

**TOWN OF ALMA
ALMA, COLORADO**

**FINANCIAL STATEMENTS
WITH
INDEPENDENT AUDITORS' REPORT**

**FOR THE YEAR ENDED
DECEMBER 31, 2022**

TOWN OF ALMA
ROSTER OF TOWN OFFICIALS

December 31, 2022

Board Of Trustees

Saam Golgoon	- Mayor
Tim Zingler	- Mayor Pro-tem
Quintin Chirdon	- Trustee
Cody Lefever	- Trustee
Patrick Gleason	- Trustee
Ian Greene	- Trustee
Delia Rollow	- Trustee

Staff

Gary Goettelman	- Town Administrator
Kathleen White	- Public Works Director

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TOWN OF ALMA

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FINANCIAL SECTION

TOWN OF ALMA
MANAGEMENT'S DISCUSSION AND ANALYSIS
December 31, 2022

The discussion and analysis of the Town of Alma's (the Town) financial performance provides an overall review of the Town's financial activities for the year ended December 31, 2022. The intent of this discussion and analysis is to look at the Town's financial performance as a whole. Readers should also review the financial statements and the notes to the financial statements to broaden their understanding of the Town's financial performance.

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

Financial Highlights

The Town of Alma remains in strong financial condition overall.

- The assets of the Town exceeded its liabilities at the close of fiscal year 2022 by \$4,151,556 (*net position*). Of this amount, \$1,010,878 (*unrestricted net position*) may be used to meet the Town's ongoing obligations or unforeseen expenses.
- As of the close of fiscal year 2022, the Town of Alma's governmental funds reported a combined ending fund balance of \$695,672 a decrease of \$196,239 compared to fiscal year 2021.
- At the end of fiscal year 2022, unassigned fund balance for the general fund was \$457,836. This balance will continue to be monitored to ensure that balances are adequate to allow for contingencies.
- General Fund 2022 revenues decreased by \$9,202 from 2021 levels. Expenses increased \$114,394. The change can be attributed to capital improvement projects that have yet to occur.

Using the Basic Financial Statements

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

The first two statements are government-wide financial statements: the Statement of Net Position and the Statement of Activities. Both provide long-term and short-term information about the Town's overall financial status.

The remaining statements are fund financial statements that focus on individual parts of the Town's operations in more detail. The governmental fund statements tell how general Town services were financed in the short-term, as well as what remains for future spending.

TOWN OF ALMA
MANAGEMENT'S DISCUSSION AND ANALYSIS
December 31, 2022

The Town of Alma has the following governmental funds:

- General Fund
- Conservation Trust Fund
- Debt Service Fund

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

- Water Fund
- Sewer Fund

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

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

Financial Analysis of the Town as a Whole

The Town's total assets were \$5,240,684 as of December 31, 2022. Of this amount, \$2,138,540 or 40.96 percent is attributable to the Town's proprietary funds.

Government-Wide Financial Statements

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

The two government-wide statements report the Town's net position and how they have changed. The change in net position is important because it tells the reader that, for the Town as a whole, the financial position of the Town has improved or diminished. The causes of this change may be the result of various factors, some financial, some not. Non-financial factors include facility conditions, contributed assets, and state or federal government required programs.

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

TOWN OF ALMA
MANAGEMENT'S DISCUSSION AND ANALYSIS
December 31, 2022

Net Position

Net position might serve over time as a useful indicator of a government's financial position. In the case of the Town of Alma, assets exceeded liabilities by \$4,151,556 at the close of 2022. Combined net position of the Town at December 31, 2022 were:

	Governmental Activities		Business-type Activities		Total	
	2022	2021	2022	2021	2022	2021
ASSETS						
Current and Other Assets	\$ 893,079	\$ 1,037,657	\$ 644,474	\$ 774,097	\$ 1,537,553	\$ 1,811,754
Capital Assets	<u>2,209,065</u>	<u>1,946,342</u>	<u>1,494,066</u>	<u>1,443,981</u>	<u>3,703,131</u>	<u>3,390,323</u>
Total Assets	<u>3,102,144</u>	<u>2,983,999</u>	<u>2,138,540</u>	<u>2,218,078</u>	<u>5,240,684</u>	<u>5,202,077</u>
DEFERRED OUTFLOWS	<u>478,695</u>	<u>196,083</u>	<u>67,132</u>	<u>36,368</u>	<u>545,827</u>	<u>232,451</u>
LIABILITIES						
Current Liabilities	36,409	24,932	4,514	5,175	40,923	30,107
Noncurrent Liabilities	<u>90,351</u>	<u>274,909</u>	<u>588,463</u>	<u>666,980</u>	<u>678,814</u>	<u>941,889</u>
Total Liabilities	<u>126,760</u>	<u>299,841</u>	<u>592,977</u>	<u>672,155</u>	<u>719,737</u>	<u>971,996</u>
DEFERRED INFOWS	<u>39,336</u>	<u>6,580</u>	<u>67,132</u>	<u>55,867</u>	<u>106,468</u>	<u>62,447</u>
NET POSITION						
Net Investment in Capital Assets	2,073,852	1,833,672	903,956	821,115	2,977,808	2,654,787
Restricted	115,181	133,586	47,689	44,517	162,870	178,103
Unrestricted	<u>457,836</u>	<u>523,049</u>	<u>553,042</u>	<u>660,792</u>	<u>1,010,878</u>	<u>1,183,841</u>
Total Net Position	<u>\$ 2,646,869</u>	<u>\$ 2,490,307</u>	<u>\$ 1,504,687</u>	<u>\$ 1,526,424</u>	<u>\$ 4,151,556</u>	<u>\$ 4,016,731</u>

The statement of net position reflects a cash position totaling \$1,537,553, or 29% of total assets. The bulk of the Town's resources, \$3,703,131, or 71% of total assets, are invested in capital assets. These assets consist of land, buildings, infrastructure, and water & sewer systems.

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

TOWN OF ALMA
MANAGEMENT'S DISCUSSION AND ANALYSIS
December 31, 2022

Changes in Net Position

Governmental activities decreased the Town of Alma's net position by \$166,250. The net position improved due to an increase in capital assets and a decrease in liabilities, despite a decrease in current assets and unrestricted net position

Business activities decreased the Town's net assets by 21,737.

CONDENSED STATEMENT OF ACTIVITIES						
	Governmental Activities		Business-type Activities		Total	
	2022	2021	2022	2021	2022	2021
PROGRAM REVENUES						
Charges for Services	\$ 138,426	\$ 144,552	\$ 271,997	\$ 254,034	\$ 410,423	\$ 398,586
Operating Grants	26,944	119,159	-	-	26,944	119,159
Capital Grants	-	-	28,125	103,125	28,125	103,125
Total Program Revenues	<u>165,370</u>	<u>263,711</u>	<u>300,122</u>	<u>357,159</u>	<u>465,492</u>	<u>620,870</u>
GENERAL REVENUES						
Property Taxes	111,716	103,650	-	-	111,716	103,650
Specific Ownership Taxes	13,310	14,261	-	-	13,310	14,261
Sales Taxes	458,105	417,489	-	-	458,105	417,489
Franchise Taxes	28,425	26,389	-	-	28,425	26,389
Gain(Loss) on Disposal of Capital Assets	11,350	4,264	5,288	106	16,638	4,370
Interest Income	13,246	825	-	-	13,246	825
Other Taxes	3,700	3,684	-	-	3,700	3,684
Other Revenues	22,881	2,752	6,087	2,841	28,968	5,593
Total General Revenues	<u>662,733</u>	<u>573,314</u>	<u>11,375</u>	<u>2,947</u>	<u>674,108</u>	<u>576,261</u>
Total Revenues	<u>828,103</u>	<u>837,025</u>	<u>311,497</u>	<u>360,106</u>	<u>1,139,600</u>	<u>1,197,131</u>
PROGRAM EXPENSES						
General Government	320,060	365,759	-	-	320,060	365,759
Public Safety	96,827	144,009	-	-	96,827	144,009
Public Works	186,922	193,245	-	-	186,922	193,245
Culture and Recreation	58,044	20,313	-	-	58,044	20,313
Water Operations	-	-	228,271	143,330	228,271	143,330
Sewer Operations	-	-	104,963	97,228	104,963	97,228
Noncapitalized Capital Outlay	-	2,719	-	-	-	2,719
Interest	-	70,919	-	-	-	70,919
Total Program Expenses	<u>661,853</u>	<u>796,964</u>	<u>333,234</u>	<u>240,558</u>	<u>995,087</u>	<u>1,037,522</u>
CHANGE IN NET POSITION	166,250	40,061	(21,737)	119,548	144,513	159,609
Net Position, Beginning	<u>2,490,307</u>	<u>2,450,246</u>	<u>1,526,424</u>	<u>1,406,876</u>	<u>4,016,731</u>	<u>3,857,122</u>
NET POSITION, ENDING	<u>\$ 2,646,869</u>	<u>\$ 2,490,307</u>	<u>\$ 1,504,687</u>	<u>\$ 1,526,424</u>	<u>\$ 4,151,556</u>	<u>\$ 4,016,731</u>

TOWN OF ALMA
MANAGEMENT'S DISCUSSION AND ANALYSIS
December 31, 2022

Reporting the Town's Most Significant Funds

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

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

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

Capital Assets

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

	Balance 1/1/22	Additions	Deletions	Balance 12/31/22
Governmental activities:				
Capital Assets not being depreciated:				
Land & Improvements	\$ 482,091	\$ -	\$ -	\$ 482,091
Construction in Progress	49,228	-	49,228	-
Non-Depreciable Collection	59,000	-	-	59,000
Total capital assets not being depreciated	590,319	-	49,228	541,091
Capital assets being depreciated:				
Buildings & Improvements	1,111,655	82,238	-	1,193,893
Equipment & Vehicles	526,025	285,375	53,735	757,665
Streets	873,693	-	-	873,693
Total capital assets being depreciated:	2,511,373	367,613	53,735	2,825,251
Accumulated depreciation:				
Buildings & Improvements	(270,068)	(32,482)	-	(302,550)
Equipment and vehicles	(406,129)	(32,277)	(53,735)	(384,671)
Streets	(502,638)	(34,947)	-	(537,585)
Total accumulated depreciation	(1,178,835)	(99,706)	(53,735)	(1,224,806)
Total governmental activities capital assets,				
Net of depreciation:	\$ 1,922,857	\$ 267,907	\$ 49,228	\$ 2,141,536

TOWN OF ALMA
MANAGEMENT'S DISCUSSION AND ANALYSIS
December 31, 2022

	<u>Balance 1/1/22</u>	<u>Additions</u>	<u>Deletions</u>	<u>Balance 12/31/22</u>
Business-type activities:				
Capital Assets not being depreciated:				
Water rights	\$ 60,090	\$ -	\$ -	\$ 60,090
Construction in progress	94,389	112,027	-	206,416
Total Capital Assets not being depreciated	<u>154,479</u>	<u>112,027</u>	<u>-</u>	<u>266,506</u>
Capital Assets being depreciated:				
Water plant and lines	2,214,407	-	-	2,214,407
Sewer plant & lines	684,287	-	-	684,287
Water equipment	23,653	-	-	23,653
Sewer equipment	24,908	-	-	24,908
Total capital assets being depreciated:	<u>2,947,255</u>	<u>-</u>	<u>-</u>	<u>2,947,255</u>
Accumulated depreciation:				
Water plant and lines	(1,096,639)	(47,302)	-	(1,143,941)
Sewer plant & lines	(519,654)	(13,479)	-	(533,133)
Water equipment	(16,553)	(1,160)	-	(17,713)
Sewer equipment	(24,908)	-	-	(24,908)
Total accumulated depreciation	<u>(1,657,754)</u>	<u>(61,941)</u>	<u>-</u>	<u>(1,719,695)</u>
Total business-type activities capital assets, Net of depreciation	<u>\$ 1,443,980</u>	<u>\$ 50,086</u>	<u>\$ -</u>	<u>\$ 1,494,066</u>

Debt Administration

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

	<u>Balance 01/01/22</u>	<u>Additions</u>	<u>Deletions</u>	<u>Balance 12/31/22</u>	<u>Current Portion</u>	<u>Interest Expense</u>
Governmental Activities						
2016 TBK Bank Lease	<u>\$ 87,984</u>	<u>\$ -</u>	<u>\$ 20,300</u>	<u>\$ 67,684</u>	<u>\$ 21,391</u>	<u>\$ 4,728</u>
Business-type Activities						
1992 Water & Sewer Revenue Bonds	\$ 166,000	\$ -	\$ 11,700	154,300	\$ 12,200	\$ 8,155
2011 CWRPDA Water Loan	218,015	-	21,058	196,957	21,480	4,256
2021 CWRPDA Sewer Loan	238,852	97,917	97,917	238,852	-	238,852
Total Business-type Activities Debt	<u>\$ 622,867</u>	<u>\$ 97,917</u>	<u>\$ 130,675</u>	<u>\$ 590,109</u>	<u>\$ 33,680</u>	<u>\$ 251,263</u>

TOWN OF ALMA
MANAGEMENT'S DISCUSSION AND ANALYSIS
December 31, 2022

General Fund Budget

The Town's General Fund revenues were \$22,504 less than the amounts budgeted primarily due to not completing the capital construction that was scheduled thus not receiving the grant and loan funding in this budget year and the interfund transfer was not used. Expenditures were \$236,881 under budget.

Conservation Trust Fund Budget

The Town's Conservation Trust Fund had minimal expenditures. Monies will be set aside next year for projects in the future.

The Future of the Town

The Town's Wastewater Treatment Plant is projected to begin construction in 2025. The Town would like to purchase a 1+ acre lot on Main St. for a municipal parking lot. The cost is \$200,000. Grants will be sought to purchase the land. The Town is improving the watershed in 2025 and putting in two campgrounds with the USFS, along with upgrading Kite Lake and the 14er trails. Grant money was obtained for these projects.

The water department has plans for filter and equipment updating. Monies have been budgeted for equipment updates and grants are being applied for.

The Project Needs Assessment (PNA) of the sewer plant previously showed a need to update or replace the existing lagoon system in order to meet mandated limits for ammonia and future nitrate regulations. A grant has been received from Colorado Water and Power Authority to design and engineer the new proposed mechanical plant. Work on the replacement slowed down because of COVID IN 2020. Planning and Engineering will continue in 2022 with hopes of construction in 2024.

The Town of Alma continues the concessionaire duties at the Kite Lake Campsite which sits at the top of the Alma watershed. All revenues and expenses are being incorporated in a separate fund of the General Fund. Excess funds will be directed towards the Park and Rec projects.

Requests for Information

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

Mayberry & Company, LLC

Certified Public Accountants

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

Board of Trustees
Town of Alma
Alma, Colorado

Independent Auditors' Report

Opinion

We have audited the accompanying financial statements of the governmental activities, the business type activities, each major fund, and the aggregate remaining fund information of Town of Alma, as of and for the year ended December 31, 2022, and the related notes to the financial statements which collectively comprise Town of Alma's basic financial statements as listed in the table of contents.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business type activities, each major fund, and the aggregate remaining fund information of the Town of Alma as of December 31, 2022, and the respective changes in financial position, and, where applicable, cash flows, thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinion

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

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; and for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of the financial statements that are free from material misstatement, whether due to fraud or error.

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

Auditors' Responsibility for the Audit of the Financial Statements

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

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

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on test basis, evidence regarding the amounts and disclosures in the financial statements. Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of Town of Alma's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt Town of Alma's ability to continue as a going concern for a reasonable period of time.

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

Emphasis of a Matter

As discussed in Note 9 to the financial statements, the 2021 financial statements have been restated to reflect the restatements related to unrecorded developer deposits. This restatement impacts the General Fund. Our opinion is not modified with respect to this matter.

Report on Summarized Comparative Information

We have previously audited the Town of Alma's 2021 financial statements, and we expressed an unmodified audit opinion on those audited financial statements in our report dated June 30, 2022. In our opinion, the summarized comparative information presented herein as of and for the year ended December 31, 2021 is consistent, in all material respects, with the audited financial statements from which it has been derived.

Required Supplementary Information

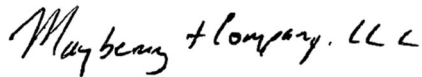
Accounting principles generally accepted in the United States of America require that a management's discussion and analysis, budgetary comparison information, historical pension information and other post -employment benefit plan information listed in the tables of contents be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Supplementary Information

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

Report on Other Legal and Regulatory Requirements

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

A handwritten signature in cursive script that reads "Mayberry & Company, LLC".

Englewood, Colorado
July 11, 2024

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Basic Financial Statements

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TOWN OF ALMA

STATEMENT OF NET POSITION
DECEMBER 31, 2022

	GOVERNMENTAL ACTIVITIES	BUSINESS TYPE ACTIVITIES	TOTAL
ASSETS AND DEFERRED OUTFLOWS			
ASSETS			
Current Assets			
Cash and Investments			
Cash	\$ 638,087	\$ 409,965	\$ 1,048,052
Restricted Cash and Investments	22,652	47,689	70,341
Receivables			
Property Tax Receivable	122,647	-	122,647
Utility Receivable	-	61,845	61,845
Cash with Fiscal Agent	1,209	117,017	118,226
Accounts Receivable	91,133	-	91,133
Other Receivables	519	-	519
Prepaid Expenses	16,832	7,958	24,790
Total Current Assets	<u>893,079</u>	<u>644,474</u>	<u>1,537,553</u>
Noncurrent Assets			
Capital Assets not being Depreciated	541,091	266,506	807,597
Capital Assets being Depreciated	2,825,251	2,947,255	5,772,506
Accumulated Depreciation	(1,224,806)	(1,719,695)	(2,944,501)
Net Pension Asset	67,529	-	67,529
Total Noncurrent Assets	<u>2,209,065</u>	<u>1,494,066</u>	<u>3,703,131</u>
TOTAL ASSETS	<u>3,102,144</u>	<u>2,138,540</u>	<u>5,240,684</u>
DEFERRED OUTFLOWS OF FINANCIAL RESOURCES			
Deferred Outflows - Pensions	140,120	23,325	163,445
Deferred Outflows - OPEB	10,060	2,931	12,991
TOTAL DEFERRED OUTFLOWS	<u>150,180</u>	<u>26,256</u>	<u>176,436</u>
TOTAL ASSETS AND DEFERRED OUTFLOWS	<u>\$ 3,252,324</u>	<u>\$ 2,164,796</u>	<u>\$ 5,417,120</u>
LIABILITIES, DEFERRED INFLOWS AND NET POSITION			
LIABILITIES			
Current Liabilities			
Accounts Payable	\$ 16,388	\$ -	\$ 16,388
Accrued Liabilities	16,849	-	16,849
Deposits and Escrow	2,187	-	2,187
Accrued Interest Payable	985	4,514	5,499
Total Current Liabilities	<u>36,409</u>	<u>4,514</u>	<u>40,923</u>
Noncurrent Liabilities			
Due within one year	21,391	33,680	55,071
Due in more than one year	68,960	554,783	623,743
Total Noncurrent Liabilities	<u>90,351</u>	<u>588,463</u>	<u>678,814</u>
TOTAL LIABILITIES	<u>126,760</u>	<u>592,977</u>	<u>719,737</u>
DEFERRED INFLOWS OF FINANCIAL RESOURCES			
Deferred Property Taxes	122,647	-	122,647
Deferred Inflows Pensions	309,192	64,380	373,572
Deferred Inflows - OPEB	7,520	2,752	10,272
Deferred Grants	39,336	-	39,336
TOTAL DEFERRED INFLOWS	<u>478,695</u>	<u>67,132</u>	<u>545,827</u>
NET POSITION			
Net Investment in Capital Assets	2,073,852	903,956	2,977,808
Restricted Net Position	115,181	47,689	162,870
Unrestricted Net Position	457,836	553,042	1,010,878
TOTAL NET POSITION	<u>2,646,869</u>	<u>1,504,687</u>	<u>4,151,556</u>
TOTAL LIABILITIES, DEFERRED INFLOWS AND NET POSITION	<u>\$ 3,252,324</u>	<u>\$ 2,164,796</u>	<u>\$ 5,417,120</u>

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

TOWN OF ALMA

STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED DECEMBER 31, 2022

	PROGRAM REVENUES			
	EXPENSES	CHARGES FOR SERVICES	OPERATING	CAPITAL GRANTS
			GRANTS AND CONTRIBUTIONS	
FUNCTIONS/PROGRAMS				
Government Activities				
Current:				
General Government	\$ 320,060	\$ 86,773	\$ 7,344	\$ -
Public Safety	96,827	9,998	-	-
Public Works	186,922	41,655	17,707	-
Culture and Recreation	58,044	-	1,893	-
TOTAL GOVERNMENT ACTIVITIES	<u>661,853</u>	<u>138,426</u>	<u>26,944</u>	<u>-</u>
Business-type Activities				
Current:				
Water	228,271	132,828	-	9,375
Sewer	104,963	139,169	-	18,750
TOTAL BUSINESS-TYPE ACTIVITIES	<u>333,234</u>	<u>271,997</u>	<u>-</u>	<u>28,125</u>
TOTAL GOVERNMENT	<u>\$ 995,087</u>	<u>\$ 410,423</u>	<u>\$ 26,944</u>	<u>\$ 28,125</u>
GENERAL REVENUES				
Property Taxes				
Specific Ownership Taxes				
Sales Taxes				
Franchise Taxes				
Other Taxes				
Interest Income				
Gain (Loss) on Disposal of Capital Assets				
Insurance Proceeds				
Other Revenues				
TOTAL GENERAL REVENUES AND TRANSFERS				
CHANGE IN NET POSITION				
NET POSITION - Beginning				
Prior Period Restatement				
NET POSITION - Beginning (as Restated)				
NET POSITION - Ending				

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

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

GOVERNMENT ACTIVITIES	BUSINESS - TYPE ACTIVITES	TOTAL
\$ (225,943)	\$ -	\$ (225,943)
(86,829)	-	(86,829)
(127,560)	-	(127,560)
(56,151)	-	(56,151)
(496,483)	-	(496,483)
-	(86,068)	(86,068)
-	52,956	52,956
-	(33,112)	(33,112)
(496,483)	(33,112)	(529,595)
111,716	-	111,716
13,310	-	13,310
458,105	-	458,105
28,425	-	28,425
3,700	-	3,700
13,246	5,288	18,534
11,350	-	11,350
-	6,087	6,087
22,881	-	22,881
662,733	11,375	674,108
166,250	(21,737)	144,513
2,490,307	1,526,424	4,016,731
(9,688)	-	(9,688)
2,480,619	1,526,424	4,007,043
\$ 2,646,869	\$ 1,504,687	\$ 4,151,556

TOWN OF ALMA

BALANCE SHEET

GOVERNMENTAL FUNDS

DECEMBER 31, 2022

With Comparative Totals for December 31, 2021

	General	Debt	Other	Total	
	Fund	Service	Funds	2022	2021
		Fund			
ASSETS AND DEFERRED OUTFLOWS					
ASSETS					
Current Assets					
Cash and Investments					
Cash	\$ 571,370	\$ 66,717	\$ -	\$ 638,087	\$ 809,655
Restricted Cash and Investments	-	-	22,652	22,652	20,384
Receivables					
Property Tax Receivable	122,647	-	-	122,647	115,435
Cash with Fiscal Agent	1,209	-	-	1,209	1,188
Accounts Receivable	91,133	-	-	91,133	79,599
Other Receivables	519	-	-	519	344
Prepaid Expenses	16,832	-	-	16,832	11,052
TOTAL ASSETS AND DEFERRED OUTFLOWS	<u>\$ 803,710</u>	<u>\$ 66,717</u>	<u>\$ 22,652</u>	<u>\$ 893,079</u>	<u>\$ 1,037,657</u>
LIABILITIES, DEFERRED INFLOWS AND NET POSITION					
LIABILITIES					
Current Liabilities					
Accounts Payable	\$ 16,388	\$ -	\$ -	\$ 16,388	\$ 11,142
Accrued Liabilities	16,849	-	-	16,849	12,589
Deposits and Escrow	2,187	-	-	2,187	-
TOTAL LIABILITIES	<u>35,424</u>	<u>-</u>	<u>-</u>	<u>35,424</u>	<u>23,731</u>
DEFERRED INFLOWS OF FINANCIAL RESOURCES					
Deferred Property Taxes	122,647	-	-	122,647	115,435
Deferred Grants	39,336	-	-	39,336	6,580
TOTAL DEFERRED INFLOWS	<u>161,983</u>	<u>-</u>	<u>-</u>	<u>161,983</u>	<u>122,015</u>
FUND BALANCE					
Nonspendable Fund Balance	16,832	-	-	16,832	11,052
Restricted Fund Balance	25,000	-	22,652	47,652	124,101
Unassigned Fund Balance	564,471	66,717	-	631,188	756,758
TOTAL FUND BALANCE	<u>606,303</u>	<u>66,717</u>	<u>22,652</u>	<u>695,672</u>	<u>891,911</u>
TOTAL LIABILITIES, DEFERRED INFLOWS AND FUND BALANCE	<u>\$ 803,710</u>	<u>\$ 66,717</u>	<u>\$ 22,652</u>	<u>\$ 893,079</u>	<u>\$ 1,037,657</u>

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

TOWN OF ALMA

**RECONCILIATION OF GOVERNMENTAL FUND BALANCE
TO GOVERNMENTAL ACTIVITIES NET POSITION
DECEMBER 31, 2022**

Fund Balance - Governmental Funds		\$	695,672
Capital assets used in governmental activities are not financial resources and are therefore not reported in the funds			
Capital assets, not being depreciated	\$	541,091	
Capital assets, being depreciated		2,825,251	
Accumulated depreciation		<u>(1,224,806)</u>	2,141,536
Certain long-term pension and OPEB related costs and adjustments are not available to pay or are payable currently and are therefore not reported in the funds			
Net deferred PERA pension outflows		95,024	
Net pension asset		28,991	
Net deferred PERA pension outflows		<u>(268,139)</u>	(144,124)
FPPA Pension Liability			
Net deferred FPPA pension outflows		45,096	
Net FPPA pension asset		38,538	
Net deferred FPPA pension outflows		<u>(41,053)</u>	42,581
OPEB Liability			
Net deferred OPEB outflows		10,060	
Net OPEB liability		(22,667)	
Net deferred OPEB outflows		<u>(7,520)</u>	(20,127)
Long-term liabilities are not due and payable in the current year and, therefore, are not reported in the funds.			
Notes payable		(67,684)	
Accrued interest payable		<u>(985)</u>	(68,669)
Total Net Position - Governmental Activities			<u>\$ 2,646,869</u>

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

TOWN OF ALMA

STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
GOVERNMENTAL FUNDS
FOR THE YEAR ENDED DECEMBER 31, 2022
With Comparative Totals for the Year Ended December 31, 2021

	General	Debt	Other	TOTAL	
	Fund	Service	Funds	2022	2021
REVENUES					
Taxes	\$ 615,257	\$ -	\$ -	\$ 615,257	\$ 565,472
Intergovernmental Revenues	25,031	-	1,893	26,924	119,159
Licenses and Permits	15,660	-	-	15,660	18,270
Fines and Forfeits	9,998	-	-	9,998	39,575
Charges for Services	112,768	-	-	112,768	86,707
Investment Earnings	12,872	-	375	13,247	824
Other Revenues	34,249	-	-	34,249	7,018
TOTAL REVENUES	825,835	-	2,268	828,103	837,025
EXPENDITURES					
Current:					
General Government	373,401	-	-	373,401	300,222
Public Safety	73,104	-	-	73,104	119,433
Public Works/Building	145,843	-	-	145,843	109,162
Parks, Recreation and Other	44,673	-	-	44,673	17,658
Capital Outlay	352,605	-	-	352,605	264,117
Debt Service	25,028	-	-	25,028	90,028
TOTAL EXPENDITURES	1,014,654	-	-	1,014,654	900,620
REVENUES IN EXCESS (DEFICIENCY) OF EXPENDITURES	(188,819)	-	2,268	(186,551)	(63,595)
FUND BALANCE, BEGINNING	804,810	66,717	20,384	891,911	955,506
Prior Period Restatement	(9,688)	-	-	(9,688)	-
FUND BALANCE, BEGINNING (As Restated)	795,122	66,717	20,384	882,223	955,506
FUND BALANCE, ENDING	\$ 606,303	\$ 66,717	\$ 22,652	\$ 695,672	\$ 891,911

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

TOWN OF ALMA**RECONCILIATION OF GOVERNMENTAL FUNDS CHANGE IN FUND BALANCE
TO GOVERNMENTAL ACTIVITIES CHANGE IN NET POSITION
FOR THE YEAR ENDED DECEMBER 31, 2022**

Change in Fund Balance - Governmental Funds \$ (186,551)

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

Capitalized Asset Purchases	\$ 318,385	
Depreciation Expense	<u>(99,706)</u>	218,679

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

PERA Pension Liability

Change in deferred pension outflows	(44,292)	
Change in net pension liability	193,087	
Change in deferred pension inflows	<u>(44,182)</u>	104,613

FPPA Pension Liability

Change in deferred pension outflows	(3,667)	
Change in net pension liability	15,053	
Change in deferred pension inflows	<u>(4,562)</u>	6,824

OPEB Liability

Change in deferred OPEB outflows	2,056	
Change in net OPEB liability	162	
Change in deferred OPEB inflows	<u>(49)</u>	2,169

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

Principal payments on notes payable	20,300	
Change in accrued interest payable	<u>216</u>	<u>20,516</u>

Change in Net Position - Governmental Activities \$ 166,250

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

TOWN OF ALMA

STATEMENT OF NET POSITION

PROPRIETARY FUNDS

DECEMBER 31, 2022

With Comparative Totals for December 31, 2021

	Business-type Activities			
	Water	Sewer	Total	
	Fund	Fund	2022	2021
ASSETS AND DEFERRED OUTFLOWS				
ASSETS				
Current Assets				
Cash and Investments				
Cash	\$ 61,504	\$ 348,461	\$ 409,965	\$ 441,017
Restricted Cash and Investments	38,093	9,596	47,689	44,517
Utility Receivable	28,908	32,937	61,845	56,509
Cash with Fiscal Agent	-	117,017	117,017	214,934
Prepaid Expenses	4,236	3,722	7,958	17,120
Total Current Assets	<u>132,741</u>	<u>511,733</u>	<u>644,474</u>	<u>774,097</u>
Noncurrent Assets				
Capital Assets not being depreciated	60,090	206,416	266,506	104,380
Capital Assets being depreciated	2,238,061	709,194	2,947,255	2,997,355
Accumulated Depreciation	<u>(1,161,654)</u>	<u>(558,041)</u>	<u>(1,719,695)</u>	<u>(1,657,754)</u>
Total Noncurrent Assets	<u>1,136,497</u>	<u>357,569</u>	<u>1,494,066</u>	<u>1,443,981</u>
TOTAL ASSETS	<u>1,269,238</u>	<u>869,302</u>	<u>2,138,540</u>	<u>2,218,078</u>
DEFERRED OUTFLOWS OF FINANCIAL RESOURCES				
Deferred Outflows - Pensions	12,424	10,901	23,325	33,729
Deferred Outflows - OPEB	1,585	1,346	2,931	2,639
TOTAL DEFERRED OUTFLOWS	<u>14,009</u>	<u>12,247</u>	<u>26,256</u>	<u>36,368</u>
TOTAL ASSETS AND DEFERRED OUTFLOWS	<u>\$ 1,283,247</u>	<u>\$ 881,549</u>	<u>\$ 2,164,796</u>	<u>\$ 2,254,446</u>
LIABILITIES, DEFERRED INFLOWS AND NET POSITION				
LIABILITIES				
Current Liabilities				
Accounts Payable	\$ -	\$ -	\$ -	\$ 341
Accrued Interest Payable	2,953	1,561	4,514	4,834
Total Current Liabilities	<u>2,953</u>	<u>1,561</u>	<u>4,514</u>	<u>5,175</u>
Noncurrent Liabilities				
Due within one year	28,744	4,936	33,680	31,742
Due in more than one year	259,283	295,500	554,783	635,238
Total Noncurrent Liabilities	<u>288,027</u>	<u>300,436</u>	<u>588,463</u>	<u>666,980</u>
TOTAL LIABILITIES	<u>290,980</u>	<u>301,997</u>	<u>592,977</u>	<u>672,155</u>
DEFERRED INFLOWS OF FINANCIAL RESOURCES				
Deferred Inflows Pensions	32,190	32,190	64,380	52,922
Deferred Inflows - OPEB	1,336	1,416	2,752	2,945
TOTAL DEFERRED INFLOWS	<u>33,526</u>	<u>33,606</u>	<u>67,132</u>	<u>55,867</u>
NET POSITION				
Net Investment in Capital Assets	847,669	56,287	903,956	821,115
Restricted Net Position	38,093	9,596	47,689	44,517
Unrestricted Net Position	72,979	480,063	553,042	660,792
TOTAL NET POSITION	<u>958,741</u>	<u>545,946</u>	<u>1,504,687</u>	<u>1,526,424</u>
TOTAL LIABILITIES, DEFERRED INFLOWS AND NET POSITION	<u>\$ 1,283,247</u>	<u>\$ 881,549</u>	<u>\$ 2,164,796</u>	<u>\$ 2,254,446</u>

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

TOWN OF ALMA

STATEMENT OF REVENUES, EXPENSES AND CHANGES IN NET POSITION
PROPRIETARY FUNDS
FOR THE YEAR ENDED DECEMBER 31, 2022
With Comparative Totals for the Year Ended December 31, 2021

	<u>Business-type Activities</u>			
	<u>Water</u>	<u>Sewer</u>	<u>Total</u>	
	<u>Fund</u>	<u>Fund</u>	<u>2022</u>	<u>2021</u>
Operating Revenues				
Utility Charges	\$ 132,828	\$ 139,169	\$ 271,997	\$ 254,034
Operating Expenses				
Personnel Services	50,065	45,910	95,975	84,177
Administrative/Office Expenses	654	422	1,076	941
Insurance	6,876	5,979	12,855	12,122
Operating Supplies	-	192	192	164
Professional Fees	3,376	7,859	11,235	8,921
Repairs and Maintenance	88,254	11,975	100,229	29,953
Travel and Training	1,434	740	2,174	917
Treatment	1,077	2,291	3,368	3,723
Telephone and Utilities	16,601	5,467	22,068	15,829
Other Operating Expenses	1,955	7,425	9,380	4,675
Depreciation Expense	48,462	13,479	61,941	61,781
Other Capital Outlay	650	-	650	4,313
Total Expenditures	219,404	101,739	321,143	227,516
Operating Income (Loss)	(86,576)	37,430	(49,146)	26,518
Other Income (Expense)				
Investment Earnings	2,380	2,908	5,288	106
Other Revenue	5,634	453	6,087	2,841
Interest Expense	(8,867)	(3,224)	(12,091)	(13,042)
Total Other Income (Expense)	(853)	137	(716)	(10,095)
Net Income (Loss)	(87,429)	37,567	(49,862)	16,423
Contributed Capital				
Plant Investment Fees	9,375	18,750	28,125	103,125
Change in Net Position	(78,054)	56,317	(21,737)	119,548
Net Position, Beginning	1,036,795	489,629	1,526,424	1,406,876
Net Position, Ending	\$ 958,741	\$ 545,946	\$ 1,504,687	\$ 1,526,424

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

TOWN OF ALMA

**STATEMENT OF CASH FLOWS -
PROPRIETARY FUNDS
FOR THE YEAR ENDED DECEMBER 31, 2022
With Comparative Totals for the Year Ended December 31, 2021**

	Business-type Activities			
	Water	Sewer	Total	
	Fund	Fund	2022	2021
Cash Flows From Operating Activities:				
Cash Received from Customers	\$ 131,824	\$ 134,837	\$ 266,661	\$ 258,879
Cash Paid to Suppliers	(120,660)	(40,376)	(161,036)	(121,605)
Cash Paid to Employees	(55,326)	(58,402)	(113,728)	(51,764)
Net Cash Provided by Operating Activities	(44,162)	36,059	(8,103)	85,510
Cash Flows From Capital and Related Financing Activities:				
Tap Fees Received	9,375	18,750	28,125	103,125
Debt Principal Payments	(28,023)	(4,734)	(32,757)	207,110
Grant Proceeds	-	-	-	5,430
Interest Payments	(9,111)	(3,299)	(12,410)	(13,388)
Acquisition of Capital Assets	-	(112,027)	(112,027)	(50,099)
Cash Flows Used by Capital and Related Financing Activities	(27,759)	(101,310)	(129,069)	252,178
Cash Flows (Uses) From Noncapital Financing Activities:				
Other Revenues (Expense)	5,634	453	6,087	2,841
Tax Revenue	-	97,917	97,917	(214,934)
Net Cash Provided (Used) by Noncapital Financing Activities	5,634	98,370	104,004	(212,093)
Cash Flows (Uses) From Investing Activities:				
Interest Received	2,380	2,908	5,288	106
Net Increase (Decrease) in Cash	(63,907)	36,027	(27,880)	125,701
Cash - Beginning	163,504	322,030	485,534	359,833
Cash - Ending	\$ 99,597	\$ 358,057	\$ 457,654	\$ 485,534
Cash	\$ 61,504	\$ 348,461	\$ 409,965	\$ 441,017
Restricted Cash and Investments	38,093	9,596	47,689	44,517
Total	\$ 99,597	\$ 358,057	\$ 457,654	\$ 485,534
Reconciliation of Operating Income (Loss) to Net Cash Used for				
Operating Activities:				
Operating Income (Loss)	\$ (86,576)	\$ 37,430	\$ (49,146)	\$ 26,518
Adjustments to Reconcile Operating Income (Loss)				
to Net Cash Provided by Operating Activities:				
Depreciation Expense	48,462	13,479	61,941	61,781
Changes in Assets and Liabilities Related to Operations:				
(Increase) Decrease in:				
Utility Receivable	(1,004)	(4,332)	(5,336)	4,845
Prepaid Expenses	5,538	3,624	9,162	(10,120)
Pension and OPEB Deferred Outflows	6,260	3,852	10,112	6,545
(Increase) Decrease in:				
Accounts Payable	(42)	(298)	(340)	(1,368)
Net Pension Liability	(22,929)	(22,929)	(45,858)	(13,584)
Net OPEB Liability	71	26	97	(718)
Pension and OPEB Deferred Inflows	6,058	5,207	11,265	11,611
Total Adjustments	42,414	(1,371)	41,043	58,992
Net Cash Used for Operating Activities	\$ (44,162)	\$ 36,059	\$ (8,103)	\$ 85,510

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

TOWN OF ALMA
NOTES TO FINANCIAL STATEMENTS
December 31, 2022

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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

Reporting Entity

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

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

Measurement Focus, Basis of Accounting and Financial Statement Presentation

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

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

Governmental fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Revenues are recognized as soon as they are both measurable and available. Revenues are considered to be available when they are collectible within the current period, or soon enough thereafter, to pay liabilities of the current period. For this purpose, the government considers revenues to be available if they are collected within 60 days of the end of the current fiscal period. The major sources of revenue susceptible to accrual are grants. Expenditures generally are recorded when a liability is incurred, as under accrual accounting.

Governmental Fund Types The fund types are described below.

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

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

Debt Service Fund: This fund was established to account for the repayment of general obligation bonds related to the Town's curb and gutter project.

TOWN OF ALMA
NOTES TO FINANCIAL STATEMENTS
December 31, 2022

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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

Governmental Fund Types (Continued)

In November 1998, the Town's citizens passed a ballot measure allowing the issuance of up to \$120,000 in bonds for the completion of the project. This fund is shown as a major governmental fund. With the bonds fully repaid, these amounts are no longer considered restricted.

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

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

Budgets and Budgetary Accounting

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

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

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

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

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

TOWN OF ALMA
NOTES TO FINANCIAL STATEMENTS
December 31, 2022

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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

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

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

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

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

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

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

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

Deferred Outflows and inflows of Resources In addition to assets, the statement of financial position reports a separate section for deferred outflows of resources. This separate financial statement element represents a consumption of net position that applies to a future period(s) and so will not be recognized as an outflow of resources (expense/expenditure) until then. The government only has pension and OPEB related items that qualify for reporting in this category.

TOWN OF ALMA
NOTES TO FINANCIAL STATEMENTS
December 31, 2022

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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

In addition to liabilities, the statement of net position reports a separate section for deferred inflows of resources. This separate financial statement element, deferred inflows of resources, represents an acquisition of net position that applies to a future period(s) and so will not be recognized as an inflow of resources (revenue) until that time. The government has one type of item, which arises both under the full accrual and modified accrual basis of accounting that qualifies for reporting in this category. Accordingly, the item, deferred property taxes, is reported in both the governmental activities statement of net position and in the governmental funds balance sheet. The governmental funds report unavailable revenues from property taxes. These amounts are deferred and recognized as an inflow of resources in the period that the amounts become available. Since property tax revenues are collected in arrears during the succeeding year, a receivable and corresponding deferred inflow is recorded at December 31. As the tax is collected in the succeeding year, the deferred inflow is recognized as revenue and the receivable is reduced. In addition, the Town also has pension and OPEB related deferred inflows that are reported at the activity level.

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

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

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

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

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

TOWN OF ALMA
NOTES TO FINANCIAL STATEMENTS
December 31, 2022

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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

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

Revenues and Expenditures/Expenses

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

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

Comparative Data

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

NOTE 2: CASH AND INVESTMENTS

The Town is governed by the deposit and investment limitations of state law. The deposits and investments held at December 31, 2022, and reported at fair value, are shown below.

Cash	\$ 51,211
Investments	<u>1,067,182</u>
Total Cash and Investments	<u>\$ 1,118,393</u>

TOWN OF ALMA
NOTES TO FINANCIAL STATEMENTS
December 31, 2022

NOTE 2: CASH AND INVESTMENTS (Continued)

These balances are allocated in the financial statements as follows:

Governmental Activities - Unrestricted	\$	638,088
Governmental Activities - Restricted		22,652
Business-type Activities - Unrestricted		409,964
Business-type Activities - Restricted		47,689
Total Cash and Investments	\$	<u>1,118,393</u>

Deposits

Custodial Credit Risk - Deposits

In the case of deposits, this is the risk that in the event of bank failure, the government's deposits may not be returned to it. The Town's deposit policy is in accordance with CRS 11-10.5-101, The Colorado Public Deposit Protection Act (PDPA), which governs the investment of public funds. PDPA requires that all units of local government deposit cash in eligible public depositories. Eligibility is determined by state regulations. Amounts on deposit in excess of federal insurance levels must be collateralized by eligible collateral as determined by the PDPA. The financial institution is allowed to create a single collateral pool for all public funds held. The pool is to be maintained by another institution, or held in trust for all the uninsured public deposits as a group. The market value of the collateral must be at least equal to 102% of the uninsured deposits. The institution's internal records identify collateral by depositor and as such, these deposits are considered uninsured but collateralized. The State Regulatory Commissions for banks and financial services are required by statute to monitor the naming of eligible depositories and reporting of the uninsured deposits and assets maintained in the collateral pools. At December 31, 2022, all of the Town's deposits as shown below were either insured by federal depository insurance or collateralized under PDPA and are therefore not deemed to be exposed to custodial credit risk.

Deposits at December 31, 2022 were as follows:

	<u>Bank Balance</u>	<u>Carrying Amount</u>
FDIC Insured	\$ 49,245	\$ 36,038
Cash with Fiscal Agent	14,943	15,173
Total Cash Deposits	<u>\$ 64,188</u>	<u>\$ 51,211</u>

TOWN OF ALMA
NOTES TO FINANCIAL STATEMENTS
December 31, 2022

NOTE 2: CASH AND INVESTMENTS (Continued)

Investments

Credit Risk

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

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

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

During the year ended December 31, 2022, the Town invested funds in the Colotrust. As an investment pool, it operates under the Colorado Revised Statutes (24-75-701) and is overseen by the Colorado Securities Commissioner. It invests in securities that are specified by Colorado Revised Statutes (24-75-601). Authorized securities include U.S. Treasuries, U.S. Agencies, commercial paper (rated A1 or better) and bank deposits (collateralized through PDPA). The pool operates similar to a 2a-7-like money market fund with a share value equal to \$1.00 and a maximum weighted average maturity of 60 days. This fund is rated AAAM by the Standard and Poor's Corporation.

Concentration of Credit Risk

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

Interest Rate Risk

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

Custodial Credit Risk – Investments

For an investment, custodial credit risk is the risk that, in the event of the failure of the counterparty, the Town will not be able to recover the value of its investments or collateral securities that are in the possession of an outside party. As of December 31, 2022, the Town's investments consisted of the investment pool.

TOWN OF ALMA
NOTES TO FINANCIAL STATEMENTS
December 31, 2022

NOTE 2: CASH AND INVESTMENTS (Continued)

Investments (Continued)

The Town has restricted cash as follows:

<u>Restricted Cash</u>	
Conservation Trust Fund (Govt Sct)	\$ 22,652
Water Fund	
1992 Water & Sewer Revenue Bonds	14,122
2011 CWRPDA Loan	23,971
Total Water Fund	38,093
Sewer Fund	
1992 Water & Sewer Revenue Bonds	9,596
Total Business Type Activities	47,689
Total Restricted Cash	\$ 70,341

NOTE 3: CAPITAL ASSETS

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

	Balance 1/1/22	Additions	Deletions	Balance 12/31/22
Governmental activities:				
Capital Assets not being depreciated:				
Land & Improvements	\$ 482,091	\$ -	\$ -	\$ 482,091
Construction in Progress	49,228	-	49,228	-
Non-Depreciable Collection	59,000	-	-	59,000
Total capital assets not being depreciated	590,319	-	49,228	541,091
Capital assets being depreciated:				
Buildings & Improvements	1,111,655	82,238	-	1,193,893
Equipment & Vehicles	526,025	285,375	53,735	757,665
Streets	873,693	-	-	873,693
Total capital assets being depreciated:	2,511,373	367,613	53,735	2,825,251
Accumulated depreciation:				
Buildings & Improvements	(270,068)	(32,482)	-	(302,550)
Equipment and vehicles	(406,129)	(32,277)	(53,735)	(384,671)
Streets	(502,638)	(34,947)	-	(537,585)
Total accumulated depreciation	(1,178,835)	(99,706)	(53,735)	(1,224,806)
Total governmental activities capital assets,				
Net of depreciation:	\$ 1,922,857	\$ 267,907	\$ 49,228	\$ 2,141,536

TOWN OF ALMA
NOTES TO FINANCIAL STATEMENTS
December 31, 2022

NOTE 3: CAPITAL ASSETS (Continued)

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

General Government	\$	16,182
Public Safety		10,175
Public Works		66,649
Parks and Recreation		6,700
Total Depreciation	\$	<u>99,706</u>

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

	Balance 1/1/22	Additions	Deletions	Balance 12/31/22
Business-type activities:				
Capital Assets not being depreciated:				
Water rights	\$ 60,090	\$ -	\$ -	\$ 60,090
Construction in progress	94,389	112,027	-	206,416
Total Capital Assets not being depreciated	<u>154,479</u>	<u>112,027</u>	<u>-</u>	<u>266,506</u>
Capital Assets being depreciated:				
Water plant and lines	2,214,407	-	-	2,214,407
Sewer plant & lines	684,287	-	-	684,287
Water equipment	23,653	-	-	23,653
Sewer equipment	24,908	-	-	24,908
Total capital assets being depreciated:	<u>2,947,255</u>	<u>-</u>	<u>-</u>	<u>2,947,255</u>
Accumulated depreciation:				
Water plant and lines	(1,096,639)	(47,302)	-	(1,143,941)
Sewer plant & lines	(519,654)	(13,479)	-	(533,133)
Water equipment	(16,553)	(1,160)	-	(17,713)
Sewer equipment	(24,908)	-	-	(24,908)
Total accumulated depreciation	<u>(1,657,754)</u>	<u>(61,941)</u>	<u>-</u>	<u>(1,719,695)</u>
Total business-type activities capital assets, Net of depreciation	<u>\$ 1,443,980</u>	<u>\$ 50,086</u>	<u>\$ -</u>	<u>\$ 1,494,066</u>

NOTE 4: LONG-TERM DEBT

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

	Balance 01/01/22	Additions	Deletions	Balance 12/31/22	Current Portion	Interest Expense
Governmental Activities						
2016 TBK Bank Lease	<u>\$ 87,984</u>	<u>\$ -</u>	<u>\$ 20,300</u>	<u>\$ 67,684</u>	<u>\$ 21,391</u>	<u>\$ 4,728</u>
Business-type Activities						
1992 Water & Sewer Revenue Bonds	\$ 166,000	\$ -	\$ 11,700	154,300	\$ 12,200	\$ 8,155
2011 CWRPDA Water Loan	218,015	-	21,058	196,957	21,480	4,256
2021 CWRPDA Sewer Loan	238,852	97,917	97,917	238,852	-	238,852
Total Business-type Activities Debt	<u>\$ 622,867</u>	<u>\$ 97,917</u>	<u>\$ 130,675</u>	<u>\$ 590,109</u>	<u>\$ 33,680</u>	<u>\$ 251,263</u>

TOWN OF ALMA
NOTES TO FINANCIAL STATEMENTS
December 31, 2022

NOTE 4: LONG-TERM DEBT (Continued)

Governmental Activities

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

Remaining lease payment requirements are as follows:

<u>Year</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2023	\$ 21,391	\$ 3,637	\$ 25,028
2024	22,540	2,488	25,028
2025	23,753	1,275	25,028
2026	-	1	1
Totals	\$ 67,684	\$ 7,401	\$ 75,085

Business-type Activities

The \$341,100 Water and Sewer Revenue Bonds (FmHA) were dated September 10, 1992. This issue bears interest at five (5) percent. Original principal was allocated at \$203,100 to the Water Fund and \$138,000 to the Sewer Fund. Principal and interest are payable January 1 and July 1 of each year. The bonds also require the maintenance of a reserve fund in the amount of \$14,122. This has been jointly funded by the Water and Sewer Funds proportional to the outstanding balance of the bonds and is shown as restricted cash in the financial statements as outlined in Note 2. Payments are allocated between the Water and Sewer Funds. Payments to maturity are as follows:

<u>Year</u>	<u>Water Fund</u>		<u>Sewer Fund</u>		<u>Total</u>		
	<u>Principal</u>	<u>Interest</u>	<u>Principal</u>	<u>Interest</u>	<u>Principal</u>	<u>Interest</u>	<u>Total Pmt</u>
2023	\$ 7,264	\$ 4,504	\$ 4,936	\$ 3,061	\$ 12,200	\$ 7,565	\$ 19,765
2024	7,621	4,137	5,179	2,811	12,800	6,948	19,748
2025	8,038	3,750	5,462	2,548	13,500	6,298	19,798
2026	8,455	3,343	5,745	2,272	14,200	5,615	19,815
2027	8,871	2,914	6,029	1,981	14,900	4,895	19,795
2028-2032	51,621	7,361	35,079	5,002	86,700	12,363	99,063
Totals	\$ 91,870	\$ 26,009	\$ 62,430	\$ 17,675	\$ 154,300	\$ 43,684	\$ 197,984

TOWN OF ALMA
NOTES TO FINANCIAL STATEMENTS
December 31, 2022

NOTE 4: LONG-TERM DEBT (Continued)

Business-type Activities (Continued)

In April 2011, the Town entered into a loan agreement with the Colorado Water Resource and Power Development Authority in the amount of \$616,385. The proceeds are to be used to complete upgrades to the water system. The loan requires semi-annual principal and interest payments on May 1 and November 1 of each year through 2031. The loan bears interest at 2.0% per annum. Pursuant to the loan agreement, the Town was required to establish a 3 month operations and maintenance reserve based on the subsequent years budgeted expenditures, or \$23,718. The Town has funded this reserve through the restriction of its cash balances in the Water Fund. The Town believes it is in compliance with all required covenants and obligations called for by the loan agreement.

The 2011 CWRPDA loan matures as follows:

<u>Year</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2023	\$ 21,480	\$ 3,832	\$ 25,312
2024	21,912	3,401	25,313
2025	22,352	2,960	25,312
2026	22,801	2,511	25,312
2027	23,260	2,053	25,313
2028-2031	85,152	3,440	88,592
Totals	\$ 196,957	\$ 18,197	\$ 215,154

In March 2021, the Town entered into a principal forgiveness loan agreement with the Colorado Water Resource and Power Development Authority in the amount of \$238,852. The proceeds are to be used in the complete decommissioning of the existing aerated lagoon system and the construction of a new treatment facility with the loan being forgiven at loan closing. At year ended December 31, 2022 the Town has drawn down the loan balance to \$117,017.

NOTE 5: PENSION OBLIGATIONS

Police

DEFINED CONTRIBUTION (ICMA)

The Town offers its uniformed employees a retirement plan created in accordance with Internal Revenue Code Section 401(a). Employees are eligible to participate in the plan on the first day of employment. This plan is a defined-contribution plan administered by a third party trustee. Under the terms of the plan, the Town is the only non-employee contributor and contributes seven (7) percent of each participant's salary, each participant is required to contribute seven (7) percent of salary, although they can contribute more. Contribution requirements of the Town and the participants are established and may be amended by the Town Council. An employee is immediately 100 percent vested in any employer contribution. Since the assets are held in trust by a third party trustee, they are not reflected on the Town's financial statements. For the years ended December 31, 2022, 2021, and 2020, the Town contributed \$0, \$0, and \$0, respectively, equal to their required contributions. For the year ended December 31, 2022, there was no covered payroll requiring contributions, although employees made elective contributions.

TOWN OF ALMA
NOTES TO FINANCIAL STATEMENTS
December 31, 2022

NOTE 5: PENSION OBLIGATIONS (Continued)

Police (Continued)

STATEWIDE DEFINED BENEFIT PLAN (FPPA)

Summary of Significant Accounting Policies

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

General Information about the Pension Plan

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

Benefits provided. A member is eligible for a normal retirement pension once the member has completed twenty-five years of credited service and has attained the age of 55. Effective January 1, 2021, a member may also qualify for a normal retirement pension if the member's combined years of service and age equals at least 80, with a minimum age of 50 (Rule of 80).

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

TOWN OF ALMA
NOTES TO FINANCIAL STATEMENTS
December 31, 2022

NOTE 5: PENSION PLANS (Continued)

Police (Continued)

STATEWIDE DEFINED BENEFIT PLAN (FPPA) (Continued)

General Information about the Pension Plan (Continued)

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

Contribution rates for employers and members may be increased equally by the FPPA Board of Directors upon approval through an election by both the employers and members.

In 2014, the members elected to increase the member contribution rate to the SWDB plan beginning in 2015. Member contribution rates will increase 0.5 percent annually through 2022 to a total of 12 percent of pensionable earnings. Employer contributions increase 0.5 percent annually beginning in 2021 through 2030 to a total of 13.0 percent of pensionable earnings. In 2021, members of the SWDB plan and their employers are contributing at the rate of 11.5 percent and 8.5 percent, respectively, of pensionable earnings for a total contribution rate of 20.0 percent.

Contributions from members and employers of departments reentering the system are established by resolution and approved by the FPPA Board of Directors. The member and employer contribution rates will increase through 2030 as described above for the non-reentering departments. Effective January 1, 2021, reentry departments may submit a resolution to the FPPA Board of Directors to reflect the actual cost of reentry by department. Each reentry department is responsible to remit contributions to the plan in accordance with their most recent FPPA Board of Directors approved resolution.

The contribution rate for members and employers of affiliated social security employers is 5.75 percent and 4.25 percent, respectively, of pensionable earnings for a total contribution rate of 10.0 percent in 2021. Per the 2014 member election, members of the affiliate social security group had their required contribution rate increase 0.25 percent annually beginning in 2015 through 2022 to a total of 6 percent of pensionable earnings. Employer contributions are 4 percent and 4.25 percent in 2020 and 2021. Employer contributions will increase 0.25 percent annually beginning in 2021 through 2030 to a total of 6.5 percent of pensionable earnings.

Employer contributions are recognized by FPPA in the period in which the compensation becomes payable to the member and the Town is statutorily committed to pay the contributions to FPPA. Employer contributions recognized by the FPPA from the Town were \$4,866 for the plan year ended December 31, 2021 and \$1,429 for the fiscal year ended December 31, 2022. The current year contributions will be expensed in 2023 for FPPA purposes, December 31, 2022 employer contributions for reporting as of December 31, 2023, and are a timing difference at year end.

TOWN OF ALMA
NOTES TO FINANCIAL STATEMENTS
December 31, 2022

NOTE 5: PENSION PLANS (Continued)

Police (Continued)

STATEWIDE DEFINED BENEFIT PLAN (FPPA) (Continued)

General Information about the Pension Plan (Continued)

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

At December 31, 2022, the Town reported an asset of \$38,538 for its proportionate share of the SWDB's net pension liability. The net pension asset or liability was measured as of December 31, 2021, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of January 1, 2022. The Town's proportion of the net pension liability was based on Town's contributions to the SWDB for the calendar year 2021 relative to the total contributions of participating employers to the SWDB.

At December 31, 2022, the Town's proportion was 0.00711%, which was a decrease of 0.00371% from its proportion measured as of December 31, 2021.

For the year ended December 31, 2022, the Town recognized pension expense of \$13,004. At December 31, 2022, the Town reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows	Deferred Inflows
Difference between expected and actual experience	\$ 14,132	\$ (949)
Changes of assumptions or other inputs	\$ 12,337	\$ -
Net difference between projected and actual earnings on pension plan investments	\$ 3,104	\$ (33,813)
Changes in proportion and differences between contributions recognized and proportionate share of contributions - Plan Basis	\$ 14,094	\$ (6,291)
Contributions subsequent to the measurement date	\$ 1,429	\$ -
Total	\$ 45,096	\$ (41,053)

\$1,429 reported as deferred outflows of resources related to pensions, resulting from contributions subsequent to the measurement date, will be recognized as an adjustment of the net pension asset in the year ended December 31, 2023.

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

TOWN OF ALMA
NOTES TO FINANCIAL STATEMENTS
December 31, 2022

NOTE 5: PENSION PLANS (Continued)

Police (Continued)

STATEWIDE DEFINED BENEFIT PLAN (FPPA) (Continued)

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

Year Ended December 31:	Fiscal year Total
2023	\$ (2,108)
2024	(5,212)
2025	(1,951)
2026	1,998
2027	4,370
2028-2031	5,517
Total	\$ 2,614

Actuarial assumptions. The actuarial valuations for the Statewide Defined Benefit Plan were used to determine the total pension liability and actuarially determined contributions for the fiscal year ending December 31, 2021. The valuations used the following actuarial assumption and other inputs:

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

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

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

TOWN OF ALMA
NOTES TO FINANCIAL STATEMENTS
December 31, 2022

NOTE 5: PENSION PLANS (Continued)

Police (Continued)

STATEWIDE DEFINED BENEFIT PLAN (FPPA) (Continued)

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

The long-term expected rate of return on pension plan investments was determined using a building-block method in which best-estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighing the expected future real rates of return by the target asset allocation percentage and by adding expected inflation (assumed at 2.5 percent). Best estimates of arithmetic real rates of return for each major asset class included in the Fund's target asset allocation as of December 31, 2021 are summarized in the following table:

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

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

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

For the purpose of this valuation, the expected rate of return on pension plan investments is 7.00 percent; the municipal bond rate is 1.84 percent (based on the weekly rate closest to but not later than the measurement date of the "state & local bonds" rate from Federal Reserve statistical release (H.15)); and the resulting Single Discount Rate is 7.00 percent.

TOWN OF ALMA
NOTES TO FINANCIAL STATEMENTS
December 31, 2022

NOTE 5: PENSION PLANS (Continued)

Police (Continued)

STATEWIDE DEFINED BENEFIT PLAN (FPPA) (Continued)

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

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

	1% Decrease (6.00%)	Current Discount Rate (7.00%)	1% Increase (8.00%)
Proportionate share of the net pension asset (liability)	\$ 5,315	\$ 38,538	\$ 66,062

General Employees

DEFINED BENEFIT PENSION PLAN (Continued)

Summary of Significant Accounting Policies

Pensions. The Town participates in the Local Government Division Trust Fund (LGDTF), a cost-sharing multiple-employer defined benefit pension plan administered by the Public Employees' Retirement Association of Colorado ("PERA"). The net pension liability, deferred outflows of resources and deferred inflows of resources related to pensions, pension expense, information about the fiduciary net position and additions to/deductions from the fiduciary net position of the LGDTF have been determined using the economic resources measurement focus and the accrual basis of accounting. For this purpose, benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with the benefit terms. Investments are reported at fair value.

General Information about the Pension Plan

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

TOWN OF ALMA
NOTES TO FINANCIAL STATEMENTS
December 31, 2022

NOTE 5: PENSION PLANS (Continued)

General Employees

DEFINED BENEFIT PENSION PLAN (Continued)

General Information about the Pension Plan (Continued)

Benefits provided as of December 31, 2021. PERA provides retirement, disability, and survivor benefits. Retirement benefits are determined by the amount of service credit earned and/or purchased, highest average salary, the benefit structure(s) under which the member retires, the benefit option selected at retirement, and age at retirement. Retirement eligibility is specified in tables set forth at C.R.S. § 24-51-602, 604, 1713, and 1714.

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

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

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

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

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

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

TOWN OF ALMA
NOTES TO FINANCIAL STATEMENTS
December 31, 2022

NOTE 5: PENSION PLANS (Continued)

General Employees

DEFINED BENEFIT PENSION PLAN (Continued)

General Information about the Pension Plan (Continued)

Upon meeting certain criteria, benefit recipients who elect to receive a lifetime retirement benefit generally receive post-retirement cost-of-living adjustments, referred to as annual increases in the C.R.S. Subject to the automatic adjustment provision (AAP) under C.R.S. § 24-51-413, eligible benefit recipients under the PERA benefit structure who began membership before January 1, 2007, and all eligible benefit recipients of the DPS benefit structure will receive the maximum annual increase (AI) or AI cap of 1.00% unless adjusted by the AAP. Eligible benefit recipients under the PERA benefit structure who began membership on or after January 1, 2007, will receive the lesser of an annual increase of the 1.00% AI cap or the average increase of the Consumer Price Index for Urban Wage Earners and Clerical Workers for the prior calendar year, not to exceed a determined increase that would exhaust 10% of PERA's Annual Increase Reserve (AIR) for the LGDTF. The AAP may raise or lower the aforementioned AI cap by up to 0.25% based on the parameters specified in C.R.S. § 24-51-413.

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

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

Contributions provisions as of December 31, 2022: Eligible employees and the Town are required to contribute to the LGDTF at a rate set by Colorado statute. The contribution requirements are established under C.R.S. § 24-51-401, *et seq.* and § 24-51-413. Eligible employees are required to contribute 8 percent of their PERA-includable salary during the period of January 1, 2022 through December 31, 2022. The employer contribution requirements during the period of January 1, 2021 through December 31, 2022 are summarized in the table below:

TOWN OF ALMA
NOTES TO FINANCIAL STATEMENTS
December 31, 2022

NOTE 5: PENSION PLANS (Continued)

General Employees

DEFINED BENEFIT PENSION PLAN (Continued)

General Information about the Pension Plan (Continued)

	January 1, 2021 through June 30, 2021	July 1, 2021 through December 31, 2021	January 1, 2022 Through June 30, 2022	July 1, 2022 Through December 31, 2022
Employer contribution rate	10.50%	10.50%	10.50%	11.00%
Amount of employer contribution apportioned to the Health Care Trust Fund as specified in C.R.S. 24-51-208(1)(f)	-1.02%	-1.02%	-1.02%	-1.02%
Amount apportioned to the LGDTF	9.48%	9.48%	9.48%	9.48%
Amortization equalization disbursement (AED) as specified in C.R.S. 24-51-411	2.20%	2.20%	2.20%	2.20%
Supplemental amortization equalization disbursement (SAED) as specified in C.R.S. 24-51-411	1.50%	1.50%	1.50%	1.50%
Defined contribution supplement as specified in C.R.S. 24-51-415	0.00%	0.02%	0.03%	0.03%
Total employer contribution rate to the LGDTF	13.18%	13.20%	13.21%	13.71%

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

Employer contributions are recognized by the LGDTF in the period in which the compensation becomes payable to the member and the Town is statutorily committed to pay the contributions to the LGDTF. Employer contributions recognized by the LGDTF from the Town were \$33,212 for the year ended December 31, 2022.

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

At December 31, 2022, the Town reported an asset of \$28,991 for its proportionate share of the net pension liability. The net pension liability for the LGDTF was measured as of December 31, 2021, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of December 31, 2020. Standard update procedures were used to roll-forward the total pension liability to December 31, 2021. The Town's proportion of the net pension liability was based on the Town's contributions to the LGDTF for the calendar year 2021 relative to the total contributions of participating employers to the LGDTF.

At December 31, 2021, the Town's proportion was 0.03381 percent, which was an increase of 0.00233 from its proportion measured as of December 31, 2020.

For the year ended December 31, 2022, the Town recognized pension expense of \$57,834. At December 31, 2022, the Town reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

TOWN OF ALMA
NOTES TO FINANCIAL STATEMENTS
December 31, 2022

NOTE 5: PENSION PLANS (Continued)

General Employees

DEFINED BENEFIT PENSION PLAN (Continued)

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

	Deferred Outflows	Deferred Inflows
Difference between expected and actual experience	\$ 1,320	\$ (484)
Changes of assumptions or other inputs	\$ 9,151	\$ -
Net difference between projected and actual earnings on pension plan investments	\$ 24,242	\$ (267,655)
Changes in proportion and differences between contributions recognized and proportionate share of contributions - Plan Basis	\$ 13,532	\$ -
Contributions subsequent to the measurement date	\$ 46,779	\$ -
Total	\$ 95,024	\$ (268,139)

\$46,779 reported as deferred outflows of resources related to pensions, resulting from contributions subsequent to the measurement date, will be recognized as a reduction of the net pension liability in the year ended December 31, 2023. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

Year Ended December 31:	Fiscal year Total
2023	\$ (43,863)
2024	(87,159)
2025	(58,440)
2026	(30,432)
Total	\$ (219,894)

Actuarial assumptions. The TPL in the December 31, 2020, actuarial valuation was determined using the following actuarial cost method, actuarial assumptions, and other inputs:

TOWN OF ALMA
NOTES TO FINANCIAL STATEMENTS
December 31, 2022

NOTE 5: PENSION PLANS (Continued)

General Employees

DEFINED BENEFIT PENSION PLAN (Continued)

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

Actuarial cost method	Entry Age
Price inflation	2.30%
Real wage growth	0.70%
Wage inflation	3.00%
Salary increase, including wage inflation	3.20-11.30%
Long-term investment rate of return, net of pension plan investment expenses, including price inflation	7.25%
Discount rate	7.25%
Post retirement benefit increases:	
PERA benefit structure hired prior to 1/1/07 and DPS benefit structure (automatic)	1.00% compounded annually
PERA benefit structure hired after 12/31/06 (ad hoc, substantively automatic)	Financed by the Annual Increase Reserve (AIR)

The TPL as of December 31, 2021, includes the anticipated adjustments to contribution rates and the AI cap, resulting from the 2020 AAP assessment, statutorily recognized July 1, 2021, and effective July 1, 2022.

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

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

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

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

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

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

TOWN OF ALMA
NOTES TO FINANCIAL STATEMENTS
December 31, 2022

NOTE 5: PENSION PLANS (Continued)

General Employees

DEFINED BENEFIT PENSION PLAN (Continued)

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

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

The actuarial assumptions used in the December 31, 2020, valuation were based on the results of the 2020 experience analysis for the period January 1, 2016, through December 31, 2019, and were reviewed and adopted by the PERA Board at their November 20, 2020, meeting.

The long-term expected return on plan assets is reviewed as part of regular experience studies prepared every four to five years for PERA. Recently this assumption has been reviewed more frequently. The most recent analyses were outlined in the Experience Study report dated October 28, 2020.

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

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

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

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

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

TOWN OF ALMA
NOTES TO FINANCIAL STATEMENTS
December 31, 2022

NOTE 5: PENSION PLANS (Continued)

General Employees

DEFINED BENEFIT PENSION PLAN (Continued)

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

- Total covered payroll for the initial projection year consists of the covered payroll of the active membership present on the valuation date and the covered payroll of future plan members assumed to be hired during the year. In subsequent projection years, total covered payroll was assumed to increase annually at a rate of 3.00%.
- Employee contributions were assumed to be made at the member contribution rates in effect for each year, including the required adjustments resulting from the 2018 AAP assessment, and the additional 0.50% resulting from the 2020 AAP assessment, statutorily recognized July 1, 2021, and effective July 1, 2022. Employee contributions for future plan members were used to reduce the estimated amount of total service costs for future plan members.
- Employer contributions were assumed to be made at rates equal to the fixed statutory rates specified in law for each year, including the required adjustments resulting from the 2018 AAP assessment, and the additional 0.50% resulting from the 2020 AAP assessment, statutorily recognized July 1, 2021, and effective July 1, 2022. Employer contributions also include current and estimated future AED and SAED, until the actuarial value funding ratio reaches 103%, at which point the AED and SAED will each drop 0.50% every year until they are zero. Additionally, estimated employer contributions reflect reductions for the funding of the AIR and retiree health care benefits. For future plan members, employer contributions were further reduced by the estimated amount of total service costs for future plan members not financed by their member contributions.
- Employer contributions and the amount of total service costs for future plan members were based upon a process to estimate future actuarially determined contributions assuming an analogous future plan member growth rate.
- The AIR balance was excluded from the initial FNP, as, per statute, AIR amounts cannot be used to pay benefits until transferred to either the retirement benefits reserve or the survivor benefits reserve, as appropriate. AIR transfers to the FNP and the subsequent AIR benefit payments were estimated and included in the projections.
- The projected benefit payments reflect the lowered AI cap, from 1.25% to 1.00%, resulting from the 2020 AAP assessment, statutorily recognized July 1, 2021, and effective July 1, 2022.
- Benefit payments and contributions were assumed to be made at the middle of the year.

TOWN OF ALMA
NOTES TO FINANCIAL STATEMENTS
December 31, 2022

NOTE 5: PENSION PLANS (Continued)

General Employees

DEFINED BENEFIT PENSION PLAN (Continued)

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

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

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

	1% Decrease (6.25%)	Current Discount Rate (7.25%)	1% Increase (8.25%)
Proportionate share of the net pension asset (liability)	\$ (198,783)	\$ 28,991	\$ 219,515

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

Internal Allocations (Continued)

The Town's internal allocation of the PERA net pension liability and related deferred outflows and inflows of resources is determined by the underlying payroll amounts. The allocation of the payroll for the years ended December 31, 2022, 2021, 2020, 2019, and 2018 were as follows:

	Governmental Activities	Water Fund	Sewer Fund	Total All Funds
12/31/2018 Allocation	77.61%	13.96%	8.43%	100.00%
12/31/2019 Allocation	76.60%	11.70%	11.70%	100.00%
12/31/2020 Allocation	76.40%	11.80%	11.80%	100.00%
12/31/2021 Allocation	75.80%	12.20%	12.00%	100.00%
12/31/2022 Allocation	75.41%	12.33%	12.26%	100.00%

TOWN OF ALMA
NOTES TO FINANCIAL STATEMENTS
December 31, 2022

NOTE 5: PENSION PLANS (Continued)

General Employees (Continued)

Internal Allocations (Continued)

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

Year Ended December 31:	Governmental Activities	Water Fund	Sewer Fund	Total All Funds
2023	\$ (33,567)	\$ (5,892)	\$ (4,404)	\$ (43,863)
2024	(66,475)	(10,360)	(10,324)	(87,159)
2025	(44,344)	(7,048)	(7,048)	(58,440)
2026	(22,946)	(3,743)	(3,743)	(30,432)
Total	\$ (167,331)	\$ (27,043)	\$ (25,520)	\$ (219,894)

Defined Contribution Pension Plans

Voluntary Investment Program

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

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

NOTE 6: OTHER POST-EMPLOYMENT BENEFITS

Summary of Significant Accounting Policies

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

NOTE 6: OTHER POST-EMPLOYMENT BENEFITS (Continued)

General Information about the OPEB Plan

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

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

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

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

PERA Benefit Structure

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

TOWN OF ALMA
NOTES TO FINANCIAL STATEMENTS
December 31, 2022

NOTE 6: OTHER POST-EMPLOYMENT BENEFITS (Continued)

General Information about the OPEB Plan (Continued)

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

DPS Benefit Structure

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

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

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

Employer contributions are recognized by the HCTF in the period in which the compensation becomes payable to the member and the Town is statutorily committed to pay the contributions. Employer contributions recognized by the HCTF from the Town were \$2,566 for the year ended December 31, 2022.

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

At December 31, 2022, the Town reported a liability of \$22,667 for its proportionate share of the net OPEB liability. The net OPEB liability for the HCTF was measured as of December 31, 2021, and the total OPEB liability used to calculate the net OPEB liability was determined by an actuarial valuation as of December 31, 2020. Standard update procedures were used to roll-forward the total OPEB liability to December 31, 2021. The Town's proportion of the net OPEB liability was based on Town's contributions to the HCTF for the calendar year 2021 relative to the total contributions of participating employers to the HCTF.

At December 31, 2021, the Town's proportion was 0.00263 percent, which was an increase of 0.00027 from its proportion measured as of December 31, 2020.

TOWN OF ALMA
NOTES TO FINANCIAL STATEMENTS
December 31, 2022

NOTE 6: OTHER POST-EMPLOYMENT BENEFITS (Continued)

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

For the year ended December 31, 2022, the Town recognized OPEB expense of \$1,374. At December 31, 2022, the Town reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

	Deferred Outflows	Deferred Inflows
Difference between expected and actual experience	\$ 24	\$ (4,918)
Net difference between projected and actual earnings on pension plan investments	\$ 127	\$ (1,478)
Changes of assumptions or other inputs	\$ 445	\$ (1,124)
Changes in proportion and differences between contributions recognized and proportionate share of contributions - Plan Basis	\$ 5,921	\$ -
Contributions subsequent to the measurement date	\$ 3,543	\$ -
Total	\$ 10,060	\$ (7,520)

\$3,543 reported as deferred outflows of resources related to OPEB, resulting from contributions subsequent to the measurement date, will be recognized as a reduction of the net OPEB liability in the year ended December 31, 2023. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to OPEB will be recognized in OPEB expense as follows:

Year Ended December 31:	Fiscal Year Totals
2023	\$ 21
2024	(317)
2025	(754)
2026	(275)
2027	271
2028	51
Total	\$ (1,003)

Actuarial assumptions. The total OPEB liability in the December 31, 2020 actuarial valuation was determined using the following actuarial cost method, actuarial assumptions and other inputs:

TOWN OF ALMA
NOTES TO FINANCIAL STATEMENTS
December 31, 2022

NOTE 6: OTHER POST-EMPLOYMENT BENEFITS (Continued)

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

Actuarial cost method	Entry Age
Price inflation	2.30%
Real wage growth	0.70%
Wage inflation	3.00%
Salary increase, including wage inflation	3.20-11.30%
Long-term investment rate of return, net of pension plan investment expenses, including price inflation	7.25%
Discount rate	7.25%
Health care cost trend rates (PERA benefit structure):	
Service-based premium subsidy	0.00%
PERACare Medicare plans	4.50% in 2021, 6.00% in 2022 gradually decreasing to 4.50% in 2029
Medicare Part A premiums	3.75% in 2021, gradually increasing to 4.50% in 2029

In determining the additional liability for PERACare enrollees who are age 65 or older and who are not eligible for premium-free Medicare Part A in the December 31, 2020, valuation, the following monthly costs/premiums (actual dollars) are assumed for 2021 for the PERA Benefit Structure:

Initial Costs for Members without Medicare Part A

Medicare Plan	Monthly Cost	Monthly Premium	Monthly Cost Adjusted to Age 65
Medicare Advantage/Self-Insured Prescription	\$633	\$230	\$591
Kaiser Permanente Medicare Advantage HMO	596	199	562

The 2021 Medicare Part A premium is \$471 (actual dollars) per month.

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

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

TOWN OF ALMA
NOTES TO FINANCIAL STATEMENTS
December 31, 2022

NOTE 6: OTHER POST-EMPLOYMENT BENEFITS (Continued)

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

Health care cost trend rates for the PERA benefit structure are based on published annual health care inflation surveys in conjunction with actual plan experience (if credible), building block models and industry methods developed by health plan actuaries and administrators. In addition, projected trends for the Federal Hospital Insurance Trust Fund (Medicare Part A premiums) provided by the Centers for Medicare & Medicaid Services are referenced in the development of these rates. Effective December 31, 2020, the health care cost trend rates for Medicare Part A premiums were revised to reflect the current expectation of future increases in rates of inflation applicable to Medicare Part A premiums.

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

Year	PERACare Medicare Plans	Medicare Part A Premiums
2021	4.50%	3.75%
2022	6.00%	3.75%
2023	5.80%	4.00%
2024	5.60%	4.00%
2025	5.40%	4.00%
2026	5.10%	4.25%
2027	4.90%	4.25%
2028	4.70%	4.25%
2029+	4.50%	4.50%

Mortality assumptions used in the December 31, 2020 valuation for the determination of the total pension liability for each of the Division Trust Funds as shown below were applied, as applicable, in the determination of the total OPEB liability for the HCTF. Affiliated employers of the State, School, Local Government, and Judicial Divisions participate in the HCTF.

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

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

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

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

TOWN OF ALMA
NOTES TO FINANCIAL STATEMENTS
December 31, 2022

NOTE 6: OTHER POST-EMPLOYMENT BENEFITS (Continued)

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

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

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

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

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

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

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

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

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

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

TOWN OF ALMA
NOTES TO FINANCIAL STATEMENTS
December 31, 2022

NOTE 6: OTHER POST-EMPLOYMENT BENEFITS (Continued)

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

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

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

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

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

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

The following health care costs assumptions were updated and used in the roll forward calculation for the HCTF:

- Initial per capita health care costs for those PERACare enrollees under the PERA benefit structure who are expected to attain age 65 and older ages and are not eligible for premium-free Medicare Part A benefits were updated to reflect the change in costs for the 2020 plan year.
- The health care cost trend rates for Medicare Part A premiums were revised to reflect the then-current expectation of future increases in rates of inflation applicable to Medicare Part A premiums.

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

The actuarial assumptions used in the December 31, 2020, valuation were based on the results of the 2020 experience analysis for the period January 1, 2016, through December 31, 2019, and were reviewed and adopted by the PERA Board at their November 20, 2020, meeting.

TOWN OF ALMA
NOTES TO FINANCIAL STATEMENTS
December 31, 2022

NOTE 6: OTHER POST-EMPLOYMENT BENEFITS (Continued)

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

The long-term expected return on plan assets is reviewed as part of regular experience studies prepared every four to five years for PERA. Recently this assumption has been reviewed more frequently. The most recent analyses were outlined in the Experience Study report dated October 28, 2020.

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

As of the most recent reaffirmation of the long-term rate of return, the target asset allocation and best estimates of geometric real rates of return for each major asset class are summarized in the table as follows:

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

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

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

Sensitivity of the Net OPEB Liability to Changes in the Health Care Cost Trend Rates			
	1% Decrease	Current Trend Rate	1% Increase
Initial PERACare Medicare trend rate	3.50%	4.50%	5.50%
Ultimate PERACare Medicare Part A trend rate	3.50%	4.50%	5.50%
Initial Medicare Part A trend rate	2.75%	3.75%	4.75%
Ultimate Medicare Part A trend rate	3.50%	4.50%	5.50%
Proportionate share of the net OPEB asset (liability)	\$ (22,016)	\$ (22,667)	\$ (23,421)

TOWN OF ALMA
NOTES TO FINANCIAL STATEMENTS
December 31, 2022

NOTE 6: OTHER POST-EMPLOYMENT BENEFITS (Continued)

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

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

- Updated health care cost trend rates for Medicare Part A premiums as of the December 31, 2021, measurement date.
- Total covered payroll for the initial projection year consists of the covered payroll of the active membership present on the valuation date and the covered payroll of future plan members assumed to be hired during the year. In subsequent projection years, total covered payroll was assumed to increase annually at a rate of 3.00 percent.
- Employer contributions were assumed to be made at rates equal to the fixed statutory rates specified in law and effective as of the measurement date.
- Employer contributions and the amount of total service costs for future plan members were based upon a process to estimate future actuarially determined contributions assuming an analogous future plan member growth rate.
- Estimated transfers of dollars into the HCTF representing a portion of purchase service agreements intended to cover the costs associated with OPEB benefits.
- Benefit payments and contributions were assumed to be made at the middle of the year.

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

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

TOWN OF ALMA
NOTES TO FINANCIAL STATEMENTS
December 31, 2022

NOTE 6: OTHER POST-EMPLOYMENT BENEFITS (Continued)

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

Sensitivity of the Net OPEB Liability to Changes in the Discount Rate			
	1% Decrease	Current Discount Rate	1% Increase
Discount Rate	6.25%	7.25%	8.25%
Proportionate share of the net OPEB asset (liability)	\$ (26,325)	\$ (22,667)	\$ (19,542)

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

Internal Allocations

The Town's internal allocation of the net OPEB liability and related deferred outflows and inflows of resources is determined by the underlying payroll amounts. The allocation of the payroll for the years ended December 31, 2022, 2021, 2020, 2019 and 2018 were as follows:

	Governmental Activities	Water Fund	Sewer Fund	Total All Funds
12/31/2018 Allocation	77.61%	13.96%	8.43%	100.00%
12/31/2019 Allocation	76.60%	11.70%	11.70%	100.00%
12/31/2020 Allocation	76.40%	11.80%	11.80%	100.00%
12/31/2021 Allocation	75.80%	12.20%	12.00%	100.00%
12/31/2022 Allocation	75.41%	12.33%	12.26%	100.00%

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

Year Ended December 31:	Governmental Activities	Water Fund	Sewer Fund	Total All Funds
2023	\$ 138	\$ (76)	\$ (42)	\$ 21
2024	(48)	(152)	(117)	(317)
2025	(494)	(253)	(8)	(754)
2026	(177)	(53)	(45)	(275)
2027	(228)	(25)	(18)	(271)
2028	(45)	(5)	(4)	(54)
Total	\$ (853)	\$ (564)	\$ (234)	\$ (1,650)

TOWN OF ALMA
NOTES TO FINANCIAL STATEMENTS
December 31, 2022

NOTE 7: RISK MANAGEMENT

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

NOTE 8: CONTINGENCIES, COMMITMENTS AND COMPLIANCE

Grants

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

Tabor Amendment

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

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

The Town has reserved \$25,000 in the General Fund to meet the three (3) percent emergency reserve required by the Tabor Amendment.

NOTE 9: PRIOR PERIOD RESTATEMENT

The Town has restated the General Fund's beginning fund balance in the prior year financial statements in the amount of \$9,688. The Town's cash and accounts payable balances were adjusted to include a developer deposit liability not recorded in the prior fiscal year. This resulted in a decrease in governmental activities net position in the amount of \$9,688.

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

TOWN OF ALMA

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

<u>Fiscal Year</u>	Town's proportion of the net pension asset (liability)	Town's proportionate share of the net pension asset (liability)	Town's covered payroll	Town's proportionate share of the net pension asset (liability) as a percentage of covered payroll	Plan fiduciary net position as a percentage of the total pension liability
12/31/2022	0.033814%	\$ 28,991	\$261,924	11.07%	101.49%
12/31/2021	0.031489%	\$ (164,096)	\$226,688	72.39%	90.88%
12/31/2020	0.030316%	\$ (223,549)	\$208,770	107.08%	86.26%
12/31/2019	0.027124%	\$ (341,009)	\$177,902	191.68%	75.96%
12/31/2018	0.023765%	\$ (264,608)	\$149,921	176.50%	79.37%
12/31/2017	0.022775%	\$ (307,535)	\$138,044	222.78%	73.65%
12/31/2016	0.030277%	\$ (333,524)	\$171,948	193.97%	76.87%
12/31/2015	0.029381%	\$ (263,347)	\$160,994	163.58%	80.72%
12/31/2014	0.028148%	\$ (231,638)	\$150,174	154.25%	81.00%

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

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

See the accompanying Independent Auditors' Report.

TOWN OF ALMA

**SCHEDULE OF TOWN CONTRIBUTIONS
PERA Pension Plan
Last 10 Fiscal Years⁽¹⁾**

Fiscal Year	Contractually required contributions	Actual contributions	Contribution deficiency (excess)	Town's covered payroll	Contributions as a percentage of covered payroll
12/31/2022	\$ 33,212	\$ 33,212	\$ -	\$ 261,924	12.68%
12/31/2021	\$ 28,744	\$ 28,744	\$ -	\$ 226,688	12.68%
12/31/2020	\$ 26,472	\$ 26,472	\$ -	\$ 208,770	12.68%
12/31/2019	\$ 22,558	\$ 22,558	\$ -	\$ 177,902	12.68%
12/31/2018	\$ 19,010	\$ 19,010	\$ -	\$ 149,921	12.68%
12/31/2017	\$ 17,504	\$ 17,504	\$ -	\$ 138,044	12.68%
12/31/2016	\$ 21,803	\$ 21,803	\$ -	\$ 171,948	12.68%
12/31/2015	\$ 20,414	\$ 20,414	\$ -	\$ 160,994	12.68%
12/31/2014	\$ 19,042	\$ 19,042	\$ -	\$ 150,174	12.68%

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

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

See the accompanying Independent Auditors' Report.

TOWN OF ALMA

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

<u>Fiscal Year</u>	Town's proportion of the net pension asset (liability)	Town's proportionate share of the net pension asset (liability)	Town's covered payroll	Town's proportionate share of the net pension asset (liability) as a proportion of covered payroll	Plan fiduciary net position as a percentage of the total pension liability
12/31/2022	0.0071112%	\$ 38,538	\$ 60,825	63.36%	116.16%
12/31/2021	0.0108175%	\$ 23,485	\$ 86,888	27.03%	106.72%
12/31/2020	0.0084698%	\$ 4,790	\$ 62,425	7.67%	101.94%
12/31/2019	0.0082742%	\$ (10,461)	\$ 65,875	-15.88%	95.23%
12/31/2018	0.0087831%	\$ 12,636	\$ 51,375	24.60%	106.34%
12/31/2017	0.0096232%	\$ (3,477)	\$ 49,250	-7.06%	98.21%
12/31/2016	0.0177068%	\$ 312	\$ 85,838	0.36%	100.10%
12/31/2015	0.0154345%	\$ 17,419	\$ 69,413	25.09%	106.83%
12/31/2014	0.0144174%	\$ 12,892	\$ 62,625	20.59%	105.83%

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

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

See the accompanying Independent Auditors' Report.

TOWN OF ALMA

**SCHEDULE OF DISTRICT CONTRIBUTIONS
FPPA Pension Plan
Last 10 Fiscal Years⁽¹⁾**

<u>Fiscal Year</u>	<u>Contractually required contributions</u>	<u>Actual contributions</u>	<u>Contribution deficiency (excess)</u>	<u>Town's covered payroll</u>	<u>Contributions as a percentage of covered payroll</u>
12/31/2022	\$ 4,866	\$ 4,866	\$ -	\$ 60,825	8.00%
12/31/2021	\$ 6,951	\$ 6,951	\$ -	\$ 86,888	8.00%
12/31/2020	\$ 4,994	\$ 4,994	\$ -	\$ 62,425	8.00%
12/31/2019	\$ 5,270	\$ 5,270	\$ -	\$ 65,875	8.00%
12/31/2018	\$ 4,110	\$ 4,110	\$ -	\$ 51,375	8.00%
12/31/2017	\$ 3,940	\$ 3,940	\$ -	\$ 49,250	8.00%
12/31/2016	\$ 6,867	\$ 6,867	\$ -	\$ 85,838	8.00%
12/31/2015	\$ 5,553	\$ 5,553	\$ -	\$ 69,413	8.00%
12/31/2014	\$ 5,010	\$ 5,010	\$ -	\$ 62,625	8.00%

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

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

See the accompanying Independent Auditors' Report.

TOWN OF ALMA

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

Fiscal Year	Town's proportion of the net OPEB asset (liability)	Town's proportionate share of the net OPEB asset (liability)	Town's covered payroll	Town's proportionate share of the net OPEB asset (liability) as a percentage of covered payroll	Plan fiduciary net position as a percentage of the total OPEB liability
12/31/2022	0.0026286%	\$ (22,667)	\$ 251,569	9.01%	39.40%
12/31/2021	0.0024025%	\$ (22,829)	\$ 222,157	10.28%	32.78%
12/31/2020	0.0023219%	\$ (26,098)	\$ 208,725	12.50%	24.49%
12/31/2019	0.0021035%	\$ (28,619)	\$ 177,941	16.08%	17.03%
12/31/2018	0.0018467%	\$ (23,999)	\$ 149,902	16.01%	17.53%
12/31/2017	0.0017483%	\$ (22,667)	\$ 276,275	8.20%	16.70%

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

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

See the accompanying Independent Auditors' Report.

TOWN OF ALMA**SCHEDULE OF TOWN CONTRIBUTIONS
PERA Health Care Trust Fund
Last 10 Fiscal Years⁽¹⁾**

<u>Fiscal Year</u>	<u>Contractually required contributions</u>	<u>Actual contributions</u>	<u>Contribution deficiency (excess)</u>	<u>Town's covered payroll</u>	<u>Contributions as a percentage of covered payroll</u>
12/31/2022	\$ 2,566	\$ 2,566	\$ -	\$ 251,569	1.02%
12/31/2021	\$ 2,266	\$ 2,266	\$ -	\$ 222,157	1.02%
12/31/2020	\$ 2,129	\$ 2,129	\$ -	\$ 208,725	1.02%
12/31/2019	\$ 1,815	\$ 1,815	\$ -	\$ 177,941	1.02%
12/31/2018	\$ 1,529	\$ 1,529	\$ -	\$ 149,902	1.02%
12/31/2017	\$ 2,818	\$ 2,818	\$ -	\$ 276,275	1.02%

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

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

See the accompanying Independent Auditors' Report.

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Required Supplementary Information

TOWN OF ALMA

BUDGETARY COMPARISON SCHEDULE

General Fund

FOR THE YEAR ENDED DECEMBER 31, 2022

With Comparative Totals for the Year Ended December 31, 2021

	2022				2021
	Original Budget	Final Budget	Actual	Variance With Final Budget	Actual
REVENUES					
Taxes					
Property Taxes	\$ 107,935	\$ 107,935	\$ 111,716	\$ 3,781	\$ 103,650
Specific Ownership Taxes	14,000	14,000	13,310	(690)	14,261
Sales Taxes	340,000	340,000	458,105	118,105	417,489
Franchise Taxes	28,000	28,000	28,425	425	26,389
Other Taxes	3,500	3,500	3,701	201	3,683
Total Tax Revenue	<u>493,435</u>	<u>493,435</u>	<u>615,257</u>	<u>121,822</u>	<u>565,472</u>
Intergovernmental Revenues					
Cigarette Taxes	1,000	1,000	653	(347)	1,018
Highway Users	14,148	14,148	14,888	740	15,353
Road and Bridge	3,000	3,000	2,819	(181)	2,726
Clerk/Motor Vehicle Fees	1,400	1,400	1,600	200	1,574
Mineral Lease	100	100	240	140	140
Severance Tax	1,500	1,500	4,831	3,331	147
Federal Grants	39,336	39,336	-	(39,336)	48,349
State Grants	-	-	-	-	47,872
Total Intergovernmental Revenue	<u>60,484</u>	<u>60,484</u>	<u>25,031</u>	<u>(35,453)</u>	<u>117,179</u>
Licenses and Permits					
Building Permits	35,000	35,000	5,345	(29,655)	9,310
Other Licenses and Permits	7,000	7,000	10,315	3,315	8,960
Total Licenses and Permits	<u>42,000</u>	<u>42,000</u>	<u>15,660</u>	<u>(26,340)</u>	<u>18,270</u>
Fines and Forfeits					
	<u>85,900</u>	<u>85,900</u>	<u>9,998</u>	<u>(75,902)</u>	<u>39,575</u>
Charges for Services					
Utility Charges	37,500	37,500	36,310	(1,190)	36,242
Rents	21,320	21,320	23,043	1,723	18,441
Other Charges for Services	62,000	62,000	53,415	(8,585)	32,024
Total Charges for Services	<u>120,820</u>	<u>120,820</u>	<u>112,768</u>	<u>(8,052)</u>	<u>86,707</u>
Investment Earnings					
	<u>4,500</u>	<u>4,500</u>	<u>12,872</u>	<u>8,372</u>	<u>816</u>
Other Revenues					
Donations	-	-	20	20	-
Sale of Capital Assets	15,000	15,000	11,350	(3,650)	4,264
Other Miscellaneous Revenue	26,200	26,200	22,879	(3,321)	2,754
Total Other Revenue	<u>41,200</u>	<u>41,200</u>	<u>34,249</u>	<u>(6,951)</u>	<u>7,018</u>
TOTAL REVENUES	<u>848,339</u>	<u>848,339</u>	<u>825,835</u>	<u>(22,504)</u>	<u>835,037</u>

See accompanying Independent Auditors' Report.

(Continued)

TOWN OF ALMA

BUDGETARY COMPARISON SCHEDULE

General Fund

FOR THE YEAR ENDED DECEMBER 31, 2022

With Comparative Totals for the Year Ended December 31, 2021

	2022				
	Original Budget	Final Budget	Actual	Variance With Final Budget	2021 Actual
(Continued)					
EXPENDITURES					
General Government					
Personnel Services	301,861	301,861	226,378	(75,483)	156,091
Fuel and Automotive	-	-	708	(708)	138
Insurance	14,000	14,000	21,472	(7,472)	14,394
Professional Fees	46,400	46,400	52,377	(5,977)	45,969
Repairs and Maintenance	5,000	5,000	1,507	3,493	1,468
Supplies	6,150	6,150	12,853	(6,703)	12,453
Telephone and Utilities	40,000	40,000	39,375	625	35,162
Travel and Training	5,000	5,000	1,569	3,431	193
CVRF Grant Expenses	-	-	(4,294)	4,294	16,344
Other Expenses	22,500	22,500	21,456	1,044	18,010
Total General Government	440,911	440,911	373,401	(83,456)	300,222
Public Safety					
Personnel Services	174,998	174,998	56,210	118,788	96,900
Fuel and Automotive	6,000	6,000	1,006	4,994	4,750
Insurance	4,400	4,400	2,717	1,683	2,592
Professional Fees	9,400	9,400	11,700	(2,300)	11,400
Supplies	4,150	4,150	348	3,802	1,196
Telephone and Utilities	1,200	1,200	-	1,200	755
Travel and Training	-	-	304	(304)	330
Other Expenses	2,250	2,250	819	1,431	1,510
Total Public Safety	202,398	202,398	73,104	129,294	119,433
Public Works/Building					
Personnel Services	113,724	113,724	84,193	29,531	77,755
Fuel and Automotive	360,000	360,000	7,916	352,084	7,442
Professional Fees	12,000	12,000	20,149	(8,149)	6,979
Repairs and Maintenance	37,000	37,000	30,669	6,331	11,739
Supplies	3,000	3,000	348	2,652	2,796
Telephone and Utilities	3,200	3,200	2,568	632	2,451
Travel and Training	1,500	1,500	-	1,500	-
Total Public Works/Comm Devel	530,424	530,424	145,843	384,581	109,162
Parks, Recreation and Other					
Personnel Services	23,450	23,450	12,739	(10,711)	10,188
Contract labor	-	-	15,000	15,000	-
Professional Fees	6,000	6,000	-	(6,000)	-
Rents	-	-	3,792	3,792	-
Repairs and Maintenance	9,500	9,500	10,097	(597)	5,090
Telephone and Utilities	2,900	2,900	3,045	(145)	2,380
Other Expenses	2,000	2,000	-	2,000	-
Total Parks, Recreation & Other	43,850	43,850	44,673	3,339	17,658

See accompanying Independent Auditors' Report.

(Continued)

TOWN OF ALMA

BUDGETARY COMPARISON SCHEDULE

General Fund

FOR THE YEAR ENDED DECEMBER 31, 2022

With Comparative Totals for the Year Ended December 31, 2021

	2022				2021
	Original Budget	Final Budget	Actual	Variance With Final Budget	Actual
(Continued)					
Capital Outlay					
General Government Capital Outlay	74,500	74,500	20,976	53,524	87,557
Public Safety Capital Outlay	25,000	25,000	20,372	4,628	18,215
Public Works Capital Outlay	5,000	5,000	275,095	(270,095)	31,948
Parks, Recreation and Other Capital Outlay	10,500	10,500	36,162	(25,662)	126,037
Total Capital Outlay	<u>115,000</u>	<u>115,000</u>	<u>352,605</u>	<u>(237,605)</u>	<u>263,757</u>
Debt Service					
Principal	<u>25,028</u>	<u>25,028</u>	<u>25,028</u>	<u>-</u>	<u>90,028</u>
Contingency Reserve	<u>40,728</u>	<u>40,728</u>	<u>-</u>	<u>40,728</u>	<u>-</u>
TOTAL EXPENDITURES	<u>1,398,339</u>	<u>1,398,339</u>	<u>1,014,654</u>	<u>236,881</u>	<u>900,260</u>
REVENUES IN EXCESS (DEFICIENCY) OF EXPENDITURES	(550,000)	(550,000)	(188,819)	214,377	(65,223)
Transfers In (Out)	<u>(550,000)</u>	<u>(550,000)</u>	<u>-</u>	<u>550,000</u>	<u>-</u>
NET CHANGE IN FUND BALANCE - BUDGET BASIS	<u>\$ (1,100,000)</u>	<u>\$ (1,100,000)</u>	<u>(188,819)</u>	<u>\$ 764,377</u>	<u>(65,223)</u>
FUND BALANCE, BEGINNING			804,810		870,033
Prior Period Restatement			<u>(9,688)</u>		<u>-</u>
FUND BALANCE, BEGINNING (As Restated)			<u>795,122</u>		<u>870,033</u>
FUND BALANCE, ENDING			<u>\$ 606,303</u>		<u>\$ 804,810</u>

See accompanying Independent Auditors' Report.

Other Supplementary Information

TOWN OF ALMA

COMBINING BALANCE SHEET
NONMAJOR GOVERNMENTAL FUNDS
DECEMBER 31, 2022
With Comparative Totals for December 31, 2021

	SPECIAL REVENUE FUNDS		
	Conservation Trust	Total	
	Fund	2022	2021
ASSETS AND DEFERRED OUTFLOWS			
ASSETS			
Current Assets			
Cash and Investments			
Restricted Cash and Investments	\$ 22,652	\$ 22,652	\$ 20,384
LIABILITIES, DEFERRED INFLOWS AND NET POSITION			
FUND BALANCE			
Restricted Fund Balance	\$ 22,652	\$ 22,652	\$ 20,384

See accompanying Independent Auditors' Report.

TOWN OF ALMA

COMBINING SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
NONMAJOR GOVERNMENTAL FUNDS
FOR THE YEAR ENDED DECEMBER 31, 2022
With Comparative Totals for the Year Ended December 31, 2021

	SPECIAL REVENUE FUNDS		
	Conservation Trust	Total	
	Fund	2022	2021
REVENUES			
Intergovernmental Revenues	\$ 1,893	\$ 1,893	\$ 1,980
Investment Earnings	375	375	8
TOTAL REVENUES	2,268	2,268	1,988
EXPENDITURES			
Capital Outlay	-	-	360
NET CHANGE IN FUND BALANCE - GAAP BASIS	2,268	2,268	1,628
FUND BALANCE, BEGINNING	20,384	20,384	18,756
FUND BALANCE, ENDING	\$ 22,652	\$ 22,652	\$ 20,384

See accompanying Independent Auditors' Report.

TOWN OF ALMA

BUDGETARY COMPARISON SCHEDULE

Conservation Trust Fund

FOR THE YEAR ENDED DECEMBER 31, 2022

With Comparative Totals for the Year Ended December 31, 2021

	2022			
	Original & Final Budget	Actual	Variance With Final Budget	2021 Actual
REVENUES				
Intergovernmental Revenues				
Cons Trust Fund Revenue	\$ -	\$ 1,893	\$ 1,893	\$ 1,980
Investment Earnings	-	375	375	8
TOTAL REVENUES	-	2,268	2,268	1,988
EXPENDITURES				
Capital Outlay				
Parks, Recreation and Other Capital Outlay	-	-	-	360
NET CHANGE IN FUND BALANCE - BUDGET BASIS	\$ -	2,268	\$ 2,268	1,628
FUND BALANCE, BEGINNING		20,384		18,756
FUND BALANCE, ENDING		\$ 22,652		\$ 20,384

See accompanying Independent Auditors' Report.

TOWN OF ALMA

BUDGETARY COMPARISON SCHEDULE

Debt Service Fund

FOR THE YEAR ENDED DECEMBER 31, 2022

With Comparative Totals for the Year Ended December 31, 2021

	2022		2021
	Original & Final Budget	Actual	Actual
REVENUES			
Taxes			
Total Tax Revenue	\$ -	\$ -	\$ -
Investment Earnings	-	-	-
TOTAL REVENUES	-	-	-
EXPENDITURES			
Debt Service			
NET CHANGE IN FUND BALANCE - BUDGET BASIS	\$ -	-	-
FUND BALANCE, BEGINNING		66,717	66,717
FUND BALANCE, ENDING		<u>\$ 66,717</u>	<u>\$ 66,717</u>

See accompanying Independent Auditors' Report.

TOWN OF ALMA

STATEMENT OF REVENUES, EXPENSES AND CHANGES IN NET POSITION
BUDGET AND ACTUAL
Water Fund
FOR THE YEAR ENDED DECEMBER 31, 2022
With Comparative Totals for the Year Ended December 31, 2021

	2022			2021
	Original & Final Budget	Actual	Variance with Final Budget	Actual
Operating Revenues				
Utility Charges	\$ 138,000	\$ 132,828	\$ (5,172)	\$ 131,632
Operating Expenses				
Personnel Services	73,713	50,065	23,648	37,935
Administrative/Office Expenses	3,200	654	2,546	556
Insurance	6,600	6,876	(276)	6,250
Professional Fees	7,000	3,376	3,624	2,494
Repairs and Maintenance	11,000	88,254	(77,254)	24,057
Travel and Training	1,500	1,434	66	350
Treatment	4,000	1,077	2,923	1,665
Telephone and Utilities	9,900	16,601	(6,701)	10,409
Other Operating Expenses	5,703	1,955	3,748	1,383
Other Capital Outlay	134,429	650	133,779	302
Total Expenditures	257,045	170,942	86,103	85,401
Operating Income (Loss)	(119,045)	(38,114)	80,931	46,231
Other Income (Expense)				
Intergovernmental Revenue	100,000	-	(100,000)	-
Investment Earnings	750	2,380	1,630	44
Other Revenue	55,600	5,634	(49,966)	2,841
Debt Service	(37,305)	(36,889)	416	(36,878)
Total Other Income (Expense)	119,045	(28,875)	(147,920)	(33,993)
Net Income (Loss) before Transfers	-	(66,989)	(66,989)	12,238
Contributed Capital				
Plant Investment Fees	-	9,375	9,375	56,250
Change in Net Position (Budget Basis)	\$ -	(57,614)	\$ (57,614)	68,488
Budget to GAAP Reconciliation				
Principal Paid		28,022		27,251
Depreciation Expense		(48,462)		(48,302)
Change in Net Position - GAAP Basis		(78,054)		47,437
Net Position, Beginning		1,036,795		989,358
Net Position, Ending		\$ 958,741		\$ 1,036,795

See accompanying Independent Auditors' Report.

TOWN OF ALMA

STATEMENT OF REVENUES, EXPENSES AND CHANGES IN NET POSITION
BUDGET AND ACTUAL
Sewer Fund
FOR THE YEAR ENDED DECEMBER 31, 2022
With Comparative Totals for the Year Ended December 31, 2021

	2022			
	Original & Final Budget	Actual	Variance with Final Budget	2021 Actual
Operating Revenues				
Utility Charges	\$ 112,000	\$ 139,169	\$ 27,169	\$ 122,402
Operating Expenses				
Personnel Services	68,433	45,910	22,523	46,242
Administrative/Office Expenses	400	422	(22)	385
Insurance	5,800	5,979	(179)	5,872
Operating Supplies	500	192	308	164
Professional Fees	6,500	7,859	(1,359)	6,427
Repairs and Maintenance	10,000	11,975	(1,975)	5,896
Travel and Training	750	740	10	567
Treatment	4,000	2,291	1,709	2,058
Telephone and Utilities	7,500	5,467	2,033	5,420
Other Operating Expenses	1,022	7,425	(6,403)	3,292
Other Capital Outlay	275,000	112,027	162,973	54,110
Total Expenditures	379,905	200,287	179,618	130,433
Operating Income (Loss)	(267,905)	(61,118)	206,787	(8,031)
Other Income (Expense)				
Intergovernmental Revenue	275,000	-	(275,000)	-
Investment Earnings	850	2,908	2,058	62
Other Revenue	100	453	353	-
Debt Service	(8,045)	(7,958)	87	230,946
Total Other Income (Expense)	267,905	(4,597)	(272,502)	231,008
Net Income (Loss) before Transfers	-	(65,715)	(65,715)	222,977
Contributed Capital				
Plant Investment Fees	-	18,750	18,750	46,875
Change in Net Position (Budget Basis)	\$ -	(46,965)	\$ (46,965)	269,852
Budget to GAAP Reconciliation				
Principal Paid		4,734		(234,361)
Depreciation Expense		(13,479)		(13,479)
Capital Outlay		112,027		50,099
Change in Net Position - GAAP Basis		56,317		72,111
Net Position, Beginning		489,629		417,518
Net Position, Ending		\$ 545,946		\$ 489,629

See accompanying Independent Auditors' Report.

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State Compliance

LOCAL HIGHWAY FINANCE REPORT	STATE: COLORADO YEAR ENDING (mm/yy): 12/22
This Information From The Records Of: Town of Alma	Prepared By: Gary Goettelman

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	\$ 8,000.00
3. Other local imposts (from page 2)	\$ 550,816.77
4. Miscellaneous local receipts (from page 2)	\$ 13,580.00
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.)	\$ -
7. Total (1 through 6)	\$ 572,396.77
8. Private Contributions	
C. Receipts from State government (from page 2)	\$ -
D. Receipts from Federal Government (from page 2)	\$ -
E. Total receipts (A.7 + B + C + D)	\$ 572,396.77

III. EXPENDITURES FOR ROAD AND STREET PURPOSES

ITEM	AMOUNT
A. Local highway expenditures:	
1. Capital outlay (from page 2)	\$ -
2. Maintenance:	
3. Road and street services:	
a. Traffic control operations	\$ -
b. Snow and ice removal	
c. Other	
d. Total (a. through c.)	\$ -
4. General administration & miscellaneous	
5. Highway law enforcement and safety	
6. Total (1 through 5)	\$ -
B. Debt service on local obligations:	
1. Bonds:	
a. Interest	
b. Redemption	
c. Total (a. + b.)	\$ -
2. Notes:	
a. Interest	
b. Redemption	
c. Total (a. + b.)	\$ -
3. Total (1.c + 2.c)	\$ -
C. Payments to State for highways	
D. Payments to toll facilities	
E. Total expenditures (A.6 + B.3 + C + D)	\$ -

IV. LOCAL HIGHWAY DEBT STATUS

(Show all entries at par)

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

V. LOCAL ROAD AND STREET FUND BALANCE (RECEIPTS AND DISBURSEMENTS ONLY)

	A. Beginning Balance	B. Total Receipts	C. Total Disbursements	D. Ending Balance	E. Reconciliation
	\$ -	\$ 572,396.77	\$ -	\$ 572,396.77	572,397

Notes and Comments:

LOCAL HIGHWAY FINANCE REPORT		STATE: COLORADO	
		YEAR ENDING (mm/yy): 12/22	
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	\$ 122,647.00	a. Interest on investments	\$ 4,500.00
b. Other local imposts:		b. Traffic Fines & Penalties	\$ 8,080.00
1. Sales Taxes	\$ 414,169.77	c. Parking Garage Fees	
2. Infrastructure & Impact Fees		d. Parking Meter Fees	
3. Liens		e. Sale of Surplus Property	\$ 1,000.00
4. Licenses		f. Charges for Services	
5. Specific Ownership &/or Other	\$ 14,000.00	g. Other Misc. Receipts	
6. Total (1. through 5.)	\$ 428,169.77	h. Other	
c. Total (a. + b.)	\$ 550,816.77	i. Total (a. through h.)	\$ 13,580.00
(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 (from Item I.C.5.)		1. FHWA (from Item I.D.5.)	
2. State general funds		2. Other Federal agencies:	
3. Other State funds:		a. Forest Service	
a. State bond proceeds		b. FEMA	
b. Project Match		c. HUD	
c. Motor Vehicle Registrations		d. Federal Transit Administration	
d. DOLA Grant		e. U.S. Corps of Engineers	
e. Other		f. Other Federal ARPA	
f. Total (a. through e.)	\$ -	g. Total (a. through f.)	\$ -
4. Total (1. + 2. + 3.f)	\$ -	3. Total (1. + 2.g)	\$ -
(Carry forward to page 1)		(Carry forward to page 1)	
III. EXPENDITURES 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			\$ -
b. Engineering Costs			\$ -
c. Construction:			
(1). New Facilities			\$ -
(2). Capacity Improvements			\$ -
(3). System Preservation			\$ -
(4). System Enhancement And Operation			\$ -
(5). Total Construction (1)+(2)+(3)+(4)	\$ -	\$ -	\$ -
d. Total Capital Outlay (Lines 1.a. + 1.b. + 1.c.4)	\$ -	\$ -	\$ -
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Notes and Comments:			