TOWN OF MANZANOLA, COLORADO

Financial Statements

December 31, 2021

TOWN OF MANZANOLA, COLORADO

ANNUAL FINANCIAL REPORT

Town Council

Shirley Adams	Mayor
Amy Holland	Mayor Pro-Tem
Danny Chavez	Trustee
Beverly Jimenez	Trustee
Rainy Melgosa	Trustee

Town Officials

Sylvia Watkins	Town Clerk

TOWN OF MANZANOLA, COLORADO

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Dazzio & Associates, PC

Certified Public Accountants

INDEPENDENT AUDITOR'S REPORT

Honorable Mayor and Members of the Town Council
Town of Manzanola, Colorado
Otero County, Colorado

Report on the Audit of the Financial Statements

Opinions

We have audited the accompanying financial statements of the governmental activities, the business-type activities and each major fund, of the Town of Manzanola, Colorado (the Town), as of and for the year ended December 31, 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 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. Our responsibilities under those standards are further described in the Auditor's 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.

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• Member American Institute of Certified Public Accountants • Member Colorado Society of Certified Public Accountants •

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.

Auditor's 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 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 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

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis and budgetary comparison information on pages V–XVIII and 26–30, respectively, 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 Supplementary Information, as listed in the table of contents, is presented for purposes of additional analysis and is 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.

Other Information

Management is responsible for the other information included in the annual report. The Other Information, as listed in the table of contents, does not include the basic financial statements and our auditor’s report thereon. Our opinions on the basic financial statements do not cover the other information, and we do not express an opinion or any form of assurance thereon.

In connection with our audit of the basic financial statements, our responsibility is to read the other information and consider whether a material inconsistency exists between the other information and the basic financial statements, or the other information otherwise appears to be materially misstated. If, based on the work performed, we conclude that an uncorrected material misstatement of the other information exists, we are required to describe it in our report.

Dazzio & Associates, P.C.

July 29, 2022

MANAGEMENT’S DISCUSSION AND ANALYSIS

MANAGEMENT'S DISCUSSION AND ANALYSIS
December 31, 2021

This section of the Town of Manzanola, Colorado's annual financial report presents the discussion and analysis of the Town's financial performance during the fiscal year that ended on December 31, 2021. Please read it in conjunction with the Town's financial statements, which follow this section.

Financial Highlights

- The Town's total net position increased $1,055,662 over the course of this year's operations.
- During the year, the Town's revenues for governmental programs exceeded expenses by $594,942. Revenues increased $674,447 and expenses increased $48,799 from prior year.
- In the Town's business-type activities, total charges for services were $218,081, which is an increase of $358 from last year. Operating and capital grants and contributions increased $458,848. Expenses decreased $8,537. Revenues exceeded expenses by $460,720.
- The Town completed the rehabilitation of the Beaty Street Bridge at a total cost of approximately $630,000. Nearly 99% of the costs were provided by state grants.
- The Town began work on a project to replace the wastewater treatment facility and construct a non-discharging lagoon system.
- The General Fund reported an ending fund balance of $313,997, an increase of $78,015 from prior year.
- In November, a break-in and fire significantly damaged the Railroad Depot Town Hall. The repairs are ongoing and the Town's insurance carrier is providing reimbursement.

Overview of Financial Statements

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

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

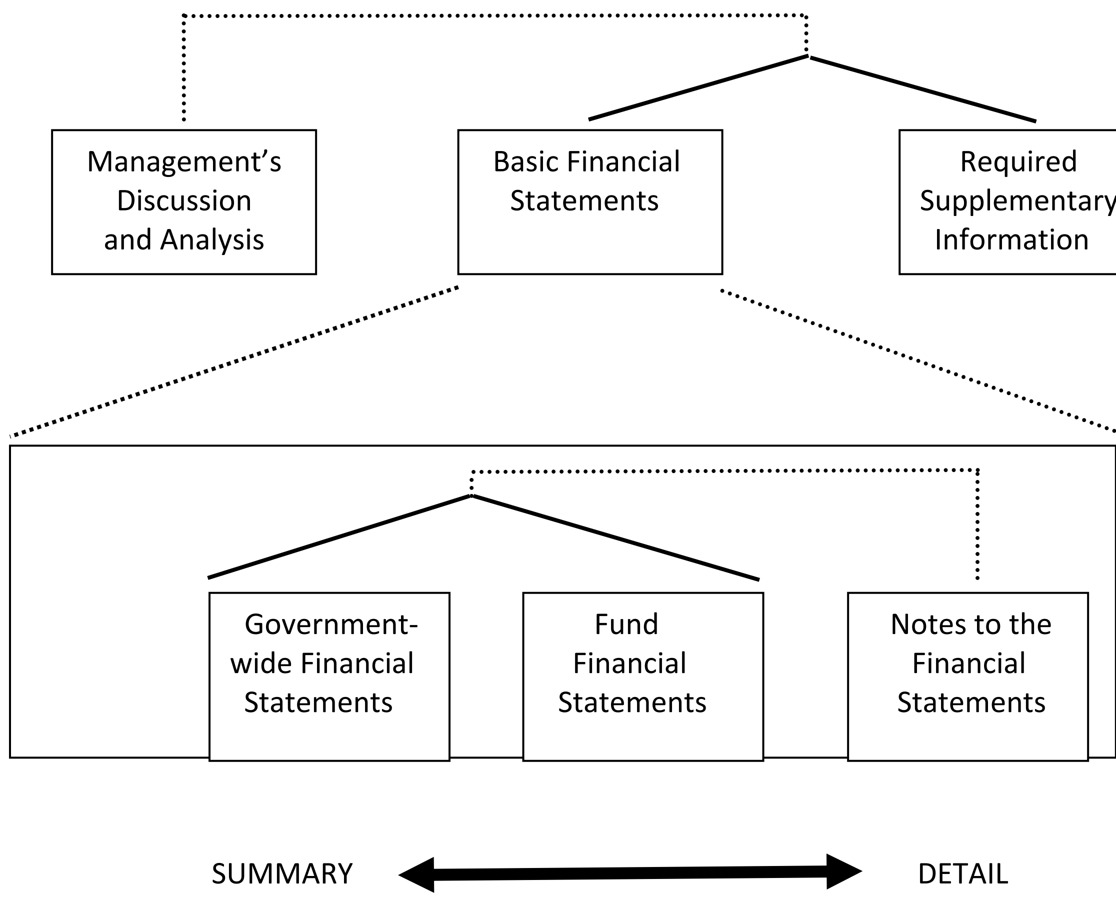
The remaining statements are *fund financial statements* that focus on *individual parts* of the Town government, reporting the Town's operations in *more detail* than the government-wide statements.

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

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

Figure 1

Organization of the Town of Manzanola's Annual Financial Reports



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

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

Figure 2

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

Government-wide Statements

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

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

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

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

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

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

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

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

Fund Financial Statements

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

- Some funds are required by State law.

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

The Town has two kinds of funds:

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

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

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

Government-wide Financial Analysis

Analysis of Net Position

Table 1 presents an analysis of the Town's net position as of December 31. The Town's assets exceeded liabilities by $4,725,304 at the close of 2021. Governmental activities make up $2,111,282 (45%) of these assets, with business-type activities making up the remaining $2,614,022 (55%). Total net position increased by $1,055,662 in 2021. The increase is comprised of the following:

- Total governmental activities assets increased $596,859 to $2,158,891. This was mainly due to capital additions of $593,352 consisting of a new backhoe amounting to $43,500 and completion of the rehabilitation of the Beaty Street Bridge of $542,853. These additions were offset by $73,374 of depreciation on the capital assets. Business-type activities assets increased $769,539 to $2,965,269. This was mainly due the beginning of the design and construction of the evaporative lagoons amounting to $401,472 to depreciation on capital assets of $76,116.
- Total Government-wide liabilities and deferred inflows of resources increased $310,736 to $398,856, mainly due to year end payables on the sewer lagoon project. The Town made all scheduled payments on its existing long-term debt.

The Town's combined net position was $4,725,304 as follows.

Table 1
Net Position

	Governmental Activities		Business-type Activities		Total	
	2021	2020	2021	2020	2021	2020
Assets						
Current Assets	$ 348,806	$ 271,925	$ 632,512	$ 197,329	$ 981,318	$ 469,254
Capital Assets	1,810,085	1,290,107	2,332,757	1,998,401	4,142,842	3,288,508
Total Assets	2,158,891	1,562,032	2,965,269	2,195,730	5,124,160	3,757,762
Liabilities						
Long-term Liabilities	17,473	17,240	33,168	37,628	50,641	54,868
Other Liabilities	-	12	318,079	4,800	318,079	4,812
Total Liabilities	17,473	17,252	351,247	42,428	368,720	59,680
Deferred Inflows of Resources	30,136	28,440	-	-	30,136	28,440
Net Position						
Net Investment in Capital Assets	1,810,085	1,290,107	2,296,757	1,957,601	4,106,842	3,247,708
Restricted	9,573	12,291	13,122	16,798	22,695	29,089
Unrestricted	291,624	213,942	304,143	178,903	595,767	392,845
Total Net Position	$ 2,111,282	$ 1,516,340	$ 2,614,022	$ 2,153,302	$ 4,725,304	$ 3,669,642

The largest portion of the Town's net position (87%) reflects its investment of $4,106,842 in capital assets. Net capital assets are reported less any related debt used to acquire those assets that is still outstanding. The Town uses these capital assets to provide services to citizens; consequently, these assets are not available for future spending. Although the Town's investment in its capital assets is reported net of related debt, it should be noted that the resources needed to repay the debt must be provided from other sources, since the capital assets themselves cannot be used to liquidate these liabilities.

An additional portion of the Town's net position, $22,695 (1%) represents resources that are subject to external restrictions on how they may be used. The remaining balance of unrestricted net position of $595,767 (12%) may be used to meet the Town's ongoing obligations to citizens and creditors.

Changes in Net Position

Table 2
Changes in Net Position

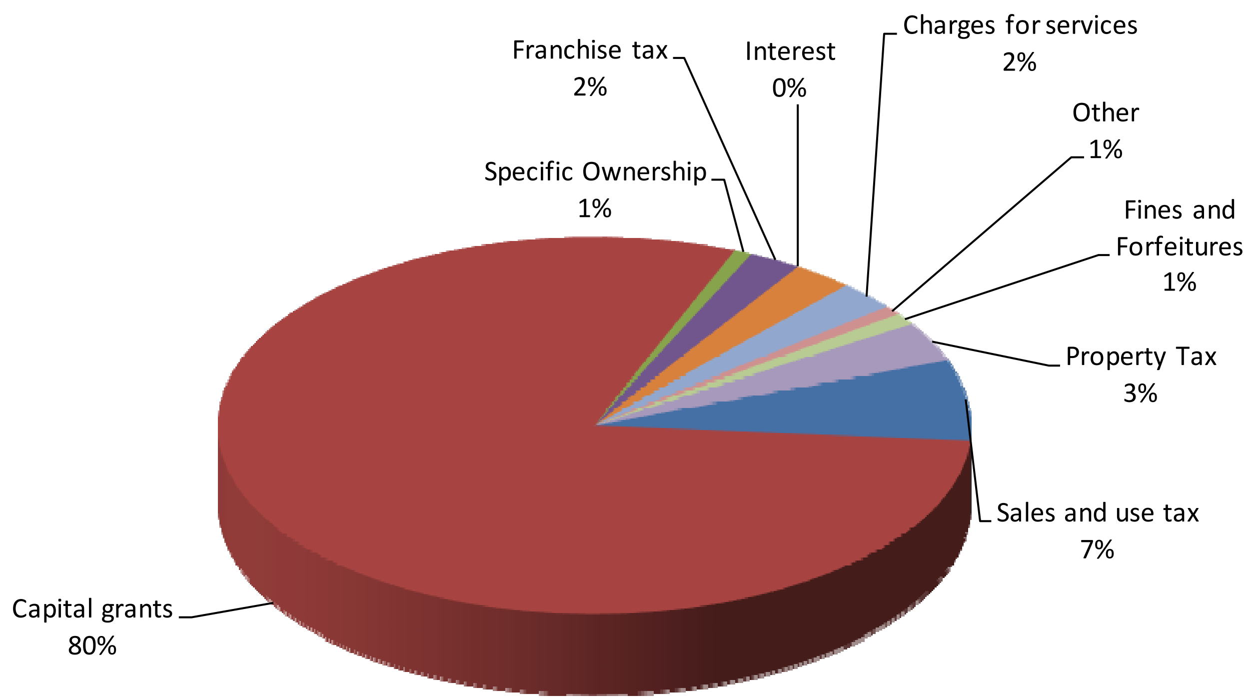
As presented in Table 2 the Town's overall net position increased $1,055,662 during 2021. This increase is explained in the governmental and business-type activities discussion below.

	Governmental Activities		Business-type Activities		Total	
Revenues	**2021**	**2020**	**2021**	**2020**	**2021**	**2020**
Program Revenues						
Permits, Fees, Fines and Charges For Services	$ 29,333	$ 34,583	$ 218,081	$ 217,723	$ 247,414	$ 252,306
Operating Grants and Contributions	21,510	15,324	558	2,825	22,068	18,149
Capital Grants and Contributions	664,769	-	461,115	-	1,125,884	-
General Revenues						
Taxes	110,394	98,682	-	-	110,394	98,682
Net Investment Income	1,150	3,633	-	-	1,150	3,633
Other	5,383	5,870	-	-	5,383	5,870
Total Revenues	832,539	158,092	679,754	220,548	1,512,293	378,640
Expenses						
General Government	43,004	42,123	-	-	43,004	42,123
Public Safety	62,866	67,570	-	-	62,866	67,570
Public Works	53,541	25,003	-	-	53,541	25,003
Health and Welfare	4,946	700	-	-	4,946	700
Parks and Recreation	48,031	46,332	-	-	48,031	46,332
Sanitation	7,266	7,070	-	-	7,266	7,070
Water	-	-	157,995	152,229	157,995	152,229
Sewer	-	-	70,912	85,215	70,912	85,215
Wastewater	-	-	8,070	8,070	8,070	8,070
Total Expenses	219,654	188,798	236,977	245,514	456,631	434,312
Income (Loss) Before Transfers	612,885	(30,706)	442,777	(24,966)	1,055,662	(55,672)
Transfers	(17,943)	-	17,943	-	-	-
Change In Net Position	594,942	(30,706)	460,720	(24,966)	1,055,662	(55,672)
Net Position - Beginning	1,516,340	1,547,046	2,153,302	2,178,268	3,669,642	3,725,314
Net Position - Ending	$ 2,111,282	$ 1,516,340	$ 2,614,022	$ 2,153,302	$ 4,725,304	$ 3,669,642

Governmental Activities.

Net position of governmental activities increased $594,942 in 2021. Governmental revenues increased $674,447 compared to 2020. The main increase in revenues was due to grants received on the Beaty Street Bridge Project of $537,381 and $127,387 received from insurance for various losses and a fire that damaged part of the Railroad Depot Town Hall in November. The repairs to the damage will be incurred in 2022.

Revenues by Source - Governmental Activities



Governmental expenses increased $48,799 (26%) compared to 2020.

Expenses by Function - Governmental Activities

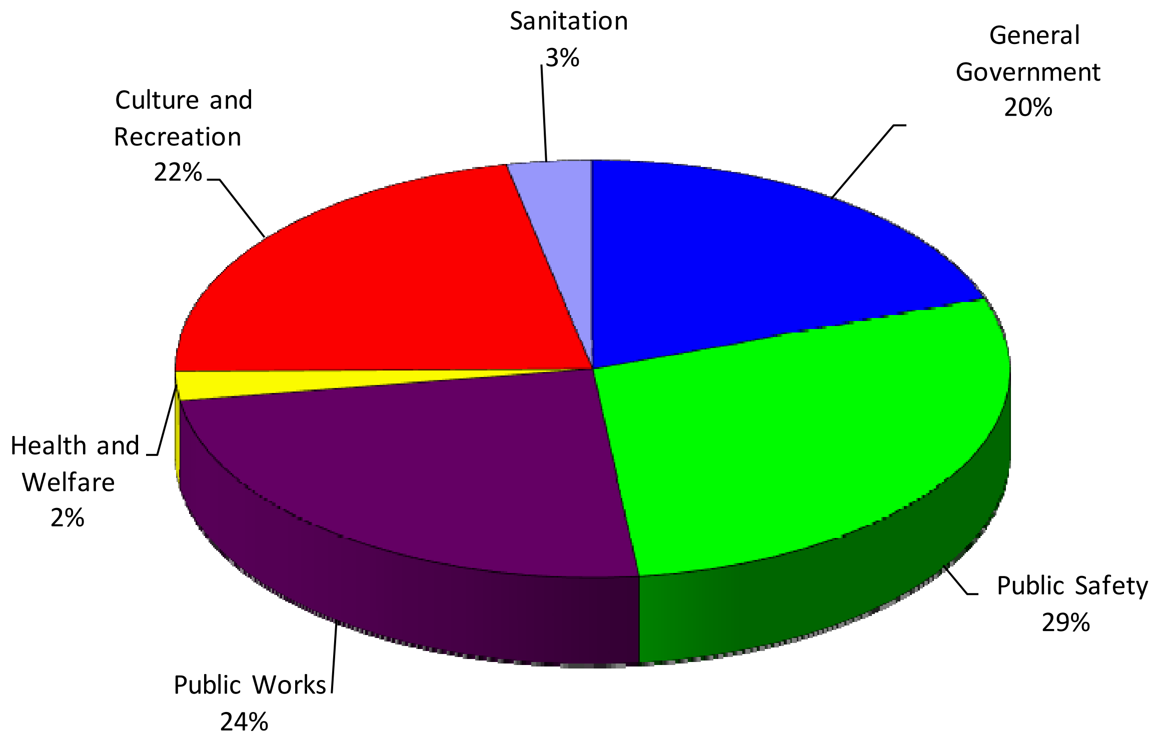


Table 3 presents the cost of each of the Town's programs – General Government, Public Safety, Public Works, Health & Welfare and Culture & Recreation – as well as each program's *net cost* (total cost less fees generated by the activities). The net cost shows the financial burden that was placed on the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

Table 3
Net Cost of Services

	Total Cost of Services		Net Cost of Services	
	2021	**2020**	**2021**	**2020**
General Government	$ 43,004	$ 42,123	$ 16,090	$ (33,355)
Public Safety	62,866	67,570	(54,396)	(54,783)
Public Works	53,541	25,003	627,684	(11,079)
Health and Welfare	4,946	700	(1,447)	2,810
Culture and Recreatior	48,031	46,332	(42,978)	(46,332)
Sanitation	7,266	7,070	3,411	3,848
Total	$ 219,654	$ 188,798	$ 548,364	$ (138,891)

Business-type Activities

Net position of business-type activities increased $460,720 in 2021. In 2021, revenues increased $477,149 and expenses decreased $8,537 (3.5%) compared to 2020. Service fees increased $358 in 2021 while capital sewer grant revenue of $461,115 was recognized in 2021.

The Water Fund experienced a decrease in net position of $35,380 compared to a decrease in 2020 of $26,057. This decrease was caused by depreciation on capital assets of $49,673. Operating revenues decreased $1,290 and operating expenses increased $5,766.

The Sewer Fund experienced an increase in net position of $492,605 compared to an increase in 2020 of $12,646. The increase was due to grant revenue associated with the wastewater treatment project. Operating revenues increased $1,598 and operating expenses decreased $14,303.

The Wastewater Fund experienced an increase in net position of $3,495 compared to a decrease in 2020 of $11,555. The decrease in 2020 was due to a transfer of $15,000 to the Sewer Fund to provide additional funds associated with the purchase of land for the wastewater treatment project.

Financial Analysis of the Town's Funds

Governmental funds

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

As the Town completed the year, the governmental funds reported a combined fund balance of $318,670, an increase of $75,197 over last year. $214,603 constitutes unassigned fund balance, which is available for spending at the Town's discretion. $94,494 of the fund balance is assigned for spending in 2022.

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

Restricted for Parks and Recreation	$4,673
Restricted for TABOR Emergencies	$4,900

The General Fund is the primary operating fund of the Town. At the end of 2021, unassigned fund balance of the General Fund was $267,009, while total fund balance was $366,403. As a measure of the General Fund's liquidity, it may be useful to compare unassigned fund balance to total fund expenditures. Unassigned fund balance represents 29% of total General Fund expenditures (compared to 172% in 2020). Excluding capital outlay, the percentage increases to 148%.

The fund balance of the Town's General Fund increased $78,015 during 2021. Key factors are as follows:

- An increase in revenues of $669,602. The increase in revenues was due to the following:
    - Grants amounting to $537,382 from DOLA and CDOT for the Beaty Street Bridge project
    - Increase in sales tax of $10,994, or 24%
    - Insurance reimbursements amounting to $127,387 for the Railroad Depot Town Hall fire and other losses. The unspent portion of the reimbursement is included in assigned fund balance in the General Fund.
- Expenditures increased $597,361 to $731,736. The increase is attributed to capital projects, primarily engineering and capital expenditures associated with the Beaty Street Bridge project of $542,852 and the purchase of a backhoe for $43,500.

Proprietary funds.

The Town's proprietary funds provide the same type of information in the government-wide financial statements, but in more detail. Net position of the enterprise operations at December 31, 2021 follow:

	Net Position	Change in Net Position
Water	$1,575,053	$ (35,380)
Sewer	831,851	492,605
Wastewater	207,118	3,495
	$2,614,022	$ 460,720

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

Capital Asset and Debt Administration

Capital Assets

The following table provides comparative information on the Town's capital assets for 2021 and 2020:

Table 4
Capital Assets

	Governmental Activities		Business-type Activities		Total	
	2021	**2020**	**2021**	**2020**	**2021**	**2020**
Land	$ 16,221	$ 16,221	$ 56,000	$ -	$ 72,221	$ 16,221
Construction in Process	-	87,516	394,944	49,472	394,944	136,988
Land Improvements	1,048,773	1,087,334	-	-	1,048,773	1,087,334
Roads and Bridges	614,609	-	-	-	614,609	-
Buildings and Improvements	39,448	41,435	-	-	39,448	41,435
Vehicles and Equipment	91,034	57,601	-	-	91,034	57,601
Water System	-	-	1,465,453	1,508,126	1,465,453	1,508,126
Sewer and Wastewater Systems	-	-	416,360	440,803	416,360	440,803
	$ 1,810,085	$ 1,290,107	$ 2,332,757	$ 1,998,401	$ 4,142,842	$ 3,288,508

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

Long-term Debt

The following table provides comparative information on the Town's long-term debt for 2021 and 2020:

Table 5
Outstanding Debt

	Governmental Activities		Business-type Activities		Total	
	2021	**2020**	**2021**	**2020**	**2021**	**2020**
Estimated Closure and Postclosure Costs	$ 15,476	$ 15,268	$ -	$ -	$ 15,476	$ 15,268
Sewer Notes Payable	-	-	36,000	40,800	36,000	40,800
Compensated Absences	1,997	1,972	1,968	1,628	3,965	3,600
	$ 17,473	$ 17,240	$ 37,968	$ 42,428	$ 55,441	$ 59,668

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

Next Year's Budgets and Rates

The Town budgeted for 2022 property tax revenue of $30,136, based on an assessed valuation for the Town of $1,116,534 and a mill levy of 26.990 mills for the General Fund.

The Town's budget for 2022 is as follows:

	Budgeted Revenue	Budgeted Expenditures	Net Increase (Decrease)
General Fund	$ 150,555	$ 158,099	$ (7,544)
Conservation Trust Fund	4,000	7,399	(3,399)
Water Fund	120,680	146,029	(25,349)
Sewer Fund	1,132,407	1,117,374	15,033
Wastewater Fund	11,475	10,850	625
Total	$ 1,419,117	$ 1,439,751	$ (20,634)

The wastewater evaporative plant is a main priority for the Town. A 28-acre property was purchased north of Manzanola in April 2021. A CDPHE grant of $284,800 was matched with an American Rescue Plan Grant of $104,812 to purchase the main cell liner for the evaporative plant. The Town continues to work with GMS Engineers in Colorado Springs pursuing more grant funding for the project.

The Town continues to be involved with the Arkansas Valley Conduit to provide the Town with quality potable drinking water. The goal is to meet State regulations on radium 226 & 228 and uranium by year 2026.

In The Town increased monthly water rates on July 1, 2022, for high-water users (those using more than 3,000 gallons per month) from $2.00/1000 gallons to $2.50/1000 gallons for usage over 3,000 gallons per month and increased the rate for those using more than 17,000 gallons per month from $2.00/1000 gallons to $3.50/1000 gallons.

The Town is in the process of replacing all stop and yield signs in Town.

The Manzanola School District donated grade school playground equipment to the Town, which was replaced thru a Colorado Best Grant. The Town will move the equipment to Beaty Park. The Town signed an agreement with the Manzanola School District to install an electric LED double-sided 3' X 9' sign in Miller Park, which is being bought with Colorado Best Grant money.

The fire at the Railroad Depot Town Hall has been devastating to our Town. We are thankful to our insurance carrier, Glatfelter Insurance Group, for working with the Town on this unfortunate event. The enormous stress and price of refurbishing the Railroad Depot Town Hall has been significant.

Requests for Information

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

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

BASIC FINANCIAL STATEMENTS

TOWN OF MANZANOLA, COLORADO

STATEMENT OF NET POSITION
December 31, 2021

	Governmental Activities	Business-Type Activities	Total
Assets			
Cash and Investments	$ 300,973	$ 602,962	$ 903,935
Cash and Investments - Restricted	4,673	-	4,673
Receivable from County Treasurer	713	-	713
Property Taxes Receivable	30,136	-	30,136
Accounts Receivable	12,311	29,550	41,861
Capital Assets Not Being Depreciated	16,221	450,944	467,165
Capital Assets, Net of Accumulated Depreciation	1,793,864	1,881,813	3,675,677
Total Assets	2,158,891	2,965,269	5,124,160
Liabilities			
Accounts Payable	-	297,615	297,615
Retainage Payable	-	15,664	15,664
Noncurrent Liabilities:			
Due Within One Year	-	4,800	4,800
Due In More Than One Year	17,473	33,168	50,641
Total Liabilities	17,473	351,247	368,720
Deferred Inflows of Resources			
Property Taxes	30,136	-	30,136
Net Position			
Net Investment in Capital Assets	1,810,085	2,296,757	4,106,842
Restricted			
Operations and Maintenance	-	13,122	13,122
Parks and Recreation	4,673	-	4,673
Tabor Emergencies	4,900	-	4,900
Unrestricted	291,624	304,143	595,767
Total Net Position	$ 2,111,282	$ 2,614,022	$ 4,725,304

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

TOWN OF MANZANOLA, COLORADO

STATEMENT OF ACTIVITIES
For the Year Ended December 31, 2021

		Program Revenues			Net (Expense) Revenues and Changes in Net Position		
Function/Program Activities	Expenses	Permits, Fees, Fines, and Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Governmental Activities	Business-Type Activities	Total
Governmental Activities							
General Government	$ 43,004	$ 6,687	$ -	$ -	$ (36,317)	$ -	$ (36,317)
Public Safety	62,866	8,470	-	-	(54,396)	-	(54,396)
Public Works	53,541	-	16,457	664,769	627,685	-	627,685
Health and Welfare	4,946	3,499	-	-	(1,447)	-	(1,447)
Culture and Recreation	48,031	-	5,053	-	(42,978)	-	(42,978)
Sanitation	7,266	10,677	-	-	3,411	-	3,411
Total Governmental Activities	219,654	29,333	21,510	664,769	495,958	-	495,958
Business-type Activities							
Water	157,995	122,057	558	-	-	(35,380)	(35,380)
Sewer	70,912	84,459	-	461,115	-	474,662	474,662
Wastewater	8,070	11,565	-	-	-	3,495	3,495
Total Business-type Activities	236,977	218,081	558	461,115	-	442,777	442,777
Total	$ 456,631	$ 247,414	$ 22,068	$ 1,125,884	495,958	442,777	938,735

	Governmental Activities	Business-Type Activities	Total
General Revenues:			
Property Taxes	28,406	-	28,406
Specific Ownership Tax	6,359	-	6,359
Sales and Use Taxes	56,902	-	56,902
Franchise Tax and Other Taxes	18,727	-	18,727
Interest Income	1,150	-	1,150
Miscellaneous	5,383	-	5,383
Transfers	(17,943)	17,943	-
Total General Revenues	98,984	17,943	116,927
Change In Net Position	594,942	460,720	1,055,662
Net Position - Beginning	1,516,340	2,153,302	3,669,642
Net Position - Ending	$ 2,111,282	$ 2,614,022	$ 4,725,304

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

TOWN OF MANZANOLA, COLORADO

BALANCE SHEET
GOVERNMENTAL FUNDS
December 31, 2021

	General Fund	Conservation Trust Fund	Total Governmental Funds
Assets			
Cash and Investments	$ 300,973	$ -	$ 300,973
Cash and Investments - Restricted	-	4,673	4,673
Receivable from County Treasurer	713	-	713
Property Taxes Receivable	30,136	-	30,136
Accounts Receivable	12,311	-	12,311
Total Assets	$ 344,133	$ 4,673	$ 348,806
Liabilities			
Accounts Payable	$ -	$ -	$ -
Total Liabilities	-	-	-
Deferred Inflows of Resources			
Property Taxes	30,136	-	30,136
Fund Balances			
Restricted			
Parks and Recreation	-	4,673	4,673
TABOR Emergencies	4,900	-	4,900
Assigned			
Subsequent Year's Budget	7,544	-	7,544
Railroad Depot Town Hall	86,950	-	86,950
Unassigned	214,603	-	214,603
Total Fund Balances	313,997	4,673	318,670
Total Liabilities, Deferred Inflows of Resources and Fund Balances	$ 344,133	$ 4,673	$ 348,806

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

TOWN OF MANZANOLA, COLORADO

RECONCILIATION OF THE GOVERNMENTAL FUNDS BALANCE SHEET TO THE STATEMENT OF NET POSITION
December 31, 2021

Total Fund Balance - Governmental Funds		$ 318,670
Total net position reported for governmental activities in the statement of net position is different because:		
Capital assets used in governmental activities are not financial resources and therefore are not reported in the funds. Those assets consist of:		
Land	$ 16,221	
Land Improvements, Net of $493,648 accumulated depreciation	1,048,773	
Roads and Bridges, Net of $15,759 accumulated depreciation	614,609	
Buildings and Improvements, Net of $43,085 accumulated depreciation	39,448	
Vehicles and Equipment, Net of $169,760 accumulated depreciation	91,034	1,810,085
Long-term liabilities applicable to the District's governmental activities are not due and payable in the current period and accordingly are not reported as fund liabilities. Interest on long-term debt is not accrued in governmental funds, but rather is recognized as an expenditure when due. All liabilities - both current and long-term - are reported in the statement of net position.		
Balances at December 31, 2021 are:		
Compensated Absences	(1,997)	
Estimated Closure and Postclosure Costs	(15,476)	(17,473)
Net Position - Governmental Activities		$ 2,111,282

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

TOWN OF MANZANOLA, COLORADO

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

	General Fund	Conservation Trust Fund	Total Governmental Funds
Revenues			
Taxes	$ 110,394	$ -	$ 110,394
Intergovernmental Revenue	553,839	5,053	558,892
Charges for Services	21,039	-	21,039
Licenses and Permits	32	-	32
Fines and Forfeitures	8,470	-	8,470
Interest Income	1,150	-	1,150
Insurance Recovery	127,387		127,387
Other	5,383	-	5,383
Total Revenues	827,694	5,053	832,747
Expenditures			
Current			
General Government	42,979	-	42,979
Public Safety	60,466	-	60,466
Public Works	29,353	-	29,353
Health and Welfare	4,946	-	4,946
Culture and Recreation	374	7,871	8,245
Sanitation	7,266	-	7,266
Capital Outlay	586,352	-	586,352
Total Expenditures	731,736	7,871	739,607
Excess Revenues Over (Under) Expenditures	95,958	(2,818)	93,140
Other Financing Sources (Uses)			
Transfers Out	(17,943)	-	(17,943)
Net Change in Fund Balances	78,015	(2,818)	75,197
Fund Balances - Beginning	235,982	7,491	243,473
Fund Balances - Ending	$ 313,997	$ 4,673	$ 318,670

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

TOWN OF MANZANOLA, COLORADO

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

Net Change in Fund Balance - Governmental Funds	$ 75,197
Amounts reported for governmental activities in the statement of activities are different because:	
Governmental funds report capital outlays as expenditures. However, in the Statement of Activities, the cost of those assets are allocated over their estimated useful lives and reported as depreciation expense.	
Capital Outlay	593,352
Depreciation	(73,374)
Some expenses reported in the statement of activities do not require the use of current financial resources and therefore are not reported as expenditures in governmental funds.	
Adjustment to compensated absences liability	(25)
Adjustment to estimated closure and postclosure costs	(208)
Change in Net Position - Governmental Activities	$ 594,942

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

TOWN OF MANZANOLA, COLORADO

STATEMENT OF NET POSITION
PROPRIETARY FUNDS
December 31, 2021

	Water	Sewer	Wastewater	Total
Assets				
Current assets				
Cash and Investments	$ 97,632	$ 463,917	$ 41,413	$ 602,962
Accounts Receivable	12,952	15,638	960	29,550
Total Current Assets	110,584	479,555	42,373	632,512
Noncurrent Assets				
Capital Assets Not Being Depreciated	-	450,944	-	450,944
Capital Assets, Net of Accumulated Depreciation	1,465,453	215,615	200,745	1,881,813
Total Assets	1,576,037	1,146,114	243,118	2,965,269
Liabilities				
Current Liabilities				
Accounts Payable	-	297,615	-	297,615
Retainage Payable	-	15,664	-	15,664
Notes Payable - Current	-	-	4,800	4,800
Total Current Liabilities	-	313,279	4,800	318,079
Noncurrent Liabilities				
Compensated Absences	984	984	-	1,968
Notes Payable	-	-	31,200	31,200
Total Noncurrent Liabilities	984	984	31,200	33,168
Total Liabilities	984	314,263	36,000	351,247
Net Position				
Net Investment in Capital Assets	1,465,453	666,559	164,745	2,296,757
Restricted:				
Operations and Maintenance Reserve	-	-	13,122	13,122
Unrestricted	109,600	165,292	29,251	304,143
Total Net Position	$ 1,575,053	$ 831,851	$ 207,118	$ 2,614,022

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

TOWN OF MANZANOLA, COLORADO

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

	Water	Sewer	Wastewater	Total
Operating Revenues				
Charges for Sales and Services				
Service Fees	$ 118,057	$ 82,459	$ 11,565	$ 212,081
Other	4,000	2,000	-	6,000
Total Operating Revenues	122,057	84,459	11,565	218,081
Operating Expenses				
Salaries and Benefits	65,153	33,860	-	99,013
System Operations	24,225	8,096	-	32,321
Water Analysis	1,499	1,508	-	3,007
Commodities and Services	7,701	999	50	8,750
Insurance	8,026	8,026	-	16,052
Conduit	1,718	-	-	1,718
Depreciation	49,673	18,423	8,020	76,116
Total Operating Expenses	157,995	70,912	8,070	236,977
Operating Income (Loss)	(35,938)	13,547	3,495	(18,896)
Nonoperating Revenues (Expenses)				
Interest Income	90	-	-	90
Other, Net	468	-	-	468
Total Nonoperating Revenues (Expenses)	558	-	-	558
Income (Loss) Before Capital Contributions and Transfers	(35,380)	13,547	3,495	(18,338)
Capital Grant Revenue	-	461,115	-	461,115
Transfers In	-	17,943	-	17,943
Change In Net Position	(35,380)	492,605	3,495	460,720
Net Position - Beginning	1,610,433	339,246	203,623	2,153,302
Net Position - Ending	$ 1,575,053	$ 831,851	$ 207,118	$ 2,614,022

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

TOWN OF MANZANOLA, COLORADO

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

	Water	Sewer	Wastewater	Total
Cash Flows from Operating Activities				
Cash Received from Customers	$ 120,770	$ 78,855	$ 11,565	$ 211,190
Cash Payments to Suppliers for Goods and Services	(43,169)	(18,629)	(50)	(61,848)
Cash Payments to Employees for Services	(64,983)	(33,690)	-	(98,673)
Other Cash Received	468	-	-	468
Net Cash Provided by Operating Activities	13,086	26,536	11,515	51,137
Cash Flows from Noncapital Financing Activities				
Transfers (to) from Other Funds	-	17,943	-	17,943
Cash Flows from Capital and Related Financing Activities				
Capital Grant Received	-	461,115	-	461,115
Line of Credit Borrowing	-	56,000	-	56,000
Acquisition and Construction of Capital Assets	(7,000)	(90,193)	-	(97,193)
Line of Credit Payment	-	(56,000)	-	(56,000)
Principal Paid on Long-Term Debt	-	-	(4,800)	(4,800)
Net Cash (Used) by Capital and Related Financing Activities	(7,000)	370,922	(4,800)	359,122
Cash Flows from Investing Activities				
Interest Income	90	-	-	90
Net Increase (Decrease) In Cash and Cash Equivalents	6,176	415,401	6,715	428,292
Cash and Cash Equivalents - Beginning	91,456	48,516	34,698	174,670
Cash and Cash Equivalents - Ending	$ 97,632	$ 463,917	$ 41,413	$ 602,962
Reconciliation of Operating Income (Loss) to Net Cash Provided by Operating Activities:				
Operating (Loss)	$ (35,938)	$ 13,547	$ 3,495	$ (18,896)
Adjustments to Reconcile Operating (Loss) to Net Cash Provided by Operating Activities:				
Depreciation	49,673	18,423	8,020	76,116
Miscellaneous Nonoperating Income	468	-	-	468
Effect of Changes In Operating Assets and Liabilities:				
Accounts Receivable	(1,287)	(5,604)	-	(6,891)
Compensated Absences	170	170	-	340
Total Adjustments	49,024	12,989	8,020	70,033
Net Cash Provided by Operating Activities	$ 13,086	$ 26,536	$ 11,515	$ 51,137

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

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

Note 1 – Definition of Reporting Entity

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

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

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

Otero County Landfill Joint Venture

The Town is a participant along with six other entities within the County in a joint venture known as the Otero County Landfill, Inc. As a participant, the Town is responsible for a portion of closure and post closure costs of the landfill. As of December 31, 2021, the Town's share of the cost is estimated at $15,476, or approximately 1.0% of the total (see Note 5). A complete financial report may be obtained from the administrative offices of Otero County.

Note 2 – Summary of Significant Accounting Policies

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

Government-wide and Fund Financial Statements

The government-wide financial statements (i.e., the Statement of Net Position and the Statement of Activities) report information on all the activities of the Town. Governmental activities, which normally are supported by taxes and intergovernmental revenues, are reported separately from business-type activities, which rely to a significant extent on user fees and charges for support. Likewise, the primary government is reported separately from certain legally separate component units for which the primary government is financially accountable.

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

The statement of activities demonstrates the degree to which the direct expenses of a given function or segment are offset by program revenues. Direct expenses are those that are clearly identifiable with a specific function or segment. Program revenues include charges to customers or applicants who purchase, use, or directly benefit from goods, services, or privileges provided by given function or segment; fines and forfeitures; and grants and contributions that are restricted to meeting the operational or capital requirements of a particular function or segment. Taxes and other items not properly included among program revenues are reported instead as general revenues.

Separate financial statements are provided for governmental funds and proprietary funds. Major individual governmental funds and major individual enterprise funds are reported in separate columns in the fund financial statements.

Measurement Focus, Basis of Accounting and Financial Statement Presentation

The government-wide financial statements are reported using the *economic resources measurement focus* and *accrual basis of accounting*, as are the proprietary fund financial statements. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows.

Governmental fund financial statements are reported using the *current financial resources measurement focus* and the *modified accrual basis of accounting*. Revenues are recognized as soon as they are both measurable and available. Revenues are considered to be *available* when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the Town considers revenues to be available if they are collected within 60 days after year-end. Property taxes, sales taxes, franchise taxes and interest are susceptible to accrual and so have been recognized as revenues in the current period. Grants and similar items are recognized as revenues as soon as all eligibility requirements imposed by the provider have been met. All other revenue items are considered to be measurable and available only when cash is received by the Town. Expenditures are recorded when the related fund liability is incurred, as under accrual accounting. However, debt service expenditures, as well as expenditures related to compensated absences are recorded only when payment is due.

The Town reports the following major governmental funds:

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

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

The Town reports the following major proprietary funds:

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

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

As a general rule, the effect of interfund activity has been eliminated from the government-wide financial statements. Exceptions to this general rule are charges between the Town's water and waste water functions and various other functions of government. Elimination of these charges would distort the direct costs and program revenues reported for the various functions concerned.

Amounts reported as program revenues include 1) charges to customers or applicant for goods, services, or privileges provided, 2) operating grants and contributions, and 3) capital grants and contributions. Internally dedicated resources are reported as general revenues rather than as program revenues. Likewise, general revenues include all Town levied taxes.

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

Pooled Cash and Investments

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

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

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

Property Taxes

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

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

Capital Assets

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

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

The costs of normal maintenance and repairs that do not add to the value of the asset or materially extend assets lives are not capitalized. Major outlays for capital assets and improvements are capitalized as projects are constructed and depreciated over their remaining useful lives.

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

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

Deferred Outflows/Inflows of Resources

In addition to assets, the statement of financial position/balance sheet will sometimes report a separate section for deferred outflows of resources. This separate financial statement element, deferred outflows of resources, represents a consumption of net position or fund balance that applies to a future period(s) and thus, will not be recognized as an outflow of resources (expense/expenditure) until then.

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

Compensated Absences

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

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

Long-term Obligations

In the government-wide financial statements, and proprietary fund types in the fund financial statements, long-term debt and other long-term obligations are reported as liabilities in the applicable governmental activities, business-type activities, or proprietary fund type statement of net position. Bond premiums and discounts are deferred and amortized over the term of the bonds. The balance of these deferrals is combined with the corresponding long-term debt in the financial statements.

In the fund financial statements, governmental fund types recognize bond premiums and discounts, as well as issuance costs, during the current period. The face amount of debt issued is reported as other financing sources. Premiums received on debt issuances are reported as other financing sources while discounts on debt issuances are reported as other financing uses. Issuance costs, even if withheld from the actual new proceeds received, are reported as debt service expenditures.

Net Position and Fund Equity

Net Position

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

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

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

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

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

Fund Balances

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

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

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

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

The Town reports the following Restricted Fund Balances:

> Restricted for TABOR Emergencies – Emergency reserves have been provided for as required by Article X, Section 20 of the Constitution of the State of Colorado (see Note 10).
>
> Restricted for Parks and Recreation – Represents the balance of funds remaining from the Conservation Trust (State Lottery) Fund proceeds.

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

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

The following fund balances are assigned:

> Subsequent Year's Budget – used to account for the portion of the year-end fund balance which is appropriated in the subsequent year's budget.
>
> Railroad Depot Town Hall – used to account for unspent insurance proceeds associated with damage to the Railroad Depot Town Hall.

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

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

Use of Estimates

The preparation of financial statements, in conformity with generally accepted accounting principles, requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates. An example of such an estimate that has been made by management is depreciation expense.

Note 3 –Cash and Investments

Cash and investments at December 31, 2021 are presented in the accompanying financial statements as follows:

	Governmental Activities	Business-type Activities	Total
Cash and Investments	$ 300,973	$ 602,962	$ 903,935
Cash and Investments - Restricted	4,673	-	4,673
Total	$ 305,646	$ 602,962	$ 908,608

Cash and investments as of December 31, 2021 consist of the following:

	Governmental Activities	Business-type Activities	Total
Deposits with Financial Institutions	$ 130,957	$ 585,540	$ 716,497
Certificates of Deposit	174,689	17,422	192,111
Total	$ 305,646	$ 602,962	$ 908,608

Deposits with Financial Institutions

Custodial credit risk

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

At December 31, 2021, the District's cash deposits had a bank balance of $727,728 and a carrying balance of $716,497.

Investments

The Town has not adopted a formal investment policy; however, the Town follows state statutes regarding investments. Colorado revised statutes limit investment maturities to five years or less unless formally approved by the Town Council, such actions are generally associated with a debt service reserve or sinking fund requirements.

The Town generally limits its concentration of investments to obligations of the United States, certain U.S. government agency securities and Local Government Investment Pools, which are believed to have minimal credit risk; minimal interest rate risk and no foreign currency risk. Additionally, the Town is not subject to concentration risk disclosure requirements or subject to investment custodial credit risk for investments that are in the possession of another party.

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

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

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

The Town had no investments at December 31, 2021.

Note 4 – Capital Assets

Capital asset activity for the year ended December 31, 2021 was as follows for the Town's governmental activities:

Governmental Activities:	**Beginning Balance**	**Increases**	**Decreases**	**Ending Balance**
Capital Assets Not Being Depreciated:				
Land	$ 16,221	$ -	$ -	$ 16,221
Construction in Process	87,516	542,852	(630,368)	-
Total Capital Assets Not Being Depreciated	103,737	542,852	(630,368)	16,221
Capital Assets Being Depreciated:				
Land Improvements	1,542,421	-	-	1,542,421
Roads and Bridges	-	630,368	-	630,368
Buildings and Improvements	82,533	-	-	82,533
Vehicles and Equipment	265,387	50,500	(55,093)	260,794
Total Capital Assets Being Depreciated	1,890,341	680,868	(55,093)	2,516,116
Less Accumulated Depreciation For:				
Land Improvements	(455,087)	(38,561)	-	(493,648)
Roads and Bridges	-	(15,759)	-	(15,759)
Buildings and Improvements	(41,098)	(1,987)	-	(43,085)
Vehicles and Equipment	(207,786)	(17,067)	55,093	(169,760)
Total Accumulated Depreciation	(703,971)	(73,374)	55,093	(722,252)
Total Capital Assets Being Depreciated, Net	1,186,370	607,494	-	1,793,864
Governmental Activities Capital Assets, Net	$ 1,290,107	$ 1,150,346	$ (630,368)	$ 1,810,085

Depreciation expense was charged to functions/programs as follows:

Governmental Activities	
Public Safety	$ 2,400
Public Works	24,188
Culture & Recreation	46,786
	$ 73,374

Capital asset activity for the year ended December 31, 2021 was as follows for the Town's business-type activities:

Business-type Activities:	**Beginning Balance**	**Increases**	**Decreases**	**Ending Balance**
Capital Assets Not Being Depreciated:				
Land	$ -	$ 56,000	$ -	$ 56,000
Construction in Process	49,472	345,472	-	394,944
Total Capital Assets Not Being Depreciated	49,472	401,472	-	450,944
Capital Assets Being Depreciated:				
Water	2,529,242	7,000	-	2,536,242
Sewer	706,381	2,000	-	708,381
Wastewater	302,455	-	-	302,455
Total Capital Assets Being Depreciated	3,538,078	9,000	-	3,547,078
Less Accumulated Depreciation For:				
Water	(1,021,116)	(49,673)	-	(1,070,789)
Sewer	(474,343)	(18,423)	-	(492,766)
Wastewater	(93,690)	(8,020)	-	(101,710)
Total Accumulated Depreciation	(1,589,149)	(76,116)	-	(1,665,265)
Total Capital Assets Being Depreciated, Net	1,948,929	(67,116)	-	1,881,813
Business-type Activities Capital Assets, Net	$ 1,998,401	$ 334,356	$ -	$ 2,332,757

Note 5 – Long-term Obligations

The following is an analysis of changes in long-term debt for the year ended December 31, 2021:

	Beginning Balance	**Additions**	**Reductions**	**Ending Balance**	**Due Within One Year**
Governmental Activities					
Estimated Closure and Postclosure Costs	$ 15,268	$ 208	$ -	$ 15,476	$ -
Compensated Absences	1,972	2,059	2,034	1,997	-
Total Governmental Activities	$ 17,240	$ 2,267	$ 2,034	$ 17,473	$ -
Business-type Activities					
Wastewater Fund					
CWR&PDA Sewer Loan, 2008	$ 40,800	$ -	$ 4,800	$ 36,000	$ 4,800
Compensated Absences	1,628	2,246	1,906	1,968	-
Total Business-type Activities	$ 42,428	$ 2,246	$ 6,706	$ 37,968	$ 4,800

Estimated Closure and Postclosure Care Costs

In 1995, the Town entered into an intergovernmental agreement with Otero County and five other municipalities within the County to form the Otero County Landfill, Inc. ('OCLI") to operate the landfill within the County. The agreement transfers the liability for closure and postclosure costs to the new organization. The Town and all participating entities are responsible for a portion of the costs based on an average of the population and assessed valuation of each entity to the total of all entities. Based on the current allocation the Town's share is approximately 0.80% of the estimated $1,905,000 in closure and postclosure costs amounting to $15,268. These amounts are based on estimates of what it would cost to perform all closure and post closure care in 2021. Actual costs may be higher due to inflation or deflation, changes in technology, or changes in applicable laws or regulations.

Colorado Water Resources and Power Development Authority (CWR&PDA) – 2008 Wastewater Note

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

A provision of the note with the CWR&PDA requires the net revenues (total revenues less operating expenses) be at least 110% of the annual debt service due in any one year. During the year ended December 31, 2021, the Town was in compliance with the rate covenant. The 2008 Wastewater Note requires the Town to maintain an operations and reserve fund in an amount equal to three months of operations and maintenance expenses, excluding depreciation, as set forth in the annual budget for the current fiscal year. Accordingly, the District has restricted $13,122 of the Wastewater Fund’s net position, calculated as follows:

Total Operating Expenses	$ 70,912
Less Depreciation	(18,423)
Operations and Maintenance Expenses	$ 52,489
3 Months of Operations and Maintenance	$ 13,122

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

The note matures as follows:

	Principal	Interest	Total
2022	$ 4,800	$ -	$ 4,800
2023	4,800	-	4,800
2024	4,800	-	4,800
2025	4,800	-	4,800
2026	4,800	-	4,800
2027-2029	12,000	-	12,000
	$ 36,000	$ -	$ 36,000

Note 6 – Short-term Debt

On April 19, 2021, the Town borrowed $56,000 from Fowler State Bank to cover temporary cash shortages in the general fund due to the timing of a grant reimbursement. The amount was paid in full on July 14, 2021, and the line of credit was closed.

Note 7 – Risk Management

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

Note 8 – Commitments and Contingencies

Grant Programs

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

Note 9 – Employee Retirement Plans

Defined Contribution Plan

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

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

For the year ended December 31, 2021, the Town recognized pension expense of $5,273, equal to their required contributions.

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

Note 10 – Tax Spending and Debt Limitations

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

Spending and revenue limits are determined based on the prior year's Fiscal Year Spending adjusted for allowable increases based upon inflation and local growth. Fiscal Year Spending is generally defined as expenditures plus reserve increases with certain exceptions. Revenue in excess of the Fiscal Year Spending limit must be refunded unless the voters approve retention of such revenue.

TABOR requires local governments to establish Emergency Reserves. These reserves must be at least 3% of Fiscal Year Spending (excluding bonded debt service). Local governments are not allowed to use the emergency reserves to compensate for economic conditions, revenue shortfalls or salary or benefit increases.

The Town's management believes it is in compliance with the provisions of TABOR. However, TABOR is complex and subject to interpretation. Many of the provisions, including the interpretation of how to calculate Fiscal Year Spending limits, may require judicial interpretation.

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

REQUIRED SUPPLEMENTARY INFORMATION

TOWN OF MANZANOLA, COLORADO

GENERAL FUND
SCHEDULE OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
For the Year Ended December 31, 2021
(With Comparative Totals for the Year Ended December 31, 2020)

	Original and Final Budget	Actual Amounts	Variance with Final Budget - Positive (Negative)	2020 Actual
Revenues				
Taxes				
Property Tax	$ 26,000	$ 28,406	$ 2,406	$ 27,919
Specific Ownership Tax	5,000	6,359	1,359	6,038
Sales Tax	34,000	56,902	22,902	45,908
Cigarette Tax	100	172	72	105
Franchise Tax	16,900	16,651	(249)	16,795
Other Taxes	1,750	1,904	154	1,917
Subtotal Taxes	83,750	110,394	26,644	98,682
Intergovernmental				
County Road and Bridge	2,000	2,189	189	2,128
Severance Tax	-	1	1	49
Highway Users Tax	11,500	14,267	2,767	11,747
State Grants	621,882	537,382	(84,500)	-
Subtotal Intergovernmental	635,382	553,839	(81,543)	13,924
Charges for Services				
Sanitation	11,000	10,885	(115)	10,918
Mosquito Control	3,500	3,499	(1)	3,510
Rents	7,205	6,655	(550)	7,260
Subtotal Charges for Services	21,705	21,039	(666)	21,688
Licenses and Permits	200	32	(168)	108
Fines and Forfeitures				
Fines and Forfeitures	20,000	8,115	(11,885)	10,204
Deferral Fees	-	355	355	2,583
Subtotal Fines and Forfeitures	20,000	8,470	(11,530)	12,787
Donations	-	-	-	1,400
Interest Income	3,500	1,150	(2,350)	3,633
Insurance Recovery	37,500	127,387	89,887	-
Miscellaneous	3,200	5,383	2,183	5,870
Total Revenues	805,237	827,694	22,457	158,092

(Continued)

TOWN OF MANZANOLA, COLORADO

GENERAL FUND
SCHEDULE OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
For the Year Ended December 31, 2021
(With Comparative Totals for the Year Ended December 31, 2020)
(Continued)

Expenditures Current:	**Original and Final Budget**	**Actual Amounts**	**Variance with Final Budget - Positive (Negative)**	**2020 Actual**
General Government				
Salaries and Benefits	$ -	$ -	$ -	$ 1,077
Office	7,000	6,432	568	9,348
Insurance	9,868	9,427	441	9,276
Training/Travel	-	108	(108)	-
County Treasurer Fees	600	350	250	541
Audit	500	500	-	500
Legal	21,000	52	20,948	21,178
Workers Comp Insurance	-	90	(90)	94
Donations and Contributions	200	25	175	-
Miscellaneous	350	25,995	(25,645)	109
Subtotal General Government	39,518	42,979	(3,461)	42,123
Public Safety				
Wages and Benefits	59,331	34,431	24,900	46,598
Vehicle Expenses	6,000	2,968	3,032	2,487
Judge/Legal	3,400	2,600	800	2,200
Uniforms/Training/Supplies	4,000	1,506	2,494	1,771
Office	400	-	400	404
Insurance	8,500	6,531	1,969	6,588
Workers Comp Insurance	2,000	1,111	889	1,159
Radio/Radar	10,000	11,319	(1,319)	1,405
Subtotal Public Safety	93,631	60,466	33,165	62,612
Public Works				
Wages and Benefits	-	7,089	(7,089)	-
Building Expense	2,500	3,640	(1,140)	3,921
Street Lighting	15,000	14,413	587	13,845
Street Repairs	500	531	(31)	180
Equipment Repairs	4,500	3,680	820	2,978
Subtotal Public Works	22,500	29,353	(6,853)	20,924
Health and Welfare				
Cemetery	1,000	1,370	(370)	700
Mosquito Control	2,500	3,576	(1,076)	-
Subtotal Health and Welfare	3,500	4,946	(1,446)	700

(Continued)

TOWN OF MANZANOLA, COLORADO

GENERAL FUND
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
For the Year Ended December 31, 2021
(With Comparative Totals for the Year Ended December 31, 2020)
(Continued)

	Original and Final Budget	Actual Amounts	Variance with Final Budget - Positive (Negative)	2020 Actual
Culture and Recreation				
Parks	$ 1,000	$ 247	$ 753	$ 446
Justin Vasquez Memorial Park	-	127	(127)	-
Summer Recreation	500	-	500	500
Subtotal Culture and Recreation	1,500	374	1,126	946
Sanitation				
Sanitation	7,200	7,266	(66)	7,070
OCLI Landfill Liability	1,200	-	1,200	-
Subtotal Sanitation	8,400	7,266	1,134	7,070
Capital Outlay	634,353	586,352	48,001	-
Total Expenditures	803,402	731,736	71,666	134,375
Excess Revenues Over (Under) Expenditures	1,835	95,958	94,123	23,717
Other Financing Sources (Uses)				
Transfers Out	-	(17,943)	(17,943)	-
Net Change in Fund Balance	1,835	78,015	76,180	23,717
Fund Balance - Beginning	292,458	235,982	(56,476)	212,265
Fund Balance - Ending	$ 294,293	$ 313,997	$ 19,704	$ 235,982

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

TOWN OF MANZANOLA, COLORADO

CONSERVATION TRUST FUND
SCHEDULE OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
For the Year Ended December 31, 2021
(With Comparative Totals for the Year Ended December 31, 2020)

	Original Budget	Final Budget	Actual Amounts	Variance with Final Budget - Positive (Negative)	2020 Actual
Revenues					
Lottery	$ 4,000	$ 4,000	$ 5,053	$ 1,053	$ 4,337
Expenditures					
Current					
Culture and Recreation	6,000	7,900	7,871	29	2,228
Net Change in Fund Balance	(2,000)	(3,900)	(2,818)	1,082	2,109
Fund Balance - Beginning	7,403	7,403	7,491	88	5,382
Fund Balance - Ending	$ 5,403	$ 3,503	$ 4,673	$ 1,170	$ 7,491

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

Note 1: Stewardship, Compliance and Accountability

Budgetary Information

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

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

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

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

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

The Town has amended its annual budget for the year ended December 31, 2021.

SUPPLEMENTARY INFORMATION

TOWN OF MANZANOLA, COLORADO

WATER FUND
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUNDS AVAILABLE - BUDGET AND ACTUAL (BUDGETARY BASIS)
For the Year Ended December 31, 2021
(With Comparative Totals for the Year Ended December 31, 2020)

	Original and Final Budget	Actual Amounts	Variance with Final Budget - Positive (Negative)	2020 Actual
Revenues				
Water Sales	$ 115,000	$ 111,733	$ (3,267)	$ 111,312
Interest Income	180	90	(90)	213
Late Fees	-	6,324	6,324	6,449
Water Lease	5,500	4,000	(1,500)	5,586
Other	-	468	468	2,612
Total Revenues	120,680	122,615	1,935	126,172
Expenditures				
Salaries and Benefits	64,379	65,153	(774)	57,702
System Operations	45,700	24,225	21,475	23,687
Water Analysis	4,000	1,499	2,501	2,373
Commodities and Services	9,500	7,701	1,799	9,582
Insurance	9,900	8,026	1,874	7,945
Conduit	1,500	1,718	(218)	1,327
Water Project	-	7,000	(7,000)	-
Total Expenditures	134,979	115,322	19,657	102,616
Excess Revenues Over (Under) Expenditures	(14,299)	7,293	21,592	23,556
Funds Available - Beginning	101,126	102,307	1,181	78,751
Funds Available - Ending	$ 86,827	$ 109,600	$ 22,773	$ 102,307

	Actual Amounts	2020 Actual
Funds Available is Computed as Follows:		
Current Assets	$ 110,584	$ 103,121
Current Liabilities	(984)	(814)
	$ 109,600	$ 102,307

See the Independent Auditor's Report

TOWN OF MANZANOLA, COLORADO

SEWER FUND
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUNDS AVAILABLE -
BUDGET AND ACTUAL (BUDGETARY BASIS)
For the Year Ended December 31, 2021
(With Comparative Totals for the Year Ended December 31, 2020)

	Original Budget	Final Budget	Actual Amounts	Variance with Final Budget - Positive (Negative)	2020 Actual
Revenues					
Service Fees	$ 80,000	$ 80,000	$ 82,459	$ 2,459	$ 82,861
Grant Revenues	284,840	408,709	461,115	52,406	-
Transfers In	-	-	17,943	17,943	15,000
Line of Credit - Sewer Lagoon	30,000	30,000	56,000	26,000	-
Other	-	-	2,000	2,000	-
Total Revenues	394,840	518,709	619,517	100,808	97,861
Expenditures					
Salaries and Benefits	33,797	33,797	33,860	(63)	32,530
System Operations	15,000	15,000	8,096	6,904	8,951
Commodities and Services	17,000	17,000	999	16,001	17,121
Insurance	8,233	8,233	8,026	207	7,945
Sewer Analysis	2,500	2,500	1,508	992	645
Capital Outlay	284,840	408,709	403,472	5,237	-
Debt Principal	30,000	30,000	56,000	(26,000)	-
Total Expenditures	391,370	515,239	511,961	3,278	67,192
Excess Revenues Over (Under) Expenditures	3,470	3,470	107,556	104,086	30,669
Funds Available - Beginning	49,713	49,713	57,736	8,023	27,067
Funds Available - Ending	$ 53,183	$ 53,183	$ 165,292	$ 112,109	$ 57,736

Funds Available is Computed as Follows:					
Current Assets			$ 479,555		$ 58,550
Current Liabilities			(314,263)		(814)
			$ 165,292		$ 57,736

See the Independent Auditor's Report

TOWN OF MANZANOLA, COLORADO

WASTEWATER FUND
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUNDS AVAILABLE - BUDGET AND ACTUAL (BUDGETARY BASIS)
For the Year Ended December 31, 2021
(With Comparative Totals for the Year Ended December 31, 2020)

	Original and Final Budget	Actual Amounts	Variance with Final Budget - Positive (Negative)	2020 Actual
Revenues				
Service Fees	$ 11,475	$ 11,565	$ 90	$ 11,515
Expenditures				
Commodities and Services	50	50	-	50
Sewer Line Cleaning	6,000	-	6,000	-
Debt Principal	4,800	4,800	-	4,800
Transfers Out	-	-	-	15,000
Total Expenditures	10,850	4,850	6,000	19,850
Excess Revenues Over (Under) Expenditures	625	6,715	6,090	(8,335)
Funds Available - Beginning	36,588	35,658	(930)	43,993
Funds Available - Ending	$ 37,213	$ 42,373	$ 5,160	$ 35,658

Funds Available is Computed as Follows:		
Current Assets	$ 42,373	$ 35,658
Current Liabilities	(4,800)	(4,800)
Add Current Portion of Long-Term Debt	4,800	4,800
	$ 42,373	$ 35,658

See the Independent Auditor's Report

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

LOCAL HIGHWAY FINANCE REPORT	City or County:
	YEAR ENDING : December 31, 2021
This Information From The Records Of: Town of Manzanola, Otero County	Prepared By: Sylvia Watkins Phone: 719-462-5544

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

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

II. RECEIPTS FOR ROAD AND STREET PURPOSES

ITEM	AMOUNT
A. Receipts from local sources:	
1. Local highway-user taxes	
a. Motor Fuel (from Item I.A.5.)	
b. Motor Vehicle (from Item I.B.5.)	
c. Total (a.+b.)	
2. General fund appropriations	1,900
3. Other local imposts (from page 2)	6,359
4. Miscellaneous local receipts (from page 2)	10,304
5. Transfers from toll facilities	
6. Proceeds of sale of bonds and notes:	
a. Bonds - Original Issues	
b. Bonds - Refunding Issues	
c. Notes	
d. Total (a. + b. + c.)	0
7. Total (1 through 6)	18,563
B. Private Contributions	
C. Receipts from State government (from page 2)	553,259
D. Receipts from Federal Government (from page 2)	0
E. Total receipts (A.7 + B + C + D)	571,822

III. DISBURSEMENTS FOR ROAD AND STREET PURPOSES

ITEM	AMOUNT
A. Local highway disbursements:	
1. Capital outlay (from page 2)	542,852
2. Maintenance:	8,991
3. Road and street services:	
a. Traffic control operations	
b. Snow and ice removal	
c. Other street lights	8,692
d. Total (a. through c.)	8,692
4. General administration & miscellaneous	2,679
5. Highway law enforcement and safety	8,608
6. Total (1 through 5)	571,822
B. Debt service on local obligations:	
1. Bonds:	
a. Interest	
b. Redemption	
c. Total (a. + b.)	0
2. Notes:	
a. Interest	
b. Redemption	
c. Total (a. + b.)	0
3. Total (1.c + 2.c)	0
C. Payments to State for highways	
D. Payments to toll facilities	
E. Total disbursements (A.6 + B.3 + C + D)	571,822

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
	571,822	571,822		0

Notes and Comments:

LOCAL HIGHWAY FINANCE REPORT	STATE: Colorado
	YEAR ENDING (mm/yy): 12/21

II. RECEIPTS FOR ROAD AND STREET PURPOSES - DETAIL

ITEM	AMOUNT	ITEM	AMOUNT
A.3. Other local imposts:		**A.4. Miscellaneous local receipts:**	
a. Property Taxes and Assessments		a. Interest on investments	
b. Other local imposts:		b. Traffic Fines & Penalities	8,115
1. Sales Taxes	0	c. Parking Garage Fees	
2. Infrastructure & Impact Fees		d. Parking Meter Fees	
3. Liens		e. Sale of Surplus Property	
4. Licenses		f. Charges for Services	
5. Specific Ownership &/or Other	6,359	g. Other Misc. Receipts	
6. Total (1. through 5.)	6,359	h. Other: Road & Bridge	2,189
c. Total (a. + b.)	6,359	i. Total (a. through h.)	10,304
	(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	14,267	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	1,610	d. Federal Transit Admin	
d. Other (Specify) - DOLA Grant	103,100	e. U.S. Corps of Engineers	
e. Other (Specify) - CDOT Grant	434,282	f. Other Federal	
f. Total (a. through e.)	538,992	g. Total (a. through f.)	0
4. Total (1. + 2. + 3.f)	553,259	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		88,633	88,633
c. Construction:			
(1). New Facilities			0
(2). Capacity Improvements			0
(3). System Preservation		454,219	454,219
(4). System Enhancement & Operation			0
(5). Total Construction (1) + (2) + (3) + (4)	0	454,219	454,219
d. Total Capital Outlay (Lines 1.a. + 1.b. + 1.c.5)	0	542,852	542,852
			(Carry forward to page 1)

Notes and Comments:

OTHER INFORMATION

TOWN OF MANZANOLA, COLORADO

SCHEDULES OF FUTURE DEBT SERVICE REQUIREMENTS
December 31, 2021

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

Year	Rate	Principal	Interest	Total
2022	-	$ 4,800	$ -	$ 4,800
2023	-	4,800	-	4,800
2024	-	4,800	-	4,800
2025	-	4,800	-	4,800
2026	-	4,800	-	4,800
2027	-	4,800	-	4,800
2028	-	4,800	-	4,800
2029	-	2,400	-	2,400
		$ 36,000	$ -	$ 36,000

TOWN OF MANZANOLA, COLORADO

Summary of Assessed Valuation, Mill Levy and Property Taxes Collected December 31, 2021

Levy Year	Collection Year	Assessed Valuation	Mills Levied	Total Levy	Current Collection	Collection Rate
2010	2011	$ 813,313	26.990	$ 21,951	$ 21,260	96.85%
2011	2012	815,603	26.990	22,013	21,891	99.45%
2012	2013	846,985	26.990	22,860	22,354	97.79%
2013	2014	864,905	26.990	23,344	23,455	100.48%
2014	2015	874,821	26.990	23,611	23,716	100.44%
2015	2016	975,212	25.543	24,910	25,008	100.39%
2016	2017	986,814	26.632	26,281	26,167	99.57%
2017	2018	954,816	26.990	25,770	28,406	110.23%
2018	2019	978,283	26.990	26,404	26,251	99.42%
2019	2020	1,024,659	26.990	27,656	27,919	100.95%
2020	2021	1,053,746	26.990	28,440	28,406	99.88%
Estimated for year ending December 31, 2022		$ 1,116,534	26.990	$ 30,136		

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

Source: Otero County Assessor and Treasurer

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