

cPa DIXON, WALLER & CO., INC.

TOWN OF LA VETA, COLORADO

FINANCIAL STATEMENTS

DECEMBER 31, 2022

DIXON, WALLER & CO., INC.

TABLE OF CONTENTS

TOWN OF LA VETA, COLORADO
FINANCIAL STATEMENTS
December 31, 2022

	<u>Page</u>
Title Page	
Table of Contents	
Roster of Officials	
<u>FINANCIAL SECTION:</u>	
Independent Auditor's Report	1-2
Management's Discussion and Analysis.....	i-viii
<u>BASIC FINANCIAL STATEMENTS:</u>	
Government Wide Financial Statements:	
Statement of Net Position	3
Statement of Activities.....	4
Fund Financial Statements:	
Balance Sheet – Governmental Funds.....	5
Reconciliation of Governmental Funds Balance Sheet to Statement of Net Position..	6
Statement of Revenues, Expenditures and Changes in Fund Balances – Governmental Funds.....	7
Reconciliation of the Statement of Revenues, Expenditures and Changes in Fund Balances of Governmental Funds to the Statement of Activities.....	8
Statement of Net Position – Proprietary Funds	9
Statement of Revenues, Expenses, and Changes in Net Position – Proprietary Funds	10
Statement of Cash Flows – Proprietary Funds	11
Statement of Fiduciary Net Position – Fiduciary Funds.....	12
Statement of Changes in Fiduciary Net Position – Fiduciary Funds	13
Notes to Basic Financial Statements	14-37

REQUIRED SUPPLEMENTARY INFORMATION - BUDGETARY COMPARISONS:

Schedule of Revenues, Expenditures and Changes in Fund Balances - Budget and Actual –
Major Governmental Funds

General Fund.....	38
Museum Special Revenue Fund.....	39

Pension Trend Data:

Schedule of the Town's Proportionate Share of the Net Pension Asset of the Statewide Defined Benefit Plan – A Cost Sharing Multiple-Employer Defined Benefit Pension Plan Administered by the Fire & Police Pension Association.....	40
Schedule of Town Contributions to the Statewide Defined Benefit Plan – A Cost Sharing Multiple-Employer Defined Benefit Pension Plan Administered by the Fire & Police Pension Association.....	41

OTHER SCHEDULES:

Water Enterprise Fund Budget Schedule	42
Sewer Enterprise Fund Budget Schedule	43
Pension Trust Fund Budget Schedule	44

STATE REQUIRED SCHEDULE:

Counties, Cities and Towns Annual Statement of Receipts and Expenditures for Roads, Bridges and Streets	45-46
--	-------

TOWN OF LA VETA, COLORADO
ROSTER OF OFFICIALS
December 31, 2022

Doug Brgoch	Mayor
Tony Masinton	Mayor Pro-Tem
Jack Grimm	Trustee
Ashley Vandagriff	Trustee
Jim Hoobler	Trustee
Lluvia Musgrave	Trustee
Connie Grimm	Trustee

FINANCIAL SECTION

164 E. MAIN
TRINIDAD, COLORADO 81082
(719) 846-9241 FAX (719) 846-3352

Independent Auditor's Report

To the Honorable Mayor and
the Board of Trustees
Town of La Veta
La Veta, 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 La Veta, as of and for the year ended December 31, 2022, and the related notes to the financial statements, which collectively comprise the Town of La Veta's basic financial statements as listed in the table of contents.

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

Basis for Opinions

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

Responsibilities of Management for the Financial Statements

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

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

Auditor's Responsibilities for the Audit of the Financial Statements

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

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

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Town of La Veta's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the Town of La Veta'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 pension trend data 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 an opinion on the financial statements that collectively comprise the Town of La Veta's basic financial statements. The accompanying other schedules and state required schedules 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 schedules and state required schedules are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

Scion, Waller & Co., Inc.
June 29, 2023

MANAGEMENT'S DISCUSSION AND ANALYSIS

Town of La Veta
Management's Discussion and Analysis
For the Fiscal Year Ended December 31, 2022

As management of the Town of La Veta, we offer readers of the Town of La Veta's financial statements this narrative overview and analysis of the financial activities of the Town of La Veta for the fiscal year ended December 31, 2022. The focus of the information is on the primary government (general) fund. We encourage readers to read the information presented here in conjunction with additional information that we have furnished in the Town of La Veta's financial statements, which follow this narrative.

The Town of La Veta has adopted a new financial reporting model promulgated by the Government Accounting Standards Board (GASB). In accordance with GASB Statement No. 34, Basic Financial Statement and Management Discussion and Analysis for State and Local Governments, the Town of La Veta is not required to restate prior periods for purposes of providing comparative information. However, in future years, when prior year information is available, a comparative analysis of the government wide information will be presented.

Financial Highlights

- The assets of the Town of La Veta exceeded its liabilities at the close of the fiscal year by \$12,680,063 (net assets).
- The government's total net assets increased by \$711,189 primarily due to increases in the government and business type activities net assets.
- As of the close of the current fiscal year, the Town of La Veta's governmental funds reported combined ending fund balances of \$4,407,911.
- At the end of the current fiscal year, unreserved fund balance for the General Fund was \$2,049,911.00
- for the fiscal year.

Overview of the Financial Statements

This discussion and analysis are intended to serve as an introduction to Town of La Veta's basic financial statements. The Town's basic financial statements consist of three components; 1) government-wide financial statements, 2) fund financial statements, and 3) notes to the financial statements. In addition to the basic financial statements, this report contains other supplemental information that will enhance the reader's understanding of the financial condition of the Town of La Veta.

Government-wide Financial Statements

The government-wide financial statements are designed to provide the reader with a broad overview of the Town's finances, similar in format to a financial

Town of La Veta
Management's Discussion and Analysis
For the Fiscal Year Ended December 31, 2022

statement of a private-sector business. The government-wide statements provide short and long-term information about the Town's financial status as a whole.

The two government-wide statements report the Town's net assets and how they have changed. Net assets are the difference between the Town's total assets and total liabilities. Measuring net assets is one way to gauge the Town's financial condition.

The government-wide statements are divided into two categories: 1) governmental activities; and 2) business type activities. The governmental activities include most of the Town's basic services such as public safety, parks and recreation, and general administration. Property taxes, county and town taxes, cigarette tax, motor fuel tax, highway user tax, franchise taxes, business, contractor and liquor licensing fees, court and traffic fines, and leases finance most of these activities. The business-type activities are those that the Town charges customers to provide. These include water and sewer services offered by the Town of La Veta. The final category is the component unit.

Fund Financial Statements

The fund financial statements provide a more detailed look at the Town's most significant activities. A fund is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. The Town of La Veta, like all other governmental entities in Colorado, uses fund accounting to ensure and reflect compliance (or non-compliance) with finance-related legal requirements, such as the General Statutes or the Town's budget ordinance. All of the funds of the Town of La Veta can be divided into two categories: governmental funds and proprietary funds.

Governmental Funds – Governmental funds are used to account for those functions reported as governmental activities in the government-wide financial statements. Most of the Town's basic services are accounted for in governmental funds. These funds focus on how assets can readily be converted into cash flow in and out, and what monies are left at year-end that will be available for spending in the next year. Governmental funds are reported using an accounting method called *modified accrual accounting* that provides a short-term spending focus. As a result, the governmental fund financial statements give the reader a detailed short-term view that helps him or her determine if there are more or less financial resources available to finance the Town's programs. The relationship between government activities (reported in the Statement of Net Assets and the Statement of Activities) and governmental funds is described in a reconciliation that is a part of the fund financial statements.

Town of La Veta
Management's Discussion and Analysis
For the Fiscal Year Ended December 31, 2022

The Town adopts an annual budget for its General Fund, as required by the General Statutes. The budget is a legally adopted document that incorporates input from the citizens of the Town, the management of the Town, and the decisions of the Board about which services to provide and how to pay for them. It also authorizes the Town to obtain funds from identified sources to finance these current period activities. The budgetary statement provided for the General Fund demonstrates how well the Town complied with the budget ordinance and whether or not the Town succeeded in providing the services as planned when the budget was adopted. The budgetary comparison statement uses the budgetary basis of accounting and is presented using the same format, language, and classifications as the legal budget document. The statement shows four columns: 1) the original budget as adopted by the board; 2) the final budget as amended by the board; 3) the actual resources, charges to appropriations, and ending balances in the General Fund; and 4) the difference or variance between the final budget and the actual resources and charges. To account for the difference between the budgetary basis of accounting and the modified accrual basis, a reconciliation showing the differences in the reported activities is shown at the end of the budgetary statement.

Proprietary Funds – The Town of La Veta has two proprietary funds. *Enterprise Funds* are used to report the same functions presented as business-type activities in the government-wide financial statements. The Town of La Veta uses enterprise funds to account for its water operations and sewer operation. These funds are the same as those functions shown in the business-type activities in the Statement of Net Assets and the Statement of Activities.

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.

Other Information – In addition to the basic financial statements and accompanying notes, this report includes certain required supplementary information concerning the Town of La Veta's progress in funding its obligation to provide pension benefits to its police force.

Government-Wide Financial Analysis

The government-wide financial statements for the fiscal year ended December 31, 2004 are the beginning of a new era in financial reporting for the Town of La Veta and many other units of government across the United States. Prior to this year, the Town of La Veta maintained their governmental and proprietary fund groups as two separate and very distinct types of accounting without any type of consolidated statement that accurately reflected the operations and net assets of the government as a whole. There was a total column that appeared on the

Town of La Veta
Management's Discussion and Analysis
For the Fiscal Year Ended December 31, 2022

financial statements, but it was a memorandum total only. No attempt was made to adjust the statements in such a way that the total column would represent the overall financial condition of the Town of La Veta. These statements were basically the equivalent of the fund financial statements that appeared in the report with fiduciary funds and two account groups, the long-term debt and the general fixed assets, added in.

The changes in the financial statement reporting model are mandated by the Governmental Accounting Standards Board (GASB). GASB Statement 34 dictated the changes you see in the Town of La Veta's financial reports as well as those of many other units of government. While other units of government were required to implement these changes for the fiscal year ended June 30, 2002 or 2003, the Town of La Veta was required to implement Statement 34 as of December 31, 2004.

Because of the new reporting model, comparative data for all facets of this report are not available. When comparative numbers are accessible, they have been included, such as with net assets. Future years' reports will have more comparative data that will allow more opportunities for comparative analysis.

Table 1
Net Assets

NET POSITION	2022	2021	2022	2021	Total	
	Governmental Activities	Governmental Activities	Business Type Activities	Business Type Activities	2022	2021
ASSETS						
Current and Other Assets	2,371,119	1,698,828	3,443,637	5,751,666	5,814,756	7,450,494
Capital Assets - Net	2,248,429	2,343,464	9,464,433	7,337,392	11,712,862	9,680,856
Total Assets	4,619,548	4,042,292	12,908,070	13,089,058	17,527,618	17,131,350
Deferred Outflows	38,915	39,975	-	-	38,915	-
LIABILITIES						
Current and Other Liabilities	2,464	18,447	338,763	434,962	341,227	453,409
Long Term Liabilities	17,788	22,252	4,297,155	4,660,941	4,314,943	4,683,193
Total Liabilities	20,252	40,699	4,635,918	5,095,903	4,656,170	5,136,602
Deferred Inflows	230,300	65,847	-	-	230,300	-
NET POSITION						
Invested in capital assets, Net of Related Debt	2,248,429	2,343,464	5,002,823	2,699,175	7,251,252	5,042,639
Restricted for:						
Recreation	75,571	69,630	-	-	75,571	69,630
Debt	-	-	56,874	-	56,874	-
Labor Reserve	34,000	30,000	-	-	34,000	30,000
Unrestricted	2,049,911	1,532,627	3,212,455	5,293,980	5,262,366	6,826,607
	4,407,911	3,975,721	8,272,152	7,993,155	12,680,063	11,968,876

Town of La Veta
Management's Discussion and Analysis
For the Fiscal Year Ended December 31, 2022

Table 2

Changes in Net Position	<u>2022</u>	<u>2021</u>	<u>2022</u>	<u>2021</u>	<u>Total</u>	
	Governmental	Governmental	Business Type	Business Type		
	Activities	Activities	Activities	Activities	<u>2022</u>	<u>2021</u>
Revenues						
Property taxes	47,590	42,905	-		47,590	42,905
Specific ownership taxes	4,574	4,941	-		4,574	4,941
Sales and Use Taxes	798,067	798,423	-		798,067	798,423
Fanchise Taxes	28,773	29,006	-		28,773	29,006
Earnings on investments	7,619	1,679	5,123	4,315	12,742	5,994
Other Revenues	59,804	16,515	8,369		68,173	16,515
Charges for services	75,859	86,051	836,708	1,520,358	912,567	1,606,409
Operating Grants	223,217	118,807	-		223,217	118,807
Capital Grants	16,077	-	-	1,632,664	16,077	1,632,664
Transfers	-				-	-
TOTAL REVENUES	<u>1,261,580</u>	<u>1,098,327</u>	<u>850,200</u>	<u>3,157,337</u>	<u>2,111,780</u>	<u>4,255,664</u>
Expenses						
Administrative	318,873	301,991	-		318,873	301,991
Public Works	280,907	311,579	-		280,907	311,579
Public Safety	85,386	81,264	-		85,386	81,264
Community Service	153,298	94,001	-		153,298	94,001
Sewer Fund	-	-	238,330	211,388	238,330	211,388
Water Fund	-	-	332,871	363,741	332,871	363,741
Pension Change	(9,074)	3,222			(9,074)	3,222
TOTAL EXPENSES	<u>829,390</u>	<u>792,057</u>	<u>571,201</u>	<u>575,129</u>	<u>1,400,591</u>	<u>1,367,186</u>
Increase (Decrease in Net Position)	<u>432,190</u>	<u>306,270</u>	<u>278,999</u>	<u>2,582,208</u>	<u>711,189</u>	<u>2,888,478</u>

**Town of La Veta
Management's Discussion and Analysis
For the Fiscal Year Ended December 31, 2022**

Governmental Activities

The following table shows the Town's major functions. It also shows the net costs (total cost less revenues generated by activities).

**Table 3
Government Activities
(Net of Depreciation)**

Governmental Activities by Major Function	2022		2021	
	Total Cost of Service	Net Cost of Service	Total Cost of Service	Net Cost of Service
Administrative	318,873	(53,009)	301,991	(97,273)
Public Works	280,907	(262,320)	311,579	(311,579)
Public Safety	85,386	(84,716)	81,264	(81,164)
Community Service	153,298	(123,266)	94,001	(93,961)
Total	838,464	(523,311)	788,835	(583,977)

- Most of the Town's costs, however, were financed by Town and State taxpayers. This portion of governmental activities was financed with \$47,590.00 local property and specific ownership taxes, and \$4,574.00 investment earnings and other miscellaneous revenue, and donations.

Business-Type Activities

Business-type activities are made up the water and sewer funds. These programs had revenues of \$850,200 and expenses of \$571,201.00.

Financial Analysis of the Town's Funds

General Fund Budgetary Highlights

The Town's budget is prepared according to Colorado law and is based on accounting for certain transactions on a basis of cash receipts and disbursements. The most significant budgeted fund is the General Fund.

Town of La Veta
Management's Discussion and Analysis
For the Fiscal Year Ended December 31, 2022

Capital Assets and Debt Administration

Capital Assets

The Town's net investment in capital assets for its governmental and business-type activities as of December 31, 2022 amounts to \$11,712,863

Table 4
Capital Assets

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

	Beginning Balance	Increases	Decreases	Adjustments	Ending Balance
<u>Governmental Activities</u>					
Capital Assets Not Being Depreciated:					
Land	828,044	-	-	-	828,044
Construction in Progress	-	-	-	-	-
Total Capital Assets Not Being Depreciated:	828,044	-	-	-	828,044
Capital Assets Being Depreciated:					
Buildings	1,018,692	-	-	-	1,018,692
Equipment	659,767	37,394	-	-	697,161
Site Improvements	1,814,902	-	-	-	1,814,902
Total Capital Assets Being Depreciated	3,493,361	37,394	-	-	3,530,755
Less Accumulated Depreciation for:					
Buildings	650,213	31,842			682,055
Equipment	515,215	42,351	-		557,566
Site Improvements	812,513	58,236			870,749
Total Accumulated Depreciation	1,977,941	132,429	-		2,110,370
Governmental Activities Capital Assets, Net	2,343,464	(95,035)	-		2,248,429
<u>Business-Type Activities</u>					
Capital Assets not Being Depreciated:					
Land, Equity, Water Rights	520,712	-	-		520,712
Construction in Progress	3,655,934	2,211,454	-		5,867,388
Total Capital Assets not Being Depreciated:	4,176,646	2,211,454	-		6,388,100
Capital Assets Being Depreciated:					
Buildings & Systems	6,392,579	94,731	-		6,487,310
Total Capital Assets Being Depreciated	6,392,579	94,731	-		6,487,310
Less Accumulated Depreciation for:					
Systems & Buildings	3,231,833	179,143			3,410,976
Total Accumulated Depreciation	3,231,833	179,143			3,410,976
Business-Type Activities Capital Assets, Net	7,337,392	2,127,042	-		9,464,434

**Town of La Veta
Management's Discussion and Analysis
For the Fiscal Year Ended December 31, 2022**

At year-end, the Town had \$4,461,610 in water and sewer loans

Table 5

Long-Term Debt

Governmental Activities

Changes in Long - Term Debt

	<u>Beg Bal</u> <u>1/1/2022</u>	<u>Additions</u>	<u>Deletions</u>	<u>End Bal</u> <u>12/31/2022</u>
Water Fund				
Note Payable - Colorado Water Resource	744,753	-	36,324	708,429
Colorado Water Conservation Board Loan	266,862	-	11,008	255,854
Sewer				
Water Pollution Revolving Fund Loan	175,500	-	13,500	162,000
Water Pollution Revolving Fund Loan	81,000	-	6,000	75,000
Water Pollution Revolving Fund Loan	1,475,000	-	50,000	1,425,000
Water Pollution Revolving Fund Loan	1,895,102	-	59,775	1,835,327
	<u>4,638,217</u>	<u>-</u>	<u>176,607</u>	<u>4,461,610</u>

Economic Factors Bearing on the Town's Future

The Town of La Veta, like many other small municipalities depend on tourism, in part, to provide sales tax revenues to help provide public service and public safety services. These revenues change dependent on conditions within the local area and sometimes the state. When required the Town's management, the Board of Trustees, provide direction as to necessary expenditures to provide a continuing balance in funds received and those available for expenditures, allowing for an adequate cash flow.

To make projections of revenues for the general fund is difficult when there is a certain dependency on tourism. The Board of Trustees continues to review actual revenues and make required adjustments throughout the year to stay within the financial capability of the Town.

Contacting the Town's Financial Management

This financial report is designed to provide a general overview of the Town of La Veta's finances for all those with an interest in the Town. Questions concerning any of the information provided in the report or requests for additional information should be address to:

Town of La Veta
c/o Town Clerk
P. O. Box 174-La Veta, CO 81055

BASIC FINANCIAL STATEMENTS

TOWN OF LA VETA, COLORADO
STATEMENT OF NET POSITION
December 31, 2022

	<u>Governmental Activities</u>	<u>Business-Type Activities</u>	<u>Total</u>
<u>ASSETS</u>			
Cash and Equivalents	2,000,183	3,370,007	5,370,190
Accounts Receivable - Net	126,058	64,363	190,421
Lease Receivable	168,359	-	168,359
Grants Receivable	-	-	-
Property Tax Receivable	45,466	-	45,466
Prepaid Assets	-	-	-
Inventory	-	9,267	9,267
Net Pension Asset	31,053	-	31,053
Capital Assets	4,358,799	12,875,409	17,234,208
Accumulated Depreciation	(2,110,370)	(3,410,976)	(5,521,346)
<u>Total Assets</u>	<u>4,619,548</u>	<u>12,908,070</u>	<u>17,527,618</u>
<u>DEFERRED OUTFLOW OF RESOURCES</u>			
Pension Outflows	<u>38,915</u>	<u>-</u>	<u>38,915</u>
<u>Total Deferred Outflow of Resources</u>	<u>38,915</u>	<u>-</u>	<u>38,915</u>
<u>LIABILITIES</u>			
Accounts Payable	2,464	156,071	158,535
Accrued Salaries and Benefits	-	-	-
Accrued Interest Payable	-	4,773	4,773
Net Pension Liability	-	-	-
Noncurrent Liabilities:			
Due Within One Year	-	177,919	177,919
Due In More Than One Year	-	4,283,691	4,283,691
Compensated Absences	<u>17,788</u>	<u>13,464</u>	<u>31,252</u>
<u>Total Liabilities</u>	<u>20,252</u>	<u>4,635,918</u>	<u>4,656,170</u>
<u>DEFERRED INFLOW OF RESOURCES</u>			
Property Taxes	45,466	-	45,466
Leases	163,328	-	163,328
Pension Inflows	<u>21,506</u>	<u>-</u>	<u>21,506</u>
<u>Total Deferred Inflow of Resources</u>	<u>230,300</u>	<u>-</u>	<u>230,300</u>
<u>NET POSITION</u>			
Net Investment in Capital Assets	2,248,429	5,002,823	7,251,252
Restricted for:			
Recreation	75,571	-	75,571
Debt	-	122,989	122,989
Tabor Reserve	34,000	-	34,000
Unrestricted	<u>2,049,911</u>	<u>3,146,340</u>	<u>5,196,251</u>
<u>Total Net Position</u>	<u>4,407,911</u>	<u>8,272,152</u>	<u>12,680,063</u>

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

TOWN OF LA VETA, COLORADO
STATEMENT OF ACTIVITIES
Year Ended December 31, 2022

		Program Revenues			Net (Expense) Revenue and Changes in Net Position		
	Expenses	Charges for Services	Operating Grants & Contributions	Capital Grants & Contributions	Governmental Activities	Business Type Activities	Total
Functions:							
<u>Governmental Activities</u>							
Administrative	318,873	50,762	215,102	-	(53,009)	-	(53,009)
Public Works	280,907	18,587	-	-	(262,320)	-	(262,320)
Public Safety	85,386	670	-	-	(84,716)	-	(84,716)
Community Service	153,298	5,840	8,115	16,077	(123,266)	-	(123,266)
Pension	(9,074)	-	-	-	9,074	-	9,074
<u>Total Governmental Activities</u>	<u>829,390</u>	<u>75,859</u>	<u>223,217</u>	<u>16,077</u>	<u>(514,237)</u>	<u>-</u>	<u>(514,237)</u>
<u>Business Type Activities</u>							
Sewer Fund	238,330	431,264	-	-	-	192,934	192,934
Water Fund	332,871	405,444	-	-	-	72,573	72,573
<u>Total Business Type Activities</u>	<u>571,201</u>	<u>836,708</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>265,507</u>	<u>265,507</u>
<u>Total Primary Government</u>	<u>1,400,591</u>	<u>912,567</u>	<u>223,217</u>	<u>16,077</u>	<u>(514,237)</u>	<u>265,507</u>	<u>(248,730)</u>
<u>General Revenues:</u>							
					47,590	-	47,590
					4,574	-	4,574
					798,067	-	798,067
					28,773	-	28,773
					7,619	5,123	12,742
					59,804	8,369	68,173
					-	-	-
					<u>946,427</u>	<u>13,492</u>	<u>959,919</u>
	Change in Net Position				432,190	278,999	711,189
	Net Position – Beginning				<u>3,975,721</u>	<u>7,993,155</u>	<u>11,968,876</u>
	Net Position – Ending				<u>4,407,911</u>	<u>8,272,154</u>	<u>12,680,065</u>

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

TOWN OF LA VETA, COLORADO
BALANCE SHEET
GOVERNMENTAL FUNDS
December 31, 2022

	<u>General</u>	<u>Museum Fund</u>	<u>Other Governmental Funds</u>	<u>Total Governmental Funds</u>
<u>ASSETS:</u>				
Cash and Equivalents	1,709,904	290,279	-	2,000,183
Accounts Receivable	126,058	-	-	126,058
Grants Receivable	-	-	-	-
Lease Receivable	168,359	-	-	168,359
Property Tax Receivable	45,466	-	-	45,466
Due From Other Funds	-	10,907	-	10,907
Prepaid Assets	-	-	-	-
Interest Receivable	-	-	-	-
<u>Total Assets</u>	<u>2,049,787</u>	<u>301,186</u>	<u>-</u>	<u>2,350,973</u>
<u>LIABILITIES:</u>				
Accounts Payable	2,432	32	-	2,464
Accrued Salaries	-	-	-	-
Due To Other Funds	10,907	-	-	10,907
<u>Total Liabilities</u>	<u>13,339</u>	<u>32</u>	<u>-</u>	<u>13,371</u>
<u>DEFERRED INFLOW OF RESOURCES</u>				
Leases	163,328	-	-	163,328
Franchise Tax	28,581	-	-	28,581
Property Taxes	45,466	-	-	45,466
<u>Total Deferred Inflows</u>	<u>237,375</u>	<u>-</u>	<u>-</u>	<u>237,375</u>
<u>FUND BALANCES:</u>				
Nonspendable:				
Prepaid Assets	-	-	-	-
Restricted:				
Recreation	75,571	-	-	75,571
Emergencies	34,000	-	-	34,000
Committed:				
Streets and Sidewalks	622,079	-	-	622,079
Park and Trees	67,117	-	-	67,117
Assigned				
Museum	-	301,154	-	301,154
Unassigned	1,000,306	-	-	1,000,306
<u>Total Fund Balances</u>	<u>1,799,073</u>	<u>301,154</u>	<u>-</u>	<u>2,100,227</u>
<u>TOTAL LIABILITIES, DEFERRED INFLOWS AND FUND BALANCES</u>	<u>2,049,787</u>	<u>301,186</u>	<u>-</u>	<u>2,350,973</u>

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

TOWN OF LA VETA, COLORADO
RECONCILIATION OF THE BALANCE SHEET OF GOVERNMENTAL FUNDS
TO THE STATEMENT OF NET POSITION
December 31, 2022

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

<u>Total Fund Balance – Governmental Funds</u>	2,100,227
Receivables are recognized at the fund level for revenue available within sixty days of year end. However, receivables in the statement of net assets include all revenues earned for the period.	28,581
Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the funds. The cost of the assets is \$4,358,799 and the accumulated depreciation is \$2,110,370.	2,248,429
The Town's portion of the net pension asset for FPPA reported on the statement of net position is not reported as an asset in the funds.	31,053
Deferred flows for contributions made toward the net pension asset from January 1, 2022 until December 31, 2022 is not reported in the funds.	4,860
Deferred pension flows are not reported in the funds.	12,549
Compensated absences are not reported as a liability in the funds	<u>(17,788)</u>
<u>Total Net Position – Governmental Activities</u>	<u>4,407,911</u>

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

TOWN OF LA VETA, COLORADO
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
GOVERNMENTAL FUNDS
Year Ended December 31, 2022

	General	Museum Fund	Other Governmental Funds	Total Governmental Funds
<u>REVENUES:</u>				
Taxes	779,522	100,000	-	879,522
Licenses and Permits	19,449	-	-	19,449
Charges for Services	1,444	5,840	-	7,284
Fines and Forfeits	19,257	-	-	19,257
Rent and Lease	29,869	-	-	29,869
Grants and Donations	209,328	24,192	-	233,520
Other	68,742	3,959	-	72,701
<u>Total Revenues</u>	<u>1,127,611</u>	<u>133,991</u>	<u>-</u>	<u>1,261,602</u>
<u>EXPENDITURES:</u>				
Administrative	304,462	-	-	304,462
Public Works	225,601	-	-	225,601
Public Safety	77,580	-	-	77,580
Community Service	12,787	127,463	-	140,250
<u>Total Expenditures</u>	<u>620,430</u>	<u>127,463</u>	<u>-</u>	<u>747,893</u>
<u>EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES</u>	<u>507,181</u>	<u>6,528</u>	<u>-</u>	<u>513,709</u>
<u>OTHER FINANCING SOURCES (USES)</u>				
Transfers	-	-	-	-
<u>Total Other Financing Sources (Uses)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<u>NET CHANGE IN FUND BALANCES</u>	<u>507,181</u>	<u>6,528</u>	<u>-</u>	<u>513,709</u>
<u>FUND BALANCES – Beginning</u>	<u>1,291,892</u>	<u>294,626</u>	<u>-</u>	<u>1,586,518</u>
<u>FUND BALANCES – Ending</u>	<u>1,799,073</u>	<u>301,154</u>	<u>-</u>	<u>2,100,227</u>

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

TOWN OF LA VETA, COLORADO
RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN
FUND BALANCES OF GOVERNMENT FUNDS TO THE STATEMENT OF ACTIVITIES
Year Ended December 31, 2022

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

<u>Net Change in Fund Balances – Total Governmental Funds</u>	513,709
---	---------

Governmental funds report capital outlays as expenditures. However, in the statement of activities, assets with an initial, individual cost of more than \$5,000 are capitalized and the cost is allocated over their estimated useful lives and reported as depreciation expense. This is the amount by which depreciation exceeded capital outlays in the current period.

Capital outlays more than \$5,000	37,394	
Depreciation expense	<u>(132,429)</u>	(95,035)

In the statement of activities compensated absences are measured by the amounts earned during the year. In the governmental funds, however, expenditures for these items are measured by the amount of financial resources used (essentially, the amount paid).

During the year, compensated absences decreased by this amount.	4,464
---	-------

Revenue is recognized at the fund level for resources available within sixty days of year end. However, revenue in the statement of activities includes all revenues earned for the period. This is the net effect of the revenue difference for the year.

(22)

The statement of activities reports net pension obligation which is not reported in the fund financial statements.

Change in net pension asset	12,187
Deferred flows from net pension activity	<u>(3,113)</u>

<u>Change in Net Position of Governmental Activities</u>	<u>432,190</u>
--	----------------

TOWN OF LA VETA, COLORADO
STATEMENT OF NET POSITION
PROPRIETARY FUNDS
December 31, 2022

	Business Type Activities- Enterprise Funds		
	Sewer Fund	Water Fund	Totals
<u>ASSETS</u>			
<u>Current Assets</u>			
Cash and Equivalents	1,788,468	1,581,539	3,370,007
Accounts Receivable	46,451	21,312	67,763
Allowance for Uncollectible Accounts	(1,000)	(2,400)	(3,400)
Grant Receivable	-	-	-
Due From Other Funds	-	-	-
Inventory	657	8,610	9,267
<u>Total Current Assets</u>	<u>1,834,576</u>	<u>1,609,061</u>	<u>3,443,637</u>
<u>Property, Plant & Equipment</u>			
Capital Assets	7,927,244	4,948,165	12,875,409
Less Accumulated Depreciation	(969,426)	(2,441,550)	(3,410,976)
<u>Net Capital Assets</u>	<u>6,957,818</u>	<u>2,506,615</u>	<u>9,464,433</u>
<u>TOTAL ASSETS</u>	<u>8,792,394</u>	<u>4,115,676</u>	<u>12,908,070</u>
<u>LIABILITIES</u>			
<u>Current Liabilities</u>			
Accounts Payable	154,792	1,279	156,071
Compensated Absences	6,563	6,901	13,464
Accrued Interest Payable	-	4,773	4,773
Due To Other Funds	-	-	-
Notes Payable – Current	129,573	48,346	177,919
<u>Total Current Liabilities</u>	<u>290,928</u>	<u>61,299</u>	<u>352,227</u>
<u>Noncurrent Liabilities</u>			
Note Payable	3,367,754	915,937	4,283,691
<u>TOTAL LIABILITIES</u>	<u>3,658,682</u>	<u>977,236</u>	<u>4,635,918</u>
<u>NET POSITION</u>			
Net Investment in Capital Assets	3,460,491	1,542,332	5,002,823
Restricted for Debt Service	56,874	66,115	122,989
Unrestricted	1,616,347	1,529,993	3,146,340
<u>TOTAL NET POSITION</u>	<u>5,133,712</u>	<u>3,138,440</u>	<u>8,272,152</u>

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

TOWN OF LA VETA, COLORADO
STATEMENT OF REVENUES, EXPENSES AND CHANGES IN NET POSITION
PROPRIETARY FUNDS
Year Ended December 31, 2022

	<u>Business Type Activities- Enterprise Funds</u>		
	<u>Sewer Fund</u>	<u>Water Fund</u>	<u>Totals</u>
<u>OPERATING REVENUES</u>			
Charges for Services	418,667	398,444	817,111
Connects	12,595	7,000	19,595
Miscellaneous	3,528	4,841	8,369
<u>Total Operating Revenues</u>	<u>434,790</u>	<u>410,285</u>	<u>845,075</u>
<u>OPERATING EXPENSES</u>			
Water Sample and Testing	3,358	908	4,266
Administration	13,204	23,738	36,942
Water & Sewer – Salaries	78,977	64,331	143,308
Water and Sewer Repairs and Supplies	24,892	57,192	82,084
Payroll Taxes and Employee Benefits	18,932	18,198	37,130
Fuel	837	125	962
Miscellaneous	-	5,071	5,071
Utilities	24,917	18,452	43,369
Engineering	-	252	252
Legal and Audit Fees	3,536	4,159	7,695
Depreciation	60,276	118,867	179,143
Bad Debts	-	-	-
<u>Total Operating Expenses</u>	<u>228,929</u>	<u>311,293</u>	<u>540,222</u>
<u>OPERATING INCOME</u>	<u>205,861</u>	<u>98,992</u>	<u>304,853</u>
<u>NON-OPERATING REVENUES (EXPENSES)</u>			
Interest Income	3,074	2,049	5,123
Contributions - Grants	-	-	-
Tap Fees	-	-	-
Interest Expense	(9,401)	(21,578)	(30,979)
<u>Total Non-Operating Revenues (Expenses)</u>	<u>(6,327)</u>	<u>(19,529)</u>	<u>(25,856)</u>
<u>INCOME (LOSS) BEFORE OPERATING TRANSFERS</u>	<u>199,534</u>	<u>79,463</u>	<u>278,997</u>
<u>OPERATING TRANSFERS</u>			
Operating Transfers In	-	-	-
Operating Transfers (Out)	-	-	-
<u>Total Operating Transfers</u>	<u>-</u>	<u>-</u>	<u>-</u>
<u>CHANGE IN NET POSITION</u>	<u>199,534</u>	<u>79,463</u>	<u>278,997</u>
<u>TOTAL NET POSITION, Beginning</u>	<u>4,934,178</u>	<u>3,058,977</u>	<u>7,993,155</u>
<u>TOTAL NET POSITION, Ending</u>	<u>5,133,712</u>	<u>3,138,440</u>	<u>8,272,152</u>

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

TOWN OF LA VETA, COLORADO
STATEMENT OF CASH FLOWS
PROPRIETARY FUNDS
Year Ended December 31, 2022

	<u>Business Type Activities-Enterprise Funds</u>		
	<u>Sewer Fund</u>	<u>Water Fund</u>	<u>Totals</u>
<u>CASH FLOWS FROM OPERATING ACTIVITIES</u>			
Receipts from Customers	434,795	423,295	858,090
Payments to Employees	(83,776)	(68,792)	(152,568)
Payments to Vendors	(351,547)	(139,920)	(491,467)
<u>NET CASH PROVIDED BY (USED FOR) OPERATING ACTIVITIES</u>	<u>(528)</u>	<u>214,583</u>	<u>214,055</u>
<u>CASH FLOWS FROM NON-CAPITAL FINANCING ACTIVITIES</u>			
Repayment of Interfund Loans	-	-	-
<u>NET CASH FROM NON-CAPITAL FINANCING ACTIVITIES</u>	<u>-</u>	<u>-</u>	<u>-</u>
<u>CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES</u>			
Purchase of Fixed Assets	(2,211,454)	(94,730)	(2,306,184)
Contributions from Grants	195,417	-	195,417
Proceeds from Loan	-	-	-
Interest Paid on Debt	(9,401)	(21,800)	(31,201)
Principal Paid on Debt	(129,275)	(47,332)	(176,607)
Tap Fees	-	-	-
<u>NET CASH FROM CAPITAL AND RELATED FINANCING ACTIVITIES</u>	<u>(2,154,713)</u>	<u>(163,862)</u>	<u>(2,318,575)</u>
<u>CASH FLOWS FROM INVESTING ACTIVITIES</u>			
Interest Earnings	3,074	2,049	5,123
<u>NET CASH FROM INVESTING ACTIVITIES</u>	<u>3,074</u>	<u>2,049</u>	<u>5,123</u>
<u>NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS</u>	<u>(2,152,167)</u>	<u>52,770</u>	<u>(2,099,397)</u>
<u>CASH AND CASH EQUIVALENTS – Beginning of Year</u>	<u>3,940,635</u>	<u>1,528,769</u>	<u>5,469,404</u>
<u>CASH AND CASH EQUIVALENTS – End of Year</u>	<u>1,788,468</u>	<u>1,581,539</u>	<u>3,370,007</u>
<u>RECONCILIATION OF CASH FLOWS FROM OPERATING ACTIVITIES</u>			
Operating Income (Loss)	205,861	98,992	304,853
<u>ADJUSTMENTS TO RECONCILE NET INCOME TO NET CASH PROVIDED BY OPERATING ACTIVITIES</u>			
Depreciation	60,276	118,867	179,143
Bad Debts	-	-	-
(Increase) Decrease in Inventory	(104)	304	200
(Increase) Decrease in Receivables	5	13,010	13,015
(Increase) Decrease in Due From Other Funds	-	-	-
Increase (Decrease) in Accounts Payable	(261,767)	(12,129)	(273,896)
Increase (Decrease) in Compensated Absences	(4,799)	(4,461)	(9,260)
Due To Other Funds	-	-	-
<u>NET CASH PROVIDED BY (USED FOR) OPERATING ACTIVITIES</u>	<u>(528)</u>	<u>214,583</u>	<u>214,055</u>

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

TOWN OF LA VETA, COLORADO
STATEMENT OF FIDUCIARY NET POSITION
POLICE PENSION FIDUCIARY FUND
December 31, 2022

	Pension Trust <u>Fund</u>
<u>ASSETS</u>	
Cash and Investments	4,916
Interest Receivable	<u>-</u>
<u>Total Assets</u>	<u>4,916</u>
 <u>LIABILITIES</u>	
Deposits Held for Others	<u>-</u>
<u>Total Liabilities</u>	<u>-</u>
 <u>NET POSITION</u>	
<u>Held in Trust for Pension Benefits</u>	<u>4,916</u>

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

TOWN OF LA VETA, COLORADO
STATEMENT OF CHANGES IN FIDUCIARY NET POSITION
POLICE PENSION FIDUCIARY FUNDS
Year Ended December 31, 2022

	Pension Trust Fund
<u>ADDITIONS</u>	
Earnings on Investments	<u>12</u>
<u>DEDUCTIONS</u>	
Transfers for Capital Outlay	<u>-</u>
<u>CHANGE IN NET POSITION</u>	12
<u>HELD IN TRUST FOR PENSION BENEFITS:</u>	
Net Position – Beginning of Year	4,904
Net Position – End of Year	<u>4,916</u>

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

NOTES TO FINANCIAL STATEMENTS

TOWN OF LA VETA, COLORADO
NOTES TO FINANCIAL STATEMENTS
December 31, 2022

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A. Reporting Entity

The reporting entity, for financial purposes, is defined as the primary government (the Town of La Veta) and its component units. The Town has no component units; the financial statements are comprised of the funds and account groups more fully described in subsequent information contained in the footnotes.

The accounting policies of the Town of La Veta conform to generally accepted accounting principles as applicable to governments. The following is a summary of the more significant policies:

B. Government – Wide and Fund Financial Statements

The government-wide financial statements (i.e. the statement of net position and the statement of activities) report information on all the nonfiduciary activities of the primary government and its component units. For the most part, the effect of interfund activity has been removed from these statements. *Governmental activities*, which normally are supported by taxes and intergovernmental revenues, are reported separately from *business-type activities*, which rely to a significant extent on fees and charges for support. Likewise, the *primary government* is reported separately from the Town's legally separate *component units* for which the Town is financially accountable.

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

Separate financial statements are provided for governmental funds, proprietary funds, and fiduciary funds, even though the latter are excluded from the government-wide financial statements. Major individual governmental funds and major individual enterprise funds are reported as separate columns in the fund financial statements.

C. Measurement Focus, Basis of Accounting, and Financial Statement Presentation

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

TOWN OF LA VETA, COLORADO
NOTES TO FINANCIAL STATEMENTS
December 31, 2022

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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

Governmental fund financial statements are reported using the *current financial resources measurement focus* and the *modified accrual basis of accounting*. Revenues are recognized as soon as they are both measurable and available. Revenues are considered to be *available* when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the government considers revenues to be available if they are collected within 60 days of the end of the current fiscal period. Expenditures generally are recorded when a liability is incurred, as under accrual accounting. However, debt service expenditures, as well as expenditures related to compensated absences and claims and judgments, are recorded only when payment is due.

Property taxes, franchise taxes, licenses, and interest associated with the current fiscal period are all considered to be susceptible to accrual and so have been recognized as revenues of the current fiscal period. Only the portion of special assessments receivable due within the current fiscal period is considered to be susceptible to accrual as revenue of the current period. All other revenue items are considered to be measurable and available only when cash is received by the government.

The Town reports the following major governmental funds:

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

The *museum special revenue fund* accounts for all financial activity related to the operation of the museum.

The Town reports the following major proprietary funds:

The *sewer fund* accounts for the activities of the Town's sewage disposal and treatment system.

The *water fund* accounts for the activities of Town's water distribution and treatment system.

Additionally, the government reports the following fund types.

Police Pension Trust Fund (health & safety) uses its resources for public safety expenditures.

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

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

TOWN OF LA VETA, COLORADO
NOTES TO FINANCIAL STATEMENTS
December 31, 2022

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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

Proprietary funds distinguish *operating revenues* and expenses from *nonoperating* items. Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with a proprietary fund's principal ongoing operations. The principal operating revenues of the utility enterprise funds are charges to customers for sales and services. The enterprise funds also recognize as operating revenues the portion of tap fees intended to recover the cost of connecting new customers to the system. Operating expenses for the enterprise funds include the cost of sales and services, administrative expenses, and depreciation on capital assets. All revenues and expenses not meeting this definition are reported as nonoperating revenues and expenses.

D. Capital Assets

Capital assets, which include property, plant, equipment, and infrastructure assets (e.g., roads, bridges, sidewalks, and similar items), are reported in the applicable governmental or business-type activities columns in the government-wide financial statements. Capital assets are defined by the Town as assets with an initial, individual cost of more than \$5,000 and an estimated useful life in excess of two years. Such assets are recorded at historical cost or estimated historical cost if purchased or constructed. Donated capital assets are recorded at estimated fair value at the date of donation.

The costs of normal maintenance and repairs that do not add to the value of the asset or materially extend assets lives are not capitalized.

Major outlays for capital assets and improvements are capitalized as projects are constructed. Interest incurred during the construction phase of capital assets of business-type activities, if any, is included as part of the capitalized value of the assets constructed. No such interest expense was incurred during the current fiscal year.

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

<u>Assets</u>	<u>Years</u>
Equipment	5-30
Building & Plant	15-40

E. Budgets and Budgetary Accounting

The Town has set procedures to be followed in establishing the budgetary data reflected in the financial statements:

1. Prior to October 1, a proposed operating budget for the fiscal year commencing the following January 1 is developed. The operating budget includes proposed expenditures and the means of financing them.

TOWN OF LA VETA, COLORADO
NOTES TO FINANCIAL STATEMENTS
December 31, 2022

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

E. Budgets and Budgetary Accounting (continued)

2. Public hearings are conducted to obtain taxpayer comments.
3. Prior to December 31, the budget is legally enacted through passage of an ordinance or resolution.
4. The budget for the General and Museum Funds are presented on a GAAP Basis, while budgets for the Enterprise Funds are presented on a Non-GAAP Basis.

F. Encumbrances

Encumbrance accounting, under which purchase orders, contracts, and other commitments for the expenditure of monies are recorded in order to reserve that portion of the applicable appropriation, is employed as an extension of formal budgetary integration in the General Fund, Museum Fund and Enterprise Funds. All encumbrances lapse at the end of the year.

G. Inventory

Inventory is valued at the lower of cost (first-in, first-out) or market. The costs of inventories are recorded as expenditures when they are used.

H. Accumulated Unpaid Vacation, Sick Pay, and Other Employee Benefits Amounts

Accumulated unpaid vacation, sick pay, and other employee benefits amounts should be accrued when incurred in proprietary funds (using the accrual basis of accounting). Such amounts would not be accrued in governmental funds (using the modified accrual basis of accounting). Accrued vacation and sick leave payable has been reflected in the financial statements of the Proprietary Funds and in the statement of net position for all governmental fund types.

I. Property Taxes

Property taxes represent ad valorem taxes levied by the Town, which are payable to the County Treasurer, and are recognized as revenue by the Town in the year for which they are levied.

Property taxes are levied in December for collection in the subsequent year.

Property taxes attach as an enforceable lien on property as of January 1. Taxes may be paid without penalty in either of two ways: (a) Full payment by April 30, or (b) First half must be paid by last day of February, and second half must be paid by June 15.

J. Use of Estimates

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

TOWN OF LA VETA, COLORADO
NOTES TO FINANCIAL STATEMENTS
December 31, 2022

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

K. Cash and Cash Equivalents

For purposes of the Statement of Cash Flows the Town of La Veta considers all highly liquid investments with a maturity of three months or less when purchased to be cash equivalents. This includes cash, cash equivalents, and restricted cash.

L. Accounts Receivable & Allowance for Uncollectibles

The Town writes off bad debts when accounts are deemed uncollectible. Receivables are reviewed annually to determine accounts that should be written off.

M. Contraband

Per Colorado Contraband Forfeiture Act (CRS 16-13-501-511), proceeds received from the seizure of contraband must be used for the specific purposes of law enforcement activities. These proceeds are exempt from the appropriation process. The Town of La Veta received no proceeds during 2022.

N. Reserves

Article X, Section 20 of the Constitution of the State of Colorado requires the Town to establish Emergency Reserves (see Note 7). \$34,000 of the fund balance has been reserved in compliance with this requirement.

O. Supplemental Disclosures of Cash Flow Information

	<u>Water Fund</u>	<u>Sewer Fund</u>
Cash Paid for Interest	21,800	9,401
Cash Paid for Income Taxes	-	-

P. Long-Term Obligations

In the government-wide financial statements, and proprietary fund types in the fund financial statements, long-term debt and other long-term obligations are reported as liabilities in the applicable governmental activities, business-type activities, or proprietary fund type statement of net position.

In the fund financial statements, governmental fund types recognize bond premiums and discounts, as well as bond issuance costs, during the current period. The face amount of debt issued is reported as other financing sources. Premiums received on debt issuances are reported as other financing sources while discounts on debt issuances are reported as other financing uses. Issuance costs, whether or not withheld from the actual debt proceeds received, are reported as debt service expenditures.

TOWN OF LA VETA, COLORADO
NOTES TO FINANCIAL STATEMENTS
December 31, 2022

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Q. GASB Statement No. 54

The Government Accounting Standards Board (GASB) has issued Statement No. 54, Fund Balance Reporting and Governmental Fund Type Definitions (GASB 54). This statement defines the different types 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 list below.

1. Nonspendable such as fund balances associated with inventories, prepaids, long-term loans and notes receivable, and property held for resale (unless the proceeds are restricted, committed, or assigned).
2. 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.
3. Committed fund balance classification includes amounts that can be used only for the specific purposes determined by a formal action of the Town Council (the Town's highest level of decision-making authority).
4. Assigned fund balance classification is intended to be used by the government for specific purposes that do not meet the criteria to be classified as restricted or committed.
5. Unassigned fund balance is the residual classification for the government's general fund and includes all spendable amounts not contained in the other classifications.

Fund Balance Classification Policies and Procedures

Committed Fund Balance Policy:

The Town's Committed Fund Balance is fund balance reporting required by the Town Council, either because of a Town Council Policy in the Town Council Policy Manual, or because of motions that passed at Town Council meetings.

Assigned Fund Balance Policy:

The Town's Assigned Fund Balance is fund balance reporting occurring by Town Council Administration authority, under the direction of the Chief Business Officer.

TOWN OF LA VETA, COLORADO
NOTES TO FINANCIAL STATEMENTS
December 31, 2022

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Q. GASB Statement No. 54 (Continued)

Order of Fund Balance Spending Policy

The Town's policy is to apply expenditures against non-spendable fund balance, restricted fund balance, committed fund balance, assigned fund balance, and unassigned fund balance at the end of the fiscal year by adjusting journal entries.

First, non-spendable fund balances are determined. Then restricted fund balances for specific purposes are determined (not including non-spendable amounts). Then unrestricted fund balances are determined following the order of committed, assigned, and unassigned.

Fund Balance Classification by Fund:

	<u>General Fund</u>	<u>Museum Fund</u>	<u>Total Governmental Funds</u>
<u>Nonspendable:</u>			
Inventories	-	-	-
<u>Restricted:</u>			
Recreation	75,571	-	75,571
Emergencies	34,000	-	34,000
<u>Committed:</u>			
Streets and Sidewalks	622,079	-	622,079
Parks and Trees	67,117	-	67,117
<u>Assigned:</u>			
Museum	-	301,154	301,154
<u>Unassigned</u>	<u>1,000,306</u>	<u>-</u>	<u>1,000,306</u>
<u>Total Fund Balances</u>	<u>1,799,073</u>	<u>301,154</u>	<u>2,100,227</u>

TOWN OF LA VETA, COLORADO
NOTES TO FINANCIAL STATEMENTS
December 31, 2022

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

R. 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.

S. GASB 87 – Leases

On January 1, 2022 the Town of La Veta adopted GASB 87, Leases. The Town will comply with GASB 87 on all leases that are individually and aggregately material to the financial statements.

Leases are defined as a contractual agreement that conveys control of the right to use another entity's nonfinancial asset (the underlying asset) as specified in the contract for a period of time in an exchange or exchange-like transaction. The lease term is defined as the period during which a lessee has a noncancelable right to use an underlying asset, plus any applicable periods covered by any renewal options that are reasonably certain to be exercised, or options to terminate that are not reasonably certain to be exercised. Contracts that transfer ownership of the underlying asset are recognized as financed purchases in the financial statements. Leases that have a maximum term of less than 12 months are considered short-term leases. Short-term lease payments are recognized in the period of payment.

As a lessor, the Town recognizes a lease receivable and a corresponding deferred inflow of resources. At the commencement of a lease, the lease receivable is recorded at the net present value of the future fixed lease payments, discounted at either the explicit interest rate in the agreement or the Town's incremental borrowing rate at lease inception. The account "deferred inflow-leases" is recognized as inflows (revenue) on a straight-line basis over the term of the lease.

As a lessee, the Town recognizes a lease payable and an intangible right-to-use lease asset. At the commencement of a lease, the lease payable is recorded at the net present value of the future fixed lease payments, discounted at either the explicit interest rate in the agreement or the Town's incremental borrowing rate at lease inception. The right-to-use leased asset is initially recorded at the amount of the lease liability plus any prepayments less lease incentives received prior to lease commencement. The right-to-use leased asset is amortized on a straight-line basis over the term of the lease or the asset's useful life for leases where the Town is reasonably certain that the bargain purchase option will be exercised.

TOWN OF LA VETA, COLORADO
NOTES TO FINANCIAL STATEMENTS
December 31, 2022

NOTE 2 ACCOUNTS RECEIVABLE

Accounts receivable in the governmental funds are stated at gross. The accounts receivable in the enterprise funds are adjusted by an estimated allowance, and represent amounts receivable from Enterprise Fund customers. The Town's ability to file liens against property owners and the policy of discontinuing service to delinquent accounts results in probable collectability of these accounts receivable.

NOTE 3 CASH AND DEPOSITS

The Colorado Public Deposit Protection Act (PDPA) requires that all units of local government deposit cash in eligible public depositories, eligibility is determined by state regulators. Amounts on deposit in excess of federal insurance levels must be collateralized. The eligible collateral is determined by the PDPA. PDPA allows the institution to create a single collateral pool for all public funds. The pool is to be maintained by another institution or held in trust for all the uninsured public deposits as a group. The market value of the collateral must at least equal 102% of the uninsured deposits.

At December 31, 2022, the Town's cash deposits had a bank balance and a corresponding carrying balance as follows:

	<u>Bank Balance</u>	<u>Carrying Balance</u>
Insured (FDIC)	250,000	250,000
Uninsured, collateralized under the Public Deposit Protection Act (See Above)	<u>5,109,671</u>	<u>4,967,135</u>
<u>Sub-Total</u>	<u>5,359,671</u>	<u>5,217,135</u>
Cash with Fiscal Agent	-	142,650
Cash on Hand	-	1,230
Cash with County Treasurer	<u>-</u>	<u>14,091</u>
<u>Total Cash</u>	<u>5,359,671</u>	<u>5,375,106</u>

As presented above, deposits with a bank balance of \$5,109,671 and a carrying balance of \$4,967,135 as of December 31, 2022 are uninsured, are exposed to custodial risk, and are collateralized with securities held by the pledging financial institution.

TOWN OF LA VETA, COLORADO
NOTES TO FINANCIAL STATEMENTS
December 31, 2022

NOTE 4 CAPITAL ASSETS

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

	Beginning Balance	Increases	Decreases	Adjustments	Ending Balance
<u>Governmental Activities</u>					
<u>Capital Assets Not Being Depreciated:</u>					
Land	828,044	-	-	-	828,044
Construction in Progress	-	-	-	-	-
<u>Total Capital Assets Not Being Depreciated</u>	<u>828,044</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>828,044</u>
<u>Capital Assets Being Depreciated:</u>					
Buildings	1,018,692	-	-	-	1,018,692
Equipment	659,767	37,394	-	-	697,161
Site Improvements	1,814,902	-	-	-	1,814,902
<u>Total Capital Assets Being Depreciated</u>	<u>3,493,361</u>	<u>37,394</u>	<u>-</u>	<u>-</u>	<u>3,530,755</u>
<u>Less Accumulated Depreciation for:</u>					
Buildings	650,213	31,842	-	-	682,055
Equipment	515,215	42,351	-	-	557,566
Site Improvements	812,513	58,236	-	-	870,749
<u>Total Accumulated Depreciation</u>	<u>1,977,941</u>	<u>132,429</u>	<u>-</u>	<u>-</u>	<u>2,110,370</u>
<u>Governmental Activities Capital Assets Net</u>	<u>2,343,464</u>	<u>(95,035)</u>	<u>-</u>	<u>-</u>	<u>2,248,429</u>
<u>Business-Type Activities</u>					
<u>Capital Assets Not Being Depreciated</u>					
Land, Equity, Water Rights	520,712	-	-	-	520,712
Construction in Progress	3,655,934	2,211,454	-	-	5,867,388
<u>Total Capital Assets Not Being Depreciated</u>	<u>4,176,646</u>	<u>2,211,454</u>	<u>-</u>	<u>-</u>	<u>6,388,100</u>
<u>Capital Assets Being Depreciated:</u>					
Buildings & Systems	6,392,579	94,731	-	-	6,487,310
<u>Total Capital Assets Being Depreciated</u>	<u>6,392,579</u>	<u>94,731</u>	<u>-</u>	<u>-</u>	<u>6,487,310</u>
<u>Less Accumulated Depreciation</u>					
Systems and Buildings	3,231,833	179,143	-	-	3,410,976
<u>Total Accumulated Depreciation</u>	<u>3,231,833</u>	<u>179,143</u>	<u>-</u>	<u>-</u>	<u>3,410,976</u>
<u>Business –Type Activities Capital Assets, Net</u>	<u>7,337,392</u>	<u>2,127,042</u>	<u>-</u>	<u>-</u>	<u>9,464,434</u>

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

<u>Governmental Activities:</u>	
Administrative	18,875
Public Works	92,700
Public Safety	7,806
Community Service	13,048
<u>Total Depreciation Expense – Governmental Activities</u>	<u>132,429</u>
<u>Business-Type Activities</u>	
Water	118,867
Sewer	60,276
<u>Total Depreciation Expense – Business Type Activities</u>	<u>179,143</u>

TOWN OF LA VETA, COLORADO
NOTES TO FINANCIAL STATEMENTS
December 31, 2022

NOTE 5 CHANGES IN LONG-TERM DEBT

The following is a schedule of long-term debt for all funds for the year ended December 31, 2022:

	Balance 1/1/2022	Additions	Deletions	Balance 12/31/2022	Current Portion
<u>Water Fund</u>					
Note Payable – Colorado Water Resource	744,753	-	36,324	708,429	37,007
Colorado Water Conservation Board Loan	266,862	-	11,008	255,854	11,339
<u>Sewer Fund</u>					
Water Pollution Revolving Fund Loan	175,500	-	13,500	162,000	13,500
Water Pollution Revolving Fund Loan	81,000	-	6,000	75,000	6,000
Water Pollution Revolving Fund Loan	1,475,000	-	50,000	1,425,000	50,000
Water Pollution Revolving Fund Loan	<u>1,895,102</u>	<u>-</u>	<u>59,775</u>	<u>1,835,327</u>	<u>60,073</u>
	<u>4,638,217</u>	<u>-</u>	<u>176,607</u>	<u>4,461,610</u>	<u>177,919</u>

NOTES PAYABLE

Note Payable –Colorado Water Resources and Power Authority

On April 11, 2008 the Town of La Veta entered into a loan agreement with Colorado Water Resources and Power Development Authority for the purpose of improving the Town's water system. The total amount available through the loan is \$1,134,000 at an interest rate of 1.875% and a term of 30 years. The loan is being drawn down as the project progresses. The first payment on the loan will be on November 1, 2009 based on an amortization schedule reflecting the total amount borrowed. The Town had drawn down the entire \$1,134,000 of the loan as of December 31, 2012.

Below is a summary of payments due:

	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2023	37,008	13,110	50,118
2024	37,705	12,413	50,118
2025	38,415	11,703	50,118
2026	39,139	10,979	50,118
2027	39,876	10,242	50,118
2028-2032	210,934	39,655	250,589
2033-2037	231,565	19,025	250,590
2038-2039	<u>73,787</u>	<u>1,388</u>	<u>75,175</u>
	<u>708,429</u>	<u>118,515</u>	<u>826,944</u>

As a condition of the CWR & PDA debts, the Town must certify to the Authority the following information:

1. Compliance with rate covenant – the rate covenant requires that fees charged and collected be at least sufficient each year to pay the sum of amounts required to pay operating and maintenance expenses (as defined) of \$250,087 in 2022, 110% of the debt service on the loans of \$39,955 in 2022, debt reserve payment of \$0 in 2022, subordinate lien debt service of \$0 in 2022, and other debt service payable from the above fees of \$0 in 2022. The \$290,042 total requirement of the covenant was exceeded by fees of \$398,444 for the year ended December 31, 2022.

TOWN OF LA VETA, COLORADO
NOTES TO FINANCIAL STATEMENTS
December 31, 2022

NOTE 5 CHANGES IN LONG-TERM DEBT (Continued)

NOTES PAYABLE (Continued)

2. Compliance with operations and maintenance reserve covenant – the reserve requirement is estimated to be approximately \$50,000 at December 31, 2022 based on Exhibit F of the loan agreement. The Town had a maintained reserve account of \$66,115 at December 31, 2022.
3. Lien representation – the property pledged for this debt, except as disclosed to the Authority in writing, is free and clear of any pledge, lien, charge or encumbrance.

Colorado Water Conservation Board Loan

The Town of La Veta secured a construction loan of \$344,139 from the Colorado Water Conservation Board for the La Veta Lake north dam project. The terms of the loan call for 30 annual payments of \$19,014 at 3% beginning September, 2014.

Below is a summary of payments due:

	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2023	11,338	7,676	19,014
2024	11,679	7,335	19,014
2025	12,029	6,985	19,014
2026	12,390	6,624	19,014
2027	12,762	6,252	19,014
2028	13,145	5,869	19,014
2029	13,539	5,475	19,014
2030	13,945	5,069	19,014
2031	14,364	4,650	19,014
2032	14,795	4,219	19,014
2033	15,238	3,776	19,014
2034	15,696	3,318	19,014
2035	16,166	2,848	19,014
2036	16,651	2,363	19,014
2037	17,151	1,863	19,014
2038	17,665	1,349	19,014
2039	18,195	819	19,014
2040	<u>9,106</u>	<u>273</u>	<u>9,379</u>
	<u>255,854</u>	<u>76,763</u>	<u>332,617</u>

TOWN OF LA VETA, COLORADO
NOTES TO FINANCIAL STATEMENTS
December 31, 2022

NOTE 5 CHANGES IN LONG-TERM DEBT (Continued)

NOTES PAYABLE (Continued)

Sewer Note Payable – Colorado Water Resources and Power Authority

On April 23, 2014 the Town of La Veta entered into a loan agreement with Colorado Water Resources and Power Development Authority for the purpose of improving the Town's sewer system. The total amount available through the loan is \$270,000 at an interest rate of 0% and a term of 20 years. The loan is being drawn down as the project progresses. The first payment on the loan will be on May 1, 2015 based on an amortization schedule reflecting the total amount borrowed.

Below is a summary of payments due:

	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2023	13,500	-	13,500
2024	13,500	-	13,500
2025	13,500	-	13,500
2026	13,500	-	13,500
2027	13,500	-	13,500
2028	13,500	-	13,500
2029	13,500	-	13,500
2030	13,500	-	13,500
2031	13,500	-	13,500
2032	13,500	-	13,500
2033	13,500	-	13,500
2034	<u>13,500</u>	<u>-</u>	<u>13,500</u>
	<u>162,000</u>	<u>-</u>	<u>162,000</u>

TOWN OF LA VETA, COLORADO
NOTES TO FINANCIAL STATEMENTS
December 31, 2022

NOTE 5 CHANGES IN LONG-TERM DEBT (Continued)

NOTES PAYABLE (Continued)

Sewer Note Payable – Colorado Water Resources and Power Authority

On January 23, 2015 the Town of La Veta entered into a loan agreement with Colorado Water Resources and Power Development Authority for the purpose of improving the Town's sewer system. The total amount available through the loan is \$120,000 at an interest rate of 0% and a term of 20 years. The loan is being drawn down as the project progresses. The first payment on the loan will be on November 1, 2015 based on an amortization schedule reflecting the total amount borrowed.

Below is a summary of payments due:

	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2023	6,000	-	6,000
2024	6,000	-	6,000
2025	6,000	-	6,000
2026	6,000	-	6,000
2027	6,000	-	6,000
2028	6,000	-	6,000
2029	6,000	-	6,000
2030	6,000	-	6,000
2031	6,000	-	6,000
2032	6,000	-	6,000
2033	6,000	-	6,000
2034	6,000	-	6,000
2035	<u>3,000</u>	<u>-</u>	<u>3,000</u>
	<u>75,000</u>	<u>-</u>	<u>75,000</u>

TOWN OF LA VETA, COLORADO
NOTES TO FINANCIAL STATEMENTS
December 31, 2022

NOTE 5 CHANGES IN LONG-TERM DEBT (Continued)

NOTES PAYABLE (Continued)

Sewer Note Payable – Colorado Water and Resources and Power Authority

On October 17, 2018 the Town of La Veta entered into a loan agreement with the Colorado Water Resources and Power Development Authority for the purpose of improving the Town's sewer system. The total amount available through the loan is \$1,500,000 at an interest rate of 0% and a term of 30 years. Nothing had been drawn on the loan until 2021 and the amortization schedule was amended to reflect the first payment on November 1, 2021.

Below is a summary of the payments due:

	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2023	50,000	-	50,000
2024	50,000	-	50,000
2025	50,000	-	50,000
2026	50,000	-	50,000
2027	50,000	-	50,000
2028-2032	250,000	-	250,000
2033-2037	250,000	-	250,000
2038-2042	250,000	-	250,000
2043-2047	250,000	-	250,000
2048-2051	<u>175,000</u>	<u>-</u>	<u>175,000</u>
	<u>1,425,000</u>	<u>-</u>	<u>1,425,000</u>

Sewer Note Payable – Colorado Water and Resources and Power Authority

On August 28, 2020 the Town of La Veta entered into a loan agreement with the Colorado Water Resources and Power Development Authority for the purpose of improving the Town's Sewer system. The total amount available through the loan is \$1,900,000 at an interest rate of .5% and a term of 30 years. Nothing had been drawn on the loan until 2021 and the amortization schedule was amended to reflect the first payment on November 1, 2021.

Below is a summary of the payments due:

	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2023	60,073	9,102	69,175
2024	60,374	8,801	69,175
2025	60,676	8,499	69,175
2026	60,980	8,195	69,175
2027	61,285	7,890	69,175

TOWN OF LA VETA, COLORADO
NOTES TO FINANCIAL STATEMENTS
December 31, 2022

NOTE 5 CHANGES IN LONG-TERM DEBT (Continued)

NOTES PAYABLE (Continued)

Sewer Note Payable – Colorado Water and Resources and Power Authority (Continued)

Below is a summary of the payments due: (Continued)

	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2028	61,592	7,583	69,175
2029	61,901	7,274	69,175
2030	62,210	6,965	69,175
2031	62,522	6,653	69,175
2032	62,835	6,340	69,175
2033	63,149	6,026	69,175
2034	63,466	5,709	69,175
2035	63,783	5,392	69,175
2036	64,103	5,072	69,175
2037	64,424	4,751	69,175
2038	64,746	4,429	69,175
2039	65,070	4,105	69,175
2040	65,396	3,779	69,175
2041	65,723	3,452	69,175
2042	66,052	3,123	69,175
2043	66,383	2,792	69,175
2044	66,715	2,460	69,175
2045	67,049	2,126	69,175
2046	67,385	1,790	69,175
2047	67,723	1,452	69,175
2048	68,062	1,113	69,175
2049	68,403	772	69,175
2050	68,746	429	69,175
2051	<u>34,501</u>	<u>87</u>	<u>34,588</u>
	<u>1,835,327</u>	<u>136,161</u>	<u>1,971,488</u>

NOTE 6 PENSION PLANS

The Town has one plan covering members of the Police Department. The plan is:

- Fire and Police Pension Plan - Statewide Defined Benefit Plan (FPPA SWDB)

<u>Plan</u>	<u>Net Pension Liability</u>	<u>Net Pension Asset</u>	<u>Pension Income</u>	<u>Deferred Outflows</u>	<u>Deferred Inflows</u>
FPPA Statewide Plan	-	31,053	9,074	38,915	21,506

TOWN OF LA VETA, COLORADO
NOTES TO FINANCIAL STATEMENTS
December 31, 2022

NOTE 7 DEFINED BENEFIT PENSION PLAN - FIREMEN AND POLICEMEN

Fire & Police Statewide Defined Benefit Plan

Plan description. The Plan is a cost-sharing multiple-employer defined benefit pension plan covering substantially all full-time employees of participating fire or police departments in Colorado hired on or after April 8, 1978 (New Hires), provided that they are not already covered by a statutorily exempt plan. As of August 5, 2003, the Plan may include clerical and other personnel from fire districts whose services are auxiliary to fire protection. The Plan became effective January 1, 1980.

The Plan assets are included in the Fire & Police Members' Benefit Investment Fund and the Fire & Police Members' Self-Directed Investment Fund (for Deferred Retirement Option Plan (DROP) assets and Separate Retirement Account assets from eligible retired members).

The Plan is administered by the Fire & Police Pension Association of Colorado (FPPA). FPPA issues a publicly available comprehensive annual financial report that can be obtained on FPPA's website at <http://www.FPPAco.org>.

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

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

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

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

TOWN OF LA VETA, COLORADO
NOTES TO FINANCIAL STATEMENTS
December 31, 2022

NOTE 7 DEFINED BENEFIT PENSION PLAN - FIREMEN AND POLICEMEN (Continued)

In 2014, the members elected to increase the member contribution rate to the SWDB plan beginning in 2015. Member contribution rates increased 0.5 percent annually through 2022 to a total of 12 percent of pensionable earnings. Employer contributions will increase 0.5 percent annually beginning in 2021 through 2030 to a total of 13 percent of pensionable earnings. In 2021, members of the SWDB plan and their employers are contributing at the rate of 11.5 percent and 8.5 percent, respectively, of pensionable earnings for a total contribution rate of 19 percent.

Contributions from members and employers of departments reentering the system are established by resolution and approved by the FPPA Board of Directors. The member and employer contribution rates will increase through 2030 as described above for the non-reentering departments. Effective January 1, 2021, reentry departments may submit a resolution to the FPPA Board of Directors to reduce the additional 4 percent contribution, to reflect the actual cost of reentry by department. Each reentry department is responsible to remit contributions to the plan in accordance with their most recent FPPA Board of Directors approved resolution.

The contribution rate for members and employers of affiliated social security employers is 5.75 percent and 4.25 percent, respectively, of pensionable earnings for a total contribution rate of 10 percent in 2021. Per the 2014 member election, members of the affiliate social security group had their required contribution rate increase 0.25 percent annually beginning in 2015 through 2022 to a total of 6 percent of pensionable earnings. Employer contributions will increase 0.25 percent annually beginning in 2021 through 2030 to a total of 6.5 percent of pensionable earnings.

Contributions to the Plan from the Department were \$4,860 for the year ended December 31, 2022.

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

At December 31, 2022, the Department reported a liability/(asset) of \$(31,053) for its proportionate share of the net pension liability/(asset). The net pension liability/(asset) was measured as of December 31, 2021, and the total pension liability used to calculate the net pension liability/(asset) was determined by an actuarial valuation as of that date. The Department's proportion of the net pension liability/(asset) was based on a projection of the Department's long-term share of contributions to the pension plan relative to the projected contributions of all participating departments, actuarially determined. At December 31, 2021, the Department's proportion was .00573 percent, which was a decrease of .00296 percent from its proportion measured as of December 31, 2020.

TOWN OF LA VETA, COLORADO
NOTES TO FINANCIAL STATEMENTS
December 31, 2022

NOTE 7 **DEFINED BENEFIT PENSION PLAN - FIREMEN AND POLICEMEN (Continued)**

For the year ended December 31, 2022, the Department recognized pension income of \$9,074. At December 31, 2022, the Department reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between actual and expected experience	8,892	(724)
Changes in assumptions	4,428	-
Net difference between actual and projected earnings on pension plan investments	-	(20,782)
Changes in proportion and differences between Department contributions and proportionate share of contributions	20,735	-
Department contributions subsequent to the measurement date	4,860	-
Total	38,915	(21,506)

\$4,860 reported as deferred outflows of resources related to pensions resulting from the Department's contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the year ended December 31, 2022. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

Year ended December 31,	
2021	4,298
2022	7,593
2023	4,261
2024	1,197
2025	(2,838)
Thereafter	(1,962)

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

	Total Pension Liability	Actuarial Determined Contributions
Actuarial Valuation Date	January 1, 2022	January 1, 2021
Actuarial Method	Entry Age Normal	Entry Age Normal
Amortization Method	N/A	Level % of Payroll, Open
Amortization Period	N/A	30 Years
Long-term Investment Rate of Return*	7.0%	7.0%
Projected Salary Increases*	4.25% - 11.25%	4.25% - 11.25%
Cost of Living Adjustments (COLA)	0%	0%
*Includes Inflation at	2.5%	2.5%

TOWN OF LA VETA, COLORADO
NOTES TO FINANCIAL STATEMENTS
December 31, 2022

NOTE 7 **DEFINED BENEFIT PENSION PLAN - FIREMEN AND POLICEMEN (Continued)**

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

At least every five years the FPPA's Board of Directors, in accordance with best practices, reviews its economic and demographic actuarial assumptions. At its July 2018 meeting, the Board of Directors reviewed and approved recommended changes to the actuarial assumptions. The recommendations were made by the FPPA's actuaries, Gabriel, Roeder, Smith & Co., based upon their analysis of past experience and expectations of the future. The assumption changes were effective for actuarial valuations beginning January 1, 2021. The actuarial assumptions impact actuarial factors for benefit purposes such as purchases of service credit and other benefits where actuarial factors are used.

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

Asset Class	Target Allocation	Long Term Expected Rate of Return
Global Equity	39%	8.23%
Equity Long/Short	8%	6.87%
Private Market	26%	10.63%
Fixed Income	10%	4.01%
Absolute Return	5%	5.25%
Managed Futures	10%	5.60%
Cash	2%	2.32%
Total	100%	

TOWN OF LA VETA, COLORADO
NOTES TO FINANCIAL STATEMENTS
December 31, 2022

NOTE 7 **DEFINED BENEFIT PENSION PLAN - FIREMEN AND POLICEMEN (Continued)**

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

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

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

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

	1.00% Decrease*	Current Discount Rate*	1.00% Increase*
Department's proportionate share of the net pension liability/(asset)	(4,282)	(31,053)	(53,231)

Pension plan fiduciary net position. Detailed information about the pension plan's fiduciary net position is available in the separately issued Fire & Police Pension Association of Colorado financial report.

NOTE 8 **CONTINGENCIES - TAX, SPENDING AND DEBT LIMITATIONS**

In November 1992, the voters of Colorado approved Amendment 1, commonly known as the Taxpayer's Bill of Rights (TABOR), which adds a new Section 20 to Article X of the Colorado Constitution. TABOR contains tax, spending, revenue and debt limitations which apply to the State of Colorado and all local governments.

Enterprises, defined as government-owned businesses authorized to issue revenue bonds and receiving less than 10% of annual revenue in grants from all state and local governments combined, are excluded from the provisions of TABOR.

TOWN OF LA VETA, COLORADO
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2022

NOTE 8 CONTINGENCIES - TAX, SPENDING AND DEBT LIMITATIONS (Continued)

The initial base for local government spending and revenue limits is 1992 Fiscal Year Spending. Future spending and revenue limits are determined based on the prior year's Fiscal Year Spending adjusted for allowable increases based upon inflation and local growth. Fiscal Year Spending is generally defined as expenditures plus reserve increases with certain exceptions. Revenue in excess of the Fiscal Year Spending limit must be refunded unless the voters approve retention of such revenue.

TABOR requires local governments to establish Emergency Reserves. These Reserves must be at least 1% of Fiscal Year Spending (excluding bonded debt service) in 1993, 2% in 1996 and 3% thereafter. Local governments are not allowed to use the emergency reserves to compensate for economic conditions, revenue shortfalls, or salary or benefit increases.

TABOR requires, with certain exceptions, voters approval prior to imposing new taxes, increasing a tax rate, increasing a mill levy above that for the prior year, extending an expiring tax, or implementing a tax policy change directly causing a net tax revenue gain to any local government.

Except for bond refinancing at lower interest rates or adding employees to existing pension plans, TABOR specifically prohibits the creation of multiple-fiscal year debt or other financial obligations without voter approval or without irrevocably pledging present cash reserves for all future payments.

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

On April 2, 1996, the authorized voters of the Town of La Veta voted to authorize the Town to collect, retain and expend all revenues and other funds collected from any source, notwithstanding the limitations of Article X, Section 20 of the Colorado constitution, provided that no local tax rate or mill levy shall be increased without further voter approval.

NOTE 9 RISK MANAGEMENT

The Town is exposed to various risks of loss related to torts, thefts of, damage to, or destruction of assets; errors or omissions; injuries to employees, or acts of God.

The Town maintains commercial insurance for all risks of loss. Settled claims have not exceeded this commercial coverage in any of the past three fiscal years.

NOTE 10 CONTINGENCIES

There are no contingent liabilities payable at December 31, 2022.

NOTE 11 RECONCILIATION OF GOVERNMENT-WIDE AND FUND FINANCIAL STATEMENTS

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

TOWN OF LA VETA, COLORADO
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2022

NOTE 11 RECONCILIATION OF GOVERNMENT-WIDE AND FUND FINANCIAL STATEMENTS
(Continued)

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

	<u>Items Eliminated</u>	
	<u>Due To</u>	<u>Due From</u>
General Fund	10,907	-
Museum Fund	-	10,907

NOTE 12 PENSION TRUST FUND

The balance remaining in the Pension Trust Fund is from prior years contributions for people who are no longer eligible or who never met the vesting requirements to receive pension benefits. The Town currently has no employees receiving benefits through this fund and will not in the future as the police retirement is now funded through FPPA. The Town can request permission to use these collective contributions for current and future requirements.

NOTE 13 CHANGE IN COMPENSATED ABSENCES

Below are the changes in compensated absences by fund for the year ended December 31, 2022.

<u>Fund</u>	<u>Beginning Balance</u>	<u>Additions</u>	<u>Deletions</u>	<u>Ending Balance</u>
General	22,252	-	4,464	17,788
Water	11,362	-	4,461	6,901
Sewer	<u>11,362</u>	<u>-</u>	<u>4,799</u>	<u>6,563</u>
	<u>44,976</u>	<u>-</u>	<u>13,724</u>	<u>31,252</u>

NOTE 14 INTERFUND BALANCES AND TRANSFERS

	<u>Due From</u>	<u>Due To</u>	<u>Transfer In</u>	<u>Transfer Out</u>
General Fund	-	10,907	-	-
Museum Fund	10,907	-	-	-
Water Fund	-	-	-	-
Sewer Fund	-	-	-	-
Pension Trust Fund	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
	<u>10,907</u>	<u>10,907</u>	<u>-</u>	<u>-</u>

Due To and Due From balances are the result of operating expenditures being paid on behalf of other funds. These amounts are expected to be repaid within the year.

TOWN OF LA VETA, COLORADO
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2022

NOTE 15 DEFINED CONTRIBUTION PLAN

All Town employees not eligible for FPPA participate in the Towns 401K plan which is managed by Vanguard. The Town contributes 4% for all employees who do not contribute individually to the plan and 6% for all employees who do make a contribution. There is no waiting period for employees to participate and there are no vesting terms or forfeitures associated with the plan. During 2022, employees contributed \$5,727 to the plan which was appropriately funded by the Town recognizing \$14,945 in pension expense for the year. There was no employer liability outstanding related to this plan at December 31, 2022.

NOTE 16 LEASE RECEIVABLES

The Town has two lease receivables for space leased for cell towers. The commencement date for the leases were November 1, 2008 and November 1, 2009 with the same lease terms for both leases. The lease term for each lease is 5 years with an automatic 5 year renewal up to 3 terms. Payments start at \$750 per month with an increase of 3% per year and no stated interest rate. An imputed interest rate of 3% has been applied to the lease.

Future minimum rental payments to be received under the leases are as follows:

<u>Year</u> <u>Ending</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2023	22,215	4,749	26,964
2024	23,712	4,062	27,774
2025	25,276	3,329	28,605
2026	26,916	2,951	29,867
2027	28,830	1,718	30,548
2028	28,087	835	28,922
2029	<u>13,323</u>	<u>193</u>	<u>13,516</u>
	<u>168,359</u>	<u>17,837</u>	<u>186,196</u>

For the year ended December 31, 2022, the Town received \$20,787 of lease payments and \$5,392 of interest income.

REQUIRED SUPPLEMENTARY INFORMATION

General Fund – Schedule of Revenues, Expenditures and Changes in Fund Balance – Budget and Actual

Museum Fund – Schedule of Revenues, Expenditures and Changes in Fund Balance – Budget and Actual

Pension Trend Data

TOWN OF LA VETA, COLORADO
GENERAL FUND
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL
For the Year Ended December 31, 2022

	<u>Budgeted Amounts</u>		<u>Actual</u>	Variance- Favorable (Unfavorable)
	<u>Original</u>	<u>Final</u>		
<u>REVENUES</u>				
Taxes	693,088	693,088	779,522	86,434
Licenses and Permits	16,500	16,500	19,449	2,949
Charges for Services	20,300	20,300	1,444	(18,856)
Fines and Forfeits	500	500	19,257	18,757
Rent and Lease	30,289	30,289	29,869	(420)
Grants and Donations	122,422	122,422	209,328	86,906
Other	540,807	540,807	68,742	(472,065)
<u>TOTAL REVENUES</u>	<u>1,423,906</u>	<u>1,423,906</u>	<u>1,127,611</u>	<u>(296,295)</u>
<u>EXPENDITURES</u>				
Administrative	669,303	669,303	304,462	364,841
Public Works	557,862	557,862	225,601	332,261
Public Safety	173,254	173,254	77,580	95,674
Community Service	3,650	3,650	12,787	(9,137)
Contingency	534,043	534,043	-	534,043
<u>TOTAL EXPENDITURES</u>	<u>1,938,112</u>	<u>1,938,112</u>	<u>620,430</u>	<u>1,317,682</u>
<u>EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES</u>	<u>(514,206)</u>	<u>(514,206)</u>	<u>507,181</u>	
<u>OTHER FINANCING SOURCES (USES)</u>				
Operating Transfers In (Out)	-	-	-	-
Proceeds from Debt	-	-	-	-
<u>Total Other Financing Sources Uses</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<u>EXCESS (DEFICIENCY) OF REVENUES AND OTHER SOURCES OVER EXPENDITURES AND OTHER USES</u>	<u>(514,206)</u>	<u>(514,206)</u>	<u>507,181</u>	
<u>FUND BALANCE, January 1</u>	<u>656,603</u>	<u>656,603</u>	<u>1,291,892</u>	
<u>FUND BALANCE, December 31</u>	<u>142,397</u>	<u>142,397</u>	<u>1,799,073</u>	

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

TOWN OF LA VETA, COLORADO
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL
MUSEUM FUND
For the Year Ended December 31, 2022

	<u>Budgeted Amounts</u>		<u>Actual</u>	Variance- Favorable (Unfavorable)
	<u>Original</u>	<u>Final</u>		
<u>REVENUES:</u>				
Taxes	100,000	100,000	100,000	-
Charges for Services	11,700	11,700	5,840	(5,860)
Grants and Donations	16,077	16,077	24,192	8,115
Other	332,260	332,260	3,959	(328,301)
<u>Total Revenues</u>	<u>460,037</u>	<u>460,037</u>	<u>133,991</u>	<u>(326,046)</u>
<u>EXPENDITURES:</u>				
Administrative	-	-	-	-
Public Works	-	-	-	-
Public Safety	-	-	-	-
Community Service	173,686	173,686	127,463	46,223
Contingency	231,260	231,260	-	231,260
Capital Outlay	-	-	-	-
<u>Total Expenditures</u>	<u>404,946</u>	<u>404,946</u>	<u>127,463</u>	<u>277,483</u>
<u>EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES</u>	<u>55,091</u>	<u>55,091</u>	<u>6,528</u>	
<u>OTHER FINANCING SOURCES (USES):</u>				
Transfers	-	-	-	-
<u>Total Other Financing Sources (Uses)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<u>NET CHANGE IN FUND BALANCES</u>	<u>55,091</u>	<u>55,091</u>	<u>6,528</u>	
<u>FUND BALANCES – Beginning</u>	<u>7,525</u>	<u>7,525</u>	<u>294,626</u>	
<u>FUND BALANCES - Ending</u>	<u>62,616</u>	<u>62,616</u>	<u>301,154</u>	

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

TOWN OF LA VETA
SCHEDULE OF THE TOWN'S PROPORTIONATE SHARE OF THE NET PENSION LIABILITY/ (ASSET)
FIRE & POLICE STATEWIDE DEFINED BENEFIT PLAN
For The Last 10 Fiscal Years (As Available)

	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>	<u>2013</u>
Town's proportion of the net pension liability/(asset)	.00573%	.00869%	.01061%	.01123%	.0125%	.0001398%	.0000998%	-	-	-
Town's proportionate share of the net pension liability/(asset) \$(31,053)	\$(18,866)	\$(6,352)	\$14,200	\$17,983)	\$5,050	\$73,120	\$48,425	-	-	-
Town's covered payroll	\$60,750	\$49,087	\$68,387	\$78,212	\$75,238	\$73,120	\$48,425	-	-	-
Town's proportionate share of the net pension liability/ (asset) as a percentage of its covered payroll	51.11%	38.43%	9.29%	18.16%	23.90%	6.91%	.363%	-	-	-
Plan fiduciary net position as a percentage of the total pension liability	116.2%	106.7%	101.9%	95.2%	106.3%	98.21%	135.47%	-	-	-

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

TOWN OF LA VETA
FIRE & POLICE STATEWIDE DEFINED BENEFIT PLAN
For The Last 10 Fiscal Years (As Available)

	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>	<u>2013</u>
Contractually required contribution	\$ 4,860	\$ 3,927	\$ 5,471	\$ 6,257	\$ 6,019	\$ 5,850	\$ 3,874	-	-	-
Contributions in relation to the contractually required contribution	<u>\$ 4,860</u>	<u>\$ 3,927</u>	<u>\$ 5,471</u>	<u>\$ 6,257</u>	<u>\$ 6,019</u>	<u>\$ 5,850</u>	<u>\$ 3,874</u>	-	-	-
Contribution deficiency (excess)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	-	-	-
Town's covered payroll	\$60,750	\$49,087	\$68,387	\$78,212	\$75,238	\$73,120	\$48,425	-	-	-
Contributions as a percentage of covered payroll	8%	8%	8%	8%	8%	8%	8%	-	-	-

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

OTHER SCHEDULES

Enterprise Funds – Budget Schedules

TOWN OF LA VETA, COLORADO
SCHEDULE OF REVENUES, EXPENSES AND CHANGES IN NET POSITION
BUDGET (NON-GAAP BASIS) AND ACTUAL
WATER UTILITY FUND
For the Year Ended December 31, 2022

	Budgeted Amounts			Variance- Favorable
	Original	Final	Actual	(Unfavorable)
<u>OPERATING REVENUES</u>				
Water and Sales	409,123	409,123	398,444	(10,679)
Water Connects	14,000	14,000	7,000	(7,000)
Miscellaneous	100,000	100,000	4,841	(95,159)
<u>Total Operating Revenue</u>	<u>523,123</u>	<u>523,123</u>	<u>410,285</u>	<u>(112,838)</u>
<u>OPERATING EXPENDITURES</u>				
Water Sample & Testing	9,000	9,000	908	8,092
Administration	25,872	25,872	23,738	2,134
Water - Salaries	110,120	110,120	64,331	45,789
Repairs and Supplies	77,000	77,000	57,192	19,808
Payroll Taxes & Employee Benefits	23,616	23,616	18,198	5,418
Fuel	2,000	2,000	125	1,875
Miscellaneous	3,000	3,000	5,071	(2,071)
Utilities	11,000	11,000	18,452	(7,452)
Engineering	134,000	134,000	252	133,748
Legal & Audit Fees	22,900	22,900	4,159	18,741
Depreciation	-	-	-	-
Bad Debts	-	-	-	-
Contingency Fund	-	-	-	-
<u>Total Operating Expenditures</u>	<u>418,508</u>	<u>418,508</u>	<u>192,426</u>	<u>226,082</u>
<u>OPERATING INCOME</u>	<u>104,615</u>	<u>104,615</u>	<u>217,859</u>	
<u>OTHER REVENUES (EXPENSES)</u>				
Water Taps	-	-	-	-
Interest Income	1,400	1,400	2,049	649
Contributions – Grants	-	-	-	-
Proceeds From Debt	-	-	-	-
Capital Outlay	(224,000)	(224,000)	(94,731)	129,269
Debt Principal	(47,332)	(47,332)	(47,332)	-
Interest Expense	(21,800)	(21,800)	(21,578)	222
<u>Total Other Revenues (Expenses)</u>	<u>(291,732)</u>	<u>(291,732)</u>	<u>(161,592)</u>	<u>130,140</u>
<u>INCOME (LOSS) BEFORE OPERATING TRANSFERS</u>	<u>(187,117)</u>	<u>(187,117)</u>	<u>56,267</u>	
<u>OPERATING TRANSFERS</u>				
Operating Transfers In (Out)	-	-	-	-
<u>Total Operating Transfers</u>	<u>-</u>	<u>-</u>	<u>-</u>	
<u>NET INCOME (LOSS) – (NON-GAAP)</u>	<u>(187,117)</u>	<u>(187,117)</u>	<u>56,267</u>	
<u>Reconciling Items to Changes in Net Position</u>				
Capital Outlay	-	-	94,731	
Depreciation	-	-	(118,867)	
Debt Proceeds	-	-	-	
Debt Principal	-	-	47,332	
<u>Total Reconciling Items</u>	<u>-</u>	<u>-</u>	<u>23,196</u>	
<u>CHANGE IN NET POSITION</u>	<u>(187,117)</u>	<u>(187,117)</u>	<u>79,463</u>	
<u>NET POSITION, January 1</u>	<u>1,187,634</u>	<u>1,187,634</u>	<u>3,058,977</u>	
<u>NET POSITION, December 31</u>	<u>1,000,517</u>	<u>1,000,517</u>	<u>3,138,440</u>	

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

TOWN OF LA VETA, COLORADO
SCHEDULE OF REVENUES, EXPENSES AND CHANGES IN NET POSITION
BUDGET (NON-GAAP BASIS) AND ACTUAL
SEWER UTILITY FUND
For the Year Ended December 31, 2022

	Budgeted Amounts			Variance- Favorable (Unfavorable)
	Original	Final	Actual	
<u>OPERATING REVENUES</u>				
Sewer Sales	445,989	445,989	418,667	(27,322)
Sewer Connects	8,000	8,000	12,595	4,595
Miscellaneous	100	100	3,528	3,428
<u>Total Operating Revenue</u>	<u>454,089</u>	<u>454,089</u>	<u>434,790</u>	<u>(19,299)</u>
<u>OPERATING EXPENDITURES</u>				
Sample & Testing	6,000	6,000	3,358	2,642
Administration	14,300	14,300	13,204	1,096
Salaries	108,120	108,120	78,977	29,143
Repairs and Supplies	19,000	19,000	24,892	(5,892)
Payroll Taxes & Employee Benefits	23,631	23,631	18,932	4,699
Fuel	2,000	2,000	837	1,163
Miscellaneous	-	-	-	-
Utilities	86,000	86,000	24,917	61,083
Engineering	150,000	150,000	-	150,000
Legal and Audit Fees	9,000	9,000	3,536	5,464
Depreciation	-	-	-	-
Contingency	-	-	-	-
<u>Total Operating Expenditures</u>	<u>418,051</u>	<u>418,051</u>	<u>168,653</u>	<u>249,398</u>
<u>OPERATING INCOME (LOSS)</u>	<u>36,038</u>	<u>36,038</u>	<u>266,137</u>	
<u>OTHER REVENUES (EXPENSES)</u>				
Sewer Taps	-	-	-	-
Interest Income	1,500	1,500	3,074	1,574
Contributions – Grants	-	-	-	-
Capital Outlay	(1,785,000)	(1,785,000)	(2,211,453)	(426,453)
Interest Expense	(792)	(792)	(9,401)	(8,609)
Debt Principal	(144,279)	(144,279)	(129,274)	15,005
Loans	1,900,000	1,900,000	-	(1,900,000)
<u>Total Other Revenues (Expenses)</u>	<u>(28,571)</u>	<u>(28,571)</u>	<u>(2,347,054)</u>	<u>(2,318,483)</u>
<u>INCOME (LOSS) BEFORE OPERATING TRANSFERS</u>	<u>7,467</u>	<u>7,467</u>	<u>(2,080,917)</u>	
<u>OPERATING TRANSFERS</u>				
Operating Transfers In (Out)	-	-	-	
<u>Total Operating Transfers</u>	<u>-</u>	<u>-</u>	<u>-</u>	
<u>NET INCOME (LOSS) – (NON-GAAP)</u>	<u>7,467</u>	<u>7,467</u>	<u>(2,080,917)</u>	
<u>Reconciling Items to Changes in Net Position</u>				
Capital Outlay	-	-	2,211,453	
Depreciation	-	-	(60,276)	
Debt Principal	-	-	129,274	
<u>Total Reconciling Items</u>	<u>-</u>	<u>-</u>	<u>2,280,451</u>	
<u>CHANGE IN NET POSITON</u>	<u>7,467</u>	<u>7,467</u>	<u>199,534</u>	
<u>NET POSITION, January 1</u>	<u>761,934</u>	<u>761,934</u>	<u>4,934,178</u>	
<u>NET POSITION, December 31</u>	<u>769,401</u>	<u>769,401</u>	<u>5,133,712</u>	

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

TOWN OF LA VETA, COLORADO
SCHEDULE OF CHANGES IN FIDUCIARY NET POSITION
POLICE PENSION FIDUCIARY FUND - BUDGET AND ACTUAL
Year Ended December 31, 2022

	<u>Budget</u>	<u>Actual</u>	Variance- Favorable (Unfavorable)
<u>ADDITIONS</u>			
Earnings on Investments	-	12	12
Other	<u>-</u>	<u>-</u>	<u>-</u>
<u>Total Additions</u>	<u>-</u>	<u>12</u>	<u>12</u>
<u>DEDUCTIONS</u>			
Capital Outlay	-	-	-
Transfers for Capital Outlay	<u>-</u>	<u>-</u>	<u>-</u>
<u>Total Deductions</u>	<u>-</u>	<u>-</u>	<u>-</u>
<u>CHANGES IN NET ASSETS</u>	-	12	
<u>NET POSITION HELD IN TRUST FOR PENSION BENEFITS:</u>			
<u>NET POSITION – BEGINNING OF YEAR</u>	<u>-</u>	<u>4,904</u>	
<u>NET POSITION – END OF YEAR</u>	<u>-</u>	<u>4,916</u>	

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

STATE REQUIRED SCHEDULE

LOCAL HIGHWAY FINANCE REPORT

STATE:
COLORADO
YEAR ENDING (mm/yy):
12/22This Information From The Records Of:
Town of La VetaPrepared By:
Heather Hillis

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
A. Receipts from local sources:		A. Local highway expenditures:	
1. Local highway-user taxes		1. Capital outlay (from page 2)	\$ -
a. Motor Fuel (from Item I.A.5.)		2. Maintenance:	\$ 18,584.93
b. Motor Vehicle (from Item I.B.5.)		3. Road and street services:	
c. Total (a.+b.)		a. Traffic control operations	\$ 909.88
2. General fund appropriations	\$ -	b. Snow and ice removal	\$ 19,001.66
3. Other local imposts (from page 2)	\$ 172,168.69	c. Other	\$ -
4. Miscellaneous local receipts (from page 2)	\$ 1,061.87	d. Total (a. through c.)	\$ 19,911.74
5. Transfers from toll facilities	\$ -	4. General administration & miscellaneous	\$ 2,424.24
6. Proceeds of sale of bonds and notes:		5. Highway law enforcement and safety	\$ 21,285.92
a. Bonds - Original Issues	\$ -	6. Total (1 through 5)	\$ 62,186.83
b. Bonds - Refunding Issues	\$ -	B. Debt service on local obligations:	
c. Notes	\$ -	1. Bonds:	
d. Total (a. + b. + c.)	\$ -	a. Interest	\$ -
7. Total (1 through 6)	\$ 173,230.56	b. Redemption	\$ -
8. Private Contributions	\$ -	c. Total (a. + b.)	\$ -
C. Receipts from State government (from page 2)	\$ 61,003.63	2. Notes:	
D. Receipts from Federal Government (from page 2)	\$ -	a. Interest	\$ -
E. Total receipts (A.7 + B + C + D)	\$ 224,234.19	b. Redemption	\$ -
		c. Total (a. + b.)	\$ -
		3. Total (1.c + 2.c)	\$ -
		C. Payments to State for highways	
		D. Payments to toll facilities	
		E. Total expenditures (A.6 + B.3 + C + D)	\$ 62,186.83

IV. LOCAL HIGHWAY DEBT STATUS

(Show all entries at par)

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

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

	A. Beginning Balance	B. Total Receipts	C. Total Disbursements	D. Ending Balance	E. Reconciliation
	\$ 51,331.30	\$ 224,234.19	\$ 62,186.83	\$ 213,378.66	\$ -

Notes and Comments:

LOCAL HIGHWAY FINANCE REPORT

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

II. RECEIPTS FOR ROAD AND STREET PURPOSES - DETAIL

ITEM	AMOUNT	ITEM	AMOUNT
A.3. Other local imposts:		A.4. Miscellaneous local receipts:	
a. Property Taxes and Assessments	\$ -	a. Interest on investments	\$ 1,031.87
b. Other local imposts:		b. Traffic Fines & Penalties	\$ 30.00
1. Sales Taxes	\$ 167,675.50	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	\$ 4,493.19	g. Other Misc. Receipts	\$ -
6. Total (1. through 5.)	\$ 172,168.69	h. Other	\$ -
c. Total (a. + b.)	\$ 172,168.69	i. Total (a. through h.)	\$ 1,061.87
(Carry forward to page 1)		(Carry forward to page 1)	

ITEM	AMOUNT	ITEM	AMOUNT
C. Receipts from State Government		D. Receipts from Federal Government	
1. Highway-user taxes (from Item I.C.5.)	\$ 46,115.18	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	\$ 4,888.45	d. Federal Transit Administration	\$ -
d. DOLA Grant	\$ -	e. U.S. Corps of Engineers	\$ -
e. Other	\$ -	f. Other Federal	\$ -
f. Total (a. through e.)	\$ 4,888.45	g. Total (a. through f.)	\$ -
4. Total (1. + 2. + 3.f)	\$ 51,003.63	3. Total (1. + 2.g)	\$ -
(Carry forward to page 1)		(Carry forward to page 1)	

III. EXPENDITURES FOR ROAD AND STREET PURPOSES - DETAIL

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

(Carry forward to page 1)

Notes and Comments: