insurance. The City, in its opinion, has obtained adequate coverage as required by CRS to settle claims in the ordinary course of business. However, due to the unknown nature of potential liability, some claims may arise that fall outside the coverage limits for which the City would be financially responsible. Settled claims resulting from these risks have not exceeded commercial insurance the past three years.

11. Commitments and Contingencies

Litigation

The City is currently involved in legal proceedings which, in the opinion of management, will not have a material adverse effect upon the financial position of the City.

Grants

The City has received federal and state grants for specific purposes that are subject to review and audit by the grantor agencies. Such audits could lead to request for reimbursements to grantor agencies for expenditures disallowed under the terms of the grant. Based upon prior experience, City management believes such disallowances, if any, will be immaterial.

Environmental Matters

It is likely that several City buildings contain asbestos, and the City is a potentially responsible party regarding environmental impacts. Although a loss is probable, it is not possible to reasonably estimate the amount of any obligation for remediation that would be material to the City's financial statements at December 31, 2023.

Landfill

The City is required to comply with the Colorado Department of Health under CRS 30-20-100.5 through 30-20-119 in regards to its municipal solid waste landfill. State and federal laws and regulations require that the City perform certain maintenance and monitoring functions at the landfill sites for a period of time after closure. The City closed the landfill in 1996 and has not incurred any additional costs for the landfill. Although a liability is probable, it is not possible to reasonably estimate the amount of any obligation for post-closure care costs that would be material to the City's financial statements at December 31, 2024.

12. TABOR Amendment

In November 1992, Colorado voters amended Article X of the Colorado Constitution by adding Section 20, commonly known as the Taxpayer Bill of Rights (TABOR). TABOR contains revenue, spending, tax and debt limitations that apply to the State of Colorado and local governments. TABOR requires, with certain exceptions, advance voter approval for any new tax, tax rate increase, mill levy above that for the prior year, extension of any expiring tax or tax policy change directly causing a net tax revenue gain to any local government.

Except for refinancing bonded debt at a lower interest rate or adding new employees to existing pension plans, TABOR required advance voter approval for the creation of any multiple-fiscal-year debt or other financial obligation unless adequate present cash reserves are pledged irrevocably and held for payments in all future fiscal years.

TABOR also requires local governments to establish an emergency reserve to be used for declared emergencies only. The reserve is calculated at 3% of fiscal year spending. Fiscal year spending excludes bonded debt service and enterprise spending. The City has reserved \$110,000 for TABOR.

13. Subsequent Events

Management has reviewed the effect of subsequent events on the financial statements through the financial statement date, which is the date of the Independent Auditors' Report.

Required Supplementary Information

CITY OF WALSENBURG, COLORADO

BUDGETARY COMPARISON SCHEDULE - GENERAL FUND

For The Year Ended December 31, 2024

| | Budgeted Amounts Final | Actual Budget Basis | Variance With Final Budget |
|---|------------------------------|---------------------------|-------------------------------------|
| Revenues | | | |
| Taxes and fees | \$ 2,067,500 | \$ 1,602,835 | \$ (464,665) |
| Licenses and permits | 137,200 | 104,102 | (33,098) |
| Intergovernmental | 150,000 | 82,502 | (67,498) |
| Fines and forfeitures | 12,100 | 4,940 | (7,160) |
| Charges for services | 1,100 | — | (1,100) |
| Paid in lieu of taxes | 255,000 | 257,971 | 2,971 |
| Earnings on investments | 400 | 12,482 | 12,082 |
| Miscellaneous | 8,400 | 106,010 | 97,610 |
| Total Revenues | 2,631,700 | 2,170,842 | (460,858) |
| Expenditures | | | |
| Current: | | | |
| General government | 428,600 | 403,695 | 24,905 |
| Public safety | 1,111,275 | 933,173 | 178,102 |
| Public works | 470,650 | 327,906 | 142,744 |
| Culture, parks and recreation | 201,000 | 63,768 | 137,232 |
| Economic Development | 200,000 | — | 200,000 |
| Capital outlay | 180,000 | 31,969 | 148,031 |
| Total Expenditures | 2,591,525 | 1,760,511 | 831,014 |
| Excess Of Revenues Over Expenditures | 40,175 | 410,331 | 370,156 |
| Other Financing Sources (Uses) | | | |
| Transfers in | 120,000 | — | (120,000) |
| Transfer out | (250,000) | — | 250,000 |
| Total Other Financing Sources (Uses) | (130,000) | — | 130,000 |
| Total Other Financing Sources | (130,000) | — | 130,000 |
| Net Change In Fund Balance | \$ (89,825) | 410,331 | \$ 500,156 |
| Fund Balance At Beginning Of Year | | 1,578,432 | |
| Fund Balance At End Of Year | | \$ 1,988,763 | |

See the independent auditors' report and notes to required supplementary information.

CITY OF WALSENBURG, COLORADO

BUDGETARY COMPARISON SCHEDULE -

NORTHLANDS GID FUND

For The Year Ended December 31, 2024

| | Budgeted Amounts Final | Actual Budget Basis | Variance With Final Budget |
|---|---------------------------------------|------------------------------------|---|
| Revenues | | | |
| Charges for services | \$ 30,000 | \$ — | \$ (30,000) |
| Grants and contributions | 130,000 | 121,397 | (8,603) |
| Pledge revenue | — | 20,567 | 20,567 |
| Earnings on investments | 3,100 | 29,403 | 26,303 |
| Total Revenues | 163,100 | 171,367 | 8,267 |
| Expenditures | | | |
| Current: | | | |
| Public works | — | 163,032 | (163,032) |
| Deficiency Of Revenues Over Expenditures | 163,100 | 8,335 | (154,765) |
| Change In Fund Balance | \$ 163,100 | 8,335 | \$ (154,765) |
| Fund Balance At Beginning Of Year | | 14,039 | |
| Fund Balance At End Of Year | | \$ 22,374 | |

CITY OF WALSENBURG, COLORADO

NOTE TO REQUIRED SUPPLEMENTARY INFORMATION For The Year Ended December 31, 2024

1. **Budgetary Information and Budget Violations**

An annual budget and appropriation ordinance is adopted by the City Council in accordance with CRS. The budget is prepared on a basis consistent with GAAP for governmental and fiduciary funds and on a budgetary basis for proprietary funds.

On or about October 15, the City staff submits to the City Council 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 at a special meeting and at regular City Council meetings to obtain taxpayer comments. Prior to December 15, the budget is legally adopted by the City Council.

Colorado law requires that all funds have legally adopted budgets and that total expenditures for each fund cannot exceed the amount appropriated. The fund level of classification is the level of classification at which expenditures may not legally exceed appropriations.

All appropriations lapse at the end of each fiscal year. Appropriations for a fund may be increased provided they are offset by unanticipated resources.

Budgeted amounts reported in the accompanying financial statements are as originally adopted and as amended by the City Council throughout the year.

During 2024, the expenditure estimates were not amended, however, expenditures exceeded final budgeted amounts in the Northlands General Improvement District fund and in the Capital Improvement Fund.

Other Supplementary Information

CITY OF WALSENBURG, COLORADO

BUDGETARY COMPARISON SCHEDULE -

CAPITAL IMPROVEMENT FUND

For The Year Ended December 31, 2024

| | Budgeted Amounts Final | Actual Budget Basis | Variance With Final Budget |
|---|------------------------------|---------------------------|-------------------------------------|
| Revenues | | | |
| Taxes and fees | \$ 692,000 | \$ 832,817 | \$ 140,817 |
| Intergovernmental | — | 240,469 | 240,469 |
| Earnings on investments | 7,000 | 9,383 | 2,383 |
| Total Revenues | 699,000 | 1,082,669 | 383,669 |
| Expenditures | | | |
| Current: | | | |
| Public works | 12,000 | — | 12,000 |
| Capital outlay | — | 892,658 | (892,658) |
| Total Expenditures | 12,000 | 892,658 | (880,658) |
| Excess Of Revenues Over Expenditures | 687,000 | 190,011 | (496,989) |
| Other Financing Uses | | | |
| Transfers out | — | (355,000) | (355,000) |
| Net Change In Fund Balance | \$ 687,000 | (164,989) | \$ (851,989) |
| Fund Balance At Beginning Of Year | | 2,180,806 | |
| Fund Balance At End Of Year | | \$ 2,015,817 | |

See the independent auditors' report.

CITY OF WALSENBURG, COLORADO

**BUDGETARY COMPARISON SCHEDULE -
STREET IMPROVEMENT FUND
For The Year Ended December 31, 2024**

| | Budgeted Amounts Final | Actual Budget Basis | Variance With Final Budget |
|---|---------------------------------------|------------------------------------|---|
| Revenues | | | |
| Taxes | \$ 570,000 | \$ 832,818 | \$ 262,818 |
| Earnings on investments | 20,000 | 20,601 | 601 |
| Total Revenues | 590,000 | 853,419 | 263,419 |
| Expenditures | | | |
| Current: | | | |
| Public works | 300,000 | 47,680 | 252,320 |
| Capital outlay | 1,360,000 | 353,915 | 1,006,085 |
| Total Expenditures | 1,660,000 | 401,595 | 1,258,405 |
| Excess Of Revenues Over Expenditures | (1,070,000) | 451,824 | 1,521,824 |
| Change In Fund Balance | \$ (1,070,000) | 451,824 | \$ 1,521,824 |
| Fund Balance At Beginning Of Year | | 4,712,998 | |
| Fund Balance At End Of Year | | \$ 5,164,822 | |

CITY OF WALSENBURG, COLORADO

COMBINING BALANCE SHEET NONMAJOR GOVERNMENTAL FUNDS December 31, 2024

| | <u>Conservation Trust</u> | <u>Urban Renewal Authority</u> | <u>Total</u> |
|---|-------------------------------|------------------------------------|-------------------|
| Assets | | | |
| Cash and investments | \$ 145,002 | \$ 111,169 | \$ 256,171 |
| Taxes receivable | — | 14,897 | 14,897 |
| Total Assets | \$ 145,002 | \$ 126,066 | \$ 271,068 |
| Liabilities | | | |
| Deferred revenue | — | 30,000 | 30,000 |
| Total Liabilities | — | 30,000 | 30,000 |
| Deferred Inflows of Resources | | | |
| Unavailable property taxes | — | 14,897 | 14,897 |
| Fund Balance | | | |
| Restricted | 145,002 | 81,169 | 226,171 |
| Total Liabilities, Deferred Inflows of Resources and Fund Balances | \$ 145,002 | \$ 111,169 | \$ 256,171 |

CITY OF WALSENBURG, COLORADO

COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES - NONMAJOR GOVERNMENTAL FUNDS For The Year Ended December 31, 2024

| | Conservation Trust | Urban Renewal Authority | Total |
|---|-----------------------|----------------------------|------------|
| Revenues | | | |
| Taxes | \$ — | \$ 14,873 | \$ 14,873 |
| Intergovernmental | 19,215 | — | 19,215 |
| Earnings on investments | 6,142 | — | 6,142 |
| Total Revenues | 25,357 | 14,873 | 40,230 |
| Expenditures | | | |
| Economic Development | — | 2,663 | 2,663 |
| Excess Of Revenues Over Expenditures | 25,357 | 12,210 | 37,567 |
| Change In Fund Balance | 25,357 | 12,210 | 37,567 |
| Fund Balance At Beginning of Year, as restated | 119,645 | 68,959 | 188,604 |
| Fund Balance At End of Year | \$ 145,002 | \$ 81,169 | \$ 226,171 |

See the independent auditors' report.

CITY OF WALSENBURG, COLORADO
BUDGETARY COMPARISON SCHEDULE - BUDGETARY BASIS -
GAS FUND
For The Year Ended December 31, 2024

| | Budgeted Amounts Original | Budgeted Amounts Final | Actual Budget Basis | Variance With Final Budget |
|--|---------------------------------|------------------------------|---------------------------|-------------------------------------|
| Operating Revenues | | | | |
| Charges for services | \$ 2,039,080 | 2,039,080 | \$ 1,458,776 | \$ (580,304) |
| Miscellaneous revenue | 2,000 | 2,000 | 7,459 | 5,459 |
| Total Operating Revenues | 2,041,080 | 2,041,080 | 1,466,235 | (574,845) |
| Operating Expenses | | | | |
| Personnel services | 477,600 | 477,600 | 320,175 | 157,425 |
| Administrative/office expenses | 35,100 | 35,100 | 27,841 | 7,259 |
| Contract services | 142,400 | 142,400 | 141,778 | 622 |
| Gas expense | 800,000 | 800,000 | 608,749 | 191,251 |
| Utilities | 22,500 | 22,500 | 24,293 | (1,793) |
| Repairs and maintenance | 81,500 | 81,500 | 20,935 | 60,565 |
| Other supplies and expenses | 38,100 | 38,100 | 16,062 | 22,038 |
| Insurance expense | 46,000 | 46,000 | 38,247 | 7,753 |
| Payment in lieu of taxes | — | — | 87,527 | (87,527) |
| Miscellaneous expense | 1,000 | 1,000 | 151 | 849 |
| Depreciation | 112,000 | 112,000 | 108,292 | 3,708 |
| Capital outlay | 354,000 | 354,000 | 6,248 | 347,752 |
| Total Operating Expenses | 2,110,200 | 2,110,200 | 1,400,298 | 709,902 |
| Operating Income (Loss) | (69,120) | (69,120) | 65,937 | 135,057 |
| Other Revenue (Expense) And Transfers | | | | |
| Investment income | 65,000 | 65,000 | 133,803 | 68,803 |
| Grants and contributions | 261,000 | 261,000 | — | (261,000) |
| Total Other Revenue (Expense) And Transfers | 326,000 | 326,000 | 133,803 | (192,197) |
| Change In Net Position - Budgetary Basis | \$ 256,880 | \$ 256,880 | 199,740 | \$ (57,140) |
| Reconciliation To GAAP Basis | | | | |
| Capital outlay | | | 6,248 | |
| Change In Net Position - GAAP Basis | | | 205,988 | |
| Net Position At Beginning Of Year | | | 3,313,660 | |
| Net Position At End Of Year | | | \$ 3,519,648 | |

See the independent auditors' report.

CITY OF WALSENBURG, COLORADO
BUDGETARY COMPARISON SCHEDULE - BUDGETARY BASIS -
WATER & SEWER FUND
For The Year Ended December 31, 2024

| | Budgeted Amounts Final | Actual Budget Basis | Variance With Final Budget |
|---|---------------------------------------|------------------------------------|---|
| Operating Revenues | | | |
| Charges for services | \$ 2,862,480 | \$ 2,840,735 | \$ (21,745) |
| Miscellaneous | 10,000 | 5,677 | (4,323) |
| Total Operating Revenues | 2,872,480 | 2,846,412 | (26,068) |
| Operating Expenses | | | |
| Personnel services | 950,800 | 673,481 | 277,319 |
| Administrative/office expenses | 82,400 | 82,862 | (462) |
| Contract services | 963,300 | 695,772 | 267,528 |
| Utilities | 225,900 | 160,565 | 65,335 |
| Repairs and maintenance | 1,295,900 | 213,954 | 1,081,946 |
| Other supplies and expenses | 302,100 | 321,885 | (19,785) |
| Insurance expense | 95,000 | 77,495 | 17,505 |
| Payment in lieu of taxes | 163,600 | 170,444 | (6,844) |
| Miscellaneous expense | - | 174 | (174) |
| Depreciation | 840,000 | 863,252 | (23,252) |
| Principal paid | 759,000 | 739,246 | 19,754 |
| Capital outlay | 3,313,000 | 191,136 | 3,121,864 |
| Total Operating Expenses | 8,991,000 | 4,190,266 | 4,800,734 |
| Operating Loss | (6,118,520) | (1,343,854) | 4,774,666 |
| Other Revenue (Expense) And Transfers | | | |
| Investment income | 102,000 | 205,462 | 103,462 |
| Tap fees | 52,000 | 148,985 | 96,985 |
| Capital contributions | 1,517,900 | 892,657 | (625,243) |
| Transfers in | 300,000 | 355,000 | 55,000 |
| Interest expense | (357,800) | (353,461) | 4,339 |
| Total Other Expense And Transfers | 1,614,100 | 1,248,643 | (365,457) |
| Change In Net Position - Budgetary Basis | \$ (4,504,420) | (95,211) | \$ 4,409,209 |
| Reconciliation To GAAP Basis | | | |
| Principal paid | | 739,246 | |
| Capital outlay | | 191,136 | |
| Change In Net Position - GAAP Basis | | 835,171 | |
| Net Position At Beginning Of Year | | 14,145,263 | |
| Net Position At End Of Year | | \$ 14,980,434 | |

See the independent auditors' report.

CITY OF WALSENBURG, COLORADO

BUDGETARY COMPARISON SCHEDULE - BUDGETARY BASIS -

WILD WATERS FUND

For The Year Ended December 31, 2024

| | Budgeted Amounts Final | Actual Budget Basis | Variance With Final Budget |
|---|---------------------------------------|------------------------------------|---|
| Operating Revenues | | | |
| Charges for services | \$ 60,000 | \$ — | \$ (60,000) |
| Operating Expenses | | | |
| Personnel services | 11,200 | 1,769 | 9,431 |
| Administrative/office expenses | 6,900 | 250 | 6,650 |
| Contract services | 2,500 | — | 2,500 |
| Insurance | 3,000 | — | 3,000 |
| Repairs and maintenance | 259,000 | 2 | 258,998 |
| Other supplies and expenses | 34,000 | — | 34,000 |
| Utilities | 21,700 | 5,571 | 16,129 |
| Total Operating Expenses | 338,300 | 7,592 | 330,708 |
| Operating Loss | (278,300) | (7,592) | 270,708 |
| Other Revenue (Expense) And Transfers | | | |
| Transfers in | 5,000 | — | (5,000) |
| Change In Net Position - Budgetary Basis | \$ (273,300) | (7,592) | \$ 265,708 |
| Reconciliation To GAAP Basis | | | |
| Depreciation | | <u>(59,905)</u> | |
| Change In Net Position - GAAP Basis | | (67,497) | |
| Net Position At Beginning Of Year | | <u>831,804</u> | |
| Net Position At End Of Year | | <u><u>\$ 764,307</u></u> | |

See the independent auditors' report.

CITY OF WALSENBURG, COLORADO
BUDGETARY COMPARISON SCHEDULE - FIDUCIARY FUND -
VOLUNTEER FIREFIGHTERS' PENSION FUND
For The Year Ended December 31, 2024

| | Budgeted Amounts Final | Actual Budget Basis | Variance With Final Budget |
|--|---------------------------------------|------------------------------------|---|
| Revenues | | | |
| Earnings on investments | \$ 1,000 | \$ 4,343 | \$ 3,343 |
| Expenditures | | | |
| Benefits paid | 1,200 | 975 | 225 |
| Change In Net Position | \$ (200) | 3,368 | \$ 3,568 |
| Net Position At Beginning Of Year | | 23,704 | |
| Net Position At End Of Year | | \$ 27,072 | |

See the independent auditors' report.

CITY OF WALSENBURG, COLORADO

BUDGETARY COMPARISON SCHEDULE - NONMAJOR GOVERNMENTAL FUNDS - CONSERVATION TRUST FUND For The Year Ended December 31, 2024

| | Budgeted Amounts Final | Actual Budget Basis | Variance With Final Budget |
|---|---------------------------------------|------------------------------------|---|
| Revenues | | | |
| Intergovernmental: | | | |
| State-shared revenue | \$ 20,000 | \$ 19,215 | \$ (785) |
| Earnings on investments | 4,000 | 6,142 | 2,142 |
| Total Revenues | 24,000 | 25,357 | 1,357 |
| Expenditures | | | |
| Culture, parks and recreation | 10,000 | — | 10,000 |
| Excess Of Revenues Over Expenditures | 14,000 | 25,357 | 11,357 |
| Other Financing Uses | | | |
| Transfers out | (11,000) | — | 11,000 |
| Change In Fund Balance | \$ 3,000 | 25,357 | \$ 22,357 |
| Fund Balance At Beginning Of Year | | 119,645 | |
| Fund Balance At End Of Year | | \$ 145,002 | |

See the independent auditors' report.

CITY OF WALSENBURG, COLORADO

BUDGETARY COMPARISON SCHEDULE - NONMAJOR GOVERNMENTAL FUNDS - URBAN RENEWAL FUND For The Year Ended December 31, 2024

| | Budgeted Amounts Final | Actual Budget Basis | Variance With Final Budget |
|---|------------------------------|---------------------------|-------------------------------------|
| Revenues | | | |
| Taxes | \$ 20,000 | \$ 14,873 | \$ (5,127) |
| Grant revenue | 10,000 | — | (10,000) |
| Total Revenues | 30,000 | 14,873 | (15,127) |
| Expenditures | | | |
| Economic development | 30,000 | 2,663 | 27,337 |
| Excess Of Revenues Over Expenditures | — | 12,210 | 12,210 |
| Change In Fund Balance | \$ — | 12,210 | \$ 12,210 |
| Fund Balance At Beginning Of Year | | <u>68,959</u> | |
| Fund Balance At End Of Year | | <u>\$ 81,169</u> | |

See the independent auditors' report.

Special Reports 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): 12/2024 |

| | |
|--|---|
| This Information From The Records Of: CITY of walsenburg | Prepared By: cityadmin@walsenburg.org |
|--|---|

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) | \$ 401,595.00 |
| a. Motor Fuel (from Item I.A.5.) | | 2. Maintenance: | |
| b. Motor Vehicle (from Item I.B.5.) | | 3. Road and street services: | |
| c. Total (a.+b.) | | a. Traffic control operations | |
| 2. General fund appropriations | | b. Snow and ice removal | |
| 3. Other local imposts (from page 2) | \$ 863,099.00 | c. Other | |
| 4. Miscellaneous local receipts (from page 2) | \$ 20,601.00 | d. Total (a. through c.) | \$ - |
| 5. Transfers from toll facilities | | 4. General administration & miscellaneous | \$ 187,193.00 |
| 6. Proceeds of sale of bonds and notes: | | 5. Highway law enforcement and safety | |
| a. Bonds - Original Issues | | 6. Total (1 through 5) | \$ 588,788.00 |
| 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) | \$ 883,700.00 | b. Redemption | |
| B. Private Contributions | | c. Total (a. + b.) | \$ - |
| C. Receipts from State government (from page 2) | \$ 156,912.00 | 2. Notes: | |
| D. Receipts from Federal Government (from page 2) | \$ - | a. Interest | |
| E. Total receipts (A.7 + B + C + D) | \$ 1,040,612.00 | 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) | \$ 588,788.00 |

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 |
|--|----------------------|-------------------|------------------------|-------------------|-------------------|
| | \$ 4,713,065.00 | \$ 1,040,612.00 | \$ 588,788.00 | \$ 5,164,889.00 | \$ - |

Notes and Comments:

LOCAL HIGHWAY FINANCE REPORT

STATE:
COLORADO
 YEAR ENDING (mm/yy):
12/2024

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 | 20,601.00 |
| b. Other local imposts: | | b. Traffic Fines & Penalties | |
| 1. Sales Taxes | \$ 832,818.00 | c. Parking Garage Fees | |
| 2. Infrastructure & Impact Fees | | d. Parking Meter Fees | |
| 3. Liens | | e. Sale of Surplus Property | |
| 4. Licenses | \$ - | f. Charges for Services | |
| 5. Specific Ownership &/or Other | \$ 30,281.00 | g. Other Misc. Receipts | |
| 6. Total (1. through 5.) | \$ 863,099.00 | h. Other | |
| c. Total (a. + b.) | \$ 863,099.00 | i. Total (a. through h.) | \$ 20,601.00 |
| <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.) | \$ 143,513.00 | 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 | \$ 13,399.00 | d. Federal Transit Administration | |
| d. DOLA Grant | | e. U.S. Corps of Engineers | |
| e. Other | \$ - | f. Other Federal ARPA | |
| f. Total (a. through e.) | \$ 13,399.00 | g. Total (a. through f.) | \$ - |
| 4. Total (1. + 2. + 3.f) | \$ 156,912.00 | 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 | | | \$ - |
| c. Construction: | | | |
| (1). New Facilities | | | \$ - |
| (2). Capacity Improvements | \$ - | \$ 401,595.00 | \$ 401,595.00 |
| (3). System Preservation | | | \$ - |
| (4). System Enhancement And Operation | | | \$ - |
| (5). Total Construction (1)+(2)+(3)+(4) | \$ - | \$ 401,595.00 | \$ 401,595.00 |
| d. Total Capital Outlay (Lines 1.a. + 1.b. + 1.c.4) | \$ - | \$ 401,595.00 | \$ 401,595.00 |
| <i>(Carry forward to page 1)</i> | | | |

Notes and Comments: