

**TOWN OF WELLINGTON
WELLINGTON, COLORADO**

**FINANCIAL STATEMENTS
WITH
INDEPENDENT AUDITORS' REPORT**

**FOR THE YEAR ENDED
DECEMBER 31, 2021**

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FINANCIAL SECTION

The management team of the Town of Wellington (Town) is pleased to present this narrative overview and analysis of the financial position and activities of the Town for the fiscal year ended December 31, 2021. Readers are encouraged to consider the information presented here in conjunction with the information furnished in the Basic Financial Statements, Notes to the Basic Financial Statements and Supplementary Information.

FINANCIAL HIGHLIGHTS

Entity-wide

- The assets of the Town of Wellington exceeded its liabilities (also referred to in these financial statements as the Town's Net Position) at the close of 2021 by \$105 million, an increase of \$2.8 million from the year before.
 - Current assets include \$43.5 million in pooled cash and \$24.8 million in Cash with Fiscal Agent in the Water Fund at June 30, 2021 received from a state loan for the construction of a new Water Plant.
 - Noncurrent assets include \$64.6 million in net fixed assets, such as buildings, equipment, and road, storm, water, and sewer infrastructure.
 - Of the total \$105 million Net Position, \$39.3 million consists of net investment in capital assets (all fixed assets less accumulated depreciation and related debt) so is not in a form that is available and spendable to the Town. Another \$38.5 million is classified as "unrestricted", consisting of cash and other current assets, less current liabilities and may be used to meet the Town's ongoing obligations to citizens and creditors.
 - It was determined that ending Net Position in the previous year (2020) required a prior period adjustment of \$4.6 million to reconcile capital assets as reported in that year with the Town's fixed asset schedules (see Note 10). The reconciliation was primarily related to general government (non-enterprise) assets that are not capitalized so are not included in the Town's general ledger. General government fixed assets are expenses rather than capitalized and depreciated in accordance with generally accepted accounting principles (GAAP). General government fixed assets are, however, included in accordance with GAAP in the entity-wide Statement of Net Position so the reader has a sense of the whole entity's financial position and activities. With this adjustment, fixed assets reported in the financial statements agree with Town's detailed asset schedules.
- The Town retired \$1.8 million of its long-term debt (excluding compensated absences) during the fiscal year due to semi-annual and annual principal payments made on the Town's outstanding obligations (see Note 6).

Governmental Funds

- At the end of calendar year 2021, fund balance in the General Fund was \$7.4 million and revenues exceeded expenditures by \$97,416 during the year.
- Street Fund revenues exceeded expenditures by \$643,700 in 2021, increasing fund balance to \$3.7 million.
- In the Park Fund, though operations were at nearly break-even for the year, capital outlay, debt service and a \$200,000 transfer out to the Conservation Trust Fund decreased fund balance by \$582,980 to \$2.3 million.
- The Conservation Trust Fund reported an increase in fund balance of \$323,933 in 2021, consisting of \$123,933 in revenues, a transfer in of \$200,000 from the Park Fund, and no expenditures, bringing ending fund balance to \$909,740.

Enterprise Funds

- The Water Fund had operating income of \$66,370 in 2021, which included \$772,273 in non-cash depreciation and \$1.2 million in administrative overhead cost paid to the General Fund. After a \$1.3 million American Rescue Plan Act grant and other non-operating items, the Fund generated almost \$1.1 million in net income. Another \$4.5 million of contributed capital in the form of tap fees and raw water fees increased the Net Position of the fund by \$5.6 million for the year to \$45.6 million.
- The Sewer Fund had an operating loss of \$741,746, after \$765,145 in administrative overhead fees paid to the General Fund and \$605,843 in non-cash depreciation of fixed assets. After contributed capital from tap fees are factored in the Sewer Fund's Net Position remained almost flat from the previous year, decreasing by \$17,229 to \$23.7 million.
- The Storm Drainage Fund had a \$102,472 operating loss in 2021, including \$136,898 in overhead fees to the General Fund and \$116,532 in non-cash depreciation. After non-operating sources are factored in this fund's Net Position increased by \$31,577 to \$3.7 million.

OVERVIEW OF THE FINANCIAL STATEMENTS

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

Government-wide financial statements. The *government-wide financial statements* are designed to provide readers with a broad overview of the Town of Wellington's finances. These statements are prepared in a manner similar to a private-sector business using the accrual basis of accounting and economic resources measurement focus.

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

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

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

The government-wide financial statements include only the Town of Wellington itself (known as the *primary government*) and can be found on pages 4-5 of this report.

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

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

activities (reported in the *Statement of Net Position* and the *Statement of Activities*) and governmental funds are described in reconciliations on page 7 and 9. The basic governmental fund financial statements can be found on pages 6 to 9 of this report.

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

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

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

Notes to the financial statements. The notes provide significant additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements. The notes to the financial statements can be found on pages 15 to 35 of this report.

Other information. In addition to the basic financial statements and accompanying notes, this report also presents required and certain other supplementary information concerning the Town of Wellington's budget comparison statements for the General Fund, non-major Conservation Trust Fund and the Town's three major enterprise funds Water, Sewer and Storm Drainage. The other supplementary information can be found on pages 36 to 45 of this report.

FINANCIAL ANALYSIS OF THE TOWN AS A WHOLE

A significant portion of the Town's net position (37.4%) reflects its investment in capital assets (e.g., land, buildings machinery, and equipment), less any related outstanding debt used to acquire those assets, and accumulated depreciation. The Town uses these capital assets to provide services to citizens; consequently, these assets are not available for future spending. Although the Town's investment in its capital assets is reported net of related debt, it should be noted that the resources needed to repay this debt must be provided from **other sources**, since the capital assets themselves cannot be used to liquidate these liabilities. Unrestricted net position may be used to meet the Town's ongoing obligations to citizens and creditors. Below and on the following page is condensed financial information for fiscal year 2021 compared with 2020 totals.

Condensed Statement of Net Position

	2021			
	<u>Governmental Activities</u>	<u>Business- Type Activities</u>	<u>Totals</u>	<u>2020 Totals</u>
ASSETS				
Current assets	\$17,769,903	\$55,244,240	\$73,014,143	\$74,218,291
Capital assets	18,868,355	45,725,144	64,593,499	62,085,481
Total assets	36,638,258	100,969,384	137,607,642	136,303,772
DEFERRED OUTFLOWS OF RESOURCES	-	838	838	-
LIABILITIES				
Current liabilities	1,829,530	2,913,515	4,743,045	6,425,656
Long-term liabilities	1,140,452	24,367,196	25,507,648	26,061,023
Total liabilities	2,969,982	27,280,711	30,250,693	32,486,679
DEFERRED INFLOWS OF RESOURCES	1,653,374	728,095	2,381,469	1,619,066
NET POSITION				
Invested in capital assets, net of related debt	17,840,435	21,437,265	39,277,700	58,986,014
Restricted for:				
Emergencies				306,349
Other purposes	1,160,740	26,062,270	27,223,010	1,491,542
Unrestricted	13,013,727	25,461,881	38,475,608	41,414,122
Total net position	\$32,014,902	\$72,961,416	\$104,976,318	\$102,198,027

The restricted portion of net position (26%) represents resources that are subject to external restrictions on how they may be used, the largest of which is \$24.8 million in Cash with Fiscal Agent related to the funding of the Water Plant project. Note that this \$24.8 million balance was included in the **invested in capital assets** category in 2020 (part of the \$58,986,014 shown above). However, it was determined that this account balance was better represented as a restriction on net position, so it is included in the \$26,062,270 **restricted for other purposes** amount for 2021 shown above. The remaining balance of **unrestricted net position** of \$38.5 million may be used to meet the Town's ongoing obligations to citizens and creditors.

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

Condensed Statement of Activities

2021

	<u>Governmental Activities</u>	<u>Business-Type Activities</u>	<u>Totals</u>	<u>2020 Totals</u>
Revenues				
Program revenues				
Charges for services	\$620,044	\$6,789,891	\$7,409,935	\$5,553,034
Operating grants and contributions	577,784	1,312,399	1,890,183	101,678
Capital grants and contributions	-	5,307,791	5,307,791	7,398,706
General revenues				
Property taxes	1,533,366	218,450	1,751,816	1,512,321
Sales and use taxes	5,377,606	-	5,377,606	3,652,434
Franchise fees	218,903	-	218,903	184,840
Earnings on investments	8,089	12,630	20,719	287,472
Other	546,729	20,300	567,029	4,445,753
<u>Total revenues & transfers</u>	<u>8,882,521</u>	<u>13,661,461</u>	<u>22,543,982</u>	<u>23,136,238</u>
Expenses				
General government	1,876,096	-	1,876,096	3,092,223
Public safety	1,492,267	-	1,492,267	1,435,696
Public works	1,878,117	-	1,878,036	2,450,299
Culture and recreation	1,856,854	-	1,856,854	1,026,780
Economic development	-	-	-	163,624
Library	-	-	-	187,449
Interest on long-term debt	-	-	-	32,259
Water	-	5,009,111	5,009,111	3,772,403
Sewer	-	2,277,166	2,277,166	1,412,745
Storm drainage	-	762,413	762,413	899,727
<u>Total expenses</u>	<u>7,103,334</u>	<u>8,048,690</u>	<u>15,152,024</u>	<u>14,473,205</u>
<u>Change in net position</u>	<u>1,779,187</u>	<u>5,612,771</u>	<u>7,391,958</u>	<u>8,663,033</u>
<u>Net position at beginning of year</u>	<u>34,609,666</u>	<u>67,588,361</u>	<u>102,198,027</u>	<u>93,534,994</u>
Prior Period Restatement	(4,373,951)	(239,716)	(4,613,667)	-
Net Position—Beginning (as restated)	30,235,715	67,348,645	97,584,360	93,534,994
Net Position at end of year	<u>\$32,014,902</u>	<u>\$72,961,416</u>	<u>\$104,976,318</u>	<u>\$102,198,027</u>

Financial Analysis of the Town's Funds

Governmental funds. The focus of the Town of Wellington's *governmental funds* is to provide information on near-term inflows, outflows, and balances of *spendable* resources. Such information is useful in assessing the Town of Wellington's financing requirements. Unassigned

fund balance may serve as a useful measure of a government's net resources available for spending at the end of the fiscal year.

At the end of 2021, the Town of Wellington's governmental funds (General, Streets, Parks and Conservation Trust Funds) reported combined ending fund balances of \$14.3 million, an increase of \$482,069 over the combined governmental fund balances of the previous year. Approximately half of this combined fund balance constitutes *unassigned fund balance*, which is available for spending at the government's discretion. The remainder of fund balance is otherwise classified to indicate that it is not available for new spending because the asset itself is in a non-spendable form (e.g. prepaid expenses) or that portions of fund balance have been restricted or committed to specific purposes (e.g. streets and parks) as follows:

Nonspendable	\$90,677
Restricted	1,160,740
Committed	6,017,423
Unassigned	<u>7,020,204</u>
TOTAL	<u>\$14,289,044</u>

General Fund Budgetary Highlights

The General Fund accounts for all the general services provided by the Town. At the end of 2021, the fund balance of the General Fund totaled \$7,361,631, an increase of \$97,416 over the restated fund balance at the end of 2020. The General Fund's primary source of revenue is property and sales taxes and to a lesser degree, fees for franchise agreements and services such as building permits and plan checking.

Property tax revenues of \$1.5 million came in right at budget estimates for 2021 and sales taxes exceeded budget estimates coming in at \$2.65 million for the year. These two revenue sources accounted for 81% of all General Fund revenues, which totaled \$5.1 million in 2021. Franchise fees and building permits also exceeded estimates for the year coming in at \$218,903 and \$526,232, respectively.

In 2021, expenditures in the General Fund totals just over \$5 million. Of this total, \$1.8 million was expended on capital projects, the largest of which was \$1.24 million for the construction of a new building for Town administrative offices.

In 2021 administrative services provided by the General Fund were charged to the street, water, sewer, drainage, and park funds in the total amount of \$3,206,100 as detailed in the 2021 budget document. This methodology provides for full costing of services in these funds and reimburses the General Fund for services provided to other funds. To better understand the expenditures for the General Fund shown in the Statement of Revenues, Expenditures, and Changes in Fund Balance it is important to know that this \$3,206,100 was allocated to the General Fund as follows: \$1,504,837 to that General Government category, and \$1,701,263 to the Public Works

expenditure category in that Statement (see page 37). This method of applying administrative overhead charges resulted in net General Government expenditures of \$1,782,977 (total before allocation of overhead was \$3,287,814) and a negative expenditure of \$142,459 in net Public Works expenditures (total before allocation of overhead was \$1,558,804).

CAPITAL ASSET ADMINISTRATION

Capital assets. The Town of Wellington's net investment in capital assets for its governmental and business type activities as of December 31, 2021 and 2020, amounted to \$64.6 million (net of accumulated depreciation and debt) and \$57.2 million, respectively. This investment in capital assets includes land, buildings and improvements, machinery and equipment, park facilities and roads.

Town of Wellington Capital Assets at Year End

	Governmental Activities		Business-Type Activities		Total	
	2021	2020	2021	2020	2021	2020
Land & Water Rights:	\$1,716,459	\$1,716,459	\$7,405,793	\$4,926,670	\$9,122,252	\$6,643,129
Buildings & Improvements:	1,836,047	567,536	-	-	1,836,047	567,536
Improvements Other Than Buildings:	3,688,126	3,702,527	-	-	3,688,126	3,702,527
Streets & Improvements:	11,480,009	11,715,729	-	-	11,480,009	11,715,729
Machinery & Equipment:	147,714	143,099	-	-	147,714	143,099
Utility Systems & Equipment:	-	-	33,171,747	32,349,307	33,171,747	32,349,307
Construction in Progress:	-	-	5,147,604	2,070,324	5,147,604	2,070,324
TOTAL	<u>\$18,868,355</u>	<u>\$17,845,350</u>	<u>\$45,725,144</u>	<u>\$39,346,301</u>	<u>\$64,593,499</u>	<u>\$57,191,651</u>

Additional information on the Town's capital assets can be found on pages 26 and 27 of this report.

DEBT ADMINISTRATION

Long-term debt. At the end of 2021, the Town of Wellington had total debt outstanding of \$25.3 million compared with \$27.2 million in 2020 (not including \$112,532 in long-term accrued compensated absences at year end). The Town's debt represents bonds and loans secured solely by specified revenue sources, such as Water & Sewer Fund user fees.

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

	Governmental Activities		Business-Type Activities		Total	
	<u>2021</u>	<u>2020</u>	<u>2021</u>	<u>2020</u>	<u>2021</u>	<u>2020</u>
FNB WCP Loan (Park)	\$1,027,920	\$1,270,251	-	-	\$1,027,920	\$1,270,251
1984 General Obligation Bonds (Water)	-	-	\$ 55,000	\$ 80,000	\$ 55,000	\$ 80,000
1982 CWCB General Obligation Bonds (Water)	-	-	\$108,627	\$159,828	\$108,627	\$159,828
2001 CWR&PDA Loan (Water)	-	-	\$36,027	\$105,975	\$36,027	\$105,975
2002 CWR&PDA Loan (Sewer)	-	-	\$335,835	\$650,004	\$335,835	\$650,004
2014 Bond Issue - WWTP Expansion (Sewer)	-	-	\$1,770,000	\$1,880,000	\$1,770,000	\$1,880,000
2020 CWR&PDA Loan (Water)	-	-	\$21,982,391	\$23,007,763	\$21,982,391	\$23,007,763
TOTAL	\$1,027,920	\$1,270,251	\$24,287,880	\$25,883,570	\$25,315,800	\$27,153,821

Additional information on the Town's long-term debt can be found on pages 28 to 33.

ECONOMIC FACTORS AND NEXT YEAR'S BUDGET

The Annual Budget guides the efficient and effective use of Town resources, focusing on the highest priorities of the Town's citizens as represented by the Board of Trustees. Through the Budget process the Town Board establishes priorities and allocates resources to meet their goals. With the approval of the 2021 Budget, the Town Board appropriated \$37.1 million for expenditure in that year (not including transfers), a 1.9% increase over the budget in 2020. This amount was made up of \$15.9 million for operations in all funds and \$21.2 million for capital projects. The largest share of the capital projects budget went to the Water and Wastewater Plant design and construction projects.

Contacting the Town's Financial Management

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

Mayberry & Company, LLC

Certified Public Accountants

Member of the American Institute of Certified Public Accountants
Governmental Audit Quality Center
and Private Company Practice Section

Board of Trustees
Town of Wellington
Wellington, Colorado

Independent Auditors' Report

Opinion

We have audited the accompanying financial statements of the governmental activities, the business type activities, each major fund, and the aggregate remaining fund information of Town of Wellington, as of and for the year ended December 31, 2021, and the related notes to the financial statements which collectively comprise Town of Wellington's basic financial statements as listed in the table of contents.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business type activities, each major fund, and the aggregate remaining fund information of the Town of Wellington as of December 31, 2021, 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 Opinion

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 Auditor's Responsibilities for the Audit of Financial Statements section of our report. We are required to be independent of the Town of Wellington and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements related to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; and for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of the 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 Town of Wellington's ability to continue as a going concern for twelve months beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.

Auditors' Responsibility for the Audit of the Financial Statements

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

In performing an audit in accordance with generally accepted auditing standards, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on 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 Town of Wellington' 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 Town of Wellington' 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.

Emphasis of a Matter – Prior Restatements

As discussed in Note 10 to the financial statements, the 2020 financial statements have been restated to reflect changes related to unrecorded accounts receivables and unsupported capital asset balances reported as of December 31, 2020. These restatements impacted the governmental activities, business-type activities, and the General, Street, Park, Water, Sewer and Drainage Funds. Our opinions are not modified with respect to these matters.

Emphasis of a Matter – Subsequently Discovered Facts

As discussed in Note 11 to the financial statements, the 2021 audited financial statements are hereby reissued to reflect the change in recognition of the Town's federal grants for the fiscal year ended December 31, 2021. All Water and Business-Type financial statements are revised to reflect the presentation of the federal grants received as Unearned Grant Revenue and the amounts are no longer reported as income in the Water Fund thereby reducing the originally presented carryover by \$1,311,669, from \$45,576,305 to \$44,264,636.

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that a management's discussion and analysis, budgetary comparison information, historical pension information and other post -employment benefit plan information listed in the tables of contents be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the 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.

Report on Other Legal and Regulatory Requirements

Our audit was conducted for the purpose of forming an opinion on the financial statements as a whole. The Local Highway Finance Report is presented for purposes of legal compliance and is not a required part of the financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements.

The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated in all material respects in relation to the financial statements as a whole.

Mayberry + Company, LLC

Englewood, Colorado
February 27, 2024

Limited to revisions related to the Emphasis of a Matter – Subsequently Discovered Facts above and as further described in Note 11 to the financial statements.

Mayberry + Company, LLC

Englewood, Colorado
June 7, 2024

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BASIC FINANCIAL STATEMENTS

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TOWN OF WELLINGTON, COLORADO

**STATEMENT OF NET POSITION
DECEMBER 31, 2021**

	GOVERNMENTAL ACTIVITIES	BUSINESS TYPE ACTIVITIES	TOTAL
ASSETS AND DEFERRED OUTFLOWS			
ASSETS			
Current Assets			
Cash and Investments			
Cash	\$ 15,133,860	\$ 28,369,880	\$ 43,503,740
Restricted Cash and Investments	-	1,262,270	1,262,270
Receivables			
Property Tax Receivable	1,653,374	87,345	1,740,719
Utility Receivable	-	645,861	645,861
Cash with Fiscal Agent	86,909	24,801,135	24,888,044
Accounts Receivable	8,289	9,834	18,123
Other Receivables	796,794	-	796,794
Inventory	-	67,915	67,915
Prepaid Expenses	90,677	-	90,677
Total Current Assets	<u>17,769,903</u>	<u>55,244,240</u>	<u>73,014,143</u>
Noncurrent Assets			
Capital Assets not being Depreciated	1,716,459	12,553,397	14,269,856
Capital Assets being Depreciated	35,012,265	51,680,213	86,692,478
Accumulated Depreciation	<u>(17,860,369)</u>	<u>(18,508,466)</u>	<u>(36,368,835)</u>
Total Noncurrent Assets	<u>18,868,355</u>	<u>45,725,144</u>	<u>64,593,499</u>
TOTAL ASSETS	<u>36,638,258</u>	<u>100,969,384</u>	<u>137,607,642</u>
DEFERRED OUTFLOWS OF FINANCIAL RESOURCES			
Bond Related Deferred Outflows	-	838	838
TOTAL ASSETS AND DEFERRED OUTFLOWS	<u>\$ 36,638,258</u>	<u>\$ 100,970,222</u>	<u>\$ 137,608,480</u>
LIABILITIES, DEFERRED INFLOWS AND NET POSITION			
LIABILITIES			
Current Liabilities			
Accounts Payable	\$ 1,010,031	\$ 2,681,201	\$ 3,691,232
Accrued Salaries and Benefits	135,918	25,475	161,393
Retainage Payable	137,071	-	137,071
Deposits and Escrow	544,465	3,500	547,965
Accrued Interest Payable	2,045	203,339	205,384
Unearned Revenue	-	1,311,669	1,311,669
Total Current Liabilities	<u>1,829,530</u>	<u>4,225,184</u>	<u>6,054,714</u>
Noncurrent Liabilities			
Due within one year	251,162	1,619,898	1,871,060
Due in more than one year	<u>889,290</u>	<u>22,747,298</u>	<u>23,636,588</u>
Total Noncurrent Liabilities	<u>1,140,452</u>	<u>24,367,196</u>	<u>25,507,648</u>
TOTAL LIABILITIES	<u>2,969,982</u>	<u>28,592,380</u>	<u>31,562,362</u>
DEFERRED INFLOWS OF FINANCIAL RESOURCES			
Deferred Property Taxes	1,653,374	87,345	1,740,719
Other Deferred Inflows	-	640,750	640,750
TOTAL DEFERRED INFLOWS	<u>1,653,374</u>	<u>728,095</u>	<u>2,381,469</u>
NET POSITION			
Net Investment in Capital Assets	17,840,435	21,437,265	39,277,700
Restricted Net Position	1,160,740	26,062,270	27,223,010
Unrestricted Net Position	<u>13,013,727</u>	<u>24,150,212</u>	<u>37,163,939</u>
TOTAL NET POSITION	<u>32,014,902</u>	<u>71,649,747</u>	<u>103,664,649</u>
TOTAL LIABILITIES, DEFERRED INFLOWS AND NET POSITION	<u>\$ 36,638,258</u>	<u>\$ 100,970,222</u>	<u>\$ 137,608,480</u>

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

TOWN OF WELLINGTON

**STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED DECEMBER 31, 2021**

		PROGRAM REVENUES		
		CHARGES FOR	OPERATING	CAPITAL
	EXPENSES	SERVICES	GRANTS AND CONTRIBUTIONS	GRANTS
FUNCTIONS/PROGRAMS				
Government Activities				
Current:				
General Government	\$ 1,876,096	\$ 67,937	\$ 111,400	\$ -
Public Safety	1,492,267	5,482	-	-
Public Works	1,878,117	526,232	342,779	-
Culture and Recreation	1,856,854	20,393	123,605	-
TOTAL GOVERNMENT ACTIVITIES	7,103,334	620,044	577,784	-
Business-type Activities				
Current:				
Water	5,009,111	4,676,011	-	4,526,669
Sewer	2,277,166	1,453,939	-	781,122
Drainage	762,413	659,941	730	-
TOTAL BUSINESS-TYPE ACTIVITIES	8,048,690	6,789,891	730	5,307,791
TOTAL GOVERNMENT	\$ 15,152,024	\$ 7,409,935	\$ 578,514	\$ 5,307,791
GENERAL REVENUES				
Property Taxes				
Specific Ownership Taxes				
Sales and Use Taxes				
Other Taxes				
Impact Fees				
Cigarette Taxes				
Franchise Taxes				
Interest Income				
Gain (Loss) on Disposal of Capital Assets				
Other Revenues				
TOTAL GENERAL REVENUES				
CHANGE IN NET POSITION				
NET POSITION - Beginning				
Prior Period Restatement				
NET POSITION - Beginning (as Restated)				
NET POSITION - Ending				

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

**NET (EXPENSE) REVENUE AND
CHANGES IN NET POSITION**

GOVERNMENT ACTIVITIES	BUSINESS - TYPE ACTIVITIES	TOTAL
\$ (1,696,759)	\$ -	\$ (1,696,759)
(1,486,785)	-	(1,486,785)
(1,009,106)	-	(1,009,106)
<u>(1,712,856)</u>	<u>-</u>	<u>(1,712,856)</u>
<u>(5,905,506)</u>	<u>-</u>	<u>(5,905,506)</u>
-	4,193,569	4,193,569
-	(42,105)	(42,105)
<u>-</u>	<u>(101,742)</u>	<u>(101,742)</u>
-	4,049,722	4,049,722
<u>(5,905,506)</u>	<u>4,049,722</u>	<u>(1,855,784)</u>
1,533,366	218,450	1,751,816
110,785	-	110,785
5,377,606	-	5,377,606
9,105	-	9,105
393,690	-	393,690
8,869	-	8,869
218,903	-	218,903
8,089	12,630	20,719
8,993	20,300	29,293
<u>15,287</u>	<u>-</u>	<u>15,287</u>
7,684,693	251,380	7,936,073
<u>1,779,187</u>	<u>4,301,102</u>	<u>6,080,289</u>
34,609,666	67,588,361	102,198,027
<u>(4,373,951)</u>	<u>(239,716)</u>	<u>(4,613,667)</u>
<u>30,235,715</u>	<u>67,348,645</u>	<u>97,584,360</u>
<u>\$ 32,014,902</u>	<u>\$ 71,649,747</u>	<u>\$ 103,664,649</u>

TOWN OF WELLINGTON, COLORADO

BALANCE SHEET
GOVERNMENTAL FUNDS
DECEMBER 31, 2021

	General Fund	Street Fund	Park Fund
ASSETS AND DEFERRED OUTFLOWS			
ASSETS			
Current Assets			
Cash and Investments			
Cash	\$ 8,490,637	\$ 3,535,811	\$ 2,197,672
Receivables			
Property Tax Receivable	1,653,374	-	-
Cash with Fiscal Agent	-	74,101	12,808
Accounts Receivable	8,289	-	-
Other Receivables	514,924	137,832	144,038
Prepaid Expenses	90,427	-	250
TOTAL ASSETS AND DEFERRED OUTFLOWS	<u>\$ 10,757,651</u>	<u>\$ 3,747,744</u>	<u>\$ 2,354,768</u>
LIABILITIES, DEFERRED INFLOWS AND NET POSITION			
LIABILITIES			
Current Liabilities			
Accounts Payable	\$ 943,686	\$ 57,338	\$ 9,007
Accrued Salaries and Benefits	117,424	-	18,494
Retainage Payable	137,071	-	-
Deposits and Escrow	544,465	-	-
TOTAL LIABILITIES	<u>1,742,646</u>	<u>57,338</u>	<u>27,501</u>
DEFERRED INFLOWS OF FINANCIAL RESOURCES			
Deferred Property Taxes	<u>1,653,374</u>	<u>-</u>	<u>-</u>
FUND BALANCE			
Nonspendable Fund Balance	90,427	-	250
Restricted Fund Balance	251,000	-	-
Committed Fund Balance	-	3,690,406	2,327,017
Unassigned Fund Balance	7,020,204	-	-
TOTAL FUND BALANCE	<u>7,361,631</u>	<u>3,690,406</u>	<u>2,327,267</u>
TOTAL LIABILITIES, DEFERRED INFLOWS AND FUND BALANCE	<u>\$ 10,757,651</u>	<u>\$ 3,747,744</u>	<u>\$ 2,354,768</u>

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

Conservation Trust (Nonmajor) Fund	Total 2021
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\$ 909,740	\$ 15,133,860
-	1,653,374
-	86,909
-	8,289
-	796,794
-	90,677
<u>\$ 909,740</u>	<u>\$ 17,769,903</u>

\$ -	\$ 1,010,031
-	135,918
-	137,071
-	544,465
<u>-</u>	<u>1,827,485</u>

<u>-</u>	<u>1,653,374</u>
----------	------------------

-	90,677
909,740	1,160,740
-	6,017,423
-	7,020,204
<u>909,740</u>	<u>14,289,044</u>
<u>\$ 909,740</u>	<u>\$ 17,769,903</u>

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TOWN OF WELLINGTON, COLORADO

**RECONCILIATION OF GOVERNMENTAL FUND BALANCE
TO GOVERNMENTAL ACTIVITIES NET POSITION
DECEMBER 31, 2021**

Fund Balance - Governmental Funds			\$ 14,289,044
Capital assets used in governmental activities are not financial resources and are therefore not reported in the funds			
Capital assets, not being depreciated	\$ 1,716,459		
Capital assets, being depreciated	35,012,265		
Accumulated depreciation	<u>(17,860,369)</u>	18,868,355	
Long-term liabilities are not due and payable in the current year and, therefore, are not reported in the funds.			
Bonds payable	(1,027,920)		
Accrued interest payable	(2,045)		
Accrued compensated absences	<u>(112,532)</u>	<u>(1,142,497)</u>	
Total Net Position - Governmental Activities			<u>\$ 32,014,902</u>

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

TOWN OF WELLINGTON, COLORADO

STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
GOVERNMENTAL FUNDS
FOR THE YEAR ENDED DECEMBER 31, 2021

	General Fund	Street Fund	Park Fund
REVENUES			
Taxes	\$ 4,420,303	\$ 1,564,459	\$ 1,273,872
Intergovernmental Revenues	111,345	342,779	-
Licenses and Permits	532,707	325,340	92,800
Fines and Forfeits	5,482	-	-
Charges for Services	45,522	-	11,883
Investment Earnings	5,683	845	1,233
Other Revenues	15,832	9,493	285
TOTAL REVENUES	<u>5,136,874</u>	<u>2,242,916</u>	<u>1,380,073</u>
EXPENDITURES			
Current:			
General Government	1,782,977	-	-
Public Safety	1,492,267	-	-
Public Works	(142,459)	833,029	-
Parks, Recreation and Other	71,904	-	1,392,701
Capital Outlay	1,834,769	766,187	100,892
Debt Service	-	-	269,460
TOTAL EXPENDITURES	<u>5,039,458</u>	<u>1,599,216</u>	<u>1,763,053</u>
REVENUES IN EXCESS (DEFICIENCY) OF EXPENDITURES	<u>97,416</u>	<u>643,700</u>	<u>(382,980)</u>
OTHER FINANCING SOURCES (USES)			
Transfers In	-	-	-
Transfers (Out)	-	-	(200,000)
TOTAL OTHER FINANCING SOURCES (USES)	<u>-</u>	<u>-</u>	<u>(200,000)</u>
NET CHANGE IN FUND BALANCE - GAAP BASIS	<u>97,416</u>	<u>643,700</u>	<u>(582,980)</u>
FUND BALANCE, BEGINNING	7,078,957	3,000,853	2,864,394
Prior Period Restatement	185,258	45,853	45,853
FUND BALANCE, BEGINNING (As Restated)	<u>7,264,215</u>	<u>3,046,706</u>	<u>2,910,247</u>
FUND BALANCE, ENDING	<u>\$ 7,361,631</u>	<u>\$ 3,690,406</u>	<u>\$ 2,327,267</u>

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

Conservation Trust (Nonmajor)		Total
Funds		2021
\$ -	\$	7,258,634
123,605		577,729
-		950,847
-		5,482
-		57,405
328		8,089
-		25,610
<u>123,933</u>		<u>8,883,796</u>
-		1,782,977
-		1,492,267
-		690,570
-		1,464,605
-		2,701,848
-		269,460
-		8,401,727
<u>123,933</u>		<u>482,069</u>
200,000		200,000
-		(200,000)
<u>200,000</u>		<u>-</u>
<u>323,933</u>		<u>482,069</u>
585,807		13,530,011
-		276,964
<u>585,807</u>		<u>13,806,975</u>
<u>\$ 909,740</u>	<u>\$</u>	<u>14,289,044</u>

TOWN OF WELLINGTON, COLORADO

**RECONCILIATION OF GOVERNMENTAL FUNDS CHANGE IN FUND BALANCE
TO GOVERNMENTAL ACTIVITIES CHANGE IN NET POSITION
FOR THE YEAR ENDED DECEMBER 31, 2021**

Change in Fund Balance - Governmental Funds		\$	482,069
Capital assets used in governmental activities are expensed when purchased in the funds and depreciated at the activity level			
Capitalized Asset Purchases	2,407,262		
Depreciation Expense	(1,382,982)		
Gain (Loss) on Asset Disposals	<u>(1,275)</u>		1,023,005
Repayments of long-term liabilities are expensed in the fund and reduce outstanding liabilities at the activity level. In addition, proceeds from long-term debt issuances are reported as revenues in the funds and increase liabilities at the activity level			
Principal payments on bonds payable	242,331		
Change in accrued interest payable	400		
Change in accrued compensated absences	<u>31,382</u>		<u>274,113</u>
Change in Net Position - Governmental Activities		\$	<u>1,779,187</u>

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

TOWN OF WELLINGTON, COLORADO

STATEMENT OF NET POSITION
PROPRIETARY FUNDS
DECEMBER 31, 2021

	Business-type Activities			
	Water	Sewer	Drainage	Total
	Fund	Fund	Fund	2021
ASSETS AND DEFERRED OUTFLOWS				
ASSETS				
Current Assets				
Cash and Investments				
Cash	\$ 19,369,551	\$ 7,613,437	\$ 1,386,892	\$ 28,369,880
Restricted Cash and Investments	912,270	350,000	-	1,262,270
Receivables				
Property Tax Receivable	87,345	-	-	87,345
Utility Receivable	419,652	155,239	70,970	645,861
Cash with Fiscal Agent	24,800,000	-	1,135	24,801,135
Accounts Receivable	9,834	-	-	9,834
Inventory	54,722	13,193	-	67,915
Total Current Assets	<u>45,653,374</u>	<u>8,131,869</u>	<u>1,458,997</u>	<u>55,244,240</u>
Noncurrent Assets				
Capital Assets not being depreciated	9,356,171	3,197,226	-	12,553,397
Capital Assets being depreciated	26,427,569	21,786,251	3,466,393	51,680,213
Accumulated Depreciation	(11,205,223)	(6,579,801)	(723,442)	(18,508,466)
Total Noncurrent Assets	<u>24,578,517</u>	<u>18,403,676</u>	<u>2,742,951</u>	<u>45,725,144</u>
TOTAL ASSETS	<u>70,231,891</u>	<u>26,535,545</u>	<u>4,201,948</u>	<u>100,969,384</u>
DEFERRED OUTFLOWS OF FINANCIAL RESOURCES				
Bond Related Deferred Outflows	838	-	-	838
TOTAL ASSETS AND DEFERRED OUTFLOWS	<u>\$ 70,232,729</u>	<u>\$ 26,535,545</u>	<u>\$ 4,201,948</u>	<u>\$ 100,970,222</u>
LIABILITIES, DEFERRED INFLOWS AND NET POSITION				
LIABILITIES				
Current Liabilities				
Accounts Payable	\$ 1,521,489	\$ 695,949	\$ 463,763	\$ 2,681,201
Accrued Salaries and Benefits	16,552	8,923	-	25,475
Deposits and Escrow	3,500	-	-	3,500
Accrued Interest Payable	173,526	29,813	-	203,339
Unearned Revenue	1,311,669	-	-	1,311,669
Total Current Liabilities	<u>3,026,736</u>	<u>734,685</u>	<u>463,763</u>	<u>4,225,184</u>
Noncurrent Liabilities				
Due within one year	1,169,254	449,764	880	1,619,898
Due in more than one year	21,044,008	1,695,366	7,924	22,747,298
Total Noncurrent Liabilities	<u>22,213,262</u>	<u>2,145,130</u>	<u>8,804</u>	<u>24,367,196</u>
TOTAL LIABILITIES	<u>25,239,998</u>	<u>2,879,815</u>	<u>472,567</u>	<u>28,592,380</u>
DEFERRED INFLOWS OF FINANCIAL RESOURCES				
Deferred Property Taxes	87,345	-	-	87,345
Other Deferred Inflows	640,750	-	-	640,750
TOTAL DEFERRED INFLOWS	<u>728,095</u>	<u>-</u>	<u>-</u>	<u>728,095</u>
NET POSITION				
Net Investment in Capital Assets	2,396,473	16,297,841	2,742,951	21,437,265
Restricted Net Position	25,712,270	350,000	-	26,062,270
Unrestricted Net Position	16,155,893	7,007,889	986,430	24,150,212
TOTAL NET POSITION	<u>44,264,636</u>	<u>23,655,730</u>	<u>3,729,381</u>	<u>71,649,747</u>
TOTAL LIABILITIES, DEFERRED INFLOWS AND NET POSITION	<u>\$ 70,232,729</u>	<u>\$ 26,535,545</u>	<u>\$ 4,201,948</u>	<u>\$ 100,970,222</u>

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

TOWN OF WELLINGTON, COLORADO

STATEMENT OF REVENUES, EXPENSES AND CHANGES IN NET POSITION

PROPRIETARY FUNDS

FOR THE YEAR ENDED DECEMBER 31, 2021

	Business-type Activities			
	Water	Sewer	Drainage	Total
	Fund	Fund	Fund	2021
Operating Revenues				
Utility Charges	\$ 4,666,974	\$ 1,453,939	\$ 659,941	\$ 6,780,854
Other Charges for Services	9,037	-	-	9,037
Total Revenues	4,676,011	1,453,939	659,941	6,789,891
Operating Expenses				
Raw Water Purchases	1,219,501	-	-	1,219,501
Management Fees	1,222,301	765,145	136,898	2,124,344
Personnel Services	451,012	386,500	8,804	846,316
Administrative/Office Expenses	-	-	6,498	6,498
Operating Supplies	52,305	14,384	-	66,689
Professional Fees	118,547	46,312	64,527	229,386
Repairs and Maintenance	230,318	93,801	2,418	326,537
Travel and Training	6,432	1,529	-	7,961
Treatment	210,264	24,368	-	234,632
Telephone and Utilities	147,409	155,806	396,096	699,311
Other Operating Expenses	13,995	6,398	319	20,712
Depreciation Expense	772,273	605,843	116,532	1,494,648
Other Capital Outlay	165,284	95,599	30,321	291,204
Total Expenditures	4,609,641	2,195,685	762,413	7,567,739
Operating Income (Loss)	66,370	(741,746)	(102,472)	(777,848)
Other Income (Expense)				
Tax Revenue & Impact Fees	85,593	-	132,857	218,450
Intergovernmental Revenue	-	-	730	730
Investment Earnings	7,592	4,576	462	12,630
Interest Expense	(399,470)	(81,481)	-	(480,951)
Gain (Loss) on Sale of Assets	-	20,300	-	20,300
Total Other Income (Expense)	(306,285)	(56,605)	134,049	(228,841)
Net Income (Loss)	(239,915)	(798,351)	31,577	(1,006,689)
Contributed Capital				
Plant Investment Fees	727,460	781,122	-	1,508,582
Cash in Lieu of Fees	1,320,086	-	-	1,320,086
Dedicated Infrastructure/Water Rights	2,479,123	-	-	2,479,123
Total Contributed Capital	4,526,669	781,122	-	5,307,791
Change in Net Position	4,286,754	(17,229)	31,577	4,301,102
Net Position, Beginning	40,055,410	23,806,941	3,726,010	67,588,361
Prior Period Restatement	(77,528)	(133,982)	(28,206)	(239,716)
Net Position, Beginning (As Restated)	39,977,882	23,672,959	3,697,804	67,348,645
Net Position, Ending	\$ 44,264,636	\$ 23,655,730	\$ 3,729,381	\$ 71,649,747

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

TOWN OF WELLINGTON

**STATEMENT OF CASH FLOWS -
PROPRIETARY FUNDS
FOR THE YEAR ENDED DECEMBER 31, 2021**

	Business-type Activities			
	Water Fund	Sewer Fund	Drainage Fund	Total 2021
Cash Flows From Operating Activities:				
Cash Received from Customers	\$ 5,749,119	\$ 1,484,969	\$ 667,309	\$ 7,901,397
Cash Paid to Suppliers	(947,283)	90,373	(810,413)	(1,667,323)
Cash Paid for Interfund Services	(1,222,301)	(765,145)	(136,898)	(2,124,344)
Cash Paid to Employees	(282,929)	(244,510)	-	(527,439)
Net Cash Provided by Operating Activities	<u>3,296,606</u>	<u>565,687</u>	<u>(280,002)</u>	<u>3,582,291</u>
Cash Flows From Capital and Related Financing Activities:				
Tap Fees Received	2,047,546	781,122	-	2,828,668
Debt Principal Payments	(1,171,560)	(430,356)	-	(1,601,916)
Grant Proceeds	-	-	730	730
Interest Payments	(407,950)	(77,647)	-	(485,597)
Proceeds of Capital Asset Sales	(28,853)	20,300	-	(8,553)
Acquisition of Capital Assets	(1,532,446)	(3,738,519)	(91,351)	(5,362,316)
Net Cash Flows Provided (Used) by Capital and Related Financing Activities	<u>(1,093,263)</u>	<u>(3,445,100)</u>	<u>(90,621)</u>	<u>(4,628,984)</u>
Cash Flows (Uses) From Noncapital Financing Activities:				
Cash (to) from Other Funds	-	-	(420,000)	(420,000)
Tax Revenue	85,593	-	132,934	218,527
Net Cash Provided (Used) by Noncapital Financing Activities	<u>85,593</u>	<u>-</u>	<u>(287,066)</u>	<u>(201,473)</u>
Cash Flows Provided by Investing Activities:				
Interest Received	<u>7,592</u>	<u>4,576</u>	<u>462</u>	<u>12,630</u>
Net Increase (Decrease) in Cash	<u>2,296,528</u>	<u>(2,874,837)</u>	<u>(657,227)</u>	<u>(1,235,536)</u>
Cash - Beginning	<u>17,985,293</u>	<u>10,838,274</u>	<u>2,044,119</u>	<u>30,867,686</u>
Cash - Ending	<u>\$ 20,281,821</u>	<u>\$ 7,963,437</u>	<u>\$ 1,386,892</u>	<u>\$ 29,632,150</u>
Cash	\$ 19,369,551	\$ 7,613,437	\$ 1,386,892	\$ 28,369,880
Restricted Cash and Investments	912,270	350,000	-	1,262,270
Total	<u>\$ 20,281,821</u>	<u>\$ 7,963,437</u>	<u>\$ 1,386,892</u>	<u>\$ 29,632,150</u>
Reconciliation of Operating Income (Loss) to Net Cash Used for Operating Activities:				
Operating Income (Loss)	<u>\$ 66,370</u>	<u>\$ (741,746)</u>	<u>\$ (102,472)</u>	<u>\$ (777,848)</u>
Adjustments to Reconcile Operating Income (Loss) to Net Cash Provided by Operating Activities:				
Depreciation Expense	772,273	605,843	116,532	1,494,648
Changes in Assets and Liabilities Related to Operations:				
(Increase) Decrease in:				
Utility Receivable	(135,309)	31,030	7,368	(96,911)
Accounts Receivable	(3,743)	-	-	(3,743)
Inventory	(2,536)	(11,937)	-	(14,473)
(Increase) Decrease in:				
Accounts Payable	1,339,621	634,279	(310,234)	1,663,666
Accrued Salaries and Benefits	16,552	8,923	-	25,475
Unearned Revenue	1,311,669	-	-	1,311,669
Accrued Compensated Absences	31,218	39,295	8,804	79,317
Other Deferred Inflows	(99,509)	-	-	(99,509)
Total Adjustments	<u>3,230,236</u>	<u>1,307,433</u>	<u>(177,530)</u>	<u>4,360,139</u>
Net Cash Provided (Used) by Operating Activities	<u>\$ 3,296,606</u>	<u>\$ 565,687</u>	<u>\$ (280,002)</u>	<u>\$ 3,582,291</u>
Schedule of Noncash Activities:				
Contributed Capital Assets	<u>\$ 2,479,123</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

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

TOWN OF WELLINGTON, COLORADO

STATEMENT OF NET POSITION
FIDUCIARY FUNDS
DECEMBER 31, 2021

	Library Custodial Trust Fund	Total 2021
ASSETS AND DEFERRED OUTFLOWS		
ASSETS		
Current Assets		
Cash and Investments		
Cash	\$ 520,505	\$ 520,505
LIABILITIES, DEFERRED INFLOWS AND NET POSITION		
NET POSITION		
Restricted Net Position	\$ 520,505	\$ 520,505

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

TOWN OF WELLINGTON, COLORADO

STATEMENT OF CHANGES IN FIDUCIARY NET POSITION
FIDUCIARY FUNDS
DECEMBER 31, 2021

	Library Custodial Trust Fund	Total 2021
Additions		
Impact Fees	\$ 28,000	\$ 28,000
Net Position, Beginning	<u>492,505</u>	<u>492,505</u>
Net Position, Ending	<u>\$ 520,505</u>	<u>\$ 520,505</u>

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

TOWN OF WELLINGTON, COLORADO
NOTES TO FINANCIAL STATEMENTS
December 31, 2021

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

HISTORY AND FUNCTION OF ORGANIZATION

The Town of Wellington, Colorado (the "Town") was founded on November 10, 1905 as a statutory town. The Town's major operations include general government, public safety, public works, parks and recreation, economic development, and the library. The financial statements of the Town have been prepared in conformity with accounting principles generally accepted in the United States of America ("GAAP") as applied to government units. The Governmental Accounting Standards Board ("GASB") is the accepted standard-setting body for establishing governmental accounting and financial principles. The more significant of the Town's accounting policies are described below.

REPORTING ENTITY

In determining how to define the reporting entity, management has considered all potential component units. The decision to include a component unit in the reporting entity was made by applying the criteria set forth in Section 2100 and 2600 of the Government Accounting Standards Board Codification. These criteria state that the financial reporting entity consist of (a) the primary government, (b) other organizations for which the primary government is financially accountable, and (c) other organizations for which the primary government is not accountable, but for which the nature and significance of their relationship with the primary government are such that exclusion would cause the reporting entity's financial statements to be misleading or incomplete. Based upon these criteria, there are no additional agencies or entities which should be included in the financial statements of the Town.

MEASUREMENT FOCUS, BASIS OF ACCOUNTING, AND FINANCIAL STATEMENT PRESENTATION

GOVERNMENT-WIDE AND FUND FINANCIAL STATEMENTS

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

The government-wide financial statements are reported using the economic resources measurement focus and the accrual basis of accounting, as are the 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. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met.

TOWN OF WELLINGTON, COLORADO
NOTES TO FINANCIAL STATEMENTS
December 31, 2021

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

MEASUREMENT FOCUS, BASIS OF ACCOUNTING, AND FINANCIAL STATEMENT PRESENTATION (Continued)

GOVERNMENT-WIDE AND FUND FINANCIAL STATEMENTS (Continued)

The governmental fund financial statements are accounted for using the current financial resources measurement focus, whereby only current assets, deferred outflows of resources, liabilities, and deferred inflows of resources generally are included in the balance sheet, and the statement of revenues, expenditures and changes in fund balances present increases and decreases in those components. These funds use the modified accrual basis of accounting, whereby 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 Town 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 payment is due.

Property taxes, intergovernmental grants, and earnings on investments 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 Town.

Because governmental fund statements are presented using a measurement focus and basis of accounting different from that used in the government-wide statements, reconciliations are presented that briefly explains the adjustments necessary to reconcile to ending net position and the change in net position.

In accordance with GASB Statement No. 33, Accounting and Financial Reporting for Nonexchange Transactions, ("GASB No. 33") the corresponding assets (receivables) in non-exchange transactions are recognized in the period in which the underlying exchange occurs, when an enforceable legal claim has arisen, when all eligibility requirements have been met, or when resources are received, depending on the revenue source.

Governmental funds are used to account for all or most of a government's general activities. The following are the Town's major governmental funds:

General Fund - The General Fund is the general operating fund of the Town. It is used to account for all financial resources except those required to be accounted for in another fund.

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

MEASUREMENT FOCUS, BASIS OF ACCOUNTING, AND FINANCIAL STATEMENT PRESENTATION (Continued)

GOVERNMENT-WIDE AND FUND FINANCIAL STATEMENTS (Continued)

Special Revenue Funds:

This fund accounts for revenues derived from specific taxes or other designated revenues that are legally restricted to expenditures for specific purposes. The Town's special revenue fund is as follows:

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

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

The other governmental fund (nonmajor fund) is a special revenue fund (Conservation Trust) and has been established to account for revenues from the Colorado Conservation Trust Fund which are required to be used to fund park and recreation services.

Proprietary Funds

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 the fund's principal ongoing operations. Operating expenses include the cost of sales and services, administrative expenses and depreciation on capital assets. All revenues and expenses not meeting this definition are reported as non-operating revenues and expenses.

Proprietary funds, which include enterprise funds, are accounted for on a flow of economic resources measurement focus using the accrual basis of accounting. Therefore, all assets, deferred outflows of resources, liabilities, and deferred inflows of resources associated with the operation of this fund are included on the statement of net position. Revenues and expenses are recorded in the accounting period in which they are earned or incurred, and they become measurable. Net position is segregated into amounts invested in capital assets, restricted for debt service and rate stabilization loan reserves, and unrestricted. Proprietary fund-type operating statements present increases (e.g., revenues) and decreases (e.g., expenses) in total net position. Proprietary funds are used to account for activities similar to those found in the private sector, where the determination of net income is necessary or useful to sound financial administration. The Town's major enterprise funds include the Water, Sewer, and Storm Drainage funds.

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

MEASUREMENT FOCUS, BASIS OF ACCOUNTING, AND FINANCIAL STATEMENT PRESENTATION (Continued)

GOVERNMENT-WIDE AND FUND FINANCIAL STATEMENTS (Continued)

Fiduciary fund reporting focuses on net position and changes in net position. The fiduciary fund category is split into four classifications: pension trust funds, investment trust funds, private-purpose trust funds, and agency funds. Trust funds are used to account for assets held by the Town under a trust agreement for individuals, private organizations, or other governments and are therefore not available to support the Town's own programs. The Town has one custodial trust fund, the Library Trust Fund, which accounts for library impact fees and grants and disburses funds for the benefit of the Town's library.

As a general rule, the effect of interfund activity has been eliminated from the government-wide financial statements. Exceptions to this general rule are charges between the enterprise funds and various other functions of the government. Elimination of these charges would distort the direct costs and program revenues reported for the various functions concerned.

BUDGETS

The Town follows these procedures in establishing the budgetary data reflected in the financial statements:

- By October 15, the Town Administrator submits to the Town Board of Trustees, a proposed operating budget for the fiscal year beginning the following January 1. The operating budget includes
 - proposed expenditures and the means of financing them;
- A public hearing is conducted to obtain taxpayer comments;
- Prior to December 31, the budget is legally enacted through passage of a resolution;
- Any budget revisions that alter the total expenditures of any fund must be approved by the Board of Trustees through passage of a formal resolution;
- The Town legally adopts budgets for all of the funds. Budgets for the general, special revenue and fiduciary funds are adopted on a basis consistent with GAAP. Budgetary comparisons for the enterprise funds are presented on a non-GAAP budgetary basis, where payments for capital assets and principal amounts of debt are treated as expenditures, bond proceeds are treated as revenues, and depreciation is not budgeted;
- Budgeted amounts in the financial statements are as originally adopted or as amended by the Town Board of Trustees. All appropriations lapse at year-end.

TOWN OF WELLINGTON, COLORADO
NOTES TO FINANCIAL STATEMENTS
December 31, 2021

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

MEASUREMENT FOCUS, BASIS OF ACCOUNTING, AND FINANCIAL STATEMENT PRESENTATION (Continued)

CASH AND CASH EQUIVALENTS

To improve cash management, cash received by the Town is pooled and invested. Individual fund integrity is maintained through the Town's records. Interest in the pool is presented as "equity in pooled cash and cash equivalents" on the financial statements. The Town considers all highly liquid investments with original maturities of three months or less, including deposits in a pooled investment fund, to be cash equivalents.

Short-term investments, consisting of funds invested in a local government investment pool (Note 2) are considered to be cash equivalents and are measured at net asset value, which approximates fair value. Overdrawn balances in pooled cash accounts are treated by the Town as interfund liabilities, payable to the fund deemed to have made the loan.

REVENUE RECOGNITION/PROPERTY TAXES

Property taxes attach an enforceable lien on property as of January 1. Taxes are levied in December, payable in the following year in full by April 30, or in two equal installments due on the last day of February and June 15. The county treasurer bills and collects property taxes for all taxing entities within the county. Property tax receipts collected by the county treasurer each month are remitted to the Town by the tenth day of the subsequent month. Property tax revenues are recognized in the government-wide financial statements in the year that the property taxes are used to fund the operations of the Town.

In the fund financial statements, property taxes are recognized in the year for which levied provided they become available and measurable. Utility service revenue is recognized when the service is provided.

ACCOUNTS RECEIVABLE

Based upon a review of the existing accounts receivable, no allowance for doubtful accounts is warranted for any fund.

INVENTORY

All inventories are valued at cost using the first-in/first-out (FIFO) method in proprietary funds. Inventories of governmental funds are recorded as expenditures when purchased.

Inventory generally consists of chemicals used in the treatment process of the Water and Sewer funds. The consumption method is used to account for inventories. Inventory costs are recorded as expenditures or expenses when individual inventory items are consumed.

PREPAID ITEMS

Payments to vendors for services that will benefit periods beyond the year-end are recorded as prepaid items.

TOWN OF WELLINGTON, COLORADO
NOTES TO FINANCIAL STATEMENTS
December 31, 2021

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

MEASUREMENT FOCUS, BASIS OF ACCOUNTING, AND FINANCIAL STATEMENT PRESENTATION (Continued)

CAPITAL ASSETS

Capital assets, which include property, plant, equipment, and infrastructure assets (i.e., streets and roads, bridges, water lines, storm-water drainage, traffic signals, and similar items) are reported in the applicable governmental or business-type activities columns in the government-wide financial statements. Capital assets are defined by the Town as assets with an initial, individual cost of \$5,000 or more and an estimated useful life in excess of one year. Such assets are recorded at historical cost if purchased or constructed. Donated capital assets are recorded at estimated fair market value on the date received.

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 capital assets, as applicable.

Assets are depreciated using the straight-line method over the assets estimated useful lives. Depreciation expense is reflected as an operating expense in the government-wide statement of activities. Estimated useful lives for asset types are as follows:

Land and Water Rights	N/A
Buildings and Improvements	10 - 40 years
Improvements Other than Buildings	5 - 50 years
Infrastructure	20 - 40 years
Machinery and Equipment	5 - 20 years
Utility Systems	50 years

ACCUMULATED UNPAID LEAVE (COMPENSATED ABSENCES)

The Town reports compensated absences in accordance with the provisions of GASB Statement No. 16, *Accounting for Compensated Absences*, ("GASB No. 16"). Personal leave benefits are accrued as a liability as the benefits are earned if the employees' rights to receive compensation are attributable to services rendered and it is probable that the Town will compensate the employees for the benefits earned. Upon termination of employment from the Town, an employee will be compensated for all accrued vacation and compensatory time at their current rate of pay. There is no payment for sick leave upon termination. 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. The Town has recorded a liability of \$191,849 at December 31, 2021.

On the government-wide and proprietary fund financial statements, where applicable, the current portion of unpaid compensated absences is the amount expected to be paid using current available resources. At December 31, 2021, the Town has estimated that 10% of the balance will be used currently.

TOWN OF WELLINGTON, COLORADO
NOTES TO FINANCIAL STATEMENTS
December 31, 2021

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

MEASUREMENT FOCUS, BASIS OF ACCOUNTING, AND FINANCIAL STATEMENT PRESENTATION (Continued)

ACCRUED LIABILITIES AND LONG-TERM OBLIGATIONS

All payables, accrued liabilities and long-term obligations are reported in the government-wide financial statements. In general, payables and accrued liabilities that will be paid from governmental funds are reported on the governmental fund financial statements regardless of whether they will be liquidated with current resources.

However, claims and judgments and the noncurrent portion of long-term liabilities that will be paid from governmental funds are reported as a liability in the fund financial statements only to the extent that they will be paid with current, expendable, available financial resources. In general, payments made within 60 days after year-end are considered to have been made with current available financial resources. Capital lease obligations that will be paid from governmental funds are not recognized as a liability in the fund financial statements until due.

In the government-wide financial statements, and proprietary fund type in the fund financial statements, long-term debt and other long-term obligations are reported as liabilities in the applicable governmental activities, business-type activities, or proprietary fund type statement of net position. Bond premiums and discounts are amortized over the life of the bonds.

In the fund financial statements, governmental fund types recognize bond premiums and discounts, as well as bond issuance costs, during the current period. The face amount of debt issued is reported as other financing sources. Premiums received on debt issuances are reported as other financing sources while discounts are reported as other financing used. Issuance costs, whether or not withheld from the actual debt proceeds received, are reported as debt service expenditures.

INTERFUND TRANSACTIONS

Interfund receivables and payables arise from interfund transactions and are recorded by all funds affected in the period in which transactions are executed. At year-end, outstanding balances between funds are reported as internal balances. All amounts moved between funds, either as routine or non-routine, are reported as transfers in or out.

DEFERRED OUTFLOWS AND INFLOWS OF RESOURCES

In addition to liabilities, the statement of financial position reports a separate section for deferred inflows of resources. This separate financial statement element represents an acquisition of net position that applies to a future period(s) and so will not be recognized as an inflow of resources (revenue) until that time. The Town reports deferred inflows related to taxes levied in 2021 to be collected in 2022.

TOWN OF WELLINGTON, COLORADO
NOTES TO FINANCIAL STATEMENTS
December 31, 2021

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

NET POSITION/FUND BALANCES

In the government-wide financial statements and for the proprietary fund statements, net position are either shown as net investment in capital assets, with these assets essentially being nonexpendable; restricted when constraints placed on the net position are externally imposed; or unrestricted.

For the governmental fund presentation, fund balances that are classified as "nonspendable" include amounts that cannot be spent because they are either (a) not in spendable form or (b) legally or contractually required to be maintained intact. The "not in spendable form" criterion includes items that are not expected to be converted to cash, for example, inventories and prepaid amounts.

Fund balances are reported as "restricted" when 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 legislation.

Amounts that can only be used for specific purposes pursuant to constraints imposed by formal action of the government's highest level of decision-making authority, the Town Council, are reported as "committed" fund balance. Those committed amounts cannot be used for any other purpose unless the government removes or changes the specified use by taking the same type of action (for example, legislation, resolution, ordinance) it employed to previously commit those amounts. The Town currently has no committed funds.

Amounts that are constrained by the government's intent to be used for specific purposes, but are neither restricted nor committed, are reported as "assigned" fund balance. Intent should be expressed by (a) the governing body itself or (b) a body (a budget or finance committee, for example) or official to which the governing body has delegated the authority to assign amounts to be used for specific purposes. The Town currently has no assigned fund balances.

All remaining fund balance in the General Fund or deficits in the other governmental funds are presented as unassigned.

NET POSITION/FUND EQUITY FLOW ASSUMPTIONS

Sometimes the government will fund outlays for a particular purpose from both restricted and unrestricted resources (the total of committed, assigned, and unassigned fund balance). In order to calculate the amounts to report as restricted, committed, assigned, and unassigned fund balance in the governmental fund financial statements a flow assumption must be made about the order in which the resources are considered to be applied. It is the government's policy to consider restricted fund balance to have been depleted before using any of the components of unrestricted fund balance, if allowed under the terms of the restriction. Further, when the components of unrestricted fund balance can be used for the same purpose, committed fund balance is depleted first, followed by assigned fund balance. Unassigned fund balance is applied last.

TOWN OF WELLINGTON, COLORADO
NOTES TO FINANCIAL STATEMENTS
December 31, 2021

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

ESTIMATES

The presentation of financial statements in conformity with GAAP requires management to make estimates and assumptions that affect the reported amounts of assets, deferred outflows of resources, liabilities, and deferred inflows of resources and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenue and expense during the reporting period. Actual results could differ from those estimates.

NOTE 2: STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY

BUDGETS AND BUDGETARY ACCOUNTING

All funds must have budgets to be allowed expenditures. Budgets for all funds except proprietary funds are adopted on a basis consistent with generally accepted accounting principles. The proprietary funds are prepared on the accrual basis of accounting excluding depreciation expense. All annual appropriations lapse at year end.

By August 25 the County Assessor forwards certification of assessed valuation to the Town. On or before October 1, departments must submit to the budget officer an estimate of their expenditure requirements and their estimated revenue for the ensuing budget year. The budget officer shall prepare and submit to the Town Council a proposed budget by October 15. Upon receipt of the proposed budget, the Town Council shall publish a notice showing the proposed budget is open for inspection by the public and the date the Town will consider adoption of such proposed budget.

By December 15, the Town Council certifies to County Commissioners the mill levy against the assessed valuation.

Final adoption and an ordinance or resolution making appropriations is due by December 31 and submitted to division of local government within 30 days.

Expenditures may not legally exceed budgeted appropriations at the fund level.

NOTE 3: CASH AND INVESTMENTS

A summary of deposits and investments as of December 31, 2021 is as follows:

Petty Cash	\$ 300
Cash Deposits	3,048,059
Investments	42,238,156
Total Cash and Investments	<u>\$ 45,286,515</u>

This balance is presented in the financial statements as follows:

Cash and Investments	\$ 43,503,740
Restricted Cash and Investments	1,262,270
Fiduciary Cash and Investments	520,505
Total Cash and Investments	<u>\$ 45,286,515</u>

TOWN OF WELLINGTON, COLORADO
NOTES TO FINANCIAL STATEMENTS
December 31, 2021

NOTE 3: CASH AND INVESTMENTS

DEPOSITS

Custodial Credit Risk - Deposits

In the case of deposits, this is the risk that in the event of bank failure, the government's deposits may not be returned to it. The Town'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 levels (\$250,000) must be collateralized by eligible collateral as determined by the PDPA. The financial institution is allowed to create a single collateral pool for all public funds held. The pool is to be maintained by another institution, or held in trust for all the uninsured public deposits as a group. The market value of the collateral must be at least equal to 102% of the uninsured deposits. The institution's internal records identify collateral by depositor and as such, these deposits are considered uninsured but collateralized. The State Regulatory Commissions for banks and financial services are required by statute to monitor the naming of eligible depositories and reporting of the uninsured deposits and assets maintained in the collateral pools. At December 31, 2021, all of the Town's deposits as shown below were either insured by federal depository insurance or collateralized under PDPA and are therefore not deemed to be exposed to custodial credit risk.

Deposits at December 31, 2021 were as follows:

	Bank Balance	Book Balance
FDIC Insured	\$ 500,000	\$ 500,000
PDPA Collateralized not in Town's Name	1,585,861	1,637,868
Cash with Fiscal Agent not in Town's Name	906,158	910,191
Total Cash Deposits	<u>\$ 2,992,019</u>	<u>\$ 3,048,059</u>

INVESTMENTS

Credit Risk

Colorado statutes specify which instruments units of local government may invest, which include:

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

The Town does not have an investment policy that would further limit its investment choices.

TOWN OF WELLINGTON, COLORADO
NOTES TO FINANCIAL STATEMENTS
December 31, 2021

NOTE 3: CASH AND INVESTMENTS (Continued)

INVESTMENTS (Continued)

Credit Risk

For the year ended December 31, 2021, the Town had invested \$42,238,156 in the Colorado Government Liquid Asset Trust (COLOTRUST), an investment vehicle established for local government entities in Colorado to pool surplus funds and are registered with the State Securities Commissioner. The pools operated similarly to a money market fund and each share value is equal in value to \$1.00. Investments consist of U.S. Treasury and U.S. Agency securities and repurchase agreements collateralized by U.S. Treasury and U.S. Agency securities. A designated custodial bank provides safekeeping and depository services in connection with the direct investment and withdrawal functions. Substantially all securities owned are held by the Federal Reserve Bank in the account maintained for the custodial bank. The custodian's internal records identify the investments owned by the entities. Colotrust is rated AAAM by Standard and Poor's.

Concentration of Credit Risk

The Town places no limit on the amount that may be invested in any one issuer.

Interest Rate Risk

Colorado Statutes require that no investment may have a maturity in excess of five years from the date of purchase. The Town does not have a formal investment policy that limits investment maturities as a means of managing its exposure to fair value losses arising from increasing interest rates, other than those contained in the statutes. The Town's investment portfolio contains no investments that exceed that limitation.

Custodial Credit Risk – Investments

For an investment, custodial credit risk is the risk that, in the event of the failure of the counterparty, the Town will not be able to recover the value of its investments or collateral securities that are in the possession of an outside party. As of December 31, 2021, the Town's custodial credit risk is related to the investments in Colotrust,

RESTRICTED CASH

The Town has restricted cash and set aside equity as follows:

Restricted - Water Fund O&M Reserve	\$ 912,270
Restricted - Sewer Fund Stabilization Res.	350,000
Total Restricted Cash and Investments	<u>\$ 1,262,270</u>

TOWN OF WELLINGTON, COLORADO
NOTES TO FINANCIAL STATEMENTS
December 31, 2021

NOTE 4: CAPITAL ASSETS

A summary of the Town's governmental capital asset transactions for the year are as follows:

	<u>Governmental Activities</u>		
	Restated Balance 12/31/2020	Additions	Deletions
Capital Assets Not Being Depreciated			Balance 12/31/2021
Land & Water Rights	\$ 1,716,459	\$ -	\$ -
Construction in Progress	-	-	-
Total Capital Assets Not Being Depreciated	<u>1,716,459</u>	<u>-</u>	<u>-</u>
Capital Assets Being Depreciated			
Buildings and Improvements	862,342	1,303,328	-
Improvements Other Than Buildings	6,557,192	368,892	-
Streets and Improvements	24,593,407	698,042	-
Equipment	613,827	37,000	21,765
Total Capital Assets Being Depreciated	<u>32,626,768</u>	<u>2,407,262</u>	<u>21,765</u>
Accumulated Depreciation			
Buildings and Improvements	(294,806)	(34,817)	-
Improvements Other Than Buildings	(2,854,665)	(383,293)	-
Streets and Improvements	(12,877,678)	(933,762)	-
Equipment	(470,728)	(31,110)	(20,490)
Total Accumulated Depreciation	<u>(16,497,877)</u>	<u>(1,382,982)</u>	<u>(20,490)</u>
Net Governmental Capital Assets	<u>\$ 17,845,350</u>	<u>\$ 1,024,280</u>	<u>\$ 1,275</u>
			<u>\$ 18,868,355</u>

Depreciation has been allocated to the various governmental functions as follows:

General Government	\$ 56,971
Public Works	933,762
Parks, Recreation and Other	392,249
Total Depreciation	<u>\$ 1,382,982</u>

TOWN OF WELLINGTON, COLORADO
NOTES TO FINANCIAL STATEMENTS
December 31, 2021

NOTE 4: CAPITAL ASSETS (Continued)

A summary of the Town's business-type capital asset transactions for the year are as follows:

	Restated Balance 12/31/2020	<u>Business-type Activities</u>		Balance 12/31/2021
		Additions	Deletions	
Capital Assets Not Being Depreciated				
Land & Water Rights	\$ 4,926,670	\$ 2,479,123	\$ -	\$ 7,405,793
Construction in Progress	<u>2,070,324</u>	<u>4,273,697</u>	<u>1,196,417</u>	<u>5,147,604</u>
Total Capital Assets Not Being Depreciated	<u>6,996,994</u>	<u>6,752,820</u>	<u>1,196,417</u>	<u>12,553,397</u>
Capital Assets Being Depreciated				
Utilities Systems	47,907,021	1,573,327	-	49,480,348
Machinery and Equipment	<u>1,581,104</u>	<u>743,761</u>	<u>125,000</u>	<u>2,199,865</u>
Total Capital Assets Being Depreciated	<u>49,488,125</u>	<u>2,317,088</u>	<u>125,000</u>	<u>51,680,213</u>
Accumulated Depreciation	<u>(17,138,818)</u>	<u>(1,494,648)</u>	<u>(125,000)</u>	<u>(18,508,466)</u>
Net Business-type Capital Assets	<u>\$ 39,346,301</u>	<u>\$ 7,575,260</u>	<u>\$ 1,196,417</u>	<u>\$ 45,725,144</u>

Depreciation has been allocated to the various business-type activities as follows:

Water	\$ 772,273
Wastewater	605,843
Storm Drainage	<u>116,532</u>
Total Depreciation	<u>\$ 1,494,648</u>

The Town has restated the above capital assets balances as further described in Note 10.

NOTE 5: INTERNAL BALANCES AND TRANSFERS

The Town made the following routine transfers during the year:

	Transfers	
	To	From
Park Fund	\$ 200,000	\$ -
Conservatoin Trust Fund	-	200,000
Net Transfers	<u>\$ 200,000</u>	<u>\$ 200,000</u>

Internal Charges

The following amounts represent internal charges for services rendered by the General Fund Administration, Finance, Customer Service, Human Resources, Planning and Zoning and Public Works departments to the other funds for the year ended December 31, 2021:

TOWN OF WELLINGTON, COLORADO
NOTES TO FINANCIAL STATEMENTS
December 31, 2021

NOTE 5: INTERNAL BALANCES AND TRANSFERS

Internal Charges

	<u>Allocation To/(From)</u>
General Fund	\$ (3,206,100)
Street Fund	547,077
Park Fund	534,679
Water Fund	1,222,301
Sewer Fund	765,145
Drainage Fund	136,898
Net Allocation	<u>\$ -</u>

NOTE 6: LONG-TERM DEBT

GOVERNMENTAL ACTIVITIES

Changes in governmental activities long-term debt are as follows:

	<u>Balance 12/31/2020</u>	<u>Repayments</u>	<u>Balance 12/31/2021</u>	<u>Due within One Year</u>	<u>Accrued Interest</u>	<u>Interest Expense</u>
<u>Governmental Activities</u>						
2014 Park Fund Loan	\$ 1,270,251	\$ 242,331	\$ 1,027,920	\$ 248,040	\$ 2,045	\$ 31,727
Accrued Compensated Absences	<u>143,914</u>	<u>31,382</u>	<u>112,532</u>	<u>3,122</u>	<u>-</u>	<u>-</u>
Total Governmental-type Activities	<u>\$ 1,414,165</u>	<u>\$ 273,713</u>	<u>\$ 1,140,452</u>	<u>\$ 251,162</u>	<u>\$ 2,045</u>	<u>\$ 31,727</u>

2014 Park Fund Note Payable

In 2014, the Town borrowed \$2,400,000 from First National Bank, with monthly principal and interest payments beginning in 2016 and maturing in 2029. The loan requires monthly payments of \$22,455 principal and interest, fixed at 2.31 %. The Park Fund is required to maintain a coverage amount of 125% of principal and interest. For the year ended December 31, 2021, the Town met the coverage amount.

Future debt service payments are as follows:

<u>Fiscal Year</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2022	\$ 248,040	\$ 21,420	\$ 269,460
2023	253,912	15,548	269,460
2024	259,892	9,568	269,460
2025	266,076	3,384	269,460
Total	<u>\$ 1,027,920</u>	<u>\$ 49,920</u>	<u>\$ 1,077,840</u>

TOWN OF WELLINGTON, COLORADO
NOTES TO FINANCIAL STATEMENTS
December 31, 2021

NOTE 6: LONG-TERM DEBT (continued)

BUSINESS-TYPE ACTIVITIES

Changes in business-type activity long-term debt are as follows:

	Balance 12/31/2020	Repayments	Balance 12/31/2021	Due within One Year	Accrued Interest	Interest Expense
<u>Business-type Activities</u>						
1982 CWCB Loan - Water	\$ 159,828	\$ 51,202	\$ 108,626	\$ 53,248	\$ 363	\$ 6,222
1984 General Obligation Bond - Water	80,000	25,000	55,000	27,000	229	3,896
2001 CWRPDA Loan - Water	105,975	69,948	36,027	36,027	240	3,081
2002 CWRPDA Loan - Sewer	650,004	314,169	335,835	335,835	3,611	3,242
2014 General Obligation Bond - Sewer	1,880,000	110,000	1,770,000	110,000	26,202	77,989
2019 CWRPDA Loan - Water	23,007,763	1,025,372	21,982,391	1,049,857	172,694	234,842
Accrued Compensated Absences - Water	-	-	31,218	3,122	-	-
Accrued Compensated Absences - Sewer	-	-	39,295	3,929	-	-
Accrued Compensated Absences - Drainage	-	-	8,804	880	-	-
Total Business-type Activities	\$ 25,883,570	\$ 1,595,691	\$ 24,367,196	\$ 1,619,898	\$ 203,339	\$ 329,272

1982 Colorado Water Conservation Board Water Note Payable

During 1982, the Town entered into a loan agreement with Colorado Water Conservation Board ("CWCB") requiring annual payments of \$57,593 principal and interest at 4.0% through December 1, 2023. Revenues of the Town are pledged in an amount sufficient to pay the annual amounts due under the loan contract.

Future debt service payments are as follows:

<u>Fiscal Year</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2022	\$ 53,248	\$ 4,345	\$ 57,593
2023	55,378	2,215	57,593
Total	<u>\$ 108,626</u>	<u>\$ 6,560</u>	<u>\$ 115,186</u>

1984 General Obligation Water Bond

During 1984, the Town entered into a general obligation water bond in the amount of \$500,000. Bond is due in escalating installments and matures on December 1, 2023. Interest is fixed at 5%.

Future debt service payments are as follows:

<u>Fiscal Year</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2022	\$ 27,000	\$ 2,750	\$ 29,750
2023	28,000	1,400	29,400
Total	<u>\$ 55,000</u>	<u>\$ 4,150</u>	<u>\$ 59,150</u>

TOWN OF WELLINGTON, COLORADO
NOTES TO FINANCIAL STATEMENTS
December 31, 2021

NOTE 6: LONG-TERM DEBT (Continued)

BUSINESS-TYPE ACTIVITIES (Continued)

2001 Colorado Water Resource and Power Development Authority Water Note Payable

In 2001, the Town entered into a loan payable with CWRPDA requiring semi-annual payments of \$36,747 principal and interest, at 4.0% through May 1, 2022. The loan is a special revenue obligation of the Water Fund payable from water rates, fees, standby charges, and charges from the use and operation of the system and from such other funds legally available after the payment of operation and maintenance expenses of the system.

Future debt service payments are as follows:

<u>Fiscal Year</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2022	\$ 36,027	\$ 734	\$ 36,761

2002 Colorado Water Resource and Power Development Authority Sewer Note Payable

In 2002, the Town entered into a loan payable with the Colorado Water Resource and Power Development Authority ("CWRPDA"). The 20 year note requires varying semi-annual principal and interest payments at 3.71%, payments through August 1, 2022. The loan is a special revenue obligation of the Sewer Fund payable from sewer rates, fees, standby charges, and charges from the use and operation of the system and from such other funds legally available after the payment of operation and maintenance expenses of the system.

Future debt service payments are as follows:

<u>Fiscal Year</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2022	\$ 335,835	\$ -	\$ 335,835

2014 General Obligation Sewer Bond

In September 2014 the Town entered into a 20 year general obligation sewer bond in the amount of \$2,400,000, due in 2024. The special revenue bond has variable interest rate, not to exceed 4%, and escalating principal payments.

Future debt service payments are as follows:

<u>Fiscal Year</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2022	\$ 110,000	\$ 62,885	\$ 172,885
2023	115,000	60,080	175,080
2024	120,000	56,918	176,918
2025	120,000	53,318	173,318
2026	125,000	49,478	174,478
2027-2031	700,000	177,540	877,540
2032-2034	480,000	38,799	518,799
Total	\$ 1,770,000	\$ 499,018	\$ 2,269,018

TOWN OF WELLINGTON, COLORADO
NOTES TO FINANCIAL STATEMENTS
December 31, 2021

NOTE 6: LONG-TERM DEBT (Continued)

BUSINESS-TYPE ACTIVITIES (Continued)

2019 Colorado Water Resource and Power Development Authority Water Note Payable

In 2019, the Town entered into a loan payable with the Colorado Water Resource and Power Development Authority ("CWRPDA"). The 20 year loan requires varying semi-annual principal and interest payments at interest ranging from 3.0 to 5.0% through August 1, 2039. The loan is a special revenue obligation of the Sewer Fund payable from sewer rates, fees, standby charges, and charges from the use and operation of the system and from such other funds legally available after the payment of operation and maintenance expenses of the system. As of December 31, 2021, the Town had not drawn down funds from this loan. The remaining amount available of \$24.8 million to be received is reflected as cash with fiscal agent and is shown as restricted net position in the accompanying statement of net position.

Future debt service payments are as follows:

Fiscal Year	Principal	Interest	Total
2022	\$ 1,049,857	\$ 222,300	\$ 1,272,157
2023	1,068,483	201,050	1,269,533
2024	1,091,978	180,550	1,272,528
2025	1,109,550	160,300	1,269,850
2026	1,129,785	141,050	1,270,835
2027-2031	5,901,906	451,950	6,353,856
2032-2036	6,412,390	181,000	6,593,390
2037-2039	<u>4,218,442</u>	<u>31,650</u>	<u>4,250,092</u>
Total	<u>\$ 21,982,391</u>	<u>\$ 1,569,850</u>	<u>\$ 23,552,241</u>

Water Fund Rate Maintenance

Pursuant to the 2001 CWRPDA loan agreement, the Town shall establish, levy, and collect rents, rates, and other charges for the products and services provided by the Town's water system (the "Water System") in an amount sufficient to: (1) meet the operation and maintenance expenses of the Water System, (2) comply with all covenants in the loan resolution, and (3) pay at least 110% of the debt service on all indebtedness or at least 110% of all such debt if connection fees are included as a source of payment.

Per the loan agreement, the Town is required to either raise rates within 60 days after the end of the year to comply with the rate covenant or to hire an independent firm of accountants or consulting engineers to do a rate study within 120 days of year-end to recommend a rate increase to meet the loan covenant.

TOWN OF WELLINGTON, COLORADO
NOTES TO FINANCIAL STATEMENTS
December 31, 2021

NOTE 6: LONG-TERM DEBT (Continued)

BUSINESS-TYPE ACTIVITIES (Continued)

Sewer Fund Rate Maintenance

Pursuant to the 2002 CWRPDA loan agreement, the Town shall establish, levy, and collect rents, rates, and other charges for the products and services provided by the Town's sewer system (the "Sewer System") in an amount sufficient to: (1) meet the operation and maintenance expenses of the Sewer System, (2) comply with all covenants in the loan resolution, and (3) pay at least 110% of the debt service on all indebtedness or at least 110% of all such debt if connection fees are included as a source of payment.

Per the loan agreement, the Town is required to either raise rates within 60 days after the end of the year to comply with the rate covenant or to hire an independent firm of accountants or consulting engineers to do a rate study within 120 days of year-end to recommend a rate increase to meet the loan covenant.

The Town Board approved resolution 1-2012 SE establishing a rate stabilization account in the Sewer Fund in conformity with the rate covenant provisions of the 2002 CWRPDA loan agreement. This resolution restricted \$350,000 specifically for debt service on the aforementioned CWRPDA loan, retroactive to December 31, 2011. This restriction, plus the calculation shown above, demonstrates the Town is in compliance with the requirements of the CWRPDA loan at December 31, 2021.

Pursuant to the 2014 special revenue bond obligation agreement, the Town shall establish, maintain, enforce, and collect rates, fees, and charges for the services provided by the Town's wastewater system to create gross revenue each calendar year sufficient to pay operation and maintenance expenses and to create net revenue in an amount: (1) equal to not less than 120% of the amount necessary to pay when due the principal of and interest on the bonds and any parity lien bonds coming due during such calendar year; and (2) sufficient to make up any deficiencies in the reserve account. In the event that the gross revenue at any time is not sufficient to make such payments, the Town shall promptly increase such rates, fees, and charges to an extent which will ensure the payments and accumulations required by the ordinance.

TOWN OF WELLINGTON, COLORADO
NOTES TO FINANCIAL STATEMENTS
December 31, 2021

NOTE 6: LONG-TERM DEBT (Continued)

BUSINESS-TYPE ACTIVITIES (Continued)

Coverage for the Water and Sewer CWRPDA rate maintenance agreement and calculation of the three-month operating reserve requirement is as follows:

	Water	Sewer	Total
Gross Charges for Services	\$ 4,666,974	\$ 1,453,939	\$ 6,120,913
Capital Contributions	<u>4,526,669</u>	<u>781,122</u>	<u>5,307,791</u>
Total Revenues	9,193,643	2,235,061	11,428,704
<u>Operating Expenses</u>			
Operating expenses	3,224,855	2,100,086	5,324,941
Less Depreciation	<u>(772,273)</u>	<u>(605,843)</u>	<u>(1,378,116)</u>
Operating Expenses	<u>2,452,582</u>	<u>1,494,243</u>	<u>3,946,825</u>
Net Operating Revenues	<u>6,741,061</u>	<u>740,818</u>	<u>7,481,879</u>
Debt Service			
1982 CWCB Loan - Water	57,594	-	57,594
1984 GO Bond - Water	29,000	-	29,000
2001 CWRPDA Loan - Water	73,496	-	73,496
2002 CWRPDA Loan - Sewer	-	332,337	332,337
2014 GO Bond - Sewer	-	175,415	175,415
2019 CWRPDA Loan - Sewer	<u>1,269,172</u>	<u>-</u>	<u>1,269,172</u>
Total Debt Service	<u>1,429,262</u>	<u>507,752</u>	<u>1,937,014</u>
Debt Coverage Ratio 110%/120%	<u>1,572,188</u>	<u>609,302</u>	<u>2,130,715</u>
Excess (Shortfall)	<u>\$ 5,168,873</u>	<u>\$ 131,515</u>	<u>\$ 5,351,163</u>
2022 Operating Budget	<u>\$ 3,649,078</u>	<u>\$ 975,134</u>	<u>\$ 4,624,212</u>
3 Month Required O & M Reserve	\$ 912,270	\$ -	\$ 912,270
Rate Stabilization Reserve	-	<u>350,000</u>	<u>350,000</u>
Total CWRPDA Reserves	<u>\$ 912,270</u>	<u>\$ 350,000</u>	<u>\$ 1,262,270</u>

NOTE 7: FUND BALANCE/NET POSITION RESERVES/RESTRICTIONS

TAX SPENDING AND DEBT LIMITATIONS

On November 3, 1992, the voters of Colorado approved Amendment 1, commonly known as the TABOR Amendment, which adds a new Section 20 to Article X of the Colorado Constitution. TABOR contains tax, spending, revenue and debt limitations which apply to the State of Colorado, all local governments, and special districts.

The Town's financial activity for the year ended December 31, 2021 will provide the basis for calculation of future limitations adjusted for allowable increases tied to inflation and local growth. Subsequent to December 31, 1992, revenue in excess of the Town's "spending limit" must be refunded unless voters approve the retaining of such excess revenue. TABOR generally requires voter approval for any new tax, tax increases and new debt.

TOWN OF WELLINGTON, COLORADO
NOTES TO FINANCIAL STATEMENTS
December 31, 2021

NOTE 7: FUND BALANCE/NET POSITION RESERVES/RESTRICTIONS (Continued)

TAX SPENDING AND DEBT LIMITATIONS (Continued)

On November 5, 1996, the voting citizens of the Town of Wellington authorized the Town (retroactive to January 1, 1995) to, without imposing any new taxes or increases in tax rates, retain all revenue from all sources in 1995 and subsequent years, and to spend the same as a voter-approved revenue change and as exception to limits which would otherwise apply for each of said years under Colorado Constitution Article X, Section 20, the taxpayer's bill of rights. This effectively removed all revenue and spending limits imposed by TABOR.

TABOR is extremely complex and subject to interpretation. Ultimate implementation may depend upon litigation and legislative guidance. The Town's management believes it is in compliance with the TABOR amendment.

The Article requires an emergency reserve be set aside for 2021 in the amount of 3% or more of its fiscal year spending. At December 31, 2021, the Town has restricted the following for emergencies:

General Fund	<u>\$ 251,000</u>
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Other Restrictions and Commitments

The Town has restricted or committed other amounts at the fund level for debt purposes as described in Note 6 and as detailed below in the governmental funds:

Restricted:	
For Emergencies	\$ 251,000
For Parks and Recreation	<u>909,740</u>
Total Restricted	<u>\$ 1,160,740</u>
Committed:	
For Street Capital Projects	\$ 3,690,406
For Park Capital Projects	<u>2,327,017</u>
Total Committed	<u>\$ 6,017,423</u>

In addition, amounts reported as prepaid expenses in the governmental funds are considered nonexpendable fund equity at year end.

NOTE 8: COMMITMENTS AND CONTINGENCIES

The Town receives financial assistance from federal and state governmental agencies in the form of grants. The disbursement of funds received under these programs generally requires compliance with terms and conditions specified in the grant agreements and are subject to audit by the grantor agencies. Any disallowed claims resulting from such audits could become a liability of the General Fund or other applicable funds. However, in the opinion of the Town, any such disallowed claims will not have a material effect on any of the financial statements of the individual fund types included herein or on the overall financial position of the Town at December 31, 2021.

TOWN OF WELLINGTON, COLORADO
NOTES TO FINANCIAL STATEMENTS
December 31, 2021

NOTE 9: RISK MANAGEMENT

The Town is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; injuries to employees; and natural disasters.

The Town carries commercial insurance covering specific and general risks of loss, including worker's compensation and employee health and accident insurance. Settled claims resulting from these risks have not exceeded commercial insurance coverage in any of the past three fiscal years. There have been no significant reductions in insurance coverage.

NOTE 10: PRIOR PERIOD RESTATEMENTS

As part of the preparation of the fiscal year 2021 financial statements, the Town determined that various amount reported in December 31, 2020 should be restated.

The Town reviewed its policy related to accruals of sales and cigarette taxes. Previously, the Town was only accruing taxes that were received from the State of Colorado in January of the subsequent year. As those taxes are collected by the vendors prior to year-end, yet are not remitted until the subsequent February, they are considered measurable and available at year end and subject to accrual. Accordingly, the Town has increased the beginning fund equity in the General, Street, and Parks Funds for \$275,062 and \$1,901 of additional sales and cigarette tax accruals, respectively.

When reviewing the Town's prior capital asset depreciation schedules, it was noted that the detail listings maintained by the Town did not reconcile to the amounts reported in prior audits and also included items that had been incorrectly capitalized. The most significant unsupported items were in the Governmental Activities Improvements Other than Buildings where capital assets reported were \$6,232,318 higher than reported and accumulated depreciation on those same assets being \$2,236,682 higher than reported. The restatement of capital assets in the business-type activities and proprietary funds were primarily related to non-capitalizable items being included on the depreciation schedules. Overall, governmental activity capital assets and beginning net position was reduced by a net \$4,650,914, business-type activity capital assets and net position were reduced by a net \$239,716, and capital assets and net position in the Water, Sewer and Drainage Funds were reduced by a net \$77,528, \$133,982, and \$28,206, respectively.

A summary of these restatements is shown below:

Description	Govt. Activities	Bus Type Activities	General Fund	Street Fund	Park Fund	Water Fund	Sewer Fund	Drainage Fund
Overstated Capital Assets	\$ (4,650,914)	\$ (239,716)	\$ -	\$ -	\$ -	\$ (77,528)	\$ (133,982)	\$ (28,206)
Unrecorded Receivables	276,964	-	185,258	45,853	45,853	-	-	-
Net Restatements	(4,373,950)	(239,716)	185,258	45,853	45,853	(77,528)	(133,982)	(28,206)
Ending Equity - Prior Year Audit	34,609,666	24,761,696	7,078,957	3,000,853	2,864,394	40,055,410	23,806,941	3,726,010
Beginning Equity - Restated	\$ 30,235,716	\$ 24,521,980	\$ 7,264,215	\$ 3,046,706	\$ 2,910,247	\$ 39,977,882	\$ 23,672,959	\$ 3,697,804

TOWN OF WELLINGTON, COLORADO
NOTES TO FINANCIAL STATEMENTS
December 31, 2021

NOTE 11: SUBSEQUENTLY DISCOVERED FACTS

Subsequent to the issuance of the February 27, 2024, audited financial statements, as part of the completion of the Single Audit process, additional information was discovered related to the presentation of the 2021 financial information. The Town's finance staff, during 2021, attributed a portion of the Water Fund treatment plant expansion to its Federal "State and Local Fiscal Recovery Funds" (ARPA/SLFRF) grant that was received during 2021. These funds were received in June 2021 in the amount of \$1,311,669. Accordingly, these amounts were recorded as grant revenue in the above-listed financial statements.

Due to numerous staffing changes that occurred throughout the 2021 audit process, it wasn't discovered until after the audit was released that the ARPA/SLFRF funds were not actually applied to the project and therefore should not have been recognized as revenue. The February 27, 2024, audited financial statements are therefore reissued to reflect the carryover of these funds into the 2022 fiscal year as unearned grant revenue in the Water Fund. This restatement reduces the previously reported carryover in the Water Fund of \$45,576,305 by \$1,311,669 for a revised carryover of \$44,264,636.

REQUIRED SUPPLEMENTARY INFORMATION

REQUIRED SUPPLEMENTARY INFORMATION
(Pension Scheduled Unaudited)

OTHER SUPPLEMENTARY INFORMATION

STATE COMPLIANCE

REQUIRED SUPPLEMENTARY INFORMATION

TOWN OF WELLINGTON, COLORADO

BUDGETARY COMPARISON SCHEDULE

General Fund

FOR THE YEAR ENDED DECEMBER 31, 2021

	2021		
	Original & Final Budget	Actual	Variance With Final Budget
REVENUES			
Taxes			
Property Taxes	\$ 1,532,458	\$ 1,533,366	\$ 908
Sales and Use Taxes	2,376,529	2,650,060	273,531
Cigarette Taxes	4,000	8,869	4,869
Franchise Taxes	187,000	218,903	31,903
Other Taxes	7,500	9,105	1,605
Total Tax Revenue	<u>4,107,487</u>	<u>4,420,303</u>	<u>312,816</u>
Intergovernmental Revenues			
Severance Tax	42,538	12,628	(29,910)
Other Intergovernmental	-	98,717	98,717
Total Intergovernmental Revenue	<u>42,538</u>	<u>111,345</u>	<u>68,807</u>
Licenses and Permits			
Liquor Licenses	1,600	925	(675)
Building Permits	120,000	526,232	406,232
Animal Licenses	60	-	(60)
Business Licenses	30,000	5,550	(24,450)
Total Licenses and Permits	<u>151,660</u>	<u>532,707</u>	<u>381,047</u>
Fines and Forfeits	<u>8,000</u>	<u>5,482</u>	<u>(2,518)</u>
Charges for Services			
Recreation/Comm Ctr Charges	8,000	10,567	2,567
Sales of Goods	5,000	5,150	150
Rents	4,000	7,650	3,650
Other Charges for Services	62,700	22,155	(40,545)
Total Charges for Services	<u>79,700</u>	<u>45,522</u>	<u>(34,178)</u>
Investment Earnings	<u>63,000</u>	<u>5,683</u>	<u>(57,317)</u>
Other Revenues			
Donations	-	55	55
Sale of Capital Assets	-	490	490
Other Miscellaneous Revenue	3,000	15,287	12,287
Total Other Revenue	<u>3,000</u>	<u>15,832</u>	<u>12,832</u>
TOTAL REVENUES	<u>4,455,385</u>	<u>5,136,874</u>	<u>681,489</u>

See accompanying Independent Auditors' Report.

(Continued)

TOWN OF WELLINGTON, COLORADO

BUDGETARY COMPARISON SCHEDULE

General Fund

FOR THE YEAR ENDED DECEMBER 31, 2021

(Continued)

EXPENDITURES

General Government

Personnel Services	1,949,886	2,012,698	(62,812)
Insurance	148,000	121,980	26,020
Professional Fees	807,100	607,674	199,426
Repairs and Maintenance	55,750	64,798	(9,048)
Supplies	35,225	32,951	2,274
Telephone and Utilities	42,650	66,575	(23,925)
Travel and Training	42,815	15,496	27,319
Other Expenses	444,720	365,642	79,078
Overhead Allocation	-	(1,504,837)	1,504,837
Total General Government	<u>3,526,146</u>	<u>1,782,977</u>	<u>1,743,169</u>

Public Safety

Personnel Services	1,579,244	1,463,182	116,062
Fuel and Automotive	6,042	8,132	(2,090)
Repairs and Maintenance	17,500	14,425	3,075
Telephone and Utilities	1,200	1,791	(591)
Travel and Training	-	-	-
Other Expenses	8,000	4,737	3,263
Total Public Safety	<u>1,611,986</u>	<u>1,492,267</u>	<u>119,719</u>

Public Works

Personnel Services	1,579,761	1,300,605	279,156
Fuel and Automotive	2,500	2,666	(166)
Professional Fees	100,000	32,574	67,426
Repairs and Maintenance	74,300	106,358	(32,058)
Supplies	33,600	37,320	(3,720)
Telephone and Utilities	29,200	39,267	(10,067)
Travel and Training	18,000	4,423	13,577
Other Expenses	64,160	35,591	28,569
Overhead Allocation	-	(1,701,263)	1,701,263
Total Public Works/Comm Devel	<u>1,901,521</u>	<u>(142,459)</u>	<u>2,043,980</u>

Parks, Recreation and Other

Cemetery	30,000	124	29,876
Other Expenses	<u>77,910</u>	<u>71,780</u>	<u>6,130</u>
Total Parks, Recreation & Other	<u>107,910</u>	<u>71,904</u>	<u>36,006</u>

Capital Outlay

General Government Capital Outlay	-	1,370,858	(1,370,858)
Public Works Capital Outlay	244,000	463,911	(219,911)
Other Capital Outlay	<u>19,704,956</u>	<u>-</u>	<u>19,704,956</u>
Total Capital Outlay	<u>19,948,956</u>	<u>1,834,769</u>	<u>18,114,187</u>
TOTAL EXPENDITURES	<u>27,096,519</u>	<u>5,039,458</u>	<u>22,057,061</u>

REVENUES IN EXCESS (DEFICIENCY) OF EXPENDITURES

OTHER FINANCING SOURCES (USES)

Transfers In	<u>1,253,922</u>	<u>-</u>	<u>1,253,922</u>
--------------	------------------	----------	------------------

NET CHANGE IN FUND BALANCE - BUDGET BASIS

\$ (21,387,212)	<u>97,416</u>	<u>\$ 23,992,472</u>
-----------------	---------------	----------------------

FUND BALANCE, BEGINNING

Prior Period Restatement

7,078,957

185,258

FUND BALANCE, BEGINNING (As Restated)

7,264,215

FUND BALANCE, ENDING

\$ 7,361,631

See accompanying Independent Auditors' Report.

TOWN OF WELLINGTON, COLORADO

BUDGETARY COMPARISON SCHEDULE

Street Fund

FOR THE YEAR ENDED DECEMBER 31, 2021

	2021		
	Final Budget	Actual	Variance With Final Budget
REVENUES			
Taxes			
Specific Ownership Taxes	\$ 90,000	\$ 110,785	\$ 20,785
Sales and Use Taxes	865,000	1,453,674	588,674
Total Tax Revenue	955,000	1,564,459	609,459
Intergovernmental Revenues			
Highway Users	263,000	313,258	50,258
Road and Bridge	38,000	29,521	(8,479)
Total Intergovernmental Revenue	301,000	342,779	41,779
Licenses and Permits			
Impact Fees	170,000	300,890	130,890
Other Licenses	58,000	24,450	(33,550)
Total Licenses and Permits	228,000	325,340	97,340
Investment Earnings	15,000	845	(14,155)
Other Revenues			
Sale of Capital Assets	1,000	9,493	8,493
TOTAL REVENUES	1,500,000	2,242,916	742,916
EXPENDITURES			
General Government			
Equipment Rentals	3,000	1,134	1,866
Fuel and Automotive	14,000	15,285	(1,285)
Professional Fees	32,000	33,600	(1,600)
Repairs and Maintenance	20,000	26,841	(6,841)
Supplies	24,500	8,650	15,850
Telephone and Utilities	175,092	198,927	(23,835)
Travel and Training	-	275	(275)
Other Expenses	4,000	548,317	(544,317)
Total Public Works/Comm Devel	272,592	833,029	(560,437)
Capital Outlay			
Public Works Capital Outlay	63,000	766,187	(703,187)
Other Capital Outlay	1,252,132	-	1,252,132
Total Capital Outlay	1,315,132	766,187	548,945
TOTAL EXPENDITURES	1,587,724	1,599,216	(11,492)
REVENUES IN EXCESS (DEFICIENCY) OF EXPENDITURES	(87,724)	643,700	731,424
OTHER FINANCING SOURCES (USES)			
Transfers (Out)	(2,798,644)	-	2,798,644
NET CHANGE IN FUND BALANCE - BUDGET BASIS	\$ (2,886,368)	643,700	\$ 3,530,068
FUND BALANCE, BEGINNING		3,000,853	
Prior Period Restatement		45,853	
FUND BALANCE, BEGINNING (As Restated)		3,046,706	
FUND BALANCE, ENDING		\$ 3,690,406	

See accompanying Independent Auditors' Report.

TOWN OF WELLINGTON, COLORADO

BUDGETARY COMPARISON SCHEDULE

Park Fund

FOR THE YEAR ENDED DECEMBER 31, 2021

	2021		
	Original & Final Budget	Actual	Variance With Final Budget
REVENUES			
Taxes			
Sales and Use Taxes	\$ 1,015,840	\$ 1,273,872	\$ 258,032
Licenses and Permits			
Impact Fees	145,000	92,800	(52,200)
Charges for Services			
Recreation/Comm Ctr Charges	30,000	9,826	(20,174)
Rents	2,000	2,057	57
Total Charges for Services	32,000	11,883	(20,117)
Investment Earnings	20,000	1,233	(18,767)
Other Revenues			
Sale of Capital Assets	-	285	285
TOTAL REVENUES	<u>1,212,840</u>	<u>1,380,073</u>	<u>167,233</u>
EXPENDITURES			
General Government			
Personnel Services	562,562	456,652	105,910
Equipment Rentals	12,750	10,980	1,770
Fuel and Automotive	5,500	4,879	621
Professional Fees	59,770	26,841	32,929
Repairs and Maintenance	237,990	212,578	25,412
Supplies	42,270	24,931	17,339
Telephone and Utilities	54,000	31,100	22,900
Travel and Training	8,500	6,260	2,240
Other Expenses	141,683	618,480	(476,797)
Total Parks, Recreation & Other	1,125,025	1,392,701	(267,676)
Capital Outlay			
Parks, Recreation and Other Capital Outlay	-	100,892	(100,892)
Other Capital Outlay	40,000	-	40,000
Total Capital Outlay	40,000	100,892	(60,892)
Debt Service			
Principal	242,304	242,304	-
Interest	27,156	27,156	-
Total Debt Service	269,460	269,460	-
TOTAL EXPENDITURES	<u>1,434,485</u>	<u>1,763,053</u>	<u>(328,568)</u>
REVENUES IN EXCESS (DEFICIENCY) OF EXPENDITURES	(221,645)	(382,980)	(161,335)
OTHER FINANCING SOURCES (USES)			
Transfers (Out)	(600,679)	(200,000)	400,679
NET CHANGE IN FUND BALANCE - BUDGET BASIS	<u>\$ (822,324)</u>	<u>(582,980)</u>	<u>\$ 239,344</u>
FUND BALANCE, BEGINNING		2,864,394	
Prior Period Restatement		45,853	
FUND BALANCE, BEGINNING (As Restated)		<u>2,910,247</u>	
FUND BALANCE, ENDING		<u>\$ 2,327,267</u>	

See accompanying Independent Auditors' Report.

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OTHER SUPPLEMENTARY INFORMATION

TOWN OF WELLINGTON, COLORADO

BUDGETARY COMPARISON SCHEDULE
Conservation Trust Fund
FOR THE YEAR ENDED DECEMBER 31, 2021

	2021		
	Final Budget	Actual	Variance With Final Budget
REVENUES			
Intergovernmental Revenues			
Conservation Trust Fund	\$ -	\$ 123,605	\$ 123,605
Investment Earnings	-	328	328
TOTAL REVENUES	-	123,933	123,933
OTHER FINANCING SOURCES (USES)			
Transfers In	-	200,000	(200,000)
NET CHANGE IN FUND BALANCE - BUDGET BASIS	\$ -	323,933	\$ 323,933
FUND BALANCE, BEGINNING		585,807	
FUND BALANCE, ENDING		<u>\$ 909,740</u>	

See accompanying Independent Auditors' Report.

TOWN OF WELLINGTON, COLORADO

SCHEDULE OF REVENUES, EXPENSES AND CHANGES IN NET POSITION

BUDGET AND ACTUAL

Water Fund

FOR THE YEAR ENDED DECEMBER 31, 2021

	2021		
	Final Budget	Actual	Variance with Final Budget
Operating Revenues			
Utility Charges	\$ 5,120,866	\$ 4,666,974	\$ (453,892)
Other Charges for Services	15,000	9,037	(5,963)
Total Revenues	<u>5,135,866</u>	<u>4,676,011</u>	<u>(459,855)</u>
Operating Expenses			
Raw Water Purchases	2,058,854	1,219,501	839,353
Management Fees	-	1,222,301	(1,222,301)
Personnel Services	403,288	451,012	(47,724)
Operating Supplies	50,000	52,305	(2,305)
Professional Fees	158,000	118,547	39,453
Repairs and Maintenance	172,000	230,318	(58,318)
Travel and Training	11,000	6,432	4,568
Treatment	175,000	210,264	(35,264)
Telephone and Utilities	167,800	147,409	20,391
Other Operating Expenses	10,000	13,995	(3,995)
Other Capital Outlay	306,500	1,620,202	(1,313,702)
Total Expenditures	<u>3,512,442</u>	<u>5,292,286</u>	<u>(1,779,844)</u>
Operating Income (Loss)	<u>1,623,424</u>	<u>(616,275)</u>	<u>(2,239,699)</u>
Other Income (Expense)			
Tax Revenue & Impact Fees	85,593	85,593	-
Investment Earnings	150,000	7,592	(142,408)
Interest Expense	(1,621,453)	(1,571,030)	50,423
Total Other Income (Expense)	<u>(1,385,860)</u>	<u>(1,477,845)</u>	<u>(91,985)</u>
Net Income (Loss) before Transfers	237,564	(2,094,120)	(2,331,684)
Transfers			
Transfers In/(Out)	<u>(12,857,712)</u>	<u>-</u>	<u>12,857,712</u>
Net Income (Loss), Budget Basis	<u>(12,620,148)</u>	<u>(2,094,120)</u>	<u>10,526,028</u>
Contributed Capital			
Plant Investment Fees	750,000	727,460	(22,540)
Cash in Lieu of Fees	2,691,072	1,320,086	(1,370,986)
Dedicated Infrastructure/Water Rights	-	2,479,123	2,479,123
Total Contributed Capital	<u>3,441,072</u>	<u>4,526,669</u>	<u>1,085,597</u>
Change in Net Position (Budget Basis)	<u>\$ (9,179,076)</u>	<u>2,432,549</u>	<u>\$ 11,611,625</u>
Budget to GAAP Reconciliation			
Principal Paid		1,171,560	
Depreciation Expense		(772,273)	
Capital Outlay		1,454,918	
Change in Net Position - GAAP Basis		4,286,754	
Net Position, Beginning		39,977,882	
Net Position, Ending		<u>\$ 44,264,636</u>	
Proof - Hide		<u>\$ (1)</u>	

See accompanying Independent Auditors' Report.

TOWN OF WELLINGTON, COLORADO

SCHEDULE OF REVENUES, EXPENSES AND CHANGES IN NET POSITION
BUDGET AND ACTUAL
Sewer Fund
FOR THE YEAR ENDED DECEMBER 31, 2021

	2021	
	Final Budget	Variance with Final Budget
Operating Revenues		
Utility Charges	\$ 1,442,295	\$ 1,453,939 \$ 11,644
Operating Expenses		
Management Fees	-	765,145 (765,145)
Personnel Services	368,635	386,500 (17,865)
Operating Supplies	23,000	14,384 8,616
Professional Fees	75,000	46,312 28,688
Repairs and Maintenance	129,500	93,801 35,699
Travel and Training	9,000	1,529 7,471
Treatment	35,000	24,368 10,632
Telephone and Utilities	139,400	155,806 (16,406)
Other Operating Expenses	11,000	6,398 4,602
Other Capital Outlay	42,000	3,575,136 (3,533,136)
Total Expenditures	832,535	5,069,379 (4,236,844)
Operating Income (Loss)	609,760	(3,615,440) (4,225,200)
Other Income (Expense)		
Investment Earnings	166,000	4,576 (161,424)
Debt Service	(507,753)	(511,837) (4,084)
Gain (Loss) on Sale of Assets	-	20,300 20,300
Total Other Income (Expense)	(341,753)	(486,961) (145,208)
Net Income (Loss) before Transfers	268,007	(4,102,401) (4,370,408)
Transfers		
Transfers In/(Out)	(5,589,728)	- 5,589,728
Net Income (Loss), Budget Basis	(5,321,721)	(4,102,401) 1,219,320
Contributed Capital		
Plant Investment Fees	750,000	781,122 31,122
Change in Net Position (Budget Basis)	\$ (4,571,721)	(3,321,279) \$ 1,250,442
Budget to GAAP Reconciliation		
Principal Paid		430,356
Depreciation Expense		(605,843)
Capital Outlay		3,479,537
Change in Net Position - GAAP Basis		(17,229)
Net Position, Beginning		23,672,959
Net Position, Ending		\$ 23,655,730

See accompanying Independent Auditors' Report.

TOWN OF WELLINGTON, COLORADO

SCHEDULE OF REVENUES, EXPENSES AND CHANGES IN NET POSITION
BUDGET AND ACTUAL
Drainage Fund
FOR THE YEAR ENDED DECEMBER 31, 2021

	2021		
	Final Budget	Actual	Variance with Final Budget
Operating Revenues			
Utility Charges	\$ 625,000	\$ 659,941	\$ 34,941
Operating Expenses			
Management Fees	-	136,898	(136,898)
Personnel Services	-	8,804	(8,804)
Administrative/Office Expenses	8,000	6,498	1,502
Professional Fees	135,000	64,527	70,473
Repairs and Maintenance	1,500	2,418	(918)
Telephone and Utilities	361,000	396,096	(35,096)
Other Operating Expenses	-	319	(319)
Other Capital Outlay	1,000	93,466	(92,466)
Total Expenditures	506,500	709,026	(202,526)
Operating Income (Loss)	118,500	(49,085)	(167,585)
Other Income (Expense)			
Tax Revenue & Impact Fees	220,400	132,857	(87,543)
Intergovernmental Revenue	112,000	730	(111,270)
Investment Earnings	10,000	462	(9,538)
Debt Service	-	-	-
Total Other Income (Expense)	342,400	134,049	(208,351)
Net Income (Loss) before Transfers	460,900	84,964	(375,936)
Transfers			
Transfers In/(Out)	(448,249)	-	448,249
Change in Net Position (Budget Basis)	\$ 12,651	84,964	\$ 72,313
Budget to GAAP Reconciliation			
Depreciation Expense		(116,532)	
Capital Outlay		63,145	
Change in Net Position - GAAP Basis		31,577	
Net Position, Beginning		3,697,804	
Net Position, Ending		\$ 3,729,381	

See accompanying Independent Auditors' Report.

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STATE COMPLIANCE

LOCAL HIGHWAY FINANCE REPORTCity or County:
Town of Wellington
YEAR ENDING :
December 2021This Information From The Records Of (example - City of _ or County of _)
Prepared By: Charity Campfield
Phone: (970) 732-1094**I. DISPOSITION OF HIGHWAY-USER REVENUES AVAILABLE FOR LOCAL GOVERNMENT EXPENDITURE**

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

II. RECEIPTS FOR ROAD AND STREET PURPOSES**III. DISBURSEMENTS FOR ROAD AND STREET PURPOSES**

ITEM	AMOUNT	ITEM	AMOUNT
A. Receipts from local sources:		A. Local highway disbursements:	
1. Local highway-user taxes		1. Capital outlay (from page 2)	406,932
a. Motor Fuel (from Item I.A.5.)		2. Maintenance:	338,961
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)	2,094,717	c. Other	
4. Miscellaneous local receipts (from page 2)	10,337	d. Total (a. through c.)	0
5. Transfers from toll facilities		4. General administration & miscellaneous	547,077
6. Proceeds of sale of bonds and notes:		5. Highway law enforcement and safety	
a. Bonds - Original Issues		6. Total (1 through 5)	1,292,970
b. Bonds - Refunding Issues		B. Debt service on local obligations:	
c. Notes		1. Bonds:	
d. Total (a. + b. + c.)	0	a. Interest	
7. Total (1 through 6)	2,105,054	b. Redemption	
B. Private Contributions		c. Total (a. + b.)	0
C. Receipts from State government (from page 2)	323,332	2. Notes:	
D. Receipts from Federal Government (from page 2)	0	a. Interest	
E. Total receipts (A.7 + B + C + D)	2,428,386	b. Redemption	
		c. Total (a. + b.)	0
		3. Total (1.c + 2.c)	0
		C. Payments to State for highways	
		D. Payments to toll facilities	
		E. Total disbursements (A.6 + B.3 + C + D)	1,292,970

IV. LOCAL HIGHWAY DEBT STATUS

(Show all entries at par)

	Opening Debt	Amount Issued	Redemptions	Closing Debt
A. Bonds (Total)				0
1. Bonds (Refunding Portion)				
B. Notes (Total)				0

V. LOCAL ROAD AND STREET FUND BALANCE

	A. Beginning Balance	B. Total Receipts	C. Total Disbursements	D. Ending Balance	E. Reconciliation
	3,000,853	2,428,386	1,292,970	3,987,525	148,744

Notes and Comments:

LOCAL HIGHWAY FINANCE REPORT		STATE: Colorado	
		YEAR ENDING (mm/yy): December 2021	

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	845
b. Other local imposts:		b. Traffic Fines & Penalties	
1. Sales Taxes	1,375,119	c. Parking Garage Fees	
2. Infrastructure & Impact Fees	616,170	d. Parking Meter Fees	
3. Liens		e. Sale of Surplus Property	9,492
4. Licenses		f. Charges for Services	
5. Specific Ownership &/or Other	103,428	g. Other Misc. Receipts	
6. Total (1. through 5.)	2,094,717	h. Other	
c. Total (a. + b.)	2,094,717	i. Total (a. through h.)	10,337
(Carry forward to page 1)		(Carry forward to page 1)	

ITEM	AMOUNT	ITEM	AMOUNT
C. Receipts from State Government		D. Receipts from Federal Government	
1. Highway-user taxes	290,830	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	32,502	d. Federal Transit Admin	
d. Other (Specify) - DOLA Grant		e. U.S. Corps of Engineers	
e. Other (Specify)		f. Other Federal	
f. Total (a. through e.)	32,502	g. Total (a. through f.)	0
4. Total (1. + 2. + 3.f)	323,332	3. Total (1. + 2.g)	
		(Carry forward to page 1)	

III. DISBURSEMENTS FOR ROAD AND STREET PURPOSES - DETAIL			
	ON NATIONAL HIGHWAY SYSTEM (a)	OFF NATIONAL HIGHWAY SYSTEM (b)	TOTAL (c)
A.1. Capital outlay:			
a. Right-Of-Way Costs			0
b. Engineering Costs			0
c. Construction:			
(1). New Facilities			0
(2). Capacity Improvements			0
(3). System Preservation		347,381	347,381
(4). System Enhancement & Operation		59,551	59,551
(5). Total Construction (1) + (2) + (3) + (4)	0	406,932	406,932
d. Total Capital Outlay (Lines 1.a. + 1.b. + 1.c.5)	0	406,932	406,932
		(Carry forward to page 1)	

Notes and Comments: