cPa DIXON, WALLER & CO., INC.

TOWN OF LA VETA, COLORADO

FINANCIAL STATEMENTS

DECEMBER 31, 2017

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FINANCIAL STATEMENTS
December 31, 2017

TOWN OF LA VETA, COLORADO
ROSTER OF OFFICIALS
December 31, 2017

Doug Brgoch	Mayor
Dale Davis	Mayor Pro-Tem
Mickey Schmidt	Mayor Pro-Tem
Shane Clouse	Trustee
Tim Tady	Trustee
Derek Sokoloski	Trustee
Connie Grimm	Trustee

FINANCIAL SECTION

cPa DIXON, WALLER & CO., INC. CERTIFIED PUBLIC ACCOUNTANTS

164 E. MAIN
TRINIDAD, COLORADO 81082
(719) 846-9241 FAX (719) 846-3352

Independent Auditor's Report

To the Honorable Mayor and
the Board of Trustees
Town of La Veta
La Veta, Colorado

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the Town of La Veta, as of and for the year ended December 31, 2017, and the related notes to the financial statements, which collectively comprise the Town's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

Our responsibility is to express opinions on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements 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 entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the Town of La Veta, as of December 31, 2017, 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.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis, budgetary comparison information, and pension trend data on pages i through vii and 34 through 37 be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Other Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Town of La Veta's basic financial statements. The other schedules and state required schedules are presented for purposes of additional analysis and are not a required part of the basic financial statements.

The other schedules and state required schedules are the responsibility of management and were derived from and relate 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 auditing standards generally accepted in the United States of America. In our opinion, the other schedules and state required schedules are fairly stated, in all material respect, in relation to the basic financial statements as a whole.

Trinidad, Colorado
June 20, 2018

MANAGEMENT'S DISCUSSION AND ANALYSIS

As management of the Town of La Veta, we offer readers of the Town of La Veta's financial statements this narrative overview and analysis of the financial activities of the Town of La Veta for the fiscal year ended December 31, 2017. The focus of the information is on the primary government (general) fund. We encourage readers to read the information presented here in conjunction with additional information that we have furnished in the Town of La Veta's financial statements, which follow this narrative.

The Town of La Veta has adopted a new financial reporting model promulgated by the Government Accounting Standards Board (GASB). In accordance with GASB Statement No. 34, Basic Financial Statement and Management Discussion and Analysis for State and Local Governments, the Town of La Veta is not required to restate prior periods for purposes of providing comparative information. However, in future years, when prior year information is available, a comparative analysis of the government wide information will be presented.

Financial Highlights

- The assets of the Town of La Veta exceeded its liabilities at the close of the fiscal year by <u>$6,939,976</u> (net position).
- The government's total net position increased by <u>$170,155</u>
- As of the close of the current fiscal year, the Town of La Veta's governmental funds reported combined ending fund balances of <u>$853,638</u> an increase of <u>$121,680</u> in comparison with the prior year.
- At the end of the current fiscal year, unreserved fund balance for the General Fund was <u>$387,147</u> for the fiscal year.

Overview of the Financial Statements

This discussion and analysis are intended to serve as an introduction to Town of La Veta's basic financial statements. The Town's basic financial statements consist of three components; 1) government-wide financial statements, 2) fund financial statements, and 3) notes to the financial statements. In addition to the basic financial statements, this report contains other supplemental information that will enhance the reader's understanding of the financial condition of the Town of La Veta.

Government-wide Financial Statements

The government-wide financial statements are designed to provide the reader with a broad overview of the Town's finances, similar in format to a financial statement of a private-sector business. The government-wide statements provide short and long-term information about the Town's financial status as a whole.

The two government-wide statements report the Town's net position and how it has changed. Net position is the difference between the Town's total assets and total liabilities. Measuring net position is one way to gauge the Town's financial condition.

The government-wide statements are divided into two categories: 1) governmental activities; and 2) business type activities. The governmental activities include most of the Town's basic services such as public safety, parks and recreation, and general administration. Property taxes, county and town taxes, cigarette tax, motor fuel tax, highway user tax, franchise taxes, business, contractor and liquor licensing fees, court and traffic fines, and leases finance most of these activities. The business-type activities are those that the Town charges customers to provide. These include water and sewer services offered by the Town of La Veta. The final category is the component unit.

Fund Financial Statements

The fund financial statements provide a more detailed look at the Town's most significant activities. A fund is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. The Town of La Veta, like all other governmental entities in Colorado, uses fund accounting to ensure and reflect compliance (or non-compliance) with finance-related legal requirements, such as the General Statutes or the Town's budget ordinance. All of the funds of the Town of La Veta can be divided into two categories: governmental funds and proprietary funds.

Governmental Funds – Governmental funds are used to account for those functions reported as governmental activities in the government-wide financial statements. Most of the Town's basic services are accounted for in governmental funds. These funds focus on how assets can readily be converted into case flow in and out, and what monies are left at year-end that will be available for spending in the next year. Governmental funds are reported using an accounting method called *modified accrual accounting* that provides a short-terms spending focus. As a result, the governmental fund financial statements give the reader a detailed short-term view that helps him or her determine if there are more or less financial resources available to finance the Town's programs. The relationship between government activities (reported in the Statement of Net Assets and the Statement of Activities) and governmental funds is described in a reconciliation that is a part of the fund financial statements.

The Town adopts an annual budget for its General Fund, as required by the General Statutes. The budget is a legally adopted document that incorporates input from the citizens of the Town, the management of the Town, and the decisions of the Board about which services to provide and how to pay for them. It also authorizes the Town to obtain funds from identified sources to finance these current period activities. The budgetary statement provided for the General Fund demonstrates how well the Town complied with the budget ordinance and whether or not the Town succeeded in providing the services as planned when the budget was adopted. The budgetary comparison statement uses the budgetary basis of accounting and is presented using the same format, language, and classifications as the legal budget document. The statement shows four columns: 1) the original budget as adopted by the board; 2) the final budget as amended by the board; 3) the actual resources, charges to appropriations, and ending balances in the General Fund; and 4) the difference or variance between the final budget and the actual resources and charges. To account for the difference between the budgetary basis of accounting and the modified accrual basis, a reconciliation showing the differences in the reported activities is shown at the end of the budgetary statement.

Proprietary Funds – The Town of La Veta has two proprietary funds. *Enterprise Funds* are used to report the same functions presented as business-type activities in the government-wide financial statements. The Town of La Veta uses enterprise funds to account for its water operations and sewer operation. These funds are the same as those functions shown in the business-type activities in the Statement of Net Assets and the Statement of Activities.

Notes to the Financial Statements – The notes provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements.

Other Information – In addition to the basic financial statements and accompanying notes, this report includes certain required supplementary information concerning the Town of La Veta's progress in funding its obligation to provide pension benefits to its police force.

Government-Wide Financial Analysis

The government-wide financial statements for the fiscal year ended December 31, 2004 are the beginning of a new era in financial reporting for the Town of La Veta and many other units of government across the United States. Prior to this year, the Town of La Veta maintained their governmental and proprietary fund groups as two separate and very distinct types of accounting without any type of consolidated statement that accurately reflected the operations and net assets of the government as a whole. There was a total column that appeared on the financial statements, but it was a memorandum total only. No attempt was made to adjust the statements in such a way that the total column would represent the overall financial condition of the Town of La Veta. These statements were basically the equivalent of the fund financial statements that appeared in the report with fiduciary funds and two account groups, the long-terms debt and the general fixed assets, added in.

The changes in the financial statement reporting model are mandated by the Governmental Accounting Standards Board (GASB). GASB Statement 34 dictated the changes you see in the Town of La Veta's financial reports as well as those of many other units of government. While other units of government were required to implement these changes for the fiscal year ended June 20, 2002 or 2003, the Town of La Veta was required to implement Statement 34 as of December 31, 2004.

Because of the new reporting model, comparative data for all facets of this report are not available. When comparative numbers are accessible, they have been included, such as with net assets. Future years' reports will have more comparative data that will allow more opportunities for comparative analysis.

NET POSITION	2017 Governmental Activities	2016 Governmental Activities	2017 Business Type Activities	2016 Business Type Activities	Total 2017	Total 2016
ASSETS						
Current and Other Assets	935,797	967,181	1,316,635	1,390,975	2,252,432	2,358,156
Capital Assets - Net	1,562,961	1,612,177	4,719,815	4,671,401	6,282,776	6,283,578
Total Assets	2,498,758	2,579,358	6,036,450	6,062,376	8,535,208	8,641,734
Deferred Outflows	27,438	18,888	-	-	27,438	
LIABLITIES						
Current and Other Liablities	12,391	158,419	80,199	150,371	92,590	308,790
Long Term Liabilities	12,502	4,147	1,471,321	1,530,324	1,483,823	1,534,471
Total Liabilities	24,893	162,566	1,551,520	1,680,695	1,576,413	1,843,261
Deferred Inflows	46,257	47,540	-	-	46,257	
NET POSITION						
Invested in capital assets, Net of Related Debt	1,562,961	1,612,177	3,194,081	3,083,583	4,757,042	4,695,760
Restricted for:						
Recreation	23,569	19,725	-	-	23,569	19,725
Tabor Reserve	18,500	16,800	-	-	18,500	16,800
Unrestricted	850,016	739,438	1,290,849	1,298,098	2,140,865	2,037,536
	2,455,046	2,388,140	4,484,930	4,381,681	6,939,976	6,769,821

Changes in Net Position	2017 Governmental Activities	2016 Governmental Activities	2017 Business Type Activities	2016 Business Type Activities	Total 2017	Total 2016
Revenues						
Property taxes	44,894	45,570	-	-	44,894	45,570
Specific ownership taxes	5,049	4,772	-	-	5,049	4,772
Sales and Use Taxes	435,488	407,639	-	-	435,488	407,639
Fanchise Taxes	28,818	28,451	-	-	28,818	28,451
Earnings on investments	1,023	1,485	2,467	1,791	3,490	3,276
Other Revenues	73,843	39,595	21,500	29,000	95,343	68,595
Charges for services	6,087	30,085	608,916	513,508	615,003	543,593
Operating Grants	2,572	16,265	-	-	2,572	16,265
Capital Grants	30,000	46,878	12,500	176,369	42,500	223,247
Transfers	14,915	-	-	-	14,915	-
TOTAL REVENUES	642,689	620,740	645,383	720,668	1,288,072	1,341,408
Expenses						
Administrative	145,642	155,312	-	-	145,642	155,312
Public Works	234,036	349,213	-	-	234,036	349,213
Public Safety	107,447	89,039	-	-	107,447	89,039
Community Service	88,658	105,914	-	-	88,658	105,914
Sewer Fund	-	-	168,286	155,563	168,286	155,563
Water Fund	-	-	373,848	300,364	373,848	300,364
Transfers	-	-	-		-	-
TOTAL EXPENSES	575,783	699,478	542,134	455,927	1,117,917	1,155,405
Increase (Decrease in Net Position)	66,906	(78,738)	103,249	264,741	170,155	186,003

Governmental Activities

The following table shows the Town's major functions. It also shows the net costs (total cost less revenues generated by activities).

