
Town of Collbran
Financial Statements and
Independent Auditor's Report
as of
December 31, 2022

Town of Collbran

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INDEPENDENT AUDITOR'S REPORT

To the Board of Trustees
Town of Collbran, Colorado
P.O. Box 387
Collbran, Colorado 81624

Opinions

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the Town of Collbran, Colorado, as of and for the year ended December 31, 2022, and the related notes to the financial statements, which collectively comprise the Town of Collbran, Colorado'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 Collbran, Colorado, 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 Opinions

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

Responsibilities of Management for the Financial Statements

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

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

Auditor's Responsibilities for the Audit of the Financial Statements

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

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

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

Certified Public Accountants

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

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

Required Supplementary Information

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

Supplementary Information

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

Blair and Associates, P.C.

Cedaredge, Colorado
August 24, 2023

Town of Collbran, Colorado

Management's Discussion and Analysis (Unaudited) December 31, 2022

The management of the Town of Collbran (the Town) presents the following discussion and analysis of the Town's financial performance to provide an overview of the Town's financial activities for the fiscal year ended December 31, 2022. We encourage readers to consider the information presented here in conjunction with the additional information furnished in our basic financial statements to better understand the financial position of the Town.

Financial Highlights

- The Town's government-wide revenue totaled \$1,949,256 in 2022 compared to \$1,755,324 in 2021. The Town's assets and deferred outflows exceeded its liabilities and deferred inflows by \$6,113,169 (net position) for the calendar year reported. Increase in net position in 2022 is \$707,136.
- Total net position is comprised of the following:
 - 1) Capital assets, net of related debt, of \$2,282,702 include property and equipment, net of accumulated depreciation.
 - 2) Net position of \$158,333 is restricted by constraints imposed from outside the Town such as debt covenants, grantors, laws, or regulations.
 - 3) The balance of unrestricted net position of \$3,672,134 represents the portion available to maintain the Town's continuing obligations to citizens and creditors.
- The Town had \$917,489 in expenses related to governmental activities; program specific charges for services, grants or contributions offset \$294,019 of these expenses. General revenues (primarily taxes) provided the remaining funding for these programs.
- The Town's governmental funds reported total ending fund balance of \$3,026,677 this year. This compares to the prior year ending fund balance of \$2,552,694 showing an increase of \$473,985 or 19%, during the current year.
- The Business-type Funds reported a net position of \$1,894,121 at December 31, 2022, an increase of \$66,589 from December 31, 2021.
- At the end of the current calendar year, unassigned fund balance for the General Fund was \$2,861,013 or 77% of 2023 budgeted General Fund expenditures and transfers out to other funds.
- Overall, the Town continues to maintain a strong financial position.

The above financial highlights are explained in more detail in the "financial analysis" section of this document.

Overview of the Financial Statements

This discussion and analysis is intended to serve as an introduction to the Town's basic financial statements. The Town's basic financial statements are comprised of three components: 1) government-wide financial statements; 2) fund financial statements; and 3) notes to the financial statements. This report also contains other required supplementary information in addition to the basic financial statements themselves.

The government-wide financial statements, fund financial statements and notes to the financial statements are discussed below.

Government-wide Financial Statements

The government-wide financial statements are designed to provide readers with a broad overview of the Town's finances, in a manner similar to a private-sector business. They are prepared using the full accrual basis of accounting.

The Statement of Net Position presents information on all of the Town's assets and liabilities (both short-term and long-term, if any), with the difference between the two reported as net position. Over time, increases or decreases in net assets may serve as a useful indicator of whether the financial position of the Town is improving or deteriorating.

The Statement of Activities presents information showing how the Town's net position changed during the most recent fiscal year. All changes in net position are reported as soon as the underlying event giving rise to the change occurs, regardless of the timing of related cash flows. Thus, revenues and expenses are reported in this statement for some items that will only result in cash flows in future fiscal periods (i.e. uncollected taxes and earned but unused vacation leave.)

Both government-wide financial statements distinguish functions of the town that are principally supported by taxes and intergovernmental revenues (governmental activities). The governmental activities of the Town include general government, public safety, public works, municipal court, culture and recreation, and capital projects. The business-type activities of the Town include water and sewer.

The government-wide financial statements can be found on pages C1 and C2 of this report.

Fund financial statements

A fund is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. The Town, like other state and local governments, uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. All of the funds of the Town can be divided into two categories: governmental funds and proprietary funds.

Governmental funds. Governmental funds are used to account for essentially the same functions reported as governmental activities in the government-wide financial statements. However, unlike the government-wide financial statements, governmental fund financial statements focus on near-term

inflows and outflows of spendable resources, as well as on balances of spendable resources available at the end of the fiscal year. Such information may be useful in evaluating a government's near-term financing requirements.

Because the focus of governmental funds is narrower than that of the government-wide financial statements, it is useful to compare the information presented for governmental funds with similar information presented for governmental activities in the government-wide financial statements. Both the governmental fund balance sheet and governmental fund statement of revenues, expenditures, and changes in fund balances provide a reconciliation to facilitate this comparison between governmental funds and governmental activities.

The Town maintains two individual governmental funds. Information is presented separately in the governmental fund balance sheet and in the governmental fund statement of revenues, expenditures, and changes in fund balances for the general fund and the conservation trust fund.

The basic governmental fund financial statements can be found on pages C3 through C6 of this report.

Proprietary funds. The Town maintains proprietary funds commonly known as enterprise funds and which report services for which fees are generally charged. Enterprise funds are used to report the same functions presented as business-type activities in the government-wide financial statements. The Town uses enterprise funds to account for its water and sewer operations.

Proprietary funds provide the same type of information as the government-wide financial statements, only in more detail. The proprietary fund financial statements provide separate information for each of the business-type services provided by the Town.

The basic proprietary fund financial statements can be found on pages C7 through C9 of this report.

Notes to the financial statements

The notes provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements. The Notes to the Financial Statements can be found in Section D of this report.

Other Information

In addition to the basic financial statements and accompanying notes, this report also presents certain required supplemental information. Schedules of Revenues and Expenditures – Budget and Actual for the General Fund and Conservation Trust Funds and required pension disclosures are part of the required supplemental information presented on pages E1 through E-5. Schedules of Revenues and Expenditures – Budget and Actual for the Water and Sewer Funds are presented immediately following the required supplemental information. They can be found on pages F1 through F2 of this report. The Local Highway Finance Report is included on pages G-1 through G-2.

Government-wide Financial Analysis

As noted earlier, net position may serve, over time, as a useful indicator of the government's financial position. In the case of the Town, assets exceeded liabilities and deferred inflows by \$6,113,169 at December 31, 2022 and by \$5,406,032 at December 31, 2021.

The following summarizes the Town's net position at December 31:

	<u>2022</u>	<u>2021</u>	<u>2022</u>	<u>2021</u>	<u>2022</u>	<u>2021</u>
Current and other assets	\$3,125,523	\$2,702,799	\$ 832,388	\$ 743,034	\$3,957,911	\$3,445,833
Capital assets, net of accumulated depreciation	<u>1,193,069</u>	<u>1,032,037</u>	<u>1,089,633</u>	<u>1,141,485</u>	<u>2,282,702</u>	<u>2,173,522</u>
Total assets	<u>4,318,592</u>	<u>3,734,836</u>	<u>1,922,021</u>	<u>1,884,519</u>	<u>6,240,613</u>	<u>5,619,355</u>
Deferred Outflows						
Deferred outflow of resources related to pension	<u>15,967</u>	<u>18,431</u>	<u>-</u>	<u>-</u>	<u>15,967</u>	<u>18,431</u>
Total deferred outflows	<u>15,967</u>	<u>18,431</u>	<u>-</u>	<u>-</u>	<u>15,967</u>	<u>18,431</u>
Current liabilities	47,970	117,371	27,900	56,988	75,870	174,359
Noncurrent liabilities	<u>25,505</u>	<u>24,295</u>	<u>-</u>	<u>-</u>	<u>25,505</u>	<u>24,295</u>
Total liabilities	<u>73,475</u>	<u>141,666</u>	<u>27,900</u>	<u>56,988</u>	<u>101,375</u>	<u>198,654</u>
Property taxes	22,119	18,836	-	-	22,119	18,836
Deferred inflows of resources related to pensions	<u>19,917</u>	<u>12,110</u>	<u>-</u>	<u>-</u>	<u>19,917</u>	<u>12,110</u>
Unearned revenues	<u>-</u>	<u>2,154</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>2,154</u>
Total deferred inflows	<u>42,036</u>	<u>33,100</u>	<u>-</u>	<u>-</u>	<u>42,036</u>	<u>33,100</u>
Net position:						
Invested in capital assets, net of related debt	1,193,069	1,032,037	1,089,633	1,141,485	2,282,702	2,173,522
Restricted for recreation and culture	47,333	41,846	-	-	47,333	41,846
Restricted for emergencies	111,000	55,121	-	-	111,000	55,121
Unrestricted	<u>2,867,646</u>	<u>2,449,497</u>	<u>804,488</u>	<u>686,046</u>	<u>3,672,134</u>	<u>3,135,543</u>
Total net position	<u>\$4,219,048</u>	<u>\$3,578,501</u>	<u>\$1,894,121</u>	<u>\$1,827,531</u>	<u>\$6,113,169</u>	<u>\$5,406,032</u>

A significant portion of the Town's net position is reflected in the investment in capital assets (land, buildings, equipment, and infrastructure). The Town uses these capital assets to provide services to citizens; consequently, these assets are not available for future spending. Capital assets, net of accumulated depreciation, account for nearly 40% of the total net position as of both 12/31/2022 and 12/31/2021.

The following summarizes the change in the Town's net position for the year ended December 31:

Operating grants/contrib.	92,453	13,708	48,058	-	140,511	13,708
Capital grants/contrib.	164,905	209,559	13,500	-	178,405	209,559
General revenues:					-	-
Taxes	1,215,512	1,128,196	-	-	1,215,512	1,128,196
Earnings on investments	44,212	6,283	-	-	44,212	6,283
Miscellaneous	<u>4,293</u>	<u>23,800</u>	<u>1,254</u>	<u>551</u>	<u>5,547</u>	<u>24,351</u>
Total revenues	<u>1,558,036</u>	<u>1,417,597</u>	<u>392,474</u>	<u>337,727</u>	<u>1,950,510</u>	<u>1,755,324</u>
EXPENSES:						
General government	363,086	465,937	-	-	363,086	465,937
Public safety	232,241	202,274	-	-	232,241	202,274
Public works	178,539	166,302	-	-	178,539	166,302
Municipal court	9,948	11,759	-	-	9,948	11,759
Culture and recreation	133,675	97,079	-	-	133,675	97,079
Water	-	-	180,523	181,154	180,523	181,154
Sewer	-	-	145,362	164,020	145,362	164,020
Interest on long-term debt	-	-	-	-	-	-
Total expenses	<u>917,489</u>	<u>943,351</u>	<u>325,885</u>	<u>345,174</u>	<u>1,243,374</u>	<u>1,288,525</u>
Change in net position	<u>640,547</u>	<u>474,246</u>	<u>66,589</u>	<u>(7,447)</u>	<u>707,136</u>	<u>466,799</u>
Net position January 1	<u>3,578,501</u>	<u>3,104,255</u>	<u>1,827,532</u>	<u>1,834,979</u>	<u>5,406,033</u>	<u>4,939,234</u>
Net position December 31	<u>\$ 4,219,048</u>	<u>\$3,578,501</u>	<u>\$1,894,121</u>	<u>\$ 1,827,532</u>	<u>\$ 6,113,169</u>	<u>\$ 5,406,033</u>

Governmental Revenues

The Town is heavily reliant on sales taxes to support governmental operations and capital. The Town's share of Mesa County's sales tax provided 81% of total governmental revenues and the Town sales tax provided 10%. Also, note that program revenues cover only about 32% of governmental operating expenses. This means that sales taxes, by far, fund the largest share of the governmental activities. As a result, the general economy and the local business environment have a major impact on the Town's revenue streams.

Governmental Functional Expenses

This table presents the cost of each of the Town's programs, including the net costs (i.e., total cost less revenues generated by the activities). The net costs illustrate the financial burden that was placed on the Town's taxpayers by each of these functions.

	Governmental Activities			2021 Net Cost	(Decrease) Increase	2020 Net Cost
	2022 Total Cost of Services	2022 Net Cost of Services	2022 Net Cost % of Total			
General government	\$ 363,086	\$ 186,505	29.9%	\$ 258,045	\$ (71,540)	\$ 242,420
Public safety	232,241	134,709	21.6%	197,684	(62,975)	162,103
Public works	178,539	178,539	28.6%	128,101	50,438	179,488
Municipal court	9,948	9,948	1.6%	11,759	(1,811)	5,424
Culture and recreation	133,675	113,769	18.2%	88,444	25,325	67,433
Interest	-	-	0.0%	-	-	833
Total	\$ 917,489	\$ 623,470	100.0%	\$ 684,033	\$ (60,563)	\$ 657,701

After reducing gross expenses by program revenues, general government function's net costs are approximately 30% of the net cost of services, public safety totals just under 22%, public works is 29% and culture and recreation comprises about 18% of total net cost of services.

Financial Analysis of the Town's Funds

As mentioned earlier, the Town uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements.

Governmental funds. The focus of the Town's governmental funds is to provide information on near-term inflows, outflows, and balances of spendable resources. Such information is useful in assessing the resources available at the end of the year in comparison with upcoming 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. The General Fund has a fund balance of \$2,979,344 at December 31, 2022, an increase of \$468,498 from December 31, 2021. The unassigned portion of the fund balance in the amount of \$2,861,013 is available for spending. Legally restricted fund balances in the General Fund (i.e., the reserved fund balances) includes \$111,000 set aside for emergency purposes (as per the requirements of TABOR) and \$7,331 represents inventories held for future consumption and does not represent available, spendable resources. The Conservation Trust Fund has

a fund balance of \$47,333 at December 31, 2022, an increase of \$5,487 from last year and all fund balance is restricted to future expenditures for recreation.

The total ending fund balances of governmental funds show an increase of \$473,985 or 20% above the prior year. This increase is primarily related to under-spending the 2022 budget by about 41%. Sales tax collections were about 26% higher than originally budgeted and the Town received \$87,721 in American Rescue Plan funds that will be used along with other grant funding to build out the broadband middle-mile fiber connection from Collbran to the I-70 corridor in 2023 and 2024. Finally, interest earned on investments was significantly more than originally budgeted due to rising interest rates.

Proprietary funds. The Town's proprietary funds provide the same type of information found in the government-wide financial statements, but in more detail.

Water Fund – The Water Fund has a net position of \$1,515,943 at 12/31/22, an increase of \$68,314 over last year. Only \$595,640 represents amounts available to spend for future expenses and system maintenance and replacement as the remainder is the investment in the water plant and infrastructure. Operating revenues were within 4% of budget, and operating expenses were about 34% less than the budgeted amount, primarily due to a delay in starting a capital project.

Sewer Fund – The Sewer Fund has a net position of \$378,178 at 12/31/22, a decrease of \$1,725 compared to last year. The investment in the sewer treatment plant and collection infrastructure is \$169,330, leaving \$208,848 available to cover future expenses and system maintenance and replacement. Operating revenues were about 1% more than the budgeted amount and expenses were 66% of budget, primarily due to a capital project that was not undertaken in 2022.

Capital Assets

Capital assets. The Town's investment in capital assets for its governmental and business-type activities as of December 31, 2022, was \$2,282,702 (net of accumulated depreciation), an increase of \$109,181, net of depreciation over last year. Depreciation expense for governmental and business-type activities in 2022 was \$203,052 and capital assets totaling \$312,233 were acquired in 2022.

Economic Factors and Next Year's Budget

As we head into 2023, the Town of Collbran remains in a solid financial position to continue to support the critical services that keep the community healthy, safe and well. For 2023, Town revenues are projected to be \$3,591,434 and expenditures are budgeted at \$4,484,370, which includes significant capital investments in broadband and utility infrastructure. In 2020, the Town completed a capital improvement plan and utility rate study, and recommendations from these plans will be used as guiding documents for the future. For 2023, water rates were increased by 5% and sewer rates were increased by 10% to build additional reserves for future utility infrastructure improvements. The Town will also be updating the Comprehensive Plan, which should help to clarify the Town's strategic vision and initiatives, providing guidance for future spending.

Contacting the Town's Financial Management

This financial report is intended to provide a general overview of the Town's finances, comply with finance-related laws and regulations, and demonstrate the Town's commitment to public accountability. If you have questions about this report or would like to request additional information, contact the Town's Finance Director at 1010 High Street, Collbran, CO 81624, or via email finance@townofcollbran.us .

Town of Collbran
Statement of Net Position
December 31, 2022

	Governmental Activities	Business -Type Activities	Total
ASSETS			
Cash and cash equivalents	\$ 2,772,900	\$ 775,478	\$ 3,548,378
Receivables, net			
Property taxes receivable	19,911	-	19,911
User Fee Receivable	-	17,352	17,352
Other Receivable	9,438	-	9,438
Due from other governments	287,186	39,558	326,744
Inventory	7,331	-	7,331
Net pension asset	28,757	-	28,757
Capital Assets, net	1,193,069	1,089,633	2,282,702
Total assets	4,318,592	1,922,021	6,240,613
DEFERRED OUTFLOWS			
Deferred outflow of resources related to pension	15,967	-	15,967
Total deferred outflows	15,967	-	15,967
LIABILITIES			
Accounts payable	24,467	21,840	46,307
Accrued expenses and deposits	23,503	6,060	29,563
Compensated absences	25,505	-	25,505
Total liabilities	73,475	27,900	101,375
Deferred Inflows of Resources			
Property tax revenues	22,119	-	22,119
Deferred inflows of resources related to pension	19,917	-	19,917
Total Deferred Inflows of Resources	42,036	-	42,036
NET POSITION			
Invested in capital assets, net of related debt	1,193,069	1,089,633	2,282,702
Restricted for:			
Recreation and Culture	47,333	-	47,333
Emergencies	111,000	-	111,000
Unrestricted	2,867,646	804,488	3,672,134
Total net position	\$ 4,219,048	\$ 1,894,121	\$ 6,113,169

The accompanying notes are an integral part of this statement.

Town of Collbran
Statement of Activities
For the Year Ended December 31, 2022

	Net (Expense) Revenue and Changes in Net Position				
	Program Revenues			Primary Government	
	Expenses	Charges for Service and Fees	Operating Grants and Contributions	Capital Grants and Contributions	Total
Functions/Programs					
Primary government:					
Governmental activities:					
General government	\$ 363,086	\$ 33,920	\$ -	\$ 142,661	\$ (186,505)
Public Safety	232,241	2,741	87,721	7,070	(134,709)
Public Works	178,539	-	-	-	(178,539)
Municipal Court	9,948	-	-	-	(9,948)
Culture and Recreation	133,675	-	4,732	15,174	(113,769)
Total governmental activities	917,489	36,661	92,453	164,905	(623,470)
Business-type activities:					
Water	180,523	195,607	48,058	4,500	67,642
Sewer	145,362	134,055	-	9,000	(2,307)
Total business-type activities	325,885	329,662	48,058	13,500	65,335
Total primary government	\$ 1,243,374	\$ 366,323	\$ 140,511	\$ 178,405	(558,135)
General Revenues					
Taxes:					
Property Taxes					19,288
Specific ownership					2,511
Sales Tax and Use Tax					1,148,625
Franchise Taxes					19,854
Highway Users Tax					13,760
Mineral Leasing tax					4,121
Road and Bridge Tax					59
Severance Tax					7,294
Investment earnings					44,212
Miscellaneous					4,293
Total General Revenues					1,264,017
Changes in Net Position					640,547
Net Position-January 1					3,578,501
Net Position-December 31					\$ 4,219,048

The accompanying notes are an integral part of this statement.

**Town of Collbran
Governmental Funds
Balance Sheet
December 31, 2022**

	General Fund	Conservation Trust Fund	Total Governmental Funds
Assets			
Cash and cash equivalents	\$ 2,725,567	\$ 47,333	\$ 2,772,900
Due from other governments	287,186	-	287,186
Other Receivables	9,438	-	9,438
Inventory	7,331	-	7,331
Taxes receivable	19,911	-	19,911
Total assets	\$ 3,049,433	\$ 47,333	\$ 3,096,766
Liabilities and Fund Balance			
Liabilities:			
Accounts payable	\$ 24,467	\$ -	\$ 24,467
Other current liabilities	23,503	-	23,503
Total liabilities	47,970	-	47,970
Deferred Inflows of Resources			
Property tax revenues	22,119	-	22,119
Fund balances:			
Restricted			
Nonspendable Fund Balance	7,331	-	7,331
Restricted for Rec and Culture	-	47,333	47,333
Restricted for Emergencies	111,000	-	111,000
Unassigned	2,861,013	-	2,861,013
Total fund balance	2,979,344	47,333	3,026,677
Total liabilities and fund balance	\$ 3,049,433	\$ 47,333	\$ 3,096,766

The accompanying notes are an integral part of this statement.

Town of Collbran
Reconciliation of the Governmental Funds Balance
Sheet to the Statement of Net Position
December 31, 2022

Total fund balance, governmental funds \$ 3,026,677

Amounts reported for governmental activities in the Statement of Net Position are different because:

Capital assets used in governmental activities are not current period expenditures and therefore are not reported in this fund financial statement, but are reported in the governmental activities of the Statement of Net Position.

Cost of capital assets	\$ 2,865,385	
Less accumulated depreciation	<u>(1,672,316)</u>	1,193,069

Some liabilities, (such as Notes Payable, Capital Lease Contract Payable, Long-term Compensated Absences, and Bonds Payable), are not due and payable in the current period and are not included in the fund financial statement, but are included in the governmental activities of the Statement of Net Position.

Compensated absences	<u>(25,505)</u>
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Net pension liability and related deferred inflows and outflows of resources are not recorded in the funds.	24,807
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Net Position of Governmental Activities in the Statement of Net Position	<u>\$ 4,219,048</u>
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The accompanying notes are an integral part of this statement.

**Town of Collbran
Governmental Funds
Statement of Revenues, Expenditures and Changes in Fund Balances
For the Year Ended December 31, 2022**

	General Fund	Conservation Trust	Total Governmental Funds
Revenues			
Taxes	\$ 1,215,512	\$ -	\$ 1,215,512
Other Revenues	293,581	4,732	298,313
Earning on Investment	43,457	755	44,212
Total revenues	1,552,550	5,487	1,558,037
Expenditures			
Current:			
General government	497,542	-	497,542
Public safety	216,491	-	216,491
Public works	163,921	-	163,921
Municipal Court	9,948	-	9,948
Culture and recreation	117,580	-	117,580
Capital outlay	78,570	-	78,570
Total expenditures	1,084,052	-	1,084,052
Net change to fund balance	468,498	5,487	473,985
Fund balance, January 1	2,510,846	41,846	2,552,692
Fund balance, December 31	\$ 2,979,344	\$ 47,333	\$ 3,026,677

The accompanying notes are an integral part of this statement.

Town of Collbran
Reconciliation of the Governmental Funds Statement of Revenues, Expenditures,
and Changes in Fund Balances to the Statement of Activities
For the Year Ended December 31, 2022

Net change in fund balances - total governmental funds \$ 473,985

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

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

Fixed assets current additions	\$ 258,621	
Depreciation expense	<u>(97,589)</u>	
Excess of capital outlay over depreciation		161,032

Repayment of long-term debt principal is reported as an expenditure in the governmental funds but reduces long-term liabilities in the statement of net position.

Pension expenses not in current year		6,742
Compensated absences		<u>(1,212)</u>

Change in net position of governmental funds \$ 640,547

The accompanying notes are an integral part of this statement.

**Town of Collbran
Statement of Net Position
Enterprise Funds
December 31, 2022**

	Enterprise Funds		Total Enterprise Funds
	Water Fund	Sewer Fund	
ASSETS			
Current Assets			
Cash and cash equivalents	\$ 568,023	\$ 207,455	\$ 775,478
User Fees Receivable	8,685	8,667	17,352
Due from other governments	39,558	-	39,558
Total Current Assets	<u>616,266</u>	<u>216,122</u>	<u>832,388</u>
Noncurrent Assets			
Capital Assets	2,280,788	1,729,014	4,009,802
Less accumulated depreciation	<u>(1,360,485)</u>	<u>(1,559,684)</u>	<u>(2,920,169)</u>
Total Noncurrent Assets	<u>920,303</u>	<u>169,330</u>	<u>1,089,633</u>
Total Assets	<u>\$ 1,536,569</u>	<u>\$ 385,452</u>	<u>\$ 1,922,021</u>
LIABILITIES			
Current Liabilities			
Accounts payable	\$ 17,836	\$ 4,004	\$ 21,840
Deposits	<u>2,790</u>	<u>3,270</u>	<u>6,060</u>
Total Current Liabilities	<u>20,626</u>	<u>7,274</u>	<u>27,900</u>
NET POSITION			
Invested in capital assets	920,303	169,330	1,089,633
Unrestricted	<u>595,640</u>	<u>208,848</u>	<u>804,488</u>
Total Net Position	<u>\$ 1,515,943</u>	<u>\$ 378,178</u>	<u>\$ 1,894,121</u>

The accompanying notes are an integral part of this statement.

Town of Collbran
Statement of Revenues, Expenses and Changes in Net Position
Enterprise Funds
Year Ended December 31, 2022

	Enterprise Funds		
	Water Fund	Sewer Fund	Total
Operating revenues:			
User charges	\$ 195,607	\$ 134,055	\$ 329,662
Grants	48,058	-	48,058
Other Operating Revenue	672	582	1,254
Total operating revenues	<u>244,337</u>	<u>134,637</u>	<u>378,974</u>
Operating expenses:			
Salaries and Benefits	35,506	35,504	71,010
Professional Services	37,254	20,176	57,430
Supplies and Chemicals	7,064	6,685	13,749
Utilities	10,826	25,194	36,020
Repairs and Maintenance	20,479	10,191	30,670
Depreciation	61,193	44,270	105,463
Other	8,201	3,342	11,543
Total operating expenses	<u>180,523</u>	<u>145,362</u>	<u>325,885</u>
Operating income (loss)	63,814	(10,725)	53,089
Contributions and transfers			
Tap Fees	4,500	9,000	13,500
Total contributions and transfers	<u>4,500</u>	<u>9,000</u>	<u>13,500</u>
Change in net position	68,314	(1,725)	66,589
Total net position, January 1	<u>1,447,629</u>	<u>379,903</u>	<u>1,827,532</u>
Total net position, December 31	<u>\$ 1,515,943</u>	<u>\$ 378,178</u>	<u>\$ 1,894,121</u>

The accompanying notes are an integral part of this statement.

Town of Collbran
Statement of Cash Flows
Enterprise Funds
Year Ended December 31, 2022

	Enterprise Funds		Total Enterprise Funds
	Water Fund	Sanitation Fund	
Cash Flows From Operating Activities			
Cash received from charges for services	\$ 223,954	\$ 134,459	\$ 358,413
Cash payments for personnel	(35,506)	(35,504)	(71,010)
Cash payments for goods and services	(101,928)	(77,371)	(179,299)
Net cash provided (used) by operating activities	86,520	21,584	108,104
Cash Flows from Capital and Related Financing Activities			
Tap fees	4,500	9,000	13,500
Acquisition of capital assets	(52,007)	(1,605)	(53,612)
Net cash provided (used) by capital and related financing activities	(47,507)	7,395	(40,112)
Net increase (decrease) in cash and equivalents	39,013	28,979	67,992
Cash balances, January 1	529,010	178,476	707,486
Cash balances, December 31	\$ 568,023	\$ 207,455	\$ 775,478
Reconciling of operating income (loss) to net cash provided (used) by operating activities:			
Operating income (loss)	\$ 63,814	\$ (10,725)	\$ 53,089
Adjustments to reconcile operating income (loss) to net cash provided (used) by operating activities:			
Depreciation expense	61,193	44,270	105,463
Assets (increase) decrease:			
Accounts receivable	(1,175)	(628)	(1,803)
Due from other governments	(19,558)	-	(19,558)
Liabilities increase (decrease):			
Accounts payable	(18,104)	(11,783)	(29,887)
Customer deposits	350	450	800
Total adjustments	22,706	32,309	55,015
Net cash provided (used) by operating activities	\$ 86,520	\$ 21,584	\$ 108,104

The accompanying notes are an integral part of this statement.

Town of Collbran
Notes to the Financial Statements
December 31, 2022

Note 1 - Summary of Significant Accounting Policies

The Town of Collbran, Colorado, (the “Town”) was incorporated under Colorado statutes in 1908. An elected Mayor and Town Board are responsible for setting policy, appointing administrative personnel, and adopting an annual budget in accordance with state statutes. The Town’s major operations include public safety, public works, and culture and recreation.

The Town’s financial statements are prepared in conformity with accounting principles generally accepted in the United States of America (GAAP) as applied to government units. The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting and financial reporting principles.

The Town’s significant accounting policies are described below:

A. Financial Reporting Entity

The reporting entity consists of the primary government (the Town) and organizations for which the Town is financially accountable. The Town is considered financially accountable for legally separate organizations if it is able to appoint a voting majority of an organization’s governing body and is either able to impose its will on that organization or there is a potential for the organization to provide specific financial benefits to, or to impose specific financial burdens on, the Town. Consideration is also given to other organizations which are fiscally dependent; i.e., unable to adopt a budget, levy taxes, or issue debt without approval by the Town. Organizations for which the nature and significance of their relationship with the Town are such that exclusion would cause the reporting entity’s financial statements to be misleading or incomplete are also included in the reporting entity.

Based on the criteria above, the Town is not financially accountable for any other entity nor is the Town a component unit of any other government.

B. Government-wide Financial Statements

The government-wide financial statements (i.e., the statement of net position and the statement of activities) report information on all of the activities of the Town. For the most part, the effect of inter-fund activity has been removed from these statements. Governmental activities, which normally are supported by taxes, charges for services and intergovernmental revenues, are reported separately from business-type activities, which rely to a significant extent on user charges for support.

The statement of activities demonstrates the degree to which the direct expenses of a given function or segment are offset by program revenues. Direct expenses are those that are clearly identifiable with a specific function or segment. Program revenues include 1) charges to those who purchase, use or directly benefit from goods, services, or privileges provided by a given function or segment, and 2) grants and contributions that are restricted to meeting the operational or capital requirements of a particular function or segment. Taxes and other items not properly included among program revenues are reported instead as general revenues.

C. Fund Financial Statements

The accounts of the Town are organized on the basis of funds and account groups, each of which is considered a separate accounting entity. The operations of each fund are accounted for with a separate set of self-balancing accounts that comprise its assets, liabilities, fund equity, revenues, and expenditures, or expenses, as appropriate. Government resources are allocated to and accounted for in individual funds based upon the purposes for which they are to be spent and the means by which spending activities are controlled.

Town of Collbran
Notes to the Financial Statements
December 31, 2022

Note 1 - Summary of Significant Accounting Policies (continued)

C. Fund Financial Statements (continued)

All governmental funds are accounted for on a flow of current financial resources basis. Balance sheets for these funds generally include only current assets and current liabilities. Reported fund balances are considered a measure of available, spendable resources. Operating statements for these funds present a summary of available, spendable resources and expenditures for the period.

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

The Town reports the following major governmental funds:

- The General Fund is the Town's primary operating fund. It accounts for all financial resources of the Town, except those required to be accounted for in another fund.
- The Conservation Trust Fund, which accounts for State of Colorado lottery funds to be used for parks and recreation services and capital investment.

Enterprise Funds account for operations that are financed and operated in a manner similar to private business enterprises, where the intent is that the costs of providing goods or services to the general public on a continuing basis be financed or recovered primarily through user charges. Enterprise funds are considered major funds because of community interests in the activities and sources of funding supporting these operations.

Enterprise funds distinguish operating revenues and expenses from nonoperating items. Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with an enterprise fund's principal ongoing operations. The principal operating revenues of the Town are charges for water, sewer and garbage fees. Operating expenses for the enterprise funds include purchased services, utilities, repairs and maintenance, supplies, insurance and depreciation cost. All revenues and expenses not meeting this definition are reported as nonoperating revenues and expenses. When both restricted and unrestricted resources are available for use, it is the Town's policy to use restricted resources first, then unrestricted resources as needed.

The Town reports the following major enterprise fund business-type activities:

- Water and Sewer Funds, which account for all operations of the Town's water and sewer services. They are primarily financed by user charges.

D. Measurement Focus and Basis of Accounting

The government-wide financial statements are reported using the economic resources measurement focus and the accrual basis of accounting, as are the enterprise fund financial statements. Revenues are recorded when earned, and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows. Property taxes are recognized as revenues in the year for which they are levied. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met.

Town of Collbran
Notes to the Financial Statements
December 31, 2022

Note 1 - Summary of Significant Accounting Policies (continued)

D. Measurement Focus and Basis of Accounting (continued)

The modified accrual basis of accounting is used by all governmental funds. Under the modified accrual basis of accounting, revenues are recognized when susceptible to accrual (i.e., when they become both measurable and available). “Measurable” means the amount of the transaction can be determined, and “available” means collectible within the current period or soon enough thereafter to be used to pay liabilities of the current period. For this purpose, the government considers revenues to be available if they are collected within 60 days at the end of the current fiscal period. Expenditures are recorded when the related fund liability is incurred. Exceptions to this general rule include principal and interest on general long-term debt which is recognized when due, and compensated absences which are recognized when the obligations are expected to be liquidated with expendable available resources.

Those revenues susceptible to accrual are interest revenue and charges for services. Entitlement revenues are not susceptible to accrual, because generally, they are not measurable until received. Grant revenues are recognized as they are earned.

The accrual basis of accounting is utilized by enterprise funds. Under this method, revenues are recorded when earned and expenses are recorded at the time liabilities are incurred.

Deferred Outflows / Inflows of Resources

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

In addition to liabilities, the statement of net position will sometimes report a separate section of deferred inflows of resources. This separate financial statement element, deferred inflows of resources, represents an acquisition of net position that applies to a future period(s) and will not be recognize as an inflow of resources (revenue) until that time. Property taxes revenue that are related to a future period have been recorded as deferred inflows. Grants and entitlements received before eligibility requirements are met (e.g., cash advances) are recorded as deferred inflows. These amounts are deferred and will be recognized as an inflow of resources in the period that the amounts become available.

E. Cash and Cash Equivalents

For the purposes of the statement of cash flows of the enterprise funds, cash and cash equivalents consist of operating and restricted cash and highly liquid securities with an initial maturity of three months or less.

F. Investments

Investments are state at fair value. Investments in governmental external investment pools are governed by Part 7 of Article 75 of the Colorado Revised Statutes and are exempt from registration with the Securities and Exchange Commission. The pools operate like a mutual fund with each share valued at \$1. The State Securities Commission administers and enforces all State statutes governing the investment pools.

Town of Collbran
Notes to the Financial Statements
December 31, 2022

Note 1 - Summary of Significant Accounting Policies (continued)

G. Use of Estimates

that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

H. Property Taxes

Property taxes for the current year are levied and attached as a lien on property the following January 1. They are payable in full by April 30 or in two equal installments due February 28 and June 15. Property taxes levied in the current year and collected in the following year are reported as a receivable at December 31. However, since the taxes are not available to pay current liabilities, the receivable is recorded as deferred inflows of resources in the governmental and enterprise funds.

I. Consumable Inventories

On the government-wide financial statements, inventories are presented on an average cost basis and are expenses when used (i.e the consumption method). On the fund financial statements, inventories of governmental funds are state at an average cost basis. The cost of inventory items is recorded as expenditures in the governmental fund types when consumed.

J. Capital Assets

Capital assets, which include land, treatment plants, reservoirs, distribution systems, buildings and improvements, property, equipment and infrastructure assets (only infrastructure acquired after January 1, 2003), are reported in the applicable governmental or business-type activities columns in the government-wide financial statements. Capitalized assets are defined by the Town as assets that have a useful life of one or more years, and for which the initial, individual value equals or exceeds \$ 750 (\$3,000 for infrastructure).

All purchased assets are valued at cost where historical records are available and at an estimated historical cost where no historical records exist. Donated assets are valued at their estimated fair market value on the date received. The cost of normal maintenance and repairs that does not add to the value of an asset or materially extend asset life is not capitalized.

Infrastructure assets are being capitalized prospectively beginning in 2003.

Depreciation on all assets is provided on the straight-line basis over the following estimated useful lives:

<u>Asset Class</u>	<u>Useful Life</u>
Reservoirs and treatment plants	40
Land Improvements	10-20
Distribution Systems	15-40
Building and Other Improvements	30
Equipment and vehicles	3-15
Street improvements	5-12

At the inception of capital leases at the governmental fund reporting level, expenditures and any “other financing source” of an equal amount are reported at the net present value of the future minimum lease payments.

Town of Collbran
Notes to the Financial Statements
December 31, 2022

Note 1 - Summary of Significant Accounting Policies (continued)

J. Capital Assets (continued)

Because the historical cost of these assets is generally minimal, these assets would not materially change the amount of capital assets currently reported.

K. Long-Term Liabilities

In the government-wide financial statements, and enterprise fund types in the fund financial statements, long-term debt and other long-term obligations are reported as liabilities in the applicable governmental activities, business-type activities, or enterprise fund type statement of net position. The long-term compensated absences are serviced from revenues of the General Fund from future appropriations.

L. Compensated Absences

Vacation time and sick leave accumulates at the rate of one day per month for a total of twelve days per year. Part-time employees shall accrue vacation time at a pro-rata rate commensurate with their share hours worked compared to a 40-hour work week. Employee may not accrue more than twenty-one workdays of vacation per year and will not accrue in excess of 90 days of sick leave. Sick leave will be paid at seven (7) days of sick leave equivalent to one (1) vacation day at termination or retirement.

Accrued vacation and sick leave consist of the following at December 31, 2022:

Vacation time	\$ 25,505
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All compensated absences liabilities include salary-related payments, where applicable. The total compensated absence liability is reported on the government-wide financial statements. Governmental funds report the compensated absence liability at the fund reporting level only if they have matured.

Proprietary Funds- Accumulated vested sick and vacation pay at December 31, 2022 has not been accrued in the proprietary funds since they would not have a material effect on the financial statements.

M. Net Position

Net position represents the difference between assets, deferred outflows of resources, liabilities and deferred inflows of resources. Net invested in capital assets, net of related debt consists of capital assets, net of accumulated depreciation, reduced by the outstanding balances of any borrowing used for the acquisition or construction of improvements on those assets.

Net position is reported as restricted when there are limitations imposed on their use either through the enabling legislation adopted by the Town or through external restrictions imposed by creditors, grantors, laws or regulations of other governments. All other net position is reported as unrestricted. The Town applies restricted resources first when an expense is incurred for purposes for which both restricted and unrestricted net position is available.

Town of Collbran
Notes to the Financial Statements
December 31, 2022

Note 1 - Summary of Significant Accounting Policies (continued)

N. Encumbrances

The Town does not use an encumbrance system for budgetary control.

O. Accounts Receivable

The Town considers accounts receivable for water and sewer to be fully collectible because the Town can place liens on the individual properties; accordingly, no allowance for doubtful accounts is required. If amounts become uncollectible, they will be charged to operations when that determination is made.

P. Comparative Data

Certain comparative data for the prior year have been presented to provide an understanding of the changes in the financial position and operations. This data is not included at the level of detail required for a presentation in conformity with generally accepted accounting principles. Accordingly, such information should be read in conjunction with the Town's financial statements for the year ended December 31, 2021, from which data was derived. Also, certain amounts presented in the prior year data have been reclassified in order to be consistent with the current year's presentation.

Q. Fair Value Measurement

The Town adopted GASB Statement No. 72, Fair Value Measurement and Application, which generally requires state and local governments to measure assets and liabilities at fair value. GASB's goal is to enhance comparability of governmental financial statements by requiring fair value measurement for certain assets and liabilities using a consistent definition and accepted valuation techniques. This standard expands fair value disclosure to provide comprehensive information for financial statement users about the impact of fair value measurements on a government's financial position. The Town's investments consist of external investment pools and money market accounts.

R. Fund Balance

In the fund financial statements, governmental funds report the following classifications of fund balance:

- Non-spendable fund balance amounts that are not in spendable form (such as inventory) or are required to be maintained intact;
- Restricted fund balance-amounts constrained to specific purposes by their providers (such as grantors, bondholders, and higher levels of government), through constitutional provisions or by enabling legislation;
- Committed fund balance-amounts constrained to specific purposes by a government itself, using its highest level of decision-making authority; to be reported as committed, amounts cannot be used for any other purpose unless the government takes the same highest level action to remove or change the constraint;
- Assigned fund balance-amounts a government intends to use for a specific purpose; intent can be expressed by the governing body or by an official or body to which the governing body delegates the authority;
- Unassigned fund balance-amounts that are available for any purpose; positive amounts are reported only in the general fund.

Town of Collbran
Notes to the Financial Statements
December 31, 2022

Note 1 - Summary of Significant Accounting Policies (continued)

Fund Balance (continued)

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

Note 2 - Reconciliation of Government-wide and Fund Financial Statements

The governmental funds balance sheet includes reconciliation between fund balances total governmental funds and net position - governmental activities as reported in the government-wide statement of net position. Additionally, the governmental fund statement of revenues, expenditures, and changes in fund balances includes reconciliation between net change in fund balances - total governmental funds and changes in net position of governmental activities as reported in the government-wide statement of activities.

These reconciliations detail items that require adjustment to convert from the current resources measurement and modified accrual basis for governmental fund statements to the economic resources measurement and full accrual basis used for government-wide statements. However, certain items having no effect on measurement and basis of accounting were eliminated from the governmental fund statements during the consolidation of governmental activities.

Note 3 - Tax, Spending and Debt Limitations

Colorado voters passed an amendment to the State Constitution, Article X, Section 20, which has several limitations, including revenue raising, spending abilities, and other specific requirements of state and local governments, excluding “enterprises.” The Town’s voters on November 8, 1994, approved a ballot measure to permit the Town to collect, retain and expend the full proceeds of the Town’s sales tax, use tax, property tax and state grants, and other revenues.

The Amendment is complex and subject to judicial interpretation. The Town believes it is in compliance with the requirements of the amendment.

The Amendment requires that an emergency reserve be maintained at three percent of fiscal year spending. A portion of the General Fund’s fund balance is classified as restricted for emergencies as required by the Amendment. The amount restricted at December 31, 2022 was \$111,000.

Note 4 – Budgets

The Town adheres to the following procedures in establishing budgetary data reflected in the financial statements:

Budgets are adopted on a basis consistent with generally accepted accounting principles, except for the proprietary funds. Annual appropriations are adopted for all funds. Expenditures may not legally exceed appropriations at the fund level. All appropriations lapse at year-end.

As required by Colorado Statutes, the Town followed the required timetable noted below in preparing, approving, and enacting its budget for 2022.

1. For the 2022 budget year, prior to August 25, 2021, the County Assessor sent to the Town an assessed valuation of all taxable property within the Town's boundaries.

Town of Collbran
Notes to the Financial Statements
December 31, 2022

Note 4 – Budgets (continued)

2. The Town Administrator, or other qualified person appointed by the Board, submitted to the Board, on or before October 15, 2021, a recommended budget which detailed the necessary property taxes along with other available revenues to meet the Town's operating requirements.
3. Prior to December 15, 2021, a public hearing was held for the budget, the Board certified to the County Commissioners a levy rate that derived the necessary property taxes as computed in the proposed budget, and the Board adopted the proposed budget and an appropriating resolution that legally appropriated expenditures for the upcoming year.
4. After adoption of the budget resolution, the Town may make the following changes: a) it may transfer appropriated money between funds; b) approve supplemental appropriations to the extent of revenues in excess of estimated revenues in the budget; c) approve emergency appropriations; and d) reduce appropriations for which originally estimated revenues are insufficient.
5. Budgets for governmental funds are adopted on a basis consistent with accounting principles generally accepted in the United States of America (GAAP), except for long-term receivables and advances and capital lease financing which are budgeted when liquidated rather than when the receivable/liability is incurred. Budgets for enterprise funds are adopted on a basis consistent with the spending measurement focus of the governmental funds.
6. Budget for the Enterprise Funds are adopted on a basis consistent with the Governmental Funds. Following are the adjustments to convert GAAP Basis expenditures to budgetary basis expenditures:

	Water	Sewer
GAAP Basis	\$ 180,523	\$ 145,362
Add (deduct):		
Depreciation	(61,193)	(44,270)
Capital outlay	52,007	1,605
Budgetary basis	171,337	102,697
Final budget	531,693	144,723
Variance	\$ 360,356	\$ 42,026

Note 5 – Deposits and Investments

Cash Deposits

The Colorado Public Deposit Protection Act (PDPA) requires that all units of local governments deposit cash in eligible public depositories; eligibility is determined by state regulators. Amounts on deposit in excess of federal insurance levels must be collateralized. The eligible collateral is determined by the PDPA. PDPA allows the institution to create a single collateral pool for all public funds. The pool 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% the aggregate uninsured deposits. Collateral in the pool is considered to be equal to depository insurance pursuant to definitions listed in GASB Statement No. 40.

At December 31, 2022, the bank balance of the Town's deposits was \$ 1,583,256 of which \$250,000 was covered by federal depository insurance and \$ 1,333,256 was collateralized under PDPA.

Town of Collbran
Notes to the Financial Statements
December 31, 2022

Note 5 – Deposits and Investments (continued)

Cash Deposits (continued)

Colorado statutes specify investment instruments meeting defined rating and risk criteria in which local government entities may invest. Authorized investments include obligations of the United States and certain U.S. government agency securities; certain international agency securities; general obligation and revenue bonds of U.S. local government entities; bankers' acceptances of certain banks; commercial paper; local government investment pools; written repurchase agreements collateralized by certain authorized securities; certain money market funds; and, guaranteed investment contracts. The Town has no formal investment policy. At December 31, 2022 the Town's investments included funds held in a local government investment pool which was Colotrust Plus+ and Csafe.

Local government investment pools are trusts established for local government entities in Colorado to pool surplus funds. The State Securities Commissioner administers and enforces all State statutes governing the trusts. The trusts value their shares based on a stable net value of \$1.00 per share. A designated custodial bank serves as custodian pursuant to a custodian agreement. The custodian acts as safekeeping agent for the trusts' investment portfolios and provides services as the depository in connection with direct investments and withdrawals. The custodian's internal records segregate investments owned by the trusts.

As of December 31, 2022, the Town held investments in the Colorado Local Government Liquid Asset Trust (Colotrust Plus portfolio) and Csafe. The Plus and Csafe portfolios may invest in U.S. Treasury securities and repurchase agreements collateralized by U.S. Treasury securities as well as in certain obligations of U.S. government agencies, highest rated commercial paper and repurchase agreements collateralized by certain obligations of U.S. government agencies. At December 31, 2022, the Town's investments were in Colotrust Plus \$ 1,244,016 and Csafe of \$848,448.

The composition of all cash and cash investments held by the Town at December 31, 2021 is as follows:

Cash on hand	\$ 300
Cash in bank	1,455,614
Colotrust and Csafe	<u>2,092,464</u>
Total cash and investments	<u>\$ 3,548,378</u>

At December 31, 2021 the Town had the following investments:

	<u>Net Asset Value</u>
ColoTrust Plus +	\$1,244,016
	<u>Amortized Costs</u>
Csafe	\$ 848,448

Interest rate risk-The town does not have a formal policy limiting investment maturities, other than that established by the state statute of five years, which would help manage its exposure to fair value losses from increasing interest rates.

Credit risk-Credit risk is the risk that the issuer or other counterparty to an investment will not fulfill its obligations. It is the Town's policy to limit its investments to U.S. Treasury obligations, certain U.S. government agencies securities, commercial paper, local government investment pools, repurchase agreements and money market funds.

Custodial Credit Risk- 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 investment or collateral securities that are in the possession of an outside party.

Town of Collbran
Notes to the Financial Statements
December 31, 2022

Note 6 - Contingent liabilities

Risk management

The Town is exposed to various risks of loss related to workers' compensation, general liability, unemployment, torts, theft of, damage to, and destruction of assets, and errors and omissions. The Town carries commercial coverage for these risks and claims and does not expect claims to exceed their coverage.

CIRSA - The Town is exposed to various risks of loss related to liability, property and casualty losses. To insure against those losses, the Town is a member of CIRSA, a public entity risk pool current operating as a common risk management and insurance program for member municipalities. The Town pays an annual contribution to CIRSA for its liability, property and casualty insurance coverage.

The intergovernmental agreement of formation of CIRSA provides that the pool will be financially self-sustaining through member contributions and additional assessments, if necessary, and the Pool will purchase excess insurance through commercial companies for members' claims in excess of a specified self-insured retention, which is determined each policy year. Losses incurred in excess of loss funds and amounts recoverable from excess insurance are direct liabilities of the participating members. CIRSA has indicated the amount of any excess losses would be billed to members in proportion to their contributions in the year such excess occurs. There also exists the potential for return of contributions should the results of pool operations result in surpluses in excess of those required by State law and the bylaws of the pool. Any refunds of excess contributions are used to reduce the current year contribution. As such, the contributions to CIRSA has been reported as expenditures or expenses. Separately issued financial reports for CIRSA is available by contacting them at their Denver office or at www.cirsa.org.

Insurance coverage for worker's compensation is provided through Pinnacol Assurance, a quasi-public authority.

There were no settlements on behalf the Town of Collbran in excess of insurance coverage for the last three fiscal years.

Contingencies - Claim

During the normal course of business, the Town may incur claims and other assertions against it from various agencies and individuals. Management of the Town and their legal representatives feel that these claims or assertions are inconsequential and/or not susceptible to reasonable estimation. Therefore, no liabilities have been recorded for these possible claims or assertions.

Note 7 - Retirement Plans

Defined Contribution Plan

The Town participates in the Colorado Retirement Association Defined Contribution Plan (CRA), a multiple-employer public employee retirement system, which is a qualified plan as defined by Internal Revenue Service Code Section 401 (A) and CRS 24.54. The plan provides retirement benefits through a defined contribution plan to participating Colorado counties, municipalities, and special districts. In a defined contribution plan, benefits depend solely on amounts contributed to the plan, plus investment earnings. Plan provisions and contribution requirements are established and may be amended by CRA and would have to be approved by the Town.

There are no unfunded past service liabilities. All of its full-time employees are eligible to contribute to the plan. Employees are eligible to participate six months from the date of employment. Both the employees and the Town make a basic contribution of 8% of the employee's salary. Employees may also make additional contributions up to a maximum of 10% of compensation.

Town of Collbran
Notes to the Financial Statements
December 31, 2022

Note 7 - Retirement Plans (continued)

Defined Contribution Plan (continued)

Employees are immediately vested in their participant contributions and become vested in employer contributions to the plan over a five-year period. For the year ended December 31, 2022 the Town's total payroll was \$361,357, the total covered payroll by the retirement plan was \$232,664. During 2022, the Town and employees each made their respectively required contribution of \$23,743, for a total of \$47,487. Complete financial statements for the retirement plans may be obtained from CRA, 4949 S. Syracuse St., Suite 400, Denver, Colorado, 80237.

Defined Benefit Plan- SWDB

The Town's police officers participate in the Statewide Defined Benefit Plan (SWDB), which is a cost-sharing multiple-employer defined benefit pension plan. The Plan is administered by the Fire & Police Pension Association of Colorado (FPPA). FPPA issues a publicly available comprehensive annual financial report that can be obtained on FPPA's website at <http://www.fppaco.org>.

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

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

Through December 31, 2020, contribution rates for the SWDB plan are set by state statute. Employer contribution rates can only be amended by state statute. Member contribution rates can be amended by state statute or election of the membership.

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

In 2014, the members elected to increase the member contribution rate to the SWDB plan beginning in 2015. Member contribution rates will increase 0.5 percent annually through 2022 to a total of 12 percent of pensionable earnings. Employer contributions will increase 0.5 percent annually beginning in 2021 through 2030 to a total of 13.0 percent of pensionable earnings. In 2020, members of the SWDB plan and their employers are contributing at the rate of 11.0 percent and 8.0 percent, respectively, of pensionable earnings for a total contribution rate of 19.0 percent.

Town of Collbran
Notes to the Financial Statements
December 31, 2022

Note 7 - Retirement Plans (continued)

Defined Benefit Plan- SWDB (continued)

Contributions from members and employers of departments reentering the system are established by resolution and approved by the FPPA Board of Directors. The reentry group has a combined contribution rate of 23 percent and 24 percent of pensionable earnings in 2020 and 2021, respectively. It is a local decision as to whether the member or employer pays the additional 4 percent contribution. The member and employer contribution rates will increase through 2030 as described above for the non-reentering departments. Effective January 1, 2021, reentry departments may submit a resolution to the FPPA Board of Directors to reduce the additional 4 percent contribution, to reflect the actual cost of reentry by department, to the plan for reentry contributions. Each reentry 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 5.50 percent and 4 percent, respectively, of pensionable earnings for a total contribution rate of 9.50 percent in 2020 and 9.75 percent in 2021. Per the 2014 member election, members of the affiliate social security group had their required contribution rate increase 0.25 percent annually beginning in 2015 through 2022 to a total of 6 percent of pensionable earnings. Employer contributions are 4.0 percent and 4.25 percent in 2020 and 2021, respectively. Employer contributions will increase 0.25 percent annually beginning in 2021 through 2030 to a total of 6.5 percent of pensionable earnings.

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

At December 31, 2022, the Entity reported a net pension asset of \$ 28,757. The net pension asset was measured as of December 31, 2021, and the total pension asset used to calculate the net pension asset was determined by an actuarial valuation as of January 1, 2022. The Town's proportion of the net pension asset was based on a projection of the Town's long-term share of contributions to the pension plan relative to the projected contributions of all participating entities, actuarially determined. At December 31, 2022, the Town's proportion was 0.005306%, which was decrease of 0.000103% from its proportion of 0.005409% measured as of December 31, 2021.

Pension Expense, Deferred Outflows of Resources, and Deferred Inflows of Resource. For the year ended December 31, 2022, the Town recognized pension expense of (\$6,742) related to the SWDB.

At December 31, 2021, the Entity reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	<u>Deferred Outflows</u>	<u>Deferred Inflows</u>
Difference between expected and actual experience	\$ 8,235	\$ 671
Changes in Assumptions	4,101	-
Net difference between projected and actual earnings on pension plan investments	-	19,246
Change in assumptions	-	-
Contributions subsequent to the measurement date	<u>3,631</u>	<u>-</u>
Total	<u>\$ 15,967</u>	<u>\$ 19,917</u>

The SWDB plan reported \$3,631 as deferred outflows of resources related to pensions resulting from the Town contributions subsequent to the measurement date will be recognized as an increase in net position asset in the year ended December 31, 2022.

Town of Collbran
Notes to the Financial Statements
December 31, 2022

Note 7 - Retirement Plans (continued)

Defined Benefit Plan- SWDB (continued)

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:	
2022	\$(2,596)
2023	\$(4,587)
2024	\$(2,574)
2025	\$ (723)
2026	\$ 1,714
Thereafter	\$ 1,185

The January 1, 2022 actuarial valuation was used to determine the Actuarially Determined Contribution for the fiscal year ending December 31, 2021. The valuation used the following actuarial assumption and other inputs:

Methods and Assumptions Used to Determine Contribution Rates:

Actuarial Cost Method	Entry Age Normal
Amortization Method	Level % of payroll, Open
Amortization Period	30 years
Long-term Investment rate of return*	7.0%
Projected Salary Increases	4.25%-11.25%
Cola adjustment	0.0%
*Includes Inflation At	2.5%

For determining the total pension liability and actuarially determined contributions, the post-retirement mortality tables for non-disabled retirees uses the 2006 central rates 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 preretirement 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 Collbran
Notes to the Financial Statements
December 31, 2022

Note 7 - Retirement Plans (continued)

Defined Benefit Plan- SWDB (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 Rate of Return
Global Equity	39%	8.23%
Equity Long/Short	8%	6.87%
Private Markets	26%	10.63%
Fixed Income- Rates	10%	4.01%
Fixed Income- Credit	5%	5.25%
Absolute Return	10%	5.60%
Cash	2%	2.32%
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 7.00%.

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%; the municipal bond rate is 2.00% (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%.

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%, 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	Single Discount Rate Assumption	1% Increase
6.00%	7.00%	8.00%
\$ (3,966)	\$ (28,757)	\$ (49,295)

Town of Collbran
Notes to the Financial Statements
December 31, 2022

Note 8 - Capital Assets

Capital Asset activity for the year ended December 31, 2022 was as follows:

	Balance January 1, 2022	Additions	Dispositions	Balance December 31, 2022
Governmental Activities				
Capital assets not being depreciated				
Land	\$ 133,647	\$ -	\$ -	\$ 133,647
Construction in progress	-	185,092	-	185,092
	<u>133,647</u>	<u>185,092</u>	<u>-</u>	<u>318,739</u>
Capital assets being depreciated				
Equipment	537,216	67,561	-	604,777
Buildings	568,600	5,968	-	574,568
Improvements	730,863	-	-	730,863
Infrastructure	636,438	-	-	636,438
	<u>2,473,117</u>	<u>73,529</u>	<u>-</u>	<u>2,546,646</u>
Less depreciation	<u>(1,574,727)</u>	<u>(97,589)</u>	<u>-</u>	<u>(1,672,316)</u>
	<u>898,390</u>	<u>(24,060)</u>	<u>-</u>	<u>874,330</u>
Total Capital Assets	<u>\$ 1,032,037</u>	<u>\$ 161,032</u>	<u>\$ -</u>	<u>\$ 1,193,069</u>
	Balance January 1, 2022	Additions	Dispositions	Balance December 31, 2022
Business - Type Activities				
Water Fund				
Capital assets not being depreciated				
Construction in progress	\$ -	\$ 14,716	\$ -	\$ 14,716
Capital assets being depreciated				
Equipment	193,552	37,291	-	230,843
Water System	1,098,199	-	-	1,098,199
Reservoirs	84,363	-	-	84,363
Water Treatment Plant	852,667	-	-	852,667
Total capital assets being depreciated	<u>2,228,781</u>	<u>37,291</u>	<u>-</u>	<u>2,266,072</u>
Less accumulated depreciation	<u>(1,299,292)</u>	<u>(61,193)</u>	<u>-</u>	<u>(1,360,485)</u>
Net capital assets being depreciated	<u>929,489</u>	<u>(23,902)</u>	<u>-</u>	<u>905,587</u>
Total Water Fund	<u>\$ 929,489</u>	<u>\$ (9,186)</u>	<u>\$ -</u>	<u>\$ 920,303</u>
Sewer Fund				
Capital Assets not being depreciated				
Land	\$ 43,585	\$ -	\$ -	\$ 43,585
Capital Assets being Depreciated				
Equipment	91,286	1,605	-	92,891
Sewer System	1,592,539	-	-	1,592,539
Total capital assets being depreciated	<u>1,683,825</u>	<u>1,605</u>	<u>-</u>	<u>1,685,430</u>
Less accumulated depreciation	<u>(1,515,415)</u>	<u>(44,270)</u>	<u>-</u>	<u>(1,559,685)</u>
Net capital assets being depreciated	<u>168,410</u>	<u>(42,665)</u>	<u>-</u>	<u>125,745</u>
Total Sewer Fund	<u>211,995</u>	<u>(42,665)</u>	<u>-</u>	<u>169,330</u>
Total Business-Type Activities Capital Assets	<u>\$ 1,141,484</u>	<u>\$ (51,851)</u>	<u>\$ -</u>	<u>\$ 1,089,633</u>

Town of Collbran
Notes to the Financial Statements
December 31, 2022

Note 8 - Capital Assets (continued)

Depreciation was charged to governmental activity functions/programs as follows:

General government	\$ 47,538
Public safety	22,107
Public works	14,618
Parks and Recreation	<u>13,326</u>
Total	<u>\$ 97,589</u>

Depreciation charged to the Enterprise Funds are as follows:

Water Fund	\$ 61,193
Sanitation Fund	<u>44,270</u>
Total	<u>\$ 105,463</u>

Note 9 - Land Lease

Land Lease and Indemnity Agreement

The Town entered into an agreement with Grand Valley National Bank (the "Bank") on April 23, 2003, whereby the Town has leased certain real property to the Bank, paid for the demolition and removal of a structure on the property, and agreed to indemnify the Bank for any and all future costs associated with any environmental hazards which may exist on or beneath the property. The Bank has paid the Town \$60,000 for the lease for a term of 60 years, unless terminated sooner by purchase or otherwise. The Bank has paid the Town an additional \$90,000 for the indemnity agreement. The Bank has an option to purchase the property anytime during the term of the lease for an additional \$60,000.

Town of Collbran
Statement of Revenues, Expenditures and Changes in Fund Balance-Budget and Actual
General Fund
For the Year Ended December 31, 2022

Revenues	Budgeted		Actual	Favorable (Unfavorable)
	Original	Final		
Taxes:				
General Property tax	\$ 18,836	\$ 18,836	\$ 19,288	\$ 452
Sales Tax Town	100,000	100,000	124,795	24,795
Sales Tax County	800,000	800,000	1,008,318	208,318
Public Safety Sales- County	11,000	11,000	15,079	4,079
Cigarette	500	500	433	(67)
Franchise	20,500	20,500	19,854	(646)
Highway User	12,000	12,000	13,760	1,760
Mineral Lease	3,000	3,000	4,121	1,121
Severance	1,650	1,650	7,353	5,703
Specific Ownership	2,250	2,250	2,511	261
Total Taxes	969,736	969,736	1,215,512	245,776
Other Revenues:				
Fees	39,850	39,850	32,915	(6,935)
Fines and Penalties	2,500	2,500	2,741	241
Grants	190,555	190,555	252,626	62,071
Miscellaneous	1,000	1,000	4,294	3,294
Motor Vehicle Registrations	1,000	1,000	1,005	5
Total Other Revenues	234,905 -	234,905 -	293,581	58,676
Earnings on Investments	5,000	5,000	43,457	38,457
Total Revenues	1,209,641 -	1,209,641 -	1,552,550	342,909
Expenditures				
General Government				
Personnel services	128,688	128,688	104,861	(23,827)
General Expenditures	406,682	406,682	179,838	(226,844)
Grant Projects	252,192	252,192	210,540	(41,652)
Capital Outlay	10,000	10,000	7,855	(2,145)
Land Use Expenditures	11,000	11,000	2,303	(8,697)
Total General Government	808,562	808,562	505,397	(303,165)
Public Safety				
Personnel services	244,736	244,736	168,614	(76,122)
General Expenditures	58,442	58,442	47,877	(10,565)
Capital Outlay	73,200	73,200	40,879	(32,321)
Total Public Safety	376,378	376,378	257,370	(119,008)

The accompanying notes are an integral part of this statement.

Town of Collbran
Statement of Revenues, Expenditures and Changes in Fund Balance-Budget and Actual
General Fund
For the Year Ended December 31, 2022

	Budgeted		Actual	Favorable (Unfavorable)
	Original	Final		
Public Works				
Personnel services	99,564	99,564	98,857	707
General Expenditures	241,587	241,587	65,064	176,523
General Capital	17,500	17,500	14,194	3,306
Total Public Works	358,651	358,651	178,115	180,536
Municipal Court				
Personnel services	9,724	9,724	5,855	3,869
General Expenditures	5,044	5,044	4,093	951
Total Municipal Court	14,768	14,768	9,948	4,820
Culture and Recreation				
Personnel services	35,843	35,843	27,101	8,742
General Expenditures	197,659	197,659	90,479	107,180
Capital Outlay	45,500	45,500	15,642	29,858
Total Culture and Recreation	279,002	279,002	133,222	145,780
Total Expenditures	1,837,361	1,837,361	1,084,052	753,309
Excess of revenues over (under) expenditures	(627,720)	(627,720)	468,498	(410,400)
Excess of revenues and sources over (under) expenditures and other (uses)	(627,720)	(627,720)	468,498	(410,400)
Fund balance, January 1	2,407,503	2,407,503	2,510,846	103,343
Fund balance, December 31	\$ 1,779,783	\$ 1,779,783	\$ 2,979,344	\$ 1,199,561

The accompanying notes are an integral part of this statement.

Town of Collbran
Conservation Trust Fund
Statement of Revenues, Expenditures and Changes in Fund Balance
Budget and Actual
Year Ended December 31, 2022

	Budgeted		Actual	Favorable (Unfavorable)
	Original	Final		
Revenues				
Lottery	\$ 8,000	\$ 8,000	\$ 4,732	\$ (3,268)
Other Revenues	250	250	755	505
Total revenues	<u>8,250</u>	<u>8,250</u>	<u>5,487</u>	<u>(2,763)</u>
Expenditures				
Capital Outlay	-	-	-	-
Total expenditures	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Excess of revenues over (under) expenditures	8,250	8,250	5,487	(2,763)
Fund balance, January 1	<u>41,223</u>	<u>41,223</u>	<u>41,846</u>	<u>623</u>
Fund balance, December 31	<u><u>\$ 49,473</u></u>	<u><u>\$ 49,473</u></u>	<u><u>\$ 47,333</u></u>	<u><u>\$ (2,140)</u></u>

The accompanying notes are an integral part of this statement.

Town of Collbran
Schedule of Town's Proportionate Share of Net Pension Asset/Liability
Fire and Police Association of Colorado
Statewide Defined Benefit Plan
Year Ended December 31, 2021 (Measurement Date)

	<u>2021</u>	<u>2020</u>	<u>2019</u>
Town's portion of the net pension assets (liability)	0.005306%	0.005409%	0.005113%
Town's proportionate share of the net pension asset (liability)	\$ 28,757	\$ 11,744	\$ 2,892
Town's covered payroll	\$ 44,132	\$ 43,618	\$ 37,688
Town's proportionate share of the net pension asset (liability) as a percentage of covered payroll	65.16%	26.92%	7.67%
Plan fiduciary net position as a percentage of the total pension assets/(liability)	116.20%	106.70%	101.90%

Note to Schedule

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

The accompanying notes are an integral part of this statement.

Town of Collbran
Schedule of Town's Contributions to Pension Plan
Fire and Police Association of Colorado
Statewide Defined Benefit Plan
For the Year Ended December 31, 2022

	<u>2022</u>	<u>2021</u>	<u>2020</u>
Contractually required contributions	\$ 3,631	\$ 3,476	\$ 3,015
Contributions in relation to the contractually required contribution	<u>\$ 3,631</u>	<u>\$ 3,476</u>	<u>\$ 3,015</u>
Contribution (excess) deficiency	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Town's covered payroll	\$ 44,132	\$ 43,618	\$ 37,688
Contributions as a percentage of covered payroll	8.00%	8.00%	8.00%

Note to Schedule

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

The accompanying notes are an integral part of this statement.

**Town of Collbran
Water Fund
Schedule of Revenues, Expenditures and Changes in Available
Resources-Budget and Actual
(Non-GAAP Budgetary Basis)
Year Ended December 31, 2022**

	Budgeted		Actual	Favorable (Unfavorable)
	Original	Final		
Revenues				
User Charges	\$ 203,870	\$ 203,870	\$ 195,607	\$ (8,263)
Grants	350,000	350,000	48,058	(301,942)
Tap Fees	-	-	4,500	4,500
Other Revenues	200	200	672	472
Total revenues	554,070	554,070	248,837	(305,233)
Expenditures				
Salaries and Benefits	42,447	42,447	35,506	6,941
Professional Services	70,050	70,050	37,254	32,796
Supplies and Chemicals	9,000	9,000	7,064	1,936
Utilities	10,885	10,885	10,826	59
Repairs and Maintenance	18,500	18,500	20,479	(1,979)
Other	30,811	30,811	8,201	22,610
Capital outlay	350,000	350,000	52,007	297,993
Total expenditures	531,693	531,693	171,337	360,356
Excess of revenues and sources over (under) expenditures and other (uses)	22,377	22,377	77,500	(665,589)
Fund balance, January 1	540,102	540,102	518,139	(21,963)
Fund balance, December 31	\$ 562,479	\$ 562,479	\$ 595,639	\$ (687,552)

The accompanying notes are an integral part of this statement.

Town of Collbran
Sewer Fund
Schedule of Revenues, Expenditures and Changes in Available
Resources-Budget and Actual
(Non-GAAP Budgetary Basis)
Year Ended December 31, 2022

	Budgeted		Actual	Favorable (Unfavorable)
	Original	Final		
Revenues				
User Fees	\$ 133,268	\$ 133,268	\$ 134,055	\$ 787
Tap Fees	-	-	9,000	9,000
Other Revenues	200	200	582	382
Total revenues	<u>133,468</u>	<u>133,468</u>	<u>143,637</u>	<u>10,169</u>
Expenditures				
Salaries and Benefits	42,447	42,447	35,504	6,943
Professional Services	27,110	27,110	20,176	6,934
Supplies and Chemicals	17,200	17,200	6,685	10,515
Utilities	25,201	25,201	25,194	7
Repairs and Maintenance	26,000	26,000	10,191	15,809
Other	6,765	6,765	3,342	3,423
Capital outlay	-	-	1,605	(1,605)
Total expenditures	<u>144,723</u>	<u>144,723</u>	<u>102,697</u>	<u>42,026</u>
Excess of revenues and sources over (under) expenditures and other (uses)	(11,255)	(11,255)	40,940	(31,857)
Fund Balance, January 1	<u>177,093</u>	<u>177,093</u>	<u>167,907</u>	<u>9,186</u>
Fund balance, December 31	<u>\$ 165,838</u>	<u>\$ 165,838</u>	<u>\$ 208,847</u>	<u>\$ (22,671)</u>

The accompanying notes are an integral part of this statement.

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

LOCAL HIGHWAY FINANCE REPORT	City or County: City
	YEAR ENDING : December 2022

This Information From The Records Of: Town of Collbran, Colorado	Prepared By: Karla Distel Phone: (970)487-3751
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I. DISPOSITION OF HIGHWAY-USER REVENUES AVAILABLE FOR LOCAL GOVERNMENT EXPENDITURE

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

II. RECEIPTS FOR ROAD AND STREET PURPOSES

III. DISBURSEMENTS FOR ROAD AND STREET PURPOSES

ITEM	AMOUNT	ITEM	AMOUNT
A. Receipts from local sources:		A. Local highway disbursements:	
1. Local highway-user taxes		1. Capital outlay (from page 2)	0
a. Motor Fuel (from Item I.A.5.)		2. Maintenance:	120,796
b. Motor Vehicle (from Item I.B.5.)		3. Road and street services:	
c. Total (a.+b.)		a. Traffic control operations	
2. General fund appropriations	0	b. Snow and ice removal	57,319
3. Other local imposts (from page 2)	271,595	c. Other	
4. Miscellaneous local receipts (from page 2)	0	d. Total (a. through c.)	57,319
5. Transfers from toll facilities		4. General administration & miscellaneous	0
6. Proceeds of sale of bonds and notes:		5. Highway law enforcement and safety	108,245
a. Bonds - Original Issues		6. Total (1 through 5)	286,360
b. Bonds - Refunding Issues		B. Debt service on local obligations:	
c. Notes		1. Bonds:	
d. Total (a. + b. + c.)	0	a. Interest	
7. Total (1 through 6)	271,595	b. Redemption	
B. Private Contributions	0	c. Total (a. + b.)	0
C. Receipts from State government (from page 2)	14,765	2. Notes:	
D. Receipts from Federal Government (from page 2)	0	a. Interest	
E. Total receipts (A.7 + B + C + D)	286,360	b. Redemption	
		c. Total (a. + b.)	0
		3. Total (1.c + 2.c)	0
		C. Payments to State for highways	
		D. Payments to toll facilities	
		E. Total disbursements (A.6 + B.3 + C + D)	286,360

IV. LOCAL HIGHWAY DEBT STATUS

(Show all entries at par)

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

V. LOCAL ROAD AND STREET FUND BALANCE

	A. Beginning Balance	B. Total Receipts	C. Total Disbursements	D. Ending Balance	E. Reconciliation
	0	286,360	286,360	0	0

Notes and Comments:

LOCAL HIGHWAY FINANCE REPORT

STATE:
Colorado
YEAR ENDING (mm/yy):
December 2022

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	59	a. Interest on investments	
b. Other local imposts:		b. Traffic Fines & Penalties	
1. Sales Taxes	269,025	c. Parking Garage Fees	
2. Infrastructure & Impact Fees	0	d. Parking Meter Fees	
3. Liens		e. Sale of Surplus Property	
4. Licenses	0	f. Charges for Services	
5. Specific Ownership &/or Other	2,511	g. Other Misc. Receipts	0
6. Total (1. through 5.)	271,536	h. Other	0
c. Total (a. + b.)	271,595		

ITEM	AMOUNT	ITEM	AMOUNT
C. Receipts from State Government		D. Receipts from Federal Government	
1. Highway-user taxes	13,760	1. FHWA (from Item I.D.5.)	
2. State general funds		2. Other Federal agencies:	
3. Other State funds:		a. Forest Service	
a. State bond proceeds		b. FEMA	
b. Project Match		c. HUD	
c. Motor Vehicle Registrations	1,005	d. Federal Transit Admin	
d. DOLA Grant	0	e. U.S. Corps of Engineers	
e. Other	0	f. Other Federal	0
f. Total (a. through e.)	1,005	g. Total (a. through f.)	0
4. Total (1. + 2. + 3.f)	14,765	3. Total (1. + 2.g)	

(Carry forward to page 1)

III. DISBURSEMENTS FOR ROAD AND STREET PURPOSES - DETAIL

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

(Carry forward to page 1)

Notes and Comments: