

TOWN OF CENTER, COLORADO

FINANCIAL STATEMENTS

December 31, 2021



Wall,
Smith,
Bateman Inc.

Certified Public Accountants

TOWN OF CENTER, COLORADO
TABLE OF CONTENTS
December 31, 2021

	<u>Page</u>
Independent Auditors' Report	1
Basic Financial Statements:	
Government-wide Financial Statements:	
Statement of Net Position	4
Statement of Activities	5
Governmental Fund Financial Statements:	
Balance Sheet	6
Reconciliation of Total Governmental Fund Balances to the Statement of Net Position	7
Statement of Revenues, Expenditures, and Changes in Fund Balance	8
Reconciliation of the Statement of Revenues, Expenditures, and Changes in Fund Balances of Governmental Funds to the Statement of Activities	9
Proprietary Fund Financial Statements:	
Statement of Net Position	10
Statement of Revenues, Expenses, and Changes in Fund Net Position	11
Statement of Cash Flows	12
Notes to the Basic Financial Statements	13
Required Supplementary Information:	
Schedule of Revenues, Expenditures, and Changes in Fund Balance – Budget and Actual:	
General Fund	30
Street Improvement Fund	31
Conservation Trust Fund	32
Schedule of the Town's Proportionate Share of the Net Pension Liability (Asset)- FPPA SWDB Pension Plan	33
Schedule of the Town's Contributions- FPPA SWDB Pension Plan	34
Notes to the Required Supplementary Information	35
Supplementary Information:	
Schedule of Expenses and Transfers Out - All Proprietary Funds	36
Combining Balance Sheet Schedule- General Fund	37
Combining Schedule of Revenues, Expenditures, and Changes in Fund Balance- General Fund	38
Local Highway Finance Report	

INDEPENDENT AUDITORS' REPORT



Wall,
Smith,
Bateman Inc.

To the Honorable Mayor
and Board of Trustees
Town of Center, Colorado
Center, Colorado

Report on the Audit of the Financial Statements

Opinions

We have audited the financial statements of the governmental activities, the business-type activities, and each major fund of the Town of Center, Colorado (the Town), as of and for the year ended December 31, 2021, and the related notes to the financial statements, which collectively comprise the Town's basic financial statements as listed in the table of contents.

In our opinion, the accompanying financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, and each major fund of the Town, 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 Opinions

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

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of the 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 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 the Town'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.

Certified Public Accountants

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Auditors' Responsibilities 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 Auditors' 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 GAAS 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 GAAS, 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 a 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 the Town'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 about the Town'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.

Required Supplementary Information

Management has omitted the management's discussion and analysis that accounting principles generally accepted in the United States of America require to be presented to supplement the basic financial statements. Such missing 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. Our opinions on the basic financial statements are not affected by this missing information.

Accounting principles generally accepted in the United States of America require that the budgetary comparison and pension information, as listed in the table of contents, be presented to supplement the basic

financial statements. Such information is the responsibility of management and, 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's basic financial statements. The combining schedules, the schedule of expense and transfers out for all proprietary funds and the local highway finance report 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 combining schedules, the schedule of expense and transfers out for all proprietary funds and the local highway finance report is fairly stated, in all material respects, in relation to the basic financial statements as a whole.



Wall, Smith, Bateman Inc.

Alamosa, Colorado

June 29, 2022

TOWN OF CENTER, COLORADO
BASIC FINANCIAL STATEMENTS

TOWN OF CENTER, COLORADO

STATEMENT OF NET POSITION

December 31, 2021

	Primary Government		TOTAL
	Governmental Activities	Business-Type Activities	
ASSETS			
Current Assets			
Cash and Cash Equivalents	\$ 1,013,837	\$ 4,859,166	\$ 5,873,003
Cash with Fiscal Agent	-	177,093	177,093
Accounts Receivable	61,629	566,480	628,109
Due from Other Governments	138,401	-	138,401
Property Taxes Receivable	246,673	-	246,673
Inventories	9,404	479,627	489,031
Prepaid Expenses	7,202	10,019	17,221
Total Current Assets	1,477,146	6,092,385	7,569,531
Noncurrent Assets			
Land	3,750	177,732	181,482
Construction in Progress	-	2,514,486	2,514,486
Water Rights	-	74,500	74,500
Buildings and Improvements	38,802	352,156	390,958
Infrastructure/Enterprise System	1,234,328	3,898,866	5,133,194
Plant, Property, and Equipment	614,041	1,243,666	1,857,707
Less: Accumulated Depreciation	(635,255)	(3,434,639)	(4,069,894)
Net Pension Asset	57,913	-	57,913
Total Noncurrent Assets	1,313,579	4,826,767	6,140,346
TOTAL ASSETS	2,790,725	10,919,152	13,709,877
DEFERRED OUTFLOWS OF RESOURCES			
Pensions	144,363	-	144,363
LIABILITIES			
Current Liabilities			
Accounts Payable	34,540	221,911	256,451
Due to Other Governments	62,316	31,027	93,343
Unearned Revenue	193,825	38,896	232,721
Compensated Absences	9,362	-	9,362
Lease Purchase Agreement	16,058	-	16,058
Notes Payable	-	92,834	92,834
Customer Deposits	5,049	88,014	93,063
Total Current Liabilities	321,150	472,682	793,832
Long-Term Liabilities			
Compensated Absences	30,698	51,272	81,970
Lease Purchase Agreement	56,369	-	56,369
Notes Payable	-	1,855,136	1,855,136
Total Long-Term Liabilities	87,067	1,906,408	1,993,475
TOTAL LIABILITIES	408,217	2,379,090	2,787,307
DEFERRED INFLOWS OF RESOURCES			
Deferred Revenue - Property Tax	246,673	-	246,673
Pensions	72,125	-	72,125
Total Deferred Inflows of Resources	318,798	-	318,798
NET POSITION			
Net Investment in Capital Assets	1,183,239	2,878,797	4,062,036
Restricted for:			
TABOR	33,500	-	33,500
Unrestricted	991,334	5,661,265	6,652,599
TOTAL NET POSITION	\$ 2,208,073	\$ 8,540,062	\$ 10,748,135

The accompanying notes are an integral part of this financial statement.

TOWN OF CENTER, COLORADO
STATEMENT OF ACTIVITIES
For the Year Ended December 31, 2021

Functions/Programs	Program Revenues					Net (Expense) Revenue and Changes in Net Position		
	Expenses	Charges for Services	Operating Grants & Contributions	Capital Grants & Contributions	Governmental Activities	Primary Government		
						Business-Type Activities	Business-Type Activities	TOTAL
Primary Government								
Governmental Activities								
General Government	\$ 724,933	\$ 51,352	\$ 369,418	\$ -	\$ (304,163)	\$ -	\$ -	\$ (304,163)
Public Safety	752,341	29,389	90,160	-	(632,792)	-	-	(632,792)
Municipal Court	25,170	855	-	-	(24,315)	-	-	(24,315)
Building and Planning	11,799	7,657	-	-	(4,142)	-	-	(4,142)
Sanitation	-	-	-	-	-	-	-	-
Streets and Parks	258,299	-	27,084	-	(231,215)	-	-	(231,215)
Health and Welfare	-	13,038	-	-	13,038	-	-	13,038
Highway and Streets	37,182	-	-	-	(37,182)	-	-	(37,182)
Total Governmental Activities	1,809,724	102,291	486,662	-	(1,220,771)	-	-	(1,220,771)
Business-Type Activities								
Light and Power	1,614,604	2,498,579	-	-	-	883,975	-	883,975
Gas	1,562,379	1,496,947	-	-	-	(65,432)	-	(65,432)
Water	523,456	553,735	-	50,486	-	80,765	-	80,765
Total Business-Type Activities	3,700,439	4,549,261	-	50,486	-	899,308	-	899,308
Total Primary Government	\$ 5,510,163	\$ 4,651,552	\$ 486,662	\$ 50,486	(1,220,771)	899,308	(321,463)	(321,463)
General Revenues:								
Taxes:								
General Property Taxes - Net					248,173	-	-	248,173
Sales Tax					751,404	-	-	751,404
Highway Users Tax					74,437	-	-	74,437
Other Taxes					47,888	-	-	47,888
Interest on Investments					1,335	10,857	-	12,192
Miscellaneous					30,725	-	-	30,725
Gain on Sale of Fixed Assets					10,005	-	-	10,005
Total General Revenues					1,163,967	10,857	-	1,174,824
Transfers					315,262	(315,262)	-	-
Change in Net Position					258,458	594,903	-	853,361
Net Position at Beginning of Year					1,949,615	7,945,159	-	9,894,774
Net Position at End of Year					\$ 2,208,073	\$ 8,540,062	\$ -	\$ 10,748,135

The accompanying notes are an integral part of this financial statement.

TOWN OF CENTER, COLORADO
BALANCE SHEET
GOVERNMENTAL FUNDS
December 31, 2021

	<u>GENERAL FUND</u>	<u>STREET IMPROVEMENT FUND</u>	<u>CONSERVATION TRUST FUND</u>	<u>TOTAL GOVERNMENTAL FUNDS</u>
ASSETS				
Cash and Cash Equivalents	\$ 290,576	\$ 639,980	\$ 83,281	\$ 1,013,837
Accounts Receivable	61,629	-	-	61,629
Due from Other Governments	108,207	30,194	-	138,401
Property Taxes Receivable	246,673	-	-	246,673
Inventory	9,404	-	-	9,404
Prepaid Expenses	7,202	-	-	7,202
TOTAL ASSETS	<u>\$ 723,691</u>	<u>\$ 670,174</u>	<u>\$ 83,281</u>	<u>\$ 1,477,146</u>
LIABILITIES AND FUND BALANCE				
LIABILITIES				
Accounts Payable	\$ 34,100	\$ 440	\$ -	\$ 34,540
Due to Other Governments	62,316	-	-	62,316
Unearned Revenue- Grants	193,825	-	-	193,825
Customer Deposits	5,049	-	-	5,049
TOTAL LIABILITIES	<u>295,290</u>	<u>440</u>	<u>-</u>	<u>295,730</u>
DEFERRED INFLOWS OF RESOURCES				
Deferred Revenue - Property Tax	246,673	-	-	246,673
FUND BALANCE				
Nonspendable				
Inventory	9,404	-	-	9,404
Prepaid Expenses	7,202	-	-	7,202
Restricted				
TABOR Amendment Reserve	33,500	-	-	33,500
Committed				
Capital Projects	-	669,734	-	669,734
Culture and Recreation	-	-	83,281	83,281
Economic Development	127,940	-	-	127,940
Assigned				
Designated for Subsequent Years	-	-	-	-
Unassigned	3,682	-	-	3,682
TOTAL FUND BALANCE	<u>181,728</u>	<u>669,734</u>	<u>83,281</u>	<u>934,743</u>
TOTAL LIABILITIES AND FUND BALANCE	<u>\$ 723,691</u>	<u>\$ 670,174</u>	<u>\$ 83,281</u>	<u>\$ 1,477,146</u>

The accompanying notes are an integral part of this financial statement.

TOWN OF CENTER, COLORADO
RECONCILIATION OF TOTAL GOVERNMENTAL FUND BALANCES
TO THE STATEMENT OF NET POSITION
December 31, 2021

Total Governmental Fund Balances	\$ 934,743
Amounts reported for governmental activities in the statement of net position are different because:	
Capital assets used in governmental activities are not financial resources and therefore are not reported in the funds.	1,255,666
Deferred results and contributions to pension plans made after the measurement date are recorded as expenditures in the governmental funds, but must be deferred in the statement of net position.	144,363
Net pension assets (liabilities) are not due and payable in the current period and are not reported in the funds.	57,913
Certain amounts related to the net pension liability are deferred and amortized over time. These are not reported in the funds.	(72,125)
Long-term liabilities are not due and payable in the current period and therefore are not reported in the funds.	
Capital Leases Payable	\$ (72,427)
Compensated Absences	<u>(40,060)</u>
	<u>(112,487)</u>
Net Position of Governmental Activities	<u><u>\$ 2,208,073</u></u>

The accompanying notes are an integral part of this financial statement.

TOWN OF CENTER, COLORADO
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN
FUND BALANCES
GOVERNMENTAL FUNDS
For the Year Ended December 31, 2021

	GENERAL FUND	STREET IMPROVEMENT FUND	CONSERVATION TRUST FUND	TOTAL GOVERNMENTAL FUNDS
REVENUES				
Taxes	\$ 859,614	\$ 187,851	\$ -	\$ 1,047,465
Licenses and Permits	7,657	-	-	7,657
Intergovernmental Revenue	534,015	-	27,084	561,099
Charges for Services	94,634	-	-	94,634
Interest on Accounts	1,085	250	-	1,335
Miscellaneous Revenue	30,693	-	32	30,725
TOTAL REVENUES	1,527,698	188,101	27,116	1,742,915
EXPENDITURES				
General Government	692,942	-	-	692,942
Public Safety	683,896	-	-	683,896
Municipal Court	25,170	-	-	25,170
Building and Planning	11,799	-	-	11,799
Sanitation	-	-	-	-
Streets and Parks	188,146	-	3,500	191,646
Health and Welfare	-	-	-	-
Highway and Streets	-	9,484	-	9,484
Capital Outlay	181,548	26,365	-	207,913
Debt Service	21,898	-	-	21,898
TOTAL EXPENDITURES	1,805,399	35,849	3,500	1,844,748
Excess (Deficiency) of Revenues Over Expenditures	(277,701)	152,252	23,616	(101,833)
OTHER FINANCING SOURCES (USES)				
Sale of Capital Assets	38,865	-	-	38,865
Transfer In	315,262	-	-	315,262
Lease Proceeds	87,898	-	-	87,898
TOTAL OTHER FINANCING SOURCES (USES)	442,025	-	-	442,025
Net Change in Fund Balance	164,324	152,252	23,616	340,192
Fund Balance at Beginning of Year	17,404	517,482	59,665	594,551
Fund Balance at End of Year	\$ 181,728	\$ 669,734	\$ 83,281	\$ 934,743

The accompanying notes are an integral part of this financial statement.

TOWN OF CENTER, COLORADO
RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES,
AND CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS
TO THE STATEMENT OF ACTIVITIES
For the Year Ended December 31, 2021

Net Change in Fund Balances - Total Governmental Funds \$ 340,192

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

Governmental funds report capital outlay as expenditures. However, in the statement of activities the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense. This is the amount by which capital outlay exceeded depreciation in the current period.

Capital asset additions	\$	147,763	
Deletions net of accumulated depreciation		(28,860)	
Depreciation expense		<u>(122,163)</u>	
			(3,260)

Debt proceeds provide current financial resources to governmental funds, but issuing debt increases long-term liabilities in the statement of net position. Repayment of debt principal is an expenditure in the governmental funds, but the repayment reduces long-term liabilities in the statement of net position.

Lease proceeds		(87,898)	
Capital lease payments		<u>15,471</u>	
			(72,427)

Some expenses reported in the statement of activities do not require the use of current financial resources and therefore are not reported as expenditures in governmental funds.

Compensated Absences			(2,686)
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Certain items reported in the statement of activities do not require the use of current financial resources and are not reported as expenditures in the governmental funds. This item consists of the change in pension expense.

			<u>(3,361)</u>
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Change in Net Position of Governmental Funds \$ 258,458

TOWN OF CENTER, COLORADO
STATEMENT OF NET POSITION
PROPRIETARY FUNDS
December 31, 2021

	LIGHT AND POWER FUND	NATURAL GAS FUND	WATER FUND	TOTAL
ASSETS				
Current Assets				
Cash and Cash Equivalents	\$ 2,876,974	\$ 1,811,260	\$ 170,932	\$ 4,859,166
Cash with Fiscal Agent	-	-	177,093	177,093
Accounts Receivable	331,547	187,337	47,596	566,480
Due from Other Funds	125,000	-	-	125,000
Due from Other Governments	-	-	-	-
Inventories	384,616	14,605	80,406	479,627
Prepaid Expenses	3,342	3,114	3,563	10,019
Total Current Assets	3,721,479	2,016,316	479,590	6,217,385
Capital Assets				
Land and Improvements	105,032	5,750	66,950	177,732
Construction in Progress	671,494	-	1,842,992	2,514,486
Intangible and Water Rights	-	-	74,500	74,500
Buildings	106,400	105,690	140,066	352,156
Enterprise System Assets	1,780,635	394,994	1,723,237	3,898,866
Equipment and Furniture	975,153	199,516	68,997	1,243,666
Less: Accumulated Depreciation	(2,426,314)	(507,745)	(500,580)	(3,434,639)
Total Capital Assets	1,212,400	198,205	3,416,162	4,826,767
TOTAL ASSETS	4,933,879	2,214,521	3,895,752	11,044,152
LIABILITIES				
Current Liabilities				
Accounts Payable	126,090	90,459	5,362	221,911
Customer Deposits	30,344	48,761	8,909	88,014
Unearned Revenue	-	38,896	-	38,896
Due to Other Funds	-	-	125,000	125,000
Due to Other Governments	24,679	6,348	-	31,027
Note Payable	-	-	92,834	92,834
Total Current Liabilities	181,113	184,464	232,105	597,682
Noncurrent Liabilities				
Compensated Absences	17,072	17,757	16,443	51,272
Note Payable	-	-	1,855,136	1,855,136
Total Noncurrent Liabilities	17,072	17,757	1,871,579	1,906,408
TOTAL LIABILITIES	198,185	202,221	2,103,684	2,504,090
NET POSITION				
Net Investment in Capital Assets	1,212,400	198,205	1,468,192	2,878,797
Restricted- TABOR Amendment Reserve	-	-	-	-
Unrestricted	3,523,294	1,814,095	323,876	5,661,265
TOTAL NET POSITION	\$ 4,735,694	\$ 2,012,300	\$ 1,792,068	\$ 8,540,062

The accompanying notes are an integral part of this financial statement.

TOWN OF CENTER, COLORADO
STATEMENT OF REVENUES, EXPENSES AND CHANGES IN FUND NET POSITION
PROPRIETARY FUNDS
For the Year Ended December 31, 2021

	LIGHT AND POWER FUND	NATURAL GAS FUND	WATER FUND	TOTAL
OPERATING REVENUES				
Charges for Services				
Utility Sales	\$ 2,453,770	\$ 1,454,351	\$ 508,608	\$ 4,416,729
Labor and Service Charges	-	360	1,399	1,759
Fees	37,696	37,696	37,695	113,087
Miscellaneous Revenue	7,113	4,540	6,033	17,686
Total Operating Revenues	2,498,579	1,496,947	553,735	4,549,261
OPERATING EXPENSES				
Salaries	198,493	200,997	219,313	618,803
FICA/Medicare	15,284	15,501	16,904	47,689
Employee Benefits	33,029	35,417	41,258	109,704
Electricity Purchase	1,169,298	-	-	1,169,298
Gas Purchase	-	1,185,164	-	1,185,164
Training	1,442	799	5,405	7,646
Repairs and Maintenance	10,567	2,929	32,134	45,630
Meter Replacement	-	-	289	289
Professional Fees	25,182	26,326	78,664	130,172
Fuel and oil	3,283	3,245	1,105	7,633
Utilities	11,641	16,784	32,037	60,462
Insurance	17,751	17,751	17,751	53,253
Supplies and Equipment	30,037	26,129	13,410	69,576
Depreciation	67,450	11,518	30,394	109,362
Miscellaneous	31,147	19,819	28,686	79,652
Total Operating Expenses	1,614,604	1,562,379	517,350	3,694,333
Operating Income (Loss)	883,975	(65,432)	36,385	854,928
NON-OPERATING REVENUES (EXPENSES)				
Interest on Accounts	9,108	821	928	10,857
Grant Revenue	-	-	50,486	50,486
Note Payable Interest Expense	-	-	(6,106)	(6,106)
Total Non-operating Revenues (Expenses)	9,108	821	45,308	55,237
Income Before Operating Transfers and Special Item	893,083	(64,611)	81,693	910,165
Transfers Out	(157,555)	(107,583)	(50,124)	(315,262)
Change in Net Position	735,528	(172,194)	31,569	594,903
Net Position Beginning of Year	4,000,166	2,184,494	1,760,499	7,945,159
Net Position End of Year	\$ 4,735,694	\$ 2,012,300	\$ 1,792,068	\$ 8,540,062

The accompanying notes are an integral part of this financial statement.

TOWN OF CENTER, COLORADO
STATEMENT OF CASH FLOWS
PROPRIETARY FUNDS
For the Year Ended December 31, 2021

	LIGHT AND POWER FUND	NATURAL GAS FUND	WATER FUND	TOTAL
CASH FLOWS FROM OPERATING ACTIVITIES				
Cash Received from Customers	\$ 2,477,650	\$ 1,424,375	\$ 554,020	\$ 4,456,045
Cash Payments to Suppliers for Goods and Services	(1,526,424)	(1,272,040)	(235,048)	(3,033,512)
Cash Payments to Employees	(198,493)	(200,997)	(219,313)	(618,803)
Cash Payments for Employee Benefits and Taxes	(48,313)	(50,918)	(58,162)	(157,393)
NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES	704,420	(99,580)	41,497	646,337
CASH PROVIDED (USED) BY NONCAPITAL FINANCING ACTIVITIES				
Transfers (to) from Other Funds	(157,555)	(107,583)	(50,124)	(315,262)
Due (to) from Other Funds	(125,000)	-	125,000	-
NET CASH PROVIDED (USED) BY NONCAPITAL FINANCING ACTIVITIES	(282,555)	(107,583)	74,876	(315,262)
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES				
Customer Deposits	3,946	2,545	700	7,191
Grant Revenues	-	-	50,486	50,486
Principal Payments on Debt	-	-	(92,077)	(92,077)
Interest Payments on Debt	-	-	(6,106)	(6,106)
Purchase of Fixed Assets	(175,994)	(24,808)	(113,556)	(314,358)
NET CASH PROVIDED (USED) FOR CAPITAL AND RELATED FINANCING ACTIVITIES	(172,048)	(22,263)	(160,553)	(354,864)
CASH FLOWS FROM INVESTING ACTIVITIES				
Interest Income	9,108	821	928	10,857
NET CASH PROVIDED (USED) BY INVESTING ACTIVITIES	9,108	821	928	10,857
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	258,925	(228,605)	(43,252)	(12,932)
CASH AND CASH EQUIVALENTS, BEGINNING OF YEAR	2,618,049	2,039,865	391,277	5,049,191
CASH AND CASH EQUIVALENTS, END OF YEAR	\$ 2,876,974	\$ 1,811,260	\$ 348,025	\$ 5,036,259
OPERATING INCOME (LOSS)	\$ 883,975	\$ (65,432)	\$ 36,385	\$ 854,928
Adjustments to Reconcile Operating Income to Net Cash Provided by Operating Activities:				
Depreciation expense	67,450	11,518	30,394	109,362
Change in Assets and Liabilities				
(Increase) decrease in accounts receivable	(20,929)	(71,153)	285	(91,797)
(Increase) decrease in prepaid expense	(3,342)	(3,114)	(3,563)	(10,019)
(Increase) decrease in inventory	(25,025)	-	(12,542)	(37,567)
Increase (decrease) in accounts payable	(211,020)	27,740	(9,462)	(192,742)
Increase (decrease) in compensated absences	-	-	-	-
Increase (decrease) in due to other governments	13,311	2,280	-	15,591
Increase (decrease) in unearned revenue	-	(1,419)	-	(1,419)
NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES	\$ 704,420	\$ (99,580)	\$ 41,497	\$ 646,337
SUPPLEMENTAL DISCLOSURES				
Reconciliation to the Statement of Financial Position				
Cash and Cash Equivalents	\$ 2,876,974	\$ 1,811,260	\$ 170,932	\$ 4,859,166
Cash with Fiscal Agent	-	-	177,093	177,093
	\$ 2,876,974	\$ 1,811,260	\$ 348,025	\$ 5,036,259

The accompanying notes are an integral part of this financial statement.

TOWN OF CENTER, COLORADO
NOTES TO THE BASIC FINANCIAL STATEMENTS
December 31, 2021

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The accounting and reporting policies of the Town of Center, (the Town), reflected in the accompanying financial statements conform to accounting principles generally accepted in the United States of America applicable to state and local governments. Accounting principles generally accepted in the United States of America for local governments are those promulgated by the Governmental Accounting Standards Board (GASB) in *Governmental Accounting and Financial Reporting Standards*.

REPORTING ENTITY

Primary Government

The Town of Center was incorporated in 1906. A Board of Trustees, consisting of six elected Board members and an elected mayor, governs the Town. As required by accounting principles generally accepted in the United States of America (US GAAP), these financial statements present the activities of the Town, which is legally separate and financially independent of other state and local governments. The Town provides numerous services to all Town residents including, but not limited to, general government, road maintenance, police protection, utility services, and parks and recreation.

Component Units

The Town's combined financial statements include the accounts of all Town operations. The criteria for including organizations as component units within the Town's reporting entity, as set forth in Section 2100 of GASB's *Codification of Governmental Accounting and Financial Reporting Standards*, include whether:

- The organization is legally separate (can sue and be sued in their own name)
- The Town holds the corporate powers of the organization
- The Town appoints a voting majority of the organization's board
- The Town is able to impose its will on the organization
- The organization has the potential to impose a financial benefit/burden on the Town
- There is fiscal dependency by the organization on the Town
- The organization is financially accountable to the Town
- The organization receives or holds funds that are for the benefit of the Town; and the Town has access to a majority of the funds held; and the funds that are accessible are also significant to the Town

Based on the aforementioned criteria, the Town does not have any component units.

GOVERNMENT-WIDE AND FUND FINANCIAL STATEMENTS

The government-wide financial statements include a statement of net position and a statement of activities. Government-wide statements report information on all of the activities of the Town. The effect of interfund transfers has been removed from the government-wide statements but continues to be reflected on the fund statements. Mainly taxes and intergovernmental revenues support governmental activities.

The statement of activities reflects the degree to which the direct expenses of a given function are offset by program revenues. Direct expenses are those that are clearly identifiable with a specific function. Program revenues include:

- Charges to customers or applicants who purchase, use, or directly benefit from services, or privileges provided by a given function or segment.

TOWN OF CENTER, COLORADO
NOTES TO THE BASIC FINANCIAL STATEMENTS
December 31, 2021

- Grants and contributions that are restricted to meeting the operational or capital requirements of a particular function or segment. Taxes and other items not properly included in program revenues are reported as general revenues.

Separate financial statements are provided for governmental funds and proprietary funds. The emphasis of fund financial statements is on major governmental funds and enterprise funds, each reported as a separate column.

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. This measurement is also used for the proprietary fund financial statements. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows. Property taxes are recognized as revenues in the year for which they are levied. Grants are recognized as revenue when all applicable eligibility requirements, imposed by the provider, are met.

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 available when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the Town considers revenues to be available if they are collected within 60 days of the end of the current fiscal period. Expenditures are generally recorded when a liability is incurred, as under accrual accounting. However, debt service expenditures, as well as expenditures related to compensated absences and claims and judgments, are recorded only when payment is due.

Sales and use taxes, other taxes, charges for services, intergovernmental revenues, and interest are all considered to be susceptible to accrual and so have been recognized as revenues of the current fiscal period. Only the portion of special assessments receivable due within the current fiscal period is considered to be susceptible to accrual as revenue of the current period. All other revenue items are considered to be measurable and available only when cash is received by the Town.

The Town reports the following major governmental funds:

- The **General Fund** is the general operating fund of the Town. It accounts for all financial resources of the general government, except those required to be accounted for in another fund.
- The **Street Improvement Fund** is used to account for street improvement costs and is funded by a sales tax of one percent.
- The **Conservation Trust Fund** is used to account for the Town share of the state lottery program. The monies may be expended only for the acquisition, development, and maintenance of parks, and other public recreational facilities.

The Town reports the following major enterprise funds:

- The **Light and Power Fund** is used to account for user charges and expenses for operating, financing, and maintaining the Town's light and power system.
- The **Natural Gas Fund** is used to account for user charges and expenses for operating, financing, and maintaining the Town's natural gas system.
- The **Water Fund** is used to account for user charges and expenses for operating, financing, and maintaining the Town's water system.

Proprietary funds distinguish operating revenues and expenses from nonoperating items. Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with a

TOWN OF CENTER, COLORADO
NOTES TO THE BASIC FINANCIAL STATEMENTS
December 31, 2021

proprietary fund's principal ongoing operations. All revenue and expenses not meeting this definition are reported as nonoperating revenues and expenses.

Certain eliminations have been made as prescribed by GASB Statement No. 34 in regards to interfund activities, payables, and receivables. All internal balances in the statement of net position have been eliminated except those representing balances between the governmental activities and the business-type activities, which are presented as internal balances and eliminated in the total primary government column.

ASSETS, LIABILITIES, DEFERRED INFLOWS/OUTFLOWS OF RESOURCES, AND NET POSITION/FUND BALANCE

Cash and Investments

The Town's cash and cash equivalents are considered to be cash in bank, certificates of deposit, and liquid investments with maturity of three months or less from the date of acquisition. All investments, if any, are recorded at fair market value.

Property Taxes

Property taxes attach as an enforceable lien on property as of January 1 each year. The taxes are payable in two installments on February 28 and June 15 or in full on April 30. The Town's property taxes are collected by the County Treasurer who remits monthly receipts to the Town. Property tax revenue is recognized when received by the County Treasurer.

The 2021 property tax levy due January 1, 2022, has been recorded in the financial statements as a receivable and corresponding deferred inflows of resources in the financial statements.

Receivables/Payables From Other Funds

Balances that originate from current lending/borrowing arrangements between funds are referred to as "Due To/From Other Funds".

Inventory

Inventories held by all funds except the General Fund public works department, Light and Power, Natural Gas, and Water funds have been recorded as expenditures at the time of purchase. General Fund, Light and Power, Natural Gas, and Water fund inventories are stated at market value at December 31, 2021, as management was unable to determine approximate cost.

Interfund Transfers

Permanent reallocations of resources between funds of the reporting entity are classified as interfund transfers. For the purpose of the statement of activities, all interfund transfers between individual governmental funds have been eliminated.

Capital Assets

Capital assets, which include land, buildings and improvements, infrastructure, equipment, vehicles, and construction in progress, are reported in the applicable governmental activities columns in the Government-wide Financial Statements. The Town defines capital assets as assets with an initial, individual cost of more than \$5,000 and life of more than one year. Capital assets are recorded at historical cost or estimated historical cost if purchased or constructed. Donated capital assets are recorded at estimated fair market value at the date of donation. The costs of normal maintenance and repairs that do not add to the value of the asset or materially extend assets lives are not capitalized.

TOWN OF CENTER, COLORADO
NOTES TO THE BASIC FINANCIAL STATEMENTS
December 31, 2021

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

Assets	Years
Buildings	5-60
Equipment	5-10
Plant	60
Infrastructure	10
Vehicles	5-10

GASB No. 34 requires the Town to report and depreciate new infrastructure assets. Infrastructure assets include roads, bridges, underground pipe (other than related to utilities), traffic signals, etc.

Compensated Absences

Personal time off is granted to full-time employees only and accrual rates are dependent on years of employment and exempt status. Employees may not carry-over more than 360 hours on December 31st of every year. Upon separation from the Town an employee will be paid for all accrued leave, up to the maximum accrual of 360 hours. A liability is recorded for compensated absences in the government-wide and proprietary fund financial statements.

Long-Term Obligations

Long-term debt and other long-term obligations are recorded as liabilities in the government-wide financial statements. In the fund financial statements for governmental fund types, debt proceeds are reported as an other financing source and debt payments are reported as debt service expenditures.

Interest Capitalization

Interest costs are capitalized when incurred by proprietary funds and similar component units on debt where proceeds were used to finance the construction of assets. Interest earned on proceeds of tax-exempt borrowing arrangements restricted to the acquisition of qualifying assets is offset against interest costs in determining the amount to be capitalized. No interest was capitalized in the current period.

Deferred Inflows

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

Encumbrances

The Town does record purchase orders in the accounting system upon approval of administration. End of the year fund balance intended to be used in the succeeding year is reported as designated fund balance.

Net Position

Net position represents the difference between assets, deferred outflows of resources, liabilities, and deferred inflows of resources. Net position should be displayed in the following three components:

- *Net investment in capital assets* – consists of capital assets, net accumulated depreciation, reduced by the outstanding balances of any borrowings that are attributable to the acquisition, construction or improvement of those assets. Deferred outflows of resources and deferred inflows of resources that are attributable to the acquisition, construction, or improvement of those assets or related debt should be included in this component of net position.

TOWN OF CENTER, COLORADO
NOTES TO THE BASIC FINANCIAL STATEMENTS
December 31, 2021

- *Restricted* – consists of restricted assets reduced by liabilities and deferred inflows of resources related to those assets. Restricted assets consist of assets that have limitations imposed on their use either through the enabling legislation or through external restrictions imposed by creditors, grantors, or laws or regulations of other governments.
- *Unrestricted* – consists of the net amount of assets, deferred outflows of resources, liabilities, and deferred inflows of resources that are not included in the determination of net investment in capital assets or the restricted components of net position.

Fund Balance

Fund balances are reported based on the extent to which the Town is bound to honor constraints for the specific purposes on which amounts in the fund can be spent. Fund balances are classified in one of the five categories:

- *Nonspendable* – amounts that cannot be spent because they are not in spendable form- such as inventory and prepaid insurance.
- *Restricted* – amounts with constraints placed on the use of resources that are either (a) externally imposed by creditors, grantors, contributors, or laws or regulations of other governments or (b) imposed by law through constitutional provisions or enabling legislation.
- *Committed* – amounts that can only be used for specific purposes as a result of constraints imposed by adopted ordinance of the Board of Trustees, the highest level of decision making authority. Committed amounts cannot be used for any other purpose unless the Board of Trustees removed those constraints by taking the same type of action. Committed fund balances differ from restricted balances because the constraints on their use do not come from outside parties, constitutional provisions, or enabling legislation.
- *Assigned* – amounts a government intends to use for a specific purpose; intent can be expressed by the Board of Trustees or by an official or body to which the governing body delegates the authority.
- *Unassigned* – amounts that are available for any purpose; these amounts are reported only in the General Fund.

When an expenditure is incurred for purposes for which both restricted and unrestricted net position/fund balance is available, the Town considers restricted funds to have been spent first. When an expenditure is incurred for which committed, assigned, and unassigned fund balances are available, the Town considers amounts to have been spent first out of committed funds, then assigned funds, and finally unassigned funds, as needed, unless the Board of Trustees has provided otherwise in its commitment or assignment actions.

Use of Estimates

The preparation of the financial statements in conformity with U.S. generally accepted accounting principles requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Actual results could differ from those estimates.

Contracts

The Town contracts with a private carrier for sanitation services. The Town bills the individual customers and remits the collections less a billing fee to the carrier.

NOTE 2 STEWARDSHIP, COMPLIANCE, AND ACCOUNTABILITY

Budgets and Budgetary Accounting

The Town follows the procedures set forth in the Colorado Local Government Budget Law when preparing the

TOWN OF CENTER, COLORADO
NOTES TO THE BASIC FINANCIAL STATEMENTS
December 31, 2021

annual budget for each fund. Budget procedures include:

- Preparation of budget documents by administrative staff shall be submitted to the Board no later than October 15 of each year.
- Publication of a notice stating that the budget is available for public inspection.
- Discussion of the budget in a meeting open to the public.
- Adoption of the budget in a public meeting by appropriate resolution, no later than December 31.
- Ordinance to adopt supplemental appropriations.

Formal budgetary integration is employed as a management control device for all funds of the Town. All fund budgets are adopted on a basis consistent with U.S. generally accepted accounting principles (GAAP).

The total expenditures for each fund cannot exceed the budgeted amount unless a supplemental appropriation is adopted.

All budget amounts presented in the accompanying supplementary information reflect the original budget and the final amended budget.

Stewardship

Expenditures in the following funds exceeded appropriations during 2021. This may be a violation of Colorado Revised Statutes 21-1-110.

General Fund	\$ 257,891
Water Fund	\$ 62,185

NOTE 3 CASH, DEPOSITS, AND INVESTMENTS

A summary of Cash and Investments for the Town are as follows:

Cash on Hand and in Banks	\$ 1,092,068
Cash with Fiscal Agent	177,093
Investments - ColoTrust	<u>4,780,935</u>
Total cash, deposits, and investments on the Statement of Net Position	<u><u>\$6,050,096</u></u>

CASH AND DEPOSITS

Colorado State Statutes govern the Town's deposits of cash. The statutes specify eligible depositories for public cash deposits, which must be Colorado institutions and must maintain federal insurance (FDIC) on deposits held.

The Colorado Public Deposit Protection Act (PDPA) requires that all units of local government deposit cash in eligible public depositories determined by state regulators. Amounts on deposit in excess of federal insurance levels must be collateralized in accordance with the PDPA. PDPA allows the institution to create a single collateral pool for all public funds 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 102% of the aggregate uninsured deposits. All deposits in 2021 were in eligible public depositories, as defined by the Public Deposit Protection Act of 1989.

TOWN OF CENTER, COLORADO
NOTES TO THE BASIC FINANCIAL STATEMENTS
December 31, 2021

Custodial Credit Risk – Deposits

Custodial credit risk is the risk that in the event of a bank failure, the Town's deposits may not be returned to it. At December 31, 2021, \$1,146,725 was exposed to custodial credit risk. Deposits exposed to credit risk are collateralized with securities held by the pledging financial institutions through PDPA.

INVESTMENTS

Colorado statutes specify investment instruments meeting defined rating and risk criteria in which local government entities may invest. They include:

- Obligations of the United States and certain U.S. government agency securities
- Certain international agency securities
- General obligation and revenue bonds of U.S. local government entities
- Bankers' acceptances of certain banks
- Commercial paper
- Local government investment pools
- Repurchase agreements
- Money market funds
- Guaranteed investment contracts
- Corporate or bank debt issued by eligible corporations or banks

Credit Risk

The Town does not have a formal investment policy, they refer to Colorado State Statutes for investment guidance, that calls for diversification within the portfolio to avoid unreasonable risks inherent in over investing in specific instruments, individual financial institutions or maturities. As of December 31, 2021, the local government investment pools (ColoTrust) in which the Town had invested was rated AAAM by Standard & Poor's.

Fair Value investments classified as Level 1 of the fair value hierarchy are valued using prices quoted in active markets for those securities. Fair value investments classified as Level 2 of the fair value hierarchy are valued using the active market rates for the underlying securities. Fair value investments classified as Level 3 of the fair value hierarchy are valued using non-observable inputs.

Interest Rate Risk

Colorado Revised Statutes limit investment maturities to five years or less from the date of purchase. This limit on investment maturities is a means of limiting exposure to fair values arising from increasing interest rates. The Town has no investments with maturities past five years.

The Colorado Government Liquid Asset Trust (ColoTrust) is an investment vehicle established for local government entities in Colorado pursuant to Part 7 of Article 75 of Title 24 of the Colorado Revised Statutes, to pool surplus funds for investment purposes. ColoTrust operates in a manner similar to a money market fund and each share is equal in value to \$1.00. The fair value of the position in the pool is the same as the value of pool shares. The designated custodial bank provides safekeeping and depository services in connection with the direct investment and withdrawal functions. Substantially all securities owned by the pool are held by the Federal Reserve Bank in the account maintained for the custodial bank. The custodian's internal records identify the investments

TOWN OF CENTER, COLORADO
NOTES TO THE BASIC FINANCIAL STATEMENTS
December 31, 2021

owned by the pool. Investments of the pool consist of U.S. Treasury bills, notes and note strips, and repurchase agreements collateralized by U.S. Treasury Notes.

Investments in local government investment pools or money market funds are not categorized as to risk because they are not evidenced by securities that exist in physical or book entry form.

NOTE 4 ACCOUNTS RECEIVABLE

At December 31, 2021, the Town had accounts receivable as follows:

General Fund	\$ 61,629
Light & Power Fund (net of allowance for uncollectible accounts of \$0)	331,547
Gas Fund (net of allowance for uncollectible accounts of \$0)	187,337
Water Fund	47,596
Total	\$ 628,109

NOTE 5 DUE FROM OTHER GOVERNMENTS

Intergovernmental receivables include amounts due from grantors for specific program grants. Program grants are recorded as receivables and revenues at the time reimbursable project costs are incurred.

As of December 31, 2021, the Town had \$138,401 due from federal, state, and local governments, reflected as intergovernmental receivables in the accompanying basic financial statements.

NOTE 6 INTERFUND RECEIVABLES, PAYABLES, AND TRANSFERS

Interfund Receivables/Payables

The composition of interfund balances as of December 31, 2021 were as follows:

Due to/from Other Funds

Receivable Fund	Payable Fund	Amount
Light and Power Fund	Water Fund	\$ 125,000
Total		\$ 125,000

The balance of \$125,000 due to the Light and Power Fund from the Water Fund resulted from a loan made to cover operating cash deficits. The loan is to be paid back in one year at .5% interest per annum.

TOWN OF CENTER, COLORADO
NOTES TO THE BASIC FINANCIAL STATEMENTS
December 31, 2021

Interfund Transfers

Transfers In	Transfers Out	Amount
General Fund	Light and Power Fund	\$ 157,555
	Gas Fund	107,583
	Water Fund	50,124
Total		\$ 315,262

Transfers were made to subsidize the General Fund.

NOTE 7 CAPITAL ASSETS

Capital asset activity for the year ended December 31, 2021, was as follows:

	Balance 12/31/2020	Additions	Deletions	Balance 12/31/2021
<i>Governmental Activities:</i>				
Capital assets not being depreciated				
Land and Land Improvements	\$ 3,750	\$ -	\$ -	\$ 3,750
Construction in Progress	-	-	-	-
Total capital assets not being depreciated	3,750	-	-	3,750
Capital assets being depreciated				
Buildings and Improvements	38,802	-	-	38,802
Property, Plant & Equipment	521,357	147,763	55,079	614,041
Infrastructure	1,234,328	-	-	1,234,328
Total capital assets being depreciated	1,794,487	147,763	55,079	1,887,171
Less: Accumulated Depreciation	539,311	122,163	26,219	635,255
Total capital assets being depreciated, net	1,255,176	25,600	28,860	1,251,916
<i>Governmental Activities Capital Assets, Net</i>	\$ 1,258,926	\$ 25,600	\$ 28,860	\$ 1,255,666

TOWN OF CENTER, COLORADO
NOTES TO THE BASIC FINANCIAL STATEMENTS
December 31, 2021

	Balance 12/31/2020	Additions	Deletions	Balance 12/31/2021
<i>Business-type Activities:</i>				
Capital assets not being depreciated				
Land and Land Improvements	\$ 177,732	\$ -	\$ -	\$ 177,732
Water Rights	74,500	-	-	74,500
Construction in Progress	2,249,744	264,742	-	2,514,486
Total capital assets not being depreciated	<u>2,501,976</u>	<u>264,742</u>	<u>-</u>	<u>2,766,718</u>
Capital assets being depreciated				
Buildings	352,156	-	-	352,156
Enterprise System	3,898,866	-	-	3,898,866
Equipment and Furniture	1,194,050	49,616	-	1,243,666
Total capital assets being depreciated	5,445,072	49,616	-	5,494,688
Less: Accumulated Depreciation	<u>3,325,277</u>	<u>109,362</u>	<u>-</u>	<u>3,434,639</u>
Total capital assets being depreciated, net	<u>2,119,795</u>	<u>(59,746)</u>	<u>-</u>	<u>2,060,049</u>
<i>Business-type Activities Capital Assets, Net</i>	<u><u>\$ 4,621,771</u></u>	<u><u>\$ 204,996</u></u>	<u><u>\$ -</u></u>	<u><u>\$ 4,826,767</u></u>

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

Governmental Activities

General Government	\$ 215
Streets and Parks	40,288
Highways and Streets	27,698
Public Safety	53,962
Total depreciation expense – governmental activities	<u><u>\$ 122,163</u></u>

Business-type Activities

Light & Power Services	\$ 67,450
Natural Gas Services	11,518
Water Services	30,394
Total depreciation expense – business-type activities	<u><u>\$ 109,362</u></u>

TOWN OF CENTER, COLORADO
NOTES TO THE BASIC FINANCIAL STATEMENTS
December 31, 2021

NOTE 8 LONG-TERM DEBT

Changes in Long-term Debt

	Balance 12/31/2020	Additions	Deletions	Balance 12/31/2021	Due Within One Year
<i>Governmental Activities:</i>					
Lease Purchase Agreement	\$ -	\$ 87,898	\$ 15,471	\$ 72,427	\$ 16,058
Compensated Absences	37,374	2,686	-	40,060	9,362
Total Governmental Activities	<u>\$ 37,374</u>	<u>\$ 90,584</u>	<u>\$ 15,471</u>	<u>\$ 112,487</u>	<u>\$ 25,420</u>
<i>Business-type Activities:</i>					
Notes Payable	\$ 2,040,523	\$ -	\$ 92,553	\$ 1,947,970	\$ 92,834
Compensated Absences	51,271	-	-	51,271	-
Total Business-type Activities	<u>\$ 2,091,794</u>	<u>\$ -</u>	<u>\$ 92,553</u>	<u>\$ 1,999,241</u>	<u>\$ 92,834</u>

GOVERNMENTAL ACTIVITIES

Lease Purchase Agreements

A lease purchase agreement, dated January 4, 2021, was entered into with First Government Lease Co., as lessor, and Town of Center (the Town), as lessee, for the purchase of two Dodge Charger police cars. Payments are due in annual installments of \$21,898, which includes interest at a rate of 3.99%. Payments will be made from the General Fund with final payment due December 1, 2025. The vehicles are included in capital assets at a cost of \$87,898 with accumulated depreciation of \$14,650.

The annual debt service for the lease purchase agreement is as follows:

	Principal	Interest	Total
2022	\$ 16,058	\$ 5,840	\$ 21,898
2023	17,353	4,545	21,898
2024	18,752	3,146	21,898
2025	20,264	1,634	21,898
	<u>\$ 72,427</u>	<u>\$ 15,165</u>	<u>\$ 87,592</u>

BUSINESS-TYPE ACTIVITIES

Notes Payable

Series 2015 Bond dated January 27, 2015, payable to Colorado Water Resources and Power Development Authority for the purpose of constructing a new water storage tank with the maximum principal amount \$1,103,000 with an interest rate of 0%. Payments will be made semiannually over a 30 year period and the final payment is due in 2045.

As of December 31, 2021, the Town is not in compliance with the rate covenant requirements applicable to the Colorado Resource and Power Development Authority loan agreements.

TOWN OF CENTER, COLORADO
NOTES TO THE BASIC FINANCIAL STATEMENTS
December 31, 2021

The annual debt service for the note payable is as follows:

	Principal	Interest	Total
2022	\$ 36,767	\$ -	\$ 36,767
2023	36,767	-	36,767
2024	36,767	-	36,767
2025	36,767	-	36,767
2026	36,767	-	36,767
2027-2031	183,835	-	183,835
2032-2036	183,833	-	183,833
2037-2041	183,833	-	183,833
2042-2045	128,679	-	128,679
	\$ 864,015	\$ -	\$ 864,015

On July 15, 2019 the Town entered into a loan agreement with Colorado Water Resources and Power Development Authority in the amount of \$1,144,280 with an interest rate of 0.5% to complete the water meter project. As of December 31, 2021 the Town has drawn down \$967,187; the remaining funds of \$177,093 has been recorded as cash held with fiscal agent as they are available. Repayment of funds began in 2020.

The annual debt service for the note payable is as follows:

	Principal	Interest	Total
2022	\$ 56,067	\$ 5,350	\$ 61,417
2023	56,348	5,069	61,417
2024	56,630	4,787	61,417
2025	56,913	4,503	61,416
2026	57,198	4,219	61,417
2027-2031	290,316	16,769	307,085
2032-2036	297,656	9,429	307,085
2037-2040	212,826	2,133	214,959
	\$ 1,083,954	\$ 52,259	\$ 1,136,213

NOTE 9 PENSION PLANS

Defined Contribution Plan

The Town offers a SIMPLE IRA defined contribution plan through Invesco. This plan is available to all eligible full-time employees after six months of employment, except sworn police officers. The Town will contribute a matching contribution to each eligible employee equal to the employee's contributions up to a limit of 3%. The employees become 100% vested in the Town's contribution once they are eligible to contribute to the plan. Plan provisions and contribution requirements are established and may be amended by the Board of Trustees.

For the year ended December 31, 2021, total employee contributions to the Plan were \$22,696 and matching Town contributions totaled \$15,993.

TOWN OF CENTER, COLORADO
NOTES TO THE BASIC FINANCIAL STATEMENTS
December 31, 2021

Police Pension

General Information about the Fire and Police Statewide Defined Benefit Plan

Plan description. The Statewide Defined Benefit Plan (SWDB) is a cost-sharing multiple-employer defined benefit pension plan. The Plan is administered by the Fire & Police Pension Association of Colorado (FPPA). FPPA issues a publicly available comprehensive annual financial report that can be obtained on FPPA's website 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. As of 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).

The annual normal retirement benefit is 2 percent of the average of the member's highest three years' base salary for each year of credited service up to ten years, plus 2.5 percent for each year of service thereafter. The benefit earned prior to January 1, 2007 for members of affiliated Social Security employers will be reduced by the amount of Social Security income payable to the member annually. Effective January 1, 2007, members currently covered under Social Security will receive half the benefit when compared to the Statewide Defined Benefit Plan. Benefits paid to retired members are evaluated and may be re-determined every October 1. The amount of any increase is based on the Board's discretion and can range from 0 to the higher of 3 percent or the Consumer Price Index.

A member is eligible for an early retirement after completion of 30 years of service or attainment of age 50 with at least five years of credited service. The early retirement benefit equals the normal retirement benefit reduced on an actuarially equivalent basis. Upon termination, an employee may elect to have member contributions, along with 5 percent as interest, returned as a lump sum distribution. Alternatively, a member with at least five years of accredited service may leave contributions with the Plan and remain eligible for a retirement pension at age 55 equal to 2 percent of the member's average highest three years' base salary for each year of credited service up to ten years, plus 2.5 percent for each year of service thereafter.

Contributions. 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 member.

In 2014, the members elected to increase the member contribution rate to the SWDB plan beginning in 2015. Member contribution rates will increase 0.5 percent annually through 2022 to a total of 12 percent of pensionable earnings. Employer contributions are 8 percent and 8.5 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 percent and 8 percent, respectively, of pensionable earnings for a total contribution rate of 19 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 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. The member and employer contribution rates will increase through 2030 as described above for the 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

TOWN OF CENTER, COLORADO
NOTES TO THE BASIC FINANCIAL STATEMENTS
December 31, 2021

department is responsible to remit contributions to the plan in accordance with their most recent FPPA Board of Directors approved resolution.

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 9.5 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, respectively. Employer contributions will increase 0.25 percent annually beginning in 2021 through 2030 to a total of 6.5 percent of pensionable earnings.

Contributions to the Plan from the Town were \$19,535 for the year ended December 31, 2021.

Pension Assets or 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 (asset) of \$(57,913) for its proportionate share of the net pension liability (asset). The net pension liability (asset) was measured as of December 31, 2020, and the total pension liability (asset) used to calculate the net pension liability (asset) was determined by an actuarial valuation as of January 1, 2021. The Town's proportion of the net pension liability (asset) was based on a projection of the Town's long-term share of contributions to the pension plan relative to the projected contributions of all participating entities, actuarially determined as of December 31, 2020, based upon the January 1, 2020 actuarial valuation. At December 31, 2020, the Town's proportion was 0.0267 percent, which was an increase of 0.0027 from its proportion measured as of December 31, 2019.

For the year ended December 31, 2021, the Town increased pension expense by 3,361. At December 31, 2021, the Town reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Difference between expected and actual experience	\$ 49,116	\$ 230
Net difference between projected and actual investment earnings	-	59,485
Changes of assumptions	24,631	-
Changes in proportion	51,080	12,409
Contributions subsequent to the measurement date	19,535	-
Total	\$ 144,362	\$ 72,124

\$19,535 reported as deferred outflows of resources related to pensions, resulting from contributions subsequent to the measurement date, will be recognized as a decrease (increase) of the net pension liability (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:

TOWN OF CENTER, COLORADO
NOTES TO THE BASIC FINANCIAL STATEMENTS
December 31, 2021

<u>Year Ended December 31,</u>	
2022	\$ (1,109)
2023	6,607
2024	(3,401)
2025	6,614
2026	15,979
Thereafter	<u>28,014</u>
	<u>\$ 52,704</u>

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:

	<u>Total Pension Liability</u>	<u>Actuarial Determined Contributions</u>
Actuarial Valuation Date	January 1, 2021	January 1, 2020
Actuarial Method	Entry Age Normal	Entry Age Normal
Amortization Method	N/A	Level % of Payroll, Open
Amortization Period	N/A	30 years
Long-term Investment Rate of Return*	7.00%	7.00%
Projected Salary Increases*	4.25% - 11.25%	4.25% - 11.25%
Cost of Living Adjustments (COLA)	0.0%	0.0%
* Includes Inflation at	2.5%	2.5%

For determining the total pension liability and actuarially determined contributions, the post-retirement mortality tables for non-disabled retirees uses the 2006 central rates for the RP-2014 Annuitant Mortality Tables projected to 2018 using the MP-2017 projection scales, and projected prospectively using the ultimate rate 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. 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:

TOWN OF CENTER, COLORADO
NOTES TO THE BASIC FINANCIAL STATEMENTS
December 31, 2021

Asset Class	Target Allocation	Long-Term Expected Rate of Return
Global Equity	39.0%	8.20%
Equity Long/Short	8.0%	6.90%
Illiquid Alternatives	26.0%	10.60%
Fixed Income	15.0%	9.30%
Absolute Return	10.0%	5.60%
Cash	2.0%	2.30%
Total	100.0%	

The discount rate used to measure the total pension liability (asset) 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 (asset).

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.

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/(asset), 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	Discount Rate	1% Increase
6.00%	7.00%	8.00%
\$ 58,281	\$ (57,913)	\$ (154,136)

NOTE 10 TABOR EMERGENCY RESERVE

Colorado voters passed an amendment to the State Constitution, Article X, Section 20, which has several limitations, including revenue raising, spending abilities, and other specific requirements of state and local governments. The Amendment is complex and subject to judicial interpretation. The Town believes it is in compliance with the requirements of the amendment.

On April 4, 2000, the voters of Center passed a ballot issue to permit the Town of Center “in 1999 and each subsequent year thereafter, to retain and spend Town revenues in excess of the spending, revenue raising, or other

TOWN OF CENTER, COLORADO
NOTES TO THE BASIC FINANCIAL STATEMENTS
December 31, 2021

limits in Article X, Section 20, of the Colorado constitution, utilizing such revenues for public safety, municipal services, transportation and other public improvements, park and recreational facilities, and any other lawful purpose as voter-approved revenue change.”

The amendment also requires that Emergency Reserves be established. These reserves must be at least 3 percent of fiscal year spending in 1995 and thereafter. This Emergency Reserve has been presented as a reservation of fund balance in the General Fund. The entity is not allowed to use the Emergency Reserves to compensate for economic conditions, revenue shortfalls, or salary or benefit increases.

NOTE 11 COMMITMENTS AND CONTINGENCIES

Lawsuits

The Town is party to various legal actions normally associated with governmental activities, the aggregate effect of which, in management’s and legal counsel’s opinion, would not be material to the financial statements.

Construction Projects

The Town is in the process of performing electrical upgrades in sections of the Town. The electrical upgrade underground estimated completion date is 2026. As of December 31, 2021, project costs are approximately \$671,494 with total estimated completion costs of \$1,000,000.

On July 15, 2019 the Town entered into a grant agreement with the State of Colorado Department of Local Affairs for \$1,000,000, a CWRPDA loan of \$1,144,280, and a CWRPDA Design and Engineering Forgiveness Loan for \$24,810 for the purpose of replacing the Town’s water meters. The Town has spent \$1,842,992 as of December 31, 2021 towards the project and is expecting to finish in June 2022 with a total cost of \$2,156,885.

COVID-19

In March of 2020, the COVID-19 virus was declared a global pandemic. Business continuity throughout the Town could be severely impacted for months or more, as significant and unprecedented measures to mitigate the consequences of the pandemic are undertaken. The Town has received American Rescue Plan Act (ARPA) funding to mitigate some of the costs/losses incurred as a result of the pandemic. However, no adjustments have been made to these financial statements as the additional impact is unknown at this time.

TOWN OF CENTER, COLORADO

REQUIRED SUPPLEMENTARY INFORMATION

In addition to the basic financial statements, a budgetary comparison schedule is required for the General Fund and, if applicable, each of the Town's major special revenue funds. In addition, pension plan contributions and the Town's proportionate share of the net pension liability are required to supplement the basic financial statements.

TOWN OF CENTER, COLORADO
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN
FUND BALANCE - BUDGET AND ACTUAL
GENERAL FUND
For the Year Ended December 31, 2021

	BUDGETED AMOUNTS		ACTUAL	VARIANCE WITH
	ORIGINAL	FINAL		FINAL BUDGET
				POSITIVE
				(NEGATIVE)
REVENUES				
Taxes	\$ 789,754	\$ 854,754	\$ 859,614	\$ 4,860
Licenses and Permits	7,800	7,800	7,657	(143)
Intergovernmental Revenue	145,626	566,317	534,015	(32,302)
Charges for Services	78,599	78,599	94,634	16,035
Interest on Accounts	2,800	2,800	1,085	(1,715)
Miscellaneous Revenue	7,400	7,400	30,693	23,293
TOTAL REVENUE	1,031,979	1,517,670	1,527,698	10,028
EXPENDITURES				
General Government	239,557	658,013	692,942	(34,929)
Public Safety	613,794	613,794	683,896	(70,102)
Municipal Court	27,438	27,438	25,170	2,268
Building and Planning	13,041	13,041	11,799	1,242
Sanitation	-	-	-	-
Streets and Parks	182,222	182,222	188,146	(5,924)
Capital Outlay	53,000	53,000	181,548	(128,548)
Debt Service	-	-	21,898	(21,898)
TOTAL EXPENDITURES	1,129,052	1,547,508	1,805,399	(257,891)
Excess (Deficiency) of Revenues Over Expenditures	(97,073)	(29,838)	(277,701)	(247,863)
OTHER FINANCING SOURCES (USES)				
Sale of Fixed Assets	2,500	2,500	38,865	36,365
Transfer In	326,753	326,753	315,262	(11,491)
Lease Proceeds	150	150	87,898	87,748
TOTAL OTHER FINANCING SOURCES (USES)	329,403	329,403	442,025	112,622
Net Change in Fund Balance	232,330	299,565	164,324	(135,241)
Fund Balance at Beginning of Year	146,552	146,552	17,404	(129,148)
Fund Balance at End of Year	\$ 378,882	\$ 446,117	\$ 181,728	\$ (264,389)

Notes to Required Supplementary Information

The basis of budgeting is the same as GAAP.

The schedule is presented on the GAAP basis.

TOWN OF CENTER, COLORADO
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN
FUND BALANCE - BUDGET AND ACTUAL
STREET IMPROVEMENT FUND
For the Year Ended December 31, 2021

	<u>BUDGETED AMOUNTS</u>		<u>ACTUAL</u>	<u>VARIANCE WITH</u>
	<u>ORIGINAL</u>	<u>FINAL</u>		<u>FINAL BUDGET</u>
				<u>POSITIVE</u>
				<u>(NEGATIVE)</u>
REVENUES				
Sales Tax	\$ 152,000	\$ 152,000	\$ 187,851	\$ 35,851
Interest Income	13,029	13,029	250	(12,779)
TOTAL REVENUES	<u>165,029</u>	<u>165,029</u>	<u>188,101</u>	<u>23,072</u>
EXPENDITURES				
Highway and Streets	25,000	25,000	9,484	15,516
Capital Outlay	250,000	250,000	26,365	223,635
TOTAL EXPENDITURES	<u>275,000</u>	<u>275,000</u>	<u>35,849</u>	<u>239,151</u>
Net Change in Fund Balance	(109,971)	(109,971)	152,252	262,223
Fund Balance at Beginning of Year	<u>244,796</u>	<u>244,796</u>	<u>517,482</u>	<u>272,686</u>
Fund Balance at End of Year	<u><u>\$ 134,825</u></u>	<u><u>\$ 134,825</u></u>	<u><u>\$ 669,734</u></u>	<u><u>\$ 534,909</u></u>

Notes to Required Supplementary Information

The basis of budgeting is the same as GAAP.

The schedule is presented on the GAAP basis.

TOWN OF CENTER, COLORADO
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN
FUND BALANCE - BUDGET AND ACTUAL
CONSERVATION TRUST FUND
For the Year Ended December 31, 2021

	<u>BUDGETED AMOUNTS</u>		<u>ACTUAL</u>	<u>VARIANCE WITH</u>
	<u>ORIGINAL</u>	<u>FINAL</u>		<u>FINAL BUDGET</u>
				<u>POSITIVE</u>
				<u>(NEGATIVE)</u>
REVENUES				
Lottery Proceeds	\$ 23,726	\$ 23,726	\$ 27,084	\$ 3,358
Miscellaneous Revenue	50	50	32	(18)
TOTAL REVENUES	<u>23,776</u>	<u>23,776</u>	<u>27,116</u>	<u>3,340</u>
EXPENDITURES				
Capital Outlay	<u>22,000</u>	<u>22,000</u>	<u>3,500</u>	<u>18,500</u>
TOTAL EXPENDITURES	<u>22,000</u>	<u>22,000</u>	<u>3,500</u>	<u>18,500</u>
Net Change in Fund Balance	1,776	1,776	23,616	21,840
Fund Balance at Beginning of Year	<u>64,222</u>	<u>64,222</u>	<u>59,665</u>	<u>(4,557)</u>
Fund Balance at End of Year	<u>\$ 65,998</u>	<u>\$ 65,998</u>	<u>\$ 83,281</u>	<u>\$ 17,283</u>

Notes to Required Supplementary Information

The basis of budgeting is the same as GAAP.

The schedule is presented on the GAAP basis.

TOWN OF CENTER, COLORADO
SCHEDULE OF THE TOWN'S PROPORTIONATE SHARE
OF THE NET PENSION LIABILITY (ASSET)

FPPA SWDB PENSION PLAN

For the Years Ended December 31,

	2021	2020	2019	2018	2017	2016	2015	2014
Town's proportion of the net pension liability (asset)	0.0266758154%	0.0239812949%	0.0383048016%	0.0484460021%	0.0540757033%	0.0446472349%	0.0459739921%	0.0487393230%
Town's proportionate share of the net pension liability (asset)	\$ (57,913)	\$ (13,563)	\$ 48,428	\$ (69,697)	\$ 19,540	\$ (787)	\$ (51,885)	\$ (43,582)
Town's covered payroll	\$ 230,260	\$ 214,264	\$ 176,751	\$ 256,588	\$ 265,369	\$ 256,196	\$ 216,442	\$ 211,568
Town's proportionate share of the net pension liability (asset) as a percentage of its covered payroll	-25.15%	-6.33%	27.40%	-27.16%	7.36%	-0.31%	-24%	-21%
Plan fiduciary net position as a percentage of the total pension liability	106.7%	101.9%	95.2%	106.3%	98.2%	100.1%	106.8%	105.8%

*The amounts presented were determined as of the calendar year-end.

**This schedule is presented to illustrate the requirement to show information for 10 years. However, until a full 10 year trend is compiled the Town presents information for those years for which information is available.

TOWN OF CENTER, COLORADO
SCHEDULE OF TOWN CONTRIBUTIONS
FPPA SWDB PENSION PLAN
For the Years Ended December 31,

	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>	<u>2013</u>
Contractually required contribution	\$ 19,535	\$ 17,141	\$ 14,140	\$ 21,655	\$ 22,670	\$ 21,135	\$ 17,315	\$ 16,540	\$ 16,936
Contributions in relation to the contractually required contribution	<u>(19,535)</u>	<u>(17,141)</u>	<u>(14,140)</u>	<u>(21,655)</u>	<u>(22,670)</u>	<u>(21,135)</u>	<u>(17,315)</u>	<u>(16,540)</u>	<u>(16,936)</u>
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Town's covered payroll	230,260	214,264	176,751	256,588	265,369	256,196	216,442	211,568	211,695
Contributions as a percentage of covered payroll	8.48%	8.00%	8.00%	8.44%	8.54%	8.25%	8.00%	7.82%	8.00%

** This schedule is presented to illustrate the requirement to show information for 10 years. However, until a full 10 year trend is compiled the Town presents information for those years for which information is available.

TOWN OF CENTER, COLORADO
NOTES TO THE REQUIRED SUPPLEMENTARY INFORMATION
CHANGES IN BENEFIT TERMS AND ACTUARIAL ASSUMPTIONS
For the Year Ended December 31, 2021

NOTE 1 NET PENSION LIABILITY

Changes in assumptions or other inputs effective for the December 31st measurement period for the following years ended:

2020 There were no changes in assumptions or other inputs this measurement period compared to prior year.

2019

- Reduced the real return rate from 5.00% to 4.50%, combined with an unchanged inflation rate of 2.5%, reduced the nominal investment assumption from 7.50% to 7.00%.
- Increased the productivity component of the salary scale assumption from 1.50% to 1.75%. Combined with the inflation rates of 2.50%, this creates an ultimate salary assumption of 4.25%.
- Removed the blue collar adjustment for the mortality tables being used and updated the mortality projection scale from Scale BB to the ultimate rates of the MP-2017 projection scale.
- Increased disability rates for members covered by a defined benefit program.
- Slightly modified retirement rates to reflect increased retirement utilization for low service members and slightly decreased the normal retirement rates after age 55.
- Limited the amortization period used to determine the Actuarially Determined Contribution Rate such that no negative amortization results (the payment always covers at least the interest on the unfunded liability).

2018

- The Long-Term Investment Rate of Return was lowered from 7.5% to 7.0%.
- Projected Salary Increases changed from 4.0%-14.0% to 4.25%-11.25%.
- Increase the expected incidence of Disability for members of FPPA's defined benefit plans.

2017 There were no changes in assumptions or other inputs this measurement period compared to prior year.

2016 There were no changes in assumptions or other inputs this measurement period compared to prior year.

2015

- The Inflation assumption was reduced from 3.0% to 2.5%.
- Added an explicit charge for administrative expenses in the actuarial contribution calculation.
- Revised the base mortality tables and the explicit assumption for increasing longevity in the future to reflect current mortality studies.
- Increase the expected incidence of Total Disability for members of FPPA's defined benefit plans.

TOWN OF CENTER, COLORADO
SUPPLEMENTARY INFORMATION

TOWN OF CENTER, COLORADO
SCHEDULE OF EXPENSES AND TRANSFERS OUT
ALL PROPRIETARY FUNDS
BUDGET AND ACTUAL
For the Year Ended December 31, 2021

	BUDGETED AMOUNTS		EXPENSES REPORTED ON THE GAAP BASIS		ADJUSTMENTS TO BUDGETARY BASIS		EXPENSES ON THE BUDGETARY BASIS		VARIANCE WITH FINAL BUDGET POSITIVE (NEGATIVE)	
	ORIGINAL	FINAL								
Proprietary Funds										
Enterprise Funds										
Light and Power Fund	\$ 2,583,686	\$ 2,583,686	\$ 1,772,159	\$ 175,994	\$ 1,948,153	\$ 635,533				
Natural Gas Fund	1,756,202	1,756,202	1,669,962	24,808	1,694,770	61,432				
Water Fund	717,028	717,028	573,580	205,633	779,213	(62,185)				
Total Enterprise Funds	\$ 5,056,916	\$ 5,056,916	\$ 4,015,701	\$ 406,435	\$ 4,422,136	\$ 634,780				

Adjustments to budgetary basis include costs of capital asset activity, and debt payments.

TOWN OF CENTER, COLORADO
COMBINING BALANCE SHEET SCHEDULE
GENERAL FUND
December 31, 2021

	GENERAL FUND	ECONOMIC DEVELOPMENT FUND	TOTAL
ASSETS			
Cash and Cash Equivalents	\$ 177,733	\$ 112,843	\$ 290,576
Accounts Receivable	61,629	-	61,629
Due from Other Governments	93,110	15,097	108,207
Property Taxes Receivable	246,673	-	246,673
Inventory	9,404	-	9,404
Prepaid Expenses	7,202	-	7,202
TOTAL ASSETS	\$ 595,751	\$ 127,940	\$ 723,691
LIABILITIES AND FUND BALANCE			
LIABILITIES			
Accounts Payable	\$ 34,100	\$ -	\$ 34,100
Due to Other Governments	62,316	-	62,316
Unearned Revenue- Grants	193,825	-	193,825
Customer Deposits	5,049	-	5,049
TOTAL LIABILITIES	295,290	-	295,290
DEFERRED INFLOWS OF RESOURCES			
Deferred Revenue - Property Tax	246,673	-	246,673
FUND BALANCE			
Nonspendable			
Inventory	9,404	-	9,404
Prepaid Expenses	7,202	-	7,202
Restricted			
TABOR Amendment Reserve	33,500	-	33,500
Committed			
Capital Projects	-	-	-
Culture and Recreation	-	-	-
Economic Development	-	127,940	127,940
Assigned			
Designated for Subsequent Years	-	-	-
Unassigned	3,682	-	3,682
TOTAL FUND BALANCE	53,788	127,940	181,728
TOTAL LIABILITIES AND FUND BALANCE	\$ 595,751	\$ 127,940	\$ 723,691

TOWN OF CENTER, COLORADO
COMBINING SCHEDULE OF REVENUES, EXPENDITURES,
AND CHANGES IN FUND BALANCE
GENERAL FUND
For the Year Ended December 31, 2021

	GENERAL FUND	ECONOMIC DEVELOPMENT FUND	ELIMINATIONS	TOTAL
REVENUES				
Taxes	\$ 765,688	\$ 93,926	\$ -	\$ 859,614
Licenses and Permits	7,657	-	-	7,657
Intergovernmental Revenue	476,721	57,294	-	534,015
Charges for Services	94,634	-	-	94,634
Interest on Accounts	1,085	-	-	1,085
Miscellaneous Revenue	30,693	-	-	30,693
TOTAL REVENUES	1,376,478	151,220	-	1,527,698
EXPENDITURES				
General Government	599,662	93,280	-	692,942
Public Safety	683,896	-	-	683,896
Municipal Court	25,170	-	-	25,170
Building and Planning	11,799	-	-	11,799
Sanitation	-	-	-	-
Streets and Parks	188,146	-	-	188,146
Health and Welfare	-	-	-	-
Highway and Streets	-	-	-	-
Capital Outlay	181,548	-	-	181,548
Debt Service	21,898	-	-	21,898
TOTAL EXPENDITURES	1,712,119	93,280	-	1,805,399
Excess (Deficiency) of Revenues Over Expenditures	(335,641)	57,940	-	(277,701)
OTHER FINANCING SOURCES (USES)				
Sale of Capital Assets	21,365	17,500	-	38,865
Transfer In	262,762	52,500	-	315,262
Lease Proceeds	87,898	-	-	87,898
TOTAL OTHER FINANCING SOURCES (USES)	372,025	70,000	-	442,025
Net Change in Fund Balance	36,384	127,940	-	164,324
Fund Balance at Beginning of Year	17,404	-	-	17,404
Fund Balance at End of Year	\$ 53,788	\$ 127,940	\$ -	\$ 181,728

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

LOCAL HIGHWAY FINANCE REPORT		City or County: Center, Colorado
		YEAR ENDING : December 2021
This Information From The Records Of (example - City of _ or County of _): Town of Center, CO	Prepared By: Phone:	Brian Lujan Town Manager 719-754-3497

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:	32,775
b. Motor Vehicle (from Item I.B.5.)		3. Road and street services:	
c. Total (a.+b.)		a. Traffic control operations	3,074
2. General fund appropriations		b. Snow and ice removal	
3. Other local imposts (from page 2)	253,492	c. Other	
4. Miscellaneous local receipts (from page 2)	250	d. Total (a. through c.)	3,074
5. Transfers from toll facilities		4. General administration & miscellaneous	56,444
6. Proceeds of sale of bonds and notes:		5. Highway law enforcement and safety	83,635
a. Bonds - Original Issues		6. Total (1 through 5)	175,928
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)	253,742	b. Redemption	
B. Private Contributions		c. Total (a. + b.)	0
C. Receipts from State government (from page 2)	74,438	2. Notes:	
D. Receipts from Federal Government (from page 2)	0	a. Interest	
E. Total receipts (A.7 + B + C + D)	328,180	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)	175,928

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
	517,482	328,180	175,928	669,734	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	65,641	a. Interest on investments	250
b. Other local imposts:		b. Traffic Fines & Penalties	
1. Sales Taxes	187,851	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.)	187,851	h. Other	
c. Total (a. + b.)	253,492	i. Total (a. through h.)	250
	(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	74,438	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		d. Federal Transit Admin	
d. Other (Specify) - DOLA Grant		e. U.S. Corps of Engineers	
e. Other (Specify)		f. Other Federal	
f. Total (a. through e.)	0	g. Total (a. through f.)	0
4. Total (1. + 2. + 3.f)	74,438	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: