

**TOWN OF ALMA
ALMA, COLORADO**

**FINANCIAL STATEMENTS
WITH
INDEPENDENT AUDITORS' REPORT**

**FOR THE YEAR ENDED
DECEMBER 31, 2019**

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INTRODUCTORY SECTION

TOWN OF ALMA

ROSTER OF TOWN OFFICIALS

December 31, 2019

Board Of Trustees

Saam Golgoon	- Mayor
Andrew Zimmerman	- Mayor Pro-tem
Minette Doss	- Trustee
Bob Ensign	- Trustee
Mike Matkus	- Trustee
Corrie Stiles	- Trustee
Gary Goettelman	- Trustee

Staff

Nancy Comer	- Town Administrator
Travis Orcutt	- Public Works Director
Steve Holland	- Chief of Police

TOWN OF ALMA

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FINANCIAL SECTION

TOWN OF ALMA
MANAGEMENT'S DISCUSSION AND ANALYSIS
December 31, 2019

The discussion and analysis of the Town of Alma's (the Town) financial performance provides an overall review of the Town's financial activities for the year ended December 31, 2019. The intent of this discussion and analysis is to look at the Town's financial performance as a whole. Readers should also review the financial statements and the notes to the financial statements to broaden their understanding of the Town's financial performance.

The Management Discussion and Analysis (MD&A) is an element of the reporting model adopted by the Governmental Accounting Standards Board (GASB) in their Statement No. 34, *Basic Financial Statements - and Management's Discussion and Analysis - for State and Local Governments*, issued June 1999. Certain comparative information between the current year and the prior year is required to be presented in the MD&A.

Financial Highlights

The Town of Alma remains in strong financial condition overall.

- The assets of the Town exceeded its liabilities at the close of fiscal year 2019 by \$3,214,656 (*net position*). Of this amount, \$483,367 (*unrestricted net position*) may be used to meet the Town's ongoing obligations or unforeseen expenses.
- As of the close of fiscal year 2019, the Town of Alma's governmental funds reported a combined ending fund balance of \$473,340, a decrease of \$53,268 compared to fiscal year 2018.
- At the end of fiscal year 2019, unassigned fund balance for the general fund was \$357,024. This balance will continue to be monitored to ensure that balances are adequate to allow for contingencies.
- General Fund 2019 revenues increased by \$165,661 from 2018 levels. Expenses increased \$189,289. The increases can be attributed to capital improvement projects.

Using the Basic Financial Statements

The Basic Financial Statements consists of the Management Discussion and Analysis (this section) and a series of financial statements and notes to those statements. These statements are organized so that the reader can understand the Town of Alma as an entire operating entity. The statements then proceed to provide an increasingly detailed look at specific financial activities.

The first two statements are government-wide financial statements: the Statement of Net Position and the Statement of Activities. Both provide 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's operations in more detail. The governmental fund statements tell how general Town services were financed in the short-term, as well as what remains for future spending.

TOWN OF ALMA
MANAGEMENT'S DISCUSSION AND ANALYSIS
December 31, 2019

The Town of Alma has the following governmental funds:

- General Fund
- Conservation Trust Fund
- Debt Service Fund

Proprietary fund statements offer short-term and long-term financial information about the activities that the Town operates as a business. The Town operates two proprietary funds as follows:

- Water Fund
- Sewer Fund

Fiduciary fund statements provide information about financial relationships where the Town acts solely as a trustee or agent for the benefit of others to whom the resources in question belong. The Town does not have any fiduciary funds.

The financial statements also include notes that explain some of the information in the financial statements and provide more detailed data.

Financial Analysis of the Town as a Whole

The Town's total assets were \$4,400,217 as of December 31, 2019. Of this amount, \$1,951,660 or 47 percent is attributable to the Town's proprietary funds.

Government-Wide Financial Statements

The government-wide statements report information about the Town as a whole using accounting methods similar to those used by private businesses. The statements of net assets include 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. The change in net position is important because it tells the reader that, for the Town as a whole, the financial position of the Town has improved or diminished. The causes of this change may be the result of various factors, some financial, some not. Non-financial factors include facility conditions, contributed assets, and state or federal government required programs.

Both of the government-wide financial statements distinguish functions of the Town that are principally supported by taxes and intergovernmental revenues (*Governmental Activities*) from other functions that are intended to recover all or a significant portion of their costs through user fees and charges (*Business-type Activities*). The Governmental Activities of the Town of Alma include general government; public safety (police); public works; and community culture and recreation. The Business-type Activities of the Town of Alma include water and sewer utilities.

TOWN OF ALMA
MANAGEMENT'S DISCUSSION AND ANALYSIS
December 31, 2019

Net Position

Net position might serve over time as a useful indicator of a government's financial position. In the case of the Town of Alma, assets exceeded liabilities by \$3,214,656 at the close of 2019. Combined net position of the Town at December 31, 2019 were:

CONDENSED STATEMENT OF NET POSITION						
	Governmental Activities		Business-type Activities		Total	
	2019	2018	2019	2018	2019	2018
ASSETS						
Current and Other Assets	\$ 603,002	\$ 652,379	\$ 385,994	\$ 329,564	\$ 988,996	\$ 981,943
Capital Assets	<u>1,649,274</u>	<u>1,511,499</u>	<u>1,517,524</u>	<u>1,559,718</u>	<u>3,166,798</u>	<u>3,071,217</u>
Total Assets	<u>2,252,276</u>	<u>2,163,878</u>	<u>1,903,518</u>	<u>1,889,282</u>	<u>4,155,794</u>	<u>4,053,160</u>
 DEFERRED OUTFLOWS	 <u>196,281</u>	 <u>92,981</u>	 <u>48,142</u>	 <u>18,623</u>	 <u>244,423</u>	 <u>111,604</u>
LIABILITIES						
Current Liabilities	12,438	14,599	16,273	11,744	28,711	26,343
Noncurrent Liabilities	<u>439,576</u>	<u>397,986</u>	<u>529,533</u>	<u>544,723</u>	<u>969,109</u>	<u>942,709</u>
Total Liabilities	<u>452,014</u>	<u>412,585</u>	<u>545,806</u>	<u>556,467</u>	<u>997,820</u>	<u>969,052</u>
 DEFERRED INFOWS	 <u>173,573</u>	 <u>191,490</u>	 <u>14,168</u>	 <u>19,286</u>	 <u>187,741</u>	 <u>210,776</u>
NET POSITION						
Net Investment in Capital Assets	1,505,144	1,127,726	1,071,033	1,083,291	2,576,177	2,211,017
Restricted	108,044	310,464	47,068	44,517	155,112	354,981
Unrestricted	<u>209,782</u>	<u>214,594</u>	<u>273,585</u>	<u>204,344</u>	<u>483,367</u>	<u>418,938</u>
Total Net Position	<u>\$ 1,822,970</u>	<u>\$ 1,652,784</u>	<u>\$ 1,391,686</u>	<u>\$ 1,332,152</u>	<u>\$ 3,214,656</u>	<u>\$ 2,984,936</u>

The statement of net position reflects a cash position totaling \$600,216, or 61% of total assets. The bulk of the Town's resources, \$3,166,798, or 76% of total assets, are invested in capital assets. These assets consist of land, buildings, infrastructure, and water & sewer systems.

The Town of Alma uses these capital assets to provide services to citizens; consequently, these assets are not available for future spending. Although the Town of Alma's investment in its capital assets is reported net of related debt, the resources needed to repay this debt must be provided from other sources because, in general, the capital assets themselves cannot be used to liquidate these liabilities. Unrestricted net assets may be used to meet the Town's ongoing obligations to citizens and creditors.

TOWN OF ALMA
MANAGEMENT'S DISCUSSION AND ANALYSIS
December 31, 2019

Changes in Net Position

Governmental activities increased the Town of Alma's net position by \$170,186. This is primarily due to the increase in charges for service, sales taxes and operating grants.

Business activities increased the Town's net assets by 59,534.

CONDENSED STATEMENT OF ACTIVITIES

	Governmental Activities		Business-type Activities		Total	
	2019	2018	2019	2018	2019	2018
PROGRAM REVENUES						
Charges for Services	\$ 165,572	\$ 159,446	\$ 225,560	\$ 203,551	\$ 391,132	\$ 362,997
Operating Grants	139,270	57,953	19,184	-	158,454	57,953
Capital Grants	-	-	18,750	15,000	18,750	15,000
Total Program Revenues	<u>304,842</u>	<u>217,399</u>	<u>263,494</u>	<u>218,551</u>	<u>568,336</u>	<u>435,950</u>
GENERAL REVENUES						
Property Taxes	100,440	101,194	-	-	100,440	101,194
Specific Ownership Taxes	17,283	16,803	-	-	17,283	16,803
Sales Taxes	236,271	162,248	-	-	236,271	162,248
Franchise & Other Taxes	22,554	21,095	-	3,244	22,554	24,339
Gain(Loss) on Disposal of Capital Assets	2,942	496	4,186	(228)	7,128	268
Interest Income	8,329	7,243	3,745	2,778	12,074	10,021
Other Taxes	4,000	-	-	-	4,000	-
Other Revenues	5,773	10,059	-	-	5,773	10,059
Total General Revenues	<u>397,592</u>	<u>319,138</u>	<u>7,931</u>	<u>5,794</u>	<u>405,523</u>	<u>324,932</u>
Total Revenues	<u>702,434</u>	<u>536,537</u>	<u>271,425</u>	<u>224,345</u>	<u>973,859</u>	<u>760,882</u>
PROGRAM EXPENSES						
General Government	242,249	231,042	-	-	242,249	231,042
Public Safety	116,345	97,830	-	-	116,345	97,830
Public Works	165,540	134,813	-	-	165,540	134,813
Culture and Recreation	13,694	20,678	-	-	13,694	20,678
Water Operations	-	-	132,634	118,013	132,634	118,013
Sewer Operations	-	-	79,257	67,720	79,257	67,720
Noncapitalized Capital Outlay	(14,556)	-	-	-	(14,556)	-
Interest	8,976	9,918	-	-	8,976	9,918
Total Program Expenses	<u>532,248</u>	<u>494,281</u>	<u>211,891</u>	<u>185,733</u>	<u>744,139</u>	<u>680,014</u>
CHANGE IN NET POSITION	170,186	42,256	59,534	38,612	229,720	80,868
Net Position, Beginning	1,652,784	1,610,528	1,332,152	1,293,540	2,984,936	2,904,068
NET POSITION, ENDING	<u>\$ 1,822,970</u>	<u>\$ 1,652,784</u>	<u>\$ 1,391,686</u>	<u>\$ 1,332,152</u>	<u>\$ 3,214,656</u>	<u>\$ 2,984,936</u>

TOWN OF ALMA
MANAGEMENT'S DISCUSSION AND ANALYSIS
December 31, 2019

Reporting the Town's Most Significant Funds

The analysis of the Town's major funds begins immediately following the government wide financial statements. Fund financial statements provide more detailed information about the Town's major funds.

Governmental Funds - The focus on the Town of Alma's governmental funds is to provide information on short-term inflows, outflows and balances of spendable resources. Such information is useful in assessing the Town's financing requirements. In particular, unreserved fund balance may serve as a useful measure of a government's net resources available for spending at the end of the fiscal year.

Proprietary Funds - Proprietary funds have historically operated as enterprise funds using the same basis of accounting as business-type activities; therefore, these statements will essentially match the information provided in the statements for the business-type activities of the Town as a whole. The proprietary fund statements, however, will provide a greater level of detail than that found in the government-wide statements.

Capital Assets

The following is a summary of the Town's capital asset activity for the year. Additional capital asset information can be found in the footnotes to the financial statements.

	Balance 1/1/19	Additions	Deletions	Balance 12/31/19
Governmental activities:				
Capital Assets not being depreciated:				
Land & Improvements	\$ 473,831	\$ -	\$ -	\$ 473,831
Construction in Progress	108,913	259,081	-	367,994
Non-Depreciable Collection	59,000	-	-	59,000
Total capital assets not being depreciated	<u>641,744</u>	<u>259,081</u>	<u>-</u>	<u>900,825</u>
Capital assets being depreciated:				
Buildings & Improvements	396,233	-	-	396,233
Equipment & Vehicles	523,277	-	22,500	500,777
Streets	873,693	-	-	873,693
Total capital assets being depreciated:	<u>1,793,203</u>	<u>-</u>	<u>22,500</u>	<u>1,770,703</u>
Accumulated depreciation:				
Buildings & Improvements	(215,294)	(11,788)	-	(227,082)
Equipment and vehicles	(322,994)	(61,936)	(22,500)	(362,430)
Streets	(397,795)	(34,947)	-	(432,742)
Total accumulated depreciation	<u>(936,083)</u>	<u>(108,671)</u>	<u>(22,500)</u>	<u>(1,022,254)</u>
Total governmental activities capital assets, net of depreciation:	<u>\$ 1,498,864</u>	<u>\$ 150,410</u>	<u>\$ -</u>	<u>\$ 1,649,274</u>

TOWN OF ALMA
MANAGEMENT'S DISCUSSION AND ANALYSIS
December 31, 2019

	Balance 1/1/19	Additions	Deletions	Balance 12/31/19
Business-type activities:				
Capital Assets not being depreciated:				
Water rights	\$ 60,090	\$ -	\$ -	\$ 60,090
Construction in progress	24,623	19,667	-	44,290
Total Capital Assets not being depreciated	84,713	19,667	-	104,380
Capital Assets being depreciated:				
Water plant and lines	2,214,407	-	-	2,214,407
Sewer plant & lines	684,287	-	-	684,287
Water equipment	26,414	-	-	26,414
Sewer equipment	27,668	-	-	27,668
Total capital assets being depreciated:	2,952,776	-	-	2,952,776
Accumulated depreciation:				
Water plant and lines	(954,734)	(47,302)	-	(1,002,036)
Sewer plant & lines	(479,215)	(13,479)	-	(492,694)
Water equipment	(16,154)	(1,080)	-	(17,234)
Sewer equipment	(27,668)	-	-	(27,668)
Total accumulated depreciation	(1,477,771)	(61,861)	-	(1,539,632)
Total business-type activities capital assets, net of depreciation	<u>\$ 1,559,718</u>	<u>\$ (42,194)</u>	<u>\$ -</u>	<u>\$ 1,517,524</u>

Debt Administration

The following is a summary of the Town's long-term debt activity. Additional debt information can be found in the footnotes to the financial statements.

	Balance 12/31/18	Additions	Deletions	Balance 12/31/19	Current Portion	Interest Expense
Governmental Activities						
2001 General Obligation Bonds	\$ 22,941	\$ -	\$ 7,417	\$ 15,524	\$ 7,416	\$ 1,888
2015 Copier Capital Lease	3,010	-	1,535	1,475	1,475	116
2016 TBK Bank Lease	142,881	-	17,350	125,531	17,350	8,562
PERA Net Pension Liability	244,584	20,079	-	264,663	-	-
FPPA Net Pension Liability	(12,636)	23,097	-	10,461	-	-
HTCF Net OPEB Liability	19,055	2,867	-	21,922	-	-
Total Governmental Activities Debt	<u>\$ 419,835</u>	<u>\$ 46,043</u>	<u>\$ 26,302</u>	<u>\$ 439,576</u>	<u>\$ 26,241</u>	<u>\$ 10,566</u>
Business-type Activities						
1992 Water & Sewer Revenue Bonds	\$ 197,700	\$ -	\$ 10,100	187,600	\$ 10,100	\$ 9,760
2011 CWRPDA Water Loan	278,728	-	19,836	258,892	20,235	5,476
PERA Net Pension Liability	63,352	15,930	2,936	76,346	-	-
HTCF Net OPEB Liability	4,944	1,752	-	6,696	-	-
Total Business-type Activities Debt	<u>\$ 544,724</u>	<u>\$ 17,682</u>	<u>\$ 32,872</u>	<u>\$ 529,534</u>	<u>\$ 30,335</u>	<u>\$ 15,236</u>

TOWN OF ALMA
MANAGEMENT'S DISCUSSION AND ANALYSIS
December 31, 2019

General Fund Budget

The Town's General Fund revenues were \$165,851 less than the amounts budgeted primarily due to not completing the capital construction that was scheduled thus not receiving the grant and loan funding in this budget year. Expenditures were \$78,536 under budget.

Conservation Trust Fund Budget

The Town's Conservation Trust Fund had minimal expenditures. Monies will be set aside next year for projects in the future. The Riverwalk Project continues. Youth Corp volunteers will be utilized marking and cleaning the designed trail again in 2020.

The Future of the Town

Due to the high cost of equipment and vehicle maintenance, the Town of Alma continues working on the construction of a garage sufficient to house the majority of the Town's rolling stock. Also, a vehicle replacement schedule will be implemented to help alleviate some of the unplanned repairs. Monies have been budgeted, loan secured, and grants funds have been acquired for the building of the garage. At the end of 2019 the walls are up and the roof is on. Work will commence again in the Spring.

The water department has plans for technological updating. Monies have been budgeted for equipment updates.

A Project Needs Assessment (PNA) of the sewer plant was completed by RG/Element Consulting Engineers. The Town will need to update or replace the existing lagoon system in order to meet mandated limits for ammonia and future nitrate regulations. A grant has been received from Colorado Water and Power Authority to design and engineer the new proposed mechanical plant.

The Town of Alma continues the concessionaire duties at the Kite Lake Campsite which sits at the top of the Alma watershed. All revenues and expenses are being incorporated in a separate fund of the General Fund.

Requests for Information

The financial report is designed to provide information for regulatory reporting to federal and state agencies and those with an interest in the Town's finances. Questions concerning this or any additional information should be addressed to Nancy Comer, Town Administrator, Town of Alma, P.O. Box 1050, Alma, Colorado 80420.

Mayberry & Company, LLC

Certified Public Accountants

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

Board of Trustees
Town of Alma
Alma, Colorado

Independent Auditors' Report

Report on the Financial Statements

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 Alma, Colorado, as of and for the year ended December 31, 2019, and the related notes to the financial statements which collectively comprise the basic financial statements of the Town, 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 the financial statements that are free from material misstatement, whether due to fraud or error.

Auditors' 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 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 controls. 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.

Opinion

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 Alma, Colorado, as of December 31, 2019, and the respective changes in financial position and, where applicable, cash flows, thereof, for the year then ended in conformity with accounting principles generally accepted in the United States of America.

Report on Summarized Comparative Information

We have previously audited the Town of Alma's 2018 financial statements, and we expressed an unmodified audit opinion on those audited financial statements in our report dated May 29, 2019. In our opinion, the summarized comparative information presented herein as of and for the year ended December 31, 2018 is consistent, in all material respects, with the audited financial statements from which it has been derived.

Other Matters

Required Supplementary Information – Management Discussion and Analysis and Pension Schedules (Unaudited)

Accounting principles generally accepted in the United States of America require that the management, discussion and analysis on pages M1-M7 and pension schedules on pages 52-57 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.

Required Supplementary Information – Budgetary Comparison Schedule and Other Supplementary Information

Our audit was conducted for the purpose of forming an opinion on the financial statements as a whole. Accounting principles generally accepted in the United States of America require that the budgetary comparison schedules on pages 58-60 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. In addition, the combining and individual fund schedules on pages 61-66 and listed as other supplementary information are presented for purposes of additional analysis and are not a required part of the financial statements. The information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements. Such information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated, in all material respects, in relation to the financial statements as a whole.

Report on Other Legal and Regulatory Requirements

Our audit was conducted for the purpose of forming an opinion on the financial statements as a whole. The Local Highway Finance Report page 67-68 is presented for purposes of legal compliance and is not a required part of the financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated in all material respects in relation to the financial statements as a whole.

Mayberry + Company, LLC

Englewood, Colorado
September 3, 2020

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Basic Financial Statements

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TOWN OF ALMA

STATEMENT OF NET POSITION
DECEMBER 31, 2019

	GOVERNMENTAL ACTIVITIES	BUSINESS TYPE ACTIVITIES	TOTAL
ASSETS AND DEFERRED OUTFLOWS			
ASSETS			
Current Assets			
Cash and Investments			
Cash	\$ 322,952	\$ 277,264	\$ 600,216
Restricted Cash and Investments	87,895	47,068	134,963
Receivables			
Property Tax Receivable	118,824	-	118,824
Utility Receivable	-	54,932	54,932
Cash with Fiscal Agent	1,701	-	1,701
Accounts Receivable	63,358	-	63,358
Prepaid Expenses	8,272	6,730	15,002
Total Current Assets	603,002	385,994	988,996
Noncurrent Assets			
Capital Assets not being Depreciated	900,825	104,380	1,005,205
Capital Assets being Depreciated	1,770,703	2,952,776	4,723,479
Accumulated Depreciation	(1,022,254)	(1,539,632)	(2,561,886)
Total Noncurrent Assets	1,649,274	1,517,524	3,166,798
TOTAL ASSETS	2,252,276	1,903,518	4,155,794
DEFERRED OUTFLOWS OF FINANCIAL RESOURCES			
Deferred Outflows - Pensions	192,199	46,206	238,405
Deferred Outflows - OPEB	4,082	1,936	6,018
TOTAL DEFERRED OUTFLOWS	196,281	48,142	244,423
TOTAL ASSETS AND DEFERRED OUTFLOWS	\$ 2,448,557	\$ 1,951,660	\$ 4,400,217
LIABILITIES, DEFERRED INFLOWS AND NET POSITION			
LIABILITIES			
Current Liabilities			
Accounts Payable	\$ 1,219	\$ 10,764	\$ 11,983
Accrued Liabilities	9,619	-	9,619
Accrued Interest Payable	1,600	5,509	7,109
Total Current Liabilities	12,438	16,273	28,711
Noncurrent Liabilities			
Due within one year	26,470	30,335	56,805
Due in more than one year	413,106	499,198	912,304
Total Noncurrent Liabilities	439,576	529,533	969,109
TOTAL LIABILITIES	452,014	545,806	997,820
DEFERRED INFLOWS OF FINANCIAL RESOURCES			
Deferred Property Taxes	118,824	-	118,824
Deferred Inflows Pensions	54,362	14,096	68,458
Deferred Inflows - OPEB	387	72	459
TOTAL DEFERRED INFLOWS	173,573	14,168	187,741
NET POSITION			
Net Investment in Capital Assets	1,505,144	1,071,033	2,576,177
Restricted Net Position	108,044	47,068	155,112
Unrestricted Net Position	209,782	273,585	483,367
TOTAL NET POSITION	1,822,970	1,391,686	3,214,656
TOTAL LIABILITIES, DEFERRED INFLOWS AND NET POSITION	\$ 2,448,557	\$ 1,951,660	\$ 4,400,217

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

TOWN OF ALMA

STATEMENT OF ACTIVITIES

FOR THE YEAR ENDED DECEMBER 31, 2019

		PROGRAM REVENUES		
			OPERATING	
	EXPENSES	CHARGES FOR SERVICES	GRANTS AND CONTRIBUTIONS	CAPITAL GRANTS
FUNCTIONS/PROGRAMS				
Government Activities				
Current:				
General Government	\$ 242,249	\$ 69,485	\$ 118,525	\$ -
Public Safety	116,345	54,542	-	-
Public Works	165,540	41,545	19,044	-
Culture and Recreation	13,694	-	1,701	-
Capital Outlay - Non Capitalized	(14,556)	-	-	-
Interest on Debt	8,976	-	-	-
TOTAL GOVERNMENT ACTIVITIES	532,248	165,572	139,270	-
Business-type Activities				
Current:				
Water	132,634	133,305	-	9,375
Sewer	79,257	92,255	19,184	9,375
TOTAL BUSINESS-TYPE ACTIVITIES	211,891	225,560	19,184	18,750
TOTAL GOVERNMENT	\$ 744,139	\$ 391,132	\$ 158,454	\$ 18,750
GENERAL REVENUES				
Property Taxes				
Specific Ownership Taxes				
Sales Taxes				
Franchise Taxes				
Other Taxes				
Interest Income				
Gain (Loss) on Disposal of Capital Assets				
Insurance Proceeds				
Other Revenues				
TOTAL GENERAL REVENUES AND TRANSFERS				
CHANGE IN NET POSITION				
NET POSITION - Beginning				
NET POSITION - Ending				

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

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

GOVERNMENT ACTIVITIES	BUSINESS - TYPE ACTIVITIES	TOTAL
\$ (54,239)	\$ -	\$ (54,239)
(61,803)	-	(61,803)
(104,951)	-	(104,951)
(11,993)	-	(11,993)
14,556	-	14,556
(8,976)	-	(8,976)
<u>(227,406)</u>	<u>-</u>	<u>(227,406)</u>
-	10,046	10,046
-	<u>41,557</u>	<u>41,557</u>
-	<u>51,603</u>	<u>51,603</u>
<u>(227,406)</u>	<u>51,603</u>	<u>(175,803)</u>
100,440	-	100,440
17,283	-	17,283
236,271	-	236,271
22,554	-	22,554
2,942	-	2,942
8,329	4,186	12,515
4,000	-	4,000
-	3,745	3,745
5,773	-	5,773
<u>397,592</u>	<u>7,931</u>	<u>405,523</u>
170,186	59,534	229,720
<u>1,652,784</u>	<u>1,332,152</u>	<u>2,984,936</u>
<u>\$ 1,822,970</u>	<u>\$ 1,391,686</u>	<u>\$ 3,214,656</u>

TOWN OF ALMA**BALANCE SHEET****GOVERNMENTAL FUNDS****DECEMBER 31, 2019****With Comparative Totals for December 31, 2018**

	General Fund	Debt Service Fund	Other Funds
ASSETS AND DEFERRED OUTFLOWS			
ASSETS			
Current Assets			
Cash and Investments			
Cash	\$ 322,952	\$ -	\$ -
Restricted Cash and Investments	-	70,589	17,306
Receivables			
Property Tax Receivable	107,714	11,110	-
Cash with Fiscal Agent	1,552	149	-
Accounts Receivable	63,358	-	-
Prepaid Expenses	8,272	-	-
Other Current Assets	-	-	-
TOTAL ASSETS AND DEFERRED OUTFLOWS	<u>\$ 503,848</u>	<u>\$ 81,848</u>	<u>\$ 17,306</u>
LIABILITIES, DEFERRED INFLOWS AND NET POSITION			
LIABILITIES			
Current Liabilities			
Accounts Payable	\$ 1,219	\$ -	\$ -
Accrued Liabilities	9,619	-	-
TOTAL LIABILITIES	<u>10,838</u>	<u>-</u>	<u>-</u>
DEFERRED INFLOWS OF FINANCIAL RESOURCES			
Deferred Property Taxes	<u>107,714</u>	<u>11,110</u>	<u>-</u>
FUND BALANCE			
Nonspendable Fund Balance	8,272	-	-
Restricted Fund Balance	20,000	70,738	17,306
Unassigned Fund Balance	357,024	-	-
TOTAL FUND BALANCE	<u>385,296</u>	<u>70,738</u>	<u>17,306</u>
TOTAL LIABILITIES, DEFERRED INFLOWS AND FUND BALANCE	<u>\$ 503,848</u>	<u>\$ 81,848</u>	<u>\$ 17,306</u>

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

Total	
2019	2018
\$ 322,952	\$ 406,118
87,895	82,679
118,824	113,477
1,701	1,532
63,358	39,889
8,272	8,684
-	-
<u>\$ 603,002</u>	<u>\$ 652,379</u>

\$ 1,219	\$ 8,892
<u>9,619</u>	<u>3,402</u>
<u>10,838</u>	<u>12,294</u>
<u>118,824</u>	<u>113,477</u>
8,272	8,684
108,044	297,828
<u>357,024</u>	<u>220,096</u>
<u>473,340</u>	<u>526,608</u>
<u>\$ 603,002</u>	<u>\$ 652,379</u>

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TOWN OF ALMA

RECONCILIATION OF GOVERNMENTAL FUND BALANCE
TO GOVERNMENTAL ACTIVITIES NET POSITION
DECEMBER 31, 2019

Fund Balance - Governmental Funds		\$ 473,340
Capital assets used in governmental activities are not financial resources and are therefore not reported in the funds		
Capital assets, not being depreciated	\$ 900,825	
Capital assets, being depreciated	1,770,703	
Accumulated depreciation	<u>(1,022,254)</u>	1,649,274
Certain long-term pension and OPEB related costs and adjustments are not available to pay or are payable currently and are therefore not reported in the funds		
PERA Pension Liability		
Net deferred PERA pension outflows	136,752	
Net PERA pension liability	(264,663)	
Net deferred PERA pension outflows	<u>(44,405)</u>	(172,316)
FPPA Pension Liability		
Net deferred FPPA pension outflows	55,447	
Net pension liability	(10,461)	
Net deferred FPPA pension outflows	<u>(9,957)</u>	35,029
OPEB Liability		
Net deferred OPEB outflows	4,082	
Net OPEB liability	(21,922)	
Net deferred OPEB outflows	<u>(387)</u>	(18,227)
Long-term liabilities are not due and payable in the current year and, therefore, are not reported in the funds.		
Bonds payable	(15,524)	
Notes payable	(125,531)	
Capital leases payable	(1,475)	
Accrued interest payable	<u>(1,600)</u>	<u>(144,130)</u>
Total Net Position - Governmental Activities		<u><u>\$ 1,822,970</u></u>

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

TOWN OF ALMA**STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE****GOVERNMENTAL FUNDS****FOR THE YEAR ENDED DECEMBER 31, 2019****With Comparative Totals for the Year Ended December 31, 2018**

	General	Debt Service	Other
	Fund	Fund	Funds
REVENUES			
Taxes	\$ 367,057	\$ 12,434	\$ -
Intergovernmental Revenues	136,941	-	1,701
Licenses and Permits	20,000	-	-
Fines and Forfeits	54,542	-	-
Charges for Services	91,030	-	-
Investment Earnings	7,943	35	351
Other Revenues	10,400	-	-
TOTAL REVENUES	<u>687,913</u>	<u>12,469</u>	<u>2,052</u>
EXPENDITURES			
Current:			
General Government	244,808	-	-
Public Safety	118,101	-	-
Public Works	98,967	-	-
Parks, Recreation and Other	13,318	-	-
Capital Outlay	244,525	-	-
Debt Service	26,678	9,305	-
TOTAL EXPENDITURES	<u>746,397</u>	<u>9,305</u>	<u>-</u>
REVENUES IN EXCESS (DEFICIENCY) OF EXPENDITURES	(58,484)	3,164	2,052
FUND BALANCE, BEGINNING	<u>443,780</u>	<u>67,574</u>	<u>15,254</u>
FUND BALANCE, ENDING	<u>\$ 385,296</u>	<u>\$ 70,738</u>	<u>\$ 17,306</u>

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

TOTAL	
2019	2018
\$ 379,491	\$ 301,837
138,642	57,703
20,000	12,567
54,542	55,064
91,030	91,815
8,329	7,243
10,400	10,308
702,434	536,537

244,808	202,119
118,101	101,043
98,967	52,656
13,318	19,426
244,525	155,717
35,983	34,729
755,702	565,690
(53,268)	(29,153)
526,608	555,761
\$ 473,340	\$ 526,608

TOWN OF ALMA

**RECONCILIATION OF GOVERNMENTAL FUNDS CHANGE IN FUND BALANCE
TO GOVERNMENTAL ACTIVITIES CHANGE IN NET POSITION
FOR THE YEAR ENDED DECEMBER 31, 2019**

Change in Fund Balance - Governmental Funds \$ (53,268)

Capital assets used in governmental activities are expensed when purchased in the funds and depreciated at the activity level

Capitalized Asset Purchases	\$ 259,081	
Depreciation Expense	<u>(108,670)</u>	150,411

Pension and OPEB expense at the fund level represents cash contributions to the defined benefit plan. For the activity level presentation, the amount represents the actuarial cost of the benefits for the fiscal year.

PERA Pension Liability

Change in deferred pension outflows	71,800	
Change in net pension liability	(54,564)	
Change in deferred pension inflows	<u>20,405</u>	37,641

FPPA Pension Liability

Change in deferred pension outflows	30,900	
Change in net pension liability	(23,097)	
Change in deferred pension inflows	<u>2,928</u>	10,731

OPEB Liability

Change in deferred OPEB outflows	600	
Change in net OPEB liability	(2,867)	
Change in deferred OPEB inflows	<u>(69)</u>	(2,336)

Repayments of long-term liabilities are expensed in the fund and reduce outstanding liabilities at the activity level. In addition, proceeds from long-term debt issuances are reported as revenues in the funds and increase liabilities at the activity level

Principal payments on bonds payable	7,417	
Principal payments on notes payable	17,350	
Principal payments on capital leases	1,535	
Change in accrued interest payable	<u>705</u>	<u>27,007</u>

Change in Net Position - Governmental Activities \$ 170,186

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

TOWN OF ALMA

STATEMENT OF NET POSITION

PROPRIETARY FUNDS

DECEMBER 31, 2019

With Comparative Totals for December 31, 2018

	Business-type Activities			
	Water	Sewer	Total	
	Fund	Fund	2019	2018
ASSETS AND DEFERRED OUTFLOWS				
ASSETS				
Current Assets				
Cash and Investments				
Cash	\$ 43,707	\$ 233,557	\$ 277,264	\$ 219,558
Restricted Cash and Investments	37,426	9,642	47,068	44,517
Utility Receivable	32,501	22,431	54,932	59,656
Prepaid Expenses	3,662	3,068	6,730	5,833
Total Current Assets	117,296	268,698	385,994	329,564
Noncurrent Assets				
Capital Assets not being depreciated	60,090	44,290	104,380	84,713
Capital Assets being depreciated	2,240,821	711,955	2,952,776	2,952,776
Accumulated Depreciation	(1,019,269)	(520,363)	(1,539,632)	(1,477,771)
Total Noncurrent Assets	1,281,642	235,882	1,517,524	1,559,718
TOTAL ASSETS	1,398,938	504,580	1,903,518	1,889,282
DEFERRED OUTFLOWS OF FINANCIAL RESOURCES				
Deferred Outflows - Pensions	30,313	15,893	46,206	17,579
Deferred Outflows - OPEB	759	1,177	1,936	1,044
TOTAL DEFERRED OUTFLOWS	31,072	17,070	48,142	18,623
TOTAL ASSETS AND DEFERRED OUTFLOWS	\$ 1,430,010	\$ 521,650	\$ 1,951,660	\$ 1,907,905
LIABILITIES, DEFERRED INFLOWS AND NET POSITION				
LIABILITIES				
Current Liabilities				
Accounts Payable	\$ 1,652	\$ 9,112	\$ 10,764	\$ 5,872
Accrued Interest Payable	3,655	1,854	5,509	5,872
Total Current Liabilities	5,307	10,966	16,273	11,744
Noncurrent Liabilities				
Due within one year	26,249	4,086	30,335	29,936
Due in more than one year	395,293	103,905	499,198	514,787
Total Noncurrent Liabilities	421,542	107,991	529,533	544,723
TOTAL LIABILITIES	426,849	118,957	545,806	556,467
DEFERRED INFLOWS OF FINANCIAL RESOURCES				
Deferred Inflows Pensions	6,127	7,969	14,096	19,002
Deferred Inflows - OPEB	36	36	72	284
TOTAL DEFERRED INFLOWS	6,163	8,005	14,168	19,286
NET POSITION				
Net Investment in Capital Assets	911,054	159,979	1,071,033	1,083,291
Restricted Net Position	37,426	9,642	47,068	44,517
Unrestricted Net Position	48,518	225,067	273,585	204,344
TOTAL NET POSITION	996,998	394,688	1,391,686	1,332,152
TOTAL LIABILITIES, DEFERRED INFLOWS AND NET POSITION	\$ 1,430,010	\$ 521,650	\$ 1,951,660	\$ 1,907,905

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

TOWN OF ALMA

STATEMENT OF REVENUES, EXPENSES AND CHANGES IN NET POSITION

PROPRIETARY FUNDS

FOR THE YEAR ENDED DECEMBER 31, 2019

With Comparative Totals for the Year Ended December 31, 2018

	Business-type Activities			
	Water	Sewer	Total	
	Fund	Fund	2019	2018
Operating Revenues				
Utility Charges	\$ 133,305	\$ 92,255	\$ 225,560	\$ 203,111
Other Charges for Services	-	-	-	440
Total Revenues	<u>133,305</u>	<u>92,255</u>	<u>225,560</u>	<u>203,551</u>
Operating Expenses				
Personnel Services	23,927	20,283	44,210	55,768
Administrative/Office Expenses	630	251	881	874
Insurance	2,616	8,025	10,641	9,664
Operating Supplies	-	420	420	94
Professional Fees	3,760	5,026	8,786	7,395
Repairs and Maintenance	19,425	7,930	27,355	11,353
Travel and Training	854	643	1,497	1,112
Treatment	3,397	4,431	7,828	4,182
Telephone and Utilities	7,548	7,072	14,620	13,724
Other Operating Expenses	897	7,541	8,438	3,425
Depreciation Expense	48,382	13,479	61,861	61,907
Other Capital Outlay	10,127	353	10,480	428
Total Expenditures	<u>121,563</u>	<u>75,454</u>	<u>197,017</u>	<u>169,926</u>
Operating Income (Loss)	<u>11,742</u>	<u>16,801</u>	<u>28,543</u>	<u>33,625</u>
Other Income (Expense)				
Intergovernmental Revenue	-	19,184	19,184	-
Investment Earnings	1,659	2,527	4,186	3,244
Other Revenue	3,619	126	3,745	2,778
Interest Expense	(11,071)	(3,803)	(14,874)	(15,807)
Gain (Loss) on Sale of Assets	-	-	-	(228)
Total Other Income (Expense)	<u>(5,793)</u>	<u>18,034</u>	<u>12,241</u>	<u>(10,013)</u>
Net Income (Loss)	<u>5,949</u>	<u>34,835</u>	<u>40,784</u>	<u>23,612</u>
Contributed Capital				
Plant Investment Fees	<u>9,375</u>	<u>9,375</u>	<u>18,750</u>	<u>15,000</u>
Change in Net Position	<u>15,324</u>	<u>44,210</u>	<u>59,534</u>	<u>38,612</u>
Net Position, Beginning	<u>981,674</u>	<u>350,478</u>	<u>1,332,152</u>	<u>1,293,540</u>
Net Position, Ending	<u>\$ 996,998</u>	<u>\$ 394,688</u>	<u>\$ 1,391,686</u>	<u>\$ 1,332,152</u>

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

TOWN OF ALMA

**STATEMENT OF CASH FLOWS -
PROPRIETARY FUNDS**

FOR THE YEAR ENDED DECEMBER 31, 2019

With Comparative Totals for the Year Ended December 31, 2018

	Business-type Activities			
	Water	Sewer	Total	
	Fund	Fund	2019	2018
Cash Flows From Operating Activities:				
Cash Received from Customers	\$ 139,166	\$ 91,118	\$ 230,284	\$ 194,225
Cash Paid to Suppliers	(52,642)	(31,599)	(84,241)	(57,957)
Cash Paid to Employees	(30,480)	(36,331)	(66,811)	(44,382)
Net Cash Provided by Operating Activities:	56,044	23,188	79,232	91,886
Cash Flows From Capital and Related Financing Activities:				
Tap Fees Received	9,375	9,375	18,750	15,000
Debt Principal Payments	(25,850)	(4,086)	(29,936)	(28,946)
Grant Proceeds	-	19,184	19,184	-
Interest Payments	(11,287)	(3,949)	(15,236)	(16,109)
Proceeds of Capital Asset Sales	-	-	-	(19,490)
Acquisition of Capital Assets	-	(19,668)	(19,668)	(15,933)
Cash Flows Used by Capital and Related Financing Activities	(27,762)	856	(26,906)	(65,478)
Cash Flows (Uses) From Noncapital Financing Activities:				
Other Revenues (Expense)	3,619	126	3,745	2,778
Cash Flows (Uses) From Investing Activities:				
Interest Received	1,659	2,527	4,186	3,244
Net Increase (Decrease) in Cash	33,560	26,697	60,257	32,430
Cash - Beginning	47,573	216,502	264,075	231,645
Cash - Ending	\$ 81,133	\$ 243,199	\$ 324,332	\$ 264,075
 Cash	\$ 43,707	\$ 233,557	\$ 277,264	\$ 219,558
Restricted Cash and Investments	37,426	9,642	47,068	44,517
Total	\$ 81,133	\$ 243,199	\$ 324,332	\$ 264,075
 Reconciliation of Operating Income (Loss) to Net Cash Used for				
Operating Activities:				
Operating Income (Loss)	\$ 11,742	\$ 16,801	\$ 28,543	\$ 33,625
Adjustments to Reconcile Operating Income (Loss)				
to Net Cash Provided by Operating Activities:				
Depreciation Expense	48,382	13,479	61,861	61,907
Changes in Assets and Liabilities Related to Operations:				
(Increase) Decrease in:				
Utility Receivable	5,861	(1,137)	4,724	(9,326)
Prepaid Expenses	(3,662)	2,768	(894)	(336)
Pension and OPEB Deferred Outflows	(20,601)	(8,920)	(29,521)	5,667
(Increase) Decrease in:				
Accounts Payable	1,236	3,655	4,891	5,474
Net Pension Liability	15,930	(2,936)	12,994	(8,690)
Net OPEB Liability	876	876	1,752	48
Pension and OPEB Deferred Inflow:	(3,720)	(1,398)	(5,118)	3,517
Total Adjustments	44,302	6,387	50,689	58,261
Net Cash Used for Operating Activities	\$ 56,044	\$ 23,188	\$ 79,232	\$ 91,886

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

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The accounting policies of the Town of Alma (the Town) conform to generally accepted accounting principles as applicable to governmental entities. Following is a summary of the more significant policies.

A. Reporting Entity

In evaluating how to define the government, for financial reporting purposes, the Town's management has considered all potential component units. The decision to include a potential component unit in the reporting entity was made by applying the criteria set forth in Governmental Accounting Standards Board (GASB) Statement No. 14, *The Financial Reporting Entity* including subsequent amendments.

Based upon the application of these criteria, no governmental organizations are includable within the Town's reporting entity.

B. 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. Basis of accounting refers to when revenues and expenditures or expenses are recognized in the accounts and reported in the financial statements. Basis of accounting relates to the timing of the measurements made, regardless of the measurement focus applied. Under the accrual basis of accounting, revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows.

Grant and entitlement revenues are recognized to the extent of the related expenditures or when compliance with matching requirements is met. A receivable is established when the related expenditures exceed revenue receipts; a deferred revenue account is established when receipts exceed the related expenditures.

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. The major sources of revenue susceptible to accrual are grants. Expenditures generally are recorded when a liability is incurred, as under accrual accounting.

Governmental Fund Types The fund types are described below.

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

Special Revenue Funds: These funds are used to account for the proceeds of specific revenue sources (other than expendable trusts or major capital projects) that are legally restricted to expenditures for specified purposes. The Town's special revenue fund, Conservation Trust, is not considered to be a major fund.

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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

Governmental Fund Types (Continued)

Debt Service Fund: This fund was established to account for the repayment of general obligation bonds related to the Town's curb and gutter project. In November 1998, the Town's citizens passed a ballot measure allowing the issuance of up to \$120,000 in bonds for the completion of the project. This fund is shown as a major governmental fund.

Proprietary Fund Type These funds account for operations that are organized to be self-supporting through user charges. The funds included in this category are the Enterprise Funds.

Enterprise Funds (Water and Sewer Funds): These funds were established to account for operations that are financed and operated in a manner similar to private business enterprises, where the intent is that costs of providing goods or services to the general public on a continuing basis are to be financed or recovered primarily through user charges.

C. Budgets and Budgetary Accounting

Budgets are adopted on a modified accrual basis (except for the Enterprise Funds, which budget on a cash basis). Annual appropriated budgets are adopted for all funds. All annual appropriations lapse at the end of the fiscal year.

The Town adheres to the following procedures in establishing the budgetary data reflected in the financial statements listed below.

- Budgets are required by state law for all funds. By October 15, the Town Clerk submits to the Board of Trustees a proposed budget for the fiscal year commencing the following January 1. The budget includes proposed expenditures and the means of financing them. All budgets lapse at year's end.
- Public hearings are conducted by the Board of Trustees to obtain taxpayer comments.
- Prior to December 31, the budget is adopted by formal resolution.
- Budgets are required to be filed within thirty days after the beginning of the fiscal year.
- Expenditures may not legally exceed appropriations at the fund level.
- Revisions that alter the total expenditures of any fund must be approved by the Board of Trustees.
- Budgeted amounts reported in the accompanying financial statements are as adopted or amended by the Board of Trustees.
- The Town does not use encumbrance accounting.

D. Assets, Deferred Outflows, Liabilities, Deferred Inflows of Resources and Net Position/Fund Balance

Cash The Town pools cash resources of its various funds in order to facilitate the management of cash. Cash is pooled in interest-bearing accounts comprised of certificates of deposit, savings accounts, and money market accounts, which are legally authorized. Cash applicable to a particular fund is readily identifiable. The balance in the pooled cash accounts is available to meet current operating requirements.

Cash and Cash Equivalents For the purpose of the statement of cash flows, cash consists of demand deposits and certificates of deposit held by the bank.

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

D. Assets, Deferred Outflows, Liabilities, Deferred Inflows of Resources and Net Position/Fund Balance (Continued)

Receivables All receivables are reported at their gross value and, where appropriate, are reduced by the estimated portion that is expected to be collectable. Based on a review of outstanding balances at year end, the Town does not believe an allowance for doubtful accounts is necessary.

Property, Plant, and Equipment Capital assets used in governmental activities operations are accounted for in the government-wide financial statements. Public domain (infrastructure) capital assets consisting of certain improvements other than buildings, such as sidewalks, and parking lots, are capitalized. Property, plant, and equipment acquired or constructed for general governmental operations are recorded as expenditures in the fund making the expenditure and capitalized at cost. Depreciation has been provided over the estimated useful lives of the governmental activities capital assets of the Town, using the straight-line method of depreciation.

The Town's policy is to capitalize and inventory annually all capital assets with a unit value of greater than \$5,000 and an estimated useful life of greater than one year.

Property, plant, and equipment acquired for proprietary funds are capitalized in the respective fund to which they apply. Property, plant, and equipment are stated at cost. Where cost could not be determined from the available records, estimated historical cost was used to record the estimated value of the assets. Donated are recorded at their fair market value at the date of transfer.

Depreciation of exhaustible fixed assets used by proprietary funds is charged as an expense against operations, and accumulated depreciation is reported on the proprietary funds' balance sheets. Depreciation has been provided over the estimated useful lives of five to forty years using the straight-line method of depreciation.

Property Taxes Property taxes for the Town are levied by the Town Board of Trustees and certified for collection to Park County by December 15 of each year. These taxes become due January 1 of the succeeding year and are payable in full by April 30 or in two installments by June 15 in the year of collection. Property taxes levied in the current year for collection in the subsequent year by the General Fund are included in receivables and deferred inflows at year end. These taxes are classified as deferred inflows since they were levied for and are not available to the Town until the subsequent year.

Deferred Outflows and inflows of Resources In addition to assets, the statement of financial position reports a separate section for deferred outflows of resources. This separate financial statement element 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. The government only has pension and OPEB related items that qualify for reporting in this category.

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

D. Assets, Deferred Outflows, Liabilities, Deferred Inflows of Resources and Net Position/Fund Balance (Continued)

In addition to liabilities, the statement of net position reports 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. The government has one type of item, which arises both under the full accrual and modified accrual basis of accounting that qualifies for reporting in this category. Accordingly, the item, deferred property taxes, is reported in both the governmental activities statement of net position and in the governmental funds balance sheet. The governmental funds report unavailable revenues from property taxes. These amounts are deferred and recognized as an inflow of resources in the period that the amounts become available. Since property tax revenues are collected in arrears during the succeeding year, a receivable and corresponding deferred inflow is recorded at December 31. As the tax is collected in the succeeding year, the deferred inflow is recognized as revenue and the receivable is reduced. In addition, the Town also has pension and OPEB related deferred inflows that are reported at the activity level.

Net Position/Fund Balance Fund balance of governmental funds is reported in various categories based on the nature of any limitations requiring the use of resources for specific purposes. The government itself can establish limitations on the use of resources through either a commitment (committed fund balance) or an assignment (assigned fund balance).

The committed fund balance classification includes amounts that can be used only for the specific purposes determined by a formal action of the government's highest level of decision-making authority. The board of trustees is the highest level of decision-making authority for the government that can, by adoption of an ordinance prior to the end of the fiscal year, commit fund balance. Once adopted, the limitation imposed by the ordinance remains in place until a similar action is taken (the adoption of another ordinance) to remove or revise the limitation.

Amounts in the assigned fund balance classification are intended to be used by the government for specific purposes but do not meet the criteria to be classified as committed. The board of trustees may authorize the Town Administrator to assign fund balance.

The board of trustees may also assign fund balance as it does when appropriating fund balance to cover a gap between estimated revenue and appropriations in the subsequent year's appropriated budget. Unlike commitments, assignments generally only exist temporarily. In other words, an additional action does not normally have to be taken for the removal of an assignment. Conversely, as discussed above, an additional action is essential to either remove or revise a commitment.

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

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

D. Assets, Deferred Outflows, Liabilities, Deferred Inflows of Resources and Net Position/Fund Balance (Continued)

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

E. Revenues and Expenditures/Expenses

Revenues for governmental funds are recorded when they are determined to be both measurable and available. Generally, tax revenues, fees, and non-tax revenues are recognized when received. Grants from other governments are recognized when qualifying expenditures are incurred. Expenditures for governmental funds are recorded when the related liability is incurred.

Revenues and expenses of proprietary funds are recognized in essentially the same manner as in business accounting. Proprietary funds distinguish operating revenues and expenses from non-operating items. Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with the fund's principal ongoing operations. Operating expenses include the cost of sales and services, administrative expenses and depreciation on capital assets. All revenues and expenses not meeting this definition are reported as non-operating revenues and expenses.

F. Comparative Data

Comparative total data for the prior year has been presented in the accompanying basic financial statements in order to provide an understanding of changes in the Town's financial position and operations. However, comparative data has not been presented in each of the statements since their inclusion would make the statements unduly complex and difficult to understand.

NOTE 2: CASH AND INVESTMENTS

The Town is governed by the deposit and investment limitations of state law. The deposits and investments held at December 31, 2019, and reported at fair value, are shown below.

Cash	\$ 136,642
Investments	<u>598,704</u>
Total Cash and Investments	<u>\$ 735,346</u>

TOWN OF ALMA
NOTES TO FINANCIAL STATEMENTS
December 31, 2019

NOTE 2: CASH AND INVESTMENTS (Continued)

These balances are allocated in the financial statements as follows:

Governmental Activities - Unrestricted	\$ 322,970
Governmental Activities - Restricted	88,044
Business-type Activities - Unrestricted	277,264
Business-type Activities - Restricted	<u>47,068</u>
Total Cash and Investments	<u>\$ 735,346</u>

Deposits

Custodial Credit Risk - Deposits

In the case of deposits, this is the risk that in the event of bank failure, the government's deposits may not be returned to it. The Town's deposit policy is in accordance with CRS 11-10.5-101, The Colorado Public Deposit Protection Act (PDPA), which governs the investment of public funds. PDPA requires that all units of local government deposit cash in eligible public depositories. Eligibility is determined by state regulations. Amounts on deposit in excess of federal insurance levels must be collateralized by eligible collateral as determined by the PDPA. The financial institution is allowed to create a single collateral pool for all public funds held. The pool is to be maintained by another institution, or held in trust for all the uninsured public deposits as a group. The market value of the collateral must be at least equal to 102% of the uninsured deposits. The institution's internal records identify collateral by depositor and as such, these deposits are considered uninsured but collateralized. The State Regulatory Commissions for banks and financial services are required by statute to monitor the naming of eligible depositories and reporting of the uninsured deposits and assets maintained in the collateral pools. At December 31, 2019, all of the Town's deposits as shown below were either insured by federal depository insurance or collateralized under PDPA and are therefore not deemed to be exposed to custodial credit risk.

Deposits at December 31, 2019 were as follows:

	<u>Bank Balance</u>	<u>Carrying Amount</u>
FDIC Insured	<u>\$ 132,918</u>	<u>\$ 132,918</u>
PDPA Collateralized	<u>\$ -</u>	<u>\$ 3,724</u>

NOTE 2: CASH AND INVESTMENTS (Continued)

Investments

Credit Risk

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

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

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

During the year ended December 31, 2019, the Town invested funds in the Colotrust. As an investment pool, it operates under the Colorado Revised Statutes (24-75-701) and is overseen by the Colorado Securities Commissioner. It invests in securities that are specified by Colorado Revised Statutes (24-75-601). Authorized securities include U.S. Treasuries, U.S. Agencies, commercial paper (rated A1 or better) and bank deposits (collateralized through PDPA). The pool operates similar to a 2a-7-like money market fund with a share value equal to \$1.00 and a maximum weighted average maturity of 60 days. This fund is rated AAAM by the Standard and Poor's Corporation.

Concentration of Credit Risk

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

Interest Rate Risk

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

Custodial Credit Risk – Investments

For an investment, custodial credit risk is the risk that, in the event of the failure of the counterparty, the Town will not be able to recover the value of its investments or collateral securities that are in the possession of an outside party. As of December 31, 2019, the Town's investments consisted of the investment pool.

TOWN OF ALMA
NOTES TO FINANCIAL STATEMENTS
December 31, 2019

NOTE 2: CASH AND INVESTMENTS (Continued)

Investments (Continued)

The Town has restricted cash as follows:

<u>Restricted Cash</u>	
Debt Service Fund	\$ 70,589
Conservation Trust Fund	<u>17,306</u>
Total Governmental Activity	<u>87,895</u>
Water Fund	
1992 Water & Sewer Revenue Bonds	13,673
2011 CWRPDA Loan	<u>21,553</u>
Total Water Fund	<u>35,226</u>
Sewer Fund	
1992 Water & Sewer Revenue Bonds	<u>9,291</u>
Total Business Type Activities	<u>44,517</u>
Total Restricted Cash	<u><u>\$ 132,412</u></u>

NOTE 3: CAPITAL ASSETS

The following is a summary of the changes in governmental capital assets during the year:

	Balance 1/0/00	Additions	Deletions	Balance 12/31/19
Governmental activities:				
Capital Assets not being depreciated:				
Land & Improvements	\$ 473,831	\$ -	\$ -	\$ 473,831
Construction in Progress	108,913	259,081	-	367,994
Non-Depreciable Collection	<u>59,000</u>	<u>-</u>	<u>-</u>	<u>59,000</u>
Total capital assets not being depreciated	<u>641,744</u>	<u>259,081</u>	<u>-</u>	<u>900,825</u>
Capital assets being depreciated:				
Buildings & Improvements	396,233	-	-	396,233
Equipment & Vehicles	523,277	-	22,500	500,777
Streets	<u>873,693</u>	<u>-</u>	<u>-</u>	<u>873,693</u>
Total capital assets being depreciated:	<u>1,793,203</u>	<u>-</u>	<u>22,500</u>	<u>1,770,703</u>
Accumulated depreciation:				
Buildings & Improvements	(215,294)	(11,788)	-	(227,082)
Equipment and vehicles	(322,994)	(61,936)	(22,500)	(362,430)
Streets	<u>(397,795)</u>	<u>(34,947)</u>	<u>-</u>	<u>(432,742)</u>
Total accumulated depreciation	<u>(936,083)</u>	<u>(108,671)</u>	<u>(22,500)</u>	<u>(1,022,254)</u>
Total governmental activities capital assets, net of depreciation:	<u><u>\$ 1,498,864</u></u>	<u><u>\$ 150,410</u></u>	<u><u>\$ -</u></u>	<u><u>\$ 1,649,274</u></u>

TOWN OF ALMA
NOTES TO FINANCIAL STATEMENTS
December 31, 2019

NOTE 3: CAPITAL ASSETS (Continued)

Depreciation has been allocated to the various operating departments as follows:

General Government	\$ 20,372
Public Safety	8,975
Public Works	78,948
Parks and Recreation	376
Total Depreciation	<u>\$ 108,671</u>

The following is a summary of the changes in business-type activity capital assets during the year:

	Balance 1/1/19	Additions	Deletions	Balance 12/31/19
Business-type activities:				
Capital Assets not being depreciated:				
Water rights	\$ 60,090	\$ -	\$ -	\$ 60,090
Construction in progress	<u>24,623</u>	<u>19,667</u>	<u>-</u>	<u>44,290</u>
Total Capital Assets not being depreciated	<u>84,713</u>	<u>19,667</u>	<u>-</u>	<u>104,380</u>
Capital Assets being depreciated:				
Water plant and lines	2,214,407	-	-	2,214,407
Sewer plant & lines	684,287	-	-	684,287
Water equipment	26,414	-	-	26,414
Sewer equipment	<u>27,668</u>	<u>-</u>	<u>-</u>	<u>27,668</u>
Total capital assets being depreciated:	<u>2,952,776</u>	<u>-</u>	<u>-</u>	<u>2,952,776</u>
Accumulated depreciation:				
Water plant and lines	(954,734)	(47,302)	-	(1,002,036)
Sewer plant & lines	(479,215)	(13,479)	-	(492,694)
Water equipment	(16,154)	(1,080)	-	(17,234)
Sewer equipment	<u>(27,668)</u>	<u>-</u>	<u>-</u>	<u>(27,668)</u>
Total accumulated depreciation	<u>(1,477,771)</u>	<u>(61,861)</u>	<u>-</u>	<u>(1,539,632)</u>
Total business-type activities capital assets, net of depreciation	<u>\$ 1,559,718</u>	<u>\$ (42,194)</u>	<u>\$ -</u>	<u>\$ 1,517,524</u>

TOWN OF ALMA
NOTES TO FINANCIAL STATEMENTS
December 31, 2019

NOTE 4: LONG-TERM DEBT

The following is a summary changes in long-term debt during the year:

	Balance 01/01/19	Additions	Deletions	Balance 12/31/19	Current Portion	Interest Expense
Governmental Activities						
2001 General Obligation Bonds	\$ 22,941	\$ -	\$ 7,417	\$ 15,524	\$ 7,416	\$ 1,888
2015 Copier Capital Lease	3,010	-	1,535	1,475	1,475	116
2016 TBK Bank Lease	142,881	-	17,350	125,531	17,350	8,562
PERA Net Pension Liability	244,584	20,079	-	264,663	-	-
FPPA Net Pension Liability	(12,636)	23,097	-	10,461	-	-
HTCF Net OPEB Liability	19,055	2,867	-	21,922	-	-
Total Governmental Activities Debt	\$ 419,835	\$ 46,043	\$ 26,302	\$ 439,576	\$ 26,241	\$ 10,566
Business-type Activities						
1992 Water & Sewer Revenue Bonds	\$ 197,700	\$ -	\$ 10,100	187,600	\$ 10,100	\$ 9,760
2011 CWRPDA Water Loan	278,728	-	19,836	258,892	20,235	5,476
PERA Net Pension Liability	63,352	15,930	2,936	76,346	-	-
HTCF Net OPEB Liability	4,944	1,752	-	6,696	-	-
Total Business-type Activities Debt	\$ 544,724	\$ 17,682	\$ 32,872	\$ 529,534	\$ 30,335	\$ 15,236

Governmental Activities

During 2001, the Town issued \$120,000 of Series 2001 General Obligation Bonds. The proceeds from these bonds will be used in the construction of curb, gutter, and sidewalks in the Town. The bonds require semiannual interest payments on January 5th and July 5th of each year beginning in January of 2002. Principal payments are due annually on July 5th of each year. Final payment on the bonds will be in July, 2021. The bonds bear interest at 6.150 percent. These bonds are repaid through the Debt Service Fund. Payments to maturity are as follows:

Year	Principal	Interest	Total
2020	\$ 7,645	\$ 955	\$ 8,600
2021	7,880	486	8,366
Totals	\$ 15,525	\$ 1,441	\$ 16,966

During 2015, the Town entered into a lease agreement for the acquisition of a copier. The lease qualifies as a capital lease as the lease term exceeds 75% of the useful life of the underlying asset. The lease requires monthly payments of \$137 for a period of sixty three months beginning in September, 2015. The Town has imputed a 5% interest rate on the lease payment. The Town has capitalized assets with a cost of \$7,604 and a remaining value of \$2,987 as part of this lease. In the event of a default the lessee may be required to do any combination of the following: immediately pay all amounts then due, plus the present value of the reaming lease payments, Interim Rent and residual value of the equipment as determined by the lessor discounted at an annual rate of 3%, allow the lessor to repossess the equipment, use any and all remedies available to the lessor under applicable law and agree to pay the costs incurred by the lessor in remedy.

TOWN OF ALMA
NOTES TO FINANCIAL STATEMENTS
December 31, 2019

NOTE 4: LONG-TERM DEBT (Continued)

Governmental Activities (Continued)

Remaining lease payment requirements are as follows:

<u>Year</u>	<u>Amount</u>
2020	<u>1,512</u>
Future Minimum Payments	1,512
Interest at 5% (Imputed)	<u>(37)</u>
Present Value of Future Payments	<u>\$ 1,475</u>

During 2016, the Town entered into a \$200,000 lease agreement for the construction of a maintenance shop. The lease requires ten annual lease payments of \$25,028 commencing October 2016 and bears interest at 5.37%. The lease was set up as a one year lease with nine annual renewals subject to annual appropriation. In the event of a default the lessor may take one or any combination of the following remedial steps: terminate the lease term and give notice to the Town to immediately vacate the ground leased property and the improvements, lease all or any portion of the leased property, recover from the Town the portion of base rentals and additional rentals payable as well as portions of base rentals and additional rentals for the then current fiscal year that has been specified appropriated by the Board, enforcement of any provisions of the lease by equitable remedy and the right to take whatever action at law or in equity may appear necessary or desirable to enforce its rights in and to the leased property under the lease contract.

Remaining lease payment requirements are as follows:

<u>Year</u>	<u>Payment</u>
2020	\$ 25,028
2021	25,028
2022	25,028
2023	25,028
2024	25,028
2025	<u>25,028</u>
Total Payments	150,168
Interest at 5.37%	<u>(24,637)</u>
Present Value of Payments	<u>\$ 125,531</u>

TOWN OF ALMA
NOTES TO FINANCIAL STATEMENTS
December 31, 2019

NOTE 4: LONG-TERM DEBT (Continued)

Business-type Activities

The \$341,100 Water and Sewer Revenue Bonds (FmHA) were dated September 10, 1992. This issue bears interest at five (5) percent. Original principal was allocated at \$203,100 to the Water Fund and \$138,000 to the Sewer Fund. Principal and interest are payable January 1 and July 1 of each year. The bonds also require the maintenance of a reserve fund in the amount of \$14,190. This has been jointly funded by the Water and Sewer Funds proportional to the outstanding balance of the bonds and is shown as restricted cash in the financial statements as outlined in Note 2. Payments are allocated between the Water and Sewer Funds. Payments to maturity are as follows:

Year	Water Fund		Sewer Fund		Total		
	Principal	Interest	Principal	Interest	Principal	Interest	Total Pmt
2020	\$ 6,252	\$ 5,507	\$ 4,248	\$ 3,743	\$ 10,500	\$ 9,250	\$ 19,750
2021	6,609	5,190	4,491	3,527	11,100	8,717	19,817
2022	6,966	5,025	4,734	3,300	11,700	8,325	20,025
2023	7,264	4,504	4,936	3,061	12,200	7,565	19,765
2024	7,621	4,137	5,179	2,811	12,800	6,948	19,748
2025-2029	44,476	24,295	30,224	9,830	74,700	34,125	108,825
2030-2032	32,509	4,875	22,091	1,972	54,600	6,847	61,447
Totals	\$ 111,697	\$ 53,533	\$ 75,903	\$ 28,244	\$ 187,600	\$ 81,777	\$ 269,377

In April 2011, the Town entered into a loan agreement with the Colorado Water Resource and Power Development Authority in the amount of \$616,385. The proceeds are to be used to complete upgrades to the water system. The loan requires semi-annual principal and interest payments on May 1 and November 1 of each year through 2031. The loan bears interest at 2.0% per annum. Pursuant to the loan agreement, the Town was required to establish a 3 month operations and maintenance reserve based on the subsequent years budgeted expenditures, or \$23,236. The Town has funded this reserve through the restriction of its cash balances in the Water Fund. The Town believes it is in compliance with all required covenants and obligations called for by the loan agreement.

The 2011 CWRPDA loan matures as follows:

Year	Principal	Interest	Total
2020	\$ 20,235	\$ 5,077	\$ 25,312
2021	20,642	4,670	25,312
2022	21,057	4,256	25,313
2023	21,480	3,832	25,312
2024	21,912	3,401	25,313
2025-2029	116,344	10,217	126,561
2030-2031	37,222	747	37,969
Totals	\$ 258,892	\$ 32,200	\$ 291,092

NOTE 5: PENSION OBLIGATIONS

A. Police

DEFINED CONTRIBUTION (ICMA)

The Town offers its uniformed employees a retirement plan created in accordance with Internal Revenue Code Section 401(a). Employees are eligible to participate in the plan on the first day of employment. This plan is a defined-contribution plan administered by a third party trustee. Under the terms of the plan, the Town is the only non-employee contributor and contributes seven (7) percent of each participant's salary, each participant is required to contribute seven (7) percent of salary, although they can contribute more. Contribution requirements of the Town and the participants are established and may be amended by the Town Council. An employee is immediately 100 percent vested in any employer contribution. Since the assets are held in trust by a third party trustee, they are not reflected on the Town's financial statements. For the years ended December 31, 2019, 2018, and 2017, the Town contributed \$0, \$0, and \$0, respectively, equal to their required contributions. For the year ended December 31, 2019, there was no covered payroll requiring contributions, although employees made elective contributions.

STATEWIDE DEFINED BENEFIT PLAN (FPPA)

Summary of Significant Accounting Policies

Pensions. The Town participates in the Statewide Defined Benefit Plan (SWDB), a cost-sharing multiple-employer defined benefit pension fund administered by the Fire & Police Pension Association of Colorado ("FPPA"). The net pension asset or liability, deferred outflows of resources and deferred inflows of resources related to pensions, pension expense, information about the fiduciary net position and additions to/deductions from the fiduciary net position of the SWDB have been determined using the accrual basis of accounting as required by the accounting principles and reporting guidelines as set forth by the Governmental Accounting Standards Board. 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.

General Information about the Pension Plan

Plan description. Eligible employees of the Town are provided with pensions through the Statewide Defined Benefit Plan (SWDB) - a cost-sharing multiple-employer defined benefit pension plan administered by FPPA. Plan benefits are specified in Title 31, Articles 30, 30.5 and 31 of the Colorado Revised Statutes (C.R.S.), rules and regulations codified by the Fire and Police Pension Association, and applicable provisions of the federal Internal Revenue Code. Colorado State law provisions may be amended from time to time by the Colorado General Assembly. FPPA issues a publicly available comprehensive annual financial report, the most recent of which is for the fiscal year ended December 31, 2018, that can be obtained at <http://www.FPPAco.org>.

Benefits provided. 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.

NOTE 5: PENSION OBLIGATIONS (Continued)

A. Police (Continued)

STATEWIDE DEFINED BENEFIT PLAN (FPPA) (Continued)

General Information about the Pension Plan (Continued)

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 after completion of 30 years of service or attainment of age 50 with at least five years of credited service. The early retirement benefit equals the normal retirement benefit reduced on an actuarially equivalent basis. Upon termination, an employee may elect to have member contributions, along with 5 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.

Contributions. 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 10 percent and 8 percent, respectively, of base salary for a total contribution rate of 18 percent in 2018. In 2014, the members elected to increase the member contribution rate to the SWDB plan beginning in 2015. 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.

Contributions from members and employers of departments reentering the system are established by resolution and approved by the FPPA Board of Directors. The reentry group has a combined contribution rate of 22 percent of base salary in 2018. It is a local decision as to whether the member or employer pays the additional 4 percent contribution. Per the 2014 member election, the reentry group also had their required member contribution rate increase 0.5 percent annually beginning in 2015 through 2022 for a total combined member and employer contribution rate of 24 percent in 2022.

NOTE 5: PENSION OBLIGATIONS (Continued)

A. Police (Continued)

STATEWIDE DEFINED BENEFIT PLAN (FPPA) (Continued)

General Information about the Pension Plan (Continued)

The contribution rate for members and employers of affiliated social security employers is 5 percent and 4 percent, respectively, of base salary for a total contribution rate of 8 percent in 2018. Per the 2014 member election, members of the affiliate social security group had their required contribution rate increase 0.25 percent annually beginning in 2015 through 2022 to a total of 6 percent of base salary. Employer contributions will remain at 4 percent resulting in a combined contribution rate of 10 percent in 2022. The Town is not an affiliated social security employer.

Employer contributions are recognized by FPPA in the period in which the compensation becomes payable to the member and the Town is statutorily committed to pay the contributions to FPPA. Employer contributions recognized by the FPPA from the Town were \$4,434 for the plan year ended December 31, 2018 and \$5,270 for the fiscal year ended December 31, 2019. The current year contributions will be expensed in 2020 for FPPA purposes, December 31, 2019 employer contributions for reporting as of December 31, 2020, and are a timing difference at year end.

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

At December 31, 2019, the Town reported a liability of \$10,461 for its proportionate share of the SWDB's net pension liability. The net pension asset or liability was measured as of December 31, 2018, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of January 1, 2019. The Town's proportion of the net pension liability was based on Town's contributions to the SWDB for the calendar year 2018 relative to the total contributions of participating employers to the SWDB.

At December 31, 2019, the Town's proportion was .00827%, which was a decrease of .0005% from its proportion measured as of December 31, 2018.

For the year ended December 31, 2019, the Town recognized pension expense of \$4034. At December 31, 2019, the Town reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

TOWN OF ALMA
NOTES TO FINANCIAL STATEMENTS
December 31, 2019

NOTE 5: PENSION OBLIGATIONS (Continued)

A. Police (Continued)

STATEWIDE DEFINED BENEFIT PLAN (FPPA) (Continued)

Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions (Continued)

	Deferred Outflows	Deferred Inflows
Difference between expected and actual experience	\$ 14,890	\$ (207)
Changes of assumptions or other inputs	\$ 8,586	\$ -
Net difference between projected and actual earnings on pension plan investments	\$ 17,575	\$ (7,621)
Changes in proportion and differences between contributions recognized and proportionate share of contributions - Plan Basis	\$ 9,126	\$ (2,129)
Contributions subsequent to the measurement date	\$ 5,270	\$ -
Total	\$ 55,447	\$ (9,957)

\$5,270 reported as deferred outflows of resources related to pensions, resulting from contributions subsequent to the measurement date, will be recognized as an adjustment of the net pension asset in the year ended December 31, 2020.

Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

Year Ended December 31:	Fiscal year Total
2020	\$ 8,835
2021	5,159
2022	4,418
2023	6,958
2024	3,854
2025-2028	10,996
Total	\$ 40,220

Actuarial assumptions. The total pension liability in the January 1, 2019 actuarial valuation was determined using the following actuarial assumptions and other inputs:

Actuarial method	Entry Age Normal
Amortization method	Level % of Payroll, Open
Amortization period	30 Years
Long-term investment rate of return, net of	7.50%
Salary increase, including wage inflation	4.0% - 14.0%
Cost of Living Adjustments (COLA)	0.00%
* Includes inflation at	2.50%

NOTE 5: PENSION OBLIGATIONS (Continued)

A. Police (Continued)

STATEWIDE DEFINED BENEFIT PLAN (FPPA) (Continued)

Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions (Continued)

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

For determining the actuarial determined contributions, the post-retirement mortality tables for non-disabled retirees is a blend of the Annuitant and Employee RP-2014 generational mortality tables with blue collar adjustment projected with Scale BB. The pre-retirement off-duty mortality tables are adjusted to 55% of the RP-2014 mortality tables for active employees. The on-duty mortality rate is 0.00020.

At least every five years the FPPA's Board of Directors, in accordance with best practices, reviews its economic and demographic actuarial assumptions. At its July 2018 meeting, the Board of Directors reviewed and approved recommended changes to the actuarial assumptions. The recommendations were made by the FPPA's actuaries, Gabriel, Roeder, Smith & Co., based upon their analysis of past experience and expectations of the future. The assumption changes were effective for actuarial valuations beginning January 1, 2019 and were used in the rollforward calculation of total pension liability as of December 31, 2018. Actuarial assumptions effective for actuarial valuations prior to January 1, 2019 were used in the determination of the actuarially determined contributions as of December 31, 2018. The actuarial assumptions impact actuarial factors for benefit purposes such as purchases of service credit and other benefits where actuarial factors are used.

The long-term expected rate of return on pension plan investments was determined using a building-block method in which best-estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighing the expected future real rates of return by the target asset allocation percentage and by adding expected inflation (assumed at 2.5 percent). 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, 2018 are summarized in the following table:

TOWN OF ALMA
NOTES TO FINANCIAL STATEMENTS
December 31, 2019

NOTE 5: PENSION OBLIGATIONS (Continued)

A. Police (Continued)

STATEWIDE DEFINED BENEFIT PLAN (FPPA) (Continued)

Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions (Continued)

Asset Class	Target Allocation	Long-Term Expected Real Rate of Return
Global Equity	37.00%	8.03%
Equity Long/Short	9.00%	6.45%
Private Markets	24.00%	10.00%
Fixed Income	15.00%	2.90%
Absolute Return	9.00%	5.08%
Managed Futures	4.00%	5.35%
Cash	2.00%	2.52%
Total	100.00%	

The discount rate used to measure the total pension liability was 7.00 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.

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

For the purpose of this valuation, the expected rate of return on pension plan investments is 7.00 percent; the municipal bond rate is 3.71 percent (based on the weekly rate closest to but not later than the measurement date of the "state & local bonds" rate from Federal Reserve statistical release (H.15)); and the resulting Single Discount Rate is 7.00 percent.

Sensitivity of the proportionate share of the net pension asset (liability) to changes in the discount rate. 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 7.00 percent, 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:

NOTE 5: PENSION OBLIGATIONS (Continued)

B. General Employees

Summary of Significant Accounting Policies

	1% Decrease (6.50%)	Current Discount Rate (7.50%)	1% Increase (8.50%)
Proportionate share of the net pension asset (liability)	\$ (40,566)	\$ (10,461)	\$ 14,511

Pensions. The Town participates in the Local Government Division Trust Fund (LGDTF), a cost-sharing multiple-employer defined benefit pension plan administered by the Public Employees' Retirement Association of Colorado ("PERA"). The net pension liability, deferred outflows of resources and deferred inflows of resources related to pensions, pension expense, information about the fiduciary net position and additions to/deductions from the fiduciary net position of the LGDTF 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.

The Colorado General Assembly passed significant pension reform through Senate Bill (SB) 18-200: *Concerning Modifications To the Public Employees' Retirement Association Hybrid Defined Benefit Plan Necessary to Eliminate with a High Probability the Unfunded Liability of the Plan Within the Next Thirty Years*. The bill was signed into law by Governor Hickenlooper on June 4, 2018. A brief description of some of the major changes to plan provisions required by SB 18-200 for the LGDTF that were in effect on the LGDTF's December 31, 2018 measurement date are listed below. A full copy of the bill can be found online at www.leg.colorado.gov.

- Increases employee contribution rates for the LGDTF by a total of 2 percent (to be phased in over a period of 3 years starting on July 1, 2019).
- Modifies the retirement benefits, including temporarily suspending and reducing the annual increase for all current and future retirees, increases the highest average salary for employees with less than five years of service credit on December 31, 2019 and raises the retirement age for new employees.
- Member contributions, employer contributions, the direct distribution from the State, and the annual increases will be adjusted based on certain statutory parameters beginning July 1, 2020, and then each year thereafter, to help keep PERA on path to full funding in 30 years.
- Expands eligibility to participate in the PERA DC Plan to members of the Local Government Division hired on or after January 1, 2019. Beginning January 1, 2021, and every year thereafter, employer contribution rates for the LGDTF will be adjusted to include a defined contribution supplement based on the employer contribution amount paid to defined contribution plan participant accounts that would have otherwise gone to the defined benefit trusts to pay down the unfunded liability plus any defined benefit investment earnings thereon.

NOTE 5: PENSION OBLIGATIONS (Continued)

B. General Employees

General Information about the Pension Plan

Plan description. Eligible employees of the Town are provided with pensions through the Local Government Division Trust Fund (LGDTF)—a cost-sharing multiple-employer defined benefit pension plan administered by PERA. Plan benefits are specified in Title 24, Article 51 of the Colorado Revised Statutes (C.R.S.), administrative rules set forth at 8 C.C.R. 1502-1, and applicable provisions of the federal Internal Revenue Code. Colorado State law provisions may be amended from time to time by the Colorado General Assembly. PERA issues a publicly available comprehensive annual financial report (CAFR) that can be obtained at www.copera.org/investments/pera-financial-reports.

Benefits provided as of December 31, 2018. PERA 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.

The lifetime retirement benefit for all eligible retiring employees under the PERA benefit structure is the greater of the:

- Highest average salary multiplied by 2.5 percent and then multiplied by years of service credit
- The value of the retiring employee's member contribution account plus a 100 percent match on eligible amounts as of the retirement date. This amount is then annuitized into a monthly benefit based on life expectancy and other actuarial factors.

The lifetime retirement benefit for all eligible retiring employees under the Denver Public Schools (DPS) benefit structure is the greater of the:

- Highest average salary multiplied by 2.5 percent and then multiplied by years of service credit
- \$15 times the first 10 years of service credit plus \$20 times service credit over 10 years plus a monthly amount equal to the annuitized member contribution account balance based on life expectancy and other actuarial factors.

In all cases the service retirement benefit is limited to 100 percent of highest average salary and also cannot exceed the maximum benefit allowed by federal Internal Revenue Code.

NOTE 5: PENSION OBLIGATIONS (Continued)

B. General Employees

General Information about the Pension Plan

Members may elect to withdraw their member contribution accounts upon termination of employment with all PERA employers; waiving rights to any lifetime retirement benefits earned. If eligible, the member may receive a match of either 50 percent or 100 percent on eligible amounts depending on when contributions were remitted to PERA, the date employment was terminated, whether 5 years of service credit has been obtained and the benefit structure under which contributions were made.

As of December 31, 2018, benefit recipients who elect to receive a lifetime retirement benefit are generally eligible to receive post-retirement cost-of-living adjustments in certain years, referred to as annual increases in the C.R.S. Pursuant to SB 18-200, there are no annual increases (AI) for 2018 and 2019. Thereafter, benefit recipients under the PERA benefit structure who began eligible employment before January 1, 2007 and all benefit recipients of the DPS benefit structure will receive an annual increase, unless PERA has a negative investment year, in which case the annual increase for the next three years is the lesser of 1.5 percent or the average of the Consumer Price Index for Urban Wage Earners and Clerical Workers (CPI-W) for the prior calendar year. Benefit recipients under the PERA benefit structure who began eligible employment after January 1, 2007 will receive the lesser of an annual increase of 1.5 percent or the average CPI-W for the prior calendar year, not to exceed 10 percent of PERA's Annual Increase Reserve (AIR) for the LGDTF. The automatic adjustment provision may raise or lower the aforementioned AI for a given year by up to one-quarter of 1 percent based on the parameters specified C.R.S. § 24-51-413.

Disability benefits are available for eligible employees once they reach five years of earned service credit and are determined to meet the definition of disability. The disability benefit amount is based on the lifetime retirement benefit formula(s) shown above considering a minimum 20 years of service credit, if deemed disabled.

Survivor benefits are determined by several factors, which include the amount of earned service credit, highest average salary of the deceased, the benefit structure(s) under which service credit was obtained, and the qualified survivor(s) who will receive the benefits.

Contributions provisions as of December 31, 2019: Eligible employees and the Town are required to contribute to the LGDTF at a rate set by Colorado statute. The contribution requirements are established under C.R.S. § 24-51-401, *et seq.* and § 24-51-413. Eligible employees are required to contribute 8 percent of their PERA-includable salary during the period of January 1, 2019 through December 31, 2019. The employer contribution requirements during the period of January 1, 2019 through December 31, 2019 are summarized in the table below :

TOWN OF ALMA
NOTES TO FINANCIAL STATEMENTS
December 31, 2019

NOTE 5: PENSION OBLIGATIONS (Continued)

B. General Employees

General Information about the Pension Plan

	January 1, 2018 through December 31, 2019
Employer contribution rate	10.00%
Amount of employer contribution apportioned to the Health Care Trust Fund as specified in C.R.S. 24-51-208(1)(f)	-1.02%
Amount apportioned to the LGDTF	8.98%
Amortization equalization disbursement (AED) as specified in C.R.S. 24-51-411	2.20%
Supplemental amortization equalization disbursement (SAED) as specified in C.R.S. 24-51-411	1.50%
Total employer contribution rate to the LGDTF	12.68%

Contribution Rates for the LGDTF are expressed as a percentage of salary as defined in C.R.S. § 24-51-101(42).

Employer contributions are recognized by the LGDTF in the period in which the compensation becomes payable to the member and the Town is statutorily committed to pay the contributions to the LGDTF. Employer contributions recognized by the LGDTF from the Town were \$22,558 for the year ended December 31, 2019.

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

At December 31, 2019, the Town reported a liability of \$341,009 for its proportionate share of the net pension liability. The net pension liability for the LGDTF was measured as of December 31, 2018, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of December 31, 2017. Standard update procedures were used to roll-forward the total pension liability to December 31, 2018. The Town proportion of the net pension liability was based on the Town contributions to the LGDTF for the calendar year 2018 relative to the total contributions of participating employers to the LGDTF.

At December 31, 2018, the Town proportion was 0.02712 percent, which was an increase of 0.00336 from its proportion measured as of December 31, 2017.

For the year ended December 31, 2019, the Town recognized pension expense of \$17,892. At December 31, 2019, the Town reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

TOWN OF ALMA
NOTES TO FINANCIAL STATEMENTS
December 31, 2019

NOTE 5: PENSION OBLIGATIONS (Continued)

B. General Employees

Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions (Continued)

	Deferred Outflows	Deferred Inflows
Difference between expected and actual experience	\$ 13,983	\$ -
Net difference between projected and actual earnings on pension plan investments	\$ 110,960	\$ (57,215)
Changes in proportion and differences between contributions recognized and proportionate share of contributions - Plan Basis	\$ 24,786	\$ -
Contributions subsequent to the measurement date	\$ 26,472	\$ -
Total	\$ 176,201	\$ (57,215)

\$26,472 reported as deferred outflows of resources related to pensions, resulting from contributions subsequent to the measurement date, will be recognized as a reduction of the net pension liability in the year ended December 31, 2020. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

Year Ended December 31:	Fiscal year Total
2020	\$ 48,217
2021	14,886
2022	5,170
2023	24,241
Total	\$ 92,514

Actuarial assumptions. The total pension liability in the December 31, 2017 actuarial valuation was determined using the following actuarial cost method, actuarial assumptions and other inputs:

NOTE 5: PENSION OBLIGATIONS (Continued)

B. General Employees

Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions (Continued)

Actuarial cost method	Entry Age
Price inflation	2.40%
Real wage growth	1.10%
Wage inflation	3.50%
Salary increase, including wage inflation	3.50-10.45%
Long-term investment rate of return, net of pension plan investment expenses, including price inflation	7.25%
Discount rate	7.25%
Post retirement benefit increases:	
PERA benefit structure hired prior to 1/1/07 and DPS benefit structure (automatic)	2% compounded annually
PERA benefit structure hired after 12/31/06 (ad hoc, substantively automatic)	Financed by the Annual Increase Reserve (AIR)

The revised assumptions shown below were reflected in the roll-forward calculation of the total pension liability from December 31, 2017 to December 31, 2018:

Discount rate	7.25%
Post retirement benefit increases:	
PERA benefit structure hired prior to 1/1/07 and DPS benefit structure (automatic)	0% through 2019 and 1.5% compounded annually
PERA benefit structure hired after 12/31/06 (ad hoc, substantively automatic)	Financed by the Annual Increase Reserve (AIR)

Healthy mortality assumptions for active members reflect the RP-2014 White Collar Employee Mortality Table, a table specifically developed for actively working people. To allow for an appropriate margin of improved mortality prospectively, the mortality rates incorporate a 70 percent factor applied to male rates and a 55 percent factor applied to female rates.

Healthy, post-retirement mortality assumptions reflect the RP-2014 Healthy Annuitant Mortality Table, adjusted as follows:

- **Males:** Mortality improvement projected to 2018 using the MP-2015 projection scale, a 73 percent factor applied to rates for ages less than 80, a 108 percent factor applied to rates for ages 80 and above, and further adjustments for credibility.
- **Females:** Mortality improvement projected to 2020 using the MP-2015 projection scale, a 78 percent factor applied to rates for ages less than 80, a 109 percent factor applied to rates for ages 80 and above, and further adjustments for credibility.

NOTE 5: PENSION OBLIGATIONS (Continued)

B. General Employees

Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions (Continued)

For disabled retirees, the mortality assumption was based on 90 percent of the RP-2014 Disabled Retiree Mortality Table.

The actuarial assumptions used in the December 31, 2016, valuations were based on the results of the 2016 experience analysis for the periods January 1, 2012, through December 31, 2015, as well as, the October 28, 2016, actuarial assumptions workshop and were adopted by the PERA Board during the November 18, 2016, Board meeting.

The long-term expected return on plan assets is reviewed as part of regular experience studies prepared every four or five years for PERA. Recently, this assumption has been reviewed more frequently. The most recent analyses were outlined in presentations to PERA's Board on October 28, 2016.

Several factors were considered in evaluating the long-term rate of return assumption for the LGDTF, including long-term historical data, estimates inherent in current market data, and a log-normal distribution analysis in which best-estimate ranges of expected future real rates of return (expected return, net of investment expense and inflation) were developed for each major asset class. These ranges were combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and then adding expected inflation.

As of the most recent adoption of the long-term expected rate of return by the PERA Board, the target asset allocation and best estimates of geometric real rates of return for each major asset class are summarized in the following table:

Asset Class	Target Allocation	30 Year Expected Geometric Real Rate of Return
U.S Equity - Large Cap	21.20%	4.30%
U.S Equity - Small Cap	7.42%	4.80%
Non U.S. Equity - Developed	18.55%	5.20%
Non U.S. Equity - Emerging	5.83%	5.40%
Core Fixed Income	19.32%	1.20%
High Yield	1.38%	4.30%
Non U.S. Fixed Income - Developed	1.84%	0.60%
Emerging Market Debt	0.46%	3.90%
Core Real Estate	8.50%	4.90%
Opportunity Fund	6.00%	3.80%
Private Equity	8.50%	6.60%
Cash	1.00%	0.20%
Total	100.00%	

NOTE 5: PENSION OBLIGATIONS (Continued)

B. General Employees

Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions (Continued)

In setting the long-term expected rate of return, projections employed to model future returns provide a range of expected long-term returns that, including expected inflation, ultimately support a long-term expected rate of return assumption of 7.25%.

Discount rate. The discount rate used to measure the total pension liability was 7.25 percent. The projection of cash flows used to determine the discount rate applied the actuarial cost method and assumptions shown above. In addition, the following methods and assumptions were used in the projection of cash flows:

- Total covered payroll for the initial projection year consists of the covered payroll of the active membership present on the valuation date and the covered payroll of future plan members assumed to be hired during the year. In subsequent projection years, total covered payroll was assumed to increase annually at a rate of 3.50%.
- Employee contributions were assumed to be made at the member contribution rates in effect for each year, including scheduled increases in SB 18-200. Employee contributions for future plan members were used to reduce the estimated amount of total service costs for future plan members.
- Employer contributions were assumed to be made at rates equal to the fixed statutory rates specified in law for each year, including current and estimated future AED and SAED, until the actuarial value funding ratio reaches 103%, at which point, the AED and SAED will each drop 0.50% every year until they are zero. Additionally, estimated employer contributions included reductions for the funding of the AIR and retiree health care benefits. For future plan members, employer contributions were further reduced by the estimated amount of total service costs for future plan members not financed by their member contributions.
- Employer contributions and the amount of total service costs for future plan members were based upon a process to estimate future actuarially determined contributions assuming an analogous future plan member growth rate.
- The AIR balance was excluded from the initial fiduciary net position, as, per statute, AIR amounts cannot be used to pay benefits until transferred to either the retirement benefits reserve or the survivor benefits reserve, as appropriate. AIR transfers to the fiduciary net position and the subsequent AIR benefit payments were estimated and included in the projections.
- Benefit payments and contributions were assumed to be made at the middle of the year.

NOTE 5: PENSION OBLIGATIONS (Continued)

B. General Employees

Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions (Continued)

Based on the above assumptions and methods, LGDTF's fiduciary net position was projected to be available to make all projected future benefit payments of current members. Therefore, the long-term expected rate of return of 7.25 percent on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability. The discount rate determination does not use the municipal bond index rate, and therefore, the discount rate is 7.25 percent. There was no change in the discount rate from the prior measurement date.

Sensitivity of the Town proportionate share of the net pension liability to changes in the discount rate. The following presents the proportionate share of the net pension liability calculated using the discount rate of 7.25 percent, as well as what the proportionate share of the net pension liability would be if it were calculated using a discount rate that is 1-percentage-point lower (6.25 percent) or 1-percentage-point higher (8.25 percent) than the current rate:

	1% Decrease (6.25%)	Current Discount Rate (7.25%)	1% Increase (8.25%)
Proportionate share of the net pension asset (liability)	\$ (521,674)	\$ (341,009)	\$ (189,865)

Pension plan fiduciary net position. Detailed information about the LGDTF's fiduciary net position is available in PERA's CAFR which can be obtained at www.copera.org/investments/pera-financial-reports.

DEFINED BENEFIT – PERA (Continued)

Internal Allocations

The Town's internal allocation of the PERA net pension liability and related deferred outflows and inflows of resources is determined by the underlying payroll amounts. The allocation of the payroll for the years ended December 31, 2019, 2018, 2017, 2016 and 2015 were as follows:

	Governmental Activities	Water Fund	Sewer Fund	Total All Funds
12/31/2015 Allocation	77.80%	13.00%	9.20%	100.00%
12/31/2016 Allocation	78.40%	10.80%	10.80%	100.00%
12/31/2017 Allocation	80.72%	9.64%	9.64%	100.00%
12/31/2018 Allocation	77.61%	13.96%	8.43%	100.00%
12/31/2019 Allocation	76.60%	11.70%	11.70%	100.00%

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NOTES TO FINANCIAL STATEMENTS
December 31, 2019

NOTE 5: PENSION OBLIGATIONS (Continued)

B. General Employees (Continued)

DEFINED BENEFIT – PERA (Continued)

Internal Allocations

Accordingly, the Town is required to allocate the net pension liability based on those amounts which creates a change in internal proportion that is reflected as either a deferred outflow or inflow in the respective activity and fund. The change in proportion is amortized and will be reflected as an adjustment to the activity or funds pension expense as follows:

	Governmental		Water		Sewer
	Activities		Fund		Fund
2015	\$ 7,134	\$	1,887	\$	1,126
2016	5,908		987		699
2017	(50,546)		(6,963)		(6,963)
2018	8,573		1,024		1,024
2019	32,547		5,854		3,534

Defined Contribution Pension Plans

Voluntary Investment Program

Plan Description - Employees of the District that are also members of the LGDTF may voluntarily contribute to the Voluntary Investment Program, an Internal Revenue Code Section 401(k) defined contribution plan administered by PERA. Title 24, Article 51, Part 14 of the C.R.S., as amended, assigns the authority to establish the Plan provisions to the PERA Board of Trustees. PERA issues a publicly available comprehensive annual financial report for the Program. That report can be obtained at www.copera.org/investments/pera-financial-reports.

Funding Policy - The Voluntary Investment Program is funded by voluntary member contributions up to the maximum limits set by the Internal Revenue Service, as established under Title 24, Article 51, Section 1402 of the C.R.S., as amended. Employees have the option of contributing pre or post-tax dollars.

NOTE 6: DEFINED BENEFIT OTHER POST EMPLOYMENT BENEFIT (OPEB) PLAN

Summary of Significant Accounting Policies

OPEB. The Town participates in the Health Care Trust Fund (HCTF), a cost-sharing multiple-employer defined benefit OPEB fund administered by the Public Employees' Retirement Association of Colorado ("PERA"). The net OPEB liability, deferred outflows of resources and deferred inflows of resources related to OPEB, OPEB expense, information about the fiduciary net position and additions to/deductions from the fiduciary net position of the HCTF have been determined using the economic resources measurement focus and the accrual basis of accounting. For this purpose, benefits paid on behalf of health care participants are recognized when due and/or payable in accordance with the benefit terms. Investments are reported at fair value.

General Information about the OPEB Plan

Plan description. Eligible employees of the Town are provided with OPEB through the HCTF—a cost-sharing multiple-employer defined benefit OPEB plan administered by PERA. The HCTF is established under Title 24, Article 51, Part 12 of the Colorado Revised Statutes (C.R.S.), as amended. Colorado State law provisions may be amended from time to time by the Colorado General Assembly. Title 24, Article 51, Part 12 of the C.R.S., as amended, sets forth a framework that grants authority to the PERA Board to contract, self-insure, and authorize disbursements necessary in order to carry out the purposes of the PERACare program, including the administration of the premium subsidies. Colorado State law provisions may be amended from time to time by the Colorado General Assembly. PERA issues a publicly available comprehensive annual financial report (CAFR) that can be obtained at www.copera.org/investments/pera-financial-reports.

Benefits provided. The HCTF provides a health care premium subsidy to eligible participating PERA benefit recipients and retirees who choose to enroll in one of the PERA health care plans, however, the subsidy is not available if only enrolled in the dental and/or vision plan(s). The health care premium subsidy is based upon the benefit structure under which the member retires and the member's years of service credit. For members who retire having service credit with employers in the Denver Public Schools (DPS) Division and one or more of the other four Divisions (State, School, Local Government and Judicial), the premium subsidy is allocated between the HCTF and the Denver Public Schools Health Care Trust Fund (DPS HCTF). The basis for the amount of the premium subsidy funded by each trust fund is the percentage of the member contribution account balance from each division as it relates to the total member contribution account balance from which the retirement benefit is paid.

C.R.S. § 24-51-1202 et seq. specifies the eligibility for enrollment in the health care plans offered by PERA and the amount of the premium subsidy. The law governing a benefit recipient's eligibility for the subsidy and the amount of the subsidy differs slightly depending under which benefit structure the benefits are calculated. All benefit recipients under the PERA benefit structure and all retirees under the DPS benefit structure are eligible for a premium subsidy, if enrolled in a health care plan under PERACare. Upon the death of a DPS benefit structure retiree, no further subsidy is paid.

NOTE 6: DEFINED BENEFIT OTHER POST EMPLOYMENT BENEFIT (OPEB) PLAN (Continued)

General Information about the OPEB Plan (Continued)

Enrollment in the PERACare is voluntary and is available to benefit recipients and their eligible dependents, certain surviving spouses, and divorced spouses and guardians, among others. Eligible benefit recipients may enroll into the program upon retirement, upon the occurrence of certain life events, or on an annual basis during an open enrollment period.

PERA Benefit Structure

The maximum service-based premium subsidy is \$230 per month for benefit recipients who are under 65 years of age and who are not entitled to Medicare; the maximum service-based subsidy is \$115 per month for benefit recipients who are 65 years of age or older or who are under 65 years of age and entitled to Medicare. The basis for the maximum service-based subsidy, in each case, is for benefit recipients with retirement benefits based on 20 or more years of service credit. There is a 5 percent reduction in the subsidy for each year less than 20. The benefit recipient pays the remaining portion of the premium to the extent the subsidy does not cover the entire amount.

For benefit recipients who have not participated in Social Security and who are not otherwise eligible for premium-free Medicare Part A for hospital-related services, C.R.S. § 24-51-1206(4) provides an additional subsidy. According to the statute, PERA cannot charge premiums to benefit recipients without Medicare Part A that are greater than premiums charged to benefit recipients with Part A for the same plan option, coverage level, and service credit. Currently, for each individual PERACare enrollee, the total premium for Medicare coverage is determined assuming plan participants have both Medicare Part A and Part B and the difference in premium cost is paid by the HCTF or the DPS HCTF on behalf of benefit recipients not covered by Medicare Part A.

DPS Benefit Structure

The maximum service-based premium subsidy is \$230 per month for retirees who are under 65 years of age and who are not entitled to Medicare; the maximum service-based subsidy is \$115 per month for retirees who are 65 years of age or older or who are under 65 years of age and entitled to Medicare. The basis for the maximum subsidy, in each case, is for retirees with retirement benefits based on 20 or more years of service credit. There is a 5 percent reduction in the subsidy for each year less than 20. The retiree pays the remaining portion of the premium to the extent the subsidy does not cover the entire amount.

For retirees who have not participated in Social Security and who are not otherwise eligible for premium-free Medicare Part A for hospital-related services, the HCTF or the DPS HCTF pays an alternate service-based premium subsidy. Each individual retiree meeting these conditions receives the maximum \$230 per month subsidy reduced appropriately for service less than 20 years, as described above. Retirees who do not have Medicare Part A pay the difference between the total premium and the monthly subsidy.

TOWN OF ALMA
NOTES TO FINANCIAL STATEMENTS
December 31, 2019

NOTE 6: DEFINED BENEFIT OTHER POST EMPLOYMENT BENEFIT (OPEB) PLAN (Continued)

General Information about the OPEB Plan (Continued)

Contributions. Pursuant to Title 24, Article 51, Section 208(1) (f) of the C.R.S., as amended, certain contributions are apportioned to the HCTF. PERA-affiliated employers of the State, School, Local Government, and Judicial Divisions are required to contribute at a rate of 1.02 percent of PERA-includable salary into the HCTF.

Employer contributions are recognized by the HCTF in the period in which the compensation becomes payable to the member and the Town is statutorily committed to pay the contributions. Employer contributions recognized by the HCTF from the Town were \$1,815 for the year ended December 31, 2019.

OPEB Liabilities, OPEB Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to OPEB

At December 31, 2019, the Town reported a liability of \$28,619 for its proportionate share of the net OPEB liability. The net OPEB liability for the HCTF was measured as of December 31, 2018, and the total OPEB liability used to calculate the net OPEB liability was determined by an actuarial valuation as of December 31, 2017. Standard update procedures were used to roll-forward the total OPEB liability to December 31, 2018. The Town proportion of the net OPEB liability was based on the Town contributions to the HCTF for the calendar year 2018 relative to the total contributions of participating employers to the HCTF.

At December 31, 2018, the Town proportion was 0.00210 percent, which was an increase of .000026 from its proportion measured as of December 31, 2017.

For the year ended December 31, 2019, the Town recognized OPEB expense of \$4,415. At December 31, 2019, the Town reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

	Deferred Outflows	Deferred Inflows
Difference between expected and actual experience	\$ 91	\$ (43)
Net difference between projected and actual earnings on pension plan investments	\$ 507	\$ (301)
Changes of assumptions or other inputs	\$ 200	\$ -
Changes in proportion and differences between contributions recognized and proportionate share of contributions - Plan Basis	\$ 3,676	\$ -
Contributions subsequent to the measurement date	\$ 2,129	\$ -
Total	\$ 6,603	\$ (344)

TOWN OF ALMA
NOTES TO FINANCIAL STATEMENTS
December 31, 2019

NOTE 6: DEFINED BENEFIT OTHER POST EMPLOYMENT BENEFIT (OPEB) PLAN (Continued)

OPEB Liabilities, OPEB Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to OPEB (Continued)

\$2,129 reported as deferred outflows of resources related to OPEB, resulting from contributions subsequent to the measurement date, will be recognized as a reduction of the net OPEB liability in the year ended December 31, 2020. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to OPEB will be recognized in OPEB expense as follows:

Year Ended December 31:	Fiscal Year Totals
2020	\$ 849
2021	849
2022	849
2023	949
2024	611
2025	23
Total	\$ 4,130

Actuarial assumptions. The total OPEB liability in the December 31, 2017 actuarial valuation was determined using the following actuarial cost method, actuarial assumptions and other inputs:

Actuarial cost method	Entry Age
Price inflation	2.40%
Real wage growth	1.10%
Wage inflation	3.50%
Salary increase, including wage inflation	3.50% in the aggregate
Long-term investment rate of return, net of pension plan investment expenses, including price inflation	7.25%
Discount rate	7.25%
Health care cost trend rates (PERA benefit structure):	
Service-based premium subsidy	0.00%
PERACare Medicare plans	5.00%
Medicare Part A premiums	3.25 % for 2018, gradually rising to 5.00% in 2025

Calculations are based on the benefits provided under the terms of the substantive plan in effect at the time of each actuarial valuation and on the pattern of sharing of costs between employers of each fund to that point.

The actuarial assumptions used in the December 31, 2017, valuations were based on the results of the 2016 experience analysis for the periods January 1, 2012, through December 31, 2015, as well as, the October 28, 2016, actuarial assumptions workshop and were adopted by the PERA Board during the November 18, 2016, Board meeting. In addition, certain actuarial assumptions pertaining to per capita health care costs and their related trends are analyzed and reviewed by PERA's actuary, as discussed below.

NOTE 6: DEFINED BENEFIT OTHER POST EMPLOYMENT BENEFIT (OPEB) PLAN (Continued)

OPEB Liabilities, OPEB Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to OPEB (Continued)

In determining the additional liability for PERACare enrollees who are age sixty-five or older and who are not eligible for premium-free Medicare Part A, the following monthly costs/premiums are assumed for 2018 for the PERA Benefit Structure:

Medicare Plan	Cost for Members Without Medicare Part A	Premiums for Members Without Medicare Part A
Self-Funded Medicare Supplement Plans	\$736	\$367
Kaiser Permanente Medicare Advantage HMO	602	236
Rocky Mountain Health Plans Medicare HMO	611	251
United Healthcare Medicare HMO	686	213

The 2018 Medicare Part A premium is \$422 per month.

In determining the additional liability for PERACare enrollees in the PERA Benefit Structure who are age sixty-five or older and who are not eligible for premium-free Medicare Part A, the following chart details the initial expected value of Medicare Part A benefits, age adjusted to age 65 for the year following the valuation date:

Medicare Plan	Cost for Members Without Medicare Part A
Self-Funded Medicare Supplement Plans	\$289
Kaiser Permanente Medicare Advantage HMO	300
Rocky Mountain Health Plans Medicare HMO	270
United Healthcare Medicare HMO	400

All costs are subject to the health care cost trend rates, as discussed below.

Health care cost trend rates reflect the change in per capita health costs over time due to factors such as medical inflation, utilization, plan design, and technology improvements. For the PERA benefit structure, health care cost trend rates are needed to project the future costs associated with providing benefits to those PERACare enrollees not eligible for premium-free Medicare Part A.

Health care cost trend rates for the PERA benefit structure are based on published annual health care inflation surveys in conjunction with actual plan experience (if credible), building block models and heuristics developed by health plan actuaries and administrators, and projected trends for the Federal Hospital Insurance Trust Fund (Medicare Part A premiums) provided by the Centers for Medicare & Medicaid Services. Effective December 31, 2017, the health care cost trend rates for Medicare Part A premiums were revised to reflect the current expectation of future increases in rates of inflation applicable to Medicare Part A premiums.

NOTE 6: DEFINED BENEFIT OTHER POST EMPLOYMENT BENEFIT (OPEB) PLAN (Continued)

OPEB Liabilities, OPEB Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to OPEB (Continued)

The PERA benefit structure health care cost trend rates that were used to measure the total OPEB liability are summarized in the table below:

Year	PERACare Medicare Plans	Medicare Part A Premiums
2018	5.00%	3.25%
2019	5.00%	3.50%
2020	5.00%	3.75%
2021	5.00%	4.00%
2022	5.00%	4.25%
2023	5.00%	4.50%
2024	5.00%	4.75%
2025+	5.00%	5.00%

Mortality assumptions for the determination of the total pension liability for each of the Division Trust Funds as shown below are applied, as applicable, in the determination of the total OPEB liability for the HCTF. Affiliated employers of the State, School, Local Government, and Judicial Divisions participate in the HCTF.

Healthy mortality assumptions for active members were based on the RP-2014 White Collar Employee Mortality Table, a table specifically developed for actively working people. To allow for an appropriate margin of improved mortality prospectively, the mortality rates incorporate a 70 percent factor applied to male rates and a 55 percent factor applied to female rates.

Healthy, post-retirement mortality assumptions for the State and Local Government Divisions were based on the RP-2014 Healthy Annuitant Mortality Table, adjusted as follows:

- **Males:** Mortality improvement projected to 2018 using the MP-2015 projection scale, a 73 percent factor applied to rates for ages less than 80, a 108 percent factor applied to rates for ages 80 and above, and further adjustments for credibility.
- **Females:** Mortality improvement projected to 2020 using the MP-2015 projection scale, a 78 percent factor applied to rates for ages less than 80, a 109 percent factor applied to rates for ages 80 and above, and further adjustments for credibility.

Healthy, post-retirement mortality assumptions for the School and Judicial Divisions were based on the RP-2014 White Collar Healthy Annuitant Mortality Table, adjusted as follows:

- **Males:** Mortality improvement projected to 2018 using the MP-2015 projection scale, a 93 percent factor applied to rates for ages less than 80, a 113 percent factor applied to rates for ages 80 and above, and further adjustments for credibility.

NOTE 6: DEFINED BENEFIT OTHER POST EMPLOYMENT BENEFIT (OPEB) PLAN (Continued)

OPEB Liabilities, OPEB Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to OPEB (Continued)

- **Females:** Mortality improvement projected to 2020 using the MP-2015 projection scale, a 68 percent factor applied to rates for ages less than 80, a 106 percent factor applied to rates for ages 80 and above, and further adjustments for credibility.

For disabled retirees, the mortality assumption was based on 90 percent of the RP-2014 Disabled Retiree Mortality Table.

The following health care costs assumptions were updated and used in the measurement of the obligations for the HCTF:

- Initial per capita health care costs for those PERACare enrollees under the PERA benefit structure who are expected to attain age 65 and older ages and are not eligible for premium-free Medicare Part A benefits were updated to reflect the change in costs for the 2018 plan year.
- The health care cost trend rates for Medicare Part A premiums were revised to reflect the then-current expectation of future increases in rates of inflation applicable to Medicare Part A premiums.

The long-term expected return on plan assets is reviewed as part of regular experience studies prepared every four or five years for PERA. Recently, this assumption has been reviewed more frequently. The most recent analyses were outlined in presentations to PERA's Board on October 28, 2016.

Several factors were considered in evaluating the long-term rate of return assumption for the HCTF, including long-term historical data, estimates inherent in current market data, and a log-normal distribution analysis in which best-estimate ranges of expected future real rates of return (expected return, net of investment expense and inflation) were developed for each major asset class. These ranges were combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and then adding expected inflation.

As of the most recent adoption of the long-term expected rate of return by the PERA Board, the target asset allocation and best estimates of geometric real rates of return for each major asset class are summarized in the following table:

NOTE 6: DEFINED BENEFIT OTHER POST EMPLOYMENT BENEFIT (OPEB) PLAN (Continued)

OPEB Liabilities, OPEB Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to OPEB (Continued)

Asset Class	Target Allocation	30 Year Expected Geometric Real Rate of Return
U.S. Equity - Large Cap	21.20%	4.30%
U.S. Equity - Small Cap	7.42%	4.80%
Non U.S. Equity - Developed	18.55%	5.20%
Non U.S. Equity - Emerging	5.83%	5.40%
Core Fixed Income	19.32%	1.20%
High Yield	1.38%	4.30%
Non U.S. Fixed Income - Developed	1.84%	0.60%
Emerging Market Debt	0.46%	3.90%
Core Real Estate	8.50%	4.90%
Opportunity Fund	6.00%	3.80%
Private Equity	8.50%	6.60%
Cash	1.00%	0.20%
Total	100.00%	

In setting the long-term expected rate of return, projections employed to model future returns provide a range of expected long-term returns that, including expected inflation, ultimately support a long-term expected rate of return assumption of 7.25%.

Sensitivity of the Town proportionate share of the net OPEB liability to changes in the Health Care Cost Trend Rates. The following presents the net OPEB liability using the current health care cost trend rates applicable to the PERA benefit structure, as well as if it were calculated using health care cost trend rates that are one percentage point lower or one percentage point higher than the current rates:

	1% Decrease	Current Discount Rate	1% Increase
PERACare Medicare trend rate	4.00%	5.00%	6.00%
Initial Medicare Part A trend rate	2.25%	3.25%	4.25%
Ultimate Medicare Part A trend rate	4.00%	5.00%	6.00%
Proportionate share of the net OPEB asset (liability)	\$ (27,829)	\$ (28,619)	\$ (29,528)

Discount rate. The discount rate used to measure the total OPEB liability was 7.25 percent. The projection of cash flows used to determine the discount rate applied the actuarial cost method and assumptions shown above. In addition, the following methods and assumptions were used in the projection of cash flows:

- Updated health care cost trend rates for Medicare Part A premiums as of the December 31, 2018, measurement date.

NOTE 6: DEFINED BENEFIT OTHER POST EMPLOYMENT BENEFIT (OPEB) PLAN (Continued)

OPEB Liabilities, OPEB Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to OPEB (Continued)

- Total covered payroll for the initial projection year consists of the covered payroll of the active membership present on the valuation date and the covered payroll of future plan members assumed to be hired during the year. In subsequent projection years, total covered payroll was assumed to increase annually at a rate of 3.50%.
- Employer contributions were assumed to be made at rates equal to the fixed statutory rates specified in law and effective as of the measurement date.
- Employer contributions and the amount of total service costs for future plan members were based upon a process to estimate future actuarially determined contributions assuming an analogous future plan member growth rate.
- Transfers of a portion of purchase service agreements intended to cover the costs associated with OPEB benefits were estimated and included in the projections.
- Benefit payments and contributions were assumed to be made at the middle of the year.

Based on the above assumptions and methods, the projection test indicates the HCTF's fiduciary net position was projected to make all projected future benefit payments of current members. Therefore, the long-term expected rate of return of 7.25 percent on OPEB plan investments was applied to all periods of projected benefit payments to determine the total OPEB liability. The discount rate determination does not use the municipal bond index rate, and therefore, the discount rate is 7.25 percent.

Sensitivity of the Town proportionate share of the net OPEB liability to changes in the discount rate. The following presents the proportionate share of the net OPEB liability calculated using the discount rate of 7.25 percent, as well as what the proportionate share of the net OPEB liability would be if it were calculated using a discount rate that is 1-percentage-point lower (6.25 percent) or 1-percentage-point higher (8.25 percent) than the current rate:

	1% Decrease	Current Discount Rate	1% Increase
Discount Rate	6.25%	7.25%	8.25%
Proportionate share of the net OPEB asset (liability)	\$ (32,022)	\$ (28,619)	\$ (25,710)

OPEB plan fiduciary net position. Detailed information about the HCTF's fiduciary net position is available in PERA's CAFR which can be obtained at www.copera.org/investments/pera-financial-reports.

TOWN OF ALMA
NOTES TO FINANCIAL STATEMENTS
December 31, 2019

NOTE 6: DEFINED BENEFIT OTHER POST EMPLOYMENT BENEFIT (OPEB) PLAN (Continued)

Internal Allocations

The Town's internal allocation of the net OPEB liability and related deferred outflows and inflows of resources is determined by the underlying payroll amounts. The allocation of the payroll for the years ended December 31, 2019 and 2018 were as follows:

	Governmental Activities	Water Fund	Sewer Fund	Total All Funds
12/31/2018 Allocation	77.61%	13.96%	8.43%	100.00%
12/31/2019 Allocation	76.60%	11.70%	11.70%	100.00%

Accordingly, the Town is required to allocate the net OPEB liability based on those amounts which creates a change in internal proportion that is reflected as either a deferred outflow or inflow in the respective activity and fund. The change in proportion is amortized and will be reflected as an adjustment to the activity or funds pension expense as follows:

	Governmental Activities	Water Fund	Sewer Fund
2018	\$ 1,277	\$ 1,276	\$ 1,276
2019	3,379	3,378	3,378

NOTE 7: RISK MANAGEMENT

The Town is exposed to various risks of loss related to: torts; theft of, damage to, and destruction of assets; errors and omissions; injuries to employees; and natural disasters. For these risks of loss, the Town carries commercial insurance. The amounts of settlements have not exceeded insurance coverage the past three years, nor were there any significant changes in insurance coverage.

NOTE 8: CONTINGENCIES, COMMITMENTS AND COMPLIANCE

A. Grants

The Town receives revenues from various federal and state grant programs, which are subject to final review and approval as to allowability by the respective grantor agencies. The amount, if any, of expenditures which may be disallowed by the granting agencies cannot be determined at this time, although the Town expects such amounts, if any, to be immaterial.

NOTE 8: CONTINGENCIES, COMMITMENTS AND COMPLIANCE (Continued)

B. Tabor Amendment

In November 1992, Colorado voters passed the Tabor Amendment (Amendment 1) to the State Constitution which limits state and local government tax powers and imposes spending limitations. The Town is subject to the Tabor Amendment. Fiscal year 1993 provides the basis for limits in future years to assessed valuation. Revenue received in excess of the limitations may be required to be refunded unless the Town's electorate vote to retain the revenue. The Tabor Amendment is subject to many interpretations, but the Town feels it is in substantial compliance with the Amendment. On April 5, 1994, the Town passed the following exemption to the Tabor Amendment:

Shall the Town of Alma, Colorado, be authorized to collect and expend the full revenues generated, including without limitation any reduction in debt service, beginning May 1, 1994 and for each subsequent year thereafter without any increase in such tax rates, and to spend such revenues for debt service, municipal operations, capital projects and any other lawful municipal purpose? Nothing in this question can be construed to remove the remaining restrictions of Article X, Section 20 of the Colorado Constitution with is commonly known as Amendment One and/or the TABOR Amendment.

The Town has reserved \$20,000 in the General Fund to meet the three (3) percent emergency reserve required by the Tabor Amendment.

NOTE 9: BUDGET VIOLATION

For the year ended December 31, 2019, the Town did not adopt a budget for the Conservation Trust and Debt Service Funds, which may be a violation of state statutes.

**Required Supplementary Information
(Pension Schedules Unaudited)**

TOWN OF ALMA

**SCHEDULE OF THE TOWN'S PROPORTIONATE SHARE OF THE
NET PENSION ASSET (LIABILITY)
PERA Pension Plan
Last 10 Fiscal Years⁽¹⁾**

<u>Fiscal Year</u>	<u>Town's proportion of the net pension asset (liability)</u>	<u>Town's proportionate share of the net pension asset (liability)</u>	<u>Town's covered payroll</u>	<u>Town's proportionate share of the net pension asset (liability) as a percentage of covered payroll</u>	<u>Plan fiduciary net position as a percentage of the total pension liability</u>
12/31/2019	0.027124%	\$ (341,009)	\$ 177,902	191.68%	75.96%
12/31/2018	0.023765%	\$ (264,608)	\$ 149,921	176.50%	79.37%
12/31/2017	0.022775%	\$ (307,535)	\$ 138,044	222.78%	73.65%
12/31/2016	0.030277%	\$ (333,524)	\$ 171,948	193.97%	76.87%
12/31/2015	0.029381%	\$ (263,347)	\$ 160,994	163.58%	80.72%
12/31/2014	0.028148%	\$ (231,638)	\$ 150,174	154.25%	81.00%

Note: All amounts are as of plan calculation dates which are one fiscal year prior to the date shown.

⁽¹⁾ - Additional years will be added to this schedule as they become available.

See the accompanying Independent Auditors' Report.

TOWN OF ALMA

SCHEDULE OF TOWN CONTRIBUTIONS

PERA Pension Plan

Last 10 Fiscal Years⁽¹⁾

<u>Fiscal Year</u>	<u>Contractually required contributions</u>	<u>Actual contributions</u>	<u>Contribution deficiency (excess)</u>	<u>Town's covered payroll</u>	<u>Contributions as a percentage of covered payroll</u>
12/31/2019	\$ 22,558	\$ 22,558	\$ -	\$ 177,902	12.68%
12/31/2018	\$ 19,010	\$ 19,010	\$ -	\$ 149,921	12.68%
12/31/2017	\$ 17,504	\$ 17,504	\$ -	\$ 138,044	12.68%
12/31/2016	\$ 21,803	\$ 21,803	\$ -	\$ 171,948	12.68%
12/31/2015	\$ 20,414	\$ 20,414	\$ -	\$ 160,994	12.68%
12/31/2014	\$ 19,042	\$ 19,042	\$ -	\$ 150,174	12.68%

Note: All amounts are as of plan calculation dates which are one fiscal year prior to the date shown.

⁽¹⁾ - Additional years will be added to this schedule as they become available.

See the accompanying Independent Auditors' Report.

TOWN OF ALMA

**SCHEDULE OF THE DISTRICT'S PROPORTIONATE SHARE OF THE
NET PENSION ASSET (LIABILITY)**

FPPA Pension Plan

Last 10 Fiscal Years⁽¹⁾

<u>Fiscal Year</u>	Town's proportion of the net pension asset (liability)	Town's proportionate share of the net pension asset (liability)	Town's covered payroll	Town's proportionate share of the net pension asset (liability) as a proportion of covered payroll	Plan fiduciary net position as a percentage of the total pension liability
12/31/2019	0.0082742%	\$ (10,461)	\$ 65,875	-15.88%	95.23%
12/31/2018	0.0087831%	\$ 12,636	\$ 51,375	24.60%	106.34%
12/31/2017	0.0096232%	\$ (3,477)	\$ 49,250	-7.06%	98.21%
12/31/2016	0.0177068%	\$ 312	\$ 85,838	0.36%	100.10%
12/31/2015	0.0154345%	\$ 17,419	\$ 69,413	25.09%	106.83%
12/31/2014	0.0144174%	\$ 12,892	\$ 62,625	20.59%	105.83%

Note: All amounts are as of plan calculation dates which are one fiscal year prior to the date shown.

⁽¹⁾ - Additional years will be added to this schedule as they become available.

See the accompanying Independent Auditors' Report.

TOWN OF ALMA

SCHEDULE OF DISTRICT CONTRIBUTIONS

FPPA Pension Plan

Last 10 Fiscal Years⁽¹⁾

<u>Fiscal Year</u>	<u>Contractually required contributions</u>	<u>Actual contributions</u>	<u>Contribution deficiency (excess)</u>	<u>Town's covered payroll</u>	<u>Contributions as a percentage of covered payroll</u>
12/31/2019	\$ 5,270	\$ 5,270	\$ -	\$ 65,875	8.00%
12/31/2018	\$ 4,110	\$ 4,110	\$ -	\$ 51,375	8.00%
12/31/2017	\$ 3,940	\$ 3,940	\$ -	\$ 49,250	8.00%
12/31/2016	\$ 6,867	\$ 6,867	\$ -	\$ 85,838	8.00%
12/31/2015	\$ 5,553	\$ 5,553	\$ -	\$ 69,413	8.00%
12/31/2014	\$ 5,010	\$ 5,010	\$ -	\$ 62,625	8.00%

Note: All amounts are as of plan calculation dates which are one fiscal year prior to the date shown.

⁽¹⁾ - Additional years will be added to this schedule as they become available.

See the accompanying Independent Auditors' Report.

TOWN OF ALMA

**SCHEDULE OF THE TOWN'S PROPORTIONATE SHARE OF THE
NET OPEB ASSET (LIABILITY)
PERA Health Care Trust Fund
Last 10 Fiscal Years⁽¹⁾**

<u>Fiscal Year</u>	<u>Town's proportion of the net OPEB asset (liability)</u>	<u>Town's proportionate share of the net OPEB asset (liability)</u>	<u>Town's covered payroll</u>	<u>Town's proportionate share of the net OPEB asset (liability) as a percentage of covered payroll</u>	<u>Plan fiduciary net position as a percentage of the total OPEB liability</u>
12/31/2019	0.0021035%	\$ (28,619)	\$ 177,941	16.08%	17.03%
12/31/2018	0.0018467%	\$ (23,999)	\$ 149,902	16.01%	17.53%
12/31/2017	0.0017483%	\$ (22,667)	\$ 276,275	8.20%	16.70%

Note: All amounts are as of plan calculation dates which are one fiscal year prior to the date shown.

⁽¹⁾ - Additional years will be added to this schedule as they become available.

See the accompanying Independent Auditors' Report.

TOWN OF ALMA

SCHEDULE OF TOWN CONTRIBUTIONS

PERA Health Care Trust Fund

Last 10 Fiscal Years⁽¹⁾

<u>Fiscal Year</u>	<u>Contractually required contributions</u>	<u>Actual contributions</u>	<u>Contribution deficiency (excess)</u>	<u>Town's covered payroll</u>	<u>Contributions as a percentage of covered payroll</u>
12/31/2019	\$ 1,815	\$ 1,815	\$ -	\$ 177,941	1.02%
12/31/2018	\$ 1,529	\$ 1,529	\$ -	\$ 149,902	1.02%
12/31/2017	\$ 2,818	\$ 2,818	\$ -	\$ 276,275	1.02%

Note: All amounts are as of plan calculation dates which are one fiscal year prior to the date shown.

⁽¹⁾ - Additional years will be added to this schedule as they become available.

See the accompanying Independent Auditors' Report.

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Required Supplementary Information

TOWN OF ALMA

BUDGETARY COMPARISON SCHEDULE

General Fund

FOR THE YEAR ENDED DECEMBER 31, 2019

With Comparative Totals for the Year Ended December 31, 2018

	2019				
	Original Budget	Final Budget	Actual	Variance With Final Budget	2018 Actual
REVENUES					
Taxes					
Property Taxes	\$ 90,364	\$ 90,364	\$ 89,699	\$ (665)	\$ 90,357
Specific Ownership Taxes	12,000	12,000	15,591	3,591	15,132
Sales Taxes	165,000	165,000	236,271	71,271	162,248
Franchise Taxes	20,000	20,000	22,554	2,554	21,095
Other Taxes	-	-	2,942	2,942	496
Total Tax Revenue	<u>287,364</u>	<u>287,364</u>	<u>367,057</u>	<u>79,693</u>	<u>289,328</u>
Intergovernmental Revenues					
Cigarette Taxes	1,100	1,100	510	(590)	485
Highway Users	12,911	12,911	16,598	3,687	16,477
Road and Bridge	2,500	2,500	2,448	(52)	2,475
Clerk/Motor Vehicle Fees	1,600	1,600	1,570	(30)	911
Mineral Lease	5,000	5,000	119	(4,881)	97
Severance Tax	800	800	1,400	600	684
State Grants	330,000	330,000	114,296	(215,704)	35,111
Total Intergovernmental Revenue	<u>353,911</u>	<u>353,911</u>	<u>136,941</u>	<u>(216,970)</u>	<u>56,240</u>
Licenses and Permits					
Building Permits	15,000	15,000	5,770	(9,230)	2,767
Other Licenses and Permits	4,600	4,600	14,230	9,630	9,800
Total Licenses and Permits	<u>19,600</u>	<u>19,600</u>	<u>20,000</u>	<u>400</u>	<u>12,567</u>
Fines and Forfeits	<u>90,150</u>	<u>90,150</u>	<u>54,542</u>	<u>(35,608)</u>	<u>55,064</u>
Charges for Services					
Utility Charges	34,500	34,500	35,775	1,275	33,483
Rents	600	600	22,678	22,078	18,665
Other Charges for Services	46,500	46,500	32,577	(13,923)	39,667
Total Charges for Services	<u>81,600</u>	<u>81,600</u>	<u>91,030</u>	<u>9,430</u>	<u>91,815</u>
Investment Earnings	<u>600</u>	<u>600</u>	<u>7,943</u>	<u>7,343</u>	<u>6,930</u>
Other Revenues					
Donations	500	500	631	131	250
Other Miscellaneous Revenue	20,039	20,039	5,769	(14,270)	10,058
Total Other Revenue	<u>20,539</u>	<u>20,539</u>	<u>10,400</u>	<u>(10,139)</u>	<u>10,308</u>
TOTAL REVENUES	<u>853,764</u>	<u>853,764</u>	<u>687,913</u>	<u>(165,851)</u>	<u>522,252</u>

See accompanying Independent Auditors' Report.

(Continued)

TOWN OF ALMA

BUDGETARY COMPARISON SCHEDULE

General Fund

FOR THE YEAR ENDED DECEMBER 31, 2019

With Comparative Totals for the Year Ended December 31, 2018

	2019				2018
	Original Budget	Final Budget	Actual	Variance With Final Budget	Actual
(Continued)					
EXPENDITURES					
General Government					
Personnel Services	173,019	173,019	127,286	(45,733)	118,559
Fuel and Automotive	-	-	3,229	(3,229)	646
Insurance	10,000	10,000	12,306	(2,306)	18,598
Professional Fees	40,000	40,000	33,806	6,194	25,553
Repairs and Maintenance	4,000	4,000	3,576	424	374
Supplies	16,600	16,600	9,672	6,928	8,616
Telephone and Utilities	32,600	32,600	25,615	6,985	21,214
Travel and Training	2,500	2,500	1,111	1,389	1,071
Other Expenses	15,200	15,200	28,206	(13,006)	7,488
Total General Government	293,919	293,919	244,807	(42,354)	202,119
Public Safety					
Personnel Services	152,429	152,429	101,027	51,402	90,099
Fuel and Automotive	2,000	2,000	2,924	(924)	3,342
Insurance	3,500	3,500	2,287	1,213	544
Professional Fees	4,200	4,200	4,200	-	4,200
Supplies	4,150	4,150	2,543	1,607	1,284
Telephone and Utilities	250	250	143	107	-
Travel and Training	-	-	2,891	(2,891)	-
Other Expenses	1,324	1,324	2,086	(762)	1,574
Total Public Safety	167,853	167,853	118,101	49,752	101,043
Public Works					
Personnel Services	33,518	33,518	68,001	(34,483)	38,890
Fuel and Automotive	8,000	8,000	7,203	797	5,003
Professional Fees	2,500	2,500	1,716	784	-
Repairs and Maintenance	18,000	18,000	10,212	7,788	3,742
Supplies	2,500	2,500	1,688	812	290
Telephone and Utilities	3,200	3,200	4,798	(1,598)	2,866
Travel and Training	500	500	-	500	-
Other Expenses	2,000	2,000	5,349	(3,349)	1,865
Total Public Works/Comm Devel	70,218	70,218	98,967	(28,749)	52,656
Parks, Recreation and Other					
Personnel Services	13,611	13,611	4,284	(9,327)	8,410
Repairs and Maintenance	12,500	12,500	6,424	6,076	8,202
Telephone and Utilities	2,400	2,400	2,610	(210)	2,770
Other Expenses	-	-	-	-	44
Total Parks, Recreation & Other	28,511	28,511	13,318	(3,461)	19,426

See accompanying Independent Auditors' Report.

(Continued)

TOWN OF ALMA

BUDGETARY COMPARISON SCHEDULE

General Fund

FOR THE YEAR ENDED DECEMBER 31, 2019

With Comparative Totals for the Year Ended December 31, 2018

	2019				2018
	Original Budget	Final Budget	Actual	Variance With Final Budget	Actual
(Continued)					
Capital Outlay					
General Government Capital Outlay	4,500	4,500	1,154	3,346	95,932
Public Safety Capital Outlay	10,000	10,000	2,467	7,533	44,876
Public Works Capital Outlay	330,000	330,000	214,781	115,219	-
Parks, Recreation and Other Capital Outlay	5,000	5,000	26,122	(21,122)	14,447
Total Capital Outlay	<u>349,500</u>	<u>349,500</u>	<u>244,524</u>	<u>104,976</u>	<u>155,255</u>
Debt Service					
Principal	<u>25,050</u>	<u>25,050</u>	<u>26,678</u>	<u>(1,628)</u>	<u>26,607</u>
TOTAL EXPENDITURES	<u>935,051</u>	<u>935,051</u>	<u>746,395</u>	<u>78,536</u>	<u>557,106</u>
REVENUES IN EXCESS (DEFICIENCY) OF EXPENDITURES	(81,287)	(81,287)	(58,482)	(87,315)	(34,854)
OTHER FINANCING SOURCES (USES)					
Transfers In (Out)	<u>(100,000)</u>	<u>(100,000)</u>	-	100,000	-
NET CHANGE IN FUND BALANCE - BUDGET BASIS	<u>\$ (181,287)</u>	<u>\$ (181,287)</u>	(58,482)	<u>\$ 12,685</u>	(34,854)
FUND BALANCE, BEGINNING			443,780		478,634
FUND BALANCE, ENDING			<u>\$ 385,298</u>		<u>\$ 443,780</u>

See accompanying Independent Auditors' Report.

Other Supplementary Information

TOWN OF ALMA

COMBINING BALANCE SHEET

NONMAJOR GOVERNMENTAL FUNDS

DECEMBER 31, 2019

With Comparative Totals for December 31, 2018

	SPECIAL REVENUE FUNDS		
	Conservation Trust Fund	Total	
		2019	2018
ASSETS AND DEFERRED OUTFLOWS			
ASSETS			
Current Assets			
Cash and Investments			
Restricted Cash and Investments	\$ 17,306	\$ 17,306	\$ 15,254
LIABILITIES, DEFERRED INFLOWS AND NET POSITION			
FUND BALANCE			
Restricted Fund Balance	\$ 17,306	\$ 17,306	\$ 15,254

See accompanying Independent Auditors' Report.

TOWN OF ALMA

COMBINING SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE

NONMAJOR GOVERNMENTAL FUNDS

FOR THE YEAR ENDED DECEMBER 31, 2019

With Comparative Totals for the Year Ended December 31, 2018

	SPECIAL REVENUE FUNDS		
	Conservation Trust Fund	Total	
		2019	2018
REVENUES			
Intergovernmental Revenues	\$ 1,701	\$ 1,701	\$ 1,463
Investment Earnings	351	351	278
TOTAL REVENUES	2,052	2,052	1,741
EXPENDITURES			
Capital Outlay	-	-	462
NET CHANGE IN FUND BALANCE - GAAP BASIS	2,052	2,052	1,279
FUND BALANCE, BEGINNING	15,254	15,254	13,975
FUND BALANCE, ENDING	\$ 17,306	\$ 17,306	\$ 15,254

See accompanying Independent Auditors' Report.

TOWN OF ALMA

BUDGETARY COMPARISON SCHEDULE

Conservation Trust Fund

FOR THE YEAR ENDED DECEMBER 31, 2019

With Comparative Totals for the Year Ended December 31, 2018

	2019			
	Original & Final Budget	Actual	Variance With Final Budget	2018 Actual
REVENUES				
Intergovernmental Revenues				
Cons Trust Fund Revenue	\$ -	\$ 1,701	\$ 1,701	\$ 1,463
Investment Earnings	-	351	351	278
TOTAL REVENUES	-	2,052	2,052	1,741
EXPENDITURES				
Capital Outlay				
Parks, Recreation and Other Capital Outlay	-	-	-	462
NET CHANGE IN FUND BALANCE - BUDGET BASIS	\$ -	2,052	\$ 2,052	1,279
FUND BALANCE, BEGINNING		15,254		13,975
FUND BALANCE, ENDING		\$ 17,306		\$ 15,254

See accompanying Independent Auditors' Report.

TOWN OF ALMA**BUDGETARY COMPARISON SCHEDULE****Debt Service Fund****FOR THE YEAR ENDED DECEMBER 31, 2019****With Comparative Totals for the Year Ended December 31, 2018**

	2019			2018
	Original & Final Budget	Actual	Variance With Final Budget	Actual
REVENUES				
Taxes				
Property Taxes	\$ -	\$ 10,742	\$ 10,742	\$ 10,838
Specific Ownership Taxes	-	1,692	1,692	1,671
Total Tax Revenue	-	12,434	12,434	12,509
Investment Earnings	-	35	35	35
TOTAL REVENUES	-	12,469	12,469	12,544
EXPENDITURES				
Debt Service				
Principal	-	9,305	(9,305)	8,122
NET CHANGE IN FUND BALANCE - BUDGET BASIS	<u>\$ -</u>	<u>3,164</u>	<u>\$ 3,164</u>	<u>4,422</u>
FUND BALANCE, BEGINNING		<u>67,574</u>		<u>63,152</u>
FUND BALANCE, ENDING		<u>\$ 70,738</u>		<u>\$ 67,574</u>

See accompanying Independent Auditors' Report.

TOWN OF ALMA

STATEMENT OF REVENUES, EXPENSES AND CHANGES IN NET POSITION

BUDGET AND ACTUAL

Water Fund

FOR THE YEAR ENDED DECEMBER 31, 2019

With Comparative Totals for the Year Ended December 31, 2018

	2019			
	Original & Final Budget	Actual	Variance with Final Budget	2018 Actual
Operating Revenues				
Utility Charges	\$ 125,202	\$ 133,305	\$ 8,103	\$ 124,427
Other Charges for Services	-	-	-	440
Total Revenues	<u>125,202</u>	<u>133,305</u>	<u>8,103</u>	<u>124,867</u>
Operating Expenses				
Personnel Services	25,832	23,927	1,905	30,423
Administrative/Office Expenses	2,200	630	1,570	525
Insurance	6,000	2,616	3,384	3,238
Professional Fees	9,500	3,760	5,740	2,525
Repairs and Maintenance	27,000	19,425	7,575	8,487
Travel and Training	2,500	854	1,646	981
Treatment	4,000	3,397	603	2,021
Telephone and Utilities	7,700	7,548	152	7,284
Other Operating Expenses	1,480	897	583	1,914
Other Capital Outlay	27,362	10,127	17,235	11,228
Total Expenditures	<u>113,574</u>	<u>73,181</u>	<u>40,393</u>	<u>68,626</u>
Operating Income (Loss)	<u>11,628</u>	<u>60,124</u>	<u>48,496</u>	<u>56,241</u>
Other Income (Expense)				
Investment Earnings	200	1,659	1,459	1,299
Other Revenue	4,950	3,619	(1,331)	2,639
Debt Service	(16,778)	(36,921)	(20,143)	(36,861)
Gain (Loss) on Sale of Assets	-	-	-	(228)
Total Other Income (Expense)	<u>(11,628)</u>	<u>(31,643)</u>	<u>(20,015)</u>	<u>(33,151)</u>
Net Income (Loss) before Transfers	-	28,481	28,481	23,090
Contributed Capital				
Plant Investment Fees	45,000	9,375	(35,625)	7,500
Change in Net Position (Budget Basis)	<u>\$ 45,000</u>	<u>37,856</u>	<u>\$ (7,144)</u>	<u>30,590</u>
Budget to GAAP Reconciliation				
Principal Paid		25,850		25,102
Depreciation Expense		(48,382)		(48,428)
Capital Outlay		-		10,800
Change in Net Position - GAAP Basis		15,324		18,064
Net Position, Beginning		<u>981,674</u>		<u>963,610</u>
Net Position, Ending		<u>\$ 996,998</u>		<u>\$ 981,674</u>

See accompanying Independent Auditors' Report.

TOWN OF ALMA

STATEMENT OF REVENUES, EXPENSES AND CHANGES IN NET POSITION

BUDGET AND ACTUAL

Sewer Fund

FOR THE YEAR ENDED DECEMBER 31, 2019

With Comparative Totals for the Year Ended December 31, 2018

	2019			
	Original & Final Budget	Actual	Variance with Final Budget	2018 Actual
Operating Revenues				
Utility Charges	\$ 86,940	\$ 92,255	\$ 5,315	\$ 78,684
Operating Expenses				
Personnel Services	24,831	20,283	4,548	25,345
Administrative/Office Expenses	600	251	349	349
Insurance	5,027	8,025	(2,998)	6,426
Operating Supplies	1,500	420	1,080	93
Professional Fees	11,023	5,026	5,997	4,870
Repairs and Maintenance	20,500	7,930	12,570	2,867
Travel and Training	2,500	643	1,857	131
Treatment	4,500	4,431	69	2,161
Telephone and Utilities	8,200	7,072	1,128	6,440
Other Operating Expenses	223	7,541	(7,318)	1,511
Other Capital Outlay	45,000	20,020	24,980	24,623
Total Expenditures	123,904	81,642	42,262	74,816
Operating Income (Loss)	(36,964)	10,613	47,577	3,868
Other Income (Expense)				
Intergovernmental Revenue	-	19,184	19,184	-
Investment Earnings	-	2,527	2,527	1,945
Other Revenue	45,000	126	(44,874)	139
Debt Service	(8,036)	(7,889)	147	(7,892)
Total Other Income (Expense)	36,964	13,948	(23,016)	(5,808)
Net Income (Loss) before Transfers	-	24,561	24,561	(1,940)
Contributed Capital				
Plant Investment Fees	45,000	9,375	(35,625)	7,500
Change in Net Position (Budget Basis)	\$ 45,000	33,936	\$ (11,064)	5,560
Budget to GAAP Reconciliation				
Principal Paid		4,086		3,844
Depreciation Expense		(13,479)		(13,479)
Capital Outlay		19,667		24,623
Change in Net Position - GAAP Basis		44,210		20,548
Net Position, Beginning		350,478		329,930
Net Position, Ending		\$ 394,688		\$ 350,478

See accompanying Independent Auditors' Report.

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State Compliance

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

LOCAL HIGHWAY FINANCE REPORT	City or County: ALMA
	YEAR ENDING : December 2019

This Information From The Records Of (example - City of _ or County of _)	Prepared By: Phone:
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I. DISPOSITION OF HIGHWAY-USER REVENUES AVAILABLE FOR LOCAL GOVERNMENT EXPENDITURE

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

II. RECEIPTS FOR ROAD AND STREET PURPOSES

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	47,326
3. Other local imposts (from page 2)	0
4. Miscellaneous local receipts (from page 2)	2,566
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)	49,892
B. Private Contributions	
C. Receipts from State government (from page 2)	17,789
D. Receipts from Federal Government (from page 2)	0
E. Total receipts (A.7 + B + C + D)	67,681

III. DISBURSEMENTS FOR ROAD AND STREET PURPOSES

ITEM	AMOUNT
A. Local highway disbursements:	
1. Capital outlay (from page 2)	0
2. Maintenance:	36,830
3. Road and street services:	
a. Traffic control operations	2,088
b. Snow and ice removal	16,449
c. Other	
d. Total (a. through c.)	18,537
4. General administration & miscellaneous	12,314
5. Highway law enforcement and safety	
6. Total (1 through 5)	67,681
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)	67,681

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
		67,681	67,681		0

Notes and Comments:

LOCAL HIGHWAY FINANCE REPORT		STATE: Colorado YEAR ENDING (mm/yy): December 2019	
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 & Penalties	
1. Sales Taxes		c. Parking Garage Fees	
2. Infrastructure & Impact Fees		d. Parking Meter Fees	
3. Liens		e. Sale of Surplus Property	
4. Licenses		f. Charges for Services	
5. Specific Ownership &/or Other		g. Other Misc. Receipts	
6. Total (1. through 5.)	0	h. Other	2,566
c. Total (a. + b.)	0	i. Total (a. through h.)	2,566
(Carry forward to page 1)		(Carry forward to page 1)	
III. DISBURSEMENTS FOR ROAD AND STREET PURPOSES - DETAIL			
ITEM	AMOUNT	ITEM	AMOUNT
C. Receipts from State Government		D. Receipts from Federal Government	
1. Highway-user taxes	16,485	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	1,304	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.)	1,304	g. Total (a. through f.)	0
4. Total (1. + 2. + 3.f)	17,789	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			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:			