

***Town of Eckley, Colorado***

**Financial Statements**

**For the Year ended December 31, 2022**

## Table of Contents

|                                                                                                                                             | Page  |
|---------------------------------------------------------------------------------------------------------------------------------------------|-------|
| Independent Auditors' Report                                                                                                                | 1-4   |
| Management's Discussion and Analysis                                                                                                        | 5-10  |
| Basic Financial Statements                                                                                                                  |       |
| Government-wide Financial Statements                                                                                                        |       |
| Statement of Net Position                                                                                                                   | 12-13 |
| Statement of Activities                                                                                                                     | 14-15 |
| Fund Financial Statements                                                                                                                   |       |
| Balance Sheet – Governmental Funds                                                                                                          | 16    |
| Reconciliation of the Balance Sheet of Governmental Funds to the Statement of Net Position                                                  | 17    |
| Statement of Revenues, Expenditures and Changes in Fund Balance – Governmental Funds                                                        | 18    |
| Reconciliation of the Statement of Revenues, Expenditures and Changes in Fund Balances of Governmental Funds to the Statement of Activities | 19    |
| Statement of Net Position – Proprietary Funds                                                                                               | 20-21 |
| Statement of Revenues, Expenses and Changes in Fund Net Position – Proprietary Funds                                                        | 22-23 |
| Statement of Cash Flows – Proprietary Funds                                                                                                 | 24-25 |
| Statement of Fiduciary Net Position – Fiduciary Funds                                                                                       | 26    |
| Statement of Changes in Fiduciary Net Position – Fiduciary Funds                                                                            | 27    |
| Notes to Financial Statements                                                                                                               | 28-67 |
| Required Supplementary Information                                                                                                          |       |
| Schedule of the Town's Proportionate Share of the Net Pension Liability – PERA's Local Government Division Trust Fund                       | 70-71 |
| Schedule of Town Contributions – PERA's Local Government Division Trust Fund                                                                | 72-73 |
| Schedule of the Town's Proportionate Share of the Net OPEB Liability – PERA's Health Care Trust Fund                                        | 74-75 |
| Schedule of Town Contributions – PERA's Health Care Trust Fund                                                                              | 76-77 |
| Schedule of Changes in the Town's Net Pension Liability/(Asset) and Related Ratios - Eckley Volunteer Fire Department Pension Plan          | 78-79 |
| Schedule of Town Contributions – Eckley Volunteer Fire Department Pension Plan                                                              | 80    |
| Schedule of Investment Return – Eckley Volunteer Fire Department Pension Plan                                                               | 81    |
| General Fund – Budgetary Comparison Schedule                                                                                                | 82    |
| Community Center Fund – Budgetary Comparison Schedule                                                                                       | 83    |
| Conservation Trust Fund – Budgetary Comparison Schedule                                                                                     | 84    |
| Notes to the Required Supplementary Information                                                                                             | 85-86 |

## Table of Contents

|                                                              | <u>Page</u> |
|--------------------------------------------------------------|-------------|
| Other Supplementary Information                              |             |
| General Fund                                                 |             |
| Budgetary Comparison Schedule – Revenues                     | 90          |
| Budgetary Comparison Schedule – Expenditures                 | 92-93       |
| Budgetary Comparison Schedules – Proprietary Funds           |             |
| Water Fund – Budgetary Comparison Schedule                   | 96-97       |
| Sewer Fund – Budgetary Comparison Schedule                   | 98-99       |
| Budgetary Comparison Schedule – Fiduciary Fund               |             |
| Firemen’s Pension Fund – Budgetary Comparison Schedule       | 102         |
| Colorado Department of Highways Local Highway Finance Report | 104-105     |



**Independent Auditors' Report**

To the Honorable Mayor and Members of Town Council  
Town of Eckley  
Eckley, Colorado

**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 Eckley (the Town), as of and for the year ended December 31, 2022, and the related notes to the financial statements, which collectively comprise the Town's basic financial statements as listed in the table of contents.

Summary of Opinions

| <u>Opinion Unit</u>                  | <u>Type of Opinion</u> |
|--------------------------------------|------------------------|
| Governmental Activities              | Qualified              |
| Business-type Activities             | Unmodified             |
| General Fund                         | Unmodified             |
| Community Center Fund                | Unmodified             |
| Conservation Trust Fund              | Unmodified             |
| Water Fund                           | Unmodified             |
| Sewer Fund                           | Unmodified             |
| Aggregate Remaining Fund Information | Unmodified             |

Qualified Opinion on the Governmental Activities

In our opinion, except for the effects of the matter described in the Basis for Qualified and Unmodified Opinions section of our report, the financial statements referred to above present fairly, in all material respects, the financial position of the governmental activities of the Town as of December 31, 2022, and the changes in financial position thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Unmodified Opinions on Business-type Activities, General Fund, Community Center Fund, Conservation Trust Fund, Water Fund, Sewer Fund and Aggregate Remaining Fund Information

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the business-type activities, General Fund, Community Center Fund, Conservation Trust Fund, Water Fund, Sewer Fund, and the aggregate remaining fund information of the Town 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 Qualified and Unmodified 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 Auditors' Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the Town, and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our qualified and unmodified audit opinions.

#### Matter Giving Rise to the Qualified Opinion on the Governmental Activities

The Town has not adopted the provisions of GASB Statement 73, Accounting and Financial Reporting for Pensions and Related Assets That Are Not Within the Scope of GASB Statement 68, and Amendments to Certain Provisions of GASB Statements 67 and 68, including disclosures and required supplementary information relating to its Firemen's Pension Fund. An actuarial valuation has not been obtained. The amount by which this departure would affect the assets, deferred inflows of resources, liabilities, deferred outflows of resources, net position and expenses of the Governmental Activities has not been determined.

### **Responsibilities of Management for the Financial Statements**

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

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

### **Auditors' Responsibilities for the Audit of the Financial Statements**

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinions. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with 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 the audit in accordance with generally accepted auditing standards, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.

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

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

#### **Required Supplementary Information**

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

#### **Supplementary Information**

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Town's basic financial statements. The other supplementary information and the local highway finance report listed in the table of contents 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 other supplementary information and the local highway finance report are fairly stated, in all material respects, in relation to the basic financial statements taken as a whole.

*Lauer, Szabo & Associates, P.C.*

Sterling, Colorado  
February 2, 2024

## MANAGEMENT DISCUSSION AND ANALYSIS

This section of the Town of Eckley, Colorado's annual financial report presents the discussion and analysis of the financial performance for the fiscal year that ended December 31, 2022.

### FINANCIAL HIGHLIGHTS

- The Town of Eckley remains in good financial condition.
- The assets and deferred outflows of resources of the Town of Eckley exceeded its liabilities and deferred inflows of resources at the close of 2022 by \$5,580,815 (net position). Of this amount \$1,419,133 or 25% is unrestricted and may be used to meet the Town's ongoing obligations to citizens and creditors.
- During the year, the Town's total revenues exceeded expenses by \$1,546,028.

### OVERVIEW OF THE FINANCIAL STATEMENTS

This discussion and analysis is intended to serve as an introduction to the Town of Eckley's basic financial statements. The Town of Eckley's basic financial statements are comprised of three components:

- Government-wide financial statements
- Fund financial statements.
- Notes to the financial statements.

This report also contains other supplementary information in addition to the basic financial statements themselves.

#### **Government-wide financial statements**

The government-wide statements report information about the Town as a whole using accounting methods similar to those used by private-sector companies.

The **statement of net position** presents information on all of the Town of Eckley's assets and liabilities, with the difference between the two reported as net position. Over time, increases or decreases in net position may serve as a useful indicator of whether the financial position of the Town of Eckley is improving or deteriorating.

The **statement of activities** presents information showing how the Town of Eckley'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 reported in this statement for some items will result in cash flows in future fiscal periods (e.g., uncollected taxes.)

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

- **Governmental activities.** Most of the Town's basic services are included here, such as public works, parks, recreation, and general administration. Property tax and intergovernmental revenue finance most of these activities.
- **Business-type activities.** The Town charges fees to customers to recover most of the costs of certain services provided. The Town's water and sewer systems are included here.

The government-wide financial statements can be found starting on page 12 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. Some funds are required to be established by State law; however, the Town Council has established other funds to help control and manage money for particular purposes or to show that it is properly using certain revenue (the Community Center and Conservation Trust Funds). All of the funds of the Town of Eckley can be divided into two categories: governmental funds and proprietary funds.

**Governmental funds.** Most of the Town's basic services are reported in governmental funds, which focus on how money flows into and out of those funds and the balances left at year-end are available for spending. The funds are reported using an accounting method called modified accrual accounting, which measures cash and all other financial assets that can readily be converted to cash. The governmental funds statement provides a detailed, short-term view to cash, the governmental fund operations and the basic services it provides. Governmental fund information helps you determine whether there are more or fewer financial resources that can be spent in the near future to finance the Town's programs. Because this information does not encompass the additional long-term focus of the government-wide statements, additional information at the bottom of the governmental funds statement is provided, or on the subsequent page, that explains the relationship (or differences) between them.

The basic governmental fund financial statements can be found starting on page 16 of this report.

**Proprietary funds.** When the Town charges customers for the services it provides, whether to outside customers or to other units of the Town, these services are generally reported in proprietary funds. Proprietary funds are reported in the same way that all activities are reported in the Statement of Net Position and the Statement of Activities. The Town's enterprise funds (a component of proprietary funds) are the same as the business-type activities reported in the government-wide statements but provide more detail and additional information, such as cash flows, for proprietary funds.

The basic proprietary fund financial statements can be found starting on page 20 of this report.

**Fiduciary funds.** Fiduciary funds are used to account for resources held for the benefit of parties outside the government. These activities are excluded from the Town's other financial statements because the Town cannot use these assets to finance operations. The Town is responsible for ensuring that the assets reported in these funds are used for their intended purpose.

The basic fiduciary fund financial statements can be found starting on page 26 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 starting on page 28 of this report.

## **FINANCIAL ANALYSIS OF THE TOWN AS A WHOLE**

As noted earlier, net position may serve over time as a useful indicator of a government's financial position. In the case of the Town of Eckley, assets and deferred outflows of resources exceed liabilities and deferred inflows of resources by \$5,580,815 at the close of 2022.

## Net Position

Combined net position of the Town of Eckley as of December 31, 2022 are shown in Table 1 below. The Town did not issue financial statements prepared in accordance with generally accepted accounting principles in the prior year, therefore, a detailed comparison to the prior year is not possible.

**Table 1**  
**NET POSITION**

|                                                         | Governmental<br>Activities | Business-type<br>Activities | Total Primary<br>Government |
|---------------------------------------------------------|----------------------------|-----------------------------|-----------------------------|
| Current and other assets                                | 262,908                    | 1,377,476                   | 1,640,384                   |
| Capital assets                                          | 85,519                     | 6,185,059                   | 6,270,578                   |
| Total assets                                            | 348,427                    | 7,562,535                   | 7,910,962                   |
| Deferred outflows of resources                          | 6,115                      | 6,385                       | 12,500                      |
| Total assets and deferred<br>outflows of resources      | 354,542                    | 7,568,920                   | 7,923,462                   |
| Long-term debt outstanding                              | 1,267                      | 1,363,593                   | 1,364,860                   |
| Other liabilities                                       | 71,450                     | 848,722                     | 920,172                     |
| Total liabilities                                       | 72,717                     | 2,212,315                   | 2,285,032                   |
| Deferred inflows of resources                           | 40,892                     | 16,723                      | 57,615                      |
| Net position                                            |                            |                             |                             |
| Net investment in capital assets                        | 85,519                     | 4,012,999                   | 4,098,518                   |
| Restricted                                              | 48,881                     | 14,283                      | 63,164                      |
| Unrestricted (deficit)                                  | 106,533                    | 1,312,600                   | 1,419,133                   |
| Total net position                                      | 240,933                    | 5,339,882                   | 5,580,815                   |
| Total liabilities, deferred<br>inflows and net position | 354,542                    | 7,568,920                   | 7,923,462                   |

The largest portion of the Town of Eckley's net position, 73%, reflects its investment in capital assets (land, buildings and equipment). The Town of Eckley uses these capital assets to provide services to citizens; consequently, these assets are not available for future spending. In addition, a portion of the Town of Eckley's net position, 2%, represents resources that are subject to external restrictions on how they may be used. The remaining balance of unrestricted net position, 25%, may be used to meet the government's ongoing obligations to citizens and creditors.

At the end of 2022, the Town of Eckley is able to report positive balances in all three categories of net position, both for the government as a whole, as well as for its separate governmental and business-type activities.

### Changes in net position

The Town's total revenue of \$1,883,660 was more than program expenses of \$337,632 for an increase in net position of \$1,546,028.

Combined changes in net position of the Town of Eckley as of December 31, 2022 are shown in Table 2 below. The Town did not issue financial statements prepared in accordance with generally accepted accounting principles in the prior year, therefore, a detailed comparison to the prior year is not possible.

**Table 2**  
**CHANGES IN NET POSITION**

|                                   | Governmental<br>Activities | Business-type<br>Activities | Total Primary<br>Government |
|-----------------------------------|----------------------------|-----------------------------|-----------------------------|
| Program revenues                  |                            |                             |                             |
| Charges for services              | 30,900                     | 154,600                     | 185,500                     |
| Operating grants                  | 34,166                     | -                           | 34,166                      |
| Capital grants                    | -                          | 1,559,673                   | 1,559,673                   |
| General revenues                  |                            |                             |                             |
| Property taxes                    | 36,187                     | -                           | 36,187                      |
| Sales and use taxes               | 41,970                     | -                           | 41,970                      |
| Other taxes                       | 18,708                     | -                           | 18,708                      |
| Mineral lease                     | 1,333                      | -                           | 1,333                       |
| Interest earnings                 | 382                        | 2                           | 384                         |
| Miscellaneous                     | 5,739                      | -                           | 5,739                       |
| Transfers                         | (5,000)                    | 5,000                       | -                           |
| Total revenues                    | <u>164,385</u>             | <u>1,719,275</u>            | <u>1,883,660</u>            |
| Program expenses                  |                            |                             |                             |
| General government                | 49,399                     | -                           | 49,399                      |
| Public safety                     | 14,683                     | -                           | 14,683                      |
| Public works                      | 33,083                     | -                           | 33,083                      |
| Culture and recreation            | 29,600                     | -                           | 29,600                      |
| Business-type activities          |                            |                             |                             |
| Water services                    | -                          | 106,571                     | 106,571                     |
| Sanitation                        | -                          | 104,296                     | 104,296                     |
| Total expenses                    | <u>126,765</u>             | <u>210,867</u>              | <u>337,632</u>              |
| Change in net position            | 37,620                     | 1,508,408                   | 1,546,028                   |
| Net position at beginning of year | <u>203,313</u>             | <u>3,831,474</u>            | <u>4,034,787</u>            |
| Net position at end of year       | <u>240,933</u>             | <u>5,339,882</u>            | <u>5,580,815</u>            |

**Governmental Activities**

Revenue for the Town's governmental activities totaled \$164,385 for 2022. Tax revenue produced 59% of these revenues. Tax revenue includes property taxes, sales and other taxes.

**Table 3**  
**GOVERNMENTAL ACTIVITIES**

|                        | Total Cost<br>of Services | Net Cost<br>of Services |
|------------------------|---------------------------|-------------------------|
| General government     | \$ 49,399                 | \$ 49,063               |
| Public safety          | 14,683                    | 14,683                  |
| Public works           | 33,083                    | (9,933)                 |
| Culture and recreation | 29,600                    | 7,886                   |

Table 3 presents the cost and revenue of each of the Town’s four largest programs – general government, public safety, public works, and culture recreation – as well as each program’s *net* cost (total cost less revenues generated by activities). The net cost shows the financial burden that was placed on the Town’s taxpayers by each of these functions.

**Business-type Activities**

Net position in business-type activities increased by \$1,508,408 in 2022. Business-type activities include water and sewer services.

**Table 4  
BUSINESS-TYPE ACTIVITIES**

|                | Total Cost<br>of Services | Net Cost<br>of Services |
|----------------|---------------------------|-------------------------|
| Water services | \$ 106,571                | \$ (1,524,147)          |
| Sewer services | 104,296                   | 20,741                  |

Table 4, above, presents the cost and revenue of each of the Town’s business-type activities – water and sewer – as well as the program *net* cost (total cost less revenues generated by activities). The net cost shows the financial burden that was placed on the Town’s taxpayers by each of these functions.

**THE TOWN’S FUNDS**

As the Town completed the year, its governmental funds (as presented in the balance sheet on page 16) reported a combined fund balance of \$160,953. The general and conservation trust funds reported fund balance increases of \$28,440 and \$2,376, respectively, while the community center fund reported a fund balance decrease of \$4,279.

**General Fund Budgetary Highlights**

The actual charges to appropriations (expenditures) were \$22,585 below the final budget amounts due to costs not being expended as originally anticipated.

Additionally, resources available for appropriation (revenues) were \$24,845 less than the final budgeted amount. Miscellaneous revenues collected were significantly lower than anticipated.

**CAPITAL ASSETS AND DEBT ADMINISTRATION**

**Capital Assets.** The Town of Eckley’s investment in capital assets for its governmental and business-type activities as of December 31, 2022, amounts to \$6,270,578 (net of accumulated depreciation). This amount includes a broad range of capital assets, including public works equipment, water, sewer and other infrastructure.

The Town remains committed to the upkeep and maintenance of the Town’s largest assets. More detailed information about the Town’s capital assets is presented in Table 5.

**Table 5**  
**CAPITAL ASSETS ON DECEMBER 31, 2022**

|                            | Governmental<br>Activities | Business-type<br>Activities | Total Primary<br>Government |
|----------------------------|----------------------------|-----------------------------|-----------------------------|
| Land and improvements      | 8,982                      | 81,873                      | 90,855                      |
| Construction in progress   | -                          | 2,241,285                   | 2,241,285                   |
| Buildings and improvements | 56,456                     | -                           | 56,456                      |
| Equipment                  | 20,081                     | -                           | 20,081                      |
| Infrastructure and systems | -                          | 3,861,901                   | 3,861,901                   |
| Total                      | 85,519                     | 6,185,059                   | 6,270,578                   |

**Long-term debt.** The Town had \$1,362,326 in debt outstanding at year-end. More detailed information about the Town's long-term debt is presented in Table 6 and Note F to the financial statements.

**Table 6**  
**LONG-TERM DEBT ON DECEMBER 31, 2022**

|               | Governmental<br>Activities | Business-type<br>Activities | Total Primary<br>Government |
|---------------|----------------------------|-----------------------------|-----------------------------|
| Notes payable | -                          | 1,362,326                   | 1,362,326                   |

**ECONOMIC FACTORS AND NEXT YEAR'S BUDGET AND RATES**

The Town of Eckley is in a good financial position. The Town anticipates the completion of the waste project in 2023. The remaining funds' revenues and expenditures should be consistent with prior years. At this time the Town does not anticipate any major projects in the future.

**REQUESTS FOR INFORMATION**

This financial report is designed to provide our citizens, taxpayers, customers, investors and creditors with a general overview of the Town's finances and to show the Town's accountability for the funds and assets it receives. If you have questions about this report, or should you need additional financial information, contact Town of Eckley, 235 NW Morton, P.O. Box 217, Eckley, Colorado 80727.

## **Basic Financial Statements**

The basic financial statements of the Town include the following:

*Government-wide financial statements.* The government-wide statements display information about the reporting government as a whole, except for its fiduciary activities.

*Fund financial statements.* The fund financial statements display information about major funds individually and nonmajor funds in the aggregate for governmental and proprietary funds.

*Notes to the financial statements.* The notes communicate information essential for fair presentation of the financial statements that is not displayed on the face of the financial statements. As such, the notes are an integral part of the basic financial statements.

