



ANNUAL COMPREHENSIVE FINANCIAL REPORT

For the fiscal year ended
December 31, 2022

CITY OF SALIDA, COLORADO



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**City of Salida, Colorado
Annual Comprehensive Financial Report
For the year ended December 31, 2022**

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June 21, 2023

To the Honorable Mayor, Members of the City Council and Citizens of the City of Salida:

State law requires that every general purpose local government publish a complete set of audited financial statements. This report is published to fulfill that requirement for the fiscal year ended December 31, 2022.

Management assumes full responsibility for the completeness and reliability of the information contained in this report, based upon a comprehensive framework of internal control that it has established for this purpose. Because the cost of internal control should not exceed anticipated benefits, the objective is to provide reasonable, rather than absolute, assurance that the financial statements are free of any material misstatements.

McMahan and Associates, LLC, a firm of licensed Certified Public Accountants, have issued an unmodified (“clean”) opinion on the City of Salida’s financial statements for the year ended December 31, 2022. The independent auditor’s report is located at the front of the financial section of this report.

Management’s discussion and analysis (MD&A) immediately follows the independent auditor’s report and provides a narrative introduction, overview, and analysis of the basic financial statements. MD&A complements this letter of transmittal and should be read in conjunction with it.

Profile of the government

The City of Salida, incorporated in 1880, is known as the “Heart of the Rockies.” Salida is located approximately two to three hours from the more densely populated urban “front range” communities of Colorado, such as Colorado Springs, Denver and Boulder. Salida is the county seat of Chaffee County and its largest city, with a population of approximately 5,812. The City is the service, supply, and tourism center for the Upper Arkansas River Valley in central Colorado. Although flanked by majestic 14,000-foot snow-capped peaks, at just over 7,000 feet in elevation, Salida enjoys a surprisingly mild climate that some refer to as the Banana Belt. Salida has a relaxed pace and a small hometown feel along with world-class recreational opportunities.

The City limits currently occupy just over 2.2 square miles. The City of Salida is empowered to levy a property tax on real property located within its boundaries, but the tax was repealed in 2008. It relies primarily on sales tax revenue to provide government services. It also is

empowered by state statute to extend its corporate limits by annexation, which it has done from time to time.

Salida is organized as a statutory city under the constitution of the State of Colorado that follows the mayor-council form of government. The Mayor, the Treasurer and six Council members are directly elected. There are three wards in the City, and two Council members represent each ward. Policy-making and legislative authority are vested in the governing body consisting of the Mayor and six Council members. Council members serve four-year terms, with three members elected every two years. The Mayor is elected for a two-year term. According to Colorado statutes, officials elected to two-year terms are eligible for three terms. Council members and the Treasurer are elected to four-year terms and are limited to two terms. The City Council appoints the City Administrator, City Attorney and City Clerk. The City Administrator appoints department heads.

Services provided by municipalities vary widely. Although citizens have many of the same services available to them in any incorporated area, some may be served by a special district or other governmental entity. Therefore, one town or city may not be directly comparable to another. It is important that readers of the financial statements and budgets know what services the City provides in order to understand the reports. The broad services provided by Salida's employees across the various divisions (described below) include the following:

- Public safety –
 - 24/7 police protection including vehicle, bicycle and foot patrol, crime prevention and law enforcement; vehicle identification number inspections, school safety, special event support, DUI awareness programs, drug task force, regional preparedness, E911 board representation. The Community Services Division extends safety and public service while protecting the welfare of domestic animals, as well as maintaining the integrity of the Salida City Code through education, citizen engagement and enforcement.
 - 24/7 professional fire response (structural and wildland), emergency medical services, hazardous material response, technical rescue (ice, swift water, confined space, high and low angles), installation of smoke detectors, inspection and plan reviews, code enforcement, fire prevention and CPR classes, fireworks displays, staffing for fire protection district, regional preparedness and various other education and civic activities
- Public works – operation, maintenance and improvement of streets, alleys, walkways, parking lots, parks, play features, public structures, underground distribution or collection lines and appurtenances, trees, and other public infrastructure
- Water and Wastewater plant operations – Treatment and distribution of municipal water; collection, treatment of and safe discharge of wastewater (including wastewater services for the Town of Poncha Springs); lab testing, acceptance and treatment of outside septage
- Community development – land use and zoning, review of development plans, subdivisions, building and sign permits, long range and current planning, historic preservation, grant writing and reporting
- Parks and recreation – aquatic center, swimming lessons, fitness and recreation programs, and maintenance of park facilities, sports complexes, and trails

- Arts and culture – services for event center activities and special events for community members of all ages, alliance with outside organizations (Chamber of Commerce, Salida Business Alliance, etc.), and a creative district
- Administrative services – liquor, marijuana and arborists licensing, vendor and special event permitting, billing and collection of water and wastewater services, protection of water rights, birth and death certificates, municipal court, grant writing and reporting, intergovernmental facility management, payroll, accounts payable, accounts receivable, budgeting, financial reporting, human resources, legal, cash management / treasury, risk management, records management, public information, meeting coordination, and other general government and administrative services

Water treatment and distribution and wastewater collection and treatment services are provided through an enterprise fund. See the MD&A for an explanation about different types of funds.

Annual budget process

City Council is required to adopt an initial budget for the fiscal year no later than December 31 preceding the beginning of the fiscal year on January 1. This annual budget serves as the foundation for the City of Salida’s financial planning and control. The budget is prepared by fund, function or department (e.g., police). Department heads may transfer resources within a department as they see fit. Transfers between departments within the same fund, however, need approval from the Finance Director or City Administrator. Changes to a fund’s bottom line must be done with an amendment by Council after publicly posting the amendment and holding a public hearing on it.

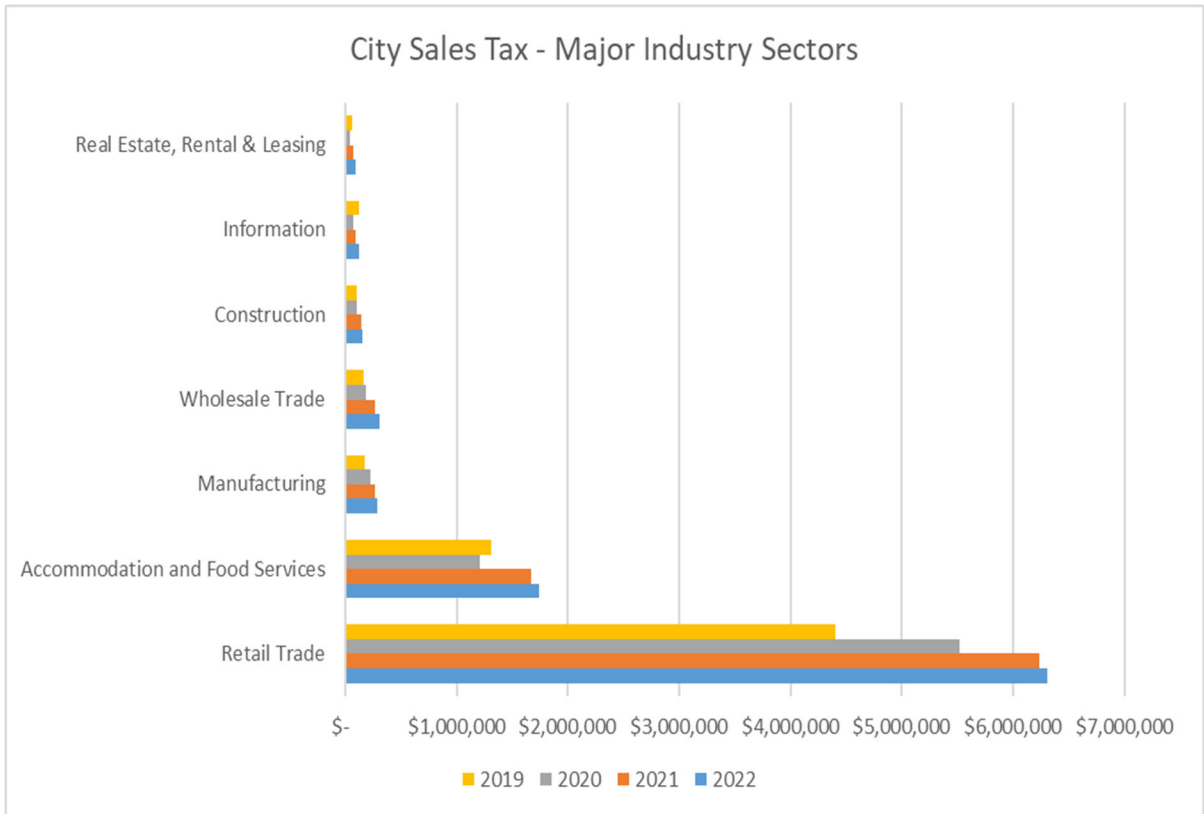
Each year, the budget development process kicks off with a strategic planning meeting with City Council, Treasurer and key City staff. Department heads set goals for the upcoming fiscal year and develop their requested budget based on the outcomes of the strategic planning meeting. The finance office reviews the budget for affordability, makes necessary adjustments and prepares a recommended budget for Council (this recommended budget is available for public inspection). A series of public meetings with Council are held to go over the budget and provide feedback. After making final adjustments as directed by Council, a public hearing is held prior to Council adoption. Typically, Council adopts the budget by mid-October.

Local economy

The City of Salida serves as a shopping hub for the surrounding small towns and rural areas. Tourism is a major contributor to the local economy. Sales tax revenue peaks in the “summer season” of June to September, with July being the strongest month. Salida is a short drive from the Monarch Ski area, which draws winter visitors to the area and contributes to the local economy. However, February, which falls in the middle of the “ski season” is the slowest month for collections. Increasingly, Salida is experiencing growth in sales tax collections during the “shoulder season” defined as April-May and October-November when the weather is typically suitable for many outdoor activities that attract visitors to the area.

Year-over-year sales tax revenue increases (to include County earned sales taxes shared with the City) have been strong, averaging 11.5% over the last five years. In 2022, sales tax revenue increased 4.4% over 2021 for the combined City and County tax, and 3.5% for

the City only. This is a slowing of the trend but as the below table indicates, it's slowing over a very large increase in the year 2021 so increasing at that very high level is considered to be reasonable.



Reliable unemployment information for solely the City of Salida is unavailable, consequently Chaffee County unemployment data is utilized for monitoring purposes. Unemployment in Chaffee County ended the year at 2.5% which is comparable to the state rate of 2.8%.

Long-term financial planning and major initiatives

Unrestricted fund balance in the general fund at year end was 58.9% of total general fund operating expenses. This amount is significantly above policy guidelines set by Council for budgetary and planning purposes (25%). The strong fund balance coupled with continued growth projections provides the confidence to plan for significant projects in the future. The City has worked with a financial advisor to refine a long-term financial plan to help achieve capital goals (some wants and some needs) such as a new fire station, aquatic center hot water delivery line replacements, fire equipment replacements, a sports complex and a recreation center.

The Street fund has high priority projects planned out through 2025 with estimated annual expenditures in the long-term plan thereafter. 32% of the City-generated sales tax is allocated to this fund and can predominantly support the anticipated expenditures complemented by grants.

The City Water and Wastewater funds underwent a rate study in 2020 resulting in recommended rate increases of 2.58% for water and 8.85% for wastewater each year for the 5 subsequent years. The City has stayed on schedule in implementing these rate increases with no undue hardship felt by the community. This will go a long way toward making these funds sustainable and keeping the City's water and sewer activities operating at a high level.

Low-interest new debt financing in the amount of \$4.1 million was approved in 2021 and draws were made during 2022 to accomplish a larger than normal replacement of major water lines with full buildout expected to be completed in 2023.

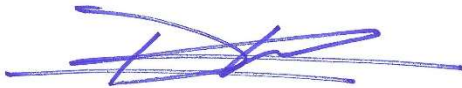
Relevant financial policies

The City of Salida has adopted a comprehensive set of financial policies. Designed to maintain fiscal health is the Fund Balance Policy which requires a minimum level of unrestricted general fund reserves to be maintained at an amount no less than 25% of general fund operating expenses. Since the City is very reliant on sales tax and sales tax has volatility, the 25% minimum level is deemed sufficient to keep the City operating effectively during economic downturns.

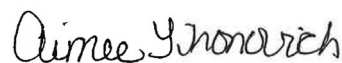
As a service organization, the City of Salida recognizes employees as the most important resource of the City. In order to maintain market pay rates, market pay studies are performed by an independent agency periodically and COLA's tied to the *Employers Cost Index* (CPI) are built into the budget. These measures have helped the City maintain a reasonable turnover level.

The preparation of this report would not have been possible without the skill, effort, support and dedication across all levels of the City. We wish to thank all government departments for their assistance in providing the data necessary to prepare this report. Credit also is due to the Mayor, Council and Treasurer for their unfailing support for maintaining the highest standards of professionalism in the management of the City of Salida's finances.

Respectfully submitted,



Drew Nelson
City Administrator



Aimee Tihonovich
Finance Director



Government Finance Officers Association

Certificate of
Achievement
for Excellence
in Financial
Reporting

Presented to

**City of Salida
Colorado**

For its Annual Comprehensive
Financial Report
For the Fiscal Year Ended

December 31, 2021

Christopher P. Morill

Executive Director/CEO

Salida Citizens

Mayor, City Council & Treasurer

Municipal Court
Judge &
Prosecutor

City
Attorney

City
Administrator

Commissions,
Committees &
Boards*

City
Clerk

General
Admin

Finance
Director

Police
Chief

Fire
Chief

Community
Development
Director

Public
Works
Director

Arts &
Culture
Director

Parks &
Recreation
Director

IT, Human
Resources,
Legal

Accounting,
Payroll, Utility
Billing

Police Officers
& Community
Service

Firefighters &
Fire Inspector

Land Use,
Land
Development

Public Works,
Streets, Water,
and Waste
Water

SteamPlant,
Scout Hut,
Riverside Park
Events, Creative
District

Recreation,
Parks, Hot
Springs Aquatic
Center

*Planning Commission, Recreation Advisory Board, Historic Preservation Commission, Tree Board, Finance Committee, Board of Adjustment

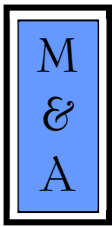
CITY OF SALIDA, COLORADO
List of Elected and Appointed Officials
as of December 31, 2022

Elected Officials

Mayor	Dan Shore
Council Member - Ward 1	Dominique Naccarato
Council Member - Ward 1	Jane Templeton
Council Member - Ward 2	Justin Critelli
Council Member - Ward 2	Mike Pollock
Council Member - Ward 3	Harald Kasper
Council Member - Ward 3	Alisa Pappenfort
Treasurer	Merrell Bergin

Appointed Officials & Staff

Municipal Court Judge	Cheryl Hardy-Moore
Municipal Prosecutor	Matthew Krob
Planning Commission Chairperson	Greg Follet
Recreation Advisory Board Chairperson	Lisa DeYoung
Historic Preservation Commission Chairperson	Keith Krebs
Tree Board President	Marilyn Moore
Board of Adjustment Chairperson	Greg Follet
City Administrator	Drew Nelson
City Attorney	Nina Williams
City Clerk	Erin Kelley
Arts & Culture Director	Michael Varnum
Community Development Director	Bill Almquist
Finance Director	Aimee Tihonovich
Fire Chief	Doug Bess
Parks & Recreation Director	Mike (Diesel) Post
Police Chief	Russ Johnson
Public Works Director	David Lady



MCMAHAN AND ASSOCIATES, L.L.C.

Certified Public Accountants and Consultants

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INDEPENDENT AUDITOR'S REPORT

**To the City Council
City of Salida, Colorado**

Report on the Audit of the Financial Statements

Opinions

We have audited the accompanying financial statements of the governmental activities, the business-type activities, and each major fund of the City of Salida, Colorado (the "City"), as of and for the year ended December 31, 2022, and the related notes to the financial statements, which collectively comprise the City's basic financial statements as listed in the table of contents.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, and each major fund of the City as of December 31, 2022, and the respective changes in financial position and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America ("U.S. GAAP").

Basis for Opinions

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

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with U.S. GAAP; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the City's ability to continue as a going concern for one year after the date that the financial statements are issued.

Member: American Institute of Certified Public Accountants

PAUL J. BACKES, CPA, CGMA
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MATTHEW D. MILLER, CPA

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INDEPENDENT AUDITOR'S REPORT
To the City Council
City of Salida, Colorado

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinions. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with U.S. GAAS 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 U.S. GAAS, we:

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

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

Required Supplementary Information

U.S. GAAP require that the Management's Discussion and Analysis in Section B, the Schedule of City's Proportionate Share of the Net Pension Liability (Asset), the Schedule of City Contributions, and the Notes to the Required Supplementary Information in Section E be presented to supplement the basic financial statements. Such information is the responsibility of management and, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with U.S. GAAS, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

The budgetary comparison information in section E is not a required part of the basic financial statements but is supplementary information required by U.S. GAAP. The budgetary comparison 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 financial statements or to the financial statements themselves, and other additional procedures in accordance with U.S. GAAS. In our opinion, the information is fairly stated in all material respects in relation to the financial statements as a whole.

INDEPENDENT AUDITOR'S REPORT
To the City Council
City of Salida, Colorado

Supplementary Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the City's basic financial statements. The individual fund budgetary information, the Local Highway Finance Report, and the Schedule of Expenditures of Federal Awards as required by *Title 2, U.S. Code of Federal Regulations, Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* included in the Single Audit Section listed in the accompanying table of contents are presented for purposes of additional analysis and are not a required part of the basic financial statements.

The individual fund budgetary information, the Local Highway Finance Report, and the Schedule of Expenditures of Federal Awards included in the Single Audit Section listed in the accompanying table of contents is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with U.S. GAAS. In our opinion, the individual fund budgetary information, the Local Highway Finance Report, and the Schedule of Expenditures of Federal Awards included in the Single Audit Section listed in the accompanying table of contents is fairly stated, in all material respects, in relation to the basic financial statements as a whole.

Other Information

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

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

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated June 21, 2023 on our consideration of the City's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the City's internal control over financial reporting and on compliance.

McMahan and Associates, L.L.C.

McMahan and Associates, L.L.C.
Avon, Colorado
June 21, 2023



CITY OF
SALIDA
COLORADO

MANAGEMENT'S DISCUSSION AND ANALYSIS



Management's Discussion and Analysis

As Management of the City of Salida, we offer readers of the City of Salida's financial statements this narrative overview and analysis of the financial activities of the City of Salida for the fiscal year ended December 31, 2022. We encourage readers to consider the information presented here in conjunction with additional information that we have furnished in our letter of transmittal, which can be found on pages i - iv of this report.

Financial Highlights

- The assets and deferred outflows of resources of the City of Salida exceeded its liabilities at the close of the most recent fiscal year by \$65,014,255 (net position). Of this amount, \$13,948,085 represents unrestricted net position, which may be used to meet the government's ongoing obligations to citizens and creditors.
- The City of Salida's total net position increased by \$2,372,327 (3.8%) despite overall revenues being down 3.2% from the year before due primarily to one-time grants received in 2021. Overall spending remained below current revenues as the city gears up for significant projects, such as a new fire station, for which construction is expected to begin in 2023.
- At the close of the current fiscal year, the City of Salida's governmental funds reported combined fund balances of \$8,592,214, a decrease of \$573,864 (6.3%) in comparison with the prior year. 91.1% of this amount (\$7,826,164) is available for spending at the government's discretion (*unassigned & committed fund balance*).
- At the end of the current fiscal year, unrestricted fund balance for the General Fund was \$6,264,941, or approximately 55.5% of total general fund expenditures.
- The City of Salida's total outstanding long-term debt increased by \$1,467,746 during the current fiscal year. The City made draws of \$2,300,705 under its 2021 Colorado Water Resources and Power Development Authority (CWRPDA) loan and paid down \$725,524 of existing CWRPDA loan and water and sewer revenue bonds.

Overview of the Financial Statements

The discussion and analysis provided here are intended to serve as an introduction to the City of Salida's basic financial statements. The City of Salida's basic financial statements consist of three components: 1) government-wide financial statements, 2) fund financial statements, and

3) the notes to the financial statements. This report also includes supplementary information intended to furnish additional detail to support the basic financial statements themselves.

Government-wide Financial Statements

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

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

The *statement of activities* presents information showing how the City of Salida's net position changed during the most recent fiscal year. All changes in net position are reported as soon as the underlying event giving rise to the change occurs, regardless of the timing of related cash flows. Thus, revenues and expenses are reported for some items that will result in cash flows in future fiscal periods (e.g., uncollected taxes and earned but unused paid time off).

Both of the government-wide financial statements distinguish functions of the City of Salida that are principally supported by taxes and intergovernmental revenues (*governmental activities*) from other functions that are intended to recover all or a significant portion of their costs through user fees and charges (*business-type activities*). The governmental activities of the City of Salida include general government, public safety, public works/streets, arts and culture, parks and recreation. The business-type activities of the City of Salida include water and wastewater services.

The government-wide financial statements can be found on pages C1 to C2 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 City of Salida, like other state and local governments, uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. All of the funds of the City of Salida can be divided into two categories: governmental and proprietary funds.

Governmental funds. Governmental funds are used to account for essentially the same functions reported as governmental activities in the government-wide financial statements. However, unlike the government-wide financial statements, governmental fund financial statements focus on *near-term inflows and outflows of spendable resources*, as well as on *balances of spendable resources* available at the end of the fiscal year. Such information may be useful in assessing a government's near-term financing requirements.

Because the focus of the governmental funds is narrower than that of the government-wide financial statements, it is useful to compare the information presented for *governmental funds*

with similar information presented for *governmental activities* in the government-wide financial statements. By doing so, readers may better understand the long-term impact of the government's near-term financing decisions. Both the governmental fund balance sheet and the governmental fund statement of revenues, expenditures, and changes in fund balances provide a reconciliation to facilitate this comparison between *governmental funds* and *governmental activities*.

The City of Salida maintains seven individual governmental funds. Information is presented separately in the governmental fund balance sheet and in the governmental fund statement of revenues, expenditures, and changes in fund balances for all seven funds (the General Fund, the Street Fund, the Capital Improvement Fund, the Economic Development Fund, the Lodging Tax Fund, the Conservation Trust Fund and the Housing Fund).

The basic governmental fund financial statements can be found on pages C3 to C6 of this report.

Proprietary Funds. The City of Salida maintains two proprietary funds, both are *enterprise funds*. Enterprise funds are used to report the same functions presented as *business-type activities* in the government-wide financial statements. The City of Salida uses enterprise funds to account for its water and wastewater operations.

Proprietary funds provide the same type of information as the government-wide financial statements, only in more detail.

The basic proprietary fund financial statements can be found on pages C7 to C9 of this report.

Notes to the Financial Statements

The notes provide additional information that is necessary to acquire 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 D1 to D31 of this report.

Other Information

The City of Salida adopts an annual appropriated budget for its general fund and all other funds. A budgetary comparison statement for the governmental funds is provided in the *required supplementary information* section. The City of Salida also presents *required supplementary information* concerning the City of Salida's progress in funding its obligation to provide pension benefits to its fire and police employees. The required supplementary information can be found on pages E1 to E15.

Finally, budget comparison statements for proprietary funds are presented in the *supplementary information* section as well as the Local Highway Finance Report filed with the State of Colorado. This supplemental information can be found on pages F1 to F7 of this report.

Government-wide Overall Financial Analysis

As noted earlier, net position over time may serve as a useful indicator of a government's financial position. In the case of the City of Salida, assets and deferred outflows of resources exceeded liabilities by \$65,014,255.

City of Salida's Net Position

	<u>Governmental Activities</u>		<u>Business-type activities</u>		<u>Total</u>	
	<u>2022</u>	<u>2021</u>	<u>2022</u>	<u>2021</u>	<u>2022</u>	<u>2021</u>
Current and other assets	\$ 11,559,133	\$ 10,814,871	\$ 9,225,227	\$ 8,349,669	\$ 20,784,360	\$ 19,164,540
Capital Assets	31,562,403	29,629,169	30,711,109	29,714,331	62,273,512	59,343,500
Total Assets	43,121,536	40,444,040	39,936,336	38,064,000	83,057,872	78,508,040
Total Deferred outflows of resources	1,030,521	1,075,360	-	-	1,030,521	1,075,360
Long-term liabilities	1,911,763	2,395,938	13,955,383	12,251,756	15,867,146	14,647,694
Other liabilities	1,433,244	1,099,291	432,720	496,022	1,865,964	1,595,313
Total liabilities	3,345,007	3,495,229	14,388,103	12,747,778	17,733,110	16,243,007
Total Deferred inflows of resources	1,341,028	698,465	-	-	1,341,028	698,465
Net position:						
Net investment in capital assets	30,844,978	28,835,011	18,089,406	18,727,404	48,934,384	47,562,415
Restricted	2,131,786	1,342,549	-	-	2,131,786	1,342,549
Unrestricted	6,489,258	7,148,146	7,458,827	6,588,818	13,948,085	13,736,964
Total net position	\$ 39,466,022	\$ 37,325,706	\$ 25,548,233	\$ 25,316,222	\$ 65,014,255	\$ 62,641,928

Current and other assets increased in governmental activities by \$744,262 from the prior year due primarily to an increase in net pension assets as contributions and investment returns exceeded actuarial assumptions for the year.

Other liabilities in governmental activities increased by \$333,953 primarily due to having more accounts payable and retainage payable at year end. Fluctuations in these accounts vary depending on the billing cycle of the City and the City's vendors.

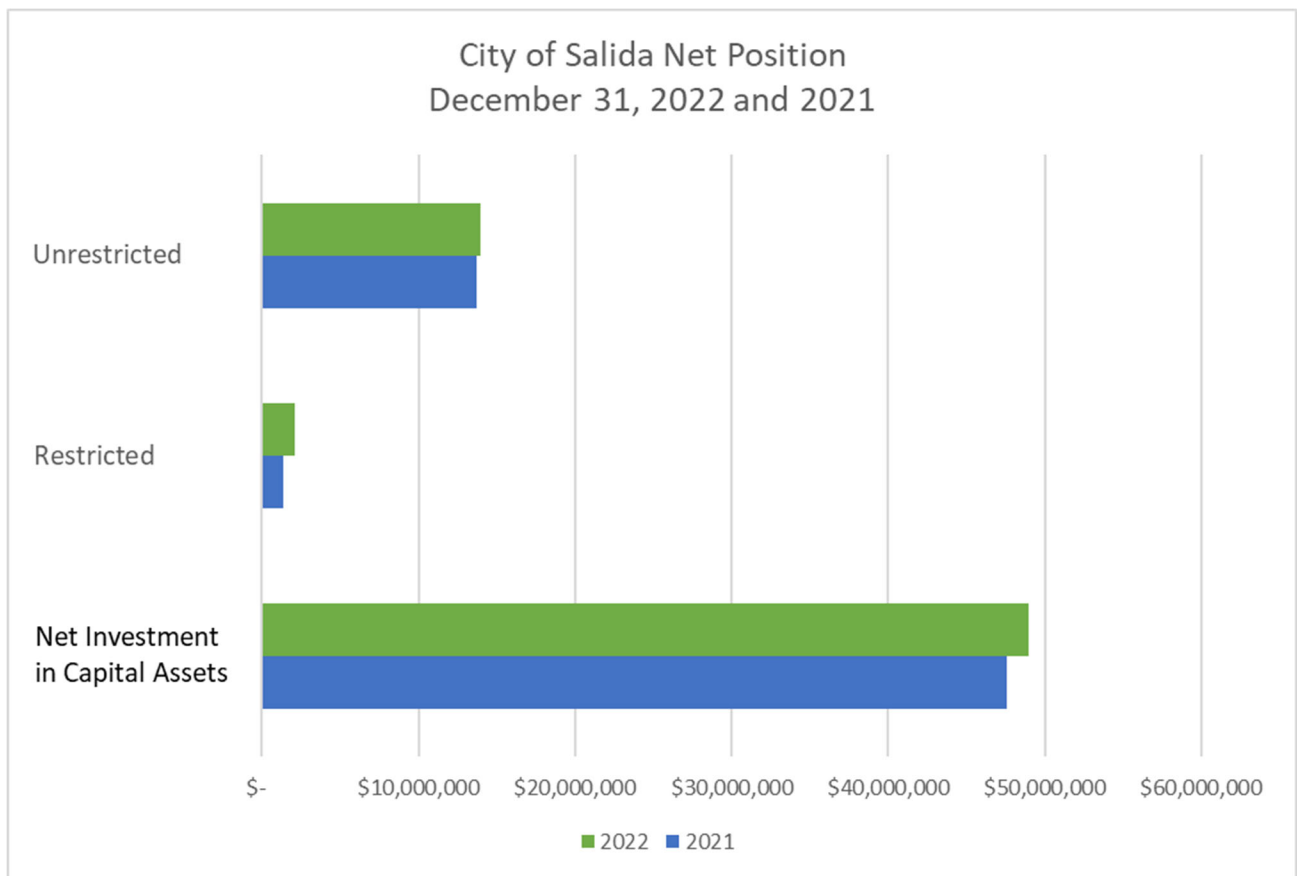
Long-term liabilities, which consist of bonds, notes, leases, accrued compensated absences and pension liability increased by \$1,219,452 (8.3%) from the previous year for governmental and business-type activities combined due to the issuance of new debt for a water infrastructure project exceeding principal payments made throughout the year.

By far, the largest portion of the City of Salida's net position (75.3%) reflects its investment in capital assets (e.g., land, buildings, machinery, equipment, vehicles, and infrastructure), less any related outstanding debt that was used to acquire those assets. The City of Salida uses these capital assets to provide a variety of services to its citizens. Accordingly, these assets are not available for future spending. Although the City of Salida's investment in capital assets is

reported net of related debt, it should be noted that the resources used to repay this debt must be provided from other sources, since the capital assets themselves cannot be used to liquidate these liabilities.

An additional portion of the City of Salida’s net position, \$2,131,786 (3.3%) represents resources that are subject to external restrictions on how they may be used. The remaining balance of \$13,948,085 is unrestricted and may be used to meet the government’s ongoing obligations to its citizens and creditors.

At the end of the current fiscal year, the City of Salida is able to report positive balances in all reported categories of net position, both for the government as a whole, as well as for its separate governmental and business-type activities. The same situation held true for the prior fiscal year.



The City of Salida’s overall net position increased by \$2,372,327 from the prior fiscal year. The reasons for this overall increase are discussed in the following sections for governmental activities and business-type activities.

City of Salida's Changes in Net Position

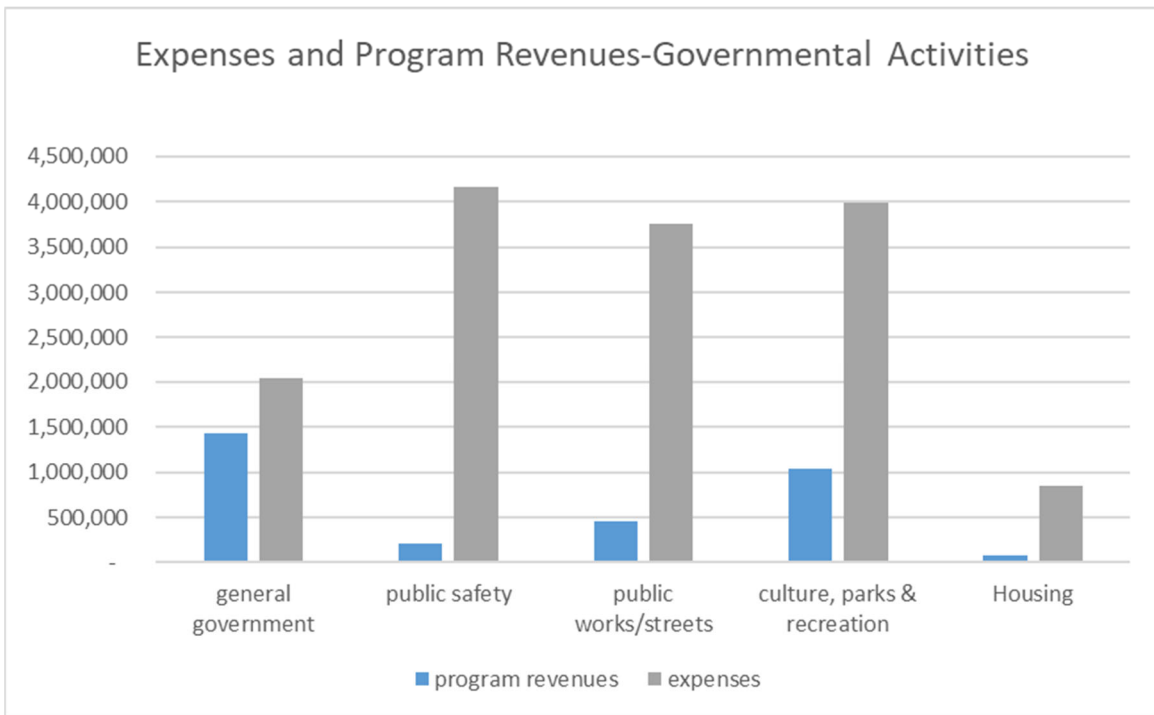
	<u>Governmental Activities</u>		<u>Business-type activities</u>		<u>Total</u>	
	<u>2022</u>	<u>2021</u>	<u>2022</u>	<u>2021</u>	<u>2022</u>	<u>2021</u>
Revenues:						
Program revenues						
Charges for service	\$ 1,598,420	\$ 1,091,395	\$ 3,819,883	\$ 3,565,031	\$ 5,418,303	\$ 4,656,426
Operating grants and contributions	1,526,503	1,651,206	-		1,526,503	1,651,206
Capital grants and contributions	92,500	400,902	1,318,757	2,616,685	1,411,257	3,017,587
General revenues:						
Taxes	13,834,305	13,221,295	-		13,834,305	13,221,295
Unrestricted investment earnings (net market loss)	(209,573)	(17,573)	(215,361)	(20,906)	(424,934)	(38,479)
Other	126,159	300,283	-	600	126,159	300,883
Total revenues	16,968,314	16,647,508	4,923,279	6,161,410	21,891,593	22,808,918
Expenses:						
General government	2,045,463	2,270,818			2,045,463	2,270,818
Public safety	4,168,154	4,371,506			4,168,154	4,371,506
Public works/streets	3,755,062	2,591,055			3,755,062	2,591,055
Culture, parks and recreation	3,982,076	3,336,151			3,982,076	3,336,151
Housing	848,903	1,029,125			848,903	1,029,125
Interest on long term debt	28,340	34,966			28,340	34,966
Water			1,925,790	1,946,386	1,925,790	1,946,386
Sewer			2,765,478	2,947,512	2,765,478	2,947,512
Total expenses	14,827,998	13,633,621	4,691,268	4,893,898	19,519,266	18,527,519
Increase (decrease) in net position before transfers	2,140,316	3,013,887	232,011	1,267,512	2,372,327	4,281,399
Transfers	-	-	-	-	-	-
Increase (decrease) in net position	2,140,316	3,013,887	232,011	1,267,512	2,372,327	4,281,399
Net position-beginning	37,325,706	34,311,819	25,316,222	24,048,710	62,641,928	58,360,529
Net position-ending	\$ 39,466,022	\$ 37,325,706	\$ 25,548,233	\$ 25,316,222	\$ 65,014,255	\$ 62,641,928

Governmental Activities. During the current fiscal year, net position for governmental activities increased \$2,140,316 from the prior fiscal year for an ending balance of \$39,466,022. This increase can be attributed to a continuation of strong revenue trends related to increased tourism and overall growth in the city, which are outpacing the spending trend.

Revenue growth in taxes and charges for service more than offset declines in grant and other revenues resulting in a net increase of \$320,806 from the prior year. Taxes (primarily sales and lodging) remain the largest source of revenue at \$13,834,305 for the year.

Expenses grew during the current year, increasing from \$13,633,621 in the prior year to \$14,827,998 in the current year, an increase of \$1,194,377. In 2022, market pay adjustments were made in response to escalating labor costs locally and nationwide resulting in a 9% overall increase in wages. Spending on street maintenance and planning for future projects were also significantly higher in 2022.

As shown in the chart below, direct revenues generated by the City of Salida’s programs are not sufficient to cover the costs of these programs. The City of Salida relies on sales tax, lodging tax, and other general revenues to cover the costs associated with various programs.



Business-type Activities. For the City of Salida’s business-type activities, net position increased to an ending balance of \$25,548,233. The total increase in net position for business-type activities (water and wastewater) was \$232,011 from the prior fiscal year and can primarily be explained by lower infrastructure maintenance spending needs in 2022.

Financial Analysis of Governmental Funds

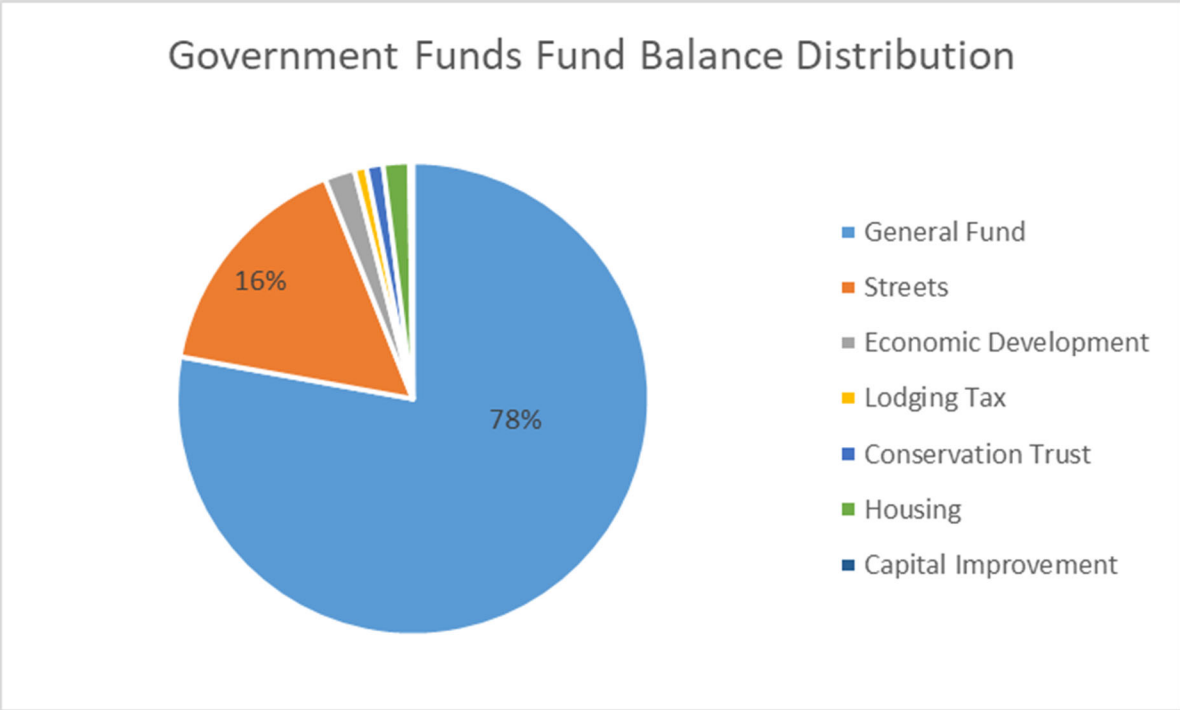
As noted earlier, the City of Salida uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements.

Governmental Funds. The focus of the City of Salida’s governmental funds is to provide information on near-term inflows, outflows, and balances of spendable resources. Such information is useful in assessing the City of Salida’s financing requirements. In particular,

unassigned fund balance may serve as a useful measure of a government’s net resources available for discretionary use as it represents the portion of fund balance which has not yet been limited to use for a particular purpose by either an external party, the City of Salida itself, or a group or individual that has been delegated authority to assign resources for use for particular purposes by the Salida City Council.

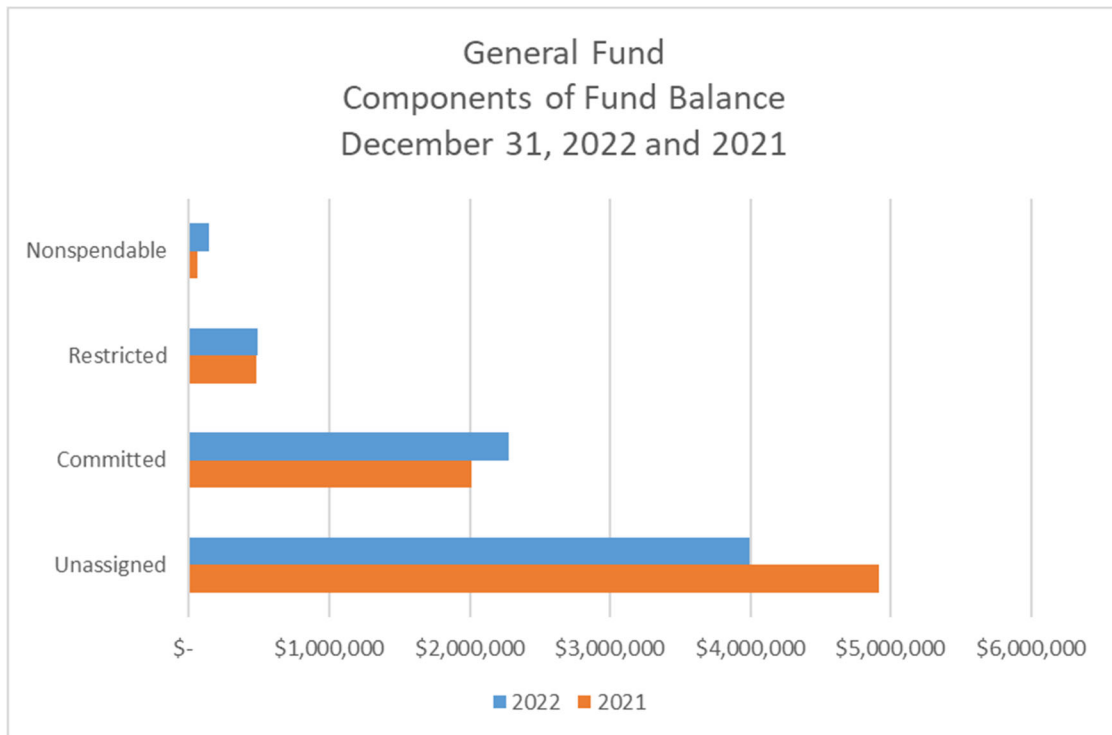
At December 31, 2022, the City of Salida’s governmental funds reported combined fund balances of \$8,592,214, a decrease of \$573,864 in comparison with the prior year. Of this amount, \$7,826,164, or 91.1% constitutes *unassigned and committed fund balance*, which is available for spending at the government’s discretion. The remainder of the fund balance is either *nonspendable or restricted* to indicate that it is 1) not in spendable form (\$167,939), 2) legally required to be maintained intact (\$486,000), or 3) restricted for particular purposes (\$112,111).

There are seven funds within the *governmental* funds presentation. The City considers all of its governmental funds to be *major* as various readers of financial reports have a diverse set of interests and prefer to see details of each fund. The distribution of the \$8,592,214 fund balance is as shown in the following pie chart.



Analysis of Individual Funds

The general fund is the chief operating fund of the City of Salida. At the end of the current fiscal year, unassigned and committed fund balance of the general fund was \$6,264,941, while total fund balance increased to \$6,890,858. As a measure of the general fund’s liquidity, it may be useful to compare both unrestricted (combination of unassigned and committed) fund balance and total fund balance to total general fund expenditures. Unrestricted fund balance represents approximately 55.5% percent of total general fund expenditures, while total fund balance represents approximately 61.0% of that same amount.



The fund balance of the general fund decreased by \$575,624 during the current fiscal year. The decrease was the result of planned one-time capital spending for design and land purchases for a new fire station to begin construction in 2023, and to purchase condemned property that will be used for affordable housing.

The Street Fund had a \$152,264 increase in fund balance during the current fiscal year which put the overall fund balance to \$1,190,013. The primary revenue source for the Street Fund is an allocation of the local sales tax.

The Economic Development Fund is also primarily funded with an allocation of sales tax revenues and ended 2022 with a fund balance of \$201,846, an increase of \$26,758.

The Lodging Tax Fund accounts for the lodging tax revenues earned. These revenues are utilized to support the operations of the aquatic center and the SteamPlant event center and thus are transferred into the general fund where these activities are recorded. The fund balance at year-end is typically zero as a result of this transfer.

The Conservation Trust Fund accounts for the City’s share of state restricted lottery fund dollars. The fund balance at year end (all restricted) is \$112,111, a decrease of \$200,933. These funds were utilized for a new splashpad water feature at Centennial Park.

Finally, the Housing Fund is primarily funded with inclusionary housing fees. In 2022, federal American Rescue Plan Act (ARPA) funds assisted with important affordable housing projects. As a result of this, the Housing Fund balance increased by \$59,214 bringing the ending fund balance to \$176,825.

Proprietary Funds. The City of Salida’s proprietary funds Statement of Net Position on page C7 provides the same type of information found in the government-wide financial statements, but in more detail.

Unrestricted net position of the Water Fund at the end of 2022 was \$5,675,626, while the unrestricted net position of the Wastewater Fund at the end of 2022 was \$1,783,201. The total growth (decline) in net position for the Water and Wastewater funds was \$508,427 and (\$276,416), respectively. Infrastructure maintenance projects performed in 2022 were fairly routine in nature and the change in net position was at an anticipated level with the Wastewater Fund running a slight deficit which was covered by reserves within the Wastewater Fund.

General Fund Budgetary Highlights

Original budget compared to final budget. During the year, the general fund budget was amended once in order to accommodate changes in the spending plan for items that came up during the year. The most significant change was related to timing for starting the design work for the new fire station. This design work was in the long-term plan but was moved up to begin in 2022.

Final budget compared to actual results. The most significant differences between budgeted revenues and actual revenues in the General Fund were as follows:

Revenue source	Final Budget	Actual revenues	Difference
Sales Tax - County shared	3,199,644	3,429,551	\$ 229,907
Federal Grants	764,354	918,874	\$ 154,520
Investment Earnings (Loss)	95,000	(216,458)	\$ (311,458)

Sales tax revenue shared with the City by Chaffee County came in higher than anticipated as tourism remains heavy in the area, the County saw more growth in 2022 than the City.

The Federal Grants line-item accounts for the City’s portion of federal ARPA funds received in 2022 and also includes a rollover from the 2021 payment which was held in deferred revenue at 2021 year-end.

Investment earnings include an unanticipated unrealized market loss on investments which the City will not realize unless investments are sold prior to maturity, which is not anticipated.

Capital Assets and Debt Administration

Capital assets. The City of Salida’s capital assets for its governmental and business-type activities as of December 31, 2022, amount to \$62,273,512 (net of accumulated depreciation/amortization). Capital assets include land, water rights, buildings, park land and improvements, water and wastewater lines, infrastructure, and software and other intangibles. The total increase in net capital assets for the current fiscal year was 4.9%.

City of Salida's Capital Assets (net of depreciation/amortization)

	Governmental activities		Business-type activities		Total	
	2022	2021	2022	2021	2022	2021
Land	\$ 6,329,625	\$ 5,028,214	\$ 89,435	\$ 89,435	\$ 6,419,060	\$ 5,117,649
Water rights			1,391,521	1,391,521	1,391,521	1,391,521
Construction in progress	1,707,724	236,483	2,172,746	1,364,740	3,880,470	1,601,223
Buildings	6,630,811	7,117,376			6,630,811	7,117,376
Park land and improvements	4,040,704	3,661,963	330,030	369,823	4,370,734	4,031,786
Lines			10,148,059	8,865,454	10,148,059	8,865,454
Structures			8,555,025	9,013,401	8,555,025	9,013,401
Equipment & Vehicles	1,673,276	1,632,146	8,024,293	8,619,957	9,697,569	10,252,103
Infrastructure	11,177,474	11,948,626			11,177,474	11,948,626
Software and other intangibles	2,789	4,361			2,789	4,361
	<u>\$ 31,562,403</u>	<u>\$ 29,629,169</u>	<u>\$ 30,711,109</u>	<u>\$ 29,714,331</u>	<u>\$ 62,273,512</u>	<u>\$ 59,343,500</u>

Major capital asset events during the current fiscal year included the following:

- Street reconstruction work on 10th and 12 streets between D and J streets was completed for a cost of \$1,196,757.
- Significant progress was made on the Pasquale water spring improvement project for a cost of \$1,093,422. This project will be completed in 2023.
- A debilitated apartment building and related land was purchased by means of eminent domain. The building will be razed in 2023 and affordable housing development is planned for the property. The cost of the property was \$647,648.
- Land necessary for a future home for a new fire station was purchased for a cost of \$476,646. A neighboring lot was purchased late in 2021 for this purpose, as well.

- A splashpad water feature was constructed at Centennial Park for a cost of \$334,101.

Long-term Debt. At the end of the current fiscal year, the City of Salida had total debt outstanding of \$14,390,622. Of this amount, \$2,792,704 are notes payable, \$10,759,050 are revenue bonds and \$838,868 are capital debt.

City of Salida's Outstanding Debt

	<u>Governmental activities</u>		<u>Business-type activities</u>		<u>Total</u>	
	<u>2022</u>	<u>2021</u>	<u>2022</u>	<u>2021</u>	<u>2022</u>	<u>2021</u>
Notes payable	\$ -	\$ -	\$ 2,792,704	\$ 647,628	\$ 2,792,704	\$ 647,628
Revenue bonds	-	-	10,759,050	11,125,337	10,759,050	11,125,337
Capital debt	517,232	754,292	321,636	395,619	838,868	1,149,911
	<u>\$ 517,232</u>	<u>\$ 754,292</u>	<u>\$ 13,873,390</u>	<u>\$ 12,168,584</u>	<u>\$ 14,390,622</u>	<u>\$ 12,922,876</u>

The City of Salida’s total debt increased by \$1,467,746 (11.4%) as the City had \$2,300,705 in 2022 draws on a note entered into in 2021 to pay for the cost of replacing an existing water transmission main and improvements at the Pasquale Springs site. This new debt was higher than principal payments made on existing debt.

Additional information on the City of Salida’s long-term debt can be found beginning on page D16 in the Notes to the Financial Statements of this report.

Economic Factors and Next Year’s Budget and Rates

The following economic factors currently affect the City of Salida and were considered in developing the 2023 fiscal year budget.

- The City has seen year-over-year sales tax revenue increases for at least the last ten years. Annual increases average 9.6% with the increase of 2022 over 2021 being 3.5%. The 2023 sales tax budget was set using a 2% increase which is considered to be conservative.
- A utility rate study was performed in 2020 which calls for an annual increase of 2.58% for water usage fees and 8.85% for wastewater usage fees, which is necessary for properly maintaining this important infrastructure. These increases were built into the 2023 budget.
- According to Zillow.com, average home values in Salida are \$655,612, up 8.4% from the previous year and 49% higher than the national average. Affordable housing has become a top priority for the City.
- The most recent U.S. Census Bureau population estimate for Salida is for 2021 and is 5,812, a 2.6% increase over 2020. There are not reliable statistics to show the growth in 2022 but there is every indication that there has been a significant increase in population during this time.
- The City plans to begin construction on a new fire station to replace the existing 124 year old building. This is a significant project for the City estimated to cost \$15 million

and will take careful consideration to ensure sustainability into the future. Certificates of Participation are planned to be utilized as the financing mechanism for this project.

At the end of the current fiscal year, the unassigned fund balance in the general fund was \$3,988,551. The City of Salida has appropriated \$2,524,823 of this amount for spending in the 2023 fiscal year budget for the purpose of investing in some community projects that will ensure our infrastructure is healthy, continuing to provide citizens with an excellent quality of life, and to attract tourists, which are the driving forces that provide revenue for the City. In committed fund balance reserves for the general fund, the City has \$2,276,390 committed to hold as the city's operating reserves which represents 25% of previous year's general fund operating expenses.

Request for Information

This financial report is designed to provide a general overview of the City of Salida's finances for all those with an interest in the government's finances. Questions concerning any of the information provided in this report or requests for additional information should be addressed to Aimee.Tihonovich@CityofSalida.com.



CITY OF
SALIDA
COLORADO

GOVERNMENT-WIDE FINANCIAL STATEMENTS

CITY OF SALIDA, COLORADO
Statement of Net Position
December 31, 2022

	Governmental Activities	Business-type Activities	Total
Assets:			
Cash and investments	7,417,133	6,214,107	13,631,240
Restricted cash	-	1,306,358	1,306,358
Receivables (net of allowance)	2,440,386	1,636,828	4,077,214
Prepays	167,939	67,934	235,873
Net pension asset	1,533,675	-	1,533,675
Capital assets not being depreciated	8,037,349	3,653,702	11,691,051
Capital assets being depreciated, net of accumulated depreciation	23,525,054	27,057,407	50,582,461
Total Assets	43,121,536	39,936,336	83,057,872
Deferred Outflows of Resources:			
Deferred outflows related to pensions	1,030,521	-	1,030,521
Total Deferred Outflows of Resources	1,030,521	-	1,030,521
Liabilities:			
Accounts payable and other current liabilities	843,327	264,608	1,107,935
Retainage payable	200,193	54,671	254,864
Interest payable	-	79,441	79,441
Unearned revenue	389,724	34,000	423,724
Noncurrent liabilities:			
Due within one year			
Accrued compensated absences	130,481	27,331	157,812
Loans, leases and bonds payable	202,363	693,744	896,107
Due in more than one year			
Accrued compensated absences	260,962	54,662	315,624
Loans, leases and bonds payable	314,869	13,179,646	13,494,515
Net pension liability	1,003,088	-	1,003,088
Total Liabilities	3,345,007	14,388,103	17,733,110
Deferred Inflows of Resources:			
Deferred inflows related to pensions:	1,341,028	-	1,341,028
Total Deferred Inflows of Resources	1,341,028	-	1,341,028
Net Position:			
Net investment in capital assets	30,844,978	18,089,406	48,934,384
Restricted for:			
Emergencies	486,000	-	486,000
Parks and recreation	112,111	-	112,111
Pensions	1,533,675	-	1,533,675
Unrestricted	6,489,258	7,458,827	13,948,085
Total Net Position	39,466,022	25,548,233	65,014,255

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

CITY OF SALIDA, COLORADO
Statement of Activities
For the Year Ended December 31, 2022

Functions/Programs	Expenses	Program Revenues			Net (Expense) Revenue and Change in Net Assets		
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Governmental Activities	Business-type Activities	Total
Governmental activities:							
General government	2,045,463	304,071	1,033,866	92,500	(615,026)	-	(615,026)
Public safety	4,168,154	200,968	12,436	-	(3,954,750)	-	(3,954,750)
Public works/Streets	3,755,062	19,929	444,201	-	(3,290,932)	-	(3,290,932)
Culture, parks and recreation	3,982,076	998,797	36,000	-	(2,947,279)	-	(2,947,279)
Housing	848,903	74,655	-	-	(774,248)	-	(774,248)
Interest on long-term debt	28,340	-	-	-	(28,340)	-	(28,340)
Total governmental activities	14,827,998	1,598,420	1,526,503	92,500	(11,610,575)	-	(11,610,575)
Business-type activities:							
Water	1,925,790	1,958,620	-	616,284	-	649,114	649,114
Wastewater	2,765,478	1,861,263	-	702,473	-	(201,742)	(201,742)
Total business-type activities	4,691,268	3,819,883	-	1,318,757	-	447,372	447,372
Total Primary Government	19,519,266	5,418,303	1,526,503	1,411,257	(11,610,575)	447,372	(11,163,203)
General revenues:							
Taxes:							
Sales taxes					9,513,748	-	9,513,748
Sales taxes - County					3,429,551	-	3,429,551
Franchise taxes					433,799	-	433,799
Occupation taxes					457,207	-	457,207
Unrestricted investment earnings					(209,573)	(215,361)	(424,934)
Miscellaneous					126,159	-	126,159
Total general revenues, special items, and transfers					13,750,891	(215,361)	13,535,530
Change in Net Position					2,140,316	232,011	2,372,327
Net position - beginning					37,325,706	25,316,222	62,641,928
Net position - ending					39,466,022	25,548,233	65,014,255

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



CITY OF
SALIDA
COLORADO

FUND FINANCIAL STATEMENTS

CITY OF SALIDA, COLORADO
Balance Sheet
Governmental Funds
December 31, 2022

	<u>General Fund</u>	<u>Street Fund</u>	<u>Economic Development Fund</u>	<u>Lodging Tax Fund</u>	<u>Conservation Trust Fund</u>	<u>Housing Fund</u>	<u>Capital Improvement Fund</u>	<u>Total Governmental Funds</u>
Assets								
Cash and cash equivalents	5,137,214	1,562,289	174,333	-	111,194	177,540	254,563	7,417,133
Receivables, net:								
Taxes receivable	2,194,248	19,794	-	82,711	-	-	-	2,296,753
Accounts receivable	29,182	-	-	-	917	-	-	30,099
Intergovernmental	72,034	-	-	-	-	-	41,500	113,534
Due from other funds	82,711	-	-	-	-	-	-	82,711
Prepaid items	139,917	509	27,513	-	-	-	-	167,939
Total Assets	<u>7,655,306</u>	<u>1,582,592</u>	<u>201,846</u>	<u>82,711</u>	<u>112,111</u>	<u>177,540</u>	<u>296,063</u>	<u>10,108,169</u>
Liabilities:								
Accounts payable	219,529	232,235	-	-	-	715	222,603	675,082
Retainage payable	-	147,294	-	-	-	-	52,899	200,193
Due to other funds	-	-	-	82,711	-	-	-	82,711
Accrued wages and benefits	85,981	6,050	-	-	-	-	-	92,031
Accrued liabilities	23,592	-	-	-	-	-	-	23,592
Customer deposits	52,622	-	-	-	-	-	-	52,622
Unearned revenue	382,724	7,000	-	-	-	-	-	389,724
Total Liabilities	<u>764,448</u>	<u>392,579</u>	<u>-</u>	<u>82,711</u>	<u>-</u>	<u>715</u>	<u>275,502</u>	<u>1,515,955</u>
Fund Balances								
Nonspendable	139,917	509	27,513	-	-	-	-	167,939
Restricted for:								
Parks and recreation	-	-	-	-	112,111	-	-	112,111
Emergencies	486,000	-	-	-	-	-	-	486,000
Committed to:								
Operating reserve	2,276,390	173,117	35,045	-	-	-	-	2,484,552
Capital outlay	-	-	-	-	-	-	20,561	20,561
Public works	-	1,016,387	-	-	-	-	-	1,016,387
Community and economic development	-	-	139,288	-	-	-	-	139,288
Affordable housing	-	-	-	-	-	176,825	-	176,825
Unassigned	3,988,551	-	-	-	-	-	-	3,988,551
Total Fund Balances	<u>6,890,858</u>	<u>1,190,013</u>	<u>201,846</u>	<u>-</u>	<u>112,111</u>	<u>176,825</u>	<u>20,561</u>	<u>8,592,214</u>
Total liabilities and fund balances	<u>7,655,306</u>	<u>1,582,592</u>	<u>201,846</u>	<u>82,711</u>	<u>112,111</u>	<u>177,540</u>	<u>296,063</u>	<u>10,108,169</u>

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

CITY OF SALIDA, COLORADO
Reconciliation of the Balance Sheet of Governmental Funds
to the Statement of Net Position
December 31, 2022

Total fund balances - governmental funds		8,592,214
Amounts reported for governmental activities in the statement of net position are different because:		
Capital assets used in governmental activities are not financial resources and therefore, are not reported in the funds.		
Governmental capital assets	54,944,860	
Accumulated depreciation	<u>(23,382,457)</u>	
		31,562,403
Long-term liabilities, are not due and payable in the current period and therefore are not reported in the funds.		
Notes payable	(517,232)	
Net pension liability	(1,003,088)	
Compensated absences	<u>(391,443)</u>	
		(1,911,763)
Deferred outflows and inflows of resources related to pensions and net pension assets are applicable to future reporting periods and therefore are not reported in the funds.		
Deferred outflows of resources	1,030,521	
Deferred inflows of resources	(1,341,028)	
Net pension asset	<u>1,533,675</u>	
		1,223,168
Total net position - governmental activities		<u><u>39,466,022</u></u>

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

CITY OF SALIDA, COLORADO
Statement of Revenues, Expenditures, and Changes in
Fund Balances - Governmental Funds
For the Year Ended December 31, 2022

REVENUES	General Fund	Street Fund	Economic Development Fund	Lodging Tax Fund	Conservation Trust Fund	Housing Fund	Capital Improvement Fund	Total Governmental Funds
Taxes	9,381,324	3,044,400	190,275	457,207	-	-	761,100	13,834,306
Intergovernmental	1,308,593	294,614	-	-	72,682	-	41,500	1,717,389
Charges for services	1,189,741	-	-	-	-	74,655	-	1,264,396
Fines and forfeitures	37,619	-	-	-	-	-	-	37,619
Interest revenue	(216,458)	-	-	-	6,885	-	-	(209,573)
Insurance proceeds	21,159	-	-	-	-	-	-	21,159
Other revenues	226,697	-	-	-	-	-	51,000	277,697
Total Revenues	11,948,675	3,339,014	190,275	457,207	79,567	74,655	853,600	16,942,993
EXPENDITURES								
Current:								
General government	2,191,628	-	130,392	-	-	-	-	2,322,020
Public safety	4,393,346	-	-	-	-	-	-	4,393,346
Public works/streets	774,351	1,304,686	-	-	-	-	-	2,079,037
Culture, parks and recreation	3,271,297	-	-	-	500	-	-	3,271,797
Housing	-	-	-	-	-	967,440	-	967,440
Capital outlay	425,932	1,882,064	-	-	-	-	1,935,143	4,243,139
Debt service:								
Principal	211,738	-	-	-	-	-	-	211,738
Interest and fiscal charges	28,340	-	-	-	-	-	-	28,340
Total Expenditures	11,296,632	3,186,750	130,392	-	500	967,440	1,935,143	17,516,857
Excess of Revenues Over (Under) Expenditures	652,043	152,264	59,883	457,207	79,067	(892,785)	(1,081,543)	(573,864)
Other Financing Sources (Uses):								
Transfers in	457,207	-	-	-	-	951,999	1,046,000	2,455,206
Transfers out	(1,684,874)	-	(33,125)	(457,207)	(280,000)	-	-	(2,455,206)
Total Other Financing Sources (Uses)	(1,227,667)	-	(33,125)	(457,207)	(280,000)	951,999	1,046,000	-
Net change in fund balances	(575,624)	152,264	26,758	-	(200,933)	59,214	(35,543)	(573,864)
Fund balances, beginning of year	7,466,482	1,037,749	175,088	-	313,044	117,611	56,104	9,166,078
Fund balances, end of year	6,890,858	1,190,013	201,846	-	112,111	176,825	20,561	8,592,214

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

CITY OF SALIDA, COLORADO
Reconciliation of the Statement of Revenues, Expenditures
and Changes in Fund Balances of Governmental Funds
For the Year Ended December 31, 2022

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

Net change in fund balances - total governmental funds		(573,864)
<p>Governmental funds report capital outlays as expenditures. However, in the Statement of Activities, the costs of those assets is allocated over their estimated useful lives and reported as depreciation expense. This is the difference between depreciation expense and capital outlays in the current period.</p>		
Capital outlay	4,152,626	
Depreciation expense	(2,064,542)	2,088,084
<p>Governmental funds report the loss from the sale of capital assets as an expense. However, in the Statement of Activities, the loss on the sale of capital assets is reported net of its net book value.</p>		
		(154,847)
<p>Repayment of long term debt principal is an expenditure in the governmental funds, but the repayment reduces long-term liabilities in the Statement of Net Position.</p>		
		237,061
<p>Pension contributions are reported as expenditures in the governmental funds when made. However, they are reported as deferred outflows of resources in the Statement of Net Position because the net pension liability is measured a year before the City's report date. Pension expense, which is the change in the net pension liability adjusted for changes in deferred outflows and inflows of resources related to pensions, is reported in the Statement of Activities.</p>		
Pension (expense) revenue - Old Hires	299,429	
Pension (expense) revenue - SWDB	276,176	575,605
<p>Compensated absences expenses reported in the Statement of Activities do not require the use of current financial resources and therefore are not reported as expenditures in governmental funds.</p>		
		(31,723)
Change in net position of governmental activities		2,140,316

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

CITY OF SALIDA, COLORADO
Statement of Net Position
Proprietary Funds
December 31, 2022

	<u>Water</u>	<u>Wastewater</u>	<u>Combined Total</u>
Assets			
Current assets:			
Cash	4,591,684	1,622,423	6,214,107
Restricted cash	-	1,306,358	1,306,358
Receivables (net of allowance)	1,183,022	317,312	1,500,334
Due from other governments	136,494	-	136,494
Prepays	43,037	24,897	67,934
Total current assets	<u>5,954,237</u>	<u>3,270,990</u>	<u>9,225,227</u>
Capital assets:			
Land	49,772	39,663	89,435
Water rights	1,391,521	-	1,391,521
Construction in progress	1,461,813	710,933	2,172,746
Plant and equipment	19,883,969	27,965,219	47,849,188
Accumulated depreciation	(8,817,508)	(11,974,273)	(20,791,781)
Total capital assets	<u>13,969,567</u>	<u>16,741,542</u>	<u>30,711,109</u>
Total Assets	<u>19,923,804</u>	<u>20,012,532</u>	<u>39,936,336</u>
Liabilities			
Current liabilities:			
Accounts payable	208,098	37,711	245,809
Accrued wages and benefits	9,406	9,393	18,799
Retainage payable	54,671	-	54,671
Interest payable	12,127	67,314	79,441
Unearned revenue	-	34,000	34,000
Accrued compensated absences - current	16,327	11,004	27,331
Loans, notes and bonds payable - current	385,332	308,412	693,744
Total current liabilities	<u>685,961</u>	<u>467,834</u>	<u>1,153,795</u>
Noncurrent liabilities:			
Accrued compensated absences	32,653	22,009	54,662
Loans, leases and bonds payable	3,167,372	10,012,274	13,179,646
Total noncurrent liabilities	<u>3,200,025</u>	<u>10,034,283</u>	<u>13,234,308</u>
Total liabilities	<u>3,885,986</u>	<u>10,502,117</u>	<u>14,388,103</u>
Net Position			
Net investment in capital assets	10,362,192	7,727,214	18,089,406
Unrestricted	5,675,626	1,783,201	7,458,827
Total net position	<u>16,037,818</u>	<u>9,510,415</u>	<u>25,548,233</u>

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

CITY OF SALIDA, COLORADO
Statement of Revenues, Expenses and Changes in Fund Net Position
Proprietary Funds
For the Year Ended December 31, 2022

	<u>Water</u>	<u>Wastewater</u>	<u>Combined Total</u>
Operating Revenues			
Charges for services	1,958,485	1,732,388	3,690,873
Other revenues	135	128,875	129,010
Total operating revenues	<u>1,958,620</u>	<u>1,861,263</u>	<u>3,819,883</u>
Operating Expenses			
Administrative	183,466	160,236	343,702
Operations	712,967	957,315	1,670,282
Public Works	427,063	436,465	863,528
Depreciation	511,846	943,338	1,455,184
Total operating expenses	<u>1,835,342</u>	<u>2,497,354</u>	<u>4,332,696</u>
Operating Income (loss)	<u>123,278</u>	<u>(636,091)</u>	<u>(512,813)</u>
Non-Operating Revenues (Expenses)			
Investment earnings (loss)	(140,687)	(74,674)	(215,361)
Interest expense and fiscal charges	(69,405)	(268,124)	(337,529)
Total non-operating revenue (expenses)	<u>(210,092)</u>	<u>(342,798)</u>	<u>(552,890)</u>
Income (loss) before contributions and transfers	(86,814)	(978,889)	(1,065,703)
Capital Contributions, Grants and Transfers:			
Development fees and other capital revenue	464,943	702,473	1,167,416
Capital grants	151,341	-	151,341
Gain (Loss) on sale of assets	(21,043)	-	(21,043)
Total capital contributions, grants and transfers	<u>595,241</u>	<u>702,473</u>	<u>1,297,714</u>
Change in net position	508,427	(276,416)	232,011
Net Position, beginning of year	<u>15,529,391</u>	<u>9,786,831</u>	<u>25,316,222</u>
Net position, end of year	<u>16,037,818</u>	<u>9,510,415</u>	<u>25,548,233</u>

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

CITY OF SALIDA, COLORADO
Statement of Cash Flows
Proprietary Funds
For the Year Ended December 31, 2022

	<u>Water</u>	<u>Wastewater</u>	<u>Combined Total</u>
Cash Flows From Operating Activities:			
Cash received from customers, service fees	1,312,215	1,952,598	3,264,813
Cash paid to suppliers	(624,583)	(794,555)	(1,419,138)
Cash paid to employees	(737,860)	(826,144)	(1,564,004)
Net Cash Provided by Operating Activities	<u>(50,228)</u>	<u>331,899</u>	<u>281,671</u>
Cash Flows From Capital and Related Financing Activities:			
Purchase of capital assets	(1,757,709)	(715,296)	(2,473,005)
Principal paid on long-term debt	(295,629)	(300,270)	(595,899)
Interest paid	(59,501)	(267,488)	(326,989)
Debt proceeds	2,300,705	-	2,300,705
Development fees and other capital revenue	464,943	702,473	1,167,416
Capital grants	254,160	-	254,160
Net cash flows from capital and related financing activities	<u>906,969</u>	<u>(580,581)</u>	<u>326,388</u>
Cash Flows From Investing Activities			
Investment earnings (loss)	(140,687)	(74,674)	(215,361)
Net cash flows from investing activities	<u>(140,687)</u>	<u>(74,674)</u>	<u>(215,361)</u>
Net change in cash and cash equivalents	716,054	(323,356)	392,698
Cash and cash equivalents, beginning of year	<u>3,875,630</u>	<u>3,252,137</u>	<u>7,127,767</u>
Cash and Cash Equivalents, end of year	<u>4,591,684</u>	<u>2,928,781</u>	<u>7,520,465</u>
Reconciliation of Operating Income to net cash provided by operating activities:			
Net operating income/(loss)	<u>123,278</u>	<u>(636,091)</u>	<u>(512,813)</u>
Adjustments to reconcile net income/(loss) to net cash provided by operating activities:			
Depreciation/amortization	511,846	943,338	1,455,184
Changes in operating assets and liabilities			
(Increase)/decrease in accounts receivable	(646,405)	93,335	(553,070)
(Increase)/decrease in prepaids	(11,914)	(20,696)	(32,610)
Increase/(decrease) in payables	(91,459)	(40,390)	(131,849)
Increase/(decrease) in accrued liabilities	64,426	(5,597)	58,829
Increase/(decrease) in unearned revenue	-	(2,000)	(2,000)
Total adjustments	<u>(173,506)</u>	<u>967,990</u>	<u>794,484</u>
Net cash flows from operating activities	<u>(50,228)</u>	<u>331,899</u>	<u>281,671</u>

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



CITY OF
SALIDA
COLORADO

NOTES TO THE FINANCIAL STATEMENTS

CITY OF SALIDA, COLORADO
Notes to the Financial Statements
December 31, 2022

I. Summary of Significant Accounting Policies

The City of Salida, Colorado (the "City"), was incorporated under the laws of the State of Colorado. An elected Mayor and City Council are responsible for setting policy, appointing administrative personnel and adopting an annual budget in accordance with state statutes. The City's major operations include police and fire protection, road maintenance, utilities, arts and culture, and recreation.

The City's financial statements are prepared in accordance with generally accepted accounting principles ("GAAP"). The Governmental Accounting Standards Board ("GASB") is responsible for establishing GAAP for state and local governments through its pronouncements (Statements and Interpretations). The more significant accounting policies established by GAAP used by the City are discussed below.

A. Reporting Entity

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

Based on the criteria above, the City is not financially accountable to any other entity and the City is not a component unit of any other government.

B. Government-wide and Fund Financial Statements

The City's basic financial statements include both government-wide (reporting the City as a whole) and fund financial statements (reporting the City's major funds). Both the government-wide and fund financial statements categorize primary activities as either governmental or business-type. The City's police and fire protection, road maintenance, arts and culture, recreation, and administration are classified as governmental activities. The City's utilities are classified as business activities.

1. Government-wide Financial Statements

In the government-wide Statement of Net Position, both the governmental and business-type activities columns are (a) presented on a consolidated basis by column, and (b) reported on a full accrual, economic resource basis, which recognizes all long-term assets and receivables as well as long-term debt and obligations. The City's net position is reported in three parts - invested in capital assets, net of related debt; restricted net position; and unrestricted net position.

CITY OF SALIDA, COLORADO
Notes to the Financial Statements
December 31, 2022
(continued)

I. Summary of Significant Accounting Policies (continued)

B. Government-wide and Fund Financial Statements (continued)

1. Government-wide Financial Statements (continued)

The government-wide Statement of Activities reports both the gross and net cost of each of the City's functions and business-type activities (public safety, highways and streets, utilities, etc.). The functions are also supported by general government revenues (Sales and franchise taxes, intergovernmental revenue, fines and permits, etc.). The Statement of Activities reduces gross expenses (including depreciation) by related program revenues, operating and capital grants. Program revenues must be directly associated with the function (police, roads, etc.) or a business-type activity. Operating grants include operating-specific and discretionary (either operating or capital) grants while the capital grants column reflects capital-specific grants.

The net costs (by function or business-type activity) are normally covered by general revenue (sales and franchise taxes, interest income, charges for services, etc.).

The government-wide focus is on the sustainability of the City as an entity and the change in the City's net position resulting from the current year's activities.

2. Fund Financial Statements

The financial transactions of the City are reported in individual funds in the fund financial statements. Each fund is accounted for by providing a separate set of self-balancing accounts that comprises its assets, liabilities, reserves, fund equity, revenues and expenditures/expenses. The fund focus is on current available resources and budget compliance.

The City reports the following major governmental funds:

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

The City reports the following special revenue funds:

The *Streets Fund* accounts for sales taxes to be used solely for the construction, operating, maintenance and repair of city streets and street-related infrastructure.

The *Economic Development Fund* accounts for sales taxes to be used for economic development purposes.

The *Lodging Tax Fund* accounts for revenues derived from lodging taxes to be used primarily for capital improvements and operations expenses for parks and recreation and arts facilities.

The *Conservation Trust Fund* accounts for lottery proceeds required to be expended solely on park and recreation improvements.

The *Housing Fund* accounts for inclusionary housing fee in lieu revenues required to be expended on affordable housing projects.

CITY OF SALIDA, COLORADO
Notes to the Financial Statements
December 31, 2022
(continued)

I. Summary of Significant Accounting Policies (continued)

B. Government-wide and Fund Financial Statements (continued)

2. Fund Financial Statements (Continued)

The *Capital Improvement Fund* is a capital project fund that accounts for sales taxes to be used to provide capital improvements, other than streets.

The City reports the following proprietary or business-type funds:

The *Water Fund* accounts for the delivery of water to the citizens of the City.

The *Wastewater Fund* accounts for sewer service to the citizens of the City and the Town of Poncha Springs.

C. Measurement Focus, Basis of Accounting, and Financial Statement Presentation

Measurement focus refers to whether financial statements measure changes in current resources only (current financial focus) or changes in both current and long-term resources (long-term economic focus). Basis of accounting refers to the point at which revenues, expenditures, or expenses are recognized in the accounts and reported in the financial statements. Financial statement presentation refers to classification of revenues by source and expenses by function.

1. Long-term Economic Focus and Accrual Basis

Both governmental and business-type activities in the government-wide financial statements and the proprietary and fiduciary fund financial statements use the long-term economic focus and are presented on the accrual basis of accounting. Revenues are recognized when earned and expenses are recognized when incurred, regardless of the timing of the related cash flows.

2. Current Financial Focus and Modified Accrual Basis

The governmental fund financial statements use the current financial focus and are presented on the modified accrual basis of accounting. Under the modified accrual basis of accounting, revenues are recorded when susceptible to accrual; i.e., both measurable and available. "Available" means collectible within the current period or soon enough thereafter to be used to pay liabilities of the current period (within 60 days after December 31). A few exceptions to this general rule involve the treatment of expenditure-driven grants, accrued interest and reimbursement of expenditures. Expenditure driven grants are recognized as revenue when qualified expenditures have been incurred and all other grant requirements have been met. Accrued interest at year-end is recorded as a receivable even if not paid within the 60 day timeframe. Finally, a reimbursement of expense is recorded in the period the original expenditures were incurred if the reimbursement amount is measurable within 60 days after December 31. Sales taxes, intergovernmental revenues, other taxes, and investment income associated with the current fiscal period are all considered to be susceptible to accrual and have been recognized as revenues of the current fiscal period. Expenditures are generally recognized when the related liability is incurred. The exception to this general rule is that principal and interest on general long-term debt, if any, is recognized when due.

CITY OF SALIDA, COLORADO
Notes to the Financial Statements
December 31, 2022
(continued)

I. Summary of Significant Accounting Policies (continued)

C. Measurement Focus, Basis of Accounting, and Financial Statement Presentation (continued)

3. Financial Statement Presentation

Amounts reported as program revenues include 1) charges to customers for goods and services provided, 2) operating grants and contributions, and 3) capital grants and contributions, including special assessments. Internally dedicated resources are reported as *general revenues* rather than as program revenues. Likewise, general revenues include all taxes.

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

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

D. Financial Statement Accounts

1. Cash, Cash Equivalents and Investments

Cash and cash equivalents include amounts in demand deposits as well as short-term investments with a maturity date within 3 months of the date acquired by the City.

Investments are stated at fair value, net asset value, or amortized cost. The change in fair value, net asset value, or amortized cost of investments is recognized as an increase or decrease to investment assets and investment income.

Colorado state statutes permit investments in the following type of obligations:

- U.S. Treasury Obligations (maximum maturity of 60 months)
- Federal Instrumentality Securities (maximum maturity of 60 months)
- FDIC-insured Certificates of Deposit (maximum maturity of 18 months)
- Corporate Bonds (maximum maturity of 36 months)
- Prime Commercial Paper (maximum maturity of 9 months)
- Eligible Bankers Acceptances
- Repurchase Agreements
- General Obligations and Revenue Obligations
- Local Government Investment Pools
- Money Market Mutual Funds

CITY OF SALIDA, COLORADO
Notes to the Financial Statements
December 31, 2022
(continued)

I. Summary of Significant Accounting Policies (continued)

D. Financial Statement Accounts (continued)

2. Receivables

Receivables are reported net of an allowance for uncollectible accounts.

3. Interfund Receivables and Payables

Balances at year-end between funds are reported as “due to / from other funds” in the fund financial statements. Any residual balances not eliminated between the governmental and business-type activities are reported as “internal balances” in the government-wide financial statements.

4. Prepaid Expenses

Prepaid expenses are amounts paid in the current year for expenses related to subsequent years. The expense is recorded in the year in which services are consumed.

5. Inventory

Inventory consists of supplies for the City’s use and is carried at cost using the first-in, first-out method. The cost of inventory items is recorded as an expenditure/expense in the funds when consumed.

6. Capital Assets

Capital assets, which include land, buildings, equipment, vehicles, and infrastructure assets, are reported in the applicable governmental or business-type activity columns in the government-wide financial statements. Capital assets are defined by the City as assets with an initial cost of \$5,000 or more and an estimated useful life in excess of two years. Such assets are recorded at historical cost. Donated capital assets are recorded at acquisition value at the date of donation.

Capital outlay for projects is capitalized as projects are constructed. Interest incurred during the construction phase is expensed. Infrastructure, buildings, and equipment are depreciated using the straight line method over the following estimated useful lives:

<u>Asset</u>	<u>Years</u>
Infrastructure	40
Buildings and improvements	20 - 40
Distribution systems	10 - 50
Equipment and vehicles	5 - 10

7. Compensated Absences

Earned but unused paid time off benefits are accrued when incurred in the government-wide and proprietary fund financial statements. A liability for the amounts is reported in governmental funds only if they are required to be paid out within 60 days of year-end.

CITY OF SALIDA, COLORADO
Notes to the Financial Statements
December 31, 2022
(continued)

I. Summary of Significant Accounting Policies (continued)

D. Financial Statement Accounts (continued)

8. Pensions

The City participates in the Statewide Defined Benefit Plan, administered by the Fire and Police Pension Association of Colorado (“FPPA”). The Statewide Defined Benefit Plan is a cost-sharing multiple-employer defined benefit pension plan. The City also sponsors the fire and police “old hire” agent multi-employer defined plans affiliated with FPPA for the purpose of administering the plan and managing the funds of the plan investments. The net pension asset (liability), deferred outflows of resources and deferred inflows of resources related to pensions, pension expense, information about the fiduciary net position and additions to/deductions from the fiduciary net position of the plans have been determined using the economic resources measurement focus and the accrual basis of accounting. For this purpose, benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with the benefit terms. Investments are reported at fair value.

9. Deferred Outflows of Resources

In addition to assets, the Statement of Net Position will sometimes report a separate section for deferred outflows of resources. This separate financial statement element, deferred outflows of resources, represents a consumption of net assets that applies to a future period(s) and so will not be recognized as an outflow of resources (expense/expenditure) until then. The City has one item that qualifies for reporting in this category, which is the pension-related deferred outflows reported in the government-wide Statement of Net Position.

10. Deferred Inflows of Resources

In addition to liabilities, the Statement of Net Position will sometimes report a separate section for deferred inflows of resources. This separate financial statement element, deferred inflows of resources, represents an acquisition of net assets that applies to a future period and so will not be recognized as an inflow of resources (revenue) until that time. The City has one item that qualifies for this type of reporting: pension-related deferred inflows.

11. Fund Balance

The City classifies governmental fund balances as follows:

Non-spendable - includes fund balance amounts that cannot be spent either because it is not in spendable form or because of legal or contractual requirements.

Restricted – includes fund balance amounts that are constrained for specific purposes which are externally imposed by providers, such as creditors or amounts constrained due to constitutional provisions or enabling legislation.

CITY OF SALIDA, COLORADO
Notes to the Financial Statements
December 31, 2022
(continued)

I. Summary of Significant Accounting Policies (continued)

D. Financial Statement Accounts (continued)

11. Fund Balance (continued)

Committed – includes fund balance amounts that are constrained for specific purposes that are internally imposed by the government through formal action of the highest level of decision-making authority which is the City Council. The City Council must take formal action through either an ordinance or resolution – both of which are equally binding – to establish, modify, or rescind committed fund balance amounts.

Assigned – includes spendable fund balance amounts that are intended to be used for specific purposes that are neither considered restricted or committed. Fund balance may be assigned by the City Council or its management designee.

Unassigned - includes residual positive fund balance within the General Fund which has not been classified within the other above mentioned categories. Unassigned fund balance may also include negative balances for any governmental fund if expenditures exceed amounts restricted, committed, or assigned for those specific purposes.

The City requires restricted amounts to be spent first when both restricted and unrestricted fund balance is available unless there are legal documents/contracts that prohibit doing this, such as in grant agreements requiring dollar for dollar spending. Additionally, the City first uses committed, then assigned, and lastly unassigned amounts of unrestricted fund balance when expenditures are made.

The City has adopted a minimum fund balance policy, which includes the following requirements:

1. A General Fund reserve of 25% of the previous year's operating expenditures. Amount may be modified by Council upon analysis of trends and forecast along with any likely or known factors that would reduce the City's revenue.
2. A Street Fund reserve of 25% of the previous year's operating expenditures. Amount may be modified by Council upon analysis of trends and forecast along with any likely or known factors that would reduce the City's revenue. It is possible that this fund balance could grow as funds are saved up for large maintenance projects.
3. An Economic Development reserve of 25% of previous year's operating expenditures.
4. A Water and Wastewater reserve of 25% of the previous year's operating expenditures should be maintained for operations. For capital, reserves should accumulate for future debt service payments and in anticipation of future capital needs.

CITY OF SALIDA, COLORADO
Notes to the Financial Statements
December 31, 2022
(continued)

I. Summary of Significant Accounting Policies (continued)

E. Use of Estimates

The preparation of financial statements in conformity with U.S. generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amount of revenues and expenses during the reporting period. Actual results could differ from those estimates.

II. Reconciliation of Government-wide and Fund Financial Statements

A. Explanation of certain differences between the governmental fund Balance Sheet and the government-wide Statement of Net Position

The governmental fund Balance Sheet includes reconciliation between *fund balance – total governmental funds* and *net position of governmental activities* as reported in the government-wide Statement of Net Position. One element of that reconciliation explains that “Capital assets used in governmental activities are not financial resources and therefore, are not reported in the funds”. The \$31,562,403 difference is related to capital assets of \$54,944,860 less accumulated depreciation of \$23,382,457.

B. Explanation of certain differences between the governmental fund Statement of Revenue, Expenditures and Changes in Fund Balances and the government-wide Statement of Activities

The governmental fund Statement of Revenues, Expenditures and Changes in Fund Balances includes reconciliation between *net change in fund balances of governmental funds* and *changes in net position of governmental activities* as reported in the government-wide Statement of Activities.

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CITY OF SALIDA, COLORADO
Notes to the Financial Statements
December 31, 2022
(continued)

III. Stewardship, Compliance, and Accountability

A. Budgetary Information

Budgets are adopted on a basis consistent with generally accepted accounting principles, except for the proprietary funds. Annual appropriations are adopted for all funds. Expenditures may not legally exceed appropriations at the fund level. All appropriations lapse at year end.

As required by Colorado Statutes, the City followed the required timetable noted below in preparing, approving, and enacting its budget for 2022.

1. The Mayor, or other qualified person appointed by the Council, submitted to the Council, on or before October 15, 2021, a recommended budget which detailed available revenues to meet the City's operating requirements.
2. Prior to December 15, 2021, a public hearing was held for the budget, and the Council adopted the proposed budget and an appropriating ordinance that legally appropriated expenditures for the upcoming year.
3. After adoption of the budget resolution, the City may make the following changes:
a) it may transfer appropriated money between funds; b) approve supplemental appropriations to the extent of revenues in excess of estimated revenues in the budget; c) approve emergency appropriations; and d) reduce appropriations for which originally estimated revenues are insufficient.

Encumbrance accounting, under which purchase orders, contracts, and other commitments for the expenditure of monies are recorded in order to reserve that portion of the applicable appropriation, is not employed by the City because it is at present considered not necessary to assure effective budgetary control or to facilitate effective cash planning and control.

B. TABOR Amendment

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

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

CITY OF SALIDA, COLORADO
Notes to the Financial Statements
December 31, 2022
(continued)

III. Stewardship, Compliance, and Accountability (continued)

B. TABOR Amendment (continued)

TABOR also requires local governments to establish an emergency reserve to be used for declared emergencies only. The reserve is calculated at 3% of fiscal year spending. Fiscal year spending excludes bonded debt service and enterprise spending. The City has reserved \$486,000, which is the approximate required reserve at December 31, 2022.

The City's voters approved a ballot question which will allow the City to collect, retain, and expend the full proceeds of the County's and City's sales and taxes, grants, revenue from the State of Colorado, admission charges from the Salida Hot Springs Swimming Pool, and fines and court costs imposed by the Salida Municipal Court, without increasing or adding taxes of any kind, and notwithstanding any State restrictions on fiscal year spending, including without limitation the restrictions of Article X, Section 20 of the Colorado Constitution, from the date of January 1, 1993, and thereafter.

On November 4, 2008, the City's voters approved the following ballot questions:

"Shall the City of Salida sales tax be increased by not more than \$1,500,000 in the first full fiscal year, and by such additional amounts as are generated annually thereafter, by an increase in City sales tax by one percent (1.0%) from two percent (2.0%) to three percent (3.0%) total, which increase shall take effect on January 1, 2009, and which revenues therefore, together with investment earnings thereon, shall be used solely for construction, operation, maintenance, and repair of roads and other public infrastructure of the City, and shall such revenues be collected by the City as a voter approved revenue change and tax policy change, notwithstanding any applicable revenue or expenditure limitation imposed by Article X, Section 20 of the Colorado Constitution. C.R.S. Section 29-1-301, or any other law, and shall the City of Salida's property tax be repealed?"

"Shall the City of Salida's taxes be increased by an estimated \$800,000 annually (First fiscal year increase) or such other amount that may be collected thereafter by the imposition of an occupational lodging tax on the leasing or renting of rooms or other accommodations in commercial lodging within the City for less than 30 days at a rate of \$4.82 per night per occupied room, commencing January 1, 2009, the proceeds of such tax, together with investment earnings thereon, shall be used primarily for capital improvements and operations expenses for parks and recreation and arts facilities in the City, including, without limitation, the aquatic center and SteamPlant theater, and shall such revenues be collected by the City of Salida as a voter approved revenue change and tax policy change, notwithstanding any revenue or expenditure limitation set forth in Article X, Section 20 of the Colorado Constitution, C.R.S. Section 29-1-301, or any other law?"

On November 7, 2017, the City's voters approved the following ballot question:

"Without raising tax rates or levying any new tax, shall the City of Salida be authorized to collect, keep and spend the revenues it receives from all sources commencing on January 1, 2017 as a voter approved revenue change pursuant to the Article X, Section 20 of the Colorado Constitution."

CITY OF SALIDA, COLORADO
Notes to the Financial Statements
December 31, 2022
(continued)

III. Stewardship, Compliance, and Accountability (continued)

B. TABOR Amendment (continued)

The City's management believes it is in compliance with the financial provisions of TABOR. However, TABOR is complex and subject to interpretation. Many of its provisions, including the interpretation of how to calculate fiscal year spending limits, will require judicial interpretation.

IV. Detailed Notes on All Funds

A. Deposits and Investments

The City's deposits are entirely covered by federal depository insurance ("FDIC") or by collateral held under Colorado's Public Deposit Protection Act ("PDPA"). The FDIC insures the first \$250,000 of the City's deposits at each financial institution. Deposit balances over \$250,000 are collateralized as required by PDPA.

Fair Value of Investments

The City measures and records its investments using fair value measurement guidelines established by generally accepted accounting principles. These guidelines recognize a three-tiered fair value hierarchy, as follows:

- *Level 1:* Quoted prices for identical investments in active markets;
- *Level 2:* Observable inputs other than quoted market prices; and,
- *Level 3:* Unobservable inputs.

At December 31, 2022, the City had the following recurring fair value measurements.

<u>Investments Measured at Fair Value</u>	<u>Total</u>	<u>Fair Value Measurements Using</u>		
		<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>
Certificates of deposit	1,384,253	-	1,384,253	-
U.S. government agency securities	5,143,838	-	5,143,838	-
U.S. treasuries	2,347,386	-	2,347,386	-
Corporate bonds	455,725	-	455,725	-
Money market	3,287,178	3,287,178	-	-
Total	12,618,380	3,287,178	9,331,202	-
Investments Measured at Amortized Cost				
CSIP		328,297		

Debt and equity securities classified in Level 1 are valued using prices quoted in active markets for those securities. Debt and equity securities classified in Level 2 are valued using the following approaches:

- U.S. Agencies: quoted prices for identical securities in markets that are not active;
- Negotiable Certificates of Deposit: matrix pricing based on the securities' relationship to benchmark quoted prices;
- Money Market Funds: published fair value per share (unit) for each fund.

CITY OF SALIDA, COLORADO
Notes to the Financial Statements
December 31, 2022
(continued)

IV. Detailed Notes on All Funds (continued)

A. Deposits and Investments (continued)

The Investment Pool represents investments in CSIP. The fair value of the pool is determined by the pool's share price. They operate similarly to a money market fund and each share is equal in value to \$1. The City has no regulatory oversight for the pool. At December 31, 2022, the City's investments in CSIP were 3% of the City's investment portfolio.

Interest Rate Risk. As a means of limiting its exposure to interest rate risk, the City diversifies its investments by security type and institution, and limits holdings in any one type of investment with any one issuer and type of issuer. The City coordinates its investment maturities to closely match cash flow needs and restricts the maximum investment term to less than five years (less in some cases) from the purchase date. As a result of the limited length of maturities the City has limited its interest rate risk.

Credit Risk. City investment policy limits investments to those authorized by State statutes as listed in Note 1D. The City's general investment policy is to apply the prudent-person rule: investments are made as a prudent person would be expected to act, with discretion and intelligence, to seek reasonable income, preserve capital, and, in general, avoid speculative investments.

Concentration of Credit Risk. The City diversifies its investments by security type and institution. Financial institutions holding City funds must provide the City a copy of the certificate from the Banking Authority that states that the institution is an eligible public depository.

At December 31, 2022, the City had the following cash and investments with the following maturities:

	Standard & Poors Rating	Carrying Amounts	Less than one year	Less than five years
<i>Deposits:</i>				
Cash on hand	<i>Not Rated</i>	4,900	4,900	-
Checking and savings	<i>Not Rated</i>	1,980,293	1,980,293	-
CD	<i>Not Rated</i>	1,384,253	476,817	907,436
<i>Investments:</i>				
Pools	<i>AAAm</i>	334,025	334,025	-
U.S. agencies	<i>AA+</i>	5,143,838	1,542,795	3,601,043
U.S. treasuries	<i>AA+</i>	2,347,386	239,483	2,107,903
Corporate bonds	<i>AA-</i>	455,725	-	455,725
Money Market	<i>AAAm</i>	3,287,178	3,287,178	-
Total		<u>14,937,598</u>		

CITY OF SALIDA, COLORADO
Notes to the Financial Statements
December 31, 2022
(continued)

IV. Detailed Notes on All Funds (continued)

A. Deposits and Investments (continued)

The City's cash and investments are presented on the Statement of Net Position as follows:

	Governmental Activities	Business- type Activities	Total
Cash and investments	7,417,133	6,214,107	13,631,240
Restricted cash	-	1,306,358	1,306,358
Total	<u>7,417,133</u>	<u>7,520,465</u>	<u>14,937,598</u>

B. Receivables

Receivables as of December 31, 2022, for the City's funds, including applicable allowances for uncollectible accounts, are as follows:

	<u>General</u>	<u>Street</u>	<u>Lodging Tax</u>	<u>Conservation Trust</u>
Receivables:				
Taxes	2,194,248	19,794	82,711	-
Accounts	29,182	-	-	917
Intergovernmental	72,034	-	-	-
Gross receivables	<u>2,295,464</u>	<u>19,794</u>	<u>82,711</u>	<u>917</u>
Less: allowance for uncollectible	-	-	-	
Net receivables	<u>2,295,464</u>	<u>19,794</u>	<u>82,711</u>	<u>917</u>
	<u>Capital Improvement</u>	<u>Water</u>	<u>Sewer</u>	<u>Total</u>
Receivables:				
Taxes	-	-	-	2,296,753
Accounts	-	1,183,022	317,312	1,530,433
Intergovernmental	41,500	136,494	-	250,028
Gross receivables	<u>41,500</u>	<u>1,319,516</u>	<u>317,312</u>	<u>4,077,214</u>
Less: allowance for uncollectible	-	-	-	-
Net receivables	<u>41,500</u>	<u>1,319,516</u>	<u>317,312</u>	<u>4,077,214</u>

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CITY OF SALIDA, COLORADO
Notes to the Financial Statements
December 31, 2022
(continued)

IV. Detailed Notes on All Funds (continued)

C. Capital Assets

Capital asset activity for the year ended December 31, 2022 was as follows:

	Beginning Balance	Increases	Decreases	Ending Balance
Governmental Activities:				
Capital assets, not being depreciated:				
Land	5,028,214	1,301,411	-	6,329,625
Construction in progress	236,483	1,729,194	(257,953)	1,707,724
Total capital assets, not being depreciated	<u>5,264,697</u>	<u>3,030,605</u>	<u>(257,953)</u>	<u>8,037,349</u>
Capital assets, being depreciated:				
Buildings	15,109,061	-	(186,178)	14,922,883
Park land and improvements	6,400,755	702,705	-	7,103,460
Vehicles	3,001,032	126,744	-	3,127,776
Equipment	2,255,010	292,572	(5,534)	2,542,048
Infrastructure	18,987,876	172,875	-	19,160,751
Software and other intangibles	50,593	-	-	50,593
Total capital assets being depreciated	<u>45,804,327</u>	<u>1,294,896</u>	<u>(191,712)</u>	<u>46,907,511</u>
Less accumulated depreciation for:				
Buildings	(7,991,685)	(416,793)	116,406	(8,292,072)
Park land and improvements	(2,738,792)	(323,964)	-	(3,062,756)
Vehicles	(2,232,830)	(153,236)	-	(2,386,066)
Equipment	(1,391,066)	(224,950)	5,534	(1,610,482)
Infrastructure	(7,039,250)	(944,027)	-	(7,983,277)
Software and other intangibles	(46,232)	(1,572)	-	(47,804)
Total accumulated depreciation	<u>(21,439,855)</u>	<u>(2,064,542)</u>	<u>121,940</u>	<u>(23,382,457)</u>
Total capital assets, being depreciated, net	<u>24,364,472</u>	<u>(769,646)</u>	<u>(69,772)</u>	<u>23,525,054</u>
Governmental activities capital assets, net	<u><u>29,629,169</u></u>	<u><u>2,260,959</u></u>	<u><u>(327,725)</u></u>	<u><u>31,562,403</u></u>

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CITY OF SALIDA, COLORADO
Notes to the Financial Statements
December 31, 2022
(continued)

IV. Detailed Notes on All Funds (continued)

C. Capital Assets (continued)

	Beginning Balance	Increases	Decreases	Ending Balance
Business-type Activities:				
Capital assets, not being depreciated:				
Land	89,435	-	-	89,435
Water rights	1,391,521	-	-	1,391,521
Construction in progress	1,364,740	2,391,702	(1,583,696)	2,172,746
Total capital assets, not being depreciated	<u>2,845,696</u>	<u>2,391,702</u>	<u>(1,583,696)</u>	<u>3,653,702</u>
Capital assets, being depreciated:				
Lines	14,759,258	1,611,686	-	16,370,944
Structures	15,484,238	-	(36,296)	15,447,942
Land improvements	697,266	-	-	697,266
Equipment and vehicles	15,285,223	47,813	-	15,333,036
Total capital assets being depreciated	<u>46,225,985</u>	<u>1,659,499</u>	<u>(36,296)</u>	<u>47,849,188</u>
Less accumulated depreciation for:				
Lines	(5,893,805)	(329,080)	-	(6,222,885)
Structures	(6,470,836)	(442,834)	20,753	(6,892,917)
Land improvements	(327,443)	(39,793)	-	(367,236)
Equipment and vehicles	(6,665,266)	(643,477)	-	(7,308,743)
Total accumulated depreciation	<u>(19,357,350)</u>	<u>(1,455,184)</u>	<u>20,753</u>	<u>(20,791,781)</u>
Total capital assets, being depreciated, net	<u>26,868,635</u>	<u>204,315</u>	<u>(15,543)</u>	<u>27,057,407</u>
Business-type activities capital assets, net	<u><u>29,714,331</u></u>	<u><u>2,596,017</u></u>	<u><u>(1,599,239)</u></u>	<u><u>30,711,109</u></u>

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

Governmental activities:

General government	124,602
Public safety	218,824
Public works	1,063,448
Housing	11,963
Culture and recreation	645,705
Total depreciation expense - governmental activities	<u><u>2,064,542</u></u>

Business-type activities:

Water	511,846
Wastewater	943,338
Total depreciation expense - business-type activities	<u><u>1,455,184</u></u>

CITY OF SALIDA, COLORADO
Notes to the Financial Statements
December 31, 2022
(continued)

IV. Detailed Notes on All Funds (continued)

D. Interfund Receivables, Payables, and Transfers

Interfund balances were as follows:

	<u>Due to</u>	<u>Due from</u>	<u>Purpose</u>
General Fund	82,711	-	Interfund services and time lag
Lodging	-	82,711	Interfund services and time lag
Total	<u>82,711</u>	<u>82,711</u>	

Transfers were as follows:

	<u>In</u>	<u>Out</u>	<u>Purpose</u>
General Fund	457,207	1,684,874	From Lodging
Conservation Trust	-	280,000	To fund capital projects
Capital Improvement	1,046,000	-	To fund capital projects
Economic Development	-	33,125	To Housing Fund
Lodging	-	457,207	To fund General Fund
Housing	951,999	-	From General Fund
Total	<u>2,455,206</u>	<u>2,455,206</u>	

E. Long-term Liabilities

1. Capital Debt – Community Services Complex 2008 and 2009

On September 1, 2008, the City entered into a \$1,975,000 financed purchase agreement with Capital One Public Funding. The debt payments were amended in March 2012 and requires monthly payments of \$13,486 and bears an interest rate of 3.40%. The debt matures on February 15, 2026. Proceeds from the debt were used for construction of a new police station and are secured by the land on which the station was constructed.

2. Equipment Note

On June 21, 2019, the City entered into a \$255,835 note to purchase a mechanical sweeper for the Public Works department. The note requires five annual payments of \$56,251 and bears an interest rate of 4.2%. The note matures October 21, 2023.

CITY OF SALIDA, COLORADO
Notes to the Financial Statements
December 31, 2022
(continued)

IV. Detailed Notes on All Funds (continued)

E. Long-term Liabilities (continued)

2. Equipment Note (continued)

On February 15, 2020, the City entered into a \$542,177 note to purchase a Vacuum Truck and Sewer Camera for the Sewer Fund. The note requires seven annual payments of \$87,274 and bears an interest rate of 3.36%. The note matures October 15, 2026.

The net book value of the assets acquired through equipment notes is computed as follows at December 31, 2022:

Cost	2,934,735
Less: accumulated depreciation	(1,291,483)
Net book value	<u>1,643,252</u>

3. Water and Sewer Enterprise Revenue Refunding Bonds 2016

On December 6, 2016, the City issued Water and Sewer Enterprise Revenue Refunding Bonds, Series 2016, in the principal amount of \$1,535,000. Proceeds from the 2016 Bonds were used to advance refund a portion of the City's Water and Sewer Refunding and Improvement Revenue Bonds, Series 2004. As a result, the refunded 2004 bonds are considered to be defeased, and the City realized a net present value on the refunding of \$135,476.

The 2016 bonds require variable annual principal payments ranging from \$110,000 to \$155,000. Interest payments are payable semi-annually on June 1 and December 1 through 2027 and bear an interest rate of 2.16%. As of December 31, 2022, the City has reserved \$166,416 for the bonds.

4. Water and Sewer Revenue Bond, Series 2013

In March 2013, the City issued Water and Sewer Revenue Bonds, Series 2013, in the principal amount of \$12,103,000, which are owned by the United States Department of Agriculture. The note requires semi-annual payments of \$240,242 due March 27 and September 27 and bears interest at 2.5%. The note matures September 27, 2052. The proceeds were used to upgrade the wastewater treatment plant.

The 2013 bonds require the City to maintain a debt service reserve and asset management reserve equal to 10% of the monthly payment each month over the life of the bonds until one annual installment is accumulated. The bonds also require a reserve equal to the lesser of the combined maximum annual principal. As of December 31, 2022, the City has reserved \$1,139,942 for the bonds.

CITY OF SALIDA, COLORADO
Notes to the Financial Statements
December 31, 2022
(continued)

IV. Detailed Notes on All Funds (continued)

E. Long-term Liabilities (continued)

5. Colorado Water Resources and Power Development Authority Note

On December 21, 2011, the City entered into a \$545,000 non-interest-bearing note with the Colorado Water Resources and Power Development Authority. The note requires semi-annual payments of \$13,625 due November 1 and May 1. The note matures May 1, 2032. The proceeds were for the necessary repairs to the water treatment facility.

The Colorado Water Resources and Power Development Authority Loan Agreement sets forth certain covenants and restrictions. As of December 31, 2022, the City appears to be in compliance with all covenants and restrictions as set forth in Exhibit A and Exhibit F, Additional Covenants and Requirements.

Rate Covenant: The City shall establish and collect such rates, fees, and charges for the use or the sale of the products and services of the System as, together with other moneys available therefore, are expected to produce Gross revenue for each calendar year that will be at least sufficient for such calendar year to pay the sum of estimated operation and maintenance expenses, 110% of the debt service coming due on the bond during the calendar year and other debt service requirements. Gross revenue as defined in Para (3) of Exhibit A to the Loan Agreement is all income and revenues directly or indirectly derived by the government agency for the operation and use of the system, including investment income, but excluding, property taxes and grants received for capital improvements.

Total gross revenue requirement \$ 1,323,103

Total water fund revenues, excluding capital grants \$1,958,620

Excess (deficiency) of gross revenues \$ 635,517

6. 2017 CWRPDA Loan – Drinking Water Revolving Fund

On February 28, 2017, the City entered into a \$1,505,000 note with CWRPDA for the purposes of installing a UV disinfection system. The note requires semi-annual payments of \$18,622, and are due May 1 and November 1, bearing interest at 1% per annum. The note matures November 1, 2037. As of December 31, 2019, payments were amended to semiannual payments of \$12,253 due May and November 1 on debt balance of \$401,911, net of draws, forgiven debts, and rescissions. The City had no remaining authorized but unissued debt.

7. 2021 CWRPDA Loan

On June 15, 2021, the City entered into a \$4,184,000 note with CWRPDA for the purpose of replacing an existing water transmission main and improvements at the treatment plant, including replacement of the pump station and disinfection facilities. The note requires semi-annual payments of \$123,689, and are due May 1 and November 1, bearing interest at 1% per annum. The note matures November 1, 2041. As of December 31, 2022, the City had \$2,300,705 of draws. The City had \$1,883,295 authorized and unissued debt as of year end. The loan is subject to a rate covenant described in Note IV.E.5.

CITY OF SALIDA, COLORADO
Notes to the Financial Statements
December 31, 2022
(continued)

IV. Detailed Notes on All Funds (continued)

E. Long-term Liabilities (continued)

8. Schedule of Debt Service Requirements

Year ending December 31	Governmental Activities			Business Type Activities		
	Principal	Interest	Total	Principal	Interest	Total
2023	202,363	16,005	218,368	693,744	339,565	1,033,309
2024	153,209	8,623	161,832	705,174	324,895	1,030,069
2025	155,592	6,240	161,832	716,882	309,947	1,026,829
2026	6,068	62	6,130	733,875	294,714	1,028,589
2027	-	-	-	658,886	279,081	937,967
2028 - 2033	-	-	-	3,167,701	1,440,810	4,608,511
2034 - 2038	-	-	-	1,698,698	801,746	2,500,444
2039 - 2043	-	-	-	1,814,853	587,567	2,402,420
2044 - 2048	-	-	-	2,054,905	347,515	2,402,420
2049 - 2052	-	-	-	1,628,672	83,974	1,712,646
	<u>517,232</u>	<u>30,930</u>	<u>548,162</u>	<u>13,873,390</u>	<u>4,809,814</u>	<u>18,683,204</u>

9. Accrued Compensated Absences

Earned but unused paid time off benefits amounted to \$391,443 in governmental activities and \$81,993 in business-type activities at December 31, 2022.

10. Schedule of Changes in Long-term Liabilities

	Beginning Balance	Additions	Reductions	Ending Balance	Due Within One Year
Governmental Activities:					
Capital debt	754,293	-	(237,061)	517,232	202,363
Net pension liability	1,281,925	-	(278,837)	1,003,088	-
Accrued compensated absences	359,721	460,801	(429,079)	391,443	130,481
Total Governmental Activities Long-term Liabilities	<u>2,395,939</u>	<u>460,801</u>	<u>(944,977)</u>	<u>1,911,763</u>	<u>332,844</u>
Business-type Activities:					
2011 CWRPDA Loan	286,125	-	(27,250)	258,875	27,250
2013 Water and Sewer Revenue Bonds	10,225,337	-	(226,287)	9,999,050	231,943
2016 Water and Sewer Revenue Bonds	900,000	-	(140,000)	760,000	150,000
2017 CWRPDA DWRF Loan	361,503	-	(20,943)	340,560	21,153
Equipment notes	395,619	-	(73,983)	321,636	76,469
2021 CWRDPA Loan	-	2,300,705	(107,436)	2,193,269	186,929
Accrued compensated absences	83,172	88,697	(89,876)	81,993	27,331
Total Business-type Activities Long-term Liabilities	<u>12,251,756</u>	<u>2,389,402</u>	<u>(685,775)</u>	<u>13,955,383</u>	<u>721,075</u>

The compensated absences liability will be paid from the following funds from which employees' salaries are paid: General Fund, Water Fund and Wastewater Fund. The governmental activities capital debt and pension liability are paid by the General Fund. The business-type 2013 bonds and equipment notes are paid by the Wastewater fund. The remaining bonds and loans are paid by the Water fund.

CITY OF SALIDA, COLORADO
Notes to the Financial Statements
December 31, 2022
(continued)

IV. Detailed Notes on All Funds (continued)

F. Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions

1. FPPA Statewide Defined Benefit Plan (“SWDB”)

Plan Description. The Plan is a cost-sharing multiple-employer defined benefit pension plan covering substantially all full-time employees of participating fire or police departments in Colorado hired on or after April 8, 1978, provided they are not already covered by a statutorily exempt plan. As of August 5, 2003, the Plan may include clerical and other personnel from fire districts whose services are auxiliary to fire protection. The plan became effective January 1, 1980.

The plan assets are included in the Fire & Police Members’ Benefit Investment Fund and the Fire & Police Members’ Self-Director Investment Fund (for Deferred Retirement Option Plan (“DROP”) assets and Separate Retirement Account assets from eligible retired members). The SWDB is administered by FPPA. FPPA issues a publicly available annually comprehensive financial report that can be obtained on FPPA’s website at <http://www.fppaco.org>.

Benefits. A member is eligible for a normal retirement pension once the member has completed twenty-five years of credited service and has attained the age of 55. Effective January 1, 2021, a member may also qualify for a normal retirement pension if the member’s combined years of service and age equals at least 80, with a minimum age of 50 (Rule of 80).

The annual normal retirement benefit is 2% of the average of the member’s highest three years’ base salary for each year of credited service up to ten years, plus 2.5% for each year of service thereafter. The benefit earned prior to January 1, 2007 for members of affiliated Social Security employers will be reduced by the amount of Social Security income payable to the member annually. Effective January 1, 2007, members covered under Statewide Defined Benefit Social Security Component will receive half the benefit when compared to the Statewide Defined Benefit Plan. Benefit adjustments paid to retired members are evaluated annually and may be re-determined every October 1. The amount of any increase is based on the Board’s discretion and can range from 0 to the higher of 3% or the Consumer Price Index for Urban Wage Earners and Clerical Workers (CPI-W).

A member is eligible for an early retirement after completion of 30 years of service or attainment of age 50 with at least five years of credited service. The early retirement benefit equals the normal retirement benefit reduced on an actuarially equivalent basis. Upon termination, an employee may elect to have member contributions, along with 5% as interest, returned as a lump sum distribution. Alternatively, a member with at least five years of accredited service may leave contributions with the Plan and remain eligible for a retirement pension at age 55 equal to 2% of the member’s average highest three years’ base salary for each year of credited service up to ten years, plus 2.5% for each year of service thereafter.

CITY OF SALIDA, COLORADO
Notes to the Financial Statements
December 31, 2022
(continued)

IV. Detailed Notes on All Funds (continued)

F. Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions (continued)

1. FPPA Statewide Defined Benefit Plan (continued)

Contributions. Determined by state statute or by election of the members, contributions are set at a level that enables all benefits to be fully funded at the retirement date of all members. Effective January 1, 2021, contribution rates may be increased by the FPPA Board of Directors upon approval through an election by both the employers and members.

In 2014, the members elected to increase the member contribution rate 0.5% annually from 2015 through 2022 to a total of 12% of base salary. Employer contributions will increase 0.5% annually beginning in 2021 through 2030 to a total of 13%. In 2021, employees and employers are contributing at a rate of 11.5% and 8.5%, respectively, of base salary for a total contribution rate of 20%.

Contributions from members and employers of plans reentering the system are established by resolution and approved by the FPPA Board of Directors. The member and employer contribution rates will increase through 2030 as described above for the non-reentering departments. Effective January 1, 2021, reentry departments may submit a resolution to the FPPA Board of Directors to reflect the actual cost of reentry by department. Each reentry department is responsible to remit contributions to the plan in accordance with the most recent FPPA Board of Directors approved resolution.

The contribution rate for members and employers of affiliated social security employers is 5.75% and 4.25% of base salary for a total contribution rate of 10% in 2021. Per the 2014 member election, the affiliated social security group will also have their required member contribution rate increase 0.25% annually beginning in 2015 through 2022 to a total of 6% of base salary. Employer contributions will increase 0.25% annually beginning in 2021 through 2030 to a total of 6.5% of base salary.

Net Pension Liability (Asset): At December 31, 2022, the City reported (\$664,985) and (\$868,690) for its proportionate share of the net pension liability (asset) for fire and police, respectively. The net pension liability (asset) was measured as of December 31, 2021, and the total pension liability used to calculate the net pension liability (asset) was determined by an actuarial valuation as of January 1, 2022. The City's proportion of the net pension liability (asset) was based on City contributions to the Plan for the calendar year 2021 relative to the total contributions of participating employers to the Plan.

CITY OF SALIDA, COLORADO
Notes to the Financial Statements
December 31, 2022
(continued)

IV. Detailed Notes on All Funds (continued)

F. Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions (continued)

1. FPPA Statewide Defined Benefit Plan (continued)

At the pension measurement date of December 31, 2021 and 2020, the City's proportionate shares for fire and police were as follows:

	Proportionate Share	
	2021	2020
Fire	0.12271%	0.11230%
Police	0.16029%	0.14081%

For the year ended December 31, 2022, the City recognized net pension expense (revenue) of \$276,176. The City recognized \$123,126 and \$153,050 for fire and police, respectively.

At December 31, 2022, the City reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Fire		Police	
	Deferred Outflows of Resources	Deferred Inflows of Resources	Deferred Outflows of Resources	Deferred Inflows of Resources
Difference between expected and actual experience	190,419	15,510	248,752	20,259
Changes of assumptions or other inputs	94,832	-	123,882	-
Net difference between projected and actual earnings on pension plan investments	-	445,046	-	581,377
Changes in proportionate share of contributions	20,928	103,038	32,038	175,798
Contributions subsequent to the measurement date	84,980	-	117,330	-
Total	391,159	563,594	522,002	777,434

Contributions subsequent to the measurement date of December 31, 2021, which are reported as deferred outflows of resources related to pensions, will be recognized as a reduction of the net pension liability in the subsequent year. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

Year Ending	Amortization	
December 31:	Fire	Police
2023	(69,986)	(97,024)
2024	(116,020)	(157,160)
2025	(69,629)	(96,884)
2026	(27,039)	(40,993)
Thereafter	25,259	19,299
	(257,415)	(372,762)

CITY OF SALIDA, COLORADO
Notes to the Financial Statements
December 31, 2022
(continued)

IV. Detailed Notes on All Funds (continued)

F. Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions (continued)

1. FPPA Statewide Defined Benefit Plan (continued)

Actuarial assumptions. The total pension asset in the December 31, 2021 actuarial valuation was determined using the following actuarial assumptions and other inputs:

	Total Pension Liability 2022	Actuarially Determined Contributions 2021
Actuarial Method	Entry Age Normal	Entry Age Normal
Amortization Method	N/A	Level % of Payroll, Open
Amortization Period	N/A	30 Years
Long-term investment Rate of Return *	7.00%	7.00%
Projected Salary Increases	4.25% to 11.25%	4.25% to 11.25%
Cost of Living Adjustments	0.00%	0.00%
* Includes Inflation at	2.50%	2.50%

For determining the total pension liability, the post-retirement mortality tables for non-disabled retirees uses the 2006 central rates from the RP-2014 Annuitant Mortality Tables projected to 2018 using the MP-2017 projection scales, and the projected prospectively using the ultimate rates of the scale for all years. The pre-retirement off-duty mortality tables are adjusted to 50% of the RP-2014 mortality tables for active employees. The on-duty mortality rate is 0.00015.

At least every five years the FPPA's Board of Directors, in accordance with best practices, reviews its economic and demographic actuarial assumptions. At its July 2018 meeting, the Board of Directors reviewed and approved recommended changes to the actuarial assumptions. The recommendations were made by the FPPA's actuaries, Gabriel, Roeder, Smith & Co., based upon their analysis of past experience and expectations of the future. The assumption changes were effective for actuarial valuations beginning January 1, 2019. The actuarial assumptions impact actuarial factors for benefit purposes such as purchases of service credit and other benefits where actuarial factors are used.

The long-term expected rate of return on pension plan investments was determined using a building-block method in which best-estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighing the expected future real rates of return by the target asset allocation percentage and by adding expected inflation (assumed at 2.5%).

CITY OF SALIDA, COLORADO
Notes to the Financial Statements
December 31, 2022
(continued)

IV. Detailed Notes on All Funds (continued)

F. Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions (continued)

1. FPPA Statewide Defined Benefit Plan (continued)

Best estimates of arithmetic real rates of return for each major asset class included in the Fund's target asset allocation as of December 31, 2021 are summarized in the following table:

Asset Class	Target Allocation	Long Term Expected Rate of Return
Global Equity	39%	8.23%
Equity Long/Short	8%	6.87%
Illiquid Alternatives	26%	10.63%
Fixed Income	10%	4.01%
Absolute Return	5%	5.25%
Managed Futures	10%	5.60%
Cash	2%	2.32%
Total	100%	

Discount Rate. The discount rate used to measure the total pension liability was 7.00%. The projection of cash flows used to determine the discount rate assumed that contributions from participating employers will be made based on the actuarially determined rates based on the Board's funding policy, which establishes the contractually required rates under Colorado statutes. Based on those assumptions, the SWDB plan fiduciary net position was projected to be available to make all the projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

Projected benefit payments are required to be discounted to their actuarial present values using a Single Discount Rate that reflects (1) a long-term expected rate of return on pension plan investments (to the extent that the plan's fiduciary net position is projected to be sufficient to pay benefits) and (2) tax-exempt municipal bond rate based on an index of 20-year general obligation bonds with an average AA credit rating as of the measurement date (to the extent that the plan's projected fiduciary net position is not sufficient to pay benefits).

For the purpose of this valuation, the expected rate of return on pension plan investments is 7.00%; the municipal bond rate is 2.75% (based on the weekly rate closest to but not later than the measurement date of the "state & local bonds" rate from Federal Reserve statistical release (H.15)); and the resulting Single Discount Rate is 7.00%.

CITY OF SALIDA, COLORADO
Notes to the Financial Statements
December 31, 2022
(continued)

IV. Detailed Notes on All Funds (continued)

F. Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions (continued)

1. FPPA Statewide Defined Benefit Plan (continued)

Sensitivity of the City's proportionate share of the net pension liability (asset) to changes in the discount rate - The following presents the proportionate share of the net pension liability (asset) calculated using the discount rate of 7.00 percent, as well as what the proportionate share of the net pension liability would be if it were calculated using a discount rate that is 1-percentage-point lower (6.0 percent) or 1-percentage-point higher (8.00 percent) than the current rate:

	1% Decrease (6.0%)	Current Discount Rate (7.0%)	1% Increase (8.0%)
Proportionate share of net pension liability (asset)			
Fire	(91,706)	(664,985)	(1,139,917)
Police	(119,798)	(868,690)	(1,489,106)

Pension plan fiduciary net position: Detailed information about the Plan's fiduciary net position is available in FPPA's comprehensive annual financial report, which can be obtained at: http://www.fppaco.org/annual_reports.htm.

2. FPPA "Old Hires" Defined Benefit Plan

Plan description. The City provides two pension plans available to provide retirement income. The first is for paid firefighters and second is for police collectively referred to as the "Old Hires" plan. Both are for employees hired before April 1, 1978 in recognition of their service to the City. The "Old Hires" plan is an agent multiple-employer defined benefit pension plan administered by the FPPA. As of January 1, 2022, the Plan has two retirees and beneficiaries. FPPA issues an annual, publicly available financial report that includes the assets of the Old Hire Fire Pension Fund. The report may be obtained on FPPA's website at <http://www.fppaco.org>.

Benefits provided. The plan provides normal retirement benefits, severance, and death and disability benefits. Normal retirement benefits begin at 50 years of age and upon completion of 18 years of service and include monthly pension equal to one-half of his monthly salary at the date of his retirement. For severances, firefighters and police have the option to refund their contribution with 5% annual interest, or to receive deferred retirement pensions equal to one-half their monthly salary if they meet the age and service requirements of the normal retirement benefit. If a firefighter or policeman is eligible to receive or is receiving benefits dies in retirement, the surviving spouse shall receive, until death or remarriage, a monthly pension equal to one-half the monthly pension the firefighter or policeman was entitled to receive. There are no vested retirement benefits.

CITY OF SALIDA, COLORADO
Notes to the Financial Statements
December 31, 2022
(continued)

IV. Detailed Notes on All Funds (continued)

F. Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions (continued)

2. FPPA “Old Hires” Defined Benefit Plan (continued)

Funding Policy: The funding of the plan by the City and members is authorized by the Board of Trustees. As each affiliated employer has its own plan, there is no uniform amount for either contributions or benefit provisions. Funding for the Old Hire Pension Plan is the sole obligation of the employer.

Net Pension Liability: At December 31, 2022, the Old Hire pension fund reported a net pension liability of \$176,047 and \$827,041 for Fire and Police, respectively. The net pension liability was measured as of December 31, 2021, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of January 1, 2022.

For the year ended December 31, 2022, the City recognized net pension expense (revenue) of (\$299,429). The City recognized a pension expense of \$1,117 for fire and a pension revenue of \$300,546 for police.

Actuarial Assumptions: The significant actuarial assumptions used in the valuation as of January 1, 2022 were:

Actuarial Method	Entry Age Normal
Amortization Method	N/A
Amortization Period	N/A
Asset Valuation Method	5-Year Smoothed Fair Value
Inflation	2.50%
Long-term investment Rate of Return *	4.5%
Retirement age	Any remaining activities are assumed to retire immediately.
Mortality	Post-retirement: 2006 central rates from RP-2014 Mortality Tables for males and females projected to 2018 using the MP-2017 projection scales, and then projected prospectively using the ultimate rates of the scale for all years. Disables (pre-1980): Post-retirement rates set forward 3 years.

Discount rate. Projected benefit payments are required to be discounted to their actuarial present values using a Single Discount Rate that reflects (1) a long-term expected rate of return on pension plan investments (to the extent that the plan’s fiduciary net position is projected to be sufficient to pay benefits) and (2) tax-exempt municipal bond rate based on an index of 20-year general obligation bonds with an average AA credit rating as of the measurement date (to the extent that the plan’s projected fiduciary net position is not sufficient to pay benefits).

CITY OF SALIDA, COLORADO
Notes to the Financial Statements
December 31, 2022
(continued)

IV. Detailed Notes on All Funds (continued)

F. Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions (continued)

2. FPPA “Old Hires” Defined Benefit Plan (continued)

For the purpose of this valuation, the long-term expected rate of return on pension plan investments is 4.50%; the municipal bond rate is 2.00% (based on the weekly rate closest to but not later than the measurement date of the “state & local bonds” rate from Federal Reserve statistical release (H.15)); and the resulting Single Discount Rate is 4.50%

In connection with the City’s Fire and Police Protection Retirement Plan, the following deferred outflow of resources and deferred inflows of resources were reported at December 31, 2022:

	Fire		Police	
	Deferred Outflows of Resources	Deferred Inflows of Resources	Deferred Outflows of Resources	Deferred Inflows of Resources
Net difference between projected and actual earnings on pension plan investments	755	-	4,754	-
Contributions subsequent to the measurement date	19,964	-	91,887	-
Total	20,719	-	96,641	-

Contributions subsequent to the measurement date of December 31, 2021, which are reported as deferred outflows of resources related to pensions, will be recognized as a reduction of the net pension liability in subsequent years. Other amounts reported as deferred outflow of resources and deferred inflow of resources related to pensions will be recognized as a component of pension expense in future years as follows:

Year Ending	Amortization	
	Fire	Police
December 31:		
2023	781	4,058
2024	(611)	(2,926)
2025	83	620
2026	502	3,002
Thereafter	-	-
	755	4,754

CITY OF SALIDA, COLORADO
Notes to the Financial Statements
December 31, 2022
(continued)

IV. Detailed Notes on All Funds (continued)

F. Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions (continued)

2. FPPA “Old Hires” Defined Benefit Plan (continued)

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

	1% Decrease (3.5%)	Current Discount Rate (4.5%)	1% Increase (5.5%)
Proportionate share of net pension liability (asset)			
Fire	192,469	176,047	161,447
Police	942,414	827,041	728,432

Long-term expected return on plan assets. The long-term expected rate of return on pension plan investments was determined using a building-block method in which best-estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighing the expected future real rates of return to target asset allocation percentage and by adding expected inflation. Best estimates of arithmetic real rates of included in the Fund’s target allocation as of December 31, 2021 are summarized in the following table:

Asset Class	Target Allocation	Long Term Expected Rate of Return
Cash	10%	0.10%
Fixed Income - Rates	70%	2.30%
Fixed Income - Credit	10%	3.50%
Absolute Return	0%	5.60%
Long Short	0%	6.90%
Global Public Equity	10%	7.80%
Private Capital	0%	10.50%
Total	100%	

CITY OF SALIDA, COLORADO
Notes to the Financial Statements
December 31, 2022
(continued)

IV. Detailed Notes on All Funds (continued)

F. Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions (continued)

2. FPPA “Old Hires” Defined Benefit Plan (continued)

Pension Plan Fiduciary Net Position. Detailed information about the plan’s fiduciary net position is available in a separately issued Fire & Police Pension Association of Colorado financial reports which can be obtained at <https://www.fppaco.org/annual-reports.html>.

Old Hire Total Pension (Asset) Liability and Plan Fiduciary Net Position for fire changes as follows:

	Total Pension (Asset) Liability (a)	Plan Fiduciary Net Position (b)	Net Pension (Asset) Liability (a) - (b)
Balances at December 31, 2021	231,992	60,157	171,835
Changes for the year			
Interest	9,830	-	9,830
Contributions - employer	-	34,586	(34,586)
Differences in expected and actual experience	27,852	-	27,852
Net investment income	-	329	(329)
Benefit payments	(27,391)	(27,391)	-
Administrative expenses	-	(1,445)	1,445
Net Changes	10,291	6,079	4,212
Balances at December 31, 2022	242,283	66,236	176,047

Old Hire Total Pension (Asset) Liability and Plan Fiduciary Net Position for police changes as follows:

	Total Pension (Asset) Liability (a)	Plan Fiduciary Net Position (b)	Net Pension (Asset) Liability (a) - (b)
Balances at December 31, 2021	1,465,482	355,392	1,110,090
Changes for the year			
Interest	63,158	-	63,158
Contributions - employer	-	183,774	(183,774)
Differences in expected and actual experience	(162,115)	-	(162,115)
Net investment income	-	2,232	(2,232)
Benefit payments	(125,342)	(125,342)	-
Administrative expenses	-	(1,914)	1,914
Net Changes	(224,299)	58,750	(283,049)
Balances at December 31, 2022	1,241,183	414,142	827,041

CITY OF SALIDA, COLORADO
Notes to the Financial Statements
December 31, 2022
(continued)

IV. Detailed Notes on All Funds (continued)

G. Restricted Net Position

The City restricted net position in the following funds as of December 31, 2022:

	<u>General Fund</u>	<u>Conservation Trust Fund</u>	<u>Description</u>
Restricted:			
Emergency Reserve	486,000	-	Legislative restriction
Conservation Trust	-	112,111	Legislative restriction

V. Other Information

A. Other Retirement Plans

1. Deferred Compensation Plans – Section 401

In 1997, the City established a defined contribution money purchase plan in the form of the ICMA Retirement Corporation Prototype Money Purchase Plan and Trust under code section 401 of the Internal Revenue Code. The normal retirement age is age 60 (not to exceed age 65). All full time employees except Fire and Police personnel are entitled to participate in the plan. The City contributes on behalf of each participant 3% of earnings for the Plan Year. There is no minimum required contribution by the employee. Participants are 100% vested immediately and may direct their investment, without restriction, among various investment options available under the Trust. The City's contributions vest at a rate of 25% per year.

The City is the trustee of the plan and has the duty of due care that would be required of an ordinary prudent investor, but has no liability for losses under the plan.

2. Deferred Compensation Plan - Section 457

In 1997, the City established a defined contribution money purchase plan in the form of the ICMA Retirement Corporation Prototype Money Purchase Plan and Trust under code section 457 of the Internal Revenue code. The normal retirement age is age 60 (not to exceed age 65). All full-time employees except Fire and Police personnel are entitled to participate in the plan. The City will match up to 3% of employee contributions. There is no minimum required contribution by the employee. Participants are 100% vested immediately in their direct investment. The City's contributions vest at a rate of 25% per year.

B. Other Employee Benefits – Cafeteria Plan

The City offers a cafeteria compensation plan organized under IRS Section 125 that includes the following benefits: death and disability, term life insurance, health expense reimbursement and child care benefits. No cost to the City is recognized as the plan is a salary reduction plan.

CITY OF SALIDA, COLORADO
Notes to the Financial Statements
December 31, 2022
(continued)

V. Other Information (continued)

C. Risk Management

The City is exposed to various risks of loss related to torts; theft of, damage to, or destruction of assets; errors and omissions, and employee health claims. The City insures against these risks through its participation in the Colorado Intergovernmental Risk Sharing Agency ("CIRSA") and the purchase of commercial insurance.

The City's management is unaware of any excess losses which may have been incurred by CIRSA. There have been no settled claims in excess of coverage in any of the last three years.



CITY OF
SALIDA
COLORADO

REQUIRED SUPPLEMENTARY INFORMATION

CITY OF SALIDA, COLORADO
Schedule of Revenues, Expenditures and Changes in Fund Balance
General Fund - Budget and Actual
For the Year Ended December 31, 2022

REVENUES:	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual Amounts</u>	<u>Variance with Final Budget</u>
Taxes:				
Sales tax	5,554,596	5,554,596	5,517,974	(36,622)
Sales tax - County	3,199,644	3,199,644	3,429,551	229,907
Other taxes	350,000	350,000	433,799	83,799
Total taxes	<u>9,104,240</u>	<u>9,104,240</u>	<u>9,381,324</u>	<u>277,084</u>
Charges for services:				
Planning and zoning fees	111,500	111,500	98,992	(12,508)
Public works charges	13,500	13,500	5,283	(8,217)
Public safety charges	59,450	59,450	45,212	(14,238)
Hot springs pool	484,590	484,590	528,782	44,192
Arts and culture	414,105	414,105	365,672	(48,433)
Other general governmental charges	43,800	43,800	41,457	(2,343)
Other recreation revenues	56,088	56,088	104,343	48,255
Total charges for services	<u>1,183,033</u>	<u>1,183,033</u>	<u>1,189,741</u>	<u>6,708</u>
Intergovernmental:				
Federal grants	764,354	764,354	918,874	154,520
State grants	45,000	45,000	125,443	80,443
South Ark Fire District	70,000	70,000	70,000	-
Other intergovernmental revenue	213,882	213,882	194,276	(19,606)
Total intergovernmental	<u>1,093,236</u>	<u>1,093,236</u>	<u>1,308,593</u>	<u>215,357</u>
Fines and Forfeitures				
	<u>64,000</u>	<u>64,000</u>	<u>37,619</u>	<u>(26,381)</u>
Licenses, Permits and Fees:				
Business licenses	20,000	20,000	73,572	53,572
Other licenses and permits	18,000	18,000	31,872	13,872
Total licenses, permits and fees	<u>38,000</u>	<u>38,000</u>	<u>105,444</u>	<u>67,444</u>
Other Revenues:				
Capital revenue				
Insurance proceeds	10,000	10,000	21,159	11,159
Miscellaneous revenue				
Investment earnings (loss)	95,000	95,000	(216,458)	(311,458)
Rent, leases and royalties	58,000	58,000	64,611	6,611
Land dedication fees in lieu	-	-	27,000	27,000
Donations	500	500	3,003	2,503
Other miscellaneous revenues	5,500	5,500	26,639	21,139
Total other revenue	<u>169,000</u>	<u>169,000</u>	<u>(74,046)</u>	<u>(243,046)</u>
TOTAL REVENUES	<u>11,651,509</u>	<u>11,651,509</u>	<u>11,948,675</u>	<u>297,166</u>

(continued)

CITY OF SALIDA, COLORADO
Schedule of Revenues, Expenditures and Changes in Fund Balance
General Fund - Budget and Actual (continued)
For the Year Ended December 31, 2022

EXPENDITURES:	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual Amounts</u>	<u>Variance with Final Budget</u>
General Government:				
Administration	1,653,163	1,692,624	1,671,151	21,473
Community Development	703,848	722,694	520,477	202,217
Total General Government	<u>2,357,011</u>	<u>2,415,318</u>	<u>2,191,628</u>	<u>223,690</u>
Public Safety				
Police	2,523,077	2,649,454	2,635,384	14,070
Fire	1,711,375	1,822,327	1,757,962	64,365
Total Public Safety	<u>4,234,452</u>	<u>4,471,781</u>	<u>4,393,346</u>	<u>78,435</u>
Public Works				
Public Works	451,468	456,820	411,760	45,060
Other	2,032,718	830,656	362,591	468,065
Total Public Works	<u>2,484,186</u>	<u>1,287,476</u>	<u>774,351</u>	<u>513,125</u>
Culture, Parks and Recreation				
Pool and Recreation	1,110,203	1,157,209	1,233,271	(76,062)
Parks, Open Space and Trails	1,071,781	1,146,777	1,159,839	(13,062)
Arts and culture	859,352	885,424	878,187	7,237
Total Culture, Parks and Recreation	<u>3,041,336</u>	<u>3,189,410</u>	<u>3,271,297</u>	<u>(81,887)</u>
Capital outlays	<u>720,150</u>	<u>731,150</u>	<u>425,932</u>	<u>305,218</u>
Debt service				
Principal	228,843	228,843	211,738	17,105
Interest	24,724	24,724	28,340	(3,616)
Total debt service	<u>253,567</u>	<u>253,567</u>	<u>240,078</u>	<u>13,489</u>
TOTAL EXPENDITURES	<u>13,090,702</u>	<u>12,348,702</u>	<u>11,296,632</u>	<u>1,052,070</u>
Excess of Revenues Over (Under) Expenditures	<u>(1,439,193)</u>	<u>(697,193)</u>	<u>652,043</u>	<u>1,349,236</u>
Other Financing Sources (Uses):				
Transfer in	516,000	516,000	457,207	(58,793)
Transfer (out)	-	(2,757,000)	(1,684,874)	1,072,126
Total Other Financing Sources (Uses)	<u>516,000</u>	<u>(2,241,000)</u>	<u>(1,227,667)</u>	<u>1,013,333</u>
Net change in fund balance	<u>(923,193)</u>	<u>(2,938,193)</u>	<u>(575,624)</u>	<u>2,362,569</u>
Fund balance, beginning of year	<u>6,258,748</u>	<u>6,258,748</u>	<u>7,466,482</u>	<u>1,207,734</u>
Fund balance, end of year	<u>5,335,555</u>	<u>3,320,555</u>	<u>6,890,858</u>	<u>3,570,303</u>

CITY OF SALIDA, COLORADO
Schedule of Revenues, Expenditures and Changes in Fund Balance
Street Fund - Budget and Actual
For the Year Ended December 31, 2022

REVENUES:	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual Amounts</u>	<u>Variance with Final Budget</u>
Taxes:				
Sales tax	3,064,605	3,064,605	3,044,400	(20,205)
Intergovernmental:				
Highway users tax	235,000	235,000	242,182	7,182
State grants	1,025,000	1,025,000	52,432	(972,568)
TOTAL REVENUES	<u>4,324,605</u>	<u>4,324,605</u>	<u>3,339,014</u>	<u>(985,591)</u>
EXPENDITURES:				
Public Works:				
Personnel services	412,096	412,096	443,470	(31,374)
Contracted services	400,000	400,000	722,816	(322,816)
Supplies and materials	40,300	40,300	50,443	(10,143)
Other operating costs	106,500	106,500	87,957	18,543
Capital purchases and improvements (\$5,000+)	3,690,000	3,690,000	1,882,064	1,807,936
TOTAL EXPENDITURES	<u>4,648,896</u>	<u>4,648,896</u>	<u>3,186,750</u>	<u>1,462,146</u>
Net change in fund balance	(324,291)	(324,291)	152,264	476,555
Fund balances, beginning of year	414,020	414,020	1,037,749	623,729
Fund balances, end of year	<u>89,729</u>	<u>89,729</u>	<u>1,190,013</u>	<u>1,100,284</u>

CITY OF SALIDA, COLORADO
Schedule of Revenues, Expenditures and Changes in Fund Balance
Economic Development Fund - Budget and Actual
For the Year Ended December 31, 2022

REVENUES:	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual Amounts</u>	<u>Variance with Final Budget</u>
Taxes:				
Sales tax	<u>191,500</u>	<u>191,500</u>	<u>190,275</u>	<u>(1,225)</u>
TOTAL REVENUES	<u>191,500</u>	<u>191,500</u>	<u>190,275</u>	<u>(1,225)</u>
EXPENDITURES:				
Community development	<u>274,500</u>	<u>274,500</u>	<u>130,392</u>	<u>144,108</u>
TOTAL EXPENDITURES	<u>274,500</u>	<u>274,500</u>	<u>130,392</u>	<u>144,108</u>
Excess of Revenues Over (Under) Expenditures	<u>(83,000)</u>	<u>(83,000)</u>	<u>59,883</u>	<u>142,883</u>
Other Financing Sources (Uses):				
Transfer (out)	<u>(50,000)</u>	<u>(50,000)</u>	<u>(33,125)</u>	<u>16,875</u>
Total Other Financing Sources (Uses)	<u>(50,000)</u>	<u>(50,000)</u>	<u>(33,125)</u>	<u>16,875</u>
Net change in fund balance	<u>(133,000)</u>	<u>(133,000)</u>	<u>26,758</u>	<u>159,758</u>
Fund balances, beginning of year	<u>204,807</u>	<u>204,807</u>	<u>175,088</u>	<u>(29,719)</u>
Fund balances, end of year	<u>71,807</u>	<u>71,807</u>	<u>201,846</u>	<u>130,039</u>

CITY OF SALIDA, COLORADO
Schedule of Revenues, Expenditures and Changes in Fund Balance
Lodging Tax Fund - Budget and Actual
For the Year Ended December 31, 2022

REVENUES:	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual Amounts</u>	<u>Variance with Final Budget</u>
Taxes:				
Sales tax	516,000	516,000	457,207	(58,793)
TOTAL REVENUES	<u>516,000</u>	<u>516,000</u>	<u>457,207</u>	<u>(58,793)</u>
EXPENDITURES:				
Capital outlay	-	-	-	-
TOTAL EXPENDITURES	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Excess of Revenues Over (Under) Expenditures	<u>516,000</u>	<u>516,000</u>	<u>457,207</u>	<u>(58,793)</u>
Other Financing Sources (Uses):				
Transfer (out)	(516,000)	(516,000)	(457,207)	58,793
Total Other Financing Sources (Uses)	<u>(516,000)</u>	<u>(516,000)</u>	<u>(457,207)</u>	<u>58,793</u>
Net change in fund balance	-	-	-	-
Fund balances, beginning of year	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Fund balances, end of year	<u><u>-</u></u>	<u><u>-</u></u>	<u><u>-</u></u>	<u><u>-</u></u>

CITY OF SALIDA, COLORADO
Schedule of Revenues, Expenditures and Changes in Fund Balance
Conservation Trust Fund - Budget and Actual
For the Year Ended December 31, 2022

REVENUES:	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual Amounts</u>	<u>Variance with Final Budget</u>
Intergovernmental revenue:				
State lottery	70,000	70,000	72,682	2,682
Interest income	4,000	4,000	6,885	2,885
TOTAL REVENUES	<u>74,000</u>	<u>74,000</u>	<u>79,567</u>	<u>5,567</u>
EXPENDITURES:				
Parks and recreation:				
Administrative	-	-	500	(500)
Capital outlay	10,000	10,000	-	10,000
TOTAL EXPENDITURES	<u>10,000</u>	<u>10,000</u>	<u>500</u>	<u>9,500</u>
Excess of Revenues Over (Under) Expenditures	<u>64,000</u>	<u>64,000</u>	<u>79,067</u>	<u>15,067</u>
Other Financing Sources (Uses):				
Transfer (out)	(280,000)	(280,000)	(280,000)	-
Total Other Financing Sources (Uses)	<u>(280,000)</u>	<u>(280,000)</u>	<u>(280,000)</u>	<u>-</u>
Net change in fund balance	(216,000)	(216,000)	(200,933)	15,067
Fund balances, beginning of year	290,945	290,945	313,044	22,099
Fund balances, end of year	<u>74,945</u>	<u>74,945</u>	<u>112,111</u>	<u>37,166</u>

CITY OF SALIDA, COLORADO
Schedule of Revenues, Expenditures and Changes in Fund Balance
Housing Fund - Budget and Actual
For the Year Ended December 31, 2022

REVENUES:	Original Budget	Final Budget	Actual Amounts	Variance with Final Budget
Housing fee in lieu	30,000	30,000	74,655	44,655
Intergovernmental revenue:				
State grants	-	-	-	-
TOTAL REVENUES	30,000	30,000	74,655	44,655
EXPENDITURES:				
Expenditures				
Housing	152,000	1,345,000	967,440	377,560
TOTAL EXPENDITURES	152,000	1,345,000	967,440	377,560
Excess of Revenues Over (Under) Expenditures	(122,000)	(1,315,000)	(892,785)	422,215
Other Financing Sources (Uses):				
Transfer in	50,000	1,243,000	951,999	(291,001)
Total Other Financing Sources (Uses)	50,000	1,243,000	951,999	(291,001)
Net change in fund balance	(72,000)	(72,000)	59,214	131,214
Fund balances, beginning of year	118,741	118,741	117,611	(1,130)
Fund balances, end of year	46,741	46,741	176,825	130,084

CITY OF SALIDA, COLORADO
Schedule of City's Proportionate Share of Net Pension Asset / Liability
Statewide Defined Benefit Plans
Fire and Police Pension Association of Colorado
Last 10 Fiscal Years *

Measurement period ending December 31,	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>	<u>2013</u>
Fire:									
City's portion of the net pension asset - Fire	0.122706%	0.112303%	0.109500%	0.102460%	0.113522%	0.105545%	0.111828%	0.109666%	0.105488%
City's proportionate share of the net pension liability (asset) - Fire	(664,985)	(243,809)	(61,929)	129,538	(163,320)	38,138	(1,971)	(123,767)	(94,326)
City's covered payroll - Fire	987,812	902,025	1,059,250	686,338	664,025	540,163	542,116	493,175	458,177
City's proportionate share of the net pension asset as a percentage of its covered payroll - Fire	-67.32%	-27.03%	-5.85%	18.87%	-24.60%	7.06%	-0.36%	-25.10%	-20.59%
Police:									
City's portion of the net pension asset - Police	0.160295%	0.140809%	0.148143%	0.136943%	0.134815%	0.119709%	0.126477%	0.117005%	0.129598%
City's proportionate share of the net pension liability (asset)- Police	(868,690)	(305,696)	(83,784)	173,134	(193,953)	43,255	(2,230)	(132,049)	(115,885)
City's covered payroll - Police	1,211,761	1,130,988	1,091,863	917,325	788,575	612,650	613,126	525,825	562,895
City's proportionate share of the net pension asset as a percentage of its covered payroll - Police	-71.69%	-27.03%	-7.67%	18.87%	-24.60%	7.06%	-0.36%	-25.11%	-20.59%
Plan fiduciary net position as a percentage of the total pension liability	116.20%	106.70%	101.90%	95.20%	106.30%	98.21%	100.10%	106.80%	105.80%

* The amounts presented for each fiscal year were determined as of the calendar year-end that occurred one year prior. Information is only available beginning in fiscal year 2014 for the employer plan, and fiscal year 2015 for the volunteer plan.

CITY OF SALIDA, COLORADO
Schedule of City's Contributions
Statewide Defined Benefit Plans
Fire and Police Pension Association of Colorado
Last 10 Fiscal Years *

Statewide Defined Benefit Plan:	2022	2021	2020	2019	2018	2017	2016	2015	2014
Fire:									
Contractually required contribution	84,981	83,964	72,162	84,740	54,907	53,122	43,213	43,369	39,454
Contributions in relation to the contractually required contribution	<u>(84,981)</u>	<u>(83,964)</u>	<u>(72,162)</u>	<u>(84,740)</u>	<u>(54,907)</u>	<u>(53,122)</u>	<u>(43,213)</u>	<u>(43,369)</u>	<u>(39,454)</u>
Contribution deficiency (excess)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
City's covered payroll	944,235	987,812	902,025	1,059,250	686,338	664,025	540,163	542,116	493,175
Contributions as a percentage of covered payroll	9.00%	8.50%	8.00%	8.00%	8.00%	8.00%	8.00%	8.00%	8.00%
Police:									
Contractually required contribution	117,330	103,000	90,479	87,349	73,386	63,086	49,012	49,050	42,066
Contributions in relation to the contractually required contribution	<u>(117,330)</u>	<u>(103,000)</u>	<u>(90,479)</u>	<u>(87,349)</u>	<u>(73,386)</u>	<u>(63,086)</u>	<u>(49,012)</u>	<u>(49,050)</u>	<u>(42,066)</u>
Contribution deficiency (excess)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
City's covered payroll	1,303,671	1,211,761	1,130,988	1,091,863	917,325	788,575	612,650	613,126	525,825
Contributions as a percentage of covered payroll	9.00%	8.50%	8.00%	8.00%	8.00%	8.00%	8.00%	8.00%	8.00%

* Information is only available beginning in fiscal year 2014. Additional years' information will be displayed as it becomes available

CITY OF SALIDA, COLORADO
Schedule of Changes in Net Pension Asset / Liability
Fire "Old Hire" Plan
Fire and Police Pension Association of Colorado
Last 10 Fiscal Years *

Measurement period ending December 31,

	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>
Total Pension Liability								
Service Cost	-	-	-	-	-	-	-	-
Interest on the Total Pension Liability	9,830	10,586	14,821	15,698	15,903	16,704	15,943	16,742
Benefit Changes	-	-	-	-	-	-	-	-
Difference between Expected and Actual Experience	27,852	-	10,431	-	8,761	-	8,172	-
Assumption Changes	-	-	39,872	-	-	-	13,426	-
Benefit Payments	(27,391)	(27,391)	(27,391)	(27,391)	(27,391)	(27,391)	(27,391)	(27,391)
Net Change in Total Pension Liability	<u>10,291</u>	<u>(16,805)</u>	<u>37,733</u>	<u>(11,693)</u>	<u>(2,727)</u>	<u>(10,687)</u>	<u>10,150</u>	<u>(10,649)</u>
Total Pension Liability - Beginning	<u>231,992</u>	<u>248,797</u>	<u>211,064</u>	<u>222,757</u>	<u>225,484</u>	<u>236,171</u>	<u>226,021</u>	<u>236,670</u>
Total Pension Liability - Ending (a)	<u><u>242,283</u></u>	<u><u>231,992</u></u>	<u><u>248,797</u></u>	<u><u>211,064</u></u>	<u><u>222,757</u></u>	<u><u>225,484</u></u>	<u><u>236,171</u></u>	<u><u>226,021</u></u>
Plan Fiduciary Net Position								
Employer Contributions	34,586	-	14,622	14,074	14,074	9,539	9,539	5,426
Pension Plan Net Investment Income	329	5,246	9,670	382	14,284	5,806	2,452	9,441
Benefit Payments	(27,391)	(27,391)	(27,391)	(27,391)	(27,391)	(27,391)	(27,391)	(27,391)
Pension Plan Administrative Expense	(1,445)	(2,723)	(1,585)	(3,401)	(1,065)	(2,052)	(544)	(3,351)
Net Change in Plan Fiduciary Net Position	<u>6,079</u>	<u>(24,868)</u>	<u>(4,684)</u>	<u>(16,336)</u>	<u>(98)</u>	<u>(14,098)</u>	<u>(15,944)</u>	<u>(15,875)</u>
Plan Fiduciary Net Position - Beginning	<u>60,157</u>	<u>85,025</u>	<u>89,709</u>	<u>106,045</u>	<u>106,143</u>	<u>120,241</u>	<u>136,185</u>	<u>152,060</u>
Plan Fiduciary Net Position - Ending (b)	<u><u>66,236</u></u>	<u><u>60,157</u></u>	<u><u>85,025</u></u>	<u><u>89,709</u></u>	<u><u>106,045</u></u>	<u><u>106,143</u></u>	<u><u>120,241</u></u>	<u><u>136,185</u></u>
Net Pension Liability/(Asset) - Ending (a) - (b)	<u><u>176,047</u></u>	<u><u>171,835</u></u>	<u><u>163,772</u></u>	<u><u>121,355</u></u>	<u><u>116,712</u></u>	<u><u>119,341</u></u>	<u><u>115,930</u></u>	<u><u>89,836</u></u>
Plan Fiduciary Net Position as a Percentage of Total Pension Liability	27.34%	25.93%	34.17%	42.50%	47.61%	47.07%	50.91%	60.25%
Covered Payroll	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Net Pension Liability as a Percentage of Covered Payroll	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A

* Information is only available beginning in fiscal year 2014. Additional years' information will be displayed as it becomes available

CITY OF SALIDA, COLORADO
Schedule of Changes in Net Pension Asset / Liability
Police "Old Hire" Plan
Fire and Police Pension Association of Colorado
Last 10 Fiscal Years *

Measurement period ending December 31,	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>
Total Pension Liability								
Service Cost	-	-	-	-	-	-	-	-
Interest on the Total Pension Liability	63,158	65,909	86,476	89,445	90,074	92,791	89,922	92,650
Benefit Changes	-	-	-	-	-	-	-	-
Difference between Expected and Actual Experience Assumption Changes	(162,115)	-	34,811	-	30,567	-	27,855	-
Benefit Payments	(125,342)	(128,718)	(129,025)	(129,025)	(129,025)	(129,025)	(129,025)	(129,025)
Net Change in Total Pension Liability	<u>(224,299)</u>	<u>(62,809)</u>	<u>311,926</u>	<u>(39,580)</u>	<u>(8,384)</u>	<u>(36,234)</u>	<u>38,262</u>	<u>(36,375)</u>
Total Pension Liability - Beginning	<u>1,465,482</u>	<u>1,528,291</u>	<u>1,216,365</u>	<u>1,255,945</u>	<u>1,264,329</u>	<u>1,300,563</u>	<u>1,262,301</u>	<u>1,298,676</u>
Total Pension Liability - Ending (a)	<u>1,241,183</u>	<u>1,465,482</u>	<u>1,528,291</u>	<u>1,216,365</u>	<u>1,255,945</u>	<u>1,264,329</u>	<u>1,300,563</u>	<u>1,262,301</u>
Plan Fiduciary Net Position								
Employer Contributions	183,774	-	80,582	75,808	75,808	66,481	66,481	56,214
Pension Plan Net Investment Income	2,232	29,590	50,225	1,542	68,209	27,005	10,580	39,097
Benefit Payments	(125,342)	(128,718)	(129,025)	(129,025)	(129,025)	(129,025)	(129,025)	(129,025)
Pension Plan Administrative Expense	(1,914)	(3,359)	(2,211)	(4,047)	(1,628)	(2,683)	(1,127)	(3,771)
Net Change in Plan Fiduciary Net Position	<u>58,750</u>	<u>(102,487)</u>	<u>(429)</u>	<u>(55,722)</u>	<u>13,364</u>	<u>(38,222)</u>	<u>(53,091)</u>	<u>(37,485)</u>
Plan Fiduciary Net Position - Beginning	<u>355,392</u>	<u>457,879</u>	<u>458,308</u>	<u>514,030</u>	<u>500,666</u>	<u>538,888</u>	<u>591,979</u>	<u>629,464</u>
Plan Fiduciary Net Position - Ending (b)	<u>414,142</u>	<u>355,392</u>	<u>457,879</u>	<u>458,308</u>	<u>514,030</u>	<u>500,666</u>	<u>538,888</u>	<u>591,979</u>
Net Pension Liability/(Asset) - Ending (a) - (b)	<u>827,041</u>	<u>1,110,090</u>	<u>1,070,412</u>	<u>758,057</u>	<u>741,915</u>	<u>763,663</u>	<u>761,675</u>	<u>670,322</u>
Plan Fiduciary Net Position as a Percentage of Total Pension Liability	33.37%	24.25%	29.96%	37.68%	40.93%	39.60%	41.43%	46.90%
Covered Payroll	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Net Pension Liability as a Percentage of Covered Payroll	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A

* Information is only available beginning in fiscal year 2014. Additional years' information will be displayed as it becomes available

CITY OF SALIDA, COLORADO
Schedule of City's Contributions
"Old Hire" Plan
Fire and Police Pension Association of Colorado
Last 10 Fiscal Years *

Agent - Fire "Old Hire" Plan:	2022	2021	2020	2019	2018	2017	2016	2015	2014
Actuarially determined contribution	19,964	19,964	14,622	14,622	14,074	14,074	9,539	9,539	5,426
Actual contribution	<u>(19,964)</u>	<u>(19,964)</u>	<u>(14,622)</u>	<u>(14,622)</u>	<u>(14,074)</u>	<u>(14,074)</u>	<u>(9,539)</u>	<u>(9,539)</u>	<u>(5,426)</u>
Contribution deficiency (excess)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
City's covered payroll	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Contributions as a percentage of covered payroll	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Agent - Police "Old Hire" Plan:	2022	2021	2020	2019	2018	2017	2016	2015	2014
Actuarially determined contribution	91,887	91,887	91,887	80,582	75,808	78,808	66,481	66,481	56,214
Actual contribution	<u>(91,887)</u>	<u>(91,887)</u>	<u>(91,887)</u>	<u>(80,582)</u>	<u>(75,808)</u>	<u>(78,808)</u>	<u>(66,481)</u>	<u>(66,481)</u>	<u>(56,214)</u>
Contribution deficiency (excess)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
City's covered payroll	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Contributions as a percentage of covered payroll	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A

* The amounts presented for each fiscal year were determined as of the calendar year-end that occurred one year prior. Information is only available beginning in fiscal year 2014. Additional years' information will be displayed as it becomes available.

City of Salida
Notes to the Required Supplementary Information
December 31, 2022

I. Schedule of City's Proportionate Share of the Net Pension (Asset) Liability – Statewide Defined Benefit Plans

A. Changes to assumptions or other inputs

1. Changes Since the January 1, 2018 Actuarial Valuation are as Follows:

For determining the total pension liability, the post-retirement mortality tables for non-disabled retirees uses the 2006 central rate from the RP-2014 annuitant mortality tables projected to 2018 using the MP-2017 projection scales, and the projected prospectively using the ultimate rates of the scale for all years. The pre-retirement off-duty mortality tables are adjusted to 50% of the RP-2014 mortality tables for active employees. The on-duty mortality rate is 0.00015.

2. Changes Since the January 1, 2015 Actuarial Valuation are as Follows:

Effective January 1, 2016, the post-retirement mortality tables for non-disabled retirees is a blend of the Annuitant and Employee RP-2014 generational mortality tables with blue collar adjustment projected with Scale BB. The occupationally disabled post-retirement mortality assumption uses the same table as used for healthy annuitants, except that is a three-year set-forward, meaning a disabled member age 70 will be valued as if they were a 73-year-old healthy retiree. The totally disabled post-retirement mortality assumption uses the RP-2014 generational mortality tables for disabled annuitants, except an additional provision to apply a minimum 3% mortality probability to males and 2% mortality probability for females is included to reflect substantial impairment for this population. The pre-retirement off-duty mortality tables are adjusted to 55% of the RP-2014 mortality tables for active employees. The on-duty mortality rate is 0.00020.

3. Changes Since the January 1, 2014 Actuarial Valuation are as Follows:

For determining the total pension liability, the RP-2014 Mortality Tables for Blue Collar Employees, projected with Scale BB, 55 percent multiplier for off-duty mortality is used in the valuation for off-duty mortality of active members. On-duty related mortality is assumed to be 0.00020 per year for all members of post-retirement benefits for members under age 55. For post-retirement members ages 65 and older, the RP-2014 Mortality Tables for Blue Collar Healthy Annuitants, projected with Scale BB are used.

B. Changes of benefit terms

No changes during the years presented.

C. Changes of size or composition of population covered by benefit terms

No changes during the years presented.

City of Salida
Notes to the Required Supplementary Information
December 31, 2022
(continued)

II. Notes to the Schedule of City’s Contributions – Statewide Defined Benefit Plans

A. Changes to assumptions or other inputs

No changes during the years presented.

B. Changes of benefit terms

No changes during the years presented.

C. Changes of size or composition of population covered by benefit terms.

No changes during the years presented.

III. Schedule of Changes in Net Pension Asset / Liability – Fire and Police “Old Hire” Plan

A. Changes to assumptions

1. Changes Since the January 1, 2020 Actuarial Valuation are as Follows:

The investment rate of return changed to 4.5%.

Post-retirement mortality assumptions: 2006 central rates from the RP-2014 Annuitant Mortality Tables for males and females projected to 2018 using the MP-2017 projection scales, and then projected prospectively using the ultimate rates of the scale for all years.

Disabled (pre-1980) mortality assumptions: Post-retirement rates set forward three years.

2. Changes Since the January 1, 2014 Actuarial Valuation are as Follows:

The inflation assumption was reduced from 3.0% to 2.5%.

Post-retirement mortality assumptions: For ages less than 55, RP- 2014 Mortality Tables for Blue Collar Employees. For ages 65 and older, RP-2014 Mortality Tables for Blue Collar Healthy Annuitant. For ages 55 through 64, a blend of the previous tables. All tables are projected with Scale BB.

Disabled (pre-1930) mortality assumptions: RP-2014 Disabled Generational Mortality Table generationally projected with Scale BB with a minimum 3% rate for males and 2% for females.

B. Changes of benefit terms

No changes during the years presented.

C. Changes of size or composition of population covered by benefit terms.

No changes during the years presented.

City of Salida
Notes to the Required Supplementary Information
December 31, 2022

IV. Schedule of City's Contributions – Fire and Police “Old Hire” Plan

A. Changes to assumptions

1. Changes Since the January 1, 2014 Actuarial Valuation are as Follows:

The asset method valuation approximates smoothing over a five-year period by recognizing 20% of the difference between the projected actuarial value and the market value at the valuation date. The remaining amortization period is 17 years.

Disabled (pre-1980) mortality assumptions: RP-2000 Disabled Mortality Table generationally projected with Scale AA.

B. Changes of benefit terms

No changes during the years presented.

C. Changes of size or composition of population covered by benefit terms.

No changes during the years presented.

V. Budgets and Budgetary Accounting

Budgets are adopted on a basis consistent with generally accepted accounting principles, except for the proprietary funds. Annual appropriations are adopted for all funds. Expenditures may not legally exceed appropriations at the fund level. All appropriations lapse at year end.

As required by Colorado Statutes, the City followed the required timetable noted below in preparing, approving, and enacting its budget for 2022.

1. The Mayor, or other qualified person appointed by the Council, submitted to the Council, on or before October 15, 2021, a recommended budget which detailed available revenues to meet the City's operating requirements.
2. Prior to December 15, 2021, a public hearing was held for the budget, and the Council adopted the proposed budget and an appropriating ordinance that legally appropriated expenditures for the upcoming year.
3. After adoption of the budget resolution, the City may make the following changes:
a) it may transfer appropriated money between funds; b) approve supplemental appropriations to the extent of revenues in excess of estimated revenues in the budget; c) approve emergency appropriations; and d) reduce appropriations for which originally estimated revenues are insufficient.



CITY OF
SALIDA
COLORADO

SUPPLEMENTARY INFORMATION

CITY OF SALIDA, COLORADO
Schedule of Revenues, Expenditures and Changes in Fund Balance
Capital Improvement Fund - Budget and Actual
For the Year Ended December 31, 2022

REVENUES:	Original Budget	Final Budget	Actual Amounts	Variance with Final Budget
Taxes:				
Sales tax	766,151	766,151	761,100	(5,051)
Intergovernmental revenue:				
State grants	100,000	150,000	41,500	(108,500)
Miscellaneous revenue	-	-	51,000	51,000
TOTAL REVENUES	866,151	916,151	853,600	(62,551)
EXPENDITURES:				
General government:				
Capital outlay	-	-	180,913	(180,913)
Public safety:				
Capital outlay	65,000	1,312,000	701,060	610,940
Public works:				
Capital outlay	125,000	25,000	17,264	7,736
Culture, parks, and recreation				
Capital outlay	995,000	1,412,000	1,035,906	376,094
TOTAL EXPENDITURES	1,185,000	2,749,000	1,935,143	813,857
Excess of Revenues Over (Under) Expenditures	(318,849)	(1,832,849)	(1,081,543)	751,306
Other Financing Sources (Uses):				
Transfer in	280,000	1,844,000	1,046,000	(798,000)
Total Other Financing Sources (Uses)	280,000	1,844,000	1,046,000	(798,000)
Net change in fund balance	(38,849)	11,151	(35,543)	(46,694)
Fund balances, beginning of year	98,111	98,111	56,104	(42,007)
Fund balances, end of year	59,262	109,262	20,561	(88,701)

CITY OF SALIDA, COLORADO
Schedule of Revenues, Expenditures and Changes in Fund Balance
Water Fund - Budget and Actual with Reconciliation to US GAAP Basis
For the Year Ended December 31, 2022

REVENUES:	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual Amounts</u>	<u>Variance with Final Budget</u>
Fees for General Services:				
Service and usage fees	1,404,800	1,404,800	1,509,747	104,947
Water line maintenance	200,900	200,900	239,092	38,192
Commercial demand charges	102,000	102,000	102,291	291
Other revenues	37,400	37,400	69,855	32,455
Water leases	5,000	5,000	37,500	32,500
Total Fees for General Services	<u>1,750,100</u>	<u>1,750,100</u>	<u>1,958,485</u>	<u>208,385</u>
Intergovernmental Revenue				
State grants	-	-	151,341	151,341
Total Intergovernmental Revenue	<u>-</u>	<u>-</u>	<u>151,341</u>	<u>151,341</u>
Capital Revenue:				
System development fees	480,000	480,000	429,432	(50,568)
Sale of water meters	16,000	16,000	35,511	19,511
Total Capital Revenue	<u>496,000</u>	<u>496,000</u>	<u>464,943</u>	<u>(31,057)</u>
Other Revenue:				
Investment earnings (loss)	98,000	98,000	(140,687)	(238,687)
Miscellaneous revenue	500	500	135	(365)
Total Other Revenue	<u>98,500</u>	<u>98,500</u>	<u>(140,552)</u>	<u>(239,052)</u>
TOTAL REVENUES	<u>2,344,600</u>	<u>2,344,600</u>	<u>2,434,217</u>	<u>89,617</u>
EXPENSES:				
Administration - Water:				
Personnel services	111,891	111,891	123,132	(11,241)
Contracted services	47,000	47,000	27,442	19,558
Supplies and materials	2,000	2,000	2,038	(38)
Other operating costs	23,100	23,100	30,854	(7,754)
Total Administration - Water	<u>183,991</u>	<u>183,991</u>	<u>183,466</u>	<u>525</u>
Public Works - Water:				
Personnel services	325,977	325,977	323,744	2,233
Contracted services	64,000	64,000	19,630	44,370
Supplies and materials	18,200	18,200	22,852	(4,652)
Utilities	-	-	270	(270)
Other operating costs	54,400	54,400	30,199	24,201
Financing obligations	303,373	303,373	315,069	(11,696)
Total Public Works - Water	<u>765,950</u>	<u>765,950</u>	<u>711,764</u>	<u>54,186</u>

(continued)

CITY OF SALIDA, COLORADO
Schedule of Revenues, Expenditures and Changes in Fund Balance
Water Fund - Budget and Actual with Reconciliation to US GAAP Basis (continued)
For the Year Ended December 31, 2022

EXPENSES:	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual Amounts</u>	<u>Variance with Final Budget</u>
Water Plant:				
Personnel services	269,312	269,312	300,739	(31,427)
Contracted services	192,000	192,000	177,905	14,095
Supplies and materials	44,800	44,800	37,317	7,483
Utilities	86,900	86,900	105,116	(18,216)
Other operating costs	114,200	114,200	91,890	22,310
Financing obligations	51,756	51,756	49,965	1,791
Total Water Plant	<u>758,968</u>	<u>758,968</u>	<u>762,932</u>	<u>(3,964)</u>
Capital outlay	4,593,500	4,593,500	1,788,077	2,805,423
TOTAL EXPENSES	<u>6,302,409</u>	<u>6,302,409</u>	<u>3,446,239</u>	<u>2,856,170</u>
Other Financing Sources (Uses)				
Financing proceeds	4,000,000	4,000,000	2,300,705	(1,699,295)
Total Other Financing Sources (Uses)	<u>4,000,000</u>	<u>4,000,000</u>	<u>2,300,705</u>	<u>(1,699,295)</u>
Excess of Revenues Over (Under)				
Expenses - Budget Basis	<u>42,191</u>	<u>42,191</u>	<u>1,288,683</u>	<u>1,246,492</u>
GAAP Basis Adjustments				
Debt proceeds			(2,300,705)	
Capitalized expenses			1,757,709	
Depreciation			(511,846)	
Gain (loss) on sale of assets			(21,043)	
Debt principal			295,629	
Total GAAP Basis Adjustments			<u>(780,256)</u>	
Net Income - GAAP Basis			508,427	
Net Position, beginning of year			<u>15,529,391</u>	
Net Position, end of year			<u>16,037,818</u>	

CITY OF SALIDA, COLORADO
Schedule of Revenues, Expenditures and Changes in Fund Balance
Wastewater Fund - Budget and Actual with Reconciliation to US GAAP Basis
For the Year Ended December 31, 2022

REVENUES:	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual Amounts</u>	<u>Variance with Final Budget</u>
Fees for General Services:				
Metered service and usage fees	1,217,500	1,556,500	1,621,746	65,246
Unmetered wastewater charges	81,500	81,500	86,613	5,113
Septage receiving	85,000	85,000	-	(85,000)
Lab analysis fees	28,000	28,000	-	(28,000)
Other	15,000	15,000	24,029	9,029
Total Fees for General Services	<u>1,427,000</u>	<u>1,766,000</u>	<u>1,732,388</u>	<u>(33,612)</u>
Capital Revenue:				
System development fees	700,000	700,000	702,473	2,473
Total Capital Revenue	<u>700,000</u>	<u>700,000</u>	<u>702,473</u>	<u>2,473</u>
Other Revenue:				
Investment earnings (loss)	53,000	53,000	(74,674)	(127,674)
Miscellaneous revenue	-	-	128,875	128,875
Total Other Revenue	<u>53,000</u>	<u>53,000</u>	<u>54,201</u>	<u>1,201</u>
TOTAL REVENUES	<u>2,180,000</u>	<u>2,519,000</u>	<u>2,489,062</u>	<u>(29,938)</u>
EXPENSES:				
Administration - Wastewater:				
Personnel services	111,891	111,891	123,291	(11,400)
Contracted services	2,000	2,000	3,665	(1,665)
Supplies and materials	2,300	2,300	2,038	262
Other operating costs	23,100	23,100	31,242	(8,142)
Total Administration - Wastewater	<u>139,291</u>	<u>139,291</u>	<u>160,236</u>	<u>(20,945)</u>
Public Works - Wastewater:				
Personnel services	325,486	325,486	310,430	15,056
Contracted services	32,000	67,000	81,884	(14,884)
Supplies and materials	10,800	10,800	18,474	(7,674)
Utilities	2,100	2,100	3,437	(1,337)
Other operating costs	18,000	18,000	22,240	(4,240)
Total Public Works - Wastewater	<u>388,386</u>	<u>423,386</u>	<u>436,465</u>	<u>(13,079)</u>

(continued)

CITY OF SALIDA, COLORADO
Schedule of Revenues, Expenditures and Changes in Fund Balance
Wastewater Fund - Budget and Actual with Reconciliation to US GAAP Basis (continued)
For the Year Ended December 31, 2022

EXPENSES:	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual Amounts</u>	<u>Variance with Final Budget</u>
Wastewater Plant:				
Personnel services	288,810	288,810	386,826	(98,016)
Contracted services	81,500	96,500	99,279	(2,779)
Supplies and materials	57,700	57,700	90,242	(32,542)
Utilities	137,100	137,100	159,101	(22,001)
Other operating costs	140,900	140,900	132,737	8,163
Financing obligations	655,058	655,058	568,394	86,664
Total Wastewater Plant	<u>1,361,068</u>	<u>1,376,068</u>	<u>1,436,579</u>	<u>(60,511)</u>
Capital outlay	<u>680,000</u>	<u>969,000</u>	<u>804,426</u>	<u>164,574</u>
TOTAL EXPENSES	<u>2,568,745</u>	<u>2,907,745</u>	<u>2,837,706</u>	<u>70,039</u>
Excess of Revenues Over (Under) Expenses - Budget Basis	<u>(388,745)</u>	<u>(388,745)</u>	<u>(348,644)</u>	<u>40,101</u>
GAAP Basis Adjustments				
Capitalized expenses			715,296	
Depreciation			(943,338)	
Debt service principal			300,270	
Total GAAP Basis Adjustments			<u>72,228</u>	
Net Income - GAAP Basis			(276,416)	
Net Position, beginning of year			<u>9,786,831</u>	
Net Position, end of year			<u>9,510,415</u>	

LOCAL HIGHWAY FINANCE REPORT	STATE: COLORADO
	YEAR ENDING (mm/yy): 12/22

This Information From The Records Of: CITY OF SALIDA	Prepared By: ANGIE WILLIAMS
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I. DISPOSITION OF HIGHWAY-USER REVENUES AVAILABLE FOR LOCAL GOVERNMENT EXPENDITURE

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

II. RECEIPTS FOR ROAD AND STREET PURPOSES

III. EXPENDITURES FOR ROAD AND STREET PURPOSES

ITEM	AMOUNT	ITEM	AMOUNT
A. Receipts from local sources:		A. Local highway expenditures:	
1. Local highway-user taxes		1. Capital outlay (from page 2)	\$ 2,691,757.00
a. Motor Fuel (from Item I.A.5.)		2. Maintenance:	\$ 245,178.00
b. Motor Vehicle (from Item I.B.5.)		3. Road and street services:	
c. Total (a.+b.)		a. Traffic control operations	\$ 44,407.00
2. General fund appropriations	\$ -	b. Snow and ice removal	\$ 13,748.00
3. Other local imposts (from page 2)	\$ 3,044,400.00	c. Other	\$ 15,050.00
4. Miscellaneous local receipts (from page 2)	\$ 32,864.00	d. Total (a. through c.)	\$ 73,205.00
5. Transfers from toll facilities	\$ -	4. General administration & miscellaneous	\$ 208,570.00
6. Proceeds of sale of bonds and notes:		5. Highway law enforcement and safety	\$ 701,440.00
a. Bonds - Original Issues	\$ -	6. Total (1 through 5)	\$ 3,920,150.00
b. Bonds - Refunding Issues	\$ -	B. Debt service on local obligations:	
c. Notes	\$ -	1. Bonds:	
d. Total (a. + b. + c.)	\$ -	a. Interest	
7. Total (1 through 6)	\$ 3,077,264.00	b. Redemption	
B. Private Contributions	\$ -	c. Total (a. + b.)	\$ -
C. Receipts from State government (from page 2)	\$ 325,794.00	2. Notes:	
D. Receipts from Federal Government (from page 2)	\$ -	a. Interest	
E. Total receipts (A.7 + B + C + D)	\$ 3,403,058.00	b. Redemption	
		c. Total (a. + b.)	\$ -
		3. Total (1.c + 2.c)	\$ -
		C. Payments to State for highways	\$ -
		D. Payments to toll facilities	\$ -
		E. Total expenditures (A.6 + B.3 + C + D)	\$ 3,920,150.00

IV. LOCAL HIGHWAY DEBT STATUS

(Show all entries at par)

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

V. LOCAL ROAD AND STREET FUND BALANCE

	A. Beginning Balance	B. Total Receipts	C. Total Disbursements	D. Ending Balance	E. Reconciliation
		\$ 3,403,058.00	\$ 3,920,150.00	\$ -	\$ (517,092.00)

Notes and Comments:

LOCAL HIGHWAY FINANCE REPORT

STATE:
COLORADO
 YEAR ENDING (mm/yy):
 12/22

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 Assesments	\$ -	a. Interest on investments	\$ -
b. Other local imposts:		b. Traffic Fines & Penalties	\$ 32,864.00
1. Sales Taxes	\$ 3,044,400.00	c. Parking Garage Fees	\$ -
2. Infrastructure & Impact Fees	\$ -	d. Parking Meter Fees	\$ -
3. Liens	\$ -	e. Sale of Surplus Property	\$ -
4. Licenses	\$ -	f. Charges for Services	\$ -
5. Specific Ownership &/or Other	\$ -	g. Other Misc. Receipts	\$ -
6. Total (1. through 5.)	\$ 3,044,400.00	h. Other	\$ -
c. Total (a. + b.)	\$ 3,044,400.00	i. Total (a. through h.)	\$ 32,864.00
<i>(Carry forward to page 1)</i>		<i>(Carry forward to page 1)</i>	

ITEM	AMOUNT	ITEM	AMOUNT
C. Receipts from State Government		D. Receipts from Federal Government	
1. Highway-user taxes (from Item I.C.5.)	\$ 242,182.00	1. FHWA (from Item I.D.5.)	
2. State general funds		2. Other Federal agencies:	
3. Other State funds:		a. Forest Service	\$ -
a. State bond proceeds		b. FEMA	\$ -
b. Project Match	\$ -	c. HUD	\$ -
c. Motor Vehicle Registrations	\$ 31,180.00	d. Federal Transit Administration	\$ -
d. DOLA Grant	\$ 52,432.00	e. U.S. Corps of Engineers	\$ -
e. Other- TAP MMOF	\$ -	f. Other Federal	\$ -
f. Total (a. through e.)	\$ 83,612.00	g. Total (a. through f.)	\$ -
4. Total (1. + 2. + 3.f)	\$ 325,794.00	3. Total (1. + 2.g)	\$ -
<i>(Carry forward to page 1)</i>		<i>(Carry forward to page 1)</i>	

III. EXPENDITURES FOR ROAD AND STREET PURPOSES - DETAIL

	ON NATIONAL HIGHWAY SYSTEM (a)	OFF NATIONAL HIGHWAY SYSTEM (b)	TOTAL (c)
A.1. Capital outlay:			
a. Right-Of-Way Costs			\$ -
b. Engineering Costs	\$ 529,338.00	\$ 193,477.00	\$ 722,815.00
c. Construction:			
(1). New Facilities	\$ -	\$ -	\$ -
(2). Capacity Improvements	\$ -	\$ -	\$ -
(3). System Preservation	\$ -	\$ 86,880.00	\$ 86,880.00
(4). System Enhancement And Operation	\$ -	\$ 1,882,062.00	\$ 1,882,062.00
(5). Total Construction (1)+(2)+(3)+(4)	\$ -	\$ 1,968,942.00	\$ 1,968,942.00
d. Total Capital Outlay (Lines 1.a. + 1.b. + 1.c.4)	\$ 529,338.00	\$ 2,162,419.00	\$ 2,691,757.00
<i>(Carry forward to page 1)</i>			

Notes and Comments:



CITY OF
SALIDA
COLORADO

STATISTICAL INFORMATION

STATISTICAL SECTION

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

Contents	Page
Financial Trends	G1 - G5
<i>These schedules contain trend information to help the reader understand how the government's financial performance and well-being have changed over time.</i>	
Revenue Capacity	G6 - G10
<i>These schedules include information to help the reader assess the government's most significant local revenue source. The City of Salida's most important revenue source is sales tax.</i>	
Debt Capacity	G11 - G14
<i>These schedules present information to help the reader assess the affordability of the government's current level of outstanding debt and the government's ability to issue additional debt in the future.</i>	
Demographic and Economic Information	G15 - G16
<i>These schedules help the reader understand the environment within which the government's financial activities take place.</i>	
Operating Information	G18 - G19
<i>These schedules contain service and infrastructure data to help the reader understand how the information in the government's financial report relates to the services the government provides and the activities it performs.</i>	

CITY OF SALIDA, COLORADO
Net Position by Component
Last Ten Fiscal Years
(Accrual Basis of Accounting)
Schedule 1

	Fiscal Year									
	2022	2021	2020	2019	2018	2017	2016	2015	2014	2013
Governmental Activities										
Net Investment in Capital Assets	30,844,978	28,835,011	27,366,982	25,457,709	24,397,257	19,889,837	19,869,497	19,852,447	14,698,702	13,442,842
Restricted	2,131,786	1,342,549	670,645	596,103	415,821	357,296	673,749	394,208	2,794,809	3,254,234
Unrestricted	6,489,258	7,148,146	6,274,192	5,947,623	4,945,600	4,770,534	5,986,284	4,321,561	1,543,801	1,012,202
Subtotal Governmental Activities	39,466,022	37,325,706	34,311,819	32,001,435	29,758,678	25,017,667	26,529,530	24,568,216	19,037,312	17,709,278
Business-type Activities										
Net Investment in Capital Assets	18,089,406	18,727,404	16,565,969	19,103,620	19,543,829	19,251,243	17,626,979	17,385,077	15,351,346	14,149,193
Restricted	-	-	1,034,732	986,683	914,823	-	-	-	913,515	1,221,792
Unrestricted	7,458,827	6,588,818	6,448,009	5,785,854	6,143,842	4,829,020	4,044,718	3,908,583	3,023,309	3,093,102
Subtotal Business-type Activities	25,548,233	25,316,222	24,048,710	25,876,157	26,602,494	24,080,263	21,671,697	21,293,660	19,288,170	18,464,087
Primary Government										
Net Investment in Capital Assets	48,934,384	47,562,415	43,932,951	44,561,329	43,941,086	39,141,080	37,496,476	37,237,524	30,050,048	27,592,035
Restricted	2,131,786	1,342,549	1,705,377	1,582,786	1,330,644	357,296	673,749	394,208	3,708,324	4,476,026
Unrestricted	13,948,085	13,736,964	12,722,201	11,733,477	11,089,442	9,599,554	10,031,002	8,230,144	4,567,110	4,105,304
Total Primary Government Net Position	65,014,255	62,641,928	58,360,529	57,877,592	56,361,172	49,097,930	48,201,227	45,861,876	38,325,482	36,173,365

CITY OF SALIDA, COLORADO
Changes in Net Position
Last Ten Fiscal Years
(Accrual Basis of Accounting)
Schedule 2

	Fiscal Year									
	2022	2021	2020	2019	2018	2017	2016	2015	2014	2013
Expenses										
Governmental Activities:										
General Government	\$ 2,045,463	\$ 2,270,818	\$ 2,515,773	\$ 915,020	\$ 1,175,900	\$ 1,574,671	\$ 1,524,785	\$ 1,175,090	\$ 1,414,429	\$ 1,929,106
Public Safety	4,168,154	4,371,506	4,389,355	3,509,183	3,283,906	3,096,405	2,715,406	2,578,402	2,529,710	2,354,999
Public works/Streets	3,755,062	2,591,055	2,862,257	3,445,982	1,827,415	2,056,193	1,568,062	1,275,564	1,109,882	705,819
Culture, parks and recreation	3,982,076	3,336,151	2,812,178	2,044,294	1,824,233	1,520,283	1,301,834	1,241,164	948,611	975,610
Housing	848,903	1,029,125	-	-	-	-	-	-	-	-
Interest on long-term debt	28,340	34,966	41,070	42,165	37,263	41,032	252,804	299,103	52,890	60,074
Total Governmental Activities	14,827,998	13,633,621	12,620,633	9,956,644	8,148,717	8,288,584	7,362,891	6,569,323	6,055,522	6,025,608
Business-type Activities:										
Water	1,925,790	1,946,386	2,194,312	1,799,018	1,286,580	1,421,395	1,992,682	1,405,023	1,344,957	1,304,607
Sewer	2,765,478	2,947,512	2,699,215	2,434,702	2,365,047	2,173,083	2,117,033	2,014,136	2,189,182	1,753,919
Steamplant Event Center	-	-	-	747,091	715,902	548,550	480,588	431,307	428,950	401,821
Total Business-type Activities	4,691,268	4,893,898	4,893,527	4,980,811	4,367,529	4,143,028	4,590,303	3,850,466	3,963,089	3,460,347
Total Primary Government Expenses	\$ 19,519,266	\$ 18,527,519	\$ 17,514,160	\$ 14,937,455	\$ 12,516,246	\$ 12,431,612	\$ 11,953,194	\$ 10,419,789	\$ 10,018,611	\$ 9,485,955
Program Revenues										
Governmental Activities:										
Charges for services										
General government	\$ 304,071	\$ 307,328	\$ 263,609	\$ 193,202	\$ 314,597	\$ 251,388	\$ 196,540	\$ 185,753	\$ 76,164	\$ 282,533
Public safety	200,968	208,595	250,794	202,702	79,729	91,675	85,844	116,168	56,244	118,978
Public works/Streets	19,929	49,502	35,033	26,733	23,147	24,230	56,644	29,631	26,659	17,931
Culture, parks and recreation	998,797	479,100	311,145	524,994	472,912	464,586	466,241	843,380	414,489	376,135
Housing	74,655	46,870	70,741	-	-	-	-	-	-	-
Operating grants and contributions	1,526,503	1,651,206	1,017,909	499,086	389,021	327,318	311,556	417,178	422,448	338,854
Capital grants and contributions	92,500	400,902	28,944	371,830	827,689	363,576	305,619	1,736,311	200,965	176,603
Total Governmental Activities	3,217,423	3,143,503	1,978,175	1,818,547	2,107,095	1,522,773	1,422,444	3,328,421	1,196,969	1,311,034
Business-type Activities:										
Charges for services										
Water	1,958,620	1,868,307	1,859,763	1,746,298	1,756,919	1,671,803	1,659,177	1,521,749	1,527,072	1,639,583
Sewer	1,861,263	1,696,724	1,556,395	1,378,262	1,377,798	1,345,584	1,345,305	1,304,101	1,239,528	1,232,454
Steamplant Event Center	-	-	-	392,721	368,684	324,615	259,240	220,070	258,640	249,756
Operating grants and contributions	-	-	-	903	5,060	16,911	8,031	44,479	-	-
Capital grants and contributions	1,318,757	2,616,685	1,283,573	1,198,157	2,191,124	2,677,589	1,554,433	2,536,446	1,530,286	2,177,661
Total Business-type activities	5,138,640	6,181,716	4,699,731	4,716,341	5,699,585	6,036,502	4,826,186	5,626,845	4,555,526	5,299,454
Total Primary Government Program Revenues	\$ 8,356,063	\$ 9,325,219	\$ 6,677,906	\$ 6,534,888	\$ 7,806,680	\$ 7,559,275	\$ 6,248,630	\$ 8,955,266	\$ 5,752,495	\$ 6,610,488
Net (Expense)/Revenue										
Governmental Activities	\$ (11,610,575)	\$ (10,490,118)	\$ (10,642,458)	\$ (8,138,097)	\$ (6,041,622)	\$ (6,765,811)	\$ (5,940,447)	\$ (3,240,902)	\$ (4,858,553)	\$ (4,714,574)
Business-type Activities	447,372	1,287,818	(193,796)	(264,470)	1,332,056	1,893,474	235,883	1,776,379	592,437	1,839,107
Total Primary Government Net (Expense)/Revenue	\$ (11,163,203)	\$ (9,202,300)	\$ (10,836,254)	\$ (8,402,567)	\$ (4,709,566)	\$ (4,872,337)	\$ (5,704,564)	\$ (1,464,523)	\$ (4,266,116)	\$ (2,875,467)

CITY OF SALIDA, COLORADO
Changes in Net Position
Last Ten Fiscal Years
(Accrual Basis of Accounting)
Schedule 2 (Continued)

	Fiscal Year									
	2022	2021	2020	2019	2018	2017	2016	2015	2014	2013
General Revenues and other changes in net position										
Governmental Activities:										
Sales Tax	\$ 9,513,748	\$ 9,194,557	\$ 7,723,299	\$ 6,609,399	\$ 6,110,252	\$ 5,725,577	\$ 5,162,570	\$ 4,859,598	\$ 4,399,693	\$ 4,172,734
Sales Tax - County	3,429,551	3,207,757	2,580,358	2,303,168	1,997,746	1,849,781	1,785,695	1,586,472	1,432,420	1,354,142
Franchise Taxes	433,799	351,746	329,232	345,904	339,620	308,338	303,382	334,172	344,284	370,021
Occupation Taxes	457,207	467,235	349,513	337,316	-	-	248,230	205,150	217,212	242,902
Unrestricted Investment Earnings	(209,573)	(17,573)	79,103	115,718	75,419	32,320	15,386	10,256	10,482	3,834
Capital Contributions	-	-	-	-	3,172,780	-	-	-	-	-
Miscellaneous	126,159	300,283	159,024	76,441	214,764	433,146	518,794	11,112	3,362	33,333
Gain (Loss) on sale of assets	-	-	-	17,628	-	(9,328)	75,903	-	-	-
Transfers in (out)	-	-	1,732,313	575,280	(1,127,948)	(635,280)	(124,100)	(220,103)	(220,866)	(84,400)
Total general revenues, special items, and transfers	13,750,891	13,504,005	12,952,842	10,380,854	10,782,633	7,704,554	7,985,860	6,786,657	6,186,587	6,092,566
Business-type Activities:										
Unrestricted investment earnings	\$ (215,361)	\$ (20,906)	\$ 98,662	\$ 113,413	\$ 62,227	\$ 33,354	\$ 18,054	\$ 9,008	\$ 10,782	\$ 6,193
Miscellaneous	-	-	-	-	-	-	-	-	-	-
Gain (Loss) on sale of assets	-	600	-	-	-	(10,316)	-	-	-	(389)
Transfers in (out)	-	-	(1,732,313)	(575,280)	1,127,948	635,280	124,100	220,103	220,866	84,400
Total Business-type activities	(215,361)	(20,306)	(1,633,651)	(461,867)	1,190,175	658,318	142,154	229,111	231,648	90,204
Total primary government	\$ 13,535,530	\$ 13,483,699	\$ 11,319,191	\$ 9,918,987	\$ 11,972,808	\$ 8,362,872	\$ 8,128,014	\$ 7,015,768	\$ 6,418,235	\$ 6,182,770
Change in Net Position										
Governmental Activities	\$ 2,140,316	\$ 3,013,887	\$ 2,310,384	\$ 2,242,757	\$ 4,741,011	\$ 938,743	\$ 2,045,413	\$ 3,545,755	\$ 1,328,034	\$ 1,377,992
Business-type Activities	232,011	1,267,512	(1,827,447)	(726,337)	2,522,231	2,551,792	378,037	2,005,490	824,085	1,929,311
Total Change in Net Position	\$ 2,372,327	\$ 4,281,399	\$ 482,937	\$ 1,516,420	\$ 7,263,242	\$ 3,490,535	\$ 2,423,450	\$ 5,551,245	\$ 2,152,119	\$ 3,307,303

CITY OF SALIDA, COLORADO
Fund Balances of Governmental Funds
Last Ten Fiscal Years
(Modified Accrual Basis of Accounting)
Schedule 3

	Fiscal Year									
	2022	2021	2020	2019	2018	2017	2016	2015	2014	2013
General Fund										
Nonspendable	\$ 139,917	\$ 62,427	\$ 37,072	\$ 24,454	\$ 22,985	\$ 92,753	\$ 57,959	\$ 10,846	\$ -	\$ 54,524
Restricted	486,000	480,000	380,000	360,000	224,000	225,000	265,000	275,014	226,411	230,935
Committed	2,276,390	2,010,234	1,809,178	-	-	-	-	1,117,840	2,444,494	2,709,676
Assigned	-	-	-	-	-	-	-	8,855	6,677	4,720
Unassigned	3,988,551	4,913,821	3,965,276	5,477,983	5,235,354	5,126,170	5,553,396	3,297,580	1,612,216	1,016,892
Total General Fund	\$ 6,890,858	\$ 7,466,482	\$ 6,191,526	\$ 5,862,437	\$ 5,482,339	\$ 5,443,923	\$ 5,876,355	\$ 4,710,135	\$ 4,289,798	\$ 4,016,747
All other governmental funds										
Nonspendable	\$ 28,022	\$ 28,473	\$ 27,100	\$ 18,612	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Restricted	112,111	313,044	290,645	236,103	191,821	132,296	125,983	119,194	-	-
Committed	1,561,223	1,358,079	888,678	146,016	580,679	281,084	282,766	253,277	-	-
Assigned	-	-	-	280,558	-	-	-	-	117,227	308,903
Unassigned	-	-	-	-	(893,418)	(729,473)	-	-	-	-
Total all other governmental funds	\$ 1,701,356	\$ 1,699,596	\$ 1,206,423	\$ 681,289	\$ (120,918)	\$ (316,093)	\$ 408,749	\$ 372,471	\$ 117,227	\$ 308,903

CITY OF SALIDA, COLORADO
Changes in Fund Balances of Governmental Funds
Last Ten Fiscal Years
(Modified Accrual Basis of Accounting)
Schedule 4

	Fiscal Year									
	2022	2021	2020	2019	2018	2017	2016	2015	2014	2013
Revenues										
Taxes	\$ 13,834,306	\$ 13,221,295	\$ 10,997,130	\$ 9,609,947	\$ 8,433,918	\$ 7,883,696	\$ 7,499,877	\$ 6,985,392	\$ 6,393,609	\$ 6,139,799
Intergovernmental	1,717,389	2,130,907	1,177,558	985,137	1,310,372	796,926	722,328	1,486,055	615,073	497,457
Charges for services	1,264,396	746,275	572,005	680,845	689,228	641,149	628,553	635,945	485,844	524,658
Fines and forfeitures	37,619	49,037	47,791	57,472	72,183	61,756	46,737	50,192	51,383	61,892
Interest revenue	(209,573)	(17,573)	79,094	115,718	75,419	32,320	15,386	10,256	-	-
Insurance Proceeds	21,159	173,131	90,788	-	-	-	-	-	-	-
Other revenues	277,697	349,426	251,933	187,374	243,776	456,088	648,401	701,104	58,514	264,194
Total Revenues	16,942,993	16,652,498	13,216,299	11,636,493	10,824,896	9,871,935	9,561,282	9,868,944	7,604,423	7,488,000
Expenditures										
Current:										
General government	2,322,020	2,028,216	2,259,376	1,718,222	1,334,406	1,445,588	1,241,479	1,041,907	969,145	922,737
Public safety	4,393,346	4,086,886	3,638,008	3,394,005	3,003,536	2,820,575	2,451,591	2,509,421	2,390,535	2,228,947
Public works/streets	3,046,477	2,418,652	1,301,433	1,303,326	1,079,137	1,134,641	937,511	737,210	639,958	622,001
Culture, parks and recreation	3,271,797	2,433,578	2,228,879	1,522,322	1,254,096	1,186,520	1,036,540	902,875	980,854	1,107,569
Capital outlay	4,243,139	3,669,531	2,583,790	3,093,862	3,995,457	3,362,007	2,014,813	3,523,792	2,159,856	2,199,817
Debt service:										
Principal	211,738	212,540	212,495	211,401	160,053	120,800	418,536	216,677	109,103	105,460
Interest and fiscal charges	28,340	34,966	41,070	42,165	37,263	41,032	134,214	280,670	52,730	56,372
Total Expenditures	17,516,857	14,884,369	12,265,051	11,285,303	10,863,948	10,111,163	8,234,684	9,212,552	7,302,181	7,242,903
Excess (Deficiency) of Revenue over Expenditures	\$ (573,864)	\$ 1,768,129	\$ 951,248	\$ 351,190	\$ (39,052)	\$ (239,228)	\$ 1,326,598	\$ 656,392	\$ 302,242	\$ 245,097
Other Financing Sources (Uses):										
Transfers in	\$ 2,455,206	\$ 984,730	\$ 252,488	\$ 1,580,006	\$ 796,319	\$ -	\$ -	\$ -	\$ -	\$ -
Transfers out	(2,455,206)	(984,730)	(349,513)	(1,004,726)	(1,061,128)	(635,280)	(124,100)	(220,103)	(220,866)	(84,400)
Lease proceeds	-	-	-	255,835	161,723	-	-	-	-	-
TABOR Refund	-	-	-	-	(84,101)	-	-	-	-	-
Capital Contributions	-	-	-	-	439,830	-	-	-	-	-
Total Other Financing Sources (Uses)	-	-	(97,025)	831,115	252,643	(635,280)	(124,100)	(220,103)	(220,866)	(84,400)
Net change in fund balances	\$ (573,864)	\$ 1,768,129	\$ 854,223	\$ 1,182,305	\$ 213,591	\$ (874,508)	\$ 1,202,498	\$ 436,289	\$ 81,376	\$ 160,697
Debt service as a percentage of noncapital expenditures	1.80%	2.10%	2.42%	2.90%	2.78%	3.97%	8.80%	8.74%	3.11%	3.07%

CITY OF SALIDA, COLORADO
Tax Revenues by Source - Governmental Funds
(Major Component of Revenue Base)
Last Ten Fiscal Years
Schedule 5

Tax Revenue Source	Fiscal Year									
	2022	2021	2020	2019	2018	2017	2016	2015	2014	2013
Sales Tax (net of rebates)	\$ 9,513,748	\$ 9,194,557	\$ 7,723,299	\$ 6,609,399	\$ 5,881,098	\$ 5,540,130	\$ 5,162,570	\$ 4,859,598	\$ 4,399,693	\$ 4,172,734
Sales Tax - County	3,429,551	3,207,757	2,580,358	2,303,168	1,997,746	1,849,781	1,785,695	1,586,472	1,432,420	1,354,142
Franchise Tax	433,799	351,746	329,232	345,904	339,620	308,338	303,382	334,172	344,284	370,021
Occupation Tax	457,207	467,235	349,513	337,316	229,154	185,447	248,230	205,150	217,212	242,902
	<u>\$ 13,834,305</u>	<u>\$ 13,221,295</u>	<u>\$ 10,982,402</u>	<u>\$ 9,595,787</u>	<u>\$ 8,447,618</u>	<u>\$ 7,883,696</u>	<u>\$ 7,499,877</u>	<u>\$ 6,985,392</u>	<u>\$ 6,393,609</u>	<u>\$ 6,139,799</u>
% Change from Prior Year	4.6%	20.4%	14.5%	13.6%	7.2%	5.1%	7.4%	9.3%	4.1%	7.4%
Percentage of Total Tax Revenues										
Sales Tax	68.8%	69.5%	70.3%	68.9%	69.6%	70.3%	68.8%	69.6%	68.8%	68.0%
Sales Tax - County	24.8%	24.3%	23.5%	24.0%	23.6%	23.5%	23.8%	22.7%	22.4%	22.1%
Franchise Tax	3.1%	2.7%	3.0%	3.6%	4.0%	3.9%	4.0%	4.8%	5.4%	6.0%
Occupation Tax	3.3%	3.5%	3.2%	3.5%	2.7%	2.4%	3.3%	2.9%	3.4%	4.0%
% of Total Tax Revenue	<u>100%</u>	<u>100%</u>	<u>100%</u>	<u>100%</u>	<u>100%</u>	<u>100%</u>	<u>100%</u>	<u>100%</u>	<u>100%</u>	<u>100%</u>
% of Total Governmental Fund Revenues	81.7%	79.4%	83.2%	82.5%	77.9%	79.9%	78.4%	70.8%	84.1%	82.0%

CITY OF SALIDA, COLORADO
Assessed Value and Estimated Actual Value of Taxable Property
Last Nine Fiscal Years
Schedule 6

	Fiscal Year									
	2022	2021	2020	2019	2018	2017	2016	2015	2014	2013
Estimated Actual Value										
Agricultural	\$ 371,012	\$ 500,329	\$ 373,360	\$ 372,599	\$ 411,421	\$ 412,401	\$ 288,370	\$ 363,277	\$ 404,854	\$ 331,309
Commercial	207,599,977	223,353,032	182,739,025	176,804,847	163,298,276	166,688,470	152,410,307	146,664,715	147,105,506	147,318,330
Exempt	190,908,211	186,727,835	170,604,354	169,805,691	160,488,186	157,538,242	153,549,567	136,538,236	120,307,392	101,809,706
Industrial	9,169,862	9,718,900	6,694,588	7,168,079	6,630,129	6,196,817	6,033,518	6,048,389	5,512,666	5,592,221
Residential	1,271,640,660	1,233,372,796	1,030,166,281	1,007,678,761	777,475,475	749,999,937	625,274,481	611,270,187	557,137,874	548,748,243
State Assessed	2,626,820	19,297,800	17,964,430	24,065,520	15,012,280	15,498,090	14,512,700	14,115,300	12,044,100	13,094,190
Vacant Land	33,409,409	37,012,498	25,768,674	24,853,057	16,867,409	17,512,005	13,762,393	14,155,190	12,550,939	12,937,332
Total estimated actual value	\$ 1,715,725,951	\$ 1,709,983,190	\$ 1,434,310,712	\$ 1,410,748,554	\$ 1,140,183,176	\$ 1,113,845,962	\$ 965,831,336	\$ 929,155,294	\$ 855,063,331	\$ 829,831,331
<i>Percentage change from prior year</i>	0.3%	19.2%	1.7%	23.7%	2.4%	15.3%	3.9%	8.7%	3.0%	
Taxable Assessed Value										
Agricultural	\$ 106,430	\$ 145,100	\$ 108,270	\$ 108,050	\$ 119,330	\$ 119,620	\$ 83,620	\$ 105,350	\$ 117,410	\$ 96,080
Commercial	60,204,050	64,772,360	52,993,970	51,273,260	47,356,280	48,339,590	44,199,170	42,532,780	42,660,720	42,722,430
Exempt	53,429,585	52,609,260	48,250,180	48,018,550	45,541,060	44,766,580	43,567,690	38,634,410	33,945,000	28,634,530
Industrial	2,659,250	2,818,450	1,941,430	2,078,740	1,922,740	1,797,080	1,749,690	1,753,990	1,598,660	1,621,740
Residential	88,268,180	88,187,840	73,657,000	72,049,270	55,977,910	53,999,620	49,772,610	48,657,930	44,346,970	43,679,120
State Assessed	763,440	5,594,520	5,208,320	6,978,990	4,353,570	4,494,450	4,208,710	4,093,360	3,494,260	3,799,320
Vacant Land	9,689,010	10,733,980	7,472,980	7,207,490	4,891,620	5,079,520	3,991,168	4,105,053	3,639,778	3,751,829
Total Taxable Assessed Value	\$ 215,119,945	\$ 224,861,510	\$ 189,632,150	\$ 187,714,350	\$ 160,162,510	\$ 158,596,460	\$ 147,572,658	\$ 139,882,873	\$ 129,802,798	\$ 124,305,049
Taxable Assessed Value as a Percentage of Estimated Actual Value										
Agricultural	28.7%	29.0%	29.0%	29.0%	29.0%	29.0%	29.0%	29.0%	29.0%	29.0%
Commercial	29.0%	29.0%	29.0%	29.0%	29.0%	29.0%	29.0%	29.0%	29.0%	29.0%
Exempt	28.0%	28.2%	28.3%	28.3%	28.4%	28.4%	28.4%	28.3%	28.2%	28.1%
Industrial	29.0%	29.0%	29.0%	29.0%	29.0%	29.0%	29.0%	29.0%	29.0%	29.0%
Residential	6.9%	7.2%	7.2%	7.2%	7.2%	7.2%	8.0%	8.0%	8.0%	8.0%
State Assessed	29.1%	29.0%	29.0%	29.0%	29.0%	29.0%	29.0%	29.0%	29.0%	29.0%
Vacant Land	29.0%	29.0%	29.0%	29.0%	29.0%	29.0%	29.0%	29.0%	29.0%	29.0%
Total	12.5%	13.1%	13.2%	13.3%	14.0%	14.2%	15.3%	15.1%	15.2%	15.0%

Source: County Assessor's Office

Note: The City of Salida does not levy a property tax.

Property in the county is reassessed every two years in each odd-numbered year (2019, 2017, etc)

CITY OF SALIDA, COLORADO
Direct and Overlapping Sales Tax Rates
Last Ten Fiscal Years
Schedule 7

Taxing Entity	Fiscal Year									
	2022	2021	2020	2019	2018	2017	2016	2015	2014	2013
City of Salida	3.0%	3.0%	3.0%	3.0%	3.0%	3.0%	3.0%	3.0%	3.0%	3.0%
Chaffee County	2.75%	2.75%	2.75%	2.75%	2.5%	2.5%	2.5%	2.0%	2.0%	2.0%
State of Colorado	2.9%	2.9%	2.9%	2.9%	2.9%	2.9%	2.9%	2.9%	2.9%	2.9%
Total Sales Tax Rate	8.65%	8.65%	8.65%	8.65%	8.40%	8.40%	8.40%	7.90%	7.90%	7.90%

CITY OF SALIDA, COLORADO
Taxable Sales and Sales Tax Collections by Category
Last Eight Fiscal Years
Schedule 8

	Fiscal Year							
	2022	2021	2020	2019	2018	2017	2016	2015
Total Sales (Calculated) *	\$ 317,124,933	\$ 306,485,233	\$ 257,443,300	\$ 221,688,582	\$ 198,080,774	\$ 184,671,000	\$ 175,391,233	\$ 166,062,700
Sales Tax Collections								
Retail trade	\$ 6,310,643	\$ 6,231,857	\$ 5,517,768	\$ 4,404,863	\$ 4,048,814	\$ 3,748,399	\$ 3,617,791	\$ 3,421,713
Accommodation & Food Service	1,737,503	1,670,369	1,206,824	1,307,816	1,203,600	1,147,335	1,036,736	975,740
Wholesale Trade	311,607	272,264	188,030	162,239	67,657	58,350	58,009	51,792
Manufacturing	292,527	266,513	228,877	170,388	159,524	112,518	91,631	66,813
Other Services	205,856	182,374	143,086	125,846	103,786	93,025	79,785	84,828
Construction	152,440	140,568	100,919	100,171	64,623	61,360	69,343	60,775
Information	120,176	92,519	77,196	123,619	87,368	90,414	95,678	100,060
Real Estate and Rental and Leasing	97,982	67,624	44,797	66,721	51,782	42,320	38,071	43,768
Arts, Entertainment & Recreation	44,072	49,272	24,642	20,076	17,051	15,021	10,345	11,956
Professional, Scientific and Technical	42,246	38,621	31,931	15,078	15,808	13,186	19,576	13,580
Finance and Insurance	6,321	7,948	7,617	6,670	3,847	3,023	2,965	2,270
Administrative and Support and Waste Management and Remediation	8,374	6,743	3,426	7,349	2,184	3,828	2,941	3,743
Transportation and Warehousing	5,955	2,687	3,207	2,302	-	-	-	-
Health Care and Social Assistance	3,002	2,574	1,602	1,687	1,671	1,373	6,669	11,992
Mining, Quarrying and Oil & Gas Extraction	4,834	2,211	1,961	1,467	327	-	31	192
Agriculture, Forestry, Fishing and Hunting	2,007	2,118	1,415	3,803	3,042	2,454	2,312	1,796
Educational Services	NR	NR	NR	NR	NR	NR	NR	NR
Management of Companies and Enterprises	NR	NR	NR	NR	NR	NR	NR	NR
Public Administration	NR	NR	NR	NR	NR	NR	NR	NR
Utilities	NR	NR	NR	NR	NR	NR	NR	NR
Grand Total	\$ 9,513,748	\$ 9,194,557	\$ 7,723,299	\$ 6,650,657	\$ 5,942,423	\$ 5,540,130	\$ 5,261,737	\$ 4,981,881
Percentage of Total Sales Tax								
Retail trade	66.3%	67.8%	71.4%	66.2%	68.1%	67.7%	68.8%	68.7%
Accommodation & Food Service	18.3%	18.2%	15.6%	19.7%	20.3%	20.7%	19.7%	19.6%
Manufacturing	3.3%	3.0%	2.4%	2.4%	1.1%	1.1%	1.1%	1.0%
Wholesale Trade	3.1%	2.9%	3.0%	2.6%	2.7%	2.0%	1.7%	1.3%
Other Services	2.2%	2.0%	1.9%	1.9%	1.7%	1.7%	1.5%	1.7%
Construction	1.6%	1.5%	1.3%	1.5%	1.1%	1.1%	1.3%	1.2%
Information	1.3%	1.0%	1.0%	1.9%	1.5%	1.6%	1.8%	2.0%
Real Estate and Rental and Leasing	1.0%	0.7%	0.6%	1.0%	0.9%	0.8%	0.7%	0.9%
Professional, Scientific and Technical	0.5%	0.5%	0.3%	0.3%	0.3%	0.3%	0.2%	0.2%
Arts, Entertainment & Recreation	0.4%	0.4%	0.4%	0.2%	0.3%	0.2%	0.4%	0.3%
Finance and Insurance	0.1%	0.1%	0.1%	0.1%	0.1%	0.1%	0.1%	0.0%
Administrative and Support and Waste Management and Remediation	0.1%	0.1%	0.0%	0.1%	0.0%	0.1%	0.1%	0.1%
Transportation and Warehousing	0.1%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
Mining, Quarrying and Oil & Gas Extraction	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.1%	0.2%
Health Care and Social Assistance	0.1%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
Agriculture, Forestry, Fishing and Hunting	0.0%	0.0%	0.0%	0.1%	0.1%	0.0%	0.0%	0.0%
NR	1.8%	1.7%	1.8%	2.0%	1.9%	2.7%	2.5%	2.6%
	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%

* As a Colorado Statutory City, the state manages sales tax collections. The state does not share total sales so this number has been calculated based on the City's tax rate of 3%.
 NR - Not releasable due to taxpayer confidentiality requirements. Total includes NR data.

CITY OF SALIDA, COLORADO
Portion of Sales Taxes Provided by Principal Taxpayers
Current Year and 8 years ago (not tracked previously)
Schedule 9

Unlike the majority of Colorado municipalities, the City of Salida does not collect property taxes. Sales tax is the major revenue source for the City. As a statutory city, the State of Colorado manages the tax collection process and does not allow top taxpayers to be disclosed. The following schedule shows the amount and percent of total contributed by the top ten taxpayers.

	2022	2015
Total sales taxes paid by top 10 taxpayers	<u>\$ 4,167,091</u>	<u>\$ 2,493,436</u>
Percentage of Total Sales Tax Collected	<u>43.8%</u>	<u>50.1%</u>

CITY OF SALIDA, COLORADO
Ratios of Outstanding Debt by Type
Last Ten Fiscal Years
Schedule 10

	Fiscal Year									
	2022	2021	2020	2019	2018	2017	2016	2015	2014	2013
Governmental Activities										
Leases	\$ 517,232	\$ 754,202	\$ 974,784	\$ 1,187,150	\$ 1,142,716	\$ 1,141,046	\$ 1,261,846	\$ 1,378,614	\$ 1,491,483	\$ 1,600,585
Business Type Activities										
Notes & Loans	\$ 2,792,704	\$ 647,628	\$ 708,987	\$ 768,647	\$ 678,551	\$ 444,919	\$ 483,172	\$ 2,465,900	\$ 2,778,130	\$ 3,089,885
Revenue Bond	10,759,050	11,125,337	11,481,071	11,831,388	12,176,422	12,491,301	12,811,155	13,416,102	13,944,005	14,465,700
Leases	321,636	395,619	467,198	-	-	-	-	-	-	-
Total	\$ 13,873,390	\$ 12,168,584	\$ 12,657,256	\$ 12,600,035	\$ 12,854,973	\$ 12,936,220	\$ 13,294,327	\$ 15,882,002	\$ 16,722,135	\$ 17,555,585
Total Debt	\$ 14,390,622	\$ 12,922,786	\$ 13,632,040	\$ 13,787,185	\$ 13,997,689	\$ 14,077,266	\$ 14,556,173	\$ 17,260,616	\$ 18,213,618	\$ 19,156,170
Percentage of Personal Income (1)	(2)	6.8%	8.1%	7.9%	8.0%	8.3%	8.8%	11.4%	13.9%	14.1%
Debt per Capita (1)	(2)	\$ 2,223	\$ 2,406	\$ 2,267	\$ 2,342	\$ 2,415	\$ 2,588	\$ 3,164	\$ 3,411	\$ 3,542

(1) Personal income and population are disclosed on Demographic and Economic Statistics table.

(2) Statistics are not yet available for 2022.

CITY OF SALIDA, COLORADO
Ratios of Net General Bonded Debt Outstanding
Last Ten Fiscal Years
Schedule 11

	Fiscal Year									
	2022	2021	2020	2019	2018	2017	2016	2015	2014	2013
Revenue Bonds	\$ 10,759,050	\$ 11,125,337	\$ 11,481,071	\$ 11,831,388	\$ 12,176,422	\$ 12,491,301	\$ 12,811,155	\$ 13,416,102	\$ 13,944,005	\$ 14,465,700
Less: Bond Reserves	1,139,942	1,082,779	1,034,732	986,683	914,823	-	-	-	913,515	1,221,792
Total	\$ 9,619,108	\$ 10,042,558	\$ 10,446,339	\$ 10,844,705	\$ 11,261,599	\$ 12,491,301	\$ 12,811,155	\$ 13,416,102	\$ 13,030,490	\$ 13,243,908
Percentage of Estimated Actual Value of Taxable Property (1)	0.56%	0.59%	0.73%	0.77%	0.99%	1.12%	1.33%	1.44%	1.52%	1.60%
Debt per Capita (2)	*	\$ 1,728	\$ 1,844	\$ 1,783	\$ 1,884	\$ 2,143	\$ 2,278	\$ 2,459	\$ 2,441	\$ 2,448

* Population is not available

(1) Actual Property values are disclosed on Assessed Value and Estimated Actual Value of Taxable Property Schedule

(2) Population figures are disclosed on Demographic and Economic Statistics table

CITY OF SALIDA, COLORADO
Direct and Overlapping Governmental Activities Debt
As of December 31, 2022
Schedule 12

Government Unit	Debt Outstanding	Estimated Percentage Applicable (2)	Amount Applicable to City of Salida
Salida School District (1)	\$ 19,882,476	50.6%	\$ 10,065,074
Chaffee County	13,040,000	27.5%	<u>3,582,763</u>
Subtotal Overlapping Debt			13,647,837
City of Salida direct debt			<u>517,232</u>
Total direct and overlapping debt			<u><u>\$ 14,165,069</u></u>

(1) As of June 30, 2022.

(2) Assessed values used to estimate applicable percents.

CITY OF SALIDA, COLORADO
Legal Debt Margin Information
Last Nine Fiscal Years
Schedule 13

	Fiscal Year								
	2022	2021	2020	2019	2018	2017	2016	2015	2014
Actual Value *	\$ 1,627,335,100	\$ 1,587,986,772	\$ 1,301,081,857	\$ 1,274,522,142	\$ 1,019,622,128	\$ 993,692,869	\$ 850,354,292	\$ 831,734,976	\$ 770,019,521
Debt Limit (3% of Actual Value)	48,820,053	47,639,603	39,032,456	38,235,664	30,588,664	29,810,786	25,510,629	24,952,049	23,100,586
Debt Applicable to Limit - General Obligation Bonds	-	-	-	-	-	-	-	-	-
Legal Debt Margin	\$ 48,820,053	\$ 47,639,603	\$ 39,032,456	\$ 38,235,664	\$ 30,588,664	\$ 29,810,786	\$ 25,510,629	\$ 24,952,049	\$ 23,100,586

The Constitutional debt limitation applies to all general obligation bonds authorized. Additional general obligation bonds may be authorized to be issued if so approved by a majority of those voting in an election held for that purpose.

* Source: County Abstract of Assessment

CITY OF SALIDA, COLORADO
Demographic and Economic Statistics
Last Ten Fiscal Years
Schedule 14

		Fiscal Year								
	2022	2021	2020	2019	2018	2017	2016	2015	2014	2013
Population (1)	*	5,812	5,666	6,082	5,977	5,828	5,624	5,455	5,339	5,409
Median Age (1)(4) ~	*	43.8	44.0	47.2	46.7	50.0	48.9	46.6	47.0	45.7
Per Capita Income (1)(4) ~	*	\$ 32,684	\$ 29,727	\$ 28,619	\$ 29,382	\$ 28,991	\$ 29,281	\$ 27,743	\$ 24,459	\$ 25,165
Personal Income	*	\$ 189,959,408	\$ 168,433,182	\$ 174,060,758	\$ 175,616,214	\$ 168,959,548	\$ 164,676,344	\$ 151,338,065	\$ 130,586,601	\$ 136,117,485
Public School Enrollment (PreK-12) (2)	1,502	1,449	1,362	1,445	1,380	1,373	1,343	1,291	1,194	1,176
Unemployment Rate (3)	2.5	3.2	5.4	2.2	2.6	2.3	2.0	2.7	3.9	5.4
Median Household Income for all Occupied Housing Units (1)(4) ~	*	\$ 62,668	\$ 49,939	\$ 46,875	\$ 46,308	\$ 39,741	\$ 39,706	\$ 40,801	\$ 39,547	\$ 38,140
Median Value of Owner-Occupied Housing Units (1)(4) ~	*	\$ 377,500	\$ 342,200	\$ 328,200	\$ 306,100	\$ 274,900	\$ 252,900	\$ 248,400	\$ 235,000	\$ 245,000

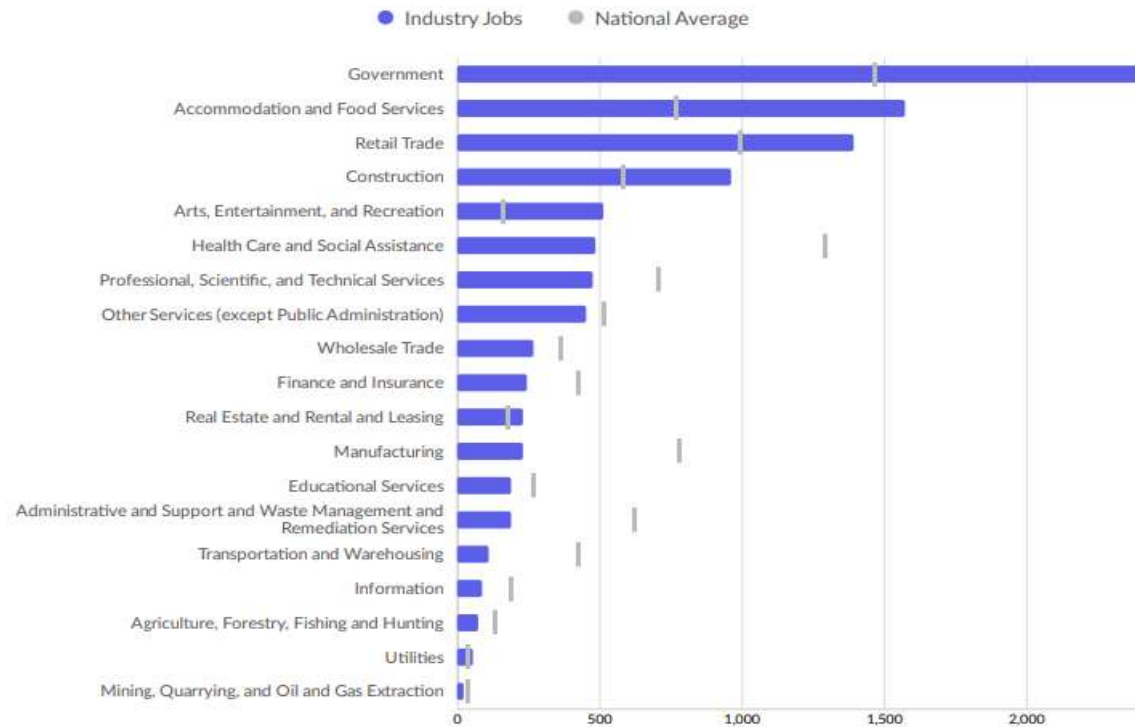
Sources and Explanatory Notes:

- (1) U.S. Census Bureau
- (2) Salida Public School District R-32-J and Salida Montessori Charter School (Note: The Salida Montessori Charter School opened in 2015)
- (3) fred.stlouisfed.org
- (4) American Community Survey
- ~ Approximate values are from the American Community Survey which is a 5-year estimate so the figures were not exact
- * Statistics not yet released for 2022

CITY OF SALIDA, COLORADO
Principal Employers
Fiscal Year 2022
Schedule 15

The census bureau quick facts reports that the City of Salida has a 2021 estimated population of 5,812 with 61.3% being in the labor force. Principal employers for the area include City and County Government, schools, a community hospital, Walmart, a ski resort and a nursing home. Accurate employee counts are not available. The below chart shows employment for the region (Chaffee County) by industry as tracked by the Colorado Workforce Center's Economy Overview report.

Largest Industries



CITY OF SALIDA, COLORADO
Operating Information - Full-time Equivalent Employees by Function
Schedule 16

	Fiscal Years									
	2022	2021	2020	2019	2018	2017	2016	2015	2014	2013
General Fund										
Administration & Finance	6.32	6.67	5.90	5.90	5.83	-----Not Tracked-----			5.23	4.50
Community Development	4.00	3.33	3.00	3.00	2.82	-----Not Tracked-----			2.88	2.50
Police Department	22.75	21.33	21.00	20.00	18.55	-----Not Tracked-----			17.00	17.00
Fire Department	15.00	14.83	14.00	13.15	12.11	-----Not Tracked-----			10.67	10.70
Public Works - General	1.00	1.00	1.00	1.00	1.00	-----Not Tracked-----			1.00	1.00
Public Works - Streets	4.7	4.34	4.34	4.34	4.34	-----Not Tracked-----			4.34	4.34
Arts & Culture*	8.16	5.90	6.40	7.00	7.08	-----Not Tracked-----			5.18	4.50
Parks & Recreation	24.93	20.53	17.70	19.25	18.39	-----Not Tracked-----			11.13	11.90
Subtotals	86.86	77.93	73.34	73.64	70.12	-----Not Tracked-----			57.43	56.44
Water and Wastewater Enterprise										
Water Plant	8.13	7.28	6.68	6.53	7.28	-----Not Tracked-----			7.28	7.28
Sewer Plant	9.03	7.36	7.28	7.43	7.19	-----Not Tracked-----			8.28	8.28
Totals	104.02	92.57	87.30	87.60	84.59	-----Not Tracked-----			72.99	72.00

*Prior to 2020, this department was a separate Enterprise fund, the SteamPlant fund.

CITY OF SALIDA, COLORADO
 Operating Indicators by Function
 Schedule 17

	2022	2021	2020	2019	2018	2017	2016	2015	2014	2013
General Government:										
Building permits	168	253	183	192	207	183	197	151	133	74
Birth certificates processed	403	346	249	415	370	412	392	430	371	307
Death certificates processed	1814	1371	1440	1355	1188	1321	1370	1421	416	205
Liquor licenses processed	48	45	-----Data Not Available-----						48	63
Council resolutions	62	44	47	65	57	70	97	103	95	86
Council ordinances	26	20	14	18	17	23	28	24	28	35
Open records requests	77	41	54	126	92	48	87	66	45	84
Public Safety:										
Number of police calls for service	8,047	7,969	6,747	5,381	5,287	5,826	5,782	4,717	-----Data Not Available-----	
Number of arrests	390	432	355	373	397	440	351	275	391	404
Number of citations	684	837	932	863	1,273	1,228	860	778	-----Data Not Available-----	
Number of parking violations	419	469	145	405	765	766	780	712	756	570
Number of fire emergency responses	1,050	1,053	1,088	984	956	969	897	1,081	1,048	961
Number of fires extinguished	33	27	16	19	21	61	23	22	27	29
Number of fire inspections	248	244	213	247	246	250	242	276	165	153
Water Treatment Plant:										
Water Treated (in millions of gallons)	500	493	534	497	504	503	461	-----Data Not Available-----		
Number of new taps	54	183	65	58	93	64	76	52	46	24
Wastewater Treatment Plant:										
Sewage Treated (in millions of gallons)	220	222	206	221	177	230	235	-----Data Not Available-----		
Number of new taps*	129	271	146	118	133	93	116	68	53	27
Pool, Parks and Recreation**:										
Park rentals booked	123	138	79	-----Data Not Available-----					139	108
Participants in Rec Programs	2,689	1,047	266	-----Data Not Available-----					-----Data Not Available-----	
Number of Access passes sold	2,103	1,843	6,266	-----Data Not Available-----					-----Data Not Available-----	
Number of Drop-in Registrations	23,817	26,131	41,993	-----Data Not Available-----					28,444	26,484
Arts and Culture:										
Number of events at SteamPlant	610	576	361	825	661	498	528	590	546	506
SteamPlant event hours	2,482	2,200	1,062	2,920	2,461	1,649	1,247	1,563	1,520	1,429
SteamPlant free events	83	140	117	243	204	174	204	238	244	201
People attending events	31,623	16,525	10,775	46,248	39,719	31,160	31,416	35,468	34,434	35,442

*Beginning in 2017, the City of Salida started handling Town of Poncha Springs Sewer Taps

**Estimated figures for 2020

Sources: Various City Departments

CITY OF SALIDA, COLORADO
 Capital Asset Statistics by Function
 Schedule 18

	2022	2021	2020	2019	2018	2017	2016	2015	2014	2013
General Government										
Number of General Government Buildings	1	1	1	1	1	1	1	1	1	1
Number of Airports*	0.5	0.5	0.5	0.5	0.5	0.5	0.5	0.5	0.5	0.5
Number of Community Centers^	0	1	1	1	1	1	1	1	1	1
Number of Museums	1	1	1	1	1	1	1	1	1	1
Number of Golf Courses	1	1	1	1	1	1	1	1	1	1
Public Safety										
Number of Police Stations	1	1	1	1	1	1	1	1	1	1
Number of Police Vehicles	21	21	20	20	19	19	19	18	18	18
Number of Mobile Speed Trailers	2	1	1	1	1	1	1	1	1	1
Number of Fire Stations	1	1	1	1	1	1	1	1	1	1
Number of Fire Trucks	3	3	3	3	3	3	4	4	4	4
Water / Wastewater Treatment										
Number of Treatment Plants	4	4	4	4	4	4	4	4	4	4
Miles of Sewer Lines	49.8	48.6	46.7	45.8	44.3	44.1	43.7	43.2	43	43
Miles of Water Lines	58.6	57.4	44.6	44.2	44.2	44.2	43.2	42.8	42.5	42.5
Public Works										
Miles of Streets	39.8	38.8	38.2	38.2	37.7	37.4	37.4	37.4	37.2	37.2
Number of Street Lights***	570	565	560	550	540	530	525	525	525	525
Number of Electric Vehicle (EV) Charging Stations	5	5	3	3	0	0	0	0	0	0
Parks & Recreation										
Number of Aquatic Centers	1	1	1	1	1	1	1	1	1	1
Miles of Hot Water Lines	3.85	3.85	3.85	3.85	3.85	3.85	3.85	3.85	3.85	3.85
Number of Bike Racks	22	21	21	-----Data Not Available-----						
Number of Skate Parks	2	2	1	1	1	1	1	1	1	1
Acres of Parks**	445	445	445	-----Data Not Available-----						
Number of Parks	17	16	16	-----Data Not Available-----						
Number of Trees	566	533	533	-----Data Not Available-----						
Number of Amphitheaters	1	1	1	1	1	1	1	1	1	1
Miles of Trails	7.68	6.55	6.55	-----Data Not Available-----						
Number of Trash Cans	97	95	-----Data Not Available-----							
Number of Mutt Mitt Stations	17	17	-----Data Not Available-----							
Number of Irrigation Heads	726	726	-----Data Not Available-----							
Number of Playgrounds	9	9	-----Data Not Available-----							
Number of Picnic Tables	62	62	-----Data Not Available-----							
Arts & Culture										
Number of Arts & Culture Facilities	4	4	4	4	4	3	3	3	3	3
Number of Sculpture Gardens	1	1	1	1	1	1	1	1	1	1

Notes:

* The City of Salida shares ownership of the Salida Harriet Alexander Airport with Chaffee County.

**This includes acreage for Vandaveer Ranch property and Arkansas Hills

***Estimate prior to 2020

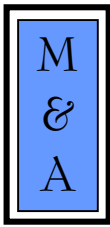
^The voters of the City of Salida voted to sell the Community Center to Salida Senior Citizens Inc. in November 2022.

Sources: Various City Departments



CITY OF
SALIDA
COLORADO

STATUTORY REPORT SECTION



MCMAHAN AND ASSOCIATES, L.L.C.

Certified Public Accountants and Consultants

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INDEPENDENT AUDITOR'S REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH GOVERNMENT AUDITING STANDARDS

To the Mayor and Members of City Council City of Salida

We have audited, in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States, the financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City of Salida (the "City") as of and for the year ended December 31, 2022, and the related notes to the financial statements, which collectively comprise the City's basic financial statements and have issued our report thereon dated June 21, 2023.

Internal Control Over Financial Reporting

In planning and performing our audit on the financial statements, we considered the City's internal control over financial reporting (internal control) to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the City's internal control. Accordingly, we do not express an opinion on the effectiveness of the City's internal control.

A deficiency in internal control exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct misstatements on a timely basis. *A material weakness* is a deficiency, or combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the City's financial statements will not be prevented, or detected and corrected on a timely basis. *A significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

Member: American Institute of Certified Public Accountants

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INDEPENDENT AUDITOR'S REPORT
To the Mayor and Members of City Council
City of Salida

Compliance and Other Matters

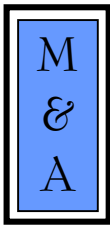
As part of obtaining reasonable assurance about whether the City's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit and, accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the City's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the City's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

McMahan and Associates, L.L.C.

McMahan and Associates, L.L.C.
Avon, Colorado
June 21, 2023



MCMAHAN AND ASSOCIATES, L.L.C.

Certified Public Accountants and Consultants

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INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE FOR EACH MAJOR FEDERAL PROGRAM AND ON INTERNAL CONTROL OVER COMPLIANCE REQUIRED BY THE UNIFORM GUIDANCE

**To the Mayor and Members of City Council
City of Salida**

Opinion on Compliance for Each Major Program

We have audited the compliance of the City of Salida's (the "City") with the types of compliance requirements described in the U.S. Office of Management and Budget's *Compliance Supplement* that could have a direct and material effect on each of the City's major federal programs for the year ended December 31, 2022. The City's major federal programs are identified in the Summary of Auditor's Results section of the accompanying Schedule of Findings and Questioned Costs.

In our opinion, the City complied, in all material respects, with the compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended December 31, 2022.

Basis for Opinion on Each Major Federal Program

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America (GAAS); the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States (*Government Auditing Standards*); and the audit requirements of Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Our responsibilities under those standards and the Uniform Guidance are further described in the Auditor's Responsibilities for the Audit of Compliance section of our report.

We are required to be independent of the City and to meet our other ethical responsibilities, in accordance with relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion on compliance for each major federal program. Our audit does not provide a legal determination of the City's compliance with the compliance requirements referred to above.

Responsibilities of Management for Compliance

Management is responsible for compliance with the requirements referred to above and for the design, implementation, and maintenance of effective internal control over compliance with the requirements of laws, statutes, regulations, rules and provisions of contracts or grant agreements applicable to the City's federal programs.

Member: American Institute of Certified Public Accountants

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INDEPENDENT AUDITOR'S REPORT
To the Mayor and Members of City Council
City of Salida

Auditor's Responsibilities for the Audit of Compliance

Our objectives are to obtain reasonable assurance about whether material noncompliance with the compliance requirements referred to above occurred, whether due to fraud or error, and express an opinion on the City's compliance based on our audit. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS, *Government Auditing Standards*, and the Uniform Guidance will always detect material noncompliance when it exists. The risk of not detecting material noncompliance resulting from fraud is higher than for that resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Noncompliance with the compliance requirements referred to above is considered material, if there is a substantial likelihood that, individually or in the aggregate, it would influence the judgment made by a reasonable user of the report on compliance about the City's compliance with the requirements of each major federal program as a whole.

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

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material noncompliance, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the City's compliance with the compliance requirements referred to above and performing such other procedures as we considered necessary in the circumstances.
- Obtain an understanding of the City's internal control over compliance relevant to the audit in order to design audit procedures that are appropriate in the circumstances and to test and report on internal control over compliance in accordance with the Uniform Guidance, but not for the purpose of expressing an opinion on the effectiveness of the City's internal control over compliance. Accordingly, no such opinion is expressed.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and any significant deficiencies and material weaknesses in internal control over compliance that we identified during the audit.

Report on Internal Control Over Compliance

A deficiency in internal control over compliance exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a type of compliance requirement of a federal program or on a timely basis. *A material weakness in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of a federal program will not be prevented, or detected and corrected, on a timely basis. *A significant deficiency in internal control over compliance* is a deficiency, or combination of deficiencies, in internal control over compliance with a type of compliance requirement of a federal program that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charges with governance.

Our consideration of the internal control over compliance was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

Our audit was not designed for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, no such opinion is expressed.

INDEPENDENT AUDITOR'S REPORT
To the Mayor and Members of City Council
City of Salida

The purpose of this report in internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of Uniform Guidance. Accordingly, this report is not suitable for any other purpose.

McMahan and Associates, L.L.C.

McMahan and Associates, L.L.C.
Avon, Colorado
June 21, 2023

City of Salida, Colorado
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
For the Year Ended December 31, 2022

Part I – Summary of Auditor’s Results

Financial Statements:

Type of auditor’s report issued Unmodified

Internal control over financial reporting:

Material weakness identified	None noted
Significant deficiency identified	None noted
Noncompliance material to financial statements noted	None noted

Federal Awards:

Internal control over major programs:

Material weakness identified	None noted
Significant deficiency identified	None noted
Type of auditor’s report issued on compliance for major programs	Unmodified
Any audit findings disclosed that are required to be reported in accordance with Title 2, U.S. Code of Federal Regulations, Part 200	No

Major programs:

American Rescue Plan	ALN 21.027
Drinking Water Revolving Loan	ALN 66.468

Dollar threshold used to identify Type A from Type B programs: \$750,000

Identified as low-risk auditee No

Part II – Findings Related to Financial Statements

Findings related to financial statements as required by *Government Auditing Standards* None noted

Auditor-assigned reference number Not applicable

Part III – Findings Related to Federal Awards

Internal control findings None noted

Compliance findings None

Questioned costs None

City of Salida
SCHEDULE OF PRIOR AUDIT FINDINGS AND QUESTIONED COSTS
For the Year Ended December 31, 2022

There were no findings for the year ended December 31, 2021.

City of Salida
Schedule of Expenditures of Federal Awards
For the Year Ended December 31, 2022

<u>Program Title</u>	<u>Assistance Listing Number</u>	<u>Pass-through Entity Identifying Number</u>	<u>Federal Expenditures</u>
<u>Department of Justice:</u>			
Passed through National White Collar Crime Center Northern and Middle States Rural Law Enforcement Assistance Program	16.738	2020-MU-BX-K0001	\$ 37,701
Total - Department of Justice			<u>37,701</u>
<u>Department of Transportation:</u>			
Passed through Colorado Department of Transportation: Click it or Ticket Program	20.616		<u>2,782</u> A
Total - Department of Transportation			<u>2,782</u>
<u>Department of Treasury:</u>			
Passed through Colorado Department of Human Services: Coronavirus State and Local Fiscal Recovery Funds	21.027		<u>918,874</u>
Total - Department of Treasury			<u>918,874</u>
<u>Environmental Protection Agency</u>			
Passed through Colorado Water Resources & Power Development Authority: Drinking Water Revolving Loan	66.468		<u>1,572,240</u>
Total - Environmental Protection Agency			<u>1,572,240</u>
TOTALS			<u>\$ 2,531,597</u>
<u>Additional Information for Clusters:</u>			
A Highway Safety Cluster		\$ 2,782	

Notes to the Schedule of Expenditures of Federal Awards For the Year Ended December 31, 2022

Note 1. Basis of Presentation:

The Schedule of Expenditures of Federal Awards includes the federal grant activity of the City of Salida (the "City") and is presented on the modified accrual basis of accounting. The information in this schedule is presented in accordance with the requirements of Title 2, U.S. Code of Federal Regulations, Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (the "Uniform Guidance"). Therefore, some amounts presented in this schedule or used in this schedule may differ from amounts presented in or used in the preparation of the City's general purpose financial statements.

Note 2. Determining the Value of Non-cash Awards Expended:

The City had no non-cash awards expended during 2022.

Note 3. Indirect Facilities and Administration costs

The City does not use the 10% de minimis cost rate allowed in in §200.414, *Indirect (F&A) Costs*, of the Uniform Guidance. Instead, the City prepares an annual cost allocation plan to allocate indirect costs.