Governmental Activities by Major Function	2017		2016	
	Total Cost of Service	Net Cost of Service	Total Cost of Service	Net Cost of Service
Administrative	145,642	(145,322)	155,312	(86,767)
Public Works	234,036	(204,036)	349,213	(349,213)
Public Safety	107,447	(107,447)	89,039	(86,743)
Community Service	88,658	(80,319)	105,914	(83,527)
Total	575,783	(537,124)	699,478	(606,250)

- Most of the Town's costs, however, were financed by Town and State taxpayers. This portion of governmental activities was financed with **$49,943** local property and specific ownership taxes, and **$1,023** investment earnings and other miscellaneous revenue, and donations.

Business-Type Activities

Business–type activities are made up the water and sewer funds. These programs had revenues of **$645,383** and expenses of **$542,134**

Financial Analysis of the Town's Funds

General Fund Budgetary Highlights

The Town's budget is prepared according to Colorado law and is based on accounting for certain transactions on a basis of cash receipts and disbursements. The most significant budgeted fund is the General Fund.

Highlights of the executed budget are as follows:

- Actual revenues in the General Fund were **$911,103** lower than anticipated.
- Total expenditures of the General Fund were **$1,240,152** lower than budget.

- The Town must maintain a 3% emergency reserve as a part of the TABOR Amendment (Taxpayer Bill of Rights). At December 31, 2017

Capital Assets and Debt Administration

Capital Assets

The Town's net investment in capital assets for its governmental and business-type activities as of December 31, 2017 amounts to $6,282,776.

Capital assets activity for the year ended December 31, 2017 was as follows:

	Beginning Balance	Increases	Decreases	Adjustments	Ending Balance
Governmental Activities					
Capital Assets Not Being Depreciated:					
Land	828,044	-	-	-	828,044
Construction in Progress	150,749	2,642	-	-	153,391
Total Capital Assets Not Being Depreciated:	978,793	2,642	-	-	981,435
Capital Assets Being Depreciated:					
Buildings	833,077	-	-	-	833,077
Equipment	472,976	35,814	32,500	-	476,290
Site Improvements	715,493	-	-	-	715,493
Total Capital Assets Being Depreciated	2,021,546	35,814	32,500		2,024,860
Less Accumulated Depreciation for:					
Buildings	492,048	28,773			520,821
Equipment	413,247	20,350	32,500		401,097
Site Improvements	482,867	38,549			521,416
Total Accumulated Depreciation	1,388,162	87,672	32,500		1,443,334
Governmental Activities Capital Assets, Net	1,612,177	(49,216)	-		1,562,961
Business-Type Activities					
Capital Assets not Being Depreciated:					
Land, Equity, Water Rights	520,712	-	-		520,712
Construction in Progress	127,933	222,771	-		350,704
Total Capital Assets not Being Depreciated:	648,645	222,771	-		871,416
Capital Assets Being Depreciated:					
Buildings & Systems	6,378,314		-		6,378,314
Total Capital Assets Being Depreciated	6,378,314	-	-		6,378,314
Less Accumulated Depreciation for:					
Systems & Buildings	2,355,558	174,357			2,529,915
Total Accumulated Depreciation	2,355,558	174,357			2,529,915
Business-Type Activities Capital Assets, Net	4,671,401	48,414	-		4,719,815

Long-Term Debt

At year-end, the Town had **$1,525,734** in water loans

Changes in Long - Term Debt	Beg Bal 1/1/2017	Additions	Deletions	End Bal 12/31/2017
Water Fund				
Note Payable - Colorado Water Resource	916,539	-	33,087	883,452
	-			-
Colorado Water Conservation Board Loan	317,278	-	9,496	307,782
Sewer				
Water Pollution Revolving Fund Loan	243,000	-	13,500	229,500
Water Pollution Revolving Fund Loan	111,000	-	6,000	105,000
	-			-
	1,587,817	-	62,083	1,525,734

Economic Factors Bearing on the Town's Future

The Town of La Veta, like many other small municipalities depend on tourism, in part, to provide sales tax revenues to help provide public service and public safety services. These revenues change dependent on conditions within the local area and sometimes the state. When required the Town's management, the Board of Trustees, provide direction as to necessary expenditures to provide a continuing balance in funds received and those available for expenditures, allowing for an adequate cash flow.

To make projections of revenues for the general fund is difficult when there is a certain dependency on tourism. The Board of Trustees continues to review actual revenues and make required adjustments throughout the year to stay within the financial capability of the Town.

Contacting the Town's Financial Management

This financial report is designed to provide a general overview of the Town of La Veta's finances for all those with an interest in the Town. Questions concerning any of the information provided in the report or requests for additional information should be address to:

Town of La Veta
c/o Town Clerk
P. O. Box 174
La Veta, CO 81055

BASIC FINANCIAL STATEMENTS

TOWN OF LA VETA, COLORADO
STATEMENT OF NET POSITION
December 31, 2017

	Governmental Activities	Business-Type Activities	Total
ASSETS			
Cash and Equivalents	815,678	1,254,004	2,069,682
Accounts Receivable - Net	74,119	50,391	124,510
Interfund Receivable	-	-	-
Grants Receivable	-	-	-
Property Tax Receivable	46,000	-	46,000
Prepaid Assets	-	-	-
Inventory	-	12,240	12,240
Capital Assets	3,006,295	7,249,730	10,256,025
Accumulated Depreciation	(1,443,334)	(2,529,915)	(3,973,249)
Total Assets	2,498,758	6,036,450	8,535,208
DEFERRED OUTFLOW OF RESOURCES			
Contributions Subsequent to Pension Measurement Date	5,849	-	5,849
Pension Outflows	21,589	-	21,589
Total Deferred Outflow of Resources	27,438	-	27,438
LIABILITIES			
Accounts Payable	7,341	11,373	18,714
Interfund Payable	-	-	-
Accrued Salaries and Benefits	-	-	-
Accrued Interest Payable	-	5,835	5,835
Net Pension Liability	5,050	-	5,050
Noncurrent Liabilities:			
Due Within One Year	-	62,991	62,991
Due In More Than One Year	-	1,462,743	1,462,743
Compensated Absences	12,502	8,578	21,080
Total Liabilities	24,893	1,551,520	1,576,413
DEFERRED INFLOW OF RESOURCES			
Property Taxes	46,000	-	46,000
Pension Inflows	257	-	257
Total Deferred Inflow of Resources	46,257	-	46,257
NET POSITION			
Net Investment in Capital Assets	1,562,961	3,194,081	4,757,042
Restricted for:			
Recreation	23,569	-	23,569
Tabor Reserve	18,500	-	18,500
Unrestricted	850,016	1,290,849	2,140,865
Total Net Position	2,455,046	4,484,930	6,939,976

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

TOWN OF LA VETA, COLORADO
STATEMENT OF ACTIVITIES
Year Ended December 31, 2017

		Program Revenues			Net (Expense) Revenue and Changes in Net Position		
	Expenses	Charges for Services	Operating Grants & Contributions	Capital Grants & Contributions	Governmental Activities	Business Type Activities	Total
Functions:							
Governmental Activities							
Administrative	145,642	320	-	-	(145,322)	-	(145,322)
Public Works	234,036	-	-	30,000	(204,036)	-	(204,036)
Public Safety	107,447	-	-	-	(107,447)	-	(107,447)
Community Service	88,658	5,767	2,572	-	(80,319)	-	(80,319)
Total Governmental Activities	575,783	6,087	2,572	30,000	(537,124)	-	(537,124)
Business Type Activities							
Sewer Fund	168,286	286,163	-	-	-	117,877	117,877
Water Fund	373,848	322,753	-	12,500	-	(38,595)	(38,595)
Total Business Type Activities	542,134	608,916	-	12,500	-	79,282	79,282
Total Primary Government	1,117,917	615,003	2,572	42,500	(537,124)	79,282	(457,842)
General Revenues:							
Property Taxes					44,894	-	44,894
Specific Ownership Taxes					5,049	-	5,049
Sales and Use Taxes					435,488	-	435,488
Franchise Taxes					28,818	-	28,818
Earnings on Investments					1,023	2,467	3,490
Other Revenues					73,843	21,500	95,343
Transfers					14,915	-	14,915
Total General Revenues and Transfers					604,030	23,967	627,997
Change in Net Position					66,906	103,249	170,155
Net Position – Beginning					2,388,140	4,381,681	6,769,821
Net Position – Ending					2,455,046	4,484,930	6,939,976

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

TOWN OF LA VETA, COLORADO
BALANCE SHEET
GOVERNMENTAL FUNDS
December 31, 2017

	General	Museum Fund	Other Governmental Funds	Total Governmental Funds
ASSETS:				
Cash and Equivalents	618,613	197,065	-	815,678
Accounts Receivable	33,372	11,929	-	45,301
Property Tax Receivable	46,000	-	-	46,000
Due From Other Funds	-	-	-	-
Prepaid Assets	-	-	-	-
Interest Receivable	-	-	-	-
Total Assets	697,985	208,994	-	906,979
LIABILITIES:				
Accounts Payable	7,223	118	-	7,341
Accrued Salaries	-	-	-	-
Due To Other Funds	-	-	-	-
Total Liabilities	7,223	118	-	7,341
DEFERRED INFLOW OF RESOURCES				
Property Taxes	46,000	-	-	46,000
FUND BALANCES:				
Nonspendable:				
Prepaid Assets	-	-	-	-
Restricted:				
Recreation	23,569	-	-	23,569
Emergencies	18,500	-	-	18,500
Committed:				
Streets and Sidewalks	214,124	-	-	214,124
Park and Trees	1,422	-	-	1,422
Assigned				
Museum	-	208,876	-	208,876
Unassigned	387,147	-	-	387,147
Total Fund Balances	644,762	208,876	-	853,638
TOTAL LIABILITIES, DEFERRED INFLOWS AND FUND BALANCES	697,985	208,994	-	906,979

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

TOWN OF LA VETA, COLORADO
RECONCILIATION OF THE BALANCE SHEET OF GOVERNMENTAL FUNDS TO THE STATEMENT OF NET POSITION
December 31, 2017

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

Total Fund Balance – Governmental Funds	853,638
Receivables are recognized at the fund level for revenue available within sixty days of year end. However, receivables in the statement of net position include all revenues earned for the period.	28,818
Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the funds. The cost of the assets is $3,006,295 and the accumulated depreciation is $1,443,334.	1,562,961
The Town's portion of the net pension liability for FPPA reported on the statement of net position is not reported as a liability in the funds.	(5,050)
Deferred flows for contributions made toward the net pension asset from January 1, 2017 until December 31, 2017 is not reported in the funds.	5,849
Deferred pension flows for differences in projected and actual activity are not reported in the funds.	21,332
Compensated absences are not reported as a liability in the funds	(12,502)
Total Net Position – Governmental Activities	2,455,046

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

TOWN OF LA VETA, COLORADO
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
GOVERNMENTAL FUNDS
Year Ended December 31, 2017

	General	Museum Fund	Other Governmental Funds	Total Governmental Funds
REVENUES:				
Taxes	426,789	86,527	-	513,316
Licenses and Permits	12,761	-	-	12,761
Charges for Services	320	5,767	-	6,087
Fines and Forfeits	20,326	-	-	20,326
Rent and Lease	25,744	-	-	25,744
Grants and Donations	25,000	2,572	-	27,572
Other	22,047	399	-	22,446
Total Revenues	532,987	95,265	-	628,252
EXPENDITURES:				
Administrative	142,647	-	-	142,647
Public Works	178,700	-	-	178,700
Public Safety	133,023	-	-	133,023
Community Service	10,882	56,235	-	67,117
Total Expenditures	465,252	56,235	-	521,487
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	(67,735)	39,030	-	106,765
OTHER FINANCING SOURCES (USES)				
Transfers	14,915	-	-	14,915
Total Other Financing Sources (Uses)	14,915	-	-	14,915
NET CHANGE IN FUND BALANCES	82,650	39,030	-	121,680
FUND BALANCES – Beginning	562,112	169,846	-	731,958
FUND BALANCES – Ending	644,762	208,876	-	853,638

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

RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES OF GOVERNMENT FUNDS TO THE STATEMENT OF ACTIVITIES

Year Ended December 31, 2017

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

Net Change in Fund Balances – Total Governmental Funds			121,680
Governmental funds report capital outlays as expenditures. However, in the statement of activities, assets with an initial, individual cost of more than $5,000 are capitalized and the cost is allocated over their estimated useful lives and reported as depreciation expense. This is the amount by which depreciation exceeded capital outlays in the current period.			
	Capital outlays more than $5,000	38,456	
	Depreciation expense	(87,672)	(49,216)
In the statement of activities compensated absences are measured by the amounts earned during the year. In the governmental funds, however, expenditures for these items are measured by the amount of financial resources used (essentially, the amount paid). During the year, compensated absences increased by this amount.			(8,355)
Revenue is recognized at the fund level for resources available within sixty days of year end. However, revenue in the statement of activities includes all revenues earned for the period. This is the net affect of the revenue difference for the year.			(478)
The statement of activities reports net pension obligation which is not reported in the fund financial statements.			
	Change in net pension liability		(5,226)
	Deferred flows from net pension activity		8,501
Change in Net Position of Governmental Activities			66,906

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

TOWN OF LA VETA, COLORADO
STATEMENT OF NET POSITION
PROPRIETARY FUNDS
December 31, 2017

	Business Type Activities- Enterprise Funds		
	Sewer Fund	Water Fund	Totals
ASSETS			
Current Assets			
Cash and Equivalents	455,113	798,891	1,254,004
Accounts Receivable	26,713	27,078	53,791
Allowance for Uncollectible Accounts	(1,000)	(2,400)	(3,400)
Grant Receivable	-	-	-
Due From Other Funds	-	13,528	13,528
Inventory	691	11,549	12,240
Total Current Assets	481,517	848,646	1,330,163
Property, Plant & Equipment			
Capital Assets	2,406,374	4,843,356	7,249,730
Less Accumulated Depreciation	(664,878)	(1,865,037)	(2,529,915)
Net Capital Assets	1,741,496	2,978,319	4,719,815
TOTAL ASSETS	2,223,013	3,826,965	6,049,978
LIABILITIES			
Current Liabilities			
Accounts Payable	878	10,495	11,373
Compensated Absences	4,289	4,289	8,578
Accrued Interest Payable	-	5,835	5,835
Due To Other Funds	13,528	-	13,528
Notes Payable – Current	19,500	43,491	62,991
Total Current Liabilities	38,195	64,110	102,305
Noncurrent Liabilities			
Note Payable	315,000	1,147,743	1,462,743
TOTAL LIABILITIES	353,195	1,211,853	1,565,048
NET POSITION			
Net Investment in Capital Assets	1,406,996	1,787,085	3,194,081
Unrestricted	462,822	828,027	1,290,849
TOTAL NET POSITION	1,869,818	2,615,112	4,484,930

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

TOWN OF LA VETA, COLORADO
STATEMENT OF REVENUES, EXPENSES AND CHANGES IN NET POSITION
PROPRIETARY FUNDS
Year Ended December 31, 2017

	Business Type Activities- Enterprise Funds		
	Sewer Fund	Water Fund	Totals
Operating Revenues			
Charges for Services	281,347	316,715	598,062
Connects	1,277	2,500	3,777
Miscellaneous	3,539	3,538	7,077
Total Operating Revenues	286,163	322,753	608,916
Operating Expenses			
Water Sample and Testing	1,185	7,902	9,087
Administration	7,176	10,538	17,714
Water & Sewer – Salaries	71,137	78,510	149,647
Water and Sewer Repairs and Supplies	2,736	49,854	52,590
Payroll Taxes and Employee Benefits	17,999	19,992	37,991
Fuel	-	1,627	1,627
Miscellaneous	-	4,196	4,196
Utilities	7,032	11,936	18,968
Engineering	-	25,473	25,473
Legal and Audit Fees	-	24,017	24,017
Depreciation	61,021	113,336	174,357
Bad Debts	-	-	-
Total Operating Expenses	168,286	347,381	515,667
Operating Income	117,877	(24,628)	93,249
Non-Operating Revenues (Expenses)			
Interest Income	1,032	1,435	2,467
Contributions - Grants	-	12,500	12,500
Tap Fees	5,500	16,000	21,500
Interest Expense	-	(26,467)	(26,467)
Total Non-Operating Revenues (Expenses)	6,532	3,468	10,000
INCOME (LOSS) BEFORE OPERATING TRANSFERS	124,409	(21,160)	103,249
Operating Transfers			
Operating Transfers In	-	-	-
Operating Transfers (Out)	-	-	-
Total Operating Transfers	-	-	-
Change in Net Position	124,409	(21,160)	103,249
TOTAL NET POSITION, Beginning	1,745,409	2,636,272	4,381,681
TOTAL NET POSITION, Ending	1,869,818	2,615,112	4,484,930

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

TOWN OF LA VETA, COLORADO
STATEMENT OF CASH FLOWS
PROPRIETARY FUNDS
Year Ended December 31, 2017

	Business Type Activities-Enterprise Funds		
	Sewer Fund	Water Fund	Totals
CASH FLOWS FROM OPERATING ACTIVITIES			
Receipts from Customers	287,887	329,178	617,065
Payments to Employees	(86,905)	(96,744)	(183,649)
Payments to Vendors	(70,982)	(153,818)	(224,800)
NET CASH PROVIDED BY (USED FOR) OPERATING ACTIVITIES	130,000	78,616	208,616
CASH FLOWS FROM NON-CAPITAL FINANCING ACTIVITIES			
Repayment of Interfund Loans	51,291	-	51,291
NET CASH FROM NON-CAPITAL FINANCING ACTIVITIES	51,291	-	51,291
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES			
Purchase of Fixed Assets	(222,771)	-	(222,771)
Contributions from Grants	-	19,413	19,413
Proceeds from Loan	-	-	-
Interest Paid on Debt	-	(26,549)	(26,549)
Principal Paid on Debt	(19,500)	(42,584)	(62,084)
Tap Fees	5,500	16,000	21,500
NET CASH FROM CAPITAL AND RELATED FINANCING ACTIVITIES	(236,771)	(33,720)	(270,491)
CASH FLOWS FROM INVESTING ACTIVITIES			
Interest Earnings	1,032	1,435	2,467
NET CASH FROM INVESTING ACTIVITIES	1,032	1,435	2,467
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	(54,448)	46,331	(8,117)
CASH AND CASH EQUIVALENTS – Beginning of Year	509,561	752,560	1,262,121
CASH AND CASH EQUIVALENTS – End of Year	455,113	798,891	1,254,004
RECONCILIATION OF CASH FLOWS FROM OPERATING ACTIVITIES			
Operating Income (Loss)	117,877	(24,628)	93,249
Adjustments to Reconcile Net Income to Net Cash Provided by Operating Activities			
Depreciation	61,021	113,336	174,357
(Increase) Decrease in Inventory	84	(214)	(130)
(Increase) Decrease in Receivables	1,724	6,425	8,149
(Increase) Decrease in Due From Other Funds	-	(13,528)	(13,528)
Increase (Decrease) in Accounts Payable	(66,465)	(4,533)	(70,998)
Increase (Decrease) in Compensated Absences	2,231	1,758	3,989
Due To Other Funds	13,528	-	13,528
NET CASH PROVIDED BY (USED FOR) OPERATING ACTIVITIES	130,000	78,616	208,616

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

TOWN OF LA VETA, COLORADO
STATEMENT OF FIDUCIARY NET POSITION
PENSION TRUST FIDUCIARY FUNDS
December 31, 2017

	Pension Trust Fund
ASSETS	
Cash and Investments	4,855
Interest Receivable	-
Total Assets	4,855
LIABILITIES	
Deposits Held for Others	-
Total Liabilities	-
NET POSITION	
Held in Trust for Pension Benefits	4,855

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

TOWN OF LA VETA, COLORADO
STATEMENT OF CHANGES IN FIDUCIARY NET POSITION
PENSION TRUST FIDUCIARY FUNDS
Year Ended December 31, 2017

	Pension Trust Fund
ADDITIONS	
Earnings on Investments	34
DEDUCTIONS	
Transfers - Capital Outlay	14,915
CHANGE IN NET POSITION	(14,881)
Held in Trust for Pension Benefits:	
Net Position – Beginning of Year	19,736
Net Position – End of Year	4,855

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

NOTES TO FINANCIAL STATEMENTS

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A. Reporting Entity

The reporting entity, for financial purposes, is defined as the primary government (the Town of La Veta) and its component units. The Town has no component units; the financial statements are comprised of the funds and account groups more fully described in subsequent information contained in the footnotes.

The accounting policies of the Town of La Veta conform to generally accepted accounting principles as applicable to governments. The following is a summary of the more significant policies:

B. Government – Wide and Fund Financial Statements

The government-wide financial statements (i.e. the statement of net position and the statement of activities) report information on all the nonfiduciary activities of the primary government and its component units. For the most part, the effect of interfund activity has been removed from these statements. *Governmental activities*, which normally are supported by taxes and intergovernmental revenues, are reported separately from *business-type activities*, which rely to a significant extent on fees and charges for support. Likewise, the *primary government* is reported separately from the Town's legally separate *component units* for which the Town is financially accountable.

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

Separate financial statements are provided for governmental funds, proprietary funds, and fiduciary funds, even though the latter are excluded from the government-wide financial statements. Major individual governmental funds and major individual enterprise funds are reported as separate columns in the fund financial statements.

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

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

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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

Governmental fund financial statements are reported using the *current financial resources measurement focus* and the *modified accrual basis of accounting*. Revenues are recognized as soon as they are both measurable and available. Revenues are considered to be *available* when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the government considers revenues to be available if they are collected within 60 days of the end of the current fiscal period. Expenditures generally are recorded when a liability is incurred, as under accrual accounting. However, debt service expenditures, as well as expenditures related to compensated absences and claims and judgments, are recorded only when payment is due.

Property taxes, franchise taxes, licenses, and interest associated with the current fiscal period are all considered to be susceptible to accrual and so have been recognized as revenues of the current fiscal period. Only the portion of special assessments receivable due within the current fiscal period is considered to be susceptible to accrual as revenue of the current period. All other revenue items are considered to be measurable and available only when cash is received by the government.

The Town reports the following major governmental funds:

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

The *museum special revenue fund* accounts for all financial activity related to the operation of the museum.

The Town reports the following major proprietary funds:

The *sewer fund* accounts for the activities of the Town's sewage disposal and treatment system.

The *water fund* accounts for the activities of Town's water distribution and treatment system.

Additionally, the government reports the following fund types.

Police Pension Trust Fund (health & safety) uses its resources for public safety expenditures.

As a general rule the effect of interfund activity has been eliminated from the government-wide financial statements. Exceptions to this general rule are payments-in-lieu of taxes and other charges between the Town's utility functions and various other functions of the government. Elimination of these charges would distort the direct costs and program revenues reported for the various functions concerned.

Amounts reported as *program revenues* include 1) charges to customers or applicants for goods, services, or privileges 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.

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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

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 utility enterprise funds are charges to customers for sales and services. The enterprise funds also recognize as operating revenues the portion of tap fees intended to recover the cost of connecting new customers to the system. 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.

D. Capital Assets

Capital assets, which include property, plant, equipment, and infrastructure assets (e.g., roads, bridges, sidewalks, and similar items), are reported in the applicable governmental or business-type activities columns in the government-wide financial statements. Capital assets are defined by the Town as assets with an initial, individual cost of more than $5,000 and an estimated useful life in excess of two years. Such assets are recorded at historical cost or estimated historical cost if purchased or constructed. Donated capital assets are recorded at estimated fair value at the date of donation.

The costs of normal maintenance and repairs that do not add to the value of the asset or materially extend assets lives are not capitalized.

Major outlays for capital assets and improvements are capitalized as projects are constructed. Interest incurred during the construction phase of capital assets of business-type activities, if any, is included as part of the capitalized value of the assets constructed. No such interest expense was incurred during the current fiscal year.

Capital assets of the primary government are depreciated using the straight line method over the following estimated useful lives:

Assets	Years
Equipment	5-30
Building & Plant	15-40

E. Budgets and Budgetary Accounting

The Town has set procedures to be followed in establishing the budgetary data reflected in the financial statements:

1. Prior to October 1, a proposed operating budget for the fiscal year commencing the following January 1 is developed. The operating budget includes proposed expenditures and the means of financing them.

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

E. Budgets and Budgetary Accounting (continued)

2. Public hearings are conducted to obtain taxpayer comments.

3. Prior to December 31, the budget is legally enacted through passage of an ordinance or resolution.

4. The budget for the General and Museum Funds are presented on a GAAP Basis, while budgets for the Enterprise Funds are presented on a Non-GAAP Basis.

F. Encumbrances

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 employed as an extension of formal budgetary integration in the General Fund, Museum Fund and Enterprise Funds. All encumbrances lapse at the end of the year.

G. Inventory

Inventory is valued at the lower of cost (first-in, first-out) or market. The costs of inventories are recorded as expenditures when they are used.

H. Accumulated Unpaid Vacation, Sick Pay, and Other Employee Benefits Amounts

Accumulated unpaid vacation, sick pay, and other employee benefits amounts should be accrued when incurred in proprietary funds (using the accrual basis of accounting). Such amounts would not be accrued in governmental funds (using the modified accrual basis of accounting). Accrued vacation and sick leave payable has been reflected in the financial statements of the Proprietary Funds and in the statement of net position for all governmental fund types.

I. Property Taxes

Property taxes represent ad valorem taxes levied by the Town, which are payable to the County Treasurer, and are recognized as revenue by the Town in the year for which they are levied.

Property taxes are levied in December for collection in the subsequent year.

Property taxes attach as an enforceable lien on property as of January 1. Taxes may be paid without penalty in either of two ways: (a) Full payment by April 30, or (b) First half must be paid by last day of February, and second half must be paid by June 15.

J. Use of Estimates

The preparation of financial statements in conformity with 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 amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

K. Cash and Cash Equivalents

For purposes of the Statement of Cash Flows the Town of La Veta considers all highly liquid investments with a maturity of three months or less when purchased to be cash equivalents. This includes cash, cash equivalents, and restricted cash.

L. Investments

Investments consist of certificates of deposit with a maturity date of over three months at the time of purchase.

M. Accounts Receivable & Allowance for Uncollectibles

The Town writes off bad debts when accounts are deemed uncollectible. Receivables are reviewed annually to determine accounts that should be written off.

N. Contraband

Per Colorado Contraband Forfeiture Act (CRS 16-13-501-511), proceeds received from the seizure of contraband must be used for the specific purposes of law enforcement activities. These proceeds are exempt from the appropriation process. The Town of La Veta received no proceeds during 2017.

O. Reserves

Article X, Section 20 of the Constitution of the State of Colorado requires the Town to establish Emergency Reserves (see Note 7). $18,500 of the fund balance has been reserved in compliance with this requirement.

P. Supplemental Disclosures of Cash Flow Information

	Water Fund	Sewer Fund
Cash Paid for Interest	26,549	-
Cash Paid for Income Taxes	-	-

Q. Long-Term Obligations

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

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Q. Long-Term Obligations (continued)

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

R. GASB Statement No. 54

The Government Accounting Standards Board (GASB) has issued Statement No. 54, Fund Balance Reporting and Governmental Fund Type Definitions (GASB 54). This statement defines the different types of fund balances that a governmental entity must use for financial reporting purposes.

GASB 54 requires the fund balance amounts to be properly reported within one of the fund balance categories list below.

1. Nonspendable such as fund balances associated with inventories, prepaids, long-term loans and notes receivable, and property held for resale (unless the proceeds are restricted, committed, or assigned).

2. Restricted fund balance category includes amounts that can be spent only for the specific purposes stipulated by constitution, external resource providers, or through enabling legislation.

3. Committed fund balance classification includes amounts that can be used only for the specific purposes determined by a formal action of the Town Council (the Town's highest level of decision-making authority).

4. Assigned fund balance classification is intended to be used by the government for specific purposes that do not meet the criteria to be classified as restricted or committed.

5. Unassigned fund balance is the residual classification for the government's general fund and includes all spendable amounts not contained in the other classifications.

Fund Balance Classification Policies and Procedures

Committed Fund Balance Policy:

The Town's Committed Fund Balance is fund balance reporting required by the Town Council, either because of a Town Council Policy in the Town Council Policy Manual, or because of motions that passed at Town Council meetings.

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

R. GASB Statement No. 54 (Continued)

Assigned Fund Balance Policy:

The Town's Assigned Fund Balance is fund balance reporting occurring by Town Council Administration authority, under the direction of the Chief Business Officer.

Order of Fund Balance Spending Policy

The Town's policy is to apply expenditures against non-spendable fund balance, restricted fund balance, committed fund balance, assigned fund balance, and unassigned fund balance at the end of the fiscal year by adjusting journal entries.

First, non-spendable fund balances are determined. Then restricted fund balances for specific purposes are determined (not including non-spendable amounts). Then unrestricted fund balances are determined following the order of committed, assigned, and unassigned.

Fund Balance Classification by Fund:

	General Fund	Museum Fund	Total Governmental Funds
Nonspendable:			
Prepaid Assets	-	-	-
Restricted:			
Recreation	23,569	-	23,569
Emergencies	18,500	-	18,500
Committed:			
Streets and Sidewalks	214,124	-	214,124
Park and Trees	1,422	-	1,422
Assigned:			
Museum	-	208,876	208,876
Unassigned	387,147	-	387,147
Total Fund Balances	644,762	208,876	853,638

S. Deferred Outflows / Inflows of Resources

In addition to assets, the statement of financial position will sometimes report a separate section for deferred outflows of resources. This separate financial statement element, deferred outflows of resources, represents a consumption of net position that applies to a future period(s) and so will not be recognized as an outflow of resources (expense/expenditure) until then.

In addition to liabilities, the statement of financial position will sometimes report a separate section for deferred inflows of resources. This separate financial statement element, deferred inflows of resources, represents an acquisition of net position that applies to a future period(s) and so will not be recognized as an inflow of resources (revenue) until that time.

NOTE 2 ACCOUNTS RECEIVABLE

Accounts receivable in the governmental funds are stated at gross. The accounts receivable in the enterprise funds are adjusted by an estimated allowance, and represent amounts receivable from Enterprise Fund customers. The Town's ability to file liens against property owners and the policy of discontinuing service to delinquent accounts results in probable collectibility of these accounts receivable.

NOTE 3 CASH AND DEPOSITS

The Colorado Public Deposit Protection Act (PDPA) requires that all units of local government deposit cash in eligible public depositories, eligibility is determined by state regulators. Amounts on deposit in excess of federal insurance levels must be collateralized. The eligible collateral is determined by the PDPA. PDPA allows the institution to create a single collateral pool for all public funds. The pool is to be maintained by another institution or held in trust for all the uninsured public deposits as a group. The market value of the collateral must at least equal 102% of the uninsured deposits.

At December 31, 2017, the Town's cash deposits had a bank balance and a corresponding carrying balance as follows:

	Bank Balance	Carrying Balance
Insured (FDIC)	250,000	250,000
Uninsured, collateralized under the Public Deposit Protection Act (See Above)	1,919,680	1,814,711
Sub-Total	2,169,680	2,064,711
Cash on Hand	-	758
Cash with County Treasurer	-	9,068
Total Cash	2,169,680	2,074,537

As presented above, deposits with a bank balance of $1,919,680 and a carrying balance of $1,814,711 as of December 31, 2017 are uninsured, are exposed to custodial risk, and are collateralized with securities held by the pledging financial institution.

NOTE 4 CAPITAL ASSETS

Capital assets activity for the year ended December 31, 2017 was as follows:

	Beginning Balance	Increases	Decreases	Ending Balance
Governmental Activities				
Capital Assets Not Being Depreciated:				
Land	828,044	-	-	828,044
Construction in Progress	150,749	2,642	-	153,391
Total Capital Assets Not Being Depreciated	978,793	2,642	-	981,435
Capital Assets Being Depreciated:				
Buildings	833,077	-	-	833,077
Equipment	472,976	35,814	32,500	476,290
Site Improvements	715,493	-	-	715,493
Total Capital Assets Being Depreciated	2,021,546	35,814	32,500	2,024,860
Less Accumulated Depreciation for:				
Buildings	492,048	28,773	-	520,821
Equipment	413,247	20,350	32,500	401,097
Site Improvements	482,867	38,549	-	521,416
Total Accumulated Depreciation	1,388,162	87,672	32,500	1,443,334
Governmental Activities Capital Activities Net	1,612,177	(49,216)	-	1,562,961
Business-Type Activities				
Capital Assets Not Being Depreciated:				
Land, Equity, Water Rights	520,712	-	-	520,712
Construction in Progress	127,933	222,771	-	350,704
Total Capital Assets Not Being Depreciated	648,645	222,771	-	871,416
Capital Assets Being Depreciated:				
Buildings & Systems	6,378,314	-	-	6,378,314
Total Capital Assets Being Depreciated	6,378,314	-	-	6,378,314
Less Accumulated Depreciation for:				
Systems and Buildings	2,355,558	174,357	-	2,529,915
Total Accumulated Depreciation	2,355,558	174,357	-	2,529,915
Business – Type Activities Capital Assets, Net	4,671,401	48,414	-	4,719,815

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

Governmental Activities:	
Administrative	9,131
Public Works	50,991
Public Safety	6,009
Community Service	21,541
Total Depreciation Expense – Governmental Activities	87,672
Business-Type Activities	
Water	113,336
Sewer	61,021
Total Depreciation Expense – Business Type Activities	174,357

NOTE 5 CHANGES IN LONG-TERM DEBT

The following is a schedule of long-term debt for all funds for the year ended December 31, 2017:

	Balance 1/1/2017	Additions	Deletions	Balance 12/31/2017	Current Portion
Water Fund					
Note Payable – Colorado Water Resource	916,539	-	33,087	883,452	33,710
Colorado Water Conservation Board Loan	317,278	-	9,496	307,782	9,781
Sewer Fund					
Water Pollution Revolving Fund Loan	243,000	-	13,500	229,500	13,500
Water Pollution Revolving Fund Loan	111,000	-	6,000	105,000	6,000
	1,587,817	-	62,083	1,525,734	62,991

NOTES PAYABLE

Note Payable –Colorado Water Resources and Power Authority

On April 11, 2008 the Town of La Veta entered into a loan agreement with Colorado Water Resources and Power Development Authority for the purpose of improving the Town's water system. The total amount available through the loan is $1,134,000 at an interest rate of 1.875% and a term of 30 years. The loan is being drawn down as the project progresses. The first payment on the loan will be on November 1, 2009 based on an amortization schedule reflecting the total amount borrowed. The Town had drawn down the entire $1,134,000 of the loan as of December 31, 2012.

Below is a summary of payments due:

	Principal	Interest	Total
2018	33,710	16,408	50,118
2019	34,346	15,772	50,118
2020	34,992	15,126	50,118
2021	35,652	14,466	50,118
2022	36,323	13,795	50,118
2023-2027	192,141	58,448	250,589
2028-2032	210,934	39,655	250,589
2033-2037	231,566	19,023	250,589
2038-2039	73,788	1,388	75,176
	883,452	194,082	1,077,534

As a condition of the CWR & PDA debts, the Town must certify to the Authority the following information:

1. Compliance with rate covenant – the rate covenant requires that fees charged and collected be at least sufficient each year to pay the sum of amounts required to pay operating and maintenance expenses (as defined) of $260,511 in 2017, 110% of the debt service on the loans of $36,395 in 2017, debt reserve payment of $0 in 2017, subordinate lien debt service of $0 in 2017, and other debt service payable from the above fees of $0 in 2016. The $296,906 total requirement of the covenant was exceeded by fees of $320,253 for the year ended December 31, 2017.

NOTE 5 CHANGES IN LONG-TERM DEBT (Continued)

NOTES PAYABLE (Continued)

2. Compliance with operations and maintenance reserve covenant – the reserve requirement is estimated to be approximately $46,600 at December 31, 2017 based on Exhibit F of the loan agreement. The Town had a maintained reserve account of $65,459 at December 31, 2017.

3. Lien representation – the property pledged for this debt, except as disclosed to the Authority in writing, is free and clear of any pledge, lien, charge or encumbrance.

Colorado Water Conservation Board Loan

The Town of La Veta secured a construction loan of $344,139 from the Colorado Water Conservation Board for the La Veta Lake north dam project. The terms of the loan call for 30 annual payments of $19,014 at 3% beginning September, 2014.

Below is a summary of payments due:

	Principal	Interest	Total
2018	9,781	9,233	19,014
2019	10,074	8,940	19,014
2020	10,377	8,637	19,014
2021	10,688	8,326	19,014
2022	11,009	8,005	19,014
2023	11,338	7,676	19,014
2024	11,679	7,335	19,014
2025	12,029	6,985	19,014
2026	12,390	6,624	19,014
2027	12,762	6,252	19,014
2028	13,145	5,869	19,014
2029	13,539	5,475	19,014
2030	13,945	5,069	19,014
2031	14,364	4,650	19,014
2032	14,795	4,219	19,014
2033	15,238	3,776	19,014
2034	15,696	3,318	19,014
2035	16,166	2,848	19,014
2036	16,651	2,363	19,014
2037	17,151	1,863	19,014
2038	17,665	1,349	19,014
2039	18,195	819	19,014
2040	9,105	273	9,378
	307,782	119,904	427,686

NOTE 5 CHANGES IN LONG-TERM DEBT (Continued)

NOTES PAYABLE (Continued)

Sewer Note Payable – Colorado Water Resources and Power Authority

On April 23, 2014 the Town of La Veta entered into a loan agreement with Colorado Water Resources and Power Development Authority for the purpose of improving the Town's sewer system. The total amount available through the loan is $270,000 at an interest rate of 0% and a term of 20 years. The loan is being drawn down as the project progresses. The first payment on the loan will be on May 1, 2015 based on an amortization schedule reflecting the total amount borrowed.

Below is a summary of payments due:

	Principal	Interest	Total
2018	13,500	-	13,500
2019	13,500	-	13,500
2020	13,500	-	13,500
2021	13,500	-	13,500
2022	13,500	-	13,500
2023	13,500	-	13,500
2024	13,500	-	13,500
2025	13,500	-	13,500
2026	13,500	-	13,500
2027	13,500	-	13,500
2028	13,500	-	13,500
2029	13,500	-	13,500
2030	13,500	-	13,500
2031	13,500	-	13,500
2032	13,500	-	13,500
2033	13,500	-	13,500
2034	13,500	-	13,500
	229,500	-	229,500

NOTE 5 CHANGES IN LONG-TERM DEBT (Continued)

NOTES PAYABLE (Continued)

Sewer Note Payable – Colorado Water Resources and Power Authority

On January 23, 2015 the Town of La Veta entered into a loan agreement with Colorado Water Resources and Power Development Authority for the purpose of improving the Town's sewer system. The total amount available through the loan is $120,000 at an interest rate of 0% and a term of 20 years. The loan is being drawn down as the project progresses. The first payment on the loan will be on November 1, 2015 based on an amortization schedule reflecting the total amount borrowed. The Town had drawn down $106,299 of the loan as of December 31, 2015.

Below is a summary of payments due:

	Principal	Interest	Total
2018	6,000	-	6,000
2019	6,000	-	6,000
2020	6,000	-	6,000
2021	6,000	-	6,000
2022	6,000	-	6,000
2023	6,000	-	6,000
2024	6,000	-	6,000
2025	6,000	-	6,000
2026	6,000	-	6,000
2027	6,000	-	6,000
2028	6,000	-	6,000
2029	6,000	-	6,000
2030	6,000	-	6,000
2031	6,000	-	6,000
2032	6,000	-	6,000
2033	6,000	-	6,000
2034	6,000	-	6,000
2035	3,000	-	3,000
	105,000	-	105,000

NOTE 6 PENSION PLANS

The Town has one plan covering members of the Police Department. The plan is:

- Fire and Police Pension Plan - Statewide Defined Benefit Plan (FPPA SWDB)

Plan	Net Pension Liability	Net Pension Asset	Pension Expense	Deferred Outflows	Deferred Inflows
FPPA Statewide Plan	5,050	-	(3,148)	27,311	257

FPPA Statewide Defined Benefit Plan

The Town participates in the Statewide Defined Benefit Plan (SWDB), a cost-sharing multiple-employer defined benefit pension fund administered by the FPPA. The net pension asset, 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 SWDB 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. Eligible employees of the Town are provided with pensions through SWDB. FPPA issues a publicly available comprehensive annual financial report that can be obtained on FPPA's website at http://fppaco.org.

FPPA provides retirement, disability, and survivor benefits. Retirement benefits are determined by the amount of service credit earned and/or purchased, highest average salary, the benefit structure(s) under which the member retires, the benefit option selected at retirement, and age at retirement. Retirement eligibility is specified in tables set forth at C.R.S. § 24-51-602, 604, 1713, and 1714. 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.

The annual normal retirement benefit is 2 percent 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 percent 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 currently covered under Social Security will receive half the benefit when compared to the Statewide Defined Benefit Plan. Benefits paid to retired members are evaluated 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 percent or the Consumer Price Index.

A member is eligible for an early retirement at age 50 or after 30 years of 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 percent 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 percent of the member's average highest three years' base salary for each year of credited service up to ten years, plus 2.5 percent for each year of service thereafter.

NOTE 6 PENSION PLANS (Continued)

The plan sets contribution rates at a level that enables all benefits to be fully funded at the retirement date of all members. Contribution rates for the SWDB plan are set by state statute. Employer contribution rates can only be amended by state statute. Member contribution rates can be amended by state statute or election of the membership.

Members of the SWDB plan and their employers are contributing at the rate of 8 percent of base salary for a total contribution rate of 16 percent through 2014. In 2014, the members elected to increase the member contribution rate to the SWDB plan beginning in 2017. Member contribution rates will increase 0.5 percent annually through 2022 to a total of 12 percent of base salary. Employer contributions will remain at 8 percent resulting in a combined contribution rate of 20 percent in 2022.

Employer contributions recognized by the SWDB from the Town were $5,849 for the year ended December 31, 2017.

At December 31, 2017, the Town reported a liability of $5,050 for its proportionate share of the net pension liability of SWDB. The net pension liability was measured as of December 31, 2016, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of January 1, 2017. The collective total pension asset as of December 31, 2015 is based upon the January 1, 2016 actuarial valuation.

At December 31, 2017, the Town's proportion was 0.013976 percent, which was an increase of 0.00398 percent from its proportion measured as of December 31, 2016.

At December 31, 2017, the Town reported deferred outflows of resources and deferred inflows of resources related to the SWDB from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Net difference between projected and actual investment earnings	13,631	-
Difference between actual and expected experience	4,509	(257)
Changes in assumptions	3,449	
The employer's contributions to the plan subsequent to the measurement date of the collective net pension liability	5,849	-
Total	27,438	(257)

The deferred outflows and deferred inflows related to pensions are included with total deferred outflows and total deferred inflows on the statement of net position. Deferred outflows of resources of $5,849 related to FPPA pensions, resulting from contributions subsequent to the measurement date, will be recognized as an increase in the net pension asset in the year ended December 31, 2018. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

NOTE 6 PENSION PLANS (Continued)

For the years ending December 31,	Amounts recognized in Pension Expense
2018	$5,203
2019	$5,203
2020	$4,893
2021	$1,991
2022	$ 915
Thereafter	$3,127

The January 1, 2016 actuarial valuation was used to determine the Actuarially Determined Contribution for the fiscal year ending December 31, 2016.

The components of the calculation of the net pension liability of the SWDB plan as of December 31, 2016 are shown in the following table:

	December 31, 2016
Total Pension Liability (A)	$ 282,529
Plan Fiduciary Net Position (B)	$ 277,479
Employer's Net Pension Liability (Asset) (A-B)	$ 5,050
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability (B/A)	98.21%

The actuarial valuations for the Statewide Defined Benefit Plan were used to determine the total pension liability and actuarially determined contributions for the fiscal year ending December 31, 2016. The valuations used the following actuarial assumption and other inputs:

	Total Pension Liability	Actuarially Determined Contributions
Actuarial Valuation Date	January 1, 2017	January 1, 2016
Actuarial Method	Entry Age Normal	Entry Age Normal
Amortization Method	Level % of Payroll, Open	Level % of Payroll, Open
Amortization Period	30 Years	30 Years
Long-term Investment Rate of Return*	7.5%	7.5%
Projected Salary Increases*	4.0% - 14.0%	4.0% - 14.0%
Cost of Living Adjustments (COLA)	0.0%	0.0%
*Includes Inflation at	2.5%	2.5%

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 0.000020 per year for all members. The RP-2014 Mortality Table for Blue Collar Employees, projected with Scale BB is used in the projection 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. For post-retirement members ages 55 through 64, a blend of the previous tables is used.

NOTE 6 PENSION PLANS (Continued)

For determining the actuarially determined contributions, the RP-2000 Combined Mortality Table with Blue Collar Adjustment, projected with Scale AA, 40 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. The RP-2000 Combined Mortality Table with Blue Collar Adjustment, projected with Scale AA is used in the projection of post-retirement benefits.

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 2015 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, 2016 and were used in the rollforward calculation of total pension liability as of December 31, 2016. Actuarial assumptions effective for actuarial valuations prior to January 1, 2016 were used in the determination of the actuarially determined contributions as of December 31, 2015. 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. 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, 2016 are summarized in the following table:

Asset Class	Target Allocation	Long-Term Expected Rate of Return
Global Equity	36.0%	9.25%
Equity Long/Short	10.0%	7.35%
Illiquid Alternatives	23.0%	10.75%
Fixed Income	15.0%	4.10%
Absolute Return	10.0%	6.55%
Managed Futures	4.0%	5.50%
Cash	2.0%	0.0% *
Total	100.00%	

*While the expected inflation exceeds the expected rate of return for cash, a 0.0 percent real rate of return is utilized.

The discount rate used to measure the total pension liability was 7.50 percent. 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.

NOTE 6 PENSION PLANS (Continued)

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 positon 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 7.50%; the municipal bond rate is 3.78% (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 7.50%.

Regarding the sensitivity of the net pension liability/(asset) to changes in the Single Discount Rate, the following presents the plan's net pension liability, calculated using a Single Discount Rate of 7.50%, 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 6.50%	Single Discount Rate Assumption 7.50%	1% Increase (8.50%)
Proportionate share of the net pension (asset) liability	42,968	5,050	(26,443)

Pension plan fiduciary net position. Detailed information about the SWDB's fiduciary net position is available in FPPA's comprehensive annual financial report which can be obtained at: www.coFPPA.org/investments/FPPA-financial-reports.

NOTE 7 CONTINGENCIES - TAX, SPENDING AND DEBT LIMITATIONS

In November 1992, the voters of Colorado approved Amendment 1, commonly known as the Taxpayer's Bill of Rights (TABOR), which adds a new Section 20 to Article X of the Colorado Constitution. TABOR contains tax, spending, revenue and debt limitations which apply to the State of Colorado and all local governments.

Enterprises, defined as government-owned businesses authorized to issue revenue bonds and receiving less than 10% of annual revenue in grants from all state and local governments combined, are excluded from the provisions of TABOR.

The initial base for local government spending and revenue limits is 1992 Fiscal Year Spending. Future spending and revenue limits are determined based on the prior year's Fiscal Year Spending adjusted for allowable increases based upon inflation and local growth. Fiscal Year Spending is generally defined as expenditures plus reserve increases with certain exceptions. Revenue in excess of the Fiscal Year Spending limit must be refunded unless the voters approve retention of such revenue.

TABOR requires local governments to establish Emergency Reserves. These Reserves must be at least 1% of Fiscal Year Spending (excluding bonded debt service) in 1993, 2% in 1996 and 3% thereafter. Local governments are not allowed to use the emergency reserves to compensate for economic conditions, revenue shortfalls, or salary or benefit increases.

NOTE 7 CONTINGENCIES - TAX, SPENDING AND DEBT LIMITATIONS (Continued)

TABOR requires, with certain exceptions, voters approval prior to imposing new taxes, increasing a tax rate, increasing a mill levy above that for the prior year, extending an expiring tax, or implementing a tax policy change directly causing a net tax revenue gain to any local government.

Except for bond refinancing at lower interest rates or adding employees to existing pension plans, TABOR specifically prohibits the creation of multiple-fiscal year debt or other financial obligations without voter approval or without irrevocably pledging present cash reserves for all future payments.

The Town's management believes it is in compliance with the provisions of TABOR. However, TABOR is complex and subject to interpretation. Many of the provisions, including the interpretation of how to calculate Fiscal Year Spending limits (and qualification as an Enterprise) will require judicial interpretation.

On April 2, 1996, the authorized voters of the Town of La Veta voted to authorize the Town to collect, retain and expend all revenues and other funds collected from any source, notwithstanding the limitations of Article X, Section 20 of the Colorado constitution, provided that no local tax rate or mill levy shall be increased without further voter approval.

NOTE 8 RISK MANAGEMENT

The Town is exposed to various risks of loss related to torts, thefts of, damage to, or destruction of assets; errors or omissions; injuries to employees, or acts of God.

The Town maintains commercial insurance for all risks of loss. Settled claims have not exceeded this commercial coverage in any of the past three fiscal years.

NOTE 9 CONTINGENCIES

There are no contingent liabilities payable at December 31, 2017.

NOTE 10 RECONCILIATION OF GOVERNMENT-WIDE AND FUND FINANCIAL STATEMENTS

The governmental funds balance sheet includes reconciliation between *fund balances – total governmental funds* and *net position – governmental activities* as reported in the government-wide statement of net position. Additionally, the governmental fund statement of revenues, expenditures, and changes in fund balances includes a reconciliation between *net change in fund balances – total government funds* and *changes in net position of governmental activities* as reported in the government-wide statement of activities.

These reconciliations detail items that require adjustment to convert from the current resources measurement and modified accrual basis for governmental fund statements to the economic resources measurement and full accrual basis used for government-wide statements. However, certain items having no effect on measurement and basis were eliminated from the government fund statements during the consolidation of governmental activities.

	Items Eliminated	
	Due To	Due From
General Fund	-	-
Museum Fund	-	-

NOTE 11 PENSION TRUST FUND

The balance remaining in the Pension Trust Fund is from prior years contributions for people who are no longer eligible or who never met the vesting requirements to receive pension benefits. The Town currently has no employees receiving benefits through this fund and will not in the future as the police retirement is now funded through FPPA. The Town can request permission to use these collective contributions for current and future requirements.

NOTE 12 CHANGE IN COMPENSATED ABSENCES

Below are the changes in compensated absences by fund for the year ended December 31, 2017.

Fund	Beginning Balance	Additions	Deletions	Ending Balance
General	4,147	8,355	-	12,502
Water	2,531	1,758	-	4,289
Sewer	2,058	2,231	-	4,289
	8,736	12,344	-	21,080

NOTE 13 INTERFUND BALANCES AND TRANSFERS

	Due From	Due To	Transfer In	Transfer Out
General Fund	-	-	14,915	-
Museum Fund	-	-	-	-
Water Fund	13,528	-	-	-
Sewer Fund	-	13,528	-	-
Pension Trust Fund	-	-	-	14,915
	13,528	13,528	14,915	14,915

Due To and Due From balances are the result of operating expenditures being paid on behalf of other funds. These amounts are expected to be repaid within the year.

NOTE 14 DEFINED CONTRIBUTION PLAN

All Town employees not eligible for FPPA participate in the Towns 401K plan which is managed by Vanguard. The Town contributes 4% for all employees who do not contribute individually to the plan and 6% for all employees who do make a contribution. There is no waiting period for employees to participate and there are no vesting terms or forfeitures associated with the plan. During 2017, employees contributed $2,399 to the plan which was appropriately funded by the Town recognizing $11,500 in pension expense for the year. There was no employer liability outstanding related to this plan at December 31, 2017.

REQUIRED SUPPLEMENTARY INFORMATION

General Fund – Schedule of Revenues, Expenditures and Changes in Fund Balance – Budget and Actual

Museum Fund – Schedule of Revenues, Expenditures and Changes in Fund Balance – Budget and Actual

Pension Trend Data

TOWN OF LA VETA, COLORADO
GENERAL FUND
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL
For the Year Ended December 31, 2017

	Budgeted Amounts			Variance-
	Original	Final	Actual	Favorable (Unfavorable)
REVENUES				
Taxes	376,820	376,820	426,789	49,969
Licenses and Permits	8,500	8,500	12,761	4,261
Charges for Services	1,300	1,300	320	(980)
Fines and Forfeits	11,000	11,000	20,326	9,326
Rent and Lease	25,201	25,201	25,744	543
Grants and Donations	692,803	692,803	25,000	(667,803)
Other	328,466	328,466	22,047	(306,419)
TOTAL REVENUES	1,444,090	1,444,090	532,987	(911,103)
EXPENDITURES				
Administrative	578,304	578,304	142,647	435,657
Public Works	120,134	120,134	178,700	(58,566)
Public Safety	1,001,941	1,001,941	133,023	868,918
Community Service	5,025	5,025	10,882	(5,857)
TOTAL EXPENDITURES	1,705,404	1,705,404	465,252	1,240,152
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	(261,314)	(261,314)	67,735	
OTHER FINANCING SOURCES (USES)				
Operating Transfers In (Out)	-	-	14,915	14,915
Proceeds from Debt	-	-	-	-
Total Other Financing Sources Uses	-	-	14,915	14,915
EXCESS (DEFICIENCY) OF REVENUES AND OTHER SOURCES OVER EXPENDITURES AND OTHER USES	(261,314)	(261,314)	82,650	
FUND BALANCE, January 1	285,110	285,110	562,112	
FUND BALANCE, December 31	23,796	23,796	644,762	

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

TOWN OF LA VETA, COLORADO
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL
MUSEUM FUND
For the Year Ended December 31, 2017

	Budgeted Amounts			Variance-Favorable
	Original	Final	Actual	(Unfavorable)
REVENUES:				
Taxes	77,000	77,000	86,527	9,527
Charges for Services	7,000	7,000	5,767	(1,233)
Donations	-	-	2,572	2,572
Other	94,331	94,331	399	(93,932)
Total Revenues	178,331	178,331	95,265	(83,066)
EXPENDITURES:				
Administrative	-	-	-	-
Public Works	-	-	-	-
Public Safety	-	-	-	-
Community Service	207,448	207,448	56,235	151,213
Capital Outlay	-	-	-	-
Total Expenditures	207,448	207,448	56,235	151,213
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	(29,117)	(29,117)	39,030	
OTHER FINANCING SOURCES (USES):				
Transfers	-	-	-	-
Total Other Financing Sources (Uses)	-	-	-	-
NET CHANGE IN FUND BALANCES	(29,117)	(29,117)	39,030	
FUND BALANCES - Beginning	29,117	29,117	169,846	
FUND BALANCES - Ending	-	-	208,876	

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

TOWN OF LA VETA
SCHEDULE OF THE TOWN'S PROPORTIONATE SHARE OF THE NET PENSION LIABILITY/ (ASSET)
FIRE & POLICE STATEWIDE DEFINED BENEFIT PLAN
For The Last 10 Fiscal Years (As Available)

	2017	2016	2015	2014	2013	2012	2011	2010	2009	2008
Town's proportion of the net pension liability/(asset)	.0001398%	.0000998%	-	-	-	-	-	-	-	-
Town's proportionate share of the net pension liability/ (asset)	$5,050	$(176)	-	-	-	-	-	-	-	-
Town's covered-employee payroll	$73,120	$48,425	-	-	-	-	-	-	-	-
Town's proportionate share of the net pension liability/ (asset) as a percentage of its covered-employee payroll	6.91%	.363%	-	-	-	-	-	-	-	-
Plan fiduciary net position as a percentage of the total pension liability	98.21%	135.47%	-	-	-	-	-	-	-	-

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

TOWN OF LA VETA
FIRE & POLICE STATEWIDE DEFINED BENEFIT PLAN
For The Last 10 Fiscal Years (As Available)

	2017	2016	2015	2014	2013	2012	2011	2010	2009	2008
Contractually required contribution	$ 5,850	$ 3,874	-	-	-	-	-	-	-	-
Contributions in relation to the contractually required contribution	$ 5,850	$ 3,874	-	-	-	-	-	-	-	-
Contribution deficiency (excess)	$ -	$ -	-	-	-	-	-	-	-	-
Town's covered-employee payroll	$73,120	$48,425	-	-	-	-	-	-	-	-
Contributions as a percentage - of covered-employee payroll	8%	8%	-	-	-	-	-	-	-	-

Notes to Required Supplementary Information for the Year Ended December 31, 2017

Changes in plan provisions. The plan provisions have not changed since the prior valuation. The member contribution rate increased in 2015 as a result of the member election.

Benefit Adjustments. Benefits to members and beneficiaries may be increased annually on October 1. The amount is based on the Fire & Police Pension Association Board of Directors discretion and can range from 0 percent to 3 percent. Benefit adjustment may begin once the retired member has been receiving retirement benefits for at least 12 calendar months prior to October 1.

Changes of assumptions. Beginning in the January 1, 2014 actuarial valuation, the married assumption for active members was increased from 85 percent to reflect to passage of the Colorado Civil Union Act.

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

OTHER SCHEDULES

Enterprise Funds – Budget Schedules

TOWN OF LA VETA, COLORADO
SCHEDULE OF REVENUES, EXPENSES AND CHANGES IN NET POSITION
BUDGET (NON-GAAP BASIS) AND ACTUAL
WATER UTILITY FUND
For the Year Ended December 31, 2017

	Budgeted Amounts			Variance-Favorable
	Original	Final	Actual	(Unfavorable)
OPERATING REVENUES				
Water and Sales	335,372	335,372	316,715	(18,657)
Water Connects	-	-	2,500	2,500
Miscellaneous	297,821	297,821	3,538	(294,283)
Total Operating Revenue	633,193	633,193	322,753	(310,440)
OPERATING EXPENDITURES				
Water Sample & Testing	16,000	16,000	7,902	8,098
Administration	13,900	13,900	10,538	3,362
Water - Salaries	83,108	83,108	78,510	4,598
Repairs and Supplies	69,000	69,000	49,854	19,146
Payroll Taxes & Employee Benefits	21,447	21,447	19,992	1,455
Fuel	1,500	1,500	1,627	(127)
Miscellaneous	1,400	1,400	4,196	(2,796)
Utilities	16,000	16,000	11,936	4,064
Engineering	35,000	35,000	25,473	9,527
Legal & Audit Fees	7,200	7,200	24,017	(16,817)
Depreciation	-	-	-	-
Bad Debts	-	-	-	-
Contingency Fund	297,721	297,721	-	297,721
Total Operating Expenditures	562,276	562,276	234,045	328,231
OPERATING INCOME	70,917	70,917	88,708	
OTHER REVENUES (EXPENSES)				
Water Taps	15,000	15,000	16,000	1,000
Interest Income	1,000	1,000	1,435	435
Contributions – Grants	10,294	10,294	12,500	2,206
Proceeds From Debt	-	-	-	-
Capital Outlay	(23,000)	(23,000)	-	23,000
Debt Principal	(42,583)	(42,583)	(42,583)	-
Interest Expense	(26,549)	(26,549)	(26,467)	82
Total Other Revenues (Expenses)	(65,838)	(65,838)	(39,115)	26,723
INCOME (LOSS) BEFORE OPERATING TRANSFERS	5,079	5,079	49,593	
OPERATING TRANSFERS				
Operating Transfers In (Out)	-	-	-	
Total Operating Transfers	-	-	-	
NET INCOME (LOSS) – (NON-GAAP)	5,079	5,079	49,593	
Reconciling Items to Changes in Net Position				
Depreciation	-	-	(113,336)	
Debt Principal	-	-	42,583	
Total Reconciling Items	-	-	(70,753)	
CHANGE IN NET POSITION	5,079	5,079	(21,160)	
NET POSITION, January 1	376,834	376,834	2,636,272	
NET POSITION, December 31	381,913	381,913	2,615,112	

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

TOWN OF LA VETA, COLORADO
SCHEDULE OF REVENUES, EXPENSES AND CHANGES IN NET POSITION
BUDGET (NON-GAAP BASIS) AND ACTUAL
SEWER UTILITY FUND
For the Year Ended December 31, 2017

	Budgeted Amounts Original	Budgeted Amounts Final	Actual	Variance-Favorable (Unfavorable)
OPERATING REVENUES				
Sewer Sales	274,295	274,295	281,347	7,052
Sewer Connects	-	-	1,277	1,277
Miscellaneous	419,684	419,684	3,539	(416,145)
Total Operating Revenue	693,979	693,979	286,163	(407,816)
OPERATING EXPENDITURES				
Sample & Testing	2,500	2,500	1,185	1,315
Administration	4,705	4,705	7,176	(2,471)
Salaries	75,669	75,669	71,137	4,532
Repairs and Supplies	12,000	12,000	2,736	9,264
Payroll Taxes & Employee Benefits	19,738	19,738	17,999	1,739
Fuel	1,500	1,500	-	1,500
Miscellaneous	-	-	-	-
Utilities	5,000	5,000	7,032	(2,032)
Engineering	275,000	275,000	-	275,000
Legal and Audit Fees	8,700	8,700	-	8,700
Depreciation	-	-	-	-
Contingency	419,584	419,584	-	419,584
Total Operating Expenditures	824,396	824,396	107,265	717,131
OPERATING INCOME (LOSS)	(130,417)	(130,417)	178,898	
OTHER REVENUES (EXPENSES)				
Sewer Taps	7,500	7,500	5,500	(2,000)
Interest Income	700	700	1,032	332
Contributions – Grants	685,000	685,000	-	(685,000)
Capital Outlay	(710,000)	(710,000)	(222,771)	487,229
Debt Principal	(19,500)	(19,500)	(19,500)	-
Proceeds from Debt	-	-	-	-
Total Other Revenues (Expenses)	(36,300)	(36,300)	(235,739)	(199,439)
INCOME (LOSS) BEFORE OPERATING TRANSFERS	(166,717)	(166,717)	(56,841)	
OPERATING TRANSFERS				
Operating Transfers In	-	-	-	-
Operating Transfers (Out)	-	-	-	-
Total Operating Transfers	-	-	-	-
NET INCOME (LOSS) – (NON-GAAP)	(166,717)	(166,717)	(56,841)	
Reconciling Items to Changes in Net Position				
Capital Outlay	-	-	222,771	
Depreciation	-	-	(61,021)	
Debt Principal	-	-	19,500	
Total Reconciling Items	-	-	181,250	
CHANGES IN NET POSITON	(166,717)	(166,717)	124,409	
NET POSITION, January 1	219,139	219,139	1,745,409	
NET POSITION, December 31	52,422	52,422	1,869,818	

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

TOWN OF LA VETA, COLORADO
SCHEDULE OF CHANGES IN FIDUCIARY NET POSITION
PENSION TRUST - BUDGET AND ACTUAL
Year Ended December 31, 2017

	Budget	Actual	Variance- Favorable (Unfavorable)
ADDITIONS			
Earnings on Investments	20	34	14
Other	-	-	-
Total Additions	20	34	14
DEDUCTIONS			
Transfers – Capital Outlay	8,402	14,915	(6,513)
Total Deductions	8,402	14,915	(6,513)
CHANGES IN NET POSITION	(8,382)	(14,881)	
NET POSITION HELD IN TRUST FOR PENSION BENEFITS:			
NET POSITION – BEGINNING OF YEAR	8,382	19,736	
NET POSITION – END OF YEAR	-	4,855	

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

STATE REQUIRED SCHEDULES

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

Financial Planning 02/01
Form # 350-050-36

LOCAL HIGHWAY FINANCE REPORT	City or County: Town of LaVeta - Huerfano County YEAR ENDING : December 2017
This Information From The Records Of (example - City of _ or County of Town of LaVeta	Prepared By: Phone: Laurie Erwin - 719-742-3631

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

ITEM	AMOUNT
A. Receipts from local sources:	
1. Local highway-user taxes	
a. Motor Fuel (from Item I.A.5.)	
b. Motor Vehicle (from Item I.B.5.)	
c. Total (a.+b.)	
2. General fund appropriations	48,110.00
3. Other local imposts (from page 2)	0
4. Miscellaneous local receipts (from page 2)	1,363 0
5. Transfers from toll facilities	
6. Proceeds of sale of bonds and notes:	
a. Bonds - Original Issues	
b. Bonds - Refunding Issues	
c. Notes	
d. Total (a. + b. + c.)	0
7. Total (1 through 6)	49,473 0
B. Private Contributions	
C. Receipts from State government (from page 2)	0
D. Receipts from Federal Government (from page 2)	0
E. Total receipts (A.7 + B + C + D)	0

III. DISBURSEMENTS FOR ROAD AND STREET PURPOSES

ITEM	AMOUNT
A. Local highway disbursements:	
1. Capital outlay (from page 2)	84,774 0
2. Maintenance:	49,275
3. Road and street services:	
a. Traffic control operations	
b. Snow and ice removal	11,407
c. Other	
d. Total (a. through c.)	0
4. General administration & miscellaneous	17,966
5. Highway law enforcement and safety	29,249
6. Total (1 through 5)	192,671 0
B. Debt service on local obligations:	
1. Bonds:	
a. Interest	
b. Redemption	
c. Total (a. + b.)	0
2. Notes:	
a. Interest	
b. Redemption	
c. Total (a. + b.)	0
3. Total (1.c + 2.c)	0
C. Payments to State for highways	
D. Payments to toll facilities	
E. Total disbursements (A.6 + B.3 + C + D)	192,671 0

IV. LOCAL HIGHWAY DEBT STATUS
(Show all entries at par)

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

V. LOCAL ROAD AND STREET FUND BALANCE

	A. Beginning Balance	B. Total Receipts	C. Total Disbursements	D. Ending Balance	E. Reconciliation
	193,951.00	100,523 0	192,671 0	101,803.00	0

Notes and Comments:

LOCAL HIGHWAY FINANCE REPORT	STATE: Colorado YEAR ENDING (mm/yy): December 2017

II. RECEIPTS FOR ROAD AND STREET PURPOSES - DETAIL

ITEM	AMOUNT	ITEM	AMOUNT
A.3. Other local imposts:		**A.4. Miscellaneous local receipts:**	
a. Property Taxes and Assessments		a. Interest on investments	583.00
b. Other local imposts:		b. Traffic Fines & Penalities	780.00
1. Sales Taxes	43,119	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	4991	g. Other Misc. Receipts	
6. Total (1. through 5.)	0	h. Other	
c. Total (a. + b.)	48,110 0	i. Total (a. through h.)	1,363 0
	(Carry forward to page 1)		(Carry forward to page 1)

ITEM	AMOUNT	ITEM	AMOUNT
C. Receipts from State Government		**D. Receipts from Federal Government**	
1. Highway-user taxes	45,321.00	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	5,729.00	d. Federal Transit Admin	
d. Other (Specify) - DOLA Grant		e. U.S. Corps of Engineers	
e. Other (Specify)		f. Other Federal	
f. Total (a. through e.)	0	g. Total (a. through f.)	0
4. Total (1. + 2. + 3.f)	51,050 0	3. Total (1. + 2.g)	
			(Carry forward to page 1)

III. DISBURSEMENTS FOR ROAD AND STREET PURPOSES - DETAIL

	ON NATIONAL HIGHWAY SYSTEM (a)	OFF NATIONAL HIGHWAY SYSTEM (b)	TOTAL (c)
A.1. Capital outlay:			
a. Right-Of-Way Costs			0
b. Engineering Costs			0
c. Construction:			
(1). New Facilities			0
(2). Capacity Improvements			0
(3). System Preservation			0
(4). System Enhancement & Operation		84,774.00	84,774 0
(5). Total Construction (1) + (2) + (3) + (4)	0	0	0
d. Total Capital Outlay (Lines 1.a. + 1.b. + 1.c.5)	0	0	0
			(Carry forward to page 1)

Notes and Comments: