

**TOWN OF ALMA
ALMA, COLORADO**

**FINANCIAL STATEMENTS
WITH
INDEPENDENT AUDITORS' REPORT**

**FOR THE YEAR ENDED
DECEMBER 31, 2021**

INTENTIONALLY LEFT BLANK

INTRODUCTORY SECTION

TOWN OF ALMA

ROSTER OF TOWN OFFICIALS

December 31, 2021

Board Of Trustees

Saam Golgoon	- Mayor
Gary Goettelman	- Mayor Pro-tem
Corrie Stiles	- Trustee
Andrew Zimmerman	- Trustee
Erica Duvic	- Trustee
Bob Ensign	- Trustee
Michael Matkus	- Trustee

Staff

Nancy Comer	- Town Administrator
Kathleen White	- Public Works Director
Amanda Orcutt	- Chief of Police

TOWN OF ALMA

TABLE OF CONTENTS

December 31, 2021

PAGE

Table of Contents

INTRODUCTORY SECTION

Roster of Town Officials

FINANCIAL SECTION

Management Discussion and Analysis

(Required Supplementary Information – Unaudited)

M1 - M7

Independent Auditors' Report

1 - 3

Basic Financial Statements

Government-wide Financial Statements

Statement of Net Position

4

Statement of Activities

5

Fund Financial Statements

Balance Sheet - Governmental Funds

6

Reconciliation of Governmental Fund Balance to Governmental Activity Net Position

7

Statement of Revenues, Expenditures and Changes in Fund Balances -
Governmental Funds

8

Reconciliation of Governmental Fund Change in Fund Balance to Governmental
Activity Change in Net Position

9

Statement of Net Position - Proprietary Funds

10

Statement of Revenues, Expenses and Changes in Net Position -
Proprietary Funds

11

Statement of Cash Flows - Proprietary Funds

12

Notes to Financial Statements

13 - 53

TOWN OF ALMA

TABLE OF CONTENTS

December 31, 2021

Pension Schedules (Required Supplementary Information – Unaudited)

PERA Pension Plan

Schedule of the Town's Proportionate Share of the Net Pension Asset (Liability)	54
Schedule of Town Contributions	55

FPPA Statewide Defined Benefit Plan

Schedule of the Town's Proportionate Share of the Net Pension Asset (Liability)	56
Schedule of Town Contributions	57

PERA HCTF OPEB Plan

Schedule of the Town's Proportionate Share of the Net OPEB Asset (Liability)	58
Schedule of Town Contributions	59

Required Supplementary Information

General Fund - Budgetary Comparison Schedule	60 - 62
--	---------

Other Supplementary Information

Nonmajor Governmental Funds

Combining Balance Sheet	63
Combining Schedule of Revenues, Expenditures and Changes in Fund Balance	64

Special Revenue Funds

Conservation Trust Fund - Budgetary Comparison Schedule	65
---	----

Debt Service Fund

Debt Service Fund - Budgetary Comparison Schedule	66
---	----

Enterprise Funds

Water Fund - Schedule of Revenues and Expenses - Budget (Non-GAAP Basis) and Actual	67
Sewer Fund - Schedule of Revenues and Expenses - Budget (Non-GAAP Basis) and Actual	68

COMPLIANCE SECTION

State Compliance

Local Highway Finance Report	69 - 70
------------------------------	---------

FINANCIAL SECTION

TOWN OF ALMA
MANAGEMENT'S DISCUSSION AND ANALYSIS
December 31, 2021

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, 2021. 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 2021 by \$4,016,731 (*net position*). Of this amount, \$1,183,841 (*unrestricted net position*) may be used to meet the Town's ongoing obligations or unforeseen expenses.
- As of the close of fiscal year 2021, the Town of Alma's governmental funds reported a combined ending fund balance of \$804,810, a decrease of \$65,223 compared to fiscal year 2020.
- At the end of fiscal year 2021, unassigned fund balance for the general fund was \$770,758. This balance will continue to be monitored to ensure that balances are adequate to allow for contingencies.
- General Fund 2021 revenues decreased by \$496,928 from 2020 levels. Expenses increased \$53,033. The increases can be attributed to increased sales tax collected thru internet purchasing.

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, 2021

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 \$5,202,077 as of December 31, 2021. Of this amount, \$2,218,078 or 43 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, 2021**

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 \$4,016,731 at the close of 2021. Combined net position of the Town at December 31, 2021 were as follows:

CONDENSED STATEMENT OF NET POSITION

	Governmental Activities		Business-type Activities		Total	
	2021	2020	2021	2020	2021	2020
ASSETS						
Current and Other Assets	\$ 1,037,657	\$ 1,121,985	\$ 774,097	\$ 422,757	\$ 1,811,754	\$ 1,544,742
Capital Assets	1,946,342	1,769,699	1,443,981	1,461,093	3,390,323	3,230,792
Total Assets	<u>2,983,999</u>	<u>2,891,684</u>	<u>2,218,078</u>	<u>1,883,850</u>	<u>5,202,077</u>	<u>4,775,534</u>
DEFERRED OUTFLOWS	<u>196,083</u>	<u>173,156</u>	<u>36,368</u>	<u>42,913</u>	<u>232,451</u>	<u>216,069</u>
LIABILITIES						
Current Liabilities	24,932	53,375	5,175	6,889	30,107	60,264
Noncurrent Liabilities	274,909	298,479	666,980	474,172	941,889	772,651
Total Liabilities	<u>299,841</u>	<u>351,854</u>	<u>672,155</u>	<u>481,061</u>	<u>971,996</u>	<u>832,915</u>
DEFERRED INFOWS	<u>6,580</u>	<u>6,015</u>	<u>55,867</u>	<u>44,256</u>	<u>62,447</u>	<u>50,271</u>
NET POSITION						
Net Investment in Capital Assets	1,833,672	1,656,615	821,115	1,039,907	2,654,787	2,696,522
Restricted	133,586	127,263	44,517	44,517	178,103	171,780
Unrestricted	523,049	666,368	660,792	317,022	1,183,841	983,390
Total Net Position	<u>\$ 2,490,307</u>	<u>\$ 2,450,246</u>	<u>\$ 1,526,424</u>	<u>\$ 1,401,446</u>	<u>\$ 4,016,731</u>	<u>\$ 3,851,692</u>

The statement of net position reflects a cash position totaling \$1,315,917, or 25% of total assets. The bulk of the Town's resources, \$3390323, or 75% 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, 2021

Changes in Net Position

Governmental activities increased the Town of Alma's net position by \$40,061. This is primarily due to the increase in charges for service and sales taxes.

Business activities increased the Town's net assets by 119,548.

CONDENSED STATEMENT OF ACTIVITIES

	Governmental Activities		Business-type Activities		Total	
	2021	2020	2021	2020	2021	2020
PROGRAM REVENUES						
Charges for Services	\$ 144,552	\$ 201,240	\$ 254,034	\$ 244,034	\$ 398,586	\$ 445,274
Operating Grants	119,159	571,996	-	-	119,159	571,996
Capital Grants	-	-	103,125	-	103,125	-
Total Program Revenues	<u>263,711</u>	<u>773,236</u>	<u>357,159</u>	<u>244,034</u>	<u>620,870</u>	<u>1,017,270</u>
GENERAL REVENUES						
Property Taxes	103,650	116,346	-	-	103,650	116,346
Specific Ownership Taxes	14,261	15,452	-	-	14,261	15,452
Sales Taxes	417,489	374,318	-	-	417,489	374,318
Franchise Taxes	26,389	25,231	-	-	26,389	25,231
Gain(Loss) on Disposal of Capital Assets	4,264	20,000	106	609	4,370	20,609
Interest Income	825	3,983	-	-	825	3,983
Other Taxes	3,684	1,657	-	-	3,684	1,657
Other Revenues	<u>2,752</u>	<u>9,095</u>	<u>2,841</u>	<u>1,404</u>	<u>5,593</u>	<u>10,499</u>
Total General Revenues	<u>573,314</u>	<u>566,082</u>	<u>2,947</u>	<u>2,013</u>	<u>576,261</u>	<u>568,095</u>
Total Revenues	<u>837,025</u>	<u>1,339,318</u>	<u>360,106</u>	<u>246,047</u>	<u>1,197,131</u>	<u>1,585,365</u>
PROGRAM EXPENSES						
General Government	365,759	344,928	-	-	365,759	344,928
Public Safety	144,009	154,537	-	-	144,009	154,537
Public Works	193,245	184,452	-	-	193,245	184,452
Culture and Recreation	20,313	21,040	-	-	20,313	21,040
Water Operations	-	-	143,330	149,340	143,330	149,340
Sewer Operations	-	-	97,228	86,947	97,228	86,947
Noncapitalized Capital Outlay	2,719	-	-	-	2,719	-
Interest	<u>70,919</u>	<u>7,085</u>	<u>-</u>	<u>-</u>	<u>70,919</u>	<u>7,085</u>
Total Program Expenses	<u>796,964</u>	<u>712,042</u>	<u>240,558</u>	<u>236,287</u>	<u>1,037,522</u>	<u>948,329</u>
CHANGE IN NET POSITION						
	40,061	627,276	119,548	9,760	159,609	637,036
Net Position, Beginning	<u>2,450,246</u>	<u>1,822,970</u>	<u>1,406,876</u>	<u>1,391,686</u>	<u>3,857,122</u>	<u>3,214,656</u>
NET POSITION, ENDING	<u>\$ 2,490,307</u>	<u>\$ 2,450,246</u>	<u>\$ 1,526,424</u>	<u>\$ 1,401,446</u>	<u>\$ 4,016,731</u>	<u>\$ 3,851,692</u>

TOWN OF ALMA
MANAGEMENT'S DISCUSSION AND ANALYSIS
December 31, 2021

Reporting the Town's Most Significant Funds

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

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

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

Capital Assets

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

	<u>Balance</u> <u>1/1/21</u>	<u>Additions</u>	<u>Deletions</u>	<u>Balance</u> <u>12/31/21</u>
Governmental activities:				
Capital Assets not being depreciated:				
Land & Improvements	\$ 473,831	\$ 8,260	\$ -	\$ 482,091
Construction in Progress	39,228	10,000	-	49,228
Non-Depreciable Collection	59,000	-	-	59,000
	<u>572,059</u>	<u>18,260</u>	<u>-</u>	<u>590,319</u>
Total capital assets not being depreciated				
Capital assets being depreciated:				
Buildings & Improvements	900,289	211,366	-	1,111,655
Equipment & Vehicles	509,027	16,998	-	526,025
Streets	873,693	-	-	873,693
	<u>2,283,009</u>	<u>228,364</u>	<u>-</u>	<u>2,511,373</u>
Total capital assets being depreciated:				
Accumulated depreciation:				
Buildings & Improvements	(243,911)	(26,157)	-	(270,068)
Equipment and vehicles	(378,558)	(27,571)	-	(406,129)
Streets	(467,690)	(34,948)	-	(502,638)
	<u>(1,090,159)</u>	<u>(88,676)</u>	<u>-</u>	<u>(1,178,835)</u>
Total accumulated depreciation				
Total governmental activities capital assets, net of depreciation:	<u>\$ 1,764,909</u>	<u>\$ 157,948</u>	<u>\$ -</u>	<u>\$ 1,922,857</u>

**TOWN OF ALMA
MANAGEMENT'S DISCUSSION AND ANALYSIS
December 31, 2021**

	Balance 1/1/21	Additions	Deletions	Balance 12/31/21
Business-type activities:				
Capital Assets not being depreciated:				
Water rights	\$ 60,090	\$ -	\$ -	\$ 60,090
Construction in progress	44,290	50,099	-	94,389
Total Capital Assets not being depreciated	104,380	50,099	-	154,479
Capital Assets being depreciated:				
Water plant and lines	2,214,407	-	-	2,214,407
Sewer plant & lines	684,287	-	-	684,287
Water equipment	23,653	-	-	23,653
Sewer equipment	24,908	-	-	24,908
Total capital assets being depreciated:	2,947,255	-	-	2,947,255
Accumulated depreciation:				
Water plant and lines	(1,049,337)	(47,302)	-	(1,096,639)
Sewer plant & lines	(506,174)	(13,480)	-	(519,654)
Water equipment	(15,553)	(1,000)	-	(16,553)
Sewer equipment	(24,908)	-	-	(24,908)
Total accumulated depreciation	(1,595,972)	(61,782)	-	(1,657,754)
Total business-type activities capital assets, net of depreciation	\$ 1,455,663	\$ (11,683)	\$ -	\$ 1,443,980

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 01/01/21	Additions	Deletions	Balance 12/31/21	Current Portion	Interest Expense
Governmental Activities						
2016 TBK Bank Lease	\$ 107,249	\$ -	\$ 19,265	\$ 87,984	\$ 20,300	\$ 5,763
Total Governmental Activities Debt	\$ 107,249	\$ -	\$ 19,265	\$ 87,984	\$ 20,300	\$ 5,763
Business-type Activities						
1992 Water & Sewer Revenue Bonds	\$ 177,100	\$ -	\$ 11,100	166,000	\$ 11,700	\$ 8,718
2011 CWRPDA Water Loan	238,657	-	20,643	218,014	21,057	4,670
2021 CWRPDA Sewer Loan	-	238,852	-	238,852	-	238,852
Total Business-type Activities Debt	\$ 415,757	\$ 238,852	\$ 31,743	\$ 622,866	\$ 32,757	\$ 252,240

TOWN OF ALMA
MANAGEMENT'S DISCUSSION AND ANALYSIS
December 31, 2021

General Fund Budget

The Town's General Fund revenues were \$117,221 less than the amounts budgeted primarily due to not completing the capital construction that was scheduled thus not receiving the grant and loan funding in this budget year. Expenditures were \$78,860 under budget.

Conservation Trust Fund Budget

The Town's Conservation Trust Fund had minimal expenditures. Monies will be set aside next year for projects in the future. The Riverwalk Project continues. Youth Corp volunteers will be utilized again, marking and cleaning the designed trail again in 2022. Kiosks will be installed to finalize the project.

The Future of the Town

The Town Maintenance Department vehicle replacement and updates continue. A new grader is scheduled to be purchased the first of 2022. A vac trailer will be purchased to replace the vac truck. Still to be replaced is the dump truck.

The water department is applying for a Mineral Impact Grant to help replace all water meters in town with remote read meters.

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. That increase has remained in place. These unexpected funds are being used to upgrade street maintenance equipment, expand the Parks and Rec Department and other non enterprise projects.

Work continues on the design and engineering of the new sewer plant. Construction in 2024 is still the plan.

Development is a big factor today. A new PUD is in planning stages with hopes of presentation to the council in the summer.

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 Town Administrator, Town of Alma, P.O. Box 1050, Alma, Colorado 80420.

Mayberry & Company, LLC

Certified Public Accountants

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

Board of Trustees
Town of Alma
Alma, Colorado

Independent Auditors' Report

Opinion

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 Town of Alma, as of and for the year ended December 31, 2021, and the related notes to the financial statements which collectively comprise Town of Alma's basic financial statements as listed in the table of contents.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business type activities, each major fund, and the aggregate remaining fund information of the Town of Alma as of December 31, 2021, and the respective changes in financial position, and, where applicable, cash flows, thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinion

We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of Financial Statements section of our report. We are required to be independent of the Town of Alma and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements related to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Responsibilities of Management 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; and for 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.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about Town of Alma's ability to continue as a going concern for twelve months beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.

Auditors' Responsibility for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinions. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with generally accepted auditing standards will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with generally accepted auditing standards, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on test basis, evidence regarding the amounts and disclosures in the financial statements.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of Town of Alma's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt Town of Alma's ability to continue as a going concern for a reasonable period of time.

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

Report on Summarized Comparative Information

We have previously audited the Town of Alma's 2020 financial statements, and we expressed an unmodified audit opinion on those audited financial statements in our report dated September 3, 2021. In our opinion, the summarized comparative information presented herein as of and for the year ended December 31, 2020 is consistent, in all material respects, with the audited financial statements from which it has been derived.

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that a management's discussion and analysis, budgetary comparison information, historical pension information and other post -employment benefit plan information listed in the tables of contents 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.

Supplementary Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Town of Alma's basic financial statements. The combining and individual nonmajor fund financial statements are presented for purposes of additional analysis and are not a required part of the basic 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 basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the supplementary information is fairly stated, in all material respects, in relation to the basic financial statements as a whole.

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 is presented for purposes of legal compliance and is not a required part of the financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements.

The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated in all material respects in relation to the financial statements as a whole.

Mayberry + Company, LLC

Englewood, Colorado

June 30, 2022

INTENTIONALLY LEFT BLANK

Basic Financial Statements

INTENTIONALLY LEFT BLANK

TOWN OF ALMA

STATEMENT OF NET POSITION
DECEMBER 31, 2021

	GOVERNMENTAL ACTIVITIES	BUSINESS TYPE ACTIVITIES	TOTAL
ASSETS AND DEFERRED OUTFLOWS			
ASSETS			
Current Assets			
Cash and Investments			
Cash	\$ 743,803	\$ 441,017	\$ 1,184,820
Restricted Cash and Investments	86,580	44,517	131,097
Receivables			
Property Tax Receivable	115,435	-	115,435
Utility Receivable	-	56,509	56,509
Cash with Fiscal Agent	1,188	214,934	216,122
Accounts Receivable	79,599	-	79,599
Prepaid Expenses	11,052	17,121	28,173
Total Current Assets	<u>1,037,657</u>	<u>774,098</u>	<u>1,811,755</u>
Noncurrent Assets			
Capital Assets not being Depreciated	590,319	154,479	744,798
Capital Assets being Depreciated	2,511,373	2,947,255	5,458,628
Accumulated Depreciation	(1,178,835)	(1,657,754)	(2,836,589)
Net Pension Asset	23,485	-	23,485
Total Noncurrent Assets	<u>1,946,342</u>	<u>1,443,980</u>	<u>3,390,322</u>
TOTAL ASSETS	<u>2,983,999</u>	<u>2,218,078</u>	<u>5,202,077</u>
DEFERRED OUTFLOWS OF FINANCIAL RESOURCES			
Deferred Outflows - Pensions	188,079	33,729	221,808
Deferred Outflows - OPEB	8,004	2,639	10,643
TOTAL DEFERRED OUTFLOWS	<u>196,083</u>	<u>36,368</u>	<u>232,451</u>
TOTAL ASSETS AND DEFERRED OUTFLOWS	<u>\$ 3,180,082</u>	<u>\$ 2,254,446</u>	<u>\$ 5,434,528</u>
LIABILITIES, DEFERRED INFLOWS AND NET POSITION			
LIABILITIES			
Current Liabilities			
Accounts Payable	\$ 11,142	\$ 341	\$ 11,483
Accrued Liabilities	12,589	-	12,589
Accrued Interest Payable	1,201	4,834	6,035
Total Current Liabilities	<u>24,932</u>	<u>5,175</u>	<u>30,107</u>
Noncurrent Liabilities			
Due within one year	20,300	31,742	52,042
Due in more than one year	254,609	635,238	889,847
Total Noncurrent Liabilities	<u>274,909</u>	<u>666,980</u>	<u>941,889</u>
TOTAL LIABILITIES	<u>299,841</u>	<u>672,155</u>	<u>971,996</u>
DEFERRED INFLOWS OF FINANCIAL RESOURCES			
Deferred Property Taxes	115,435	-	115,435
Deferred Inflows Pensions	260,448	52,922	313,370
Deferred Inflows - OPEB	7,471	2,945	10,416
Deferred Grants	6,580	-	6,580
TOTAL DEFERRED INFLOWS	<u>389,934</u>	<u>55,867</u>	<u>445,801</u>
NET POSITION			
Net Investment in Capital Assets	1,833,672	821,114	2,654,786
Restricted Net Position	133,586	44,517	178,103
Unrestricted Net Position	523,049	660,793	1,183,842
TOTAL NET POSITION	<u>2,490,307</u>	<u>1,526,424</u>	<u>4,016,731</u>
TOTAL LIABILITIES, DEFERRED INFLOWS AND NET POSITION	<u>\$ 3,180,082</u>	<u>\$ 2,254,446</u>	<u>\$ 5,434,528</u>

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

TOWN OF ALMA

STATEMENT OF ACTIVITIES

FOR THE YEAR ENDED DECEMBER 31, 2021

	PROGRAM REVENUES			
	EXPENSES	CHARGES FOR SERVICES	OPERATING GRANTS AND CONTRIBUTIONS	CAPITAL GRANTS
FUNCTIONS/PROGRAMS				
Government Activities				
Current:				
General Government	\$ 365,759	\$ 59,425	\$ 99,100	\$ -
Public Safety	144,009	39,575	-	-
Public Works	193,245	45,552	18,079	-
Culture and Recreation	20,313	-	1,980	-
Capital Outlay - Non Capitalized	2,719	-	-	-
Interest on Debt	70,919	-	-	-
TOTAL GOVERNMENT ACTIVITIES	<u>796,964</u>	<u>144,552</u>	<u>119,159</u>	<u>-</u>
Business-type Activities				
Current:				
Water	143,330	131,632	-	56,250
Sewer	97,228	122,402	-	46,875
TOTAL BUSINESS-TYPE ACTIVITIES	<u>240,558</u>	<u>254,034</u>	<u>-</u>	<u>103,125</u>
TOTAL GOVERNMENT	<u>\$ 1,037,522</u>	<u>\$ 398,586</u>	<u>\$ 119,159</u>	<u>\$ 103,125</u>
GENERAL REVENUES				
Property Taxes				
Specific Ownership Taxes				
Sales Taxes				
Franchise Taxes				
Other Taxes				
Interest Income				
Gain (Loss) on Disposal of Capital Assets				
Insurance Proceeds				
Other Revenues				
TOTAL GENERAL REVENUES AND TRANSFERS				
CHANGE IN NET POSITION				
NET POSITION - Beginning				
NET POSITION - Ending				

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

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

GOVERNMENT ACTIVITIES	BUSINESS - TYPE ACTIVITES	TOTAL
\$ (207,234)	\$ -	\$ (207,234)
(104,434)	-	(104,434)
(129,614)	-	(129,614)
(18,333)	-	(18,333)
(2,719)	-	(2,719)
<u>(70,919)</u>	<u>-</u>	<u>(70,919)</u>
<u>(533,253)</u>	<u>-</u>	<u>(533,253)</u>
-	44,552	44,552
<u>-</u>	<u>72,049</u>	<u>72,049</u>
<u>-</u>	<u>116,601</u>	<u>116,601</u>
<u>(533,253)</u>	<u>116,601</u>	<u>(416,652)</u>
103,650	-	103,650
14,261	-	14,261
417,489	-	417,489
26,389	-	26,389
3,684	-	3,684
825	106	931
4,264	-	4,264
-	2,841	2,841
<u>2,752</u>	<u>-</u>	<u>2,752</u>
<u>573,314</u>	<u>2,947</u>	<u>576,261</u>
40,061	119,548	159,609
<u>2,450,246</u>	<u>1,406,876</u>	<u>3,857,122</u>
<u>\$ 2,490,307</u>	<u>\$ 1,526,424</u>	<u>\$ 4,016,731</u>

TOWN OF ALMA

BALANCE SHEET

GOVERNMENTAL FUNDS

DECEMBER 31, 2021

With Comparative Totals for December 31, 2020

	General	Debt Service	Other	Total	
	Fund	Fund	Funds	2021	2020
ASSETS AND DEFERRED OUTFLOWS					
ASSETS					
Current Assets					
Cash and Investments					
Cash	\$ 743,282	\$ -	\$ 521	\$ 743,803	\$ 763,472
Restricted Cash and Investments	-	66,717	19,863	86,580	82,562
Receivables					
Property Tax Receivable	115,435	-	-	115,435	108,134
Cash with Fiscal Agent	1,188	-	-	1,188	1,446
Accounts Receivable	79,599	-	-	79,599	157,279
Internal Balances	-	-	-	-	-
Prepaid Expenses	11,052	-	-	11,052	9,092
TOTAL ASSETS AND DEFERRED OUTFLOWS	<u>\$ 950,556</u>	<u>\$ 66,717</u>	<u>\$ 20,384</u>	<u>\$ 1,037,657</u>	<u>\$ 1,121,985</u>
LIABILITIES, DEFERRED INFLOWS AND NET POSITION					
LIABILITIES					
Current Liabilities					
Accounts Payable	\$ 11,142	\$ -	\$ -	\$ 11,142	\$ 42,557
Accrued Liabilities	12,589	-	-	12,589	9,773
TOTAL LIABILITIES	<u>23,731</u>	<u>-</u>	<u>-</u>	<u>23,731</u>	<u>52,330</u>
DEFERRED INFLOWS OF FINANCIAL RESOURCES					
Deferred Property Taxes	115,435	-	-	115,435	108,134
Deferred Grants	6,580	-	-	6,580	6,015
TOTAL DEFERRED INFLOWS	<u>122,015</u>	<u>-</u>	<u>-</u>	<u>122,015</u>	<u>114,149</u>
FUND BALANCE					
Nonspendable Fund Balance	11,052	-	-	11,052	9,092
Restricted Fund Balance	23,000	66,717	20,384	110,101	122,473
Unassigned Fund Balance	770,758	-	-	770,758	823,941
TOTAL FUND BALANCE	<u>804,810</u>	<u>66,717</u>	<u>20,384</u>	<u>891,911</u>	<u>955,506</u>
TOTAL LIABILITIES, DEFERRED INFLOWS AND FUND BALANCE	<u>\$ 950,556</u>	<u>\$ 66,717</u>	<u>\$ 20,384</u>	<u>\$ 1,037,657</u>	<u>\$ 1,121,985</u>

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

TOWN OF ALMA

**RECONCILIATION OF GOVERNMENTAL FUND BALANCE
TO GOVERNMENTAL ACTIVITIES NET POSITION
DECEMBER 31, 2021**

Fund Balance - Governmental Funds		\$	891,911
Capital assets used in governmental activities are not financial resources and are therefore not reported in the funds			
Capital assets, not being depreciated	\$	590,319	
Capital assets, being depreciated		2,511,373	
Accumulated depreciation		<u>(1,178,835)</u>	1,922,857
Certain long-term pension and OPEB related costs and adjustments are not available to pay or are payable currently and are therefore not reported in the funds			
PERA Pension Liability			
Net deferred PERA pension outflows		139,316	
Net PERA pension liability		(164,096)	
Net deferred PERA pension outflows		<u>(223,957)</u>	(248,737)
FPPA Pension Liability			
Net deferred FPPA pension outflows		48,763	
Net FPPA pension asset		23,485	
Net deferred FPPA pension outflows		<u>(36,491)</u>	35,757
OPEB Liability			
Net deferred OPEB outflows		8,004	
Net OPEB liability		(22,829)	
Net deferred OPEB outflows		<u>(7,471)</u>	(22,296)
Long-term liabilities are not due and payable in the current year and, therefore, are not reported in the funds.			
Notes payable		(87,984)	
Accrued interest payable		<u>(1,201)</u>	(89,185)
Total Net Position - Governmental Activities			<u>\$ 2,490,307</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, 2021

With Comparative Totals for the Year Ended December 31, 2020

	General	Debt Service	Other	TOTAL	
	Fund	Fund	Funds	2021	2020
REVENUES					
Taxes	\$ 565,472	\$ -	\$ -	\$ 565,472	\$ 533,004
Intergovernmental Revenues	117,179	-	1,980	119,159	571,994
Licenses and Permits	18,270	-	-	18,270	8,388
Fines and Forfeits	39,575	-	-	39,575	60,987
Charges for Services	86,707	-	-	86,707	131,865
Investment Earnings	816	-	8	824	3,984
Other Revenues	7,018	-	-	7,018	35,896
TOTAL REVENUES	835,037	-	1,988	837,025	1,346,118
EXPENDITURES					
Current:					
General Government	300,222	-	-	300,222	312,139
Public Safety	119,433	-	-	119,433	145,497
Public Works	109,162	-	-	109,162	97,917
Parks, Recreation and Other	17,658	-	-	17,658	20,664
Capital Outlay	263,757	-	360	264,117	244,814
Debt Service	90,028	-	-	90,028	42,921
TOTAL EXPENDITURES	900,260	-	360	900,620	863,952
REVENUES IN EXCESS (DEFICIENCY) OF EXPENDITURES	(65,223)	-	1,628	(63,595)	482,166
FUND BALANCE, BEGINNING	870,033	66,717	18,756	955,506	473,340
FUND BALANCE, ENDING	\$ 804,810	\$ 66,717	\$ 20,384	\$ 891,911	\$ 955,506

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

TOWN OF ALMA

**RECONCILIATION OF GOVERNMENTAL FUNDS CHANGE IN FUND BALANCE
TO GOVERNMENTAL ACTIVITIES CHANGE IN NET POSITION
FOR THE YEAR ENDED DECEMBER 31, 2021**

Change in Fund Balance - Governmental Funds		\$ (63,595)
<p>Capital assets used in governmental activities are expensed when purchased in the funds and depreciated at the activity level</p>		
Capitalized Asset Purchases	\$ 246,624	
Depreciation Expense	<u>(88,676)</u>	157,948
<p>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.</p>		
PERA Pension Liability		
Change in deferred pension outflows	31,616	
Change in net pension liability	7,143	
Change in deferred pension inflows	<u>(99,903)</u>	(61,144)
FPPA Pension Liability		
Change in deferred pension outflows	(9,600)	
Change in net pension liability	18,695	
Change in deferred pension inflows	<u>(16,199)</u>	(7,104)
OPEB Liability		
Change in deferred OPEB outflows	911	
Change in net OPEB liability	(2,838)	
Change in deferred OPEB inflows	<u>(3,226)</u>	(5,153)
<p>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</p>		
Principal payments on notes payable	19,265	
Change in accrued interest payable	<u>(156)</u>	<u>19,109</u>
Change in Net Position - Governmental Activities		<u>\$ 40,061</u>

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

TOWN OF ALMA

STATEMENT OF NET POSITION

PROPRIETARY FUNDS

DECEMBER 31, 2021

With Comparative Totals for December 31, 2020

	<u>Business-type Activities</u>			
	<u>Water</u>	<u>Sewer</u>	<u>Total</u>	
	<u>Fund</u>	<u>Fund</u>	<u>2021</u>	<u>2020</u>
ASSETS AND DEFERRED OUTFLOWS				
ASSETS				
Current Assets				
Cash and Investments				
Cash	\$ 128,278	\$ 312,739	\$ 441,017	\$ 315,316
Restricted Cash and Investments	35,226	9,291	44,517	44,517
Intergovernmental Receivables	-	-	-	5,430
Utility Receivable	27,905	28,604	56,509	61,354
Cash with Fiscal Agent	-	214,934	214,934	-
Prepaid Expenses	9,773	7,347	17,120	7,000
Total Current Assets	<u>201,182</u>	<u>572,915</u>	<u>774,097</u>	<u>433,617</u>
Noncurrent Assets				
Capital Assets not being depreciated	60,090	44,290	104,380	104,380
Capital Assets being depreciated	2,238,061	759,294	2,997,355	2,947,256
Accumulated Depreciation	(1,113,192)	(544,562)	(1,657,754)	(1,595,973)
Total Noncurrent Assets	<u>1,184,959</u>	<u>259,022</u>	<u>1,443,981</u>	<u>1,455,663</u>
TOTAL ASSETS	<u>1,386,141</u>	<u>831,937</u>	<u>2,218,078</u>	<u>1,889,280</u>
DEFERRED OUTFLOWS OF FINANCIAL RESOURCES				
Deferred Outflows - Pensions	18,803	14,926	33,729	40,001
Deferred Outflows - OPEB	1,466	1,173	2,639	2,912
TOTAL DEFERRED OUTFLOWS	<u>20,269</u>	<u>16,099</u>	<u>36,368</u>	<u>42,913</u>
TOTAL ASSETS AND DEFERRED OUTFLOWS	<u>\$ 1,406,410</u>	<u>\$ 848,036</u>	<u>\$ 2,254,446</u>	<u>\$ 1,932,193</u>
LIABILITIES, DEFERRED INFLOWS AND NET POSITION				
LIABILITIES				
Current Liabilities				
Accounts Payable	\$ 42	\$ 299	\$ 341	\$ 1,709
Accrued Interest Payable	3,198	1,636	4,834	5,180
Total Current Liabilities	<u>3,240</u>	<u>1,935</u>	<u>5,175</u>	<u>6,889</u>
Noncurrent Liabilities				
Due within one year	27,251	4,491	31,742	31,742
Due in more than one year	311,656	323,582	635,238	442,430
Total Noncurrent Liabilities	<u>338,907</u>	<u>328,073</u>	<u>666,980</u>	<u>474,172</u>
TOTAL LIABILITIES	<u>342,147</u>	<u>330,008</u>	<u>672,155</u>	<u>481,061</u>
DEFERRED INFLOWS OF FINANCIAL RESOURCES				
Deferred Inflows Pensions	26,048	26,874	52,922	41,573
Deferred Inflows - OPEB	1,420	1,525	2,945	2,683
TOTAL DEFERRED INFLOWS	<u>27,468</u>	<u>28,399</u>	<u>55,867</u>	<u>44,256</u>
NET POSITION				
Net Investment in Capital Assets	868,109	(46,994)	821,115	1,039,907
Restricted Net Position	35,226	9,291	44,517	44,517
Unrestricted Net Position	133,460	527,332	660,792	322,452
TOTAL NET POSITION	<u>1,036,795</u>	<u>489,629</u>	<u>1,526,424</u>	<u>1,406,876</u>
TOTAL LIABILITIES, DEFERRED INFLOWS AND NET POSITION	<u>\$ 1,406,410</u>	<u>\$ 848,036</u>	<u>\$ 2,254,446</u>	<u>\$ 1,932,193</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, 2021

With Comparative Totals for the Year Ended December 31, 2020

	<u>Business-type Activities</u>			
	<u>Water</u>	<u>Sewer</u>	<u>Total</u>	
	<u>Fund</u>	<u>Fund</u>	<u>2021</u>	<u>2020</u>
Operating Revenues				
Utility Charges	\$ 131,632	\$ 122,402	\$ 254,034	\$ 244,034
Operating Expenses				
Personnel Services	37,935	46,242	84,177	81,626
Administrative/Office Expenses	556	385	941	620
Insurance	6,250	5,872	12,122	11,730
Operating Supplies	-	164	164	245
Professional Fees	2,494	6,427	8,921	8,802
Repairs and Maintenance	24,057	5,896	29,953	26,617
Travel and Training	350	567	917	1,709
Treatment	1,665	2,058	3,723	5,018
Telephone and Utilities	10,409	5,420	15,829	15,602
Other Operating Expenses	1,383	3,292	4,675	3,895
Depreciation Expense	48,302	13,479	61,781	61,861
Other Capital Outlay	302	4,011	4,313	4,564
Total Expenditures	<u>133,703</u>	<u>93,813</u>	<u>227,516</u>	<u>222,289</u>
Operating Income (Loss)	<u>(2,071)</u>	<u>28,589</u>	<u>26,518</u>	<u>21,745</u>
Other Income (Expense)				
Intergovernmental Revenue	-	-	-	5,430
Investment Earnings	44	62	106	1,404
Other Revenue	2,841	-	2,841	609
Interest Expense	<u>(9,627)</u>	<u>(3,415)</u>	<u>(13,042)</u>	<u>(13,998)</u>
Total Other Income (Expense)	<u>(6,742)</u>	<u>(3,353)</u>	<u>(10,095)</u>	<u>(6,555)</u>
Net Income (Loss)	<u>(8,813)</u>	<u>25,236</u>	<u>16,423</u>	<u>15,190</u>
Contributed Capital				
Plant Investment Fees	<u>56,250</u>	<u>46,875</u>	<u>103,125</u>	<u>-</u>
Change in Net Position	<u>47,437</u>	<u>72,111</u>	<u>119,548</u>	<u>15,190</u>
Net Position, Beginning	<u>989,358</u>	<u>417,518</u>	<u>1,406,876</u>	<u>1,391,686</u>
Net Position, Ending	<u>\$ 1,036,795</u>	<u>\$ 489,629</u>	<u>\$ 1,526,424</u>	<u>\$ 1,406,876</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, 2021

With Comparative Totals for the Year Ended December 31, 2020

	<u>Business-type Activities</u>			
	<u>Water</u>	<u>Sewer</u>	<u>Total</u>	
	<u>Fund</u>	<u>Fund</u>	<u>2021</u>	<u>2020</u>
Cash Flows From Operating Activities:				
Cash Received from Customers	\$ 136,737	\$ 122,142	\$ 258,879	\$ 237,612
Cash Paid to Suppliers	(64,547)	(56,699)	(121,246)	(120,574)
Cash Paid to Employees	(30,632)	(21,491)	(52,123)	(38,487)
Net Cash Provided by Operating Activities	<u>41,558</u>	<u>43,952</u>	<u>85,510</u>	<u>78,551</u>
Cash Flows From Capital and Related Financing Activities:				
Tap Fees Received	56,250	46,875	103,125	-
Debt Principal Payments	(27,251)	234,361	207,110	(30,735)
Grant Proceeds	5,430	-	5,430	-
Interest Payments	(9,861)	(3,527)	(13,388)	(14,328)
Proceeds of Capital Asset Sales	-	-	-	(5,520)
Acquisition of Capital Assets	-	(50,099)	(50,099)	5,520
Cash Flows Used by Capital and Related Financing Activities	<u>24,568</u>	<u>227,610</u>	<u>252,178</u>	<u>(45,063)</u>
Cash Flows (Uses) From Noncapital Financing Activities:				
Other Revenues (Expense)	2,841	-	2,841	609
Tax Revenue	-	(214,934)	(214,934)	-
Net Cash Provided (Used) by Noncapital Financing Activities	<u>2,841</u>	<u>(214,934)</u>	<u>(212,093)</u>	<u>609</u>
Cash Flows (Uses) From Investing Activities:				
Interest Received	44	62	106	1,404
Net Increase (Decrease) in Cash	69,011	56,690	125,701	35,501
Cash - Beginning	94,493	265,340	359,833	324,332
Cash - Ending	<u>\$ 163,504</u>	<u>\$ 322,030</u>	<u>\$ 485,534</u>	<u>\$ 359,833</u>
Cash	\$ 128,278	\$ 312,739	\$ 441,017	\$ 315,316
Restricted Cash and Investments	35,226	9,291	44,517	44,517
Total	<u>\$ 163,504</u>	<u>\$ 322,030</u>	<u>\$ 485,534</u>	<u>\$ 359,833</u>
Reconciliation of Operating Income (Loss) to Net Cash Used for				
Operating Activities:				
Operating Income (Loss)	\$ (2,071)	\$ 28,589	\$ 26,518	\$ 21,745
Adjustments to Reconcile Operating Income (Loss) to Net Cash Provided by Operating Activities:				
Depreciation Expense	48,302	13,479	61,781	61,861
Changes in Assets and Liabilities Related to Operations:				
(Increase) Decrease in:				
Utility Receivable	5,105	(260)	4,845	(6,422)
Prepaid Expenses	(6,274)	(3,846)	(10,120)	(270)
Pension and OPEB Deferred Outflows	1,394	5,151	6,545	5,230
(Increase) Decrease in:				
Accounts Payable	(1,237)	(131)	(1,368)	(9,055)
Net Pension Liability	(6,792)	(6,792)	(13,584)	(24,036)
Net OPEB Liability	(359)	(359)	(718)	(590)
Pension and OPEB Deferred Inflows	3,490	8,121	11,611	30,088
Total Adjustments	<u>43,629</u>	<u>15,363</u>	<u>58,992</u>	<u>56,806</u>
Net Cash Used for Operating Activities	<u>\$ 41,558</u>	<u>\$ 43,952</u>	<u>\$ 85,510</u>	<u>\$ 78,551</u>

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

TOWN OF ALMA
NOTES TO FINANCIAL STATEMENTS
December 31, 2021

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.

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.

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Measurement Focus, Basis of Accounting and Financial Statement Presentation (Continued)
Governmental Fund Types (Continued)

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, 2021

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, 2021

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, 2021

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, 2021, and reported at fair value, are shown below.

Cash	#VALUE!
Investments	<u>1,264,179</u>
Total Cash and Investments	<u><u>#VALUE!</u></u>

TOWN OF ALMA
NOTES TO FINANCIAL STATEMENTS
December 31, 2021

NOTE 2: CASH AND INVESTMENTS (Continued)

These balances are allocated in the financial statements as follows:

Governmental Activities - Unrestricted	#VALUE!
Governmental Activities - Restricted	#VALUE!
Business-type Activities - Unrestricted	#VALUE!
Business-type Activities - Restricted	<u>48,462</u>
Total Cash and Investments	<u><u>#VALUE!</u></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, 2021, 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, 2021 were as follows:

	<u>Bank Balance</u>	<u>Carrying Amount</u>
FDIC Insured	\$ 67,990	\$ 67,990

TOWN OF ALMA
NOTES TO FINANCIAL STATEMENTS
December 31, 2021

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, 2021, 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, 2021, the Town's investments consisted of the investment pool.

TOWN OF ALMA
NOTES TO FINANCIAL STATEMENTS
December 31, 2021

NOTE 2: CASH AND INVESTMENTS (Continued)

Investments (Continued)

The Town has restricted cash as follows:

Restricted Cash	
Debt Service Fund	#VALUE!
Conservation Trust Fund	#VALUE!
Total Governmental Activity	#VALUE!
Water Fund	
1992 Water & Sewer Revenue Bonds	14,186
2011 CWRPDA Loan	24,636
Total Water Fund	38,822
Sewer Fund	
1992 Water & Sewer Revenue Bonds	9,640
Total Business Type Activities	48,462
Total Restricted Cash	#VALUE!

NOTE 3: CAPITAL ASSETS

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

	<u>Balance</u> <u>1/0/00</u>	<u>Additions</u>	<u>Deletions</u>	<u>Balance</u> <u>1/0/00</u>
Governmental activities:				
Capital Assets not being depreciated:				
Land & Improvements	\$ 473,831	\$ 8,260	\$ -	\$ 482,091
Construction in Progress	39,228	10,000	-	49,228
Non-Depreciable Collection	59,000	-	-	59,000
Total capital assets not being depreciated	<u>572,059</u>	<u>18,260</u>	<u>-</u>	<u>590,319</u>
Capital assets being depreciated:				
Buildings & Improvements	900,289	211,366	-	1,111,655
Equipment & Vehicles	509,027	16,998	-	526,025
Streets	873,693	-	-	873,693
Total capital assets being depreciated:	<u>2,283,009</u>	<u>228,364</u>	<u>-</u>	<u>2,511,373</u>
Accumulated depreciation:				
Buildings & Improvements	(243,911)	(26,157)	-	(270,068)
Equipment and vehicles	(378,558)	(27,571)	-	(406,129)
Streets	(467,690)	(34,948)	-	(502,638)
Total accumulated depreciation	<u>(1,090,159)</u>	<u>(88,676)</u>	<u>-</u>	<u>(1,178,835)</u>
Total governmental activities capital assets, net of depreciation:	<u>\$ 1,764,909</u>	<u>\$ 157,948</u>	<u>\$ -</u>	<u>\$ 1,922,857</u>

TOWN OF ALMA
NOTES TO FINANCIAL STATEMENTS
December 31, 2021

NOTE 3: CAPITAL ASSETS (Continued)

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

General Government	\$	19,643
Public Safety		9,575
Public Works		56,803
Parks and Recreation		<u>2,655</u>
Total Depreciation	\$	<u>88,676</u>

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

	<u>Balance</u> <u>1/0/00</u>	<u>Additions</u>	<u>Deletions</u>	<u>Balance</u> <u>1/0/00</u>
Business-type activities:				
Capital Assets not being depreciated:				
Water rights	\$ 60,090	\$ -	\$ -	\$ 60,090
Construction in progress	<u>44,290</u>	<u>50,099</u>	<u>-</u>	<u>94,389</u>
Total Capital Assets not being depreciated	<u>104,380</u>	<u>50,099</u>	<u>-</u>	<u>154,479</u>
Capital Assets being depreciated:				
Water plant and lines	2,214,407	-	-	2,214,407
Sewer plant & lines	684,287	-	-	684,287
Water equipment	23,653	-	-	23,653
Sewer equipment	<u>24,908</u>	<u>-</u>	<u>-</u>	<u>24,908</u>
Total capital assets being depreciated:	<u>2,947,255</u>	<u>-</u>	<u>-</u>	<u>2,947,255</u>
Accumulated depreciation:				
Water plant and lines	(1,049,337)	(47,302)	-	(1,096,639)
Sewer plant & lines	(506,174)	(13,480)	-	(519,654)
Water equipment	(15,553)	(1,000)	-	(16,553)
Sewer equipment	<u>(24,908)</u>	<u>-</u>	<u>-</u>	<u>(24,908)</u>
Total accumulated depreciation	<u>(1,595,972)</u>	<u>(61,782)</u>	<u>-</u>	<u>(1,657,754)</u>
Total business-type activities capital assets, net of depreciation	<u>\$ 1,455,663</u>	<u>\$ (11,683)</u>	<u>\$ -</u>	<u>\$ 1,443,980</u>

TOWN OF ALMA
NOTES TO FINANCIAL STATEMENTS
December 31, 2021

NOTE 4: LONG-TERM DEBT

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

	<u>Balance</u> <u>01/00/00</u>	<u>Additions</u>	<u>Deletions</u>	<u>Balance</u> <u>01/00/00</u>	<u>Current</u> <u>Portion</u>	<u>Interest</u> <u>Expense</u>
Governmental Activities						
2016 TBK Bank Lease	<u>\$ 107,249</u>	<u>\$ -</u>	<u>\$ 19,265</u>	<u>\$ 87,984</u>	<u>\$ 20,300</u>	<u>\$ 5,763</u>
Total Governmental Activities Debt	<u>\$ 107,249</u>	<u>\$ -</u>	<u>\$ 19,265</u>	<u>\$ 87,984</u>	<u>\$ 20,300</u>	<u>\$ 5,763</u>
Business-type Activities						
1992 Water & Sewer Revenue Bonds	\$ 177,100	\$ -	\$ 11,100	166,000	\$ 11,700	\$ 8,718
2011 CWRPDA Water Loan	238,657	-	20,643	218,014	21,057	4,670
2021 CWRPDA Sewer Loan	-	238,852	-	238,852	-	238,852
Total Business-type Activities Debt	<u>\$ 415,757</u>	<u>\$ 238,852</u>	<u>\$ 31,743</u>	<u>\$ 622,866</u>	<u>\$ 32,757</u>	<u>\$ 252,240</u>

Governmental Activities

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>
2022	\$ 25,028
2023	25,028
2024	25,028
2025	<u>25,028</u>
Total Payments	100,112
Interest at 5.37%	<u>(12,128)</u>
Present Value of Payments	<u>\$ 87,984</u>

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:

TOWN OF ALMA
NOTES TO FINANCIAL STATEMENTS
December 31, 2021

NOTE 4: LONG-TERM DEBT (Continued)

Business-type Activities (Continued)

Year	Water Fund		Sewer Fund		Total		
	Principal	Interest	Principal	Interest	Principal	Interest	Total Pmt
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	8,455	3,343	5,745	2,272	14,200	5,615	19,815
2027-2031	49,121	9,846	33,380	6,691	82,501	16,537	99,038
2031	11,371	429	7,728	291	19,099	720	19,819
Totals	\$ 98,836	\$ 30,864	\$ 67,164	\$ 20,974	\$ 166,000	\$ 51,838	\$ 217,838

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 \$23,826. The Town has funded this reserve through the restriction of its cash balances in the Water Fund. The Town believes it is in compliance with all required covenants and obligations called for by the loan agreement.

The 2011 CWRPDA loan matures as follows:

Year	Principal	Interest	Total
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	22,801	2,511	25,312
2027-2031	108,412	5,493	113,905
Totals	\$ 218,014	\$ 22,453	\$ 240,467

In March 2021, the Town entered into a principal forgiveness loan agreement with the Colorado Water Resource and Power Development Authority in the amount of \$238,852. The proceeds are to be used in the complete decommissioning of the existing aerated lagoon system and the construction of a new treatment facility with the loan being forgiven at loan closing. At year ended December 31, 2021 the Town has drawn down the loan balance to \$214,934.

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, 2021, 2020, and 2019, the Town contributed \$0, \$0, and \$0, respectively, equal to their required contributions. For the year ended December 31, 2021, there was no covered payroll requiring contributions, although employees made elective contributions.

STATEWIDE DEFINED BENEFIT PLAN (FPPA)

Summary of Significant Accounting Policies

Pensions. The Town participates in the Statewide Defined Benefit Plan (SWDB), a cost-sharing multiple-employer defined benefit pension fund administered by the Fire & Police Pension Association of Colorado ("FPPA"). The net pension asset or liability, deferred outflows of resources and deferred inflows of resources related to pensions, pension expense, information about the fiduciary net position and additions to/deductions from the fiduciary net position of the SWDB have been determined using the accrual basis of accounting as required by the accounting principles and reporting guidelines as set forth by the Governmental Accounting Standards Board. For this purpose, benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with the benefit terms. Investments are reported at fair value.

General Information about the Pension Plan

Plan description. Eligible employees of the Town are provided with pensions through the Statewide Defined Benefit Plan (SWDB) - a cost-sharing multiple-employer defined benefit pension plan administered by FPPA. Plan benefits are specified in Title 31, Articles 30, 30.5 and 31 of the Colorado Revised Statutes (C.R.S.), rules and regulations codified by the Fire and Police Pension Association, and applicable provisions of the federal Internal Revenue Code. Colorado State law provisions may be amended from time to time by the Colorado General Assembly. FPPA issues a publicly available comprehensive annual financial report, 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. Effective January 1, 2021, a member may also qualify for a normal retirement pension if the member's combined years of service and age equals at least 80, with a minimum age of 50 (Rule of 80).

NOTE 5: PENSION PLANS (Continued)

A. Police (Continued)

STATEWIDE DEFINED BENEFIT PLAN (FPPA) (Continued)

Summary of Significant Accounting Policies (Continued)

The annual normal retirement benefit is 2 percent of the average of the member's highest three years' pensionable earnings · 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 covered under Statewide Defined Benefit Social Security Component will receive half the benefit when compared to the Statewide Defined Benefit Plan. Benefit adjustments paid to retired members are evaluated annually and may be re-determined every October 1. The amount of any increase is based on the Board's discretion and can range from 0 to the higher of 3 percent or the Consumer Price Index for Urban Wage Earners and Clerical Workers (CPI-W).

A member is eligible for an early retirement after completion of 30 years of service or attainment of age 50 with at least five years of credited service. The early retirement benefit equals the normal retirement benefit reduced on an actuarially equivalent basis. Upon termination, an employee may elect to have member contributions, along with 5 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' pensionable earnings 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 8.0 percent and 8.50 percent in 2020 and 2021, respectively. Employer contributions will increase 0.5 percent annually beginning in 2021 through 2030 to a total of 13 percent of pensionable earnings. In 2020, members of the SWDB plan and their employers are contributing at the rate of 11.0 percent and 8.0 percent, respectively, of pensionable earnings for a total contribution rate of 19.0 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 23.0 percent and 23.5 percent of pensionable earnings in 2020 and 2021, respectively. It is a local decision as to whether the member or employer pays the additional 4 percent contribution.

TOWN OF ALMA
NOTES TO FINANCIAL STATEMENTS
December 31, 2021

NOTE 5: PENSION PLANS (Continued)

A. Police (Continued)

STATEWIDE DEFINED BENEFIT PLAN (FPPA) (Continued)

Summary of Significant Accounting Policies (Continued)

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 5.5 percent and 4 percent, respectively, of pensionable earnings for a total contribution rate of 9.50 percent in 2020 and 9.75 percent in 2021. 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 and 4.25 percent in 2020 and 2021. Employer contributions will increase 0.25 percent annually beginning in 2021 through 2030 to a total of 6.5 percent of pensionable earnings.

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 \$6,951 for the plan year ended December 31, 2020 and \$4,866 for the fiscal year ended December 31, 2021. The current year contributions will be expensed in 2022 for FPPA purposes, December 31, 2021 employer contributions for reporting as of December 31, 2022, 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, 2021, the Town reported an asset of \$23,485 for its proportionate share of the SWDB's net pension liability. The net pension asset or liability was measured as of December 31, 2020, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of January 1, 2021. The Town's proportion of the net pension liability was based on Town's contributions to the SWDB for the calendar year 2020 relative to the total contributions of participating employers to the SWDB.

At December 31, 2021, the Town's proportion was 0.01082%, which was an increase of 0.00235% from its proportion measured as of December 31, 2020.

For the year ended December 31, 2021, the Town recognized pension expense of \$11,970. At December 31, 2021, 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, 2021

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)

	Deferred Outflows	Deferred Inflows
Difference between expected and actual experience	\$ 16,818	\$ (132)
Changes of assumptions or other inputs	\$ 14,357	\$ -
Net difference between projected and actual earnings on pension plan investments	\$ 6,208	\$ (28,986)
Changes in proportion and differences between contributions recognized and proportionate share of contributions - Plan Basis	\$ 6,514	\$ (7,373)
Contributions subsequent to the measurement date	\$ 4,866	\$ -
Total	\$ 48,763	\$ (36,491)

\$4,866 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, 2022.

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

Year Ended December 31:	Fiscal year Total
2022	\$ (1,956)
2023	584
2024	(2,520)
2025	741
2026	4,690
2027-2030	5,867
Total	\$ 7,406

Actuarial assumptions. The actuarial valuations for the Statewide Defined Benefit Plan were used to determine the total pension liability and actuarially determined contributions for the fiscal year ending December 31, 2020. The valuations used the following actuarial assumption and other inputs:

TOWN OF ALMA
NOTES TO FINANCIAL STATEMENTS
December 31, 2021

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)

Actuarial method	Entry Age Normal
Amortization method	Level % of Payroll, Open
Amortization period	30 Years
Long-term investment rate of return, net of	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, and actuarially determined contributions, the post-retirement mortality tables for non-disabled retirees uses the 2006 central rates from the RP-2014 Annuitant Mortality Tables projected to 2018 using the MP-2017 projection scales, and the projected prospectively using the ultimate rates of the scale for all years. The pre-retirement off-duty mortality tables are adjusted to 50% of the RP-2014 mortality tables for active employees. The on-duty mortality rate is 0.00015.

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

The long-term expected rate of return on pension plan investments was determined using a building-block method in which best-estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighing the expected future real rates of return by the target asset allocation percentage and by adding expected inflation (assumed at 2.5 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, 2020 are summarized in the following table:

Asset Class	Target Allocation	Long-Term Expected Real Rate of Return
Global Equity	39.00%	8.23%
Equity Long/Short	8.00%	6.87%
Private Markets	26.00%	10.63%
Fixed Income - Rates	10.00%	4.01%
Fixed Income - Credit	5.00%	5.25%
Absolute Return	10.00%	5.60%
Cash	2.00%	2.32%
Total	100.00%	

TOWN OF ALMA
NOTES TO FINANCIAL STATEMENTS
December 31, 2021

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

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

For the purpose of this valuation, the expected rate of return on pension plan investments is 7.00 percent; the municipal bond rate is 2.00 percent (based on the weekly rate closest to but not later than the measurement date of the "state & local bonds" rate from Federal Reserve statistical release (H.15)); and the resulting Single Discount Rate is 7.00 percent.

Sensitivity of the proportionate share of the net pension asset (liability) to changes in the discount rate. Regarding the sensitivity of the net pension liability/(asset) to changes in the Single Discount Rate, the following presents the plan's net pension liability, calculated using a Single Discount Rate of 7.00 percent, as well as what the plan's net pension liability/(asset) would be if it were calculated using a Single Discount Rate that is one percent lower or one percent higher:

	1% Decrease (6.00%)	Current Discount Rate (7.00%)	1% Increase (8.00%)
Proportionate share of the net pension asset (liability)	\$ (23,634)	\$ 23,485	\$ 62,505

NOTE 5: DEFINED BENEFIT PENSION PLAN (Continued)

B. General Employees

General Information about the Pension Plan (Continued)

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.

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

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.

NOTE 5: DEFINED BENEFIT PENSION PLAN (Continued)

B. General Employees

General Information about the Pension Plan (Continued)

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 (Annual Report) that can be obtained at www.copera.org/investments/pera-financial-reports.

Benefits provided as of December 31, 2020. PERA provides retirement, disability, and survivor benefits. Retirement benefits are determined by the amount of service credit earned and/or purchased, highest average salary, the benefit structure(s) under which the member retires, the benefit option selected at retirement, and age at retirement. Retirement eligibility is specified in tables set forth at C.R.S. § 24-51-602, 604, 1713, and 1714.

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

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

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

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

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

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.

TOWN OF ALMA
NOTES TO FINANCIAL STATEMENTS
December 31, 2021

NOTE 5: DEFINED BENEFIT PENSION PLAN (Continued)

B. General Employees

General Information about the Pension Plan (Continued)

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 lessor 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, 2021: 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, 2021 through December 31, 2021. The employer contribution requirements during the period of January 1, 2021 through December 31, 2021 are summarized in the table below:

	January 1, 2020 through June 30, 2020	July 1, 2020 through December 31, 2020
Employer contribution rate	10.00%	10.50%
Amount of employer contribution apportioned to the Health Care Trust Fund as specified in C.R.S. 24-51-208(1)(f)	-1.02%	-1.02%
Amount apportioned to the LGDTF	8.98%	9.48%
Amortization equalization disbursement (AED) as specified in C.R.S. 24-51-411	2.20%	2.20%
Supplemental amortization equalization disbursement (SAED) as specified in C.R.S. 24-51-411	1.50%	1.50%
Total employer contribution rate to the LGDTF	12.68%	13.18%

TOWN OF ALMA
NOTES TO FINANCIAL STATEMENTS
December 31, 2021

NOTE 5: DEFINED BENEFIT PENSION PLAN (Continued)

B. General Employees

General Information about the Pension Plan (Continued)

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 \$28,744 for the year ended December 31, 2021.

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

At December 31, 2021, the Town reported a liability of \$164,096 for its proportionate share of the net pension liability. The net pension liability for the LGDTF was measured as of December 31, 2020, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of December 31, 2019. Standard update procedures were used to roll-forward the total pension liability to December 31, 2020. The Town proportion of the net pension liability was based on the Town contributions to the LGDTF for the calendar year 2020 relative to the total contributions of participating employers to the LGDTF.

At December 31, 2020, the Town proportion was 0.03149 percent, which was an increase of 0.00117 from its proportion measured as of December 31, 2019.

For the year ended December 31, 2021, the Town recognized pension expense of \$37,051. At December 31, 2021, 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, 2021

NOTE 5: DEFINED BENEFIT PENSION PLAN (Continued)

B. General Employees

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

	Deferred Outflows	Deferred Inflows
Difference between expected and actual experience	\$ 7,852	\$ -
Changes of assumptions or other inputs	\$ 39,656	\$ -
Net difference between projected and actual earnings on pension plan investments	\$ 48,484	\$ (223,957)
Changes in proportion and differences between contributions recognized and proportionate share of contributions - Plan Basis	\$ 10,112	\$ -
Contributions subsequent to the measurement date	\$ 33,212	\$ -
Total	\$ 139,316	\$ (223,957)

\$33,212 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, 2022. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

Year Ended December 31:	Fiscal year Total
2022	\$ (8,152)
2023	(22,734)
2024	(58,959)
2025	(28,008)
Total	\$ (117,853)

Actuarial assumptions. The total pension liability in the December 31, 2019 actuarial valuation was determined using the following actuarial cost method, actuarial assumptions and other inputs:

TOWN OF ALMA
NOTES TO FINANCIAL STATEMENTS
December 31, 2021

NOTE 5: DEFINED BENEFIT PENSION PLAN (Continued)

B. General Employees

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

Actuarial cost method	Entry Age
Price inflation	2.40%
Real wage growth	1.10%
Wage inflation	3.50%
Salary increase, including wage inflation	3.50-10.45%
Long-term investment rate of return, net of pension plan investment expenses, including	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)

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.

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

The actuarial assumptions used in the December 31, 2019, 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.

TOWN OF ALMA
NOTES TO FINANCIAL STATEMENTS
December 31, 2021

NOTE 5: DEFINED BENEFIT PENSION PLAN (Continued)

B. General Employees

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

Based on the 2020 experience analysis, dated October 28, 2020, for the period January 1, 2016, through December 31, 2019, revised economic and demographic assumptions were adopted by PERA’s Board on November 20, 2020, and were effective as of December 31, 2020. The assumptions shown below were reflected in the roll forward calculation of the total pension liability from December 31, 2019, to December 31, 2020.

Actuarial cost method	Entry Age
Price inflation	2.30%
Real wage growth	0.70%
Wage inflation	3.00%
Salary increase, including wage inflation	3.20-11.30%
Long-term investment rate of return, net of pension plan investment expenses, including	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)

Salary scale assumptions were revised to align with revised economic assumptions and to more closely reflect actual experience.

Rates of termination/withdrawal, retirement, and disability were revised to more closely reflect actual experience.

The pre-retirement mortality assumptions were based upon the PubT-2010 Employee Table with generational projection using scale MP-2019.

Post-retirement non-disabled mortality assumptions were based upon the PubT-2010 Healthy Retiree Table, adjusted as follows:

- **Males:** 112 percent of the rates prior to age 80 and 94 percent of the rates for ages 80 and older, with generational projection using scale MP-2019.
- **Females:** 83 percent of the rates prior to age 80 and 106 percent of the rates for ages 80 and older, with generational projection using scale MP-2019.

NOTE 5: DEFINED BENEFIT PENSION PLAN (Continued)

B. General Employees

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

Post-retirement non-disabled beneficiary mortality assumptions were based upon the Pub-2010 Contingent Survivor Table, adjusted as follows:

- **Males:** 97 percent of the rates for all ages, with generational projection using scale MP-2019.
- **Females:** 105 percent of the rates for all ages, with generational projection using scale MP-2019.

Disabled mortality assumptions were based upon the PubNS-2010 Disabled Retiree Table using 99 percent of the rates for all ages with generational projection using scale MP-2019.

The mortality tables described above are generational mortality tables on a benefit-weighted basis.

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 the Experience Study report dated October 28, 2020. As a result of the November 20, 2020, PERA Board meeting, the following economic assumptions were changed, effective December 31, 2020:

- Price inflation assumption decreased from 2.40 percent per year to 2.30 percent per year.
- Real rate of investment return assumption increased from 4.85 percent per year, net of investment expense to 4.95 percent per year, net of investment expenses.
- Wage inflation assumption decreased from 3.50 percent per year to 3.00 percent per year.

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.

The PERA Board first adopted the 7.25 percent long-term expected rate of return as of November 18, 2016. Following an asset/liability study, the Board reaffirmed the assumed rate of return at the Board's November 15, 2019, meeting, to be effective January 1, 2020. As of the most recent reaffirmation of the long-term rate of return, the target asset allocation and best estimates of geometric real rates of return for each major asset class are summarized in the following table:

NOTE 5: DEFINED BENEFIT PENSION PLAN (Continued)

B. General Employees

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

Asset Class	Target Allocation	30 Year Expected Geometric Real Rate of Return
Global Equity	54.00%	5.60%
Fixed Income	23.00%	1.30%
Private Equity	8.50%	7.10%
Real Estate	8.50%	4.40%
Alternatives ¹	6.00%	4.70%
Total	100.00%	

¹The Opportunity Fund's name changed to Alternatives, effective January 1, 2020

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, 2019, and the financial status of the Trust Fund as of the prior measurement date (December 31, 2019). In addition, the following methods and assumptions were used in the projection of cash flows:

- Total covered payroll for the initial projection year consists of the covered payroll of the active membership present on the valuation date and the covered payroll of future plan members assumed to be hired during the year. In subsequent projection years, total covered payroll was assumed to increase annually at a rate of 3.00%.
- 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 scheduled increase in SB 18-200. 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.

NOTE 5: DEFINED BENEFIT PENSION PLAN (Continued)

B. General Employees

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

- Employer contributions and the amount of total service costs for future plan members were based upon a process to estimate future actuarially determined contributions assuming an analogous future plan member growth rate.
- The AIR balance was excluded from the initial fiduciary net position, as, per statute, AIR amounts cannot be used to pay benefits until transferred to either the retirement benefits reserve or the survivor benefits reserve, as appropriate. AIR transfers to the fiduciary net position and the subsequent AIR benefit payments were estimated and included in the projections.
- Benefit payments and contributions were assumed to be made at the middle of the year.

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

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

	1% Decrease (6.25%)	Current Discount Rate (7.25%)	1% Increase (8.25%)
Proportionate share of the net pension asset (liability)	\$ (378,012)	\$ (164,096)	\$ 14,496

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

TOWN OF ALMA
NOTES TO FINANCIAL STATEMENTS
December 31, 2021

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, 2021, 2020, 2019, 2018, and 2017 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>
12/31/2019 Allocation	76.60%	11.70%	11.70%	100.00%
12/31/2020 Allocation	76.40%	11.80%	11.80%	100.00%
12/31/2021 Allocation	75.80%	12.20%	12.00%	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>Year Ended</u> <u>December 31:</u>	<u>Governmental</u> <u>Activities</u>	<u>Water Fund</u>	<u>Sewer Fund</u>	<u>Total All Funds</u>
2022	\$ (7,122)	\$ (855)	\$ (175)	\$ (8,152)
2023	(17,195)	(2,099)	(3,440)	(22,734)
2024	(45,107)	(6,926)	(6,926)	(58,959)
2025	(21,398)	(3,305)	(3,305)	(28,008)
2026	-	-	-	-
Total	\$ (90,822)	\$ (13,185)	\$ (13,846)	\$ (117,853)

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.

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 (FNP) and additions to/deductions from the FNP of the HCTF have been determined using the economic resources measurement focus and the accrual basis of accounting. For this purpose, benefits paid on behalf of health care participants are recognized when due and/or payable in accordance with the benefit terms. Investments are reported at fair value.

General Information about the OPEB Plan

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

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

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

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 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 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 \$2,266 for the year ended June 30, 2021.

TOWN OF ALMA
NOTES TO FINANCIAL STATEMENTS
December 31, 2021

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 June 30, 2021, the Town reported a liability of \$22,829 for its proportionate share of the net OPEB liability. The net OPEB liability for the HCTF was measured as of December 31, 2020, and the total OPEB liability used to calculate the net OPEB liability was determined by an actuarial valuation as of December 31, 2019. Standard update procedures were used to roll-forward the total OPEB liability to December 31, 2020. The Town proportion of the net OPEB liability was based on Town contributions to the HCTF for the calendar year 2020 relative to the total contributions of participating employers to the HCTF.

At December 31, 2020, the Town proportion was 0.00240 percent, which was an increase of 0.00008 from its proportion measured as of December 31, 2019.

For the year ended June 30, 2021, the Town recognized OPEB expense of \$1,844. At June 30, 2021, 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	\$ 47	\$ (4,894)
Net difference between projected and actual earnings on pension plan investments	\$ 253	\$ (1,177)
Changes of assumptions or other inputs	\$ 152	\$ (1,400)
Changes in proportion and differences between contributions recognized and proportionate share of contributions - Plan Basis	\$ 4,986	\$ -
Contributions subsequent to the measurement date	\$ 2,566	\$ -
Total	\$ 8,004	\$ (7,471)

\$2,566 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 June 30, 2022. 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
2022	\$ (200)
2023	(100)
2024	(437)
2025	(875)
2026	(395)
2027	(26)
Total	\$ (2,033)

TOWN OF ALMA
NOTES TO FINANCIAL STATEMENTS
December 31, 2021

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, 2019 actuarial valuation was determined using the following actuarial cost method, actuarial assumptions and other inputs:

Actuarial cost method	Entry Age
Price inflation	2.40%
Real wage growth	1.10%
Wage inflation	3.50%
Salary increase, including wage inflation	3.50% in the aggregate
Long-term investment rate of return, net of pension plan investment expenses, including price inflation	7.25%
Discount rate	7.25%
Health care cost trend rates (PERA benefit structure):	
Service-based premium subsidy	0.00%
PERACare Medicare plans	8.10% for 2020, gradually decreasing to 4.50% in 2029
Medicare Part A premiums	3.50% for 2020, gradually increasing to 4.50% in 2029

In determining the additional liability for PERACare enrollees who are age 65 or older and who are not eligible for premium-free Medicare Part A in the December 31, 2019, valuation, the following monthly costs/premiums (actual dollars) are assumed for 2020 for the PERA Benefit Structure:

Medicare Plan	Cost for Members Without Medicare Part A	Premiums for Members Without Medicare Part A	Monthly Cost Adjstd to Age 65 w/o Medicare Part A
Medicare Advantage/Self-Insured Prescription	\$588	\$227	\$550
Kaiser Permanente Medicare Advantage HMO	621	232	586

The 2020 Medicare Part A premium is \$458 (actual dollars) per month.

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.

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)

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 industry methods developed by health plan actuaries and administrators. In addition, projected trends for the Federal Hospital Insurance Trust Fund (Medicare Part A premiums) provided by the Centers for Medicare & Medicaid Services are referenced in the development of these rates. Effective December 31, 2019, 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 used to measure the total OPEB liability are summarized in the table below:

Year	PERACare Medicare Plans	Medicare Part A Premiums
2020	8.10%	3.50%
2021	6.40%	3.75%
2022	6.00%	3.75%
2023	5.70%	3.75%
2024	5.50%	4.00%
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%

Mortality assumptions used in the December 31, 2019 valuation for the determination of the total pension liability for each of the Division Trust Funds as shown below were 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.

Post-retirement non-disabled 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.

TOWN OF ALMA
NOTES TO FINANCIAL STATEMENTS
December 31, 2021

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)

Post-retirement non-disabled 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.

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

The actuarial assumptions used in the December 31, 2019, valuation were based on the results of the 2016 experience analysis for the period 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.

Based on the 2020 experience analysis, dated October 28, 2020, and November 4, 2020, for the period of January 1, 2016, through December 31, 2019, revised economic and demographic assumptions were adopted by PERA’s Board on November 20, 2020, and were effective as of December 31, 2020. The assumptions shown below were reflected in the roll forward calculation of the total OPEB liability from December 31, 2019, to December 31, 2020.

Actuarial cost method	Entry Age
Price inflation	2.30%
Real wage growth	70.00%
Wage inflation	3.00%
Salary increase, including wage inflation	3.20% to 11.30%
Long-term investment rate of return, net of pension plan investment expenses, including price inflation	7.25%
Discount rate	7.25%

Rates of termination/withdrawal, retirement, and disability were revised to more closely reflect actual experience.

Mortality assumptions used in the roll forward calculations for the determination of the total pension liability for each of the Division Trust Funds as shown below were applied, as applicable, in the roll forward calculation for the HCTF, using a headcount-weighted basis.

TOWN OF ALMA
NOTES TO FINANCIAL STATEMENTS
December 31, 2021

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)

Pre-retirement mortality assumptions for the State and Local Government Divisions (Members other than State Troopers) were based upon the PubG-2010 Employee Table with generational projection using scale MP-2019.

Pre-retirement mortality assumptions for State Troopers were based upon the PubS-2010 Employee Table with generational projection using scale MP-2019.

The pre-retirement mortality assumptions for the School Division were based upon the PubT-2010 Employee Table with generational projection using scale MP-2019.

Pre-retirement mortality assumptions for the Judicial Division were based upon the PubG-2010(A) Above-Median Employee Table with generational projection using scale MP-2019.

Post-retirement non-disabled mortality assumptions for the State and Local Government Divisions (Members other than State Troopers) were based upon the PubG-2010 Healthy Retiree Table, adjusted as follows:

- Males: 94 percent of the rates prior to age 80 and 90 percent of the rates for ages 80 and older, with generational projection using scale MP-2019.
- Females: 87 percent of the rates prior to age 80 and 107 percent of the rates for ages 80 and older, with generational projection using scale MP-2019.

Post-retirement non-disabled mortality assumptions for State Troopers were based upon the unadjusted PubS-2010 Healthy Retiree Table, with generational projection using scale MP-2019.

Post-retirement non-disabled mortality assumptions for the School Division were based upon the PubT-2010 Healthy Retiree Table, adjusted as follows:

- Males: 112 percent of the rates prior to age 80 and 94 percent of the rates for ages 80 and older, with generational projection using scale MP-2019.
- Females: 83 percent of the rates prior to age 80 and 106 percent of the rates for ages 80 and older, with generational projection using scale MP-2019.

Post-retirement non-disabled mortality assumptions for the Judicial Division were based upon the unadjusted PubG-2010(A) Above-Median Healthy Retiree Table with generational projection using scale MP-2019.

Post-retirement non-disabled beneficiary mortality assumptions were based upon the Pub-2010 Contingent Survivor Table, adjusted as follows:

TOWN OF ALMA
NOTES TO FINANCIAL STATEMENTS
December 31, 2021

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)

- Males: 97 percent of the rates for all ages, with generational projection using scale MP-2019.
- Females: 105 percent of the rates for all ages, with generational projection using scale MP-2019.

Disabled mortality assumptions for Members other than State Troopers were based upon the PubNS-2010 Disabled Retiree Table using 99 percent of the rates for all ages with generational projection using scale MP-2019.

Disabled mortality assumptions for State Troopers were based upon the unadjusted PubS-2010 Disabled Retiree Table with generational projection using scale MP-2019.

The mortality tables described above are generational mortality tables on a head-count weighted basis.

The following health care costs assumptions were updated and used in the roll forward calculation 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 2020 plan year.
- The health care cost trend rates for Medicare Part A premiums were revised to reflect the then-current expectation of future increases in rates of inflation applicable to Medicare Part A premiums.

Actuarial assumptions pertaining to per capita health care costs and their related trend rates are analyzed and updated annually by the Board's actuary, as discussed above.

The long-term expected return on plan assets is reviewed as part of regular experience studies prepared every four to five years for PERA. Recently this assumption has been reviewed more frequently. The most recent analyses were outlined in the Experience Study report dated October 28, 2020. As a result of the November 20, 2020, PERA Board meeting, the following economic assumptions were changed, effective December 31, 2020:

TOWN OF ALMA
NOTES TO FINANCIAL STATEMENTS
December 31, 2021

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)

- Price inflation assumption decreased from 2.40 percent per year to 2.30 percent per year.
- Real rate of investment return assumption increased from 4.85 percent per year, net of investment expenses to 4.95 percent per year, net of investment expenses.
- Wage inflation assumption decreased from 3.50 percent per year to 3.00 percent per year.

Several factors are considered in evaluating the long-term rate of return assumption, 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 percentages and then adding expected inflation.

The PERA Board first adopted the 7.25 percent long-term expected rate of return as of November 18, 2016. Following an asset/liability study, the Board reaffirmed the assumed rate of return at the Board's November 15, 2019, meeting, to be effective January 1, 2020. As of the most recent reaffirmation of the long-term rate of return, the target asset allocation and best estimates of geometric real rates of return for each major asset class are summarized in the table as follows:

Asset Class	Target Allocation	30 Year Expected Geometric Real Rate of Return
Global Equity	54.00%	5.60%
Fixed Income	23.00%	1.30%
Private Equity	8.50%	7.10%
Real Estate	8.50%	4.40%
Alternatives ¹	6.00%	4.70%
Total	100.00%	

¹The Opportunity Fund's name change to Alternatives, effective January 1, 2020

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 nominal rate of return assumption of 7.25 percent.

TOWN OF ALMA
NOTES TO FINANCIAL STATEMENTS
December 31, 2021

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 Trend Rate	1% Increase
Initial PERACare Medicare trend rate	7.10%	8.10%	9.10%
Ultimate PERACare Medicare Part A 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)	\$ (22,239)	\$ (22,829)	\$ (23,516)

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, 2020, 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 3.00 percent.
- 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.

TOWN OF ALMA
NOTES TO FINANCIAL STATEMENTS
December 31, 2021

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)

- Estimated transfers of dollars into the HCTF representing a portion of purchase service agreements intended to cover the costs associated with OPEB benefits.
- Benefit payments and contributions were assumed to be made at the middle of the year.

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

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

Sensitivity of the Net OPEB Liability to Changes in the Discount Rate			
	1% Decrease	Current Discount Rate	1% Increase
Discount Rate	6.25%	7.25%	8.25%
Proportionate share of the net OPEB asset (liability)	\$ (26,151)	\$ (22,829)	\$ (19,991)

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

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, 2021, 2020, 2019, 2018 and 2017 were as follows:

	Governmental Activities	Water Fund	Sewer Fund	Total All Funds
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%
12/31/2021 Allocation	75.80%	12.20%	12.00%	100.00%

TOWN OF ALMA
NOTES TO FINANCIAL STATEMENTS
December 31, 2021

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:

Year Ended December 31:	Governmental Activities	Water Fund	Sewer Fund	Total All Funds
2022	\$ (54)	\$ (52)	\$ (94)	\$ (200)
2023	25	(42)	(83)	(100)
2024	(160)	(118)	(159)	(437)
2025	(607)	(8)	(260)	(875)
2026	(290)	(45)	(60)	(395)
2027	(20)	(3)	(3)	(26)
Total	\$ (1,106)	\$ (268)	\$ (659)	\$ (2,033)

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, 2021

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 \$23,000 in the General Fund to meet the three (3) percent emergency reserve required by the Tabor Amendment.

INTENTIONALLY LEFT BLANK

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

TOWN OF ALMA

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

<u>Fiscal Year</u>	<u>Town's proportion of the net pension asset (liability)</u>	<u>Town's proportionate share of the net pension asset (liability)</u>	<u>Town's covered payroll</u>	<u>Town's proportionate share of the net pension asset (liability) as a percentage of covered payroll</u>	<u>Plan fiduciary net position as a percentage of the total pension liability</u>
12/31/2021	0.031489%	\$ (164,096)	\$ 226,688	72.39%	90.88%
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.

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

See the accompanying Independent Auditors' Report.

TOWN OF ALMA

SCHEDULE OF TOWN CONTRIBUTIONS

PERA Pension Plan

Last 10 Fiscal Years⁽¹⁾

<u>Fiscal Year</u>	<u>Contractually required contributions</u>	<u>Actual contributions</u>	<u>Contribution deficiency (excess)</u>	<u>Town's covered payroll</u>	<u>Contributions as a percentage of covered payroll</u>
12/31/2021	\$ 28,744	\$ 28,744	\$ -	\$ 226,688	12.68%
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.

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

See the accompanying Independent Auditors' Report.

TOWN OF ALMA

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

<u>Fiscal Year</u>	<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>
12/31/2021	0.0108175%	\$ 23,485	\$ 86,888	27.03%	106.72%
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.

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

See the accompanying Independent Auditors' Report.

TOWN OF ALMA

SCHEDULE OF DISTRICT CONTRIBUTIONS

**FPPA Pension Plan
Last 10 Fiscal Years⁽¹⁾**

<u>Fiscal Year</u>	<u>Contractually required contributions</u>	<u>Actual contributions</u>	<u>Contribution deficiency (excess)</u>	<u>Town's covered payroll</u>	<u>Contributions as a percentage of covered payroll</u>
12/31/2021	\$ 6,951	\$ 6,951	\$ -	\$ 86,888	8.00%
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.

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

See the accompanying Independent Auditors' Report.

TOWN OF ALMA

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

<u>Fiscal Year</u>	<u>Town's proportion of the net OPEB asset (liability)</u>	<u>Town's proportionate share of the net OPEB asset (liability)</u>	<u>Town's covered payroll</u>	<u>Town's proportionate share of the net OPEB asset (liability) as a percentage of covered payroll</u>	<u>Plan fiduciary net position as a percentage of the total OPEB liability</u>
12/31/2021	0.0024025%	\$ (22,829)	\$ 222,157	10.28%	32.78%
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.

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

See the accompanying Independent Auditors' Report.

TOWN OF ALMA

SCHEDULE OF TOWN CONTRIBUTIONS

PERA Health Care Trust Fund

Last 10 Fiscal Years⁽¹⁾

<u>Fiscal Year</u>	<u>Contractually required contributions</u>	<u>Actual contributions</u>	<u>Contribution deficiency (excess)</u>	<u>Town's covered payroll</u>	<u>Contributions as a percentage of covered payroll</u>
12/31/2021	\$ 2,266	\$ 2,266	\$ -	\$ 222,157	1.02%
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.

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

See the accompanying Independent Auditors' Report.

INTENTIONALLY LEFT BLANK

Required Supplementary Information

TOWN OF ALMA

BUDGETARY COMPARISON SCHEDULE

General Fund

FOR THE YEAR ENDED DECEMBER 31, 2021

With Comparative Totals for the Year Ended December 31, 2020

	2021				
	Original	Final	Actual	Variance	2020
	Budget	Budget		With Final	Actual
REVENUES					
Taxes					
Property Taxes	\$ 125,334	\$ 125,334	\$ 103,650	\$ (21,684)	\$ 105,467
Specific Ownership Taxes	14,000	14,000	14,261	261	14,007
Sales Taxes	252,000	252,000	417,489	165,489	374,318
Franchise Taxes	28,000	28,000	26,389	(1,611)	25,231
Other Taxes	1,500	1,500	3,683	2,183	1,657
Total Tax Revenue	<u>420,834</u>	<u>420,834</u>	<u>565,472</u>	<u>144,638</u>	<u>520,680</u>
Intergovernmental Revenues					
Cigarette Taxes	2,500	2,500	1,018	(1,482)	982
Highway Users	14,000	14,000	15,353	1,353	12,517
Road and Bridge	-	-	2,726	2,726	2,531
Clerk/Motor Vehicle Fees	1,200	1,200	1,574	374	1,347
Mineral Lease	200	200	140	(60)	94
Severance Tax	1,000	1,000	147	(853)	1,467
Federal Grants	-	-	48,349	48,349	74,871
State Grants	-	-	47,872	47,872	476,507
Total Intergovernmental Revenue	<u>18,900</u>	<u>18,900</u>	<u>117,179</u>	<u>98,279</u>	<u>570,316</u>
Licenses and Permits					
Building Permits	8,000	8,000	9,310	1,310	2,183
Other Licenses and Permits	5,500	5,500	8,960	3,460	6,205
Total Licenses and Permits	<u>13,500</u>	<u>13,500</u>	<u>18,270</u>	<u>4,770</u>	<u>8,388</u>
Fines and Forfeits					
	<u>75,300</u>	<u>75,300</u>	<u>39,575</u>	<u>(35,725)</u>	<u>60,987</u>
Charges for Services					
Utility Charges	36,500	36,500	36,242	(258)	35,920
Rents	21,500	21,500	18,441	(3,059)	12,783
Other Charges for Services	73,000	73,000	32,024	(40,976)	83,162
Total Charges for Services	<u>131,000</u>	<u>131,000</u>	<u>86,707</u>	<u>(44,293)</u>	<u>131,865</u>
Investment Earnings					
	<u>3,800</u>	<u>3,800</u>	<u>816</u>	<u>(2,984)</u>	<u>3,832</u>
Other Revenues					
Donations	1,000	1,000	-	(1,000)	-
Sale of Capital Assets	-	-	4,264	4,264	26,800
Other Miscellaneous Revenue	287,924	287,924	2,754	(285,170)	9,096
Total Other Revenue	<u>288,924</u>	<u>288,924</u>	<u>7,018</u>	<u>(281,906)</u>	<u>35,896</u>
TOTAL REVENUES	<u>952,258</u>	<u>952,258</u>	<u>835,037</u>	<u>(117,221)</u>	<u>1,331,964</u>

See accompanying Independent Auditors' Report.

TOWN OF ALMA

BUDGETARY COMPARISON SCHEDULE

General Fund

FOR THE YEAR ENDED DECEMBER 31, 2021

With Comparative Totals for the Year Ended December 31, 2020

	2021				
	Original	Final	Actual	Variance	2020
	Budget	Budget		With Final	Actual
(Continued)					
EXPENDITURES					
General Government					
Personnel Services	181,679	181,679	156,091	(25,588)	137,800
Fuel and Automotive	-	-	138	(138)	298
Insurance	14,000	14,000	14,394	(394)	11,137
Professional Fees	46,000	46,000	45,969	31	28,914
Repairs and Maintenance	5,000	5,000	1,468	3,532	722
Supplies	14,600	14,600	12,453	2,147	10,279
Telephone and Utilities	38,400	38,400	35,162	3,238	29,911
Travel and Training	3,000	3,000	193	2,807	1,917
CVRF Grant Expenses	-	-	16,344	(16,344)	67,904
Other Expenses	21,300	21,300	18,010	3,290	23,257
Total General Government	<u>323,979</u>	<u>323,979</u>	<u>300,222</u>	<u>(27,419)</u>	<u>312,139</u>
Public Safety					
Personnel Services	156,750	156,750	96,900	59,850	128,222
Fuel and Automotive	12,200	12,200	4,750	7,450	4,816
Insurance	4,400	4,400	2,592	1,808	3,631
Professional Fees	12,600	12,600	11,400	1,200	4,800
Supplies	4,650	4,650	1,196	3,454	2,086
Telephone and Utilities	-	-	755	(755)	-
Travel and Training	-	-	330	(330)	518
Other Expenses	2,250	2,250	1,510	740	1,424
Total Public Safety	<u>192,850</u>	<u>192,850</u>	<u>119,433</u>	<u>73,417</u>	<u>145,497</u>
Public Works					
Personnel Services	67,240	67,240	77,755	(10,515)	68,484
Fuel and Automotive	45,331	45,331	7,442	37,889	5,883
Professional Fees	6,000	6,000	225	5,775	1,440
Repairs and Maintenance	37,000	37,000	11,739	25,261	9,693
Supplies	-	-	2,796	(2,796)	2,243
Telephone and Utilities	3,200	3,200	2,451	749	2,814
Travel and Training	1,500	1,500	-	1,500	-
Other Expenses	12,000	12,000	6,754	5,246	7,360
Total Public Works/Comm Devel	<u>172,271</u>	<u>172,271</u>	<u>109,162</u>	<u>63,109</u>	<u>97,917</u>
Parks, Recreation and Other					
Personnel Services	17,680	17,680	10,188	(7,492)	6,094
Contract labor	7,000	7,000	-	(7,000)	113
Repairs and Maintenance	9,000	9,000	5,090	3,910	12,257
Telephone and Utilities	3,100	3,100	2,380	720	2,200
Other Expenses	4,000	4,000	-	4,000	-
Total Parks, Recreation & Other	<u>40,780</u>	<u>40,780</u>	<u>17,658</u>	<u>(5,862)</u>	<u>20,664</u>

See accompanying Independent Auditors' Report.

(Continued)

TOWN OF ALMA

BUDGETARY COMPARISON SCHEDULE

General Fund

FOR THE YEAR ENDED DECEMBER 31, 2021

With Comparative Totals for the Year Ended December 31, 2020

	2021				2020
	Original Budget	Final Budget	Actual	Variance With Final Budget	
(Continued)					
Capital Outlay					
General Government Capital Outlay	62,400	62,400	87,557	(25,157)	2,795
Public Safety Capital Outlay	8,000	8,000	18,215	(10,215)	7,897
Public Works Capital Outlay	20,000	20,000	31,948	(11,948)	232,698
Parks, Recreation and Other Capital Outlay	139,000	239,000	126,037	112,963	1,080
Total Capital Outlay	<u>229,400</u>	<u>329,400</u>	<u>263,757</u>	<u>65,643</u>	<u>244,470</u>
Debt Service					
Principal	-	-	90,028	(90,028)	26,540
TOTAL EXPENDITURES	<u>959,280</u>	<u>1,059,280</u>	<u>900,260</u>	<u>78,860</u>	<u>847,227</u>
REVENUES IN EXCESS (DEFICIENCY) OF EXPENDITURES	(7,022)	(107,022)	(65,223)	(38,361)	484,737
OTHER FINANCING SOURCES (USES)					
NET CHANGE IN FUND BALANCE - BUDGET BASIS	<u>\$ (7,022)</u>	<u>\$ (107,022)</u>	(65,223)	<u>\$ (38,361)</u>	484,737
FUND BALANCE, BEGINNING			870,033		385,296
FUND BALANCE, ENDING			<u>\$ 804,810</u>		<u>\$ 870,033</u>

See accompanying Independent Auditors' Report.

Other Supplementary Information

TOWN OF ALMA

COMBINING BALANCE SHEET

NONMAJOR GOVERNMENTAL FUNDS

DECEMBER 31, 2021

With Comparative Totals for December 31, 2020

	SPECIAL REVENUE FUNDS		
	Conservation Trust Fund	Total	
		2021	2020
ASSETS AND DEFERRED OUTFLOWS			
ASSETS			
Current Assets			
Cash and Investments			
Cash	\$ 521	\$ 521	\$ -
Restricted Cash and Investments	19,863	19,863	15,959
Internal Balances	-	-	2,797
Total Current Assets	<u>20,384</u>	<u>20,384</u>	<u>18,756</u>
LIABILITIES, DEFERRED INFLOWS AND NET POSITION			
FUND BALANCE			
Restricted Fund Balance	<u>\$ 20,384</u>	<u>\$ 20,384</u>	<u>\$ 18,756</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, 2021

With Comparative Totals for the Year Ended December 31, 2020

	SPECIAL REVENUE FUNDS		
	Conservation Trust	Total	
	Fund	2021	2020
REVENUES			
Intergovernmental Revenues	\$ 1,980	\$ 1,980	\$ 1,678
Investment Earnings	8	8	116
TOTAL REVENUES	1,988	1,988	1,794
EXPENDITURES			
Capital Outlay	360	360	344
NET CHANGE IN FUND BALANCE - GAAP BASIS	1,628	1,628	1,450
FUND BALANCE, BEGINNING	18,756	18,756	17,306
FUND BALANCE, ENDING	\$ 20,384	\$ 20,384	\$ 18,756

See accompanying Independent Auditors' Report.

TOWN OF ALMA

BUDGETARY COMPARISON SCHEDULE

Conservation Trust Fund

FOR THE YEAR ENDED DECEMBER 31, 2021

With Comparative Totals for the Year Ended December 31, 2020

	2021		Variance With Final Budget	2020 Actual
	Original & Final Budget	Actual		
REVENUES				
Intergovernmental Revenues				
Cons Trust Fund Revenue	\$ 1,522	\$ 1,980	\$ 458	\$ 1,678
Investment Earnings	-	8	8	116
TOTAL REVENUES	<u>1,522</u>	<u>1,988</u>	<u>466</u>	<u>1,794</u>
EXPENDITURES				
Capital Outlay				
Parks, Recreation and Other Capital Outlay	<u>360</u>	<u>360</u>	-	<u>344</u>
NET CHANGE IN FUND BALANCE - BUDGET BASIS	<u>\$ 1,162</u>	<u>1,628</u>	<u>\$ 466</u>	<u>1,450</u>
FUND BALANCE, BEGINNING		<u>18,756</u>		<u>17,306</u>
FUND BALANCE, ENDING		<u>\$ 20,384</u>		<u>\$ 18,756</u>

See accompanying Independent Auditors' Report.

TOWN OF ALMA

BUDGETARY COMPARISON SCHEDULE

Debt Service Fund

FOR THE YEAR ENDED DECEMBER 31, 2021

With Comparative Totals for the Year Ended December 31, 2020

	2021		Variance With Final Budget	2020 Actual
	Original & Final Budget	Actual		
REVENUES				
Taxes				
Property Taxes	\$ -	\$ -	\$ -	\$ 10,879
Specific Ownership Taxes	-	-	-	1,445
Total Tax Revenue	-	-	-	12,324
Investment Earnings	-	-	-	36
TOTAL REVENUES	-	-	-	12,360
EXPENDITURES				
Debt Service				
Principal	-	-	-	16,381
NET CHANGE IN FUND BALANCE - BUDGET BASIS	<u>\$ -</u>	-	<u>\$ -</u>	(4,021)
FUND BALANCE, BEGINNING		66,717		70,738
FUND BALANCE, ENDING		<u>\$ 66,717</u>		<u>\$ 66,717</u>

See accompanying Independent Auditors' Report.

TOWN OF ALMA

STATEMENT OF REVENUES, EXPENSES AND CHANGES IN NET POSITION

BUDGET AND ACTUAL

Water Fund

FOR THE YEAR ENDED DECEMBER 31, 2021

With Comparative Totals for the Year Ended December 31, 2020

	2021		Variance with Final Budget	2020
	Original & Final Budget	Actual		Actual
Operating Revenues				
Utility Charges	\$ 133,000	\$ 131,632	\$ (1,368)	\$ 135,144
Operating Expenses				
Personnel Services	52,692	37,935	14,757	40,654
Administrative/Office Expenses	2,200	556	1,644	335
Insurance	6,600	6,250	350	6,162
Professional Fees	7,000	2,494	4,506	2,725
Repairs and Maintenance	15,000	24,057	(9,057)	20,472
Travel and Training	1,000	350	650	1,041
Treatment	4,000	1,665	2,335	2,194
Telephone and Utilities	7,800	10,409	(2,609)	11,190
Other Operating Expenses	2,250	1,383	867	2,095
Other Capital Outlay	25,380	302	25,078	3,729
Contingency Reserve	4,953	-	4,953	-
Total Expenditures	128,875	85,401	43,474	90,597
Operating Income (Loss)	4,125	46,231	42,106	44,547
Other Income (Expense)				
Intergovernmental Revenue	-	-	-	5,430
Investment Earnings	300	44	(256)	567
Other Revenue	7,500	2,841	(4,659)	559
Debt Service	(11,925)	(36,878)	(24,953)	(36,848)
Total Other Income (Expense)	(4,125)	(33,993)	(29,868)	(30,292)
Net Income (Loss) before Transfers	-	12,238	12,238	14,255
Contributed Capital				
Plant Investment Fees	93,750	56,250	(37,500)	-
Change in Net Position (Budget Basis)	\$ 93,750	68,488	\$ (25,262)	14,255
Budget to GAAP Reconciliation				
Principal Paid		27,251		26,487
Depreciation Expense		(48,302)		(48,382)
Change in Net Position - GAAP Basis		47,437		(7,640)
Net Position, Beginning		989,358		996,998
Net Position, Ending		\$ 1,036,795		\$ 989,358

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, 2021

With Comparative Totals for the Year Ended December 31, 2020

	2021		Variance with Final Budget	2020
	Original & Final Budget	Actual		Actual
Operating Revenues				
Utility Charges	\$ 95,000	\$ 122,402	\$ 27,402	\$ 108,890
Operating Expenses				
Personnel Services	51,713	46,242	5,471	40,972
Administrative/Office Expenses	600	385	215	285
Insurance	5,692	5,872	(180)	5,568
Operating Supplies	500	164	336	245
Professional Fees	6,500	6,427	73	6,077
Repairs and Maintenance	8,500	5,896	2,604	6,145
Travel and Training	500	567	(67)	668
Treatment	6,000	2,058	3,942	2,824
Telephone and Utilities	8,400	5,420	2,980	4,412
Other Operating Expenses	1,550	3,292	(1,742)	1,800
Other Capital Outlay	300,000	54,110	245,890	835
Total Expenditures	389,955	130,433	259,522	69,831
Operating Income (Loss)	(294,955)	(8,031)	286,924	39,059
Other Income (Expense)				
Intergovernmental Revenue	300,000	-	(300,000)	-
Investment Earnings	-	62	62	837
Other Revenue	3,000	-	(3,000)	50
Debt Service	(8,045)	230,946	238,991	(7,885)
Total Other Income (Expense)	294,955	231,008	(63,947)	(6,998)
Net Income (Loss) before Transfers	-	222,977	222,977	32,061
Contributed Capital				
Plant Investment Fees	93,750	46,875	(46,875)	-
Change in Net Position (Budget Basis)	\$ 93,750	269,852	\$ 176,102	32,061
Budget to GAAP Reconciliation				
Principal Paid		(234,361)		4,248
Depreciation Expense		(13,479)		(13,479)
Capital Outlay		50,099		-
Change in Net Position - GAAP Basis		72,111		22,830
Net Position, Beginning		417,518		394,688
Net Position, Ending		\$ 489,629		\$ 417,518

See accompanying Independent Auditors' Report.

INTENTIONALLY LEFT BLANK

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 2021

This Information From The Records Of (example - City of _ or County of) Prepared By: Shannon Thober
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
A. Receipts from local sources:		A. Local highway disbursements:	
1. Local highway-user taxes		1. Capital outlay (from page 2)	0
a. Motor Fuel (from Item I.A.5.)		2. Maintenance:	46,970
b. Motor Vehicle (from Item I.B.5.)		3. Road and street services:	
c. Total (a.+b.)		a. Traffic control operations	5,737
2. General fund appropriations	83,399	b. Snow and ice removal	19,336
3. Other local imposts (from page 2)	0	c. Other	
4. Miscellaneous local receipts (from page 2)	2,701	d. Total (a. through c.)	25,073
5. Transfers from toll facilities		4. General administration & miscellaneous	29,141
6. Proceeds of sale of bonds and notes:		5. Highway law enforcement and safety	
a. Bonds - Original Issues		6. Total (1 through 5)	101,184
b. Bonds - Refunding Issues		B. Debt service on local obligations:	
c. Notes		1. Bonds:	
d. Total (a. + b. + c.)	0	a. Interest	
7. Total (1 through 6)	86,100	b. Redemption	
B. Private Contributions		c. Total (a. + b.)	0
C. Receipts from State government (from page 2)	15,084	2. Notes:	
D. Receipts from Federal Government (from page 2)	0	a. Interest	
E. Total receipts (A.7 + B + C + D)	101,184	b. Redemption	
		c. Total (a. + b.)	0
		3. Total (1.c + 2.c)	0
		C. Payments to State for highways	
		D. Payments to toll facilities	
		E. Total disbursements (A.6 + B.3 + C + D)	101,184

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

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

V. LOCAL ROAD AND STREET FUND BALANCE

	A. Beginning Balance	B. Total Receipts	C. Total Disbursements	D. Ending Balance	E. Reconciliation
		101,184	101,184		0

Notes and Comments:

LOCAL HIGHWAY FINANCE REPORT	STATE: Colorado
	YEAR ENDING (mm/yy): December 2021

II. RECEIPTS FOR ROAD AND STREET PURPOSES - DETAIL

ITEM	AMOUNT	ITEM	AMOUNT
A.3. Other local imposts:		A.4. Miscellaneous local receipts:	
a. Property Taxes and Assessments		a. Interest on investments	
b. Other local imposts:		b. Traffic Fines & Penalties	
1. Sales Taxes		c. Parking Garage Fees	
2. Infrastructure & Impact Fees		d. Parking Meter Fees	
3. Liens		e. Sale of Surplus Property	
4. Licenses		f. Charges for Services	
5. Specific Ownership &/or Other		g. Other Misc. Receipts	
6. Total (1. through 5.)	0	h. Other	
c. Total (a. + b.)	0	i. Total (a. through h.)	2,701
	(Carry forward to page 1)		(Carry forward to page 1)

ITEM	AMOUNT	ITEM	AMOUNT
C. Receipts from State Government		D. Receipts from Federal Government	
1. Highway-user taxes	13,609	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	1,475	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.)	1,475	g. Total (a. through f.)	0
4. Total (1. + 2. + 3.f)	15,084	3. Total (1. + 2.g)	
			(Carry forward to page 1)

III. DISBURSEMENTS FOR ROAD AND STREET PURPOSES - DETAIL

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

Notes and Comments: