

**TOWN OF ALMA  
ALMA, COLORADO**

**FINANCIAL STATEMENTS  
WITH  
INDEPENDENT AUDITORS' REPORT**

**FOR THE YEAR ENDED  
DECEMBER 31, 2020**

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## INTRODUCTORY SECTION

**TOWN OF ALMA**

**ROSTER OF TOWN OFFICIALS**

**December 31, 2020**

**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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**December 31, 2020**

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## FINANCIAL SECTION

**TOWN OF ALMA  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
December 31, 2020**

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, 2020. 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 2020 by \$3,851,692 (*net position*). Of this amount, \$983,390 (*unrestricted net position*) may be used to meet the Town's ongoing obligations or unforeseen expenses.
  
- As of the close of fiscal year 2020, the Town of Alma's governmental funds reported a combined ending fund balance of \$955,506, an increase of \$482,166 compared to fiscal year 2019.
  
- At the end of fiscal year 2020, unassigned fund balance for the general fund was \$823,941. This balance will continue to be monitored to ensure that balances are adequate to allow for contingencies.
  
- General Fund 2020 revenues increased by \$644,051 from 2019 levels. Expenses increased \$100,830. 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, 2020**

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 \$4,991,603 as of December 31, 2020. Of this amount, \$1,926,763 or 61 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, 2020**

**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 \$2,450,246 at the close of 2020. Combined net position of the Town at December 31, 2020 were:

	Governmental Activities		Business-type Activities		Total	
	2020	2019	2020	2019	2020	2019
<b>ASSETS</b>						
Current and Other Assets	\$ 1,121,985	\$ 603,002	\$ 422,757	\$ 385,994	\$ 1,544,742	\$ 988,996
Capital Assets	1,769,699	1,649,274	1,461,093	1,517,524	3,230,792	3,166,798
Total Assets	2,891,684	2,252,276	1,883,850	1,903,518	4,775,534	4,155,794
 DEFERRED OUTFLOWS	173,156	196,281	42,913	48,142	216,069	244,423
<b>LIABILITIES</b>						
Current Liabilities	53,375	12,438	6,889	16,273	60,264	28,711
Noncurrent Liabilities	298,479	439,576	474,172	529,533	772,651	969,109
Total Liabilities	351,854	452,014	481,061	545,806	832,915	997,820
 DEFERRED INFOWS	6,015	173,573	44,256	14,168	50,271	187,741
<b>NET POSITION</b>						
Net Investment in Capital Assets	1,656,615	1,505,144	1,039,907	1,071,033	2,696,522	2,576,177
Restricted	127,263	108,044	44,517	47,068	171,780	155,112
Unrestricted	666,368	209,782	317,022	273,585	983,390	483,367
<b>Total Net Position</b>	<b>\$ 2,450,246</b>	<b>\$ 1,822,970</b>	<b>\$ 1,401,446</b>	<b>\$ 1,391,686</b>	<b>\$ 3,851,692</b>	<b>\$ 3,214,656</b>

The statement of net position reflects a cash position totaling \$1,205,867, or 74% of total assets. The bulk of the Town's resources, \$3,230,792, or 32% 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, 2020**

**Changes in Net Position**

Governmental activities increased the Town of Alma's net position by \$627,276. 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 9,760.

	Governmental Activities		Business-type Activities		Total	
	2020	2019	2020	2019	2020	2019
<b>PROGRAM REVENUES</b>						
Charges for Services	\$ 201,240	\$ 165,572	\$ 244,034	\$ 225,560	\$ 445,274	\$ 391,132
Operating Grants	571,996	139,270	-	19,184	571,996	158,454
Capital Grants	-	-	-	18,750	-	18,750
Total Program Revenues	<u>773,236</u>	<u>304,842</u>	<u>244,034</u>	<u>263,494</u>	<u>1,017,270</u>	<u>568,336</u>
<b>GENERAL REVENUES</b>						
Property Taxes	116,346	100,440	-	-	116,346	100,440
Specific Ownership Taxes	15,452	17,283	-	-	15,452	17,283
Sales Taxes	374,318	236,271	-	-	374,318	236,271
Franchise Taxes	25,231	22,554	-	-	25,231	22,554
Gain(Loss) on Disposal of Capital Assets	20,000	2,942	609	4,186	20,609	7,128
Interest Income	3,983	8,329	-	3,745	3,983	12,074
Other Taxes	1,657	4,000	-	-	1,657	4,000
Other Revenues	9,095	5,773	1,404	-	10,499	5,773
Total General Revenues	<u>566,082</u>	<u>397,592</u>	<u>2,013</u>	<u>7,931</u>	<u>568,095</u>	<u>405,523</u>
Total Revenues	<u>1,339,318</u>	<u>702,434</u>	<u>246,047</u>	<u>271,425</u>	<u>1,585,365</u>	<u>973,859</u>
<b>PROGRAM EXPENSES</b>						
General Government	344,928	242,249	-	-	344,928	242,249
Public Safety	154,537	116,345	-	-	154,537	116,345
Public Works	184,452	165,540	-	-	184,452	165,540
Culture and Recreation	21,040	13,694	-	-	21,040	13,694
Water Operations	-	-	149,340	132,634	149,340	132,634
Sewer Operations	-	-	86,947	79,257	86,947	79,257
Noncapitalized Capital Outlay	-	(14,556)	-	-	-	(14,556)
Interest	7,085	8,976	-	-	7,085	8,976
Total Program Expenses	<u>712,042</u>	<u>532,248</u>	<u>236,287</u>	<u>211,891</u>	<u>948,329</u>	<u>744,139</u>
<b>CHANGE IN NET POSITION</b>						
	627,276	170,186	9,760	59,534	637,036	229,720
Net Position, Beginning	<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>
<b>NET POSITION, ENDING</b>	<b><u>\$ 2,450,246</u></b>	<b><u>\$ 1,822,970</u></b>	<b><u>\$ 1,401,446</u></b>	<b><u>\$ 1,391,686</u></b>	<b><u>\$ 3,851,692</u></b>	<b><u>\$ 3,214,656</u></b>

**TOWN OF ALMA  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
December 31, 2020**

**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 that 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.

	<b>Balance 1/1/20</b>	<b>Additions</b>	<b>Deletions</b>	<b>Balance 12/31/20</b>
<b>Governmental activities:</b>				
Capital Assets not being depreciated:				
Land & Improvements	\$ 473,831	\$ -	\$ -	\$ 473,831
Construction in Progress	367,994	-	328,766	39,228
Non-Depreciable Collection	59,000	-	-	59,000
Total capital assets not being depreciated	900,825	-	328,766	572,059
Capital assets being depreciated:				
Buildings & Improvements	396,233	504,056	-	900,289
Equipment & Vehicles	500,777	54,750	46,500	509,027
Streets	873,693	-	-	873,693
Total capital assets being depreciated:	1,770,703	558,806	46,500	2,283,009
Accumulated depreciation:				
Buildings & Improvements	(227,082)	(16,829)	-	(243,911)
Equipment and vehicles	(362,430)	(55,828)	(39,700)	(378,558)
Streets	(432,742)	(34,948)	-	(467,690)
Total accumulated depreciation	(1,022,254)	(107,605)	(39,700)	(1,090,159)
<b>Total governmental activities capital assets, net of depreciation:</b>	<b>\$ 1,649,274</b>	<b>\$ 451,201</b>	<b>\$ 335,566</b>	<b>\$ 1,764,909</b>

**TOWN OF ALMA  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
December 31, 2020**

	Balance 1/1/20	Additions	Deletions	Balance 12/31/20
<b>Business-type activities:</b>				
Capital Assets not being depreciated:				
Water rights	\$ 60,090	\$ -	\$ -	\$ 60,090
Construction in progress	44,290	-	-	44,290
Total Capital Assets not being depreciated	<u>104,380</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	-	2,761	23,653
Sewer equipment	27,668	-	2,760	24,908
Total capital assets being depreciated:	<u>2,952,776</u>	-	5,521	<u>2,947,255</u>
Accumulated depreciation:				
Water plant and lines	(1,002,036)	(47,302)	-	(1,049,338)
Sewer plant & lines	(492,694)	(13,479)	-	(506,173)
Water equipment	(17,234)	(1,080)	(2,761)	(15,553)
Sewer equipment	(27,668)	-	(2,760)	(24,908)
Total accumulated depreciation	<u>(1,539,632)</u>	<u>(61,861)</u>	<u>(5,521)</u>	<u>(1,595,972)</u>
<b>Total business-type activities capital assets, net of depreciation</b>	<u>\$ 1,517,524</u>	<u>\$ (61,861)</u>	<u>\$ -</u>	<u>\$ 1,455,663</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 01/01/20	Additions	Deletions	Balance 12/31/20	Current Portion	Interest Expense
<b>Governmental Activities</b>						
2001 General Obligation Bonds	\$ 15,524	\$ -	\$ 15,524	\$ -	\$ -	\$ 857
2015 Copier Capital Lease	1,476	-	1,476	-	-	37
2016 TBK Bank Lease	125,531	-	18,282	107,249	19,265	6,745
PERA Net Pension Liability	264,663	-	93,424	171,239	-	-
FPPA Net Pension Liability	10,461	-	-	10,461	-	-
HTCF Net OPEB Liability	21,922	-	1,931	19,991	-	-
<b>Total Governmental Activities Debt</b>	<u>\$ 439,577</u>	<u>\$ -</u>	<u>\$ 130,637</u>	<u>\$ 308,940</u>	<u>\$ 19,265</u>	<u>\$ 7,639</u>
<b>Business-type Activities</b>						
1992 Water & Sewer Revenue Bonds	\$ 187,600	\$ -	\$ 10,500	177,100	\$ 11,100	\$ 9,250
2011 CWRPDA Water Loan	258,892	-	20,235	238,657	20,642	5,077
PERA Net Pension Liability	76,346	-	24,036	52,310	-	-
HTCF Net OPEB Liability	6,696	-	590	6,106	-	-
<b>Total Business-type Activities Debt</b>	<u>\$ 529,534</u>	<u>\$ -</u>	<u>\$ 55,361</u>	<u>\$ 474,173</u>	<u>\$ 31,742</u>	<u>\$ 14,327</u>

**TOWN OF ALMA  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
December 31, 2020**

**General Fund Budget**

The Town's General Fund revenues were \$590,060 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 \$107,998 over 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 2021.

**The Future of the Town**

The Town Maintenance garage is complete. Vehicle replacement and updates have begun. The town sold some of the unnecessary equipment including the military hummer and old Clark Grader. A Volvo Mini Excavator is scheduled for purchase in 2021. This will replace the John Deere 310, which will be sold. Other equipment slated for replacement include the Dump Truck and the Motor Grader.

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

COVID 19 had a huge impact on the world in 2020. The Town of Alma seemed to be less impacted than some communities, mostly because of our lack of brick and mortar businesses. Most businesses were able to remain open (due to their designation as essential) and saw increased sales. Internet sales increased drastically as people were encouraged to stay home. As a result, The Town of Alma saw an increase of Sales Tax in excess of a 60% increase. These unexpected funds will be used to upgrade street maintenance equipment, expand the Parks and Rec Department and other non enterprise projects.

The Project Needs Assessment (PNA) of the sewer plant previously showed a 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. Work on the replacement slowed down because of COVID IN 2020. Planning and Engineering will continue in 2021 with hopes of construction in 2024.

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. Excess funds will be directed towards the Park and Rec projects.

**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

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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, 2020, 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, 2020, 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 2019 financial statements, and we expressed an unmodified audit opinion on those audited financial statements in our report dated September 3, 2020. In our opinion, the summarized comparative information presented herein as of and for the year ended December 31, 2019 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)***

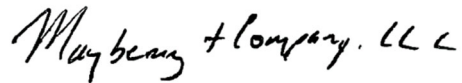
Accounting principles generally accepted in the United States of America require that the management, discussion and analysis on pages M1-M7 and pension schedules on pages 52-57 be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, 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.

A handwritten signature in black ink that reads "Mayberry + Company, LLC". The signature is written in a cursive, flowing style.

Englewood, Colorado  
September 3, 2021

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## **Basic Financial Statements**

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## TOWN OF ALMA

**STATEMENT OF NET POSITION**  
**DECEMBER 31, 2020**

	<b>GOVERNMENTAL ACTIVITIES</b>	<b>BUSINESS TYPE ACTIVITIES</b>	<b>TOTAL</b>
<b>ASSETS AND DEFERRED OUTFLOWS</b>			
<b>ASSETS</b>			
<b>Current Assets</b>			
Cash and Investments			
Cash	\$ 763,472	\$ 315,316	\$ 1,078,788
Restricted Cash and Investments	82,562	44,517	127,079
Receivables			
Property Tax Receivable	108,134	-	108,134
Intergovernmental Receivables	-	5,430	5,430
Utility Receivable	-	61,354	61,354
Cash with Fiscal Agent	1,446	-	1,446
Accounts Receivable	157,279	-	157,279
Prepaid Expenses	9,092	7,000	16,092
Total Current Assets	<u>1,121,985</u>	<u>433,617</u>	<u>1,555,602</u>
<b>Noncurrent Assets</b>			
Capital Assets not being Depreciated	572,059	104,380	676,439
Capital Assets being Depreciated	2,283,009	2,947,256	5,230,265
Accumulated Depreciation	(1,090,159)	(1,595,973)	(2,686,132)
Net Pension Asset	4,790	-	4,790
Total Noncurrent Assets	<u>1,769,699</u>	<u>1,455,663</u>	<u>3,225,362</u>
TOTAL ASSETS	<u>2,891,684</u>	<u>1,889,280</u>	<u>4,780,964</u>
<b>DEFERRED OUTFLOWS OF FINANCIAL RESOURCES</b>			
Deferred Outflows - Pensions	166,063	40,001	206,064
Deferred Outflows - OPEB	7,093	2,912	10,005
TOTAL DEFERRED OUTFLOWS	<u>173,156</u>	<u>42,913</u>	<u>216,069</u>
TOTAL ASSETS AND DEFERRED OUTFLOWS	<u>\$ 3,064,840</u>	<u>\$ 1,932,193</u>	<u>\$ 4,997,033</u>
<b>LIABILITIES, DEFERRED INFLOWS AND NET POSITION</b>			
<b>LIABILITIES</b>			
<b>Current Liabilities</b>			
Accounts Payable	\$ 42,557	\$ 1,709	\$ 44,266
Accrued Liabilities	9,773	-	9,773
Accrued Interest Payable	1,045	5,180	6,225
Total Current Liabilities	<u>53,375</u>	<u>6,889</u>	<u>60,264</u>
<b>Noncurrent Liabilities</b>			
Due within one year	19,265	31,742	51,007
Due in more than one year	279,214	442,430	721,644
Total Noncurrent Liabilities	<u>298,479</u>	<u>474,172</u>	<u>772,651</u>
TOTAL LIABILITIES	<u>351,854</u>	<u>481,061</u>	<u>832,915</u>
<b>DEFERRED INFLOWS OF FINANCIAL RESOURCES</b>			
Deferred Property Taxes	108,134	-	108,134
Deferred Inflows Pensions	144,346	41,573	185,919
Deferred Inflows - OPEB	4,245	2,683	6,928
Deferred Grants	6,015	-	6,015
TOTAL DEFERRED INFLOWS	<u>262,740</u>	<u>44,256</u>	<u>306,996</u>
<b>NET POSITION</b>			
Net Investment in Capital Assets	1,656,615	1,039,907	2,696,522
Restricted Net Position	127,263	44,517	171,780
Unrestricted Net Position	666,368	322,452	988,820
TOTAL NET POSITION	<u>2,450,246</u>	<u>1,406,876</u>	<u>3,857,122</u>
TOTAL LIABILITIES, DEFERRED INFLOWS AND NET POSITION	<u>\$ 3,064,840</u>	<u>\$ 1,932,193</u>	<u>\$ 4,997,033</u>

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

**TOWN OF ALMA**

**STATEMENT OF ACTIVITIES**

**FOR THE YEAR ENDED DECEMBER 31, 2020**

	<b>PROGRAM REVENUES</b>		
	<b>EXPENSES</b>	<b>CHARGES FOR SERVICES</b>	<b>OPERATING GRANTS AND CONTRIBUTIONS</b>
<b>FUNCTIONS/PROGRAMS</b>			
Government Activities			
Current:			
General Government	\$ 344,928	\$ 102,150	\$ 555,269
Public Safety	154,537	60,987	-
Public Works	184,452	38,103	15,049
Culture and Recreation	21,040	-	1,678
Interest on Debt	7,085	-	-
TOTAL GOVERNMENT ACTIVITIES	<u>712,042</u>	<u>201,240</u>	<u>571,996</u>
Business-type Activities			
Current:			
Water	149,340	135,144	5,430
Sewer	86,947	108,890	-
TOTAL BUSINESS-TYPE ACTIVITIES	<u>236,287</u>	<u>244,034</u>	<u>5,430</u>
<b>TOTAL GOVERNMENT</b>	<u>\$ 948,329</u>	<u>\$ 445,274</u>	<u>\$ 577,426</u>
<b>GENERAL REVENUES</b>			
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**

<b>GOVERNMENT ACTIVITIES</b>	<b>BUSINESS - TYPE ACTIVITES</b>	<b>TOTAL</b>
\$ 312,491	\$ -	\$ 312,491
(93,550)	-	(93,550)
(131,300)	-	(131,300)
(19,362)	-	(19,362)
(7,085)	-	(7,085)
<u>61,194</u>	<u>-</u>	<u>61,194</u>
-	(8,766)	(8,766)
-	<u>21,943</u>	<u>21,943</u>
-	<u>13,177</u>	<u>13,177</u>
<u>61,194</u>	<u>13,177</u>	<u>74,371</u>
116,346	-	116,346
15,452	-	15,452
374,318	-	374,318
25,231	-	25,231
1,657	-	1,657
3,983	1,404	5,387
20,000	-	20,000
-	609	609
9,095	-	9,095
<u>566,082</u>	<u>2,013</u>	<u>568,095</u>
627,276	15,190	642,466
<u>1,822,970</u>	<u>1,391,686</u>	<u>3,214,656</u>
<u>\$ 2,450,246</u>	<u>\$ 1,406,876</u>	<u>\$ 3,857,122</u>

TOWN OF ALMA

**BALANCE SHEET**  
**GOVERNMENTAL FUNDS**  
**DECEMBER 31, 2020**

With Comparative Totals for December 31, 2019

	<u>General</u>	<u>Debt Service</u>	<u>Other</u>
	<u>Fund</u>	<u>Fund</u>	<u>Funds</u>
<b>ASSETS AND DEFERRED OUTFLOWS</b>			
<b>ASSETS</b>			
<b>Current Assets</b>			
Cash and Investments			
Cash	\$ 763,472	\$ -	\$ -
Restricted Cash and Investments	-	66,603	15,959
Receivables			
Property Tax Receivable	108,134	-	-
Cash with Fiscal Agent	1,332	114	-
Accounts Receivable	157,279	-	-
Internal Balances	(2,797)	-	2,797
Prepaid Expenses	9,092	-	-
TOTAL ASSETS AND DEFERRED OUTFLOWS	<u>\$ 1,036,512</u>	<u>\$ 66,717</u>	<u>\$ 18,756</u>
<b>LIABILITIES, DEFERRED INFLOWS AND NET POSITION</b>			
<b>LIABILITIES</b>			
<b>Current Liabilities</b>			
Accounts Payable	\$ 42,557	\$ -	\$ -
Accrued Liabilities	9,773	-	-
TOTAL LIABILITIES	<u>52,330</u>	<u>-</u>	<u>-</u>
<b>DEFERRED INFLOWS OF FINANCIAL RESOURCES</b>			
Deferred Property Taxes	108,134	-	-
Deferred Grants	6,015	-	-
TOTAL DEFERRED INFLOWS	<u>114,149</u>	<u>-</u>	<u>-</u>
<b>FUND BALANCE</b>			
Nonspendable Fund Balance	9,092	-	-
Restricted Fund Balance	37,000	66,717	18,756
Unassigned Fund Balance	823,941	-	-
TOTAL FUND BALANCE	<u>870,033</u>	<u>66,717</u>	<u>18,756</u>
TOTAL LIABILITIES, DEFERRED INFLOWS AND FUND BALANCE	<u>\$ 1,036,512</u>	<u>\$ 66,717</u>	<u>\$ 18,756</u>

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

<b>Total</b>	
<b>2020</b>	<b>2019</b>
\$ 763,472	\$ 322,952
82,562	87,895
108,134	118,824
1,446	1,701
157,279	63,358
-	-
<u>9,092</u>	<u>8,272</u>
<u>\$ 1,121,985</u>	<u>\$ 603,002</u>

\$ 42,557	\$ 1,219
<u>9,773</u>	<u>9,619</u>
<u>52,330</u>	<u>10,838</u>
108,134	118,824
<u>6,015</u>	<u>-</u>
<u>114,149</u>	<u>118,824</u>
9,092	8,272
122,473	108,044
<u>823,941</u>	<u>357,024</u>
<u>955,506</u>	<u>473,340</u>
<u>\$ 1,121,985</u>	<u>\$ 603,002</u>

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**TOWN OF ALMA**

**RECONCILIATION OF GOVERNMENTAL FUND BALANCE  
TO GOVERNMENTAL ACTIVITIES NET POSITION  
DECEMBER 31, 2020**

<b>Fund Balance - Governmental Funds</b>		\$	955,506
Capital assets used in governmental activities are not financial resources and are therefore not reported in the funds			
Capital assets, not being depreciated	\$	572,059	
Capital assets, being depreciated		2,283,009	
Accumulated depreciation		<u>(1,090,159)</u>	1,764,909
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			
<b>PERA Pension Liability</b>			
Net deferred PERA pension outflows		107,700	
Net PERA pension liability		(171,239)	
Net deferred PERA pension outflows		<u>(124,054)</u>	(187,593)
<b>FPPA Pension Liability</b>			
Net deferred FPPA pension outflows		58,363	
Net FPPA pension asset		4,790	
Net deferred FPPA pension outflows		<u>(20,292)</u>	42,861
<b>OPEB Liability</b>			
Net deferred OPEB outflows		7,093	
Net OPEB liability		(19,991)	
Net deferred OPEB outflows		<u>(4,245)</u>	(17,143)
Long-term liabilities are not due and payable in the current year and, therefore, are not reported in the funds.			
Notes payable		(107,249)	
Accrued interest payable		<u>(1,045)</u>	(108,294)
<b>Total Net Position - Governmental Activities</b>			<u>\$ 2,450,246</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, 2020**

**With Comparative Totals for the Year Ended December 31, 2019**

	<b>General Fund</b>	<b>Debt Service Fund</b>	<b>Other Funds</b>
<b>REVENUES</b>			
Taxes	\$ 520,680	\$ 12,324	\$ -
Intergovernmental Revenues	570,316	-	1,678
Licenses and Permits	8,388	-	-
Fines and Forfeits	60,987	-	-
Charges for Services	131,865	-	-
Investment Earnings	3,832	36	116
Other Revenues	35,896	-	-
TOTAL REVENUES	<u>1,331,964</u>	<u>12,360</u>	<u>1,794</u>
<b>EXPENDITURES</b>			
Current:			
General Government	312,139	-	-
Public Safety	145,497	-	-
Public Works	97,917	-	-
Parks, Recreation and Other	20,664	-	-
Capital Outlay	244,470	-	344
Debt Service	26,540	16,381	-
TOTAL EXPENDITURES	<u>847,227</u>	<u>16,381</u>	<u>344</u>
<b>REVENUES IN EXCESS (DEFICIENCY) OF EXPENDITURES</b>	484,737	(4,021)	1,450
<b>FUND BALANCE, BEGINNING</b>	<u>385,296</u>	<u>70,738</u>	<u>17,306</u>
<b>FUND BALANCE, ENDING</b>	<u>\$ 870,033</u>	<u>\$ 66,717</u>	<u>\$ 18,756</u>

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

<b>TOTAL</b>	
<b>2020</b>	<b>2019</b>
\$ 533,004	\$ 379,491
571,994	138,642
8,388	20,000
60,987	54,542
131,865	91,030
3,984	8,329
35,896	10,400
<u>1,346,118</u>	<u>702,434</u>
312,139	244,808
145,497	118,101
97,917	98,967
20,664	13,318
244,814	244,525
42,921	35,983
<u>863,952</u>	<u>755,702</u>
482,166	(53,268)
<u>473,340</u>	<u>526,608</u>
<u>\$ 955,506</u>	<u>\$ 473,340</u>

**TOWN OF ALMA**

**RECONCILIATION OF GOVERNMENTAL FUNDS CHANGE IN FUND BALANCE  
TO GOVERNMENTAL ACTIVITIES CHANGE IN NET POSITION  
FOR THE YEAR ENDED DECEMBER 31, 2020**

**Change in Fund Balance - Governmental Funds** \$ 482,166

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

Capitalized Asset Purchases	\$ 230,040	
Depreciation Expense	(107,605)	
Gain (Loss) on Asset Disposals	<u>(6,800)</u>	115,635

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	(29,052)	
Change in net pension liability	93,424	
Change in deferred pension inflows	<u>(79,649)</u>	(15,277)

**FPPA Pension Liability**

Change in deferred pension outflows	2,916	
Change in net pension liability	15,251	
Change in deferred pension inflows	<u>(10,335)</u>	7,832

**OPEB Liability**

Change in deferred OPEB outflows	3,011	
Change in net OPEB liability	1,931	
Change in deferred OPEB inflows	<u>(3,858)</u>	1,084

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	15,524	
Principal payments on notes payable	18,282	
Principal payments on capital leases	1,475	
Change in accrued interest payable	<u>555</u>	<u>35,836</u>

**Change in Net Position - Governmental Activities** \$ 627,276

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

## TOWN OF ALMA

**STATEMENT OF NET POSITION****PROPRIETARY FUNDS**

DECEMBER 31, 2020

With Comparative Totals for December 31, 2019

	Business-type Activities			
	Water	Sewer	Total	
	Fund	Fund	2020	2019
<b>ASSETS AND DEFERRED OUTFLOWS</b>				
<b>ASSETS</b>				
<b>Current Assets</b>				
Cash and Investments				
Cash	\$ 59,267	\$ 256,049	\$ 315,316	\$ 277,264
Restricted Cash and Investments	35,226	9,291	44,517	47,068
Intergovernmental Receivables	5,430	-	5,430	-
Utility Receivable	33,010	28,344	61,354	54,932
Prepaid Expenses	3,501	3,499	7,000	6,730
Total Current Assets	<u>136,434</u>	<u>297,183</u>	<u>433,617</u>	<u>385,994</u>
<b>Noncurrent Assets</b>				
Capital Assets not being depreciated	60,090	44,290	104,380	104,380
Capital Assets being depreciated	2,238,061	709,195	2,947,256	2,952,776
Accumulated Depreciation	(1,064,891)	(531,082)	(1,595,973)	(1,539,632)
Total Noncurrent Assets	<u>1,233,260</u>	<u>222,403</u>	<u>1,455,663</u>	<u>1,517,524</u>
<b>TOTAL ASSETS</b>	<u>1,369,694</u>	<u>519,586</u>	<u>1,889,280</u>	<u>1,903,518</u>
<b>DEFERRED OUTFLOWS OF FINANCIAL RESOURCES</b>				
Deferred Outflows - Pensions	20,034	19,967	40,001	46,206
Deferred Outflows - OPEB	1,629	1,283	2,912	1,936
TOTAL DEFERRED OUTFLOWS	<u>21,663</u>	<u>21,250</u>	<u>42,913</u>	<u>48,142</u>
TOTAL ASSETS AND DEFERRED OUTFLOWS	<u>\$ 1,391,357</u>	<u>\$ 540,836</u>	<u>\$ 1,932,193</u>	<u>\$ 1,951,660</u>
<b>LIABILITIES, DEFERRED INFLOWS AND NET POSITION</b>				
<b>LIABILITIES</b>				
<b>Current Liabilities</b>				
Accounts Payable	\$ 1,280	\$ 429	\$ 1,709	\$ 10,764
Accrued Interest Payable	3,432	1,748	5,180	5,509
Total Current Liabilities	<u>4,712</u>	<u>2,177</u>	<u>6,889</u>	<u>16,273</u>
<b>Noncurrent Liabilities</b>				
Due within one year	27,251	4,491	31,742	30,335
Due in more than one year	346,058	96,372	442,430	499,198
Total Noncurrent Liabilities	<u>373,309</u>	<u>100,863</u>	<u>474,172</u>	<u>529,533</u>
<b>TOTAL LIABILITIES</b>	<u>378,021</u>	<u>103,040</u>	<u>481,061</u>	<u>545,806</u>
<b>DEFERRED INFLOWS OF FINANCIAL RESOURCES</b>				
Deferred Inflows Pensions	22,681	18,892	41,573	14,096
Deferred Inflows - OPEB	1,297	1,386	2,683	72
TOTAL DEFERRED INFLOWS	<u>23,978</u>	<u>20,278</u>	<u>44,256</u>	<u>14,168</u>
<b>NET POSITION</b>				
Net Investment in Capital Assets	889,159	150,748	1,039,907	1,071,033
Restricted Net Position	35,226	9,291	44,517	47,068
Unrestricted Net Position	64,973	257,479	322,452	273,585
TOTAL NET POSITION	<u>989,358</u>	<u>417,518</u>	<u>1,406,876</u>	<u>1,391,686</u>
TOTAL LIABILITIES, DEFERRED INFLOWS AND NET POSITION	<u>\$ 1,391,357</u>	<u>\$ 540,836</u>	<u>\$ 1,932,193</u>	<u>\$ 1,951,660</u>

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, 2020**  
**With Comparative Totals for the Year Ended December 31, 2019**

	<u>Business-type Activities</u>			
	Water	Sewer	Total	
	<u>Fund</u>	<u>Fund</u>	<u>2020</u>	<u>2019</u>
<b>Operating Revenues</b>				
Utility Charges	\$ 135,144	\$ 108,890	\$ 244,034	\$ 225,560
<b>Operating Expenses</b>				
Personnel Services	40,654	40,972	81,626	44,210
Administrative/Office Expenses	335	285	620	880
Insurance	6,162	5,568	11,730	10,641
Operating Supplies	-	245	245	420
Professional Fees	2,725	6,077	8,802	8,786
Repairs and Maintenance	20,472	6,145	26,617	30,590
Travel and Training	1,041	668	1,709	1,497
Treatment	2,194	2,824	5,018	7,828
Telephone and Utilities	11,190	4,412	15,602	14,620
Other Operating Expenses	2,095	1,800	3,895	8,437
Depreciation Expense	48,382	13,479	61,861	61,861
Other Capital Outlay	3,729	835	4,564	7,246
Total Expenditures	<u>138,979</u>	<u>83,310</u>	<u>222,289</u>	<u>197,016</u>
Operating Income (Loss)	<u>(3,835)</u>	<u>25,580</u>	<u>21,745</u>	<u>28,544</u>
<b>Other Income (Expense)</b>				
Intergovernmental Revenue	5,430	-	5,430	19,184
Investment Earnings	567	837	1,404	4,186
Other Revenue	559	50	609	3,745
Interest Expense	<u>(10,361)</u>	<u>(3,637)</u>	<u>(13,998)</u>	<u>(14,874)</u>
Total Other Income (Expense)	<u>(3,805)</u>	<u>(2,750)</u>	<u>(6,555)</u>	<u>12,241</u>
Net Income (Loss)	<u>(7,640)</u>	<u>22,830</u>	<u>15,190</u>	<u>40,785</u>
<b>Contributed Capital</b>				
Plant Investment Fees	-	-	-	18,750
<b>Change in Net Position</b>	<u>(7,640)</u>	<u>22,830</u>	<u>15,190</u>	<u>59,535</u>
<b>Net Position, Beginning</b>	<u>996,998</u>	<u>394,688</u>	<u>1,391,686</u>	<u>1,332,152</u>
<b>Net Position, Ending</b>	<u>\$ 989,358</u>	<u>\$ 417,518</u>	<u>\$ 1,406,876</u>	<u>\$ 1,391,687</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, 2020

With Comparative Totals for the Year Ended December 31, 2019

	<u>Business-type Activities</u>			
	<u>Water</u>	<u>Sewer</u>	<u>Total</u>	
	<u>Fund</u>	<u>Fund</u>	<u>2020</u>	<u>2019</u>
<b>Cash Flows From Operating Activities:</b>				
Cash Received from Customers	\$ 134,635	\$ 102,977	\$ 237,612	\$ 230,284
Cash Paid to Suppliers	(66,070)	(54,504)	(120,574)	(84,241)
Cash Paid to Employees	(19,259)	(19,228)	(38,487)	(66,811)
Net Cash Provided by Operating Activities	<u>49,306</u>	<u>29,245</u>	<u>78,551</u>	<u>79,232</u>
<b>Cash Flows From Capital and Related Financing Activities:</b>				
Tap Fees Received	-	-	-	18,750
Debt Principal Payments	(26,487)	(4,248)	(30,735)	(29,936)
Grant Proceeds	-	-	-	19,184
Interest Payments	(10,585)	(3,743)	(14,328)	(15,236)
Proceeds of Capital Asset Sales	(2,760)	(2,760)	(5,520)	-
Acquisition of Capital Assets	2,760	2,760	5,520	(19,668)
Cash Flows Used by Capital and Related Financing Activities	<u>(37,072)</u>	<u>(7,991)</u>	<u>(45,063)</u>	<u>(26,906)</u>
<b>Cash Flows (Uses) From Noncapital Financing Activities:</b>				
Other Revenues (Expense)	559	50	609	3,745
<b>Cash Flows (Uses) From Investing Activities:</b>				
Interest Received	567	837	1,404	4,186
Net Increase (Decrease) in Cash	13,360	22,141	35,501	60,257
Cash - Beginning	81,133	243,199	324,332	264,075
Cash - Ending	<u>\$ 94,493</u>	<u>\$ 265,340</u>	<u>\$ 359,833</u>	<u>\$ 324,332</u>
Cash	\$ 59,267	\$ 256,049	\$ 315,316	\$ 277,264
Restricted Cash and Investments	35,226	9,291	44,517	47,068
<b>Total</b>	<u>\$ 94,493</u>	<u>\$ 265,340</u>	<u>\$ 359,833</u>	<u>\$ 324,332</u>
Reconciliation of Operating Income (Loss) to Net Cash Used for				
<b>Operating Activities:</b>				
Operating Income (Loss)	\$ (3,835)	\$ 25,580	\$ 21,745	\$ 28,543
Adjustments to Reconcile Operating Income (Loss) to Net Cash Provided by Operating Activities:				
Depreciation Expense	48,382	13,479	61,861	61,861
<b>Changes in Assets and Liabilities Related to Operations:</b>				
<b>(Increase) Decrease in:</b>				
Utility Receivable	(509)	(5,913)	(6,422)	4,724
Prepaid Expenses	162	(432)	(270)	(894)
<b>Pension and OPEB Deferred Outflows</b>	9,409	(4,179)	5,230	(29,521)
<b>(Increase) Decrease in:</b>				
Accounts Payable	(372)	(8,683)	(9,055)	4,891
Net Pension Liability	(21,451)	(2,585)	(24,036)	12,994
Net OPEB Liability	(295)	(295)	(590)	1,752
Pension and OPEB Deferred Inflows	17,815	12,273	30,088	(5,118)
<b>Total Adjustments</b>	<u>53,141</u>	<u>3,665</u>	<u>56,806</u>	<u>50,689</u>
Net Cash Used for Operating Activities	<u>\$ 49,306</u>	<u>\$ 29,245</u>	<u>\$ 78,551</u>	<u>\$ 79,232</u>

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

**TOWN OF ALMA**  
**NOTES TO FINANCIAL STATEMENTS**  
**December 31, 2020**

**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.

**TOWN OF ALMA**  
**NOTES TO FINANCIAL STATEMENTS**  
**December 31, 2020**

**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.

**TOWN OF ALMA**  
**NOTES TO FINANCIAL STATEMENTS**  
**December 31, 2020**

**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.

**TOWN OF ALMA**  
**NOTES TO FINANCIAL STATEMENTS**  
**December 31, 2020**

**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, 2020, and reported at fair value, are shown below.

Cash	\$ 117,572
Investments	<u>1,160,488</u>
Total Cash and Investments	<u>\$ 1,278,060</u>

**TOWN OF ALMA**  
**NOTES TO FINANCIAL STATEMENTS**  
**December 31, 2020**

**NOTE 2: CASH AND INVESTMENTS (Continued)**

These balances are allocated in the financial statements as follows:

Governmental Activities - Unrestricted	\$ 763,517
Governmental Activities - Restricted	82,676
Business-type Activities - Unrestricted	312,816
Business-type Activities - Restricted	<u>47,017</u>
Total Cash and Investments	<u>\$ 1,206,026</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, 2020, 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, 2020 were as follows:

	<u>Bank Balance</u>	<u>Carrying Amount</u>
FDIC Insured	<u>\$ 117,572</u>	<u>\$ 117,572</u>

**TOWN OF ALMA**  
**NOTES TO FINANCIAL STATEMENTS**  
**December 31, 2020**

**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, 2020, 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, 2020, the Town's investments consisted of the investment pool.

**TOWN OF ALMA**  
**NOTES TO FINANCIAL STATEMENTS**  
**December 31, 2020**

**NOTE 2: CASH AND INVESTMENTS (Continued)**

**Investments (Continued)**

The Town has restricted cash as follows:

<u>Restricted Cash</u>	
Debt Service Fund	66,717
Conservation Trust Fund	<u>15,959</u>
Total Governmental Activity	<u>82,676</u>
Water Fund	
1992 Water & Sewer Revenue Bonds	14,159
2011 CWRPDA Loan	<u>23,236</u>
Total Water Fund	<u>37,395</u>
Sewer Fund	
1992 Water & Sewer Revenue Bonds	<u>9,622</u>
Total Business Type Activities	<u>47,017</u>
Total Restricted Cash	<u>\$ 129,693</u>

**NOTE 3: CAPITAL ASSETS**

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

	<u>Balance</u> <u>1/1/20</u>	<u>Additions</u>	<u>Deletions</u>	<u>Balance</u> <u>12/31/20</u>
<b>Governmental activities:</b>				
Capital Assets not being depreciated:				
Land & Improvements	\$ 473,831	\$ -	\$ -	\$ 473,831
Construction in Progress	367,994	-	328,766	39,228
Non-Depreciable Collection	<u>59,000</u>	-	-	<u>59,000</u>
Total capital assets not being depreciated	<u>900,825</u>	-	<u>328,766</u>	<u>572,059</u>
Capital assets being depreciated:				
Buildings & Improvements	396,233	504,056	-	900,289
Equipment & Vehicles	500,777	54,750	46,500	509,027
Streets	<u>873,693</u>	-	-	<u>873,693</u>
Total capital assets being depreciated:	<u>1,770,703</u>	<u>558,806</u>	<u>46,500</u>	<u>2,283,009</u>
Accumulated depreciation:				
Buildings & Improvements	(227,082)	(16,829)	-	(243,911)
Equipment and vehicles	(362,430)	(55,828)	(39,700)	(378,558)
Streets	<u>(432,742)</u>	<u>(34,948)</u>	-	<u>(467,690)</u>
Total accumulated depreciation	<u>(1,022,254)</u>	<u>(107,605)</u>	<u>(39,700)</u>	<u>(1,090,159)</u>
<b>Total governmental activities capital assets, net of depreciation:</b>	<u>\$ 1,649,274</u>	<u>\$ 451,201</u>	<u>\$ 335,566</u>	<u>\$ 1,764,909</u>

**TOWN OF ALMA**  
**NOTES TO FINANCIAL STATEMENTS**  
**December 31, 2020**

**NOTE 3: CAPITAL ASSETS (Continued)**

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

General Government	\$	20,676
Public Safety		8,975
Public Works		77,578
Parks and Recreation		376
Total Depreciation	\$	<u>107,605</u>

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

	<u>Balance</u> <u>1/1/20</u>	<u>Additions</u>	<u>Deletions</u>	<u>Balance</u> <u>12/31/20</u>
<b>Business-type activities:</b>				
Capital Assets not being depreciated:				
Water rights	\$ 60,090	\$ -	\$ -	\$ 60,090
Construction in progress	44,290	-	-	44,290
Total Capital Assets not being depreciated	<u>104,380</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	-	2,761	23,653
Sewer equipment	27,668	-	2,760	24,908
Total capital assets being depreciated:	<u>2,952,776</u>	-	<u>5,521</u>	<u>2,947,255</u>
Accumulated depreciation:				
Water plant and lines	(1,002,036)	(47,302)	-	(1,049,338)
Sewer plant & lines	(492,694)	(13,479)	-	(506,173)
Water equipment	(17,234)	(1,080)	(2,761)	(15,553)
Sewer equipment	(27,668)	-	(2,760)	(24,908)
Total accumulated depreciation	<u>(1,539,632)</u>	<u>(61,861)</u>	<u>(5,521)</u>	<u>(1,595,972)</u>
<b>Total business-type activities capital assets, net of depreciation</b>	<u>\$ 1,517,524</u>	<u>\$ (61,861)</u>	<u>\$ -</u>	<u>\$ 1,455,663</u>

**TOWN OF ALMA**  
**NOTES TO FINANCIAL STATEMENTS**  
**December 31, 2020**

**NOTE 4: LONG-TERM DEBT**

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

	<u>Balance</u> <u>01/01/20</u>	<u>Additions</u>	<u>Deletions</u>	<u>Balance</u> <u>12/31/20</u>	<u>Current</u> <u>Portion</u>	<u>Interest</u> <u>Expense</u>
<b>Governmental Activities</b>						
2001 General Obligation Bonds	\$ 15,524	\$ -	\$ 15,524	\$ -	\$ -	\$ 857
2015 Copier Capital Lease	1,476	-	1,476	-	-	37
2016 TBK Bank Lease	125,531	-	18,282	107,249	19,265	6,745
PERA Net Pension Liability	264,663	-	93,424	171,239	-	-
FPPA Net Pension Liability	10,461	-	-	10,461	-	-
HTCF Net OPEB Liability	21,922	-	1,931	19,991	-	-
<b>Total Governmental Activities Debt</b>	<b><u>\$ 439,577</u></b>	<b><u>\$ -</u></b>	<b><u>\$ 130,637</u></b>	<b><u>\$ 308,940</u></b>	<b><u>\$ 19,265</u></b>	<b><u>\$ 7,639</u></b>
<b>Business-type Activities</b>						
1992 Water & Sewer Revenue Bonds	\$ 187,600	\$ -	\$ 10,500	177,100	\$ 11,100	\$ 9,250
2011 CWRPDA Water Loan	258,892	-	20,235	238,657	20,642	5,077
PERA Net Pension Liability	76,346	-	24,036	52,310	-	-
HTCF Net OPEB Liability	6,696	-	590	6,106	-	-
<b>Total Business-type Activities Debt</b>	<b><u>\$ 529,534</u></b>	<b><u>\$ -</u></b>	<b><u>\$ 55,361</u></b>	<b><u>\$ 474,173</u></b>	<b><u>\$ 31,742</u></b>	<b><u>\$ 14,327</u></b>

**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 5<sup>th</sup> and July 5<sup>th</sup> of each year beginning in January of 2002. Principal payments are due annually on July 5<sup>th</sup> of each year. The bonds bear interest at 6.150 percent. These bonds are repaid through the Debt Service Fund. The bonds were paid off in the current fiscal year.

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 \$1,901 as part of this lease. The lease was paid off in the current fiscal year.

**TOWN OF ALMA**  
**NOTES TO FINANCIAL STATEMENTS**  
**December 31, 2020**

**NOTE 4: LONG-TERM DEBT (Continued)**

**Governmental Activities (Continued)**

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>
2021	\$ 25,028
2022	25,028
2023	25,028
2024	25,028
2025	25,028
Total Payments	125,140
Interest at 5.37%	(17,891)
<b>Present Value of Payments</b>	<b><u>\$ 107,249</u></b>

**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 \$14,159. 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:

<u>Year</u>	<u>Water Fund</u>		<u>Sewer Fund</u>		<u>Total</u>		
	<u>Principal</u>	<u>Interest</u>	<u>Principal</u>	<u>Interest</u>	<u>Principal</u>	<u>Interest</u>	<u>Total Pmt</u>
2021	\$ 6,609	\$ 5,190	\$ 4,491	\$ 3,527	\$ 11,100	\$ 8,717	\$ 19,817
2022	6,966	4,855	4,734	3,300	11,700	8,155	19,855
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	8,038	3,750	5,462	2,548	13,500	6,298	19,798
2026-2030	46,739	12,213	31,761	8,299	78,500	20,512	99,012
2031-2032	22,208	1,405	15,092	955	37,300	2,360	39,660
<b>Totals</b>	<b><u>\$ 105,445</u></b>	<b><u>\$ 36,054</u></b>	<b><u>\$ 71,655</u></b>	<b><u>\$ 24,501</u></b>	<b><u>\$ 177,100</u></b>	<b><u>\$ 60,555</u></b>	<b><u>\$ 237,655</u></b>

**TOWN OF ALMA**  
**NOTES TO FINANCIAL STATEMENTS**  
**December 31, 2020**

**NOTE 4: LONG-TERM DEBT (Continued)**

**Business-type Activities (Continued)**

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 \$23,781. 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:

<u>Year</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
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	22,352	2,960	25,312
2026-2030	118,683	7,878	126,561
2031	12,531	125	12,656
<b>Totals</b>	<b><u>\$ 238,657</u></b>	<b><u>\$ 27,122</u></b>	<b><u>\$ 265,779</u></b>

**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, 2020, 2019, and 2018, the Town contributed \$0, \$0, and \$0, respectively, equal to their required contributions. For the year ended December 31, 2020, there was no covered payroll requiring contributions, although employees made elective contributions.

**NOTE 5: PENSION OBLIGATIONS** (Continued)

**A. Police** (Continued)

**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.

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.

**NOTE 5: PENSION PLANS (Continued)**

**A. Police (Continued)**

**STATEWIDE DEFINED BENEFIT PLAN (FPPA) (Continued)**

**General Information about the Pension Plan (Continued)**

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.* Through December 31, 2020, 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. Effective January 1, 2021, contribution rates for employers and members may be increased equally by the FPPA Board of Directors upon approval through an election by both the employers and members.

In 2014, the members elected to increase the member contribution rate 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 pensionable earnings. Employer contributions are 8 percent in 2019 and 2020. Employer contributions will increase 0.5 percent annually beginning in 2021 through 2030 to a total of 13 percent of pensionable earnings. In 2019, members of the SWDB plan and their employers are contributing at the rate of 10.5 percent and 8 percent, respectively, of pensionable earnings for a total contribution rate of 18.5 percent.

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 22.5 percent and 23.0 percent of pensionable earnings in 2019 and 2020, respectively. It is a local decision as to whether the member or employer pays the additional 4 percent contribution. The member and employer contribution rates will increase through 2030 as described above for non-reentering departments. Effective January 1, 2021, reentry departments may submit a resolution to the FPPA Board of Directors to reduce the additional 4 percent contribution, to reflect the actual cost of reentry by department, to the plan for reentry contributions. Each reentry department is responsible to remit contributions to the plan in accordance with their most recent FPPA Board of Directors approved resolutions.

The contribution rate for members and employers of affiliated social security employers is 5.25 percent and 4 percent, respectively, of pensionable earnings for a total contribution rate of 9.25 percent in 2019 and 9.50 percent in 2020. 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 pensionable earnings. Employer contributions are 4 percent in 2019 and 2020. Employer contributions will increase 0.25 percent annually beginning in 2021 through 2030 to a total of 6.5 percent of pensionable earnings. The Town is not an affiliated social security employer.

**TOWN OF ALMA**  
**NOTES TO FINANCIAL STATEMENTS**  
**December 31, 2020**

**NOTE 5: PENSION PLANS (Continued)**

**A. Police (Continued)**

**STATEWIDE DEFINED BENEFIT PLAN (FPPA) (Continued)**

**General Information about the Pension Plan (Continued)**

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 \$4,994 for the plan year ended December 31, 2019 and \$6,951 for the fiscal year ended December 31, 2020. The current year contributions will be expensed in 2021 for FPPA purposes, December 31, 2020 employer contributions for reporting as of December 31, 2021, 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, 2020, the Town reported an asset of \$4,790 for its proportionate share of the SWDB’s net pension liability. The net pension asset or liability was measured as of December 31, 2019, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of January 1, 2020. The Town’s proportion of the net pension liability was based on Town’s contributions to the SWDB for the calendar year 2019 relative to the total contributions of participating employers to the SWDB.

At December 31, 2020, the Town’s proportion was 0.00847%, which was an increase of 0.00020% from its proportion measured as of December 31, 2019.

For the year ended December 31, 2020, the Town recognized pension expense of \$882. At December 31, 2020, the Town reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	<b>Deferred Outflows</b>	<b>Deferred Inflows</b>
Difference between expected and actual experience	\$ 17,161	\$ (170)
Changes of assumptions or other inputs	\$ 16,377	\$ -
Net difference between projected and actual earnings on pension plan investments	\$ 10,054	\$ (17,896)
Changes in proportion and differences between contributions recognized and proportionate share of contributions - Plan Basis	\$ 7,820	\$ (2,226)
Contributions subsequent to the measurement date	\$ 6,951	\$ -
<b>Total</b>	<b>\$ 58,363</b>	<b>\$ (20,292)</b>

**TOWN OF ALMA**  
**NOTES TO FINANCIAL STATEMENTS**  
**December 31, 2020**

**NOTE 5: PENSION PLANS (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)**

\$6,951 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, 2021.

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

<b>Year Ended December 31:</b>	<b>Fiscal year Total</b>
2021	\$ 3,416
2022	2,675
2023	5,216
2024	2,111
2025	5,372
2026-2029	12,330
<b>Total</b>	<b>\$ 31,120</b>

*Actuarial assumptions.* The total pension liability in the January 1, 2020 actuarial valuation was determined using the following actuarial assumptions and other inputs:

<b>Actuarial method</b>	<b>Entry Age Normal</b>
Amortization method	Level % of Payroll, Open
Amortization period	30 Years
Long-term investment rate of return, net of pension plan	7.00%
Salary increase, including wage inflation	4.25%-11.25%
Cost of Living Adjustments (COLA)	0.00%
* Includes inflation at	2.50%

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

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

**TOWN OF ALMA**  
**NOTES TO FINANCIAL STATEMENTS**  
**December 31, 2020**

**NOTE 5: PENSION PLANS (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)**

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, 2019 are summarized in the following table:

<b>Asset Class</b>	<b>Target Allocation</b>	<b>Long-Term Expected Real Rate of Return</b>
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%
<b>Total</b>	<b>100.00%</b>	

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 cred it 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 2.75 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 re lease (H .15)); and the resulting Single Discount Rate is 7.00 percent.

**NOTE 5: PENSION PLANS (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)**

*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:

	<b>1% Decrease (6.50%)</b>	<b>Current Discount Rate (7.50%)</b>	<b>1% Increase (8.50%)</b>
Proportionate share of the net pension asset (liability)	\$ (29,044)	\$ 4,790	\$ 32,851

**B. General Employees**

**Summary of Significant Accounting Policies**

*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 SCHDTF are listed below. A full copy of the bill can be found online at [www.leg.colorado.gov](http://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.

NOTE 5: PENSION PLANS (Continued)

**B. General Employees** (Continued)

**General Information about the Pension Plan**

- 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.

*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](http://www.copera.org/investments/pera-financial-reports).

*Benefits provided as of December 31, 2019.* 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.

**NOTE 5: PENSION PLANS (Continued)**

**B. General Employees (Continued)**

**General Information about the Pension Plan**

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.

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, 2020:* 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, 2020 through December 31, 2020. The employer contribution requirements during the period of January 1, 2020 through December 31, 2020 are summarized in the table below:

**TOWN OF ALMA**  
**NOTES TO FINANCIAL STATEMENTS**  
**December 31, 2020**

**NOTE 5: PENSION PLANS (Continued)**

**B. General Employees (Continued)**

**General Information about the Pension Plan**

	<b>January 1, 2019 through December 31, 2019</b>
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%
<b>Total employer contribution rate to the LGDTF</b>	<b>12.68%</b>

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 \$26,472 for the year ended December 31, 2020.

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

At December 31, 2020, the Town reported a liability of \$223,549 for its proportionate share of the net pension liability. The net pension liability for the LGDTF was measured as of December 31, 2019, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of December 31, 2018. Standard update procedures were used to roll-forward the total pension liability to December 31, 2019. The Town proportion of the net pension liability was based on the Town contributions to the LGDTF for the calendar year 2019 relative to the total contributions of participating employers to the LGDTF.

At December 31, 2019, the Town proportion was 0.03032 percent, which was an increase of 0.00319 from its proportion measured as of December 31, 2018.

For the year ended December 31, 2020, the Town recognized pension expense of \$51,618. At December 31, 2020, 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, 2020**

**NOTE 5: PENSION PLANS (Continued)**

**B. General Employees (Continued)**

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

	<b>Deferred Outflows</b>	<b>Deferred Inflows</b>
Difference between expected and actual experience	\$ 14,143	\$ -
Net difference between projected and actual earnings on pension plan investments	\$ 73,076	\$ (161,950)
Changes in proportion and differences between contributions recognized and proportionate share of contributions - Plan Basis	\$ 24,639	\$ -
Contributions subsequent to the measurement date	\$ 28,743	\$ -
<b>Total</b>	<b>\$ 140,601</b>	<b>\$ (161,950)</b>

\$28,743 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, 2021. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

<b>Year Ended December 31:</b>	<b>Fiscal year Total</b>
2021	\$ 7,658
2022	(20,088)
2023	(6,710)
2024	(30,952)
<b>Total</b>	<b>\$ (50,092)</b>

*Actuarial assumptions.* The total pension liability in the December 31, 2018 actuarial valuation was determined using the following actuarial cost method, actuarial assumptions and other inputs:

**TOWN OF ALMA**  
**NOTES TO FINANCIAL STATEMENTS**  
**December 31, 2020**

**NOTE 5: PENSION PLANS (Continued)**

**B. General Employees (Continued)**

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

<b>Actuarial cost method</b>	<b>Entry Age</b>
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)	1.25% compounded annually
PERA benefit structure hired after 12/31/06 (ad hoc, substantively automatic)	Financed by the Annual Increase Reserve (AIR)

The actuarial assumptions used in the December 31, 2018, valuation 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 PERA’s Board during the November 18, 2016, Board meeting.

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.

Post-retirement non-disabled 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.

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

**TOWN OF ALMA**  
**NOTES TO FINANCIAL STATEMENTS**  
**December 31, 2020**

**NOTE 5: PENSION PLANS (Continued)**

**B. General Employees (Continued)**

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

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 November 16, 2016, adoption of the current 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:

<b>Asset Class</b>	<b>Target Allocation</b>	<b>30 Year Expected Geometric Real Rate of Return</b>
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%.

*Discount rate.* The discount rate used to measure the total pension liability was 7.25 percent. The basis for the projections of liabilities and the FNP used to determine the discount rate was an actuarial valuation performed as of December 31, 2018, and the financial status of the Trust Fund as of the prior measurement date (December 31, 2018). In addition, the following methods and assumptions were used in the projection of cash flows:

**NOTE 5: PENSION PLANS (Continued)**

**B. General Employees (Continued)**

**Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions (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%.
- Employee contributions were assumed to be made at the member contribution rates in effect for each year, including the 2018 AAP assessment, statutorily recognized July 1, 2019, and effective July 1, 2020. Employee contributions for future plan members were used to reduce the estimated amount of total service costs for future members.
- Employer contributions were assumed to be made at rates equal to the fixed statutory rates specified in law for each year, including the 2018 AAP assessment, statutorily recognized July 1, 2019, and effectively July 1, 2020. Employer contribution also includes 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.
- The projected benefit payments reflect the lowered AI cap, from 1.50 percent to 1.25 percent resulting from the 2018 AAP assessment, statutorily recognized July 1, 2019, and effective July 1, 2020.
- Benefit payments and contributions were assumed to be made at the middle of the year.

**TOWN OF ALMA**  
**NOTES TO FINANCIAL STATEMENTS**  
**December 31, 2020**

**NOTE 5: PENSION PLANS** (Continued)

**B. General Employees** (Continued)

**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:

	<b>1% Decrease (6.25%)</b>	<b>Current Discount Rate (7.25%)</b>	<b>1% Increase (8.25%)</b>
Proportionate share of the net pension asset (liability)	\$ (407,302)	\$ (221,730)	\$ (65,666)

*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](http://www.copera.org/investments/pera-financial-reports).

**Subsequent Event**

Subsequent to December 31, 2019, as a result of the COVID-19 pandemic, the global economic outlook has changed. The duration and full effects of the pandemic are currently unknown, as the global picture continues to evolve. Although unprecedented federal fiscal and monetary stimulus have helped to stabilize and soften the impact of economic contraction, the near-term negative impact on PERA’s investment portfolio, as well the short-medium term impact on the Trust Fund’s membership and demographics, remains uncertain.

**TOWN OF ALMA**  
**NOTES TO FINANCIAL STATEMENTS**  
**December 31, 2020**

**NOTE 5: PENSION PLANS (Continued)**

**B. General Employees (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, 2020, 2019, 2018, 2017, 2016 and 2015 were as follows:

	<u>Governmental</u> <u>Activities</u>	<u>Water</u> <u>Fund</u>	<u>Sewer</u> <u>Fund</u>	<u>Total</u> <u>All Funds</u>
12/31/2013 Allocation	65.90%	23.20%	10.90%	100.00%
12/31/2014 Allocation	70.30%	18.60%	11.10%	100.00%
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%
12/31/2020 Allocation	76.40%	11.80%	11.80%	100.00%

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:

	<u>Governmental</u> <u>Activities</u>	<u>Water</u> <u>Fund</u>	<u>Sewer</u> <u>Fund</u>
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	\$ 32,548	\$ 5,854	\$ 3,534
2020	\$ 25,452	\$ 3,888	\$ 3,888

**Defined Contribution Pension Plans**

**Voluntary Investment Program**

*Plan Description* - Employees of the Town 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](http://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: POSTEMPLOYMENT HEALTHCARE BENEFITS (OPEB)**

**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.

*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](http://www.copera.org/investments/pera-financial-reports).

**General Information about the OPEB Plan**

*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.

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.

**NOTE 6: POSTEMPLOYMENT HEALTHCARE BENEFITS (OPEB) (Continued)**

**General Information about the OPEB Plan (Continued)**

*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.

*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 \$2,129 for the year ended December 31, 2020.

**TOWN OF ALMA**  
**NOTES TO FINANCIAL STATEMENTS**  
**December 31, 2020**

**NOTE 6: POSTEMPLOYMENT HEALTHCARE BENEFITS (OPEB) (Continued)**

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

At December 31, 2020, the Town reported a liability of \$26,098 for its proportionate share of the net OPEB liability. The net OPEB liability for the HCTF was measured as of December 31, 2019, and the total OPEB liability used to calculate the net OPEB liability was determined by an actuarial valuation as of December 31, 2018. Standard update procedures were used to roll-forward the total OPEB liability to December 31, 2019. The Town proportion of the net OPEB liability was based on the Town contributions to the HCTF for the calendar year 2019 relative to the total contributions of participating employers to the HCTF.

At December 31, 2019, the Town proportion was 0.00232 percent, which was an increase of 0.000218 from its proportion measured as of December 31, 2018.

For the year ended December 31, 2020, the Town recognized OPEB expense of \$2,924. At December 31, 2020, 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	\$ 69	\$ (4,382)
Net difference between projected and actual earnings on pension plan investments	\$ 380	\$ (804)
Changes of assumptions or other inputs	\$ 200	\$ -
Changes in proportion and differences between contributions recognized and proportionate share of contributions - Plan Basis	\$ 5,352	\$ -
Contributions subsequent to the measurement date	\$ 2,266	\$ -
<b>Total</b>	<b>\$ 8,267</b>	<b>\$ (5,186)</b>

\$2,266 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, 2021. 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
2021	\$ 330
2022	330
2023	430
2024	92
2025	(345)
2026	(22)
<b>Total</b>	<b>\$ 815</b>

**TOWN OF ALMA**  
**NOTES TO FINANCIAL STATEMENTS**  
**December 31, 2020**

**NOTE 6: POSTEMPLOYMENT HEALTHCARE BENEFITS (OPEB) (Continued)**

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

*Actuarial assumptions.* The total OPEB liability in the December 31, 2018 actuarial valuation was determined using the following actuarial cost method, actuarial assumptions and other inputs:

<b>Actuarial cost method</b>	<b>Entry Age</b>
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	5.6% in 2019 , gradually decreasing to 4.5% in 2029
Medicare Part A premiums	3.50% for 2019, gradually decreasing to 4.50% in 2029

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, 2018, 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.

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 2019 for the PERA Benefit Structure:

<b>Medicare Plan</b>	<b>Cost for Members Without Medicare Part A</b>	<b>Premiums for Members Without Medicare Part A</b>
Medicare Advantage/Self-Insured Prescription	\$601	\$240
Kaiser Permanente Medicare Advantage HMO	605	237

The 2019 Medicare Part A premium is \$437 per month.

**TOWN OF ALMA**  
**NOTES TO FINANCIAL STATEMENTS**  
**December 31, 2020**

**NOTE 6: POSTEMPLOYMENT HEALTHCARE BENEFITS (OPEB) (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 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:

<b>Medicare Plan</b>	<b>Cost for Members Without Medicare Part A</b>
Medicare Advantage/Self-Insured Prescription	\$562
Kaiser Permanente Medicare Advantage HMO	571

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, 2018, 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.

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

<b>Year</b>	<b>PERACare Medicare Plans</b>	<b>Medicare Part A Premiums</b>
2019	5.60%	3.50%
2020	8.60%	3.50%
2021	7.30%	3.50%
2022	6.00%	3.75%
2023	5.70%	3.75%
2024	5.50%	3.75%
2025	5.30%	4.00%
2026	5.10%	4.00%
2027	4.90%	4.25%
2028	4.70%	4.25%
2029+	4.50%	4.50%

NOTE 6: POSTEMPLOYMENT HEALTHCARE BENEFITS (OPEB) (Continued)

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

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.
- **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 2019 plan year.

**TOWN OF ALMA**  
**NOTES TO FINANCIAL STATEMENTS**  
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**NOTE 6: POSTEMPLOYMENT HEALTHCARE BENEFITS (OPEB) (Continued)**

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

- The morbidity assumptions were updated to reflect the assumed standard aging factors.
- 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:

<b>Asset Class</b>	<b>Target Allocation</b>	<b>30 Year Expected Geometric Real Rate of Return</b>
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%
<b>Total</b>	<b>100.00%</b>	

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%.

**NOTE 6: POSTEMPLOYMENT HEALTHCARE BENEFITS (OPEB)** (Continued)

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

*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:

**Sensitivity of the Net OPEB Liability to Changes in the Health Care Cost Trend Rates**

	1% Decrease	Current Discount Rate	1% Increase
Initial PERACare Medicare trend rate	4.60%	5.60%	6.60%
Ultimate PERACare Medicare trend rate	3.50%	4.50%	5.50%
Initial Medicare Part A trend rate	2.50%	3.50%	4.50%
Ultimate Medicare Part A trend rate	3.50%	4.50%	5.50%
Proportionate share of the net OPEB asset (liability)	\$ (25,478)	\$ (26,098)	\$ (26,814)

*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, 2019, measurement date.
- 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.
- 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. There was no change in the discount rate from the prior measurement date.

**TOWN OF ALMA**  
**NOTES TO FINANCIAL STATEMENTS**  
**December 31, 2020**

**NOTE 6: POSTEMPLOYMENT HEALTHCARE BENEFITS (OPEB) (Continued)**

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

*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:

**Sensitivity of the Net OPEB Liability to Changes in the Discount Rate**

	<b>1% Decrease</b>	<b>Current Discount Rate</b>	<b>1% Increase</b>
Discount Rate	6.25%	7.25%	8.25%
Proportionate share of the net OPEB asset (liability)	\$ (29,509)	\$ (26,098)	\$ (23,181)

*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](http://www.copera.org/investments/pera-financial-reports).

**Subsequent Event**

Subsequent to December 31, 2020, as a result of the COVID-19 pandemic, the global economic outlook has changed. The duration and full effects of the pandemic are currently unknown, as the global picture continues to evolve. Although unprecedented federal fiscal and monetary stimulus have helped to stabilize and soften the impact of economic contraction, the near-term negative impact on PERA’s investment portfolio, as well the short-medium term impact on the Trust Fund’s membership and demographics, remains uncertain.

**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, 2020, 2019, 2018, 2017 and 2016 were as follows:

	<b>Governmental Activities</b>	<b>Water Fund</b>	<b>Sewer Fund</b>	<b>Total All Funds</b>
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%
12/31/2020 Allocation	76.40%	11.80%	11.80%	100.00%

**TOWN OF ALMA**  
**NOTES TO FINANCIAL STATEMENTS**  
**December 31, 2020**

**NOTE 6: POSTEMPLOYMENT HEALTHCARE BENEFITS (OPEB) (Continued)**

**Internal Allocations** (Continued)

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:

	<u>Governmental</u>		<u>Water</u>		<u>Sewer</u>
	<u>Activities</u>		<u>Fund</u>		<u>Fund</u>
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.

**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:

**TOWN OF ALMA**  
**NOTES TO FINANCIAL STATEMENTS**  
**December 31, 2020**

**NOTE 8:     CONTINGENCIES, COMMITMENTS AND COMPLIANCE (Continued)**

**B.   Tabor Amendment** (Continued)

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 \$37,000 in the General Fund to meet the three (3) percent emergency reserve required by the Tabor Amendment.

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**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<sup>(1)</sup>

<u>Fiscal Year</u>	Town's	Town's	Town's	Town's	Plan fiduciary
	proportion of the net pension asset (liability)	proportionate share of the net pension asset (liability)	covered payroll	proportionate share of the net pension asset (liability) as a percentage of covered payroll	net position as a percentage of the total pension liability
12/31/2020	0.030316%	\$ (223,549)	\$ 208,770	107.08%	86.26%
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.

<sup>(1)</sup> - 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<sup>(1)</sup>**

<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>
12/31/2020	\$ 26,472	\$ 26,472	\$ -	\$ 208,770	12.68%
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.

<sup>(1)</sup> - 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<sup>(1)</sup>**

<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 proportion of covered payroll</u>	<u>Plan fiduciary net position as a percentage of the total pension liability</u>
12/31/2020	0.0084698%	\$ 4,790	\$ 62,425	7.67%	101.94%
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.

<sup>(1)</sup> - 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<sup>(1)</sup>**

<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>
12/31/2020	\$ 4,994	\$ 4,994	\$ -	\$ 62,425	8.00%
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.

<sup>(1)</sup> - 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<sup>(1)</sup>**

<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>
12/31/2020	0.0023219%	\$ (26,098)	\$ 208,725	12.50%	24.49%
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.

<sup>(1)</sup> - 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<sup>(1)</sup>**

<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>
12/31/2020	\$ 2,129	\$ 2,129	\$ -	\$ 208,725	1.02%
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.

<sup>(1)</sup> - 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, 2020**

**With Comparative Totals for the Year Ended December 31, 2019**

	2020				
	Original	Final	Actual	Variance	2019
	Budget	Budget		With Final	Actual
<b>REVENUES</b>					
<b>Taxes</b>					
Property Taxes	\$ 90,539	\$ 90,539	\$ 105,467	\$ 14,928	\$ 89,699
Specific Ownership Taxes	14,000	14,000	14,007	7	15,591
Sales Taxes	185,000	185,000	374,318	189,318	236,271
Franchise Taxes	28,000	28,000	25,231	(2,769)	22,554
Other Taxes	1,000	1,000	1,657	657	2,942
Total Tax Revenue	<u>318,539</u>	<u>318,539</u>	<u>520,680</u>	<u>202,141</u>	<u>367,057</u>
<b>Intergovernmental Revenues</b>					
Cigarette Taxes	1,100	1,100	982	(118)	510
Highway Users	13,265	13,265	12,517	(748)	16,598
Road and Bridge	2,500	2,500	2,531	31	2,448
Clerk/Motor Vehicle Fees	1,600	1,600	1,347	(253)	1,570
Mineral Lease	5,000	5,000	94	(4,906)	119
Severance Tax	800	800	1,467	667	1,400
Federal Grants	-	-	74,871	74,871	-
State Grants	150,000	150,000	476,507	326,507	114,296
Total Intergovernmental Revenue	<u>174,265</u>	<u>174,265</u>	<u>570,316</u>	<u>396,051</u>	<u>136,941</u>
<b>Licenses and Permits</b>					
Building Permits	25,000	25,000	2,183	(22,817)	5,770
Other Licenses and Permits	4,600	4,600	6,205	1,605	14,230
Total Licenses and Permits	<u>29,600</u>	<u>29,600</u>	<u>8,388</u>	<u>(21,212)</u>	<u>20,000</u>
<b>Fines and Forfeits</b>	<u>104,800</u>	<u>104,800</u>	<u>60,987</u>	<u>(43,813)</u>	<u>54,542</u>
<b>Charges for Services</b>					
Utility Charges	36,500	36,500	35,920	(580)	35,775
Rents	11,600	11,600	12,783	1,183	22,678
Other Charges for Services	56,200	56,200	83,162	26,962	32,577
Total Charges for Services	<u>104,300</u>	<u>104,300</u>	<u>131,865</u>	<u>27,565</u>	<u>91,030</u>
<b>Investment Earnings</b>	<u>3,600</u>	<u>3,600</u>	<u>3,832</u>	<u>232</u>	<u>7,943</u>
<b>Other Revenues</b>					
Donations	500	500	-	(500)	631
Sale of Capital Assets	-	-	26,800	26,800	4,000
Other Miscellaneous Revenue	6,300	6,300	9,096	2,796	5,769
Total Other Revenue	<u>6,800</u>	<u>6,800</u>	<u>35,896</u>	<u>29,096</u>	<u>10,400</u>
<b>TOTAL REVENUES</b>	<u>741,904</u>	<u>741,904</u>	<u>1,331,964</u>	<u>590,060</u>	<u>687,913</u>

See accompanying Independent Auditors' Report.

TOWN OF ALMA

**BUDGETARY COMPARISON SCHEDULE**

**General Fund**

**FOR THE YEAR ENDED DECEMBER 31, 2020**

**With Comparative Totals for the Year Ended December 31, 2019**

	2020				
	Original	Final	Actual	Variance	2019
	Budget	Budget		With Final	Actual
(Continued)					
<b>EXPENDITURES</b>					
<b>General Government</b>					
Personnel Services	170,788	170,788	137,800	(32,988)	127,286
Fuel and Automotive	-	-	298	(298)	3,230
Insurance	12,000	12,000	11,137	863	12,306
Professional Fees	34,500	34,500	28,914	5,586	33,806
Repairs and Maintenance	5,507	5,507	722	4,785	3,576
Supplies	18,600	18,600	10,279	8,321	9,672
Telephone and Utilities	31,200	31,200	29,911	1,289	25,615
Travel and Training	3,000	3,000	1,917	1,083	1,111
CVRF Grant Expenses	-	-	67,904	(67,904)	-
Other Expenses	26,873	26,873	23,257	3,616	28,206
Total General Government	<u>302,468</u>	<u>302,468</u>	<u>312,139</u>	<u>(75,647)</u>	<u>244,808</u>
<b>Public Safety</b>					
Personnel Services	156,810	156,810	128,222	28,588	101,027
Fuel and Automotive	5,000	5,000	4,816	184	2,924
Insurance	4,000	4,000	3,631	369	2,287
Professional Fees	4,800	4,800	4,800	-	4,200
Supplies	4,150	4,150	2,086	2,064	2,543
Telephone and Utilities	600	600	-	600	143
Travel and Training	-	-	518	(518)	2,891
Other Expenses	3,100	3,100	1,424	1,676	2,086
Total Public Safety	<u>178,460</u>	<u>178,460</u>	<u>145,497</u>	<u>32,963</u>	<u>118,101</u>
<b>Public Works</b>					
Personnel Services	47,591	47,591	68,484	(20,893)	68,001
Contract Labor	5,000	5,000	-	5,000	-
Fuel and Automotive	25,000	25,000	5,883	19,117	7,203
Professional Fees	3,500	3,500	1,440	2,060	1,716
Repairs and Maintenance	20,000	20,000	9,693	10,307	10,212
Supplies	2,300	2,300	2,243	57	1,688
Telephone and Utilities	3,200	3,200	2,814	386	4,798
Travel and Training	1,000	1,000	-	1,000	-
Other Expenses	8,000	8,000	7,360	640	5,349
Total Public Works/Comm Devel	<u>115,591</u>	<u>115,591</u>	<u>97,917</u>	<u>17,674</u>	<u>98,967</u>
<b>Parks, Recreation and Other</b>					
Personnel Services	14,178	14,178	6,094	(8,084)	4,284
Contract labor	-	-	113	113	-
Repairs and Maintenance	12,500	12,500	12,257	243	6,424
Telephone and Utilities	3,200	3,200	2,200	1,000	2,610
Other Expenses	4,000	4,000	-	4,000	-
Total Parks, Recreation & Other	<u>33,878</u>	<u>33,878</u>	<u>20,664</u>	<u>(2,728)</u>	<u>13,318</u>

See accompanying Independent Auditors' Report.

(Continued)

TOWN OF ALMA

**BUDGETARY COMPARISON SCHEDULE**

**General Fund**

**FOR THE YEAR ENDED DECEMBER 31, 2020**

**With Comparative Totals for the Year Ended December 31, 2019**

	<b>2020</b>				<b>2019</b>
	<b>Original Budget</b>	<b>Final Budget</b>	<b>Actual</b>	<b>Variance With Final Budget</b>	
(Continued)					
<b>Capital Outlay</b>					
General Government Capital Outlay	79,050	79,050	2,795	76,255	1,155
Public Safety Capital Outlay	8,700	8,700	7,897	803	2,467
Public Works Capital Outlay	100,000	100,000	232,698	(132,698)	214,781
Parks, Recreation and Other Capital Outlay	3,000	3,000	1,080	1,920	26,122
Total Capital Outlay	<u>190,750</u>	<u>190,750</u>	<u>244,470</u>	<u>(53,720)</u>	<u>244,525</u>
<b>Debt Service</b>					
Principal	-	-	26,540	(26,540)	26,678
TOTAL EXPENDITURES	<u>821,147</u>	<u>821,147</u>	<u>847,227</u>	<u>(107,998)</u>	<u>746,397</u>
<b>REVENUES IN EXCESS (DEFICIENCY) OF EXPENDITURES</b>	(79,243)	(79,243)	484,737	482,062	(58,484)
<b>OTHER FINANCING SOURCES (USES)</b>					
Transfers In (Out)	<u>(100,000)</u>	<u>(100,000)</u>	-	100,000	-
<b>NET CHANGE IN FUND BALANCE - BUDGET BASIS</b>	<u>\$ (179,243)</u>	<u>\$ (179,243)</u>	484,737	<u>\$ 582,062</u>	(58,484)
<b>FUND BALANCE, BEGINNING</b>			385,296		443,780
<b>FUND BALANCE, ENDING</b>			<u>\$ 870,033</u>		<u>\$ 385,296</u>

See accompanying Independent Auditors' Report.

## **Other Supplementary Information**

**TOWN OF ALMA**

**COMBINING BALANCE SHEET**  
**NONMAJOR GOVERNMENTAL FUNDS**  
**DECEMBER 31, 2020**  
**With Comparative Totals for December 31, 2019**

	<b>SPECIAL REVENUE FUNDS</b>		
	<b>Conservation Trust Fund</b>	<b>Total</b>	
		<b>2020</b>	<b>2019</b>
<b>ASSETS AND DEFERRED OUTFLOWS</b>			
<b>ASSETS</b>			
<b>Current Assets</b>			
Cash and Investments			
Restricted Cash and Investments	\$ 15,959	\$ 15,959	\$ 17,306
Internal Balances	2,797	2,797	-
Total Current Assets	<u>18,756</u>	<u>18,756</u>	<u>17,306</u>
<b>LIABILITIES, DEFERRED INFLOWS AND NET POSITION</b>			
<b>FUND BALANCE</b>			
Restricted Fund Balance	<u>\$ 18,756</u>	<u>\$ 18,756</u>	<u>\$ 17,306</u>

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, 2020**  
**With Comparative Totals for the Year Ended December 31, 2019**

	<b>SPECIAL REVENUE FUNDS</b>		
	<b>Conservation Trust</b>	<b>Total</b>	
	<b>Fund</b>	<b>2020</b>	<b>2019</b>
<b>REVENUES</b>			
Intergovernmental Revenues	\$ 1,678	\$ 1,678	\$ 1,701
Investment Earnings	116	116	351
<b>TOTAL REVENUES</b>	<b>1,794</b>	<b>1,794</b>	<b>2,052</b>
<b>EXPENDITURES</b>			
Capital Outlay	344	344	-
<b>NET CHANGE IN FUND BALANCE - GAAP BASIS</b>	<b>1,450</b>	<b>1,450</b>	<b>2,052</b>
<b>FUND BALANCE, BEGINNING</b>	<b>17,306</b>	<b>17,306</b>	<b>15,254</b>
<b>FUND BALANCE, ENDING</b>	<b>\$ 18,756</b>	<b>\$ 18,756</b>	<b>\$ 17,306</b>

See accompanying Independent Auditors' Report.

TOWN OF ALMA

**BUDGETARY COMPARISON SCHEDULE**

**Conservation Trust Fund**

**FOR THE YEAR ENDED DECEMBER 31, 2020**

**With Comparative Totals for the Year Ended December 31, 2019**

	2020		Variance With Final Budget	2019 Actual
	Original & Final Budget	Actual		
<b>REVENUES</b>				
<b>Intergovernmental Revenues</b>				
Cons Trust Fund Revenue	\$ 1,200	\$ 1,678	\$ 478	\$ 1,701
<b>Investment Earnings</b>	-	116	116	351
<b>TOTAL REVENUES</b>	<u>1,200</u>	<u>1,794</u>	<u>594</u>	<u>2,052</u>
<b>EXPENDITURES</b>				
<b>Capital Outlay</b>				
Parks, Recreation and Other Capital Outlay	<u>1,200</u>	<u>344</u>	<u>856</u>	<u>-</u>
<b>NET CHANGE IN FUND BALANCE - BUDGET BASIS</b>	<u>\$ -</u>	<u>1,450</u>	<u>\$ 1,450</u>	<u>2,052</u>
<b>FUND BALANCE, BEGINNING</b>		<u>17,306</u>		<u>15,254</u>
<b>FUND BALANCE, ENDING</b>		<u>\$ 18,756</u>		<u>\$ 17,306</u>

See accompanying Independent Auditors' Report.

TOWN OF ALMA

**BUDGETARY COMPARISON SCHEDULE**

**Debt Service Fund**

**FOR THE YEAR ENDED DECEMBER 31, 2020**

**With Comparative Totals for the Year Ended December 31, 2019**

	2020		Variance With Final Budget	2019 Actual
	Original & Final Budget	Actual		
<b>REVENUES</b>				
<b>Taxes</b>				
Property Taxes	\$ 11,110	\$ 10,879	\$ (231)	\$ 10,742
Specific Ownership Taxes	-	1,445	1,445	1,692
Total Tax Revenue	11,110	12,324	1,214	12,434
<b>Investment Earnings</b>	-	36	36	35
TOTAL REVENUES	11,110	12,360	1,250	12,469
<b>EXPENDITURES</b>				
<b>Debt Service</b>				
Principal	11,110	16,381	(5,271)	9,305
<b>NET CHANGE IN FUND BALANCE - BUDGET BASIS</b>	\$ -	(4,021)	\$ (4,021)	3,164
<b>FUND BALANCE, BEGINNING</b>		70,738		67,574
<b>FUND BALANCE, ENDING</b>		\$ 66,717		\$ 70,738

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, 2020**

**With Comparative Totals for the Year Ended December 31, 2019**

	2020		Variance with Final Budget	2019
	Original & Final Budget	Actual		Actual
<b>Operating Revenues</b>				
Utility Charges	\$ 128,000	\$ 135,144	\$ 7,144	\$ 133,305
Total Revenues	<u>128,000</u>	<u>135,144</u>	<u>7,144</u>	<u>133,305</u>
<b>Operating Expenses</b>				
Personnel Services	26,393	40,654	(14,261)	23,927
Administrative/Office Expenses	3,200	335	2,865	629
Insurance	6,000	6,162	(162)	2,616
Professional Fees	11,000	2,725	8,275	3,760
Repairs and Maintenance	15,549	20,472	(4,923)	22,660
Travel and Training	1,200	1,041	159	854
Treatment	6,300	2,194	4,106	3,397
Telephone and Utilities	8,800	11,190	(2,390)	7,548
Other Operating Expenses	14,500	2,095	12,405	897
Other Capital Outlay	-	3,729	(3,729)	6,893
Contingency Reserve	<u>4,953</u>	<u>-</u>	<u>4,953</u>	<u>-</u>
Total Expenditures	<u>97,895</u>	<u>90,597</u>	<u>7,298</u>	<u>73,181</u>
Operating Income (Loss)	<u>30,105</u>	<u>44,547</u>	<u>14,442</u>	<u>60,124</u>
<b>Other Income (Expense)</b>				
Intergovernmental Revenue	-	5,430	5,430	-
Investment Earnings	200	567	367	1,659
Other Revenue	7,000	559	(6,441)	3,619
Debt Service	<u>(37,305)</u>	<u>(36,848)</u>	<u>457</u>	<u>(36,921)</u>
Total Other Income (Expense)	<u>(30,105)</u>	<u>(30,292)</u>	<u>(187)</u>	<u>(31,643)</u>
Net Income (Loss) before Transfers	-	14,255	14,255	28,481
<b>Contributed Capital</b>				
Plant Investment Fees	-	-	-	9,375
Change in Net Position (Budget Basis)	<u>\$ -</u>	<u>14,255</u>	<u>\$ 14,255</u>	<u>37,856</u>
<b>Budget to GAAP Reconciliation</b>				
Principal Paid		26,487		25,850
Depreciation Expense		<u>(48,382)</u>		<u>(48,382)</u>
Change in Net Position - GAAP Basis		(7,640)		15,324
Net Position, Beginning		<u>996,998</u>		<u>981,674</u>
Net Position, Ending		<u>\$ 989,358</u>		<u>\$ 996,998</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, 2020**

**With Comparative Totals for the Year Ended December 31, 2019**

	2020		Variance with Final Budget	2019
	Original & Final Budget	Actual		Actual
<b>Operating Revenues</b>				
Utility Charges	\$ 88,000	\$ 108,890	\$ 20,890	\$ 92,255
<b>Operating Expenses</b>				
Personnel Services	19,811	40,972	(21,161)	20,283
Administrative/Office Expenses	600	285	315	251
Insurance	6,000	5,568	432	8,025
Operating Supplies	2,500	245	2,255	420
Professional Fees	11,500	6,077	5,423	5,026
Repairs and Maintenance	8,500	6,145	2,355	7,930
Travel and Training	2,500	668	1,832	643
Treatment	6,500	2,824	3,676	4,431
Telephone and Utilities	8,500	4,412	4,088	7,072
Other Operating Expenses	13,544	1,800	11,744	7,541
Other Capital Outlay	-	835	(835)	20,020
Total Expenditures	79,955	69,831	10,124	81,642
Operating Income (Loss)	8,045	39,059	31,014	10,613
<b>Other Income (Expense)</b>				
Intergovernmental Revenue	-	-	-	19,184
Investment Earnings	-	837	837	2,527
Other Revenue	-	50	50	126
Debt Service	(8,045)	(7,885)	160	(7,889)
Total Other Income (Expense)	(8,045)	(6,998)	1,047	13,948
Net Income (Loss) before Transfers	-	32,061	32,061	24,561
<b>Contributed Capital</b>				
Plant Investment Fees	-	-	-	9,375
Change in Net Position (Budget Basis)	\$ -	32,061	\$ 32,061	33,936
<b>Budget to GAAP Reconciliation</b>				
Principal Paid		4,248		4,086
Depreciation Expense		(13,479)		(13,479)
Capital Outlay		-		19,667
Change in Net Position - GAAP Basis		22,830		44,210
Net Position, Beginning		394,688		350,478
Net Position, Ending		\$ 417,518		\$ 394,688

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 2020

This Information From The Records Of (example - City of \_ or County of \_) Prepared By: NANCY COMER  
Phone: 719 836-2712

**I. DISPOSITION OF HIGHWAY-USER REVENUES AVAILABLE FOR LOCAL GOVERNMENT EXPENDITURE**

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

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

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

ITEM	AMOUNT	ITEM	AMOUNT
<b>A. Receipts from local sources:</b>		<b>A. Local highway disbursements:</b>	
1. Local highway-user taxes		1. Capital outlay (from page 2)	0
a. Motor Fuel (from Item I.A.5.)		2. Maintenance:	41,356
b. Motor Vehicle (from Item I.B.5.)		3. Road and street services:	
c. Total (a.+b.)		a. Traffic control operations	5,057
2. General fund appropriations	72,683	b. Snow and ice removal	17,018
3. Other local imposts (from page 2)	0	c. Other	
4. Miscellaneous local receipts (from page 2)	2,537	d. Total (a. through c.)	22,075
5. Transfers from toll facilities		4. General administration & miscellaneous	25,659
6. Proceeds of sale of bonds and notes:		5. Highway law enforcement and safety	
a. Bonds - Original Issues		6. Total (1 through 5)	89,090
b. Bonds - Refunding Issues		<b>B. Debt service on local obligations:</b>	
c. Notes		1. Bonds:	
d. Total (a. + b. + c.)	0	a. Interest	
7. Total (1 through 6)	75,220	b. Redemption	
<b>B. Private Contributions</b>		c. Total (a. + b.)	0
<b>C. Receipts from State government</b> (from page 2)	13,870	2. Notes:	
<b>D. Receipts from Federal Government</b> (from page 2)	0	a. Interest	
<b>E. Total receipts (A.7 + B + C + D)</b>	89,090	b. Redemption	
		c. Total (a. + b.)	0
		3. Total (1.c + 2.c)	0
		<b>C. Payments to State for highways</b>	
		<b>D. Payments to toll facilities</b>	
		<b>E. Total disbursements (A.6 + B.3 + C + D)</b>	89,090

**IV. LOCAL HIGHWAY DEBT STATUS**

(Show all entries at par)

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

**V. LOCAL ROAD AND STREET FUND BALANCE**

	A. Beginning Balance	B. Total Receipts	C. Total Disbursements	D. Ending Balance	E. Reconciliation
		89,090	89,090		0

Notes and Comments:

**LOCAL HIGHWAY FINANCE REPORT**

STATE:  
Colorado  
YEAR ENDING (mm/yy):  
December 2020

**II. RECEIPTS FOR ROAD AND STREET PURPOSES - DETAIL**

ITEM	AMOUNT	ITEM	AMOUNT
<b>A.3. Other local imposts:</b>		<b>A.4. Miscellaneous local receipts:</b>	
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	2,537
c. Total (a. + b.)	0	i. Total (a. through h.)	2,537
	(Carry forward to page 1)		(Carry forward to page 1)

ITEM	AMOUNT	ITEM	AMOUNT
<b>C. Receipts from State Government</b>		<b>D. Receipts from Federal Government</b>	
1. Highway-user taxes	12,496	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	1,374	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.)	1,374	g. Total (a. through f.)	0
4. Total (1. + 2. + 3.f)	13,870	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)
<b>A.1. Capital outlay:</b>			
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: