TOWN OF MANZANOLA, COLORADO

Financial Statements

December 31, 2018

TOWN OF MANZANOLA, COLORADO

ANNUAL FINANCIAL REPORT

Board of Trustees

Town Officials

TOWN OF MANZANOLA, COLORADO

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Dazzio & Associates, PC

Certified Public Accountants

INDEPENDENT AUDITOR'S REPORT

Honorable Mayor and Board of Trustees
Town of Manzanola, Colorado

We have audited the accompanying financial statements of the governmental activities, the business-type activities and each major fund of the Town of Manzanola, Colorado (the Town) as of and for the year ended December 31, 2018, 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 of 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 to design audit procedures that are appropriate in the circumstances, but not for 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.

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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 and each major fund of the Town of Manzanola, Colorado, as of December 31, 2018, 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 and budgetary comparison information on pages 4 through 16 and 44 through 47, respectively, 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's basic financial statements. The individual budget and actual schedules, the Local Highway Finance Report and the other information, as listed in the table of contents are presented for purposes of additional analysis and are not a required part of the basic financial statements.

The individual budget and actual schedules and the Local Highway Finance Report (the Supplementary Information) 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 Supplementary Information is fairly stated in all material respects in relation to the basic financial statements as a whole.

The other information has not been subjected to the auditing procedures applied in the audit of the basic financial statements and, accordingly, we do not express an opinion or provide any assurance on them.

Dazzio & Associates, P.C.

May 23, 2019

MANAGEMENT'S DISCUSSION AND ANALYSIS

This section of the Town of Manzanola, Colorado's annual financial report presents the discussion and analysis of the Town's financial performance during the fiscal year that ended on December 31, 2018. Please read it in conjunction with the Town's financial statements, which follow this section.

Financial Highlights

- The Town's total net position increased $21,429 over the course of this year's operations.

- During the year, the Town's revenues for governmental programs exceeded expenses by $47,697. Revenues decreased $5,383 and expenses decreased $19,586 from prior year.

- In the Town's business-type activities, total charges for services were $213,548, which is an increase of $2,474 from last year. Operating and capital grants and contributions decreased by $5,342. Expenses decreased $29,726. Expenses exceeded revenues by $26,268.

- The General Fund reported an ending fund balance of $206,236, a decrease of $6,893 from prior year.

Overview of Financial Statements

This annual report consists of five parts – *management's discussion and analysis* (this section), the *basic financial statements, required supplementary information*, *supplementary information* and *other information*. The basic financial statements include two kinds of statements that present different views of the Town:

The first two statements are *government-wide financial statements* that provide both *long-term* and *short-term* information about the Town's *overall* financial status.

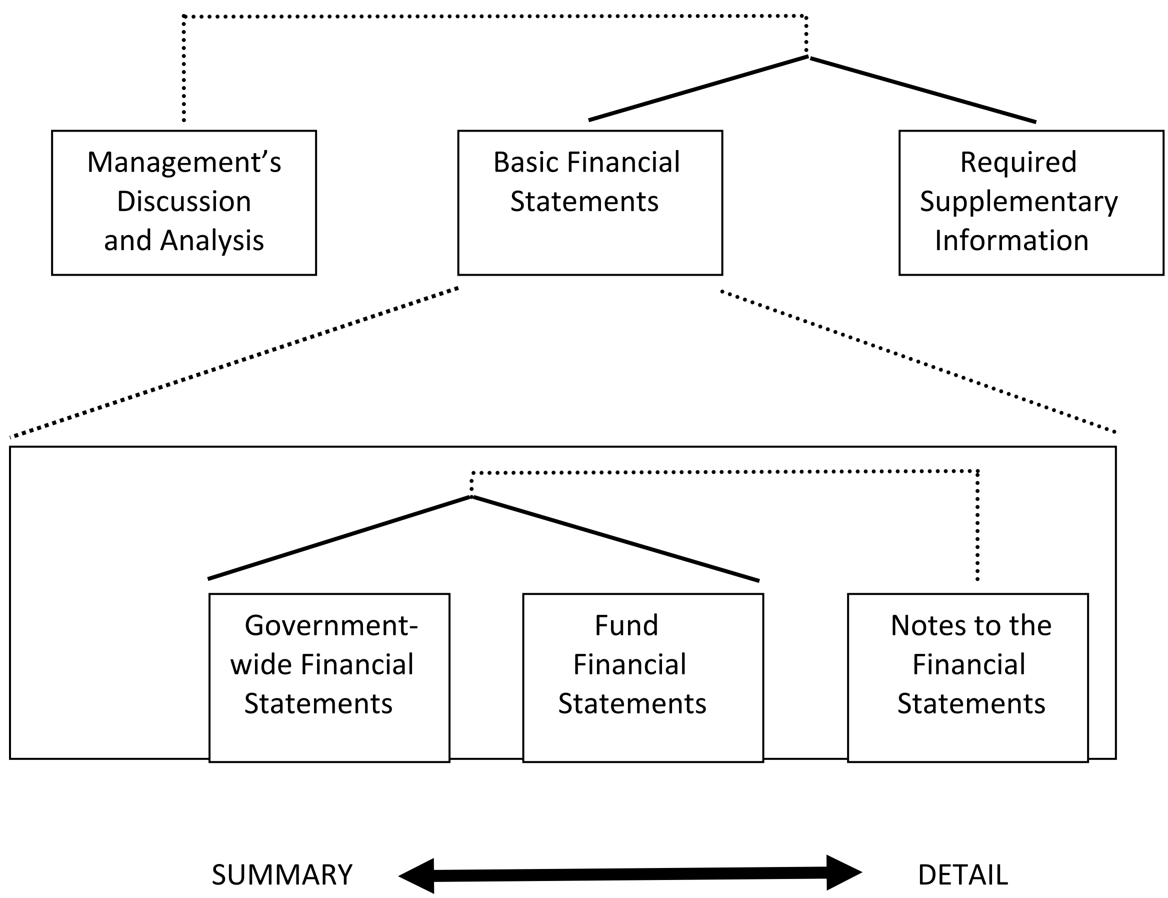
The remaining statements are *fund financial statements* that focus on *individual parts* of the Town government, reporting the Town's operations in *more detail* than the government-wide statements.

The *governmental funds* statements tell how *general government* services like public works were financed in the *short term* as well as what remains for future spending.

Proprietary fund statements offer *short* and *long-term* financial information about the activities the government operates *like* businesses, such as water and sewer systems.

Figure 1

Organization of the Town of Manzanola's Annual Financial Reports



The financial statements also include *notes* that explain some of the information in the financial statements and provide data that are more detailed. The statements are followed by a section of *required supplementary information* that further explains and supports the information in the financial statements. Figure 1 shows how the required parts of this annual report are arranged and related to one another. In addition to these required elements, there are sections that provide information related to how the Town's enterprise funds performed in comparison to budget and other information on the Town's debt service requirements.

Figure 2 summarizes the major features of the Town's financial statements, including the portion of the Town government they cover and the types of information they contain. The remainder of this overview section of management's discussion and analysis explains the structure and contents of each statement.

Figure 2

		------------------Fund Statements------------------	
	Government-wide Statements	**Governmental Funds**	**Proprietary Funds**
Scope	Entire Town Government	The activities of the Town that are not proprietary, such as police, public works, and parks and recreation	Activities the Town operates similar to private business: The water and sewer system
Required financial statements	• Statement of net position • Statement of activities	• Balance sheet • Statement of revenues, expenditures, and changes in fund balances	• Statement of net position • Statement of revenues, expenses, and changes in net position • Statements of cash flows
Accounting basis and measurement focus	Accrual accounting and economic resources focus	Modified accrual accounting and current financial resources focus	Accrual accounting and economic resources focus
Type of asset/ liability information	All assets and liabilities, both financial and capital and short-term and long-term	Only assets expected to be used up and liabilities that come due during the year or soon thereafter; no capital assets included	All assets and liabilities, both financial and capital, and short-term and long-term
Type of inflow/outflow information	All revenues and expenses during the year, regardless of when cash is received or paid	Revenues for which cash is received during or soon after the end of the year; expenditures when goods or services have been received and payment is due during the year or soon thereafter	All revenues and expenses during the year, regardless of when cash is received or paid

Government-wide Statements

The government-wide statements report information about the Town as a whole using accounting methods similar to those used by private-sector companies. The statement of net position includes *all* of the government's assets and liabilities. All of the current year's revenues and expenses are accounted for in the statement of activities regardless of when cash is received or paid.

The two government-wide statements report the Town's *net position* and how they have changed.

Net position – the difference between the Town's assets and liabilities is one way to measure the Town's financial health, or *position*.

- Over time, increases or decreases in the Town's net position are an indicator of whether its financial health is improving or deteriorating, respectively.

- To assess the overall health of the Town, additional non-financial factors need to be considered, such as changes in the Town's property tax base and the condition of the Town's roads.

The government-wide financial statements of the Town are divided in two categories:

Governmental activities – Most of the Town's basic services are included here, such as the police, public works and parks and recreation departments, and the general administration. Sales and use taxes, property taxes, and charges for services finance most of these activities.

Business–type activities – The Town charges fees to customers to recover most of the cost of certain services provided. The Town's water and sewer system are included here.

Fund Financial Statements

The fund financial statements provide more detailed information about the Town's most significant *funds* – not the Town as a whole. Funds are accounting devices that the Town used to keep track of specific sources of funding and spending for particular purposes.

- Some funds are required by State law.

- The Board of Trustees establishes other funds to control and manage money for particular purposes or to show that it is properly using certain taxes and grants (like the Conservation Trust Fund).

The Town has two kinds of funds:

• *Governmental funds* – Most of the Town's basic services are included in governmental funds, which focus on (1) how *cash and other financial assets* that can readily be converted to cash flow in and out and (2) the balances left at year-end that are available for spending. Consequently, the governmental funds statements provide a detailed *short-term* view that helps you determine whether there are more or fewer financial resources that can be spent in the near future to finance the Town's programs. Because this information does not encompass the additional long-term focus of the government-wide statements, additional information at the bottom of the governmental funds statement is provided, or on the subsequent page, that explains the relationship (or differences) between them.

• *Proprietary funds* – Services for which the Town charges customers a fee are generally reported in proprietary funds. Proprietary funds, like government-wide statements, provide both long and short-term financial information.

The *Town's enterprise funds* (one type of proprietary fund) are the same as its business-type activities, but provide more detail and additional information, such as cash flows.

Government-wide Financial Analysis

Analysis of Net Position

Table 1 presents an analysis of the Town's net position as of December 31. The Town's assets exceeded liabilities by $3,756,001 at the close of 2018. Governmental activities make up $1,576,955 (42%) of these assets, with business-type activities making up the remaining $2,179,046 (58%). Total net position increased by $21,429 in 2018. The increase is comprised of the following:

- Total governmental activities assets increased $17,463 to $1,632,183. This was mainly due to capital additions of $86,121 consisting of park amenities amounting to $9,006 and engineering on the rehabilitation of the Beaty Street Bridge of $74,157. These additions were offset by $56,253 of depreciation on the capital assets. Business-type activities assets decreased $43,543 to $2,235,032, mainly due to depreciation on capital assets of $75,833.
- Total Government-wide liabilities decreased $48,143 to $84,810. The Town made all scheduled payments on its existing long-term debt, including retiring the 1978 Water Revenue Bonds and the police cruisers capital lease during 2018.

The Town's combined net position was $3,756,001 as follows.

Table 1
Net Position

	Governmental Activities		Business-type Activities		Total	
	2018	**2017**	**2018**	**2017**	**2018**	**2017**
Assets						
Current Assets	$ 244,759	$ 257,164	$ 122,291	$ 90,001	$ 367,050	$ 347,165
Capital Assets	1,387,424	1,357,556	2,112,741	2,188,574	3,500,165	3,546,130
Total Assets	1,632,183	1,614,720	2,235,032	2,278,575	3,867,215	3,893,295
Liabilities						
Long-term Liabilities	18,815	44,678	51,186	54,951	70,001	99,629
Other Liabilities	10,009	15,014	4,800	18,310	14,809	33,324
Total Liabilities	28,824	59,692	55,986	73,261	84,810	132,953
Deferred Inflows of Resources	26,404	25,770	-	-	26,404	25,770
Net Position						
Net Investment in Capital Assets	1,383,884	1,339,724	2,062,341	2,120,456	3,446,225	3,460,180
Restricted	10,850	13,841	18,544	34,412	29,394	48,253
Unrestricted	182,221	175,693	98,161	50,446	280,382	226,139
Total Net Position	$ 1,576,955	$ 1,529,258	$ 2,179,046	$ 2,205,314	$ 3,756,001	$ 3,734,572

The largest portion of the Town's net position (92%) reflects its investment of $3,446,225 in capital assets. Net capital assets are reported less any related debt used to acquire those assets that is still outstanding. The Town uses these capital assets to provide services to citizens; consequently, these assets are not available for future spending. Although the Town's investment in its capital assets is reported net of related debt, it should be noted that the resources needed to repay the debt must be provided from other sources, since the capital assets themselves cannot be used to liquidate these liabilities.

An additional portion of the Town's net position, $29,394 (1%) represents resources that are subject to external restrictions on how they may be used. The remaining balance of unrestricted net position of $280,382 (7%) may be used to meet the Town's ongoing obligations to citizens and creditors.

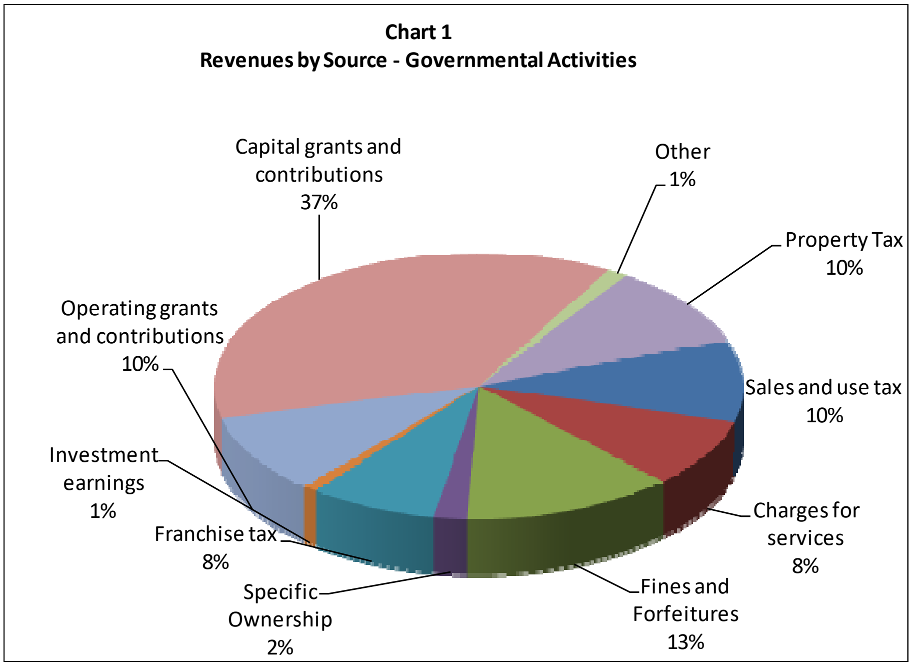
Changes in Net Position

Table 2
Changes in Net Position

As presented in Table 2 the Town's overall net position increased $21,429 during 2018. This increase is explained in the governmental and business-type activities discussion below.

	Governmental Activities		Business-type Activities		Total	
Revenues	**2018**	**2017**	**2018**	**2017**	**2018**	**2017**
Program Revenues						
Permits, Fees, Fines and Charges For Services	$ 54,715	$ 82,818	$ 213,548	$ 211,074	$ 268,263	$ 293,892
Operating Grants and Contributions	24,874	43,858	91	152	24,965	44,010
Capital Grants and Contributions	95,014	54,408	-	5,281	95,014	59,689
General Revenues						
Taxes	76,380	71,196	-	-	76,380	71,196
Net Investment Income	2,275	1,942	-	-	2,275	1,942
Other	3,175	7,594	-	-	3,175	7,594
Total Revenues	256,433	261,816	213,639	216,507	470,072	478,323
Expenses						
General Government	33,359	30,657	-	-	33,359	30,657
Public Safety	92,729	110,860	-	-	92,729	110,860
Public Works	24,202	36,152	-	-	24,202	36,152
Health and Welfare	905	732	-	-	905	732
Parks and Recreation	50,228	42,222	-	-	50,228	42,222
Sanitation	7,313	7,699	-	-	7,313	7,699
Water	-	-	136,337	163,736	136,337	163,736
Sewer	-	-	90,180	91,837	90,180	91,837
Wastewater	-	-	13,390	14,060	13,390	14,060
Total Expenses	208,736	228,322	239,907	269,633	448,643	497,955
Change In Net Position	47,697	33,494	(26,268)	(53,126)	21,429	(19,632)
Net Position - Beginning	1,529,258	1,495,764	2,205,314	2,258,440	3,734,572	3,754,204
Net Position - Ending	$ 1,576,955	$ 1,529,258	$ 2,179,046	$ 2,205,314	$ 3,756,001	$ 3,734,572

Governmental Activities. Net position of governmental activities increased $47,697 in 2018. Governmental revenues decreased $5,383 (2.1%) compared to 2017. The main decrease in revenues was due a decrease in fines and forfeitures of $26,933.



Governmental expenses decreased $19,586 (8.6%) compared to 2017.

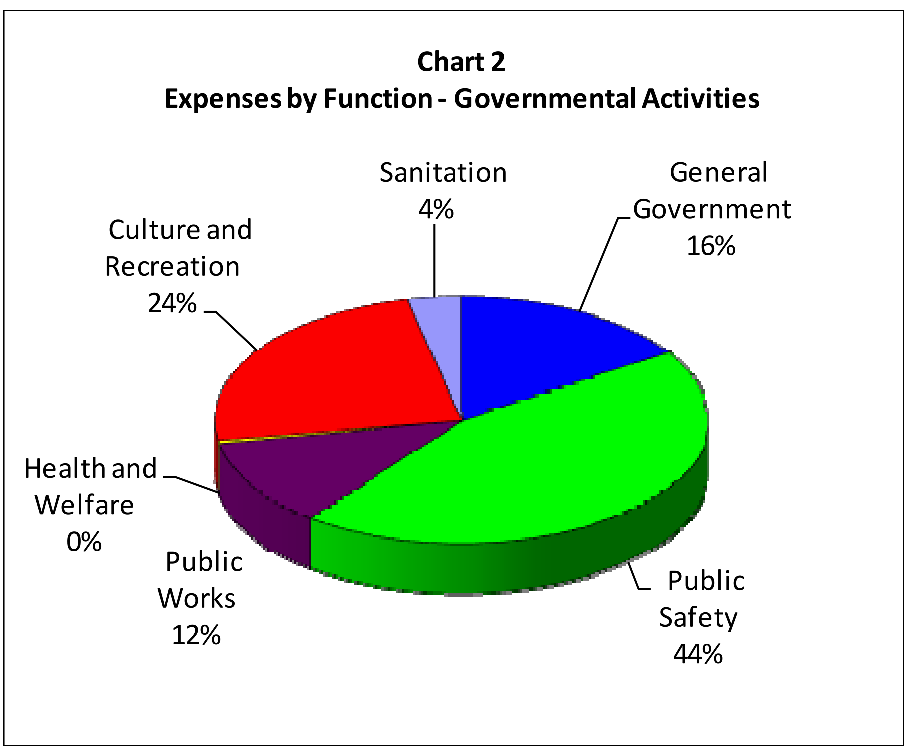


Table 3 presents the cost of each of the Town's programs – General Government, Public Safety, Public Works, Health & Welfare and Culture & Recreation – as well as each program's *net cost* (total cost less fees generated by the activities). The net cost shows the financial burden that was placed on the Town's taxpayers by each of these functions.

Table 3
Net Cost of Services

	Total Cost of Services		Net Cost of Services	
	2018	**2017**	**2018**	**2017**
General Government	$ 33,359	$ 30,657	$ (26,388)	$ (23,028)
Public Safety	92,729	110,860	(56,960)	(36,548)
Public Works	24,202	36,152	67,996	(20,809)
Health and Welfare	905	732	2,640	2,827
Culture and Recreation	50,228	42,222	(36,969)	16,358
Sanitation	7,313	7,699	15,548	13,962
Total	$ 208,736	$ 228,322	$ (34,133)	$ (47,238)

Business-type Activities

Net position of business-type activities decreased $26,268 in 2018. In 2018, revenues decreased $2,868 compared to a decrease of $187,956 in 2017 and expenses decreased $29,726 (11.0%) compared to 2017. Service fees increased $2,474 in 2018 while capital water grant revenue of $5,281 was recognized in 2017.

The Water Fund experienced a decrease in net position of $12,149 compared to a decrease in 2017 of $43,581. This decrease was caused by depreciation on capital assets of $49,790. Operating revenues increased $4,033 and operating expenses decreased $27,399.

The Sewer Fund experienced a decrease in net position of $12,374 compared to a decrease in 2017 of $7,175. This decrease was caused by depreciation on capital assets of $18,023.

The Wastewater Fund experienced a decrease in net position of $1,745 compared to a decrease in 2017 of $2,370. Decreases in both years was due to costs budgeted for jet cleaning a portion of the sewer lines in the Town.

Financial Analysis of the Town's Funds

A. Governmental funds

The focus of the Town's governmental funds is to provide information on near-term inflows, outflows and balances of *spendable resources*. This information is necessary to assess the Town's financing requirements. The governmental funds reported by the Town include the General Fund and the Conservation Trust Fund. *Unassigned fund balance* may serve as a useful measure of a government's net resources available for spending at the end of the year.

As the Town completed the year, its governmental funds reported a combined fund balance of $211,886, a decrease of $9,284 over last year. $190,810 constitutes unassigned fund balance, which is available for spending at the Town's discretion. $10,226 of the fund balance is assigned and represents the portion of the year-end fund balance which is appropriated in the 2019 budget.

The remainder of fund balance is restricted to indicate that it is not available for new spending as follows:

Restricted for Parks and Recreation	$5,650
Restricted for TABOR Emergencies	$5,200

The General Fund is the primary operating fund of the Town. At the end of 2018, unassigned fund balance of the General Fund was $190,810, while total fund balance was $206,236. As a measure of the General Fund's liquidity, it may be useful to compare unassigned fund balance to total fund expenditures. Unassigned fund balance represents 77% of total General Fund expenditures (compared to 76% in 2017).

The fund balance of the Town's General Fund decreased $6,893 during 2018. Key factors are as follows:

- A decrease in revenues of $7,162, or 2.9%. The primary decrease in revenues was due to the following:
    - A grant amounting to $9,006 in 2018, compared to the amount recognized in 2017 of $54,408, to purchase park equipment
    - Grants amounting to $74,157 for the replacement of the Beaty Street Bridge
    - Increase in sales tax of $6,055, or 31%
    - Decreases in public safety grants associated with DUI enforcement and the Click-it-or-Ticket Program amounting to $2,580, a decrease of $11,610 from 2017.
    - Decrease in fines and forfeitures of $26,933, or 45%.

- Expenditures increased $7,822, or 3.3%, to $247,222. These increases were spread throughout the General Fund's operating budget but mainly attributed to capital projects, primarily engineering expenditures associated with the Beaty Street Bridge project of $74,157.

B. Proprietary funds.

The Town's proprietary funds provide the same type of information in the government-wide financial statements, but in more detail. Net position of the enterprise operations at December 31, 2018 follow:

	Net Position	Change in Net Position
Water	$ 1,663,924	$ (12,149)
Sewer	297,892	(12,374)
Wastewater	217,230	(1,745)
	$ 2,179,046	$ (26,268)

Other factors concerning the finances of the enterprise funds have already been addressed in the discussion of the Town's business-type activities.

Capital Asset and Debt Administration

Capital Assets

The following table provides comparative information on the Town's capital assets for 2018 and 2017:

Table 4
Capital Assets

	Governmental Activities		Business-type Activities		Total	
	2018	2017	2018	2017	2018	2017
Land	$ 16,221	$ 16,221	$ -	$ -	$ 16,221	$ 16,221
Construction in Process	74,157	54,408	12,500	12,500	86,657	66,908
Land Improvements	1,164,456	1,203,017	-	-	1,164,456	1,203,017
Buildings and Improvements	45,409	47,396	-	-	45,409	47,396
Vehicles and Equipment	87,181	36,514	-	-	87,181	36,514
Water System	-	-	1,607,352	1,657,142	1,607,352	1,657,142
Sewer and Wastewater Systems	-	-	492,889	518,932	492,889	518,932
	$ 1,387,424	$ 1,357,556	$ 2,112,741	$ 2,188,574	$ 3,500,165	$ 3,546,130

Additional information on capital assets can be found in the notes to the financial statements (Note 4).

Long-term Debt

The following table provides comparative information on the Town's long-term debt for 2018 and 2017:

Table 5
Outstanding Debt

	Governmental Activities		Business-type Activities		Total	
	2018	2017	2018	2017	2018	2017
Capital Leases	$ 3,540	$ 17,832	$ -	$ -	$ 3,540	$ 17,832
Estimated Closure and Postclosure Costs	15,268	27,119	-	-	15,268	27,119
Water Revenue Bonds	-	-	-	12,918	-	12,918
Sewer Notes Payable	-	-	50,400	55,200	50,400	55,200
Compensated Absences	3,547	4,517	5,586	4,551	9,133	9,068
	$ 22,355	$ 49,468	$ 55,986	$ 72,669	$ 78,341	$ 122,137

Additional information on long-term debt can be found in the notes to the financial statements (Note 5).

Next Year's Budgets and Rates

The Town budgeted for 2019 property tax revenue of $26,404, based on an assessed valuation for the Town of $978,283 and a mill levy of 26.990 mills for the General Fund.

The Town's budget for 2019 is as follows:

	Budgeted Revenue	Budgeted Expenditures	Net Increase (Decrease)
General Fund	$ 499,711	$ 509,937	$ (10,226)
Conservation Trust Fund	4,100	6,000	(1,900)
Water Fund	126,095	117,595	8,500
Sewer Fund	364,840	358,892	5,948
Wastewater Fund	11,600	10,840	760
Total	$ 1,006,346	$ 1,003,264	$ 3,082

The sewer lagoon project is still the main priority for the Town. The Town has received two grants, one from DOLA in the amount of $12,500 as a 50% match for the Wastewater preliminary study that GMS, Inc. is working on. The second grant is from CDPHE for $284,800 for funding of the necessary improvements to the lagoons so that they will meet the State of Colorado regulations. Due to Greenland Trust Conservation easements the Town has not been able to purchase required property for the evaporative wastewater plant. GMS has worked with CDPHE to extend the grants and project timeline for an 18 month extension.

Manzanola is working on long term water quality with the State. Regulations 226 and 228 on radium and uranium are best met with the towns continued involvement in Arkansas Valley conduit.

The Town is working on replacing the Beaty Street Bridge on the Catlin Canal. The funds for this project are from a DOLA grant in the amount of $80,000 and two grants from CML/CDOT totaling $319,920. We will continue to work with GMS, with proposed project to be finalized in 2020 due to water running in the Catlin Canal from March 15th through November 15th.

The park project was finalized in 2018.

The town is working on placement of kiosks highlighting "The Dry" and Manzanola history with pictures thru 1940. The kiosks will be placed along the walkway between Miller Park and Memorial park

Requests for Information

This financial report is designed to provide the citizens, taxpayers, customers and investors and creditors of the Town of Manzanola a general overview of the Town's finances and to demonstrate the Town's accountability for the money it receives. If you have questions about this report or need additional financial information, contact:

Town of Manzanola Clerk/Treasurer
P.O. Box 187
Manzanola, CO. 81058

BASIC FINANCIAL STATEMENTS

TOWN OF MANZANOLA, COLORADO

STATEMENT OF NET POSITION
December 31, 2018

	Governmental Activities	Business-Type Activities	Total
Assets			
Cash and Investments	$ 172,500	$ 97,039	$ 269,539
Cash and Investments - Restricted	5,650	-	5,650
Receivable from County Treasurer	592	-	592
Property Taxes Receivable	26,404	-	26,404
Accounts Receivable	39,613	25,252	64,865
Capital Assets Not Being Depreciated	90,378	12,500	102,878
Capital Assets, Net of Accumulated Depreciation	1,297,046	2,100,241	3,397,287
Total Assets	1,632,183	2,235,032	3,867,215
Liabilities			
Accounts Payable	6,469	-	6,469
Noncurrent Liabilities:			
Due Within One Year	3,540	4,800	8,340
Due In More Than One Year	18,815	51,186	70,001
Total Liabilities	28,824	55,986	84,810
Deferred Inflows of Resources			
Property Taxes	26,404	-	26,404
Net Position			
Net Investment in Capital Assets	1,383,884	2,062,341	3,446,225
Restricted			
Operations and Maintenance	-	18,544	18,544
Parks and Recreation	5,650	-	5,650
Tabor Emergencies	5,200	-	5,200
Unrestricted	182,221	98,161	280,382
Total Net Position	$ 1,576,955	$ 2,179,046	$ 3,756,001

The notes to the financial statements are an integral part of this statement.

TOWN OF MANZANOLA, COLORADO

STATEMENT OF ACTIVITIES
For the Year Ended December 31, 2018

		Program Revenues		
Function/Program Activities	**Expenses**	**Permits, Fees, Fines, and Charges for Services**	**Operating Grants and Contributions**	**Capital Grants and Contributions**
Governmental Activities				
General Government	$ 33,359	$ 6,971	$ -	$ -
Public Safety	92,729	33,189	2,580	-
Public Works	24,202	-	18,041	74,157
Health and Welfare	905	3,545	-	-
Culture and Recreation	50,228	-	4,253	9,006
Sanitation	7,313	11,010	-	11,851
Total Governmental Activities	208,736	54,715	24,874	95,014
Business-type Activities				
Water	136,337	124,097	91	-
Sewer	90,180	77,806	-	-
Wastewater	13,390	11,645	-	-
Total Business-type Activities	239,907	213,548	91	-
Total	$ 448,643	$ 268,263	$ 24,965	$ 95,014

General Revenues:
- Property Taxes
- Specific Ownership Tax
- Sales and Use Taxes
- Franchise Tax and Other Taxes
- Unrestricted Investment Earnings
- Miscellaneous

Total General Revenues

Change In Net Position

Net Position - Beginning

Net Position - Ending

The notes to the financial statements are an integral part of this statement.

Net (Expense) Revenues and Changes in Net Position		
Governmental Activities	Business-Type Activities	Total
$ (26,388)	$ -	$ (26,388)
(56,960)	-	(56,960)
67,996	-	67,996
2,640	-	2,640
(36,969)	-	(36,969)
15,548	-	15,548
(34,133)	-	(34,133)
-	(12,149)	(12,149)
-	(12,374)	(12,374)
-	(1,745)	(1,745)
-	(26,268)	(26,268)
(34,133)	(26,268)	(60,401)
25,672	-	25,672
5,304	-	5,304
25,297	-	25,297
20,107	-	20,107
2,275	-	2,275
3,175	-	3,175
81,830	-	81,830
47,697	(26,268)	21,429
1,529,258	2,205,314	3,734,572
$ 1,576,955	$ 2,179,046	$ 3,756,001

TOWN OF MANZANOLA, COLORADO

BALANCE SHEET
GOVERNMENTAL FUNDS
December 31, 2018

	General Fund	Conservation Trust Fund	Total Governmental Funds
Assets			
Cash and Investments	$ 172,500	$ -	$ 172,500
Cash and Investments - Restricted	-	5,650	5,650
Receivable from County Treasurer	592	-	592
Property Taxes Receivable	26,404	-	26,404
Accounts Receivable	39,613	-	39,613
Total Assets	$ 239,109	$ 5,650	$ 244,759
Liabilities			
Accounts Payable	$ 6,469	$ -	$ 6,469
Total Liabilities	6,469	-	6,469
Deferred Inflows of Resources			
Property Taxes	26,404	-	26,404
Fund Balances			
Restricted			
Parks and Recreation	-	5,650	5,650
TABOR Emergencies	5,200	-	5,200
Assigned			
Subsequent Year's Budget	10,226	-	10,226
Unassigned	190,810	-	190,810
Total Fund Balances	206,236	5,650	211,886
Total Liabilities, Deferred Inflows of Resources and Fund Balances	$ 239,109	$ 5,650	$ 244,759

The notes to the financial statements are an integral part of this statement.

TOWN OF MANZANOLA, COLORADO

RECONCILIATION OF THE GOVERNMENTAL FUNDS
BALANCE SHEET TO THE STATEMENT OF NET POSITION
December 31, 2018

Total Fund Balance - Governmental Funds		$ 211,886
Total net position reported for governmental activities in the statement of net position is different because:		
Capital assets used in governmental activities are not financial resources and therefore are not reported in the funds. Those assets consist of:		
Land	$ 16,221	
Construction in Process	74,157	
Land Improvements, Net of $377,965 accumulated depreciation	1,164,456	
Buildings and Improvements, Net of $37,124 accumulated depreciation	45,409	
Vehicles and Equipment, Net of $178,206 accumulated depreciation	87,181	1,387,424
Long-term liabilities applicable to the District's governmental activities are not due and payable in the current period and accordingly are not reported as fund liabilities. Interest on long-term debt is not accrued in governmental funds, but rather is recognized as an expenditure when due. All liabilities - both current and long-term - are reported in the statement of net position.		
Balances at December 31, 2018 are:		
Capital Lease Obligation	(3,540)	
Compensated Absences	(3,547)	
Estimated Closure and Postclosure Costs	(15,268)	(22,355)
Net Position - Governmental Activities		$ 1,576,955

The notes to the financial statements are an integral part of this statement.

TOWN OF MANZANOLA, COLORADO

STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
GOVERNMENTAL FUNDS
For the Year Ended December 31, 2018

	General Fund	Conservation Trust Fund	Total Governmental Funds
Revenues			
Taxes	$ 76,380	$ -	$ 76,380
Intergovernmental Revenue	94,778	4,253	99,031
Charges for Services	21,155	-	21,155
Licenses and Permits	371	-	371
Fines and Forfeitures	33,189	-	33,189
Grants and Contributions	9,006	-	9,006
Net Investment Income	2,275	-	2,275
Other	3,175	-	3,175
Total Revenues	240,329	4,253	244,582
Expenditures			
Current			
General Government	33,031	-	33,031
Public Safety	87,239	-	87,239
Public Works	20,119	-	20,119
Health and Welfare	905	-	905
Culture and Recreation	1,157	6,644	7,801
Sanitation	7,313	-	7,313
Capital Outlay	83,162	-	83,162
Debt Service	14,296	-	14,296
Total Expenditures	247,222	6,644	253,866
Net Change in Fund Balances	(6,893)	(2,391)	(9,284)
Fund Balances - Beginning	213,129	8,041	221,170
Fund Balances - Ending	$ 206,236	$ 5,650	$ 211,886

The notes to the financial statements are an integral part of this statement.

TOWN OF MANZANOLA, COLORADO

RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS TO THE STATEMENT OF ACTIVITIES
For the Year Ended December 31, 2018

Net Change in Fund Balance - Governmental Funds	$	(9,284)
Amounts reported for governmental activities in the statement of activities are different because:		
Governmental funds report capital outlays as expenditures. However, in the Statement of Activities, the cost of those assets are allocated over their estimated useful lives and reported as depreciation expense.		
Capital Outlay		86,121
Depreciation		(56,253)
The issuance of long-term debt (e.g., bonds, notes) provides current financial resources to the governmental funds. However, issuing debt increases long-term liabilities on the statement of net assets, so this transaction has no effect on net position.		
Principal Payment on Capital Lease Obligation		14,292
Some expenses reported in the statement of activities do not require the use of current financial resources and therefore are not reported as expenditures in governmental funds.		
Adjustment to compensated absences liability		970
Adjustment to estimated closure and postclosure costs		11,851
Change in Net Position - Governmental Activities	$	47,697

The notes to the financial statements are an integral part of this statement.

TOWN OF MANZANOLA, COLORADO

STATEMENT OF NET POSITION
PROPRIETARY FUNDS
December 31, 2018

	Water	Sewer	Wastewater	Total
Assets				
Current assets				
Cash and Investments	$ 44,619	$ 10,555	$ 41,865	$ 97,039
Accounts Receivable	13,560	10,732	960	25,252
Total Current Assets	58,179	21,287	42,825	122,291
Noncurrent Assets				
Capital Assets Not Being Depreciated	-	12,500	-	12,500
Capital Assets, Net of Accumulated Depreciation	1,607,352	268,084	224,805	2,100,241
Total Assets	1,665,531	301,871	267,630	2,235,032
Liabilities				
Current Liabilities				
Notes Payable - Current	-	-	4,800	4,800
Total Current Liabilities	-	-	4,800	4,800
Noncurrent Liabilities				
Notes Payable	-	-	45,600	45,600
Compensated Absences	1,607	3,979	-	5,586
Total Noncurrent Liabilities	1,607	3,979	45,600	51,186
Total Liabilities	1,607	3,979	50,400	55,986
Net Position				
Net Investment in Capital Assets	1,607,352	280,584	174,405	2,062,341
Restricted:				
Operations and Maintenance Reserve	-	-	18,544	18,544
Unrestricted	56,572	17,308	24,281	98,161
Total Net Position	$ 1,663,924	$ 297,892	$ 217,230	$ 2,179,046

The notes to the financial statements are an integral part of this statement.

TOWN OF MANZANOLA, COLORADO

STATEMENT OF REVENUES, EXPENSES AND CHANGES IN NET POSITION
PROPRIETARY FUNDS
For the Year Ended December 31, 2018

	Water	Sewer	Wastewater	Total
Operating Revenues				
Charges for Sales and Services				
Service Fees	$ 116,711	$ 77,806	$ 11,645	$ 206,162
Other	7,386	-	-	7,386
Total Operating Revenues	124,097	77,806	11,645	213,548
Operating Expenses				
Salaries and Benefits	32,869	43,715	-	76,584
System Operations	32,446	11,484	5,320	49,250
Water Analysis	2,198	1,169	-	3,367
Commodities and Services	9,547	7,217	50	16,814
Insurance	8,572	8,572	-	17,144
Conduit	860	-	-	860
Depreciation	49,790	18,023	8,020	75,833
Total Operating Expenses	136,282	90,180	13,390	239,852
Operating Income (Loss)	(12,185)	(12,374)	(1,745)	(26,304)
Nonoperating Revenues (Expenses)				
Net Investment Income	91	-	-	91
Interest Expense	(55)	-	-	(55)
Total Nonoperating Revenues (Expenses)	36	-	-	36
Change In Net Position	(12,149)	(12,374)	(1,745)	(26,268)
Net Position - Beginning	1,676,073	310,266	218,975	2,205,314
Net Position - Ending	$ 1,663,924	$ 297,892	$ 217,230	$ 2,179,046

The notes to the financial statements are an integral part of this statement.

TOWN OF MANZANOLA, COLORADO

STATEMENT OF CASH FLOWS
PROPRIETARY FUNDS
For the Year Ended December 31, 2018

	Water	Sewer	Wastewater	Total
Cash Flows from Operating Activities				
Cash Received from Customers	$ 124,303	$ 77,939	$ 11,645	$ 213,887
Cash Payments to Suppliers for Goods and Services	(53,623)	(28,442)	(5,370)	(87,435)
Cash Payments to Employees for Services	(34,305)	(41,244)	-	(75,549)
Net Cash Provided by Operating Activities	36,375	8,253	6,275	50,903
Cash Flows from Capital and Related Financing Activities				
Principal Paid on Long-Term Debt	(12,918)	-	(4,800)	(17,718)
Interest Paid on Long-Term Debt	(647)	-	-	(647)
Net Cash (Used) by Capital and Related Financing Activities	(13,565)	-	(4,800)	(18,365)
Cash Flows from Investing Activities				
Net Investment Income	91	-	-	91
Net Increase (Decrease) In Cash and Cash Equivalents	22,901	8,253	1,475	32,629
Cash and Cash Equivalents - Beginning	21,718	2,302	40,390	64,410
Cash and Cash Equivalents - Ending	$ 44,619	$ 10,555	$ 41,865	$ 97,039
Reconciliation of Operating Income (Loss) to Net Cash Provided by Operating Activities:				
Operating (Loss)	$ (12,185)	$ (12,374)	$ (1,745)	$ (26,304)
Adjustments to Reconcile Operating (Loss) to Net Cash Provided by Operating Activities:				
Depreciation	49,790	18,023	8,020	75,833
Effect of Changes In Operating Assets and Liabilities:				
Accounts Receivable	206	133	-	339
Compensated Absences	(1,436)	2,471	-	1,035
Total Adjustments	48,560	20,627	8,020	77,207
Net Cash Provided by Operating Activities	$ 36,375	$ 8,253	$ 6,275	$ 50,903

The notes to the financial statements are an integral part of this statement.

The financial statements of the Town of Manzanola, Colorado (the Town) have been prepared in conformity with generally accepted accounting principles (GAAP) as applied to governments. The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting and reporting principles. The following notes to the financial statements are an integral part of the Town's financial statements.

Note 1 – Definition of Reporting Entity

The Town of Manzanola, Colorado was incorporated in 1900 in Otero County and is governed by a five-member elected Board of Trustees. The Town provides police protection, public works (roads and streets), culture and recreation, sanitation, health and welfare, water, sewer and general administrative services. Fire protection is provided by the Manzanola Volunteer Fire Department.

The Town follows the Governmental Accounting Standards Board (GASB) accounting pronouncements which provide guidance for determining which governmental activities, organizations and functions should be included within the financial reporting entity. GASB pronouncements set forth the financial accountability of a governmental organization's elected governing body as the basic criterion for including a possible component governmental organization in a primary government's legal entity. Financial accountability includes, but is not limited to, appointment of a voting majority of the organization's governing body, ability to impose its will on the organization, a potential for the organization to provide specific financial benefits or burdens and fiscal dependency.

Based upon the above criteria, the Town is not financially accountable for any other organization, nor is the Town a component unit of any other primary governmental entity.

Otero County Landfill Joint Venture

The Town is a participant along with six other entities within the County in a joint venture known as the Otero County Landfill, Inc. As a participant, the Town is responsible for a portion of closure and post closure costs of the landfill. As of December 31, 2018, the Town's share of the cost is estimated at $15,268, or approximately 1.0% of the total (see Note 5). A complete financial report may be obtained from the administrative offices of Otero County.

Note 2 – Summary of Significant Accounting Policies

The more significant accounting policies of the Town are described as follows:

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 activities of the Town. Governmental activities, which normally are supported by taxes and intergovernmental revenues, are reported separately from business-type activities, which rely to a significant extent on user fees and charges for support. Likewise, the primary government is reported separately from certain legally separate component units for which the primary government is financially accountable.

The statement of net position reports all financial and capital resources of the Town. The difference between the sum of assets and deferred outflows and the sum of liabilities and deferred inflows is reported as net position.

The statement of activities demonstrates the degree to which the direct expenses of a given function or segment are offset by program revenues. Direct expenses are those that are clearly identifiable with a specific function or segment. Program revenues include charges to customers or applicants who purchase, use, or directly benefit from goods, services, or privileges provided by given function or segment; fines and forfeitures; and 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 and proprietary funds. Major individual governmental funds and major individual enterprise funds are reported in separate columns in the fund financial statements.

Measurement Focus, Basis of Accounting and Financial Statement Presentation

The government-wide financial statements are reported using the *economic resources measurement focus* and *accrual basis of accounting*, as are the proprietary 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.

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 Town considers revenues to be available if they are collected within 60 days after year-end. Property taxes, sales taxes, franchise taxes and interest are susceptible to accrual and so have been recognized as revenues in the current period. Grants and similar items are recognized as revenues as soon as all eligibility requirements imposed by the provider have been met. All other revenue items are considered to be measurable and available only when cash is received by the Town. Expenditures are recorded when the related fund liability is incurred, as under accrual accounting. However, debt service expenditures, as well as expenditures related to compensated absences are recorded only when payment is due.

The Town reports the following major governmental funds:

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

The *Conservation Trust Fund* accounts for State of Colorado lottery funds to be used for parks and recreation services and capital investment.

The Town reports the following major proprietary funds:

The W*ater Fund* accounts for revenues and expenses associated with providing water services to Town residents.

The S*ewer Fund* and the *Wastewater Fund* account for revenues and expenses associated with providing wastewater services to Town residents.

As a general rule, the effect of interfund activity has been eliminated from the government-wide financial statements. Exceptions to this general rule are charges between the Town's water and waste water functions and various other functions of 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 applicant for goods, services, or privileges provided, 2) operating grants and contributions, and 3) capital grants and contributions. Internally dedicated resources are reported as general revenues rather than as program revenues. Likewise, general revenues include all Town levied taxes.

Proprietary funds distinguish between 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 principle ongoing operations. The principle operating revenues of the Town's enterprise funds are charges to customers for sales and services. Operating expenses for enterprise funds include the cost of sales and services, administrative expenses, and depreciation on capital assets. All revenues and expenses not meeting this definition are reported as nonoperating revenues and expenses. The Town's water and waste water enterprise funds recognize as capital contributions the entire portion of tap fees, as they are intended to recover the cost of the capital investment in the water and waste water distribution systems.

Pooled Cash and Investments

The Town follows the practice of pooling cash and investments of all funds to maximize investment earnings. Except when required by trust or other agreements, all cash is deposited to and disbursed from a single bank account. Cash in excess of immediate operating requirements is pooled for deposit and investment flexibility. Investment earnings are allocated periodically to the participating funds based upon each fund's average equity balance in the total cash and investments.

Cash and investments are presented in the basic financial statements at fair value.

For purposes of the statement of cash flows, the Town considers all highly liquid investments (including restricted assets) with a maturity when purchased of three months or less and all local government investment pools to be cash equivalents.

Property Taxes

Property taxes are levied by the Town's Board of Trustees. Property taxes are levied by December 15 of each year and are due in full the following year. The lien date is January 1 following the levy. Taxes may be paid in two equal installments, on or before February 28 and June 15; or in full, on or before April 30. Delinquent taxpayers are notified in August and generally, sales of the tax liens on delinquent properties are held in November or December. Property taxes are collected by Otero County and then remitted, net of a 1% collection fee, to the Town.

Taxes are recorded as a receivable and a deferred inflow of resources when levied, and subsequently recorded as revenue in the year they are available or collected.

Capital Assets

Capital assets, which include property, plant, equipment and infrastructure assets, are reported in the applicable governmental or business-type activities columns in the government-wide financial statements. The Town currently capitalizes expenditures that cost more than $5,000 and have a life of one year or more. Such capital assets are recorded at historical cost or at estimated historical cost if purchased or constructed. Donated capital assets are recorded at estimated fair market value at the date of donation.

Public domain assets consisting of roads, bridges, curbs and gutters, streets and sidewalks, drainage systems and lighting systems are examples of infrastructure assets. Infrastructure assets are distinguished from other capital assets because their useful life often extends beyond most other capital assets and are stationary in nature. General infrastructure assets are those associated with or arising from governmental activities. Generally accepted accounting principles requires the Town to report general infrastructure assets obtained subsequent to January 1, 2004 but allows the Town to retroactively capitalize general infrastructure assets obtained prior to that date. The Town elected to not report general infrastructure assets retroactively.

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 and depreciated over their remaining useful lives.

Capital assets of the Town are depreciated, using the straight-line method over their estimated useful lives:

Buildings	40 years
Land Improvements	40 years
Water and Sewer Systems	20 - 40 years
Vehicles and Equipment	5 - 10 years

Deferred Outflows/Inflows of Resources

In addition to assets, the statement of financial position/balance sheet 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 or fund balance that applies to a future period(s) and thus, will not be recognized as an outflow of resources (expense/expenditure) until then.

In addition to liabilities, the statement of financial position/balance sheet 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 or fund balance that applies to a future period(s) and so will not be recognized as an inflow of resources (revenue) until that time. The Town reports unavailable revenue for property taxes to be collected in the subsequent period and therefore not yet available.

Compensated Absences

Vacation leave is based on an employee's length of employment and is earned ratably during the span of employment. Upon termination, employees are paid full value for any accrued general leave earned.

It is the Town's policy to permit employees to accumulate earned but unused vacation leave benefits. All leave is accrued when incurred in the government-wide and proprietary fund financial statements. A liability for these amounts is reported in governmental funds only if it is expected to be liquidated with expendable available financial resources.

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. Bond premiums and discounts are deferred and amortized over the term of the bonds. The balance of these deferrals is combined with the corresponding long-term debt in the financial statements.

In the fund financial statements, governmental fund types recognize bond premiums and discounts, as well as 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, even if withheld from the actual new proceeds received, are reported as debt service expenditures.

Net Position and Fund Equity

Net Position

The government-wide financial statements utilize a net position presentation. Net position is categorized as net investment in capital assets, restricted and unrestricted.

Net investment in capital assets consists of capital assets, net of accumulated depreciation and reduced by the outstanding balances of bonds, mortgages, notes or other borrowings that are attributable to the acquisition, construction or improvement of those assets.

Restricted Net Position is subject to restrictions by creditors, grantors, contributors, or laws or regulations of other governments or imposed by law through constitutional provision or enabling legislation

Unrestricted net position represents assets that do not have any third-party limitations on their use.

For government-wide presentation purposes, when both restricted and unrestricted resources are available for use, it is the Town's practice to use restricted resources first, then unrestricted resources as they are needed.

Fund Balances

Fund balance for governmental funds should be reported in classifications that comprise a hierarchy based on the extent to which the government is bound to honor constraints on the specific purposes for which spending can occur. Governmental funds report up to five classifications of fund balance: nonspendable, restricted, committed, assigned, and unassigned.

Because circumstances differ among governments, not every government or every governmental fund will present all of these components. The following classifications describe the relative strength of the spending constraints:

Nonspendable fund balance – The portion of fund balance that cannot be spent because it is either not in spendable form (such as prepaid amounts or inventory) or legally or contractually required to be maintained intact.

Restricted fund balance – The portion of fund balance that is constrained to being used for a specific purpose by external parties (such as bondholders), constitutional provisions, or enabling legislation.

The Town reports the following Restricted Fund Balances:

Restricted for TABOR Emergencies – Emergency reserves have been provided for as required by Article X, Section 20 of the Constitution of the State of Colorado (see Note 10).

Restricted for Parks and Recreation – Represents the balance of funds remaining from the Conservation Trust (State Lottery) Fund proceeds.

Committed fund balance – The portion of fund balance that can only be used for specific purposes pursuant to constraints imposed by formal action of the government's highest level of decision-making authority, the Board of Trustees. The constraint may be removed or changed only through formal action of the Board of Trustees.

Assigned fund balance – The portion of fund balance that is constrained by the government's intent to be used for specific purposes but is neither restricted nor committed. Intent is expressed by the Board of Trustees to be used for a specific purpose. Constraints imposed on the use of assigned amounts are more easily removed or modified than those imposed on amounts that are classified as committed.

The following fund balances are assigned:

Subsequent Year's Budget – used to account for the portion of the year-end fund balance which is appropriated in the subsequent year's budget.

Unassigned fund balance – The residual portion of fund balance that does not meet any of the criteria described above.

If more than one classification of fund balance is available for use when an expenditure is incurred, it is the Town's practice to use the most restrictive classification first.

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 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. An example of such an estimate that has been made by management is depreciation expense.

Note 3 –Cash and Investments

Cash and investments at December 31, 2018 are presented in the accompanying financial statements as follows:

	Governmental Activities		Business-type Activities		Total	
Cash and Investments	$	172,500	$	97,039	$	269,539
Cash and Investments - Restricted		5,650		-		5,650
Total	$	178,150	$	97,039	$	275,189

Cash and investments as of December 31, 2018 consist of the following:

	Governmental Activities		Business-type Activities		Total	
Deposits with Financial Institutions	$	10,237	$	80,098	$	90,335
Certificates of Deposit		167,913		16,941		184,854
Total	$	178,150	$	97,039	$	275,189

Deposits with Financial Institutions

Custodial credit risk

Custodial risk for deposits is the risk that, in the event of a failure of a depository financial institution, the Town will not be able to recover its deposits or will not be able to recover collateral securities that are in possession of an outside party. The Colorado Public Deposit Protection Act (PDPA) governs the investment of public funds. PDPA requires that all units of local government deposit cash in eligible public depositories. State regulators determine eligibility. Amounts on deposit in excess of federal insurance levels ($250,000) 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 for all the uninsured public deposits as a group is to be maintained by another institution or held in trust. The market value of the collateral must be at least equal to 102% of the aggregate uninsured deposits. The institution's internal records identify the collateral by depositor and as such, these deposits are considered to be uninsured but collateralized. The State Regulatory Commissions for banks and financial services are required by statute to monitor the naming of eligible depositories and reporting of the uninsured deposits and assets maintained in the collateral pools. At December 31, 2018, the Town's bank deposits amounting to $284,706 were both insured by federal depository insurance and collateralized with securities held by third parties but not in the Town's name, and consequently were not exposed to custodial credit risk.

Investments

The Town has not adopted a formal investment policy; however, the Town follows state statutes regarding investments. Colorado revised statutes limit investment maturities to five years or less unless formally approved by the Board of Trustees, such actions are generally associated with a debt service reserve or sinking fund requirements.
The Town generally limits its concentration of investments to obligations of the United States, certain U.S. government agency securities and Local Government Investment Pools, which are believed to have minimal credit risk; minimal interest rate risk and no foreign currency risk. Additionally, the Town is not subject to concentration risk disclosure requirements or subject to investment custodial credit risk for investments that are in the possession of another party.

Colorado revised statutes limit investment maturities to five years or less unless formally approved by the Board of Trustees, such actions are generally associated with a debt service reserve or sinking fund requirements.

Colorado statutes specify investment instruments meeting defined rating and risk criteria in which local governments may invest which include:

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

The Town had no investments at December 31, 2018.

Note 4 – Capital Assets

Capital asset activity for the year ended December 31, 2018 was as follows for the Town's governmental activities:

Governmental Activities:	Beginning Balance	Increases	Decreases	Ending Balance
Capital Assets Not Being Depreciated:				
Land	$ 16,221	$ -	$ -	$ 16,221
Construction in Process	54,408	86,121	(66,372)	74,157
Total Capital Assets Not Being Depreciated	70,629	86,121	(66,372)	90,378
Capital Assets Being Depreciated:				
Land Improvements	1,542,421	-	-	1,542,421
Buildings and Improvements	82,533	-	-	82,533
Vehicles and Equipment	199,015	66,372	-	265,387
Total Capital Assets Being Depreciated	1,823,969	66,372	-	1,890,341
Less Accumulated Depreciation For:				
Land Improvements	(339,404)	(38,561)	-	(377,965)
Buildings and Improvements	(35,137)	(1,987)	-	(37,124)
Vehicles and Equipment	(162,501)	(15,705)	-	(178,206)
Total Accumulated Depreciation	(537,042)	(56,253)	-	(593,295)
Total Capital Assets Being Depreciated, Net	1,286,927	10,119	-	1,297,046
Governmental Activities Capital Assets, Net	$ 1,357,556	$ 96,240	$ (66,372)	$ 1,387,424

Depreciation expense was charged to functions/programs as follows:

Governmental Activities	
Public Safety	$ 6,788
Public Works	4,079
Culture & Recreation	45,386
	$ 56,253

Capital asset activity for the year ended December 31, 2018 was as follows for the Town's business-type activities:

Business-type Activities:	**Beginning Balance**	**Increases**	**Decreases**	**Ending Balance**
Capital Assets Not Being Depreciated:				
Construction in Process				
Sewer	$ 12,500	$ -	$ -	$ 12,500
Capital Assets Being Depreciated:				
Water	2,529,242	-	-	2,529,242
Sewer	706,381	-	-	706,381
Wastewater	302,455	-	-	302,455
Total Capital Assets Being Depreciated	3,538,078	-	-	3,538,078
Less Accumulated Depreciation For:				
Water	(872,100)	(49,790)	-	(921,890)
Sewer	(420,274)	(18,023)	-	(438,297)
Wastewater	(69,630)	(8,020)	-	(77,650)
Total Accumulated Depreciation	(1,362,004)	(75,833)	-	(1,437,837)
Total Capital Assets Being Depreciated, Net	2,176,074	(75,833)	-	2,100,241
Business-type Activities Capital Assets, Net	$ 2,188,574	$ (75,833)	$ -	$ 2,112,741

Note 5 – Long-term Obligations

The following is an analysis of changes in long-term debt for the year ended December 31, 2018:

	Beginning Balance	Additions	Reductions	Ending Balance	Due Within One Year
Governmental Activities					
Capital Lease - Tractor	$ 9,836	$ -	$ 6,296	$ 3,540	$ 3,540
Capital Lease - Police Cruisers	7,996	-	7,996	-	-
Estimated Closure and Postclosure Costs	27,119	-	11,851	15,268	-
Compensated Absences	4,517	3,383	4,353	3,547	-
Total Governmental Activities	$ 49,468	$ 3,383	$ 30,496	$ 22,355	$ 3,540
Business-type Activities					
Water Fund					
Water Revenue Bonds, Series 1978	$ 12,918	$ -	$ 12,918	$ -	$ -
Wastewater Fund					
CWR&PDA Sewer Loan, 2008	55,200	-	4,800	50,400	4,800
Compensated Absences	4,551	3,519	2,484	5,586	-
Total Business-type Activities	$ 72,669	$ 3,519	$ 20,202	$ 55,986	$ 4,800

A. Capital Leases

On November 7, 2014, The Town entered into a capital lease agreement for a 2015 Kubota BX25 Tractor/Loader/Backhoe. Lease payments of $2,622 are due semiannually beginning in May 2015 and ending in November 2019, with interest at 5.25%. Lease payments are made by the General Fund.

The net present value of the minimum lease payments as of December 31, 2018 follow:

Year Ending December 31,	Tractor
2019	$ 3,639
Minimum Lease Payments	3,639
Less: Amount representing interest	(99)
Present Value of Minimum Lease Payments	$ 3,540

On January 6, 2017, The Town entered into a capital lease agreement for two 2012 Dodge Charger Police Cruisers. Lease payments of $2,714 are due semiannually beginning in January 2018 and ending in January 2022, with interest at 4.25%. Lease payments are made by the General Fund. The lease was paid in full in 2018.

Assets acquired through capital leases are as follows:

Asset	Amount
Tractor	$ 22,800
Police Cruisers	12,000
Less: Accumulated Depreciation	(14,300)
	$ 20,500

B. Estimated Closure and Postclosure Care Costs

In 1995, the Town entered into an intergovernmental agreement with Otero County and five other municipalities within the County to form the Otero County Landfill, Inc. ('OCLI") to operate the landfill within the County. The agreement transfers the liability for closure and postclosure costs to the new organization. The Town and all participating entities are responsible for a portion of the costs based on an average of the population and assessed valuation of each entity to the total of all entities. Based on the current allocation the Town's share is approximately 0.80% of the estimated $1,905,000 in closure and postclosure costs amounting to $15,268. These amounts are based on estimates of what it would cost to perform all closure and post closure care in 2018. Actual costs may be higher due to inflation or deflation, changes in technology, or changes in applicable laws or regulations.

C. Water Revenue Bonds, Series 1978

On August 16, 1978, the Town issued Water Revenue Bonds, Series 1978 in the original principal amount of $274,000 for improvements to the water system. The bonds consist of serial bonds due annually in varying amounts from February 1, 1980 through February 1, 2018. Interest is payable semiannually at 5%. Bonds maturing on February 1, 1989 and thereafter are callable at par in inverse numerical order of maturity on February 1, 1988. The bonds are non-rated.

The bonds were paid in full during the year ended December 31, 2018.

D. <u>Colorado Water Resources and Power Development Authority (CWR&PDA) – 2008 Wastewater Note</u>

On July 24, 2008, the Town issued a note with the Colorado Water Resources and Power Development Authority, Water Pollution Control Revolving Loan Fund, in the original amount of $96,000. The proceeds of the note were used to replace wastewater collection line segments, manholes and general wastewater treatment facility improvements. The note is noninterest bearing, payable in semi-annual installments of $2,400 beginning on November 1, 2009 through May 1, 2029.

A provision of the note with the CWR&PDA requires the net revenues (total revenues less operating expenses) be at least 110% of the annual debt service due in any one year. During the year ended December 31, 2018, the Town was in compliance with the rate covenant. The 2008 Wastewater Note requires the Town to maintain an operations and reserve fund in an amount equal to three months of operations and maintenance expenses, excluding depreciation, as set forth in the annual budget for the current fiscal year. Accordingly, the District has restricted $18,544 of the Wastewater Fund's net position, calculated as follows:

	2018 Budget
Total Expenditures	$ 359,017
Less Capital Expenditures	(284,840)
Operations and Maintenance Expenditures	$ 74,177
3 Months of Operations and Maintenance	$ 18,544

The Town has pledged the revenue from the operation and use of the sewer system and other legally available revenue, after the payment of operation and maintenance expenses of the system, for the repayment of the note.

The note matures as follows:

	Principal	Interest	Total
2019	$ 4,800	$ -	$ 4,800
2020	4,800	-	4,800
2021	4,800	-	4,800
2022	4,800	-	4,800
2023	4,800	-	4,800
2024-2028	24,000	-	24,000
2029	2,400	-	2,400
	$ 50,400	$ -	$ 50,400

Note 6 – Short-term Debt

The Town has a line of credit available with Fowler State Bank. On June 29, 2018, the Town borrowed $45,067 from the Bank to cover temporary cash shortages in the general fund due to the timing of a grant reimbursement. The amount was paid in full on December 4, 2018.

Note 7 – Risk Management

The Town of Manzanola is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; injuries to employees; claims relating to professional liability; and natural disasters. These risks are covered by commercial insurance purchases from independent third parties. Settled claims for these risks have not exceeded commercial insurance coverage the past three years.

Note 8 – Commitments and Contingencies

Grant Programs

Amounts received or receivable from grant agencies are subject to audit and adjustment by grantor agencies, principally the state government. Any disallowed claims, including amounts already collected, may constitute a liability of the applicable funds. The amount, if any, of expenditures that may be disallowed by the grantor cannot be determined at this time although the Town expects such amounts, if any, to be immaterial.

Note 9 – Employee Retirement Plans

Defined Contribution Plan

All employees are covered under social security. On May 15, 1991, the Town established a SEP-IRA (Simplified Employee Pension) Plan described in Section 408(k) of the Internal Revenue Code of 1986. The plan was amended on May 21, 2007. The plan is administered by Waddell & Reed and is a single-employer defined contribution plan.

All employees are eligible to participate in the plan after 90 days of continuous employment. All contributions vest immediately. The Town contributes 6% of each employee's salary and wages to the plan. Employees are not allowed to contribute.

For the year ended December 31, 2018, the Town recognized pension expense of $7,123, equal to their required contributions.

There is no liability for benefits under the plan beyond the Town's payments.

Note 10 – Tax Spending and Debt Limitations

Article X, Section 20 of the Colorado Constitution, commonly known as the Taxpayer's Bill of Rights (TABOR), contains tax, spending, revenue and debt limitations which apply to the State of Colorado and all local governments.

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 3% of Fiscal Year Spending (excluding bonded debt service). Local governments are not allowed to use the emergency reserves to compensate for economic conditions, revenue shortfalls or salary or benefit increases.

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, may require judicial interpretation.

On April 2, 1996, a majority of the Town's electors authorized the Town to collect, retain and expend all revenues and other funds collected during 1995 and each subsequent year from any source, notwithstanding the limitations of Article X, Section 20 of the Colorado Constitution, effective January 1, 1995, provided that no local tax rate or mill levy shall be increased without further voter approval.

REQUIRED SUPPLEMENTARY INFORMATION

TOWN OF MANZANOLA, COLORADO

GENERAL FUND
SCHEDULE OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
For the Year Ended December 31, 2018
(With Comparative Totals for the Year Ended December 31, 2017)

	Original and Final Budget	Actual Amounts	Variance with Final Budget - Positive (Negative)	2017 Actual
Revenues				
Taxes				
Property Tax	$ 25,000	$ 25,672	$ 672	$ 26,167
Specific Ownership Tax	5,000	5,304	304	5,384
Sales Tax	19,000	25,297	6,297	19,242
Cigarette Tax	-	91	91	-
Franchise Tax	18,000	18,279	279	18,241
Other Taxes	2,050	1,737	(313)	2,162
Subtotal Taxes	69,050	76,380	7,330	71,196
Intergovernmental				
County Road and Bridge	2,050	1,983	(67)	2,049
Severance Tax	-	23	23	-
Highway Users Tax	13,500	16,035	2,535	13,294
State Grants	409,920	76,737	(333,183)	14,190
Subtotal Intergovernmental	425,470	94,778	(330,692)	29,533
Charges for Services				
Sanitation	11,000	11,010	10	11,508
Mosquito Control	3,550	3,545	(5)	3,559
Rents	6,600	6,600	-	6,600
Subtotal Charges for Services	21,150	21,155	5	21,667
Licenses and Permits	900	371	(529)	1,029
Fines and Forfeitures				
Fines and Forfeitures	54,000	28,840	(25,160)	54,842
Deferral Fees	-	4,349	4,349	5,280
Subtotal Fines and Forfeitures	54,000	33,189	(20,811)	60,122
Donations	-	9,006	9,006	54,408
Net Investment Income	1,300	2,275	975	1,942
Proceeds from Sale of Assets	-	-	-	2,150
Miscellaneous	2,400	3,175	775	5,444
Total Revenues	574,270	240,329	(333,941)	247,491

(Continued)

TOWN OF MANZANOLA, COLORADO

GENERAL FUND
SCHEDULE OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
For the Year Ended December 31, 2018
(With Comparative Totals for the Year Ended December 31, 2017)
(Continued)

Expenditures Current:	**Original and Final Budget**	**Actual Amounts**	**Variance with Final Budget - Positive (Negative)**	**2017 Actual**
General Government				
Salaries and Benefits	$ 9,235	$ 10,541	$ (1,306)	$ 9,718
Office	7,800	6,984	816	7,645
Insurance	8,900	9,435	(535)	8,265
County Treasurer Fees	500	493	7	503
Audit	3,500	3,500	-	3,500
Legal	1,000	1,061	(61)	395
Workers Comp Insurance	200	131	69	178
Donations and Contributions	350	175	175	175
Miscellaneous	500	711	(211)	-
Subtotal General Government	31,985	33,031	(1,046)	30,379
Public Safety				
Wages and Benefits	72,488	65,609	6,879	80,356
Vehicle Expenses	7,500	7,113	387	9,936
Judge/Legal	3,400	2,200	1,200	2,400
Uniforms/Training/Supplies	3,000	1,210	1,790	1,809
Office	650	500	150	924
Insurance	6,500	6,536	(36)	9,759
Workers Comp Insurance	2,000	1,748	252	2,191
Radio/Radar	3,000	2,323	677	1,424
Subtotal Public Safety	98,538	87,239	11,299	108,799
Public Works				
Wages and Benefits	4,705	-	4,705	4,125
Building Expense	2,500	2,192	308	1,427
Street Lighting	18,000	14,390	3,610	15,357
Street Repairs	500	519	(19)	132
Equipment Repairs	6,500	3,018	3,482	5,340
Subtotal Public Works	32,205	20,119	12,086	26,381
Health and Welfare				
Cemetery	1,000	905	95	732
Mosquito Control	2,500	-	2,500	-
Subtotal Health and Welfare	3,500	905	2,595	732

(Continued)

TOWN OF MANZANOLA, COLORADO

GENERAL FUND
SCHEDULE OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
For the Year Ended December 31, 2018
(With Comparative Totals for the Year Ended December 31, 2017)
(Continued)

	Original and Final Budget	Actual Amounts	Variance with Final Budget - Positive (Negative)	2017 Actual
Culture and Recreation				
Parks	$ 1,500	$ 657	$ 843	$ 258
Summer Recreation	1,000	500	500	1,000
Subtotal Culture and Recreation	2,500	1,157	1,343	1,258
Sanitation				
Sanitation	7,500	7,313	187	7,489
OCLI Landfill Liability	1,200	-	1,200	210
Subtotal Sanitation	8,700	7,313	1,387	7,699
Debt Service				
Capital Leases	12,744	14,296	(1,552)	9,744
Capital Outlay	408,926	83,162	325,764	54,408
Total Expenditures	599,098	247,222	351,876	239,400
Net Change in Fund Balance	(24,828)	(6,893)	17,935	8,091
Fund Balance - Beginning	218,441	213,129	(5,312)	205,038
Fund Balance - Ending	$ 193,613	$ 206,236	$ 12,623	$ 213,129

See the Independent Auditor's Report

TOWN OF MANZANOLA, COLORADO

CONSERVATION TRUST FUND
SCHEDULE OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
For the Year Ended December 31, 2018
(With Comparative Totals for the Year Ended December 31, 2017)

	Original and Final Budget	Actual Amounts	Variance with Final Budget - Positive (Negative)	2017 Actual
Revenues				
Lottery	$ 4,200	$ 4,253	$ 53	$ 4,172
Expenditures				
Current				
Culture and Recreation	12,000	6,644	5,356	2,215
Net Change in Fund Balance	(7,800)	(2,391)	5,409	1,957
Fund Balance - Beginning	8,041	8,041	-	6,084
Fund Balance - Ending	$ 241	$ 5,650	$ 5,409	$ 8,041

See the Independent Auditor's Report

Note 1: Stewardship, Compliance and Accountability

A. Budgetary Information

Annual budgets are adopted on a basis consistent with generally accepted accounting principles (GAAP) for all governmental funds. The Enterprise funds adopt budgets on the Non-GAAP basis wherein tap fees are recognized as revenue, principal payments on debt and capital expenditures are recognized as expenses, and depreciation expense is not budgeted. All annual appropriations lapse at fiscal year-end.

By October 15, the Budget Officer (not an elected official) of the Town submits a proposed operating budget for the fiscal year commencing the following January 1 to the Trustees (elected officials). The operating budget, for all budgeted funds, includes proposed expenditures and the means of financing.

Public hearings are held at the regular Trustee meetings to obtain taxpayer input. Prior to December 15, the budget is legally enacted through passage of a budget ordinance. Expenditures may not exceed appropriations at the fund level.

The Town Treasurer is authorized to transfer budgeted amounts within a department of any fund. The Trustees must approve revisions that change total expenditures of any fund or department within a fund.

The appropriation can only be modified upon completion of notification and publication requirements.

<u>SUPPLEMENTARY INFORMATION</u>

TOWN OF MANZANOLA, COLORADO

WATER FUND
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUNDS AVAILABLE - BUDGET AND ACTUAL (BUDGETARY BASIS)
For the Year Ended December 31, 2018
(With Comparative Totals for the Year Ended December 31, 2017)

	Original and Final Budget	Actual Amounts	Variance with Final Budget - Positive (Negative)	2017 Actual
Revenues				
Water Sales	$ 120,000	$ 112,889	$ (7,111)	$ 108,358
Net Investment Income	75	91	16	81
Late Fees	-	3,822	3,822	4,259
Water Lease	7,000	7,386	386	7,386
Other	-	16,100	16,100	71
Total Revenues	127,075	140,288	13,213	120,155
Expenditures				
Salaries and Benefits	41,850	32,869	8,981	39,443
System Operations	47,600	32,446	15,154	38,661
Water Analysis	3,000	2,198	802	2,128
Commodities and Services	8,950	9,547	(597)	9,313
Insurance	8,793	8,572	221	8,924
Conduit	1,500	860	640	675
Debt Principal	12,918	12,918	-	19,377
Debt Interest	646	55	591	317
Total Expenditures	125,257	99,465	25,792	118,838
Excess Revenues Over (Under) Expenditures	1,818	40,823	39,005	1,317
Funds Available - Beginning	25,011	15,749	(9,262)	14,432
Funds Available - Ending	$ 26,829	$ 56,572	$ 29,743	$ 15,749

Funds Available is Computed as Follows:		
Current Assets	$ 58,179	$ 35,484
Less Cash Restricted for Debt Service	-	(16,100)
Current Liabilities	(1,607)	(16,553)
Add Current Portion of Long-Term Debt	-	12,918
	$ 56,572	$ 15,749

See the Independent Auditor's Report

TOWN OF MANZANOLA, COLORADO

SEWER FUND
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUNDS AVAILABLE - BUDGET AND ACTUAL (BUDGETARY BASIS)
For the Year Ended December 31, 2018
(With Comparative Totals for the Year Ended December 31, 2017)

	Original and Final Budget	Actual Amounts	Variance with Final Budget - Positive (Negative)	2017 Actual
Revenues				
Service Fees	$ 82,000	$ 77,806	$ (4,194)	$ 79,381
Grant Revenues	284,840	-	(284,840)	5,281
Total Revenues	366,840	77,806	(289,034)	84,662
Expenditures				
Salaries and Benefits	38,299	43,715	(5,416)	41,229
System Operations	16,900	11,484	5,416	15,078
Commodities and Services	6,750	7,217	(467)	6,903
Insurance	9,228	8,572	656	8,924
Sewer Analysis	3,000	1,169	1,831	1,635
Capital Outlay	284,840	-	284,840	5,281
Debt Principal	-	-	-	3,048
Debt Interest	-	-	-	45
Total Expenditures	359,017	72,157	286,860	82,143
Excess Revenues Over (Under) Expenditures	7,823	5,649	(2,174)	2,519
Funds Available - Beginning	10,902	11,659	757	9,140
Funds Available - Ending	$ 18,725	$ 17,308	$ (1,417)	$ 11,659

Funds Available is Computed as Follows:				
Current Assets		$ 21,287		$ 13,167
Current Liabilities		(3,979)		(1,508)
		$ 17,308		$ 11,659

See the Independent Auditor's Report

TOWN OF MANZANOLA, COLORADO

WASTEWATER FUND
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUNDS AVAILABLE - BUDGET AND ACTUAL (BUDGETARY BASIS)
For the Year Ended December 31, 2018
(With Comparative Totals for the Year Ended December 31, 2017)

	Original and Final Budget	Actual Amounts	Variance with Final Budget - Positive (Negative)	2017 Actual
Revenues				
Service Fees	$ 11,500	$ 11,645	$ 145	$ 11,690
Expenditures				
Commodities and Services	40	50	(10)	40
Sewer Line Cleaning	6,000	5,320	680	6,000
Debt Principal	4,800	4,800	-	4,800
Total Expenditures	10,840	10,170	670	10,840
Excess Revenues Over (Under) Expenditures	660	1,475	815	850
Funds Available - Beginning	40,385	41,350	965	40,500
Funds Available - Ending	$ 41,045	$ 42,825	$ 1,780	$ 41,350

Funds Available is Computed as Follows:		
Current Assets	$ 42,825	$ 41,350
Current Liabilities	(4,800)	(4,800)
Add Current Portion of Long-Term Debt	4,800	4,800
	$ 42,825	$ 41,350

See the Independent Auditor's Report

Financial Planning 02/01
The public report burden for this information collection is estimated to average 380 hours annually. Form # 350-050-36

LOCAL HIGHWAY FINANCE REPORT	City or County:
	YEAR ENDING : December 31, 2018
This Information From The Records Of: Town of Manzanola, Otero County	Prepared By: Sylvia Watkins Phone: 719-462-5544

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	
3. Other local imposts (from page 2)	5,304
4. Miscellaneous local receipts (from page 2)	11,217
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)	16,521
B. Private Contributions	
C. Receipts from State government (from page 2)	91,655
D. Receipts from Federal Government (from page 2)	0
E. Total receipts (A.7 + B + C + D)	108,176

III. DISBURSEMENTS FOR ROAD AND STREET PURPOSES

ITEM	AMOUNT
A. Local highway disbursements:	
1. Capital outlay (from page 2)	74,157
2. Maintenance:	8,073
3. Road and street services:	
a. Traffic control operations	
b. Snow and ice removal	
c. Other street lights	7,758
d. Total (a. through c.)	7,758
4. General administration & miscellaneous	1,786
5. Highway law enforcement and safety	16,402
6. Total (1 through 5)	108,176
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)	108,176

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
		108,176	108,176		0

Notes and Comments:

LOCAL HIGHWAY FINANCE REPORT	STATE: Colorado
	YEAR ENDING (mm/yy): 12/18

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	
b. Other local imposts:		b. Traffic Fines & Penalities	9,234
1. Sales Taxes	0	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	5,304	g. Other Misc. Receipts	
6. Total (1. through 5.)	5,304	h. Other: Road & Bridge	1,983
c. Total (a. + b.)	5,304	i. Total (a. through h.)	11,217
	(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	16,035	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	1,463	d. Federal Transit Admin	
d. Other (Specify) - DOLA Grant	14,831	e. U.S. Corps of Engineers	
e. Other (Specify) - CDOT Grant	59,326	f. Other Federal	
f. Total (a. through e.)	75,620	g. Total (a. through f.)	0
4. Total (1. + 2. + 3.f)	91,655	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		74,157	74,157
c. Construction:			
(1). New Facilities			0
(2). Capacity Improvements			0
(3). System Preservation			0
(4). System Enhancement & Operation			0
(5). Total Construction (1) + (2) + (3) + (4)	0	0	0
d. Total Capital Outlay (Lines 1.a. + 1.b. + 1.c.5)	0	74,157	74,157
			(Carry forward to page 1)

Notes and Comments:

FORM FHWA-536 (Rev.1-05) PREVIOUS EDITIONS OBSOLETE

OTHER INFORMATION

TOWN OF MANZANOLA, COLORADO

SCHEDULES OF FUTURE DEBT SERVICE REQUIREMENTS
December 31, 2018

$96,000 Colorado Water Resources and
Power Development Authority
Sewer Fund - Dated July 24, 2008

Year	Rate	Principal	Interest	Total
2019	-	$ 4,800	$ -	$ 4,800
2020	-	4,800	-	4,800
2021	-	4,800	-	4,800
2022	-	4,800	-	4,800
2023	-	4,800	-	4,800
2024	-	4,800	-	4,800
2025	-	4,800	-	4,800
2026	-	4,800	-	4,800
2027	-	4,800	-	4,800
2028	-	4,800	-	4,800
2029	-	2,400	-	2,400
		$ 50,400	$ -	$ 50,400

TOWN OF MANZANOLA, COLORADO

Summary of Assessed Valuation, Mill Levy and Property Taxes Collected December 31, 2018

Levy Year	Collection Year	Assessed Valuation	Mills Levied	Total Levy	Current Collection	Collection Rate
2010	2011	$ 813,313	26.990	$ 21,951	$ 21,260	96.85%
2011	2012	815,603	26.990	22,013	21,891	99.45%
2012	2013	846,985	26.990	22,860	22,354	97.79%
2013	2014	864,905	26.990	23,344	23,455	100.48%
2014	2015	874,821	26.990	23,611	23,716	100.44%
2015	2016	975,212	25.543	24,910	25,008	100.39%
2016	2017	986,814	26.632	26,281	26,167	99.57%
2017	2018	954,816	26.990	25,770	25,672	99.62%
Estimated for year ending December 31, 2019		$ 978,283	26.990	$ 26,404		

Note:
Property taxes collected in any one year include collection of delinquent property taxes levied in prior years. Information received from the Otero County Treasurer does not permit identification of specific year of levy.

Source: Otero County Assessor and Treasurer