**TOWN OF ECKLEY, COLORADO**  
**Statement of Net Position**  
**December 31, 2022**

|                                                        | Governmental<br>Activities | Business-type<br>Activities | Total               |
|--------------------------------------------------------|----------------------------|-----------------------------|---------------------|
| <b>Assets</b>                                          |                            |                             |                     |
| Cash                                                   | \$ 240,507                 | \$ 193,798                  | \$ 434,305          |
| Cash with county treasurer                             | 397                        | 735,140                     | 735,537             |
| Certificates of deposit                                | 20,059                     |                             | 20,059              |
| Investments                                            | 264                        | 143                         | 407                 |
| Internal balances                                      | (47,028)                   | 47,028                      | -                   |
| Receivables                                            | 47,064                     | 387,084                     | 434,148             |
| Prepaid items                                          | 25                         |                             | 25                  |
| Net pension asset                                      | 1,620                      | 1,620                       | 3,240               |
| Capital assets, net of depreciation                    | 85,519                     | 6,185,059                   | 6,270,578           |
| Restricted cash                                        |                            | 12,663                      | 12,663              |
| <b>Total assets</b>                                    | <b>348,427</b>             | <b>7,562,535</b>            | <b>7,910,962</b>    |
| <b>Deferred outflows of resources</b>                  |                            |                             |                     |
| Pension deferrals                                      | 5,377                      | 5,643                       | 11,020              |
| Other post-employment benefit deferrals                | 738                        | 742                         | 1,480               |
| <b>Total deferred outflows of resources</b>            | <b>6,115</b>               | <b>6,385</b>                | <b>12,500</b>       |
| <b>Total assets and deferred outflows of resources</b> | <b>\$ 354,542</b>          | <b>\$ 7,568,920</b>         | <b>\$ 7,923,462</b> |

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

|                                                                              | Governmental<br>Activities | Business-type<br>Activities | Total               |
|------------------------------------------------------------------------------|----------------------------|-----------------------------|---------------------|
| <b>Liabilities</b>                                                           |                            |                             |                     |
| Accounts payable                                                             | \$ 4,191                   | \$ 831,137                  | \$ 835,328          |
| Accrued salaries                                                             | 2,306                      |                             | 2,306               |
| Accrued interest payable                                                     |                            | 698                         | 698                 |
| Unearned revenues                                                            | 105                        | 16,887                      | 16,992              |
| Unearned grant revenues                                                      | 64,848                     |                             | 64,848              |
| <b>Noncurrent liabilities</b>                                                |                            |                             |                     |
| Due within one year                                                          |                            | 30,878                      | 30,878              |
| Due in more than one year                                                    |                            | 1,331,448                   | 1,331,448           |
| Net other post-employment benefit liability                                  | 1,267                      | 1,267                       | 2,534               |
| <b>Total liabilities</b>                                                     | <b>72,717</b>              | <b>2,212,315</b>            | <b>2,285,032</b>    |
| <b>Deferred inflows of resources</b>                                         |                            |                             |                     |
| Deferred property tax revenues                                               | 28,885                     |                             | 28,885              |
| Pension deferrals                                                            | 11,218                     | 15,419                      | 26,637              |
| Other post-employment benefit deferrals                                      | 789                        | 1,304                       | 2,093               |
| <b>Total deferred inflows of resources</b>                                   | <b>40,892</b>              | <b>16,723</b>               | <b>57,615</b>       |
| <b>Net position</b>                                                          |                            |                             |                     |
| Net investment in capital assets                                             | 85,519                     | 4,012,999                   | 4,098,518           |
| Restricted for emergencies                                                   | 40,000                     |                             | 40,000              |
| Restricted for culture and recreation                                        | 7,261                      |                             | 7,261               |
| Restricted for debt service                                                  |                            | 6,000                       | 6,000               |
| Restricted for operations and maintenance                                    |                            | 6,663                       | 6,663               |
| Restricted for pensions                                                      | 1,620                      | 1,620                       | 3,240               |
| Unrestricted                                                                 | 106,533                    | 1,312,600                   | 1,419,133           |
| <b>Total net position</b>                                                    | <b>240,933</b>             | <b>5,339,882</b>            | <b>5,580,815</b>    |
| <b>Total liabilities, deferred inflows of resources<br/>and net position</b> | <b>\$ 354,542</b>          | <b>\$ 7,568,920</b>         | <b>\$ 7,923,462</b> |

**TOWN OF ECKLEY, COLORADO**  
**Statement of Activities**  
**For the Year Ended December 31, 2022**

|                                | Program Revenues |                      |                                    |                                  |
|--------------------------------|------------------|----------------------|------------------------------------|----------------------------------|
|                                | Expenses         | Charges for Services | Operating Grants and Contributions | Capital Grants and Contributions |
| Governmental activities        |                  |                      |                                    |                                  |
| General government             | \$ 49,399        | \$ 336               |                                    |                                  |
| Public safety                  | 14,683           |                      |                                    |                                  |
| Public works                   | 33,083           | 23,942               | \$ 19,074                          |                                  |
| Culture and recreation         | 29,600           | 6,622                | 15,092                             |                                  |
| Total governmental activities  | 126,765          | 30,900               | 34,166                             | \$ -                             |
| Business-type activities       |                  |                      |                                    |                                  |
| Water services                 | 106,571          | 87,250               |                                    | 1,543,468                        |
| Sewer services                 | 104,296          | 67,350               |                                    | 16,205                           |
| Total business-type activities | 210,867          | 154,600              | -                                  | 1,559,673                        |
| Total                          | \$ 337,632       | \$ 185,500           | \$ 34,166                          | \$ 1,559,673                     |

General revenues and transfers

Taxes

  Property taxes, levied for general purposes

  Sales and use taxes

  Franchise taxes

  Severance taxes

  Other taxes

Mineral lease

Unrestricted interest on investments

Miscellaneous

Transfers

    Total general revenues and transfers

    Change in net position

Net position at beginning of year, as previously reported

Prior period adjustment

Net position at beginning of year

Net position at end of year

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

Net (Expenses) Revenues and  
Changes in Net Position

| Governmental<br>Activities | Business-type<br>Activities | Total               |
|----------------------------|-----------------------------|---------------------|
| \$ (49,063)                |                             | \$ (49,063)         |
| (14,683)                   |                             | (14,683)            |
| 9,933                      |                             | 9,933               |
| (7,886)                    |                             | (7,886)             |
| (61,699)                   | \$ -                        | (61,699)            |
|                            | 1,524,147                   | 1,524,147           |
|                            | (20,741)                    | (20,741)            |
| -                          | 1,503,406                   | 1,503,406           |
| (61,699)                   | 1,503,406                   | 1,441,707           |
| 36,187                     |                             | 36,187              |
| 41,970                     |                             | 41,970              |
| 7,640                      |                             | 7,640               |
| 4,734                      |                             | 4,734               |
| 6,334                      |                             | 6,334               |
| 1,333                      |                             | 1,333               |
| 382                        | 2                           | 384                 |
| 5,739                      |                             | 5,739               |
| (5,000)                    | 5,000                       | -                   |
| 99,319                     | 5,002                       | 104,321             |
| 37,620                     | 1,508,408                   | 1,546,028           |
| 197,883                    | 3,535,135                   | 3,733,018           |
| 5,430                      | 296,339                     | 301,769             |
| 203,313                    | 3,831,474                   | 4,034,787           |
| <u>\$ 240,933</u>          | <u>\$ 5,339,882</u>         | <u>\$ 5,580,815</u> |

**TOWN OF ECKLEY, COLORADO**  
**Balance Sheet**  
**Governmental Funds**  
**December 31, 2022**

|                                                                          | General<br>Fund   | Community<br>Center<br>Fund | Conservation<br>Trust<br>Fund | Total             |
|--------------------------------------------------------------------------|-------------------|-----------------------------|-------------------------------|-------------------|
| <b>Assets</b>                                                            |                   |                             |                               |                   |
| Cash                                                                     | \$ 192,251        | \$ 40,995                   | \$ 7,261                      | \$ 240,507        |
| Cash with county treasurer                                               | 397               |                             |                               | 397               |
| Certificates of deposit                                                  | 20,059            |                             |                               | 20,059            |
| Due from other funds                                                     | 8,298             |                             |                               | 8,298             |
| Investments                                                              | 264               |                             |                               | 264               |
| Property taxes receivable                                                | 28,885            |                             |                               | 28,885            |
| Accounts receivable                                                      | 3,120             | 1,783                       |                               | 4,903             |
| Taxes receivable                                                         | 13,276            |                             |                               | 13,276            |
| Deposits                                                                 | 25                |                             |                               | 25                |
| <b>Total assets</b>                                                      | <b>\$ 266,575</b> | <b>\$ 42,778</b>            | <b>\$ 7,261</b>               | <b>\$ 316,614</b> |
| <b>Liabilities</b>                                                       |                   |                             |                               |                   |
| Accounts payable                                                         | \$ 3,709          | \$ 482                      |                               | \$ 4,191          |
| Accrued salaries                                                         | 2,306             |                             |                               | 2,306             |
| Due to other funds                                                       | 55,326            |                             |                               | 55,326            |
| Unearned revenues                                                        | 105               |                             |                               | 105               |
| Unearned grant revenues                                                  | 64,848            |                             |                               | 64,848            |
| <b>Total liabilities</b>                                                 | <b>126,294</b>    | <b>482</b>                  | <b>\$ -</b>                   | <b>126,776</b>    |
| <b>Deferred inflows of resources</b>                                     |                   |                             |                               |                   |
| Deferred property tax revenues                                           | 28,885            |                             |                               | 28,885            |
| <b>Total deferred inflows of resources</b>                               | <b>28,885</b>     | <b>-</b>                    | <b>-</b>                      | <b>28,885</b>     |
| <b>Fund balance</b>                                                      |                   |                             |                               |                   |
| Restricted for emergencies                                               | 40,000            |                             |                               | 40,000            |
| Restricted for culture and recreation                                    |                   |                             | 7,261                         | 7,261             |
| Committed to culture and recreation                                      |                   | 42,296                      |                               | 42,296            |
| Unassigned                                                               | 71,396            |                             |                               | 71,396            |
| <b>Total fund balance</b>                                                | <b>111,396</b>    | <b>42,296</b>               | <b>7,261</b>                  | <b>160,953</b>    |
| <b>Total liabilities, deferred inflows of resources and fund balance</b> | <b>\$ 266,575</b> | <b>\$ 42,778</b>            | <b>\$ 7,261</b>               | <b>\$ 316,614</b> |

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

**TOWN OF ECKLEY, COLORADO**  
**Reconciliation of the Balance Sheet of Governmental Funds to the Statement of Net Position**  
**December 31, 2022**

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

|                                                                                                                                                              |                          |
|--------------------------------------------------------------------------------------------------------------------------------------------------------------|--------------------------|
| Total fund balance - governmental funds                                                                                                                      | \$ 160,953               |
| Capital assets used in governmental activities are not financial resources and therefore are not reported as assets in governmental funds.                   | 85,519                   |
| Net pension assets and deferrals used in governmental activities are not financial resources and therefore are not reported as assets in governmental funds. | (4,272)                  |
| Long-term liabilities are not due and payable in the current period and therefore are not reported as liabilities in the funds.                              | <u>(1,267)</u>           |
| Net position of governmental activities                                                                                                                      | <u><u>\$ 240,933</u></u> |

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

**TOWN OF ECKLEY, COLORADO**  
**Statement of Revenues, Expenditures and Changes in Fund Balance**  
**Governmental Funds**  
**For the Year Ended December 31, 2022**

|                                                              | General<br>Fund | Community<br>Center<br>Fund | Conservation<br>Trust<br>Fund | Total      |
|--------------------------------------------------------------|-----------------|-----------------------------|-------------------------------|------------|
| Revenues                                                     |                 |                             |                               |            |
| Taxes                                                        | \$ 96,865       |                             |                               | \$ 96,865  |
| Licenses and permits                                         | 336             |                             |                               | 336        |
| Intergovernmental                                            | 20,407          |                             | \$ 2,967                      | 23,374     |
| Fines and forfeitures                                        | 545             |                             |                               | 545        |
| Charges for services                                         | 23,942          |                             |                               | 23,942     |
| Miscellaneous                                                | 3,360           | \$ 20,954                   | 9                             | 24,323     |
| Total revenues                                               | 145,455         | 20,954                      | 2,976                         | 169,385    |
| Expenditures                                                 |                 |                             |                               |            |
| Current                                                      |                 |                             |                               |            |
| General government                                           | 53,483          |                             |                               | 53,483     |
| Public safety                                                | 14,683          |                             |                               | 14,683     |
| Public works                                                 | 37,852          |                             |                               | 37,852     |
| Culture and recreation                                       | 5,997           | 25,233                      | 600                           | 31,830     |
| Total expenditures                                           | 112,015         | 25,233                      | 600                           | 137,848    |
| Excess of revenues over<br>(under) expenditures              | 33,440          | (4,279)                     | 2,376                         | 31,537     |
| Other financing uses                                         |                 |                             |                               |            |
| Transfers out                                                | (5,000)         |                             |                               | (5,000)    |
| Net change in fund balance                                   | 28,440          | (4,279)                     | 2,376                         | 26,537     |
| Fund balance at beginning of year,<br>as originally reported | 77,526          | 46,575                      | 4,885                         | 128,986    |
| Prior period adjustment                                      | 5,430           |                             |                               | 5,430      |
| Fund balance at beginning of year,<br>as restated            | 82,956          | 46,575                      | 4,885                         | 134,416    |
| Fund balance at end of year                                  | \$ 111,396      | \$ 42,296                   | \$ 7,261                      | \$ 160,953 |

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

**TOWN OF ECKLEY, COLORADO**

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

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

Net change in fund balance - governmental funds \$ 26,537

Capital outlays to purchase or build capital assets are reported in governmental funds as expenditures. However, for governmental activities, those costs are shown in the statement of net position and allocated over their estimated useful lives as annual depreciation expense in the statement of activities. This is the amount by which capital outlays exceeded depreciation in the current period. 2,787

In the statement of activities, certain operating expenses are measured by the amounts incurred or earned during the year. In the governmental funds, however, expenditures for these items are measured by the amount of financial resources used (essentially, the amounts actually paid). 8,296

Change in net position of governmental activities \$ 37,620

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

**TOWN OF ECKLEY, COLORADO**  
**Statement of Net Position**  
**Proprietary Funds**  
**December 31, 2022**

|                                                 | Business-type Activities<br>Enterprise Funds |                     |                     |
|-------------------------------------------------|----------------------------------------------|---------------------|---------------------|
|                                                 | Water<br>Fund                                | Sewer<br>Fund       | Total               |
| <b>Assets</b>                                   |                                              |                     |                     |
| Current assets                                  |                                              |                     |                     |
| Cash                                            | \$ 161,179                                   | \$ 32,619           | \$ 193,798          |
| Cash with fiscal agent                          | 735,140                                      |                     | 735,140             |
| Investments                                     | 143                                          |                     | 143                 |
| Due from other funds                            | 87,301                                       | 55,326              | 142,627             |
| Accounts receivable                             | 9,891                                        | 10,079              | 19,970              |
| Grants receivable                               | 367,114                                      |                     | 367,114             |
| Total current assets                            | 1,360,768                                    | 98,024              | 1,458,792           |
| Noncurrent assets                               |                                              |                     |                     |
| Net pension asset                               | 1,134                                        | 486                 | 1,620               |
| Capital assets, net of depreciation             | 3,379,515                                    | 2,805,544           | 6,185,059           |
| Restricted cash                                 |                                              | 12,663              | 12,663              |
| Total noncurrent assets                         | 3,380,649                                    | 2,818,693           | 6,199,342           |
| Total assets                                    | 4,741,417                                    | 2,916,717           | 7,658,134           |
| Deferred outflows of resources                  |                                              |                     |                     |
| Pension deferrals                               | 3,958                                        | 1,685               | 5,643               |
| Other post-employment benefit deferrals         | 520                                          | 222                 | 742                 |
| Total deferred outflows of resources            | 4,478                                        | 1,907               | 6,385               |
| Total assets and deferred outflows of resources | <u>\$ 4,745,895</u>                          | <u>\$ 2,918,624</u> | <u>\$ 7,664,519</u> |

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

|                                                                      | Business-type Activities<br>Enterprise Funds |               |              |
|----------------------------------------------------------------------|----------------------------------------------|---------------|--------------|
|                                                                      | Water<br>Fund                                | Sewer<br>Fund | Total        |
| <b>Liabilities</b>                                                   |                                              |               |              |
| Current liabilities                                                  |                                              |               |              |
| Accounts payable                                                     | \$ 824,139                                   | \$ 6,998      | \$ 831,137   |
| Due to other funds                                                   | 8,298                                        | 87,301        | 95,599       |
| Accrued interest payable                                             |                                              | 698           | 698          |
| Customer deposits                                                    | 9,388                                        | 7,499         | 16,887       |
| Current portion of long-term debt                                    | 18,113                                       | 12,765        | 30,878       |
| Total current liabilities                                            | 859,938                                      | 115,261       | 975,199      |
| Long-term liabilities                                                |                                              |               |              |
| Long-term debt                                                       | 726,387                                      | 605,061       | 1,331,448    |
| Net other post-employment benefit liability                          | 887                                          | 380           | 1,267        |
| Total long-term liabilities                                          | 727,274                                      | 605,441       | 1,332,715    |
| Total liabilities                                                    | 1,587,212                                    | 720,702       | 2,307,914    |
| Deferred inflows of resources                                        |                                              |               |              |
| Pension deferrals                                                    | 10,913                                       | 4,506         | 15,419       |
| Other post-employment benefit deferrals                              | 935                                          | 369           | 1,304        |
| Total deferred inflows of resources                                  | 11,848                                       | 4,875         | 16,723       |
| Net position                                                         |                                              |               |              |
| Net investment in capital assets                                     | 1,825,281                                    | 2,187,718     | 4,012,999    |
| Restricted for pensions                                              | 1,134                                        | 486           | 1,620        |
| Restricted for debt service                                          |                                              | 6,000         | 6,000        |
| Restricted for operations and maintenance                            |                                              | 6,663         | 6,663        |
| Unrestricted (deficit)                                               | 1,320,420                                    | (7,820)       | 1,312,600    |
| Total net position                                                   | 3,146,835                                    | 2,193,047     | 5,339,882    |
| Total liabilities, deferred inflows of<br>resources and net position | \$ 4,745,895                                 | \$ 2,918,624  | \$ 7,664,519 |

**TOWN OF ECKLEY, COLORADO**  
**Statement of Revenues, Expenses and Changes in Fund Net Position**  
**Proprietary Funds**  
**For the Year Ended December 31, 2022**

|                                        | Business-type Activities<br>Enterprise Funds |               |            |
|----------------------------------------|----------------------------------------------|---------------|------------|
|                                        | Water<br>Fund                                | Sewer<br>Fund | Total      |
| Operating revenues                     |                                              |               |            |
| Charges for services                   | \$ 87,250                                    | \$ 67,350     | \$ 154,600 |
| Operating expenses                     |                                              |               |            |
| Salaries                               | 12,000                                       | 4,800         | 16,800     |
| Supplies                               |                                              | 3,815         | 3,815      |
| Repairs and maintenance                | 25                                           | 764           | 789        |
| Insurance                              | 4,055                                        | 5,406         | 9,461      |
| Utilities                              | 6,089                                        | 2,476         | 8,565      |
| Audit and legal                        | 5,824                                        | 8,290         | 14,114     |
| Right of way                           |                                              | 1,403         | 1,403      |
| Contract services                      | 19,019                                       | 12,365        | 31,384     |
| Water testing                          | 3,091                                        |               | 3,091      |
| Chlorinator                            | 1,049                                        |               | 1,049      |
| Miscellaneous                          | 2,872                                        | 681           | 3,553      |
| Pension and OPEB expense               | (9,046)                                      | (3,463)       | (12,509)   |
| Depreciation                           | 61,593                                       | 59,184        | 120,777    |
| Total operating expenses               | 106,571                                      | 95,721        | 202,292    |
| Operating loss                         | (19,321)                                     | (28,371)      | (47,692)   |
| Nonoperating revenues (expenses)       |                                              |               |            |
| Interest on investments                | 2                                            |               | 2          |
| Grant revenue                          | 1,543,468                                    | 16,205        | 1,559,673  |
| Interest expense                       |                                              | (8,575)       | (8,575)    |
| Total nonoperating revenues (expenses) | 1,543,470                                    | 7,630         | 1,551,100  |
| Net income (loss) before transfers     | 1,524,149                                    | (20,741)      | 1,503,408  |

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

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|                                                           | Business-type Activities<br>Enterprise Funds |                     |                     |
|-----------------------------------------------------------|----------------------------------------------|---------------------|---------------------|
|                                                           | Water<br>Fund                                | Sewer<br>Fund       | Total               |
| Transfers in                                              |                                              | 5,000               | 5,000               |
| Change in net position                                    | 1,524,149                                    | (15,741)            | 1,508,408           |
| Net position at beginning of year, as originally reported | 1,326,347                                    | 2,208,788           | 3,535,135           |
| Prior period adjustment                                   | 296,339                                      |                     | 296,339             |
| Net position at beginning of year, as restated            | 1,622,686                                    | 2,208,788           | 3,831,474           |
| Net position at end of year                               | <u>\$ 3,146,835</u>                          | <u>\$ 2,193,047</u> | <u>\$ 5,339,882</u> |

**TOWN OF ECKLEY, COLORADO**  
**Statement of Cash Flows**  
**Proprietary Funds**  
**For the Year Ended December 31, 2022**

|                                                                         | Business-type Activities<br>Enterprise Funds |               |             |
|-------------------------------------------------------------------------|----------------------------------------------|---------------|-------------|
|                                                                         | Water<br>Fund                                | Sewer<br>Fund | Total       |
| Cash flows from operating activities                                    |                                              |               |             |
| Receipts from customers                                                 | \$ 86,358                                    | \$ 65,979     | \$ 152,337  |
| Internal activity - receipts from (payments to)<br>other funds          | 7,834                                        | (7,255)       | 579         |
| Payments to suppliers                                                   | (42,404)                                     | (61,960)      | (104,364)   |
| Payments to employees                                                   | (12,000)                                     | (4,800)       | (16,800)    |
| Net cash provided (used) by operating activities                        | 39,788                                       | (8,036)       | 31,752      |
| Cash flows from noncapital financing activities                         |                                              |               |             |
| Transfers                                                               |                                              | 5,000         | 5,000       |
| Net cash provided by noncapital financing<br>activities                 | -                                            | 5,000         | 5,000       |
| Cash flows from capital and related financing<br>activities             |                                              |               |             |
| Purchase of capital assets                                              | (1,461,713)                                  | (22,559)      | (1,484,272) |
| Receipt of grant revenues                                               | 487,693                                      | 53,800        | 541,493     |
| Principal paid on notes and bonds                                       | (5,000)                                      | (12,591)      | (17,591)    |
| Interest paid on notes and bonds                                        |                                              | (8,590)       | (8,590)     |
| Net cash provided (used) by capital and related<br>financing activities | (979,020)                                    | 10,060        | (968,960)   |
| Net increase (decrease) in cash                                         | (939,232)                                    | 7,024         | (932,208)   |
| Cash at beginning of year                                               | 1,835,551                                    | 38,258        | 1,873,809   |
| Cash at end of year                                                     | \$ 896,319                                   | \$ 45,282     | \$ 941,601  |

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

|                                                                                                  | Business-type Activities<br>Enterprise Funds |                   |                   |
|--------------------------------------------------------------------------------------------------|----------------------------------------------|-------------------|-------------------|
|                                                                                                  | Water<br>Fund                                | Sewer<br>Fund     | Total             |
| Reconciliation of operating loss to net cash provided (used) by operating activities             |                                              |                   |                   |
| Operating loss                                                                                   | \$ (19,321)                                  | \$ (28,371)       | \$ (47,692)       |
| Adjustments to reconcile operating loss to net cash provided (used) by operating activities      |                                              |                   |                   |
| Depreciation                                                                                     | 61,594                                       | 59,184            | 120,778           |
| Changes in assets, deferred outflows of resources, liabilities and deferred inflows of resources |                                              |                   |                   |
| Due from other funds                                                                             | 5,624                                        | (1,631)           | 3,993             |
| Accounts receivable                                                                              | (892)                                        | (1,371)           | (2,263)           |
| Net pension asset                                                                                | (1,134)                                      | (486)             | (1,620)           |
| Pension and OPEB deferrals                                                                       | (1,592)                                      | (472)             | (2,064)           |
| Prepaid items                                                                                    |                                              | 1,765             | 1,765             |
| Accounts payable                                                                                 | (381)                                        | (28,525)          | (28,906)          |
| Due to other funds                                                                               | 2,210                                        | (5,624)           | (3,414)           |
| Net other post-employment benefit liability                                                      | (6,320)                                      | (2,505)           | (8,825)           |
| Net cash provided (used) by operating activities                                                 | <u>\$ 39,788</u>                             | <u>\$ (8,036)</u> | <u>\$ 31,752</u>  |
| Cash and cash equivalents at end of year consist of:                                             |                                              |                   |                   |
| Cash                                                                                             | \$ 161,179                                   | \$ 32,619         | \$ 193,798        |
| Cash with fiscal agent                                                                           | 735,140                                      |                   | 735,140           |
| Restricted cash                                                                                  |                                              | 12,663            | 12,663            |
| Total                                                                                            | <u>\$ 896,319</u>                            | <u>\$ 45,282</u>  | <u>\$ 941,601</u> |
| Supplemental cash flows information:                                                             |                                              |                   |                   |
| Purchase of capital assets included in accounts payable                                          | <u>\$ 487,389</u>                            | <u>\$ -</u>       | <u>\$ 487,389</u> |

**TOWN OF ECKLEY, COLORADO**  
**Statement of Fiduciary Net Position**  
**Fiduciary Funds**  
**December 31, 2022**

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|                         | Pension<br>(and Other<br>Employee<br>Benefit)<br>Trust Funds |
|-------------------------|--------------------------------------------------------------|
| Assets                  |                                                              |
| Cash                    | \$ 922                                                       |
| Accounts receivable     | 1,000                                                        |
|                         | <hr/>                                                        |
| Total assets            | \$ 1,922                                                     |
|                         | <hr/> <hr/>                                                  |
| Net position            |                                                              |
| Restricted for pensions | \$ 1,922                                                     |
|                         | <hr/>                                                        |
| Total net position      | \$ 1,922                                                     |
|                         | <hr/> <hr/>                                                  |

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

**TOWN OF ECKLEY, COLORADO**  
**Statement of Changes in Fiduciary Net Position**  
**Fiduciary Funds**  
**For the Year Ended December 31, 2022**

|                                   | Pension<br>(and Other<br>Employee<br>Benefit)<br>Trust Funds |
|-----------------------------------|--------------------------------------------------------------|
| Additions                         |                                                              |
| Contributions                     |                                                              |
| Town                              | \$ 2,000                                                     |
| State                             | 1,000                                                        |
| Total contributions               | <u>3,000</u>                                                 |
| Total additions                   | 3,000                                                        |
| Deductions                        |                                                              |
| Pension benefits                  | 4,017                                                        |
| Office supplies                   | 204                                                          |
| Total deductions                  | <u>4,221</u>                                                 |
| Change in net position            | (1,221)                                                      |
| Net position at beginning of year | <u>3,143</u>                                                 |
| Net position at end of year       | <u><u>\$ 1,922</u></u>                                       |

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

**TOWN OF ECKLEY, COLORADO**  
**Notes to Financial Statements**

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**Note A – Summary of significant accounting policies**

This summary of the Town of Eckley's significant accounting policies is presented to assist the reader in interpreting the financial statements and other data in this report. The policies are considered essential and should be read in conjunction with the accompanying financial statements.

The financial statements of the Town have been prepared in conformity with accounting principles generally accepted in the United States of America as applied to local government units. The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting and financial principles. The more significant of the Town's accounting policies are described below.

**A.1 – Reporting entity**

The financial reporting entity consists of (1) the primary government, (2) organizations for which the primary government is financially accountable, and (3) other organizations for which the nature and significance of their relationship with the primary government are such that exclusion would cause the reporting entity's financial statements to be misleading or incomplete. The reporting entity's financial statements should present the funds of the primary government (including its blended component units, which are, in substance, part of the primary government) and provide an overview of the discretely presented component units.

The Town has examined other entities that could be included as defined in number 2 and 3 above. Based on these criteria, the Town has included the Eckley Community Center in its financial statements using blended presentation. The Eckley Community Center is governed by a volunteer committee and is included as part of the primary government because its sole purpose is to maintain and operate the community center building that is owned by the Town.

**A.2 – Fund accounting**

The Town uses funds to report its financial position and results of operations. Fund accounting is designed to demonstrate legal compliance and to aid financial management by segregating transactions related to certain government functions or activities. A fund is a separate accounting entity with a self-balancing set of accounts.

Funds are classified into three categories: governmental, proprietary and fiduciary. Each category, in turn, is divided into separate "fund types."

**TOWN OF ECKLEY, COLORADO**  
**Notes to Financial Statements**

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**Note A – Summary of significant accounting policies (Continued)**

Governmental funds are used to account for all or most of a government's general activities, including the collection and disbursement of earmarked funds (special revenue funds), major capital projects (capital projects fund), and the servicing of general long-term debt (debt service fund). The following are the Town's major governmental funds:

General Fund – The General Fund is the operating fund of the Town. It is used to account for most of the day-to-day operations of the Town which are financed from sales and use taxes, property taxes and other general revenues. Activities financed by the general fund include those of line and staff departments within the Town, except for activities of the enterprise funds.

Community Center Fund – This fund was established to provide for an accounting of those funds received through fundraising and donations for the Eckley Community Center. These funds are to be expended on the maintenance and operations of the Center.

Conservation Trust Fund – This fund is a special revenue fund established to account for state lottery proceeds and allowable expenditures.

Proprietary funds focus on the determination of the changes in net position, financial position and cash flows and are classified as either enterprise or internal service. Enterprise funds may be used to account for any activity for which a fee is charged to external users for goods or services. The following are the Town's major proprietary funds:

Water Fund – This fund was established to account for all operations of the water utility services provided by the Town.

Sewer Fund – This fund was established to account for all operations of the sewer utility services provided by the Town.

Fiduciary funds focus on net position and changes in net position. The fiduciary fund category is split into four classifications: pension (and other employee benefit) trust funds, investment trust funds, private-purpose trust funds and custodial funds. Trust funds are used to account for assets held by the Town under a trust agreement for individuals, private organizations or other governments and are therefore not available to support the Town's own programs. The Town has one pension (and other employee benefit) trust fund.

**Note A.3 – Basis of presentation**

Government-wide financial statements – The statement of net position and the statement of activities display information about the Town as a whole. These statements include the financial activities of the primary government except for fiduciary funds. The statements distinguish between those activities of the Town that are governmental and those that are considered business-type activities.

**TOWN OF ECKLEY, COLORADO**  
**Notes to Financial Statements**

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**Note A – Summary of significant accounting policies (Continued)**

The government-wide statements are prepared using the economic resources measurement focus and the accrual basis of accounting. This is the same approach used in the preparation of the proprietary fund financial statements but differs from the manner in which governmental fund financial statements are prepared. Governmental fund financial statements therefore include reconciliations with a brief explanation to better identify the relationship between the government-wide statements and the statements for governmental funds.

The government-wide statement of activities presents a comparison between direct expenses and program revenues for each segment of the business-type activities of the Town and for each function or program of the Town's governmental activities. Direct expenses are those that are specifically associated with a service, program or department and therefore are clearly identifiable to a particular function. Program revenues include charges paid by the recipient of the goods or services offered by the program and grants and contributions that are restricted to meeting the operational or capital requirements of a particular program. Revenues, which are not classified as program revenues, are presented as general revenues of the Town, with certain limited exceptions. The comparison of direct expenses with program revenues identifies the extent to which each business segment or governmental function is self-financing or draws from the general revenues of the Town.

Fund financial statements – Fund financial statements report detailed information about the Town. The focus of governmental and enterprise fund financial statements is on major funds rather than reporting funds by type. Each major fund is presented in a separate column. Nonmajor funds are aggregated and presented in a single column. Fiduciary funds are reported by fund type.

The accounting and financial reporting treatment applied to a fund is determined by its measurement focus. All governmental fund types are accounted for using a flow of current financial resources management focus. The financial statements for governmental funds are a balance sheet, which generally includes only current assets, deferred outflows of resources, current liabilities and deferred inflows of resources, and a statement of revenues, expenditures and changes in fund balance, which reports the sources (revenues and other financing sources) and uses (expenditures and other financing uses) of current financial resources.

All proprietary fund types are accounted for on a flow of economic resources measurement focus. With this measurement focus, all assets and all liabilities associated with the operations of these funds are included on the statement of net position. The statement of revenues, expenses and changes in fund net position presents increases (revenues) and decreases (expenses) in net total assets. The statement of cash flows provides information about how the Town finances and meets the cash flow needs of its proprietary activities.

**TOWN OF ECKLEY, COLORADO**  
**Notes to Financial Statements**

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**Note A – Summary of significant accounting policies (Continued)**

Fiduciary funds focus on net position and are reported using accounting principles similar to proprietary funds. The Town's fiduciary funds are presented in the fiduciary fund financial statements by fund type. Since by definition these assets are being held for the benefit of a third party and cannot be used to address the activities or obligations of the Town, these funds are not incorporated into the government-wide financial statements.

**A.4 – Basis of accounting**

Basis of accounting determines when transactions are recorded in the financial records and reported on the financial statements. Government-wide financial statements are prepared using the accrual basis of accounting. Governmental funds use the modified accrual basis of accounting. Proprietary and fiduciary funds also use the accrual basis of accounting.

Revenues – exchange and nonexchange transactions – Revenues resulting from exchange transactions, in which each party gives and receives essentially equal value, are recorded on the accrual basis when the exchange takes place. On a modified accrual basis, revenues are recorded in the fiscal year in which the resources are measurable and become available. Available means that the resources will be collected within the current fiscal year or are expected to be collected soon enough thereafter to be used to pay liabilities of the current fiscal year. For the Town, available means expected to be received within sixty days of fiscal year-end.

Nonexchange transactions, in which the Town receives value without directly giving equal value in return, include property taxes, grants, entitlements and donations. On an accrual basis, revenues from property taxes are recognized in the fiscal year for which the taxes are levied. Revenues from grants, entitlements and donations are recognized in the fiscal year in which all eligibility requirements have been satisfied. Eligibility requirements include timing requirements, which specify the year when the resources are required to be used or the fiscal year when use is first permitted, matching requirements, in which the Town must provide local resources to be used for a specified purpose, and expenditure requirements, in which the resources are provided to the Town on a reimbursement basis. On a modified accrual basis, revenue from nonexchange transactions must also be available before it can be recognized.

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

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

**TOWN OF ECKLEY, COLORADO**  
**Notes to Financial Statements**

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**Note A – Summary of significant accounting policies (Continued)**

Unearned revenue – Unearned revenues arise when potential revenue does not meet both the “measurable” and “available” criteria for recognition in the current period. Unearned revenues also arise when resources are received by the Town before it has a legal claim to them, as when grant monies are received prior to meeting eligibility requirements. In subsequent periods, when both revenue recognition criteria are met, or when the Town has a legal claim to the resources, the liability for unearned revenue is removed and the revenue is recognized.

Expenses/expenditures – On the accrual basis of accounting, expenses are recognized at the time they are incurred. The measurement focus of governmental fund accounting is on decreases in net financial resources (expenditures) rather than expenses. Expenditures are generally recognized in the accounting period in which the related fund liability is incurred, if measurable. Allocations of cost, such as depreciation and amortization, are not recognized in the governmental funds.

**A.5 – Encumbrances**

The Town does not utilize encumbrance accounting.

**A.6 – Cash and cash equivalents**

For the purposes of the statement of cash flows, the Town considers all highly liquid debt instruments with an original maturity of three months or less to be cash equivalents.

**A.7 – Short-term interfund receivables/payables**

During the course of operations, numerous transactions occur between individual funds for goods provided or services rendered. These receivables and payables are classified as internal balances on the government-wide statement of net position, and are classified as due from other funds or due to other funds on the balance sheet.

**A.8 – Receivables**

Monthly charges for water services are included with monthly utility billings. No allowance for doubtful accounts has been provided in the accompanying financial statements since substantially all accounts are deemed by management to be collectible.

**A.9 – Inventories**

Inventories in the proprietary funds consist of supplies and are recorded at the lower of cost or market using the first-in, first-out method.

**TOWN OF ECKLEY, COLORADO**  
**Notes to Financial Statements**

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**Note A – Summary of significant accounting policies (Continued)**

**A.10 – Capital assets**

General capital assets are those assets not specifically related to activities reported in the proprietary funds. These assets generally result from expenditures in the governmental funds. These assets are reported in the governmental activities column of the government-wide statement of net position, but are not reported in the fund financial statements. Capital assets utilized by the proprietary funds are reported both in the business-type activities column of the government-wide statement of net position and in the respective fund financial statements.

All capital assets with a unit cost greater than \$1,000 are capitalized at cost (or estimated historical cost, if actual cost is not available) and updated for additions and retirements during the year. Donated capital assets are recorded at their fair value on the date received. Improvements to assets are capitalized; the cost of normal maintenance and repairs that do not add to the value of the asset or materially extend the life of the asset are not. Infrastructure assets, consisting of certain improvements other than buildings (such as parking facilities, sidewalks, landscaping and lighting systems) will be capitalized on a prospective basis beginning in 2004.

Interest is capitalized on proprietary fund assets acquired with tax-exempt debt. The amount of interest to be capitalized is calculated by offsetting interest expense incurred from the date of borrowing until project completion with interest earned on invested proceeds over the same period. No interest was capitalized during the year.

All reported capital assets are depreciated with the exception of land costs. Improvements are depreciated over the remaining useful lives of the related capital assets. Depreciation is computed using the straight-line method over the following useful lives:

| <u>Description</u>                   | <u>Governmental<br/>Activities</u> | <u>Business-type<br/>Activities</u> |
|--------------------------------------|------------------------------------|-------------------------------------|
| Buildings                            | 50 years                           | 50 years                            |
| Equipment                            | 3-25 years                         | 3-25 years                          |
| Improvements other than<br>buildings | 10-50 years                        | 10-50 years                         |
| Infrastructure                       | 50 years                           | n/a                                 |

**A.11 – Compensated absences**

It is the policy of the Town to provide their regular employees with greater economic security by granting reasonable personal absences from work due to actual illness or personal reasons. All regular employees of the Town who regularly work a scheduled sixteen hour week may be eligible for these allowances after their first day of employment. Part-time,

**TOWN OF ECKLEY, COLORADO**  
**Notes to Financial Statements**

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**Note A – Summary of significant accounting policies (Continued)**

temporary, and seasonal employees are not eligible. All allowances must be approved by the mayor and/or board of trustees. Full-time employees eligible for these allowances receive sixty hours per year and can be accumulated up to a maximum of 528 hours. Each employee working sixteen hours per week or more shall receive one full week of vacation upon completing one full year of employment with the Town. These allowances are payable at the employee's standard rate of pay in effect at the time of usage. At year-end, the Town had no employees with unused vacation benefits.

**A.12 – Accrued liabilities and long-term obligations**

All payables, accrued liabilities and long-term obligations are reported in the government-wide financial statements, and all payables, accrued liabilities and long-term obligations payable from proprietary funds are reported on the proprietary fund financial statements.

In general, payables and accrued liabilities that will be paid from governmental funds are reported on the governmental fund financial statements regardless of whether they will be liquidated with current resources. However, the noncurrent portion of compensated absences and special termination benefits that will be paid from governmental funds are reported as a liability in the fund financial statements only to the extent that they will be paid with current, expendable, available financial resources. Bonds payable and other long-term obligations that will be paid from governmental funds are not recognized as a liability in the fund financial statements until due.

**A.13 – Net position**

Net position represents the difference between assets and liabilities. Net investment in capital assets, net of related debt consist of capital assets, net of accumulated depreciation, reduced by the outstanding balances of any borrowings used for the acquisition, construction or improvement of those assets. Net position is reported as restricted when there are liabilities imposed on their use either through the enabling legislation adopted by the Town or through external restrictions imposed by creditors, grantors or laws or regulations of other governments.

The Town applies restricted resources when an expense is incurred for purposes for which both restricted and unrestricted net position is available.

**A.14 – Operating revenues and expenses**

Operating revenues are those revenues that are generated directly from the primary activity of the proprietary funds. For the Town, these revenues are service charges for water and sewer utility services. Operating expenses are necessary costs incurred to provide the goods or services that are the primary activity of the fund. All revenues and expenses not meeting this definition are reported as nonoperating revenues and expenses.

**TOWN OF ECKLEY, COLORADO**  
**Notes to Financial Statements**

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**Note A – Summary of significant accounting policies (Continued)**

**A.15 – Interfund transactions**

Quasi-external transactions are accounted for as revenues, expenditures or expenses. Transactions that constitute reimbursements to a fund for expenditures/expenses initially made from it that are properly applicable to another fund, are recorded as expenditures/expenses in the reimbursing fund and as reductions of expenditures/expenses in the fund that is reimbursed. All other interfund transactions, except quasi-external transactions and reimbursements, are reported as transfers. In general, the effect of interfund activity has been eliminated from the government-wide financial statements.

**A.16 – Extraordinary and special items**

Extraordinary items are transactions or events that are both unusual in nature and infrequent in occurrence. Special items are transactions or events that are within the control of the town council and that are either unusual in nature or infrequent in occurrence. The Town had no transactions that qualify as extraordinary or special items during the year.

**A.17 – Fund balance**

The Governmental Accounting Standards Board (GASB) has issued Statement No. 54, *Fund Balance Reporting and Governmental Fund Type Definitions* (GASB 54). This Statement defines the different type of fund balances that a governmental entity must use for financial reporting purposes.

GASB 54 requires the fund balance amounts to be properly reported within one of the fund balance categories listed below.

- *Nonspendable*, such as fund balance associated with inventories, prepaid expenditures, long-term loans and notes receivable, and property held for resale (unless the proceeds are restricted, committed or assigned),
- *Restricted* fund balance category includes amounts that can be spent only for the specific purposes stipulated by constitution, external resource providers, or through enabling legislation,
- *Committed* fund balance classification includes amounts that can be used only for the specific purposes determined by a formal action of the board of education (the Town's highest level of decision-making authority),
- *Assigned* fund balance classification are intended to be used by the government for specific purposes but do not meet the criteria to be classified as restricted or committed, and
- *Unassigned* fund balance is the residual classification for the Town's general fund and includes all spendable amounts not contained in the other classifications.

**TOWN OF ECKLEY, COLORADO**  
**Notes to Financial Statements**

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**Note A – Summary of significant accounting policies (Continued)**

Committed fund balance is established by a formal passage of a resolution. This is typically done through the adoption and amendment of the budget. A fund balance commitment is further indicated in the budget document as a designation or commitment of the fund. Assigned fund balance is established by the Town council through adoption or amendment of the budget as intended for specific purpose (such as purchase of fixed assets, construction, debt service or for other purposes).

When both restricted and unrestricted resources are available in governmental funds, the Town applies expenditures against restricted fund balance first, and followed by committed fund balance, assigned fund balance and unassigned fund balance.

**Note B – Cash and investments**

Cash and deposits – Colorado State statutes govern the Town’s deposit of cash. The Public Deposit Protection Acts (PDPA) for banks and savings and loans require state regulators to certify eligible depositories for public deposits. The PDPA require eligible depositories with public deposits in excess of federal insurance levels to create a single institution collateral pool of defined eligible assets. Eligible collateral includes obligations of the United States, obligations of the State of Colorado or Colorado local governments and obligations secured by first lien mortgages on real property located in the state. The pool is to be maintained by another institution or held in trust for all uninsured public deposits as a group and not held in any individual government’s name. The fair value of the assets in the pool must be at least equal to 102% of the aggregate uninsured deposits.

Custodial credit risk – deposits – Custodial credit risk is the risk that in the event of a bank failure, the Town’s deposits may not be returned to it. The Town does not have a deposit policy for custodial credit risk. As of year-end, the Town had total deposits of \$482,430, of which \$298,353 were insured and \$184,077 were collateralized with securities held by the pledging institution’s trust department or agent in the Town’s name.

**Investments**

Authorized investments – Investment policies are governed by Colorado State Statutes and the Town’s own investment policies and procedures. Investments of the Town may include:

- Obligations of the United States Government such as treasury bills, notes and bonds
- Certain international agency securities
- General obligation and revenue bonds of United States local government entities
- Bankers acceptances of certain banks

**TOWN OF ECKLEY, COLORADO**  
**Notes to Financial Statements**

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**Note B – Cash and investments (Continued)**

- Commercial paper
- Local government investment pools
- Written repurchase agreements collateralized by certain authorized securities
- Certain money market funds
- Guaranteed investment contracts

During the year, the Town invested in Colotrust (the Trust), an investment vehicle established for local government entities in Colorado to pool surplus funds. The State Securities Commission administers and enforces all State statutes governing the Trust. The Trust operates similarly to a money market fund and each share is equal in value to \$1.00. The Trust offers shares in two portfolios, COLOTRUST PRIME and COLOTRUST PLUS+. Both portfolios may invest in U.S. Treasury securities and repurchase agreements collateralized by U.S. Treasury securities. COLOTRUST PLUS+ may also invest in certain obligations of U.S. government agencies, highest rated commercial paper and repurchase agreements collateralized by certain obligations of U.S. government agencies. A designated custodial bank serves as custodian for the Trust’s portfolios pursuant to a custodian agreement. The custodian acts as safekeeping agent for the Trust’s investment portfolios and provides services as the depository in connection with direct investments and withdrawals. As of December 31, 2022, the Town had invested \$407 in COLOTRUST PLUS+, an SEC Rule 2a7-like investment pool. Investments are valued at the net asset value (NAV) of \$1.00. The investment pools are routinely monitored by the Colorado Division of Securities with regard to operations and investments.

At year-end, the Town had the following investments:

| <u>Investment type</u>  | <u>Fair value</u> | <u>Investment maturities (in years)</u> |            |             |
|-------------------------|-------------------|-----------------------------------------|------------|-------------|
|                         |                   | <u>Less than 1</u>                      | <u>1-5</u> | <u>6-10</u> |
| Investment in Colotrust | \$ 407            | \$ 407                                  | \$ -       | \$ -        |

Credit risk – State law limits investments in commercial paper, corporate bonds, and mutual bond funds to the highest rating from at least one nationally recognized rating agency at the time of purchase. The Town has no investment policy that would further limit its investment choices. At year-end, the Town’s investment in Colotrust was rated AAAM by Standard and Poor’s.

**TOWN OF ECKLEY, COLORADO**  
**Notes to Financial Statements**

**Note C – Interfund transactions**

The following is a summary of interfund borrowings and transfers for the year as presented in the fund financial statements:

| <u>Receivable Fund</u> | <u>Payable Fund</u> | <u>Amount</u>     |
|------------------------|---------------------|-------------------|
| General Fund           | Water Fund          | \$ 8,298          |
| Sewer Fund             | General Fund        | 55,326            |
| Water Fund             | Sewer Fund          | <u>87,301</u>     |
| Totals                 |                     | <u>\$ 150,925</u> |

All balances resulted from the time lag between the dates that (1) interfund reimbursable expenditures occur, (2) transactions are recorded in the accounting system, and (3) payments between funds are made.

|                           | <u>Transfers<br/>In</u> | <u>Transfers<br/>Out</u> |
|---------------------------|-------------------------|--------------------------|
| <u>Governmental funds</u> |                         |                          |
| General Fund              | \$ -                    | \$ 5,000                 |
| <u>Proprietary funds</u>  |                         |                          |
| Sewer Fund                | <u>5,000</u>            | <u>-</u>                 |
| Total                     | <u>\$ 5,000</u>         | <u>\$ 5,000</u>          |

Transfers are used to move revenues from the fund that statute or budget requires to collect them to the fund that statute or budget requires to expend them. The Town transferred funds in the amount of \$5,000 from the General Fund to the Sewer Fund to help meet operating needs.

**Note D – Receivables**

Receivables at year-end consist of the following:

|                | <u>Governmental<br/>Activities</u> | <u>Business-type<br/>Activities</u> | <u>Total<br/>Receivables</u> |
|----------------|------------------------------------|-------------------------------------|------------------------------|
| Property taxes | \$ 28,885                          | \$ -                                | \$ 28,885                    |
| Accounts       | 4,903                              | 19,970                              | 24,873                       |
| Taxes          | 13,276                             | -                                   | 13,276                       |
| Grants         | <u>-</u>                           | <u>367,114</u>                      | <u>367,114</u>               |
| Total          | <u>\$ 47,064</u>                   | <u>\$ 387,084</u>                   | <u>\$ 434,148</u>            |

**TOWN OF ECKLEY, COLORADO**  
**Notes to Financial Statements**

**Note D – Receivables (Continued)**

Property taxes are levied on December 15<sup>th</sup> and attach as a lien on property the following January 1<sup>st</sup>. They are payable in full by April 30<sup>th</sup> or are due in two equal installments on February 28<sup>th</sup> and June 15<sup>th</sup>. Yuma County bills and collects property taxes for all taxing entities within the County. The tax receipts collected by the county are remitted to the Town in the subsequent month.

**Note E – Capital assets**

Capital asset activity for the year was as follows:

|                                             | <u>Beginning<br/>Balance</u> | <u>Additions</u> | <u>Deletions/<br/>Adjustments</u> | <u>Ending<br/>Balance</u> |
|---------------------------------------------|------------------------------|------------------|-----------------------------------|---------------------------|
| <b>Governmental activities</b>              |                              |                  |                                   |                           |
| Capital assets, not being depreciated:      |                              |                  |                                   |                           |
| Land                                        | \$ 3,150                     | \$ -             | \$ -                              | \$ 3,150                  |
| Capital assets, being depreciated:          |                              |                  |                                   |                           |
| Land improvements                           | 6,125                        | -                | -                                 | 6,125                     |
| Buildings                                   | 309,044                      | 7,552            | -                                 | 316,596                   |
| Equipment                                   | <u>170,197</u>               | <u>4,949</u>     | <u>-</u>                          | <u>175,146</u>            |
| Total capital assets, being depreciated     | <u>485,366</u>               | <u>12,501</u>    | <u>-</u>                          | <u>497,867</u>            |
| Total capital assets                        | 488,516                      | 12,501           | -                                 | 501,017                   |
| Less accumulated depreciation for:          |                              |                  |                                   |                           |
| Land improvements                           | (48)                         | (245)            | -                                 | (293)                     |
| Buildings                                   | (256,687)                    | (3,453)          | -                                 | (260,140)                 |
| Equipment                                   | <u>(149,049)</u>             | <u>(6,016)</u>   | <u>-</u>                          | <u>(155,065)</u>          |
| Total accumulated depreciation              | <u>(405,784)</u>             | <u>(9,714)</u>   | <u>-</u>                          | <u>(415,498)</u>          |
| Governmental activities capital assets, net | <u>\$ 82,732</u>             | <u>\$ 2,787</u>  | <u>\$ -</u>                       | <u>\$ 85,519</u>          |

**TOWN OF ECKLEY, COLORADO**  
**Notes to Financial Statements**

**Note E – Capital assets (Continued)**

|                                              | <u>Beginning<br/>Balance</u> | <u>Additions</u>    | <u>Deletions/<br/>Adjustments</u> | <u>Ending<br/>Balance</u> |
|----------------------------------------------|------------------------------|---------------------|-----------------------------------|---------------------------|
| <b>Business-type activities</b>              |                              |                     |                                   |                           |
| Capital assets, not being depreciated:       |                              |                     |                                   |                           |
| Land                                         | \$ 51,711                    | \$ 30,162           | \$ -                              | \$ 81,873                 |
| Construction in progress                     | <u>322,345</u>               | <u>1,918,940</u>    | <u>-</u>                          | <u>2,241,285</u>          |
| Total capital assets, not being depreciated  | 374,056                      | 1,949,102           | -                                 | 2,323,158                 |
| Capital assets, being depreciated            |                              |                     |                                   |                           |
| Water and sewer system                       | 5,079,648                    | 22,559              | -                                 | 5,102,207                 |
| Equipment                                    | <u>4,000</u>                 | <u>-</u>            | <u>-</u>                          | <u>4,000</u>              |
| Total capital assets, being depreciated      | <u>5,083,648</u>             | <u>22,559</u>       | <u>-</u>                          | <u>5,106,207</u>          |
| Total capital assets                         | 5,457,704                    | 1,971,661           | -                                 | 7,429,365                 |
| Less accumulated depreciation for:           |                              |                     |                                   |                           |
| Water and sewer system                       | (1,119,529)                  | (120,777)           | -                                 | (1,240,306)               |
| Equipment                                    | <u>(4,000)</u>               | <u>-</u>            | <u>-</u>                          | <u>(4,000)</u>            |
| Total accumulated depreciation               | <u>(1,123,529)</u>           | <u>(120,777)</u>    | <u>-</u>                          | <u>(1,244,306)</u>        |
| Business-type activities capital assets, net | <u>\$ 4,334,175</u>          | <u>\$ 1,850,884</u> | <u>\$ -</u>                       | <u>\$ 6,185,059</u>       |

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

|                                 |                   |
|---------------------------------|-------------------|
| <b>Governmental activities</b>  |                   |
| General government              | \$ 737            |
| Public works                    | 739               |
| Culture and recreation          | <u>8,238</u>      |
| Total governmental activities   | 9,714             |
| <b>Business-type activities</b> |                   |
| Water                           | 61,593            |
| Sewer                           | <u>59,184</u>     |
| Total business-type activities  | <u>120,777</u>    |
| Total depreciation expense      | <u>\$ 130,491</u> |

**TOWN OF ECKLEY, COLORADO**  
**Notes to Financial Statements**

**Note F - Long-term debt**

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

|                                 | <u>Beginning<br/>Balances</u> | <u>Additions</u> | <u>Reductions</u> | <u>Ending<br/>Balances</u> | <u>Due within<br/>one year</u> |
|---------------------------------|-------------------------------|------------------|-------------------|----------------------------|--------------------------------|
| <b>Business-type activities</b> |                               |                  |                   |                            |                                |
| Notes from direct borrowings    | \$ 1,379,917                  | \$ _____ -       | \$ (17,591)       | \$ 1,362,326               | \$ 30,878                      |

**Notes payable**

Long-term debt at year-end consists of the following individual issues:

CWRPDA Note payable – Water Fund – The Town has entered into a 100,000 note agreement with the Colorado Water Resources and Power Development Authority (the Authority) dated July 30, 2008, due in semi-annual installments of \$2,500 through 2028. The interest rate for the agreement is 0.0%. \$ 27,500

USDA Note payable – Sewer Fund – The Town has entered into a \$651,000 note agreement with USDA Rural Development dated April 1, 2020, due in monthly installments of \$1,765 through 2060. The interest rate for the agreement is 1.375%. 617,826

CWRPDA Note payable – Water Fund – The Town has entered into a \$717,000 note agreement with the Colorado Water Resources and Power Development Authority dated December 27, 2021, due in semi-annual installments ranging from \$2,147 to \$13,052 through 2052. The interest rate for the agreement is 0.500%. 717,000

Total \$ 1,362,326

The Town’s outstanding notes from direct borrowings related to business-type activities of \$1,362,326 include three individual borrowings as noted above.

**TOWN OF ECKLEY, COLORADO**  
**Notes to Financial Statements**

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**Note F - Long-term debt (Continued)**

The Town's outstanding notes with CWRPDA in amounts of \$27,500 and \$717,000, respectively, are secured with collateral from the net revenue from operations and use of the system as defined in the loan agreement. The outstanding notes contains a provision that in an event of default as defined in the loan agreement, the Authority shall have the right to take any action permitted or required pursuant to the loan agreement and to take whatever other action at law or in equity may appear necessary or desirable to collect the amounts then due and thereafter to become due hereunder or to enforce the performance and observance of any duty, covenant, obligation or agreement of the Town hereunder, including, without limitation, to obtain ex parte the appointment of a receiver of the system.

The Town's outstanding note with USDA Rural Development in the amount of \$617,826 is secured with collateral of the net revenue from operation and use of the system as defined in the loan agreement. This outstanding note contains a provision that in an event of default as defined in the loan agreement, the USDA may protect and enforce its rights by proper legal or equitable remedy deemed most effectual including mandamus, specific performance of any covenants, injunctive relief, or requiring the Board to act as if it were the trustee of an express trust, or any combination of such remedies.

The following schedule represents the Town's debt service requirements to maturity for the outstanding notes from direct borrowings related to business-type activities at year-end:

| <u>Year ended December 31,</u> | <u>Principal</u>    | <u>Interest</u>   |
|--------------------------------|---------------------|-------------------|
| 2023                           | \$ 30,878           | \$ 10,501         |
| 2024                           | 40,532              | 11,752            |
| 2025                           | 40,847              | 11,437            |
| 2026                           | 41,143              | 11,142            |
| 2027                           | 41,441              | 10,844            |
| 2028-2032                      | 189,250             | 49,672            |
| 2033-2037                      | 194,716             | 41,706            |
| 2038-2042                      | 203,092             | 33,331            |
| 2043-2047                      | 211,925             | 24,498            |
| 2048-2052                      | 221,238             | 15,184            |
| 2053-2057                      | 99,083              | 6,817             |
| 2058-2060                      | <u>48,181</u>       | <u>798</u>        |
| Totals                         | <u>\$ 1,362,326</u> | <u>\$ 227,682</u> |

**TOWN OF ECKLEY, COLORADO**  
**Notes to Financial Statements**

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**Note G – Segment Information**

The Town maintains two enterprise funds that provide water and sewer services. Segment information for the year is as follows:

|                                                                       | <u>Water<br/>Fund</u> | <u>Sewer<br/>Fund</u> | <u>Total</u> |
|-----------------------------------------------------------------------|-----------------------|-----------------------|--------------|
| Operating revenue                                                     | \$ 87,250             | \$ 67,350             | \$ 154,600   |
| Depreciation                                                          | 61,593                | 59,184                | 120,777      |
| Operating loss                                                        | (19,321)              | (28,371)              | (47,692)     |
| Change in net position                                                | 1,524,149             | (15,741)              | 1,508,408    |
| Net working capital                                                   | 500,830               | (17,237)              | 483,593      |
| Total assets                                                          | 4,741,417             | 2,916,717             | 7,658,134    |
| Notes and other long-term liabilities payable from operating revenues | 744,500               | 617,826               | 1,362,326    |
| Total net position                                                    | 3,146,835             | 2,193,047             | 5,339,882    |

**Note H – Risk management**

The Town is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; injuries to employees; and natural disasters. The Town has purchased workman's compensation insurance through the Colorado Compensation Insurance Association to provide protection against losses from employees while on the job. The Town has affiliated with the Colorado Intergovernmental Risk Sharing Agency (CIRSA) to provide protection against losses incurred related to property, casualty, and general liability claims. CIRSA is a separate legal entity established by member municipalities pursuant to the provisions of the Colorado Revised Statutes and the Colorado Constitution. The purposes of CIRSA are to provide members defined liability and property coverages and to assist members to prevent and reduce losses and injuries to municipal property and to persons or property which might result in claims being made against members of CIRSA, their employees, or officers. The Town makes an annual contribution to CIRSA for its insurance coverage. For the year, the Town's financial contribution to CIRSA was \$16,219. Contingent liability claims for the coverage have not been recognized to date after reviewing claim history and the remoteness of potential loss in excess of actual contributions by the Town. Settled claims resulting from these risks have not exceeded commercial insurance coverage or the deductible in any of the past three years. There has been no significant reduction in insurance coverage from the prior year in any of the major categories of risk.

**TOWN OF ECKLEY, COLORADO**  
**Notes to Financial Statements**

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**Note I – Pension Plans**

**PERA – Local Government Division Trust Fund**

Summary of significant accounting policies

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

General information about the pension plan

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

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

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

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

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

**TOWN OF ECKLEY, COLORADO**  
**Notes to Financial Statements**

---

**Note I – Pension Plans (Continued)**

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

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

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

Upon meeting certain criteria, benefit recipients who elect to receive a lifetime retirement benefit generally receive post-retirement cost-of-living adjustments, referred to as annual increases in the C.R.S. Subject to the automatic adjustment provision (AAP) under C.R.S. Section 24-51-413, eligible benefit recipients under the PERA benefit structure who began membership before January 1, 2007, and all eligible benefit recipients of the DPS benefit structure will receive the maximum annual increase (AI) or AI cap of 1.00% unless adjusted by the AAP. Eligible benefit recipients under the PERA benefit structure who began membership on or after January 1, 2007, will receive the lesser of an annual increase of the 1.00% AI cap or the average increase of the Consumer Price Index for Urban Wage Earners and Clerical Workers for the prior calendar year, not to exceed a determined increase that would exhaust 10% of PERA's Annual Increase Reserve (AIR) for the LGDTF. The AAP may raise or lower the aforementioned AI cap by up to 0.25% based on the parameters specified in C.R.S. Section 24-51.413.

Disability benefits are available for eligible employees once they reach five years of earned service credit and are determined to meet the definition of disability. For State Troopers whose disability is caused by an on-the-job injury, the five-year service requirement is waived and they are immediately eligible to apply for disability benefits. The disability benefit amount is based on the lifetime retirement benefit formula(s) shown above considering a minimum 20 years of service credit, if deemed disabled.

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

**TOWN OF ECKLEY, COLORADO**  
**Notes to Financial Statements**

**Note I – Pension Plans (Continued)**

*Contributions as of December 31, 2022.* Eligible employees and the Town are required to contribute to the LGDTF at a rate set by Colorado statute. The contribution requirements are established under C.R.S. Section 24-51-401, *et seq.* and Section 24-51-413. Employee contribution rates for the year are summarized in the table below:

|                                                                       | January 1, 2021<br>Through<br>June 30, 2021 | July 1, 2021<br>Through<br>December 31, 2021 | January 1, 2022<br>Through<br>June 30, 2022 | July 1, 2022<br>Through<br>December 31, 2022 |
|-----------------------------------------------------------------------|---------------------------------------------|----------------------------------------------|---------------------------------------------|----------------------------------------------|
| Employee contribution<br>(all employees other<br>than State Troopers) | 8.50%                                       | 8.50%                                        | 8.50%                                       | 9.00%                                        |
| State Troopers                                                        | 12.00%                                      | 12.50%                                       | 12.50%                                      | 13.00%                                       |

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

The employer contribution requirements for all employees other than State Troopers are summarized in the table below:

|                                                                                                                                      | January 1, 2021<br>Through<br>June 30, 2021 | July 1, 2021<br>Through<br>December 31, 2021 | January 1, 2022<br>Through<br>June 30, 2022 | July 1, 2022<br>Through<br>December 31, 2022 |
|--------------------------------------------------------------------------------------------------------------------------------------|---------------------------------------------|----------------------------------------------|---------------------------------------------|----------------------------------------------|
| Employer contribution<br>rate                                                                                                        | 10.50%                                      | 10.50%                                       | 10.50%                                      | 11.00%                                       |
| Amount of employer<br>contribution apportioned<br>to the Health Care Trust<br>Fund as specified in C.R.S.<br>Section 24-51-208(1)(f) | (1.02)%                                     | (1.02)%                                      | (1.02)%                                     | (1.02)%                                      |
| Amount apportioned to the<br>LGDTF                                                                                                   | 9.48%                                       | 9.48%                                        | 9.48%                                       | 9.98%                                        |
| Amortization equalization<br>disbursement (AED) as<br>specified in C.R.S. Section<br>24-51-411                                       | 2.20%                                       | 2.20%                                        | 2.20%                                       | 2.20%                                        |
| Supplemental amortization<br>equalization disbursement<br>(SAED) as specified in C.R.S.<br>24-51-411                                 | 1.50%                                       | 1.50%                                        | 1.50%                                       | 1.50%                                        |
| Defined Contribution Supplement<br>as specified in C.R.S. Section<br>24.51-41                                                        | 0.02%                                       | 0.02%                                        | 0.03%                                       | 0.03%                                        |
| <b>Total employer contribution<br/>rate to the LGDTF</b>                                                                             | <b>13.20%</b>                               | <b>13.20%</b>                                | <b>13.21%</b>                               | <b>13.71%</b>                                |

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

**TOWN OF ECKLEY, COLORADO**  
**Notes to Financial Statements**

**Note I – Pension Plans (Continued)**

The employer contribution rates for State Troopers are summarized in the table below:

|                                                                                                                          | January 1, 2021<br>Through<br>June 30, 2021 | July 1, 2021<br>Through<br>December 31, 2021 | January 1, 2022<br>Through<br>June 30, 2022 | July 1, 2022<br>Through<br>December 31, 2022 |
|--------------------------------------------------------------------------------------------------------------------------|---------------------------------------------|----------------------------------------------|---------------------------------------------|----------------------------------------------|
| Employer contribution rate                                                                                               | 13.60%                                      | 13.60%                                       | 13.60%                                      | 14.10%                                       |
| Amount of employer contribution apportioned to the Health Care Trust Fund as specified in C.R.S. Section 24-51-208(1)(f) | (1.02)%                                     | (1.02)%                                      | (1.02)%                                     | (1.02)%                                      |
| Amount apportioned to the LGDTF                                                                                          | 12.58%                                      | 12.58%                                       | 12.58%                                      | 13.08%                                       |
| Amortization equalization disbursement (AED) as specified in C.R.S. Section 24-51-411                                    | 2.20%                                       | 2.20%                                        | 2.20%                                       | 2.20%                                        |
| Supplemental amortization equalization disbursement (SAED) as specified in C.R.S. Section 24-51-411                      | 1.50%                                       | 1.50%                                        | 1.50%                                       | 1.50%                                        |
| Defined Contribution Supplement as specified in C.R.S. Section 24-51-415                                                 | 0.02%                                       | 0.02%                                        | 0.03%                                       | 0.03%                                        |
| <b>Total employer contribution rate to the LGDTF</b>                                                                     | <b>16.30%</b>                               | <b>16.30%</b>                                | <b>16.31%</b>                               | <b>16.81%</b>                                |

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

Employer contributions are recognized by the LGDTF in the period in which the compensation becomes payable to the member and the Town is statutorily committed to pay the contributions to the LGDTF. Employer contributions recognized by the LGDTF from the Town were \$4,180 for the year ended December 31, 2022.

Pension liabilities, pension expense, and deferred outflows of resources and deferred inflows of resources related to pensions

At year-end, the Town reported an asset of \$3,240 for its proportionate share of the net pension asset. The net pension asset for the LGDTF was measured as of December 31, 2021, and the total pension liability (TPL) used to calculate the net pension asset was determined by an actuarial valuation as of December 31, 2020. Standard update procedures were used to roll-forward the TPL to December 31, 2021. The Town's proportion of the net pension asset was based on the Town's contributions to the LGDTF for the calendar year 2021 relative to the total contributions of participating employers.

**TOWN OF ECKLEY, COLORADO**  
**Notes to Financial Statements**

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**Note I – Pension Plans (Continued)**

At December 31, 2021, the Town’s proportion was 0.0038 percent, which was an increase of .0012% from its proportion measured as of December 31, 2020.

For the year, the Town recognized pension expense of \$(15,664). At year-end, the Town reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

|                                                                                                                 | <u>Deferred<br/>Outflows of<br/>Resources</u> | <u>Deferred<br/>Inflows of<br/>Resources</u> |
|-----------------------------------------------------------------------------------------------------------------|-----------------------------------------------|----------------------------------------------|
| Difference between expected and actual experience                                                               | \$ 110                                        | \$ 55                                        |
| Changes of assumptions or other inputs                                                                          | 763                                           | -                                            |
| Net difference between projected and actual earnings on pension plan investments                                | -                                             | 24,922                                       |
| Changes in proportion and differences between contributions recognized and proportionate share of contributions | 5,967                                         | 1,660                                        |
| Contributions subsequent to the measurement date                                                                | <u>4,180</u>                                  | <u>-</u>                                     |
| Total                                                                                                           | <u>\$ 11,020</u>                              | <u>\$ 26,637</u>                             |

\$4,180 reported as deferred outflows of resources related to pensions, resulting from contributions subsequent to the measurement date, will be recognized as a reduction of the net pension liability in the subsequent year. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

| <u>Year Ended<br/>December 31,</u> | <u>Amount</u>      |
|------------------------------------|--------------------|
| 2023                               | \$ (2,070)         |
| 2024                               | (8,591)            |
| 2025                               | (5,735)            |
| 2026                               | <u>(3,401)</u>     |
| Totals                             | <u>\$ (19,797)</u> |

**TOWN OF ECKLEY, COLORADO**  
**Notes to Financial Statements**

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**Note I – Pension Plans (Continued)**

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

|                                                                                                         |                     |
|---------------------------------------------------------------------------------------------------------|---------------------|
| Actuarial cost method                                                                                   | Entry age           |
| Price inflation                                                                                         | 2.30%               |
| Real wage growth                                                                                        | 0.70%               |
| Wage inflation                                                                                          | 3.00%               |
| Salary increases, including wage inflation                                                              |                     |
| Members other than State Troopers                                                                       | 3.20% - 11.30%      |
| State Troopers                                                                                          | 3.20% - 12.40%      |
| Long-term investment rate of return, net of pension plan investment expenses, including price inflation | 7.25%               |
| Discount rate                                                                                           | 7.25%               |
| Post-retirement benefit increases:                                                                      |                     |
| PERA benefit structure hired prior to 1/1/07; and DPS benefit structure (compounded annually)           | 1.00%               |
| PERA benefit structure hired after 12/31/06 <sub>1</sub>                                                | Financed by the AIR |

<sub>1</sub> Post-retirement benefit increases are provided by the AIR, accounted separately within each Division Trust Fund, and subject to moneys being available; therefore, liabilities related to increases for members of these benefit tiers can never exceed available assets.

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

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

Pre-retirement mortality assumptions for members other than State Troopers were based on the PubG-2010 Employee Table with generational projection using scale MP-2019.

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

Post-retirement non-disabled mortality assumptions for members other than State Troopers were based on the PubG-2010 Healthy Retiree Table, adjusted as follows:

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

**TOWN OF ECKLEY, COLORADO**  
**Notes to Financial Statements**

---

**Note I – Pension Plans (Continued)**

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

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

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

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

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

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

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

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

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

**TOWN OF ECKLEY, COLORADO**  
**Notes to Financial Statements**

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**Note I – Pension Plans (Continued)**

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

| <u>Asset Class</u> | <u>Target Allocation</u> | <u>30 Year Expected Geometric Real Rate of Return</u> |
|--------------------|--------------------------|-------------------------------------------------------|
| Global equity      | 54.00%                   | 5.60%                                                 |
| Fixed income       | 23.00%                   | 1.30%                                                 |
| Private equity     | 8.50%                    | 7.10%                                                 |
| Real estate        | 8.50%                    | 4.40%                                                 |
| Alternatives       | <u>6.00%</u>             | 4.70%                                                 |
| <b>Total</b>       | <b><u>100.00%</u></b>    |                                                       |

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

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

- Total covered payroll for the initial projection year consists of the covered payroll of the active membership present on the valuation date and the covered payroll of future plan members assumed to be hired during the year. In subsequent projection years, total covered payroll was assumed to increase annually at a rate of 3.00%.
- Employee contributions were assumed to be made at the member contribution rates in effect for each year, including the required adjustments resulting from the 2018 AAP assessment, and the additional 0.50% resulting from the 2020 AAP assessment, statutorily recognized July 1, 2021, and effective July 1, 2022. Employee contributions for future plan members were used to reduce the estimated amount of total service costs for future plan members.

**TOWN OF ECKLEY, COLORADO**  
**Notes to Financial Statements**

---

**Note I – Pension Plans (Continued)**

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

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

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

**TOWN OF ECKLEY, COLORADO**  
**Notes to Financial Statements**

---

**Note I – Pension Plans (Continued)**

|                                                          | 1% Decrease<br><u>(6.25%)</u> | Current<br>Discount<br><u>(7.25%)</u> | 1% Increase<br><u>(8.25%)</u> |
|----------------------------------------------------------|-------------------------------|---------------------------------------|-------------------------------|
| Proportionate share of the net pension liability/(asset) | \$ 22,213                     | \$ (3,240)                            | \$ (24,530)                   |

*Pension plan fiduciary net position.* Detailed information about the LGDTF's FNP is available in PERA's ACFR which can be obtained at [www.copera.org/investments/pera-financial-reports](http://www.copera.org/investments/pera-financial-reports).

Payables to the pension plan

The Town did not report any payables to the pension plan at year-end.

**Eckley Volunteer Fire Department Pension Plan**

Summary of significant accounting policies

*Pensions.* For purposes of measuring the net pension liability, deferred outflows of resources and deferred inflows of resources related to pensions, and pension expense, information about the fiduciary net position of the Eckley Volunteer Fire Department Pension Plan and additions to/deductions from Eckley Volunteer Fire Department Pension Plan's net position have been determined using the economic resources measurement focus and the accrual basis of accounting. For this purpose, benefit payments are recognized when due and payable in accordance with the benefit terms.

General information about the pension plan

*Plan administration.* The Town's defined benefit pension plan, Eckley Volunteer Fire Department Pension Plan, provides retirement and death benefits to plan members and beneficiaries for volunteer firefighters. The plan is a single-employer pension plan administered by the Pension Board. The Pension Board has the authority to establish and amend the benefit provisions of the plan.

Management of the Eckley Volunteer Fire Department Pension Plan is vested in the local Pension Board, which consists of the Town Mayor, Clerk, two persons appointed by the governing body of the Town, and three representatives of the local fire department serving the Town.

**TOWN OF ECKLEY, COLORADO**  
**Notes to Financial Statements**

---

**Note I – Defined Benefit Pension Plans (Continued)**

*Plan membership.* At year-end, pension plan membership consisted of the following:

|                                                                     |           |
|---------------------------------------------------------------------|-----------|
| Inactive plan members or beneficiaries currently receiving benefits | 12        |
| Inactive plan members entitled to but not yet receiving benefits    | -         |
| Active plan members                                                 | <u>21</u> |
| Total                                                               | <u>33</u> |

*Benefits provided.* The plan provides retirement and death benefits. Any firefighter who has both reached the age of 50 and completed 20 years of active service shall be eligible for a monthly pension (currently \$26 per month). Vesting for reduced monthly pension benefits begins at 10 years of service, with full pension after 20 years. The plan also provides for a lump-sum burial benefit of \$100 upon the death of an active or retired firefighter, as well as a monthly survivor benefit (currently \$13 per month). The plan does not provide for disability benefits.

*Contributions.* Contribution requirements of the plan are established the local Pension Board. The plan is noncontributory regarding participants. Contributions to the plan for the year ended December 31, 2022 included \$2,000 from the Town and \$1,000 from the State of Colorado matching funds.

*Actuarial assumptions.* The Town has not had an actuarial study done following its disaffiliation from FPPA on February 1, 2020.

*Pension plan fiduciary net position.* Detailed information about the pension plan's fiduciary net position is not currently available.

Payables to the pension plan

The Town did not report any payables to the pension plan at year-end.

**TOWN OF ECKLEY, COLORADO**  
**Notes to Financial Statements**

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**Note J – Defined benefit other post-employment benefit (OPEB) plan**

Summary of Significant Accounting Policies

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

General Information about the OPEB Plan

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

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

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

**TOWN OF ECKLEY, COLORADO**  
**Notes to Financial Statements**

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**Note J – Defined benefit other post-employment benefit (OPEB) plan (Continued)**

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

*PERA Benefit Structure*

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

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

*DPS Benefit Structure*

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

**TOWN OF ECKLEY, COLORADO**  
**Notes to Financial Statements**

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**Note J – Defined benefit other post-employment benefit (OPEB) plan (Continued)**

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

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

Employer contributions are recognized by the HCTF in the period in which the compensation becomes payable to the member and the Town is statutorily committed to pay the contributions. Employer contributions recognized by the HCTF from the Town were \$315 for the year ended December 31, 2022.

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

At year-end, the Town reported a liability of \$2,534 for its proportionate share of the net OPEB liability. The net OPEB liability for the HCTF was measured as of December 31, 2021, and the total OPEB liability used to calculate the net OPEB liability was determined by an actuarial valuation as of December 31, 2020. Standard update procedures were used to roll-forward the total OPEB liability to December 31, 2021. The Town's proportion of the net OPEB liability was based on the Town's contributions to the HCTF for the calendar year 2021 relative to the total contributions of participating employers to the HCTF.

At December 31, 2021, the Town's proportion was 0.0003%, which was an increase of .0001% from its proportion measured as of December 31, 2020.

For the year ended December 31, 2022, the Town recognized OPEB expense of \$(645). At year-end, the Town reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

**TOWN OF ECKLEY, COLORADO**  
**Notes to Financial Statements**

**Note J – Defined benefit other post-employment benefit (OPEB) plan (Continued)**

|                                                                                                                 | <u>Deferred<br/>Outflows of<br/>Resources</u> | <u>Deferred<br/>Inflows of<br/>Resources</u> |
|-----------------------------------------------------------------------------------------------------------------|-----------------------------------------------|----------------------------------------------|
| Difference between expected and actual experience                                                               | \$ 4                                          | \$ 559                                       |
| Changes of assumptions or other inputs                                                                          | 53                                            | 87                                           |
| Net difference between projected and actual earnings on OPEB plan investments                                   | -                                             | 135                                          |
| Changes in proportion and differences between contributions recognized and proportionate share of contributions | 1,108                                         | 1,312                                        |
| Contributions subsequent to the measurement date                                                                | <u>315</u>                                    | <u>-</u>                                     |
| Total                                                                                                           | <u>\$ 1,480</u>                               | <u>\$ 2,093</u>                              |

\$315 reported as deferred outflows of resources related to OPEB, resulting from contributions subsequent to the measurement date, will be recognized as a reduction of the net OPEB liability in the subsequent year. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to OPEB will be recognized in OPEB expense as follows:

| <u>Year Ended<br/>December 30,</u> | <u>Amount</u>   |
|------------------------------------|-----------------|
| 2023                               | \$ (431)        |
| 2024                               | (312)           |
| 2025                               | (276)           |
| 2026                               | (120)           |
| 2027                               | 176             |
| 2028                               | <u>35</u>       |
| Total                              | <u>\$ (928)</u> |

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

**TOWN OF ECKLEY, COLORADO**  
**Notes to Financial Statements**

**Note J – Defined benefit other post-employment benefit (OPEB) plan (Continued)**

|                                                                                                         |                                                                             |
|---------------------------------------------------------------------------------------------------------|-----------------------------------------------------------------------------|
| Actuarial cost method                                                                                   | Entry age                                                                   |
| Price inflation                                                                                         | 2.30%                                                                       |
| Real wage growth                                                                                        | 0.70%                                                                       |
| Wage inflation                                                                                          | 3.00%                                                                       |
| Salary increases, including wage inflation                                                              | 3.40%-11.00%                                                                |
| Long-term investment rate of return, net of OPEB<br>plan investment expenses, including price inflation | 7.25%                                                                       |
| Discount rate                                                                                           | 7.25%                                                                       |
| Health care cost trend rates                                                                            |                                                                             |
| PERA benefit structure:                                                                                 |                                                                             |
| Service-based premium subsidy                                                                           | 0.00%                                                                       |
| PERACare Medicare plans                                                                                 | 4.50% in 2021,<br>6.00% in 2022<br>gradually decreasing to<br>4.50% in 2029 |
| Medicare Part A premiums                                                                                | 3.75% in 2021,<br>gradually increasing to<br>4.50% in 2029                  |
| DPS benefit structure:                                                                                  |                                                                             |
| Service-based premium subsidy                                                                           | 0.00%                                                                       |
| PERACare Medicare plans                                                                                 | N/A                                                                         |
| Medicare Part A premiums                                                                                | N/A                                                                         |

Calculations are based on the benefits provided under the terms of the substantive plan in effect at the tie of each actuarial valuation and on the pattern of sharing of costs between employers of each fund to that point.

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

Initial Costs for Members without Medicare Part A

| <u>Medicare Plan</u>                        | <u>Monthly<br/>Cost</u> | <u>Monthly<br/>Premium</u> | <u>Monthly Cost<br/>Adjusted to<br/>Age 65</u> |
|---------------------------------------------|-------------------------|----------------------------|------------------------------------------------|
| Medicare Advantage/Self-<br>Insured Rx      | \$633                   | \$230                      | \$591                                          |
| Kaiser Permanente Medicare<br>Advantage HMO | 596                     | 199                        | 562                                            |

**TOWN OF ECKLEY, COLORADO**  
**Notes to Financial Statements**

**Note J – Defined benefit other post-employment benefit (OPEB) plan (Continued)**

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

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

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

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

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

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

Mortality assumptions used in the December 31, 2020, valuation for the determination of the total pension liability for each of the Division Trust Funds as shown below, reflect generational mortality and were applied, as applicable, in the determination of the TO for the HCTF, but developed using a headcount-weighted basis. Affiliated employers of the State, School, Local Government and Judicial Divisions participate in the HCTF.

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

**TOWN OF ECKLEY, COLORADO**  
**Notes to Financial Statements**

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**Note J – Defined benefit other post-employment benefit (OPEB) plan (Continued)**

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

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

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

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

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

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

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

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

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

- Initial per capita health care costs for those PERACare enrollees under the PERA benefit structure who are expected to attain age 65 and older ages and are not eligible for premium-free Medicare Part A benefits were updated to reflect the change in costs for the 2021 plan year.

**TOWN OF ECKLEY, COLORADO**  
**Notes to Financial Statements**

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**Note J – Defined benefit other post-employment benefit (OPEB) plan (Continued)**

- The health care cost trend rates for Medicare Part A premiums were revised to reflect the then-current expectation of future increases in rates of inflation applicable to Medicare Part A premiums.

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

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

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

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

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

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

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

**TOWN OF ECKLEY, COLORADO**  
**Notes to Financial Statements**

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**Note J – Defined benefit other post-employment benefit (OPEB) plan (Continued)**

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

|                                       | <u>1% Decrease<br/>in Trend Rates</u> | <u>Current<br/>Trend Rates</u> | <u>1% Increase<br/>in Trend Rates</u> |
|---------------------------------------|---------------------------------------|--------------------------------|---------------------------------------|
| Initial PERACare Medicare trend rate  | 3.50%                                 | 4.50%                          | 5.50%                                 |
| Ultimate PERACare Medicare trend rate | 3.50%                                 | 4.50%                          | 5.50%                                 |
| Initial Medicare Part A trend rate    | 2.75%                                 | 3.75%                          | 4.75%                                 |
| Ultimate Medicare Part A trend rate   | <u>3.50%</u>                          | <u>4.50%</u>                   | <u>5.50%</u>                          |
| Net OPEB Liability                    | \$ 2,460                              | \$ 2,534                       | \$ 2,617                              |

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

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

**TOWN OF ECKLEY, COLORADO**  
**Notes to Financial Statements**

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**Note J – Defined benefit other post-employment benefit (OPEB) plan (Continued)**

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

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

|                                                  | 1% Decrease<br><u>(6.25%)</u> | Current<br>Discount Rate<br><u>(7.25%)</u> | 1% Increase<br><u>(8.25%)</u> |
|--------------------------------------------------|-------------------------------|--------------------------------------------|-------------------------------|
| Proportionate share of the net<br>OPEB liability | \$ <u>2,942</u>               | \$ <u>2,534</u>                            | \$ <u>2,184</u>               |

*OPEB plan fiduciary net position.* Detailed information about the HCTF’s FNP is available in PERA’s ACFR which can be obtained at [www.copera.org/investments/pera-financial-reports](http://www.copera.org/investments/pera-financial-reports).

Payables to the OPEB plan

The Town did not report any payables to the OPEB plan at year-end.

**Note K – Defined contribution pension plan**

Voluntary Investment Program

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

**TOWN OF ECKLEY, COLORADO**  
**Notes to Financial Statements**

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**Note K – Defined contribution pension plan (Continued)**

*Funding policy.* The Voluntary Investment Program is funded by voluntary member contributions up to the maximum limits set by the Internal Revenue Service, as established under Title 24, Article 51, Section 1402 of the C.R.S., as amended. The Town does not offer matching contributions to its employees. Employees are immediately vested in their own contributions and investment earnings. There were no 401(k) plan member contributions from the Town for the year ended December 31, 2022.

**Note L – Commitments and contingencies**

**TABOR Amendment**

In November 1992, Colorado voters passed an amendment, commonly known as the Taxpayer's Bill of Rights (TABOR), to the State Constitution (Article X, Section 20) which limits the revenue raising and spending abilities of state and local governments. The limits on property taxes, revenue, and "fiscal year spending" include allowable annual increases tied to inflation and local growth. Fiscal year spending as defined by the amendment excludes spending from certain revenue and financing sources such as federal funds, gifts, property sales, fund transfers, damage awards, and fund reserves (balances). The amendment requires voter approval for any increase in mill levy or tax rates, new taxes, or creation of multi-year debt. Revenue earned in excess of the "spending limit" must be refunded or approved to be retained by the Town under specified voting requirements by the entire electorate. On November 4, 1997, the voters of the Town approved a ballot initiative permitting the Town to retain, appropriate, and utilize, by retention for reserve, carryover fund balance, or expenditure, the full proceeds and revenues received from every source whatsoever, without limitation, in this fiscal year and all subsequent fiscal years notwithstanding any limitation of Article X, Section 20 of the Colorado Constitution. TABOR is complex and subject to judicial interpretation. The Town believes it is in compliance with the requirements of TABOR. However, the Town has made certain interpretations of TABOR's language in order to determine its compliance. The Town has reserved funds in the General Fund in the amount of \$40,000 for the emergency reserve.

**CWRPDA loan covenants**

Rate covenant – during the loan term, the Town shall establish and collect such rates, fees and other charges for the use or the sale of the products and services of the system, which shall be at least sufficient, together with other amounts available therefore, and after meeting the operation and maintenance expenses of the system, to pay 110% of the debt service coming due in such calendar year. The net operating revenues of the Water Fund were 845% of the current year's debt service.

**TOWN OF ECKLEY, COLORADO**  
**Notes to Financial Statements**

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**Note L – Commitments and contingencies (Continued)**

Operations and maintenance fund – the Town shall maintain an operations and maintenance reserve in an amount equal to three months of operation and maintenance expenses, excluding depreciation, of the system as set forth in the annual budget for the current fiscal year. Said reserve may be in the form of unobligated fund balances or other unobligated cash or securities or may be in a separate segregated fund. Based on the current year annual budget, three months of operations and maintenance expenses totaled \$53,075, which the Town has funded with unobligated fund balances.

**USDA loan covenants**

Short-lived asset reserve account – the Town shall establish a fund, into which the Town shall deposit from net revenue or other sources the sum of at least \$2,000 annually through the maturity date to pay for repairs and/or replacement of major system assets. The Town has reported restricted cash and restricted net position in the amount of \$6,000 in accordance with the terms of the loan agreement.

Debt reserve account – the Town shall establish a fund, into which the Town shall deposit monthly, commencing April 1, 2022, from the net revenue or other sources the sum of \$202 until the amount of the debt reserve account is equal to the debt required reserve (\$24,228). The Town has reported restricted cash and restricted net position in the amount of \$6,663 in accordance with the terms of the loan agreement.

**Local Government Budget Law**

Expenditures in the Community Center and Fire Pension Funds exceeded appropriations by \$15,333 and \$421, respectively, and may be in violation of Colorado Local Government Budget Laws.

**Federal and state funding**

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

**Note M – Prior Period Restatements**

The Town made errors in reporting for certain receivables and revenues, payables and expenditures, and grant and loan proceeds in the prior period, resulting in the need for restatement as follows:

**TOWN OF ECKLEY, COLORADO**  
**Notes to Financial Statements**

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**Note M – Prior Period Restatements (Continued)**

|                                                       | <u>Governmental<br/>Activities</u>  | <u>General Fund</u> |
|-------------------------------------------------------|-------------------------------------|---------------------|
| Balances at December 31, 2021, as originally reported | \$ 197,883                          | \$ 77,526           |
| Accrued revenues                                      | <u>5,430</u>                        | <u>5,430</u>        |
| Balances at December 31, 2021, as restated            | <u>\$ 203,313</u>                   | <u>\$ 82,956</u>    |
|                                                       | <u>Business-type<br/>Activities</u> | <u>Water Fund</u>   |
| Balances at December 31, 2021, as originally reported | \$ 3,535,135                        | \$ 1,326,347        |
| Accrued expenses                                      | (337,345)                           | (337,345)           |
| Construction in progress                              | 322,345                             | 322,345             |
| Accrued revenues                                      | 311,339                             | 311,339             |
| Cash with fiscal agent                                | 1,717,000                           | 1,717,000           |
| Notes payable                                         | (717,000)                           | (717,000)           |
| Unearned grant revenue                                | <u>(1,000,000)</u>                  | <u>(1,000,000)</u>  |
| Balances at December 31, 2021, as restated            | <u>\$ 3,831,474</u>                 | <u>\$ 1,622,686</u> |

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### **Required Supplementary Information**

Required supplementary information includes financial information and disclosures that are required by the Governmental Accounting Standards Board but are not considered a part of the basic financial statements. Such information includes:

- Schedule of the Town's Proportionate Share of the Net Pension Liability – PERA's Local Government Division Trust Fund
- Schedule of Town Contributions – PERA's Local Government Division Trust Fund
- Schedule of the Town's Proportionate Share of the Net OPEB Liability – PERA's Health Care Trust Fund
- Schedule of Town Contributions – PERA's Health Care Trust Fund
- Schedule of Changes in the Town's Net Pension Liability/(Asset) and Related Ratios – Eckley Volunteer Fire Department Pension Plan
- Schedule of Town Contributions – Eckley Volunteer Fire Department Pension Plan
- Schedule of Investment Return – Eckley Volunteer Fire Department Pension Plan
- Budgetary Comparison Schedule – General Fund
- Budgetary Comparison Schedule – Community Center Fund
- Budgetary Comparison Schedule – Conservation Trust Fund

**TOWN OF ECKLEY, COLORADO**  
**Schedule of the Town's Proportionate Share of the Net Pension Liability <sup>1</sup>**  
**PERA's Local Government Division Trust Fund**  
**December 31, 2022**

|                                                                                                | 2022       | 2021      | 2020      | 2019      |
|------------------------------------------------------------------------------------------------|------------|-----------|-----------|-----------|
| Town's proportion of the net pension liability                                                 | 0.0038%    | 0.0026%   | 0.0039%   | 0.0041%   |
| Town's proportionate share of the net pension liability (asset)                                | \$ (3,240) | \$ 13,675 | \$ 28,664 | \$ 51,837 |
| Town's covered payroll                                                                         | \$ 28,116  | \$ 25,197 | \$ 26,988 | \$ 27,042 |
| Town's proportionate share of the net pension liability as a percentage of its covered payroll | -11.52%    | 54.27%    | 106.21%   | 191.69%   |
| Plan fiduciary net position as a percentage of the total pension liability                     | 101.49%    | 90.88%    | 86.26%    | 75.96%    |

\* The amounts presented for each fiscal year were determined as of December 31 of the prior year.

<sup>1</sup> Until a full 10-year trend is compiled, the Town will present information for those years for which information is available.

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| 2018      | 2017      | 2016      | 2015      | 2014      |
|-----------|-----------|-----------|-----------|-----------|
| 0.0042%   | 0.0052%   | 0.0067%   | 0.0060%   | 0.0054%   |
| \$ 46,334 | \$ 69,739 | \$ 73,720 | \$ 53,613 | \$ 44,631 |
| \$ 26,252 | \$ 31,304 | \$ 38,007 | \$ 32,776 | \$ 28,935 |
| 176.50%   | 222.78%   | 193.96%   | 163.57%   | 154.25%   |
| 79.37%    | 73.60%    | 76.90%    | 80.70%    | 77.66%    |

**TOWN OF ECKLEY, COLORADO**  
**Schedule of Town Contributions**  
**PERA's Local Government Division Trust Fund**  
**December 31, 2022**

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|                                                                         | <u>2022</u>    | <u>2021</u>    | <u>2020</u>    | <u>2019</u>    |
|-------------------------------------------------------------------------|----------------|----------------|----------------|----------------|
| Contractually required contribution                                     | \$ 4,180       | \$ 3,711       | \$ 3,259       | \$ 3,422       |
| Contributions in relation to the<br>contractually required contribution | <u>(4,180)</u> | <u>(3,711)</u> | <u>(3,259)</u> | <u>(3,422)</u> |
| Contribution deficiency (excess)                                        | <u>\$ -</u>    | <u>\$ -</u>    | <u>\$ -</u>    | <u>\$ -</u>    |
| Town's covered payroll                                                  | \$ 30,886      | \$ 28,116      | \$ 25,197      | \$ 26,988      |
| Contributions as a percentage of<br>covered payroll                     | 13.53%         | 13.20%         | 12.93%         | 12.68%         |

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| 2018      | 2017      | 2016      | 2015      | 2014      | 2013      |
|-----------|-----------|-----------|-----------|-----------|-----------|
| \$ 3,429  | \$ 3,329  | \$ 3,969  | \$ 4,819  | \$ 4,156  | \$ 3,669  |
| (3,429)   | (3,329)   | (3,969)   | (4,819)   | (4,156)   | (3,669)   |
| \$ -      | \$ -      | \$ -      | \$ -      | \$ -      | \$ -      |
| \$ 27,042 | \$ 26,252 | \$ 31,304 | \$ 38,007 | \$ 32,776 | \$ 28,935 |
| 12.68%    | 12.68%    | 12.68%    | 12.68%    | 12.68%    | 12.68%    |

**TOWN OF ECKLEY, COLORADO**  
**Schedule of the Town's Proportionate Share of the Net OPEB Liability <sup>1</sup>**  
**PERA's Health Care Trust Fund**  
**December 31, 2022**

|                                                                                             | 2022      | 2021      | 2020      | 2019      |
|---------------------------------------------------------------------------------------------|-----------|-----------|-----------|-----------|
| Town's proportion of the net OPEB liability                                                 | 0.0003%   | 0.0002%   | 0.0003%   | 0.0003%   |
| Town's proportionate share of the net OPEB liability                                        | \$ 2,534  | \$ 1,784  | \$ 3,374  | \$ 4,350  |
| Town's covered payroll                                                                      | \$ 28,116 | \$ 25,197 | \$ 26,988 | \$ 27,042 |
| Town's proportionate share of the net OPEB liability as a percentage of its covered payroll | 9.01%     | 7.08%     | 12.50%    | 16.09%    |
| Plan fiduciary net position as a percentage of the total OPEB liability                     | 39.40%    | 32.78%    | 24.41%    | 17.03%    |

\* The amounts presented for each fiscal year were determined as of December 31 of the prior year.

<sup>1</sup> Until a full 10-year trend is compiled, the Town will present information for those years for which information is available.

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| <u>2018</u> | <u>2017</u> |
|-------------|-------------|
| 0.0003%     | 0.0004%     |
| \$ 4,201    | \$ 5,138    |
| \$ 26,252   | \$ 31,304   |
| 16.00%      | 16.41%      |
| 17.53%      | 16.72%      |

**TOWN OF ECKLEY, COLORADO**  
**Schedule of Town Contributions <sup>1</sup>**  
**PERA's Health Care Trust Fund**  
**December 31, 2022**

|                                                                      | <u>2022</u>  | <u>2021</u>  | <u>2020</u>  | <u>2019</u>  |
|----------------------------------------------------------------------|--------------|--------------|--------------|--------------|
| Contractually required contribution                                  | \$ 315       | \$ 287       | \$ 257       | \$ 275       |
| Contributions in relation to the contractually required contribution | <u>(315)</u> | <u>(287)</u> | <u>(257)</u> | <u>(275)</u> |
| Contribution deficiency (excess)                                     | <u>\$ -</u>  | <u>\$ -</u>  | <u>\$ -</u>  | <u>\$ -</u>  |
| Town's covered payroll                                               | \$ 30,886    | \$ 28,116    | \$ 25,197    | \$ 26,988    |
| Contributions as a percentage of covered payroll                     | 1.02%        | 1.02%        | 1.02%        | 1.02%        |

<sup>1</sup> Until a full 10-year trend is compiled, the Town will present information for those years for which information is available.

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| <u>2018</u>  | <u>2017</u>  | <u>2016</u>  |
|--------------|--------------|--------------|
| \$ 276       | \$ 268       | \$ 319       |
| <u>(276)</u> | <u>(268)</u> | <u>(319)</u> |
| <u>\$ -</u>  | <u>\$ -</u>  | <u>\$ -</u>  |
| \$ 27,042    | \$ 26,252    | \$ 31,304    |
| 1.02%        | 1.02%        | 1.02%        |

**TOWN OF ECKLEY, COLORADO**  
**Schedule of Changes in the Town's Net Pension Liability/(Asset) and Related Ratios <sup>1</sup>**  
**Eckley Volunteer Fire Department Pension Plan**  
**Last 10 Fiscal Years**

|                                                                                   | 2022        | 2021        | 2020        | 2019             |
|-----------------------------------------------------------------------------------|-------------|-------------|-------------|------------------|
| <b>Total pension liability</b>                                                    |             |             |             |                  |
| Service cost                                                                      | \$ -        | \$ -        | \$ -        | \$ 789           |
| Interest on the total pension liability                                           | -           | -           | -           | 3,834            |
| Differences between expected and actual experience of the total pension liability | -           | -           | -           | (1,285)          |
| Changes of assumptions                                                            | -           | -           | -           | 2,356            |
| Benefit payments                                                                  | -           | -           | -           | (3,406)          |
| Net change in total pension liability                                             | -           | -           | -           | 2,288            |
| Total pension liability - beginning                                               | -           | -           | -           | 52,406           |
| Total pension liability - ending (a)                                              | <u>\$ -</u> | <u>\$ -</u> | <u>\$ -</u> | <u>\$ 54,694</u> |
| <b>Plan fiduciary net position</b>                                                |             |             |             |                  |
| Contributions - employer                                                          | \$ -        | \$ -        | \$ -        | \$ 3,800         |
| Net investment income                                                             | -           | -           | -           | 53               |
| Benefit payments                                                                  | -           | -           | -           | (3,406)          |
| Pension plan administrative expenses                                              | -           | -           | -           | (8,159)          |
| State of Colorado supplemental discretionary payment                              | -           | -           | -           | -                |
| Net change in plan fiduciary net position                                         | -           | -           | -           | (7,712)          |
| Plan fiduciary net position - beginning                                           | -           | -           | -           | 18,410           |
| Plan fiduciary net position - ending (b)                                          | <u>\$ -</u> | <u>\$ -</u> | <u>\$ -</u> | <u>\$ 10,698</u> |
| <b>Town's net pension liability/(asset) - ending (a) - (b)</b>                    | <u>\$ -</u> | <u>\$ -</u> | <u>\$ -</u> | <u>\$ 43,996</u> |
| <b>Plan fiduciary net position as a percentage of the total pension liability</b> | Unavailable | Unavailable | Unavailable | 19.56%           |
| <b>Covered payroll</b>                                                            | N/A         | N/A         | N/A         | N/A              |
| <b>Town's net pension liability as a percentage of covered payroll</b>            | N/A         | N/A         | N/A         | N/A              |

\* The amounts presented for each fiscal year were determined as of December 31 of the prior year.

<sup>1</sup> Until a full 10-year trend is compiled, the Town will present information for those years for which information is available. Information was not available to present certain information.

The Town has not had an actuarial study done following its disaffiliation from FPPA on February 1, 2020. Therefore, this information is not available for all years.

| 2018             | 2017             | 2016             | 2015             |
|------------------|------------------|------------------|------------------|
| \$ 789           | \$ 294           | \$ 294           | \$ 315           |
| 3,111            | 3,633            | 3,575            | 3,639            |
| -                | (579)            | -                | (1,705)          |
| (26,338)         | 28,284           | -                | -                |
| (3,490)          | (3,120)          | (3,094)          | (3,090)          |
| (25,928)         | 28,512           | 775              | (841)            |
| 78,334           | 49,822           | 49,047           | 49,888           |
| <u>\$ 52,406</u> | <u>\$ 78,334</u> | <u>\$ 49,822</u> | <u>\$ 49,047</u> |
| \$ 2,509         | \$ -             | \$ 2,209         | \$ 2,209         |
| 2,750            | 1,157            | 434              | 1,448            |
| (3,490)          | (3,120)          | (3,094)          | (3,090)          |
| (5,712)          | (312)            | (1,183)          | (419)            |
| -                | 1,000            | 1,000            | 1,000            |
| (3,943)          | (1,275)          | (634)            | 1,148            |
| 22,353           | 23,628           | 24,262           | 23,114           |
| <u>\$ 18,410</u> | <u>\$ 22,353</u> | <u>\$ 23,628</u> | <u>\$ 24,262</u> |
| <u>\$ 33,996</u> | <u>\$ 55,981</u> | <u>\$ 26,194</u> | <u>\$ 24,785</u> |
| 35.13%           | 28.54%           | 47.42%           | 49.47%           |
| N/A              | N/A              | N/A              | N/A              |
| N/A              | N/A              | N/A              | N/A              |

**TOWN OF ECKLEY, COLORADO**  
**Schedule of Town Contributions <sup>1</sup>**  
**Eckley Volunteer Fire Department Pension Plan**  
**Last 10 Fiscal Years**

|      | Actuarially<br>Determined<br>Contribution | Actual<br>Contribution * | Contribution<br>Deficiency<br>(Excess) | Covered<br>Payroll | Actuarial<br>Contribution<br>as a % of<br>Covered<br>Payroll |
|------|-------------------------------------------|--------------------------|----------------------------------------|--------------------|--------------------------------------------------------------|
| (a)  | (b)                                       | (c)                      | (d) = (b) - (c)                        | (e)                | (f)                                                          |
| 2022 | Unavailable                               | \$ 3,000                 | Unavailable                            | N/A                | N/A                                                          |
| 2021 | Unavailable                               | 3,000                    | Unavailable                            | N/A                | N/A                                                          |
| 2020 | Unavailable                               | 3,000                    | Unavailable                            | N/A                | N/A                                                          |
| 2019 | 3,800                                     | 3,800                    | -                                      | N/A                | N/A                                                          |
| 2018 | 3,800                                     | 3,800                    | -                                      | N/A                | N/A                                                          |
| 2017 | 2,509                                     | 2,509                    | -                                      | N/A                | N/A                                                          |
| 2016 | 2,509                                     | 1,000                    | 1,509                                  | N/A                | N/A                                                          |
| 2015 | 2,872                                     | 3,209                    | (337)                                  | N/A                | N/A                                                          |
| 2014 | 2,872                                     | 3,209                    | (337)                                  | N/A                | N/A                                                          |

\* Includes both employer and State of Colorado Supplemental Discretionary Payment.

<sup>1</sup> Until a full 10-year trend is compiled, the Town will present information for those years for which information is available. Information was not available to present certain information.

The Town has not had an actuarial study done following its disaffiliation from FPPA on February 1, 2020. Therefore, this information is not available for all years.

**TOWN OF ECKLEY, COLORADO**  
**Schedule of Investment Returns <sup>1</sup>**  
**Eckley Volunteer Fire Department Pension Plan**  
**Last 10 Fiscal Years**

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|                                                                 | <u>2022</u> | <u>2021</u> | <u>2020</u> |
|-----------------------------------------------------------------|-------------|-------------|-------------|
| Annual money-weighted rate of return, net of investment expense | 0.00%       | 0.00%       | 0.00%       |

<sup>1</sup> Until a full 10-year trend is compiled, the Town will present information for those years for which information is available.

The Town has not had an actuarial study done following its disaffiliation from FPPA on February 1, 2020. Therefore, this information is not available for all years.

**TOWN OF ECKLEY, COLORADO**  
**General Fund**  
**Budgetary Comparison Schedule**  
**For the Year Ended December 31, 2022**

|                                                              | Budgeted Amounts |           | Actual     | Variance with<br>Final Budget<br>Favorable<br>(Unfavorable) |
|--------------------------------------------------------------|------------------|-----------|------------|-------------------------------------------------------------|
|                                                              | Original         | Final     |            |                                                             |
| Revenues                                                     |                  |           |            |                                                             |
| Taxes                                                        | \$ 96,050        | \$ 96,050 | \$ 96,865  | \$ 815                                                      |
| Licenses and permits                                         | 400              | 400       | 336        | (64)                                                        |
| Intergovernmental                                            | 22,000           | 22,000    | 20,407     | (1,593)                                                     |
| Fines and forfeitures                                        | 200              | 200       | 545        | 345                                                         |
| Charges for services                                         | 28,000           | 28,000    | 23,942     | (4,058)                                                     |
| Miscellaneous                                                | 23,650           | 23,650    | 3,360      | (20,290)                                                    |
| Total revenues                                               | 170,300          | 170,300   | 145,455    | (24,845)                                                    |
| Expenditures                                                 |                  |           |            |                                                             |
| Current                                                      |                  |           |            |                                                             |
| General government                                           | 66,300           | 66,300    | 53,483     | 12,817                                                      |
| Public safety                                                | 18,600           | 18,600    | 14,683     | 3,917                                                       |
| Public works                                                 | 49,500           | 49,500    | 37,852     | 11,648                                                      |
| Culture and recreation                                       | 5,200            | 5,200     | 5,997      | (797)                                                       |
| Total expenditures                                           | 139,600          | 139,600   | 112,015    | 27,585                                                      |
| Excess of revenues over<br>(under) expenditures              | 30,700           | 30,700    | 33,440     | 2,740                                                       |
| Other financing uses                                         |                  |           |            |                                                             |
| Transfers out                                                |                  |           | (5,000)    | (5,000)                                                     |
| Total other financing uses                                   | -                | -         | (5,000)    | (5,000)                                                     |
| Net change in fund balance                                   | \$ 30,700        | \$ 30,700 | 28,440     | \$ (2,260)                                                  |
| Fund balance at beginning of year,<br>as originally reported |                  |           | 77,526     |                                                             |
| Prior period adjustment                                      |                  |           | 5,430      |                                                             |
| Fund balance at beginning of year,<br>as restated            |                  |           | 82,956     |                                                             |
| Fund balance at end of year                                  |                  |           | \$ 111,396 |                                                             |

**TOWN OF ECKLEY, COLORADO**  
**Community Center Fund**  
**Budgetary Comparison Schedule**  
**For the Year Ended December 31, 2022**

|                                   | Budgeted Amounts |            | Actual    | Variance with<br>Final Budget<br>Favorable<br>(Unfavorable) |
|-----------------------------------|------------------|------------|-----------|-------------------------------------------------------------|
|                                   | Original         | Final      |           |                                                             |
| Revenues                          |                  |            |           |                                                             |
| Contributions                     | \$ 1,000         | \$ 1,000   | \$ 4,000  | \$ 3,000                                                    |
| Fundraising                       | 4,000            | 4,000      | 8,125     | 4,125                                                       |
| Interest on investments           | 30               | 30         | 53        | 23                                                          |
| Gym rental                        | 2,000            | 2,000      | 6,622     | 4,622                                                       |
| Miscellaneous                     | 800              | 800        | 2,154     | 1,354                                                       |
| Total revenues                    | 7,830            | 7,830      | 20,954    | 13,124                                                      |
| Expenditures                      |                  |            |           |                                                             |
| Current                           |                  |            |           |                                                             |
| Culture and recreation            |                  |            |           |                                                             |
| Utilities                         | 4,500            | 4,500      | 4,360     | 140                                                         |
| Repairs and maintenance           | 1,500            | 1,500      | 8,128     | (6,628)                                                     |
| Fundraising                       | 1,000            | 1,000      | 8,226     | (7,226)                                                     |
| Supplies                          | 300              | 300        |           | 300                                                         |
| Miscellaneous                     | 600              | 600        | 4,519     | (3,919)                                                     |
| Capital outlay                    | 2,000            | 2,000      |           | 2,000                                                       |
| Total expenditures                | 9,900            | 9,900      | 25,233    | (15,333)                                                    |
| Net change in fund balance        | \$ (2,070)       | \$ (2,070) | (4,279)   | \$ (2,209)                                                  |
| Fund balance at beginning of year |                  |            | 46,575    |                                                             |
| Fund balance at end of year       |                  |            | \$ 42,296 |                                                             |

**TOWN OF ECKLEY, COLORADO**  
**Conservation Trust Fund**  
**Budgetary Comparison Schedule**  
**For the Year Ended December 31, 2022**

|                                   | Budgeted Amounts |          | Actual   | Variance with<br>Final Budget<br>Favorable<br>(Unfavorable) |
|-----------------------------------|------------------|----------|----------|-------------------------------------------------------------|
|                                   | Original         | Final    |          |                                                             |
| Revenues                          |                  |          |          |                                                             |
| Intergovernmental                 | \$ 2,000         | \$ 2,000 | \$ 2,967 | \$ 967                                                      |
| Interest on investments           | 10               | 10       | 9        | (1)                                                         |
| Total revenues                    | 2,010            | 2,010    | 2,976    | 966                                                         |
| Expenditures                      |                  |          |          |                                                             |
| Current                           |                  |          |          |                                                             |
| Culture and recreation            | 600              | 600      | 600      | -                                                           |
| Net change in fund balance        | \$ 1,410         | \$ 1,410 | 2,376    | \$ 966                                                      |
| Fund balance at beginning of year |                  |          | 4,885    |                                                             |
| Fund balance at end of year       |                  |          | \$ 7,261 |                                                             |

**TOWN OF ECKLEY, COLORADO**  
**Notes to the Required Supplementary Information**

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**Note A – Budgetary data**

Annual budgets are established for all funds of the Town, except for the pension trust funds, as required by its local charter. Budgets for all funds are adopted on a basis consistent with generally accepted accounting principles except for the enterprise funds (water and sewer) in which capital and principal retirement expenses are treated as operating expenses and depreciation expense is not budgeted.

An appropriated budget for the entity as a whole is prepared on a detailed basis. Revenues are budgeted by source. Expenditures are budgeted by department and the major divisions thereof and by each independent office and agency and by the principal objects of expenditure. The legal level of control is considered to be the entity as a whole and expenditures may not exceed appropriations at this level. All budget revisions at this level are subject to final review and approval by Town council. Within these control levels, management may transfer appropriations without Town council approval.

The Town follows these procedures in establishing the budgetary data reflected in the financial statements:

- On or before September 20<sup>th</sup> of each year, or in conformity with the general state law, the Town clerk submits to the Town council a budget which shall be a complete financial plan for the ensuing fiscal year.
- At the same time the budget is submitted, the Town manager shall also prepare an appropriation ordinance making a levy in mills upon all taxable property within the Town for the ensuing fiscal year.
- A public hearing on the budget shall be held by Town council two weeks after its submission. Notice of the time and place of said hearing shall be published within three days after the submission of the budget.
- Prior to December 15<sup>th</sup>, or in conformity with the general state law, the Town council shall adopt the budget and the tax levy ordinance.
- Any portion of any annual appropriation remaining unexpended and unencumbered at the close of the budget year shall be declared surplus and included in the budget for the ensuing year as those appropriations lapse at year-end.

**TOWN OF ECKLEY, COLORADO**  
**Notes to the Required Supplementary Information**

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**Note B - Factors affecting trends in amounts reported in the pension and OPEB schedules**

Information about factors that significantly affect trends in the amounts reported in the Schedules of the Town's Proportionate Share of the Net Pension and OPEB Liabilities and the Schedules of Town Contributions is available in PERA's comprehensive annual financial report which can be obtained at [www.copera.org/investments/pera-financial-reports](http://www.copera.org/investments/pera-financial-reports).

### **Other Supplementary Information**

Other supplementary information includes financial statements and schedules not required by the Governmental Accounting Standards Board, nor a part of the basic financial statements, but are presented for purposes of additional analysis.

Such schedules include:

- Budgetary Comparison Schedules – General Fund
- Budgetary Comparison Schedules – Proprietary Funds
- Budgetary Comparison Schedule – Fiduciary Fund

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## **Budgetary Comparison Schedules – General Fund**

The General Fund accounts for all transactions of the Town not required to be accounted for in other funds. This fund represents an accounting of the Town's ordinary operations financed primarily from tax dollars and intergovernmental aid. It is the most significant fund in relation to the Town's overall operations. The schedules of revenues and expenditures are included to provide a greater level of detail to the reader of the financial statements.

**TOWN OF ECKLEY, COLORADO**  
**General Fund**  
**Budgetary Comparison Schedule - Revenues**  
**For the Year Ended December 31, 2022**

|                               | Budgeted Amounts |            | Actual     | Variance with<br>Final Budget<br>Favorable<br>(Unfavorable) |
|-------------------------------|------------------|------------|------------|-------------------------------------------------------------|
|                               | Original         | Final      |            |                                                             |
| Taxes                         |                  |            |            |                                                             |
| Property taxes                | \$ 28,000        | \$ 28,000  | \$ 36,187  | \$ 8,187                                                    |
| Specific ownership taxes      | 3,000            | 3,000      | 3,700      | 700                                                         |
| Delinquent taxes and interest | 200              | 200        | 921        | 721                                                         |
| Sales and use taxes           | 48,000           | 48,000     | 41,970     | (6,030)                                                     |
| Franchise taxes               | 4,000            | 4,000      | 7,640      | 3,640                                                       |
| Severance taxes               | 50               | 50         | 4,734      | 4,684                                                       |
| Other taxes                   | 12,800           | 12,800     | 1,713      | (11,087)                                                    |
| Total taxes                   | 96,050           | 96,050     | 96,865     | 815                                                         |
| Licenses and permits          | 400              | 400        | 336        | (64)                                                        |
| Intergovernmental             |                  |            |            |                                                             |
| Motor vehicle assessments     | 1,300            | 1,300      | 1,369      | 69                                                          |
| Cigarette taxes               | 200              | 200        | 176        | (24)                                                        |
| Highway users tax             | 20,000           | 20,000     | 17,529     | (2,471)                                                     |
| Mineral lease                 | 500              | 500        | 1,333      | 833                                                         |
| Total intergovernmental       | 22,000           | 22,000     | 20,407     | (1,593)                                                     |
| Fines and forfeitures         | 200              | 200        | 545        | 345                                                         |
| Charges for services          | 28,000           | 28,000     | 23,942     | (4,058)                                                     |
| Miscellaneous                 |                  |            |            |                                                             |
| Interest on investments       | 50               | 50         | 320        | 270                                                         |
| Reimbursements                | 16,800           | 16,800     |            | (16,800)                                                    |
| Contributions                 | 100              | 100        |            | (100)                                                       |
| Miscellaneous                 | 6,700            | 6,700      | 3,040      | (3,660)                                                     |
| Total miscellaneous           | 23,650           | 23,650     | 3,360      | (20,290)                                                    |
| Total revenues                | \$ 170,300       | \$ 170,300 | \$ 145,455 | \$ (24,845)                                                 |

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**TOWN OF ECKLEY, COLORADO**  
**General Fund**  
**Budgetary Comparison Schedule - Expenditures**  
**For the Year Ended December 31, 2022**

|                          | Budgeted Amounts |           | Actual   | Variance with<br>Final Budget<br>Favorable<br>(Unfavorable) |
|--------------------------|------------------|-----------|----------|-------------------------------------------------------------|
|                          | Original         | Final     |          |                                                             |
| General government       |                  |           |          |                                                             |
| Salaries                 | \$ 14,000        | \$ 14,000 | \$ 9,212 | \$ 4,788                                                    |
| Employee benefits        | 6,000            | 6,000     | 3,836    | 2,164                                                       |
| Supplies                 | 4,000            | 4,000     | 957      | 3,043                                                       |
| Maintenance              | 500              | 500       | 1,135    | (635)                                                       |
| Utilities                | 8,000            | 8,000     | 15,374   | (7,374)                                                     |
| Travel                   | 300              | 300       |          | 300                                                         |
| Insurance                | 8,000            | 8,000     | 6,482    | 1,518                                                       |
| Reporting and publishing | 250              | 250       | 1,669    | (1,419)                                                     |
| Audit and legal          | 8,500            | 8,500     | 3,538    | 4,962                                                       |
| Dues                     | 2,000            | 2,000     | 2,099    | (99)                                                        |
| County treasurer fees    | 750              | 750       | 887      | (137)                                                       |
| Contract services        | 2,500            | 2,500     | 2,974    | (474)                                                       |
| Miscellaneous            | 11,500           | 11,500    | 5,320    | 6,180                                                       |
| Total general government | 66,300           | 66,300    | 53,483   | 12,817                                                      |
| Public safety            |                  |           |          |                                                             |
| Police                   |                  |           |          |                                                             |
| Contract services        | 7,200            | 7,200     | 6,450    | 750                                                         |
| Legal                    | 3,000            | 3,000     | 340      | 2,660                                                       |
| Total police             | 10,200           | 10,200    | 6,790    | 3,410                                                       |
| Fire                     |                  |           |          |                                                             |
| Pension contribution     | 2,800            | 2,800     | 2,000    | 800                                                         |
| Repairs                  | 1,500            | 1,500     | 2,276    | (776)                                                       |
| Utilities                | 4,000            | 4,000     | 3,617    | 383                                                         |
| Miscellaneous            | 100              | 100       |          | 100                                                         |
| Total fire               | 8,400            | 8,400     | 7,893    | 507                                                         |
| Total public safety      | 18,600           | 18,600    | 14,683   | 3,917                                                       |

|                              | Budgeted Amounts |            | Actual     | Variance with<br>Final Budget<br>Favorable<br>(Unfavorable) |
|------------------------------|------------------|------------|------------|-------------------------------------------------------------|
|                              | Original         | Final      |            |                                                             |
| Public works                 |                  |            |            |                                                             |
| Highways and streets         |                  |            |            |                                                             |
| Salaries                     | 5,500            | 5,500      | 4,982      | 518                                                         |
| Utilities                    | 6,500            | 6,500      |            | 6,500                                                       |
| Maintenance and supplies     | 4,000            | 4,000      | 1,295      | 2,705                                                       |
| Gas and oil                  | 2,500            | 2,500      | 2,399      | 101                                                         |
| Vehicle                      | 1,000            | 1,000      | 4,114      | (3,114)                                                     |
| Capital outlay               | 5,000            | 5,000      |            | 5,000                                                       |
| Total highways and streets   | 24,500           | 24,500     | 12,790     | 11,710                                                      |
| Sanitation                   |                  |            |            |                                                             |
| Landfill costs               | 4,000            | 4,000      | 3,812      | 188                                                         |
| Trash removal                | 21,000           | 21,000     | 21,250     | (250)                                                       |
| Total sanitation             | 25,000           | 25,000     | 25,062     | (62)                                                        |
| Total public works           | 49,500           | 49,500     | 37,852     | 11,648                                                      |
| Culture and recreation       |                  |            |            |                                                             |
| Community center             |                  |            |            |                                                             |
| Telephone and utilities      | 1,500            | 1,500      | 1,293      | 207                                                         |
| Repairs and maintenance      |                  |            | 167        | (167)                                                       |
| Total community center       | 1,500            | 1,500      | 1,460      | 40                                                          |
| Parks                        |                  |            |            |                                                             |
| Salaries                     | 1,600            | 1,600      | 1,658      | (58)                                                        |
| Maintenance and supplies     | 2,000            | 2,000      | 2,879      | (879)                                                       |
| Miscellaneous                | 100              | 100        |            | 100                                                         |
| Total parks                  | 3,700            | 3,700      | 4,537      | (837)                                                       |
| Total culture and recreation | 5,200            | 5,200      | 5,997      | (797)                                                       |
| Total expenditures           | \$ 139,600       | \$ 139,600 | \$ 112,015 | \$ 27,585                                                   |

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## **Budgetary Comparison Schedules – Proprietary Funds**

The Town reports the following major proprietary funds:

Enterprise Funds – These funds are used to account for operations that provide services that are financed primarily by user charges, or activities where periodic measurement of income is appropriate for capital maintenance, public policy, management control or other purposes.

- Water Fund – This fund was established to account for all operations of the water utility service provided by the Town.
- Sewer Fund – This fund was established to account for all operations of the sewer utility services provided by the Town.

**TOWN OF ECKLEY, COLORADO**  
**Water Fund**  
**Budgetary Comparison Schedule**  
**For the Year Ended December 31, 2022**

|                                        | Budgeted Amounts |              | Actual      | Variance with              |
|----------------------------------------|------------------|--------------|-------------|----------------------------|
|                                        | Original         | Final        |             | Final Budget               |
|                                        |                  |              |             | Favorable<br>(Unfavorable) |
| Operating revenues                     |                  |              |             |                            |
| Charges for services                   | \$ 150,000       | \$ 150,000   | \$ 87,250   | \$ (62,750)                |
| Operating expenses                     |                  |              |             |                            |
| Salaries                               | 12,000           | 12,000       | 12,000      | -                          |
| Supplies                               | 1,500            | 1,500        |             | 1,500                      |
| Repairs and maintenance                | 2,000            | 2,000        | 25          | 1,975                      |
| Insurance                              | 5,000            | 5,000        | 4,055       | 945                        |
| Utilities                              | 7,000            | 7,000        | 6,089       | 911                        |
| Audit and legal                        | 5,000            | 5,000        | 5,824       | (824)                      |
| Contract services                      | 5,000            | 5,000        | 19,019      | (14,019)                   |
| Water testing                          | 5,000            | 5,000        | 3,091       | 1,909                      |
| Chlorinator                            | 3,000            | 3,000        | 1,049       | 1,951                      |
| Miscellaneous                          | 5,000            | 5,000        | 2,872       | 2,128                      |
| Pension and OPEB expense               | 1,800            | 1,800        | (9,046)     | 10,846                     |
| Depreciation                           | 65,000           | 65,000       | 61,593      | 3,407                      |
| Engineering                            | 150,000          | 150,000      |             | 150,000                    |
| Capital outlay                         | 2,300,000        | 2,300,000    | 1,949,102   | 350,898                    |
| Contingencies                          | 5,000            | 5,000        |             | 5,000                      |
| Total operating expenses               | 2,572,300        | 2,572,300    | 2,055,673   | 516,627                    |
| Operating loss                         | (2,422,300)      | (2,422,300)  | (1,968,423) | 453,877                    |
| Nonoperating revenues (expenses)       |                  |              |             |                            |
| Interest on investments                |                  |              | 2           | 2                          |
| Loan and grant revenues                | 2,300,000        | 2,300,000    | 1,543,468   | (756,532)                  |
| Principal paid on debt                 | (5,000)          | (5,000)      | (5,000)     | -                          |
| Total nonoperating revenues (expenses) | 2,295,000        | 2,295,000    | 1,538,470   | (756,530)                  |
| Change in net position                 | \$ (127,300)     | \$ (127,300) | (429,953)   | \$ (302,653)               |

|                                                              | Budgeted Amounts |       | Actual       | Variance with<br>Final Budget<br>Favorable<br>(Unfavorable) |
|--------------------------------------------------------------|------------------|-------|--------------|-------------------------------------------------------------|
|                                                              | Original         | Final |              |                                                             |
| Adjustments to GAAP Basis                                    |                  |       |              |                                                             |
| Add note principal                                           |                  |       | 5,000        |                                                             |
| Add capital outlay                                           |                  |       | 1,949,102    |                                                             |
| Change in net position -<br>GAAP Basis                       |                  |       | 1,524,149    |                                                             |
| Net position at beginning of year,<br>as originally reported |                  |       | 1,326,347    |                                                             |
| Prior period adjustment                                      |                  |       | 296,339      |                                                             |
| Net position at beginning of year,<br>as restated            |                  |       | 1,622,686    |                                                             |
| Net position at end of year                                  |                  |       | \$ 3,146,835 |                                                             |

**TOWN OF ECKLEY, COLORADO**  
**Sewer Fund**  
**Budgetary Comparison Schedule**  
**For the Year Ended December 31, 2022**

|                                        | Budgeted Amounts |           | Actual    | Variance with<br>Final Budget<br>Favorable<br>(Unfavorable) |
|----------------------------------------|------------------|-----------|-----------|-------------------------------------------------------------|
|                                        | Original         | Final     |           |                                                             |
| Operating revenues                     |                  |           |           |                                                             |
| Charges for services                   | \$ 86,000        | \$ 86,000 | \$ 67,350 | \$ (18,650)                                                 |
| Operating expenses                     |                  |           |           |                                                             |
| Salaries                               | 4,800            | 4,800     | 4,800     | -                                                           |
| Supplies                               | 3,500            | 3,500     | 3,815     | (315)                                                       |
| Repairs and maintenance                | 17,000           | 17,000    | 764       | 16,236                                                      |
| Insurance                              | 4,000            | 4,000     | 5,406     | (1,406)                                                     |
| Utilities                              | 4,000            | 4,000     | 2,476     | 1,524                                                       |
| Audit and legal                        | 4,000            | 4,000     | 8,290     | (4,290)                                                     |
| Right-of-way                           |                  |           | 1,403     | (1,403)                                                     |
| Contract services                      |                  |           | 12,365    | (12,365)                                                    |
| Miscellaneous                          | 5,000            | 5,000     | 681       | 4,319                                                       |
| Capital outlay                         |                  |           | 22,559    | (22,559)                                                    |
| Contingencies                          | 21,180           | 21,180    |           | 21,180                                                      |
| Total operating expenses               | 63,480           | 63,480    | 62,559    | 921                                                         |
| Operating income                       | 22,520           | 22,520    | 4,791     | (17,729)                                                    |
| Nonoperating revenues (expenses)       |                  |           |           |                                                             |
| Loan and grant revenues                |                  |           | 16,205    | 16,205                                                      |
| Principal paid                         | (21,180)         | (21,180)  | (12,591)  | 8,589                                                       |
| Interest and fiscal charges            |                  |           | (8,575)   | (8,575)                                                     |
| Total nonoperating revenues (expenses) | (21,180)         | (21,180)  | (4,961)   | 16,219                                                      |
| Net income (loss) before transfers     | 1,340            | 1,340     | (170)     | (1,510)                                                     |
| Transfers in                           |                  |           | 5,000     | 5,000                                                       |
| Change in net position                 | \$ 1,340         | \$ 1,340  | 4,830     | \$ 3,490                                                    |

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|                                        | Budgeted Amounts |       | Actual       | Variance with<br>Final Budget<br>Favorable<br>(Unfavorable) |
|----------------------------------------|------------------|-------|--------------|-------------------------------------------------------------|
|                                        | Original         | Final |              |                                                             |
| Adjustments to GAAP Basis              |                  |       |              |                                                             |
| Deduct depreciation                    |                  |       | (59,184)     |                                                             |
| Deduct pension and OPEB expense        |                  |       | 3,463        |                                                             |
| Add principal paid                     |                  |       | 12,591       |                                                             |
| Add capital outlay                     |                  |       | 22,559       |                                                             |
| Change in net position -<br>GAAP Basis |                  |       | (15,741)     |                                                             |
| Net position at beginning of year      |                  |       | 2,208,788    |                                                             |
| Net position at end of year            |                  |       | \$ 2,193,047 |                                                             |

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## **Budgetary Comparison Schedule – Fiduciary Fund**

These funds focus on net position and changes in net position. The fiduciary fund category is split into four classifications: pension (and other employee benefit) trust funds, investment trust funds, private-purpose trust funds and custodial funds.

The Town reports the following fiduciary fund:

Pension (and other employee benefit) trust funds – These funds are used to report trust arrangements under which principal and income benefit individuals, private organizations or other governments.

- Firemen’s Pension Fund – This fund was established to account for contributions made to a single-employer defined benefit plan on behalf of the Town’s volunteer fire fighters.

**TOWN OF ECKLEY, COLORADO**  
**Firemen's Pension Fund**  
**Budgetary Comparison Schedule**  
**For the Year Ended December 31, 2022**

|                                      | Budgeted Amounts |              | Actual          | Variance with<br>Final Budget<br>Favorable<br>(Unfavorable) |
|--------------------------------------|------------------|--------------|-----------------|-------------------------------------------------------------|
|                                      | Original         | Final        |                 |                                                             |
| Additions                            |                  |              |                 |                                                             |
| Contributions                        |                  |              |                 |                                                             |
| Town                                 | \$ 2,800         | \$ 2,800     | \$ 2,000        | \$ (800)                                                    |
| State                                | 1,000            | 1,000        | 1,000           | -                                                           |
| Total contributions                  | <u>3,800</u>     | <u>3,800</u> | <u>3,000</u>    | <u>(800)</u>                                                |
| Total additions                      | 3,800            | 3,800        | 3,000           | (800)                                                       |
| Deductions                           |                  |              |                 |                                                             |
| Pension benefits                     | 3,800            | 3,800        | 4,017           | (217)                                                       |
| Office supplies                      |                  |              | 204             | (204)                                                       |
| Total deductions                     | <u>3,800</u>     | <u>3,800</u> | <u>4,221</u>    | <u>(421)</u>                                                |
| Change in net position               | <u>\$ -</u>      | <u>\$ -</u>  | (1,221)         | <u>\$ (1,221)</u>                                           |
| Net position restricted for pensions |                  |              |                 |                                                             |
| Beginning of year                    |                  |              | <u>3,143</u>    |                                                             |
| End of year                          |                  |              | <u>\$ 1,922</u> |                                                             |

**Colorado Department of Highways  
Local Highway Finance Report**

This calendar-year report of receipts and expenditures is required by the Colorado Department of Highways to maintain Statewide accountability for moneys used for highway and street purposes. To ensure data accuracy, House Bill 1008 mandates that this report be included in the Town's financial statements.

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

|                                     |                               |
|-------------------------------------|-------------------------------|
| <b>LOCAL HIGHWAY FINANCE REPORT</b> | STATE:<br>COLORADO            |
|                                     | YEAR ENDING (mm/yy):<br>12/22 |

|                                                         |                               |
|---------------------------------------------------------|-------------------------------|
| This Information From The Records Of:<br>Town of Eckley | Prepared By:<br>Aileene Vance |
|---------------------------------------------------------|-------------------------------|

**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. EXPENDITURES FOR ROAD AND STREET PURPOSES   |              |
|-----------------------------------------------|--------------|--------------------------------------------------|--------------|
| ITEM                                          | AMOUNT       | ITEM                                             | AMOUNT       |
| <b>A. Receipts from local sources:</b>        |              | <b>A. Local highway expenditures:</b>            |              |
| 1. Local highway-user taxes                   |              | 1. Capital outlay (from page 2)                  | \$ -         |
| a. Motor Fuel (from Item I.A.5.)              |              | 2. Maintenance:                                  | \$ 1,168.00  |
| 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                | \$ -         | b. Snow and ice removal                          | \$ -         |
| 3. Other local imposts (from page 2)          | \$ 3,399.00  | c. Other street lighting                         | \$ 6,124.00  |
| 4. Miscellaneous local receipts (from page 2) | \$ -         | d. Total (a. through c.)                         | \$ 6,124.00  |
| 5. Transfers from toll facilities             | \$ -         | 4. General administration & miscellaneous        | \$ 4,967.00  |
| 6. Proceeds of sale of bonds and notes:       |              | 5. Highway law enforcement and safety            | \$ -         |
| a. Bonds - Original Issues                    | \$ -         | 6. Total (1 through 5)                           | \$ 12,259.00 |
| b. Bonds - Refunding Issues                   | \$ -         | <b>B. Debt service on local obligations:</b>     |              |
| c. Notes                                      | \$ -         | 1. Bonds:                                        |              |
| d. Total (a. + b. + c.)                       | \$ -         | a. Interest                                      | \$ -         |
| 7. Total (1 through 6)                        | \$ 3,399.00  | b. Redemption                                    | \$ -         |
| <b>3. Private Contributions</b>               |              | c. Total (a. + b.)                               | \$ -         |
| <b>C. Receipts from State government</b>      |              | 2. Notes:                                        |              |
| (from page 2)                                 | \$ 18,992.00 | a. Interest                                      | \$ -         |
| <b>D. Receipts from Federal Government</b>    |              | b. Redemption                                    | \$ -         |
| (from page 2)                                 | \$ -         | c. Total (a. + b.)                               | \$ -         |
| <b>E. Total receipts (A.7 + B + C + D)</b>    | \$ 22,391.00 | 3. Total (1.c + 2.c)                             | \$ -         |
|                                               |              | <b>C. Payments to State for highways</b>         |              |
|                                               |              | <b>D. Payments to toll facilities</b>            |              |
|                                               |              | <b>E. Total expenditures (A.6 + B.3 + C + D)</b> | \$ 12,259.00 |

**IV. LOCAL HIGHWAY DEBT STATUS**

(Show all entries at par)

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

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

|  | A. Beginning Balance | B. Total Receipts | C. Total Disbursements | D. Ending Balance | E. Reconciliation |
|--|----------------------|-------------------|------------------------|-------------------|-------------------|
|  | \$ 63,054.00         | \$ 22,391.00      | \$ 12,259.00           | \$ 73,186.00      | \$ -              |

Notes and Comments:

LOCAL HIGHWAY FINANCE REPORT

STATE:  
COLORADO  
YEAR ENDING (mm/yy):  
12/22

II. RECEIPTS FOR ROAD AND STREET PURPOSES - DETAIL

| ITEM                             | AMOUNT      | ITEM                                      | AMOUNT |
|----------------------------------|-------------|-------------------------------------------|--------|
| <b>A.3. Other local imposts:</b> |             | <b>A.4. Miscellaneous local receipts:</b> |        |
| a. Property Taxes and Assesments |             | a. Interest on investments                | \$ -   |
| b. Other local imposts:          |             | b. Traffic Fines & Penalties              | \$ -   |
| 1. Sales Taxes                   |             | c. Parking Garage Fees                    | \$ -   |
| 2. Infrastructure & Impact Fees  |             | d. Parking Meter Fees                     | \$ -   |
| 3. Liens                         |             | e. Sale of Surplus Property               | \$ -   |
| 4. Licenses                      |             | f. Charges for Services                   | \$ -   |
| 5. Specific Ownership &/or Other | \$ 3,399.00 | g. Other Misc. Receipts                   | \$ -   |
| 6. Total (1. through 5.)         | \$ 3,399.00 | h. Other                                  | \$ -   |
| c. Total (a. + b.)               | \$ 3,399.00 | i. Total (a. through h.)                  | \$ -   |
| <i>(Carry forward to page 1)</i> |             | <i>(Carry forward to page 1)</i>          |        |

| ITEM                                     | AMOUNT       | ITEM                                       | AMOUNT |
|------------------------------------------|--------------|--------------------------------------------|--------|
| <b>C. Receipts from State Government</b> |              | <b>D. Receipts from Federal Government</b> |        |
| 1. Highway-user taxes (from Item I.C.5.) | \$ 17,421.00 | 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           | \$ 1,571.00  | d. Federal Transit Administration          |        |
| d. DOLA Grant                            | \$ -         | e. U.S. Corps of Engineers                 |        |
| e. Other                                 | \$ -         | f. Other Federal                           |        |
| f. Total (a. through e.)                 | \$ 1,571.00  | g. Total (a. through f.)                   | \$ -   |
| 4. Total (1. + 2. + 3.f)                 | \$ 18,992.00 | 3. Total (1. + 2.g)                        | \$ -   |
| <i>(Carry forward to page 1)</i>         |              | <i>(Carry forward to page 1)</i>           |        |

III. EXPENDITURES FOR ROAD AND STREET PURPOSES - DETAIL

|                                                     | ON NATIONAL<br>HIGHWAY<br>SYSTEM<br>(a) | OFF NATIONAL<br>HIGHWAY<br>SYSTEM<br>(b) | TOTAL<br>(c)  |
|-----------------------------------------------------|-----------------------------------------|------------------------------------------|---------------|
| <b>A.1. Capital outlay:</b>                         |                                         |                                          |               |
| a. Right-Of-Way Costs                               |                                         |                                          | \$ -          |
| b. Engineering Costs                                |                                         |                                          | \$ -          |
| c. Construction:                                    |                                         |                                          |               |
| (1). New Facilities                                 |                                         |                                          | \$ -          |
| (2). Capacity Improvements                          |                                         |                                          | \$ -          |
| (3). System Preservation                            |                                         | \$ -                                     | \$ 421,676.35 |
| (4). System Enhancement And Operation               |                                         |                                          | \$ -          |
| (5). Total Construction (1)+(2)+(3)+(4)             | \$ -                                    | \$ -                                     | \$ -          |
| d. Total Capital Outlay (Lines 1.a. + 1.b. + 1.c.4) | \$ -                                    | \$ -                                     | \$ -          |
| <i>(Carry forward to page 1)</i>                    |                                         |                                          |               |

Notes and Comments: