TOWN OF MANZANOLA, COLORADO

Financial Statements

December 31, 2022

TOWN OF MANZANOLA, COLORADO

ANNUAL FINANCIAL REPORT

Town Council

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

Town Officials

Kris Baylor	Town Clerk

TOWN OF MANZANOLA, COLORADO

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Dazzio & Associates, PC

Certified Public Accountants

INDEPENDENT AUDITOR'S REPORT

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

Report on the Audit of the Financial Statements

Opinions

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

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities and each major fund, of the Town, as of December 31, 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 and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

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

Responsibilities of Management for the Financial Statements

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

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

Auditor's Responsibilities for the Audit of the Financial Statements

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

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

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

- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the Town's ability to continue as a going concern for a reasonable period of time.

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

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis and budgetary comparison information on pages V–XVIII and 26–30, respectively, be presented to supplement the basic financial statements. Such information is the responsibility of management and, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Supplementary Information

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

Other Information

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

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

Dazzio & Associates, P.C.

May 4, 2023

MANAGEMENT'S DISCUSSION AND ANALYSIS

TOWN OF MANZANOLA, COLORADO

MANAGEMENT'S DISCUSSION AND ANALYSIS
December 31, 2022

This section of the Town of Manzanola, Colorado's annual financial report presents the discussion and analysis of the Town's financial performance during the fiscal year that ended on December 31, 2022. Please read it in conjunction with the Town's financial statements, which follow this section.

Financial Highlights

- The Town's total net position decreased $30,967 over the course of this year's operations.
- During the year, the Town's expenses for governmental programs exceeded revenue by $112,521. Revenues decreased $438,215 and expenses increased $269,248 from the prior year.
- In the Town's business-type activities, total charges for services were $220,403, which is an increase of $8,322 from last year. Operating and capital grants and contributions decreased $372,857. Expenses increased $16,688. Revenues exceeded expenses by $81,554.
- The Town continued work on a project to replace the wastewater treatment facility and construct a non-discharging lagoon system.
- The General Fund reported an ending fund balance of $274,207, a decrease of $39,790 from the prior year.
- In November 2021, a break-in and fire significantly damaged the Railroad Depot Town Hall. The repairs were completed in September 2022.

Overview of Financial Statements

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

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

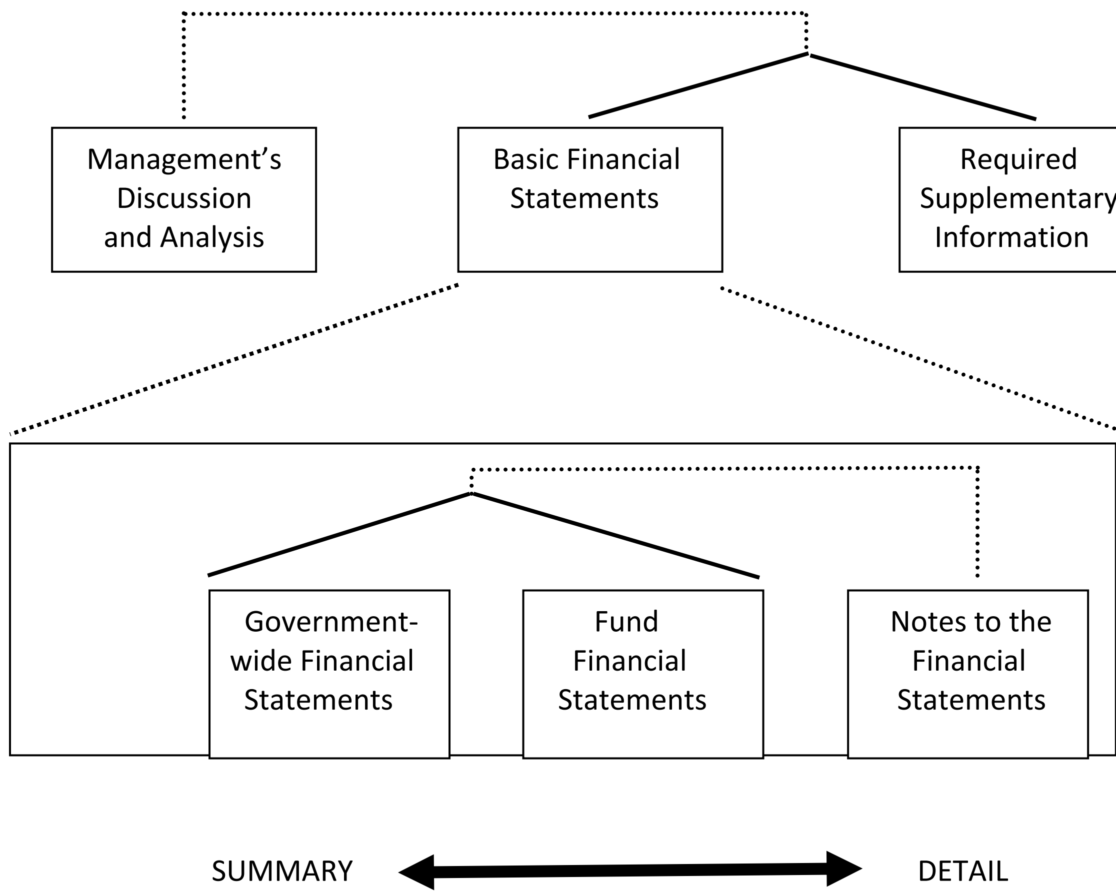
The remaining statements are *fund financial statements* that focus on *individual parts* of the Town government, reporting the Town's operations in *more detail* than the government-wide statements.

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

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

Figure 1

Organization of the Town of Manzanola's Annual Financial Reports



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

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

Figure 2

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

Government-wide Statements

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

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

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

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

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

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

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

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

Fund Financial Statements

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

- Some funds are required by State law.

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

The Town has two kinds of funds:

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

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

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

Government-wide Financial Analysis

Analysis of Net Position

Table 1 presents an analysis of the Town's net position as of December 31. The Town's assets exceeded liabilities by $4,694,337 at the close of 2022. Governmental activities make up $1,998,761 (43%) of these assets, with business-type activities making up the remaining $2,695,576 (57%). Total net position decreased by $30,967 in 2022. The decrease is comprised of the following:

- Total governmental activities assets decreased $108,125 to $2,050,766. This was mainly due to depreciation on the capital assets of $72,134 and a transfer of funds to the Water Fund to provide additional funding for well repairs. Business-type activities assets decreased $235,681 to $2,729,588. This was mainly due to the payment of costs associated with the design and construction of the evaporative lagoons amounting to approximately $350,000 (net of a federal grant of $52,400) to depreciation on capital assets of $78,847.
- Total Government-wide liabilities and deferred inflows of resources decreased $312,839 to $86,017, mainly due to the payment of prior year end payables on the sewer lagoon project. The Town made all scheduled payments on its existing long-term debt.

The Town's combined net position was $4,694,337 as follows.

Table 1
Net Position

	Governmental Activities		Business-type Activities		Total	
	2022	**2021**	**2022**	**2021**	**2022**	**2021**
Assets						
Current Assets	$ 307,016	$ 348,806	$ 332,337	$ 632,512	$ 639,353	$ 981,318
Capital Assets	1,743,750	1,810,085	2,397,251	2,332,757	4,141,001	4,142,842
Total Assets	2,050,766	2,158,891	2,729,588	2,965,269	4,780,354	5,124,160
Liabilities						
Long-term Liabilities	22,396	17,473	29,212	33,168	51,608	50,641
Other Liabilities	-	-	4,800	318,079	4,800	318,079
Total Liabilities	22,396	17,473	34,012	351,247	56,408	368,720
Deferred Inflows of Resources	29,609	30,136	-	-	29,609	30,136
Net Position						
Net Investment in Capital Assets	1,743,750	1,810,085	2,366,051	2,296,757	4,109,801	4,106,842
Restricted	7,700	9,573	12,454	13,122	20,154	22,695
Unrestricted	247,311	291,624	317,071	304,143	564,382	595,767
Total Net Position	$ 1,998,761	$ 2,111,282	$ 2,695,576	$ 2,614,022	$ 4,694,337	$ 4,725,304

The largest portion of the Town's net position (88%) reflects its investment of $4,109,801 in capital assets. Net capital assets are reported less any related debt used to acquire those assets that is still outstanding. The Town uses these capital assets to provide services to citizens; consequently, these assets are not available for future spending. Although the Town's investment in its capital assets is reported net of related debt, it should be noted that the resources needed to repay the debt must be provided from other sources, since the capital assets themselves cannot be used to liquidate these liabilities.

An additional portion of the Town's net position, $20,054 (1%) represents resources that are subject to external restrictions on how they may be used. The remaining balance of unrestricted net position of $564,382 (11%) may be used to meet the Town's ongoing obligations to citizens and creditors.

Changes in Net Position

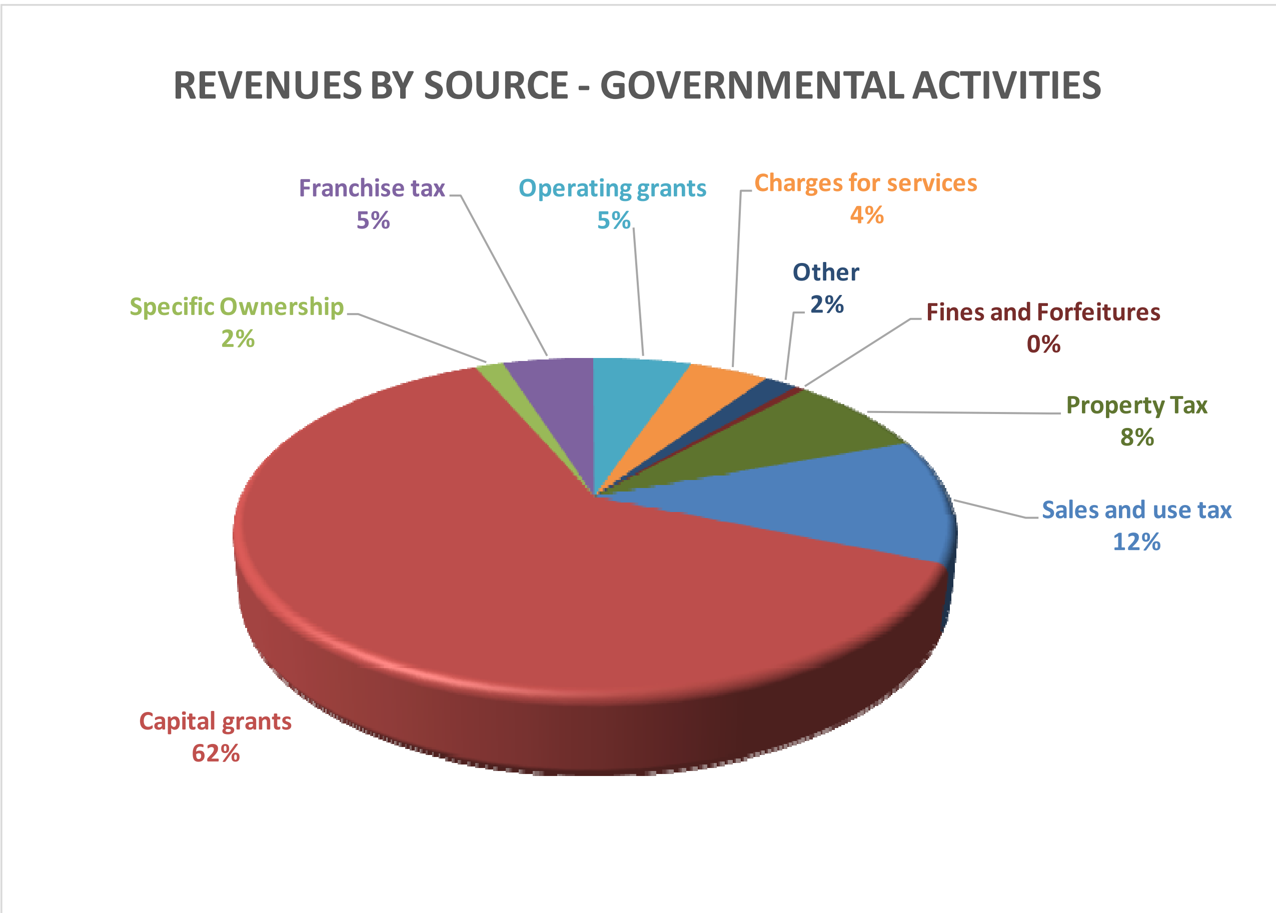
Table 2
Changes in Net Position

As presented in Table 2 the Town's overall net position decreased $30,967 during 2022. This decrease is explained in the governmental and business-type activities discussion below.

	Governmental Activities		Business-type Activities		Total	
Revenues	**2022**	**2021**	**2022**	**2021**	**2022**	**2021**
Program Revenues						
Permits, Fees, Fines and Charges For Services	$ 18,902	$ 29,333	$ 220,403	$ 212,081	$ 239,305	$ 241,414
Operating Grants and Contributions	20,712	21,510	9,442	6,558	30,154	28,068
Capital Grants and Contributions	245,581	664,769	85,374	461,115	330,955	1,125,884
General Revenues						
Taxes	102,120	110,394	-	-	102,120	110,394
Net Investment Income	1,770	1,150	-	-	1,770	1,150
Other	5,239	5,383	-	-	5,239	5,383
Total Revenues	394,324	832,539	315,219	679,754	709,543	1,512,293
Expenses						
General Government	315,121	43,004	-	-	315,121	43,004
Public Safety	61,329	62,866	-	-	61,329	62,866
Public Works	52,680	53,541	-	-	52,680	53,541
Health and Welfare	1,400	4,946	-	-	1,400	4,946
Parks and Recreation	49,803	48,031	-	-	49,803	48,031
Sanitation	6,512	7,266	-	-	6,512	7,266
Water	-	-	172,117	157,995	172,117	157,995
Sewer	-	-	68,238	70,912	68,238	70,912
Wastewater	-	-	13,310	8,070	13,310	8,070
Total Expenses	486,845	219,654	253,665	236,977	740,510	456,631
Income (Loss) Before Transfers	(92,521)	612,885	61,554	442,777	(30,967)	1,055,662
Loss on Disposition of Assets	-	-	-	-	-	-
Transfers	(20,000)	(17,943)	20,000	17,943	-	-
Change In Net Position	(112,521)	594,942	81,554	460,720	(30,967)	1,055,662
Net Position - Beginning	2,111,282	1,516,340	2,614,022	2,153,302	4,725,304	3,669,642
Prior Period Adjustment	-	-	-	-	-	-
Net Assets - Beginning,	2,111,282	1,516,340	2,614,022	2,153,302	4,725,304	3,669,642
Net Position - Ending	$ 1,998,761	$ 2,111,282	$ 2,695,576	$ 2,614,022	$ 4,694,337	$ 4,725,304

Governmental Activities.

Net position of governmental activities decreased $112,521 in 2022. Governmental revenues decreased $438,215 compared to 2021. The main decrease in revenues was due to grants received in 2021 on the Beaty Street Bridge Project of $537,382 versus $127,387 received in 2022 from insurance for various losses and a fire that damaged part of the Railroad Depot Town Hall in November. The repairs to the damage were completed in 2022.



Governmental expenses increased $267,191 compared to 2021 mainly due to costs associated with repairing the Railroad Depot Town Hall.

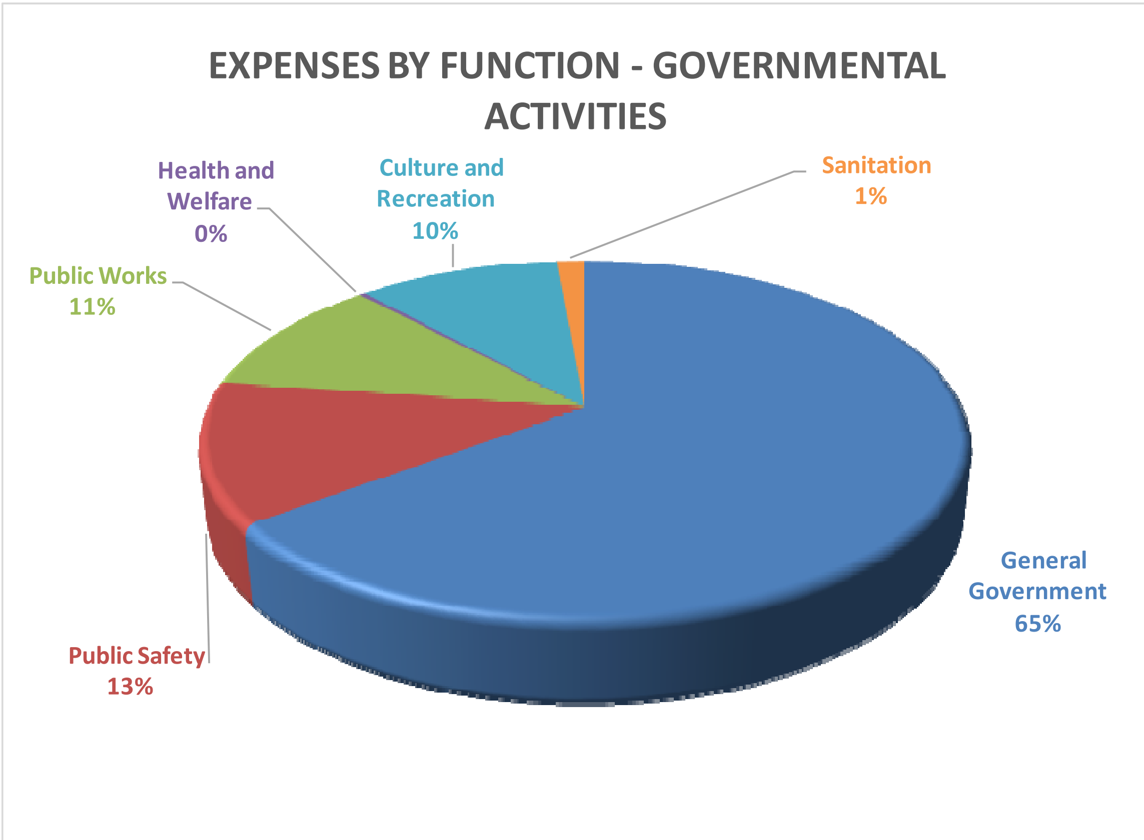


Table 3 presents the cost of each of the Town's programs – General Government, Public Safety, Public Works, Health & Welfare and Culture & Recreation – as well as each program's *net cost* (total cost less fees generated by the activities). The net cost shows the financial burden that was placed on the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

Table 3
Net Cost of Services

	Total Cost of Services		Net Cost of Services	
	2022	**2021**	**2022**	**2021**
General Government	$ 315,121	$ 43,004	$ (62,960)	$ 91,070
Public Safety	61,329	62,866	(59,259)	(54,396)
Public Works	52,680	53,541	(36,579)	500,298
Health and Welfare	1,400	4,946	2,166	(1,447)
Culture and Recreatior	49,803	48,031	(45,192)	(42,978)
Sanitation	6,512	7,266	174	3,411
Total	$ 486,845	$ 219,654	$ (201,650)	$ 495,958

Business-type Activities

Net position of business-type activities increased $81,554 in 2022. In 2022, revenues decreased $362,478 and expenses increased $16,688 (7.0%) compared to 2021. Service fees increased $8,322 in 2022 while capital grants decreased $371,741.

The Water Fund experienced an increase in net position of $14,452 compared to a decrease in 2021 of $35,380. This increase was caused by the sale of water shares amounting to $27,968 and a transfer from the General Fund of $20,000, which was offset by depreciation on capital assets of $52,304. Operating revenues increased $6,102 and operating expenses increased $14,122.

The Sewer Fund experienced an increase in net position of $68,702 compared to an increase in 2021 of $492,605. The increase was due to grant revenue associated with the wastewater treatment project. Operating revenues increased $75 and operating expenses decreased $2,674.

The Wastewater Fund experienced a decrease in net position of $1,600 compared to an increase in 2021 of $3,495. The decrease was due to the cost of sewer line cleaning incurred in 2022 of $5,240.

Financial Analysis of the Town's Funds

Governmental funds

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

As the Town completed the year, the governmental funds reported a combined fund balance of $277,407, a decrease of $41,263 over last year. $164,605 constitutes unassigned fund balance, which is available for spending at the Town's discretion. $105,662 of the fund balance is assigned for spending in 2023.

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

Restricted for Parks and Recreation	$3,200
Restricted for TABOR Emergencies	$4,500

The General Fund is the primary operating fund of the Town. At the end of 2022, unassigned fund balance of the General Fund was $164,045, while total fund balance was $274,207. As a measure of the General Fund's liquidity, it may be useful to compare unassigned fund balance to total fund expenditures. Unassigned fund balance represents 40% of total General Fund expenditures (compared to 29% in 2021). Excluding capital outlay, the percentage increases to 123% (compared to 138% in 2021).

The fund balance of the Town's General Fund decreased $39,790 during 2022. Key factors are as follows:

- A decrease in revenues of $433,301. The decrease was due to the following:
  - Grants amounting to $537,382 from DOLA and CDOT for the Beaty Street Bridge project received in 2021.
  - Decrease in sales tax of $10,186, or 18%
  - Additional insurance reimbursements amounting to approximately $240,000 (compared to $128,000 in 2021) for the Railroad Depot Town Hall fire and other losses.
- Expenditures decreased $317,553 to $414,183. The decrease is attributed to capital projects, primarily engineering and capital expenditures associated with the Beaty Street Bridge project of $542,852 completed in 2021 and the 2021 purchase of a backhoe for $43,500. These, compared to $280,000 in costs to repair the damage to the Railroad Depot Town Hall.

Proprietary funds.

The Town's proprietary funds provide the same type of information in the government-wide financial statements, but in more detail. Net position of the enterprise operations at December 31, 2022 follow:

	Net Position	Change in Net Position
Water	$1,589,505	$ 14,452
Sewer	900,553	68,702
Wastewater	205,518	(1,600)
	$2,695,576	$ 81,554

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

Capital Asset and Debt Administration

Capital Assets

The following table provides comparative information on the Town's capital assets for 2022 and 2021:

Table 4
Capital Assets

	Governmental Activities		Business-type Activities		Total	
	2022	2021	2022	2021	2022	2021
Land	$ 16,221	$ 16,221	$ 56,000	$ 56,000	$ 72,221	$ 72,221
Construction in Process	-	-	485,575	394,944	485,575	394,944
Land Improvements	1,010,212	1,048,773	-	-	1,010,212	1,048,773
Roads and Bridges	598,850	614,609	-	-	598,850	614,609
Buildings and Improvements	37,461	39,448	-	-	37,461	39,448
Vehicles and Equipment	81,006	91,034	-	-	81,006	91,034
Water System	-	-	1,465,759	1,465,453	1,465,759	1,465,453
Sewer and Wastewater Systems	-	-	389,917	416,360	389,917	416,360
	$ 1,743,750	$ 1,810,085	$ 2,397,251	$ 2,332,757	$ 4,141,001	$ 4,142,842

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

Long-term Debt

The following table provides comparative information on the Town's long-term debt for 2022 and 2021:

Table 5
Outstanding Debt

	Governmental Activities		Business-type Activities		Total	
	2022	2021	2022	2021	2022	2021
Estimated Closure and Postclosure Costs	$ 19,906	$ 15,476	$ -	$ -	$ 19,906	$ 15,476
Sewer Notes Payable	-	-	31,200	36,000	31,200	36,000
Compensated Absences	2,490	1,997	2,812	1,968	5,302	3,965
	$ 22,396	$ 17,473	$ 34,012	$ 37,968	$ 56,408	$ 55,441

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

Next Year's Budgets and Rates

The Town budgeted for 2023 property tax revenue of $29,609, based on an assessed valuation for the Town of $1,097,010 and a mill levy of 26.990 mills for the General Fund.

The Town's budget for 2023 is as follows:

	Budgeted Revenue	Budgeted Expenditures	Net Increase (Decrease)
General Fund	$ 149,930	$ 235,686	$ (85,756)
Conservation Trust Fund	4,000	6,500	(2,500)
Water Fund	240,616	258,292	(17,676)
Sewer Fund	1,077,644	1,060,968	16,676
Wastewater Fund	15,210	12,850	2,360
Total	$ 1,487,400	$ 1,574,296	$ (86,896)

The Town of Manzanola has several major projects:

First is the ongoing Wastewater Plant facility improvements. To achieve completion, the Town needs to receive further infrastructure grant and loan funding. This process continues with GMS Engineers in Colorado Springs.

The second project is getting the Deep Dakota well #2 running. The lack of this well over last year and a half has stressed the Town's augmentation program, accounting for an enormous quantity of water loss which we store at the Pueblo Reservoir.

Third is the installation of a new Water Plant Control Board with Five Star Inc. The resulting goal will be improved water control and more importantly, water loss prevention, as we prepare for the Arkansas Valley Conduit (ARC) project. The Colorado Department of Health and Environment (CDPHE) has issued an enforcement order requiring the Town to connect to ARC by 2026 to meet radium 226 & 228, as well as high uranium levels.

The Water Plant improvements are being supported with the sale of 10 shares of Catlin Canal water shares providing $86,100.

Requests for Information

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

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

BASIC FINANCIAL STATEMENTS

TOWN OF MANZANOLA, COLORADO

STATEMENT OF NET POSITION
December 31, 2022

	Governmental Activities	Business-Type Activities	Total
Assets			
Cash and Investments	$ 268,261	$ 305,108	$ 573,369
Cash and Investments - Restricted	3,200	-	3,200
Receivable from County Treasurer	642	-	642
Property Taxes Receivable	29,609	-	29,609
Accounts Receivable	5,304	27,229	32,533
Capital Assets Not Being Depreciated	16,221	541,575	557,796
Capital Assets, Net of Accumulated Depreciation	1,727,529	1,855,676	3,583,205
Total Assets	2,050,766	2,729,588	4,780,354
Liabilities			
Noncurrent Liabilities:			
Due Within One Year	-	4,800	4,800
Due In More Than One Year	22,396	29,212	51,608
Total Liabilities	22,396	34,012	56,408
Deferred Inflows of Resources			
Unavailable Property Taxes	29,609	-	29,609
Net Position			
Net Investment in Capital Assets	1,743,750	2,366,051	4,109,801
Restricted			
Operations and Maintenance	-	12,454	12,454
Parks and Recreation	3,200	-	3,200
Tabor Emergencies	4,500	-	4,500
Unrestricted	247,311	317,071	564,382
Total Net Position	$ 1,998,761	$ 2,695,576	$ 4,694,337

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

TOWN OF MANZANOLA, COLORADO

STATEMENT OF ACTIVITIES
For the Year Ended December 31, 2022

		Program Revenues			Net (Expense) Revenues and Changes in Net Position		
Function/Program Activities	**Expenses**	**Permits, Fees, Fines, and Charges for Services**	**Operating Grants and Contributions**	**Capital Grants and Contributions**	**Governmental Activities**	**Business-Type Activities**	**Total**
Governmental Activities							
General Government	$ 315,121	$ 6,580	$ -	$ 245,581	$ (62,960)	$ -	$ (62,960)
Public Safety	61,329	2,070	-	-	(59,259)	-	(59,259)
Public Works	52,680	-	16,101	-	(36,579)	-	(36,579)
Health and Welfare	1,400	3,566	-	-	2,166	-	2,166
Culture and Recreation	49,803	-	4,611	-	(45,192)	-	(45,192)
Sanitation	6,512	6,686	-	-	174	-	174
Total Governmental Activities	486,845	18,902	20,712	245,581	(201,650)	-	(201,650)
Business-type Activities							
Water	172,117	124,159	9,442	32,968	-	(5,548)	(5,548)
Sewer	68,238	84,534	-	52,406	-	68,702	68,702
Wastewater	13,310	11,710	-	-	-	(1,600)	(1,600)
Total Business-type Activities	253,665	220,403	9,442	85,374	-	61,554	61,554
Total	$ 740,510	$ 239,305	$ 30,154	$ 330,955	(201,650)	61,554	(140,096)
General Revenues:							
Property Taxes					30,212	-	30,212
Specific Ownership Tax					6,021	-	6,021
Sales and Use Taxes					46,716	-	46,716
Franchise Tax and Other Taxes					19,171	-	19,171
Interest Income					1,770	-	1,770
Miscellaneous					5,239	-	5,239
Transfers					(20,000)	20,000	-
Total General Revenues					89,129	20,000	109,129
Change In Net Position					(112,521)	81,554	(30,967)
Net Position - Beginning					2,111,282	2,614,022	4,725,304
Net Position - Ending					$ 1,998,761	$ 2,695,576	$ 4,694,337

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

TOWN OF MANZANOLA, COLORADO

BALANCE SHEET
GOVERNMENTAL FUNDS
December 31, 2022

	General Fund	Conservation Trust Fund	Total Governmental Funds
Assets			
Cash and Investments	$ 268,261	$ -	$ 268,261
Cash and Investments - Restricted	-	3,200	3,200
Receivable from County Treasurer	642	-	642
Property Taxes Receivable	29,609	-	29,609
Accounts Receivable	5,304	-	5,304
Total Assets	$ 303,816	$ 3,200	$ 307,016
Liabilities			
Accounts Payable	$ -	$ -	$ -
Total Liabilities	-	-	-
Deferred Inflows of Resources			
Unavailable Property Taxes	29,609	-	29,609
Fund Balances			
Restricted			
Parks and Recreation	-	3,200	3,200
TABOR Emergencies	4,500	-	4,500
Assigned			
Subsequent Year's Budget	85,756	-	85,756
OCLI Closure and Postclosure Fund	19,906	-	19,906
Unassigned	164,045	-	164,045
Total Fund Balances	274,207	3,200	277,407
Total Liabilities, Deferred Inflows of Resources and Fund Balances	$ 303,816	$ 3,200	$ 307,016

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

TOWN OF MANZANOLA, COLORADO

RECONCILIATION OF THE GOVERNMENTAL FUNDS BALANCE SHEET TO THE STATEMENT OF NET POSITION
December 31, 2022

Total Fund Balance - Governmental Funds		$ 277,407
Total net position reported for governmental activities in the statement of net position is different because:		
Capital assets used in governmental activities are not financial resources and therefore are not reported in the funds. Those assets consist of:		
Land	$ 16,221	
Land Improvements, Net of $532,209 accumulated depreciation	1,010,212	
Roads and Bridges, Net of $31,518 accumulated depreciation	598,850	
Buildings and Improvements, Net of $45,072 accumulated depreciation	37,461	
Vehicles and Equipment, Net of $185,587 accumulated depreciation	81,006	1,743,750
Long-term liabilities applicable to the District's governmental activities are not due and payable in the current period and accordingly are not reported as fund liabilities. Interest on long-term debt is not accrued in governmental funds, but rather is recognized as an expenditure when due. All liabilities - both current and long-term - are reported in the statement of net position.		
Balances at December 31, 2022 are:		
Compensated Absences	(2,490)	
Estimated Closure and Postclosure Costs	(19,906)	(22,396)
Net Position - Governmental Activities		$ 1,998,761

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

TOWN OF MANZANOLA, COLORADO

STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
GOVERNMENTAL FUNDS
For the Year Ended December 31, 2022

	General Fund	Conservation Trust Fund	Total Governmental Funds
Revenues			
Taxes	$ 102,120	$ -	$ 102,120
Intergovernmental Revenue	16,101	4,361	20,462
Charges for Services	21,062	-	21,062
Licenses and Permits	200	-	200
Fines and Forfeitures	2,070	-	2,070
Grants and Contributions	250	-	250
Interest Income	1,770	-	1,770
Insurance Recovery	245,581		245,581
Other	5,239	-	5,239
Total Revenues	394,393	4,361	398,754
Expenditures			
Current			
General Government	33,947	-	33,947
Public Safety	61,329	-	61,329
Public Works	28,492	-	28,492
Health and Welfare	1,400	-	1,400
Culture and Recreation	1,822	5,834	7,656
Sanitation	6,512	-	6,512
Capital Outlay	280,681	-	280,681
Total Expenditures	414,183	5,834	420,017
Excess Revenues Over (Under) Expenditures	(19,790)	(1,473)	(21,263)
Other Financing Sources (Uses)			
Transfers Out	(20,000)	-	(20,000)
Net Change in Fund Balances	(39,790)	(1,473)	(41,263)
Fund Balances - Beginning	313,997	4,673	318,670
Fund Balances - Ending	$ 274,207	$ 3,200	$ 277,407

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

TOWN OF MANZANOLA, COLORADO

RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS TO THE STATEMENT OF ACTIVITIES
For the Year Ended December 31, 2022

Net Change in Fund Balance - Governmental Funds	$	(41,263)
Amounts reported for governmental activities in the statement of activities are different because:		
Governmental funds report capital outlays as expenditures. However, in the Statement of Activities, the cost of those assets are allocated over their estimated useful lives and reported as depreciation expense.		
Capital Outlay		5,799
Depreciation		(72,134)
Some expenses reported in the statement of activities do not require the use of current financial resources and therefore are not reported as expenditures in governmental funds.		
Adjustment to compensated absences liability		(493)
Adjustment to estimated closure and postclosure costs		(4,430)
Change in Net Position - Governmental Activities	$	(112,521)

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

TOWN OF MANZANOLA, COLORADO

STATEMENT OF NET POSITION
PROPRIETARY FUNDS
December 31, 2022

	Water	Sewer	Wastewater	Total
Assets				
Current assets				
Cash and Investments	$ 109,608	$ 152,467	$ 43,033	$ 305,108
Accounts Receivable	15,544	10,725	960	27,229
Total Current Assets	125,152	163,192	43,993	332,337
Noncurrent Assets				
Capital Assets Not Being Depreciated	-	541,575	-	541,575
Capital Assets, Net of Accumulated Depreciation	1,465,759	197,192	192,725	1,855,676
Total Assets	1,590,911	901,959	236,718	2,729,588
Liabilities				
Current Liabilities				
Notes Payable - Current	-	-	4,800	4,800
Total Current Liabilities	-	-	4,800	4,800
Noncurrent Liabilities				
Compensated Absences	1,406	1,406	-	2,812
Notes Payable	-	-	26,400	26,400
Total Noncurrent Liabilities	1,406	1,406	26,400	29,212
Total Liabilities	1,406	1,406	31,200	34,012
Net Position				
Net Investment in Capital Assets	1,465,759	738,767	161,525	2,366,051
Restricted:				
Operations and Maintenance Reserve	-	-	12,454	12,454
Unrestricted	123,746	161,786	31,539	317,071
Total Net Position	$ 1,589,505	$ 900,553	$ 205,518	$ 2,695,576

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

TOWN OF MANZANOLA, COLORADO

STATEMENT OF REVENUES, EXPENSES AND CHANGES IN NET POSITION
PROPRIETARY FUNDS
For the Year Ended December 31, 2022

	Water	Sewer	Wastewater	Total
Operating Revenues				
Charges for Sales and Services				
Service Fees	$ 124,159	$ 84,534	$ 11,710	$ 220,403
Total Operating Revenues	124,159	84,534	11,710	220,403
Operating Expenses				
Salaries and Benefits	65,222	30,613	-	95,835
System Operations	29,257	7,867	5,240	42,364
Water Analysis	4,194	898	-	5,092
Commodities and Services	10,472	2,549	50	13,071
Insurance	7,888	7,888	-	15,776
Conduit	2,780	-	-	2,780
Depreciation	52,304	18,423	8,020	78,747
Total Operating Expenses	172,117	68,238	13,310	253,665
Operating Income (Loss)	(47,958)	16,296	(1,600)	(33,262)
Nonoperating Revenues (Expenses)				
Interest Income	65	-	-	65
Sale of Water Shares	27,968	-	-	27,968
Other, Net	9,377	-	-	9,377
Total Nonoperating Revenues (Expenses)	37,410	-	-	37,410
Income (Loss) Before Capital Contributions and Transfers	(10,548)	16,296	(1,600)	4,148
Capital Grant Revenue	5,000	52,406	-	57,406
Transfers In	20,000	-	-	20,000
Change In Net Position	14,452	68,702	(1,600)	81,554
Net Position - Beginning	1,575,053	831,851	207,118	2,614,022
Net Position - Ending	$ 1,589,505	$ 900,553	$ 205,518	$ 2,695,576

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

TOWN OF MANZANOLA, COLORADO

STATEMENT OF CASH FLOWS
PROPRIETARY FUNDS
For the Year Ended December 31, 2022

	Water	Sewer	Wastewater	Total
Cash Flows from Operating Activities				
Cash Received from Customers	$ 121,567	$ 89,447	$ 11,710	$ 222,724
Cash Payments to Suppliers for Goods and Services	(54,591)	(19,202)	(5,290)	(79,083)
Cash Payments to Employees for Services	(64,800)	(30,191)	-	(94,991)
Other Cash Received	37,345	-	-	37,345
Net Cash Provided by Operating Activities	39,521	40,054	6,420	85,995
Cash Flows from Noncapital Financing Activities				
Transfers (to) from Other Funds	20,000	-	-	20,000
Cash Flows from Capital and Related Financing Activities				
Capital Grant Received	5,000	52,406	-	57,406
Acquisition and Construction of Capital Assets	(52,610)	(403,910)	-	(456,520)
Principal Paid on Long-Term Debt	-	-	(4,800)	(4,800)
Net Cash (Used) by Capital and Related Financing Activities	(47,610)	(351,504)	(4,800)	(403,914)
Cash Flows from Investing Activities				
Interest Income	65	-	-	65
Net Increase (Decrease) In Cash and Cash Equivalents	11,976	(311,450)	1,620	(297,854)
Cash and Cash Equivalents - Beginning	97,632	463,917	41,413	602,962
Cash and Cash Equivalents - Ending	$ 109,608	$ 152,467	$ 43,033	$ 305,108
Reconciliation of Operating Income (Loss) to Net Cash Provided by Operating Activities:				
Operating (Loss)	$ (47,958)	$ 16,296	$ (1,600)	$ (33,262)
Adjustments to Reconcile Operating (Loss) to Net Cash Provided by Operating Activities:				
Depreciation	52,304	18,423	8,020	78,747
Miscellaneous Nonoperating Income	37,345	-	-	37,345
Effect of Changes In Operating Assets and Liabilities:				
Accounts Receivable	(2,592)	4,913	-	2,321
Compensated Absences	422	422	-	844
Total Adjustments	87,479	23,758	8,020	119,257
Net Cash Provided by Operating Activities	$ 39,521	$ 40,054	$ 6,420	$ 85,995

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

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

Note 1 – Definition of Reporting Entity

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

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

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

Otero County Landfill Joint Venture

The Town is a participant along with six other entities within the County in a joint venture known as the Otero County Landfill, Inc ("OCLI"). As a participant, the Town is responsible for a portion of closure and post closure costs of the landfill. As of December 31, 2022, the Town's share of the cost is estimated at $19,906, or approximately 0.8% of the total (see Note 5). A complete financial report may be obtained from the administrative offices of Otero County.

Note 2 – Summary of Significant Accounting Policies

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

Government-wide and Fund Financial Statements

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

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

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

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

Measurement Focus, Basis of Accounting and Financial Statement Presentation

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

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

The Town reports the following major governmental funds:

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

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

The Town reports the following major proprietary funds:

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

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

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

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

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

Pooled Cash and Investments

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

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

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

Property Taxes

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

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

Capital Assets

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

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

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

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

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

Deferred Outflows/Inflows of Resources

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

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

Compensated Absences

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

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

Long-term Obligations

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

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

Net Position and Fund Equity

Net Position

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

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

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

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

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

Fund Balances

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

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

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

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

The Town reports the following Restricted Fund Balances:

Restricted for TABOR Emergencies – Emergency reserves have been provided for as required by Article X, Section 20 of the Constitution of the State of Colorado (see Note 10).

Restricted for Parks and Recreation – Represents the balance of funds remaining from the Conservation Trust (State Lottery) Fund proceeds.

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

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

The following fund balances are assigned:

Subsequent Year's Budget – used to account for the portion of the year-end fund balance which is appropriated in the subsequent year's budget.

OCLI Closure and Postclosure Fund – used to account for the Town's estimated share of the OCLI closure and postclosure cost (see Note 5).

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

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

Use of Estimates

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

Note 3 –Cash and Investments

Cash and investments at December 31, 2022 are presented in the accompanying financial statements as follows:

	Governmental Activities	Business-type Activities	Total
Cash and Investments	$ 268,261	$ 305,108	$ 573,369
Cash and Investments - Restricted	3,200	-	3,200
Total	$ 271,461	$ 305,108	$ 576,569

Cash and investments as of December 31, 2022 consist of the following:

	Governmental Activities	Business-type Activities	Total
Deposits with Financial Institutions	$ 96,128	$ 287,621	$ 383,749
Certificates of Deposit	175,333	17,487	192,820
Total	$ 271,461	$ 305,108	$ 576,569

Deposits with Financial Institutions

Custodial credit risk

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

At December 31, 2022, the District's cash deposits had a bank balance of $587,983 and a carrying balance of $576,569.

Investments

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

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

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

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

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

The Town had no investments at December 31, 2022.

Note 4 – Capital Assets

Capital asset activity for the year ended December 31, 2022 was as follows for the Town's governmental activities:

Governmental Activities:	Beginning Balance	Increases	Decreases	Ending Balance
Capital Assets Not Being Depreciated:				
Land	$ 16,221	$ -	$ -	$ 16,221
Total Capital Assets Not Being Depreciated	16,221	-	-	16,221
Capital Assets Being Depreciated:				
Land Improvements	1,542,421	-	-	1,542,421
Roads and Bridges	630,368	-	-	630,368
Buildings and Improvements	82,533	-	-	82,533
Vehicles and Equipment	260,794	5,799	-	266,593
Total Capital Assets Being Depreciated	2,516,116	5,799	-	2,521,915
Less Accumulated Depreciation For:				
Land Improvements	(493,648)	(38,561)	-	(532,209)
Roads and Bridges	(15,759)	(15,759)	-	(31,518)
Buildings and Improvements	(43,085)	(1,987)	-	(45,072)
Vehicles and Equipment	(169,760)	(15,827)	-	(185,587)
Total Accumulated Depreciation	(722,252)	(72,134)	-	(794,386)
Total Capital Assets Being Depreciated, Net	1,793,864	(66,335)	-	1,727,529
Governmental Activities Capital Assets, Net	$ 1,810,085	$ (66,335)	$ -	$ 1,743,750

Depreciation expense was charged to functions/programs as follows:

Governmental Activities	
Public Works	$ 24,188
Culture & Recreation	47,946
	$ 72,134

Capital asset activity for the year ended December 31, 2022 was as follows for the Town's business-type activities:

Business-type Activities:	Beginning Balance	Increases	Decreases	Ending Balance
Capital Assets Not Being Depreciated:				
Land	$ 56,000	$ -	$ -	$ 56,000
Construction in Process	394,944	90,631	-	485,575
Total Capital Assets Not Being Depreciated	450,944	90,631	-	541,575
Capital Assets Being Depreciated:				
Water	2,536,242	52,610	-	2,588,852
Sewer	708,381	-	-	708,381
Wastewater	302,455	-	-	302,455
Total Capital Assets Being Depreciated	3,547,078	52,610	-	3,599,688
Less Accumulated Depreciation For:				
Water	(1,070,789)	(52,304)	-	(1,123,093)
Sewer	(492,766)	(18,423)	-	(511,189)
Wastewater	(101,710)	(8,020)	-	(109,730)
Total Accumulated Depreciation	(1,665,265)	(78,747)	-	(1,744,012)
Total Capital Assets Being Depreciated, Net	1,881,813	(26,137)	-	1,855,676
Business-type Activities Capital Assets, Net	$ 2,332,757	$ 64,494	$ -	$ 2,397,251

Note 5 – Long-term Obligations

The following is an analysis of changes in long-term debt for the year ended December 31, 2022:

	Beginning Balance	Additions	Reductions	Ending Balance	Due Within One Year
Governmental Activities					
Estimated Closure and Postclosure Costs	$ 15,476	$ 4,430	$ -	$ 19,906	$ -
Compensated Absences	1,997	2,891	2,398	2,490	-
Total Governmental Activities	$ 17,473	$ 7,321	$ 2,398	$ 22,396	$ -
Business-type Activities					
Wastewater Fund					
CWR&PDA Sewer Loan, 2008	$ 36,000	$ -	$ 4,800	$ 31,200	$ 4,800
Compensated Absences	1,968	4,134	3,290	2,812	-
Total Business-type Activities	$ 37,968	$ 4,134	$ 8,090	$ 34,012	$ 4,800

Estimated Closure and Postclosure Care Costs

In 1995, the Town entered into an intergovernmental agreement with Otero County and five other municipalities within the County to form the Otero County Landfill, Inc. ('OCLI") to operate the landfill within the County. The agreement transfers the liability for closure and postclosure costs to the new organization. The Town and all participating entities are responsible for a portion of the costs based on an average of the population and assessed valuation of each entity to the total of all entities. Based on the current allocation the Town's share is approximately 0.80% of the estimated $2,621,000 in closure and postclosure costs amounting to $19,906. These amounts are based on estimates of what it would cost to perform all closure and post closure care in 2022. Actual costs may be higher due to inflation or deflation, changes in technology, or changes in applicable laws or regulations.

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

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

A provision of the note with the CWR&PDA requires the net revenues (total revenues less operating expenses) be at least 110% of the annual debt service due in any one year. During the year ended December 31, 2022, the Town was in compliance with the rate covenant. The 2008 Wastewater Note requires the Town to maintain an operations and reserve fund in an amount equal to three months of operations and maintenance expenses, excluding depreciation, as set forth in the annual budget for the current fiscal year. Accordingly, the District has restricted $12,454 of the Wastewater Fund’s net position, calculated as follows:

Total Operating Expenses	$	68,238
Less Depreciation		(18,423)
Operations and Maintenance Expenses	$	49,815
3 Months of Operations and Maintenance	$	12,454

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

The note matures as follows:

	Principal	Interest	Total
2023	$ 4,800	$ -	$ 4,800
2024	4,800	-	4,800
2025	4,800	-	4,800
2026	4,800	-	4,800
2027	4,800	-	4,800
2028-2029	7,200	-	7,200
	$ 31,200	$ -	$ 31,200

Note 6 – Operating Transfers

The transfer from the General Fund to the Water Fund was made to provide additional funding for well repairs.

Note 7 – Risk Management

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

Note 8 – Commitments and Contingencies

Grant Programs

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

Note 9 – Employee Retirement Plans

Defined Contribution Plan

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

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

For the year ended December 31, 2022, the Town recognized pension expense of $4,747, equal to their required contributions.

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

Note 10 – Tax Spending and Debt Limitations

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

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

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

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

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

REQUIRED SUPPLEMENTARY INFORMATION

TOWN OF MANZANOLA, COLORADO

GENERAL FUND
SCHEDULE OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
For the Year Ended December 31, 2022
(With Comparative Totals for the Year Ended December 31, 2021)

	Original Budget	Final Budget	Actual Amounts	Variance with Final Budget - Positive (Negative)	2021 Actual
Revenues					
Taxes					
Property Tax	$ 28,000	$ 28,000	$ 30,212	$ 2,212	$ 28,406
Specific Ownership Tax	6,000	6,000	6,021	21	6,359
Sales Tax	46,000	46,000	46,716	716	56,902
Cigarette Tax	100	100	162	62	172
Franchise Tax	16,900	16,900	17,173	273	16,651
Other Taxes	1,750	1,750	1,836	86	1,904
Subtotal Taxes	98,750	98,750	102,120	3,370	110,394
Intergovernmental					
County Road and Bridge	2,500	2,500	2,319	(181)	2,189
Severance Tax	-	-	52	52	1
Highway Users Tax	11,500	11,500	13,730	2,230	14,267
State Grants	-	-	-	-	537,382
Subtotal Intergovernmental	14,000	14,000	16,101	2,101	553,839
Charges for Services					
Sanitation	10,200	10,200	11,116	916	10,885
Mosquito Control	3,500	3,500	3,566	66	3,499
Rents	7,205	7,205	6,380	(825)	6,655
Subtotal Charges for Services	20,905	20,905	21,062	157	21,039
Licenses and Permits	200	200	200	-	32
Fines and Forfeitures					
Fines and Forfeitures	10,000	10,000	1,835	(8,165)	8,115
Deferral Fees	-	-	235	235	355
Subtotal Fines and Forfeitures	10,000	10,000	2,070	(7,930)	8,470
Donations	-	-	250	250	-
Interest Income	3,500	3,500	1,770	(1,730)	1,150
Insurance Recovery	-	201,706	245,581	43,875	127,387
Miscellaneous	3,200	3,200	5,239	2,039	5,383
Total Revenues	150,555	352,261	394,393	42,132	827,694

(Continued)

TOWN OF MANZANOLA, COLORADO

GENERAL FUND
SCHEDULE OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
For the Year Ended December 31, 2022
(With Comparative Totals for the Year Ended December 31, 2021)
(Continued)

Expenditures Current:	**Original Budget**	**Final Budget**	**Actual Amounts**	**Variance with Final Budget - Positive (Negative)**	**2021 Actual**
General Government					
Office	$ 8,000	$ 8,000	$ 14,828	$ (6,828)	$ 6,432
Insurance	9,868	9,868	9,516	352	9,427
Training/Travel	-	-	-	-	108
County Treasurer Fees	600	600	577	23	350
Audit	3,500	3,500	4,500	(1,000)	500
Legal	5,000	5,000	212	4,788	52
Workers Comp Insurance	1,000	1,000	69	931	90
Donations and Contributions	200	200	25	175	25
Miscellaneous	300	300	4,220	(3,920)	24,955
Subtotal General Government	28,468	28,468	33,947	(5,479)	41,939
Public Safety					
Wages and Benefits	60,330	60,330	35,986	24,344	34,431
Vehicle Expenses	5,000	5,000	2,582	2,418	2,968
Judge/Legal	2,600	2,600	2,200	400	2,600
Uniforms/Training/Supplies	4,000	4,000	1,558	2,442	1,506
Office	400	400	63	337	-
Insurance	8,500	8,500	6,598	1,902	6,531
Workers Comp Insurance	2,000	2,000	852	1,148	1,111
Radio/Radar	10,000	10,000	11,490	(1,490)	11,319
Subtotal Public Safety	92,830	92,830	61,329	31,501	60,466
Public Works					
Wages and Benefits	-	-	425	(425)	7,089
Building Expense	2,500	2,500	1,414	1,086	3,640
Street Lighting	15,000	15,000	18,524	(3,524)	14,413
Street Repairs	500	500	2,770	(2,270)	531
Equipment Repairs	4,500	4,500	5,359	(859)	3,680
Subtotal Public Works	22,500	22,500	28,492	(5,992)	29,353
Health and Welfare					
Cemetery	1,000	1,000	1,400	(400)	1,370
Mosquito Control	3,800	3,800	-	3,800	3,576
Subtotal Health and Welfare	4,800	4,800	1,400	3,400	4,946

(Continued)

TOWN OF MANZANOLA, COLORADO

GENERAL FUND
SCHEDULE OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
For the Year Ended December 31, 2022
(With Comparative Totals for the Year Ended December 31, 2021)
(Continued)

	Original Budget	Final Budget	Actual Amounts	Variance with Final Budget - Positive (Negative)	2021 Actual
Culture and Recreation					
Parks	$ 1,000	$ 1,000	$ 1,822	$ (822)	$ 247
Justin Vasquez Memorial Park	-	-	-	-	127
Subtotal Culture and Recreation	1,000	1,000	1,822	(822)	374
Sanitation					
Sanitation	7,300	7,300	6,512	788	7,266
OCLI Landfill Liability	1,200	1,200	-	1,200	-
Subtotal Sanitation	8,500	8,500	6,512	1,988	7,266
Capital Outlay	-	181,706	280,681	(98,975)	587,392
Reserves	307,445	307,445	-	307,445	-
Total Expenditures	465,543	647,249	414,183	233,066	731,736
Excess Revenues Over (Under) Expenditures	(314,988)	(294,988)	(19,790)	275,198	95,958
Other Financing Sources (Uses)					
Transfers Out	-	(20,000)	(20,000)	-	(17,943)
Net Change in Fund Balance	(314,988)	(314,988)	(39,790)	275,198	78,015
Fund Balance - Beginning	314,988	314,988	313,997	(991)	235,982
Fund Balance - Ending	$ -	$ -	$ 274,207	$ 274,207	$ 313,997

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

TOWN OF MANZANOLA, COLORADO

CONSERVATION TRUST FUND
SCHEDULE OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
For the Year Ended December 31, 2022
(With Comparative Totals for the Year Ended December 31, 2021)

	Original and Final Budget	Actual Amounts	Variance with Final Budget - Positive (Negative)	2021 Actual
Revenues				
Lottery	$ 4,000	$ 4,361	$ 361	$ 5,053
Expenditures				
Current				
Culture and Recreation	7,399	5,834	1,565	7,871
Net Change in Fund Balance	(3,399)	(1,473)	1,926	(2,818)
Fund Balance - Beginning	3,399	4,673	1,274	7,491
Fund Balance - Ending	$ -	$ 3,200	$ 3,200	$ 4,673

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

Note 1: Stewardship, Compliance and Accountability

Budgetary Information

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

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

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

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

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

The Town has amended its annual budget for the year ended December 31, 2022.

SUPPLEMENTARY INFORMATION

TOWN OF MANZANOLA, COLORADO

WATER FUND
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUNDS AVAILABLE - BUDGET AND ACTUAL (BUDGETARY BASIS)
For the Year Ended December 31, 2022
(With Comparative Totals for the Year Ended December 31, 2021)

	Original Budget	Final Budget	Actual Amounts	Variance with Final Budget - Positive (Negative)	2021 Actual
Revenues					
Water Sales	$ 115,000	$ 115,000	$ 117,197	$ 2,197	$ 111,733
Interest Income	180	180	65	(115)	90
Late Fees	-	-	6,962	6,962	6,324
Water Lease	5,500	5,500	4,000	(1,500)	4,000
Catlin Water Shares (16) Sold	-	33,345	27,968	(5,377)	-
Grant Revenues - Capital	-	-	5,000	5,000	-
Transfers In	-	20,000	20,000	-	-
Other	-	-	5,377	5,377	468
Total Revenues	120,680	174,025	186,569	12,544	122,615
Expenditures					
Salaries and Benefits	66,379	66,379	65,222	1,157	65,153
System Operations	40,700	40,700	29,257	11,443	24,225
Water Analysis	2,500	2,500	4,194	(1,694)	1,499
Commodities and Services	10,750	10,750	10,472	278	7,701
Insurance	9,200	9,200	7,888	1,312	8,026
Conduit	16,500	16,500	2,780	13,720	1,718
Capital Outlay	-	53,345	52,610	735	-
Water Project	-	-	-	-	7,000
Reserves	95,480	95,480	-	95,480	-
Total Expenditures	241,509	294,854	172,423	122,431	115,322
Excess Revenues Over (Under) Expenditures	(120,829)	(120,829)	14,146	134,975	7,293
Funds Available - Beginning	120,829	120,829	109,600	(11,229)	102,307
Funds Available - Ending	$ -	$ -	$ 123,746	$ 123,746	$ 109,600

Funds Available is Computed as Follows:

	2022	2021
Current Assets	$ 125,152	$ 110,584
Current Liabilities	(1,406)	(984)
	$ 123,746	$ 109,600

See the Independent Auditor's Report

TOWN OF MANZANOLA, COLORADO

SEWER FUND
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUNDS AVAILABLE - BUDGET AND ACTUAL (BUDGETARY BASIS)
For the Year Ended December 31, 2022
(With Comparative Totals for the Year Ended December 31, 2021)

	Original and Final Budget	Actual Amounts	Variance with Final Budget - Positive (Negative)	2021 Actual
Revenues				
Service Fees	$ 80,000	$ 84,534	$ 4,534	$ 82,459
Grant Revenues	1,052,407	52,406	(1,000,001)	461,115
Transfers In	-	-	-	17,943
Line of Credit - Sewer Lagoon	-	-	-	56,000
Other	-	-	-	2,000
Total Revenues	1,132,407	136,940	(995,467)	619,517
Expenditures				
Salaries and Benefits	35,885	30,613	5,272	33,860
System Operations	12,000	7,867	4,133	8,096
Commodities and Services	6,350	2,549	3,801	999
Insurance	8,233	7,888	345	8,026
Sewer Analysis	2,500	898	1,602	1,508
Capital Outlay	1,052,407	90,631	961,776	403,472
Debt Principal	-	-	-	56,000
Reserves	145,755	-	145,755	-
Total Expenditures	1,263,130	140,446	1,122,684	511,961
Excess Revenues Over (Under) Expenditures	(130,723)	(3,506)	127,217	107,556
Funds Available - Beginning	130,723	165,292	34,569	57,736
Funds Available - Ending	$ -	$ 161,786	$ 161,786	$ 165,292

Funds Available is Computed as Follows:		
Current Assets	$ 163,192	$ 479,555
Current Liabilities	(1,406)	(314,263)
	$ 161,786	$ 165,292

See the Independent Auditor's Report

TOWN OF MANZANOLA, COLORADO

WASTEWATER FUND
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUNDS AVAILABLE - BUDGET AND ACTUAL (BUDGETARY BASIS)
For the Year Ended December 31, 2022
(With Comparative Totals for the Year Ended December 31, 2021)

	Original and Final Budget	Actual Amounts	Variance with Final Budget - Positive (Negative)	2021 Actual
Revenues				
Service Fees	$ 11,475	$ 11,710	$ 235	$ 11,565
Expenditures				
Commodities and Services	50	50	-	50
Sewer Line Cleaning	6,000	5,240	760	-
Debt Principal	4,800	4,800	-	4,800
Reserves	40,143	-	40,143	-
Total Expenditures	50,993	10,090	40,903	4,850
Excess Revenues Over (Under) Expenditures	(39,518)	1,620	41,138	6,715
Funds Available - Beginning	39,518	42,373	2,855	35,658
Funds Available - Ending	$ -	$ 43,993	$ 43,993	$ 42,373
Funds Available is Computed as Follows:				
Current Assets		$ 43,993		$ 42,373
Current Liabilities		(4,800)		(4,800)
Add Current Portion of Long-Term Debt		4,800		4,800
		$ 43,993		$ 42,373

See the Independent Auditor's Report

Financial Planning 02/01
Form # 350-050-36

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

LOCAL HIGHWAY FINANCE REPORT	City or County:
	YEAR ENDING : December 31, 2022
This Information From The Records Of: Town of Manzanola, Otero County	Prepared By: Kris Baylor Phone: 719-462-5544

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

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

II. RECEIPTS FOR ROAD AND STREET PURPOSES

ITEM	AMOUNT
A. Receipts from local sources:	
1. Local highway-user taxes	
a. Motor Fuel (from Item I.A.5.)	
b. Motor Vehicle (from Item I.B.5.)	
c. Total (a.+b.)	
2. General fund appropriations	8,282
3. Other local imposts (from page 2)	6,021
4. Miscellaneous local receipts (from page 2)	4,154
5. Transfers from toll facilities	
6. Proceeds of sale of bonds and notes:	
a. Bonds - Original Issues	
b. Bonds - Refunding Issues	
c. Notes	
d. Total (a. + b. + c.)	0
7. Total (1 through 6)	18,457
B. Private Contributions	
C. Receipts from State government (from page 2)	15,264
D. Receipts from Federal Government (from page 2)	0
E. Total receipts (A.7 + B + C + D)	33,721

III. DISBURSEMENTS FOR ROAD AND STREET PURPOSES

ITEM	AMOUNT
A. Local highway disbursements:	
1. Capital outlay (from page 2)	0
2. Maintenance:	12,597
3. Road and street services:	
a. Traffic control operations	
b. Snow and ice removal	
c. Other street lights	9,499
d. Total (a. through c.)	9,499
4. General administration & miscellaneous	2,679
5. Highway law enforcement and safety	8,946
6. Total (1 through 5)	33,721
B. Debt service on local obligations:	
1. Bonds:	
a. Interest	
b. Redemption	
c. Total (a. + b.)	0
2. Notes:	
a. Interest	
b. Redemption	
c. Total (a. + b.)	0
3. Total (1.c + 2.c)	0
C. Payments to State for highways	
D. Payments to toll facilities	
E. Total disbursements (A.6 + B.3 + C + D)	33,721

IV. LOCAL HIGHWAY DEBT STATUS

(Show all entries at par)

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

V. LOCAL ROAD AND STREET FUND BALANCE

A. Beginning Balance	B. Total Receipts	C. Total Disbursements	D. Ending Balance	E. Reconciliation
	33,721	33,721		0

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	
b. Other local imposts:		b. Traffic Fines & Penalities	1,835
1. Sales Taxes	0	c. Parking Garage Fees	
2. Infrastructure & Impact Fees		d. Parking Meter Fees	
3. Liens		e. Sale of Surplus Property	
4. Licenses		f. Charges for Services	
5. Specific Ownership &/or Other	6,021	g. Other Misc. Receipts	
6. Total (1. through 5.)	6,021	h. Other: Road & Bridge	2,319
c. Total (a. + b.)	6,021	i. Total (a. through h.)	4,154
	(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	13,730	1. FHWA (from Item I.D.5.)	
2. State general funds		2. Other Federal agencies:	
3. Other State funds:		a. Forest Service	
a. State bond proceeds		b. FEMA	
b. Project Match		c. HUD	
c. Motor Vehicle Registrations	1,534	d. Federal Transit Admin	
d. Other (Specify) - DOLA Grant	0	e. U.S. Corps of Engineers	
e. Other (Specify) - CDOT Grant	0	f. Other Federal	
f. Total (a. through e.)	1,534	g. Total (a. through f.)	0
4. Total (1. + 2. + 3.f)	15,264	3. Total (1. + 2.g)	
			(Carry forward to page 1)

III. DISBURSEMENTS FOR ROAD AND STREET PURPOSES - DETAIL

	ON NATIONAL HIGHWAY SYSTEM (a)	OFF NATIONAL HIGHWAY SYSTEM (b)	TOTAL (c)
A.1. Capital outlay:			
a. Right-Of-Way Costs			0
b. Engineering Costs		88,633	88,633
c. Construction:			
(1). New Facilities			0
(2). Capacity Improvements			0
(3). System Preservation		454,219	454,219
(4). System Enhancement & Operation			0
(5). Total Construction (1) + (2) + (3) + (4)	0	454,219	454,219
d. Total Capital Outlay (Lines 1.a. + 1.b. + 1.c.5)	0	542,852	542,852
			(Carry forward to page 1)

Notes and Comments:

FORM FHWA-536 (Rev.1-05) PREVIOUS EDITIONS OBSOLETE

OTHER INFORMATION

TOWN OF MANZANOLA, COLORADO

SCHEDULES OF FUTURE DEBT SERVICE REQUIREMENTS
December 31, 2022

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

Year	Rate	Principal	Interest	Total
2023	-	$ 4,800	$ -	$ 4,800
2024	-	4,800	-	4,800
2025	-	4,800	-	4,800
2026	-	4,800	-	4,800
2027	-	4,800	-	4,800
2028	-	4,800	-	4,800
2029	-	2,400	-	2,400
		$ 31,200	$ -	$ 31,200

TOWN OF MANZANOLA, COLORADO

Summary of Assessed Valuation, Mill Levy and Property Taxes Collected December 31, 2022

Levy Year	Collection Year	Assessed Valuation	Mills Levied	Total Levy	Current Collection	Collection Rate
2010	2011	$ 813,313	26.990	$ 21,951	$ 21,260	96.85%
2011	2012	815,603	26.990	22,013	21,891	99.45%
2012	2013	846,985	26.990	22,860	22,354	97.79%
2013	2014	864,905	26.990	23,344	23,455	100.48%
2014	2015	874,821	26.990	23,611	23,716	100.44%
2015	2016	975,212	25.543	24,910	25,008	100.39%
2016	2017	986,814	26.632	26,281	26,167	99.57%
2017	2018	954,816	26.990	25,770	25,672	99.62%
2018	2019	978,283	26.990	26,404	26,251	99.42%
2019	2020	1,024,659	26.990	27,656	27,919	100.95%
2020	2021	1,053,746	26.990	28,440	28,406	99.88%
2021	2022	1,116,534	26.990	30,136	30,212	100.25%
Estimated for year ending December 31, 2023		$ 1,097,010	26.990	$ 29,609		

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

Source: Otero County Assessor and Treasurer

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